

# ARTICLE

## (DYS)FUNCTIONALITY

*Mark P. McKenna*\*

### TABLE OF CONTENTS

I. INTRODUCTION.....	823
II. MECHANICAL FUNCTIONALITY AND THE COMPETITIVE LANDSCAPE .....	824
A. <i>Pre-TraFFix Decisions and the Need to Copy</i> .....	825
B. <i>TraFFix and the Right to Copy</i> .....	827
1. <i>Essentiality and Alternative Designs</i> .....	832
2. <i>Essentiality vs. Arbitrary Flourish</i> .....	832
3. <i>Right to Copy vs. Need to Copy, Still</i> .....	833
C. <i>The Intractable Baseline Problem</i> .....	836
III. AESTHETIC FUNCTIONALITY .....	843
A. <i>Design Patents and the Competitive Landscape</i> .....	843
B. <i>Aesthetic Features and Competitive Need</i> .....	848
C. <i>Functional Use and the Duality Problem</i> .....	854
IV. CONCLUSION .....	858

### I. INTRODUCTION

The functionality doctrine serves a unique role in trademark law: unlike virtually every other doctrine, functionality can

---

\* Professor, Notre Dame Law School. Thanks to Stacey Dogan for helpful discussions of the ideas in this Article, and to Mark Lemley and the participants at the University of Houston Law Center's Institute for Intellectual Property & Information Law Summer Symposium in Santa Fe for their helpful feedback on an earlier draft. Thanks, finally, to Catherine Mitros for outstanding research assistance.

trump consumer confusion (or so it seems, at least in mechanical functionality cases). In this sense, functionality may be the only doctrine in trademark law that can truly be considered a defense. But despite its potential power, the functionality doctrine is quite inconsistently applied. This is true of mechanical functionality cases because courts differ over the extent to which the doctrine focuses on competitors' *right* to copy unpatented features as opposed to their *need* to copy.<sup>1</sup> And aesthetic functionality cases are even more scattered: some courts refuse to recognize the aesthetic functionality doctrine at all, and courts that do recognize it are often reluctant to actually find the features at issue functional, even when exclusive use of those features seems very likely to put competitors at a significant, non-reputation-related disadvantage.<sup>2</sup>

The problem is not simply that courts do not understand or do not like the functionality doctrine, though there is reason to believe both of those conclusions are warranted. It is instead that courts have fundamentally different views about the purposes of functionality. These differing views reflect a longstanding lack of consensus about trademark law's proper role in competition policy and equally longstanding, if unexamined, intuitions about the types of features that are competitively important. Put simply, trademark law lacks a sufficiently robust theory of legitimate competition against which particular actions can be judged "unfair." This Article uses functionality as a means of highlighting courts' lack of consensus about the relationship between trademark law and competition.

## II. MECHANICAL FUNCTIONALITY AND THE COMPETITIVE LANDSCAPE

Broadly speaking, courts have conceived of functionality in two different ways, at least in the context of utilitarian features: (1) as a mechanism for insuring access to competitively necessary product features; and (2) as a means of channeling protection of certain features exclusively to patent law. Functionality doctrine, however, has remained divided because courts have never been able to agree on the relative importance of the policy goals these

---

1. Compare *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1339 (C.C.P.A. 1982) ("[I]t is clear that courts in the past have considered the public policy involved in this area of law as, not the *right* to slavishly copy articles . . . but the *need* to copy those articles . . ."), with *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231 (1964) ("An unpatentable article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever chooses to do so.").

2. See *infra* Part III.B.

views reflect. The following sections delineate two distinct doctrinal approaches to functionality and link each of those approaches to historical antecedents. As these sections reveal, the fractured state of modern doctrine reflects deep and persistent disagreement about the level at which trademark law's relationship to competition should be worked out.

A. *Pre-TraFFix Decisions and the Need to Copy*

Prior to the Court's decision in *TraFFix Devices, Inc. v. Marketing Displays, Inc.*,<sup>3</sup> many courts viewed the functionality doctrine primarily as a means of preserving access to competitively necessary features. In *In re Morton-Norwich Products, Inc.*, for example, the Federal Circuit's predecessor famously explained that functionality refers to the utility of an object's design, which "is determined in light of 'utility,' which is determined in light of 'superiority of design,' and rests upon the foundation 'essential to effective competition.'"<sup>4</sup> Because, in that court's view, "the effect upon competition 'is really the crux of the matter'"<sup>5</sup> in functionality cases, the issue is "not the *right* to slavishly copy articles [that] are not protected by patent or copyright, but the *need* to copy those articles, which is more properly termed the right to compete *effectively*."<sup>6</sup> It is relevant to a determination of functionality under this approach that the utilitarian advantages of the claimed features were disclosed in an expired utility patent, but that fact is not dispositive.<sup>7</sup> Other relevant factors include: (1) whether the originator of the design touts the design's utilitarian advantages through advertising; (2) whether alternative designs are available; and (3) whether the design results from a comparatively simple or cheap method of manufacturing the article.<sup>8</sup>

This approach to functionality proved influential, both conceptually and doctrinally: many courts both accepted that

---

3. *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001).

4. *Morton-Norwich*, 671 F.2d at 1340 (quoting *Ives Labs., Inc. v. Darby Drug Co.*, 601 F.2d 631, 643 (2d Cir. 1979)).

5. *Id.* at 1341 (internal quotation marks omitted).

6. *Id.* at 1339.

7. *Id.* at 1340–41 (discussing the relevance of expired utility patents as evidence of the design's functionality); *see also* *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1362 (Fed. Cir. 1999) ("To be sure, statements in a patent may provide evidence that the asserted trade dress is functional, and thus not entitled to legal protection. But the fact that a patent has been acquired does not convert what otherwise would have been protected trade dress into nonprotected matter." (citations omitted)); *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 288 (7th Cir. 1998) ("[W]e find that there is no *per se* prohibition against features disclosed in a patent receiving trademark protection after the patent has expired.").

8. *Morton-Norwich*, 671 F.2d at 1341.

competitive need is really the “crux” of the matter and adopted the *Morton–Norwich* factors as the doctrinal framework for determining the functionality of particular features.<sup>9</sup> Indeed, by the time the Supreme Court resolved the “circuit split” regarding the evidentiary value of an expired utility patent in *TrafFix*,<sup>10</sup> at least three circuits had expressly signed on to *Morton–Norwich*,<sup>11</sup> and only one circuit had taken a different approach.<sup>12</sup>

9. See, e.g., *Fuji Kogyo Co. v. Pac. Bay Int'l, Inc.*, 461 F.3d 675, 685 (6th Cir. 2006) (affirming the district court's application of the *Morton–Norwich* factors); *Specialized Seating, Inc. v. Greenwich Indus., L.P.*, 472 F. Supp. 2d 999, 1011 (N.D. Ill. 2007) (describing the court's adoption of the *Morton–Norwich* test); *Dentsply Int'l, Inc. v. Kerr Mfg. Co.*, 732 F. Supp. 482, 486–87 (D. Del. 1990) (explaining that, while it had not explicitly adopted the *Morton–Norwich* test, the Third Circuit Court of Appeals had used the same framework to analyze functionality).

10. *TrafFix*, 532 U.S. at 29–30.

11. In addition to the Sixth Circuit, whose decision was on appeal to the Supreme Court in *TrafFix*, the Fifth and Seventh Circuits took approaches very similar to *Morton–Norwich*. See *Thomas & Betts Corp.*, 138 F.3d at 297 (“In this Circuit, a ‘feature is functional if it is one that is costly to design around or to do without, rather than one that is costly to have.’ The fact that the feature at issue serves some function is not enough; to be functional in the trade dress sense, the feature must be ‘necessary to afford a competitor the means to compete effectively.’” (citations omitted)); *Sunbeam Prods., Inc. v. W. Bend Co.*, 123 F.3d 246, 255 (5th Cir. 1997) (“The ultimate inquiry concerning functionality . . . is whether characterizing a feature or configuration as protected will hinder competition or impinge upon the rights of others to compete effectively in the sale of goods.” (quoting *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 429 (5th Cir. 1984)) (internal quotation marks omitted)); *Sno–Wizard Mfg., Inc. v. Eisemann Prods. Co.*, 791 F.2d 423, 426 n.3 (5th Cir. 1986) (explaining that *Morton–Norwich* provides the appropriate test of functionality). The Federal Circuit largely stayed true to *Morton–Norwich* in the years preceding *TrafFix*. See, e.g., *Midwest Indus.*, 175 F.3d at 1361–62 (noting that the Federal Circuit and its predecessor had “repeatedly held that the availability of trade dress protection does not depend on whether a patent has been obtained for the product or feature in question” and defining functionality, the sole mechanism for preventing trade dress from having “anti-competitive effects,” in terms of whether a feature “possesse[s] such utility that its protection would hinder competition”); *New England Butt Co. v. Int'l Trade Comm'n*, 756 F.2d 874, 879 (Fed. Cir. 1985) (relying on the *Morton–Norwich* factors, which “emphasize[ ] that functionality is to be determined in light of the competitive necessity to copy”); *In re Bose Corp.*, 772 F.2d 866, 872 (Fed. Cir. 1985) (“If the feature asserted to give a product distinctiveness is the best, or at least one, of a few superior designs for its *de facto* purpose, it follows that competition is hindered. *Morton–Norwich* does not rest on total elimination of competition in the goods.”); *In re R.M. Smith, Inc.*, 734 F.2d 1482, 1484 (Fed. Cir. 1984) (“[T]he reason the *de jure* functional rejection exists is, as stated in *Morton–Norwich*, because ‘[T]he public policy involved in this area of the law [is], not the *right* to slavishly copy articles which are not protected by patent or copyright, but the *need* to copy those articles, which is more properly termed the right to compete *effectively*.’” (second and third alterations in original) (quoting *Morton–Norwich*, 671 F.2d at 1339)). But the Federal Circuit did occasionally acknowledge that the functionality doctrine served a channeling function as well. See *Textron, Inc. v. U.S. Int'l Trade Comm'n*, 753 F.2d 1019, 1024 (Fed. Cir. 1985) (“The reason for the functionality limitation, as explained in the seminal *Morton–Norwich* case, is to protect the fundamental right to compete through imitation of a competitor's superior product, which right can only be *temporarily* denied by the patent or copyright laws.”).

12. *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1510 (10th Cir. 1995) (“We hold that where a disputed product configuration is part of a claim in a

### B. *TrafFix* and the Right to Copy

*TrafFix* was a response to the *Morton–Norwich* “need to copy” view of functionality. On the specific question presented, *TrafFix* held that an expired utility patent “has vital significance in resolving the trade dress claim” because a “utility patent is strong evidence that the features therein claimed are functional.”<sup>13</sup> Where the claimed features are unregistered, this “strong evidence of functionality . . . adds great weight to the statutory presumption that features are deemed functional until proved otherwise.”<sup>14</sup>

Important as that holding was, it really just reflected the Supreme Court’s view of the policies animating the functionality doctrine, which the Court believed the Sixth Circuit—and, by extension, all of the courts following the *Morton–Norwich* approach—misunderstood.<sup>15</sup> Functionality, according to the Supreme Court, is not simply about competitive need for product features; it is also, even primarily, intended to police the boundary between trademark and patent law by channeling

---

utility patent . . . patent law prevents its protection as trade dress, even if the configuration is nonfunctional.”). *Vornado* marked a different approach even for the Tenth Circuit, which had previously defined functionality in terms of competitive need. *See Hartford House, Ltd. v. Hallmark Cards, Inc.*, 846 F.2d 1268, 1273 (10th Cir. 1988) (citing with approval the district court’s statement that “[s]ince the effect upon competition is really the crux of the matter, it is of course significant that there are other alternatives available” (alteration in original) (quoting *Hartford House, Ltd. v. Hallmark Cards, Inc.*, 647 F. Supp. 1533, 1540 (D. Colo. 1986)) (internal quotation marks omitted)); *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 519 (10th Cir. 1987) (“[W]e adopt a test [of functionality] whose focus is the effect on competition.”). The *Vornado* opinion suggests that the court felt the need to alter its approach because of the Supreme Court’s intervening decision in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989). *See Vornado*, 58 F.3d at 1503 (“Subsequent to *Hartford* and *Brunswick*, the Supreme Court ruled in *Bonito Boats*, clarifying that patent law creates a federal right to copy and use product features that are in the public domain, whether under an expired patent or for lack of patentability in the first place.” (citation omitted)). But that cannot completely explain the Tenth Circuit’s change of course because, as the court admitted, the Supreme Court had also just decided *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159 (1995), and *Qualitex* defined functionality in terms of competitive need even while offering explanations of the functionality doctrine that sounded in both effect on competition and channeling terms. *Vornado*, 58 F.3d at 1507; *see also Qualitex*, 514 U.S. at 165 (“[I]n general terms, a product feature is functional,’ and cannot serve as a trademark, ‘if it is essential to the use or purpose of the article or if it affects the cost or quality of the article,’ that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.” (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982))).

