The Trademark Reporter®

Official Journal of the International Trademark Association

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By Jacob Jacoby and Mark Sableman

The U.S. Constitutional Limits of
Product Configuration Trade Dress Rights

By Karl Horlander

Amicus Brief of the
International Trademark Association in
Special Effects Ltd v. L'Oréal SA and Others

Amicus Brief of the
International Trademark Association in
Louis Vuitton Malletier S.A. v.
Haute Diggity Dog, LLC

Vol. 97 **May-June, 2007** **No. 3**

THE U.S. CONSTITUTIONAL LIMITS OF PRODUCT CONFIGURATION TRADE DRESS RIGHTS

By Karl Horlander *

I. INTRODUCTION

The trend toward expanding product configuration trade dress protection in the United States threatens to undermine the constitutional right of the public to possess a patented invention at the end of the patent term.[1] In the United States, the trademark bar has successfully advocated for the expansion of trade dress rights to include product configurations that were claimed in an existing or expired U.S. patent.[2] As a result, patent owners are using trademark law to obtain a perpetual right to exclude competitors from adopting elements of a previously patented invention.[3]

In contrast to the perpetual protection afforded trademarks, the inventor of a new, useful, non-obvious "process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" may obtain a utility patent having a 20-year term.[4] Similarly, the inventor of new, original and ornamental

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1. Trade dress "originally included only the packaging, or 'dressing,' of a product, but in recent years has been expanded . . . to encompass the design of a product." *See* Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 209 (2000).

2. *See, e.g.*, TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23 (2001); Dorr-Oliver, Inc. v. Fluidquip, Inc. 94 F.3d 376, 383 (7th Cir. 1996); Kohler v. Moen 12 F.3d 632 (7th Cir. 1993); *In re* Morton-Norwich, 671 F.2d 1332 (C.C.P.A. 1982). *But see* Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498 (10th Cir. 1995).

3. *See, e.g.*, *TrafFix*, 532 U.S. 23 (2001); Thomas Betts Corp. v. Panduit Corp., 138 F.3d 277 (7th Cir. 1998); Midwest Industries, Inc. v. Karavan Trailers, Inc., 175 F.3d 1356 (Fed. Cir. 1999); Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1500 (10th Cir. 1995); Sunbeam Prods., Inc. v. West Bend Co., 123 F.3d 246 (5th Cir. 1997).

4. *See* 35 U.S.C. § 101 (2006). A design patent protects new, original and ornamental articles of manufacture. *See* 35 U.S.C. § 171 (2006). Moreover, to receive a design patent, the "design must present an aesthetically pleasing appearance that is not dictated by function alone." *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 148 (1989).

design for an article of manufacture may obtain a design patent with a term of 14 years.[5]

Even so, two principal barriers must be overcome before a product configuration trade dress can be registered on the Principle Register of the U.S. Trademark Act (Lanham Act) or protectable thereunder.[6] First, as now codified in the Lanham Act, the product configuration trade dress sought to be protected must be non-functional.[7] The second barrier to registering or protecting a product configuration trade dress is that the claimant must show that the asserted trade dress has achieved source—identifying distinctiveness.[8] In other words, to be protectable, the product configuration trade dress must be both non-functional and have obtained a secondary source—identifying meaning.

Thus, to extend the competitive advantage of market exclusivity provided by a utility patent through the assertion of trade dress protection, the patentee must parse out "*the non-functional elements*" from the patented invention to serve as the subject matter for the claimed product configuration trade dress.[9] Yet, as addressed in *TrafFix Devices v. Marketing Displays*, the U.S. Supreme Court held that "a utility patent is strong evidence that the features therein claimed are functional."[10] As a result, a utility patent owner seeking to claim and protect product configuration trade dress protection or to obtain a U.S. trademark registration of an element that was claimed in a utility patent "must carry the heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device."[11]

In contrast to a utility patent, a design patent may only protect a "new, original and ornamental design for an article of

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5. A design patent has a term of "14 years from the date of grant." *See* 35 U.S.C. §§ 171, 173 (2006). Moreover, to receive a design patent, the "design must present an aesthetically pleasing appearance that is not dictated by function alone." *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 148 (1989).

6. *See* 15 U.S.C. § 1125(a).

7. *See* 15 U.S.C. § 1115(8); *see also,* TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 230 (2001).

8. *See TrafFix*, 532 U.S. at 28.

9. *See* 15 U.S.C. § 1052(e) (requiring a mark be non-functional to be registrable on the Principal Register); *see also* 15 U.S.C. § 1115(8), (providing as a defense that the purported mark is merely functional); *see also TrafFix*, 532 U.S. 23 (holding that a mark must be non-functional.)

10. *See id.* at 29. To obtain a utility patent, the inventor must disclose a new, useful, and non-obvious invention. *See* 35 U.S.C. §§ 101, 103. As a result, elements appearing in the claims of a utility patent should be presumptively considered "useful," in other words, functional in nature.

11. *See id.*

manufacture."[12] Thus, unless limited by the courts on some ground other than functionality, the subject matter of a design patent is inherently eligible for product configuration trade dress protection because a design patent does not protect the functional aspects of a design. Indeed, because there is a natural overlap between the protection offered by design patents and product configuration trade dress, many lower courts have accepted a design patent as presumptive evidence that the ornamental design of an article of manufacture claimed in the design patent is non-functional.[13] As a consequence, the owner of a design patent can potentially claim product configuration trade dress protection for the design and obtain near perpetual trademark protection for the patented design upon a showing that the patented design has obtained a secondary source—identifying meaning.[14]

The potential for obtaining an indefinite term of exclusivity for a design patent invention provides a substantial incentive for an owner of a current or expired design patent to assert that a patented design has acquired distinctiveness at some point during the 14-year patent term. Moreover, the patent monopoly precludes competitors from entering the race to secondary meaning in the marketplace. Faced with no permissible competing uses of the patented design, the design patent holder can typically establish a prima facie case of secondary meaning that naturally arises as a result of exclusive use of a design configuration. Consequently, the design patent owner is able to assert a prima facie case for an indefinite extension of the design patent monopoly at the end of the patent term through product configuration trade dress law.

Yet, permanently removing patented inventions from the public domain is the antithesis of the carefully crafted bargain of the U.S. Constitution Patent Clause,[15] which rewards inventors by securing for limited time periods exclusive rights to their inventions in exchange for placing the public in possession of the patentee's invention at the earliest possible time thereafter.[16] The Patent Clause both grants and limits Congress's power to award to "inventors the exclusive rights" to "their discoveries" but only "for a limited time," and then only if it promotes "the progress of

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12. *See* 35 U.S.C. § 171; *see also* Donald S. Chisum, *Chisum on Patents* § 1.04 (2006).

13. *See, e.g.*, Global Mfg. Group v. Gadget Universe.Com, 417 F. Supp. 2d 1161, 1169 (S.D. Cal. 2006).

14. *See id.*

15. *See* U.S. Const. art. I, § 8, cl. 8. Congress is granted the specific power "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." *See id.*

16. *See* Grant v. Raymond, 31 U.S. 218, 241 (1832); Pennock v. Dialogue, 27 U.S. 1, 19 (1829).

science and the useful arts."[17] As a condition precedent to the granting of a patent monopoly, the inventor must fully disclose in the patent application how to make and use a working embodiment of the invention in terms fully understandable to persons of ordinary skill in the art in order to allow the public to practice the invention at the end of the patent's term.[18]

Product configuration trade dress rights, by comparison, have a potentially unlimited term. As a result, permitting the holder of an existing or expired design patent to assert product configuration trade dress rights in the invention claimed in the design patent may indefinitely preclude the public from making and using the patented invention at the end of the patent term.[19] Unquestionably, an indefinite period of exclusivity erodes the constitutionally mandated policy of promoting competition and economic growth by placing the patented invention in the public's possession at the earliest possible time.[20]

Although the U.S. Supreme Court has recognized the overlap between design patents and product configuration trade dress,[21] since the enactment of the Lanham Act in 1946, the U.S. Supreme Court has not considered whether the subject matter of a design patent is eligible for product configuration trade dress protection.[22] Unfortunately, in 2001 in *TrafFix*, the U.S. Supreme Court expressly declined an invitation to address unambiguously whether the Patent Clause limits product configuration trade dress protection in patented inventions.[23] Instead, *TrafFix* was narrowly decided on the now statutory functionality doctrine.[24]

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17. *See* Graham v. John Deere Co., 383 U.S. 1, 5 (1966); *see also* U.S. Const. art I, § 8, cl. 8.

18. *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, at 150-51 (1989); Korzybski v. Underwood & Underwood, Inc., 36 F.2d 727, 729 (2d Cir. 1929).

19. *See* Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1510 (10th Cir. 1995).

20. *See Bonito Boats*, 489 U.S. at 146-51; *see also* Fugi Kogyo Co. v. Pacific Pay International, 2006 U.S. App. LEXIS 21545, *10 (arguing that the "public are the ultimate beneficiary of the patent holder's genius" because "[f]irst, patent law seeks to foster and reward invention; second, it promotes disclosure of inventions, to stimulate further innovation and to permit the public to practice the invention once the patent expires; third, the stringent requirements for patent protection seek to assure that ideas in the public domain remain there for the free use of the public." Aronson v. Quick Point Pencil Co., 440 U.S. 257, 262 (1979).

21. *See* Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 213, 214 (2000).

22. *See* Clifford W. Browning, TrafFix *Revisited: Exposing the Design Flaw in the Functionality Doctrine*, 94 TMR 1059, 1062 (2004). Prior to passage of the Lanham Act, the Supreme Court held that an expired design patent may be copied even though the patentee asserted trademark rights to the design. *See* Coats v. Merrick Thread Co., 149 U.S. 562 (1893).

23. *See id.* at 35. The Court granted certiorari to resolve a split among the lower appellate courts regarding "whether the existence of an expired utility patent forecloses the possibility of the patentee's claiming trade dress protection in the product's design." *See id.*

The functionality doctrine was judicially created by the lower courts to preclude trade dress protection claims in utilitarian functional features that were required for effective competition.[25] The functionality doctrine therefore merely excluded product configuration trade dress claims to all but the non-functional features of the inventions disclosed and claimed in utility patents.[26] Thus, the functionality doctrine, by definition, does not limit in any way a design patentee's ability to assert product configuration trade dress protection in the new, original and ornamental design of an article of manufacture (product) protected by the design patent.[27]

Seizing on the functionality doctrine's inherent flaw, many lower courts are now allowing the owner of an expired design patent to assert product configuration trade dress infringement claims against competitors that have copied the claimed invention of an expired design patent.[28]

As will be argued below, the Patent Clause of the U.S. Constitution[29] established, and the U.S. Supreme Court has long recognized, that the pubic has a constitutional right to possess and to slavishly copy the subject matter of an expired patent.[30] Consequently, the Patent Clause of the U.S. Constitution precludes a patent owner from asserting a claim of product configuration trade dress that would extend beyond the design patent term and thereby prevent the public from fully possessing

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at 28 (comparing holdings from Sunbeam Prods., Inc. v. West Bend Co., 123 F.3d 246 (5th Cir. 1997), Thomas Betts Corp. v. Panduit Corp., 138 F.3d 277 (7th Cir. 1998) and Midwest Industries, Inc. v. Karavan Trailers, Inc., 175 F.3d 1356 (Fed. Cir. 1999) (holding that an expired utility patent does not preclude trade dress protection), with Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1500 (10th Cir. 1995) (holding "[w]here a product configuration is a significant inventive component of an invention covered by a utility patent . . . it cannot receive trade dress protection")).

