



**SCHOOL OF LAW**  
TEXAS A&M UNIVERSITY

Texas A&M University School of Law  
**Texas A&M Law Scholarship**

---

Faculty Scholarship

---

8-2000

## The Trade Dress Emperor's New Clothes: Why Trade Dress Does Not Belong on the Principal Register

Glynn S. Lunney Jr

Texas A&M University School of Law, [glunney@law.tamu.edu](mailto:glunney@law.tamu.edu)

Follow this and additional works at: <https://scholarship.law.tamu.edu/facscholar>



Part of the [Law Commons](#)

---

### Recommended Citation

Glynn S. Lunney Jr, *The Trade Dress Emperor's New Clothes: Why Trade Dress Does Not Belong on the Principal Register*, 51 *Hastings L.J.* 1131 (2000).

Available at: <https://scholarship.law.tamu.edu/facscholar/552>

This Article is brought to you for free and open access by Texas A&M Law Scholarship. It has been accepted for inclusion in Faculty Scholarship by an authorized administrator of Texas A&M Law Scholarship. For more information, please contact [aretteen@law.tamu.edu](mailto:aretteen@law.tamu.edu).

# The Trade Dress Emperor's New Clothes: Why Trade Dress Does Not Belong on the Principal Register

by  
GLYNN S. LUNNEY, JR.\*

## Table of Contents

Introduction .....	1133
I. Congress's Decision To Exclude Trade Dress from the Principal Register .....	1136
A. The Act's Plain Language Excludes Trade Dress.....	1138
B. Congress Drafted the Act Specifically to Exclude Trade Dress .....	1148
C. The Legislative History Regarding Trade Dress .....	1150
D. The Contemporaneous Interpretations and Assistant Commissioner Daphne Robert Leeds' Torturous Path to Her Rationale .....	1152
II. And One Mistake Becomes Two: The Resulting Mistake Spiral.....	1156
III. The Costs and Benefits of Principal Register Trade Dress Protection.....	1162
A. The Minimal Benefits and High Costs of Recognizing Trade Dress as Principal Register Trademarks.....	1163
B. Why Words and Symbols Deserve Protection as Trademarks, While Trade Dress Does Not .....	1175
IV. Is It Too Late to Correct Leeds' Mistake?.....	1181

---

\* Professor of Law, Tulane University School of Law (glunney@law.tulane.edu). B.S. 1984, Texas A&M University; J.D. 1990, Stanford University. I would like to express my appreciation to Mark Lemley and Paul Goldstein for their comments and suggestions, Rebecca Asta, for her tireless efforts as my research assistant, and my wife, Leslie, without whom this article would not have been possible. As always, the final work and any errors remain my responsibility.

---

V. The *Wal-Mart Stores, Inc.* Decision: Two Steps Forward,  
One Step Back.....1195

## Introduction

Never before had any of the Emperor's clothes caused so much excitement as these. "But the Emperor has nothing on at all!!!" said a little child.

—Hans Christian Andersen, *The Emperor's New Clothes*

There are times when an artist captures some fundamental aspect of human nature, and when conduct driven by that aspect recurs, then life imitates art or so it seems. By way of example, this article explores and seeks to correct a mistake that slipped into trademark doctrine just over forty years ago and has recently begun to spiral out of control.<sup>1</sup> The mistake occurred in 1958 when then-Assistant Commissioner Daphne Robert Leeds reinterpreted the Trademark Act to allow trade dress's registration on the principal register.<sup>2</sup> This erroneous interpretation not only remains a part of trademark law today, but it entered the law almost without complaint from courts, treatise writers, and even the Restatement (Third) of Unfair Competition, none of whom has expressly acknowledged Congress's plainly stated intentions on the issue.<sup>3</sup> To the contrary, many have lined up to praise the fine weave and precise tailoring of the new trademark clothes with which Leeds has fitted trade dress. Yet, like

---

1. See generally Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 373-91 (1999) (arguing that trade dress was not intended by Congress to be protected as trademark under the Trademark Act of 1946). In the recent case, *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 120 S. Ct. 1339, 1343-44 (2000), the petitioner relied on the Emory article's brief doctrinal analysis of this issue to argue that Congress did not extend protection to trade dress under section 43(a). See Brief for Petitioner at \*11-18, *Walmart* (No. 99-150). Although the Court chose to retain the broad ordinary language definition of symbol, the Court recognized the legitimacy of the policy concerns expressed in the Emory article and rejected the possibility of inherently distinctive product design and features. See *Wal-Mart Stores, Inc.*, 120 S. Ct. at 1344-45; see also *infra* text accompanying notes 239-242.

2. See *Ex parte Haig & Haig Ltd.*, 118 U.S.P.Q. (BNA) 229 (Comm'r Pat. 1958).

3. Of the commentators, Professor McCarthy provides the most accurate summary of the recognition of trade dress as subject matter eligible for the principal register, but even he omits completely the legislative history, the common law background, and Congress's deliberate decision to exclude trade dress from the register. See 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 7.94 (4th ed. 1999) (recognizing that trade dress was initially denied a place on the principal register). More typical is Jerome Gilson's treatment, which asserts that "the Act nowhere excludes trade dress, including product or container configurations" from the principal register and argues that "the term 'device' would seem to include configurations of goods." JEROME GILSON & ANNE GILSON LALONDE, 1 TRADEMARK PROTECTION AND PRACTICE § 2.14[4], at 2-171 to 2-172 (1999).

the Emperor's new clothes, trade dress's new clothes amount to nothing at all. Any legitimate and serious reading of the Trademark Act of 1946 and its accompanying legislative history will reveal that Congress intended to exclude trade dress from the principal register and relegate it exclusively to the supplemental register.

This difference between congressional intent and Ms. Leeds' actions is not some mere technical quibble over which register is more appropriate. There is a wide gulf between the consequences of principal and supplemental register registration. Congress intended trade dress to be eligible only for the supplemental register, which provides little, if any, procedural or substantive protection for the mark within the United States.<sup>4</sup> Rather, Congress created the supplemental register to facilitate obtaining protection for a mark abroad. (Some nations require proof that a foreign mark is registered in its home state before their law will recognize and protect the foreign mark.) In contrast, registration of a trademark on the principal register establishes the *prima facie* validity and ownership of the trademark, provides constructive nationwide use and priority, and after five years, renders the validity and ownership of the trademark incontestable in certain respects. Leeds' mistake made these substantial advantages fully available to trade dress claimants.

The law's erroneous development regarding trade dress's place on the principal register and the resounding lack of complaint that accompanied it are problematic, not only for their own sake, but because of the further misinterpretations to which they have led. Having mistakenly assumed that Congress intended to allow the registration of trade dress on the principal register, Congress's failure to include a secondary meaning requirement for or its failure to include a functionality limitation on trade dress protection becomes a silence pregnant with intent. If Congress intended to allow trade dress registration and failed to impose a secondary meaning requirement, that becomes a basis for inferring that Congress intended to allow the registration of trade dress without secondary meaning, at least in some cases.<sup>5</sup> If Congress intended to allow trade

---

4. See 15 U.S.C.A. § 1094 (West 1997) (stating that "registrations on the supplemental register shall not be subject to or receive the advantage of sections 1051(b), 1052(e), 1052(f), 1057(b) [*prima facie* evidence of ownership and validity], 1057(c) [*nationwide constructive use*], 1062(a), 1063 to 1068 inclusive [*including incontestability*], 1072 [*nationwide constructive notice*], 1115 [*incontestability*] and 1124 of this title").

5. Compare *Wal-Mart Stores, Inc.*, 120 S. Ct. at 1343-45. (requiring proof of secondary meaning for product designs to receive protection as trade dress without reference to congressional silence on the issue), with *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S.

dress registration and failed to include functionality as a limit on incontestable registrations, that becomes a basis for inferring that Congress did not intend to allow functionality to serve as a basis for challenging incontestably registered trade dress.<sup>6</sup> Drawing such inferences, however, would represent further mistakes. Congress was silent on these issues, not because it intended to change the law, but because it did not intend to allow trade dress registration on the principal register in the first place. There was therefore no need for Congress to address the secondary meaning requirement for or the functionality limitation on trade dress protection.

The net result of Leeds' mistake has thus been a radical expansion in the ease with which and the extent to which an individual may claim the exclusive right to manufacture or market a particular article. We should fully expect this sharp expansion in trade dress protection to prove detrimental to consumer welfare. Broader and more readily available trade dress protection increases the costs of entering a market for would-be competitors by requiring such competitors to make a clear differentiation in the form and packaging of their products in order to avoid a trademark infringement suit. This drives up the costs of producing competing products and impairs the ability of the market to produce what consumers desire at a reasonable price. Furthermore, trade dress protection increases the rewards from, and therefore the likely investment in, a product's appearance, packaging, and other promotional efforts. As increased trade protection makes investing in product marketing relatively more attractive, it makes investing in other areas, such as research and development, relatively less attractive. Thus, increased trade dress protection may have the effect of promoting cosmetic product differentiation at the expense of true product innovation.

---

763, 772-73 (1992) (relying on congressional silence regarding secondary meaning requirement for trade dress as justification for abandoning secondary meaning requirement for product packaging).

6. See *Shakespeare Co. v. Silstar Corp.*, 9 F.3d 1091, 1098 (4th Cir. 1993) (mistakenly reasoning that because Congress did not include functionality as a defense to incontestability, Congress did not intend functionality to serve as a defense to incontestability). Until Congress expressly added the functionality requirement in 1998, one might have gone further and inferred the Congress intended to do away with the functionality limitation altogether. Courts, fortunately, did not go that far, though the Court of Customs and Patent Appeals did use Congress's failure to define the functionality doctrine as an excuse for gutting it. See *Ex parte Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1336 (C.C.P.A. 1982) (suggesting that functionality doctrine was entirely court-made as basis for court's radical narrowing of doctrine); see also *infra* text accompanying notes 111-119.

Some may suggest that too much time has passed and too many parties have relied on the seeming acceptance of trade dress as registrable subject matter to correct this error now. However, given that this registration practice rests initially on a plainly incorrect administrative interpretation of the statute, both the courts and the Patent and Trademark Office ("PTO") should retain the discretion to remove trade dress from the principal register.

Moreover, even if it should now prove too late to correct this mistake, truth has its own value. At the very least, setting the record straight should help prevent further misinterpretations from being built on the false assumption that Congress intended to allow trade dress on the principal register. More optimistically, it may also challenge courts to acknowledge their responsibility for recognizing and radically expanding trade dress protection. Once courts are forced to confront honestly their role, they will no longer be able to claim deference to Congress as a justification when they gut the traditional limitations the common law imposed on trade dress protection. Even more optimistically, lacking a convenient Congress on which to lay blame, perhaps courts will take a hard look at the expansive trade dress protection regime they have fostered and begin to cut back trade dress protection to a more sensible and rational level.

Putting these hopes to one side for the moment, this Article will begin by examining the Trademark Act of 1946 and Congress's intentions regarding the treatment of trade dress.

## I. Congress's Decision to Exclude Trade Dress from the Principal Register

Section 2 of the Trademark Act of 1946 provides the starting point for any analysis of the subject matter eligible for registration on the principal register. It states: "No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register . . ." <sup>7</sup> Three points regarding this language bear on the eligibility of trade dress for registration on the principal register. First, the language initially proposed for section 2 defined registrable subject matter by stating: "No *mark* . . . shall be refused registration . . ." <sup>8</sup> During the

---

7. Trademark Act of 1946, ch. 540, 60 Stat. 427, 428 (codified as amended at 15 U.S.C.A. § 1052 (West 1999)).

8. S. 2679, 68th Cong., § 2 (1925) (emphasis added); see also *Hearing on S. 4811 Before the Senate Comm. on Patents*, 69th Cong. 28 (1927) (statement of Henry B.

legislative process, this language was expressly amended to differentiate “trademarks” eligible for registration on the principal register from “marks” eligible for registration on the supplemental register.<sup>9</sup> Second, once amended, the language governing eligibility for the principal register tracked almost exactly the registration provision in the Trademark Act of 1905,<sup>10</sup> under which it was perfectly clear that trade dress was not eligible for registration.<sup>11</sup> Third, section 2 expressly limits eligible subject matter to those things that qualify as a “trademark.” Under section 45 of the Act,

The term “trade-mark” includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.<sup>12</sup>

When Assistant Commissioner Leeds decided that she would

---

Brownell, Chairman of the Committee on Trademarks of the New York Patent Bar Association] [hereinafter *1927 Senate Hearings*].

9. See *infra* text accompanying notes 62-63.

10. Compare Act of Feb. 20, 1905, 58th Cong., ch. 592, 33 Stat. 724, 725 (1905) (“That no mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade-mark on account of the nature of such mark unless . . .”), with Trademark Act of 1946, ch. 540, 60 Stat. 427, 428 (codified as amended at 15 U.S.C.A. § 1052 (West 1999)) (“No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless . . .”). Some have pointed to the “on account of its nature” language, others to the “[n]o trademark . . . shall be refused” language, to establish that Congress intended to allow trade dress on the principal register. But the identical language and phrasing appeared in the 1905 Act as well.

11. See, e.g., *In re Barrett Co.*, 48 App. D.C. 586, 586-87 (D.C. Cir. 1919) (affirming refusal to register corrugated surface of roofing materials as trademark under 1905 Act); *Herz v. Loewenstein*, 40 App. D.C. 277, 278 (D.C. Cir. 1913) (affirming cancellation of registration for corrugated embossing used to seal individual paper wrappers for toothpicks on grounds that “[t]he corrugated ends are a part of the manufactured wrappers”); *Societe Anonyme Benedictine v. Puziello*, 250 F. 928, 928 (E.D.N.Y. 1918) (“The statute of February 20, 1905, allowing the registration of a trade-mark in use for more than 10 years, does not alter the fundamental proposition, that a trade-mark is a design or mark rather than a container or package.” The Court stated plaintiff may have a cause of action for imitation of packaging under the theory of unfair competition.); *Philadelphia Novelty Mfg. Co. v. Rouss*, 40 F. 585, 587 (C.C.S.D.N.Y. 1889) (“[I]n ordinary circumstances, the adoption of packages of peculiar form and color alone, unaccompanied by any distinguishing symbol, letter, sign, or seal, is not sufficient to constitute a trade-mark.”); *Adams v. Heisel*, 31 F. 279, 280 (C.C.N.D. Ohio 1887) (“In this case the complainants could not obtain a trade-mark for the form of the sticks of chewing gum they might manufacture, nor by the use of a peculiar form and decoration of the boxes they may use to hold the sticks of gum, nor in the manner in which the gum might be placed in the boxes.”).

12. Trademark Act of 1946, ch. 540, 60 Stat. 427, 443 (codified as amended at 15 U.S.C.A. § 1127 (West 1999)).



allow the registration of trade dress on the principal register, she justified her ruling by interpreting the words “symbol or device” to encompass an article’s packaging.<sup>13</sup> Justice Breyer recently made a similar suggestion, offering in dicta a definition of “symbol” as “anything at all that is capable of carrying meaning.”<sup>14</sup> However, as I will argue below, “symbol” and “device” were terms of art and part of the common law’s definition of a technical trademark when Congress incorporated them in the definition of a principal register trademark. As such, they should be understood in their technical and not their ordinary sense. A broad interpretation of these terms would therefore violate fundamental principles of statutory interpretation. Such an interpretation would also defeat Congress’s purpose in amending the definition of trademark to include the term “symbol,” ignore the relevant legislative history on the trade dress issue, and contradict the interpretations given to the Act immediately following its adoption.

#### A. The Act’s Plain Language Excludes Trade Dress

To demonstrate that Congress did not intend the word “symbol” in the Trademark Act to mean “anything at all” requires neither elaborate analysis nor a detailed understanding of the principles of statutory construction. It appears plainly from substituting the proposed definition of “symbol” for the word itself in the statutory language. In defining principal register trademarks, Congress wrote:

[T]he term “trade-mark” includes any word, name, symbol, or device or any combination thereof [used to distinguish a product’s source].<sup>15</sup>

Yet, a broad “anything at all” interpretation of the word “symbol” would read this language as:

A “trademark” includes any word, name, [anything at all], or device or any combination thereof [used to distinguish a product’s source].

---

13. *Ex parte Haig & Haig Ltd.*, 118 U.S.P.Q. (BNA) 229, 230-31 (Comm’r Pat. 1958) (“The fundamental question, then, is not whether or not containers are registrable on the Principal Register, but it is whether or not what is presented is a trademark—a symbol or device—identifying applicant’s goods and distinguishing them from those of others. . . . [T]he contour or conformation of the container may be a trademark—a symbol or device—which distinguishes the applicant’s goods, and it may be registrable on the Principal Register.”).

14. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995); *see also Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 120 S. Ct. 1339, 1341 (2000).

15. Trademark Act of 1946, ch. 540, 60 Stat. 427, 443 (codified as amended at 15 U.S.C.A. § 1127 (West 1999)).

Common sense alone suggests that such an interpretation is implausible, if not nonsensical. Legitimate principles of statutory construction confirm what common sense suggests: Congress intended “symbol” to carry a meaning far narrower and more specific than “anything at all.” Four canons of statutory construction control the proper interpretation of “symbol” and “device” in the Trademark Act. First, Congress expressly defined “trademarks” eligible for the principal register using the common law’s definition of a technical trademark. Although the terms “symbol” and “device” had long been part of that definition, they had specific and well understood meanings as terms of art in trademark law that did not extend to trade dress.<sup>16</sup> Where Congress uses a term of art in a statute, there is a strong presumption that Congress intended the term in its legal, and not its ordinary, sense.<sup>17</sup> Second, Congress specifically used different language, “label, package, configuration of goods,”<sup>18</sup> when it intended to encompass trade dress. Congress intentionally omitted this language from the definition of a principal register trademark in order to limit the registration of trade dress to the supplemental register.<sup>19</sup> Third, a broad interpretation of “symbol” is improper because it would render other words in the statutory definitions of a trademark and a mark redundant and would thereby fail to give effect to each word of the statute.<sup>20</sup> Fourth, a broad interpretation of “symbol” is improper because it would read language that Congress

---

16. See *infra* text accompanying notes 23-30.

17. See *McDermott Int'l, Inc. v. Wilander*, 498 U.S. 337, 342 (1991); *Morissette v. United States*, 342 U.S. 246, 263 (1952) (“And where Congress borrows terms of art in which are accumulated the legal tradition and meaning of centuries of practice, it presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken . . . .”); *Woods v. Lawrence County*, 66 U.S. 386, 399 (1861) (“[T]erms of art are to be understood in their technical sense when used in a statute.”).

18. Trademark Act of 1946, ch. 540, § 23, 60 Stat. 427, 435 (codified as amended at 15 U.S.C.A. § 1091(c) (West 1999)).

19. See, e.g., *Keene Corp. v. United States*, 508 U.S. 200, 208 (1993); *INS v. Cardoza-Fonseca*, 480 U.S. 421, 432 (1987) (“[W]here Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion.”) (quoting *Russello v. United States*, 464 U.S. 16, 23 (1983)).

20. See, e.g., *Ratzlaf v. United States*, 510 U.S. 135, 140-41 (1994) (noting that courts must construe statutes to give effect, if possible, to every provision); *Moskal v. United States*, 498 U.S. 103, 109-11 (1990) (same); *Reiter v. Sonotone Corp.*, 442 U.S. 330, 339 (1979) (same); *Market Co. v. Hoffman*, 101 U.S. 112, 115 (1879) (“It is a cardinal rule of statutory construction that significance and effect shall, if possible, be accorded to every word.”).

expressly revised as if the revision had not occurred.<sup>21</sup> Because the notion that trade dress is eligible for the principal register has become so fixed a preconception of late,<sup>22</sup> each of these points deserves further explication.

First, "symbol" and "device" were terms of art within trademark law and were part of the common law's definition of a technical trademark. As such, they should be interpreted in their legal, rather than ordinary, sense.<sup>23</sup> When Congress was considering the adoption of the Trademark Act, the "technical trademark" doctrine limited the subject matter eligible for protection as trademarks under the common law and for registration under the Trademark Act of 1905. The doctrine prohibited trademark protection for descriptive words and trade dress, and relegated plaintiffs seeking protection for descriptive words or trade dress to the doctrine of unfair competition.<sup>24</sup> The language courts and treatises used to define a

---

21. See, e.g., *Cardoza-Fonseca*, 480 U.S. at 442-43 ("Few principles of statutory construction are more compelling than the proposition that Congress does not intend *sub silentio* to enact statutory language that it has earlier discarded in favor of other language.") (quoting *Nachman Corp. v. Pension Benefit Guaranty Corp.*, 446 U.S. 359, 392-93 (1980) (Stewart, J., dissenting)); see also *Stone v. INS*, 514 U.S. 386, 397 (1995) ("When Congress acts to amend a statute, we presume it intends its amendment to have real and substantial effect.").

22. Indeed, by 1995, the notion that trade dress is eligible for registration on the principal register had become so fixed a preconception that the *Qualitex* Court cited the common law's definition of a technical trademark, including the word "symbol," without even recognizing it. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 170-71 (1995) (citing the definition of a technical trademark from *McLean v. Fleming*, 96 U.S. 245, 254 (1877), and characterizing the definition as "rather broadly" defining trademark subject matter).

23. See, e.g., *McDermott Int'l, Inc. v. Wilander*, 498 U.S. 337, 342 (1991); *Morissette v. United States*, 342 U.S. 246, 263 (1952) ("And where Congress borrows terms of art in which are accumulated the legal tradition and meaning of centuries of practice, it presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken . . ."); *Woods v. Lawrence County*, 66 U.S. 386, 399 (1861) ("[T]erms of art are to be understood in their technical sense when used in a statute.").

24. See, e.g., *Coats v. Merrick Thread Co.*, 149 U.S. 562, 566 (1893) ("There can be no question of the soundness of the plaintiffs' proposition that, irrespective of the technical question of trade-mark, the defendants have no right to dress their goods up in such manner as to deceive an intending purchaser, and induce him to believe he is buying those of the plaintiffs."); *Lucien Lelong, Inc. v. Lenel, Inc.*, 181 F.2d 3, 4-5 (5th Cir. 1950) ("It is elementary that a color or container cannot be a trade-mark . . . [T]here can be no trade-mark in a package, the shape of a bottle, or a letter of the alphabet."); *Societe Anonyme Benedictine v. Puziello*, 250 F. 928, 928 (E.D.N.Y. 1918) ("The statute of February 20, 1905, allowing the registration of a trade-mark in use for more than 10 years, does not alter the fundamental proposition, that a trade-mark is a design or mark rather than a container or package."); *Philadelphia Novelty Mfg. Co. v. Rouss*, 40 F. 585, 587 (C.C.S.D.N.Y. 1889) ("[I]n ordinary circumstances, the adoption of packages of peculiar

technical trademark varied somewhat, but the definition the Court gave in *McLean v. Fleming*<sup>25</sup> was typical:

[A] trade-mark may consist of a name, symbol, figure, letter, form, or device, if adopted and used by a manufacturer or merchant in order to designate the goods he manufactures or sells to distinguish the same from those manufactured or sold by another. . . .<sup>26</sup>

When Congress enacted the Trademark Act of 1946, it adopted verbatim the common law's definition of a technical trademark as the definition of a trademark eligible for registration on the principal register.<sup>27</sup> Such adoption is the veritable smoking gun of legislative

---

form and color alone, unaccompanied by any distinguishing symbol, letter, sign, or seal, is not sufficient to constitute a trade-mark."); *Adams v. Heisel*, 31 F. 279, 280 (C.C.N.D. Ohio 1887); WILLIAM HENRY BROWNE, TRADEMARKS §§ 89b, 89c, at 137-138 (2d ed. 1885) ("There are decisions which, at the first glance, seem to hold that the mere form of the vendible article may constitute a technical trade-mark. Careful analyses cannot fail to induce the conclusion, that the principles of unfair competition, rather than those appertaining to trade-marks, were the bases of judgment."); JAMES LOVE HOPKINS, THE LAW OF TRADEMARKS, TRADENAMES AND UNFAIR COMPETITION §§ 53, 54, & 57 (4th ed. 1924); W.L.P.A. Molengraaff, *The Nature of the Trade-Mark*, 29 YALE L.J. 303, 304 (1920) ("[P]erhaps the imitation of one of the properties of an article may give rise to an action for unfair competition or for 'passing off'; but in no case does the quality, the color, the shape or the size constitute a trade-mark of which the essence is that it be a symbol not inherent in the article but applied or attached to it").

