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CONSUMER MEETS COMPUTER: AN ARGUMENT FOR LIBERAL TRADEMARK PROTECTION OF COMPUTER HARDWARE CONFIGURATIONS UNDER SECTION 43(a) OF THE LANHAM TRADEMARK ACT

Competing manufacturers of desktop and personal computer products frequently copy, or emulate, attributes of other manufacturers' hardware and software innovations.¹ Until recently, litigation and related scholarly commentary concerning computer product emulation primarily involved copyright protection for computer software.² Copyright law, however, provides no safeguards for the public's association of a particular computer hardware manufacturer with various aspects of the hardware's outward appearance, or configuration.³ Trademark law is the most obvious

1. See J. MAYNARD, *DICTIONARY OF DATA PROCESSING* 66 (2d ed. 1981). "Emulation" of computer products is the imitation of one computer product by another product. *Id.* The imitating product uses the same data and programs that the imitated product uses and produces the same results as the imitated system. *Id.* The copy of the original product is considered an "emulator." *Id.*; see *Digital Equip. Corp. v. C. Itoh and Co.*, No. 84-5317, slip op. at 5 (D.N.J. Sept. 20, 1985) (noting that market for computer products emulating Digital Equipment Corporation computer hardware products, alone, represents multi-billion dollar industry).

"Hardware" refers to the electronically activated devices that a computer system comprises. J. MAYNARD, *supra* at 86. Hardware fundamentally consists of a central processing unit (CPU), the portion of the system that actually computes, and various peripheral devices for providing the user with access to the computer system's computational powers. A. SEIDMAN & I. FLORES, *THE HANDBOOK OF COMPUTERS AND COMPUTING* 201-06 (1984). Access devices typically include some form of a video terminal containing a cathode ray tube and a keyboard. A. SEIDMAN & I. FLORES, *supra* at 201-06. The video terminal displays both the user's instructions to the CPU and the computer's response to the instructions. *Id.* Through operation of the keyboard, the computer user sends instructions to the CPU, and the user reacts to the computer's response to the instructions. *Id.*; cf. N. METROPOLIS, J. HOWLETT & G. ROTA, *A HISTORY OF COMPUTING IN THE TWENTIETH CENTURY* Parts II & IV (1980) (illustrating differences between hardware of older, larger computer systems and hardware of newer desktop or personal computers).

"Software" refers to stored computing instructions, or commands, capable of operating the CPU. J. MAYNARD, *supra* at 173. The commands, stored on various forms of computer readable media, stimulate activity in the system's CPU and frequently include instructions to the system's user through the system's video terminal. See A. SEIDMAN & I. FLORES, *supra* at 206-08 (discussing various mediums for storage of software commands).

2. See, e.g., Luccarelli, *The Supremacy Of Federal Copyright Law Over State Trade Secret Law For Copyrightable Computer Programs Marked With A Copyright Notice*, 3 *COMPUTER L. J.* 19 (1981) (discussing recent litigation over copyright protection for computer software programs); Mantle, *Trade Secret And Copyright Protection Of Computer Software*, 4 *COMPUTER L. J.* 669 (1983) (same); Radcliffe, *Recent Developments in Copyright Law Related To Computer Software*, 4 *COMPUTER L. REP.* 189 (1985) (same); Senter & Horowitz, *Sounding The Alarm: Sony And The Software Lock-Breaker*, 5 *COMPUTER L. REP.* 153 (1986) (same); Note, *Software Piracy And The Personal Computer: Is The 1980 Software Copyright Act Effective?*, 4 *COMPUTER L. J.* 171 (1983) (same).

3. See 17 U.S.C. §102(a) (1982) (congressional grant of copyright protection for

source of protection for the public's associations of products with particular manufacturers.⁴ Trademark law provides protection for product markings, identifying products with particular manufacturers, that are registered on the federal trademark registers pursuant to the Lanham Trademark Act of 1946 (Lanham Act).⁵ Manufacturers, however, generally do not register appearance features of the configurations of their products.⁶ In the last decade, because of increasing consumer reliance on product appearance to identify preferred products, section 43(a) of the Lanham Act has emerged as a source of trademark protection for unregistered identity devices including product configurations and trade dress.⁷ Consequently,

authors' creations); *see also* U.S. CONST. art. I, § 8, cl. 8. (granting Congress power to promote progress of science and arts by securing for limited time authors' exclusive rights to writings). Federal copyrights, granted pursuant to federal constitutional authority and pursuant to the 1976 Copyright Act, provide protection to creators of literary and other original creations who have reduced the creations to a tangible medium of expression. 17 U.S.C. §102(a) (1982). The creator's exclusive rights to the creation last for the lifetime of the creator, plus fifty years. *Id.* §302(a). Copyright law provides no protection for the public's association of particular manufacturers with the outward appearances of certain products, associations that can be extremely profitable to manufacturers. *See infra* notes 4 & 5 and accompanying text (explaining that trademark law provides protection for public's manufacturer-product associations).

The outward appearance of a computer system is referred to as the computer's "product configuration." *See infra* notes 27-216 and accompanying text (illustrating prevalent judicial and scholarly reference to outward appearance of product features as "product configuration"). Computer products have emerged as consumer retail products. *Id.* Consequently, outward appearances, or configurations, of computer products achieve the market recognition that other consumer retail products achieve. *Id.*

4. *See infra* notes 5-8 and accompanying text (describing trademark protection for public's associations of products with particular manufacturers). The federal system of trademark protection is embodied in the Lanham Trademark Act of 1946 (Lanham Act). *See* 15 U.S.C. §§1051-1127 (1982) (codification of Lanham Act). The basic purpose of trademark protection is to safeguard the public's association of a certain product with a particular manufacturer by protecting the original merchant's identifying mark against other merchants' use of confusingly similar identifying marks on competing products or services. *See infra* notes 41-53 and accompanying text (discussing purposes of Lanham Act as expressed in Lanham Act's legislative history).

The primary procedure for a manufacturer to receive trademark protection for the manufacturer's mark is to seek registration of the mark on the federal trademark registers. 15 U.S.C. §§1051-1096 (1982). Registration on the federal registers serves as constructive notice to competing manufacturers not to use similar identifying marks. *Id.* Trademark protection for unregistered marks and mark equivalents, however, is now possible under modern judicial interpretations of §43(a) of the Lanham Act. *See* 15 U.S.C. §1125(a) (1982) (codification of §43(a) of Lanham Act); *see also infra* note 7 and accompanying text (noting recent, widespread acceptance in federal courts of §43(a) as source of protection for unregistered marks and mark equivalents, such as product configurations).

5. Lanham Trademark Act of 1946, 15 U.S.C. §§1051-1127 (1982); *see supra* note 4 and accompanying text (discussing registration of manufacturer marks on federal trademark registers).

6. *See infra* notes 15 & 27 and accompanying text (illustrating relatively high proportion of manufacturers' claims of trademark rights in unregistered features of product configurations to manufacturers' attempts to register product configuration features).

7. *See infra* note 27 and accompanying text (noting that in last decade, nearly every

section 43(a) may provide the needed trademark protection for unregis-

United States Circuit Court of Appeals has considered §43(a) claims for unregistered product configurations or trade dress). Neither the language of §43(a) nor the Lanham Act's legislative history, however, provide any indication of whether Congress intended that §43(a) should serve as a broad source of protection for unregistered marks. See *infra* note 36 and accompanying text (setting forth and discussing language of text of §43(a)); see also *infra* notes 41-53 and accompanying text (discussing legislative history of §43(a) and noting judicial transformation of §43(a) into source of trademark protection beyond extent inferable from language of §43(a)).

Both product configurations and trade dress are eligible for trademark protection under the modern judicial philosophy concerning §43(a). Note, *The Problem Of Functional Features: Trade Dress Infringement Under Section 43(a) of the Lanham Act*, 82 COLUM. L. REV. 77, 79 (1982). In the most general sense, product configuration refers to the outward appearance or design of the shape of a product. *Id.* Trade dress refers to a product's packaging. *Id.* Under early trademark law, courts consistently held that the product itself was ineligible for trademark protection. See Oddi, *The Functions of "Functionality" In Trademark Law*, 22 HOUS. L. REV. 925, 929 [hereinafter Oddi, *The Functions of "Functionality"*] (citing *Davis v. Davis*, 27 F. 490, 492 (C.C.D. Mass. 1886), in which court held that "the trademark must be something other than, and separate from, the merchandise"). The Restatement of Torts, however, provided for a tort action against "unprivileged" product imitation. RESTATEMENT OF TORTS, §§741-42 (1938). The federal courts, however, sparingly granted the protection that the Restatement protection provided. See Oddi, *The Functions of "Functionality," supra*, at 931 & nn. 40 & 41 (indicating that Restatement provided remedy for unfair product copying but also established strict criteria for obtaining remedy that few plaintiffs were able to meet). The tendency of the federal courts, immediately after passage of the Lanham Act in 1946, was to follow the old rule that virtually denied all protection for product configurations. *Id.* at 93. A turning point came, however, in *Application of Bourns*, in which the Court of Customs and Patent Appeals denied trademark protection to a product configuration for functionality but implied strongly that product configurations, in general, were proper subject matter for trademark protection. *Application of Bourns*, 252 F.2d 582, 582-83 (C.C.P.A. 1958). Beginning with the case of *Application of Deister Concentrator Company* and continuing into the early-1980s, the Court of Customs and Patent Appeals delivered a line of registration opinions in which the court acknowledged or followed the premise that product configurations, which meet various trademark criteria, can serve as trademarks. *Application of Deister Concentrator Co.*, 289 F.2d 496, 500 (C.C.P.A. 1961).

In modern §43(a) litigation, the philosophical distinction between protection for trade dress and protection for product configurations has become blurred, or perhaps moot, owing to a considerable overlap of trade dress and product configurations. Note, *supra*, at 79. In many cases, a product's outward appearance serves as the product's packaging and comprises elements capable of identifying the manufacturer of the product. *Id.*; see *Sno-Wizard Mfg. v. Eisemann Prods.*, 791 F.2d 423, 426 n.3 (5th Cir. 1986) (citing and approving suggestion that frequent overlap of product configurations and trade dress renders §43(a) protection applicable to both); *M. Kramer Mfg. v. Andrews*, 783 F.2d 421, 447 (4th Cir. 1986) (referring to console that housed video arcade game as trade dress); *Freixenet, S.A. v. Admiral Wine & Liquor*, 731 F.2d 148, 152. (3d Cir. 1984) (applying test that other federal courts employ in product configuration disputes to labeling on wine bottle, which court referred to as trade dress). In *Digital Equipment Corp. v. C. Itoh, Inc.*, Digital Equipment Corporation (DEC) sought §43(a) protection for the shape of the housing for a computer video terminal. *DEC*, No. 84-5317, slip op. at 1-2 (D.N.J. Sept. 20, 1985). The video terminal's housing, a component of the product, served trade dress functions through the unusual shape of the housing that was designed to catch the eye of potential purchasers. *Id.* at 9. The DEC product thus illustrates the considerable overlap of trade dress and product configurations for computer products. *Id.*

tered computer product configurations.⁸

The developing need for trademark protection of computer hardware configurations has arisen from a demand for computers in the consumer markets that did not exist before the mid-1970s.⁹ In contrast with com-

8. See *Digital Equip. Corp. v. C. Itoh (DEC)*, No. 84-5317, slip op. at 18 (D.N.J. Sept. 20, 1985) (computer manufacturer's claim for §43(a) protection for unregistered computer product configuration); See *infra* notes 87-212 and accompanying text (discussing facts of *DEC* and ramifications of application of §43(a) to computer product configurations).

9. See N. METROPOLIS, J. HOWLETT & G. ROTA, *supra* note 1, at 21-124 & 291-504. In the early days of computers, generally only sophisticated business, scientific, and academic establishments used computers. *Id.* Physically, the CPU was a dominating presence in most computer facilities. See *id.* at 47 (describing early computer aptly named 'The COLOSSUS that British government used from 1943-1975); see also *supra* note 1 and accompanying text (defining CPU). The typical computer system's cubist housing and spinning computer tape reels stereotyped computers with an intimidatingly cold and utilitarian appearance. See THE AMERICAN HERITAGE DICTIONARY 305 (2d college ed. 1982) (defining computer and providing photographic illustration of stereotypical appearance of older, larger computer systems). Due to the cost, bulk and general public unawareness of computer utility, consumers did not tend to purchase computer products until after 1975. See Williams & Welch, *A Microcomputing Timeline*, BYTE, Sept. 1985, at 198-207 (discussing emergence since 1975 of personal computers in American markets); see also Pountain, *Seventh Anniversary of Microcomputing*, BYTE, Sept. 1985, at 385-92 (discussing emergence of personal computers in United Kingdom since 1977).

The computer market has changed drastically since 1975. Williams & Welch, *supra*, at 198-207. Certain computer manufacturers now produce CPU, terminal and keyboard configurations that are comparable in size to small briefcases. *Id.* at 206-07; see Gilman, *Companies Buy More "Laptops" As Prices Fall* Wall St. J., Aug. 29, 1986, at 1, col. 4 (describing laptop computers and increasing popularity of laptops as laptop prices decrease). Computing capabilities of the diminutive computers rival and exceed the capabilities of early room-filling systems. Williams & Welch, *supra*, at 207. The extremely small systems, now known as "laptops," are popular with frequent business travellers who use the laptops while in transit on airlines and trains. Gilman, *supra*, at 1, col. 4. "Desktop" computers are actually one phase behind laptops in the evolution of the computer and the related decreases in size. Compare A. SEIDMAN & I. FLORES, *supra* note 1, at 201-13 (describing desktops) with Gilman, *supra*, at 1, col. 4 (describing laptops). Users must place desktop computers on a desk or table top because of the desktop computer's size and weight. A. SEIDMAN & I. FLORES, *supra* note 1, at 201-13. Desktops, nevertheless, are minute in comparison to the large systems of pre-1975. Compare *id.* (describing desktops) with N. METROPOLIS, J. HOWLETT & G. ROTA, *supra* note 1, Parts II & IV (depicting very large, older systems).

In both the laptop and desktop system groups, the terminal and keyboard contribute significantly to the overall size and appearance of the system. A. SEIDMAN & I. FLORES, *supra* note 1, at 201-07; see Gilman, *supra*, at 1, col. 4 (describing configuration of laptop computers). Currently, laptop systems are generally more expensive than desktop systems. *Id.* Consequently, desktops remain more popular with consumers. *Id.* Price reduction, however, lags size reduction by only a short period. *Id.* The phenomenon of price reduction lagging behind size reduction ultimately will bring laptops within the consumer's price range. *Id.*

As recently as ten years ago, a computer buyer may have set eyes on his computer only after the manufacturer or dealer assembled the system on the buyer's business, scientific, or academic premises. Lewis, *The Explosion In Computer Retailing*, NATION'S BUS., July 1984, at 49-50. The buyer frequently relegated the computer system to a back room, out of the sight of all employees but those personnel having direct use of the system. *Moving Into the Age of Software*, N.Y. Times, Dec. 30, 1984, §3, at 11, col. 4. Currently, computer systems of

puter systems of a decade ago, which tended to be back office systems, computers in the mid-1980s enjoy front office status and home use.¹⁰ The general public now purchases computer products, primarily personal computer systems, through retail channels.¹¹ Computer purchasers, like consumers in general, rely on product appearances to identify preferred products.¹² Computer hardware manufacturers, however, like manufacturers in general, do not attempt to place product features on the trademark registers.¹³

Until the mid-1970s, federal statutory trademark law primarily granted protection only for federally registered manufacturer identity devices.¹⁴ The Court of Customs and Patent Appeals has indicated that manufac-

greatly reduced size are front office and home products with increasingly universal use. Sanger, *Shakeout in Computer Stores*, N.Y. Times, Oct. 2, 1984, at D1, col. 3; see Ditlea, *When A Computer Joins The Family*, N.Y. Times, Aug. 30, 1979, at C1, col. 1 (discussing home use of personal computer). A potential buyer now may view his purchase alternatives displayed in the front windows of computer shops. Lewis, *The Explosion in Computer Retailing*, *supra*, at 49-50; see Sanger, *Shakeout in Computer Stores*, *supra*, at D1, col. 3 (discussing abundance of high visibility computer shops in consumer shopping districts). Computer shops frequently take the form of boutiques, catering to particular market groups such as professionals or home consumers. Sanger, *supra*, at D1, col. 3. The modern computer environment has motivated at least one manufacturer, Digital Equipment Corporation (DEC), to attempt to create product recognition through a stylish or distinctive appearance in its access terminal, keyboard, and personal computer product lines. *Digital Equipment Corp. v. C. Itoh, Inc.*, No. 84-5317, slip op. at 13-14 (D.N.J. Sept. 20, 1985); see *infra* notes 87-109 and accompanying text (discussing DEC's attempt to gain §43(a) protection for appearance of DEC products).

