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Author: Stephanie M. Greene

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SEPARATING FORM FROM FUNCTION: *MARKETING DISPLAYS, INC. V. TRAFFIX DEVICES, INC.*¹

by STEPHANIE M. GREENE*

I. INTRODUCTION

Trademark and trade dress law protect businesses from unfair practices by competitors that might undermine the identity or image that the producer had worked hard to promote. Trademarks are words, phrases, logos, or symbols that identify the source of a product or service. Trade dress, the total image or appearance of a product, may include the distinctive shape, packaging, or look of the product. Section 43(a) of the Lanham Act² serves as a federal fair competition law to protect both the originator of a trade dress and consumers from injury that may occur when products appear with confusingly similar trade dress.³ The Lanham Act prohibits competitors from using trademarks or trade dress

¹ 2001 U.S. LEXIS 2457 (March 20, 2001).

* Assistant Professor, Carroll School of Management, Boston College

² 15 U.S.C. §1125(a). The relevant language provides a cause of action to an injured party when a competitor uses "any word, term name, symbol, or device, or any combination thereof ... which is likely to cause confusion ... as to the origin, sponsorship, or approval of his goods." 15 U.S.C. §1125(a)(1)(A)(2001). The development of trademark and trade dress protection is chronicled in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 776-85 (1992) (Scalia, J. concurring).

³ See *Two Pesos*, 505 U.S. at 774; *Wal-Mart Stores, Inc. v. Samara Bros., Inc.* 529 U.S. 205 (2000); *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985). Courts apply the law of trade dress and trademark interchangeably since the Lanham Act provides no basis for distinguishing between the two. *Two Pesos*, 505 U.S. at 773.

that "is likely to cause confusion" with that of another product.⁴ To be protected under the Lanham Act, products or product features must be inherently distinctive or have acquired secondary meaning, and be primarily nonfunctional. The Lanham Act specifically states that "the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional."⁵ The Supreme Court has decided several cases, explaining how the Lanham Act should be interpreted for purposes of trade dress infringement. In *Two Pesos, Inc. v. Taco Cabana, Inc.*,⁶ the Supreme Court held that "only nonfunctional distinctive trade dress is protected under §43(a)."⁷ The Supreme Court has determined that a product or product feature is functional if "it is essential to the use or purpose of the article or if it affects the cost or quality of the article."⁸ Denying trade dress protection to products or features that are primarily functional prevents a restraint on competition, which might otherwise be stifled by "the exhaustion of a limited number of trade dresses."⁹

Functional features may, of course, receive protection under the patent laws, which grant to inventors or innovators, a limited monopoly over the use of the patented device.¹⁰ The goals of patent law, however, are distinct from the goals of trade dress protection. Patent law is concerned not with fair competition but rather with rewarding inventors as an incentive to encourage further progress and discoveries.¹¹ Furthermore, the Supreme Court has recognized a federal right to copy and use useful features that are in the public domain, either because the patent has expired or because the item was deemed unpatentable.¹²

Manufacturers of a product may, understandably, seek both patent and trade dress protection. A valid patent ensures the owner of his/her exclusive right to use, license and benefit financially from the product for the duration of the patent period. Trade dress protection has the advantage of providing protection against unfair competition for an unlimited duration. In *Traffix Devices, Inc. v. Marketing Displays, Inc.*,¹³ the United States Supreme Court addressed questions about the

⁴ See 15 U.S.C. §1125(a)(1)(A)(2001).

⁵ 15 U.S.C. §1125(a)(3)(2001).

⁶ *Id.*

⁷ *Id.* at 773.

⁸ *Inwood Labs., Inc. v. Ives Labs., Inc.* 456 U.S. 844,850,n.10 (1982).

⁹ *Two Pesos*, 505 U.S. at 775.

¹⁰ 35 U.S.C. §154,173 (2001). The Constitution provides that "The Congress shall have the power ... to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective writings and Discoveries." U.S. Const., Art.I,§8. cl.8.