13. *TrafFix*, 532 U.S. at 29.

14. *Id.* at 29–30.

15. *See id.* at 32 (“In finding for MDI on the trade dress issue the Court of Appeals gave insufficient recognition to the importance of the expired utility patents, and their evidentiary significance, in establishing the functionality of the device. The error likely was caused by its misinterpretation of trade dress principles in other respects.”).

protection of useful product features exclusively to the patent system.<sup>16</sup>

Patent law strikes a careful bargain: it offers very strong protection, even against those who have invented independently,<sup>17</sup> but that protection is available only for new, useful, and nonobvious inventions that are adequately disclosed in the patent application.<sup>18</sup> Patent protection is also relatively short in duration—for most inventions, lasting only twenty years from the date of application.<sup>19</sup> The functionality doctrine, according to *TrafFix*, aims to protect the integrity of that bargain by preventing parties from using trademark law to evade patent law's limitations and to acquire exclusive rights of potentially unlimited duration in unpatented or formerly patented features.<sup>20</sup> Given this view of functionality, the Court's focus on the content of an expired patent's claims was not surprising, since the conflict with patent law is most acute when the features at issue have already benefitted from patent protection: "Where the expired patent *claimed* the features in question, one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional, for instance, by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device."<sup>21</sup>

The *TrafFix* approach, and specifically its emphasis on expired utility patents, is importantly different from an approach focused on competitive need because many features will be deemed functional under *TrafFix* even though the particular defendant before the court does not need access to those features to compete effectively.<sup>22</sup> As the modern consensus that patents

---

16. See *id.* at 29 (explaining the benefits of trade dress protection in relation to the influences of a competitive economy).

17. In fact, the vast majority of patent defendants seem to be independent inventors because few cases involve evidence of copying. See Christopher A. Cotropia & Mark A. Lemley, *Copying in Patent Law*, 87 N.C. L. REV. 1421, 1424 (2009) (finding references to allegations of copying in only 129 of 1,871 (6.89%) published patent decisions included within the authors' study).

18. 35 U.S.C. §§ 101–103, 112 (2006).

19. 35 U.S.C. § 154(a)(2) (2006).

20. See *TrafFix*, 532 U.S. at 29, 34–35 (cautioning against misuse or overextension of trade dress protection, in light of patent law's limitations); cf. Herbert Hovenkamp, *Innovation and the Domain of Competition Policy*, 60 ALA. L. REV. 103, 128 n.113 (2008) (describing the Court's holding in *TrafFix* as denying trade dress protection when it was clear from the existence of a prior utility patent that the device for which the patentee was claiming protection had "a utility function, whose patent had expired; in sum rejecting an attempt to lengthen the term of a patent by turning it into a trade dress claim").

21. See *TrafFix*, 532 U.S. at 30 (emphasis added).

22. Cf. *Am. Safety Table Co. v. Schreiber*, 269 F.2d 255, 271–72 (2d Cir. 1959) ("In approaching the question of whether Schreiber & Goldberg's copying of the Amco machine

cannot be presumed to confer market power attests,<sup>23</sup> many patented features are *not* competitively necessary—alternative designs are frequently available. Indeed, the facts of *TrafFix* are illustrative here. The Sixth Circuit had held that the dual-spring design was not competitively necessary because it took “little imagination to conceive of a hidden dual-spring mechanism or a tri[-] or quad-spring mechanism,” and those noninfringing alternatives would not have been significantly more expensive to produce.<sup>24</sup> Hence, while exclusive use of the dual-spring design might have hindered competition *somewhat*, the disadvantage was not *significant*, and the design was therefore not functional.<sup>25</sup>

The Sixth Circuit was wrong, according to the Supreme Court, because it “seemed to interpret [language from *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*<sup>26</sup> and *Qualitex Co. v. Jacobson Products Co.*<sup>27</sup>] to mean that a necessary test for functionality is ‘whether the particular product configuration is a competitive necessity,’” and that was “incorrect as a comprehensive definition.”<sup>28</sup> Restating the “traditional” test of functionality from *Inwood*, the Court noted that a feature is “also functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device.”<sup>29</sup> And

---

is actionable, it must be remembered that the interests and equities of the litigants at bar are not the only ones which must be considered. Indeed, the underlying principles of our competitive economy and the desirability of passing on to the American public the advances of technical progress not only are entitled to consideration, in fact they dominate the picture . . . [I]mitation is the life blood of competition. It is the unimpeded availability of substantially equivalent units that permits the normal operation of supply and demand to yield the fair price society must pay for a given commodity.”)

23. See *Ill. Tool Works Inc. v. Indep. Ink, Inc.*, 547 U.S. 28, 45–46 (2006) (eliminating the presumption of market power that had been attributed to the tying product in an antitrust case where the tying product was patented). *Illinois Tool Works* reflected the clear weight of scholarly opinion. See *id.* at 44 (“[T]he vast majority of academic literature recognizes that a patent does not necessarily confer market power.”).

24. *TrafFix*, 532 U.S. at 27; see also *Mktg. Displays, Inc. v. TrafFix Devices, Inc.*, 971 F. Supp. 262, 281 n.6 (E.D. Mich. 1997) (discussing the court’s finding that some competitors’ signs are less expensive).

25. *TrafFix*, 532 U.S. at 27–28. According to the Sixth Circuit, it was not enough that “allowing exclusive use of a particular feature such as the dual-spring design in the guise of trade dress would ‘hinde[r] competition somewhat’” if the disadvantage was not *significant*. *Id.* (alteration in original) (quoting *Mktg. Displays, Inc. v. TrafFix Devices, Inc.*, 200 F.3d 929, 940 (6th Cir. 1999)).

26. *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982) (“In general terms, a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.”).

27. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995) (quoting *Inwood* and referring to a functional feature as one the “exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage”).

28. *TrafFix*, 532 U.S. at 32–33 (quoting *TrafFix*, 200 F.3d at 940).

29. *Id.* at 33.

significantly, when a feature is functional under this “traditional” definition, “there is no need to proceed further to consider if there is a competitive necessity for the feature.”<sup>30</sup> For the Supreme Court, the fact that “the dual-spring design provide[d] a unique and useful mechanism to resist the force of the wind” established its functionality because the design was essential to the use or purpose of the article and/or affected its quality.<sup>31</sup> Thus, “[t]here [was] no need . . . to engage, as did the [Sixth Circuit], in speculation about other design possibilities.”<sup>32</sup> Functionality was established under the traditional test without reference to competitive need, and having been established, competitors were not required to explore alternative designs *even though alternative designs were readily available*. This view of functionality is grounded in a belief that only patent law can abrogate the *right* to copy features within the scope of patentable subject matter, and it stands in opposition to the *Morton–Norwich* view that the effect on competition is “the crux of the matter.”

The Court’s de-emphasis of competitive need in *TrafFix* was also practically important. To the extent functionality is determined by competitive need, courts will have to engage in some form of market definition since the question of whether exclusive use of a feature would put competitors at a non-reputation-related disadvantage depends entirely on the nature of the market in which the parties compete. This is a problem because courts have never been able to develop a methodology for defining relevant markets in functionality cases—or in any intellectual property context, for that matter.<sup>33</sup> *Dippin’ Dots, Inc. v. Frosty Bites Distribution, Inc.* is representative here.<sup>34</sup> In that case, plaintiff Dippin’ Dots argued that the color, shape, and size of its flash-frozen ice cream beads were nonfunctional because Frosty Bites “could still compete in the ice cream market by producing, e.g., soft-serve ice cream, which would not have many of the same functional elements as dippin’ dots [sic] and thus would not infringe upon DDI’s product

---

30. *Id.* (“[By contrast], [i]t is proper to inquire into a significant non-reputation-related disadvantage in cases of [a]esthetic functionality, the question involved in *Qualitex*.” (internal quotation marks omitted)).

31. *Id.* at 33–34.

32. *Id.* at 33.

33. See Mark A. Lemley & Mark P. McKenna, *Is Pepsi Really a Substitute for Coke? Market Definition in Antitrust and IP*, 100 GEO. L.J. (forthcoming 2012) (describing courts’ lack of methodology for defining markets in a variety of IP contexts).

34. See *Dippin’ Dots, Inc. v. Frosty Bites Distribution, LLC*, 369 F.3d 1197, 1203 n.7 (11th Cir. 2004) (finding flash-frozen ice cream to be a different market than traditional ice cream).

trade dress.”<sup>35</sup> The court found that argument “unavailing” because, as it noted, Frosty Bites “[did] not want to compete in the ice cream business; it want[ed] to compete in the flash-frozen ice cream business, which is [ ] a different market from more traditional forms of ice cream.”<sup>36</sup> Having determined that the market for flash-frozen ice cream was the relevant market, it seemed obvious to the court that exclusive use of the particular colors, shape, and size of Dippin’ Dots’ ice cream beads would put Frosty Bites at a significant competitive disadvantage.<sup>37</sup> One simply cannot make flash-frozen ice cream that looks significantly different from Dippin’ Dots. But that only begs the question: how

---

35. *Id.* Specifically, the plaintiff argued those features were not aesthetically functional. *Id.* As I discuss below, courts universally have accepted that competitive need is the only relevant consideration in aesthetic functionality cases, so this concern about market definition is particularly pronounced in those cases. *See infra* Part III.A.

36. *See Dippin’ Dots*, 369 F.3d at 1203 n.7 (citing 3 LOUIS ALTMAN & MALLA POLLACK, CALLMANN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 19:7, at 19-79 (4th ed. 2003) (“[F]unctionality . . . is not to be determined within the broad compass of different but interchangeable products; the doctrine of functionality is intended to preserve competition within the narrow bounds of each *individual* product market.”)).

37. Justice Breyer had a similar intuition about relevant markets in the oral argument for *American Needle, Inc. v. National Football League*. Transcript of Oral Argument at 17, *Am. Needle, Inc. v. Nat’l Football League*, 130 S. Ct. 2201 (2010) (No. 08-661), available at [http://www.supremecourt.gov/oral\\_arguments/argument\\_transcripts/08-661.pdf](http://www.supremecourt.gov/oral_arguments/argument_transcripts/08-661.pdf). The issue in that case was whether the National Football League should be regarded as a single entity for purposes of licensing merchandise or whether each of the thirty-two individual teams act independently in that capacity. *Am. Needle*, 130 S. Ct. at 2208; Transcript of Oral Argument, *supra*, at 12. During the oral argument, Justice Breyer inquired about the possibility of competition between merchandise of different teams (as opposed to competition between different providers of merchandise of the same team), leading to the following exchange:

JUSTICE BREYER: You want the Red Sox to compete in selling T-shirts with the Yankees; is that right?

MR. NAGER: The ability to compete. Yes.

JUSTICE BREYER: Yes. Okay. I don’t know a Red Sox fan who would take a Yankees sweatshirt if you gave it away.

(Laughter.)

JUSTICE BREYER: I mean, I don’t know where you’re going to get your expert from that is going to say there is competition —

MR. NAGER: Well —

JUSTICE [BREYER]: — between those two products. I think they would rather — they would rather wear a baseball, a football, a hockey shirt.