Office computer users frequently obtain a second computer system for their homes. Ditlea, *supra*, at C1, col. 1. Certain software programs now render home computer systems accessible to children. *Id.* Frequently, home computer purchasers want home systems to resemble operationally an office computer for ease of transition. Sandberg-Diment, *Those Computer Matchmakers*, N.Y. Times, Feb. 21, 1984, at C4, col. 1. The desire for a comparable home system arises from the user's natural aversion to unnecessary retraining on a different computer. *Id.* Many users naturally are willing to purchase less expensive imitations of office computers, provided that the operational characteristics of the imitation resemble the functions of the office computer. *Id.*

10. See *supra* note 9 and accompanying text (noting emergence of computer systems from back office environments to common use by general public).

11. Lewis, *supra* note 9, at 49-50.

12. See *supra* note 7 and accompanying text (describing consumer reliance on product's outward appearance as basis for §43(a) trademark protection for product's appearance). Consumer reliance on product appearance, whether the appearance consists of the product configuration or the product's trade dress, gives rise to the trademark rights in unregistered product configurations and trade dress recognizable under modern §43(a) jurisprudence. *Id.*; see also *infra* notes 59-84 and accompanying text (discussing judicial tests in §43(a) actions for determining whether trademark rights exist in product configurations and trade dress and whether defendant's duplicative product infringes trademark rights).

13. See *infra* notes 87-107 and accompanying text (describing one computer hardware manufacturer's attempt to invoke Lanham Act §43(a) as protection for unregistered computer hardware appearance features).

14. See *supra* note 7 and accompanying text (noting that significant judicial recognition of trademark protection for unregistered manufacturer identity devices has arisen only in last decade).

turers can register product shapes or configurations and product packaging under federal trademark law.¹⁵ Before the advent of section 43(a) as a source of trademark protection for unregistered marks, manufacturers who believed that their unregistered product configurations, or other forms of unregistered marks, had been illegally copied depended on state and federal common law of unfair competition for relief from infringement.¹⁶ The United States Supreme Court, however, in the 1964 companion cases of *Sears, Roebuck & Co. v. Stiffel Co.*¹⁷ and *Compco Corp. v. Day-Brite Lighting, Inc.*¹⁸ stifled protection under state unfair competition law.¹⁹ The Supreme Court held in *Sears* and *Compco* that when no federal

15. See, e.g., *In Re Morton-Norwich Prods.*, 671 F.2d 1332, 1344 (C.C.P.A. 1982) (registration of features of plastic spray bottle); *Application of World's Finest Chocolate, Inc.*, 474 F.2d 1012, 1015 (C.C.P.A. 1973) (registration of shape of candy bar package); *Application of Mogen David Wine Corporation*, 328 F.2d 925, 932 (C.C.P.A. 1964) (registration of shape of wine bottle).

16. See, e.g., *Ely-Norris Safe Co. v. Mosler Safe Co.*, 7 F.2d 603, 603 (2d Cir. 1925) (common law action for illegal product duplication), *rev'd* 273 U.S. 132 (1927); *American Washboard Co. v. Saginaw Mfg. Co.*, 103 F. 281, 281 (6th Cir. 1900) (same); *Hall v. Duart Sales Co.*, 28 F. Supp. 838, 838 (N.D. Ill. 1939) (same); *Armstrong Cork Co. v. Ringwalt Linoleum Works*, 235 F. 458, 458 (D.N.J. 1916) (same), *rev'd* 240 F. 1022 (3d Cir. 1917); *Borden's Condensed Milk Co. v. Horlick's Malted Milk Co.*, 206 F. 949, 949 (E.D. Wis. 1913) (same). See generally Bauer, *A Federal Law Of Unfair Competition: What Should Be The Reach of Section 43(a) Of The Lanham Act*, 31 UCLA L. REV. 671, 672-78 (chronicling late nineteenth-century and early twentieth-century unfair competition cases).

17. 376 U.S. 225 (1964).

18. 376 U.S. 234 (1964).

19. See *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964) (holding pursuant to United States Constitution Supremacy Clause that state unfair competition law may not operate to preempt federal patent law in product duplication action); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964) (same). In *Sears, Roebuck & Company v. Stiffel Co.*, the plaintiff, Stiffel, manufacturer of an expensive line of lamps, sought to preclude Sears Roebuck & Co. (Sears) from selling inexpensive imitations of the Stiffel product line. *Sears*, 376 U.S. at 226. Stiffel sought to prohibit Sears' imitations under Illinois unfair competition law. *Id.* The lower federal courts had granted Stiffel protection on the basis that Stiffel had shown that consumers were confused with respect to the source of the Sears lamps. *Id.* at 226-27. The United States Supreme Court overturned the decisions of the lower federal courts. *Id.* The Supreme Court noted that the lower courts had invalidated Stiffel's patents covering features of the duplicated lamps. *Id.* at 226. The Supreme Court held that when unpatented articles are in the public domain for failure to obtain federal patent protection, a state may not invoke its own unfair competition law to supply protection because the plaintiff failed to attain federal patent protection. *Id.* at 227-31. The Supreme Court held that the doctrine of federal pre-emption of conflicting state law does not tolerate the encroachment on federal patent law that results from the invocation of state unfair competition law under the circumstances of the Stiffel-Sears dispute. *Id.* at 232.

In *Compco Corp. v. Day-Brite Lighting Inc.*, the United States Supreme Court addressed a dispute between two parties that manufactured similar fluorescent lighting fixtures. *Compco*, 376 U.S. at 234. The Supreme Court in *Compco* extended the *Sears* doctrine by holding that state law may not forbid competitors from copying at will any design feature that fails to earn federal patent protection even when the duplicated feature serves to identify the original manufacturer. *Id.* at 238. In *Compco* the Supreme Court did, however, carve out an exception to the prohibition against state law protection of product features. *Id.* The Supreme Court

patent or copyright protected an article, state law may not forbid the copying of that article.²⁰ The Court reached this conclusion relying on the doctrine of federal preemption of conflicting state law.²¹ *Sears and Compco*, therefore, forced manufacturers to seek another source of protection for unregistered product shapes and configurations — section 43(a).²²

Eight years after the *Sears* and *Compco* opinions, in *Bose Corp. v. Linear Design Labs, Inc.*,²³ the United States Court of Appeals for the Second Circuit, although denying the plaintiff's claim for section 43(a) protection for the shape of a high fidelity speaker, suggested that the distinctive but unregistered shape of a product could serve as the product's trademark under section 43(a).²⁴ Then, in 1976, in *Truck Equipment Service Co. v. Fruehauf Corp.*,²⁵ a truck body manufacturer convinced the United States Court of Appeals for the Eighth Circuit that a distinctive, but unregistered, truck body configuration warranted federal trademark protection under section 43(a).²⁶ As a result, *Bose*, by suggesting

held that when a copied feature is nonfunctional, has acquired secondary meaning in the marketplace, and is likely to confuse consumers with respect to the source of the imitation, a state may invoke such precautions as a requirement of clear labeling on the imitation. *Id.*; see *infra* notes 59-84 and accompanying text (discussing nature of tests for nonfunctionality, secondary meaning, and likelihood of confusion). The nonfunctionality, secondary meaning and likelihood of confusion tests are the primary tests the plaintiff must satisfy in current §43(a) litigation. *Id.* Modern application of §43(a) effectuates federal product configuration protection that the *Sears-Compco* doctrine forbids at the state level. See *infra* notes 120-212 and accompanying text (exploring widespread application of §43(a) in last decade as protection for product configurations).

20. See *Sears*, 376 U.S. at 227-33 (holding that Supremacy Clause prohibits state unfair competition law from contravening federal patent law); *Compco*, 376 U.S. at 238 (same); see also *supra* note 19 and accompanying text (describing factual background, lower court rulings, and United States Supreme Court's analyses in *Sears* and *Compco* cases).

21. *Sears*, 376 U.S. at 231; *Compco*, 376 U.S. at 238.

22. See Note, *supra*, note 7, at 82-83 (noting that plaintiffs challenging product imitation after *Sears* and *Compco* decisions joined state law claims with §43(a) claims for false designation of origin in hope that combined claims would fall outside *Sears-Compco* doctrine); see also Comment, *Product Simulation In The Eighth Circuit*, 57 NEB. L. REV. 91, 122-23 (1978). According to one commentator, federal courts have tended to ignore the beliefs of certain scholarly authorities that the *Sears-Compco* doctrine negates §43(a) applicability to product imitation. *Id.* Further, federal courts have used *Sears-Compco* as a basis for the creation of a federal law of product configuration protection. *Id.*

23. 467 F.2d 304 (2d Cir. 1972).

24. *Id.* at 308-09. In *Bose Corp. v. Linear Design Labs, Inc.*, the Second Circuit noted that under §43(a), a product's appearance conceivably could function as the product's trademark to indicate the product's origin, provided that the appearance satisfies specified trademark criteria. *Id.*

25. 536 F.2d 1210 (8th Cir. 1976) cert. denied 429 U.S. 861 (1976).

26. *Id.* at 1222. The Eighth Circuit Court of Appeals in *Truck Equipment Corp. v. Fruehauf Corp.* held that the plaintiff's truck body configuration warranted trademark protection from duplication because the plaintiff demonstrated that features of the truck body configuration satisfied traditional trademark tests. *Id.*

section 43(a) as a novel source of trademark protection for product shapes, and *Fruehauf*, by granting section 43(a) protection to a product configuration, established precedent for subsequent section 43(a) claims by other manufacturers seeking protection for unregistered product configurations and trade dress.²⁷

The application of section 43(a) as protection for unregistered product configurations arose as a result of the void left by the elimination of state unfair competition law as a means of such protection following the *Sears-Compco* decisions.²⁸ *Sears-Compco* rendered suspect all applications of state unfair competition rules.²⁹ Consequently no body of law thor-

27. See *Truck Equipment Service Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1210 (8th Cir. 1976) (seminal case holding precise duplication of product shape design prohibited by Lanham Act §43(a)); *Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304, 308-09 (2d Cir. 1972) (first case to suggest applying §43(a) to protect product configuration against precise duplication); see also Note, *supra* note 7 (citing *Truck Equipment Service Co.* as foundation for modern federal court grants of §43(a) protection for features of product configurations). Nearly every federal circuit has now considered §43(a) product configuration or trade dress claims. See, e.g., *Fisher Stoves, Inc. v. All Nighter Stove Works*, 626 F.2d 193, 194-96 (1st Cir. 1980) (denying claim for damages and injunction under §43(a) for outward appearance of wood burning stove); *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75-80 (2d Cir. 1985) (granting preliminary injunction under §43(a) for overall appearance of lightweight luggage); *Freixenet, S.A. v. Admiral Wine & Liquor*, 731 F.2d 148, 151-53 (3d Cir. 1984) (denying preliminary injunction under §43(a) for wine bottle shape, color, and labeling); *M. Kramer Mfg. v. Andrews*, 783 F.2d 421, 447-50 (4th Cir. 1986) (granting §43(a) protection for glass frontpiece and console of video game); *Sno-Wizard Mfg. v. Eisemann Prods.*, 791 F.2d 423, 425-30 (5th Cir. 1986) (denying §43(a) protection for ice shaving dessert machine); *Kwic-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 178-80 (6th Cir. 1985) (denying §43(a) protection for rifle sight mounts); *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 337-48 (7th Cir. 1985) (correcting district court's jury instruction in §43(a) claim for protection of shape of stacked office trays); *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1215-23 (8th Cir. 1976) (granting §43(a) protection for overall appearance of twin hopper bottomed grain truck semitrailer) *cert. denied* 429 U.S. 861 (1976); *Transgo, Inc. v. AJAC Transmission Parts Corp.*, 768 F.2d 1001, 1015-21 (9th Cir. 1985) (addressing plaintiff's claim for §43(a) protection for auto repair parts) *cert. denied* 106 S.Ct. 802 (1986); *University of Ga. Athletic Assn. v. Laite*, 756 F.2d 1535, 1540-43 (11th Cir. 1985) (holding that distinctive bulldog depiction on beer can violated University's §43(a) trademark rights in particular bulldog depictions); *Litton Sys. Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444-49 (Fed. Cir. 1984) (denying §43(a) protection for microwave oven doors).

28. 1 J. GILSON, TRADEMARK PROTECTION AND PRACTICE, §2.13[4], at 2-115 & -116, & §7.02, at 7-10 (1983) (discussing federal courts' willingness to use §43(a) to fill in "gap" in legal protection against copying distinctive, but unregistered, product configurations).

29. See Note, *supra* note 7, at 83 n.45 (noting stifling effect of *Sears-Compco* opinion on unfair competition claims). The *Sears-Compco* doctrine should only bar actions in which plaintiffs attempt to invoke state law to effect state equivalents of patents, the duration or coverage of which extends beyond the duration and coverage of the federal versions. Compare *Sears*, 376 U.S. at 231 (stating rule that state law may not forbid copying of federally unpatented article) with *Compco*, 376 U.S. at 238 (holding that factors outside contemplation of federal patent law may allow state prohibition of product duplication in certain instances). The *Compco* Court acknowledged the states' power to impose unfair competition liability in instances when a product duplicator relies on the original manufacturer's reputation in the marketplace to deceive the public with respect to a product's source of origin. *Id.* The doctrine

oughly protected unregistered product configurations.³⁰ The twelve years that passed between the issuance of the *Sears* and *Compco* opinions in 1964 and the Eighth Circuit opinion in *Fruehauf* in 1976, which granted section 43(a) protection for trademark rights in a truck body configuration, reflect the gap in legal protection for unregistered product configurations.³¹ Although no federal court has stated expressly that section 43(a) fills a legal void that resulted from the *Sears-Compco* doctrine, the practical result of twenty years of litigation since *Sears-Compco* is that section 43(a) does fill the gap.³²

that the United States Supreme Court established in *Sears* and *Compco*, however, has deterred state unfair competition actions regarding product configuration or trade dress infringement in other areas including identity or source-of-origin protection. Note, *supra* note 7, at 83. Although state unfair competition claims still accompany §43(a) federal claims for protection of unregistered marks, federal appellate courts consistently dispose of the action by ruling on the federal claims only and avoiding the state law claims. See, e.g. *Sno-Wizard Mfg. v. Eisemann*, 791 F.2d 423, 424 (5th Cir. 1986) (ruling on plaintiff's §43(a) claim without addressing accompanying state unfair competition claim); *Kwic-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 170 (6th Cir. 1985) (same); *Freixenet, S.A. v. Admiral Wine & Liquor*, 731 F.2d 148, 150 (3d Cir. 1984) (same).