25. 96 U.S. 245 (1879).

26. *McLean*, 96 U.S. at 254; see also *Columbia Mill Co. v. Alcorn*, 150 U.S. 460, 463 (1893) ("That to acquire the right to the exclusive use of a name, device, or symbol, as a trade-mark, it must appear that it was adopted for the purpose of identifying the origin or ownership of the article to which it is attached . . ."); *Stokes v. Landgraff*, 17 Barb. Ch. 608 (N.Y. 1853), 1853 WL 5263, at \*1 ("The principle is well-settled, that a manufacturer, may, by priority of appropriation, of names, letters, marks or symbols of kind, to distinguish his manufacturers, acquire a property therein as a trade mark."); BROWNE, *supra* note 24, § 87, at 137-38 ("The mark may consist in the name of the owner, whether manufacturer or vendor of the merchandise . . .; in a seal, a letter, a cipher, a monogram, or any other sign or symbol that can serve to distinguish the products of one man from those of another. It may be any symbol or emblem, however unmeaning in itself, as a cross, a bird, a quadruped, a castle, a star, a comet, a sun; or it may, and frequently does, consist of a combination of various objects, copied from nature, art, or fancy . . .") Later section titles include "§ 89b. *The mere Form of a vendible Commodity not a Trade-Mark*" and "§ 137. *The Style, or Peculiarity of Package, is not per se a Trade-mark.*"; FRANCIS H. UPTON, A TREATISE ON THE LAW OF TRADEMARKS 9 (1860) ("A trade mark is the name, symbol, figure, letter, form or device, adopted and used, by a manufacturer, or merchant, in order to designate the goods he manufactures, or sells, and distinguish them from those manufactured or sold by another.").

27. See Trademark Act of 1946, ch. 540, 60 Stat. 427, 443 (codified as amended at 15 U.S.C.A. § 1127 (West 1997)); see also *Ex parte Minnesota Mining & Mfg. Co.*, 92 U.S.P.Q. (BNA) 74, 75-76 (Chief Exam'r 1952); *Ex parte Boye Needle Co.*, 100 U.S.P.Q. (BNA) 124, 124 (Chief Exam'r 1953); *Burgess Battery Co. v. Marzall*, 92 U.S.P.Q. (BNA) 90, 91-92 (D.D.C. 1951); *Ex parte American Enka Corp.*, 81 U.S.P.Q. (BNA) 476, 478 (Comm'r Pat. 1949) ("While applicant apparently regards the definition in section 45 of the Act of 1946 as a new standard for determining what may be a trade mark, it is to be

intent, near-conclusively establishing that Congress intended to adopt the common law's traditional trademark definition. Whatever ordinary meaning these words might carry, "symbol" and "device" had very specific and narrow meanings within trademark law. Specifically, these words referred to an emblem, artistic figure, or combination of letters engraved on, burned into, or attached to a product.<sup>28</sup> Such "symbols" represented some of the earliest known trademarks,<sup>29</sup> and Anglo-American jurisprudence had long recognized such "symbols" as eligible for protection as technical trademarks.<sup>30</sup> At the same time, the case law had specifically rejected any interpretation of the terms "symbol" or "device" that would incorporate product packaging or configuration as technical trademarks.<sup>31</sup> Thus, despite the potentially broad ordinary language

---

noted that this definition was apparently taken, directly, or indirectly from that contained in the treatise on the 'Law of Trade-Marks,' by Francis H. Upton, published in 1860 . . .").

28. See, e.g., *Herz v. Lowenstein*, 40 App. D.C. 277, 278 (D.C. Cir. 1913) ("[T]he size or shape or mode of construction of a box, barrel, or package in which goods may be put is not a trademark.") (quoting *Hoyt v. Hoyt*, 22 A. 755, 756 (Pa. 1891)); *Adams v. Heisel*, 31 F. 279, 280 (C.C.N.D. Ohio 1887) (holding that plaintiff may not claim as a trademark symbol "the mere form of a vendable commodity," "of a peculiar form and decoration of the boxes" in which the product is sold, or "the manner in which the [product] might be placed in the boxes"); *Moorman v. Hoge*, 17 F. Cas. 715, 718 (C.C.D. Cal. 1871) (recognizing that some parts of the definition of a technical trademark, such as "form" and "device," "are very broad terms," but ruling that a more limited definition prevails in the trademark context: "the symbol, figure, letter, form, or device, used for a trade-mark, must be a mark, impressed, cut, engraved, stamped, cast upon, or in some way wrapped around, or appended to, the article, or the package, as something independent of the article itself, or the package used to contain it"); see also *Ex parte Minnesota Mining & Mfg. Co.*, 92 U.S.P.Q. (BNA) 74, 76 (Chief Exam'r 1952) (recognizing potentially broad ordinary language meaning of term "device" but noting narrower meaning which applies in trademark law).

29. See, e.g., MCCARTHY, *supra* note 3, § 5.01; Sidney A. Diamond, *The Historical Development of Trademarks*, 65 TRADEMARK REP. 265 (1978).

30. See *Kann v. Diamond Steel Co.*, 89 F. 706, 708-13 (8th Cir. 1898) (recognizing the picture of a diamond as a "symbol" properly protected as a technical trademark); *Kinney v. Allen*, 14 F. Cas. 608, 610 (C.C.E.D. Va. 1877) (recognizing as trademarks the picture of "an Eastern fez, surrounded by rays of light" and "the numerical symbol 1/2, printed in bold characters, in red color, with the bar between the two figures oblique and nearly upright"); *Morrison v. Case*, 17 F. Cas. 837, 837-38 (C.C.D. Conn. 1872) (recognizing as trademark "the device of a six-pointed star" stamped on shirts or their labels and packaging).

31. See *Goodyear Tire & Rubber Co. v. Robertson*, 25 F.2d 833, 833-34 (4th Cir. 1928) (rejecting claim that diamond pattern in tread of tire could serve as a trademark); *Beadleston & Woerz v. Cookie Brewing Co.*, 74 F. 229, 231 (7th Cir. 1896) ("[T]he device employed . . . as a trade-mark upon packages containing beer was the firm or corporate name and the coat of arms of the state of New York surrounded by the words 'Empire Brewery Bottling Department.'"); *Holeproof Hosiery Co. v. Wallach Bros.*, 190 F. 606, 607-8 (C.C.S.D.N.Y. 1911) (using word "device" to refer to a trademark consisting of a

meaning of the terms “symbol” and “device,” these terms carried a more precise and limited meaning as aspects of the common law’s technical trademark definition.<sup>32</sup> When Congress incorporates such terms of art within a statute, courts should presume that Congress was aware of, and intended the terms to carry, their legal meaning.<sup>33</sup>

Second, in interpreting “symbol” and “device,” we need not rely solely on a presumption that Congress intended these terms to carry their legal, rather than ordinary, meaning. Congress specifically used other terms in the Trademark Act when it intended to encompass trade dress. Thus, we can contrast the common law’s technical trademark definition—“a word, name, symbol, or device”—that Congress adopted for principal register trademarks with the definition Congress adopted for marks eligible for registration on the supplemental register. For purposes of the supplemental register,

---

circle containing the words “Holeproof Hosiery” and the monogram “H.H.C.” but distinguishing such trademark device from the question whether the imitation of plaintiff’s packaging constituted unfair competition); *California Fig Syrup Co. v. Stearns*, 67 F. 1008, 1015 (C.C.E.D. Mich. 1895) (reflecting similar separation between “device” and packaging by stating “[t]he devices on the bottles, wrappers, and packages of complainant were closely, and for some time exactly, imitated by defendant”); *Singer Mfg. Co. v. Riley*, 11 F. 706, 708 (C.C.W.D. Tenn. 1882) (describing as “[t]he well-known device of the plaintiff” the image of “a shuttle, needles crossed, and the letter S made with the representation of the thread surrounded by a partial wreath of a plant and the words ‘The Singer Mfg. Co.’”); *Sawyer v. Horn*, 1 F. 24, 31-32 (C.C.D. Md. 1880) (rejecting packaging’s shape and coloring as a trademark); *Harrington v. Libbey*, 11 F. Cas. 605, 606 (C.C.S.D.N.Y. 1877) (rejecting trademark claim to “ornamented tin pail” used as packaging and stating that where claim is to form of packaging itself “[t]here is no name, no symbol, no assertion of origin or ownership”).

32. Judge Sawyer in *Moorman v. Hoge*, 17 F. Cas. 715 (C.C.D. Cal. 1871), confronted this dichotomy between the ordinary and legal meanings of the technical trademark definition directly in 1871:

The words “form,” and “device,” [in Upton’s definition of a technical trademark] for instance, are very broad terms, and they might, in a general and comprehensive sense, embrace the form of a barrel, or package, or of the article of merchandise itself sold. But the words of definition are all used in connection with the word, “mark,” and the word “mark,” in its first and usual signification is defined, by Webster, to be “a visible sign, made or left upon any thing . . .” And some such mark used in connection with, impressed, cut, or stamped upon, or attached to the article manufactured, or sold, in the ordinary course of trade, embraces the usual and ordinary idea of a “trade-mark.”

17 F. Cas. at 718.

33. See *McDermott Int’l, Inc. v. Wilander*, 498 U.S. 337, 342 (1991); *Morissette v. United States*, 342 U.S. 246, 263 (1952) (“And where Congress borrows terms of art in which are accumulated the legal tradition and meaning of centuries of practice, it presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken . . .”); *Woods v. Lawrence County*, 66 U.S. 386, 399 (1861) (“[T]erms of art are to be understood in their technical sense when used in a statute.”).

Congress defined a "mark" as "any trade-mark, symbol, label, package, configuration of goods, name, word, slogan, phrase, surname, geographical name, numeral, or device or any combination of the foregoing."<sup>34</sup> On its own, Congress's use of different language in defining principal register trademarks and supplemental register marks is persuasive evidence that Congress did not intend the two definitions to carry the same meaning.<sup>35</sup> In addition, Congress's use of specific trade dress language, "label, package, [and] configuration of goods," in the supplemental register definition establishes that Congress knew how to encompass trade dress when it so intended. The fact that Congress then included the trade dress language in the definition of a supplemental register mark, but excluded the trade dress language from the definition of a principal register trademark reflects Congress's deliberate decision to limit the registration of trade dress to the supplemental register.<sup>36</sup> Similarly, in section 2(f) of the Trademark Act, Congress expressly allowed the registration of descriptive word marks on the principal register upon a showing of secondary meaning.<sup>37</sup> In doing so, Congress again demonstrated its understanding of the technical trademark doctrine and the need to incorporate specific language where it intended to modify the doctrine. Again, that Congress included language that changed the common law's exclusion of descriptive words from principal register trademarks, but refused to include language that would have changed the common law's exclusion of trade dress, confirms that Congress intended to exclude trade dress from the principal register.

Third, the structure and precise wording of the statutory

---

34. Trademark Act of 1946, ch. 540, 60 Stat. 427, 435-36 (codified as amended at 15 U.S.C.A. § 1091(c) (West 1997)).

35. See *Russello v. United States*, 464 U.S. 16, 23 (1983) ("We refrain from concluding here that the differing language in the two subsections has the same meaning in each. We would not presume to ascribe this difference to a simple mistake in draftsmanship.").

36. See *Central Bank v. First Interstate Bank*, 511 U.S. 164, 176-77 (1994) (refusing to recognize aiding and abetting liability under the Securities Act because "Congress knew how to impose aiding and abetting liability when it chose to do so" and "did not" in section 10(b)); *Ex parte Minnesota Mining & Mfg. Co.*, 92 U.S.P.Q. (BNA) 74, 75-76 (Chief Exam'r 1952) (noting that Congress adopted separate definitions for "marks" registrable on the supplemental register, and "trade-marks" registrable on the principal register); see also *Ex parte Boye Needle Co.*, 100 U.S.P.Q. (BNA) 124 (Chief Exam'r 1953); *Burgess Battery Co. v. Marzall*, 92 U.S.P.Q. (BNA) 90, 91 (D.D.C. 1951); Walter J. Derenberg, *The Lanham Act of 1946: Practical Effects and Experiences after One Year's Administration*, 38 TRADEMARK REP. 831, 835 (1948) (noting that items that might qualify as trade dress "were deliberately left outside the definition of a 'trade-mark' in section 45" and are not therefore eligible for registration on the principal register).

37. Trademark Act of 1946, ch. 540, 60 Stat. 427, 429 (codified as amended at 15 U.S.C.A. § 1052(f) (West 1997)).

definitions of mark and trademark further confirm that Congress intended "symbol" to carry its narrower, technical meaning. Rather than appear alone in the statutory definitions, the word "symbol" appears in the midst of additional terms. Thus, in the principal register definition, the word "symbol" is the third of four terms, appearing after "word, name" and just before "or device."<sup>38</sup> These other terms refer to specific categories of eligible subject matter, and by placing "symbol" amongst such specific terms, presumably Congress intended "symbol" to carry a similarly specific meaning. Moreover, in neither ordinary speech nor statutory language does a general catch-all category typically appear as the third of four items in a list and Congress had already included a general catch-all category through the words "or any combination thereof" at the end of the trademark definition.<sup>39</sup> Finally, if "symbol" is read as "anything at all," the term "symbol" would already encompass a "word, name, . . . or device," and would already encompass a "label, package, configuration of goods, name, word, slogan, phrase, surname, geographical name, numeral or device."<sup>40</sup> As a result, a broad interpretation of "symbol" would render large parts of these statutory definitions redundant and would violate the fundamental rule requiring the Court "to give effect, if possible, to every clause and word of a statute."<sup>41</sup> Giving "symbol" its narrower, technical definition, on the other hand, avoids such redundancy and therefore properly reflects Congress's intent.

Fourth, Congress amended the definition of "trademark" to include the "word, name, symbol, or device" limitation fairly late in the legislative process leading to the Trademark Act of 1946. From its first introduction in 1924 until 1943, the proposed act defined "trademark" in a broad fashion. For example, S. 2679, introduced in

---

38. Trademark Act of 1946, ch. 540, 60 Stat. 427, 443 (codified as amended at 15 U.S.C.A. § 1091(c)(West Supp. 1999)). Similarly, in the definition of supplemental marks, "symbol" is the second of thirteen terms, and appears alongside such specific categories as, "label, package, configuration of goods, name, word, slogan, phrase, surname, geographical name, numeral, [or] device." Trademark Act of 1946, ch. 540, 60 Stat. 427, 435-36 (codified as amended at 15 U.S.C.A. § 1091(c) (West Supp. 1999)).

39. In the definition of supplemental marks, Congress also ended the list with a general catch-all provision, "or any combination of any of the foregoing." Trademark Act of 1946, ch. 540, 60 Stat. 427, 436 (codified as amended at 15 U.S.C.A. § 1091(c) (West Supp. 1999)).

40. *Id.*

41. *Montclair v. Ramsdell*, 107 U.S. 147, 152 (1882); *see also* *Washington Market Co. v. Hoffman*, 101 U.S. 112, 115 (1879); *Platt v. Union Pac. R.R.*, 99 U.S. 48, 58 (1878); *In re Nantucket, Inc.*, 677 F.2d 95, 98 (C.C.P.A. 1982); *Tabor v. Ulloa* 323 F.2d 823, 824 (9th Cir. 1963).



1924, defined trademarks registrable on the principal register as follows: "The term trade-mark includes any mark so used as to distinguish the source or origin of the user's goods . . ." <sup>42</sup> H.R. 9041, introduced in 1938, provided: "The term 'trade-mark' includes any mark so used as to distinguish the user's goods from the goods of others . . ." <sup>43</sup> Similarly, H.R. 102 and H.R. 4744, introduced in 1941 and 1939, respectively, provided that "[t]he terms 'trade-mark' and 'mark' include any mark which is entitled to registration under the terms of this Act . . . whether registered or not." <sup>44</sup> All of these bills expressly defined "trademarks" as "any mark" and may thereby have incorporated by reference the broad definition of "marks" eligible for registration on the supplemental register. <sup>45</sup> The 1924 and 1938 bills also focused eligibility for registration exclusively on whether the thing claimed as a trademark was being "so used as to distinguish" the applicant's goods, implicitly suggesting that distinguishing use was the sole test for registrability. <sup>46</sup>

In 1943, just three years before final enactment, Congress amended the definition of "trademark" in the proposed bill and replaced it with the language eventually adopted, defining a trademark as a "word, name, symbol, or device." <sup>47</sup> By doing so,

42. S. 2679, 68th Cong. § 31 (1925).

43. H.R. 9041, 75th Cong. § 43 (1938), reprinted in *Trade-marks: Hearings on H.R. 9041 Before the Subcomm. on Trade-marks of the House Comm. on Patents*, 75th Cong. 9 (1938) [hereinafter *1938 Trademark Hearings*].

44. H.R. 102, 77th Cong. § 45 (1941), reprinted in *Trade-marks: Hearings on H.R. 102, H.R. 5461, and S. 895 Before the Subcomm. on Trade-marks of the House Comm. on Patents*, 77th Cong. 13 (1941); H.R. 4744, 76th Cong. § 46 (1939), reprinted in *Trade-marks: Hearings on H.R. 4744 Before the Subcomm. on Trade-marks of the House Comm. on Patents*, 76th Cong. 9 (1939) [hereinafter *1939 Trademark Hearings*] ("The term 'trade-mark' includes any mark which is entitled to registration under the terms of this Act and whether registered or not.").

45. As shall be discussed below, this definition gave rise to the possibility of cross-over registration, where subject matter expressly included in the definition of marks eligible for registration on the supplemental register would become, by incorporation, eligible for registration as trademarks on the principal register. See *infra* text accompanying notes 52-68.

46. See 1927 Senate Hearings, *supra* note 7, at 29 (statement of Mr. Edward S. Rogers) ("[I]t has been the understanding of the Patent Office and the bar in general that anything by which one man's goods can be distinguished from another, that thing, whatever it may be, performs the function of a trade-mark, and he should receive the same protection as with any trade-mark.").

47. See H.R. 82, 78th Cong. § 45 (1943), reprinted in *Trade-Marks: Hearings Before the Subcomm. of the Senate Comm. on Patents*, 78th Cong. 14 (1944) [hereinafter *1944 Trademark Hearings*] ("The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others."); see also Trademark Act of 1946, ch. 540, 60 Stat. 427, 443 (codified as amended at 15 U.S.C.A.

Congress eliminated the possibility that the broad definition of marks eligible for the supplemental register could be read into the definition of principal register trademarks.<sup>48</sup> Through this language, Congress also expressly incorporated a subject matter limitation.<sup>49</sup> Where the early proposals focused on a single issue—whether the claimed mark was used to distinguish the applicant's goods—the revised language expressly focused on two: (i) distinguishing use; and (ii) proper subject matter, *i.e.* a “word, name, symbol, or device.”<sup>50</sup> As a result, after the revision, for a claimed mark to qualify as a principal register trademark, it would not be enough that the claimed mark was used to distinguish the applicant's goods; the claimed mark would also have to be a “word, name, symbol, or device.” Yet, a broad interpretation of “symbol” would defeat this express change in the statute and read the revised language as if the revision had not occurred, compelling evidence that such a broad interpretation is improper.<sup>51</sup>

For these reasons, it becomes plain that Congress intended the term “symbol” within the Trademark Act to carry a narrow interpretation consistent with its historical usage as part of the common law definition of a technical trademark. We find further support for this conclusion when we look beyond the language of the Act itself to the context in which Congress revised the definition of

---

§ 1127 (West 1999)) (“The term ‘trademark’ includes any word, name, symbol, or device, or any combination thereof . . . used by a manufacturer or merchant . . . to identify and distinguish his goods from those manufactured or sold by others . . .”).

48. See *Ex parte* Minnesota Mining & Mfg. Co., 92 U.S.P.Q. (BNA) 74, 75-76 (Chief Exam'r 1952) (noting that Congress adopted separate definitions for “marks” registrable on the supplemental register, and “trade-marks” registrable on the principal register); see also *Ex parte* Boye Needle Co., 100 U.S.P.Q. (BNA) 124 (Chief Exam'r 1953); *Burgess Battery Co. v. Marzall*, 92 U.S.P.Q. (BNA) 90, 91 (D.D.C. 1951); *Derenberg*, *supra* note 36, at 835 (noting that items that might qualify as trade dress “were deliberately left outside the definition of a ‘trade-mark’ in section 45” and are not therefore eligible for registration on the principal register).

49. For a response to the argument that Congress, by stating that “[a] ‘trademark’ includes any word, name, symbol, or device,” Trademark Act of 1946, ch. 540, 60 Stat. 427, 443 (codified as amended at 15 U.S.C.A. § 1127 (West 1999)) (emphasis added), did not intend this language to limit trademark subject matter, see *infra* note 189.

50. Compare 1927 *Senate Hearings*, *supra* note 7, at 29 (statement of Mr. Rogers) (asserting that presence of distinguishing use alone determined whether something qualified as trademark), with 1944 *Trademark Hearings*, *supra* note 47, at 20 (statement of Daphne Robert) (recognizing an additional subject matter limitation by testifying that “[t]rademarks are symbols or names, words or devices which distinguish the products of one manufacturer from the products of another manufacturer”).

51. See *INS v. Cardoza-Fonseca*, 480 U.S. 421, 442-43 (1987); *Russello v. United States*, 464 U.S. 16, 23-24 (1983) (“Where Congress includes limiting language in an earlier version of a bill but deletes it prior to enactment, it may be presumed that the limitation was not intended.”).

trademarks eligible for registration on the principal register.

### B. Congress Drafted the Act Specifically to Exclude Trade Dress

Congress revised the definition of a principal register trademark as a result of the repeatedly expressed concern that the Act by broadly defining "marks" for the supplemental register might open the door to a similarly broad interpretation of principal register trademarks. A number of individuals testified that the broad supplemental register definition might allow for "cross-over" registration, where trade dress registered as a mark on the supplemental register would become eligible for the principal register once it became distinctive. Each thought the possibility of such cross-over registration represented a dangerous and undesirable expansion of trademark protection.

In 1927, for example, S.G. Nottingham testified that by recognizing a configuration of goods as a registrable mark for the purposes of the supplemental register, the bill might allow registration of such trade dress on the principal register.<sup>52</sup> He worried that such cross-over registration would "practically put all of the parts manufacturers out of business."<sup>53</sup> Henry B. Brownell, Chairman of the Committee on Trade-Marks of the New York Patent Bar Association, expressed similar concerns:

Now, under the present case there is a proposition to amend the trade-mark law so that a great many things can be controlled as trade-marks forever, which heretofore have been controlled, perhaps, by designs for a limited period.