Transcript of Oral Argument, *supra*, at 17. Justice Breyer’s intuition was that the markets for Red Sox and Yankees merchandise are discrete, such that exclusive control over Red Sox merchandise gives one meaningful control over a relevant market: Red Sox fans do not want Yankees caps, and no discounting of the price will be sufficient to get them to switch. This is an intuition I tend to share, though if the intuition were correct, logos would have to be considered functional in trademark cases, a result that has not been forthcoming. The point here is that courts have resisted that conclusion, not because they have taken evidence on the proper market definition, but because they do not like the results that would follow.

do we know that the market for flash-frozen ice cream is a discrete one, distinct from the market for other types of ice cream? The court's conclusion on this score may well have been correct, but the court arrived at that conclusion entirely by intuition. The opinion offers no methodology for defining relevant markets generally. This kind of gap is a serious problem for a doctrine that purports to determine protectability by reference to competitive need.

1. *Essentiality and Alternative Designs.* Despite the Supreme Court's rejection of the *Morton–Norwich* conception of functionality, the language of functionality the Court developed in *Inwood* and embraced again in *TrafFix* has proven insufficiently constraining for courts that continue to insist that functionality is essentially about the effect on competition. Courts convinced of that understanding have seized on ambiguity about what it means for a feature to be “essential to the use or purpose of the article.”<sup>38</sup> In *Valu Engineering, Inc. v. Rexnord Corp.*, for example, the Federal Circuit reiterated its view that the effect on competition is “the crux” of functionality and claimed that the Supreme Court's decision in *TrafFix* did not change the law of functionality or alter the *Morton–Norwich* analysis.<sup>39</sup> Specifically, the Federal Circuit claimed that alternative design possibilities remain relevant to functionality because courts can only determine whether a feature is “essential to the use or purpose of the article”<sup>40</sup> by considering the availability of alternatives. In the Federal Circuit's view, essentiality is a relative issue: features are essential when there are no good alternatives.

2. *Essentiality vs. Arbitrary Flourish.* In *Eppendorf–Netheler–Hinz GMBH v. Ritter GMBH*, by contrast, the Fifth Circuit acknowledged that *TrafFix* required it to abandon its prior “utilitarian test” of functionality, under which “[t]he ultimate inquiry concerning functionality . . . [was] whether characterizing a feature or configuration as protected ‘[would] hinder competition or impinge upon the rights of others to compete effectively in the sale of goods.’”<sup>41</sup> After *TrafFix*, the Fifth Circuit

---

38. *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32 (2001).

39. *Valu Eng'g, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1276–77 (Fed. Cir. 2002) (“We do not understand the Supreme Court's decision in *TrafFix* to have altered the *Morton–Norwich* analysis.”); see also *id.* (“We find it significant that neither party argues that *TrafFix* changed the law of functionality . . .”).

40. *Id.* at 1275.

41. *Eppendorf–Netheler–Hinz GMBH v. Ritter GMBH*, 289 F.3d 351, 356 (5th Cir. 2002) (first alteration in original) (quoting *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d

noted, competitive need was no longer central to functionality.<sup>42</sup> As a result, and in specific contrast to *Valu Engineering*, the Fifth Circuit evaluated the functionality of Eppendorf's design in abstract feature space, without reference to alternative designs. It was undisputed, the court noted, that the features for which Eppendorf sought protection<sup>43</sup> each played a role in the function of its products.<sup>44</sup> Those features, then, were not arbitrary flourishes, and it did not matter that Eppendorf could have changed their appearance (for example, by altering the number of fins) without affecting their function.<sup>45</sup> For the Fifth Circuit, "essential to the use or purpose" is simply the opposite of "arbitrary flourish": features are "essential to the use or purpose" of an article when they play some role in the article's function and are not arbitrary or incidental flourishes.<sup>46</sup> Essentiality is not relative, so alternative designs are irrelevant.<sup>47</sup>

3. *Right to Copy vs. Need to Copy, Still. Valu Engineering and Eppendorf* weighed alternative designs differently because the courts that decided those cases had fundamentally different

---

417, 429 (5th Cir. 1984)) (internal quotation marks omitted). According to the court, the "utilitarian test" is still valid as a secondary test, but it "is not a comprehensive definition of functionality." *Id.*

42. *Id.*

43. *Id.* at 357–58. Eppendorf contended that Ritter infringed upon eight elements of Eppendorf's disposable pipette tips:

(1) the flange on top of the tip; (2) the fins connecting the flange to the body of the tip; (3) the plunger head; (4) the plunger; (5) the length of the tips; (6) the eight sizes of the tips; (7) the coloring scheme on the tips; and (8) the angle of the stump on the tips.

*Id.* at 354.

44. *Id.* at 358. The court reasoned:

It is undisputed that: (1) The flange is necessary to connect the Combitip to the dispenser syringe; (2) The rings on the plunger head are necessary to lock the plunger into a cylinder in the dispenser syringe; (3) The plunger is necessary to push liquids out of the tip, and the ribs on the plunger stabilize its action; (4) The tips at the lower end of the Combitips are designed to easily fit into test tubes and other receptacles; (5) The size of the Combitip determines the dispensed volume, and size is essential to accurate and efficient dispensing; (6) The color scheme used on the Combitip—clear plastic with black lettering—enables the user easily to see and measure the amount of liquid in the Combitip, and black is standard in the medical industry; and (7) The stumps of the larger Combitips must be angled to separate air bubbles from the liquid and ensure that the full volume of liquid is dispensed.

*Id.*

45. *Id.*

46. *Id.* at 355, 357.

47. *Id.* at 358 ("Although alternative designs are relevant to the utilitarian test of functionality, alternative designs are not germane to the traditional test for functionality. Each of the eight design elements identified by Eppendorf is essential to the use or purpose of the Combitips, and [are] not arbitrary or ornamental features.").

understandings of the policies underlying functionality, and particularly of the extent to which *TrafFix* resolved the question. The Federal Circuit continues to focus on alternative designs as evidence of competitive need because it does not believe there is anything inherently problematic about trademark rights attaching to features that might be the subject of patent protection. For the Federal Circuit, features that signify source should be protected by trademark law unless exclusive use of those features would impose particular harm on competitors. The prospect of trademark rights attaching to features that once were the subject of a utility patent, or that are patentable subject matter but ineligible for patent protection, is of no particular concern.

The Fifth Circuit reads *TrafFix* as an attempt to deemphasize competitive need in favor of a default principle under which features that play a role in the article's utilitarian performance are ineligible for trademark protection. On this view, functionality is a structural issue: features that are within the subject matter of patent law are, for that reason alone, *illegitimate* subjects of trademark law. These features fall outside of trademark law's reach not because of the consequences of trademark protection for particular competitors, but to preserve the broader structure of the intellectual property system. Specifically, the Fifth Circuit's view treats freedom to copy as the background legal rule to which patent law operates as a carefully circumscribed exception.<sup>48</sup>

In my view, the Fifth Circuit's view of functionality as a channeling doctrine is much more faithful to the Supreme Court's decision in *TrafFix*, both doctrinally and conceptually. Indeed, the Fifth Circuit's analysis of the features of Eppendorf's pipette tips mirrors the Court's evaluation of MDI's dual-spring design in *TrafFix*. The Court found MDI's dual-spring design functional despite evidence that alternative designs were available and only marginally more expensive.<sup>49</sup> The dual-spring

---

48. See *id.* at 355 ("Trade dress protection, however, is not intended to create patent-like rights in innovative aspects of product design. Trade dress protection, unlike patent law, does not foster innovation by preventing reverse engineering or copying of innovative product design features."); see also *id.* ("Trade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products." (citation omitted) (internal quotation marks omitted)); *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 548 (5th Cir. 1998) ("[T]he functionality doctrine prevents trademark law from inhibiting legitimate competition by protecting useful product features, which is the province of patent law."), *abrogated on other grounds by TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001).

49. *TrafFix*, 532 U.S. at 26–28, 32.

design was essential to the use or purpose of MDI's sign stands, and that design was therefore functional irrespective of alternative design possibilities.<sup>50</sup> The Court never specified what it meant for a feature to be "essential to the use or purpose" of a device, but it gave a significant clue when it dismissed the need to consider alternative designs: "[T]he functionality of the spring design means that competitors need not explore whether other spring juxtapositions might be used. The dual-spring design is *not an arbitrary flourish* in the configuration of MDI's product; it is the reason the device works. Other designs need not be attempted."<sup>51</sup> The Court struck a similar chord when it explained the circumstances under which features disclosed in a patent might nevertheless not be considered functional:

In a case where a manufacturer seeks to protect arbitrary, incidental, or ornamental aspects of features of a product found in the patent claims, such as arbitrary curves in the legs or an ornamental pattern painted on the springs, a different result might obtain. There the manufacturer could perhaps prove that those aspects do not serve a purpose within the terms of the utility patent.<sup>52</sup>

Product features, under this view, are functional when they are essential to the use or purpose of an article. Whether a feature is essential can be determined without reference to alternative designs because essentiality entails only that the feature plays a role in making *the plaintiff's* product work. Because features that are "ornamental, incidental, or arbitrary" do not play a role in making the product work, those features are not "essential" to the use or purpose of an article. Expired utility patents are particularly probative evidence because features that were disclosed in a utility patent—and particularly those that were claimed—generally are not merely "ornamental, incidental, or arbitrary."<sup>53</sup>

---

50. *Id.* at 30 ("[T]he dual-spring design is the essential feature of the trade dress MDI now seeks to establish and to protect.").

51. *Id.* at 33–34 (emphasis added).

52. *Id.* at 34. This conclusion did not depend simply on the fact that the dual-spring design was formerly the subject of a utility patent, as the Court went on to say that "[w]hether a utility patent has expired or there has been no utility patent at all, a product design which has a particular appearance may be functional because it is 'essential to the use or purpose of the article' or 'affects the cost or quality of the article.'" *Id.* at 35 (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982)).

53. Expired utility patents are not dispositive, however, precisely because features disclosed in patents *can* be "arbitrary, incidental, or ornamental," even if only rarely. *See id.* at 34 (declaring that a court may aid its finding by "going beyond the claims" themselves when determining whether features included in an expired utility patent are functional).

This understanding of functionality works from a premise that patent law operates as a carefully circumscribed exception to a general rule of free copying. On this view, the functionality doctrine is not primarily concerned with the competitive position of the parties in a particular case; it does not matter, for example, whether exclusive use of a feature (or set of features) would put a particular defendant at a competitive disadvantage.<sup>54</sup> This is not to say that functionality is unconcerned with promoting competition; it is instead to say that, in the Supreme Court's view, patent law's limits embed policy choices about competition values at a structural level, and trademark law should reinforce those policy choices by refusing trademark protection to useful product features. Put differently, patent law operates on a background rule of free copying, and exceptions to that rule must be had through the patent system, at least for features that might be the subject of patent law. Hence, the fact that a feature was formerly the subject of patent law is of "vital significance."<sup>55</sup>

### C. *The Intractable Baseline Problem*

Courts' persistent disagreement about the level at which competition values should be incorporated—specifically, about whether to defer to the structural determinations made by the patent laws or to make judgments about the effects on competition on a case-by-case basis—should be no real surprise because that disagreement has very long roots. In fact, both the "right to copy" and "need to copy" views have old antecedents.

On the "right to copy" side are cases like *Flagg Manufacturing Co. v. Holway*, in which the plaintiff sought to restrain the defendant from selling zithers whose design imitated its own.<sup>56</sup> Despite finding that the defendant had "deliberately copied the plaintiff's instrument in all essential and many non[-]essential details," the court rejected the plaintiff's claim, implicitly rejecting the notion that trademark law would ever protect the shape or design of a product.<sup>57</sup> Because the plaintiff's zithers were not patented, the court noted:

[T]he defendant ha[d] the same right that the plaintiff ha[d] to manufacture instruments in the present form, to imitate

---

54. *Id.* at 33.

55. *Id.* at 29–30; *cf.* Eppendorf–Netheler–Hinz GMBH v. Ritter, 289 F.3d 351, 356 & n.4 (5th Cir. 2002) ("A product feature that satisfies the traditional definition of functionality is not shielded from functional status merely because the feature is not a competitive necessity.").

56. *Flagg Mfg. Co. v. Holway*, 59 N.E. 667, 667 (Mass. 1901).

57. *Id.*

the arrangement of the plaintiff's strings or the shape of the body. In the absence of a patent the freedom of manufacture cannot be cut down under the name of preventing unfair competition. All that can be asked is that precautions shall be taken, so far as are consistent with the defendant's fundamental right to make and sell what it chooses, to prevent the deception which no doubt it desires to practice.<sup>58</sup>

Competitors, in other words, have a right to share in the benefit of consumer desire for objects in a particular form, even if the plaintiff created the desire for that form.<sup>59</sup> A court therefore cannot restrain even exact copying of unpatented articles; it can only require some form of labeling as a means of making clear the actual source of a particular article.