¹¹ See *Qualitex Co. v. Jacobsen Prods. Co., Inc.*, 514 U.S. 159,165 (1995).

¹² See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.* 489 U.S. 141 (1989).

¹³ 2001 U.S. LEXIS 2457 (March 20, 2001).

convergence of asserted trade dress protection for a product feature after the expiration of a patent that covered the same feature. In a unanimous decision, the Supreme Court reversed a decision by the Court of Appeals for the Sixth Circuit and held that when a product feature is disclosed in a utility patent, there is a strong presumption that the feature is functional and, therefore, not protected trade dress.¹⁴ The Supreme Court's opinion stated that the Sixth Circuit had misinterpreted the functionality doctrine and the concept of "competitive necessity" for trade dress analysis.¹⁵ The holding casts doubt on recent circuit court decisions that had addressed the effect of expired patents on the functionality component of trade dress.

II. *MARKETING DISPLAYS, INC. V. TRAFFIX DEVICES, INC.*

The litigation between Traffix and MDI began in 1995, when MDI filed claims against Traffix alleging both trademark¹⁶ and trade dress infringement.¹⁷ MDI has been manufacturing wind resistant signs for both business and traffic use since 1968, has been using the registered trademark, WindMaster, since 1977, and held two patents on the dual spring configuration used in its signs, from 1972 to 1989.¹⁸ Jack Kulp, a former employee for a distributor of WindMaster signs, founded Traffix in 1986.¹⁹ Using reverse engineering to copy the WindMaster product, Traffix began manufacturing and selling nearly identical wind resistant traffic signs in 1994, and began using the registered trademark name WindBuster, in 1995.²⁰

The federal district court for the Eastern District of Michigan, Southern Division, granted summary judgment to MDI on its claim for trademark infringement, holding that the WindBuster mark was "confusingly similar" to the WindMaster mark, in violation of the Lanham Act.²¹ The district court's decision to permanently enjoin Traffix from using the WindBuster mark was upheld by the Court of Appeals for the Sixth Circuit.²²

The trade dress issue, however, had a more protracted course. The district court granted summary judgment to Traffix on this issue, concluding that no reasonable jury could find that MDI had met the

¹⁴ *Id.* at *13.

¹⁵ *Traffix*, 2001 U.S. LEXIS 2547 at *18.

¹⁶ *See Traffix*, 967 F.Supp. 953 (E.D. Mich. 1997).

¹⁷ *See Traffix*, 971 F.Supp. 262 (E.D. Mich. 1997).

¹⁸ *Id.* at 264.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *See Traffix*, 967 F.Supp. at 962.

²² *Traffix*, 200 F.3d 929,936 (6th Cir. 1999).

requirements of the Lanham Act for trade dress infringement.²³ First, the district court held that MDI had not acquired secondary meaning in its trade dress.²⁴ Second, the district court held that MDI could not meet its burden of proving that the feature for which it asserted trade dress protection was primarily nonfunctional.²⁵

The Court of Appeals for the Sixth Circuit reversed, finding fault with the district court's analysis on both secondary meaning and functionality.²⁶ According to the Sixth Circuit, MDI had introduced evidence that raised genuine issues of material fact on the issue of acquired secondary meaning.²⁷ Furthermore, the Sixth Circuit found that the district court had erred in assessing the functionality issue, because it had improperly considered only the dual spring configuration and not the entire sign, for trade dress purposes.²⁸

The Supreme Court's decision addresses only the question of functionality, finding it unnecessary to address either of the other Lanham Act indicators, likelihood of confusion and secondary meaning, because the case could be determined on the functionality issue alone. The district court, the Court of Appeals, and the Supreme Court took different approaches to the issue of functionality.

The District Court's Approach to Functionality

The district court held that because MDI's dual spring configuration is functional, it is not entitled to trade dress protection under the Lanham Act.²⁹ The district court relied on the Supreme Court's decisions in *Qualitex Co. v. Jacobsen Products Co.*,³⁰ and *Inwood Labs., Inc. v. Ives Labs., Inc.*³¹ Both *Qualitex* and *Inwood* emphasize that a product feature is functional, and therefore, not subject to trademark protection if the feature in question "is essential to the use or purpose of the article or if it affects the cost or quality of the article."³² The district court found that the dual spring configuration is essential to the use and purpose of the article and that the design affects the cost and quality of sign stands.

