

---

Volume 5

Issue 2 Symposium: *The Worst Intellectual Property  
Opinion Ever Written*

Article 3

---

March 1998

# Sunbeam Products, Inc v. The West Bend Co.: Exposing the Malign Application of the Federal Dilution Statute to Product Configurations

Paul Heald

*University of Georgia School of Law*

Follow this and additional works at: <https://digitalcommons.law.uga.edu/jipl>



Part of the [Intellectual Property Law Commons](#)

---

## Recommended Citation

Paul Heald, *Sunbeam Products, Inc v. The West Bend Co.: Exposing the Malign Application of the Federal Dilution Statute to Product Configurations*, 5 J. INTELL. PROP. L. 415 (1998).

Available at: <https://digitalcommons.law.uga.edu/jipl/vol5/iss2/3>

This Article is brought to you for free and open access by Digital Commons @ Georgia Law. It has been accepted for inclusion in Journal of Intellectual Property Law by an authorized editor of Digital Commons @ Georgia Law. [Please share how you have benefited from this access](#) For more information, please contact [tstriepe@uga.edu](mailto:tstriepe@uga.edu).

# **SUNBEAM PRODUCTS, INC. V. THE WEST BEND CO.: EXPOSING THE MALIGN APPLICATION OF THE FEDERAL DILUTION STATUTE TO PRODUCT CONFIGURATIONS**

*Paul Heald\**

Some judicial opinions lack persuasive authority because they are poorly written.<sup>1</sup> Others establish dangerous precedent<sup>2</sup> or enshrine pernicious attitudes into law.<sup>3</sup> Still others twist the language of prior opinions or misuse legislative history. Although a focus on rhetorical structure, effect on society, or quality of legal reasoning is helpful in identifying what constitutes a very bad judicial opinion, this essay will instead expose the blander evils of indifference and inattentiveness. My “worst” opinion—*Sunbeam Products, Inc. v. The West Bend Co.*<sup>4</sup>—will not have a catastrophic effect on American life and culture, but rather provides an important illustration of how the broader cancer of over-expansive intellectual property rights gains a toe-hold in the law.

In *Sunbeam*, the court considered the allegation by Sunbeam Products that West Bend had wrongfully copied the design of its classic Mixmaster. Claiming very plausibly that its well-known design functioned as a trademark by identifying the source of the product to consumers, Sunbeam argued that West Bend’s similar product was likely to confuse consumers<sup>5</sup> and/or dilute<sup>6</sup> the

---

\* Professor of Law, University of Georgia. J.D., 1988, University of Chicago.

<sup>1</sup> See RICHARD WEISBERG, *POETHICS AND OTHER STRATEGIES OF LAW AND LITERATURE* 9 (1992) (arguing that the durability of a judicial opinion is directly related to how well it is written, concluding that “poor craftsmanship even on (the part of) the Supreme Court ultimately brings an opinion down”).

<sup>2</sup> See, e.g., *Scott v. Sandford*, 60 U.S. (19 How.) 393 (1856) (holding that African-Americans are not “persons” for the purposes of the Privileges and Immunities clause).

<sup>3</sup> See, e.g., *Plessy v. Ferguson*, 163 U.S. 537 (1896) (holding that segregation on the basis of race is not a per se violation of the 14th Amendment).

<sup>4</sup> 39 U.S.P.Q.2d 1545 (S.D. Miss. 1996), *aff’d* 123 F.3d 246, 44 U.S.P.Q.2d 1161 (5th Cir. 1997) (affirming injunction for trademark infringement against stand mixer on likelihood of confusion grounds only).

<sup>5</sup> See 15 U.S.C. § 1125(a)(1) (1994) (“Any person who . . . uses . . . any false designation of origin [which] is likely to cause confusion . . . as to the origin . . . of his or her goods . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.”).

distinctive qualities of its mark in violation of 15 U.S.C.A. § 1125. The court's thorough discussion of the likelihood of consumer confusion is relatively uncontroversial.<sup>7</sup> If the overall design of the mixer is non-functional, then Sunbeam is presumptively entitled to injunctive relief against appropriations of its design that are likely to confuse consumers. Unfortunately, after having determined that an injunction on likelihood of confusion grounds should issue,<sup>8</sup> the court's opinion took a dangerous turn.