24. *See* TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 33-34 (2001) (holding that the product configuration was ineligible to receive trade dress protection because it was primarily a functional feature of the design).

25. *See In re* Morton-Norwich Prods., 671 F.2d 1332, 1334 (C.C.P.A. 1982); W.T. Rogers Co. v. Keene Mfg., Inc. 778 F.2d 334 (7th Cir. 1985). The Lanham Act now prohibits registration of a mark that is functional in nature. *See* 15 U.S.C. § 1052(e)(5) (2006).

26. *See generally TrafFix*, 532 U.S. 23 (holding that the functionality doctrine precluded trade dress protection because the previously patented configuration was primarily functional); *see also* W.T. Rogers Co. v. Keene Mfg., Inc. 778 F.2d 334 (7th Cir. 1985) (discussing functionality defense against trademark infringement); *In re* Morton-Norwich Prods., 671 F.2d 1332 (C.C.P.A. 1982) (discussing de jure functionality defense).

27. *See Kruger*, 915 F. Supp. at 605; *see also* Cliff Browning, TrafFix *Revisited: Exposing the Design Flaw in the Functionality Doctrine*, 94 TMR 1059, 1061-62 (2004).

28. *See, e.g.*, Kohler Co. v. Moen Incorporated, 12 F.3d 632 (7th Cir. 1993). *But see* Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498 (10th Cir. 1995).

29. *See* U.S. Const. art. I., § 8, cl. 8.

30. *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 157 (1989) (citation omitted).

the right to possess and to copy the claimed inventions of expired design and utility patents. Finally, the only permissible limitation that may be placed on competitors who slavishly copy expired patents is that they do not "deceive the public by palming off their goods as originals."[31]

Part II summarizes the history and public policies behind the Patent Clause of the U.S. Constitution and the recognition of the public's right to copy an invention claimed in an expired patent. Part III examines the U.S. Supreme Court's jurisprudence on the scope and constitutional policies encompassed within the Patent Clause, and the public's right to possess an invention disclosed in an expired patent. Part IV examines lower court rulings that have eroded the public's constitutional right to possess and to copy slavishly the inventions of expired patents, and discusses the weak and constitutionally unsound reasoning of those decisions.

To prevent erosion of the public's right to copy, Part V proposes a "bright line" rule to estop a patent owner from claiming product configuration trade dress protection in a patented invention. Inventors should be required to elect between (1) the time-limited statutory monopoly of a patent, or (2) the rigors of the marketplace race to obtain acquired distinctiveness (secondary meaning) in a product configuration trade dress and the ultimate reward of a potentially limitless time period of product configuration trade dress protection. An inventor seeking patent protection would still be free to pursue a traditional trademark to identify the source of a patented design during the period of statutory monopoly afforded by a patent.

The likelihood of consumer confusion is minimized by requiring competitors who copy the inventions of expired patents to take those reasonable steps that are already routinely relied upon in commerce to prevent consumer confusion.[32] In addition, because consumers do not normally associate product configuration trade dress with a source-identifying significance, the loss of product configuration trade dress rights is not likely to significantly increase the likelihood of consumer confusion.[33] Consequently, because a bright-line test requires a manufacturer to develop traditional and better recognized indicators of source, removing the incentive to pursue product configuration trade dress as a means of excluding competition after the expiration of patents will decrease the likelihood of consumer confusion by developing stronger brand identifiers.

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31. *See* Compco Corp. v. Day-Brite Lighting, Inc, 376 U.S. 234, 238 (1964); *see also* Sears, Robuck & Co. v. Stiffel Co., 376 U.S. 225, 232 (1964), Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. at 119; *cf.* Bonito Boats, 489 U.S. 141, 154 (1989).

32. *See* Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111, 119 (1938).

33. *See id.* at 213.

Finally, a bright-line test will serve the constitutional policies embedded within the Patent Clause by removing barriers to innovation and by insuring effective competition in the marketplace. In addition to restoring the notification feature of patents, competitors will no longer be able to deter effective competition by threats of unfounded product configuration trade dress litigation based upon the inventions of expired patents.[34] Finally, the public will receive the constitutionally required "full benefit" of the patented invention at the end of the patent monopoly term.[35]

II. THE PATENT CLAUSE OF THE U.S. CONSTITUTION

The Patent Clause of the U.S. Constitution represents the United States' founders' desire to strike "a careful balance between the need to promote innovation and the recognition that imitation and refinement through imitation are both necessary to invention itself and the very lifeblood of a competitive economy."[36]

The Patent Clause both grants and limits congressional authority to limit the public's right to copy an invention.[37] A patent grant reflects a public bargain founded upon the desire "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."[38] In exchange for the inventor's full public disclosure of the invention, the inventor receives a period of exclusivity conditioned upon dedication of the invention to the public upon the expiration of the patent term.[39]

In contrast, trademark law developed to combat unfair trade practices and to reduce the likelihood of public confusion regarding the source of goods and services.[40] Under the common law, and as it was codified in the Lanham Act, a trademark owner enjoys indefinite exclusive use of a mark to identify goods and services, provided use of the mark is not abandoned and that the mark does not become a generic term used by the public to identify the

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34. *See* Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 213, 214 (2000).

35. *See* Grant v. Raymond, 31 U.S. 218, 242 (1834) (holding that the pubic is entitled to receive the "full benefit" of the expired patent.)

36. *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 146 (1989).

37. *See* U.S. Const. art. I., § 8, cl. 8. *See also* Graham v. John Deere Co., 383 U.S. 1, 5 (1966).

38. *See* U.S. Const. art. I., § 8, cl. 8; s*ee also, e.g.*, Scott Paper Co. v. Marcalus Mfg. Co., 326 U.S. 249, 255 (1945).

39. *See*, *e.g.*, *id.*

40. *See, e.g.*, Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1500, 1508-09 (10th Cir. 1995).

products or services.[41] Congress's earliest attempt to establish statutory trademark protection was stated to be pursuant to the Patent Clause, but that effort failed.[42] As the result of a U.S. Supreme Court ruling, congressional power to provide trademark protection does not arise from a direct allocation of constitutional power, but rather arises as an incident of the Congress's authority "[t]o regulate commerce with foreign nations, and among the several states, and with the Indian tribes," under the Commerce Clause.[43]

A. Historic Influences

At the time the U.S. Constitution was written, the founders were familiar with the concept of patents. The earliest English patents provided the Crown with an inexpensive system of patronage based upon royal prerogative.[44] In 1623, the English Parliament passed the Statute of Monopolies[45] to create the first statutory patent system.[46] The Statute of Monopolies outlawed all monopolies except "patents of 14 years to 'the true and first Inventor' of 'new Manufactures'" so long as they were "not contrary to Law, nor mischievous to the State, by raising Prices of Commodities at home, or Hurt of Trade, or generally inconvenient."[47]

The founders used the Statute of Monopolies as a reference when writing the U.S. Constitution.[48] As discussed further below, the policy adopted balanced "the interest of the public in being protected against monopolies and in having ready access to and use of new items versus the interest of the country, as a whole, in

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41. *See* 15 U.S.C. § 1064 (2006).

42. *See generally* United States v. Steffens, 100 U.S. 82 (1879). Congressional power to grant trademark registrations arises under the Commerce Power.

43. *See* 15 U.S.C. §§ 1051, 1127 (2006). To qualify for protection under federal trademark law, the mark must be used in commerce that Congress can regulate. Even so, applicants may apply for registration of a mark on the Principle Register based upon a good faith intent to use the mark in commerce that Congress can regulate.

44. Prior to passage of the Statute of Monopolies, the English patent was "uniquely the creature of royal prerogative granted by the grace of the sovereign." *See* Edward C. Walterscheid, *Essay: Patents and the Jeffersonian Mythology*, 29 J. Marshall L. Rev. 269, 272 (1995).

45. 21 Jac. I, c.3 (1623).

46. "Statute of Monopolies provided the statutory foundation for the English patent custom." *See* Walterscheid, *supra* note 44, at 272.

47. *See* Sears, Robuck & Co. v. Stiffel Co., 376 U.S. 225, 230 n.6 (1964).

48. *See* Pennock v. Dialogue, 27 U.S. 1, 18 (1829).

encouraging invention by rewarding creative persons for their innovations."[49]

1. America's Custom and the Articles of Confederation

Prior to the war for independence from England, colonial legislatures and assemblies granted time limited monopoly rights for inventions.[50] This practice continued after independence from England, but under the Articles of Confederation, patent grants were then obtained through petition to individual state legislatures.[51] Moreover, because the Articles of Confederation expressly granted Congress delegated powers, there was a general consensus that Congress could not grant patents.[52] The inability of the states to implement a coordinated patent policy under the Articles of Confederation evidenced a need for a national approach.[53]

2. Origin of the Patent Clause

Although taken for granted today, the first draft of the U.S. Constitution did not include a patent clause.[54] In fact, Thomas Jefferson opposed the granting of patents because he believed granting exclusive use rights for an invention would be abused and lead to monopolistic practices.[55]

Jefferson argued:

> Inventions then cannot, in nature, be a subject of property. Society may give an exclusive right to the profits arising from

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49. *See The Constitution of the United States of America Analysis and Interpretation*, 297 (Johnny H. Killian & George A. Costello co-ed., Congressional Research Service Library of Congress 1996).

50. *See* Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 228 (1964); *see also* Walterscheid, *supra* note 44, at nn.1, 17, 273 (1995). "A patent custom, involving excusive grants of privilege for limited terms with respect to the invention and importation, existed in a number of the American colonies and states prior to the formation of the federal patent system." *Id.* at 272.

51. *See Sears*, 376 U.S. at 228; *see also* Walterscheid, *supra* note 44, at 272.

52. *See* Edward C. Walterscheid, *Charting a Novel Course: The Creation of the Patent Act of 1790*, 25 AIPLA Q.J. 445, n.9 (1997) (citation omitted).

53. *See The Federalist* No. 43 (James Madison) (stating that "the States cannot separately make effectual provisions for either of the cases, and most of them have anticipated the decision of this point, by laws passed at the instance of Congress").

54. *See* C.J. Joseph Story, 3 *Commentaries on the Constitution*, § 1150 (1833). "In the first draft of the Constitution the clause is not be found; but the subject was referred to a committee . . . whose report was accepted, and gave the clause in the very form, in which it now stands in the Constitution." *Id.*

55. *See* Walterscheid, *supra* note 44, at 272 (citing Letter from Jefferson to Jeudy de L'Honnande (August 9, 1787)).