30. 1 J. GILSON, *supra* note 28, §2.13[4], at 2-115 & 116, & §7.02, at 7-10.

31. *Id.*

32. *Id.* One commentator has noted that the evolution of §43(a) as protection for unregistered product configurations is similar to the evolution of other ambiguous federal statutory provisions. *Id.* §7.02, at 7-10. When statutory language does not address expressly the facts of a dispute, the federal courts derive substantive law from the underlying policy of the act using federal precedent where available, and from comparable state precedent that best effectuates the relevant federal policy. *Id.* In the case of §43(a) trademark protection for unregistered product shapes, ample federal precedent exists in opinions concerning registration of product shapes. See e.g. *In re Morton-Norwich Prods.*, 671 F.2d 1332, 1344 (C.C.P.A. 1982) (acknowledging that registrable trademark rights can exist in configuration of plastic spray bottle); *Application of World's Finest Chocolate*, 474 F.2d 1012, 1015 (C.C.P.A. 1973) (holding that shape of candy bar package was proper subject for registered trademark protection); *Application of Mogen David Wine Corp.*, 328 F.2d 925, 932 (C.C.P.A. 1964) (holding that wine bottle configuration was capable of being registered even during life of design patent covering bottle's design). The federal courts have been willing to expand the meaning of the terminology in §43(a). See *infra* notes 36-58 and accompanying text (noting language of §43(a) and necessity for great expansion of §43(a) language to cover product configuration claims). While Congress arguably intended to limit the use of the word "origin" in §43(a) to geographical origin, various federal courts have interpreted origin to include product source. 1 J. GILSON, *supra* note 28, §7.02[1] at 7-11; see *infra* note 36 and accompanying text (discussing language of §43(a)).

Speculation may arise regarding whether the *Sears-Compco* doctrine bars actions brought under a federal unfair competition law, such as modern §43(a) litigation, that grants trademark protection to unpatented product configurations and trade dress. See *Truck Equipment Services Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1214 (8th Cir. 1976) (raising issue of whether *Sears-Compco* doctrine bars use of §43(a) to prohibit duplication of unpatented product configuration). In *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, the United States Supreme Court implied that no bar exists relating to federal unfair competition law. *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850-851, 853 & 858 (1982). The *Inwood Laboratories* Court addressed as a collateral issue a trade dress infringement claim under

During the last decade, in which computers evolved into consumer products, section 43(a) experienced a vast expansion in applicability to a variety of unregistered identity marks, symbols and terms as well as in applicability to product configurations and trade dress.³³ The expanded applicability of section 43(a), however, is marked by varied and inconsistent judicial interpretation.³⁴ The inconsistency is inevitable because neither the language of section 43(a) nor the legislative history provide any definitive guidance with respect to congressional intent regarding the application of section 43(a).³⁵

The heading of section 43(a) simply states: "[f]alse designations of origin and false descriptions forbidden[.]"³⁶ Section 43(a) prohibits false descriptions and representations, including words and other symbols.³⁷ Section 43(a) authorizes a civil action against persons placing into the stream of commerce any items bearing false designations of origin, or false descriptions or representations.³⁸ The plaintiff in the civil action may be any person who believes that he has suffered or will suffer damage from a false description or representation.³⁹ Alternatively, the plaintiff

§43(a). *Id.* The *Inwood Laboratories* Court remanded the §43(a) claim for consideration on its merits and referred to the *Sears* and *Compco* cases only in re-announcing certain §43(a) action standards and not as a bar to §43(a) actions for product or trade dress duplication. *Id.*; see also *Truck Equipment Services Co.*, 536 F.2d at 1214 (arguing that *Sears-Compco* doctrine is not controlling in §43(a) actions). The court in *Truck Equipment Services Company* observed that the issue before the United States Supreme Court in both the *Sears* and *Compco* cases was the Supremacy Clause of the United States Constitution. *Id.*

33. See *supra* note 9 and accompanying text (discussing evolution of computers as consumer products); *supra* note 7 and accompanying text (discussing conceptual difference between product configuration and trade dress, but noting current absence of any practical significance to distinction for §43(a) purposes).

34. See Bauer, *supra* note 16, at 671-72, 685 (discussing inconsistencies in tests that federal courts employ in addressing §43(a) claims); see also *infra* notes 59-84 and accompanying text (describing tests that courts employ in §43(a) claims).

35. See *infra* notes 41-53 and accompanying text (demonstrating lack of guidance in Lanham Act legislative history with respect to congressional intent regarding manner and cases in which §43(a) should apply).

36. 15 U.S.C. §1125(a) (codification of §43(a) of 1946 Lanham Trademark Act). The text of § 43(a) reads:

Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation. *Id.*

37. *Id.*

38. *Id.*

39. *Id.*

may be any person doing business in the geographical area falsely designated as the geographical area of origin of the disputed item.⁴⁰

The legislative history underlying the 1946 Lanham Trademark Act is equally uninformative regarding any congressional intent controlling the application of section 43(a) protection to product configurations.⁴¹ In 1924 Congress began consideration of a series of bills that culminated in the passage of the Lanham Trademark Act in 1946.⁴² No congressional committee report from the year of the Lanham Act's enactment specifically addresses section 43(a).⁴³ The Senate Committee on Patent's only published report in 1946 regarding the trademark bill is no more than a summarization of the general policies underlying the bill.⁴⁴ The report summarizes congressional deliberation of Lanham Act policy over the 1924-1946 period.⁴⁵ Congressional committee reports prior to 1946 offer no additional insight into congressional intent underlying section 43(a).⁴⁶

40. *Id.*

41. See S. REP. NO. 1333 79th Cong., 2d Sess., [hereinafter 1946 SENATE REPORT] reprinted in 1946 U.S. CODE. CONG. SERV. 1274, 1274-78 (explaining broad policies underlying Lanham Trademark Act with no explanation for any specific provisions of Lanham Act); see also *infra* notes 41-53 (discussing lack of guidance in Lanham Act legislative history with respect to purpose of §43(a)).

42. Lanham Trademark Act of 1946, 15 U.S.C. §§1051-1127 (1982); see 3 J. GILSON, *supra* note 28, at Vol. III introduction (noting 22-year congressional consideration of trademark policy prior to passage of the Lanham Act).

43. 1946 SENATE REPORT, *supra* note 41, at 1274-78.

44. *Id.*

45. See *id.* at 1274-78 (emphasizing trademark policy of protecting consumers and manufacturers against confusion in marketplace over product origin).

46. See *Hearings on S. 4811 Before the Senate Comm. on Patents*, 69th Cong., 2d Sess. 71 (1927) [hereinafter 1927 SENATE HEARINGS]; *Hearings on S. 2679 Before the Joint Comms. on Patents*, 68th Cong., 2d Sess. 49-51, 104, 127-28 (1925) [hereinafter 1925 JOINT HEARINGS]. The only specific discussions of the provision that ultimately became §43(a) were in two early hearings of the Congressional Patent Committees. See 1927 SENATE HEARINGS, *supra*, at 71; 1925 JOINT HEARINGS, *supra*, at 49-51, 104, 127-28. In its consideration of S. 4811, proposing enactment of the trademark statute, the Senate Committee on Patents read into the record a letter from Edward S. Rogers discussing the meaning of the provision. See 1927 SENATE HEARINGS, *supra*, at 71; see also Derenberg, *Federal Unfair Competition Law At The End Of The First Decade Of The Lanham Act: Prologue Or Epilogue?*, 32 N.Y.U. L. REV. 1029, 1036-37 (1957) [hereinafter Derenberg, *Federal Unfair Competition Law*] (quoting from Rogers' 1927 letter to Senate Committee on Patents and referring to Rogers' letter as "root and explanation" of extant §43(a)). Rogers, in 1927, was chairman of the American Bar Association Section on Patent, Trademark and Copyright Law. *Id.* at 1036. Rogers indicated that the bill included the provision to bring the United States into conformity with various international trade conventions to which the United States was a signatory. 1927 SENATE HEARINGS, *supra*, at 71. The trade conventions called for the prevention of entry into signatory countries of goods with counterfeit trademarks, marks infringing on registered trademarks and goods bearing false indications of geographical origin. *Id.* Rogers' letter also indicated that the provision, which ultimately became §43(a), addressed the mismarking of merchandise as well as the infringement of trademarks. *Id.* Finally, Rogers' letter noted that the provision prohibited not only false designations of origin but also any false descriptions or representations. *Id.* In

One commentator characterizes section 43(a) as a federal law of unfair competition, but argues that Congress never intended that section 43(a) serve as a catch-all.⁴⁷ Another commentator asserts that Congress intended section 43(a) to eliminate common law impediments to unfair competition actions, primarily claims of false advertising.⁴⁸ The same commentator further notes that section 43(a) brought the United States into conformity with liberal trademark law standards to which the United States had agreed to bind itself as a signatory to various treaties and conventions.⁴⁹ Another commentator presents an argument that Congress never intended that section 43(a) should become a broad source of protection for unregistered trademarks.⁵⁰ According to the commentator's argument, which focuses on the language of the section, the wrong that Congress meant to address through section 43(a) was the false designation of geographical origin.⁵¹ The commentator asserts that if Congress had meant for section 43(a) to be a broad source of unregistered trademark protection, section 43(a) terminology would have adopted language similar to the language of section 32 of the Act, which deals with infringement of registered trademarks.⁵² Section 32 prohibits the "reproduction, counterfeit, copy or colorable imitation of a registered mark."⁵³

Despite the ambiguous legislative background, section 43(a) now provides protection for unregistered trademarks of a variety of forms.⁵⁴ As a result of the judicial willingness to expand application of section 43(a), the provision currently protects unregistered product configurations if the

effect the Report sets forth nothing more than the terminology that ultimately became the terminology of §43(a) of the Lanham Act in 1946. *See* Lanham Act of 1946, 15 U.S.C. §1125(a) (1982) (text of §43(a) mirrors language of 1927 SENATE REPORT).

47. *See* Derenberg, *supra* note 46, at 1039 (arguing that points made in Edward S. Rogers' 1927 letter to Senate Committee on Patents constitute limits on application of §43(a)); *see also supra* note 46 and accompanying text (discussing contents of Rogers' letter to Senate Committee) Professor Derenberg, now recognized as an eminent authority on the Lanham Act, lamented that courts by 1957 had begun to apply §43(a) to factual situations clearly outside the intended scope of the provision. *Id.*

48. Bauer, *supra* note 16, at 680 (discussing congressional intent behind §43(a)).

49. *Id.*; *see also supra* note 46 and accompanying text (noting that §43(a) legislative history indicates that one purpose of §43(a) was to bring United States into conformity with international conventions).

50. 1 J. GILSON, *supra* note 28, §7.02, at 7-9 (discussing congressional intent behind §43(a)).

51. *Id.*; *see supra* note 36 and accompanying text (setting forth text of §43(a)).

52. 1 J. GILSON, *supra* note 28, §7.02, at 7-9; *see* 15 U.S.C. §1114 (1982) (codification of §32 of Lanham Act proscribing infringements of registered trademarks).

53. Lanham Trademark Act of 1946, 15 U.S.C. §1114 (1982). *But see* Bauer, *supra* note 16, at 680 n.42 (arguing that policy language from Lanham Act §44 applies to §43(a)). The language in §44 closely parallels the terminology of §32. *Compare* Lanham Trademark Act of 1946, 15 U.S.C. §1114 (1982) (§32 covering infringement of registered marks) *with* Lanham Trademark Act of 1946, 15 U.S.C. §1126 (1982) (§44 covering trademark rights and protection pursuant to international conventions).

54. *See supra* note 27 and accompanying text (indicating consideration of §43(a) product configuration and trade dress claims by nearly every federal circuit).

original producer can show that a copy does not compete fairly with the original product, but instead capitalizes unfairly on the plaintiff's established product recognition.⁵⁵ The only clear alternative for protecting product appearance is the design patent.⁵⁶ As one commentator has noted, however, the prevailing standard for earning a design patent is that the product must demonstrate a high level of artistic ingenuity.⁵⁷ The prevailing standard is therefore too stringent for a manufacturer seeking not to make an artistic statement, but merely to protect product identity.⁵⁸

Federal circuit courts of appeal performing section 43(a) analyses generally rely on three tests to determine whether a duplicating manufacturer has infringed the original manufacturer's trademark rights in the disputed product configuration.⁵⁹ Specifically, the federal courts perform the nonfunctionality test, the secondary meaning test and the likelihood of confusion test.⁶⁰ The federal circuit courts have indicated that a plaintiff's duplicated product configuration must satisfy all three tests in order for the plaintiff to succeed in a section 43(a) action involving product configurations or trade dress.⁶¹

55. See *supra* notes 129-51 and accompanying text (noting emphasis of federal courts in §43(a) actions on fostering competition while preventing unfair product copying). Section 43(a) cases involving product configurations are only one of several types of cases based on §43(a). See *infra* notes 87-109 and accompanying text (discussing *Digital Equipment Corporation v. C. Itoh and Company*, No. 84-5317, slip op. at 25 (D.N.J. Sept. 20, 1985), in which plaintiff unsuccessfully asserted that competitor's use of similar product name was §43(a) (violation); *infra* note 180 (noting *Univ. of Ga. Athletic Assn. v. Laite*, 756 F.2d 1535 (11th Cir. 1985), in which plaintiff athletic association successfully asserted that beer distributor's use of bulldog depiction on beer cans infringed association's bulldog mascot under §43(a)); see also *supra* note 15 and accompanying text (observing that trademark protection for product configurations is also possible through registration of configurations).

56. See Patent Act, 35 U.S.C. §171 (1982) (providing for grant of design patents for product designs satisfying specified criteria). The requirements for obtaining design patents for a product feature include novelty, nonobviousness, and, most significantly, ornamentality. *Id.* But see *infra* note 57 and accompanying text (noting that courts have imposed high artistic standard in meeting requirements for obtaining design patent).

57. 1 J. GILSON, *supra* note 28, at 2-104; see *G.B. Lewis, Co. v. Gould Prods.*, 436 F.2d 1176, 1178-79 (2d Cir. 1971) (noting requirement of significant artistic achievement for design patents).

58. See *infra* note 27 and accompanying text (citing various examples of product configuration types, including truck bodies and rifle sight mounts, for which §43(a) protection was sought, and which have no clear practical need for attainment of artistic distinction).

59. See 1 J. GILSON, *supra* note 28, at 2-114-14.1 (discussing universal usage by federal courts of non-functionality, secondary meaning, and likelihood of confusion tests in §43(a) claims); Bauer, *supra* note 16, at 708-28 (same); *infra* notes 60-77 and accompanying text (discussing nonfunctionality, secondary meaning, and likelihood of confusion tests applied in §43(a) product configuration and trade dress infringement actions).

60. See *infra* notes 62-67 and accompanying text (discussing nonfunctionality test); *infra* notes 68-71 and accompanying text (discussing secondary meaning test); *infra* notes 72-76 and accompanying text (discussing likelihood of confusion test).