In a terse section that cited no precedent, the court improperly construed the Federal Trademark Dilution Act, 15 U.S.C.A. § 1125(c), to protect the design of Sunbeam's product even in the absence of consumer confusion.<sup>9</sup> Although § 1125(c) clearly applies to protect famous word marks, it cannot be plausibly construed to protect product configurations that may function as trademarks. Like a potent new virus, *Sunbeam* is dangerous not only because of its ultimately unhealthy holding, but because of the unobtrusive and insidious manner in which it threatens to infect the corpus of intellectual property law. In the hope of provoking the development of a legal vaccine, this essay will consider, as the *Sunbeam* opinion fails to, the full implications of applying federal dilution law to protect product configurations.

## I. A BRIEF HISTORY OF DILUTION LAW

The importance of the cause of action for trademark dilution, as opposed to trademark infringement, is found in what the movant need not allege: the likelihood that consumers will be confused by the unauthorized use of the movant's trademark.<sup>10</sup> Although not inevitably successful, a suit for dilution is easier to prove than

---

<sup>6</sup> See 15 U.S.C. § 1125(c) (Supp. I 1995) ("The owner of a famous mark shall be entitled . . . to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.")

<sup>7</sup> See 39 U.S.P.Q.2d at 1552-54.

<sup>8</sup> *Id.* at 1556.

<sup>9</sup> *Id.* at 1555.

<sup>10</sup> See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25(1) (1995) ("One may be subject to liability under the law of trademarks for the use of a designation that resembles the trademark . . . without proof of a likelihood of confusion only under an applicable antidilution statute.")

infringement because the troublesome factual question of consumer confusion is not relevant. Interestingly, the genesis of the cause of action for dilution is easy to pinpoint. In 1927, Frank Schechter proposed that trademark law should be changed in order to protect against the “gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods.”<sup>11</sup> As the Restatement (Third) of Unfair Competition notes, Schechter’s novel proposal “required neither consumer confusion nor competition between the users’ goods or services.”<sup>12</sup> As early as 1947, states began to respond to Schechter’s suggestion, creating for the first time a statutory cause of action for the trademark owner who could not demonstrate that consumers were likely to be confused by the unauthorized use of its mark by a third party.<sup>13</sup> By 1995, twenty-five states had provided trademark owners with a cause of action for the dilution of their marks.<sup>14</sup>

In 1995, Congress responded to the growing patchwork quilt of state law and enacted the Federal Trademark Dilution Act.<sup>15</sup> In order to answer the critical question whether that statute applies to product configurations that function as trademarks, one must keep in mind several important aspects of dilution doctrine. First of all, the cause of action must be authorized by statute; dilution was never a common law doctrine.<sup>16</sup> Second, until the 1995 amendments to the Lanham Act, federal law had never provided trademark owners with protection from dilution.<sup>17</sup> Third, Schechter’s famous article never suggested that product configurations should be protected from dilution. Fourth, although several federal courts have assumed without discussion that a state supreme court

---

<sup>11</sup> Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927).

<sup>12</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25, cmt. b (1995).

<sup>13</sup> 1947 Mass. Acts 307. Massachusetts’ current statute, MASS. GEN. L. ch. 110B, § 12 (1990), is substantially similar.

<sup>14</sup> H.R. Rep. 374, 104th Cong. at 9 (1995), reprinted in 1996 U.S.C.C.A.N. 1029.

<sup>15</sup> See 15 U.S.C. 1125(c), *supra* note 6.

<sup>16</sup> See J. THOMAS MCCARTHY, 3 TRADEMARKS & UNFAIR COMPETITION § 24:13 n.3 (1997).