This proposed bill goes so far as to say that you can register as a trade-mark a configuration of goods . . . .

I think that that provision for the registration of configuration of goods is an exceedingly dangerous one, and I believe that my board of governors feel the same way.<sup>54</sup>

Similar sentiments regarding the undesirable possibility of such cross-over registration were also expressed in the 1938 and 1939 hearings.<sup>55</sup> Witnesses in those hearings expressed their fears that the

---

52. See *Hearings Before the House Comm. on Patents*, 69th Cong., 67-69 (1927) (statement of S.G. Nottingham).

53. *Id.*

54. *1927 Senate Hearings*, *supra* note 8, at 28-29; see also *Hearings on H.R. 13486 Before the House Comm. on Patents*, 69th Cong. 67-68 (1927) [hereinafter *1927 House Hearings*] (statement of Henry B. Brownell) (explaining cross-over registration possibility and stating that the provision for the registration of goods is dangerous).

55. See *1938 Trademark Hearings*, *supra* note 43, at 180 (response to concern by

broad definition of mark and the possibility of cross-over registration that it created "extended [protection] away [sic] beyond any trademark law,"<sup>56</sup> would lead to "endless litigation,"<sup>57</sup> and created a risk of "real fraud and deceit" because individuals would assert trademark rights to bluff their competitors "out of using thin[g]s [sic] they have a perfect right to use."<sup>58</sup>

In each instance, proponents of the trademark bill denied any intention to create a possibility of such cross-over registration.<sup>59</sup> Nevertheless, they agreed over the years to various revisions of the bill to eliminate that possibility. In 1927, for example, proponents agreed to add prefatory language stating that the supplemental register's broad definition of a mark was "for purposes of this section."<sup>60</sup> From 1927 through 1944, Congress continued to refine this prefatory language to ensure that the broad definition of mark for the supplemental register applied only to the supplemental register.<sup>61</sup> In 1938, Congress reinforced this distinction between the registers by rewriting section 2 to limit eligibility for the principal register to "trade-marks,"<sup>62</sup> where earlier drafts of the trademark bill had defined eligibility in terms of "marks."<sup>63</sup> When witnesses remained concerned that the distinction between marks and trademarks was not sufficiently clear to prevent the possibility of cross-over registration, Congress rewrote the trademark definition to track the language of

---

Edward S. Rogers); *1939 Trademark Hearings*, *supra* note 44, at 126, 128, (statements of Mansfield Fuldner and Robert W. Byerly).

56. *1939 Trademark Hearings*, *supra* note 44, at 126, *1939 Trademark Hearings*, (statement of Mansfield C. Fuldner).

57. *Id.*

58. *Id.* at 128 (statement of Robert W. Byerly).

59. *See id.* at 127 (statement of Mr. Rogers); *1938 Trademark Hearings*, *supra* note 43, at 180 (statement of Mr. Rogers); *1927 Senate Hearings* *supra* note 8, at 29-30, (statement of Mr. Rogers).

60. *1927 Senate Hearings* *supra* note 8, at 29-30 ("Mr. Rogers. Would it meet your objection, and that of your association, if it should be stated, 'for purposes of this section, any mark may include . . .'").

61. *Compare* H.R. 82, 78th Cong. § 23 (1943) ("For the purposes of registration on the supplemental register, a mark may consist of any trade-mark, symbol, label, package, configuration of goods . . ."), and Trademark Act of 1946, ch. 540, 60 Stat. 427, 435-36 (codified as amended at 15 U.S.C.A. § 1091(c) (West 1997)) (same), with H.R. 4744, 76th Cong. § 23 (1939) ("For the purposes of this register . . ."), H.R. 9041, 75th Cong. § 25 (1938) ("For the purposes of this section . . ."), and H.R. 6248, 69th Cong. § 5 (1925) (giving broad definition of mark with no prefatory language).

62. H.R. 9041, 75th Cong. § 2 (1938) ("Trade-marks used in commerce shall be registered . . .").

63. *See, e.g.*, H.R. 2828, 71st Cong. § 2 (1929) ("No mark . . . shall be refused registration . . .").

the 1905 Act.<sup>64</sup>

It was against this background in December 1942 that the Department of Justice entered the legislative arena in opposition to the trademark bill.<sup>65</sup> From the outset of its intervention, the Department of Justice expressed the concern that the trademark bill improperly expanded the scope of trademark protection and “in the guise of a procedural trade-mark law change[d] our fundamental law.”<sup>66</sup> In its final report, the Department of Justice specifically identified the bill’s potential for allowing cross-over registration for product shapes, designs, and packaging as posing a direct threat to desirable competition.<sup>67</sup> Within a month of the Department’s initial intervention, Congress rejected the broader definition of trademark contained in the earlier bills and replaced it with the definition of a technical trademark given by the common law.<sup>68</sup> The context in which this revision occurred thus confirms that Congress specifically intended to exclude trade dress from the principal register.

### C. The Legislative History Regarding Trade Dress

If there were any ambiguity or room for doubt on this issue, the legislative history of the Act expressly confirms that trade dress would not be eligible for registration on the principal register. As discussed, during the legislative process, various witnesses raised the

---

64. Compare H.R. 4744, 76th Cong. § 46 (1939) (“The term ‘trade-mark’ includes any mark which is entitled to registration under the terms of this Act and whether registered or not . . .”), with Act of Feb. 20, 1905, ch. 592, 33 Stat. 724, 731 (1905) (“The term ‘trade-mark’ includes any mark which is entitled to registration under the terms of this Act and whether registered or not.”).

65. See *Trade-Marks: Hearings before a Subcomm. of the Senate Comm. on Patents*, 77th Cong., 2d Sess. 44 (1942) [hereinafter *1942 Trademark Hearings*] (colloquy inquiring about the reasons for the Department of Justice’s sudden and late appearance in the course of the trademark bill).

66. *Id.* at 40-41 (statement of Elliott H. Moyer).

67. See *1944 Trademark Hearings*, *supra* note 47, at 62 (Report of Department of Justice) (“Section 23 provides for a supplemental register for almost any conceivable mark . . . [After citing the definition of a ‘mark’ from section 23, the Report continued:] This broad authorization would appear to extend to functional packages and shapes of products, unpatentable designs, and to even include combination packages identified by tying two or more products together . . . [and] by transfer to the principal register [such ‘marks’ may] become the exclusive property of a registrant. This result would not only bypass the patent laws in establishing exclusive rights in the shape and design of articles and packages, but might well create widespread commercial confusion by imposing on producers the necessity of avoiding the use of functional designs, shapes, and packages . . .”).

68. See H.R. 82, 78th Cong., 1st Sess. § 45 (1943) (“The term ‘trade-mark’ includes any word, name, symbol, or device . . . adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.”).

possibility of cross-over registration. On each occasion, supporters of the trademark bill denied that the supplemental register's broad definition of mark would create such a risk. In each case, they insisted that trade dress would be limited to the supplemental register and would serve to ensure protection for United States trademark owners seeking protection abroad, not to broaden domestic protection.

For example, when the possibility of cross-over registration was initially raised in 1927, Mr. Rogers, one of the principal drafters and supporters of the Trademark Act, responded to the concern as follows:

Mr. Rogers. The section 3(b) to which Mr. Brownell refers is designed to permit a quick registration. In the case of a trader who does business in foreign countries, in case his mark is registerable, it is necessary, of course, to have quick registration in order to carry on his business. The attempt is to define what is registerable. Now, in order to give it a proper meaning, it is necessary to establish what is considered a proper trade-mark in foreign countries. For example, in France, a distinguishing bottle, or a distinctive perfumery bottle is considered a trade-mark. Here you have a different trade-mark. In France you have to have a distinctive bottle in order to comply with their law as to trade-marks.

Now, in section 2, to which Mr. Brownell refers, that "no mark by which the goods to which it is applied by the applicant may be distinguished as to source or origin," etc., that is an exact copy of the present law. It has received interpretations by the Supreme Court and is very well understood. That refers to trade-mark matters under American law.

Section 3(b) refers to trade-marks under foreign law, and the purpose of that is to protect our own citizens in foreign countries. And it expressly provides that, so far as the United States is concerned, all rights with respect to marks registered under this act have the same protection as the common law affords.

Surely it is not contemplated to transfer the foreign law into the United States, but fully to protect abroad Americans, the same as has always been done under the common law.<sup>69</sup>

Similarly, in 1939, Mr. Rogers and Representative Lanham again considered the broad definition of mark for the supplemental register and again denied that the language created any possible risk of enabling cross-over registration.

Mr. Rogers. There is a very definite reason for including the

---

69. 1927 Senate Hearings, *supra* note 8, at 29.

language [that includes “symbols, labels, package, configuration of goods, name, word, slogan or phrase” in the definition of marks for the supplemental register] to which my friend objects. In many foreign countries, the only way one can get trade-mark protection is by registration. That is generally so in Latin America. Moreover, in order to get protection there—and protection depends upon registration—a foreigner must produce a certificate of registration from his home land, and one purpose of the supplemental register is to provide protection in foreign countries. They do not have the same concept of trade-marks down there that we have; they regard, many of them, as trade-mark subject-matter things that we consider designs, or what not.

Now a configuration of goods generally—take Argentina, for instance—is regarded as a trade-mark; the shape of a perfumery bottle, or something of that kind.

Mr. Lanham. It would be a design patent here?

Mr. Rogers. It would be a design patent here. If we cannot get registration in this country for that sort of configuration, we cannot get any protection in Argentina. Now it is strictly limited for that purpose in this section, that a trade-mark may be deemed to include these various things.<sup>70</sup>

Had there been any room for doubt, these statements by the Act’s principal supporters conclusively dispel the notion that Congress intended to allow trade dress on the principal register.<sup>71</sup>

#### **D. The Contemporaneous Interpretations and Assistant Commissioner Daphne Robert Leeds’ Torturous Path to Her Rationale**

All of these facts lead inexorably to the conclusion that Congress intended to exclude trade dress from the principal register and to relegate it exclusively to the supplemental register. Nevertheless, and despite their statements to Congress during the legislative process, immediately following the Trademark Act’s adoption, some proponents of broad trademark protection argued that the Trademark Act did allow for trade dress registration on the principal

---

70. 1939 *Trademark Hearings*, *supra* note 44, at 127; *see also* 1939 *Trademark Hearings*, *supra* note 44, at 126 (statement of Fritz G. Lanham) (“‘Trade-mark’ will frequently appear on a label; but a label, or print, including even a page in a newspaper—I think the decisions have gone that far—are inherently copyrights.”).

71. Although the general purpose of the Trademark Act articulated in its legislative history might be thought to support trade dress registration, the Court has often cautioned against “simplistically . . . [assuming] that *whatever* furthers the statute’s primary objective must be the law.” *Rodriguez v. United States*, 480 U.S. 522, 526 (1987) (*per curiam*); *see also* *Reves v. Ernst & Young*, 507 U.S. 170, 183-84 (1993).

register.<sup>72</sup> Their argument was that Congress had not been careful enough in expressing its intent<sup>73</sup> and had left a door open for the cross-over registration of trade dress in section 2(f). For example, one such proponent, Daphne Robert, argued in her 1947 book, *The New Trademark Manual*, that section 2(f) allowed such cross-over registration as follows:

Packages and configurations of goods which have become distinctive through use may be registrable on the principal register under Section 2(f). That section provides that nothing in the Act shall prevent the registration of marks which have become distinctive. "Marks" are defined as trade-marks, service marks, collective marks and certification marks entitled to registration, whether registered or not. Since packages and configurations of goods are entitled to registration under the Act [on the supplemental register], it would seem to follow that if they have become distinctive they are registrable on the principal register.<sup>74</sup>

Yet, the PTO, having recently participated in the legislative process and unwilling as yet to substitute its own preference for Congress's perfectly clear intention, steadfastly rejected these arguments for the first twelve years following the Trademark Act's passage. In 1949, for example, the Commissioner specifically rejected the argument that the Trademark Act of 1946 expanded "the concept or definition of a trademark."<sup>75</sup> In evaluating the statutory definition of principal register trademarks, the Commissioner wrote:

[T]he definition appearing in the 1946 Act appears not only entirely

---

72. See 4 RUDOLF CALLMAN, *THE LAW OF UNFAIR COMPETITION AND TRADE-MARKS* § 98.4(d), at 2137 (2d ed. 1950); Stephen P. Ladas, *The Lanham Act and International Trade*, 14 *LAW & CONTEMP. PROBS.* 269, 278 (1949).

73. Opponents of the bill early on identified the inconsistent use of "trademark" and "mark" in the bill as creating an undesirable ambiguity. See 1927 *Senate Hearings*, *supra* note 8, at 29 (statement of Henry B. Brownell) ("Well, the trouble is, under the old act the word 'mark' was not used, but it contained no such broad definition as the present act. I believe that when the word 'mark' is used it should have the same meaning as at any other place. That is the trouble with this bill. It uses 'trade-mark' and then 'mark,' 'mark,' in a great many places, and when it uses the word 'mark' it means one thing in one place, and another in another place."). While denying any ulterior motives, see 1927 *House Hearings*, *supra* note 54, at 67 (statement of Mr. Rogers) ("There isn't any ulterior purpose in putting the word 'configuration' [into the definition of 'mark' for purposes of the supplemental register]."), proponents of the bill agreed to add language to the prefatory section of the supplemental register provision to make clear that the broad definition of mark for the supplemental register applied only to the supplemental register. See 1927 *Senate Hearings*, *supra* note 8, at 30 (statement of Mr. Rogers) ("Would it meet your objection, and that of your association, if it should be stated, 'for the purposes of this section, any mark should include . . .'").

74. DAPHNE ROBERT, *THE NEW TRADEMARK MANUAL* 67 (1947).

75. *Ex parte* Pulitzer Publ'g Co., 82 U.S.P.Q. (BNA) 229, 231 (Comm'r Pat. 1949).



consistent with the definitions and statements of the nature of trade marks appearing in many decided cases, both under the Act of 1905 and at common law, but to have been taken almost literally from such cases and earlier text authority.<sup>76</sup>

Despite such decisions, companies continued to press their claims for trade dress registration. The issue came to a head in 1952 when Minnesota Mining and Manufacturing Co. ("3M") sought registration of a tape dispenser on the principal register. Following the line of argument that Ms. Robert had asserted in her book, 3M argued that section 2(f) allowed the registration on the principal register of any "mark which . . . has become, distinctive of the [applicant's] goods"; that section 45 defined "mark" to include any "trade mark, service mark, collective mark, or certification mark *entitled to registration under this Act*"; that section 23 specifically allowed the registration of packages and configurations of goods under the Act; and that therefore packages and configurations of goods were registrable on the principal register when they had become distinctive.<sup>77</sup> The PTO was not persuaded and rejected the cross-over registration argument.<sup>78</sup>

Recognizing the differing definitions Congress gave for "marks" eligible for the supplemental register and "trademarks" eligible for the principal register, the Examiner-in-Chief held that the broader supplemental register definition could not properly be read into the principal register definition.<sup>79</sup> Turning to the definition of trademark more specifically, the Examiner held that it "made no fundamental change in what is considered to be a trade mark" and noted that the definition was "similar to definitions found in textbooks and decisions

---

76. *Id.* at 231; *see also* Burgess Battery Co. v. Marzall, 92 U.S.P.Q. (BNA) 90, 91-92 (D.D.C. 1951); *Ex parte* American Enka Corp., 81 U.S.P.Q. (BNA) 476, 478 (Comm'r Pat. 1949) ("While applicant apparently regards the definition in section 45 of the Act of 1946 as a new standard for determining what may be a trade mark, it is to be noted that this definition was apparently taken, directly, or indirectly from that contained in the treatise on the 'Law of Trade-Marks,' by Francis H. Upton, published in 1860, prior to the enactment of any provision in Federal law for the registration of trade marks.").

77. *Ex parte* Minnesota Mining & Mfg. Co., 92 U.S.P.Q. (BNA) 74, 75 (Chief Exam'r 1952).

78. *See id.*

79. *See id.*; *see also Ex parte* Babson Bros. Co., 103 U.S.P.Q. (BNA) 115, 116 (Chief Exam'r 1954) ("What applicant is attempting to register is a 'configuration of goods' and it has been held in a number of cases that such configuration, if registrable, cannot be registered on the Principal Register but only the Supplemental Register."); *Ex parte* Boye Needle Co., 100 U.S.P.Q. (BNA) 124, 124 (Chief Exam'r 1953); *Burgess Battery Co.*, 92 U.S.P.Q. at 91-92 ("The omission of reference to labels or dress of goods in connection with the principal register and the inclusion thereof on the supplemental register would seem to indicate an intention to confine such matters to the supplemental register.").

prior to the Act of 1946.”<sup>80</sup> As for specific words, such as “device,” in the definition, the Examiner insisted that they could not “aid [the] applicant.”<sup>81</sup> As the Examiner explained, these words appeared in the older definitions of a technical trademark as well, and they should properly be understood in their legal, and not their ordinary, sense.<sup>82</sup>

For these reasons, and consistent with Congress’s plainly stated intentions, the PTO relegated trade dress exclusively to the supplemental register for the first twelve years following the Act’s passage. But by 1958, Daphne Robert had become Daphne R. Leeds and been appointed Assistant Commissioner of the PTO. In that position, she had the power if not the legal authority to enact the result she had advocated in her book, and with a stroke of her administrative pen, Assistant Commissioner Leeds did so.<sup>83</sup> In *Ex parte Haig & Haig Ltd.*, Leeds held that a bottle shape could constitute a trademark eligible for registration on the principal register.<sup>84</sup> In her written opinion, Leeds failed to mention the common law’s longstanding exclusion of trade dress from trademark protection, Congress’s deliberate decision to adopt that exclusion, or the legislative history where the Act’s supporters specifically stated that the Act would not allow trade dress registration on the principal register. She omitted her section 2(f) cross-over registration argument, apparently abandoning it in the face of the *3M* decision, and made no attempt to distinguish the *3M* decision or explain where its reasoning went astray.<sup>85</sup> In fact, Leeds scarcely acknowledged the PTO’s steadfast exclusion of trade dress from the trademark register stretching back to the Trademark Act of 1905.<sup>86</sup> Indeed, one searches

---

80. *Ex parte* Minnesota Mining & Mfg. Co., 92 U.S.P.Q. at 76.

81. *Id.*

82. *See id.*

83. *See Ex parte Haig & Haig Ltd.*, 118 U.S.P.Q. (BNA) 229, 230-31 (Comm’r Pat. 1958) (“The fundamental question, then, is not whether or not containers are registrable on the Principal Register, but it is whether or not what is presented is a trademark—a symbol or device—identifying applicant’s goods and distinguishing them from those of others . . . . [T]he contour or conformation of the container may be a trademark—a symbol or device—which distinguishes the applicant’s goods, and it may be registrable on the Principal Register.”).

84. *Id.*

85. In a footnote, Leeds simply asserted that: “Certain broad language in the cited cases [*Ex parte* Boye Needle Co. and *Ex parte* Minnesota Mining & Mfg. Co.] appears to have been unnecessary to the conclusions reached therein.” *Id.* at 229 n.2. To be sure, that is a curious way to refer to the central holdings of those cases.

86. *See, e.g.*, *Goodyear Tire & Rubber Co. v. Robertson*, 25 F.2d 833, 833-34 (4th Cir. 1928) (noting PTO’s rejection of claim that diamond pattern in tread of tire could serve as a trademark); *In re Barrett Co.*, 48 App. D.C. 586, 586-87 (D.C. Cir. 1919) (*per curiam*) (affirming refusal to register corrugated surface of roofing materials as trademark under

the opinion in vain for evidence of the rational thought or explanation usually associated with competent judicial (or quasi-judicial) writings.<sup>87</sup> In their place, one finds only Leeds' bald assertion that a bottle shape may be a "symbol or device" within the meaning of the Trademark Act—a proposition completely at odds with any legitimate reading of the statute.<sup>88</sup>

## II. And One Mistake Becomes Two: The Resulting Mistake Spiral

On its own, Leeds' misinterpretation of the Act is problematic enough. Unfortunately, the mistakes have not ended there. Further misinterpretations have been built upon Leeds' pretense that Congress intended to allow trade dress on the principal register.<sup>89</sup> Ironically, the PTO's decision to follow Congress's will for the first twelve years following the Act's passage made Leeds' mistake far more costly than it might otherwise have been. Specifically, by employing legitimate principles of statutory interpretation, the PTO closed the section 2(f) loophole that Leeds (and others) had asserted

---

1905 Act); *Herz v. Loewenstein*, 40 App. D.C. 277, 278 (D.C. Cir. 1913) (affirming cancellation of registration for corrugated embossing used to seal individual paper wrappers for toothpicks on grounds that the "corrugated ends are a part of the manufactured wrappers").

87. Leeds' only citation of authority is to *Marcalus Mfg. Co. v. Watson*, 118 U.S.P.Q. (BNA) 7 (D.C. Cir. 1958) (per curiam). See *Ex parte Haig & Haig Ltd.*, 118 U.S.P.Q. at 230 n.3. Yet, *Marcalus Mfg. Co.* dealt with the issue whether "a maroon oval" imprinted on the packaging of a product and on which a registered word mark and other words were superimposed could be registered as a trademark. See 118 U.S.P.Q. at 7. The PTO refused the registration on the grounds that the maroon oval was not in fact serving to distinguish Marcalus's products, and the District of Columbia Circuit affirmed. See *id.* Because the case concerned a "symbol" or "device" printed on the packaging and not the packaging itself, the *Marcalus Mfg. Co.* decision provides no support for Leeds' recognition of a bottle shape as a trademark.

88. The fact that she did so to benefit a company that will become her client shortly after she leaves the PTO makes her decision only that much more objectionable. See *Haig & Haig Ltd. v. Maradel Prods., Inc.*, 249 F. Supp. 575, 576 (S.D.N.Y. 1966) (listing "Daphne Robert Leeds" as "of counsel" for plaintiff in a case in which Haig & Haig sought to enforce the registration that Ms. Leeds had awarded Haig & Haig when she was Assistant Commissioner); see also Lunney, *supra* note 1, at 382-84 & n.55 (noting risk of bias that may arise from the so-called "revolving door," where regulators leave their government position to undertake employment with the industry they regulated).

89. In another context, Justice Scalia has referred to this process of legal structures built from mistakes piled on top of other mistakes as "a veritable fairyland castle." *Minnick v. Mississippi*, 498 U.S. 146, 166 (1990) (Scalia, J., dissenting) ("Today's extension of the *Edwards* prohibition is the latest stage of prophylaxis built upon prophylaxis, producing a veritable fairyland castle of imagined constitutional restriction upon law enforcement.").

as a path for principal register trade dress protection. Yet, if that path had been taken, courts, commentators, and practitioners would have recognized that trade dress had slipped onto the principal register not through an affirmative decision of Congress, but by exploiting a back-door loophole Congress had tried to close. Moreover, if trade dress had entered through section 2(f), this section would have expressly required a showing of acquired distinctiveness before allowing principal register registration. When the PTO foreclosed that path, Leeds, if she was going to have her way on the issue, had no choice but brazenly to assert that Congress had intended to allow trade dress on the principal register all along. After she did so, nearly twenty years passed before a court first granted relief for trade dress infringement under the Trademark Act,<sup>90</sup> providing the time necessary for courts and practitioners to forget, if they ever knew, that Leeds' decision had no legitimate basis. After another ten years had passed, some courts and practitioners began to assume that Congress had intended the Trademark Act to encompass trade dress protection all along and began to attribute significance to the absence of any secondary meaning requirement for, or any functionality limitation on trade dress protection in, the statutory language.