61. See *Litton Sys. v. Whirlpool Corp.*, 728 F.2d 1423, 1444-45 (Fed. Cir. 1984) (asserting that application of three tests is mandatory throughout federal circuit courts of appeal); see also 1 J. GILSON, *supra* note 28, §7.02[1], at 7-10 to 7-14 & §7.02[2], at 7-21 to -22 (noting

The nonfunctionality test determines whether the duplicated feature has some utilitarian function as opposed to merely a source identification or cosmetic function.⁶² The premise of the nonfunctionality doctrine is that because of the widely recognized policy of free competition with regard to functional product characteristics, a functional or utilitarian feature of a product is not proper subject matter for trademark protection.⁶³ According to the nonfunctionality doctrine, functional or utilitarian features fall under the domain of patent law, not trademark law.⁶⁴ Supported by the policy that federal law should stimulate innovation, patents grant to inventors monopolies over functional innovations, but only for a limited time.⁶⁵ Upon expiration of the time limit, patent protection lapses and the initially subordinated policy of free competition takes over as the dominant policy.⁶⁶ According to the prevailing rationale,

that plaintiff must satisfy three tests in order to prevail in §43(a) claim). *But see* University of Ga. Athletic Assn. v. Laite, 756 F.2d 1535, 1535 (11th Cir. 1985) (holding, in case involving similar "representative" symbols, that plaintiff need only show secondary meaning for "descriptive marks"). In *University of Ga. Athletic Assn. v. Laite*, the Eleventh Circuit held that plaintiffs claiming §43(a) coverage for suggestive or arbitrary marks embodied in trade dress, such as the bulldog mascot involved in the case, need not prove secondary meaning. *Id.* The *Laite* court did not indicate whether the suggestive or arbitrary marks exception would apply in a product configuration case in which plaintiff argued that it arbitrarily chose the allegedly infringed product design. *Id.*; see also *infra* notes 120-37 and accompanying text (arguing against use of nonfunctionality test in trademark cases).

62. See Oddi, *supra* note 7, at 925-33 (defining functionality and explaining policy of nonfunctionality in trademark law); Bauer, *supra* note 16, at 717-28 (same); Note, *supra* note 7, at 80-90 (same); The United States Circuit Courts of Appeal offer varied explanations of the nonfunctionality doctrine. See, e.g., W.T. Rogers Co. v. Keene, 778 F.2d 334, 338-39 (7th Cir. 1985) (nonfunctionality test serves to screen out from trademark protection design features that are "intrinsic to the entire product"); LeSportsac, Inc. v. K Mart Corp., 754 F.2d 71, 75 (2d Cir. 1985) (nonfunctionality test performed to determine whether feature is essential to product's use and thus ineligible for §43(a) trademark protection as opposed to feature that merely identifies product); United States Golf Assn. v. St. Andrews Sys., Data-Max, Inc., 749 F.2d 1028, 1033 (3d Cir. 1984) (nonfunctionality test serves to determine whether duplicated feature is part of "the 'function' served" by the product, and thus not eligible for trademark protection); cf. Pagliero v. Wallace China Co., 198 F.2d 339, 343-44 (9th Cir. 1952). In *Pagliero v. Wallace China Co.*, the Ninth Circuit, ruling on four china pattern duplications, developed the concept of aesthetic functionality. *Id.* The *Pagliero* court ruled that where the ornamental, or cosmetic, features of an item are the essential selling features of the item, the features are functional. *Id.* The *Pagliero* aesthetic functionality concept currently is inapplicable in computer product duplication disputes because the ornamental aspects of computer hardware presently do not serve as essential selling features of the hardware. See *supra* note 9 and accompanying text (discussing current status of computer product in American society).

63. Oddi, *supra* note 7, at 961.

64. Bendekgey, *Trademark Rights In Computer Product Configurations: If It Looks Like a DEC and Feels Like a DEC, Does It Infringe a DEC*, 3 THE COMPUTER LAW. 15, 15; see 1 J. GILSON, *supra* note 28, sec. 2.13, at 2-107.

65. See 35 U.S.C. §§101, 154 (codification of provisions of 1952 Patent Act describing fundamentals of patent protection and seventeen year period of patent validity).

66. *Id.* In contrast to patent protection, trademark protection lasts for an indefinite duration, which, in practice, lasts as long as the original manufacturer utilizes the protected

granting trademark protection to functional features has the effect of granting a surrogate patent monopoly over the feature for an infinite duration in contravention of the patent policy of limiting the duration of functional monopolies.⁶⁷

The second test that federal courts apply in most section 43(a) analyses is a determination of whether the item for which trademark protection is sought has acquired secondary meaning.⁶⁸ Secondary meaning attaches to product features when purchasers have come to associate the product feature with a particular manufacturer.⁶⁹ The policy underlying the secondary meaning test is to prohibit copying of a product's feature when the ordinary consumer has come to associate the feature with a particular manufacturer.⁷⁰ The rationale of the secondary meaning test is that trademark interests are contravened if consumers are confused or deceived with respect to the source of manufacture of purchased goods.⁷¹

The third test in section 43(a) product configuration and trade dress analyses is the test for a likelihood of confusion.⁷² The name of the test

mark or product configuration. *See supra* notes 4-7 and accompanying text (discussing trademark protection and duration).

67. *See Oddi, supra* note 7, at 926-27 (contrasting patent and trademark law and noting potential for patent and trademark policy clash in absence of nonfunctionality doctrine). Application of the nonfunctionality test in §43(a) actions is the subject of considerable controversy among the federal circuit courts of appeal. *See infra* notes 129-51 and accompanying text (discussing proper roles of nonfunctionality test in context of personal computer products).

68. *See J. Gilson, supra* note 28, §2.09, at 2-68 to 2-75 & §7.02[1], at 7-13 to 7-14 (explaining secondary meaning test and noting that plaintiff must satisfy test to prevail in §43(a) claim); *see also infra* notes 69-71 and accompanying text (explaining nature and application of secondary meaning test in §43(a) analyses).

69. *See Truck Equipment Service Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1219 (8th Cir. 1976). The Eighth Circuit in *Truck Equipment Service Company v. Fruehauf Corporation* held that secondary meaning exists when a mark or symbol, through one manufacturer's long and exclusive use and advertising, becomes so associated in the public's mind with that manufacturer's goods that the mark or symbol serves to identify original manufacturer and distinguish the original manufacturer's goods from the goods of others. *Id.*; *see Freixenet, S.A. v. Admiral Wine & Liquor Co.*, 731 F.2d 148, 152 (3d Cir. 1984) (holding that secondary meaning exists where in minds of public, primary significance of product feature is to identify source of product rather than merely identify product itself); *LeSportsac, Inc. v. K Mart Corp.* 754 F.2d 71, 78 (2d Cir. 1985) (same).

70. Comment, *supra* note 22, at 126.

71. Bauer, *supra* note 16, at 709.

72. *See J. Gilson, supra* note 28, 7.02[1], at 7-12 (§43(a) plaintiff must prove likelihood of confusion); *see also* 2 J. McCarthy, TRADEMARKS AND UNFAIR COMPETITION, §23.1, at 34 (1973) (stating that likelihood of confusion test is "keystone" or basic test, both statutorily and at common law, for trademark rights infringement). Federal courts have explained and applied the likelihood of confusion test in §43(a) actions. *See, e.g. Litton Systems*, 728 F.2d at 1445 (applying likelihood of confusion test to duplications of microwave oven configuration); *Fisher Stoves*, 626 F.2d at 194 (applying likelihood of confusion test to duplication of wood burning stove); *Truck Equip. Serv.*, 536 F.2d at 1220 (applying likelihood of confusion test to duplication of truck body). *See generally*, Bauer, *supra* note 16, at 696 (noting that most frequent basis for court's refusal to find §43(a) infringements is little likelihood of confusion between parties' marks).

derives from the fundamental policy of the Lanham Act to protect manufacturers and the public from confusion with respect to product origin.⁷³ The plaintiff must show that the defendant's duplication infringes the plaintiff's trademark rights in the product configuration by causing consumers to mistakenly determine that the plaintiff is the manufacturer of the defendant's product.⁷⁴ Regardless of the extent of the secondary meaning that a product feature has achieved, the feature does not warrant protection from an imitation that is sufficiently different to avoid confusion.⁷⁵ The likelihood of confusion test as a test for trademark infringement originated in cases involving alleged infringements of federally registered trademarks.⁷⁶

Most federal court opinions regarding section 43(a) claims state that the plaintiff must satisfy all three of the recognized tests, but fail to explain whether the order in which the courts perform the tests is of any significance or whether the tests fit within a particular analytical framework.⁷⁷ The United States Court of Appeals for the Fifth Circuit in *Sno-Wizard Manufacturing v. Eisemann Products, Co.*,⁷⁸ however, recognized that a proper section 43(a) analysis follows a particular analytical framework and, consequently, requires performance of the three tests in a particular order.⁷⁹ In *Sno-Wizard*, the Fifth Circuit addressed the complaint of a manufacturer of an ice confection machine that a competitor precisely, and therefore unfairly, duplicated the appearance of the ma-

73. See *supra* notes 41-53 and accompanying text (discussing Lanham Act trademark policies).

74. J. GILSON, *supra* note 28, 7.02[1], at 7-12 (§43(a) plaintiff must prove likelihood of confusion); see also *Sno-Wizard Mfg. v. Eisemann Prods.*, 791 F.2d 423, 425 (5th Cir. 1986) (noting that federal circuit courts of appeal employ likelihood of confusion test to determine whether trademark rights have been infringed).

75. See *Freixenet, S.A. v. Admiral Wine and Liquor*, 731 F.2d 148, 151 (3d Cir. 1984) (holding §43(a) inapplicable if plaintiff makes no showing of likelihood of confusion regardless of extent of secondary meaning proven); see also 1 J. GILSON, *supra* note 28, §2.09, at 2-68 to 2-75 (explaining relationship between secondary meaning and potential for consumer confusion, which is subject of likelihood of confusion test).

76. See *Bauer*, *supra* note 16, at 687 n.68 (noting that courts borrowed likelihood of confusion test for §43(a) analyses from Lanham Act §32 registered trademark infringement cases); 2 J. MCCARTHY, *supra* note 72, §23.1, at 34 (noting that likelihood of confusion test has always been basic test for infringement of trademark rights in registered mark cases).

77. See *Kwic-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 178 (6th Cir. 1985) (stating that plaintiff must satisfy tests of likelihood of confusion, nonfunctionality, and secondary meaning and first performing likelihood of confusion test); *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1217-21 (8th Cir. 1976) (performing nonfunctionality test, secondary meaning test, and likelihood of confusion test, respectively) *cert. denied* 429 U.S. 861 (1976); see also *Litton Sys. Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1445 (Fed. Cir. 1984) (citing *Fruehauf* for necessity of performing three tests, but with no reference to particular order).

78. 791 F.2d 423 (5th Cir. 1986).

79. *Sno-Wizard*, 791 F.2d at 425 (setting forth an analytical framework for §43(a) analyses); see *infra* note 81 and accompanying text (setting forth *Sno-Wizard* court's explanation of analytical framework for §43(a) analyses).

chine.⁸⁰ Within the framework recognized by the *Sno-Wizard* court, two of the tests, nonfunctionality and secondary meaning, serve as threshold tests to determine whether any trademark rights exist in the plaintiff's product configuration.⁸¹ Subsequent to the determination that trademark rights exist, the likelihood of confusion test serves to determine whether the trademark rights have been infringed.⁸² Under the framework, failure to satisfy either the nonfunctionality test or the secondary meaning test indicates that no trademark rights exist capable of infringement and renders the likelihood of confusion test moot.⁸³ No express rationale, however, supports performing the two threshold tests in a particular order.⁸⁴

As a result of the federal courts' varied applications of the three section 43(a) tests, in conjunction with the lack of legislative guidance, inconsistency marks section 43(a) case history.⁸⁵ The recent ruling of the United States District Court for the District of New Jersey on a section 43(a) claim

80. *Sno-Wizard*, 791 F.2d at 425.

81. *Id.* In *Sno-Wizard Mfg. v. Eisemann Prods.*, the Fifth Circuit stated that the court must make two inquiries. *Id.* According to the *Sno-Wizard* court, the first inquiry determines whether the product configuration or trade dress qualifies for protection, that is whether the configuration or trade dress embodies trademark rights. *Id.* Secondly, the court must determine whether the defendant has infringed the trademark rights embodied in the product configuration or whether trade dress has been infringed. *Id.* The first inquiry comprises the issues of functionality and distinctiveness or secondary meaning. *Id.* The second inquiry comprises a "digits of confusion" test to determine whether a likelihood of confusion exists. *Id.* According to the *Sno-Wizard* court, the likelihood of confusion inquiry is the key to finding a violation of §43(a). *Id.*

82. *See supra* note 81 and accompanying text (citing Fifth Circuit in *Sno-Wizard* for proposition that likelihood of confusion test is second level of two-level analytical framework in §43(a) analyses).

83. *Id.* The analytical framework advocated by the court in *Sno-Wizard Manufacturing v. Eisemann Products* is further supported by the approach the federal courts employ when applying the nonfunctionality and secondary meaning tests in determining whether trademark rights exist in product configuration and trade dress sought to be federally registered. *See In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1343 (C.C.P.A. 1982) (product configuration registration case citing requirement that plaintiff satisfy nonfunctionality and distinctiveness tests); *Application of World's Finest Chocolate, Inc.*, 474 F.2d 1012, 1014 (C.C.P.A. 1973) (same); *see also infra* notes 162-64 and accompanying text (discussing close relation of distinctiveness and secondary meaning tests). Further, the likelihood of confusion test in §43(a) analyses for product configurations and trade dress is similar to the test that federal courts use to determine whether a defendant has infringed a registered trademark under §32 of the Lanham Act. *See Bauer, supra* note 16, at 696 n.117 (federal courts use likelihood of confusion test in both §32 registered mark infringement cases and §43(a) unregistered mark infringement cases to determine whether trademark rights were infringed).

84. *Compare Petersen Mfg. v. Central Purchasing, Inc.*, 740 F.2d 1541, 1549-50 (Fed. Cir. 1984) (court first tested plaintiff's product configuration for secondary meaning and then applied nonfunctionality test) *with Sno-Wizard Mfg. v. Eisemann Prods. Co.*, 791 F.2d 423, 426-27 (5th Cir. 1986) (first applying nonfunctionality test and then applying secondary meaning test).

85. *See Bauer, supra* note 16, at 671-72 (noting inconsistencies in federal courts' rulings on §43(a) claims).

involving the outward appearance of computer hardware components did little to clarify section 43(a) applications.⁸⁶ In *Digital Equipment Corp. v. C. Itoh & Co.*,⁸⁷ the District of New Jersey considered Digital Equipment Corporation's (DEC) claim that the outward appearance of DEC's VT220 computer video monitor and keyboard unit, although unregistered, had achieved trademark rights under section 43(a) of the Lanham Act.⁸⁸ Defendants, the C. Itoh Companies (C. Itoh), marketed a video terminal and accompanying keyboard, called the CIT-220 +, that emulated products similar to those that DEC manufactured.⁸⁹

The DEC court distinguished between a primary market and a secondary market for computer hardware products.⁹⁰ Manufacturers such as DEC who manufacture complete multi-user systems supply the "prime market" for multi-user systems.⁹¹ Manufacturers such as C. Itoh, who manufacture additional terminals, keyboards and other DEC-emulating equipment, supply a market that the DEC court termed the "after market" for multi-user systems.⁹² The separate after market exists because computer systems users frequently wish to enlarge a system's capabilities so that additional users simultaneously may use the original central processing unit, or CPU.⁹³ To remain competitive, after market manufacturers must produce equipment that is operationally compatible with the equipment of the prime market manufacturers.⁹⁴ C. Itoh based its survival and success in the DEC products after market on the claim that while functionally compatible with the DEC system, the CIT-220+ has certain functional advantages over and features in addition to DEC's VT220, and the further claim that the CIT-220+ is less expensive than the DEC VT220.⁹⁵

In asserting its claim that C. Itoh copied DEC product features in violation of section 43(a), DEC argued that C. Itoh went beyond the boundaries of legal emulation and asserted that C. Itoh intentionally copied the shape and layout of the video terminal and keyboard of the DEC VT220 product line in manufacturing C. Itoh's CIT-220+ line of components.⁹⁶ DEC claimed that the CIT-220+ was an infringement with

86. See *infra* notes 88-212 and accompanying text (exploring problems that arise from determination that configuration of computer video terminal and keyboard did not satisfy requirements for §43(a) protection from competitor duplication).