<sup>17</sup> See *R.G. Barry Corp. v. Mushroom Makers, Inc.*, 612 F.2d 651, 204 U.S.P.Q. (BNA) 521 (2d Cir. 1979).

would extend the dilution rationale to product packaging,<sup>18</sup> no state has construed its dilution statute to protect product configurations.<sup>19</sup> Finally, several courts have held outright that state dilution statutes only apply to word marks and not to product packaging or product shapes.<sup>20</sup>

This is the background against which Congress established a federal cause of action for dilution.

## II. THE NEW FEDERAL CAUSE OF ACTION FOR DILUTION

The question whether section 1125(c) protects product configurations is purely one of Congressional intent. This essay does not argue that the Constitution prevents Congress from protecting product configurations from dilution under its Commerce Clause power.<sup>21</sup> If Congress intended the phrase "famous mark" to include product configurations, then *Sunbeam* is rightly decided.

The best argument that Congress did, in fact, intend to establish a cause of action for the dilution of famous product configurations that function as trademarks is found in the generally broad definition afforded the term "trademark." The term, and its equivalent "mark,"<sup>22</sup> is defined to include "any word, name, symbol, or device"<sup>23</sup> and has been held to include product shapes, colors, scents, and sounds.<sup>24</sup> The initial presumption should be

<sup>18</sup> See *Coca-Cola Co. v. Alma-Leo U.S.A., Inc.*, 719 F. Supp. 725, 12 U.S.P.Q.2d (BNA) 1487 (N.D. Ill. 1989) (holding that plaintiff was entitled to injunction against imitation of shape of Coca-Cola bottle); *Soft Sheen Products, Inc. v. Revlon, Inc.*, 675 F. Supp. 408, 4 U.S.P.Q.2d (BNA) 1519 (N.D. Ill. 1987) (holding that injunction was appropriate where competitor's package infringed seller's package).

<sup>19</sup> I will avoid using the term "trade dress" in this essay. Trade dress is often used to describe both the package in which a product comes and the shape of the product itself. Since protecting product shapes under dilution law raises different issues than protecting product packaging, I will endeavor to keep my terminology clear at all times.

<sup>20</sup> See *Walt Disney Productions v. Air Pirates*, 581 F.2d 751, 199 U.S.P.Q. (BNA) 769 (9th Cir. 1978), cert. denied, 439 U.S. 1132 (1979) (cartoon characters not protected under California dilution statute); *Olay Co. v. Cocoacare Products Inc.*, 218 U.S.P.Q. (BNA) 1028 (S.D.N.Y. 1983) (New York dilution law does not apply to packaging);

<sup>21</sup> See Paul J. Heald, *The Vices of Originality*, 1991 SUP. CT. REV. 143, 168-75 (1991) (discussing Congress's power to enact trademark laws under the Commerce Clause).

<sup>22</sup> See 15 U.S.C. § 1127 (1994) (definition of "mark").

<sup>23</sup> *Id.*

<sup>24</sup> See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 34 U.S.P.Q.2d (BNA) 1161 (1995) (color of dry cleaner's press-pad subject to trademark protection).

that Congress intended “famous marks” in section 1125(c)<sup>25</sup> to include product shapes and configurations.

All other evidence, however, suggests that the new and highly non-traditional cause of action for the dilution of “famous marks” was not meant to encompass product shapes and configurations.

#### A. LEGISLATIVE HISTORY

As noted above, Congress was not writing on a blank slate when it enacted the federal dilution statute. The legislative history demonstrates its awareness of the existing twenty-five states that had already enacted dilution statutes.<sup>26</sup> It solved the problems caused by this crazy quilt of local law by enacting a unifying statute.<sup>27</sup> As noted above, no state ever applied its dilution statute to protect a product configuration. If Congress’s intent was merely to nationalize pre-existing dilution doctrine, then it is safe to assume that Congress did not intend product configurations to be protected.<sup>28</sup>

The extant express legislative history also provides no evidence that Congress intended to protect anything beyond word marks from dilution. The examples contained in the House Report are those typically offered by pro-dilution activists: Kodak Pianos, Buick Aspirin, Dupont shoes.<sup>29</sup> Given the absence of any express

---

<sup>25</sup> 15 U.S.C. § 1125(c) (Supp. I) (1995).