In *Two Pesos, Inc. v. Taco Cabana, Inc.*,<sup>91</sup> for example, the Court attempted to justify its decision to abandon the longstanding rule that a plaintiff must prove secondary meaning before she can receive protection for trade dress by noting that the secondary meaning requirement in section 2 applies "only to merely descriptive marks."<sup>92</sup> "It would be a different matter," the Court wrote, "if there were [a] textual basis" for treating word and symbol marks differently from trade dress.<sup>93</sup> Failing to perceive such a textual basis, the Court ruled that trade dress could qualify as inherently distinctive and receive protection against imitation without any showing of secondary meaning.<sup>94</sup> The Court went on to explain that because it could not see where Congress textually differentiated the rules for trade dress from the rules for trademarks,<sup>95</sup> courts should apply the *Abercrombie*<sup>96</sup>

---

90. See *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1216 (8th Cir. 1976).

91. 505 U.S. 763 (1992).

92. *Id.* at 774.

93. *Id.*

94. See *id.*

95. When Congress enacted section 43(a), it prohibited "any false description or representation, including words or other symbols tending falsely to describe or represent the same." Act of July 5, 1946, ch. 540, § 43(a), 60 Stat. 427, 441 (codified as amended at 15 U.S.C. § 1125(a) (1998)). Given the rules of statutory construction previously discussed, see *supra* text accompanying notes 15-51, Congress presumably intended the

categories for identifying inherently distinctive word marks to trade dress.<sup>97</sup> Since that decision, courts have struggled to apply *Abercrombie's* generic-descriptive-suggestive-arbitrary-fanciful categories, developed for word marks, to varying forms of trade dress, where the *Abercrombie* categories often make little or no sense.<sup>98</sup>

As with Leeds' misinterpretation, the Court's mistake in *Two Pesos, Inc.* has begot further mistakes. If, as the Court suggested in *Two Pesos, Inc.*, there is no textual basis for distinguishing between trademarks and trade dress, there is also no textual basis for distinguishing between the shape, coloring, and features of product packaging and the shape, coloring, and features of the product itself. As a result, Congress must have intended to extend the same level of protection to product features, or so the mistaken chain of reasoning would go. Although there are clear differences between the packaging of a product and the product itself that would counsel against such reasoning,<sup>99</sup> the Eighth Circuit has ruled that *Two Pesos, Inc.* requires the *Abercrombie* categories to be applied to both.<sup>100</sup>

The Court, in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*,<sup>101</sup> appears to have corrected the Eighth Circuit's mistake.<sup>102</sup> However, accepting the pretense that trade dress is the same as word marks has also led courts to protect product packaging or an article's appearance, even where there is no evidence that consumers are relying on the packaging or appearance to identify the product's

---

term "other symbols" under section 43(a) to carry its technical meaning as a term of art within trademark law. As discussed, such technical meaning excluded trade dress.

96. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (identifying four categories for word marks: (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary or fanciful).

97. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 773 (1992).

98. *Compare Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1007-08 (2d Cir. 1995) (refusing to apply the *Abercrombie* categories to product features claimed as trade dress), and *Duraco Prods., Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1441 (3d Cir. 1994) ("The very basis for the trademark taxonomy—the descriptive relationship between the mark and the product, along with the degree to which the mark describes the product—is unsuited for application to the product itself."), with *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 785, 787 (8th Cir. 1995) (applying *Abercrombie* categories to product configuration trade dress claims).

99. *See Knitwaves, Inc.*, 71 F.3d at 1007-08; *Duraco Prods., Inc.*, 40 F.3d at 1441; *see also Fun-Damental Too, Ltd. v. Gemmy Indus. Corp.*, 111 F.3d 993 (2d Cir. 1997).

100. *See Stuart Hall Co.*, 51 F.3d at 787 ("We, however, read *Two Pesos* as resting on a presumption that 'trade dress' is a single concept that encompasses both product configuration and packaging, and find that its holding applies to trade dress as a whole, not merely to packaging.")

101. 120 S. Ct. 1339 (2000).

102. *See id.* at 1344-45 (rejecting argument that *Two Pesos* mandates application of *Abercrombie* categories to product features or designs claimed as trade dress).

source.<sup>103</sup> Traditionally, courts required proof that consumers not only recognized the claimed trade dress, but were relying on it as an indicator of source before they would protect trade dress under the doctrine of unfair competition. As Judge Learned Hand explained in *Crescent Tool Co. v. Kilborn & Bishop Co.*, "it is an absolute condition to any relief whatever that the plaintiff . . . show that the appearance of his wares has in fact come to mean that some particular person . . . makes them, and that the public cares who does make them, and not merely for their appearance and structure."<sup>104</sup> By focusing on both: (1) recognition, that the dress identified source; and (2) materiality, that the identification mattered; courts limited protection to trade dress on which consumers were actually relying to identify source in making purchasing decisions.<sup>105</sup>

Yet, once the pretense of equality between trade dress and traditional trademarks became accepted, courts began to overlook the issue of whether the alleged trade dress was serving as a trademark. If the overall appearance of an article is its trade dress, and if trade dress is a type of trademark, then a separate inquiry into whether any given article's appearance is serving as a trademark becomes almost by definition unnecessary and redundant. But the reduction inherent in this simple syllogism omits the key consideration. Consumers may

---

103. For cases granting such protection, see, e.g., *Warner Bros. Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 332 (2d Cir. 1983) (enjoining defendant from producing toy cars that looked like a car appearing on plaintiff's television show even though there was no showing that purchasers know or care whether plaintiff sponsored or produced the defendant's cars). For cases warning of the risk, see *Knitwaves, Inc.*, 71 F.3d at 1007 ("Not only does the classification of marks into 'generic,' 'descriptive,' 'suggestive,' or 'arbitrary or fanciful' make little sense when applied to product features, but it would have the unwelcome, and likely unintended, result of treating a class of product features as 'inherently distinctive,' and thus eligible for trade dress protection, even though they were never intended to serve a source-identifying function.").

104. 247 F. 299, 300 (2d Cir. 1917); see also *Hygenic Specialties Co. v. H.G. Salzman, Inc.*, 302 F.2d 614, 620 (2d Cir. 1962); *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 697 (2d Cir. 1961) ("To establish a secondary meaning . . . it must be shown that . . . purchasers are moved to buy it because of its source."); *Gum, Inc. v. Gumakers of Am., Inc.*, 136 F.2d 957, 960 (3d Cir. 1943) (same); *Huston v. Buckeye Bait Corp.*, 145 F. Supp. 600, 607 (S.D. Ohio 1955) (holding that to establish secondary meaning, "[t]here must be an established identity so that one looks at the product externally and says, 'That is the article I want because I know the source of its production and I want the article made by that manufacturer'").

105. See, e.g., *Day-Brite Lighting, Inc. v. Sandee Mfg. Co.*, 286 F.2d 596, 600 (7th Cir. 1960) (ruling that findings "that the public was likely to believe that defendant's panels were plaintiff's Cleartex panels and that the trade associates the appearance of Cleartex panels with plaintiff and its trademark 'Cleartex'" were insufficient to establish requisite secondary meaning).

recognize the shape of a kitchen stand mixer<sup>106</sup> or a golf course hole,<sup>107</sup> but that does not necessarily mean that consumers are relying on the shape to identify the product's source, particularly where the product is otherwise properly labeled. It is one thing to infer that a descriptive word has become a trademark when a manufacturer has long and exclusively used the word in a manner that consumers recognize as a brand usage. It is quite another to infer that the same use will transmute a product's appearance into a brand designation.<sup>108</sup> Evidence of a period of exclusive use, or of sales, or of publicity, may establish that a product's appearance or features have become well-known, but they do not establish that their primary significance has changed from product feature to trademark.<sup>109</sup> Yet, by mistakenly assuming that the appearance or packaging of an article is necessarily a trademark, some courts have overlooked this critical distinction between traditional trademarks and product features claimed as trade dress.<sup>110</sup>

Courts have also relied on congressional silence to undermine the common law's refusal to protect product features that were functional.<sup>111</sup> For example, the Fourth Circuit mistook Congress's silence regarding functionality in section 1064 as conclusive evidence that Congress did not intend to allow functionality to be raised as a basis for canceling an incontestably registered trademark.<sup>112</sup> Although

---

106. See *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d 246, 255-56 (5th Cir. 1997).

107. See, e.g., *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 873 (8th Cir. 1994) (citation omitted) ("Because the proper inquiry is whether the evidence demonstrates that the purchasing public identifies the asserted mark with the source of the product, sales figures alone are inadequate to establish a connection between a product and its source.")

108. See *id.*

109. See *In re Craigmyle*, 224 U.S.P.Q. (BNA) 791, 793 (T.T.A.B. 1984) (noting that long and exclusive use does not establish secondary meaning where claimed trade dress is not used in a manner consumers associate with a trademark usage); *In re Kwik Lok Corp.*, 217 U.S.P.Q. (BNA) 1245, 1248 (T.T.A.B. 1983) (same); see also PTO, DEPARTMENT OF COMMERCE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1212.05 (revised ed. 1997) (same).

110. See, e.g., *Sunbeam Prods., Inc.*, 123 F.3d at 255-56 (applying section 1052(f) presumption to secondary meaning issue in case where claimed trademark was a kitchen stand mixer's appearance even though there was no evidence that consumers actually relied on appearance as a form of quality certification); *Clamp Mfg. Co., Inc. v. Enco Mfg. Co.*, 870 F.2d 512, 517 (9th Cir. 1994) (finding secondary meaning based upon sales and advertising expenditures alone).

111. See *Shakespeare Co. v. Silstar Corp. of Am., Inc.*, 9 F.3d 1091 (4th Cir. 1993), *overruled by* Trademark Law Treaty Implementation Act, 105th Cong., 2d Sess. §§ 201(a)(2)(A)(ii), 201(a)(4), 201(a)(5) & 201(a)(9), 112 Stat. 3064, 3069-70 (1998) (codified as amended at 15 U.S.C. §§ 1052(e)(5), 1064, 1091(c), 1115(b)(8) (1999)); *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1336 (C.C. Pa. 1982).

112. See *Shakespeare Co.*, 9 F.3d at 1097 ("We are persuaded that the rationale

both the Fourth Circuit and Congress eventually acted to rectify this mistake,<sup>113</sup> not all of the misinterpretations resulting from misreading congressional silence regarding functionality have received such prompt correction. Thus, Congress and the courts have as yet left uncorrected the mistake that the Court of Customs and Patent Appeals made when it used congressional silence on functionality as a basis for eviscerating the doctrine. Where historically, a product feature was legally functional if it affected the desirability of the good,<sup>114</sup> Judge Rich rewrote the doctrine in 1982 to limit its application to those product features that were "essential" to the use

---

enunciated by Justice O'Connor in *Park 'N' Fly* would apply so as to limit cancellation under § 1119 to the grounds set forth in § 1064. Functionality is not one of such grounds and it may not be used as a basis for cancellation of a registration more than five years old. . . . Perhaps the provisions of the Lanham Act apply only to valid trademarks, and that a functional trademark is invalid, but it would seem anomalous for Congress to enumerate specific grounds for cancellation for a five-year-old registration, as it has done in § 1064, and not list functionality, if it intended functionality to serve as such a ground.").

113. See *Shakespeare Co. v. Silstar Corp. of Am., Inc.*, 110 F.3d 234, 242-43 (4th Cir. 1997) (accepting by 2-1 decision district court's application of fair use defense in section 1115(b)(4) to encompass copying of functional product features); see also Trademark Law Treaty Implementation Act, 105th Cong., 2d Sess. §§ 201(a)(2)(A)(ii), 201(a)(4), 201(a)(5) & 201(a)(9), 112 Stat. 3064, 3069-70 (1998) (codified as amended at 15 U.S.C. §§ 1052(e)(5), 1064, 1091(c), 1115(b)(8) (1999)).

114. See, e.g., *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 531 (1924) (finding that defendant could imitate exactly chocolate flavoring of medication because it "serves a substantial and desirable use"); *Norwich Pharm. Co. v. Sterling Drug, Inc.*, 271 F.2d 569, 572 (2d Cir. 1959) (finding color pink for a stomach remedy could be functional because it was "designed to present a pleasing appearance to the customer and to the sufferer"); *Pagliero v. Wallace China Co.*, 198 F.2d 339, 343-44 (9th Cir. 1952); *J.C. Penney Co. v. H.D. Lee Mercantile Co.*, 120 F.2d 949, 954 (8th Cir. 1941) ("A feature of goods is functional . . . if it affects their purpose, action or performance; or the facility or economy of processing, handling or using them.") (quoting Restatement (First) of Torts § 742) (1938); *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 300 (2d Cir. 1917); *Smith v. Krause*, 160 F. 270, 271 (C.C.S.D.N.Y. 1908) (refusing to recognize words "Merrie Christmas" woven into a ribbon as a trademark because "the fact that it has 'Merrie Christmas' inscribed upon it adds a value to it over the value of a plain ribbon"); see also RESTATEMENT (FIRST) OF TORTS § 742 & cmt. a (1938) (defining a product feature as functional if it "affects their purpose, action or performance, or the facility or economy of processing, handling, or using them" and defining "affects" as "contributes to"). The Seventh Circuit worries that this test would restrict the subject matter eligible for protection as a trademark. See *W.T. Rogers Co. v. Wendell R. Keene & Keene Mfg.*, 778 F.2d 334, 341 (7th Cir. 1985) ("[Under the district court's instruction,] if a particular design feature had two equally important purposes, one to please consumers and the other to identify the manufacturer, it would be functional and could not be trademarked. But a trademark, especially when it is part of the product, rather than being just the brand name, is bound to be selected in part to be pleasing; so this definition of functionality could rule out trademark protection for design features."). Of course, historically, that was precisely the purpose of the functionality doctrine.



or purpose of the good.<sup>115</sup> By restricting the reach of functionality to those designs or features that were “the best or one of a few superior designs available,”<sup>116</sup> Judge Rich radically expanded the subject matter eligible for protection as a trademark. As justification, Judge Rich offered only a flawed policy analysis<sup>117</sup> and, quoting himself, the proposition that the “requirement of ‘nonfunctionality’ is not mandated by statute, but ‘is deduced entirely from court decisions.’”<sup>118</sup> Now that Congress has given the functionality doctrine (but not trade dress itself) an express place in the Trademark Act, it will be interesting to see whether courts will restore the functionality doctrine to its traditional scope.<sup>119</sup>

### III. The Costs and Benefits of Principal Register Trade Dress Protection

In addition to relying on perceived congressional intent, courts have also proffered superficial policy analyses as justifications for recognizing trade dress as principal register subject matter. In this vein, courts have typically asserted, first, that trade dress can act like a traditional trademark, helping consumers identify and distinguish products,<sup>120</sup> and second, that so long as the functionality doctrine

---

115. See *In re Morton-Norwich Prods., Inc.*, 671 F.2d at 1340-41.

116. *Id.* at 1341.

117. See *infra* text accompanying notes 121-175.

118. See *In re Morton-Norwich Prods., Inc.*, 671 F.2d at 1336 (quoting *In re Mogen David Wine Corp.*, 328 F.2d 925, 932 (C.C.P.A. 1964) (Rich, J., concurring)).

119. See Trademark Law Treaty Implementation Act, 105th Cong., 2d Sess. §§ 201(a)(2)(A)(ii), 201(a)(4), 201(a)(5), & 201(a)(9), 112 Stat. 3064, 3069-70 (1998) (codified as amended at 15 U.S.C. §§ 1052(e), 1064, 1091(c), 1115(b)(8) (1999)). Proponents of broad trade dress protection face something of a catch-22 situation here. If proponents of broad trademark protection insist that “functionality” be given the narrow legal meaning Judge Rich accorded it, rather than its broader ordinary meaning, then a similar rule should presumably be followed for the words “symbol” and “device” in the definition of principal register trademarks. As a result, trying to argue for a narrow interpretation of functionality should, if consistent rules are followed, relegate trade dress (as Congress intended) exclusively to the supplemental register. On the other hand, if all of these terms are given their ordinary meaning, then the full breadth of the common law’s functionality doctrine should be restored. Also, Congress’s decision to add a functionality doctrine to the statute does not necessarily imply Congress’s recognition of trade dress protection. Although primarily directed at trade dress, the functionality doctrine has long applied to word marks as well. See *Smith*, 160 F. at 271 (refusing to recognize words “Merrie Christmas” woven into a ribbon as a trademark because “the fact that it has ‘Merrie Christmas’ inscribed upon it adds a value to it over the value of a plain ribbon”).

120. See, e.g., *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162-64 (1995) (suggesting that color can serve to distinguish products); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 774 (1992) (“Protection of trade dress, no less than of trademarks, serves the Act’s purpose to ‘secure to the owner of the mark the goodwill of his business

excludes protection for those features that represent “the best or one of a few superior designs available,”<sup>121</sup> trade dress protection will generate no anticompetitive consequences. However, this analysis fails to justify recognition of trade dress as principal register subject matter for two reasons. First, the Court has repeatedly warned against “simplistically . . . assuming that *whatever* furthers the statute’s primary objective must be the law.”<sup>122</sup> Second, the policy analysis that courts have offered both overstates the benefits that such recognition achieves and understates its true cost. A more careful analysis of the policies implicated by trademark protection fully justifies distinguishing between the protection of words and symbols as trademarks and the protection of trade dress under principles of unfair competition.

#### A. The Minimal Benefits and High Costs of Recognizing Trade Dress as Principal Register Trademarks

As for the benefits of elevating trade dress to the principal register, courts appear to assume that because trade dress can serve to identify source, protecting trade dress generates the same benefits as protecting traditional trademarks. In *Qualitex Co. v. Jacobson Prods. Co.*, for example, the Supreme Court asserted that color deserves recognition as a principal register trademark because “[i]t is the source-distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve [as a trademark].”<sup>123</sup> Putting to one side the fact that Congress expressly amended the Trademark Act during the legislative process to make “ontological status” relevant,<sup>124</sup> this reasoning overstates the benefits from trade dress protection for three reasons. First, the mere possibility that trade dress can serve a trademark function does not mean that a product feature or design is serving as a trademark in any given case. Yet, the recognition of trade dress as principal register

---

and to protect the ability of consumers to distinguish among competing producers.”) (quoting *Park ‘N’ Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985)).

121. In re *Morton-Norwich Prods., Inc.*, 671 F.2d at 1341.

122. *Rodriguez v. United States*, 480 U.S. 522, 525-26 (1987) (per curiam) (“[N]o legislation pursues its purposes at all costs. Deciding what competing values will or will not be sacrificed to the achievement of a particular objective is the very essence of legislative choice—and it frustrates rather than effectuates legislative intent simplistically to assume that *whatever* furthers the statute’s primary objective must be the law.”); see also *Reves v. Ernst & Young*, 507 U.S. 170, 183-84 (1993) (refusing to recognize aiding and abetting liability despite clause stating that Act’s remedies were to be liberally construed).

123. 514 U.S. 159, 164 (1995).

124. See *supra* text accompanying notes 42-51.

subject matter encourages the assumption that some aspect of a product or its packaging claimed as trade dress is necessarily serving a trademark function. This assumption is unwarranted, particularly when a party claims a product's features or configuration, rather than its packaging, as trade dress. As the Restatement (Third) of Unfair Competition has recognized, consumers seldom perceive and rely on product configuration or product features as a source of information regarding the product, rather than as an aspect of the product itself.<sup>125</sup> To address this, the common law required proof that consumers were relying on the claimed trade dress to identify a product's source and was careful not to transmute evidence that the plaintiff had made a particular product feature, shape, or configuration popular into proof "that the public demand [was] for the plaintiff's product as such."<sup>126</sup> With the recognition of trade dress as a trademark, this care has largely disappeared. Accepting the pretense that trade dress is a trademark, some courts have extended protection to dress based upon popularity alone, without requiring any proof that consumers were relying on the claimed dress to identify the product's source.<sup>127</sup>

Second, even where trade dress serves an informational role, trade dress ordinarily is not the only means for conveying the relevant information.<sup>128</sup> So long as a producer can properly label her goods

---

125. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. b (1995).

126. *Gum, Inc. v. Gumakers of Am., Inc.*, 136 F.2d 957, 960 (3d Cir. 1943) ("From this evidence it would be possible to conclude that the plaintiff by its pioneer work in the field created the desire in the public for bubble gum having the appearance of [the plaintiff's gum], that the defendant copied that appearance and profited by the public demand which the plaintiff had aroused. This evidence would not, however, justify a finding that the public associates with the plaintiff bubble gum having the appearance of the plaintiff[s] bubble gum . . . or that the public demand is for the plaintiff's product as such."); *Lewis v. Vendome Bags, Inc.*, 108 F.2d 16, 18 (2d Cir. 1939) ("Nor does the fact that bags of the appearance of exhibit 3 have become popular as a result of the plaintiff's advertising make the defendant's duplication of them a tort.")

127. Compare *A.C. Gilbert Co. v. Shemitz*, 45 F.2d 98, 99 (2d Cir. 1930) (ruling that similarity resulting from imitation and "many sales and much advertising" did not establish secondary meaning in design of article), and *General Time Instruments Corp. v. United States Time Corp.*, 165 F.2d 853, 854-55 (2d Cir. 1998) (ruling that sale of 3,000,000 clocks and expenditure of two million dollars in advertising from 1939 to 1946 was insufficient to establish secondary meaning), with *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 512, 517 (9th Cir. 1989) (finding secondary meaning based upon sales and advertising expenditures alone).

128. See *Gum, Inc.*, 136 F.2d at 960 (noting that the parties had both printed their respective corporate names on their packaging); *Turner & Seymour Mfg. Co. v. A & J Mfg. Co.*, 20 F.2d 298, 301 (2d Cir. 1927) (denying claim for unfair competition as a result of defendant's imitation of plaintiff's coloring scheme based upon defendant's proper labeling of its products, and stating: "Where attention by the purchaser of the article will enable him to at once distinguish one from the other, a court of equity will not interfere").

and receive protection for her word and symbol trademarks, the producer has alternative means to convey source-related information to consumers.<sup>129</sup> Although a second source for the same information has value, because some inattentive consumers may miss the first, the benefits consumers derive from the second source is sharply less than that of the primary source because the second source simply duplicates information already available.<sup>130</sup>

Third, the assumption that trade dress is a trademark encourages a more property-like enforcement regime, where every technical trespass is actionable, rather than a more deception-based regime, where the focus is on consumer deception over the longer term. When trade dress was protected exclusively under the doctrine of unfair competition, courts recognized that a certain amount of initial confusion was inevitable when a competitor began offering a product that had previously been offered exclusively by one company.<sup>131</sup> Despite this initial confusion, they allowed imitation and competitive entry under the assumption that any initial confusion would work itself out as consumers and merchants became accustomed to the newly competitive market.<sup>132</sup> Unfortunately, as trademark has lost its deception-based focus, courts have increasingly protected trademarks against minor, often trivial infractions, where the likelihood of any

---

129. See *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 238-39 (1964) (limiting state law protection of product designs or configurations to requirement of proper labeling); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232-33 (1964) (holding that state may require proper labeling but may not prohibit the copying of the article itself "when the article is unpatented and uncopyrighted").

130. See Lunney, *supra* note 1, at 435-36. Some courts and commentators make the mistake of assuming that additional marks each conveying the same information somehow equals more information. See Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, 561 (1997) ("Consumers benefit from the greatest number of indicia by which to distinguish products: some may focus more strongly on words, while others on shapes. There is no reason to dissuade consumers from exercising their purchasing decisions on the basis of additional valuable information.").

131. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 121 (1938); *American Safety Table Co. v. Schreiber*, 269 F.2d 255, 273 (2d Cir. 1959) ("Since a certain amount of confusion as to source was inherent in the process of imitation, the courts have developed a body of principles by which to determine whether or not the confusion was permissible."); *Chas. D. Briddell, Inc. v. Alglobe Trading Corp.*, 194 F.2d 416, 419-20 (2d Cir. 1952); *General Time*, 165 F.2d at 854; *Selchow & Righter Co. v. Western Printing & Lithographing Co.*, 142 F.2d 707, 709 (7th Cir. 1944); *Grosjean v. Panther-Prance Rubber Co.*, 26 F. Supp. 344, 352 (D. Mass. 1939) ("Assuming the admissibility of all the evidence proffered on this subject, . . . it all shows only isolated cases of confusion such as would naturally result where a new firm enters a field long exclusively occupied by another."), *aff'd*, 113 F.2d 252 (1st Cir. 1940).

132. See cases cited *supra* note 131.

long-term confusion is negligible.<sup>133</sup> With the recognition of trade dress as trademarks, some courts have extended such property-based protection to trade dress as well. Yet, the benefits from such protection are slight, given that the confusion would have resolved itself without the law's intervention in any event.

Given these considerations, protection of trade dress generates some real benefit for consumers only in those cases where purchasers and prospective purchasers of a product: (1) are relying on its dress to distinguish its source; (2) have no other means readily available for distinguishing its source; and (3) are unlikely over time to develop the ability to distinguish between similar or similarly dressed products. To be sure, there may be cases where trade dress satisfies these three requirements and merits protection, but such cases are likely to represent the exception rather than the rule. Protection extended to trade dress under unfair competition law tended to limit protection to such exceptional cases, because such protection required proof that trade dress serves as a material source of information regarding a product.<sup>134</sup> In contrast, the erroneous conclusion that trade dress is a trademark has led to the assumption of distinctiveness for some trade dress;<sup>135</sup> it allows trade dress through registration to obtain a conclusive presumption of distinctiveness;<sup>136</sup> and it has encouraged fact-finders to transmute popularity into distinctiveness.<sup>137</sup> In each

---

133. See, e.g., *Warner Bros., Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 332 (2d Cir. 1983) (enjoining defendant from producing toy cars that looked like a car appearing on plaintiff's television show even though there was no showing that purchasers knew or cared whether plaintiff sponsored or produced the defendant's cars).

134. See *Sawyer v. Horn*, 1 F. 24, 31-32 (C.C.D. Md. 1880) (finding unfair competition where the defendant had "designedly so put up, labeled and packed his goods that purchasers, for whose use they are intended, are misled and deceived, and do get [the defendant's product], when they desire and suppose they are getting [the plaintiff's]").

135. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 773-74 (1992); *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 785-88 (8th Cir. 1995) (applying *Abercrombie* categories to product configuration trade dress claims). Moreover, even where the law would formally require proof of secondary meaning, see *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 120 S. Ct. 1339, 1346 (2000) (requiring such proof for product designs claimed as trade dress), the PTO sometimes fails to enforce the requirement. See, e.g., *Park 'N' Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985) (Stevens, J., dissenting) ("The mark 'Park 'n Fly' is at best merely descriptive in the context of airport parking. . . . Petitioner never submitted any such proof [of secondary meaning] to the Commissioner, or indeed to the District Court in this case."). Allowing the registration of trade dress therefore heightens the risk that non-source-identifying matter will receive trademark protection.

136. See *Shakespeare Co. v. Silstar Corp. of Am., Inc.*, 9 F.3d 1091, 1094-95 (4th Cir. 1993) (applying conclusive presumption of distinctiveness for clear fiberglass tip on fishing rod where registration of tip as trademark on the principal register had become incontestable).

137. See, e.g., *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d 246, 254-55 (5th Cir.

such case, treating trade dress as a trademark enables the dress to receive protection even where the dress serves no important source-identification role. Assuming that trade dress is a trademark also encourages more property-like protection of trade dress, which ignores the availability of alternative means for distinguishing a product's source<sup>138</sup> and the ability of consumers to learn to distinguish between two similar or similarly packaged products over time. For these reasons, protecting trade dress under the doctrine of unfair competition, rather than as a trademark, better fits the circumstances where trade dress protection generates real benefits for consumers.

As to the second issue, some courts have assumed that extending protection to trade dress will generate no anticompetitive effects so long as it does not "foreclose competition." The Court has offered reassurances that the functionality doctrine will preclude anticompetitive results, in both *Two Pesos, Inc.*<sup>139</sup> and again in *Qualitex Co.*<sup>140</sup> However, these reassurances are curiously unrealistic. The simple fact is that before the Court's decision in *Two Pesos, Inc.*, there were two upscale, drive-through Mexican restaurants competing

---

1997) (finding distinctiveness on the basis of length of use, advertising, and sales volume even though there was no evidence that consumers actually relied on appearance of mixer to identify product's source); *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 517 (9th Cir. 1989) (finding secondary meaning based upon sales and advertising expenditures alone).

138. For example, in *Dogloo, Inc. v. Doskocil Mfg. Co.*, 893 F. Supp. 911, 921-22 (C.D. Cal. 1995), the district court enjoined the imitation of a successful igloo-shaped doghouse under trademark law based upon the similarity between the shapes of the plaintiff's and defendant's respective products. In enjoining the imitation, the district court relied on a survey where some of the labeling that ordinarily accompanied the product had been removed. *See id.* at 916; *see also Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 257-58 (2d Cir. 1987) (finding likelihood of confusion despite distinct labeling); *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.* 510 F.2d 1004, 1012 (5th Cir. 1975) (finding infringement even where consumers were not confused as to source). Some courts go further and find that disclaimers or other labeling efforts intended to ensure proper source identification are themselves evidence of infringement. *See Pebble Beach Co. v. Tour 18 I, Ltd.*, 942 F. Supp. 1513, 1544, 1550 n.35 (S.D. Tex. 1996) (using own name in conjunction with another's mark and including disclaimers in advertising are evidence that support finding of likelihood of confusion), *aff'd*, 155 F.3d 526 (5th Cir. 1998).

139. 505 U.S. at 774-75 ("Suggestions that under the Fifth Circuit's law, the initial user of any shape or design would cut off competition from products of like design and shape are not persuasive. Only nonfunctional, distinctive trade dress is protected under § 43(a). The Fifth Circuit holds that a design is legally functional, and thus unprotectible, if it is one of a limited number of equally efficient options available to competitors and free competition would be unduly hindered by according the design trademark protection.").

140. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995) ("The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature.").

in Houston, Austin, Dallas, and El Paso.<sup>141</sup> After the decision, there was only one.<sup>142</sup> Similarly, in *Qualitex Co.*, the Court's decision foreclosed Jacobson's attempt to enter the dry-cleaning pad market and thereby eliminated a would-be competitor to the market's dominant firm.<sup>143</sup>

The *Qualitex* Court's citation to *Deere & Co. v. Farmhand, Inc.*<sup>144</sup> is even more puzzling. Although the Court identified *Deere & Co.* as a good example of how courts had been using the functionality doctrine to ensure competition,<sup>145</sup> trademark attorneys and commentators had always considered the decision to be something of an aberration.<sup>146</sup> Moreover, despite citing the decision with approval, the Court itself rejects the essential reasoning of the case. In *Deere & Co.*, the court held that a particular shade of green that John Deere had long used for its farm equipment (and known throughout the farming community as "John Deere green") was functional, and so permitted a competitor to market its farming equipment in the same color. The *Deere & Co.* court justified this finding by citing the farmer's desire for his equipment's coloring to match.<sup>147</sup> Yet, if we look beneath that desire, we will almost certainly find that the farmer desired the color match not to satisfy his fashion sense, but because it enabled him to create the appearance of having bought a Deere while paying a presumably lower price. Such a ruling is not only inconsistent with the results other courts have reached (in the apparent belief that trademark law prohibits offering consumers such a choice),<sup>148</sup> but was rejected by the *Qualitex* Court itself. While

---

141. *Two Pesos, Inc.*, 505 U.S. at 765.

142. See Sara Calian, *Composite Index Hits Record 686.78, up 7.33 on Rally in Technology Stocks*, WALL ST. J., Jan. 14, 1993, at C6 (noting that Two Pesos signed a letter of intent to sell its 34 unit chain of restaurants to Taco Cabana following Court's ruling).

143. See *Qualitex Co. v. Jacobson Prods. Co.*, 21 U.S.P.Q.2d (BNA) 1457, 1458 (C.D. Cal. 1991) (recognizing *Qualitex's* market dominance by finding that "[n]ineteen out of twenty-two award winning dry cleaners according to the *American Drycleaner* magazine, have used the *Qualitex* press pad for the last twenty years"), *rev'd on other grounds*, 13 F.3d 1297 (9th Cir. 1994), *rev'd*, 514 U.S. 159 (1995).

144. 560 F. Supp. 85, 98 (S.D. Iowa 1982), *aff'd*, 721 F.2d 253 (8th Cir. 1983).

145. *Qualitex Co.*, 514 U.S. at 169-70.

146. Indeed, the Trademark Trial and Appeal Board had expressly rejected *Deere & Co.'s* reasoning and allowed John Deere to register the color green for its farm equipment. See *In re Deere & Co.*, 7 U.S.P.Q.2d (BNA) 1401, 1404 (T.T.A.B. 1988).

147. *In re Deere & Co.*, 560 F. Supp. at 98.

148. See *United States v. Hon*, 904 F.2d 803, 804 (2d Cir. 1990); *United States v. Yamin*, 868 F.2d 130, 130 (5th Cir. 1989); *United States v. Gantos*, 817 F.2d 41, 43 (8th Cir. 1987) (accepting reasoning and conclusion of *Torkington* and finding likelihood of confusion even where seller expressly informed buyer that the item was an imitation); see also

*Deere & Co.* is not an exact parallel to *Qualitex Co.*, both courts faced a situation where consumers demanded a certain color product because of the dominant firm's long use of the color. Both courts had to determine whether to allow a competitor to copy the color in order to facilitate competitive entry. Yet, where *Deere & Co.* allowed the copying, the *Qualitex* Court prohibited it, despite citing *Deere & Co.* with approval.

At a more general level, the Court in both *Two Pesos, Inc.* and *Qualitex Co.* has entrusted consumer welfare to a triumvirate—de jure functionality, the availability of alternative designs, and the notion of “effective competition”—that conceals rather than illuminates trade dress protection's true costs. With respect to de jure functionality, this legal doctrine fails to recognize that competition is a function of consumer perception, not reality. While actual superiority of design has some relevance, it is not the key issue. For there to be competition between two designs, the question is not whether one design is superior, but whether consumers perceive a given design as superior. The same principle would apply if the claimed mark were a product feature, a color, or a style of packaging. Thus, even if a color is simply added as a dye and serves no functional purpose,<sup>149</sup> that fact is not controlling. The question is whether substantially all consumers realize that the color is irrelevant to the product's function.<sup>150</sup> Long use or extensive advertising, particularly by a dominant firm, may lead consumers to associate a color with a

---

United States v. Torkington, 812 F.2d 1347, 1352-53 (11th Cir. 1987) (expanding criminal liability for trademark infringement to encompass such on-looker confusion); *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 871, 871-73 (2d Cir. 1986) (finding trademark infringement where defendant manufactured a product that on-lookers might confuse with plaintiff's); *Montres Rolex, S.A. v. Snyder*, 718 F.2d 524, 527-28 (2d Cir. 1983) (same); *Levi Strauss & Co. v. Blue Bell, Inc.*, 632 F.2d 817, 822 (9th Cir. 1980) (same); *A.T. Cross Co. v. Jonathan Bradley Pens, Inc.*, 470 F.2d 689, 692 (2d Cir. 1972) (same); *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-LeCoultre Watches, Inc.*, 221 F.2d 464, 466 (2d Cir. 1955) (same); *Rolex Watch U.S.A. v. Canner*, 645 F. Supp. 484, 493-94 (S.D. Fla. 1986) (same); *Rolls-Royce Motors Ltd. v. A & A Fiberglass, Inc.*, 428 F. Supp. 689, 694 (N.D. Ga. 1977) (same); Malla Pollack, *Your Image is My Image: When Advertising Dedicates Trademarks to the Public Domain—With an Example from the Trademark Counterfeiting Act of 1984*, 14 CARDOZO L. REV. 1391, 1451-74 (1993) (discussing approach).

149. See *Qualitex Co.*, 514 U.S. at 166 (noting that the color green-gold serves no other function than identifying source); *In re Owens-Corning Fiberglass Corp.*, 774 F.2d 1116, 1123 (Fed. Cir. 1985) (noting that color pink was simply added to fiberglass insulation as a dye).

150. On this issue, it is interesting to note that Owens-Corning never expressly states in its advertisements that the color is irrelevant to function or that the color is simply added as a marketing gimmick.



product's desirable characteristics, rather than with the product's source.<sup>151</sup> Moreover, consumers are risk averse. They will often prefer a product in the form to which they have become accustomed simply because it is the form to which they have become accustomed.<sup>152</sup>

As for the availability of alternative designs, this concept mistakes rivalry for competition. Products "compete" in the economic sense only when substantially all consumers are indifferent to them and will switch without hesitation from one product to another in response to any increase in the price of the first. Products are "rivals" in the economic sense when a not insubstantial number of consumers have some preference for one product over the other(s).<sup>153</sup> Because of their preference, these consumers will not as readily

---

151. On a personal note, by the time my wife and I built our first home in 1992, Owens-Corning's advertisements for its fiberglass insulation had persuaded me that pink insulation was superior for its own sake, rather than superior because of its source. I cared nothing for who made the pink insulation, but I believed that good insulation was supposed to be pink.

152. For that reason, courts under the common law refused to extend protection to such features. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 120 (1938) ("Where an article may be manufactured by all, a particular manufacturer can no more assert exclusive rights in a form in which the public has become accustomed to see the article and which, in the minds of the public, is primarily associated with the article rather than a particular producer, than it can in the case of a name with similar connections in the public mind."). On the power of buying habits, see generally JEAN JACQUES LAMBIN, *ADVERTISING, COMPETITION AND MARKET CONDUCT IN OLIGOPOLY OVER TIME* 115 (1976) ("Brand loyalty or consumer inertia may augment the height of the barrier of entry for new firms. The results clearly show that a substantial degree of inertia exists in the sample markets, and a potential entrant in these markets will have to incur the cost of overcoming this consumer inertia. Since these markets are advertising intensive, this is prima facie evidence that advertising helps erect entry barriers."); Kurt Borchardt, *Are Trademarks an Antitrust Problem?*, 31 *GEO. L.J.* 245, 246 (1943) ("In spite of this characterization of a trade-mark as a competitive device, Rogers admits a little later that the preference which a buyer might have for Quaker Oats is a habit which 'is worth something to the producer of the goods to whose use we have become habituated. It eliminates competition for to us there is nothing 'just as good.'") (quoting EDWARD S. ROGERS, *GOODWILL, TRADEMARKS AND UNFAIR TRADING* 56 (1914)) (emphasis supplied by Borchardt); Dale Hein & Cathy Durham, *A Test of the Habit Formation Hypothesis Using Household Data*, 73 *REV. ECON. & STAT.* 189 (1991) (noting traditional assumption that habit plays central role in consumer buying, critiquing preexisting empirical studies that attempt to measure habit effect, proposing new approach that provides lower estimate of the influence of habit effects, but concluding that "[habit effects] are still highly significant and play an important role in consumer behavior").

153. See *eg.*, PAUL SAMUELSON, *ECONOMICS* 492 (6th ed. 1964) ("To the economist, perfect competition does *not* mean spirited rivalry among cigarette advertisers. It does *not* mean a titanic struggle in which Cornelius Vanderbilt cuts his freight fare on the New York Central below Daniel Drew's cut-price rates quoted for the Erie Railroad. It does *not* mean two or more textbook publishers or chemical companies vying with one another to have the best research, quality, and trade marks.").

switch given a price increase on their preferred product. As a result, that product's producer (or perhaps each product's producer)<sup>154</sup> will be able to set her price somewhat above a competitive level.<sup>155</sup> The alternative design gloss that courts have added to the functionality doctrine may ensure rivalry, but it does not ensure competition. A round grill<sup>156</sup> or a particular ornamental plate design<sup>157</sup> may work no better or be no more attractive than some other design, yet some consumers may nevertheless prefer the round grill or the particular plate design. At the same time, other consumers may prefer a square grill or some other plate design. In that sense, the first design is not "better" than the second. But so long as there are some consumers who prefer one design or the other, assigning an exclusive right to manufacture that design to one producer will lead to supracompetitive pricing.<sup>158</sup>

The alternative design analysis also overlooks the fact that alternative designs inevitably cost something to develop. These increased costs are passed on to consumers in two ways. First, the new entrant will need to increase her prices to cover the increased cost, risk, and uncertainty associated with developing the alternative design. Forcing a later entrant to develop an alternative design thus means higher prices for the later entrant's products. Second, to the extent that some consumers would turn to the later entrants as substitutes for the original design, the price for later entries sets a competitive pricing bar that the original design must meet (or approach) to avoid losing undue sales to the later entrants. Higher prices for the later entries thus mean higher prices for the original

---

154. See EDWARD H. CHAMBERLIN, *THE THEORY OF MONOPOLISTIC COMPETITION* 78, 88-89, 286-87 (8th ed. 1962) (explaining that prices will be higher with increased product differentiation and that an increase in the number of sellers will not necessarily reduce prices to a competitive level).

155. Some economists have asserted that even in a competitive market, prices will need to be somewhat above marginal cost in order to provide producers with the proper incentive to maintain quality over time. See Benjamin Klein & Keith B. Leffler, *The Role of Market Forces in Assuring Contractual Performance*, 89 J. POL. ECON. 615, 618-25 (1981). For purposes of this article, I am willing to accept that proposition. When the text refers to prices above a competitive level or supracompetitive pricing, I am referring to prices somewhat higher than a competitive level, whether that level be marginal cost or something slightly above it, and which result from legally forced product differentiation.

156. See *In re Weber-Stephen Prods. Co.*, 3 U.S.P.Q.2d (BNA) 1659 (T.T.A.B. 1987) (finding circular design of grill with tripod legs not functional).

157. *Compare Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952) (holding that attractive plate design is functional and cannot receive protection as trademark or under unfair competition), with RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c, illus. (1995) (suggesting opposite outcome).

158. See CHAMBERLIN, *supra* note 154, at 59-62, 78, 88.

design as well.

In the end, the possibility that there are, in theory, equally attractive designs that might be created does not adequately safeguard consumer welfare. Two requirements must be met for the availability of an alternative design to establish that protecting a given design as a trademark would impose only minimal costs on consumers. First, there must be another design, readily identifiable or known, that could be adopted at no more cost than imitating the design claimed as a trademark. Second, substantially all consumers must consider the alternative design to be just as perfect a substitute for the original, as they would consider a more exact imitation of the original. If the alleged alternative would cost something more to develop, or would not prove as perfect a substitute, then the availability of any number of alternative designs will not be sufficient to avoid anticompetitive consequences.

For these reasons, accepting the pretense of trade dress as trademark has cost consumers dearly. By increasing costs for would-be competitors and requiring would-be competitors to differentiate clearly their products from the market leaders, today's trade dress protection has impaired the market's ability to produce what consumers desire at a reasonable price. In some cases, trade dress protection increases would-be competitors' costs and requires product differentiation to such an extent that the producer of a popular design is able to impose and profitably maintain "a small but significant and nontransitory" price increase, thereby creating monopoly.<sup>159</sup> In other cases, trade dress protection may not insulate a producer sufficiently from competitive pressures to justify labeling the result a monopoly, but the costs to consumers can remain substantial. And we ought not conceal those costs by referring to the result as "effective competition." In a six trillion dollar economy, trade dress protection that enables producers to increase prices by only 0.5 percent would still cost consumers thirty billion dollars per year.<sup>160</sup>

---

159. DEPARTMENT OF JUSTICE & FED. TRADE COMM'N, HORIZONTAL MERGER GUIDELINES § 1.11 (1992); *see also* *Satellite Television & Associated Resources, Inc. v. Continental Cablevision of Va., Inc.*, 714 F.2d 351, 355 n.5 (4th Cir. 1983) (applying Guidelines approach to define relevant product market); *Bon-Ton Stores, Inc. v. May Dept. Stores Co.*, 881 F. Supp. 860, 872 (W.D.N.Y. 1994) (using Guidelines approach to define relevant product market).

160. Studies have shown that the protection of word and symbol marks alone may enable a leading brand to charge prices four to sixty-seven percent above the average price for private-label items of comparable quality. *See* F.M. SCHERER, *INDUSTRIAL MARKET STRUCTURE AND ECONOMIC PERFORMANCE* 330-32 (1970). For word and symbol marks, some part of this increase may be attributable to the guarantee of uniform quality a

Moreover, the costs of recognizing trade dress protection as principal register subject matter are compounded by three additional considerations. First, whatever protection the law provides will be over-enforced. In part, over-enforcement results from a common, but mistaken, belief that creation entails ownership—a belief that too often leads plaintiffs to claim ownership far beyond the limited boundaries set by law. In part, over-enforcement results from others who, fully aware of the questionable legal status of their ownership claims, nevertheless file or threaten suit either to bluff would-be competitors out of a market<sup>161</sup> or simply to impose the heavy costs of litigation upon them.<sup>162</sup> Courts play a role in over-enforcement as well, too often falling prey themselves to the creation equals ownership impulse or proving unable to see past their instinctive dislike of the “copyist’s opportunism.”<sup>163</sup>

Second, exacerbating this difficulty is the lack of an organized bar dedicated to the defense of trademark infringement cases. While

---

heavily advertised brand may convey. *See id.* at 332. Because alternatives are more expensive and difficult to create, trade dress protection may enable the owners of popular brands to impose similar price increases, but with diminished benefits from the offsetting guarantee function of word and symbol marks. Thus, the 0.5% price increase in the text likely understates the amount trade dress protection forces consumers to pay.

161. *See, e.g., 1939 Trademark Hearings, supra* note 44, at 128-29 (statement of Mr. Byerly) (noting use of registrations under the act of 1920 that “meant absolutely nothing” to persuade others to give up something “they have a perfect right to use”).

162. *See, e.g., Procter & Gamble Co. v. Johnson & Johnson, Inc.*, 485 F. Supp. 1185, 1190, 1198, 1207 (S.D.N.Y. 1979), *aff’d*, 636 F.2d 1203 (2d Cir. 1980). In that case, P&G brought suit against J&J for trademark infringement based upon J&J’s plans to market an ASSURE brand tampon. P&G had no trademark claim based upon its principal tampon market, because the RELY mark it was using was too different from the ASSURE market J&J planned to use to create any plausible claim of likelihood of confusion. Therefore, P&G alleged trademark infringement of mark SURE for anti-perspirant. In commenting on P&G’s motives in bringing the suit, the court wrote that:

[A] victory for P&G in this lawsuit would benefit the Rely tampon far more than any other commercial interest of P&G. It would set back one of Rely’s strongest competitors for at least 1 1/2 years (and possibly much more). In authorizing this lawsuit, P&G’s executives cannot have been unaware of the enormous potential value of such a victory to the Rely tampon.

*Id.* at 1207.