87. No. 84-5317, slip op. (D.N.J. Sept. 20, 1985).

88. *Id.* at 2-15, 18-25.

89. *Id.* at 5 (C. Itoh products emulated DEC products in both appearance and function).

90. *Id.* at 4-5.

91. *Id.* at 3-5. (IBM indicated as another prime market manufacturer).

92. *Id.*; see *supra* note 1 and accompanying text (defining emulation as computer industry term of art for legitimate product copying).

93. DEC, No. 84-5317, slip op. at 8, 20; see *supra* note 1 and accompanying text (defining CPU).

94. *Id.* at 5.

95. *Id.* at 13.

96. *Id.* at 2. According to the findings of the court in *Digital Equipment Corporation*

respect to all products in the DEC "family" of computer products that had keyboard layouts and video terminal appearance identical or similar to the VT220.⁹⁷ Unlike earlier suits that attacked emulation of computer product features solely on grounds of copyright infringement, DEC's action included a trademark claim.⁹⁸ DEC claimed that the C.Itoh terminals and keyboards, which were virtually identical to the DEC terminals and keyboards, infringed trademark rights that DEC had acquired in the unregistered configuration of DEC's VT220 unit.⁹⁹ DEC asserted that creation of product source recognition in the minds of purchasers required a substantial financial investment in product design engineering and advertising.¹⁰⁰

According to DEC, the alleged duplications caused or potentially caused purchasers to mistake the C. Itoh products for DEC products.¹⁰¹ DEC asserted that the duplication and corresponding purchaser confusion established a violation of section 43(a).¹⁰² DEC's theory was that section

v. C. Itoh & Company, the Digital Equipment Corporation (DEC) competes in the multi-user systems market. *Id.* at 4. In a multi-user system, two or more users access a single CPU using separate video terminals and keyboards. *Id.*; see also *supra* note 1 and accompanying text (defining central processing unit, or CPU). Multi-user systems differ from personal computers in that in a traditional personal computer (or microcomputer) system, only one terminal and keyboard may access a CPU at one time. See Helms, *The McGraw-Hill Computer Handbook*, 25-1 to 25-4 (1983) (explaining components of microcomputer system). With the advent of local area networks (LANs), which are in essence only a new variety of multi-user system, personal computers now serve both as central CPUs for a multi-user system and also as access terminals. A. SEIDMAN & I. FLORES, *supra* note 1, at §III; see also Cooper and Saponov, *Software Protection And Pricing In a LAN Environment*, 5 *COMPUTER L. REP.* 27, 27 (1986) (defining LANs and describing hardware components and functions of LANs). In its action against C. Itoh, DEC thus had ample reason to seek trademark protection for its personal computers as well as its VT220 terminals. See *DEC*, No. 84-5317, slip op. at 5 (indicating that DEC included two lines of personal computers in §43(a) claim against C. Itoh).

97. *Id.* at 5. In *Digital Equipment Corp. v. C. Itoh & Co.*, the allegedly infringed DEC family of products included DEC's RAINBOW and DECMATE personal computers, accommodating one user per CPU, as well as the VT220 terminals and keyboards, which provide multiple user access to a central CPU. *Id.*; see also *supra* note 96 and accompanying text (explaining expanding roles of personal computers resulting from emergence of local area networks, or LANs).

98. *DEC*, No. 84-5317, slip op. at 1; see *supra* note 2 and accompanying text (noting extensive litigation of computer product copying claims under copyright theories). The plaintiff, Digital Equipment Corporation (DEC) asserted a copyright claim in DEC's action against C. Itoh. *DEC* at 1. The copyright claim, however, involved only a minor aspect of the disputed emulation. *Id.* at 15-16. The *DEC* court dismissed the copyright claim because of deficiencies in DEC's pleadings. *Id.* at 25. DEC's primary ground for complaint in the C. Itoh litigation involved the Lanham Act §43(a) trademark claim concerning C. Itoh's exact duplication of DEC product features. *Id.* at 2-25.

99. *DEC*, No. 84-5317, slip op. at 2-25..

100. *Id.* at 13; see *supra* note 4 and accompanying text (explaining product source recognition, or consumer associations of certain product features with particular manufacturers).

101. *DEC*, No. 84-5317, slip op. at 2.

102. *Id.* at 18.

43(a), according to recent judicial interpretation, proscribes product duplications that cause confusion over product source.¹⁰³ DEC specifically claimed section 43(a) trademark coverage for the overall appearance of the face of the VT220 video display terminal, the layout of the typing keys on the accompanying keyboard, and the shape and color of the monitor and keyboard.¹⁰⁴ DEC sought an order enjoining C. Itoh from manufacturing, selling, distributing, and advertising the CIT-220+ video terminal and keyboard.¹⁰⁵

In considering DEC's request for a preliminary injunction, the *DEC* court performed a detailed analysis of DEC's section 43(a) claim.¹⁰⁶ The *DEC* court applied each of the three section 43(a) tests of functionality, secondary meaning and likelihood of confusion.¹⁰⁷ The *DEC* court held that DEC failed to carry the burden of demonstrating that the keyboard layout and monitor appearance were nonfunctional, that the shape and color of the keyboard and monitor had acquired secondary meaning, and that buyers were likely to be confused with respect to the origin of the C.Itoh CIT-220+.¹⁰⁸ The *DEC* court therefore denied DEC's request for a preliminary injunction.¹⁰⁹

In applying the non-functionality test, the *DEC* court determined that DEC was unlikely to succeed in proving the nonfunctionality, in the relevant after market for DEC-compatible peripherals, of the layout of the keyboard keys and the face of the video monitor of the duplicated VT220 unit.¹¹⁰ The *DEC* court noted that a variety of other useful designs

103. *See id.* at 18-22 (citing §43(a) case precedent favorable to DEC's §43(a) claim, but finding precedent inapplicable).

104. *Id.* at 24.

105. *Id.* at 2.

106. *Id.* at 2-15, 17-22 and 24-25. The court in *Digital Equipment Corp. v. C. Itoh & Co.* focused on whether DEC was likely to succeed in the final analysis with respect to the permanent injunction. *Id.*

107. *Id.* at 24-25. *See infra* notes 108-96 and accompanying text (discussing *DEC* court's applications of nonfunctionality, secondary meaning and likelihood of confusion tests); *see also supra* notes 62-67 and accompanying text (explaining nonfunctionality test); *supra* notes 68-71 and accompanying text (explaining secondary meaning test); *supra* notes 72-76 and accompanying text (explaining likelihood of confusion test).

108. *DEC*, No. 84-5317, slip op. at 24-25; *see supra* notes 87-109 and accompanying text (discussing *DEC* court's analysis in concluding that DEC failed to carry requisite burdens in the tests of nonfunctionality, secondary meaning, and likelihood of confusion).

109. *DEC*, No. 84-5317, slip op. at 24-25.

110. *Id.* at 24. In performing the nonfunctionality test, the court in *Digital Equipment Corp. v. C. Itoh & Co.* individually analyzed various components of the VT220's outward appearance. *Id.* at 8-12. Federal courts disagree with respect to whether the functionality test should apply to the overall configuration or to the configuration's individual components. *Compare id.* at 7-15 (*DEC* court separately analyzing duplication of video monitor features and keyboard features) with *Industria Arredamenti Fratelli Saporiti v. Charles Craig, Ltd.*, 725 F.2d 18, 20 (2d Cir. 1984) (holding that in §43(a) product configuration analysis, courts are "mistake[n] to break the design down into components" when plaintiff seeks protection for overall appearance).

were available for the keyboard and terminal.¹¹¹ The *DEC* court concluded, however, that the exact configuration of the VT220 reflected industry standards for the functional aspects of the VT220 unit.¹¹² According to the court, recognizing industry standards for computer product features and preventing any one manufacturer from obtaining exclusive rights in the standards fosters effective competition in the after markets.¹¹³ According to the *DEC* court, the industry standards benefit consumers by facilitating comparability and interchangeability among the products of various manufacturers.¹¹⁴ Pursuant to the industry standards rationale, evidence of industry standards militates against acceptance of evidence of feasible design alternatives to satisfy the nonfunctionality test.¹¹⁵ The *DEC* court reasoned that the availability of alternative designs does not indicate that the preferred standard, which is the copied design of the original producer, is not functional.¹¹⁶ The *DEC* court found that in order for a user to transfer skills acquired through use of a DEC keyboard to an emulator keyboard, the copy need not be identical to the DEC keyboard, but must be as similar as possible to maximize operator efficiency.¹¹⁷ The *DEC* court effectively held that the industry standards may be copied freely.¹¹⁸ According to the *DEC* court, the benefits that consumers derive from the standards preclude trademark protection for even precisely duplicated product features when the standards encompass the duplicated features.¹¹⁹

In holding that DEC was unlikely to show that the disputed DEC product features were nonfunctional, the *DEC* court followed ample precedent in circumventing an explanation of why the federal law under-

111. *DEC*, No. 84-5317, slip op. at 20.

112. *Id.* at 20.

113. *Id.* (quoting from and citing as controlling *United States Golf Assn. v. St. Andrews Sys.*, 749 F.2d 1028, 1034 (3d Cir. 1984)) In *United States Golf Assn. v. St. Andrews Systems*, the dispute was not over a duplicated product configuration, but rather over a mathematical formula that the defendant's small computer used to compute golf handicaps. The United States Court of Appeals for the Third Circuit held that when products of different manufacturers serve as close substitutes for one another, the development of industry standards for certain aspects of the products benefits consumers through comparability and interchangeability. *United States Golf Assn.*, 749 F.2d at 1034. The *United States Golf Assn.* court reasoned that although other standards may be useful and feasible, the preferred, copied feature is not necessarily nonfunctional *Id.* The *United States Golf Assn.* court concluded that allowing the original manufacturer to obtain exclusive rights in a standard enables the original manufacturer to prevent competition, thus defeating free competition policy. *Id.*; see *supra* note 1 and accompanying text (discussing computer market practice of product emulation).

114. *DEC*, No. 84-5317, slip op., at 20.

115. *Id.*

116. *Id.*

117. *Id.* at 8.

118. *Id.* at 20 (citing United States Court of Appeals for Third Circuit in *United States Golf Assn. v. St. Andrews Sys.*, 749 F.2d 1028, 1034 (3d Cir. 1984), for proposition that court must support free imitation of industry standards).

119. *Id.*

lying section 43(a) allows federal patent policy, which provides for limited duration monopolies, to override federal trademark policy, which provides for infinite duration monopolies.¹²⁰ The federal circuit courts of appeal, in deciding the issue of nonfunctionality in section 43(a) cases, never explain fully the reason that patent coverage and trademark coverage are mutually exclusive with respect to functional features.¹²¹ In effect, the courts allow the public interest in purchasing competitive products to completely override producers' rights to protect product recognition and consumers' rights to protection against misrepresentations of product

120. *Id.* at 19 (*DEC* court holding that societal interest in competition "outweighs" usefulness of functional feature in identifying product source); see *W. T. Rogers Co. v. Keene*, 778 F.2d 334, 337-40 (7th Cir. 1985) (explaining policy and mechanics of nonfunctionality doctrine, but failing to explain why free competition policy is allowed to override trademark policy through use of nonfunctionality test); *Fisher Stoves, Inc. v. All Nighter Stove Works, Inc.*, 626 F.2d 193, 195-96 (1st Cir. 1980) (same). But see Note, *supra* note 7, at 84-89 (arguing that in §43(a) watershed case of *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1217-19. (8th Cir. 1976) *cert. denied* 429 U.S. 861 (1976), United States Court of Appeals for Eighth Circuit rejected nonfunctionality doctrine). The commentator argued further that, in general, the nonfunctionality test is completely inappropriate in §43(a) analyses because the test allows one federal policy, free competition, to completely override another federal policy, the trademark policy of avoidance of consumer confusion over product source. *Id.* The commentator notes that no rationale supports free competition policy's dominating position in the nonfunctionality doctrine. *Id.*

121. See, e.g., *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 338 (7th Cir. 1985) (asserting necessity of functionality test "to head off . . . collision between section 43(a) and patent law"). In *W. T. Rogers Co. v. Keene*, the Seventh Circuit circumvented explanation of the reason that nonfunctionality is required. *Id.* The court addressed the argument of one commentator that functional features deserve trademark protection to prevent consumer confusion unless the protection unduly impedes competition. *Id.*; see Note, *supra* note 7, at 81-93 (commentary, that *W.T. Rogers* court addressed, arguing that only when competition is unduly impeded should court refuse to grant trademark protection). The *W.T. Rogers* court responded that the commentator's rationale overlooked the importance "of heading off a collision between §43(a) and patent law." *W.T. Rogers Co.*, 778 F.2d at 338. A patent-trademark policy conflict does raise the difficult issue of reconciling conflicting federal laws, but fails to explain why trademark policy should receive absolutely no weight in the nonfunctionality analysis. See *In re Morton-Norwich Prods.*, 671 F.2d 1332, 1336 (C.C.P.A. 1982) (noting that no statute directly requires nonfunctionality for trademark protection, but rather that courts have deduced requirement from limited duration of patents); *Fisher Stoves, Inc. v. All Nighter Stove Works, Inc.*, 626 F.2d 193, 195 (1st Cir. 1980) (asserting that consuming public's interest in free competition and economic and technological progress supports allowing competitors to copy with impunity unpatented functional features); see also *supra* note 120 and accompanying text (arguing for compromise between patent or free competition policy and trademark policy); *infra* notes 122-125 and accompanying text (same).

In *United States Golf Association v. St. Andrews Systems*, the United States Court of Appeals for the Third Circuit did not cite the patent-trademark policy conflict but nevertheless held that a functional feature does not warrant trademark protection because the social interest in free competition outweighs the feature's usefulness in identifying a product's manufacturer. *United States Golf Assn.*, 749 F.2d 1028, 1033 (3d Cir. 1984). The *United States Golf Assn.* opinion cites no judicial precedent or commentator concurrence to support the policy conclusion. *Id.*; see *supra* note 113 and accompanying text (noting that *DEC* court considered *United States Golf Association* controlling in *DEC's* dispute with C. Itoh over product duplication).

origin.¹²² Under patent law, the competing policies of innovation and free competition are accommodated through a compromise in the form of a time limit on patent protection.¹²³ Under the nonfunctionality doctrine, however, no similar compromise is attempted, with the result that the doctrine completely subordinates trademark policy to free competition policy.¹²⁴ In the balance of trademark policy against the policy of free competition inherent in the nonfunctionality doctrine, trademark policy has no weight.¹²⁵

The lack of statutory response by Congress to counter the judicially created functionality doctrine may lend support to the continuing application of the doctrine.¹²⁶ Before relying on congressional inactivity to justify continued application of the nonfunctionality doctrine, however, the federal courts should note that Congress historically has acted at an extremely slow pace in developing trademark policy.¹²⁷ Congressional

122. See *DEC*, No. 84-5317, slip op. at 19-20 (relying on Third Circuit's opinion in *United States Golf Association v. St. Andrews Systems* for guidance in nonfunctionality test); see also *supra* note 113 and accompanying text (noting *DEC* court's reliance on Third Circuit's holding in *United States Golf Assn. v. St. Andrews Sys.*, 749 F.2d 1028, 1034 (3d Cir. 1984)). In *United States Golf Association*, the Third Circuit asserted that free competition is the completely dominant policy and implicitly ignored the trademark policy of protection of consumers and manufacturers from product identity confusion. *United States Golf Assn.*, 749 F.2d at 1034.