<sup>26</sup> See H.R. Rep. No. 374, 104th Cong., 1st sess. 104 (1995), reprinted in 1995 U.S.C.A.N. 1029 (“approximately 25 states have laws that prohibit trademark dilution”).

<sup>27</sup> See *id.* (“Court decisions have been inconsistent and some courts are reluctant to grant nationwide injunctions for violation of state law where half of the states have no dilution law. Protection for famous marks should not depend on whether the forum where the suit was filed has a dilution statute.”). See *Hyatt Corp. v. Hyatt Legal Services*, 618 F. Supp. 381 (N.D. Ill. 1985) (noting possible Commerce Clause problems with nationwide injunctions based on state law). See also Paul Heald, Comment, *Unfair Competition and Federal Law: Constitutional Restraints on the Scope of State Law*, 54 U. CHI. L. REV. 1411 (1987) (discussing problems of applying state law to multistate unfair competition claims).

<sup>28</sup> H.R. Rep. No. 374, 104, *supra* note 26 (“[T]he nature and extent of remedies against trademark dilution varies [sic] from state to state and, therefore, can provide unpredictable and inadequate results for the trademark owner. The federal remedy . . . will bring uniformity and consistency.”).

<sup>29</sup> *Id.* See also Stephen K. Marsh, Recent Development, *Patents are Forever: Construing the Federal Trademark Dilution Act to Apply to Product Configurations in Sunbeam Products, Inc. v. The West Bend Co.*, 4 J. INTEL. PROP. L. 412, 427-28 (1997) (discussing the application of the new trademark dilution statutes to product configuration).

suggestion in Schecter's famous article or the prior case law that product configurations would be protected, it is not surprising that the legislative history is silent on the issue.

## B. STATUTORY CONSTRUCTION

The best argument against extending federal dilution protection to product configurations is the sharp conflict such an interpretation would create with the federal patent law. Under normal canons of statutory construction, an interpretation that directly conflicts with existing federal law is disfavored.<sup>30</sup>

1. *Design Patents.* Federal law already provides an avenue by which the inventor of a pleasing product configuration may obtain protection from unauthorized copying even in the absence of consumer confusion. The Patent Act permits an inventor of a "new, original and ornamental design for an article of manufacture"<sup>31</sup> to apply for a design patent which is enforceable against all competitors for fourteen years.<sup>32</sup> The design, however, must be "non-obvious" in order to qualify.<sup>33</sup> This requirement prevents protection of a design which "as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."<sup>34</sup> The non-obviousness requirement is Congress's attempt to guarantee that the monopoly cost associated with a patent will be offset by the creation and eventual availability to the public of a significant advance over the prior art. The Act was intended to provide manufacturers such as Sunbeam the means to obtain a time-limited monopoly on their innovative industrial designs.

2. *Dilution/Patent Conflict: Evidence from Preemption Cases.* Given the expansive definition of "trademark" under both federal and state laws, it may seem somewhat curious that state dilution statutes have not been construed to protect product configurations

---

<sup>30</sup> Kohler Co. v. Moen Inc., 12 F.3d 632, 642, 29 U.S.P.Q.2d (BNA) 1241 (7th Cir. 1993) ("a Fundamental rule of statutory construction requires that statutes are to be construed, if possible, in harmony with . . . other applicable statutes").

<sup>31</sup> 35 U.S.C. § 171 (1994).

<sup>32</sup> See 35 U.S.C. § 173 (1994).

<sup>33</sup> 35 U.S.C. § 103(a) (Supp. I 1995), made applicable to design patents in 35 U.S.C. § 171.

<sup>34</sup> *Id.*

that function as trademarks. The best explanation lies not in an absence of will on the part of the states to protect product configurations from dilution, but rather in the certainty that any attempt would have been preempted by federal patent law. Most relevant to our purpose, the preemption rationale would be based on the direct conflict between an expansive interpretation of dilution statutes and federal patent law.