Similarly, the court in *Crescent Tool Co. v. Kilborn & Bishop Co.* expressly allowed the defendant to "copy the plaintiff's [adjustable wrench] slavishly down to the minutest detail" on the ground that no one was entitled to "monopolize any [unpatented] design or pattern, however trifling."<sup>60</sup> To prevent the defendant from "represent[ing] himself as the plaintiff" in the sale of the defendant's wrenches, however, the court suggested that labeling would be appropriate.<sup>61</sup> *Crescent Tool Co.* echoes *Singer Manufacturing Co. v. June Manufacturing Co.*<sup>62</sup> and *Kellogg Co. v. National Biscuit Co.*,<sup>63</sup> both of which refused protection for the design of formerly patented articles (or, in *Kellogg*, the product of a formerly patented process), even though the shape or design of those articles had become associated with a single source.<sup>64</sup>

---

58. *Id.* (citations omitted).

59. *Id.* ("The only thing [the defendant] has not the right to steal is the good will attaching to the plaintiff's personality, the benefit of the public's desire to have goods made by the plaintiff.").

60. *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 300–01 (2d Cir. 1917).

61. *See id.* ("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."). At times, Judge Hand also seemed to suggest even the limited remedy of labeling would only be required with respect to nonfunctional features by which the article's source is distinguished, and where "the public is moved in any degree to buy the [plaintiff's] article because of its source." *Id.* at 300.

62. 163 U.S. 169 (1896).

63. 305 U.S. 111 (1938).

64. *See id.* at 117–18 (refusing to find that the words "Shredded Wheat" had acquired secondary meaning when consumers associated the words with a particular product as opposed to a particular producer); *Singer*, 163 U.S. at 183, 185 (1896) (allowing the defendant to produce sewing machines with similar designs as the plaintiff, even though consumers had come to associate the design with the plaintiff's company, because the protecting patent had expired); *Crescent Tool Co.*, 247 F. at 300–01 ("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.").

*Singer* and *Kellogg* emphasized the *right* of the public to copy unpatented articles rather than competitive need,<sup>65</sup> and both emphasized that labeling, as opposed to limitations on the use of the design features themselves (or even limitations on the use of the names “Singer” or “Shredded Wheat”), was the only legitimate remedy for any confusion that might result from the defendant’s use of the design at issue.<sup>66</sup>

On the other end of the spectrum are cases like *George G. Fox Co. v. Hathaway*.<sup>67</sup> In that case, the court enjoined the defendants’ manufacturing and sales of bread loaves that mirrored the plaintiffs in size, shape, color, and general visual appearance.<sup>68</sup> It did so despite the fact that the defendant sold its loaves under a different name and packaged its loaves in a broad paper band that was marked “Hathaway’s Log Cabin Bread. Finest Flavor, Malted.”<sup>69</sup> The court was somewhat unimpressed by the defendant’s labeling efforts, but it also made clear that the labeling would not have been sufficient in any event, as “[t]here was nothing to show that the defendants’ business interests required the combination of this shape with the same size, color and general visual appearance” as the plaintiff’s loaves.<sup>70</sup> Indeed, the court noted, there were “numberless shapes and sizes in which loaves of bread may be produced, and various peculiarities of appearance in color and condition of surface.”<sup>71</sup> The defendants,

---

65. See *Kellogg*, 305 U.S. at 119–20 (“[U]pon expiration of the patents the form . . . was dedicated to the public.”); *Singer*, 163 U.S. at 185 (“It follows, as a matter of course, that on the termination of the patent there passes to the public the right to make the machine in the form in which it was constructed during the patent.”).

66. See *Kellogg*, 305 U.S. at 120–21 (noting that there was no evidence the defendant had attempted to pass off its product, as “[t]he Kellogg cartons [were] distinctive. They d[id] not resemble those used by the plaintiff either in size, form, or color. And the difference in the labels [was] striking. The Kellogg cartons [bore] in bold script the names ‘Kellogg’s Whole Wheat Biscuit’ or ‘Kellogg’s Shredded Whole Wheat Biscuit’ so sized and spaced as to strike the eye as being a Kellogg product” and also noting that, despite Kellogg’s use of a “picture of two shredded wheat biscuits in a bowl of milk which was quite similar to one of the plaintiff’s registered trademarks, . . . the name Kellogg was so prominent on all of the defendant’s cartons as to minimize the possibility of confusion”); *Singer*, 163 U.S. at 204 (enjoining the defendant “from using the word ‘Singer’ or any equivalent thereto . . . without clearly and unmistakably stating in all said advertisements that the machines are made by the defendant, as distinguished from the sewing machines made by the Singer Manufacturing Company” (emphasis omitted)).

67. *George G. Fox Co. v. Hathaway*, 85 N.E. 417 (Mass. 1908).

68. *Id.* at 417–18.

69. *Id.* The plaintiff’s loaves used a small paper label containing the words “Fox’s Creamalt” on the top of each loaf. *Id.* at 418.

70. *Id.*

71. *Id.*

in other words, had no competitive need to make their loaves so resemble the plaintiffs.<sup>72</sup>

Those old cases have analogues in more recent Supreme Court preemption cases, even if the preemption cases have a different flavor because they involve a conflict between federal and state law that is absent from the older cases. In *Sears, Roebuck & Co. v. Stiffel & Co.*, for example, the Court held that Stiffel could not protect the design of its unpatented pole lamp under state unfair competition law. It did so using strong “right to copy” language: “An unpatentable article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever chooses to do so.”<sup>73</sup> And sounding very much like the court in *Flagg*, the Supreme Court suggested that, while labeling might be appropriate as a mechanism for mitigating confusion in a case involving product configuration, courts could not enjoin copying of the product design itself:

Sears has been held liable here for unfair competition because of a finding of likelihood of confusion based only on the fact that Sears’ lamp was copied from Stiffel’s unpatented lamp and that consequently the two looked exactly alike. Of course there could be “confusion” as to who had manufactured these nearly identical articles. *But mere inability of the public to tell two identical articles apart is not enough to support an injunction against copying or an award of damages for copying that which the federal patent laws permit to be copied.* Doubtless a State may, in appropriate circumstances, require that goods, whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source, just as it may protect businesses in the use of their trademarks, labels, or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of the goods. But because of the federal patent laws a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself or award damages for such copying.<sup>74</sup>

The Court sounded the same freedom to copy note in *Sears’s* companion case, *Compco Corp. v. Day-Brite Lighting, Inc.*:

---

72. The court tried to distinguish *Flagg* by claiming that, in *Flagg*, the form of the zither was valuable independent of the goodwill of the particular manufacturer, and the defendant in that case therefore needed to make his zither in the same form as the plaintiff. *Id.* But this distinction misses the main thrust of *Flagg*, which focused significantly on the fact the plaintiff’s zither was unpatented. *Flagg Mfg. Co. v. Holway*, 59 N.E. 667, 667 (Mass. 1901).

73. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231 (1964).

74. *Id.* at 231–33 (emphasis added).

Here Day-Brite's fixture has been held not to be entitled to a design or mechanical patent. Under the federal patent laws it is, therefore, in the public domain and can be copied *in every detail* by whoever pleases. It is true that the trial court found that the configuration of Day-Brite's fixture identified Day-Brite to the trade because the arrangement of the ribbing had, like a trademark, acquired a "secondary meaning" by which that particular design was associated with Day-Brite. But if the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will.<sup>75</sup>

And *Compco* reiterated that labeling was the only legitimate remedy in these cases, even when the claimed features are nonfunctional and have secondary meaning:

A State of course has power to impose liability upon those who, knowing that the public is relying upon an original manufacturer's reputation for quality and integrity, deceive the public by palming off their copies as the original. That an article copied from an unpatented article could be made in some other way, that the design is "nonfunctional" and not essential to the use of either article, that the configuration of the article copied may have a "secondary meaning" which identifies the maker to the trade, or that there may be "confusion" among purchasers as to which article is which or as to who is the maker, *may be relevant evidence in applying a State's law requiring such precautions as labeling*; however, and regardless of the copier's motives, neither these facts nor any others can furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling.<sup>76</sup>

By the time it got to *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, however, the Court had moved much closer to the approach in *George G. Fox Co. v. Hathaway*. The issue in *Bonito Boats* was whether patent law preempted a Florida statute that prohibited use of a direct molding process to duplicate unpatented boat hulls.<sup>77</sup> And while the Court held that the statute was indeed preempted and gave lip service to the general principle that patent protection is an exception to a general rule of free copying, the Court clearly retreated from its statements in

---

75. *Compco Corp. v. Day-Bright Lighting, Inc.*, 376 U.S. 234, 237–38 (1964) (emphasis added). The reference to design patents here is interesting, in light of courts' general lack of concern about trademark law overlapping with design, as opposed to utility, patent law. *See infra* Part III.A.

76. *Compco*, 376 U.S. at 238 (emphasis added).

77. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 143–44 (1989).

*Sears* and *Compco* that states could not prevent copying of unpatented features themselves.<sup>78</sup> First, the Court ignored the precise distinction it had drawn in *Sears* and *Compco* between restrictions on copying, on the one hand, and labeling requirements on the other. It said:

The *Sears* Court made it plain that the States “may protect businesses in the use of their trademarks, labels, or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of the goods.” Trade dress is, of course, potentially the subject matter of design patents. Yet our decision in *Sears* clearly indicates that the States may place limited regulations on the circumstances in which such designs are used in order to prevent consumer confusion as to source. Thus, while *Sears* speaks in absolutist terms, its conclusion that the States may place some conditions on the use of trade dress indicates an implicit recognition that all state regulation of potentially patentable but unpatented subject matter is not *ipso facto* pre-empted by the federal patent laws.<sup>79</sup>

*Sears*, of course, specifically concluded that states could *not* place conditions on the use of the trade dress itself, *even if* confusion resulted; states could instead only require labeling to ameliorate the consequences of allowing copying.<sup>80</sup> But this was not the Court’s only reinterpretation of *Sears* and *Compco*: it went on to contrast the Florida statute with state unfair competition laws, claiming that the latter were legitimate because:

With some notable exceptions, including the interpretation of the Illinois law of unfair competition at issue in *Sears* and *Compco*, the common-law tort of unfair competition has been limited to protection against copying

---

78. *Id.* at 165, 167 (holding that “[t]he Florida law substantially restricts the public’s ability to exploit an unpatented design in general circulation, raising the specter of state-created monopolies in a host of useful shapes and processes for which patent protection has been denied or is otherwise unobtainable,” but suggesting that “the fact that a particular item lies within the subject matter of the federal patent laws [does not] necessarily preclude the States from offering limited protection [that] does not impermissibly interfere with the federal patent scheme”).

79. *Id.* at 154 (citations omitted).

80. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232–33 (1964). Later courts have seized upon this distortion of *Sears* and *Compco* to dismiss claims that patent law preempts trademark protection for product features. See *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 641 (7th Cir. 1993) (“As in *Sears* . . . the *Bonito Boats* Court recognized that states have the power to give unfair competition and trademark protection to trade dress.”); *id.* at 643 (rejecting Kohler’s argument that “courts should refuse [protection for product configurations] and require manufacturers to label their products to prevent consumer confusion”—precisely the balance *Sears* and *Compco* struck).

of nonfunctional aspects of consumer products which have acquired secondary meaning such that they operate as a designation of source. The “protection” granted a particular design under the law of unfair competition is thus limited to one context where consumer confusion is likely to result; the design “idea” itself may be freely exploited in all other contexts.<sup>81</sup>

The contrast with *Compco* in particular could hardly be more striking. In *Compco*, the Court expressly said that secondary meaning and nonfunctionality, and even the possibility of confusion, “may be relevant evidence in applying a State’s law requiring such precautions as labeling,” but they were no basis “for imposing liability for or prohibiting the actual acts of copying and selling.”<sup>82</sup> *Bonito Boats* pretends *Sears* and *Compco* had never drawn this distinction and claims that those cases stand for a principle that the Court specifically rejected.