One commentator states that a functional feature's capacity to serve as an identifier of the product's manufacturer is "a lesser addition to societal resources" than the innovative quality of a patentable feature. Bauer, *supra* note 16, at 717. According to the commentator, the less societally important trademark characteristic should not enjoy the longer, infinite protection of trademark law when compared with the more important, patentable innovation that patent law protects for only seventeen years. *Id.* But see Note, *supra* note 7, at 78 & 81-86 (arguing that public policy does support trademark protection for functional product features that have attained capacity to serve as product manufacturer identifiers).

123. See Patent Act, 35 U.S.C. §154 (1982) (providing seventeen-year limit on patent duration).

124. Bauer, *supra* note 16, at 717. One commentator firmly advocates the continued application of the nonfunctionality test on policy grounds. *Id.* at 716-28. The commentator acknowledges the lack of compromise between patent and trademark policy. *Id.* at 717. The commentator justifies the lack of compromise, however, on the basis that a trademark's manufacturer identifying function is a "lesser addition to societal resources" than the benefits of allowing innovation to enter the public domain through free imitation. *Id.* But see Note, *supra* note 7, at 84-89 (arguing that trademark function of manufacturer identification is sufficient benefit to societal interests to allow §43(a) protection for even functional features).

The commentator further concedes that courts should not limit their consideration to a choice between two polar alternatives — a determination that a mark is either an indication of source or an important ingredient in the commercial success of the product. Bauer, *supra* note 16, at 723. The commentary, however, provides no explanation of a workable alternative to avoid the polarization asserted to be undesirable. *Id.*

125. See *supra* notes 120-24 and accompanying text (demonstrating that no weight is given to trademark policy in balance of competing policies of free competition and trademark protection).

126. See *supra* note 36 and accompanying text (text of §43(a) contains no reference, explicit or implicit, to nonfunctionality test).

127. See *supra* note 42 and accompanying text (noting that Congress deliberated trademark policy for two decades before enacting 1946 Lanham Act).

consideration of bills culminating in the Lanham Act spanned two decades.¹²⁸

Several of the same courts that have applied the nonfunctionality doctrine without fully explaining the doctrine's legitimacy have constructed nonfunctionality tests that tend to mitigate the doctrine's harsh impact on trademark policy.¹²⁹ The courts accomplish mitigation of the doctrine's harsh impact by applying functionality standards that favor findings of nonfunctionality.¹³⁰ In *W.T. Rogers Co. v. Keene*,¹³¹ the United States Court of Appeals for the Seventh Circuit applied a practical approach to the nonfunctionality test.¹³² The *W.T. Rogers* court considered whether an exact duplicate of the configuration of molded, stacked office trays was indispensable to a competitor in order to compete effectively.¹³³ The *W.T. Rogers* court reasoned that if effective competition was possible without exact duplication of the disputed features, then the features were nonfunctional.¹³⁴ One factor on which the *W.T. Rogers* court relied heavily was the cost that the competitor must incur to dispense with the functional feature.¹³⁵ Because the *W.T. Rogers* court determined that the trial court's jury instructions on nonfunctionality were erroneous, the Seventh Circuit remanded the case to the trial court to include a

128. *Id.*

129. Compare *supra* note 121 and accompanying text (citing opinions of federal circuit courts of appeal that applied nonfunctionality test without addressing policy conflict inherent in nonfunctionality doctrine) with *infra* notes 130-34 and accompanying text (noting that same federal courts have fashioned nonfunctionality standards that facilitate plaintiff demonstrations of nonfunctionality).

130. See *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 339, 342-43 & 346 (7th Cir. 1985) (Seventh Circuit applying nonfunctionality standard pursuant to which plaintiff can easily show nonfunctionality); see also *infra* notes 131-34 and accompanying text (discussing Seventh Circuit's approach to nonfunctionality test).

131. 778 F.2d 334 (7th Cir. 1985).

132. See *W.T. Rogers Co.*, 778 F.2d at 339, 342-43 & 346 (court holding that functionality exists in original configuration only where exact duplication of original configuration is indispensable to effective competition).

133. *Id.*

134. *Id.* at 343.

135. *Id.* at 339-40; see *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 850-51 (1982). The United States Supreme Court has never ruled expressly on the proper standards of the nonfunctionality test. *Inwood Laboratories*, 456 U.S. at 850-51. Citing the 1964 decision in *Sears, Roebuck & Company v. Stiffel Company*, the Supreme Court in *Inwood Laboratories v. Ives Laboratories* explained, in a collateral analysis, that a product feature is functional only if essential to the utility of the product or if the feature affects the cost of the product. *Id.* at 850-51 n.10. Although not as favorable to §43(a) plaintiffs as the Seventh Circuit's indispensability standard, the Supreme Court's observation promotes a policy balance that bars the total nullification of trademark policy that occurred in the *DEC* court's nonfunctionality analysis. See *DEC*, No. 84-5317, slip op. at 5-11, 19-21 (D.N.J. Sept. 20, 1985) (citing free competition policy and giving no weight to trademark policy in application of nonfunctionality test); see also *W.T. Rogers Co.*, 778 F.2d at 339-46 (explaining Seventh Circuit's indispensability standard in nonfunctionality test application).

discussion of indispensability in the jury instructions on nonfunctionality.¹³⁶

The *DEC* court properly could have used the *W.T. Rogers* court's practical indispensability rationale to find trademark rights in DEC's keyboard and terminal design.¹³⁷ As the *DEC* court noted, emulation of DEC video products is a multi-billion dollar industry.¹³⁸ Numerous competitors effectively compete with DEC's VT220 system without precise duplication of DEC product appearance.¹³⁹ The *DEC* court specifically found that no other VT220 emulator on the market replicated the DEC design as closely as the CIT-220+.¹⁴⁰ Precise duplication of DEC product appearance, therefore, is not indispensable to effective competition under the Seventh Circuit standards in *W.T. Rogers*.¹⁴¹ Successful emulation, as the *DEC* court noted, requires only that the emulators' products perform substantially like DEC products.¹⁴² Under a *W.T. Rogers* analysis, the *DEC* court properly could have ruled that because exact duplication of DEC product features was not indispensable to successful emulation, the features' precise appearance was nonfunctional.¹⁴³ Federal courts invoking the nonfunctionality doctrine to allow exact duplication as an element of product emulation, and thus denying trademark protection for the product configuration, further unfair competition at the cost of consumer deception and the original manufacturer's market goodwill.¹⁴⁴

The United States Court of Customs and Patent Appeals, in addressing federal registration of product configurations, has also perceived a need to strike a balance between the competitors' right to copy and manufacturers' and the public's right to the protection of product source identifications.¹⁴⁵ Conceptually, no difference exists between the nonfunctionality

136. *W.T. Rogers Co.*, 778 F.2d at 348.

137. See *infra* notes 137-44 and accompanying text (explaining potential for application of Seventh Circuit's indispensability standard to facts of *DEC* dispute).

138. *DEC*, No. 84-5317, slip op. at 5.

139. *Id.*

140. *Id.* at 11.

141. *Id.* (noting that numerous other successful manufacturers of DEC emulating products do not precisely duplicate DEC configuration features); see *supra* notes 130-34 and accompanying text (explaining Seventh Circuit's indispensability standard in nonfunctionality test application).

142. *DEC*, No. 84-5317, slip op. at 11.

143. See *supra* notes 130-34 and accompanying text (explaining Seventh Circuit's indispensability test for nonfunctionality of product features).

144. See *supra* notes 43-45 and accompanying text (explaining trademark goals of protecting manufacturers and consumers from confusion in marketplace over product origin). One commentator noted that competition must be fair to be free. Oddi, *supra* note 7, at 926. Promoting free competition while ignoring trademark policy would result in free but unfair competition. See *id.* (noting that Congress created trademark law to ensure fairness in competitive economy). See generally Note, *supra* note 7, at 84-90 (arguing that functionality test that assigns all weight to patent policy and no weight to trademark policy has no place in trademark law).

145. See *In re Morton-Norwich Prods.*, 671 F.2d 1332, 1340 (C.C.P.A. 1982 (noting

tests for product configuration registration and section 43(a) protection for unregistered product configurations.¹⁴⁶ The Court of Customs and Patent Appeals' functionality philosophy is virtually the same as the functionality philosophy of the United States Court of Appeals for the Seventh Circuit as expressed in *W.T. Rogers*.¹⁴⁷ According to the Court of Customs and Patent Appeals, the underlying public policy of the nonfunctionality doctrine is not a right to duplicate any feature lacking patent protection, -but the need to copy features in order to compete effectively.¹⁴⁸ In *In re Morton-Norwich Products*, the Court of Customs and Patent Appeals held that the existence of available alternatives to the duplicated feature is a factor in favor of the granting of trademark protection.¹⁴⁹ According to the Court of Customs and Patent Appeals' rationale, an emulator cannot duplicate exactly a preferred alternative unless the exact duplication is indispensable to effective competition.¹⁵⁰

desirability of fostering competition but holding that configuration of spray bottle could be registered on federal trademark register).

146. See *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 76-80 (2d Cir. 1985) (granting §43(a) trademark protection to the unregistered outward appearance of a shoulder bag). The Second Circuit in *LeSportsac v. K Mart Corporation*, noting that nonfunctionality considerations were the same in both registered and unregistered product configuration actions, followed a Court of Customs and Patent Appeals ruling on functionality in a registration action. *Id.* Similarly, the Court of Customs and Patent Appeals, noting the overlap of the nonfunctionality doctrine in registered and unregistered product configuration cases, cited with approval a ruling on nonfunctionality in a §43(a) unregistered product configuration action by the United States Court of Appeals for the Eighth Circuit. See *In re Morton-Norwich Prods.*, 671 F.2d 1332, 1339 (C.C.P.A. 1982) (citing *Truck Equipment Service Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1218 (8th Cir. 1976)).

147. See *In Re Morton-Norwich Prods.*, 671 F.2d 1332, 1339 (C.C.P.A. 1982) (suggesting standard for nonfunctionality test similar to indispensability standard of Seventh Circuit in *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 339 & 342 (7th Cir. 1985)); see also *supra* note 130-34 and accompanying text (discussing indispensability standard that *W.T. Rogers* court employed in applying nonfunctionality test to §43(a) claim).

148. *In Re Morton-Norwich Prods.*, 671 F.2d at 1339.

149. *Id.* at 1341.

150. *Id.*; see *Application of Mogen David Wine Corp.*, 328 F.2d 925, 932-33 (C.C.P.A. 1964) (Rich, J., concurring). In *Application of Mogen David Wine Corp.*, Judge Rich argued that the test of nonfunctionality is whether the feature is "in essence" functional. *Application of Mogen David Wine Corp.*, 328 F.2d at 932-33. Judge Rich distinguished product and trade dress features that are only incidentally functional. *Id.* According to Judge Rich, a finding of mere incidental functionality does not preclude trademark protection for the incidentally functional features. *Id.* Judge Rich argued that the law does not recognize a public right to copy incidentally functional features when the original manufacturer arbitrarily chose the design of the features. *Id.* (quoting majority in *Application of Deister Concentrator Company*, 289 F.2d 496, 498 (C.C.P.A. 1961)). Judge Rich, in his *Mogen David* concurrence, laid the groundwork for the Court of Customs and Patent Appeals' later philosophy regarding the nonfunctionality test. See *In Re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1339-41 (C.C.P.A. 1982) (Judge Rich writing for majority and incorporating his arguments in *Mogen David* concurrence into majority opinion).

Arbitrariness of the design of the plaintiff's product was a consideration, although not a controlling factor, in *Digital Equipment Corp. v. C. Itoh & Co., (DEC)*, No. 84-5317, slip

Thus, whether a computer manufacturer seeks protection for unregistered product configurations or trade dress under section 43(a) or through federal trademark registration, courts should grant trademark policy due weight in the functionality analysis.¹⁵¹

In addition to determining whether the DEC product features were functional, the *DEC* court considered whether DEC had shown that the duplicated products had acquired secondary meaning in the marketplace.¹⁵² Similar to its application of the nonfunctionality test, the *DEC* court imposed on DEC relatively high standards for showing that the appearance of the VT220 system had achieved secondary meaning.¹⁵³ DEC offered as evidence the results of a survey by a market research expert of ninety-seven recent purchasers of VT220 systems.¹⁵⁴ Forty-four of the ninety-seven participants indicated DEC as the manufacturer of C. Itoh's CIT-220+ system while only four participants correctly indicated C. Itoh.¹⁵⁵ The expert concluded from the survey results that DEC had developed secondary meaning in the shape and configuration of the VT220 products.¹⁵⁶ Despite the tendency of the survey to show that nearly half of the participants associated DEC with the appearance of the C. Itoh system, the *DEC* court considered the survey results unpersuasive and

op. at 8, 24-25 (D.N.J. Sept. 20, 1985) (finding that DEC's product was arbitrarily designed but refusing to grant §43(a) protection). The *DEC* court noted that DEC engineers arbitrarily selected the layout of the VT220 keyboard. *Id.* at 8. The *DEC* court additionally found that the keyboard layout was not initially functional but had become functional over time in the relevant after market. *Id.* at 14. Applying the philosophy of the Court of Customs and Patent Appeals, the functionality of the DEC keyboard layout would be at most incidentally functional. *See id.* at 8 (*DEC* court finding that DEC arbitrarily selected features of VT220 keyboard). The *DEC* court nevertheless ruled that the keyboard layout was functional, thus barring trademark protection. *Id.* at 24. The *DEC* court further found that other manufacturers emulated the VT220 keyboards with only similar, not precisely replicated, key arrangements. *Id.* at 8.

151. *See supra* notes 130-50 and accompanying text (indicating that indispensability applies in both registration and nonregistration situations).

152. *DEC*, No. 84-5317, slip op. at 13-14.

153. *See id.* at 13-14 & 24 (application of secondary meaning test). The District of New Jersey in *DEC* found unpersuasive the results of a DEC survey that tended to show the existence of secondary meaning. *Id.* The *DEC* court also refused to allow DEC's showing of product configuration distinctiveness, based on substantial DEC investment in advertising and product design, to suffice for purposes of the secondary meaning test. *Id.* at 13.

154. *Id.* at 14. In the secondary meaning survey discussed in *DEC*, DEC researchers showed photographs of four VT220 emulators, with maker identifications masked, to ninety-seven survey participants. *Id.* The photographs depicted each of the four emulators at the same angle and distance and under the same lighting. *Id.* The photographs did not include a VT220. *Id.* Participants indicated their beliefs with respect to the identity of the manufacturer that produced each of the emulators shown. *Id.*; *see also infra* notes 155-57 and accompanying text (discussing DEC's secondary meaning survey).