163. *R.G. Smith v. Chanel, Inc.*, 402 F.2d 562, 568 (9th Cir. 1968); Ralph S. Brown, Jr., *Symposium—Product Simulation: A Right or A Wrong?*, 64 COLUM. L. REV. 1216, 1227 (1964) (“The imperfect stabilization of the concept of functionality (and related issues) probably stemmed, not from judicial obtuseness, but from the sort of pressures typified by the Seventh Circuit decisions now reversed [in *Sears and Compco*]. The short-comings of those decisions are not the result of ineptitude; they are rather still another reflection of what I have several times referred to as a persistent urge to create some general protection against copiers. That urge has never achieved dominant expression in the cases. But it runs along like the Manichean heresy, forever pitting the forces of light against the alleged forces of darkness.”).

there is an organized trademark bar, it is predominantly a plaintiff's bar dedicated to and with a systematic interest in obtaining trademark protection for their clients whenever and wherever available.<sup>164</sup> Ethical and practical considerations,<sup>165</sup> as well as the blinders obtained through years of plaintiff's practice, often render such attorneys less effective at defending infringement cases. In some cases, the working assumptions of a plaintiff's lawyer can lead to fatal concessions, such as those made by defendant's counsel in the *Two Pesos* case.<sup>166</sup> More generally, the lack of a systematic effort to evaluate the Trademark Act and its accompanying judicial interpretation from a defense perspective means that defense-oriented arguments are made neither early nor often in the law's development. As a result, when defense-oriented interpretations are eventually argued or raised *sua sponte* by

---

164. Professor Brown noted this problem in his statement to the House Subcommittee that was considering whether to amend the Trademark Act in 1988 pursuant to the recommendations of the Trademark Review Commission of the United States Trademark Association:

The United States Trademark Association proclaims itself "An Organization for the Development and Protection of Trademarks." It is composed of companies that are vitally interested in protecting their trademarks. Fifteen "regular" members of the Review Commission were such companies; fourteen, from law firms, were listed as "associate members." Of the fourteen, one, J. Thomas McCarthy, is primarily a law teacher; but he is also described as "of counsel" to a law firm. There was no one on the Commission who stands outside the trademark-protecting community. I don't remotely question the devotion of the Commission to the public interest—as they view it; but the whole operation was unavoidably tilted toward stronger protection for trademark owners.

*Trademark Law Revision Act: Hearings on H.R. 4156 Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Comm. on the Judiciary, 100th Cong., 2d Sess. 101 (1988) [hereinafter 1988 House Hearings] (statement of Ralph S. Brown).*

165. As for the ethical consideration, the question is whether an attorney may simultaneously represent two clients and argue for one that trade dress is not registrable, while arguing for the other that it is. The American Bar Association Model Rules of Professional Conduct state that "[a] lawyer shall not represent a client if the representation of that client may be materially limited by the lawyer's responsibilities to another client or to a third person, or by the lawyer's own interests." MODEL RULES OF PROFESSIONAL CONDUCT, Rule 1.7(b) (1996). Although the Rules leave a lawyer some room to take contrary positions for different clients on a legal issue, *see id.* Rule 1.7 cmt. 9, there is obviously a limit to how well an attorney can argue that trade dress is not entitled to principal register registration for one client, when the same attorney is seeking such protection for her other clients.

166. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 771, 775 (1992). In ruling against petitioner, the Court relied in part on petitioner's concessions "that it is possible for a trade dress, even a restaurant trade dress, to be inherently distinctive," and "that protecting an inherently distinctive trade dress from its inception may be critical to new entrants to the market and that withholding protection until secondary meaning has been established would be contrary to the goals of the Lanham Act." *Id.*

the court, they are too easily dismissed as idiosyncratic or too often barred by *stare decisis*.<sup>167</sup>

Third, establishing courts and juries as the gatekeepers of competition is a dangerous path, not only because of the risk that they may improperly foreclose a competitor's entry, but because of the uncertainty and expense associated with obtaining their approval. Some courts appear to assume that, so long as the case is eventually resolved in favor of the defendant, this is sufficient to safeguard consumer welfare.<sup>168</sup> But few markets offer the prospect of such lavish rents for later entrants that competitive entry will remain attractive if it requires payment of a million-dollar litigation cover charge. As the Department of Justice warned during the debates leading to the adoption of the Trademark Act, the mere recognition of a colorable legal claim will often prove sufficient to discourage competitive entry.<sup>169</sup>

## **B. Why Words and Symbols Deserve Protection as Trademarks, While Trade Dress Does Not**

Extending this analysis of benefits and costs more generally suggests both the legitimacy and desirability of distinguishing

---

167. See *id.* at 783-84 (Stevens, J., concurring) (finding result justified, although not supported by text of statute, because of *stare decisis*); *United States v. Hon*, 904 F.2d 803, 805-08 & n.2 (2d Cir. 1990) (rejecting Hon's argument that Congress in legislative history accompanying 1962 amendments to infringement standard stated that it intended a very limited change in the infringement standard, and interpreting the change as radically expanding the infringement standard to encompass confusion of any sort because other courts had already done so); *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 701-02 (5th Cir. 1981) (recognizing that Congress probably did not intend a broad unfair competition action when it enacted section 43(a), but nevertheless so interpreting the statute because other courts had already done so).

168. See, e.g., *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 551 (5th Cir. 1998) (implicitly suggesting that there were no anticompetitive consequences of allowing plaintiffs to pursue claims that golf course hole layouts were trade dress because defendant eventually prevailed).

169. See 1944 *Trademark Hearings*, *supra* note 47, at 71-72 (statement of Mr. Moyer, Department of Justice) ("[T]he possibility that a competitor will be faced with a lawsuit or litigation . . . is sufficient, particularly if the competitor is a small man, to keep him out of the field."); *id.* at 97 ("I again wish to emphasize that the right of a dominant company to maintain a lawsuit, or to find colorable sanctions for monopoly or restraint of trade, as demonstrated in the patent field, which has not yet been clarified and has been in litigation for over 100 years, opens the door to all the evils of an express legal sanction. The mere fact that a sanction is colorable and requires or invites litigation is sufficient to maintain monopoly or restraint through the long course of private litigation or public litigation in the courts."); see also *Eveready Battery Co. v. Adolf Coors Co.*, 765 F. Supp. 440, 444, 448, 452 (N.D. Ill. 1991) (ruling that Coors may televise advertisement parodying the Energizer bunny, but delays and potential legal exposure associated with advertisement led Coors not to run advertisement).

between trademark protection for: (1) words and symbols; (2) packaging and labels claimed as trade dress ("true trade dress"); and (3) product features claimed as trade dress. As the above analysis suggests, trademark protection and unfair competition more generally serve the public interest when they appropriately balance the benefits of protection against its costs. The benefits of protection flow from improving consumers' ability to identify readily their desired product; its costs flow from increasing competitors' costs, reducing consumers' ability to recognize competing products as competing, and restricting consumer choice.<sup>170</sup> Protection must therefore balance consumers' interest in avoiding confusion against consumers' interest in competition.<sup>171</sup> Both for individual marks and for categories of marks, this balance turns on the claimed mark's value as a source of information regarding the product ("trademark value") set against the claimed mark's value as a product ("inherent product value").<sup>172</sup>

Applying this balance to the three categories of potential trademark subject matter establishes a clear hierarchy. At the top and most readily justified as trademark subject matter, words and symbols attached to products typically serve no purpose other than an informational one and are the type of designation for which

---

170. See Ralph H. Folsom & Larry L. Teply, *Trademarked Generic Words*, 89 YALE L.J. 1323, 1334-37, 1345, 1353 (1980); Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 851-63 (1997) (suggesting a similar competitive balance and arguing that dilution protection upsets it); Lunney, *supra* note 1, at 433-37.

171. The legislative history accompanying the Trademark Act also referred to a desire to protect the goodwill of a trademark owner. See S. REP. NO. 79-1333, at 3-5 (2d Sess. 1946). But given that Congress emphasized in the same report the need to promote competition and the role of trademarks in promoting such competition, see *id.* at 4, Congress presumably did not intend to protect a trademark owner's goodwill or reputation at the expense of competition or where the consumer interest in competition outweighed the interest in protection. See *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296, 300-01 (9th Cir. 1979) ("[T]rademark policies are designed (1) to protect consumers from being misled . . . ; (2) to prevent an impairment of the value of the enterprise which owns the trademark; and (3) to achieve these ends in a manner consistent with the objectives of free competition.").

172. As I have explained elsewhere, a mark's informational value depends on: (1) whether it conveys otherwise unobservable information regarding the product; (2) the value of that information in terms of its materiality to purchasing decisions; and (3) the availability or ability to develop alternative means to convey that information. See Lunney, *supra* note 1, at 435. A mark's product value depends on: (1) the extent to which some consumers desire the mark for its own sake, rather than for any information it may convey; (2) the expense entailed in developing an alternative design that consumers will recognize and accept as a substitute for the original; and (3) the extent to which consumers will consider the alternative designs available as imperfect substitutes for the original. See *id.* at 434-35.

alternatives are most readily available. In the middle, true trade dress often serves an informational role, but also serves other functions, such as presenting the product in an attractive and attention-getting fashion. Alternative packaging is often available, but alternatives may entail some expense to develop and the selection and design of packaging may be constrained by practical manufacturing, shipping, and marketing considerations.<sup>173</sup> At the bottom, product features are usually seen as an aspect of the product itself rather than a source of information about the product, and consumers rarely rely on features to identify a product's source, particularly where the product is otherwise properly labeled. Alternative designs for the product itself may be available, but are likely to prove substantially more expensive than simple imitation<sup>174</sup> and consumers are less likely to recognize and accept the proffered alternative as a substitute for the original.

The results of this balancing for the three categories of potential trademark subject matter are summarized in Table 1.

---

173. See, e.g., *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 874 (8th Cir. 1994) (noting that the packaging of a product played an important role in its commercial success).

174. Some may argue that extending trademark protection is desirable because it prohibits imitation and thereby creates an incentive for variation that may lead to products that more precisely satisfy consumer desires. I have explained the flaw in this suggestion elsewhere. See Lunney, *supra* note 1, at 439-69. The key question is whether consumers prefer more variety at a higher price or a lower price with more uniformity. Although consumers likely prefer some variety, legally-mandated variety is not likely to promote consumer welfare. See also *CHAMBERLIN*, *supra* note 154, at 273; *Pagliari v. Wallace China Co.*, 198 F.2d 339, 344 (9th Cir. 1952) ("The law encourages competition not only in creativeness but in economy of manufacture and distribution as well.").



**Table 1. The Hierarchy of Protection**

<b>Subject Matter</b>	<b>Trademark Value</b>	<b>Inherent Product Value</b>
Word and Symbol Marks	Highest: Primary Information source for consumers	Lowest: Alternative words and symbols almost always available
True Trade Dress	Intermediate: Secondary information source	Intermediate: Purposes other than identifying source also served by packaging that constrain alternatives available; alternatives also likely to affect cost and attractiveness of product
Product Features	Lowest: Rarely used by consumers as information source, particularly where product is otherwise properly labeled	Highest: Purposes other than source-identification usually dominate; alternative designs may be available, but likely to be costly and prove imperfect as substitutes

A careful policy analysis, thus, suggests the need to distinguish between the protection accorded word and symbol marks; the protection accorded product packaging and labels; and the protection accorded product features. Although there may be exceptional cases within each category,<sup>175</sup> general rules should be tailored for typical cases. And the typical case within each category is different enough from the typical case for each of the other categories that the general rules for protecting each category of claimed marks should differ.

---

175. Part of the reason the Court goes astray in both *Two Pesos* and *Qualitex Co.* is by recognizing that there may be exceptional cases where extending protection is warranted and would impose no costs, and then designing general legal rules for trade dress to fit such exceptional cases. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162-66 (1995); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 774-75 (1992).

At the time Congress enacted the Trademark Act of 1946, the common law had long-recognized these differences between word and symbol marks, true trade dress, and product features, and varied the protection available accordingly. Words and symbols received protection most readily and most extensively as technical trademarks, with recognized exceptions for generic and descriptive words. Product packaging as well as descriptive words received protection less readily. They could not qualify as technical trademarks<sup>176</sup> but could receive protection under the doctrine of unfair competition, where the plaintiff could prove the misleading effect of the defendant's imitation on consumers.<sup>177</sup> Product features received essentially no protection under trademark and unfair competition law. They could not qualify as technical trademarks and could

---

176. See, e.g., *Philadelphia Novelty Mfg. Co. v. Rouss*, 40 F. 585, 587 (C.C.S.D.N.Y. 1889) (“[I]n ordinary circumstances, the adoption of packages of peculiar form and color alone, unaccompanied by any distinguishing symbol, letter, sign, or seal, is not sufficient to constitute a trade-mark.”); *California Fig Syrup Co. v. Stearns*, 67 F. 1008, 1011 (C.C.E.D. Mich. 1895) (rejecting claim to “Syrup of Fig” as trademark on grounds that words were descriptive of product).

177. See, e.g., *Elgin Nat. Watch Co. v. Illinois Watch Case Co.*, 179 U.S. 665, 674 (1901) (“If a plaintiff has the absolute right to the use of a particular word or words as a trade mark, then if an infringement is shown, the wrongful or fraudulent intent is presumed . . . . But where an alleged trade mark is not in itself a good trade mark, yet the use of the word has come to denote the particular manufacturer or vendor, . . . such circumstances must be made out as will show wrongful intent in fact, or justify that inference from the inevitable consequences of the act complained of.”); *Kellogg Toasted Corn Flake Co. v. Quaker Oats Co.*, 235 F. 657, 664 (6th Cir. 1916) (“If the words in issue in the instant case constituted a technical trade-mark, use by others of the mark would be presumed to be made with wrongful intent and so would be enjoined. This, however, is not the rule in respect of the use by others of descriptive words which have acquired such secondary significance as is here urged.”); *Samson Cordage Works v. Puritan Cordage Mills*, 211 F. 603, 608 (6th Cir. 1914) (“An important respect in which the action for infringement of trade-mark differs from that for unfair competition is that in the former the wrongful intent is presumed from the fact of infringement, while in the latter recovery can be had only on proof of wrongful intent in fact . . . .”); *John T. Dyer Quarry Co. v. Schuylkill Stone Co.*, 185 F. 557, 563 (C.C.D.N.J. 1911) (recognizing the distinction “between the infringement of a trade-mark proper, which, as a violation of an exclusive right of property, need not involve fraud or wrongful intent, and such wrongful and fraudulent simulation of mere trade-names, description, dress or package as under the circumstances of a given case amounts only to unfair competition in trade in contradistinction to trade-mark infringement”); *Church & Dwight Co. v. Russ*, 99 F. 276, 279 (C.C.D. Ind. 1900) (“[W]hile the idea of fraud or imposition lies at the foundation of the law of technical trade-marks as well as the law of unfair competition, it must be borne in mind that fraud may rest in actual intent shown by the evidence, or may be inferred from the circumstances, or may be conclusively presumed from the act itself. In the case of unfair competition, the fraudulent intent must be shown by the evidence, or be inferable from the circumstances, while, in the case of the use by one trader of the trade-mark or trade-symbol of a rival trader, fraud will be presumed from its wrongful use.”); see also *Derenberg*, *supra* note 36, at 834-35.

receive protection under the doctrine of unfair competition only in those exceptional cases where a defendant was otherwise passing off her product as that of the plaintiff.<sup>178</sup> Even in the exceptional cases, relief was usually limited to a requirement of proper labeling.<sup>179</sup>

As discussed above, Congress intended to retain this disparate treatment when it adopted the Trademark Act of 1946. Although it broadened the category of technical trademarks to include descriptive words,<sup>180</sup> it expressly excluded product packaging, labels, and product

---

178. See *Warner & Co. v. Lilly & Co.*, 265 U.S. 526, 531-33 (1924) ("The petitioner or anyone else is at liberty under the law to manufacture and market an exactly similar preparation . . . [b]ut the imitator of another's goods must sell them as his own production."); *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 120-22 (1938); *Feathercombs, Inc. v. Solo Prods. Corp.*, 306 F.2d 251, 257 (2d Cir. 1962); *Modern Aids, Inc. v. R.H. Macy & Co.*, 264 F.2d 93, 94 (2d Cir. 1959) (per curiam) ("Even [where a plaintiff is entitled to relief under unfair competition against an imitator], however, the relief would go no further than to require the defendant to make plain to buyers that the plaintiff was not the source of the machines sold by it."); *Paramount Indus., Inc. v. Solar Prods. Corp.*, 186 F.2d 999, 1001-02 (2d Cir. 1951); *Elizabeth Arden, Inc. v. Frances Denney, Inc.*, 99 F.2d 272, 273 (3d Cir. 1938) (per curiam); *Vogue Ring Creations, Inc. v. Hardman*, 410 F. Supp. 609, 613 (D.R.I. 1976) ("It is well established that copying another's article is not, standing alone, unfair competition. It must be shown that the defendant so confusingly presented his product through packaging, labeling or otherwise as to lead purchasers to believe that they were buying the plaintiff's article."); *Remco Indus., Inc. v. Toyonmeka, Inc.*, 286 F. Supp. 948, 952, 955 (S.D.N.Y. 1968); *Key West Hand Print Fabrics, Inc. v. Serbin, Inc.*, 244 F. Supp. 287, 292 (S.D. Fla. 1965). For other differences, see *Milton Handler & Charles Pickett, Trade Marks and Trade Names—An Analysis and Synthesis*, 30 COLUM. L. REV. 168, 168-201 (1930) (describing greater requirements for and narrower scope of protection for trade names under doctrine of unfair competition as compared to protection of and for trademarks).

179. See, e.g., *Warner & Co.*, 265 U.S. at 532-33 (injunction may properly prohibit defendant and its agents from suggesting to its customers the feasibility of substituting its product for that of the plaintiff, and may even require the defendant to attach a label to its products stating that its product is not to be sold or dispensed in response to a request for the plaintiff's product, but a prohibition on the use of the product feature at issue, chocolate, "goes too far" and was improper); *Bose Corp. v. Linear Design Labs., Inc.*, 467 F.2d 304, 309-10 (2d Cir. 1972) (finding no unfair competition despite similarity between original and imitator given that defendant had plainly labeled its product as its own); *Modern Aids, Inc. v. R. H. Macy & Co.*, 264 F.2d 93, 94 (2d Cir. 1959) (per curiam) (noting that even if plaintiff can show consumer deception as a result of defendant's imitation, relief is limited to requirement of proper labeling); *West Point Mfg. Co. v. Detroit Stamping Co.*, 222 F.2d 581, 588, 589, 596-97 (6th Cir. 1955) (noting that "the only obligation on the copier is to avoid misleading the public into the belief that the article is manufactured by the prior patent owner; and that, in carrying out its obligation to avoid so misleading, it inform the public unmistakably that it is the product of the one making such copy"); *J.C. Penney Co. v. H.D. Lee Mercantile Co.*, 120 F.2d 949, 955, 958 (8th Cir. 1941) (ruling that "[l]abeling is the usual and accepted method of distinguishing the goods of one manufacturer from those of another in the market" and limiting relief to requirement of proper labeling and accuracy in statements made concerning defendant's products).

180. At the same time, Congress offset the expansion in protection for descriptive marks inherent in this recognition by incorporating a fair use defense in section 33(b)(4) of

shapes and designs from the definition of trademarks eligible for registration on the principal register. Analysis of the Trademark Act's central policies confirms that it was entirely sensible for Congress to decide to limit the benefits of the principal register to word and symbol marks. Although providing consumers with a means to identify a particular product is desirable, making protection available too readily for all potential source-identifiers would carry too high a price for consumers and the competitive process.<sup>181</sup> Recognizing that trade-off, Congress chose to reserve principal register trademark status for the least costly means of identifying and distinguishing products—word and symbol marks.<sup>182</sup>

#### IV. Is It Too Late to Correct Leeds' Mistake?

Unsupported by the plain language, the legislative history, or the policies of the Trademark Act, those who seek to preserve Leeds' mistake can argue only that too much time has passed to permit correction of this mistake.<sup>183</sup> However, time alone, as the Court's

---

the Act. See Trademark Act of 1946, ch. 540, § 33(b)(4), 60 Stat. 427, 438 (codified as amended at 15 U.S.C. § 1115(b)(4) (1999)).

181. See CHAMBERLIN, *supra* note 154, at 272 ("Legal cases and text books agree that the function of a trade-mark is to show origin, to identify. The question is, where does identification leave off and differentiation begin? There would be *mere* identification, without further differentiation of product, in the case of two competing goods, identical in every respect, — as to color, shape and design, labels, marks and names, everything excepting only an inconspicuous identification mark or the name and address of the producer.").

182. As discussed, the Department of Justice opposed the trademark bill as potentially anticompetitive. See *1944 Trademark Hearings*, *supra* note 47, at 58-74; *1942 Trademark Hearings*, *supra* note 65, at 23-34, 39-53. That Congress found these concerns persuasive is reflected in Congress's decision to rewrite key aspects of the bill, including the definition of "trademark" for purposes of the principal register to track the common law's definition of a technical trademark. See *supra* text accompanying notes 65-68. Other key changes include the following. The cancellation section, section 14, was rewritten to allow cancellation of generic marks and improperly used certification marks. Compare H.R. 82, 78th Cong., 2nd Sess. § 14 (1943), with Act of July 5, 1946, § 14, 60 Stat. 433 (1946). A genericness exception was added to the defensive incontestability provision in section 15. Compare H.R. 82, *supra*, § 15, with Act of July 5, 1946, § 15(4), 60 Stat. 434 (1946). Section 32(3), which allowed the trademark owner to control the resale of reconditioned and second-hand goods was deleted. Compare H.R. 82, *supra*, § 32(3), with Act of July 5, 1946, § 32, 60 Stat. 438 (1946). Section 33(b), the affirmative incontestability provision, was rewritten to incorporate a genericness defense in the preamble, compare H.R. 82, *supra*, § 33(b), with Act of July 5, 1946, § 33(b), 60 Stat. 438 (1946); to broaden the defense for improper joint use, compare H.R. 82, *supra*, § 33(b)(3), with Act of July 5, 1946, § 33(b)(3), 60 Stat. 438 (1946); and to add a defense where "the mark has been or is being used to violate the antitrust laws of the United States," compare H.R. 82, *supra*, § 32, with Act of July 5, 1946, § 33(b)(7), 60 Stat. 439 (1946).

183. Professor Paul Goldstein has reminded me that our signing of the Trade Related

decision in *K Mart Corp. v. Cartier, Inc.*<sup>184</sup> demonstrates, does not insulate an incorrect administrative interpretation of a statute from judicial review. Nevertheless, given the time that has passed, proponents of Leeds' misinterpretation can either assert that courts should defer to the PTO's longstanding administrative interpretation of the statute or rely on Congress's failure to overturn Leeds' mistake as a basis for continuing it.<sup>185</sup> Neither position has merit.

As to the administrative deference point, such an argument almost completely misunderstands the PTO's role in the process leading to the interpretation of the Trademark Act we have today. Although the PTO, in the person of Ms. Leeds, initially recognized a place for trade dress on the principal register,<sup>186</sup> the Court of Customs and Patent Appeals has been the agent principally responsible for maintaining and expanding the principal register status of trade dress. On any number of occasions, the PTO has tried to limit the registrability of trade dress only to see its decisions overturned by the Court of Customs and Patent Appeals. For example, when the PTO, in its expert judgment, refused to recognize the shape of a product as a whole as a trademark, the Court of Customs and Patent Appeals reversed.<sup>187</sup> When the PTO perceived a potential conflict between design patents and trademark protection and took steps to limit the potential conflict, the Court of Customs and Patent Appeals disagreed and removed the bars on trademark registration for material protected by a design patent.<sup>188</sup> When the PTO excluded

---

Aspects of Intellectual Property (or TRIPS) may limit our ability to remove trade dress from the principal register. Although arbitration panels of the World Trade Organization will have responsibility for interpreting the provision, it does not appear that TRIPS requires signatories to extend trademark protection to trade dress. The relevant provision states: "Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings . . . shall be eligible for registration as trademarks." Agreement on Trade Related Aspects of Intellectual Property Rights, § 2, art. 15(1), Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, LEGAL INSTRUMENTS— RESULTS OF THE URUGUAY ROUND vol. 31; 33 I.L.M. 81 (1994). Article 15(1) further defines "signs" as "including personal names, letters, figurative elements and combinations of colours as well as any combination of such signs." *Id.* TRIPS contains no express requirement of trademark protection for trade dress.