The key case is *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*<sup>35</sup> In *Bonito Boats*, the Court considered the constitutionality of a Florida statute that protected boat hulls from a very effective form of copying. The Florida law, which had been struck down by the Florida Supreme Court,<sup>36</sup> prohibited the unauthorized copying of boat hulls through any "direct molding process."<sup>37</sup> In a unanimous opinion, the Court held that the anti-molding law directly conflicted with the goals and objectives underlying the federal patent law.

The Court began its explanation of the conflict by setting forth the rationale that underlies the federal patent laws, emphasizing the "careful balance between the need to promote innovation and the recognition that imitation and refinement through imitation are both necessary to invention itself and the very lifeblood of a competitive economy."<sup>38</sup> The balance between the benefits of innovation and the monopoly costs imposed on the public when an inventor is granted an exclusive right in an article of manufacture is maintained in several ways. First, an inventor must apply for a patent soon after his invention is revealed.<sup>39</sup> On this point, the Court in *Bonito Boats* noted, "Once an inventor has decided to lift the veil of secrecy from his work, he must choose between the protection of a federal patent or dedication of his idea to the public

---

<sup>35</sup> 489 U.S. 141, 9 U.S.P.Q.2d 1847 (1989) (holding that Supremacy Clause preempted Florida statute that prohibited the unauthorized molding and copying of boat hulls). See generally Paul J. Heald, *Federal Intellectual Property Law and the Economics of Preemption*, 76 IOWA L. REV. 959 (1991) (arguing that the goal of federal patent law is to strike a balance between encouraging invention and imposing monopoly costs on consumers).

<sup>36</sup> 515 So.2d 220, 5 U.S.P.Q.2d 1124 (Fla. 1987), aff'd 489 U.S. 141 (1989).

<sup>37</sup> Fla. Stat. ch. 559.94 (1987) (repealed 1991).

<sup>38</sup> 489 U.S. at 146.

<sup>39</sup> See 35 U.S.C. § 102 (1994).



at large.<sup>40</sup> Second, once the patent term expires, the invention enters the public domain.<sup>41</sup> Third, the patent application is made public once the patent issues, thereby assuring that the public can learn from the innovation embodied in the invention.<sup>42</sup>

Most importantly, the novelty and non-obviousness requirements help maintain the balance between costs and benefits in two related ways. Requiring an invention to be both new and a significant leap over prior art “express[es] a congressional determination that the purposes behind the Patent Clause are best served by free competition and exploitation of either that which is already available to the public or that which may be readily discerned from publicly available material.”<sup>43</sup> Since public domain material may not be monopolized, inventors will only obtain exclusive rights under federal law when they advance their art in a previously unanticipated way, presumably to the benefit of the public. The Court found that the “federal patent system thus 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>44</sup>

The Court next examined whether the Florida statute directly conflicted with the patent laws. Under the Supremacy Clause, state laws that stand “as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress” are preempted.<sup>45</sup> In finding that the Florida molding statute posed a serious threat to the Patent Act, the Court emphasized that Florida provided expansive protection to a certain type of product configuration with no requirement of non-obviousness or novelty, no set time limit for protection, no eventual enlargement of the public domain, and no necessary disclosure that would enable the public

---

<sup>40</sup> 489 U.S. at 149. See also 35 U.S.C. § 102(b) (1994) (patent application must be filed within one year of first public use).

<sup>41</sup> *Id.* at 152 (“We have long held that after the expiration of a federal patent, the subject matter of the patent passes to the free use of the public as a matter of federal law.”).

<sup>42</sup> See *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 480-481, 181 U.S.P.Q. (BNA) 613 (1974) (discussing importance of the disclosure goals of federal patent law).

<sup>43</sup> *Bonito Boats*, 489 U.S. at 150.

<sup>44</sup> *Id.* at 150-51.