> them, as an encouragement to amend to pursue ideas which may produce utility, but this may or may not be done, according to the will and convenience of the society, without claim or complaint from anybody . . . the exclusive right to invention as given not of natural right, but for the benefit of society.[56]

As a proponent of an agrarian-based democracy, Jefferson thought there was no natural right to the exclusive use of an invention, and argued that any potential societal benefit to be gained by granting a time limited monopoly was "too doubtful" to risk the danger and abuse associated with monopoly power.[57] As a result, following the ratification of the U.S. Constitution, Jefferson proposed the Patent Clause be expressly amended out of the U.S. Constitution.[58]

Alternatively, the more industrial-minded James Madison, while conceding that monopolies were potentially a source of abuse, thought that patents should be tolerated because they benefited the public and were only for a limited term.[59] As later explained by Joseph Storey in his commentary on the U.S. Constitution, Congress's power to grant patents provides the public, "after a short interval" of exclusivity, with:

> the full possession and enjoyment of . . . [the] inventions without restraint. In short, the only boon, which could be offered to inventors to disclose the secrets of their discoveries, would be the exclusive right in profit of them, as a monopoly for a limited period.[60]

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56. *See* Letter from Thomas Jefferson to Isaac McPherson (13 Aug. 1813), *in The Founders' Constitution, Vol. 3 Article 1, Section 8, Clause 5, Through Article 2, Section 1* at 42-43 (Philip B. Kurland & Ralph Lerner eds., 1987).

57. *See* Letter from Jefferson to Madison (July 31, 1788), 1 *The Republic of Letters* 512 and 545; *see also* Walterscheid, *supra* note 44, at 274.

58. *See* Letter from Jefferson to Madison (Dec. 20, 1787), *in* 1 *The Republic of Letters* at 512 (James Morton Smith ed., 1995); Letter from Jefferson to Madison (July 31, 1788), 1 *The Republic of Letters* at 545 (James Morton Smith ed., 1995); *see also* Walterscheid, *supra* note 44 at 272.

59. *See The Federalist* No. 43 (James Madison). Madison argued that "the utility of this power will scarcely be questioned. The copyright of authors has been solemnly adjudged, in Great Britain, to be a right of common law. The right to useful inventions seems with equal reason to belong to the inventors. The public good fully coincides in both cases with the claims of individuals." *See id.*

60. C.J. Joseph Story, 3 *Commentaries on the Constitution* § 1147 (1833); *see also* Letter from James Rumsey to Thomas Jefferson (June 6, 1789), *The Founders' Constitution, Vol. 3 Article 1, Section 8, Clause 5, Through Article 2, Section 1* at 42-43 (Philip B. Kurland & Ralph Lerner eds., 1987) (advocating the need for society to reward inventors for the money and effort devoted to perfecting their inventions).

B. The Bargain Struck by the Founders

The U.S. Constitution gives Congress the complete and exclusive power over patents.[61] "[M]onopolies were highly suspect, and the delegates to the Constitutional Convention thought it necessary to grant such authority to the Congress to assure that patent and copyright protection could be implemented at the federal level."[62] The Patent Clause represented a delicate balance between the desire to promote innovation and the need to protect an inventor's investment of time and treasure to perfect its invention.[63]

The "[Patent] Clause contains both a grant of power and certain limitations upon the exercise of that power."[64] To restrain Congress from creating de facto monopolies based upon patronage and prerogative, the founders restricted Congress's power to grant patent power by requiring that a patent term be limited in time and the invention "promote the progress of science and useful arts."[65] Thus, the resulting patent system reflected a carefully crafted bargain: In exchange for the inventor's full disclosure of the invention, the public agrees to give the inventor a period of exclusivity to exploit the economic benefits associated with the invention.[66] Moreover, upon expiration of the patent term, the public receives possession of the invention without further restriction.[67] Consequently, Congress may not remove existing knowledge from the public domain or restrict free access to materials already available.[68]

C. Policy Considerations Behind the Patent Clause

The Patent Clause reflects the founders' policy choice to induce and reward individuals who invested time and treasure to create inventions as a means of increasing economic development, innovation, and competition.[69] In addition, patent law seeks to place the public in possession of inventions at the earliest time

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61. *See* Grant v. Raymond, 31 U.S. 218, 241 (1832).

62. Walterscheid, *supra* note 52, at 526.

63. *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 146 (1989).

64. *Bonito Boats*, 489 U.S. at 146; Graham v. John Deere Co., 383 U.S. 1, 5 (1966).

65. *See, e.g.*, Pennock v. Dialogue, 27 U.S. 1, 19 (1829); *see also* Walterscheid, *supra* note 52, at 526; 35 U.S.C. §§ 101, 103 (requiring inventions be new, useful and non-obvious).

66. *See Bonito Boats*, 489 U.S. at 150-151.

67. *See, e.g.*, Scott Paper Co. v. Marcalus Mfg. Co., 326 U.S. 249, 256 (1945).

68. *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 146 (1989) (citing Graham v. John Deere Co., 383 U.S. 1, 6 (1966)).

69. *See* Aronson v. Quick Point Pencil Co., 440 U.S. 257, at 262 (1979) (citing Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 480-81 (1974)); *see also* Grant v. Raymond, 31 U.S. 218, 241 (1832); Pennock v. Dialogue, 27 U.S. 1, 19 (1829).

possible and "seeks to assure that ideas in the public domain remain there for the free use of the public."[70] Over 100 years of U.S. Supreme Court precedents have affirmed the right of the public to possess the subject matter of an expired patent and the goodwill associated with it.[71]

By placing the Patent Clause within the U.S. Constitution, the states allocated power to Congress to set up a national scheme of patent protection for the purpose of promoting the "progress of science."[72] In conjunction with the Supremacy Clause, the Patent Clause limits state action that would undermine it.[73]

While Congress has plenary power in the area of patents, the U. S. Constitution is a document of limited powers that also limits Congress's authority to impinge upon the public domain.[74] Although Congress may grant patents for a limited time, the constitutional price for the patent is that the inventor must divulge a new, useful, non-obvious invention that advances the "progress of science and useful arts."[75] The public bargain acts as an incentive for the inventor to give up the private enjoyment of his invention after a limited time and to place the public in position of the invention upon expiration of the patent.[76] As a result, the race for innovation becomes more efficient and spurs economic and social development.[77]

It is axiomatic that an inventor cannot seek a patent for an invention that is already within the public domain.[78] Otherwise, an inventor could commercially exploit an invention by initially "relying upon his superior skill and knowledge of the structure" and only "when the danger of competition should force him to procure the exclusive right" to make and use his invention by obtaining a patent.[79] As a result, an inventor could effectively

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70. *See* Aronson v. Quick Point Pencil Co., 440 U.S. 257, at 262 (1979) (citing Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 480-81 (1974)); *see also* Grant v. Raymond, 31 U.S. 218, 241 (1832); Pennock v. Dialogue, 27 U.S. 1, 19 (1829).

71. *See Bonito Boats*, 489 U.S. at 165.

72. *See* Sears, Robuck & Co. v. Stiffel Co., 376 U.S. 225, 227-28 (1964). Today, the Court's broad interpretation of the Commerce Clause would probably allow Congress to create a patent system similar to the nationwide trademark system. However, this directly raises the likelihood that the founding generation desired to curb the Congress's ability to create or perpetuate monopolies. Moreover, the Patent Clause's direct allocation of power implicitly limits the Congress's ability to enact laws under the Commerce Clause that substantially undermine the policy goals of the Patent Clause.

73. *Id.* at 228.

74. *See* Graham v. John Deere Co., 383 U.S. 1, 5-6 (1966).

75. *See Bonito Boats*, 489 U.S. at 150-151.

76. *See id.* at 146.

77. *See id.*

78. *See* Pennock v. Dialogue, 27 U.S. 1, 23 (1829).

79. *Id.* at 19.

exclude the public from making and using the invention for a period longer than the patent term and "materially [retard the] progress of science and the useful arts."[80]

By analogy, a patent holder is precluded from using alternative forms of protection to artificially extend his period of exclusivity.[81] Yet, permitting a patent holder to claim the exclusive use of a product configuration claimed in his patent after the patent expires effectively extends the patent's period of exclusivity and withdraws the invention from the public domain.[82] Without exception, an extension of exclusivity denies the public the full benefit of the Patent Clause, which it is entitled to receive.[83]

Moreover, the mere threat of extended exclusivity undermines free competition and demotes the progress of science and the useful arts.[84] The publication of a patent grant allows competitors to assess what innovations are available for commercial exploitation both before and after the end of the patent's term. Allowing holders of an expired patent to allege continuing protection in a product configuration claimed in the patent undercuts the notice function of patent grants and creates an unpredictable commercial environment. Even the threat of potential post-expiration litigation can cool the economic waters and deter robust competition, which undermines the constitutional policy of free competition that is embedded within the Patent Clause.

III. U.S. SUPREME COURT AFFIRMS A FEDERAL RIGHT TO COPY

Since the founding of the United States, the U.S. Supreme Court has consistently upheld the public's right to possess the "full benefit" of a patent at the expiration of the patent term. A number of early Supreme Court cases that interpreted the Patent Clause established that a patent grant is the result of a social compact between the inventor and the public.[85] The public induces an inventor to part with the private enjoyment of his invention in exchange for a time limited monopoly.[86] In exchange, the public receives the full benefit of the patent upon expiration of the patent

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80. *Id.*

81. *See* Scott Paper Co. v. Marcalus Mfg. Co., 326 U.S. 249, 256 (1945).

82. *See id.* at 255-56.

83. *See id.*; Pennock v. Dialogue, 27 U.S. 1, 19 (1829).

84. *See* Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 215 (2000).

85. *See* Grant v. Raymond, 31 U.S. 218, 243, 244 (1834).

86. *See id.* at 243.

term.[87] Moreover, after the invention enters the public domain, the inventor may not withdraw the public's right to possess and use the invention.[88]

A first trilogy of Supreme Court cases between 1896 and 1945, *Singer Manufacturing Co. v. June Manufacturing Co.*,[89] *Kellogg Co. v. National Biscuit Co.*,[90] and *Scott Paper Co. v. Marcalus Manufacturing Co., Inc.*,[91] affirmed the public's right to possess an invention at the end of the patent term and post-expiration transfer of the goodwill associated with the patent to the public, which effectively prevents any assertion of post-expiration trade dress rights.[92]

In a second trilogy of cases between 1964 and 1989, *Compco Corp. v. Day-Brite Lighting, Inc.*,[93] *Sears, Roebuck & Co. v. Stiffel Co.*,[94] and *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*,[95] the Supreme Court addressed the right to copy in the context of state laws that impinged upon federal patent policy. While these cases relied upon the Supremacy Clause of the U.S. Constitution, the Supreme Court did not waiver from its prior holdings that the public has a right to copy matter not protected by patent, only subject to the requirement that the copier take reasonable steps not to deceive the pubic as to the source of goods. Moreover, the Supreme Court's decision in *Bonito Boats* specifically called into question lower courts statements that there is no right to copy an invention claimed in an expired patent.[96]

Finally, in a third trilogy of cases between 1990 and 2001, *Two Pesos, Inc. v. Taco Cabana, Inc.*,[97] *Wal-Mart Stores, Inc. v. Samara Brothers*,[98] and *TrafFix Devices, Inc. v. Marketing Displays, Inc.*,[99] the Supreme Court began to grapple with the ever expanding area of trade dress protection. Yet, despite the opportunity to address the constitutional policy issues, the Supreme Court instead relied upon the "functionality doctrine" to determine the merits of the

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87. *See id.* at 242.