184. 486 U.S. 281, 293-94 (1988) (striking down 50 year old administrative interpretation of a statute on the basis that the interpretation was inconsistent with the statute's plain language).

185. See *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 635-36 (7th Cir. 1993).

186. See *Ex parte Haig & Haig Ltd.*, 118 U.S.P.Q. (BNA) 229, 231 (Comm'r Pat. 1958).

187. See *In re Minnesota Mining & Mfg. Co.*, 335 F.2d 836, 840 (C.C.P.A. 1964); *In re Mogen David Wine Corp.*, 328 F.2d 925, 932 (C.C.P.A. 1964).

188. See *In re Honeywell, Inc.*, 497 F.2d 1344, 1347-49 (C.C.P.A.).

material from the principal register as functional, the Court of Customs and Patent Appeals replaced the PTO's definition of functionality with a far narrower one.<sup>189</sup> Given this reality, the notion of deference to the agency charged with administering the Act is inapposite. The Court of Customs and Patent Appeals, not the PTO, has effectively dictated the present scope of trade dress protection.<sup>190</sup>

Moreover, the Court has repeatedly stated that deference to an administrative agency's interpretation is appropriate under the principles of *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*<sup>191</sup> only where the statute is ambiguous. If a court, following the proper rules of statutory construction, finds the statute unambiguous, then a contrary administrative interpretation may not stand.<sup>192</sup> As discussed, the statutory language reflects Congress's conscious decision to exclude trade dress from the principal register.<sup>193</sup>

---

189. Compare *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1334-35 (C.C.P.A. 1982) (noting and rejecting PTO's interpretation of functionality), with *In re Deister Concentrator Co.*, 289 F.2d 496, 500 (C.C.P.A. 1961) ("A functional feature has been defined in the Restatement of the Law of Torts, Section 742, as a feature of goods which affects their purpose, action, or performance, or the facility or economy of processing, handling or using them. The courts have accepted this definition and have also held 'functional' the shape, size, or form of an article which contributes to its utility, durability or effectiveness or the ease with which it serves its function.").

190. See *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 651 (7th Cir. 1993) (Cudahy, J., dissenting).

191. 467 U.S. 837, 842-44 (1984).

192. See *id.* at 842 ("If the intent of Congress is clear, that is the end of the matter; for the court, as well as the agency, must give effect to the unambiguously expressed intent of Congress."); see also *City of Chicago v. Environmental Defense Fund*, 511 U.S. 328, 339 (1994) (refusing to defer to the administrative agency's interpretation of the statute where Court finds statutory text unambiguous); *John Hancock Mut. Life Ins. Co. v. Harris Trust & Sav. Bank*, 510 U.S. 86, 109 (1993); *Public Employee Retirement Sys. v. Betts*, 492 U.S. 158, 171 (1989) ("[N]o deference is due to agency interpretations at odds with the plain language of the statute itself. Even contemporaneous and longstanding agency interpretations must fall to the extent they conflict with statutory language."); *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281, 291 (1988); *Board of Governors, FRS v. Dimension Fin. Corp.*, 474 U.S. 361, 368 (1986) ("The traditional deference courts pay to agency interpretation is not to be applied to alter the clearly expressed intent of Congress."); *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 213-14 (1976) ("The rulemaking power granted to an administrative agency charged with the administration of a federal statute is not the power to make law. Rather, it is 'the power to adopt regulations to carry into effect the will of Congress as expressed by the statute.'") (quoting *Dixon v. United States*, 381 U.S. 68, 74 (1965)).

193. See *supra* text accompanying notes 15-68. The Court of Customs and Patent Appeals and the Seventh Circuit have both noted that the Act defines a trademark to "include[] any word, name, symbol, or device," and have both identified the word "include" in the definition as an ambiguity that would permit interpretation of the term "trademark" to include trade dress. *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 635 (7th Cir. 1993); *In re Kotzin*, 276 F.2d 411, 414-15 (C.C.P.A. 1960). But this analysis overstates any

Because the statute is unambiguous as to this point, courts may not defer to a contrary administrative decision.<sup>194</sup>

As for Congress's failure to reverse the recognition of trade dress as principal register subject matter, Justice Frankfurter has cautioned: "[W]e walk on quicksand when we try to find in the absence of corrective legislation a controlling legal principle."<sup>195</sup> "Ordinarily,

---

ambiguity that may be present. When Congress took Upton's definition of a technical trademark, it incorporated only four terms, "word, name, symbol, or device," where Upton had used six, "name, symbol, figure, letter, form or device." UPTON, *supra* note 26, at 2. As a result, even if the word "includes" signals that the subject-matter list incorporated in the Trademark Act's definition of a "trademark" is not exclusive, still the inclusion of only such subject matter as was recognized by the common law as technical trademarks suggests that the list may be broadened, but only to additional subject matter recognized as technical trademarks. See *National Basketball Ass'n v. Motorola, Inc.*, 105 F.3d 841, 846-47 (2d Cir. 1997) (refusing to recognize basketball game as a work of authorship, despite the fact that statutory listing of works was "concededly non-exclusive," because basketball games are "neither similar nor analogous to any of the listed categories" and because Congress was aware of the issue and expressly chose not to recognize basketball games as a work of authorship). To read the list as open-ended and as not imposing any constraint on the nature of trademark subject matter is to read the language out of the Act. Such an interpretation would violate at least three of the four canons of statutory construction previously identified. See *supra* text accompanying notes 17-21. It renders the language superfluous; it interprets the definition of a trademark as identical to the definition of a mark, even though Congress specifically used different language for the two definitions; and it reads the language Congress eventually adopted for the definition of a trademark as identical to the language of the 1924 and 1938 bills that Congress had specifically rejected. Cf. *John Hancock Mut. Life Ins. Co.*, 510 U.S. at 109 ("By reading the words 'to the extent' to mean nothing more than 'if,' the Department has exceeded the scope of the available the ambiguity."). Moreover, when Ms. Robert testified to Congress following the revision of the trademark definition to incorporate the "word, name, symbol, or device" language, she recognized the language as a limitation. See *1944 Trademark Hearings*, *supra* note 47, at 20 (statement of Daphne Robert) ("Trade-marks are symbols or names, words or devices which distinguish the products of one manufacturer from the products of another manufacturer.") (emphasis added).

194. See *National Credit Union Admin. v. First Nat'l Bank & Trust Co.*, 522 U.S. 479, 503 (1998) (refusing to defer to the administrative agency's interpretation of the statute where it is contrary to the relevant statute's plain language); *Brown v. Gardner*, 513 U.S. 115, 122 (1994) ("A regulation's age is no antidote to clear inconsistency with a statute, and the fact, again, that [the regulation] flies against the plain language of the statutory text exempts courts from any obligation to defer to it."); *City of Chicago*, 511 U.S. at 339 (refusing to defer to administrative agency's interpretation contrary to the relevant statute's plain language); *John Hancock Mut. Life Ins. Co.*, 510 U.S. at 109 (same); *Presley v. Etowah County Comm'n.*, 502 U.S. 491, 508-09 (1992) (same); *Public Employee Retirement Sys.*, 492 U.S. at 175 (same); *K Mart Corp.*, 486 U.S. at 293-94 (striking 50 year old administrative interpretation that Court found inconsistent with the statute's plain language); *Board of Governors, FRS*, 474 U.S. at 368 (striking administrative interpretation contrary to statute's plain language).

195. *Helvering v. Hallock*, 309 U.S. 106, 121 (1940); see also *Central Bank v. First Interstate Bank*, 511 U.S. 164, 186 (1994); *Patterson v. McLean Credit Union*, 491 U.S. 164, 175 n.1 (1989) ("It does not follow . . . that Congress' failure to overturn a statutory precedent is reason for this Court to adhere to it.").

'Congress' silence is just that—silence.”<sup>196</sup> The Court sometimes recognizes an exception to that general rule where Congress reenacts statutory language.<sup>197</sup> However, given the risk that a formal reenactment of existing law may have no more substantive meaning than congressional silence, the Court has restricted the doctrine to cases where “Congress exhibited both a detailed knowledge [of the statutory provisions] and their judicial interpretation and a willingness to depart from those provisions regarded as undesirable or inappropriate for incorporation.”<sup>198</sup> In an apparent attempt to take advantage of this doctrine, representatives of trademark’s propertied class slipped a reenactment of the statutory definition of a trademark into the 1988 amendment dealing with the intent-to-use provisions and added a sentence to the Senate Report that might be read to recognize Leeds’ mistake.<sup>199</sup> In 1995, the *Qualitex* Court picked up on this and used it as partial justification for rejecting the hundred-year-old rule prohibiting the recognition of color alone as a trademark.<sup>200</sup>

However, the *Qualitex* Court’s invocation of the reenactment doctrine was inappropriate. As the first threshold condition for the doctrine to apply, there must be a consistent judicial interpretation prior to the reenactment.<sup>201</sup> In applying the doctrine, the *Qualitex*

---

196. *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 749 (1989) (quoting *Alaska Airlines, Inc. v. Brock*, 480 U.S. 678, 686 (1987)).

197. Because Congress may not as carefully examine an issue when it simply reenacts existing language, the Court has not always applied the reenactment doctrine. *See, e.g., International Bhd. of Teamsters v. United States*, 431 U.S. 324, 393-94 & n.24 (1977) (Marshall, J., concurring in part and dissenting in part) (noting majority’s refusal to apply the reenactment doctrine despite its apparent applicability).

198. *Lorillard v. Pons*, 434 U.S. 575, 580-81 (1978).

199. *See* Trademark Law Revision Act of 1988, Pub. L. No. 100-667 § 134(3), 102 Stat. 3935, 3947 (1988); S. Rep. No. 100-515 at 44 (1988), *reprinted* in 1988 U.S.C.C.A.N. 5577, 5607 (“The revised definition intentionally retains . . . (iv) the words ‘symbol or device’ *so as not to preclude* the registration of colors, shapes, sounds or configurations where they function as trademarks.”) (emphasis added).

200. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 172-73 (1995) (“Finally, when Congress reenacted the terms ‘word, name, symbol, or device’ in 1988, it did so against a legal background in which those terms had come to include color, and its statutory revision embraced that understanding.”).

201. *See Holder v. Hall*, 512 U.S. 874, 920-21 (1994) (Thomas, J., concurring) (rejecting proposed interpretation of statute despite reenactment where Court found judicial interpretation prior to reenactment somewhat inconsistent); *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 527-32 (1994) (refusing to apply reenactment doctrine to interpret Copyright Act’s attorney’s fees provision where Court found no settled “dual standard” interpretation “about which Congress could have been aware”); *Pierce v. Underwood*, 487 U.S. 552, 567 (1988) (refusing to apply reenactment doctrine where only one circuit had endorsed proposed interpretation); *Jefferson County Pharm. Ass’n v. Abbott Labs.*, 460 U.S. 150, 168-69 (1983) (refusing to apply reenactment doctrine given lack of consistent judicial interpretation of statute in manner for which party argued).



Court cited: (1) the Federal Circuit's ruling in 1985 that color alone was registrable; (2) the PTO's adoption in 1986 of regulations that permitted the registration of color alone; and (3) the Senate Report implying approval of a broad interpretation of registrable subject matter.<sup>202</sup> The Court failed to note the hundred-year-old common law rule rejecting color alone as a trademark<sup>203</sup> or to cite the decisions from other circuits that both were contemporaneous to the 1988 amendments and contrary to the Federal Circuit's ruling.<sup>204</sup> The Court also failed to note that the PTO had for forty years, from 1946 until the decision in *Owens-Corning*, consistently maintained that color alone was not eligible for registration as a trademark.<sup>205</sup> As the Court held in *Pierce v. Underwood*, such inconsistency in a statute's interpretation precludes application of the reenactment doctrine, even where a Committee report purports to adopt the argued-for interpretation.<sup>206</sup>

---

202. *Qualitex Co.*, 514 U.S. at 172.

203. See, e.g., *Philadelphia Novelty Mfg. Co. v. Rouss*, 40 F. 585, 587 (C.C.S.D.N.Y. 1889) ("[I]n ordinary circumstances, the adoption of packages of peculiar form and color alone, unaccompanied by any distinguishing symbol, letter, sign, or seal, is not sufficient to constitute a trade-mark."); *Fleischmann v. Starkey*, 25 F. 127, 128 (C.C.D.R.I. 1885) ("The color of a label, apart from a name or device, can hardly be the subject-matter of a trade-mark.").

204. See *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1382 (9th Cir. 1987) (stating that "the general rule remains that an element of distinctiveness of shape in combination with the color [must exist] before a trademark will be granted"); *Association of Co-op. Members, v. Farmland Indus., Inc.*, 684 F.2d 1134, 1140 (5th Cir. 1982) (citing *Quaabug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 161 (1st Cir. 1977) for the proposition that "color alone cannot constitute valid trademark"); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204 n.6 (2d Cir. 1979) ("Although color alone is not capable of becoming a trademark, a combination of colors together with a distinctive arbitrary design may serve as a trademark."); *Quabaug*, 567 F.2d at 164 ("[W]e agree with Fabiano that color alone cannot be appropriated as a trademark . . ."); *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85, 96 (S.D. Iowa 1982) ("Color, per se, is not capable of appropriation as a trademark.") (quoting 1 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 7:16 (1973)), *aff'd*, 721 F.2d 253 (8th Cir. 1983).

205. See, e.g., *In re American Red Magen David for Israel*, 222 U.S.P.Q. (BNA) 266, 267 n.4 (T.T.A.B. 1984) ("The Examining Attorney has argued that color alone or applied indiscriminately to the overall configuration of a product cannot function as a trademark. Under the theory of color depletion this has long been the maxim behind many decisions of the Trademark Trial and Appeal Board and the courts."); *Genesco, Inc. v. Levi Strauss & Co.*, 219 U.S.P.Q. (BNA) 1205, 1207 (T.T.A.B. 1983) ("Color, per se, is not capable of appropriation as a trademark.") (quoting MCCARTHY, *supra* note 204), *aff'd*, 742 F.2d 1401 (Fed. Cir. 1984); *In re Shaw*, 184 U.S.P.Q. (BNA) 253, 255 (T.T.A.B. 1974).

206. See *Pierce v. Underwood*, 487 U.S. 552, 567 (1988) (rejecting application of reenactment doctrine to support particular interpretation of statute where "the almost uniform appellate interpretation (12 Circuits out of 13) contradicted the interpretation endorsed in the Committee Report"). That proponents of broader trademark protection

When we move from the issue of color specifically to the question of trade dress more generally, a reenactment argument for legitimizing Leeds' mistake suffers from similar flaws. By 1988, only the Court of Customs and Patent Appeals and the Federal Circuit had interpreted the principal register trademark definition to include trade dress. Neither the Court nor the other circuits had expressly addressed the trade dress registrability issue.<sup>207</sup> Moreover, the Court's decisions in *Sears* and *Compco* cast a considerable shadow over the Court of Customs and Patent Appeals' chosen path.<sup>208</sup> Although neither *Sears* nor *Compco* addressed federal unfair competition directly,<sup>209</sup> their analysis of the interference that state unfair competition protection would create with the goals of the patent system applies equally well to federal protection of product configurations as trade dress.<sup>210</sup> Aside from the doctrinal distinction

---

had slipped a sentence into the Senate Report purporting to support a broader interpretation would also not suffice. See *City of Chicago v. Environmental Defense Fund*, 511 U.S. 328, 337 (1994) ("But it is the statute, and not the Committee Report, which is the authoritative expression of the law . . .").

207. See *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 635 (7th Cir. 1993) (addressing as a matter of initial impression for a circuit other than the Federal Circuit or the Court of Customs and Patent Appeals a challenge to the registration of a product configuration on the principal register). A number of decisions had protected trade dress under section 43(a) of the Trademark Act, see, e.g., *Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 701-02 (5th Cir. Unit A Oct. 1981), but those decisions cannot fairly be read to address whether trade dress is eligible for registration on the principal register as a trademark. After all, the common law had long protected trade dress under unfair competition law, yet had also long excluded trade dress from protection as a trademark. In addition, as the Court admitted in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 120 S. Ct. 1339, 1342-43 (2000), "courts have assumed, often without discussion," that trade dress may receive protection under section 43(a). Where courts have followed a particular interpretation without explaining it, the Court has held that the reenactment doctrine does not apply because such practice may not come as readily to the attention of Congress as an express interpretation. See *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 527-32 (1994) (refusing to apply reenactment doctrine where, despite longstanding practice of interpreting statute in particular way, Court did not believe that Congress was aware of the settled interpretation).

208. *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 238-39 (1964) (limiting state law protection of product designs or configurations to requirement of proper labeling); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232-33 (1964) (holding that state may require proper labeling but may not prohibit the copying of the article itself "when the article is unpatented and uncopyrighted").

209. They did not address protection for trade dress under section 43(a) because such protection did not begin to become common until the mid-1970s. See 1 GILSON & GILSON, *supra* note 3, § 2.14[1], at 2-165 (tracing beginnings of trade dress protection under section 43(a) to dicta in *Bose Corp. v. Linear Design Labs., Inc.*, 467 F.2d 304, 309 (2d Cir. 1972)).

210. See *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 379 (2d Cir. 1997) (noting that "the Lanham Act must be construed in the light of a strong federal

of federal versus state law, the principal argument against applying the reasoning of *Sears* and *Compco* to cases involving federal protection of product configuration is that patent and trademark law serve different purposes, one to encourage innovation, the other to limit consumer confusion.<sup>211</sup> But this argument fails to provide a basis for distinguishing the reasoning of *Sears* and *Compco*, given that state unfair competition law was also supposed to address the purpose of remedying consumer confusion.

The "separate purposes" argument is equally unpersuasive on the merits. As discussed, trade dress can receive protection today without any showing that the dress serves a material, source-related informational role.<sup>212</sup> Although patent protection and trademark protection are supposed to serve different purposes, the practice has been otherwise. With the recognition of trade dress as a trademark, trade dress infringement today may be found based upon the imitation of a popular product alone.<sup>213</sup> In addition, whatever separation there might be between their formal purposes, the effect of trade dress protection is often indistinguishable from that of patent law. Both require competitors to work around the protection provided, and doing so in either case takes time and resources, and generates a less perfect substitute for the original. To that extent, both forms of protection tend in identical fashion to reduce, but not necessarily eliminate, competitive pressure on the protected party.<sup>214</sup>

---

policy in favor of vigorously competitive markets," and finding *Sears* and *Compco* relevant even if their preemption analysis does not strictly apply to Lanham Act); *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 647 (7th Cir. 1993) (Cudahy, J., dissenting).

211. See *Kohler Co.*, 12 F.3d at 643; *In re Mogen David Wine Corp.*, 328 F.2d 925, 928 (C.C.P.A. 1964).

212. See *supra* text accompanying notes 123-138.

213. At this time, imitation is a basis for drawing inferences of secondary meaning and likelihood of confusion, but a trier of fact may decide not to draw such inferences in particular cases. See *Coach Leatherware Co. v. AnnTaylor, Inc.*, 933 F.2d 162, 169 (2d Cir. 1991) (stating that inference of secondary meaning can be drawn from fact of imitation alone); *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1183-84 & n.16 (7th Cir. 1989) (noting that imitation may be considered as a factor tending to prove secondary meaning and likelihood of confusion, but emphasizing that it is not the sole factor); *Fuddrucker, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 844 (9th Cir. 1987); *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1220 & n.13 (8th Cir. 1976) (stating that inferences of secondary meaning and likelihood of confusion can be drawn from fact of imitation alone); see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. b (1995).

214. In *Kohler Co.*, the Seventh Circuit argued that trade dress protection creates no "real" monopoly, because competitors are still free to introduce alternative designs. 12 F.3d at 643. The flaws in this argument as to functionality itself have been discussed above, but it is also worth noting competitors are equally free to work around a patent in order to offer a competing product. See, e.g., CHAMBERLIN, *supra* note 154, at 62 ("Are

As a result, even where a product configuration in fact serves an informational role, extending trade dress protection to the configuration also protects the configuration's inherent product value without the configuration first satisfying the rigorous scrutiny and high standards of invention required for a patent. Further, trade dress protection increases the rewards from, and therefore the likely investment in, a product's appearance, its packaging, and other promotional efforts.<sup>215</sup> But more of one thing must mean less of another.<sup>216</sup> As increased trade protection makes expenditures on product marketing relatively more attractive, it makes investments in other areas, such as research and development, relatively less attractive.<sup>217</sup> At the margins, increasing trade dress protection will tend to distract resources from the inventive efforts the patent system seeks to encourage and will tend to promote differentiation at the expense of innovation. Although both have value, today's more

---

there any bases, after all, for distinguishing between patents and trade-marks? Each makes a product unique in certain respects; this is its monopolistic aspect. Each leaves room for other commodities almost but not quite like it; this is its competitive aspect. The differences between them are only in degree, and it is doubtful if a significant distinction may be made even on this score.”).

215. See Lunney, *supra* note 1, at 430-31; James M. Treece, *Protectability of Product Differentiation: Is and Ought Compared*, 18 RUTGERS L. REV. 1019, 1021-22 (1964); see also Gordon Tullock, *The Welfare Costs of Tariffs, Monopolies, and Theft*, 5 W. ECON. J. 224 (1967) (articulating need to recognize resources wasted seeking the rents available from monopolies as one of the social welfare losses generated by monopoly); Arnold Plant, *The Economic Theory Concerning Patents for Inventions*, 1 ECONOMICA 30 (n.s. 1934) (arguing that the availability of rents from patent protection may lead to investment of excessive resources seeking the available rents).

216. See JOAN ROBINSON, *THE ECONOMICS OF IMPERFECT COMPETITION* 104 (1933); SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF SENATE COMM. ON THE JUDICIARY, 85TH CONG., *AN ECONOMIC REVIEW OF THE PATENT SYSTEM*. 45-46 (Comm. Print 1958) (“It is easy to conceive of the possibility that such allocation [of productive resources to research and development] is too meager. But can there ever be too much? Is not more research and development always better than less? Is it possible that too much is devoted to the inventive effort of the Nation? This depends on what it is that is curtailed when inventive activity is expanded. More of one thing must mean less of another, and the question is, what it is of which there will be less. . . . Whenever permanent economic policies—not just war or depression measures—are discussed, sound economics must start from the principle that no activity can be promoted without encroaching on some other activity. More of one service or product must mean less of another.”).