Taking *Sears*, *Compco*, and *Bonito Boats* together, it is clear that even the Supreme Court has oscillated between a strong “right to copy” view, in which patent law preempts state unfair competition law with respect to product design features and leaves states free only to require labeling, and a weaker “need to copy” view, under which trade dress protection is unproblematic as long as the claimed features indicate source and are nonfunctional.<sup>83</sup> Post-*Traffix*, the Court seems to have moved back toward the “right to copy” end of the spectrum.<sup>84</sup> But *Traffix* is still less a “right to copy” case than *Sears* and *Compco* were: *Traffix* holds that functional features are not protectable, and its definition of functionality is animated by structural concerns, but *Sears* and *Compco* refused protection to product design features altogether, even with respect to nonfunctional

---

81. *Bonito Boats*, 489 U.S. at 157–58 (citations omitted).

82. *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 238 (1964).

83. *Compare Sears*, 376 U.S. at 232–33 (“[A] State may, in appropriate circumstances, require that goods, whether patented or unpatented, be labeled . . . . But because of the federal patent laws a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself . . . .”), and *Compco*, 376 U.S. at 238 (noting that while certain factors “may be relevant evidence in applying a State’s law requiring such precautions as labeling,” such factors “can[not] furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling”), with *Bonito Boats*, 489 U.S. at 157–58 (“With some notable exceptions, including the interpretation of the Illinois law of unfair competition at issue in *Sears* and *Compco* . . . the common-law tort of unfair competition has been limited to protection against copying of nonfunctional aspects of consumer products which have acquired secondary meaning such that they operate as a designation of source.”).

84. *See Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 30 (2001) (emphasizing the “heavy burden” that plaintiffs must carry in overcoming the presumption of functionality when seeking trade dress protection).

product features.<sup>85</sup> Whereas *TrafFix* contemplates full trade dress protection (including injunctions against copying) for nonfunctional features, *Sears* and *Compco* contemplated free copying subject only to appropriate labeling.<sup>86</sup>

### III. AESTHETIC FUNCTIONALITY

#### A. Design Patents and the Competitive Landscape

If courts have long struggled to determine the extent to which utility patent law sets the competitive baseline for utilitarian features, they have *rarely* struggled with the role of design patent law in setting the competitive baseline for aesthetic or ornamental features.

With a few notable exceptions, courts generally have not seen any conflict between trademark and design patent law, even when both apply to the same features. In *Kohler Co. v. Moen, Inc.*,<sup>87</sup> for example, the court held that trade dress protection for product configuration was not preempted by utility patent law so long as courts required evidence of distinctiveness and nonfunctionality,<sup>88</sup> and it was not preempted by design patent law because the contours of trademark law, and particularly its requirements of secondary meaning and likelihood of confusion, differ from those of design patent law.<sup>89</sup> Trademark law's requirements, according to the majority, ensured that it was not anticompetitive:

[T]rademark protection for a product's configuration does not create a *monopoly* in the use of the product's shape. Moen [was] not "free from effective competition in the market for a popular brand of faucet [on account of trade dress protection]." . . . Kohler [was] free to copy Moen's design so long as it insure[d] that the public [was] not thereby deceived

---

85. *Id.* at 29–30; see Margreth Barrett, *Consolidating the Diffuse Paths to Trade Dress Functionality: Encountering TrafFix on the Way to Sears*, 61 WASH. & LEE L. REV. 79, 144 (2004) ("Sears/Compco/Bonito Boats asserted a need for access to unpatented product features *across the board*, as a general rule, in order for the patent system to work as intended and to accomplish its enumerated purposes and an overall fostering of competition.").

86. *TrafFix*, 532 U.S. at 28–29; *Sears*, 376 U.S. at 231–32; *Compco*, 376 U.S. at 238.

87. *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 642 (7th Cir. 1993).

88. This specific holding is consistent with the Supreme Court's later decisions, and particularly *Wal-Mart Stores, Inc. v. Samara Bros.*, which accepts that nonfunctional product design trade dress can be protectable with evidence of secondary meaning. *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 215–16 (2000).

89. See *Kohler*, 12 F.3d at 638 ("In sum, courts have consistently held 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.").

or confused into believing that its copy [was] a Moen faucet.<sup>90</sup>

Courts generally have accepted this kind of conclusion without much examination,<sup>91</sup> even though the claims are highly problematic on their face. First, the court's assertion that "Kohler [was] free to copy Moen's design" was remarkably disingenuous, for the effect of trade dress protection was to deny Kohler the ability to copy Moen's design for the purpose of competing with Moen in the market for faucets—in other words, in the context most likely to have economic significance.<sup>92</sup> That Kohler was free to copy the design of Moen's faucet as a sculpture hardly establishes that trade dress rights work no competitive harm. To the contrary, the question of competitive harm would seem self-evidently one primarily about the effects of protection on direct competitors.

Second, precisely because Moen sought protection for the design of the faucet itself—rather than the name attached to the faucet or its packaging—the promise that Kohler was free to copy Moen's design "so long as it insure[d] that the public [was] not thereby deceived" was an empty one.<sup>93</sup> The whole point of seeking

---

90. *Id.* at 640 n.10.

91. *See* *Fuji Kogyo Co. v. Pac. Bay Int'l, Inc.*, 461 F.3d 675, 683 (6th Cir. 2006) ("The existence of design patent does not preclude the same product from protection as a trademark under the Lanham Act either simultaneously or successively."); *Ferrari S.P.A. Esercizio v. Roberts*, 944 F.2d 1235, 1252 (6th Cir. 1991) ("[T]he availability of design patent protection does not preclude availability of Lanham Act protection."); *In re Mogen David Wine Corp.*, 328 F.2d 925, 930 (C.C.P.A. 1964) ("In our opinion, trademark rights, or rights under the law of unfair competition, which happen to continue beyond the expiration of a design patent, do not 'extend' the patent monopoly. They exist independently of it, under different law and for different reasons. The termination of either has no legal effect on the continuance of the other. When the patent monopoly ends, it ends. The trademark rights do not extend it. We know of no provision of patent law, statutory or otherwise, that guarantees to anyone an absolute right to copy the subject matter of any expired patent."); *Sunbeam Prods. Inc. v. W. Bend Co.*, 39 U.S.P.Q.2d (BNA) 1545, 1550 (S.D. Miss. 1996) ("Design patents and trade dress may co-exist whereas utility patents and trade dress are generally considered to be mutually exclusive."), *aff'd*, 123 F.3d 246 (5th Cir. 1997), *abrogated on other grounds by* *Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH*, 289 F.3d 351 (5th Cir. 2002); *Topps Co. v. Gerrit J. Verburg Co.*, 41 U.S.P.Q.2d (BNA) 1412, 1420 (S.D.N.Y. 1996) ("The United States Patent and Trademark Office, as well as the Court of Appeals for the Second Circuit, agree specifically that the existence of an expired design patent does not preclude trademark rights, or registration of a trademark."); *Hubbell Inc. v. Pass & Seymour, Inc.*, 883 F. Supp. 955, 961 (S.D.N.Y. 1995) ("[T]he expiration of the design patent does not preclude a party from seeking to protect its reputation or avoid consumer confusion over products if it can demonstrate the required elements of a Lanham Act, or other non-conflicting unfair competition, claim.").

92. *Kohler*, 12 F.3d at 640 n.10; *see also id.* at 638–42 (discussing *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 152, 154 (1989) and *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 774–75 (1992) and noting extension of trade dress protections beyond trademark protections).

93. *Id.* at 640 n.10.

trade dress protection for product features is to enforce those rights against others who copy the product features specifically, even when they do not copy word marks or packaging. Moen was not asking the court simply to require Kohler to label its faucets effectively (Kohler had already done that); it was asking the court to prevent Kohler from copying the faucet's design features because it contended that it was precisely Kohler's use of the same design features for its faucets that was likely to create the confusion.<sup>94</sup> If Moen was right about that—if the confusion was caused by use of the design features themselves—then it was *impossible* for Kohler to use the design in a way that would ensure the public was not deceived.

The Seventh Circuit's reluctance to see any conflict between trademark and design patent law was also odd, as Judge Cudahy made clear in his dissent, because "there is no basis for treating the subject matter of design and utility patents differently."<sup>95</sup> Indeed, "[d]esign and utility patents are created by the same law" and "[t]here is nothing in the patent law itself that would allow a distinction to be made between design and utility patents for purposes of extending trademark protection to one but not to the other."<sup>96</sup> This may explain why the Supreme Court made no distinction between utility and design patent law in *Compco*:

Day-Brite's fixture has been held not to be entitled to a design or mechanical patent. Under the federal patent laws it is, therefore, in the public domain and can be copied in every detail by whoever pleases. . . . [I]f the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will.<sup>97</sup>

The extent to which the *Sears/Compco* line of cases applies to federal trade dress protection is somewhat unclear because those cases involve federal preemption of state unfair competition law and there is obviously no preemption issue where the plaintiff claims federal trademark protection.<sup>98</sup> Some

---

94. See *id.* at 633 (recounting the evidence Moen introduced demonstrating the likelihood of source confusion).

95. *Id.* at 648 (Cudahy, J., dissenting).

96. *Id.*

97. *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 237–38 (1964).

98. See *Kohler*, 12 F.3d at 639–40 (discussing the preemption-based reasoning behind *Sears* and *Compco*). *Kohler*, however, grossly overstated the differences between federal and state trademark law in order to avoid having to deal with the policy implications of the preemption cases. See, e.g., *id.* at 640 n.10 (claiming that the "Lanham Act was drafted in reaction to draconian state trademark legislation that threatened to interfere with interstate commerce" and that "[t]he Lanham Act differs in many respects from the common law standards").

courts and commentators, therefore, read *Compco*'s reference to "other federal statutory protection" to suggest that the case has little to say about Lanham Act cases.<sup>99</sup> But whatever the differences between federal and state trademark law, the important point here is that the policy issues implicated by overlapping trademark and patent protection do not depend on the source of trademark protection.<sup>100</sup> There is, therefore, no legitimate explanation for courts' categorical refusal to consider the possibility that the right to copy is equally implicated where trademark law protects features that would be the subject of design patent law.

What is no doubt preventing courts from recognizing any right to copy aesthetic features is the near uniform sense that aesthetic features generally are not competitively necessary.<sup>101</sup> In this respect, Professor McCarthy's view is typical: "[T]he range of possible aesthetic designs and configurations is as infinite as are the tastes that desire them, [so] according trademark protection to aesthetic features would not greatly hinder competition."<sup>102</sup> But while it is true that the number of possible designs for any given product is very large, that fact is barely relevant to the question of whether exclusive use of aesthetic features would hinder competition. The effect on competition is not a function of the range of designs that are physically or conceptually possible; it is instead determined by the number of alternative

---

99. *Compco*, 376 U.S. at 238 ("But if the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will."); see also *Kohler*, 12 F.3d at 640 (noting "no Lanham Act issue was raised in either *Sears* or *Compco*" and "the Court in *Compco* noted that a defendant may copy at will if the design is 'not entitled to a patent or other federal statutory protection'" (quoting *Compco*, 376 U.S. at 238)); John B. Pegram, *Trademark Protection of Product and Container Configurations*, 81 TRADEMARK REP. 1, 7–8 (1991) ("It appeared that *Sears* and *Compco* precluded protection of product configurations under any unfair competition law.").

100. Here it is important that, in addition to the patents on the machine that produced shredded wheat biscuits, National Biscuit had obtained a design patent on the shape of those biscuits, which was invalidated prior to the lawsuit. *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 119–20, 119 n.4 (1938).

101. See *Kohler*, 12 F.3d at 643–44 (majority opinion) (rejecting the argument that trademark protections for product configurations are anticompetitive and noting that such protection benefits consumers and encourages creative marketing).

102. 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 7:81, at 7-256 (4th ed. 2010) (quoting Deborah J. Krieger, Note, *The Broad Sweep of Aesthetic Functionality: A Threat to Trademark Protection of Aesthetic Product Features*, 51 FORDHAM L. REV. 345, 380 (1982)); see also *Kohler*, 12 F.3d at 648 (Cudahy, J., dissenting) ("The argument for distinguishing between the subjects of design and utility patents is that, although freedom to copy functional features may be essential to competition, freedom to copy aesthetic features is not essential." (citing *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 339 (7th Cir. 1985) (stating that trademark protection for "[o]rnamantal, fanciful shapes and patterns" does not hinder competition))).

designs that would be accepted by consumers as reasonable substitutes.