88. *See* Pennock v. Dialogue, 27 U.S. 1, 19 (1829).

89. Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169 (1896).

90. Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111 (1938).

91. Scott Paper Co. v. Marcalus Mfg. Co., 326 U.S. 249 (1945).

92. "Good will" reflects the commercial value of a trademark.

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

94. Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964).

95. Bonito Boats Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989).

96. *See id.* at 164. The Court criticized the lower court's statement that patent laws say "nothing about the right to copy or the right to use." *Id.*

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

98. Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205 (2000).

99. TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23 (2001).

cases on a non-constitutional basis[100] and left the circuit courts split over whether a patent owner can assert product configuration trade dress rights in an invention that had been claimed in an existing or expired patent.

A. Early U.S. Supreme Court Cases Support Right to Copy an Expired Patent

In one of the earliest U.S. Supreme Court cases addressing the issue of whether an inventor was entitled to a U.S. patent, *Pennock v. Dialogue*,[101] the Supreme Court reasoned that constitutional policies embodied in the Patent Clause include, as a fundamental goal, "giving the public at large a right to make, construct, use, and vend the thing invented, at as early a period as possible."[102] Furthermore, the Patent Clause gave Congress the power "to promote the progress of science and useful arts, by securing for limited times, to . . . inventors, the exclusive right to their . . . discoveries."[103] As such, "[i]t contemplates . . . that this exclusive right shall exist but for a limited period, and that the period shall be subject to the discretion of congress."[104]

In *Pennock*, the Supreme Court found that an inventor's non-experimental commercial exploitation of an invention prior to filing for a patent caused the invention to enter the public domain.[105] As a result, the inventor could not then seek to withdraw the invention from the public's use. The Supreme Court reasoned that allowing an inventor to withdraw his invention from the public by taking out a patent would effectively extend the inventor's patent term and "materially retard the progress of science and the useful arts, and give a premium to those who should be least prompt to communicate their discoveries."[106]

Later, in *Grant v. Raymond*,[107] the Supreme Court addressed whether an inventor could assert infringement of a reissued patent that was granted to correct mistakes in a previous patent.[108] The Supreme Court explained that a patent grant reflects a contractual

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100. *See TrafFix*, 532 U.S. at 35 (holding that a product design having "a particular appearance may be functional because it is essential to the use or purpose of the article or affects the cost or quality of the article" (internal quotes omitted).

101. *See* Pennock v. Dialogue, 27 U.S. 1 (1829).

102. *See id.* at 19.

103. *See id.* at 17.

104. *See id.* at 17-18.

105. *See id.* at 23-24.

106. *See id.* at 19.

107. 31 U.S. 218 (1834).

108. *See id.* at 239.

exchange between the public and the inventor.[109] The public gives the inventor a period of exclusivity in exchange for the full and honest disclosure of the invention.[110] Moreover, the period of exclusivity is "consideration paid by the public for the future use of the machine."[111] As a result, in exchange, the public is entitled to receive the "full benefit" of the invention at the end of the patent term.[112]

Thus, the Supreme Court held that justice and good faith required that the reissued patent be recognized as valid because the inventor's initial disclosure sufficiently disclosed the invention without intent to deceive.[113] Moreover, allowing the reissued patent to run through the term of the original patent did not deprive the public of its bargain by artificially extending the inventor's period of exclusivity.[114]

Expanding upon its earlier decisions, in *Gill v. Wells*,[115] the Supreme Court established three practical purposes governing the patent disclosure requirement.[116] First, the disclosure identifies what the patent granted and "will become public property when the term of the monopoly expires."[117] Second, the disclosure provides licensees and the public a description of how to make, construct, and use the invention.[118] This enables licensees to practice the invention during the patent term and the public to practice the invention after it expires.[119] Finally, the disclosure helps identify the unoccupied parts of the field to other inventors.[120]

In *Coats v. Merrick Thread Co.*,[121] one of the earliest collisions between design patent and trademark law, the Supreme Court reaffirmed the right of the public to copy the subject matter of an expired design patent, and held that an expired design patent is not entitled to trademark protection.[122] In *Coats*, the owner of an

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109. *See id.* at 244.

110. *See id.*

111. *See id.*

112. *See id.* at 242.

113. *See id.* at 244.

114. *Id.*

115. 89 U.S. 1 (1874).

116. *See id.* at 25-26.

117. *Id.*

118. *Id.*

119. *Id.*

120. *Id.*

121. 149 U.S. 562 (1893).

122. *See id.* at 569 (holding that the plaintiff's right to exclusive use of the patented "embossed periphery expired with their patent, and the public had a right to make use of it

expired design patent registered its patented design as a trademark.[123] The Supreme Court found that even though the competitor used the expired patent, it had not copied the patent labeling verbatim and had taken steps to distinguish its products.[124] Therefore, the patentee could not, under trademark law, "claim a monopoly" on the design "beyond the life of the patent."[125] As a result, the Supreme Court held that because the competitor had taken reasonable steps to prevent consumer confusion, it had the right to copy the invention shown in the expired patent.[126]

B. The U.S. Supreme Court and the Right to Copy

The U.S. Supreme Court cases have unambiguously and repeatedly upheld the right to copy and use inventions previously protected by an expired patent. Moreover, in the context of unfair trade practices, the Supreme Court has only required that the copier take reasonable steps, such as the use of labeling, to protect against potential consumer confusion as to source. Without exception, the Supreme Court has consistently upheld the Patent Clause's preference for free competition and the right to copy over market hampering restrictions imposed in the name of reducing potential consumer confusion.

1. The Public's Right to Copy Expired Patents: *Singer*, *Kellogg*, and *Scott Paper*

In *Singer Manufacturing Co. v. June Manufacturing Co.*,[127] *Kellogg Co. v. National Biscuit Co.*,[128] and *Scott Paper Co. v. Marcalus Manufacturing Co.*,[129] the U.S. Supreme Court again affirmed the public's right to possess both the claimed invention and the goodwill associated with the invention at the end of the patent term.

In *Singer*, the Supreme Court addressed a conflict between patent and trademark law. The plaintiff, a manufacturer of sewing machines, attempted to maintain "the real fruits of the [patent]

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as if it never had been patented"). The Court went on to state that "plaintiffs cannot, as patentees, claim a monopoly [to the patented invention] beyond the life of the [design] patent."

123. *See id.* at 568.

124. *See id.* at 569.

125. *See id.* at 572.

126. *Id.*

127. Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169 (1896).

128. Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111 (1938).

129. Scott Paper Co. v. Marcalus Mfg. Co., 326 U.S. 249 (1945).

monopoly" upon expiration of its patents by claiming the word "Singer" as a trademark.[130] However, the public generically identified the manufacturer's patented machine as a "Singer."[131] The Supreme Court found that although a patentee may develop goodwill associated with their invention during the term of the patent, the patentee may neither "retain . . . the real fruits of the monopoly" after the patent expires nor preclude competitors from using the name by which the public refers to its invention.[132] The Supreme Court held that as a condition of receiving a patent grant, the inventor agrees that upon "expiration of a patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property."[133] As a result, "on the termination of the patent there passes to the public the right to make the machine in the form in which it was constructed during the patent."[134]

Similarly, in *Kellogg Co. v. National Biscuit Co.*,[135] Nabisco held a utility patent for a method of making shredded wheat biscuits and a design patent for a pillow- shaped shredded wheat biscuit.[136] Although its patents had expired, Nabisco claimed it retained the exclusive rights to both the trademark SHREDDED WHEAT and the trade dress rights to the pillow-shaped form of the shredded wheat biscuit.[137]

Consistent with its decision in *Singer*, the Supreme Court held that "upon expiration of the patents the [pillow-shaped] form . . . was dedicated to the public."[138]

> [A]long with the public ownership of the device there must also necessarily pass to the public the generic designation of the thing which has arisen during the monopoly. . . To say otherwise would be to hold that, although the public had acquired the device covered by the patent, yet the owner of the patent or the manufacturer of the patented thing had retained the designated name which was essentially necessary to vest

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130. *See Singer*, 163 U.S. at 181.

131. *Id.*

132. *Id.*

133. *Id.* at 185.

134. *Id.*

135. 305 U.S. 111 (1938).

136. The design patent was declared invalid because the pillow shaped form "had been in public use form more than two years prior to the application for the patent" and was therefore "dedicated to the public." *Id.* at 120 n.4 (citing Natural Foods Co. v. Burkley, No. 28,530, U.S. Dist. Ct., N. Dist. Ill., East Div. (1908)).

137. *See Kellogg*, 305 U.S. at 116.

138. *See id.* at 119-20.

> the public with the full enjoyment of that which had become theirs by the disappearance of the monopoly.[139]

Furthermore, any association that the product acquired during the patent term was insufficient to establish secondary meaning.[140] Instead, the association merely showed that during the long period of patent exclusivity "many people [came] to associate the product, and as a consequence the name by which the product is generally known, with the plaintiff's factory."[141]

More important, "to share fully in the goodwill of the article," the competition, Kellogg, must be allowed to freely use both the name and the form of the biscuit because the "name and form are integral parts of the goodwill of the article."[142] Hence, copiers are only required to "use reasonable care to inform the public of the source of its product"[143] and not make an attempt to pass off or deceive the public.[144] The Supreme Court concluded that even though Kellogg was sharing in the "goodwill of the article known as 'Shredded Wheat,'" it was not unfair because "[s]haring in the goodwill of an article unprotected by patent or trade-mark is the exercise of a right possessed by all."[145]

The Supreme Court further strengthened the public's right to copy the inventions of expired patents in *Scott Paper Co. v. Marcalus Manufacturing Co*.[146] In that case, Scott Paper had previously obtained an assignment of a patent for a machine and method for producing box blanks with a cut edge.[147] Sometime later, the inventor organized Marcalus Mfg. Co.[148] and began practicing the machine and method inventions claimed in the assigned patent.[149] As a defense to Scott Paper's suit for patent infringement, Marcalus argued that the "accused machine was a copy of an expired, prior art patent issued . . . in 1912[,]" and therefore was within the public domain.[150] Attempting to avoid the issue of the prior art, Scott Paper relied upon the Supreme Court's

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139. *See id.* at 118.