²³ *TrafFix*, 971 F. Supp. at 276.

²⁴ *Id.* at 266-70.

²⁵ *Id.* at 272-76.

²⁶ *TrafFix*, 200 F.3d at 942.

²⁷ *See id.* at 936-38.

²⁸ *See id.* at 939-40.

²⁹ *TrafFix*, 971 F. Supp. at 276.

³⁰ 514 U.S. 159 (1995).

³¹ 456 U.S. at 844.

³² *TrafFix*, 971 F.Supp. at 275, citing *Inwood*, 456 U.S. at 844.

According to the Court, the plaintiff has the burden of proving the nonfunctionality of the feature in question.³³ In addressing the functionality issue, the district court considered only the dual spring configuration, reasoning that only this element set MDI's product apart from its competitors for trade dress purposes.³⁴ All other features of the sign stand could not be considered protected trade dress, according to the district court, because they are all common to MDI's competitors.³⁵ The district court addressed and rejected three arguments advanced by MDI in its attempt to sustain its burden of proving that the WindMaster sign stand is nonfunctional.³⁶

Relevance of the Expired Patents:

MDI maintained that the expired patents were irrelevant to its trade dress claim because they did not disclose the precise configuration of the WindMaster traffic sign stands.³⁷ This argument was unpersuasive to the district court because the patent rights had been successfully enforced in previous litigation against a product virtually identical to the sign for which MDI was seeking trade dress protection.³⁸ The district court noted that in the patent litigation, the dual spring configuration was referred to as a "function" of the product.³⁹ Quoting from the Supreme Court's decision in *Qualitex*, the Court stated that while trademark law promotes competition by protecting a firm's reputation, it does not allow a producer "to control a useful product feature."⁴⁰ Thus, the district court reasoned, MDI could not take inconsistent positions in patent and trade dress claims regarding the functionality of the dual spring configuration.

Competitive Necessity:

The district court found that competitors would be at a disadvantage if MDI's trade dress claim were recognized, because the dual spring design affects the cost and quality of the alternative designs remaining

³³ *Id.* at 275.

³⁴ *Id.* at 273.

³⁵ *See id.*

³⁶ *Id.* at 272-77.

³⁷ *Id.*

³⁸ *Id.* A case for patent infringement of the dual spring configuration was brought in *Sarkisian v. Winn-Proof*, 1978 U.S. Dist. LEXIS 17183, *aff'd* in part, *rev'd* in part, 686 F.2d 671 (9th Cir. 1981). Sarkisian, the president and principal of MDI, was the patent holder in that litigation. *Id.* at 274, n.11.

³⁹ *Id.* at 274.

⁴⁰ *Id.*, citing *Qualitex*, 115 S.Ct. at 1304.

for competitors' use. Because the burden is on MDI to prove non-functionality, "MDI must show not only that alternative designs exist, but also that those alternatives effectively eliminate competitors' need for the features that MDI is asserting as protectable trade dress."⁴¹ While MDI maintained that the number of alternative designs for competitors was unlimited, the district court found that such designs were not meaningful alternatives either because they were unable to perform as effectively as the dual spring design in resisting high winds or because they were unavailable due to patent protection.⁴² Furthermore, the district court found that the dual spring configuration affects the cost and quality of wind resistant sign stands.⁴³ This finding supported the district court's conclusion that the feature is functional because the Supreme Court, in *Qualitex*, stated that when a design feature affects the cost or quality of an article, a finding of functionality is indicated.⁴⁴

"Look For" Advertising:

The Court rejected MDI's argument that its advertisements focus on the look of its product rather than its function.⁴⁵ The district court noted an absence of "look for" designation that might be evidence of trade dress, stating that advertising that emphasizes the dual spring configuration is merely calling attention to "the most utilitarian aspect of MDI's sign stand."⁴⁶

The Court of Appeals for the Sixth Circuit's Approach to Functionality

The Court of Appeals began with the same test of functionality as the district court, that is whether the feature in question "is essential to the use or purpose of the article or if it affects the cost or quality of the article."⁴⁷ But the Court of Appeals interpreted the law differently, concluding that the district court erred in several respects in concluding that the dual spring configuration is primarily functional.