Whether and how frequently restricting access to aesthetic features is likely to inflict competitive harm are ultimately empirical questions, even if those who draw firm conclusions draw on no actual empirical evidence. We do, however, have good reason to think aesthetic features are competitively important in some cases. Indeed, that is the premise of the design patent system itself: if it were generally true that competitors are at no disadvantage when they are denied access to aesthetic or ornamental features, then design patents would have little value. That we have a design patent system, and that the system is actually used by designers for the purpose of excluding others from using ornamental design features, suggests that those features sometimes are competitively significant. Indeed it seems so obviously true that ornamental design can be competitively important that the assertion to the contrary can only be seen as a normative claim that competitors should not be able to copy aesthetic features masquerading as an empirical claim about the need to do so.

Whatever one thinks about that normative claim, widespread acceptance of the view that aesthetic features are not competitively important might explain why, even though courts frequently suggest that copyright stands in the same relation to competition as patent law—specifically referring to copyright and patent as the sole exceptions to the right to copy and drawing no distinction between them<sup>103</sup>—and notwithstanding *Dastar*,<sup>104</sup> no one seems seriously to suggest that overlap between trademark and copyright law generally disqualifies copyrightable works from trademark protection.<sup>105</sup> And as a matter of fact, a wide

---

103. See *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29 (2001) (“In general, unless an intellectual property right such as a patent or copyright protects an item, it will be subject to copying.”); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 153 (1989) (“The injunction against copying of an unpatented article, freely available to the public, impermissibly ‘interfere[d] with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.’” (quoting *Compco*, 376 U.S. at 237)).

104. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 31–32, 37 (2003) (holding that the Lanham Act’s “false designation of origin” language refers only to the origin of physical goods and not the author of creative material). Notably, *Dastar* expressly contemplates that copyrighted or copyrightable works could be the subject of trademark protection when the works are used to indicate the source of physical goods. *Id.* at 37.

105. See Viva R. Moffat, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 BERKELEY TECH. L.J. 1473, 1499 (2004) (discussing availability of overlapping intellectual property protections, including dual

variety of indicators protected by trademark law—logos, advertising slogans, advertisements, even product packaging elements—are copyrightable subject matter.<sup>106</sup>

Some courts, of course, have softened the view that aesthetic features are not competitively necessary by developing an aesthetic functionality doctrine, which I discuss below. But it is worth noting that the above-quoted passage from Professor McCarthy's treatise comes from a section in which he argues that aesthetic functionality is an unnecessary and ill-advised doctrine. And as we will see, even those courts that have accepted the existence of an aesthetic functionality doctrine have been more reluctant to find features aesthetically functional than mechanically functional. It is also important to note that every court that recognizes aesthetic functionality views that doctrine solely through the lens of competitive need. There is no notion in aesthetic functionality cases that the doctrine aims to police the boundary between trademark and design patent or copyright law. The "right to copy" view that animates *TrafFix* has no analogue in aesthetic functionality.

#### B. Aesthetic Features and Competitive Need

As the previous sections demonstrated, courts have oscillated over time between two competing visions of functionality in the context of utilitarian product features—one that sees functionality in structural terms, as a doctrine intended to channel protection for certain features to the patent system, and another that sees functionality as a safeguard against competitive injury. But courts' disagreements here have been focused on the policy justifications of the functionality doctrine in that context; no court has seriously disputed the importance of functionality in some configuration. Aesthetic functionality, by contrast, is deeply disputed even at the highest level of generality despite the Supreme Court's apparent recognition of the concept in *TrafFix*.<sup>107</sup>

Some courts have little trouble with the doctrine and have applied it to refuse protection to features like the color green for farm equipment,<sup>108</sup> the color black for outboard motors,<sup>109</sup> and the

---

trademark and copyright protection); 1 MCCARTHY, *supra* note 102, § 6:17–19 (noting requirements for dual trademark and copyright protection).

106. See 1 MCCARTHY, *supra* note 102, § 6:17–19 (noting the availability of both trademark and copyright protection for advertisements, pictures, logos, and slogans).

107. See *TrafFix*, 532 U.S. at 32–33 (noting that it is appropriate for courts to consider alternative designs in cases of aesthetic functionality).

108. *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85, 89, 98 (S.D. Iowa 1982), *aff'd*, 721 F.2d 253 (8th Cir. 1983).

109. *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1530–33 (Fed. Cir. 1994).

size, shape, and coloring of flash-frozen ice cream beads.<sup>110</sup> Other courts seem to accept that the doctrine exists, but because of their skepticism they are reluctant actually to declare any features aesthetically functional.<sup>111</sup> The Ninth Circuit takes a different position on the doctrine nearly every time it comes up.<sup>112</sup>

---

110. *Dippin' Dots, Inc. v. Frosty Bites Distribution, LLC*, 369 F.3d 1197, 1206–07 (11th Cir. 2004).

111. *See, e.g., Ferrari S.P.A. Esercizio v. Roberts*, 944 F.2d 1235, 1246–47 (6th Cir. 1991) (“[T]he precedent in this circuit suggests that aesthetic functionality will not preclude a finding of nonfunctionality where the design also indicates source.”); *WSM, Inc. v. Tenn. Sales Co.*, 709 F.2d 1084, 1087 (6th Cir. 1983) (“TS[s] assertion that its use of the involved design is ‘functional,’ i.e., ‘ornamental’ or ‘decorative,’ is unavailing. A purely functional item will not qualify for trademark protection. That an item serves or performs a function does not mean, however, that it may not at the same time be capable of indicating sponsorship or origin where aspects of the item are nonfunctional.” (citation omitted)); *Maker’s Mark Distillery, Inc. v. Diageo N. Am., Inc.*, 703 F. Supp. 2d 671, 687 n.15 (W.D. Ky. 2010) (“Because the doctrine is not applicable, the Court declines to address the validity of the ‘aesthetic functionality’ doctrine in this Circuit.”); *Devan Designs, Inc. v. Palliser Furniture Corp.*, 25 U.S.P.Q.2d (BNA) 1991, 2002 (M.D.N.C. 1992) (“The Fourth Circuit has not considered extending the functionality defense to aesthetic characteristics. Other circuits remain divided on whether and to what extent to consider aesthetic features as functional; however, even the Ninth Circuit which first initiated the concept in *Pagliero v. Wallace China Co.* has retreated from a broad acceptance of the doctrine. . . . Consequently, this court has no reason to think that the Fourth Circuit would be inclined to adopt such a policy.” (citations omitted)), *aff’d*, 998 F.2d 1008 (4th Cir. 1993).

112. Indeed, in its most recent confrontation with aesthetic functionality, the Ninth Circuit first found that exclusive use of a depiction of the Betty Boop character would put t-shirt sellers at a significant, non-reputation-related disadvantage, and the image was therefore aesthetically functional. *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 636 F.3d 1115, 1124–25 (9th Cir. 2011). But the court then withdrew its opinion after denying the plaintiff’s motion for rehearing en banc, substituting a new opinion that does not address functionality at all. *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 967–68 (9th Cir. 2011). This schizophrenia is chronic in the Ninth Circuit. *See Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1073–74 (9th Cir. 2006) (acknowledging that consumers of keychains desire certain logos for non-source reasons but nevertheless refusing to find VW and Audi logos aesthetically functional when used to adorn keychains); *Clicks Billiards Inc. v. Sixshooters Inc.*, 251 F.3d 1252, 1260–62 (9th Cir. 2001) (claiming that the Ninth Circuit had not “adopted the ‘aesthetic functionality’ theory, that is, the notion that a purely aesthetic feature can be functional”); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1382 n.3, 1383 (9th Cir. 1987) (“In this circuit, the ‘aesthetic’ functionality test has been limited, if not rejected, in favor of the ‘utilitarian’ functionality test.” (citations omitted)), *abrogated on other grounds by* *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980) (holding that, although the name “Job’s Daughters” and the Job’s Daughters insignia were indisputably trademarks when used to identify the organization, and members of Job’s Daughters wore the jewelry to identify themselves as members, the name and emblem were functional aesthetic components of the defendant’s jewelry, “in that they [were] being merchandised on the basis of their intrinsic value, not as a designation of origin or sponsorship”); *Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952) (finding plaintiff’s china patterns functional because the patterns were an “important ingredient in the commercial success” of the china, and not “mere arbitrary embellishment, a form of dress for the goods primarily adopted for purposes of identification and individuality and, hence, unrelated to basic consumer demands in connection with the product”).

And despite the Supreme Court's implicit endorsement of the doctrine,<sup>113</sup> some courts maintain that there is no such thing as aesthetic functionality.<sup>114</sup>

In his influential treatise, Professor McCarthy argues that aesthetic functionality is an "inappropriate response to a valid concern."<sup>115</sup> Specifically, McCarthy suggests that the concept is illogical because "ornamental aesthetic designs are the antithesis of utilitarian designs," and "aesthetic functionality' is [therefore] an oxymoron."<sup>116</sup> McCarthy's position seems animated by his reaction to the *Pagliero* decision, and particularly its definition of aesthetically functional features as "important ingredient[s] in the commercial success of the product."<sup>117</sup> Thus, he quotes approvingly the Fifth Circuit's criticism of the *Pagliero* approach in *Pebble Beach Co. v. Tour 18 I Ltd.*:

The logical extension of this argument would practically obliterate trademark protection for product design because a defendant could always argue that its innovative product is a widget that provides a replica of the most popular or most prestigious widget on the market, thus requiring that

---

113. Recall that the Supreme Court in *Traffix* rejected the Sixth Circuit's competitive-necessity test as a comprehensive approach to functionality. *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32–33 (2001). The Court held that features are functional when they are essential to the use or purpose of an article or affect the cost or quality of the article, and that once a feature is deemed functional under that "traditional" definition, non-reputation-related disadvantage need not be considered. *Id.* But, the Court continued, "[i]t is proper to inquire into a significant non-reputation-related disadvantage in cases of [a]esthetic functionality, the question involved in *Qualitex*." *Id.* at 33 (internal quotation marks omitted). In other words, in order to explain why *Qualitex* expanded on the traditional definition of functionality and referred to a "significant non-reputation-related disadvantage," the language on which the Sixth Circuit improperly seized to develop its competitive-necessity test, the Court differentiated between two types of functionality and suggested that it was the latter, aesthetic functionality type of case in which competitive need was particularly relevant. *Id.* at 32–33.

114. See *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 487 (5th Cir. 2008) ("Our circuit has consistently rejected the concept of aesthetic functionality."); see also *id.* at 487–88 ("We do not believe that the Court's dictum in *Traffix* requires us to abandon our long-settled view rejecting recognition of aesthetic functionality."). Others are more equivocal. See *In re DC Comics, Inc.*, 689 F.2d 1042, 1050 (C.C.P.A. 1982) (Rich, J., concurring) ("[I]t is arguable that there is no 'doctrine' of aesthetic functionality which stands alone, without consideration of the more traditional source identification principles of trademark law. To the extent that there may be—at least with respect to ex parte prosecution practice—it has been previously rejected by this court.").

115. 1 MCCARTHY, *supra* note 102, § 7:81, at 7-256 to -257.

116. *Id.* Courts have expressed similar sentiments. See, e.g., *Clicks Billiards*, 251 F.3d at 1260 ("[T]rade dress cannot be both 'functional and purely aesthetic.' Such a formulation is internally inconsistent and at odds with the commonly accepted view that functionality denotes utility."); *Publ'ns Int'l, Ltd. v. Landroll, Inc.*, 164 F.3d 337, 339 (7th Cir. 1998) (noting that the merger of the utilitarian and the aesthetic is "mischievously vague").