140. *Id.*

141. *Id.*

142. *See id.* at 121.

143. *See id.* at 119.

144. *See id.* at 122.

145. *Id.*

146. 326 U.S. 249 (1945).

147. *See id.* at 250.

148. Marcalus controlled the company, which was in direct competition with his former employer. *See id.* at 251.

149. *See id.* at 250.

150. *See id.* at 251. Prior art refers to knowledge within the public domain.

holding in *Westinghouse Co. v. Formica Co.*,[151] which held that an assignor of a patent for value has a good faith duty to not deny the existence of the patent.[152] Thus, Scott Paper argued that the assignor of a patent is estopped from claiming that the patent is invalid because the invention was known in the prior art.[153]

Declining to apply *Formica*, the Supreme Court explained, "The aim of the patent laws is not only that members of the public shall be free to manufacture the product or employ the process disclosed by the expired patent, but also that the consuming public . . . receive the benefits of the unrestricted exploitation . . . of its disclosures."[154] As a result, "apply[ing] the doctrine of estoppel" to prevent "the assignor of a patent from asserting the right to make use of the prior art invention of an expired patent, which anticipates that of the assigned patent, is inconsistent with the patent laws which dedicate to public use the invention of an expired patent."[155] Instead, the patent laws prevent the "assignee from invoking doctrine of estoppel as a means of continuing . . . the benefit of an expired monopoly, and they preclude the assignor from estopping himself from enjoying rights which it is the policy of the patent laws to free from all restrictions."[156] The Supreme Court reasoned,

> The public has invested in such free use by the grant of a monopoly to the patentee for a limited time. Hence any attempted reservation or continuation in the patentee or those claiming under him of the patent monopoly, after the patent expires, *whatever the legal device employed,* runs counter to the policy and purpose of the patent laws.[157]

Reaffirming the earlier reasoning of *Singer* and *Kellogg*, the Supreme Court further stated:

> The patentee may not exclude the public from participating in that goodwill or secure, to any extent, a continuation of his monopoly by resorting to the trademark law and registering as a trademark any particular descriptive matter appearing in the specifications, drawings or claims of the expired patent,

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151. 266 U.S. 242 (1924).

152. *See* Scott Paper, 326 U.S. at 250, 252.

153. *See id.* at 250.

154. *See id.* at 255.

155. *See id.* at 257.

156. *See id.* at 257.

157. *See id.* at 257 (emphasis added).

> whether or not such matter describes essential elements of the invention or claims.[158]

Accordingly, the Supreme Court held that not only is the right to make and use the subject matter of the expired patent dedicated to the public, but the public is also "*entitled to share in the goodwill* which the patentee has built up in the patented article or product through the enjoyment of his patent monopoly."[159]

2. The Public's Right to Copy Expired Patents Versus Fair Trade Practice: *Compco*, *Sears*, and *Bonito Boats*

While affirming the preeminence of federal patent law over state laws that limit the right to copy, in *Compco Corporation v. Day-Brite Lighting, Inc.*,[160] *Sears, Roebuck & Co. v. Stiffel Co.*,[161] and *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*,[162] the U.S. Supreme Court strongly reaffirmed the public's right to copy subject matter not protected by a federal patent.[163]

In *Compco* and *Sears,* issued the same day, the Supreme Court squarely held that a state may not use unfair trade practice law to limit the public's right to copy any subject matter not protected by a federal patent.[164]

In *Compco*, Day-Brite Lighting brought an action against Compco Corp. for infringing its design patent for a lighting fixture and violating Illinois's unfair competition laws by copying the product configuration that was claimed in its design patent.[165] The district court held that Day-Brite's design patent was invalid.[166] However, even though Compco Corp. had shown good faith by taking numerous steps to prevent consumer confusion, the district court found Compco Corp. guilty of violating Illinois's unfair

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158. *See id.* at 256 (citing Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111, 117-20 (1938); Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169, 185).

159. *See id.* at 256 (emphasis added).

160. 376 U.S. 234 (1964).

161. 376 U.S. 225 (1964).

162. 489 U.S. 141 (1989).

163. *See id.* at 157; *Compco*, 376 U.S. at 237; *Sears*, 376 U.S. at 231.

164. *See Compco*, 376 U.S. at 238; *Sears*, 376 U.S. at 232-33. The Supreme Court reasoning in both *Compco* and *Sears* was reaffirmed in *Bonito Boats;* the unanimous opinion written by Justice Sandra Day O'Connor in *Bonito Boats* strongly rebuked those lower courts that had questioned the public's right to copy inventions disclosed in expired patents, provided the copier takes reasonable steps to prevent consumer confusion as to source. *See Bonito Boats*, 489 U.S. at 165.

165. *Compco*, 376 U.S. at 234-35 (1964).

166. *See id.* at 235.

competition law, which protects "a design [that] identifies its maker to the trade . . . even though the design is unpatentable."[167]

While accepting the lower court's findings of fact, the Supreme Court emphatically held that "state law may not forbid others" from copying "an article unprotected by patent or copyright."[168] Moreover, if "the design is not entitled to a design patent or other federal statutory protection . . . it can be copied at will" and "in every detail."[169]

The Supreme Court held that federal patent policy "found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes" allows "free access to copy whatever the federal patent and copyright laws leave in the public domain."[170] As such, state law can only require "precautionary labeling" and impose "liability upon those who, knowing that the public is relying upon an original manufacturer's reputation for quality and integrity, deceive the public by palming off their copies as an original."[171]

In *Sears, Roebuck & Co. v. Stiffel Co.*,[172] Stiffel Co. sued Sears alleging that Sears had infringed its design and utility patents for a pole lamp design.[173] In addition, Stiffel asserted that Sears violated the Illinois unfair competition law by copying its design, which had caused consumer confusion regarding the source of the Sears' lamps.[174] The trial court found that Sears had not taken proper steps to identify its lamps and that actual consumer confusion existed regarding the source of the lamps.[175] Although the trial court held that Stiffel's patents were invalid, Sears was found guilty of unfair competition because Sears's lamp was "a substantially exact copy" of Stiffel's lamp, which created a likelihood of consumer confusion.[176] Moreover, on appeal, the circuit court held that Illinois's unfair competition law does not require "palming off" but merely that there was "a 'likelihood of confusion as to the source of the products'—that the two articles were sufficiently identical that consumers did not tell who made a particular one."[177]

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167. *Id.* at 235-36, 237.
168. *Id.* at 237.
169. *Id.* at 238.
170. *Id.*
171. *Id.*
172. Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964).
173. *See id.*
174. *See id.* at 226.
175. *Id.*
176. *Id.*
177. *Id.* at 227.

The Supreme Court held that "a State could not, consistently with the Supremacy Clause of the Constitution, extend the life of the patent beyond its expiration date or give a patent on an article which lacked the level of invention required for federal patents" because doing so would undermine "the policy of Congress of granting patents only to true inventions, and then only for a limited time."[178]

While the Supreme Court's decision fundamentally rested on the Supremacy Clause, the Court unambiguously reaffirmed that "when the patent expires the monopoly created by it expires, too, and the right to make the article—including the right to make it in precisely the shape it carried when patented—passes to the public."[179] The Supreme Court explained, "An unpatentable article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever it chooses to do so."[180] As a result, the public has a right to possess, and a deep interest in sharing, "in the goodwill of an article unprotected by patent or trademark."[181]

In *Bonito Boats Bonito Boats, Inc. v. Thunder Craft Boats, Inc.,*[182] the Supreme Court reaffirmed the permanence of the right to copy subject matter not protected by a patent. The Supreme Court held that a Florida statute preventing the copying of unpatented boat hull designs impermissibly intruded upon federal patent law.[183] Writing for the majority, Justice O'Connor provided an in-depth history of the Supreme Court's jurisprudence regarding the Patent Clause, and questioned the troubling and "puzzling" opinion of the Court of Appeals for the Federal Circuit in *Interpart Corp. v. Italia*[184] that "a California law prohibiting the use of the 'direct molding process' to duplicate unpatented articles poses no threat to the policies behind the federal patent laws."[185]

Beginning with a substantive review of the Supreme Court's prior holdings regarding the constitutional basis for awarding patents and the right to copy subject matter not protected by a federal patent, Justice O'Connor noted, "The Patent Clause itself reflects a balance between the need to encourage innovation and the avoidance of monopolies which stifle competition without any

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178. *Id.* at 231.

179. *Id.* at 230 (citing Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111, 120-22 (1938); Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169, 185 (1896)).

180. *Sears*, 376 U.S. at 231.

181. *Id.* (quoting Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111, 122 (1938)).

182. 489 U.S. 141 (1989).

183. *See id.* at 168.

184. 777 F.2d 678 (Fed. Cir. 1985).

185. *Bonito Boats*, 489 U.S. at 144.

concomitant advance in the 'Progress of Science and useful Arts.'"[186] As a result, "[t]he federal patent system thus embodies a carefully crafted bargain for encouraging the creation and disclosure of new, useful, and nonobvious advances in technology and design in return for the exclusive right to practice the invention for a period of years."[187] Moreover, the Supreme Court held that "Congress may not create patent monopolies of unlimited duration, nor may it 'authorize the issuance of patents whose effects are to remove existent knowledge from the public domain, or to strict free access to materials already available.'"[188] Consequently, "upon expiration of [a patent], the knowledge of the invention inures to the people, who are thus enabled without restriction to practice it and profit by its use."[189]

Moreover, "[a]t the heart of *Sears* and *Compco* is the conclusion that the efficient operation of the federal patent system depends upon substantially free trade in publicly known, unpatented design and utilitarian concepts."[190] Thus, while states are free to protect the public from the intentional passing off of goods, state laws may not offer "'the equivalent of a patent monopoly, in the functional aspects of a product which has been placed in public commerce absent the protection of a valid patent."[191] The Supreme Court further held that "*Sears* and *Compco* protect more than the right of the public to contemplate the abstract beauty of an otherwise unprotected intellectual creation—they assure its efficient reduction to practice and sale in the marketplace."[192]

Finally, the Supreme Court unambiguously addressed the Federal Circuit's *Interpart* proposition that "the patent laws say 'nothing about the right to copy or the right to use.'"[193] Writing for a unanimous Supreme Court, Justice O'Connor pointedly stated that "[f]or almost 100 years it has been well established that in the case of an expired patent, the federal patent laws *do* create a federal right to 'copy and to use.'"[194] Justice O'Conner concluded, "The *Interpart* court's assertion to the contrary is puzzling and

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186. *Id.* at 146.

187. *Bonito Boats*, 489 U.S. at 151. (quoting United States v. Dubilier Condenser Corp., 289 U.S. 178, 186-87 (1933)).

188. *Id.* at 146 (quoting Graham v. John Deere Co., 383 U.S. 1, 6 (1966)).