First, the Court of Appeals disagreed with the district court's approach to the significance of the expired utility patents. The Court of Appeals identified a circuit split on the issue of whether a utility patent

⁴¹ *Id.* at 275.

⁴² *Id.*

⁴³ *See id.* at 275-76.

⁴⁴ *See id.*; *See Qualitex*, 115 S.Ct. at 1304.

⁴⁵ *Id.* at 276.

⁴⁶ *Id.*

⁴⁷ *TrafFix*, 200 F.3d 929,939 (6th Cir. 1999), (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844,850n.10 (1982).

disclosure forecloses trade dress protection.⁴⁸ Several circuits indicate that a utility patent disclosure does not prevent trade dress protection.⁴⁹ Only the Tenth Circuit has held that trade dress protection cannot be extended to a product configuration covered by a utility patent.⁵⁰ The Court of Appeals rejected the Tenth Circuit's *per se* approach, stating that it is possible in some cases, such as the instant case, to "protect the appearance without protecting the design."⁵¹ The Court of Appeals found that a variation of the dual spring design could be employed by competitors, without infringing on the WindMaster's trade dress.⁵²

Second, the Court of Appeals found that the district court had erred in focusing only on the dual spring configuration rather than the entire sign stand, in assessing trade dress.⁵³ According to the Court of Appeals, "[i]t is the combination of all the elements that ... could confuse the public."⁵⁴

Finally, the Court of Appeals addressed the competitive necessity issue, again beginning with the same test as the district court, whether the product configuration affects the cost or quality of competitors' products. But the Court of Appeals stated that trade dress protection should be denied on functionality grounds only where the effect on cost or quality puts "competitors at a significant non-reputation-related disadvantage."⁵⁵ According to the Court of Appeals, extending trade dress protection to MDI's dual spring configuration would not put competitors at a disadvantage because there are numerous options for competitors such as alternative designs, licensing outstanding patents, or using "the dual spring design in a way that does not infringe MDI's trade dress."⁵⁶

The Supreme Court's Assessment of the Functionality Issue

The Supreme Court held that an expired utility patent "is strong evidence that the features therein claimed are functional."⁵⁷ MDI could

⁴⁸ *Id.* at 939.

⁴⁹ See *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d 246,256 (5th cir. 1997); *Thomas Betts Corp. v. Panduit Corp.*, 138 F.3d 277,288 (7th Cir. 1998); *Midwest Indus., Inc., v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1362 (Fed. Cir. 1999).

⁵⁰ See *Vornado Air Circulation Sys., Inc., v. Duracraft Corp.*, 58 F.3d 1498, 1500 (10th Cir. 1995).

⁵¹ *TrafFix*, 200 F.3d at 939.

⁵² *Id.* at 940.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.* quoting *Qualitex*, 514 U.S. at 165.

⁵⁶ *Id.*

⁵⁷ *TrafFix*, 2001 U.S. LEXIS 2457 (March 20, 2001).

not, in the Court's opinion, sustain the heavy burden of proving its dual spring design was nonfunctional.⁵⁸

Effect of the Expired Patents:

Like the district court, the Supreme Court was influenced by the prior patent litigation over MDI's dual spring design, concluding that the product at issue in the trade dress claim would have been covered by the claims of the expired patents.⁵⁹ The Supreme Court considered language in the patent specifications to illustrate the functional nature of the dual spring device. Such language referred to operational advantages of the design such as preventing signs from toppling against strong winds or twisting in a manner that would damage the sign.⁶⁰

Competitive Necessity:

The Supreme Court stated that the Court of Appeals had misinterpreted trade dress principles on functionality regarding whether exclusive use of a feature "would put a competitor at a significant non-reputation-related disadvantage."⁶¹ According to the Supreme Court, the question is not whether, as the Court of Appeals stated, "the particular product configuration is a competitive necessity,"⁶² but whether "it is essential to the use or purpose of the device or when it affects the cost or quality of the device."⁶³ This principle, enunciated in *Inwood*, was not displaced by the Supreme Court's decision in *Qualitex*, according to the Supreme Court.⁶⁴ Whether a competitor suffers "significant non-reputation-related disadvantage" is an appropriate inquiry only in cases involving aesthetic functionality, such as *Qualitex*.⁶⁵ The inquiry is unnecessary if the design meets the *Inwood* qualifications for functionality.⁶⁶ The Supreme Court concluded that the dual spring design meets the requirements of the *Inwood* functionality test because it is "essential to the use or purpose of the article" - "[t]he dual spring design is not an arbitrary flourish in the configuration of MDI's product; it is the reason the device works."⁶⁷

⁵⁸ *Id.* at *14.

⁵⁹ *Id.* at *16.

⁶⁰ *Id.* at *16-17.

⁶¹ *Id.* at 18.

⁶² See *TrafFix*, 200 F.3d 929,940 (6th Cir. 1999).

⁶³ *TrafFix*, 2001 U.S. LEXIS 2457, at *18-19.

⁶⁴ *Id.* at *19.

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.* at *23 quoting *Inwood*, 456 U.S. at 850, n.10.

The Supreme Court stopped short of formulating a *per se* rule that would bar claims for trade dress protection of features previously disclosed in a utility patent. Arbitrary, incidental or ornamental aspects of features disclosed in a patent might be protected under trade dress principles provided the feature in question is not a "useful part of the invention."⁶⁸

III. ANALYSIS

The Supreme Court's decision in *TrafFix* clarifies the functionality doctrine stated in its earlier decisions, *Inwood* and *Qualitex*. While the doctrine has remained constant, lower courts have confused the straightforward *Inwood* test with the competitive necessity analysis introduced in *Qualitex*. The Supreme Court's *TrafFix* decision makes it clear that competitive necessity, the cornerstone of the decision issued by the Court of Appeals for the Sixth Circuit and other circuit courts, is not an appropriate inquiry where the design in question is functional. In other words, if the design is functional as stated in *Inwood*, then the trade dress claim must be denied without further analysis. According to the *TrafFix* decision, only cases involving aesthetic functionality, such as the question of color as a protected trademark in the *Qualitex* case, require a competitive necessity analysis. Before *TrafFix*, lower courts had relied extensively on the *Qualitex* decision's definition of functionality in terms of competitive necessity. A brief comparison of how the Supreme Court addressed functionality in *Inwood* and *Qualitex* illustrates the source of confusion, which *TrafFix* seeks to resolve.

Functionality in the Inwood and Qualitex Cases

One issue the Supreme Court addressed in *Inwood* was whether color was a feature that was "essential to the use or purpose of the article" or affected "the cost or quality of the article."⁶⁹ The *Inwood* case involved a claim for contributory trademark infringement by Ives Laboratories, Inc. against generic drug manufacturers. Ives held a patent and a registered trademark on the prescription drug, Cyclospasmol.⁷⁰ After the patent expired, generic drug manufacturers intentionally copied the appearance of the trademarked drug capsules, using the same color scheme for its weaker and stronger doses.⁷¹ Recognizing that uniform color capsules could serve a functional purpose such as allowing patients to recognize and identify particular medications, the Supreme Court

⁶⁸ *Id.* at *21-22.

⁶⁹ *Inwood*, 456 U.S. at 851, n.10.

⁷⁰ *Id.* at 847.