155. *DEC*, No. 84-5317, slip op. at 14. The forty-nine participants in the secondary meaning survey discussed in *DEC* who did not indicate DEC as the producer of the CIT-220+ indicated another manufacturer as producer of the CIT-220+ or were unable to name a manufacturer. *Id.*

156. *Id.*

held that the survey had not fulfilled the burden of showing secondary meaning in the shape and color of the keyboard and monitor.¹⁵⁷ DEC also sought to demonstrate that DEC had created a potential for secondary meaning through the significant investment made in promoting the distinctive look of the VT220 monitor and keyboard.¹⁵⁸ The DEC court, however, insisted that DEC show actual secondary meaning and not merely a potential for secondary meaning.¹⁵⁹ The DEC court therefore held that DEC failed to show that the shape and color of DEC's keyboard and video monitor had acquired secondary meaning in the minds of purchasers.¹⁶⁰

Federal circuit courts of appeal generally consider the secondary meaning test to be a mandatory element of all section 43(a) analyses.¹⁶¹ The United States Court of Appeals for the Fifth Circuit, the Court of Customs and Patent Appeals and the United States Court of Appeals for the Federal Circuit, which is the successor to the Court of Customs and Patent Appeals, have held, however, that a section 43(a) plaintiff need not prove actual secondary meaning in order to receive trademark protection if the plaintiff can show that its product is inherently distinctive.¹⁶² Because the purpose

157. *Id.* at 14, 24; *cf.* *Sno-Wizard Mfg. v. Eisemann Prods.*, 791 F.2d 423, 427 (5th Cir. 1986) (consideration of secondary meaning survey evidence in §43(a) action). In *Sno-Wizard Manufacturing Corp. v. Eisemann Products, Inc.*, the Fifth Circuit first held that survey evidence was the best indicia of secondary meaning and then held that the plaintiff's extensive survey evidence was unpersuasive. *Sno-Wizard Mfg.*, 791 F.2d at 427 (finding flaw in logic of surveying 83 current users of emulated product who, arguably, were sensitive to subtle distinctions in competing products).

158. DEC, No. 84-5317, slip op. at 13.

159. *Id.* at 24.

160. *Id.* at 14, 24.

161. *See* *Litton Sys. v. Whirlpool Corp.*, 728 F.2d 1423, 1444-45 (Fed. Cir. 1984) (noting mandatory application of secondary meaning test in §43(a) actions); *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1215 (8th Cir. 1976) (noting mandatory nature of secondary meaning test in §43(a) actions and asserting that test is in conformity with congressional purpose underlying §43(a)) *cert. denied* 429 U.S. 861 (1976); *see also* Bauer, *supra* note 16, at 712 (noting "universal requirement of proof of secondary meaning").

162. *See* *Sno-Wizard Mfg. v. Eisemann Prods.*, 791 F.2d 423, 425 n.2 (5th Cir. 1986) (holding that product feature's distinctiveness satisfies secondary meaning test in §43(a) product configuration analysis); *In Re Morton-Norwich Prods.*, 671 F.2d 1332, 1342 (C.C.P.A. 1982) (holding that in order to register product configuration plaintiff must demonstrate that design functions as indication of source, whether only inherently, because of distinctiveness, or through actual secondary meaning); *Petersen Mfg. v. Central Purchasing, Inc.*, 740 F.2d 1541, 1549 (Fed. Cir. 1984) (holding that distinctiveness suffices to satisfy secondary meaning test in §43(a) product configuration analysis).

A variation on the distinctiveness argument is the holding of the United States District Court for the Southern District of New York in *Metro Kane Imports, Ltd. v. Federated Department Stores, Inc.* *See* *Metro Kane Imports, Ltd. v. Federated Dept. Stores, Inc.*, 625 F.Supp. 313, 315 (S.D.N.Y. 1985) (holding that potential secondary meaning satisfies secondary meaning test) *aff'd sub nom.* *Metro Kane v. Brookstone Co.*, 800 F.2d 1128 (2d Cir. 1986). In *Metro Kane*, the district court agreed with the plaintiff that a showing of potential secondary meaning suffices for the secondary meaning requirement under § 43(a). *Id.* Conceptually, distinc-

of trademark coverage is to protect manufacturers and the public from consumer confusion, the less stringent standard of inherent distinctiveness that the Fifth and Federal Circuits and the Court of Customs and Patent Appeals applied suffices to promote trademark policy.¹⁶³ As the Fifth Circuit noted, the potential for consumer confusion can exist when either the association between a product feature and a particular manufacturer already exists in consumers' minds or when the association potentially exists in consumers' minds.¹⁶⁴

Given the rapid emergence of computer products in consumer markets, very few computer products are likely to have developed substantial secondary meaning.¹⁶⁵ If the federal courts adopt the *DEC* court's insistence on showing actual secondary meaning, computer manufacturers and the public will suffer significant confusion with respect to product identity.¹⁶⁶ The manufacturers' only recourse will be to attempt to register product configurations under the less stringent standards of the Court of Customs and Patent Appeals, which allow mere distinctiveness as a basis for trademark protection under the registration system.¹⁶⁷ To comply with the policies of the trademark statute, the federal courts should favor

tiveness and potential secondary meaning are the same because both distinctiveness and potential secondary meaning can give rise to a likelihood of confusion in the minds of consumers, should a competitor identically duplicate the product feature.

163. See *supra* note 162 and accompanying text (describing standards employed by Fifth Circuit and Court of Customs and Patent Appeals in secondary meaning tests); see also *M. Kramer Mfg. v. Andrews*, 783 F.2d 421, 449 (4th Cir. 1986) (following philosophy of Fifth Circuit and Court of Customs and Patent Appeals by applying easily satisfied secondary meaning standards in §43(a) action). In *M. Kramer Mfg. v. Andrews*, the United States Court of Appeals for the Fourth Circuit applied an easily satisfied secondary meaning standard in a trade dress duplication action. *M. Kramer Mfg.*, 783 F.2d at 449. Although the language of the Fourth Circuit did not allow mere distinctiveness to suffice for purposes of the secondary meaning test, the standard that the court asserted implied a mere distinctiveness standard. *Id.* According to the Fourth Circuit, the public need not be able to identify the name of a product's manufacturer. *Id.* All that the plaintiff must show is that the public perceives that a product emanates from a single source. *Id.* The *M. Kramer Mfg.* court noted in a footnote the Fifth Circuit's willingness to allow a showing of distinctiveness to suffice for purposes of the secondary meaning test. *Id.* at 449 n.26 (citing *Chevron Chem. Co. v. Voluntary Purchasing Groups*, 659 F.2d 695, 702-03 (5th Cir. 1981) *cert. denied* 457 U.S. 1126 (1982) for proposition that showing of distinctiveness satisfies test for secondary meaning); see *Bauer, supra* note 16, at 708-16 (arguing that mere distinctiveness suffices for purposes of secondary meaning test).

164. See *Sno-Wizard Mfg. v. Eisemann Prods.*, 791 F.2d 423, 425 n.2 (5th Cir. 1986) (noting that both distinctiveness and secondary meaning can give rise to likelihood of confusion in consumer minds).

165. See *supra* note 9 and accompanying text (discussing rapid movement of computer products into consumer markets).

166. See *supra* notes 154-57 and accompanying text (describing *DEC*'s market survey that strongly indicated actual existence of consumer confusion over source of *C. Itoh* product); *supra* notes 43-45 and accompanying text (describing Lanham Act policy of preventing consumer confusion over product source).

167. See *supra* notes 162-63 and accompanying text (Court of Customs and Patent Appeals allowed mere distinctiveness to suffice for purposes of secondary meaning standard).

section 43(a) trademark protection for product attributes that may give rise to a likelihood of consumer confusion.¹⁶⁸

In addition to addressing nonfunctionality and secondary meaning, the *DEC* court considered whether DEC had shown a likelihood of confusion between the VT220 and the CIT-220+.¹⁶⁹ The *DEC* court noted that the C. Itoh unit was clearly labeled "CIT-220+" and the DEC unit was clearly labeled "Digital VT220."¹⁷⁰ On the bases of clear labeling, the relatively high cost of the goods involved, the relative sophistication of the purchasers, and the defendant's sales methods that aimed at differentiating the two products, the *DEC* court held that DEC failed to show a likelihood of confusion between the VT220 and the CIT-220+. ¹⁷¹ The *DEC* court did not bring into the analysis of the likelihood of confusion its finding that C. Itoh intended to produce a virtually identical duplication of the appearance of the DEC VT220.¹⁷²

A mere similarity between products will not satisfy the likelihood of confusion test.¹⁷³ Various federal courts have set forth factors significant in the likelihood of confusion analysis, including distinctiveness of the plaintiff's mark, similarities between the competing marks and products, similarities in geographical areas of concurrent use, existence of clear and distinctive labeling, similarities in advertising methods, and marketing channels.¹⁷⁴ Federal courts also consider the defendant's intent to create an exact duplication, proof of actual confusion, product cost, sophisti-

168. See *supra* notes 43-45 and accompanying text (discussing Lanham Act's dual policies of protecting manufacturers' product recognition and protecting consumers from mistake and deception with respect to product source of origin); *infra* notes 217-20 and accompanying text (arguing that manufacturer generally should not bear heavy burden in obtaining trademark protection).

169. *DEC*, No. 84-5317, slip op. at 15. In §43(a) actions, federal courts generally refuse to provide relief when the plaintiff is unable to show that consumers are likely to confuse the defendant's product with the plaintiff's similar product. See *supra* note 60 and accompanying text (noting that likelihood of confusion is one of three recognized tests in applying §43(a) that plaintiff must satisfy in order to prevail); *infra* notes 197-212 and accompanying text (discussion of likelihood of confusion test in context of personal computer products).

170. *DEC*, No. 84-5317, slip op. at 12.

171. *Id.* at 12, 25.

172. *Id.* at 11 & 25. *Contra* *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 80 (2d Cir. 1985). The United States Court of Appeals for the Second Circuit in *LeSportsac, Inc. v. K Mart Corp.*, noted that the defendant intentionally replicated the exact appearance of plaintiff's product and took steps to mitigate consumer confusion only after the plaintiff began litigating the §43(a) infringement claim. *LeSportsac Inc.*, 754 F.2d at 80. Further, many federal circuit courts of appeal consider a defendant's intent to create a precise duplication to be a factor supporting the plaintiff's claim of likelihood of confusion. See *infra* notes 174-75 and accompanying text (setting forth list of factors, including defendant's intent, that federal courts address in likelihood of confusion test).

173. *Litton Sys. v. Whirlpool Corp.*, 728 F.2d 1423, 1446 (Fed. Cir. 1984).

174. See, e.g., *Sno-Wizard Mfg. v. Eisemann Prods.*, 791 F.2d 423, 428 (5th Cir. 1986) (listing numerous factors that can be considered in likelihood of confusion analysis); *Kwic-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 178 (6th Cir. 1985) (same); *Litton Sys. v. Whirlpool Corp.*, 728 F.2d. 1423, 1447 (Fed. Cir. 1984) (same).

cation of likely purchasers, degree of care consumers are likely to take in selecting the product, and fame of the prior mark.¹⁷⁵ The federal circuits and the Court of Customs and Patent Appeals are divided with respect to the factors that trial courts must address in a likelihood of confusion analysis.¹⁷⁶ The Court of Customs and Patent Appeals in 1973 in *Application of Dupont*¹⁷⁷ argued that trial courts must address each of thirteen specified factors in the analysis.¹⁷⁸ In contrast, the Eleventh Circuit in *University of Georgia Athletic Association v. Laite*¹⁷⁹ held two factors to be dispositive and implied that even one factor may prove dispositive.¹⁸⁰ The Sixth Circuit in *Kwik-Site Corp. v. Clear View Manufacturing Co.*¹⁸¹ and the Federal Circuit in *Litton Systems v. Whirlpool Corp.*¹⁸² were in agreement that one particular factor was dispositive.¹⁸³ According to the *Kwik-Site* and *Litton Systems* courts, the most common and effective means of displaying product source is clear labeling.¹⁸⁴ When

175. See e.g., *Sno-Wizard Mfg. v. Eisemann Prods.*, 791 F.2d 423, 428 (5th Cir. 1986) (listing numerous factors that can be considered in likelihood of confusion analysis); *Kwik-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 178 (6th Cir. 1985) (same); *Litton Sys. v. Whirlpool Corp.*, 728 F.2d 1423, 1447 (Fed. Cir. 1984) (same).

176. See *infra* notes 172-85 and accompanying text (discussing dissent among federal courts with respect to factors necessary in likelihood of confusion phase of §43(a) analysis). In addition to dissent over the necessary factors in the likelihood of confusion tests, dissent also exists among the federal circuits with respect to whether the determination of likelihood of confusion is a question of law or fact. See *Litton Sys. v. Whirlpool Corp.*, 728 F.2d 1423, 1445 (Fed. Cir. 1984) (noting dissent among federal courts over whether issue of likelihood of confusion is question of law or fact). For example, the Eighth Circuit considers the likelihood of confusion test to be a question of fact. See *Prufrock Ltd., Inc. v. Lasater*, 781 F.2d 129, 133 (8th Cir. 1986) (holding that likelihood of confusion test is issue of fact only to be overturned on appeal if clearly erroneous). The Federal Circuit, on the other hand, considers the likelihood of confusion to be the ultimate question of law open to full reconsideration on appeal. See *Litton Systems*, 728 F.2d at 1445 (disagreeing with Eighth Circuit's holding in *SquirtCo v. Seven-Up*, 628 F.2d 1086, 1091 (8th Cir. 1980) that likelihood of confusion is question of fact). The Sixth Circuit considers the likelihood of confusion test to be a mixed question of law and fact. *Kwik-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 178 (6th Cir. 1985). The Sixth Circuit has ruled that the trial court's findings on the various factors of the likelihood of confusion test are an issue of fact. *Id.* The Sixth Circuit, however, considers the ultimate question of law to be the weighing of the various factors and consequent holding regarding the likelihood of confusion. *Id.*

177. 476 F.2d 1357 (C.C.P.A. 1973).

178. *Application of Dupont*, 476 F.2d at 1361.

179. 756 F.2d 1535 (11th Cir. 1985).

180. *Laite*, 756 F.2d at 1543. In *University of Ga. Athletic Ass'n v. Laite*, the United States Court of Appeals for the Eleventh Circuit held that the factors of similarity of the competing designs and the defendant's intent to create an exact duplication were dispositive in the likelihood of confusion test. *Id.*

181. 758 F.2d 167, (6th Cir. 1985).

182. 728 F.2d 1423 (Fed. Cir. 1984).

183. *Kwik-Site Corp.*, 758 F.2d at 178 (citing *Litton Systems*, 728 F.2d at 1446 for proposition that one factor, clear and prominent labeling, can be dispositive in likelihood of confusion test).

184. See *Kwik-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 178, (6th Cir. 1985) (holding that showing of clear labeling is dispositive in likelihood of confusion test); *Litton Systems Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1446 (Fed. Cir. 1984) (same).

clear labeling appears, no likelihood of confusion is possible.¹⁸⁵

The *DEC* court, noting product cost, consumer sophistication, sales methods, and clear labeling addressed four of the recognized factors in determining the likelihood of confusion.¹⁸⁶ The federal circuit courts have singled out two of the factors that the *DEC* court addressed, clear labeling and consumer sophistication, as having particular significance.¹⁸⁷ For example, the *Kwic-Site Corporation* and *Litton Systems* courts held that clear and distinctive labeling was a significant mitigator of consumer confusion.¹⁸⁸ The Ninth Circuit in *Shakey's Inc. v. Covalt*¹⁸⁹ stated that trial courts should approach the likelihood of confusion inquiry from the perspective of the applicable marketplace.¹⁹⁰ Similarly, the Fifth Circuit noted in *Sno-Wizard Manufacturing v. Eisemann Products Co.*¹⁹¹ that a significant consideration is the degree of care that purchasers are likely to exercise, and whether the products involved are impulse-purchase items.¹⁹²

Although certain federal circuits note that the affixation of labeling on the duplicated products alone may eliminate the potential for confusion, the United States Court of Appeals for the Ninth Circuit cautioned against an absolute application of the labeling defense.¹⁹³ In *Litton Systems*, the Ninth Circuit emphasized that the legal effect of labeling

185. See *Kwic-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 178, (6th Cir. 1985) (defendant's proof of clear labeling defeated plaintiff's §43(a) claim for failure to prove likelihood of confusion); *Litton Systems Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1446 (Fed. Cir. 1984) (same).

186. *DEC*, No. 84-5317, slip op. at 12 & 25 (D.N.J. Sept. 20, 1985). See *infra* notes 187-212 and accompanying text (discussing factors that *DEC* court addressed in analyzing likelihood of confusion).