189. *Bonito Boats*, 489 U.S. at 151 (quoting United States v. Dubilier Condenser Corp., 289 U.S. 178, 186-87 (1933)).

190. *Bonito Boats*, 489 U.S. at 156.

191. *Id.*

192. *Id.* at 164.

193. *Id.* at 163 (citing Interpart Corp. v. Italia, 777 F.2d 678, 685 (Fed. Cir. 1985)).

194. *Id.* at 165 (emphasis in original).

flies in the face of the same court's decisions applying the teaching of *Sears* and *Compco* in other contexts."[195]

Sears, *Compco* and *Bonito Boats* clearly assert the federal preeminence over the right to copy and use subject matter not protected by federal patents, while preserving a state's right to combat deceptive trade practices. Although *Bonito Boats* did not address the right to copy ornamental designs, except to note that "[t]rade dress is . . . potentially the subject matter of design patents,"[196] this statement should not be read as an endorsement. Instead, the Supreme Court unquestionably reaffirmed the right to slavishly copy the claimed subject matter of expired utility and design patents.[197]

Indeed, the Supreme Court's unanimous and unequivocal chastisement of the lower courts that question the public's right to copy and use inventions claimed in expired patents should be read as calling into question any attempts to apply unfair trade law to extend a patent monopoly or to remove an invention claimed in an expired patent from the public domain.

While recognizing a potential overlap of trade dress and design patent protection, the Supreme Court strongly reaffirmed the right to copy inventions previously protected by an expired patent. Consistent with the Supreme Court's previous decisions in *Singer, Kellogg*, and *Scott Paper*, the Supreme Court's only admonishment was that the copier should take reasonable steps to prevent consumer confusion. Thus, on balance, the public policy behind the Supreme Court's *Sears*, *Compco* and *Bonito Boats* decisions strongly support the right of the public to possess the subject matter of an expired patent while reducing the burden copiers must meet to overcome potential unfair trade concerns.

IV. LOWER COURTS IN CONFLICT WITH THE U.S. SUPREME COURT

Despite the U.S. Supreme Court's consistent pronouncement of the right to copy an invention claimed in an expired patent, the lower federal courts have eroded the public's right to copy by allowing patentees to assert trade dress rights in inventions

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195. *Id.* at 154.

196. *See id.* at 154 (citing W. T. Rogers Co. v. Keene, 778 F.2d 334, 337 (7th Cir. 1985).

197. *See* Bonito Boats Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. at 152 (citing Coats v. Merrick Thread Co., 149 U.S. 562, 572 (1893) (stating the Supreme Court has "long held that after the expiration of the federal patent, the subject matter of the patent passes to the free use of the public as a matter of federal law.")) As discussed above, in *Coats*, the Supreme Court rejected a claim of unfair competition, instead holding that the public had the right to make and use an expired design patent. *See* Coats v. Merrick Thread Co., 149 U.S. 562, 572.

claimed in their patents.[198] Numerous lower courts have held that patent owners may assert trade dress rights to product configurations previously protected by design patents.[199] Some lower courts even have gone so far as to hold that the existence of a design patent is probative evidence of the non-functionality of the claimed trade dress because a design patent only protects the non-functional, ornamental elements of designs.[200]

A. Lower Courts Ignore the Right to Copy

1. *In re Mogen David* Departs from U.S. Supreme Court Precedent

In *In re Mogen David Wine Corp.,* the Court of Customs and Patent Appeals held in 1964 that the holder of an expired design patent was not barred from registering the previously patented product configuration on the Principal Register of the Lanham Act.[201] In 1950, Mogen David received a design patent for a wine decanter bottle configuration.[202] Following several years of successful commercial use and just prior to the expiration of its design patent, Mogen David Winery filed an application to register the configuration of the design patent on the Principal Register. During examination of the trademark registration application, the Examining Attorney rejected the registration application, concluding that the "container per se did not in fact function as a trademark to indicate origin of the goods in the applicant."[203] While rejecting the Examining Attorney's reasoning on appeal, the Trademark Trial and Appeal Board (TTAB) sustained the rejection.[204] The TTAB reasoned that because the bottle form was the subject of a previous design patent, permitting the registration of a previously patented design configuration on the Principal Register would amount to an impermissible extension of the patent monopoly.[205]

On appeal of the TTAB's decision to the Court of Custom Appeals and Patents, Mogen David Winery argued that the

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198. *See, e.g.*, *id.* at 23.

199. *See, e.g.*, Krueger Int'l Inc. v. Nightingale Inc., 915 F. Supp. 595 (S.D.N.Y. 1996).

200. *See, e.g.*, Topps Co. Inc. v. Gerrit J. Verburg Co., No. 96- Civ.7302, 1996 U.S Dist. LEXIS 18556, at *26 (S.D.N.Y. Dec. 13, 1996) (citing *In re* Morton-Norwich Prods., Inc., 671 F.2d 1332, 1342 n.3 (C.C.P.A.1982)).

201. *See In re* Mogen David Wine Corp., 328 F.2d 925, 932 (C.C.P.A. 1964).

202. *See id.* at 926 n.2 (citing U.S. Des. Pat. No. 158,213 (issued Apr. 1. 1950)).

203. *See id.* at 927.

204. *Id.*

205. *See In re* Mogen David Wine Corp., 134 U.S.P.Q. 576, 578 (T.T.A.B. 1962) (holding that Mogen David's bottle design was only registrable on the Supplemental Register).

protection afforded under the patent law was separate from the protection allowed under the Lanham Act.[206] The court agreed, holding that:

> A design patent is a hybrid which combines in itself features of both a patent and a copyright. From the patent it borrows the peculiarity that it is industrial and that its exclusive right is one to 'make, use and vend' as distinguished from the copyright which reserves the right to copy and represent the work to the public. Similar to the copyright its purpose is not to protect a technical idea but to protect an artistic or ornamental form. The design must be ornamental and is, of course, non-functional in nature; during and after the life of the patent protection may be granted against unfair competition on the ground of secondary meaning.[207]

As a result, the court held that patent law does not limit the ability of an applicant to register as a trademark a design configuration protected by a design patent.[208]

Ignoring the U.S. Supreme Court's earlier decisions in *Singer, Kellogg*, and *Scott Paper*, the court went on to hold, "The goodwill of the patentee survives the patent." The court reasoned that a manufacturer may obtain trademark protection for "non-functional decorative features which have acquired secondary meaning or by dress such as a label or wrapper of peculiar design by which the article and its maker have become associated in the public mind. . . . They are property of the patentee which survives the patent."[209]

To justify its reasoning, the court further held,

> [T]rademark rights, or rights under the law of unfair competition, which happen to continue beyond the expiration of a design patent, do not "extend" the patent monopoly. They exist independently of it, under different law and for different reasons. The termination of either has no legal effect on the continuance of the other. When the patent monopoly ends, it ends. The trademark rights do not extend it. We know of no provision of patent law, statutory or otherwise, that guarantees to anyone an absolute right to copy the subject matter of any expired patent. Patent expiration is nothing more than the cessation of the patentee's right to exclude held under the patent law.[210]

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206. *See id.* at 928-29.

207. *See id.* (adopting the reasoning of Callmann in Vol. 1, *Unfair Competition and Trademarks* (2d Edition, 1950), at 252-53).

208. *Id.* at 929.

209. *Id.* at 928.

210. *See id.* at 930.

2. *In re Honeywell*: Error Feeding on Itself

Just prior to the expiration of Honeywell's design patent that protected a thermostat configuration having a smooth outer ring and a center disk portion, Honeywell sought to obtain a U.S. trademark registration for the patented design's product configuration trade dress.[211] Both the Examining Attorney in the U.S. Trademark Office and the TTAB rejected Honeywell's trademark registration application, each reasoning that the subject matter protected by an expired design patent was not eligible to be registered as a trademark.[212] On appeal to the Court of Customs and Patent Appeals, the U.S. Solicitor General argued that the U.S. Supreme Court's decisions in *Singer*, *Kellogg*, and *Scott Paper* precluded trademark protection of the subject matter of an expired patent because upon expiration of the patent the invention is dedicated to the public.[213] Furthermore, granting trademark protection would effectively "extend the rights to exclude that had existed during the life of [the] patent, contrary to the purpose and intent of the patent law."[214]

Rejecting the U.S. Solicitor General's arguments, the court reasoned that the holdings of *Singer*, *Kellogg*, and *Scott Paper* were distinguishable because those cases concerned functional subject matter disclosed in a utility patent, while Honeywell's product configuration trade dress was disclosed in a design patent.[215]

Drawing upon its earlier holding in *In re Mogen David*, the court rejected the Solicitor General's contention that registration of the subject matter of a design patent was "an impermissible extension of rights" because trademark rights "exist independently" of patent law. The court reasoned that "federal design patent laws were created to encourage the invention of ornamental designs" while "[f]ederal trademark laws . . . seek to prevent the public from encountering confusion, mistake, and deception in the purchase of goods and services and to protect the integrity of the trademark owner's product identity."[216] In addition, the court found that the U.S. Supreme Court's opinions in *Sears* and *Compco* were not "pertinent to . . . the issue of registrability

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211. *See In re* Honeywell, 497 F.2d 1344, 1345 (C.C.P.A. 1974).

212. *See id.* at 1347. The Examining Attorney also rejected registration because the design was functional; however, the TTAB did not initially address that issue until the case was remanded. *See id.* at 1349.

213. *See id.* at 1347.

214. *Id.*

215. *See id.* By definition, design patents only protect non-functional ornamental articles of manufacture. *See* 35 U.S.C. § 171 (2006).

216. *See In re Honeywell*, 497 F.2d at 1348.

for federal trademark protection" because they "were concerned with the conflict between a state's law of unfair competition and federal patent law."[217] As a result, the court held that recognition of federal trademark rights would not impermissibly extend a patent monopoly and that as a matter of law the subject matter of a design patent could be registered as a trademark on the Principal Register.[218]

3. Functionality Doctrine: A Failed Attempt to Pull Back From the Precipice

In *In re Morton-Norwich Products*,[219] the Court of Customs and Patent Appeals articulated the judicially created "functionality doctrine" in an attempt to limit the harm to competition and to the U.S. Constitution's Patent Clause by the collision between patent law and trade dress law.[220]

Morton-Norwich Products sought to register a spray top liquid container configuration as a trademark for various liquid products, the functional aspects of which were covered by a utility patent.[221] Morton-Norwich Products also owned a U.S. design patent for the ornamental configuration of the spray top container, which was the trademark to be registered.[222]

Ignoring the U.S. Supreme Court's well-settled principal that configurations not protected by patents or copyright may be slavishly copied, the court held that "public policy" does not recognize the "right to slavishly copy articles which are not protected by patent or copyright, but the need to copy those articles, which is more properly termed the right to compete effectively."[223] Equating "functionality" and "utility" with the "ability to compete," the court held that product configurations previously claimed in an expired patent may be protected as trade dress if they are non-functional.[224] Striking a so-called balance between the right to copy and trade identification, the court reasoned that "the right to compete through imitation gives way

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217. *Id.* at 1349.