<sup>45</sup> *Gade v. National Solid Wastes Management Ass'n*, 505 U.S. 88, 98 (1992) (quoting *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941)).

to learn from the product—in other words, Florida made no attempt to guarantee a public benefit to offset the cost of granting exclusive rights.<sup>46</sup> The Court unanimously held that Florida's anti-molding statute upset the careful balance between costs and benefits struck by the Patent Act. The Florida law had all of the monopoly vices present in the federal patent law, but made no attempt to guarantee an offsetting public benefit.<sup>47</sup>

Importantly, the Court emphasized that not all state laws protecting product configurations were preempted. It noted that a product configuration that functioned as a trademark could be protected under a state law that required the owner prove a likelihood that consumers would be confused as to the source of the unauthorized copy.<sup>48</sup> In other words, federal patent law does not preempt traditional confusion-based trademark law causes of action: "States may place limited regulations on the circumstances in which such designs are used in order to prevent consumer confusion as to source."<sup>49</sup> The Court made this point clear in its express reaffirmance<sup>50</sup> of its prior holdings in *Sears, Roebuck & Co. v. Stiffel Co.*<sup>51</sup> and *Compco Corp. v. Day-Brite Lighting, Inc.*<sup>52</sup>

In *Sears*, the Court examined an interpretation of an Illinois unfair competition law that prohibited the slavish copying of a product configuration, specifically, a pole lamp.<sup>53</sup> Again, the Court held that a state law that established a cause of action for mere copying, requiring no further proof of any other element, directly conflicted with the goals and objectives of federal patent law.<sup>54</sup> Providing a scheme of protection for articles of manufacture is the province of Congress, not the states. The states' prerogative, at least as far as the protection of product configurations goes, is limited to protecting consumers and preventing the "misleading [of] purchasers as to the source of the goods."<sup>55</sup>

---

<sup>46</sup> See Heald, *supra* note 35, at 982-988.

<sup>47</sup> *Id.*

<sup>48</sup> 489 U.S. 141 at 154.

<sup>49</sup> *Id.* at 154.

<sup>50</sup> *Id.* at 157.

<sup>51</sup> 376 U.S. 225 (1964).

<sup>52</sup> 376 U.S. 234 (1964).

<sup>53</sup> 376 U.S. 225 (1964).

<sup>54</sup> *Id.*

<sup>55</sup> 376 U.S. at 232.

*Bonito Boats* and *Sears* leave little room to doubt that a state dilution statute applied to prohibit the slavish copying of a product configuration would be preempted. Both opinions emphasize that a state can provide protection under a likelihood of consumer confusion rationale, but as noted above,<sup>66</sup> dilution statutes do not require proof of likelihood of confusion. In fact, the absence of the requirement is their whole *raison d'être*. Like the laws at issue in *Bonito Boats* and *Sears*, dilution statutes, at least as applied to product configurations, are designed solely to protect manufacturers and insulate them from competition. Applying a dilution statute to a product configuration would, like the Florida anti-molding statute or the Illinois unfair competition law, result in patent-like protection with no attempt to guarantee that the cost of protection would be offset by some sort of public benefit.

The one opinion directly on point finds the absence of a confusion requirement deadly and concludes that a state dilution statute cannot be applied to protect industrial designs:

The New York dilution statute as applied to potentially patentable designs goes beyond the limited regulation permitted by *Bonito Boats* . . . Under the statute, plaintiffs attempt to enjoin defendants from making, using or selling bottle designs which allegedly mimic the Escada bottle design. . . . Were the statute to be so applied, a would-be inventor in New York would not have to meet the rigorous standards for obtaining a patent and his right to exclude copiers would not be confined to a design patent's 14 year limit.<sup>67</sup>

A state may not upset the balance of interests between consumer and manufacturer that Congress has so carefully weighed in the Patent Act by offering its own cut-rate protection for product configurations.

---

<sup>66</sup> See *supra* note 15 and accompanying text.

<sup>67</sup> *Escada AG v. The Limited, Inc.*, 810 F. Supp. 571, 574 (S.D.N.Y. 1993). See also *Reebok Int'l Ltd. v. K-mart Corp.*, 849 F. Supp. 252 (S.D.N.Y. 1994) (preempting application of state dilution statute to product configuration covered by federal design patent).