⁷¹ *Id.*

concluded that the generic drug manufacturers were not liable for contributory trademark infringement.⁷²

In *Qualitex*, the Supreme Court again addressed whether color may be functional and, therefore, not qualify for trademark protection. More specifically, the Court considered whether color alone may be registered as a trademark.⁷³ Holding that nothing in the Lanham Act bars such registration, the Court ruled out objections based on the functionality doctrine.⁷⁴ In considering the potential functionality of color, the Court addressed concerns that trademark protection of color could lead to a depletion of the supply of usable colors, putting competitors at a significant disadvantage.⁷⁵ The Court recognized that "the functionality doctrine ... protects competitors against a disadvantage ... that trademark might otherwise impose, namely [the] inability reasonably to replicate important non-reputation-related product features."⁷⁶ Consistent with its decision in *Inwood*, the Court stated that the question in determining whether color may be protected under the Lanham Act must be whether color serves a "significant nontrademark function." *Inwood* is an example of a case where color has a functional purpose, distinguishing one pill from another. But in cases such as *Qualitex*, the green-gold color of the laundry press pads did not serve a functional purpose, nor did the Court foresee any risk of color depletion that would put competitors at a disadvantage.

How the Lower Courts Interpreted the Functionality Doctrine

Several lower courts have addressed the precise issue posed in *Traffix* – whether a product feature disclosed in a utility patent forecloses trade dress protection.⁷⁷ The prevailing view has been that trade dress protection is not foreclosed.⁷⁸ While the Supreme Court's decision in *Traffix* leaves the possibility of such protection open where a patented feature contains "arbitrary, incidental, or ornamental aspects," the decision indicates that the lower courts have not given sufficient weight to the expired utility patents.

⁷² See *id.* at 857.

⁷³ *Qualitex*, 514 U.S. 159, 160.

⁷⁴ *Id.* at 164-65.

⁷⁵ *Id.* at 169.

⁷⁶ *Id.*

⁷⁷ See, e.g., *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356 (Fed. Cir. 1999); *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277 (7th Cir. 1998); *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d 246 (5th Cir. 1997); *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498 (10th Cir. 1995).

⁷⁸ See *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d at 256; *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d at 288; *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d at 1362.

In *Sunbeam Products, Inc. v. The West Bend Company*,⁷⁹ the Court of Appeals for the Fifth Circuit found that the product configuration of Sunbeam's American Classic Mixmaster was not primarily functional for trade dress purposes even though it was illustrated in a utility patent.⁸⁰ The *Sunbeam* Court concluded that product configuration was only incidentally disclosed in the patent and, therefore, not necessarily functional.⁸¹ This Court stated that the utility patent "must be examined in detail to determine whether the disclosed configuration is really primarily functional,"⁸² an approach that is contrary to the Supreme Court's conclusion in *TrafFix* that a utility patent "is strong evidence that the features therein claimed are functional."⁸³ The Fifth Circuit stated the "litmus test of functionality" to be whether protecting the Sunbeam design would "impinge upon the rights of others to compete effectively in the sale of goods."⁸⁴ Because the Court believed there were "equally efficient options available to competitors," it concluded that the product configuration was not functional.⁸⁵

The Court of Appeals for the Seventh Circuit took a similar approach to the Fifth Circuit in determining the impact of expired patents on trade dress protection. In *Thomas & Betts Corporation v. Panduit Corporation*,⁸⁶ the Seventh Circuit distinguished between incidental functions of patented product configurations and configurations that provide a functional advantage.⁸⁷ According to the *Thomas & Betts* decision, the fact that the feature sought to be trademarked was contained in an expired patent is "some evidence" of functionality.⁸⁸ The decision concluded that the oval shaped head of a cable tie could be protected trade dress because the particular shape of the feature was not disclosed in the utility patent.⁸⁹ In determining whether the oval head feature of the cable tie was functional, the *Thomas & Betts* Court stated that "to be functional in the trade dress sense, the feature must be 'necessary to afford a competitor the means to compete effectively.'"⁹⁰ The *Thomas & Betts* Court engaged in a discussion of potential

⁷⁹ 123 F.3d 246.

⁸⁰ *Id.* at 256.

⁸¹ *Id.*

⁸² *Id.* (citing J. Thomas McCarthy, McCarthy On Trademarks and Unfair competition §7:89 (4th ed. 1997)).