217. See Glynn S. Lunney, Jr., *Reexamining Copyright's Incentives-Access Paradigm*, 49 VAND. L. REV. 483, 582-601 (1996) (explaining how increasing intellectual property protection to encourage one activity will necessarily draw resources from other creative activities); see also BENJAMIN KAPLAN, *AN UNHURRIED VIEW OF COPYRIGHT* 75 (2d ed. 1967) (recognizing similar risk from too much copyright); Robert M. Hurt & Robert M. Schuchman, *The Economic Rationale of Copyright*, 56 AM. ECON. REV. 421, 425, 430 (1966) (same); Arnold Plant, *The Economic Aspects of Copyright in Books*, 1 ECONOMICA 167, 170 (n.s. 1934) (same).

expansive trade dress protection creates a variance between social and private cost and between social and private value that will likely lead to over-investment in differentiation. As a result, the concerns expressed in *Sears* and *Compco* continue to suggest that only limited protection should be available for trade dress under the Trademark Act, and a number of courts have so recognized.<sup>218</sup> Under these circumstances, the judicial track record on the registration of trade dress on the principal register in 1988 lacked “the unbroken chain of judicial decisions” required to apply the reenactment doctrine.<sup>219</sup>

In addition, the Court has also typically required, as a second threshold condition before applying the reenactment doctrine, that Congress exhibit detailed knowledge of the provision at issue and its judicial interpretation so that congressional intent to resolve the issue may reasonably be inferred.<sup>220</sup> Where there is reason to doubt that Congress was aware of the specific issue or the judicial interpretations on point, no presumption arises that Congress intended to resolve the

---

218. See *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 379 (2d Cir. 1997); *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 648-51 (7th Cir. 1993) (Cudahy, J., dissenting); *Riback Enters., Inc. v. Denham*, 452 F.2d 845, 847-49 (2d Cir. 1971); *In re Shenango Ceramics, Inc.*, 362 F.2d 287, 290 n.7 (C.C.P.A. 1966) (noting that concurring member believed that *Sears* and *Compco* require prohibition on registration as a trademark of any product feature covered by an expired utility patent); see also *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 152-57 (1989) (re-affirming validity of *Sears* and *Compco*).

219. *Jefferson County Pharm. Ass'n v. Abbott Labs*, 460 U.S. 150, 168 (1983); see also *Ankenbrandt v. Richards*, 504 U.S. 689, 700-01 (1992) (applying reenactment doctrine to control interpretation of language in Federal Rules of Civil Procedure when Congress incorporated language from prior statutes given “the Court’s nearly century-long interpretation of the prior statutes”); *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Curran*, 456 U.S. 353, 381 (1982) (applying the reenactment doctrine to construe statute where there was an “absence of any dispute about the” existence of an implied cause of action at the time of the reenactment).

220. See *Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 456 U.S. at 381 (applying reenactment doctrine where Congress as part of “a comprehensive reexamination and significant amendment” of the Commodity Exchange Act left intact the language under which the courts had implied a private cause of action); *Lorillard v. Pons*, 434 U.S. 575, 581 (1978) (applying reenactment doctrine where “Congress exhibited both a detailed knowledge of the FLSA provisions and their judicial interpretations and a willingness to depart from those provisions regarded as undesirable or inappropriate for incorporation”); *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 414 n.8 (1975) (applying doctrine where House initially proposed different language, but Senate wanted to retain existing language and specifically cited decisions interpreting the existing language, and Congress chose to retain existing language); see also 2B NORMAN J. SINGER, SUTHERLAND STATUTORY CONSTRUCTION § 49.10 (5th ed. 1992) (noting that ratification by appropriation is not favored and will not be accepted where prior knowledge of the specific disputed action cannot be demonstrated clearly) (quoting *D.C. Fed’n of Civic Ass’ns, Inc. v. Airis*, 391 F.2d 478, 482 (D.C. Cir. 1968)).

issue when it reenacts a provision.<sup>221</sup> Using the reenactment doctrine in such cases would therefore be inappropriate, particularly if applying the exception would lead to an interpretation contrary to the plain language of the statute.<sup>222</sup>

When we turn to the 1988 amendment to the Trademark Act, there is little reason to suppose that Congress believed itself to be resolving the issue of whether trade dress was registrable subject matter in enacting the amendment. The amendment process focused on the addition of intent to use as a basis for applying for trademark registration.<sup>223</sup> During the hearings on the bill, there was no discussion of the reenactment of the trademark definition, nor of Leeds' mistake, nor of the question of trade dress's eligibility for registration.<sup>224</sup> Although the Senate Report included one sentence that addressed the issue, the sentence states only that "[t]he revised

---

221. See *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 527-32 (1994) (refusing to apply reenactment doctrine where, despite longstanding practice of interpreting statute in particular way, Court did not believe that Congress was aware of the settled interpretation); *Brown v. Gardner*, 513 U.S. 115, 121 (1994) (refusing to apply reenactment doctrine where "there is no . . . evidence to suggest that Congress was even aware of the VA's interpretive position"); *Lever Bros. Co. v. United States*, 877 F.2d 101, 106 (D.C. Cir. 1989) (refusing to apply reenactment doctrine despite established administrative interpretation expressly affirmed in one sentence of legislative history on the basis that court could "find no indication that a single member of Congress, much less the committee, much less members speaking on the floor of either house, ever excavated these paragraphs from the mass in which they lay embedded"); see also SINGER, *supra* note 220, § 49.09, at 69 ("[The reenactment rule] does not apply where nothing indicates that the legislature had its attention directed to the administrative interpretation upon reenactment.").

222. See SINGER, *supra* note 220, § 49.09, at 69; see also *Brown*, 513 U.S. at 121 ("There is an obvious trump to the reenactment argument, however, in the rule that '[w]here the law is plain, subsequent reenactment does not constitute an adoption of a previous administrative construction.") (quoting *Demarest v. Manspeaker*, 498 U.S. 184, 190 (1991)); *Massachusetts Trustees of E. Gas & Fuel Assocs. v. United States*, 377 U.S. 235, 241-42 (1964) (holding that congressional reenactment has no interpretive effect where regulations clearly contradict requirements of statute).

223. Amending the trademark definition was necessary to implement the intent-to-use provisions, and thus the only change to the trademark definition was the addition of language specifying that something could qualify as a trademark if "used by a person, or which a person has a bona fide intention to use in commerce." Trademark Law Revision Act of 1988, Pub. L. No. 100-667 § 134, 102 Stat. 3935, 3947 (emphasis added to identify language added by amendment); see also *1988 House Hearings*, *supra* note 164, at 76 (statement of the United States Trademark Association) (noting that trademark definition was primarily revised "to conform it to the proposed intent-to-use application system").

224. See *1988 House Hearings*, *supra* note 164, at 76 (statement of the United States Trademark Association) (stating that the revised trademark definition "does not alter . . . the subject matter which has historically qualified as a trademark or service mark" without mentioning Leeds' mistake, the trade dress issue, or the time period identified as "historically").

definition intentionally retains . . . (iv) the words 'symbol or device' *so as not to preclude* the registration of colors, shapes, sounds or configurations where they function as trademarks."<sup>225</sup> Rather than choosing an affirmative statement ("so as to include") that would suggest that Congress intended to resolve the issue, the Senate Report chose a negative phrasing ("so as not to preclude"). This choice suggests that Congress was neither foreclosing nor requiring the registration of such material.<sup>226</sup> Moreover, as part of the 1988 amendment, Congress also rewrote parts of section 23, dealing with supplemental register marks,<sup>227</sup> yet retained the different definitions of marks for the supplemental register and trademarks for the principal register. Congress therefore left in place the plain language of the statute that differentiates the protection available to trade dress and the protection available to trademarks. In the face of the Act's plain language that Congress expressly retained, it would be inappropriate to apply the reenactment doctrine to read the 1988 amendment as requiring a continued place for trade dress on the principal register.<sup>228</sup>

If there were room for doubt on this issue, Congress directly considered in 1998 whether to recognize expressly a place for trade dress on the principal register.<sup>229</sup> Although Congress chose to

---

225. S. Rep. No. 100-515, *supra* note 199, at 44 (emphasis added).

226. *Cf. Musick, Peeler & Garrett v. Employers Ins.*, 508 U.S. 286, 293-94 (1993) (stating that in dealing with similar negative language in amendments addressing aspects of liability under section 10(b) of the Securities and Exchange Act of 1954, "[w]e infer from these references an acknowledgment of the 10b-5 action without any further expression of legislative intent to define it").

227. *See Trademark Law Revision Act of 1988*, Pub. L. No. 100-667 § 121, 102 Stat. 3935, 3942-43.

228. *See Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 527-33 (1994) (refusing to apply reenactment doctrine where it would result in interpretation contrary to the plain language of the statute); *Pierce v. Underwood*, 487 U.S. 552, 566-67 (1988) ("If this language [in a House Report regarding the proper meaning of a statute] is to be controlling upon us, it must be either (1) an authoritative interpretation of what the 1980 statute meant, or (2) an authoritative expression of what the 1985 Congress intended. It cannot, of course, be the former, since it is the function of the courts and not the Legislature, much less a Committee of one House of the Legislature, . . . to say what an enacted statute means. Nor can it reasonably be thought to be the latter—because it is not an explanation of any language that the 1985 Committee drafted, because on its face it accepts the 1980 meaning of the terms as subsisting, and because there is no indication whatever in the text or even the legislative history of the 1985 reenactment that Congress thought it was doing anything insofar as the present issue is concerned except reenacting and making permanent the 1980 legislation.").

229. *See H.R. 3163*, 105th Cong. § 2(a)(3) (1998) (proposing to add section (g) to section 2 of the Trademark Act that would expressly authorize the registration of trade dress on the principal register).

recognize some such protection under section 43(a) as a form of unfair competition,<sup>230</sup> it refused to adopt proposed section 2(g) that would have expressly authorized the registration of trade dress on the principal register.<sup>231</sup> In the House hearings regarding the trade dress provisions, witnesses opposed the express recognition of trade dress protection on the principal register and urged Congress to leave the matter for the courts to resolve.<sup>232</sup> The fact that Congress followed this advice and expressly omitted the trade dress principal register provision confirms that Congress has not resolved the issue and has left the courts free to reconsider their mistaken path.

Applying the reenactment doctrine would be inappropriate for another reason as well. Because of Leeds' mistake, courts expanded trade dress purporting to believe, and undoubtedly believing in some cases, that Congress had already resolved the desirability of such expansion. As a result, the judicial expansion of trade dress protection occurred without the hard look usually associated with

---

230. See Trademark Law Treaty Implementation Act, Pub. L. No. 105-330 §§ 201(a)(2)(A)(ii), 201(a)(4), 201(a)(5) & 201(a)(9), 112 Stat. 3064, 3069-70 (West Supp. 1999) (codified as amended at 15 U.S.C.A. § 1125(a)(3)). Curiously, the Court relied on Congress's recognition of trade dress under section 43(a) as backhanded proof that Congress had also approved the recognition of trade dress as subject matter eligible for the principal register. See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 120 S. Ct. 1339, 1342-43 (2000).

231. Compare H.R. 3163, 105th Cong. § 2(a)(3) (1998) (proposing to add section (g) to section 2 of the Trademark Act that would expressly authorize the registration of trade dress on the principal register), with Treaty Implementation Act § 201, 112 Stat. at 3069-70 (omitting proposed section 2(g)). In a departure from the ordinary rules regarding congressional silence, the Court has held that where an interest group introduces legislation seeking to amend a statute to reflect its desired interpretation, and that legislation is defeated, a contrary interpretation of the statute is appropriate. See *Phillips Petroleum Co. v. Wisconsin*, 347 U.S. 672, 685 (1954) (interpreting the Natural Gas Act to encompass regulation of prices for wellhead sales of natural gas because "[a]ttempts to weaken this protection by amendatory legislation . . . have repeatedly failed"); see also M. ELIZABETH SANDERS, *THE REGULATION OF NATURAL GAS* 52-57 (1981) (recounting history behind ruling).

232. For example, the International Trademark Association ("INTA") opposed the Trade Dress Bill for fear that congressional action might lead to improper protection and reduce the flexibility of the courts in resolving trade dress issues appropriately. See *Trade Dress Protection Act: Hearings on H.R. 3163 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 105th Cong. 2 (1998) (<<http://www.house.gov/judiciary/41152.htm>>) (testimony of David Stimson, President, INTA) ("[(1)] The Lanham Act and developing case law must remain open-minded and progressive in view of changing technology and the unanticipated consequences which may result from rigidity in the law. (2) Trade dress legislation at this time may unintentionally curtail existing protections or expand protection into those areas for which courts have traditionally provided narrow scopes of protection.").



such judicial activism.<sup>233</sup> Although Congress has not repealed the expansion, it has not carefully examined its merits either, simply deferring so far to the judiciary. The net result of this reciprocal deference is radically expanded trade dress protection without a careful examination by either Congress or the courts of the expansion's merits.

Under these circumstances, time alone should not and does not insulate Leeds' mistake from correction by Congress, the PTO, or the courts. That Congress has the authority to undo Leeds' mistake is undoubted, but may prove difficult to achieve given that the mistake benefits a concentrated interest group, trademark owners, at the expense of a dispersed group, consumers generally. In such conflicts, the concentrated group enjoys a decided advantage because of the lower transaction costs it faces to organize and lobby for its position.<sup>234</sup> The PTO also has the authority to correct Leeds' mistake. Even if the Senate Report's "so as not to preclude" language is treated as a binding interpretation of the Trademark Act, still that statement does not expressly require the recognition of trade dress as principal register subject matter. At most, it allows for the possibility of such registration. Under *Chevron U.S.A., Inc.*, so long as Congress has not required a place on the principal register for trade dress, the PTO has the discretion to refuse it.<sup>235</sup> As for the courts, over the past

---

233. As Justice Brandeis warned in his dissent in *International News Service v. Associated Press*:

But with the increasing complexity of society, the public interest tends to become omnipresent; and the problems presented by new demands for justice cease to be simple. Then the creation or recognition by courts of a new private right may work serious injury to the general public, unless the boundaries of the right are definitely established and wisely guarded.

248 U.S. 215, 262-63 (1918) (Brandeis, J., dissenting); see also *Musick, Peeler & Garrett v. Employers Ins.*, 508 U.S. 286, 291 (1993) ("[T]he creation of new rights ought to be left to legislatures, not courts.").

234. On the transaction costs advantage of concentrated interest groups, see generally MANCUR OLSON, *THE LOGIC OF COLLECTIVE ACTION: PUBLIC GOODS AND THE THEORY OF GROUPS* (Harvard Economic Studies Vol. CXXIV, 1965); *THE POLITICAL ECONOMY OF RENT-SEEKING* (Charles K. Rawley et al. eds., Topics in Regulatory Economics and Policy, 1988).

235. See *Smiley v. Citibank*, 517 U.S. 735, 742 (1996) (holding that change in administrative interpretation of statute remains entitled to *Chevron* deference so long as the new interpretation remains a reasonable interpretation of an ambiguous statutory provision); *Rust v. Sullivan*, 500 U.S. 173, 186-87 (1991) (ruling that even a sharp break with a longstanding administrative interpretation entitled to deference). In *Kohler Co. v. Moen Inc.*, the Seventh Circuit approved the recognition of trade dress as principal register subject matter on the grounds that such recognition was within the *Chevron* discretion of the agency charged with administering the statute. 12 F.3d 632, 636 (7th Cir. 1993). Such discretion exists only where the statute is ambiguous. See, e.g., *Chevron*

forty years, they have radically expanded trade dress protection in the face of Congress's plain instructions otherwise. It would be curious, indeed, if courts, having made trade dress protection into a threat to consumer welfare, now pretended that Congress's non-instruction in the 1988 amendment tied their hands.

### V. The *Wal-Mart Stores, Inc.* Decision: Two Steps Forward, One Step Back

On March 22, 2000, the Court issued its decision in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*<sup>236</sup> In its decision, the Court reversed the Second Circuit and held that product designs claimed as trade dress could not qualify as inherently distinctive.<sup>237</sup> Rather, to receive protection for such designs under section 43(a), a plaintiff must demonstrate the existence of secondary meaning.<sup>238</sup> In so ruling, the Court took two major steps forward in ensuring that trade dress protection serves consumer welfare, rather than as a form of corporate welfare.

First, in justifying its ruling, the Court adopted a more realistic view of the policy concerns and the costs implicated by readily available trade dress protection. Specifically, the Court recognized:

- (1) That product design plays a substantial role in the value of the product itself and courts must be careful to restrict trade dress protection to cases where a plaintiff has proven that the feature claimed as trade dress has real value to consumers as a source identifier;<sup>239</sup>
- (2) That allowing protection of product features as inherently distinctive trade dress creates an anticompetitive risk not fully addressed by the functionality doctrine;<sup>240</sup>

---

*U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 843-44 (1984). If the statute is ambiguous, then the administrative agency may adopt either interpretation if reasonable. *See id.* at 842.

236. 120 S. Ct. 1339 (2000).

237. *See id.* at 1344 ("It seems to us that design, like color, is not inherently distinctive.").

238. *See id.* at 1346 ("We hold that, in an action for infringement of unregistered trade dress under § 43(a) of the Lanham Act, a product's design is distinctive, and therefore protectible, only upon a showing of secondary meaning.").

239. *Compare id.* at 1344-45 (recognizing that primary role of product features is as part of the product, rather than as information about the product), *with Lunney, supra* note 1, at 371, 387-91, 433-39, 479-84 (emphasizing need to distinguish between legitimate deception-based protection where mark is protected as a source of information concerning a product and illegitimate property-based protection where mark is protected as a valuable product or part of a valuable product itself).

240. *Compare Wal-Mart Stores, Inc.*, 120 S. Ct. at 1344-45 (noting that "application of

(3) That the availability of a plausible claim for infringement will often prove sufficient to deter effective competition,<sup>241</sup> and

(4) That the need to encourage new products and alternative designs is better addressed through the patent and copyright laws, rather than expansive trade dress protection.<sup>242</sup>

Although the Court continued to suggest that product packaging may qualify as inherently distinctive,<sup>243</sup> the Court re-emphasized the consumer interest in competition by requiring courts to “err on the side of caution and classify ambiguous trade dress as product design.”<sup>244</sup>

Second, at a more general level, the Court’s decision represents a sharp reversal in the trajectory of its trade dress decisions. Where the Court in *Two Pesos, Inc.* and *Qualitex* had unanimously agreed to expand trade dress protection and abolish some longstanding common law limitation on trade dress protection,<sup>245</sup> the *Wal-Mart* Court unanimously agreed to restrict trade dress protection and retain a longstanding common law limitation. In doing so, the Court avoided the mistake of attributing significance to congressional

---

an inherent-distinctiveness principle [to product design is] more harmful to [the consumer interest in competition]”), with Lunney, *supra* note 1, at 385-88, 433-37 (identifying application of inherent distinctiveness to trade dress as improperly balancing the consumer’s interest in being free from confusion with the consumer’s interest in free competition).

241. Compare *Wal-Mart Stores, Inc.*, 120 S. Ct. at 1244-45 (noting that the respondent’s proposed test would “rarely provide the basis for summary disposition of an anticompetitive strike suit” and that “[c]ompetition is deterred, however, not merely by successful suit but by the plausible threat of successful suit”), with Lunney, *supra* note 1, at 393-94 n.98, 480 n.367 (noting similar potential and asserting that “the very fact that Tour 18 had to spend thousands of dollars defending a lawsuit, where its entire investment was at risk . . . was itself conclusive evidence of the anticompetitive consequences of [overbroad trade dress protection]”). Although the phrase “strike suit” may prove emotionally satisfying, courts should be careful to recognize that it is not simply unjustified lawsuits that pose a threat to competition. As the Court itself recognized, the risk to competition and consumer welfare arises from judicial interpretations of trade dress protection that leave room for plausible claims of infringement based simply on the imitation of some desired aspect of a popular product. See *Wal-Mart Stores, Inc.*, 120 S. Ct. at 1344-45.

242. Compare *id.* at 1345 (noting that a plaintiff can obtain protection for a new design “by securing a design patent or a copyright” which reduces the need to recognize a category of inherently distinctive product designs), with Lunney, *supra* note 1, at 439-62 (explaining why patent and copyright better address protection of new designs than trade dress).

243. See *Wal-Mart Stores, Inc.*, 120 S. Ct. at 1345-46.

244. *Id.* at 1346.

245. See *Two Pesos, Inc., v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).

silence regarding a secondary meaning requirement for trade dress.<sup>246</sup> Rather than misread congressional silence as resolving the issue, the Court undertook to determine on its own the rule that appropriately balanced the competing consumer interests at stake.

Taken together, the Court's realistic appraisal of trade dress protection's costs and its demonstrated willingness to undertake responsibility for ensuring that trade dress protection serves the interest of consumers represent two very encouraging steps forward. Despite these significant steps forward, the Court also took one step back. Specifically, the Court continued to insist that the word "symbol" in the Trademark Act may be read to encompass "almost anything at all that is capable of carrying meaning."<sup>247</sup> As discussed above, such an interpretation is simply wrong. Fortunately, the Court did not follow this erroneous interpretation to its logical conclusion, claiming instead to find some express basis in the Trademark Act for differentiating the distinctiveness rules for product features from the distinctiveness rules for product packaging and technical trademarks.<sup>248</sup> Of course, there is no such express basis in the Act for the simple reason that Congress did not intend to allow registration of trade dress in the first place and so never addressed the issue. Despite its insistence that Congress intended the word "symbol" to include trade dress, the Court conducted its own analysis rather than relying on the express language of the Act to resolve the secondary meaning issue, and thereby implicitly acknowledged that Congress did not intend the Act to encompass trade dress.<sup>249</sup> As a result, the Court's insistence on a broad interpretation of "symbol" seems primarily an attempt to cloak the judicial activism, albeit at times unintentional, over the last forty years that has rewritten the Trademark Act to encompass trade dress protection.<sup>250</sup>

Nevertheless, force-fitting trade dress into the word "symbol" remains problematic, and raises the same specter regarding the future development of trademark law that Leeds' interpretation error

---

246. See *Wal-Mart Stores, Inc.*, 120 S. Ct. at 1342-45.

247. *Id.* at 1342-43 (quoting *Qualitex, Inc.*, 514 U.S. at 162).

248. See *id.* at 1343-45.

249. Moreover, as the *Wal-Mart Stores, Inc.* case involved an action under section 43(a), its ruling would not necessarily require a similarly broad interpretation of "symbol" for purposes of the principal register. *Id.* at 1342 ("It is the latter provision [§ 43(a)] that is at issue in this case."). As discussed, given that the common law has long allowed protection of trade dress under the doctrine of unfair competition, recognizing trade dress protection under section 43(a) is far less troubling than recognizing trade dress as a principal register trademark. See cases cited *supra* note 206.

250. See *Wal-Mart Stores, Inc.*, 120 S. Ct. at 1343.

initially raised. As time passes and memories fade, courts may again forget how trade dress came to receive protection under the Trademark Act and begin expanding trade dress protection in the mistaken belief that Congress has resolved the desirability of doing so. The history of trade dress protection over the last forty years shows how large a little lie can grow.<sup>251</sup> In the face of that lesson, the simple truth would have served the Court far better. Recognizing the fact that Congress did not intend to extend protection to trade dress would not necessarily have required the Court to abandon trade dress protection under the Trademark Act. The time is passed when courts operate under the assumption that they cannot make law. However, recognizing the truth regarding trade dress would both caution and challenge the Court. As a caution, the truth would warn the Court that retaining a broad definition of symbol for purposes of the principal register contradicts Congress's considered judgment on the issue and taints the legitimacy of registered trade dress. As a challenge, it would emphasize that trade dress protection is a judicial, and not legislative, creation, and as a result, courts, and not the legislature, bear the responsibility for ensuring that their creature remains a servant of the public, and not merely a private, interest.

---

251. Although Leeds' mistake occurred in 1958, a federal court did not grant relief for a trade dress claim under the Trademark Act until eighteen years later. *See Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1214 (8th Cir. 1976).