This sub-section must conclude by noting that Congress, of course, is not constrained by the Supremacy Clause in the same way that states are. Congress can, and sometimes does, tinker with the Patent Act and readjust the balance established therein. The question addressed in this paper is whether we should interpret the Federal Trademark Dilution Act as a *sub silentio* attempt to recraft the patent law balance. The preemption cases discussed above make it clear that dilution protection for product configurations presents a conflict with patent law. How should we resolve the conflict? Should a judge interpret the word "mark" in the dilution statute not to include product configurations or should she conclude that Congress intended to rework the nature of patent law by amending the trademark law? Additional help in answering this question can be gleaned from cases that discuss how the federal patent and trademark laws should be read together.

3. *Dilution/Patent Conflict: Evidence from Registration Cases.* The Supreme Court has not yet addressed a relevant question that is currently percolating in the lower federal courts. Can a product configuration be registered as a trademark in the Patent and Trademark Office? Several courts have answered yes,<sup>68</sup> although one could plausibly argue that by providing design patent protection for innovative product configurations for a limited fourteen-year term, Congress intentionally precluded the potentially eternal protection afforded by federal trademark law. These cases examine the conflict that could arise when a product configuration is potentially protected under both federal trademark law and federal patent law. Although most courts have concluded that trademark registration of product configurations does not create a conflict with patent law, the rationale of the decisions supports my thesis about dilution.

For example, in *Kohler Co. v. Moen Inc.*,<sup>69</sup> Kohler asked the Seventh Circuit to reverse the Patent and Trademark Office's ruling that Moen could register one of its faucet designs as a trademark. In upholding the PTO's position, the court discussed at

---

<sup>68</sup> See Application of Mogen David Wine Corp., 328 F.2d 925, 140 U.S.P.Q. (BNA) 575 (C.C.P.A. 1964) (holding bottle shape proper subject matter for trademark); *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 29 U.S.P.Q.2d 1241 (7th Cir. 1993) (holding shape of faucet may be registered as a trademark).

<sup>69</sup> 12 F.3d 632 (7th Cir. 1993).

length whether allowing a patentable product configuration to be registered as a trademark would create an irreconcilable conflict with federal design patent protection.<sup>60</sup> Recognizing that core principles of statutory interpretation required it to read patent and trademark laws together in such a way as to avoid conflict, the court seized upon the consumer confusion distinction made in the preemption cases discussed above. It held that merely allowing a product configuration to be registered as a trademark did not conflict with the goals of patent law because registration does not grant a trademark owner an exclusive right to manufacture and sell a product.<sup>61</sup>

In an insightful and critically important passage the court explained:

As we have noted, federal trademark protection for a product's configuration does not create a monopoly in the use of the product's shape. Moen is not "free from effective competition in the market for a popular brand of faucet." Dissent at 650. Moen simply has the right to preclude others from copying its trademarked product for the purpose of confusing the public as to its source. *Kohler is free to copy Moen's design so long as it insures that the public is not thereby deceived or confused into believing that its copy is a Moen faucet.*<sup>62</sup>

In other words, as long as federal trademark protection for product configurations is based on a consumer confusion rationale, no conflict is presented with federal patent law. This is consistent with the Supreme Court's insistence in *Bonito Boats* that state laws that protect the public from confusion and deception are not preempted, even when the trademarked subject matter is a potentially patentable product configuration.

*Kohler* and its progeny assume that Congress does not normally shoot itself in the foot when it enacts trademark laws. In the case

---

<sup>60</sup> *Id.* at 636-643.

<sup>61</sup> *Id.* at 637.

<sup>62</sup> *Id.* at 640 n.10 (emphasis added).

of product configurations, the one narrow area where patent protection and trademark protection potentially overlap, trademark law will not be read to provide patent-like rights to industrial designers.

4. *Conclusion.* The bottom line of *Kohler* and *Bonito Boats* is clear: Trademark law and patent law only collide when trademark law is construed to protect product configurations in the absence of consumer confusion. Interpreting the Federal Trademark Dilution Act to apply to product configurations, therefore, presents grave difficulties. The whole point of the Act is to do away with the requirement of proving likelihood of confusion. The serious conflicts identified in the preemption and registration cases will arise if the Act is construed to protect product configurations in the absence of confusion. The most sensible way to avoid the conflict is to narrow the interpretation of the word "mark" in 15 U.S.C. § 1125(c) to exclude product configurations. A broader interpretation conflicts with federal patent policy and would result in a bizarre, significant, back-handed, and almost undoubtedly unintentional amendment to federal patent law. When the key focus is Congressional intent, such an interpretation seems quite implausible.