⁸³ *TrafFix*, 2001 U.S. LEXIS 2457 at *13.

⁸⁴ *Sunbeam*, 123 F.3d at 257.

⁸⁵ *Id.*

⁸⁶ 138 F.3d 277 (7th Cir. 1998).

⁸⁷ *Id.* at 288.

⁸⁸ *Id.* at 289.

⁸⁹ *Id.* at 290.

⁹⁰ *Id.* at 297, (citing *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1189 (7th Cir. 1989)).

alternative designs that competitors could employ without infringing the plaintiff's trade dress, maintaining that the defendant had not met its burden of proving that the oval shaped head of the cable tie is functional as a matter of law because other shapes could be used.⁹¹

The Court of Appeals for the Federal Circuit held that disclosure of a product feature in a patent did not provide a basis for granting summary judgment on a trade dress claim.⁹² Referring to the Supreme Court's test in *Qualitex*, the Federal Circuit stated that a functionality test would be required to determine whether the curved winch post of a watercraft trailer was a feature the exclusive use of which "would put competitors at a significant non-reputation-related disadvantage."⁹³

Before the Supreme Court's decision in *TrafFix*, only the Tenth Circuit had accorded significant weight to the disclosure of product features in a utility patent in addressing subsequent trade dress protection. In *Vornado Air Circulation Systems, Inc. v. Duracraft Corporation*,⁹⁴ the Tenth Circuit denied trade dress protection to a fan grill with spiral vanes because this feature was disclosed in a utility patent, even though it found that the feature was nonfunctional.⁹⁵ Just as other circuits had addressed functionality in terms of competitive need, so the Tenth Circuit recognized that the "availability of equally satisfactory alternatives for a particular feature, and not its inherent usefulness, is often the fulcrum on which Lanham Act functionality analysis turns."⁹⁶ Despite recognition of the competitive need test for functionality, the Tenth Circuit weighed instead the goals of patent law – rewarding invention, disclosure of inventions for further stimulation of innovation, and assuring public access to ideas in the public domain – against the goals of the Lanham Act – preventing consumers from being deceived, protecting sellers' goodwill and reputation for quality, and enhancing competition.⁹⁷ In balancing these competing policies, the Tenth Circuit determined that patent principles should prevail because the goals of the Lanham Act can be met in many ways beyond exclusive control of a useful product feature.⁹⁸ The Tenth Circuit noted that brand identification can be accomplished through name, labeling, and packaging.⁹⁹ "It would defy logic to assume that there are not almost

⁹¹ See *id.* at 299-300.

⁹² *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1364 (Fed Cir. 1999).

⁹³ *Id.*, (citing *Qualitex*, 514 U.S. at 165).

⁹⁴ 58 F.3d 1498 (10th Cir. 1995).

⁹⁵ See *id.* at 1510.

⁹⁶ *Id.* at 1507.

⁹⁷ *Id.* at 1507-09.

⁹⁸ *Id.* at 1509-10.

⁹⁹ *Id.*

always many more ways to identify a product than there are ways to make it."¹⁰⁰

Impact of the Supreme Court's Decision in TrafFix

The Supreme Court's decision in *TrafFix* signals that the approach taken by the lower courts to cases involving patented product features seeking trade dress protection must be revised. First, aside from the Tenth Circuit, courts have given too little weight to the expired patents. The Supreme Court does not go as far as the Tenth Circuit in denying protection to previously patented features, but it states that disclosure of a feature in a utility patent is strong evidence of functionality. Second, the *TrafFix* decision limits the competitive necessity analysis to cases involving aesthetic functionality. This limitation precludes the sometimes lengthy speculation engaged in by lower courts about alternative design possibilities available to competitors. In *TrafFix*, the Supreme Court seeks a retreat from the "non-reputation-related competitive disadvantage" language of *Qualitex* and a return to the simpler *Inwood* inquiry—whether the feature seeking protection is "essential to the use or purpose of the article" or "affects the cost or quality of the article."

¹⁰⁰ *Id.*