117. 1 MCCARTHY, *supra* note 102, § 7:79, at 7-240 (quoting *Pagliero*, 198 F.2d at 343).

the defendant be allowed without further analysis to copy the plaintiff's widget.<sup>118</sup>

But if McCarthy's view is indeed a reaction to *Pagliero*, it is important that no court continues to follow that case's approach.<sup>119</sup> Even the Ninth Circuit has recognized the problems with the *Pagliero* test, and particularly its failure to distinguish between cases in which a feature is an important ingredient in commercial success of a product because of that feature's salience as a source indicator, and those in which the feature serves non-source-related functions that are important to consumers.<sup>120</sup> Courts that apply the aesthetic functionality doctrine today overwhelmingly rely on the test the Supreme Court endorsed in *TrafFix*, which draws precisely this distinction, asking whether exclusive use of the claimed feature put competitors at a significant non-reputation-related disadvantage.<sup>121</sup>

Moreover, if *Pagliero* was too broad in its exclusion of features from trademark protection, McCarthy is too sanguine about the capacity of other doctrines to fill the gap aesthetic functionality attempts to address. First, McCarthy suggests that trademark law could prevent one party from acquiring exclusive rights to particular designs—say, a heart-shaped candy box—by treating those designs as “merely ornamental,” or by recognizing that many such designs lack secondary meaning.<sup>122</sup> But while he is surely right that courts sometimes use aesthetic functionality in place of an intuition that the claimed features do not, in fact, indicate source,<sup>123</sup> he assumes far too easily that the available

118. *Id.* § 7:81, at 7-259 (quoting *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 539 (5th Cir. 1998), *abrogated by TrafFix*, 532 U.S. 23).

119. *See id.* (noting that the argument presented in *Pagliero* would substantively eviscerate trademark protection for product design).

120. *See Fabrica, Inc. v. El Dorado Corp.*, 697 F.2d 890, 895–96 (9th Cir. 1983) (“[T]his court has specifically limited application of the *Pagliero* functionality test to product features and has refused to apply the test to cases involving trade dress and packaging.”); *Vuitton Et Fils S.A. v. J. Young Enters.*, 644 F.2d 769, 773 (9th Cir. 1981) (“We disagree with the district court insofar as it found that any feature of a product which contributes to the consumer appeal and saleability of the product is, as a matter of law, a functional element of that product. Neither *Pagliero* nor the cases since decided in accordance with it impel such a conclusion.”).

121. *TrafFix*, 532 U.S. at 33.

122. 1 MCCARTHY, *supra* note 102, § 7:81, at 7-256 to -258 (“[T]rademark law has long had a rule to deal with that situation: the ‘merely ornamental’ rule. . . . Do customers perceive this feature as mere attractive ornamentation or also as a symbol that identifies and distinguishes a single source?”).

123. *See Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 82 (2d Cir. 1990) (“Of course, if Wallace were able to show secondary meaning in a precise expression of baroque style, competitors might be excluded from using an identical or virtually identical design.”), *abrogated on other grounds by Knitwaves, Inc. v. Lollytogs*

tools for measuring secondary meaning will reliably demonstrate as much.<sup>124</sup> More importantly, there are plenty of examples of features that might actually have secondary meaning, but which nevertheless are competitively necessary in at least some context—for example, school colors<sup>125</sup> or the insignia of a fraternal organization.<sup>126</sup>

---

Ltd., 71 F.3d 996 (2d Cir. 1995). *Pagliero* itself seems to put functionality and source indication in opposition to each other. See *Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952) (“[W]here the features are ‘functional’ there is normally no right to relief. ‘Functional’ in this sense might be said to connote other than a trade-mark purpose. If the particular feature is an important ingredient in the commercial success of the product, the interest in free competition permits its imitation in the absence of a patent or copyright. On the other hand, where the feature or, more aptly, design, is a mere arbitrary embellishment, a form of dress for the goods primarily adopted for purposes of identification and individuality and, hence, unrelated to basic consumer demands in connection with the product, imitation may be forbidden . . . . Under such circumstances, since effective competition may be undertaken without imitation, the law grants protection.” (footnotes omitted)).

124. In a few cases, courts have expressed skepticism that the same kinds of circumstantial evidence courts rely on to determine secondary meaning in word mark cases will accurately reflect secondary meaning in trade dress cases. See, e.g., *Duraco Prods., Inc. v. Joy Plastic Enters.*, 40 F.3d 1431, 1452–53 (3d Cir. 1994) (“Sales success by itself will typically not be as probative of secondary meaning in a product configuration case as in a trademark case, since the product’s market success may well be attributable to the desirability of the product configuration rather than the source-designating capacity of the supposedly distinguishing feature or combination of features. And unlike with a trademark, where repeated purchases of a product support an inference that consumers have associated the mark with the producer or source, one can much less confidently presume that a consumer’s repeated purchase of a product has created an association between a particular product configuration and the source.”); *Int’l Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 824 (9th Cir. 1993) (“While evidence of a manufacturer’s sales, advertising and promotional activities may be relevant in determining secondary meaning, the true test of secondary meaning is the effectiveness of this effort to create it.”). But that skepticism is hardly universal; courts frequently rely heavily on circumstantial evidence of sales and advertising even in product configuration cases. See, e.g., *Cartier, Inc. v. Sardell Jewelry, Inc.*, 294 F. App’x 615, 618 (2d Cir. 2008) (“It is clear from the documents submitted by Cartier that Cartier spends a significant amount of money on advertising in general and also specifically for the Tank Francaise. It was not clearly erroneous for the district court to have concluded that this factor weighed in favor of finding that the Tank Francaise had acquired a secondary meaning.”); *Tone Bros. v. Sysco Corp.*, 28 F.3d 1192, 1204 (Fed. Cir. 1994) (“[W]e hold that, in relying on the Gelb study, in addition to other circumstantial evidence on the issue of secondary meaning (e.g., advertising, the amount of spices sold in Tone’s container, and intentional copying), Tone has raised a genuine issue of material fact—whether there is an association in the mind of the consumer between the container’s shape and appearance and an indication of source for the spices contained therein, as a separate indication from that of the private labels.”).

125. *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 486 (5th Cir. 2008) (“Smack argues that the Universities’ colors do perform functions unrelated to trademark because the Universities use the colors in activities and programs in connection with student life, buildings, and other programs and events and that the colors are not used solely to identify the Universities as a source of goods. However, the claimed trademarks are in the color schemes and other indicia of the Universities when combined on merchandise that refer to the Universities.”).

126. *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980) (“[T]he name ‘Job’s Daughters’ and the Job’s Daughters insignia are indisputably

McCarthy dodges cases like these by claiming that courts could just treat the need for such features, or for a heart shape for candy boxes, under the traditional utilitarian functionality rule because those features might be “just as ‘utilitarian’ from a marketing viewpoint as any engineering analysis of rectangular versus circular box sizes and shipping stability and cost of manufacture.”<sup>127</sup> But if he really believes this, then his objection to aesthetic functionality is purely semantic, for the point of aesthetic functionality is to capture cases in which the need for a feature is dictated by market expectations rather than engineering problems. Farm equipment does not work better because it is green—it does not till better, work longer, or cut more reliably—just as strawberry-flavored flash-frozen ice cream does not taste better because it is pink.<sup>128</sup> If, however, consumers expect their

---

used to identify the organization, and members of Job’s Daughters wear the jewelry to identify themselves as members. In that context, the insignia are trademarks of Job’s Daughters. But in the context of this case, the name and emblem are functional aesthetic components of the jewelry, in that they are being merchandised on the basis of their intrinsic value, not as a designation of origin or sponsorship.”).

127. 1 MCCARTHY, *supra* note 102, § 7:81, at 7-258.

128. In fact, strawberry ice cream probably does taste better because it is pink, as color has been shown to influence subjective taste assessments. *See, e.g.*, Carol M. Christensen, *Effects of Color on Aroma, Flavor and Texture Judgments of Foods*, 48 J. FOOD SCI. 787, 789–90 (1983) (finding that appropriately colored foods were perceived to have stronger and better quality aroma); Cynthia N. DuBose, Armand V. Cardello & Owen Maller, *Effects of Colorants and Flavorants on Identification, Perceived Flavor Intensity, and Hedonic Quality of Fruit-Flavored Beverages and Cake*, 45 J. FOOD SCI. 1393, 1395 (1980) (finding that color masking had an adverse effect on flavor identification and that color level had a significant effect on reported flavor intensity with respect to beverages and cakes); J. Johnson & F.M. Clydesdale, *Perceived Sweetness and Redness in Colored Sucrose Solutions*, 47 J. FOOD SCI. 747, 749–52 (1982) (finding that intensity of red color in cherry-flavored beverages affected sweetness estimates, with darker-colored beverages being perceived as sweeter); Nicholas Oram et al., *The Influence of Flavor and Color on Drink Identification by Children and Adults*, 28 DEVELOPMENTAL PSYCHOBIOLOGY 239, 240–45 (1995) (reporting findings suggesting that, from a young age, children know how to use color or flavor to identify drinks and that identification becomes less influenced by color as children age to adulthood); D.H. Philipsen et al., *Consumer Age Affects Response to Sensory Characteristics of a Cherry Flavored Beverage*, 60 J. FOOD SCI. 364, 364–68 (1995) (finding that increasing red coloring for an artificially flavored beverage resulted in increase in reported flavor quality and overall acceptability, and that the number of respondents correctly identifying the flavor as cherry decreased as the color changed from red to orange to yellow); H.A. Roth et al., *Psychophysical Relationships Between Perceived Sweetness and Color in Lemon- and Lime-Flavored Drinks*, 53 J. FOOD SCI. 1116, 1118–19 (1988) (finding color affected perception of sweetness at consistent sucrose concentrations); Jennifer A. Stillman, *Color Influences Flavor Identification in Fruit-Flavored Beverages*, 58 J. FOOD SCI., 810, 810–12 (1993) (finding that correct identification of artificially flavored orange and raspberry drinks decreased when the beverages were uncolored). *But see* Carol M. Christensen, *Effect of Color on Judgments of Food Aroma and Flavour Intensity in Young and Elderly Adults*, 14 PERCEPTION 755, 761–62 (1985) (finding that food color did not alter the perception of aroma and flavor strength). This specific point is important because it suggests that defendants in food coloration cases should press a utilitarian functionality argument in

farm equipment to be green or their strawberry-flavored ice cream to be pink, then those colors serve non-source-related functions, and they do so even if consumers also associate the colors with John Deere and Dippin' Dots, respectively. Whether courts want to talk about that function by calling the features aesthetically functional or "utilitarian from a marketing viewpoint" is just a semantic question. Regardless of the terminology, it is important to recognize that features can serve at least two different types of functions—they may play a role in the product's utilitarian performance, making it work better for its intended use, or they may play a role in meeting consumer expectations. It makes sense to differentiate these types of functionality because they interact with patent law in different ways: features related to mechanical function implicate a concern about overlap with the utility patent system, while features needed because of consumer expectations do not. The latter type of features, however, which might include color and shape, might well be features subject to design patent protection.

### C. *Functional Use and the Duality Problem*

One explanation for courts' greater reticence about aesthetic functionality is that the consequences of a functionality finding seem too harsh in the context of many aesthetic functionality cases. In the mechanical or utilitarian functionality setting, functionality goes to the existence of the plaintiff's rights in the claimed features. Hence, if a court finds the claimed features functional, it has declared those features unprotectable—free for all to use.<sup>129</sup> This is a significant consequence because it extends beyond the parties and prevents the claimant from asserting rights in the features against *anyone*.<sup>130</sup> But because mechanical functionality cases nearly always involve defendants that are direct competitors of the trade dress claimant, there is rarely reason to be overly concerned about the breadth of a functionality finding; defendants in mechanical functionality cases want access to the claimed features for the same reason the plaintiff does. Cases of aesthetic functionality, however,

---

place of, or at least in addition to, aesthetic functionality. I use this example as one of aesthetic functionality simply because that is the way the court in *Dippin' Dots* understood the need for the color pink. *Dippin' Dots, Inc. v. Frosty Bites Distribution, LLC*, 369 F.3d 1197, 1203–06 (11th Cir. 2004). More generally, these studies suggest that the line between aesthetic and utilitarian functionality can be quite fine—perhaps even metaphysical. I thank Rebecca Tushnet for bringing these studies to my attention.

129. See *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 26 (2001) (noting that, if a feature is functional, "secondary meaning is irrelevant because there can be no trade dress protection in any event").