### III. POLICY IMPLICATIONS

The court's opinion in *Sunbeam* does not even consider the existence of the conflict it produces. It blindly creates a new type of property right without even questioning whether this accords with Congressional intent. This lack of sensitivity to the costs associated with the creation of property rights and the interest of the public in a competitive marketplace and healthy public domain consigns *Sunbeam* to the top of my scrapheap of truly bad intellectual property decisions. On its face, it appears quite inoffensive, but the reality of its insensitivity to the public interest is truly disheartening.

What would be the cost of the widespread adoption of the rule created in *Sunbeam*? Higher prices, for certain. How come? Protecting a product configuration under the *Sunbeam* rationale looks much like the grant of exclusive rights afforded by design patent law. Just as if it had a patent, Sunbeam would obtain the absolute right to prevent competitors from copying its product

configuration. Although the monopoly conferred by a design patent is not nearly so powerful as that conferred by a utility patent, the grant of exclusive rights is nonetheless generally presumed to raise prices. In fact, patent law is constructed on the assumption that the value of the new creations stimulated by the possibility of earning a monopoly profit outweighs the short-term cost. As noted above, however, Congress seeks to assure this benefit by only granting monopoly rights to new and non-obvious inventions and by limiting the rights granted to a twenty-year term.

Unfortunately, the *Sunbeam* rationale provides patent-like protection, and therefore presumably imposes patent-like costs, with none of the assurances of public benefit contained in the patent law. The dilution statute does not require that the protected configuration be new or non-obvious, nor is protection limited by any limited time term. Given the care with which Congress has crafted the patent law, the assumption of the court in *Sunbeam* that Congress meant to establish a new and wildly different design patent regime by amending the trademark laws is simply not credible. As Justice Breyer noted in *Qualitex Co. v. Jacobson Products Co., Inc.*,<sup>63</sup> "It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs."<sup>64</sup>

The most outrageous feature of the opinion is the blindness with which the court buys *Sunbeam's* argument. It seems completely unaware of the impact of what it is doing. In a case where the public interest is at stake, a court must be particularly vigilant. Intellectual property cases usually involve two businesses represented by lawyers whose clients are mostly other businesses. Consumers are seldom, if ever, litigants. Their voice and their interests are sometimes obscured by the property-rights laden rhetoric of attorneys seeking to advance the anti-competitive interests of their clients. This is part of the explanation why professors of intellectual property law have been so active lately filing amicus briefs that emphasize the public interest at issue in

---

<sup>63</sup> 514 U.S. 159 (1995).

<sup>64</sup> *Id.* at 164.

high-profile litigation.<sup>65</sup> Courts need to be constantly aware, as the court in *Sunbeam* was not, that the creation of a property right always entails a public cost and that Congress may not have intended the public to bear the brunt of diminished competition.

#### IV. CONCLUSION

Perhaps the most important canon of statutory interpretation violated by the court in *Sunbeam* is that Congress is not foolish. Contrary to its unreasoned assumption, the Federal Trademark Dilution Act can be read in a way that does not conflict with the federal patent laws and interpreted so that it does not undermine the careful balance struck by Congress in the protection of industrial design. Given the history of the statute and the interpretive rationales provided by the long line of preemption and registration cases preceding it, the word "mark" in 15 U.S.C. § 1125(c) cannot possibly have been intended by Congress to include product configurations. If "mark" is construed as suggested herein, then the federal patent and trademark laws will continue to rest comfortably together, as Congress undoubtedly intended.

---

<sup>65</sup> See, e.g., *Lotus Development Corp. v. Borland Int'l*, 49 F.3d 807, 34 U.S.P.Q.2d 1014 (1st Cir. 1995) (in which no less than ten amicus briefs were filed).