187. See *Sno-Wizard Mfg. v. Eisemann Prods.*, 791 F.2d 423, 429 (5th Cir. 1986) (emphasizing consumer sophistication and degree of care consumer is likely to exercise in choosing purchase item and noting that confusion is more likely if purchases are impulse items); *Kwic-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 178 (6th Cir. 1985) (emphasizing clear labeling as factor significantly mitigating likelihood of confusion); *Litton Sys. v. Whirlpool Corp.*, 728 F.2d 1423, 1446 (Fed. Cir. 1984) (same); *Shakey's Inc. v. Covalt*, 704 F.2d 426, 431 (9th Cir. 1983) (stating that likelihood of confusion inquiry must be approached from perspective of marketplace).

188. See *Kwic-Site Corp. v. Clear View Mfg.*, 758 F.2d 167, 178 (6th Cir. 1985) (showing of clear labeling is dispositive in likelihood of confusion test); *Litton Sys. v. Whirlpool Corp.*, 728 F.2d 1423, 1446 (Fed. Cir. 1984) (same); See also *supra* note 183 and accompanying text (noting Sixth Circuit and Federal Circuit emphasis on clear labeling as mitigator of likelihood of confusion).

189. 704 F.2d 426 (9th Cir. 1983).

190. *Shakey's*, 704 F.2d at 431.

191. 791 F.2d 423 (5th Cir. 1986).

192. *Sno-Wizard Mfg.*, 791 F.2d at 429 n.6; see *supra* notes 78-81 and accompanying text (discussing circumstances underlying §43(a) claim in *Sno-Wizard*).

193. See *Litton Sys. v. Whirlpool Corp.*, 728 F.2d 1423, 1446 (Fed. Cir. 1984) (ruling that labeling must be "clear" to defeat otherwise probable consumer confusion from product duplication); see also *infra* note 194 and accompanying text (noting *Litton Systems* court's comments on clear labeling).

depends on both the prominence of the label and on the type of product.¹⁹⁴ Similarly, in *LeSportsac Inc. v. K Mart Corp.*¹⁹⁵, the United States Court of Appeals for the Second Circuit held that labels that are easily separated from the product or trade dress are ineffective to eliminate the likelihood of confusion.¹⁹⁶

The cautions of the *Litton Systems* and *LeSportsac* courts illustrate that federal courts must be careful in addressing the defense of clear labeling.¹⁹⁷ The *DEC* court failed to exercise the requisite care.¹⁹⁸ The *DEC* court determined that C.Itoh's labeling of a video terminal and keyboard unit with "CIT-220+" adequately distinguished the CIT-220+ from DEC's unit labeled "Digital VT220."¹⁹⁹ The *DEC* court's determination that the two names adequately distinguish the products ignores the fact that acronyms now dominate the computer industry.²⁰⁰ Consequently, the federal courts should not allow the slight distinctions between product names such as "VT220" and "CIT-220+" to offset other confusing similarities in product configurations.²⁰¹ The federal courts must also address carefully the factor of consumer sophistication and degree of care exercised in the purchase decision to determine the exact market that includes the disputed computer product.²⁰² All personal and desktop computers have similar overall appearances, consisting of a box containing the CPU, a terminal and a keyboard.²⁰³ The courts should note, however, whether a duplicated personal computer product is a powerful business or scientific device, or whether the product is designed of home users, including children.²⁰⁴ Scientific and business users may exercise extensive care in

194. *Litton Systems*, 728 F.2d at 1446.

195. 754 F.2d 71, 80 (2d Cir. 1985).

196. *Id.* at 80; cf. *Freixenet, S.A. v. Admiral Wine and Liquor Co.*, 731 F.2d 148, 151 (3d Cir. 1984) (finding no likelihood of confusion between competitors' wine bottles with strikingly different labels that were unlikely to become separated from bottles).

197. See *supra* notes 193-96 and accompanying text (discussing problems in following absolute rule that clear labeling negates likelihood of confusion).

198. See *infra* notes 199-206 and accompanying text (discussing confusing similarities in DEC's and C.Itoh's product labeling that *DEC* court overlooked in finding that labeling of competing products mitigated likelihood of confusion).

199. *DEC*, No. 84-5317, slip op. at 12.

200. See *Williams & Welch*, *supra* note 9, at 199-207 (illustrating multitude of acronyms in computer industry). The leading computer companies in the United States, including IBM, AT&T and DEC are commonly referred to by acronyms, or have actually taken on as formal corporate names the acronyms of their former extended names. *Id.*

201. See *supra* notes 154-56 and accompanying text (describing market survey results indicating that significant number of consumers were confused with respect to source of C. Itoh's CIT-200+ unit when shown photographs of unit with labeling masked).

202. See *supra* note 9 and accompanying text (discussing demographics of computer markets of 1980s with spectrum of buyer sophistication ranging from children to highly skilled scientific users).

203. See *supra* note 9 and accompanying text (discussing fundamental components of small computer systems).

204. See *supra* note 9 and accompanying text (noting range of computer product sophistication).

purchasing a personal computer, while children may influence the home personal computer purchase.²⁰⁵ When children influence the purchase decision, the purchase tends to fall in the category of impulse buying, which is consumer behavior that warrant significant trademark protection.²⁰⁶

The *DEC* case primarily involved units of a multi-user system.²⁰⁷ The *DEC* court noted, however, that DEC designed its personal computer line with design features similar to the VT220 multi-user terminals.²⁰⁸ As the *DEC* court observed, users of the VT220 might want to purchase DEC emulators with virtually identical operational features for an easy transition of user skills.²⁰⁹ Confusion would likely result if, for instance, an office user of the VT220 desires to purchase a DEC or DEC-emulating personal computer for home use, and as a consumer in a computer retail outlet, views a DEC emulator and determines that the emulator, bearing an acronym similar to that of the emulated DEC unit, is a DEC unit.²¹⁰ Assuming that the retailer makes no effort to correct the mistake, both the consumer and DEC will have suffered from the lack of trademark protection.²¹¹ Accordingly, the *DEC* court's finding of a high level of consumer sophistication with respect to all DEC products may prove short-sighted.²¹²

In the aftermath of *DEC*, one commentator has suggested that computer products manufacturers should bear the primary burden of establishing and protecting trademark rights in computer product configurations.²¹³ The commentator suggests that manufacturers should select computer configuration features that are distinctive and arbitrary.²¹⁴ According to the commentator, the features should contribute little to the functional characteristics of the product.²¹⁵ In addition, manufacturers' advertising campaigns should emphasize the trademark aspects of the features for which the manufacturer seeks protection.²¹⁶

205. See *supra* note 9 and accompanying text (noting range of sophistication of buyers of computer products).

206. See *supra* note 187 and accompanying text (discussing judicial recognition of need for greater trademark protection for products that consumers are likely to purchase on impulse).

207. See *DEC*, No. 84-5317, slip op. at 4 (discussing multi-user computer systems).

208. *Id.* at 5-6.

209. *Id.* at 8; see *supra* note 9 and accompanying text (discussing home computer users' inclination to prefer easy transition of user skills from office to home computers); *supra* note 113 and accompanying text (*DEC* court's observation that ease of transition from prime market product to after market product is significant factor in success of emulator products).

210. See *supra* note 9 and accompanying text (discussing vast computer retail market system of 1980s).

211. See *supra* notes 43-45 and accompanying text (primary policy of Lanham Act is protection of both consumers and manufacturers from product source confusion).

212. See *DEC*, No. 84-5317, slip op. at 25 (finding high level of buyer sophistication without addressing impact of duplication on home or other nonbusiness users).

213. Bendekgy, *supra* note 64, at 17-18.

214. *Id.*

215. *Id.*

216. *Id.*

A requirement that manufacturers bear the primary burden for unregistered trademark protection, however, forces computer manufacturers to treat legal defense strategies as a principal factor in the entrepreneurial challenge.²¹⁷ Trademark considerations should not force manufacturers to spend inordinate amounts of time and money in setting up legal protection against unfair competition.²¹⁸ Trademark protection exists to serve the legitimate interests of consumers and manufacturers.²¹⁹ Trademark law, however, fails to serve consumers and manufacturers when trademark considerations control significant business decisions such as product design and marketing strategy.²²⁰

In refusing DEC's section 43(a) trademark protection claim, the *DEC* court denigrates the legitimate trademark interests of manufacturers and consumers.²²¹ The facts in *DEC* demonstrate that some functionality exists

217. See *DEC*, No. 84-5317, slip op. at 13-14, 24-25 (noting DEC's failure to gain trademark protection for VT220 unit's appearance notwithstanding great magnitude of DEC's expenditures to create a distinctive appearance for VT220 unit). In *Digital Equipment Corporation v. C. Itoh & Company*, the Digital Equipment Corporation (DEC) asserted that it spent approximately \$50 million promoting DEC's personal computer and VT220 product lines. *Id.* at 13. Further, DEC presented evidence tending to show that DEC had earned product recognition in minds of computer purchasers. *Id.* at 14. Nevertheless, DEC failed to obtain trademark protection against C. Itoh's precise duplication of DEC products. *Id.* at 25-25; see also *supra* notes 43-45 and accompanying text (discussing legislative policy underlying Lanham Trademark Act). The Lanham Act's legislative history indicates that Congress sought to provide governmental safeguards against consumer confusion over product source. See *supra* notes 43-45. The Lanham Act's legislative history further implies that Congress did not intend for manufacturers to bear a heavy burden in ensuring trademark protection. *Id.*

218. See *supra* notes 158 & 217 and accompanying text (discussing major investment that DEC made in product promotion). In *Digital Equipment Corporation v. C. Itoh & Company*, the Digital Equipment Corporation (DEC) asserted that it spent millions of dollars in promoting the VT220 product line. *DEC*, No. 84-5317, slip op. at 13. Despite DEC's investment in the creation and promotion of a distinctive appearance for the VT220, the *DEC* court refused to grant §43(a) protection for the VT220. *Id.* at 24-25. The *DEC* court thus implicitly shifted the burden to DEC to create other means of protecting the public's association of the VT220's appearance with DEC.

219. See *supra* notes 43-45 and accompanying text (discussing trademark policy of preventing consumer confusion and safeguarding manufacturer product recognition).

220. See *DEC*, No. 84-5317, slip op. at 13-14, 24-25 (manufacturer failed to gain trademark protection for product configuration despite great investment by manufacturer in effort to create distinctive configuration). In *Digital Equipment Corporation v. C. Itoh & Company*, the court found that the plaintiff, DEC, invested heavily in promoting DEC multi-user systems and personal computer product lines. *Id.* Forcing computer manufacturers to bear the primary burden in creating §43(a) protection would necessitate altering or increasing millions of dollars of promotional and design expenditures with a resulting heavy impact on product pricing and marketing strategy. See *Id.* (DEC's initial investment of millions of dollars in creation of distinctive product configuration failed to satisfy existing legal criteria for trademark protection of configuration).

221. See *supra* notes 120-25 and accompanying text (*DEC* court focused exclusively on anticompetitive ramifications of granting §43(a) protection and ignored manufacturer and consumer trademark interests supporting protection).

in the configuration of computer video terminals and keyboards.²²² Free competition, however, does not depend on identical replication of the appearance of the functional features.²²³ Federal courts facing computer product configuration disputes similar to the dispute in *DEC* should not strain against finding only insignificant levels of functionality and deny trademark protection when no discernible increase in the level of free competition occurs as a result of the denial of the trademark monopoly.²²⁴ Similarly, courts should not impose the highest possible standards in the test for secondary meaning by requiring actual secondary meaning.²²⁵ In the relatively new consumer computer markets, only minimal actual secondary meaning is likely to have attached to computer product features.²²⁶ The courts should recognize that distinctiveness or potential secondary meaning suffices for purposes of promoting the policy underlying the secondary meaning requirement.²²⁷ Finally, circumstances unique to the emerging consumer computer markets require courts to become attentive to consumer sophistication and to the adequacy of labeling in the test for a likelihood of confusion.²²⁸ In modern computer markets, consumer sophistication and the associated degree of purchaser care span a wide range from sophisticated academic, business, and scientific buyers

222. See *DEC*, No. 84-5317, slip op. at 8 (noting that some appearance similarity between prime market product and emulation is necessary to enhance operational interchangeability of competing products). As the court in *Digital Equipment Corp. v. C. Itoh & Co.* explained, fair competition between the initial computer product manufacturer and the emulator requires a certain amount of similarity in order for users to transfer efficiently acquired skills among the competing products. *Id.* The *DEC* court additionally noted, however, that efficient transfer of skills does not require identical replication of the computer product configuration. *Id.*

223. See *Id.* at 8 (finding that emulator product need not be identical to prime market product for user to successfully transfer skills from prime market product to emulator); see *supra* notes 137-44 and accompanying text (arguing that exact duplication of product features must be indispensable to effective competition in order for prohibition of exact duplication to have adverse impact on competition).

224. See *DEC*, No. 84-5317, slip op. at 5, 11 (*DEC* court found that emulators currently receive billions of dollars in revenue for emulations without exact duplication of emulated products' configurations); see also *supra* notes 137-51 and accompanying text (citing opinions of federal circuit courts of appeal that refused to hold product configuration functional absent indication that exact duplication is indispensable to effective competition).

225. See *DEC*, No. 84-5317, slip op. at 24 (holding that only actual secondary meaning, not mere distinctiveness or potential secondary meaning, suffices to satisfy secondary meaning test).

226. See *supra* note 9 and accompanying text (discussing explosive growth of consumer computer markets in last decade).

227. See *supra* notes 165-68 and accompanying text (arguing that distinctiveness and potential secondary meaning should satisfy §43(a) secondary meaning test).

228. See *Ortho Pharmaceutical Corp. v. American Cyanamid Co.*, 361 F.Supp. 1032, 1043-45 (D.N.J. 1973) (consumers buying on impulse are more likely than sophisticated buyers to reach inappropriate conclusions with respect to product source); *Habitat Design Holdings, Ltd. v. Habitat Inc.*, 436 F.Supp. 327, 332 (S.D.N.Y. 1977) (holding that consumers in retail settings reflect low level of purchaser sophistication); see also *supra* note 9 and accompanying text (discussing wide span of consumer sophistication in demographics of computer markets in 1980s).

to children.²²⁹ Further, although many computer products prominently display name labels, the names displayed frequently are acronyms that consumers can easily confuse with other computer industry acronyms.²³⁰ Federal trademark law exists to prevent consumer confusion; in section 43(a) disputes over unregistered computer product configurations, the federal courts should favor granting and protecting trademark rights.²³¹

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229. See *supra* note 9 and accompanying text (discussing wide span of consumer sophistication in demographics of computer markets in 1980s).

230. See *supra* note 200 and accompanying text (noting predominance of acronyms for products and companies in computer industry).

231. See generally, Swift, *Stella's Birthday* in THE PENGUIN BOOK OF IRISH VERSE 121-22 (B. Kennelly 2d ed. 1981). In his poem "Stella's Birthday," Jonathan Swift, Irish satirist of the early eighteenth century, captures the fundamental unfairness of duplicating a successful merchant's identifying mark. *Id.* Swift, a cleric, apparently considered the duplication an act of treachery:

All travellers at first incline
Where'er they see the fairest sign,
And if they find the chambers neat,
And like the liquor and the meat,
Will call again, and recommend
The Angel Inn to every friend.
And though the painting grows decay'd,
The house will never lose its trade:
Nay, though the treach'rous tapster, Thomas,
Hangs a new Angel two doors from us,
As fine as daubers' hands can make it,
In hopes that strangers may mistake it,
We think it both a shame and sin
To quit the true old Angel Inn. *Id.*