130. 1 MCCARTHY, *supra* note 102, § 7:63–64, at 7-175 to -181.

sometimes deviate from this pattern because they involve defendants who want to use the feature at issue for a purpose that differs from the claimant's primary interest in the feature. This brings into high relief a point McCarthy glosses over—aesthetic functionality cases frequently involve features that have both source-related and non-source-related significance, so that one cannot easily say that the feature is either functional, on the one hand, or has source significance, on the other.<sup>131</sup>

This problem of dual significance appears even in standard cases involving competing goods like *Dippin' Dots*, where the shape and color of flash-frozen ice cream beads might both be associated with a particular source and be competitively necessary.<sup>132</sup> But the problem is particularly acute where the defendant's use is in a different context than the plaintiff's core use because it is there that courts are most aware that the ordinary consequence of a functionality finding is to render the feature unprotectable in all cases.<sup>133</sup> In *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.*, for example, the defendant wanted to use the Volkswagen logo on key chains and license plate covers, which it plausibly contended consumers wanted so that their accessories would match their cars.<sup>134</sup> In what might ordinarily be regarded as an admission that logos serve non-source functions in some contexts, the court acknowledged that “[c]onsumers sometimes buy products bearing marks such as the Nike Swoosh, the Playboy bunny ears, the Mercedes tri-point

---

131. See *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 486 (5th Cir. 2008). McCarthy suggests that many of the aesthetic functionality cases could be dealt with by declaring the features at issue “merely ornamental.” See 1 MCCARTHY, *supra* note 102, § 7:81, at 7-256 to -259. And where features have the kind of dual significance I noted above, McCarthy would always err on the side of protecting source indication: “What neither consumers nor the law of trademark needs is a new ‘public policy’ denying trademark and trade dress protection to identifying symbols that customers perceive and rely on in their purchasing decisions.” *Id.* § 7:81, at 7-259. But that statement merely reflects a value judgment that confusion takes precedence over other values.

132. *Dippin' Dots*, 369 F.3d at 1200–03 (addressing Dippin' Dots's allegation of trade dress infringement on its unique, flash-frozen ice-cream by its competitor, Frosty Bites, and concluding that Dippin' Dots failed to establish the nonfunctionality of its product design).

133. This consequence is not quite universal, even if it is the result in the overwhelming number of cases. See *Rosetta Stone Ltd. v. Google, Inc.*, 730 F. Supp. 2d 531, 545–46 (E.D. Va. 2010) (“[T]he functionality doctrine protects Google's use of the Rosetta Stone Marks as keyword triggers.”). Dan Burk endorses this approach to functionality as a contextual defense where trademarks are used as “components of a data processing system, intended to initiate and control discrete functions of a machine.” Dan L. Burk, *Cybermarks*, 94 MINN. L. REV. 1375, 1376 (2010).

134. *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1065 (9th Cir. 2006).

star, the Ferrari stallion, and countless sports franchise logos, for the appeal of the mark itself, without regard to whether it signifies the origin or sponsorship of the product.”<sup>135</sup> Nevertheless, the court could not bring itself to find that the logos were functional because it insisted that “aesthetic functionality has been limited to product features that serve an aesthetic purpose wholly independent of any source-identifying function.”<sup>136</sup> So understood, aesthetic functionality is merely the opposite of source indication, and it is inapplicable where a defendant makes use of a feature that obviously signifies source when used in certain contexts. According to the court, “the alleged aesthetic function [of the VW logos was] indistinguishable from and tied to the mark’s source-identifying nature.”<sup>137</sup>

This statement from the Ninth Circuit reflects a misunderstanding of the nature of the source indication that is necessary for a trademark claim. It may be that VW logos are inescapably recognized as VW logos however they are used, but that does not mean that consumers regard them, when used to adorn key chains and license plate covers, primarily as indicators of the source of *the key chains and license plate covers*. The court’s inability to see this distinction was driven by a combination of its mistaken view that aesthetic functionality is the opposite of source indication and the misimpression that differences in use context do not matter to the source indication question.<sup>138</sup> But on a more basic level, what prevented the court from appreciating the differences in context was its sense of what

---

135. *Id.* at 1067.

136. *Id.* at 1073.

137. *Id.* at 1074.

138. *Job’s Daughters* struggled with a similar question of dual significance, and while it came down on the side of functionality, that conclusion clearly was influenced by the court’s acceptance of the district court’s factual conclusion that confusion was unlikely in the context of the jewelry sold by the defendant. *See Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918–20 (9th Cir. 1980) (“Our holding does not mean that a name or emblem could not serve simultaneously as a functional component of a product and a trademark. That is, even if the Job’s Daughters’ name and emblem, when inscribed on Lindeburg’s jewelry, served primarily a functional purpose, it is possible that they could serve secondarily as trademarks if the typical customer not only purchased the jewelry for its intrinsic functional use and aesthetic appeal but also inferred from the insignia that the jewelry was produced, sponsored, or endorsed by Job’s Daughters. We recognize that there is some danger that the consumer may be more likely to infer endorsement or sponsorship when the consumer is a member of the group whose collective mark or trademark is being marketed. Accordingly, a court must closely examine the articles themselves, the defendant’s merchandising practices, and any evidence that consumers have actually inferred a connection between the defendant’s product and the trademark owner.” (citations omitted)).

follows from a functionality finding: functional features do not enjoy trademark protection—at all.<sup>139</sup> So for the Ninth Circuit, a finding that the VW logos were functional would have compelled the conclusion that VW owned no rights in the VW logos for any purposes, including for when used to designate the source of Volkswagen's vehicles. That conclusion was too much for the Ninth Circuit to swallow, so it simply rejected the conclusion that should have followed from its concession that consumers wanted the accessories for non-source-related reasons. But there is no reason why functionality must always be so categorical. Courts could instead sometimes treat the functionality doctrine as an individualized defense, protecting a particular defendant's ability to use features for their non-source function without affecting the plaintiff's rights in those features in other contexts.

Some might suggest that concerns about this kind of duality could be handled by applying a "trademark use" doctrine—in *Au-Tomotive Gold*, for example, by arguing that the defendant should not be considered infringing because its use of the VW logo was for non-source-designating purposes.<sup>140</sup> And indeed treating functionality as a defense specific to an individual defendant rather than as a basis for declaring features categorically unprotectable would make functionality more like a trademark use defense.<sup>141</sup> But this approach to functionality differs from trademark use in important ways too. First of all, functionality is a defense in trademark cases even if the claimed features designate source, whereas a trademark use defense at least purports to shield uses of a mark *because they do not indicate source*. A more particularized functionality defense (one focused on the defendant's functional use) should bar a plaintiff's claim when the defendant's use is functional in nature, but where "functional in nature" is not the opposite of "designates source." In other words, a court should be able to find a defendant's use to be functional even if the features at issue might also indicate to consumers something about source.<sup>142</sup>

---

139. 1 MCCARTHY, *supra* note 102, § 7:63, at 7-175 to -176.

140. Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669, 1673-74, 1681-84, 1699-700 (2007); Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461, 471-72 (2005) (arguing that fans do not buy t-shirts with their school, team, or rock band name for their source designating function, but for the product itself).

141. Indeed, in *Pagliero*, the Ninth Circuit suggested that functionality "might be said to connote [use for] other than a trade-mark purpose." *Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952).

142. Confusion from possible source indication could be remedied through labeling, as courts operating in the "freedom to copy" tradition routinely recognized. *See* Mark P. McKenna,

As I have argued before, any defense that requires a court to determine that the defendant's use does not indicate source is not really a defense in a true sense; uses that do not indicate source are not actionable under the Lanham Act even as a *prima facie* matter.<sup>143</sup> Courts could avoid this problem in the functionality context by finding a feature aesthetically functional whenever the defendant uses a feature primarily for its non-source-related function, even if that feature also indicates source. In this respect, the defense I propose is consistent with the aspiration underlying the Supreme Court's holding in *KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc.*, that "some possibility of consumer confusion must be compatible with fair use."<sup>144</sup> It differs from genericness and descriptiveness because both of those defenses depend on a finding that the claimed mark does not indicate source, and both therefore lead to the conclusion that the mark is not protectable at all.<sup>145</sup>

#### IV. CONCLUSION

Functionality doctrine is fractured. Courts disagree in mechanical functionality cases about the purposes of the

---

*Back to the Future: Rediscovering Equitable Discretion in Trademark Cases*, 14 LEWIS & CLARK L. REV. 537, 547–53 (2010) (arguing that courts could use their equitable discretion to order limited remedies like clear labeling in cases of mixed consumer understanding).

143. Mark P. McKenna, *Trademark Use and the Problem of Source*, 2009 U. ILL. L. REV. 773, 803–04 (2009).

144. *KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc.*, 543 U.S. 111, 121–22 (2004). I say the "aspiration" underlying the holding because, despite the Court's insistence, lower courts have struggled mightily to figure out how it could be true that some amount of confusion is compatible with fair use when the statute also requires that a descriptive fair use be a use "otherwise than as a mark." See 15 U.S.C. § 1115(b)(4) (2006) ("[U]se of the name, term, or device charged to be an infringement is a use, *otherwise than as a mark*, . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin . . . ." (emphasis added)). As I described elsewhere, this clause makes consumer understanding an inexorable determinant of the fair-use defense under current statutory language. See McKenna, *supra* note 143, at 773, 802–05 ("[W]hile some amount of confusion may be compatible with fair use, no amount of *actionable* confusion is compatible with the statutory fair use provision.").

145. A generic term is "the name of a particular genus or class of which an individual article or service is but a member" and such a term "can never attain trademark protection." See *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 790 (5th Cir. 1983) (internal quotation marks omitted), *abrogated on other grounds by Lasting Impressions*, 543 U.S. 111. A descriptive term "identifies a characteristic or quality of an article or service, such as its color, odor, function, dimensions, or ingredients," and descriptive terms may become valid marks only when they have acquired a secondary meaning in the minds of the consuming public. *Id.* (citation omitted) (internal quotation marks omitted). "[S]econdary meaning [is acquired when] . . . in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product rather than the product itself." *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982).

functionality doctrine, and that disagreement reflects in fundamentally different doctrinal approaches to determining the functionality of particular product features. On one side are courts that view functionality as a structural mechanism for preserving the distinction between patent and trademark law, and these courts view the limitations of patent rights as important markers. Specifically, these courts regard patent rights as carefully circumscribed exceptions to a general right to copy the features of another's products. On this view, only patent law can abrogate the right to copy, and features within the ambit of patent law cannot be protected by trademark law. Hence, for these "right to copy" courts, the fact that the features at issue are, or were, covered by a utility patent is nearly dispositive. On the other side are courts that view functionality primarily as a safeguard against competitive harm. There is, for these courts, no general right to copy; features that are eligible for trademark protection because they indicate source are excluded from protection only when there is reason to think that protection is likely to cause significant injury to particular competitors. Thus, for "need to copy" courts, the existence of a valid or expired utility patent may be relevant, but it is not dispositive because patented features are not always competitively necessary.

These competing views of the policy justifications for the functionality doctrine reflect different understandings of the relationship between intellectual property regimes, and of the relationship between intellectual property rights and competition policy more generally. And we see similar disagreement about the relationship of trademark law to competition policy in the context of aesthetic functionality, even if courts more uniformly have rejected the notion that the boundaries of design patent law, or copyright law, reflect policy judgments about what materials are free for all the world to copy. Specifically, we see in courts' disagreements about the existence and breadth of the aesthetic functionality doctrine a disagreement about the extent to which aesthetic features are competitively necessary. Here, the skeptics are winning: courts seem persuaded that aesthetic features generally are *not* competitively necessary, which reflects both in some courts rejecting the doctrine of aesthetic functionality altogether and other courts being reluctant to apply it even when they recognize the doctrine.

Pulling back from the functionality doctrine specifically, these conflicting cases reveal deep tension about trademark law's vision of "fair" competition. Is there a general, background principle of free copying, to which there are a few exceptions, or is copying generally illicit? If there is no empirical evidence

supporting the contention that aesthetic features are competitively unimportant, then are courts' naked assertions on this score anything more than veiled claims that one *ought* not compete with others by copying aesthetic features (or, put differently, that parties should compete on design)? This lack of a fully articulated or defended theory of fair competition, and of trademark law's role in competition policy, is a serious problem because trademark law is generally considered to be a species of the law of unfair competition. Yet we can only judge acts to be *unfair* forms of competition if we have in mind a vision of fair competition against which to judge the accused acts. There is much work to be done here, absent which we cannot reasonably expect functionality doctrine to cohere.