218. *See id.* Honeywell's application was eventually denied. *See In re* Honeywell Inc., 532 F.2d 189 (C.C.P.A. 1976). However, in 1988, Honeywell's persistent efforts resulted in registration of its thermostat design configuration. *See In re* Honeywell Inc., 1988 TTAB LEXIS 38 (1988).

219. *Id.* at 1334.

220. *In re* Morton-Norwich Prods., 671 F.2d 1332, 1337 (C.C.P.A. 1982).

221. *See id.* at 1334.

222. *Id.*

223. *See id.* at 1339.

224. *See id.* at 1337-41.

. . . to prevent others from infringing upon an established symbol of trade identification."[225]

4. Limiting the Overreach of Product Configuration Trade Dress

In *Vornado Air Circulation Systems, Inc. v. Duracraft Corp.*,[226] the Tenth Circuit Court of Appeals held that even though a product configuration may be non-functional, the product configuration is not eligible for trade dress protection if it is "a significant inventive component of an invention covered by a utility patent."[227] Vornado Air Circulation Systems manufactured household fans that included a spiral grill structure.[228] Although spiral grills were known in the art, Vornado successfully obtained a patent that "claim[ed] a fan with multiple features, including the spiral grill."[229] While declining to sue for patent infringement, Vornado alleged that Duracraft intentionally copied its unregistered product configuration trade dress.[230] The district court found "that the grill design was a suggestive symbol combined with a device, and thus inherently distinctive."[231] As a result, the court held that the grill "could be . . . protected against copying by competitors, because that copying was likely to confuse consumers."[232] Consequentially, the court issued an injunction, which effectively enjoined Duracraft "from ever practicing the full invention embodied in the patented fan."[233]

While stating that it might be possible to distinguish the U.S. Supreme Court's decisions in *Sears*, *Compco*, *Bonito Boats*, and *Kellogg*, nevertheless, the Tenth Circuit concluded that the "clear and continuing trend" of the decisions was "collectively manifest in favor of the public's right to copy,"[234] which "must prevail over unfair competition concerns about consumer confusion where those concerns arose solely from the product copying."[235]

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225. *See id.* at 1337.

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

227. *Id.* at 1500.

228. *Id.*

229. *Id.*

230. *Id.* at 1499-1500 & n.1.

231. *Id.* at 1502.

232. *Id.*

233. *Id.* at 1500.

234. *Id.* at 1505.

235. *Id.* at 1504 (citing Clamp Mfg. Co. v. Enco Mfg. Co., 870 F.2d 512, 516-17 (9th Cir.), *cert. denied*, 493 U.S. 872 (1989); *In re* Bose Corp., 772 F.2d 866, 872 (Fed. Cir. 1985); *In re* Morton-Norwich Prods., Inc., 671 F.2d 1332, 1339 (C.C.P.A. 1982); *In re* Cabot Corp., 15 U.S.P.Q.2d 1224, 1228 (T.T.A.B. 1990)).

Comparing the purposes of patent and trademark law, the Tenth Circuit concluded that the functionality doctrine did "not eliminate [the] overlap between the Patent Act and the Lanham Act" because "it conceivably could allow one producer to permanently appropriate any distinctive patented invention for exclusive trademark or trade dress use as soon as its patent expired and sufficient alternatives became available to make the invention no longer one of the few superior designs."[236] In the end, "trade dress protection can interfere with the public's ability to practice patented inventions after the patents have expired, and it undermines the principle that ideas in the public domain should stay there." As a result, "the inability freely to copy significant features of patented products after the patents expire impinges seriously upon the patent system's core goals, even when those features are not necessary to competition."[237]

Conversely, trademark and trade dress protection prevent deception and unfair competition while promoting competition and product quality.[238] Yet, the Tenth Circuit explained that Congress did not intend to provide expansive protection to unregistered product configuration.[239] In fact, the court observed that:

> consumer confusion resulting from the copying of product features is, in some measure, a self-fulfilling prophecy. To the degree that useful product configurations are protected as identifiers, consumers will come to rely upon them for the purpose, but if copying is allowed, they will depend less on product shapes and more on labels and packaging.[240]

While a producer's goodwill may be harmed by copying due to confusion caused by similar product configurations, the court concluded that unfair competition law is not intended to "provide absolute protection against all consumer confusion as to source or sponsorship."[241]

The Tenth Circuit reasoned that "it would defy logic to assume there are not almost always many more ways to identify a product than there are ways to make it."[242] As a consequence, when a

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236. *Vornado*, 58 F.3d at 1507.

237. *Id.* at 1508 (stating that patent law has three policy goals: "First, patent law seeks to foster and reward invention; second, it promotes disclosure of inventions to stimulate further innovation and to permit the public to practice the invention once the patent expires; third, the stringent requirements for patent protection seek to assure that ideas in the public domain remain there for the free use of the public."). *Id.* at 1507.

238. *Id.* at 1508.

239. *Id.* at 1508-09.

240. *Id.* at 1509-10.

241. *See id.* at 1509.

242. *See id.* at 1510.

particular feature has proven worthy of a patent, the "value as a product feature . . . exceed[s] its value as a brand identifier in all but the most unusual cases."[243] As a result, the court held:

> [W]here a disputed product configuration is part of a claim in a utility patent, and the configuration is a described, significant inventive aspect of the invention . . . so that without it the invention could not fairly be said to be the same invention, patent law prevents its protection as trade dress, even if the configuration is nonfunctional.[244]

B. Product Configuration and Product Packaging Trade Dress

Between 1990 and 2001, in *Two Pesos, Inc. v. Taco Cabana, Inc.*,[245] *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*,[246] and *TrafFix Devices, Inc. v. Marketing Displays, Inc.*,[247] the U.S. Supreme Court began to grapple with the push to expand trade dress protection. In *Two Pesos*, the Supreme Court broadly recognized federal protection for both product packaging and product configuration types of trade dress.[248] However, in *Wal-Mart*, the Supreme Court sharply restricted the ability to assert product configuration trade dress by holding that product configuration trade dress was inherently non-distinctive. As a consequence, the proponent of product configuration trade dress protection is always required to show that the product configuration is distinctive in order to be protectable.[249]

Despite an opportunity to settle the conflict between the public's right to copy inventions claimed in expired patents and emerging product configuration trade dress law, the Supreme Court instead relied on the "functionality doctrine," now embedded within the Lanham Act to determine the merits of the case on a non-constitutional basis.[250] The *TrafFix* decision left in place the ongoing split between the circuit courts regarding whether a patent owner can assert product configuration trade dress rights in an invention claimed in an expired patent. As a result, there

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243. *Id.*

244. *Id.*

245. 505 U.S. 763 (1992).

246. 529 U.S. 205 (2000).

247. 532 U.S. 23 (2001).

248. *See Two Pesos*, 505 U.S. at 784.

249. *See Wal-Mart*, 529 U.S. at 1341.

250. *See TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 35 (2001) (holding that a product design having "a particular appearance may be functional because it is essential to the use or purpose of the article or affects the cost or quality of the article" (internal quotes omitted)).

remains confusion in the lower courts over whether the public has a right to copy subject matter of an expired patent.

In *Two Pesos*, Taco Cabana, the plaintiff restaurant, sued former employees who had opened a competing Two Pesos restaurant.[251] Taco Cabana claimed under Section 43(a) of the Lanham Act[252] that Two Pesos infringed its unregistered trade dress by deliberately and intentionally copying its restaurant trade dress.[253] As a result, Two Pesos was alleged to have created "a likelihood of confusion on the part of ordinary customers as to the source or association of the restaurant's goods or services."[254]

The Supreme Court held that the restaurant's trade dress may be inherently distinctive and therefore entitled to immediate protection,[255] and that the Lanham Act does not provide a basis for distinguishing between trademark and trade dress.[256]

The Supreme Court rejected the Fifth Circuit's stated reluctance to protect trade dress because "an initial user of any shape or design would cut off competition from products of like design and shape" absent a showing that the proposed product configuration mark had attained secondary meaning.[257] Rather, the Supreme Court explained that "adding a secondary meaning requirement could have anticompetitive effects, creating particular burdens on the startup of small companies."[258]

However, the sweeping advance of protection seemingly afforded trade dress in *Two Pesos* was soon halted. In *Wal-Mart*, Samara Brothers, a designer and manufacturer of children's clothing, sued Wal-Mart for infringement of its unregistered design configuration trade dress under Section 43(a) of the Lanham Act.[259] Wal-Mart had asked its supplier to provide a line

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251. *See* 15 U.S.C. § 43(a) (1989).

252. *Id.*

253. *See Two Pesos*, 505 U.S. at 764-65.

254. *See id.* at 766. The fact that the defendant restaurant, Two Pesos, was founded and operated by former employees of Taco Cabana could infer bad faith on the part of the former employees, which, although not determinative, is often persuasive when determining the issue of trademark infringement.

255. *See id.* at 770.

256. *See id.* at 773. The court noted that to be immediately protectable, the trade dress must be nonfunctional and either inherently distinctive or have acquired secondary meaning.

257. *See id.* at 773. The Fifth Circuit Court of Appeals also held "that the design is legally functional, and thus not protectable, if it is one of a limited number of equally efficient options available to competitors and free competition would be unduly tendered by according them to sign trademark protection." *Id.* (citing Sicilia Di R. Biebow Co. v. Cox, 732 F.2d.417, 426 (1984)).

258. *See Two Pesos*, 505 U.S. at 775.

259. *See id.* at 207.

of children's clothing that was based upon photographs of Samara's clothing line.[260]

Writing for the Supreme Court's majority, Justice Scalia equated product configuration trade dress to the use of color as a trademark, which the Supreme Court had held previously could never be inherently distinctive.[261] Finding that product configuration trade dress is never inherently distinctive, the Court reasoned, "Although the words and packaging can serve subsidiary functions . . . their predominant function remains source identification."[262] However, in the case of product configuration, the Court opined that "consumer predisposition to equate the feature with the source does not exist" because consumers do not expect "the most unusual of product designs . . . to identify the source, but to render the product itself more useful or more appealing."[263]

Retreating from its earlier reasoning in *Two Pesos*, in *Wal-Mart* the Supreme Court found:

> The fact that product design almost invariably serves purposes other than source identification not only renders inherent distinctiveness problematic; it also renders application of an inherent-distinctiveness principal more harmful to other consumer interests. Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness.[264]

While recognizing that its decision in *Two Pesos* established that trade dress could be inherently distinctive, in *Wal-Mart*, the Supreme Court distinguished the facts of *Two Pesos* as relating to product packaging trade dress and not product configuration trade dress.

In *Wal-Mart*, the Supreme Court held that "an action for infringement of unregistered [product configuration] trade dress" requires "a showing of secondary meaning."[265] Moreover, the Supreme Court noted that in close cases, "courts should err on the

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260. *See id.* at 207-08.

261. Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 213 (2000) (citing Qualitex Co. v. Jacobson, 514 U.S. 159 (1995) (holding that although colors could be used as a trademark, color based marks are not inherently distinctive and require a showing of secondary meaning)).

262. *See Wal-Mart*, 529 U.S. at 212.

263. *Id.* at 213.

264. *Id.*

265. *Id.* at 216.

side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning."[266]

In *TrafFix*, the plaintiff, MDI, asserted product configuration trade dress rights in the functional aspects of an expired utility patent. Nevertheless, MDI claimed that its "dual-spring design" was a "non-functional" feature of the expired utility patent that seemed to identify its signs to its customers.[267]

The Supreme Court found that a prior "utility patent is strong evidence that the features therein claimed are functional."[268] As a consequence, a party "seek[ing] to establish trade dress protection [to elements of a utility patent] must carry the heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device."[269] Even so, writing for the majority, Justice Kennedy hypothesized that a different result might be obtained "where a manufacturer seeks to protect arbitrary, incidental, or ornamental aspects of features of a product found in the patent claims, such as arbitrary curves in the legs or an ornamental pattern painted on the springs. . . ."[270]

While the Supreme Court acknowledged that there was "a split among the Circuits on the issue of whether an expired utility patent forecloses the possibility of trade dress protection in the product's design,"[271] the Supreme Court decided the case on the narrow grounds of the statutory functionality doctrine.[272] In fact, the Supreme Court explicitly declined to address the constitutional issue raised by the public's right to copy an invention claimed in an expired patent.[273] Consequently, the issue will remain open for

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266. *Id.* at 215.

267. TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 25-26 (2001). The Supreme Court observed that a product configuration having "a particular appearance may be functional because it is essential to the use or purpose of the article or affects the cost or quality of the article." *Id.* at 35.

268. *Id.* at 27.

269. *Id.*

270. *Id.* at 34.

271. *See TrafFix*, 532 U.S. at 28.

272. *Id.*

273. *See id.* at 22-24. "TrafFix and some of its *amici* argue that the Patent Clause of the Constitution, Art. I § 8, cl. 8, of its own force, prohibits the holder of an expired utility patent from claiming trade dress protection. . . . We need not resolve this question. If, despite the rule that functional features may not be the subject of trade dress protection, a case arises in which trade dress becomes the practical equivalent of an expired utility patent, that will be time enough to consider the matter." *See id.* (citing Brief for Petitioner 33-36; Brief for Panduit Corp. as *Amicus Curiae* 3; Brief for Malla Pollack as *Amicus Curiae* 2.)

debate[274] until a case that is not resolvable under the functionality doctrine goes before the Supreme Court.

V. RIGHT TO COPY—PROTECTING THE PUBLIC DOMAIN FROM PRODUCT CONFIGURATION TRADE DRESS OVERREACH

A. The Public's Right to Possess Inventions Claimed in Patents Versus Potential Consumer Confusion

The lower courts should resist the encroachment of product configuration trade dress claims on the public's constitutionally-protected right to posses an invention upon expiration of a patent. As the Tenth Circuit recognized in *Vornado*, many lower courts have failed to interpret properly and apply the U.S. Supreme Court's jurisprudence regarding the right to copy the inventions of expired patents. Allowing owners of expired patents to perpetuate their claims of exclusivity through product configuration trade dress protection directly undermines the constitutional limits of patent protection.

While packaging trade dress can be inherently distinctive and immediately protectable and registrable, product configuration trade dress is not immediately protectable or registrable and always requires the proponent of protection to prove distinctiveness of the mark.[275] Indeed, the U.S. Supreme Court has questioned even the ability of product configuration trade dress to serve as an indication of source.[276] Even so, patent owners continue to press for an extension of their patent monopolies granted under the Patent Clause by resorting to product configuration trade dress protection. The effect is to extend the patent monopoly by resorting to protection only available through the expansion of the Commerce Clause power. While the founders could have provided for patent protection through the Commerce Clause, they chose instead to limit Congress's power to remove inventions from the hands of the public by providing a separate Patent Clause.

The fact remains that a claim to product configuration trade dress protection in features of an invention previously protected by an expired patent prevents the public from possessing the "full

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274. One potential fact scenario that would provide an opportunity to resolve the conflict between congressional power under the Patent Clause and Commerce Clause is a claim to product configuration trade dress protection of a feature claimed in a design patent.

275. *See* Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 216 (2000).

276. *Id.* at 215.

benefit" of the invention. In effect, the public is denied the consideration provided for in the constitutional bargain with the inventor as required by the Patent Clause. Moreover, if a patent owner is able to make a colorable case for trade dress protection, the public is subjected to the increased cost that accompanies restricted competition. Permitting the patent owner to renege on the Patent Clause bargain, in order to claim trade dress protection upon expiration of his patent, unduly prejudices the right of competitors to enter the market because the patent owner will have received an unfair advantage in the race to "secondary meaning."

The policy established in the Patent Clause requires that the public receive the "full benefit" of the invention upon expiration of the patent. As recognized in *Graham v. John Deere*, the Patent Clause is a grant of power to Congress that specifically limits the federal government's ability to preclude copying of inventions.[277] Once the public possesses an invention upon the expiration of the patent, neither the patentee nor Congress can withdraw the invention from the public domain.[278] The public is completely free to copy and use the invention and possess every residue and incident of ownership.[279]

The patent grant reflects a carefully balanced covenant agreement between the public and inventor that creates a right to possess intellectual property for a limited time.[280] Prior to disclosing the invention to the public, the inventor fully possesses and enjoys the benefit of the invention.[281] The public induces the inventor to disclose fully his invention by offering a continued period of monopoly exclusivity during which the inventor is permitted to commercially exploit and benefit from his invention to the extent he desires.[282] In exchange, the public receives a promise of future possession of the invention at the end of the patent's life. This concept is familiar to traditional property law. By analogy, a patent grant merely conveys a life estate *pour autre vie* to the inventor. The inventor's tenancy is measured by the life of the patent term. Once the patent expires, the public receives its remainder interest in the invention. During the life of the patent,

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277. *See* 383 U.S. 1, 5-6 (1966). *See also* Theodore H. Davis, Jr., *Copying in the Shadow of the Constitution: The Rational Limits of Trade Dress Protection*, 80 Minn. L. Rev. 595, 613-14 (1996).

278. *See* Pennock v. Dialogue, 27 U.S. 1, 19 (1829).

279. *See* Scott Paper Co. v. Marcalus Mfg. Co., 326 U.S. 249, 256 (1945).

280. *See, e.g., Bonito Boats*, 489 U.S. 141, 150-51 (1989); *see also* Todd R. Geremia, *Protecting the Right to Copy: Trade Dress Claims for Configurations in Expired Utility Patents*, 92 Nw. U.L. Rev. 779, 781 (1998).

281. *See Bonito Boats*, 489 U.S. at 151.

282. *See id.* at 150-51.

the patentee is permitted exclusive rights of use and enjoyment of the invention. However, upon expiration of the patent term, the public receives the invention. This includes any goodwill that may have inured to the patentee.[283] Otherwise, the public does not fully possess all the incidents of ownership, one of which is right to freely use the invention without interference by another.

Moreover, one of the primary purposes of the Patent Clause is to insure robust competition in the marketplace.[284] Allowing patentees to obtain trade dress rights via patent protection distorts and twists the "race to secondary meaning." The patent owner voluntarily chose to rely upon a statutory right of exclusivity instead of facing the uncertainties of the marketplace. Thus, the patentee should not be allowed to face down competition by threatening expensive litigation after the expiration of the patent.[285] Otherwise, the former patent owner may thwart all but the most tenacious of competitors.

B. Bright-Line Rule Between Patents and Trade Dress

To protect the public and to permit competition to thrive, the U.S. Supreme Court should adopt a bright-line rule that precludes product configuration trade dress protection for any product configurations that are claimed in an existing or expired design patent.[286] Such a brightly-drawn rule has several advantages over the inherently-flawed "functionality doctrine" now employed by the courts.

First, a bright-line test would preclude inventors from unfairly attempting to extend their period of market exclusivity to the detriment of the consuming public. The underling purpose of the U.S. patent system is to benefit the public. As the U.S. Supreme Court has repeatedly held, the public is entitled to possess the patented article and any accumulated goodwill residing therein upon expiration of the patent term.[287] Indeed, the Supreme Court has previously rejected a patentee's attempt to resort to another source of law to prevent the public from enjoying the goodwill "build up in the patented article."[288] Furthermore, the public policy embedded in the Patent Clause, as reflecting in the writings of the founding fathers, strongly suggests that the constitutional

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283. *See* Scott Paper Co. v. Marcalus Mfg. Co., 326 U.S. 249, 256 (1945).

284. *See Bonito Boats*, 489 U.S. at 156.

285. *See* Eco Mfg. v. Honeywell Int'l, 357 F.3d 649, 650 (7th Cir. 2003); *see also* Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 214 (2000).

286. *See* Geremia, *supra* note 280, at 779 (proposing a "bright line" test "precluding trade dress protection for product configurations disclosed in expired utility patents").

287. *See Scott Paper*, 326 U.S. at 256.

288. *Id.*

restrictions on Congress's patent power was intended specifically to prevent Congress from recognizing an unlimited monopoly of the kind represented by product configuration trade dress assertions, thereby thwarting the public's right to copy. As a result, congressional power to enact trademark protection under the Commerce Clause should not be expanded to allow a commercial entity to establish a virtually unending monopoly in new, useful and novel product designs.

Unlike the functionality doctrine, the proposed bright-line rule advantageously avoids "any confusion as to the right to copy a patented invention [that] may arise by virtue of the fact that a feature can switch back and forth between functional and non-functional with the vagaries of the marketplace."[289] Likewise, the bright-line rule avoids "potential . . . scenarios in which a commercially unimportant but patented configuration is deemed nonfunctional and registered as a trademark, and then later, because of a change in the direction of research and development, inventors wish to use the old technology taught by the expired patent but cannot, because of the trademark."[290]

Second, the bright-line rule would prevent costly litigation and improves the ability of consumers to differentiate between sources of products. Although competitors would experience greater freedom to copy inventions claimed in expired patents, the competitor will still have a duty to take reasonable steps to prevent consumer confusion.[291] As a result, patent holders would be encouraged to develop more traditional trademarks or even packaging trade dress, which have greater differentiation qualities and are generally more effective in reducing the likelihood of consumer confusion.

As a result, patent owners would be encouraged to improve their marking practices in order to develop and preserve goodwill that is associated with their traditional trademarks and packaging trade dress. Consequently, instead of increasing consumer confusion, improved product marking practices and development of traditional trademarks would actually make it easier for consumers to differentiate between products. Rather than relying on the relatively weak "candle light" provided by product configuration trade dress, consumers would be able to rely upon

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289. *See* Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1500, 1510 (10th Cir. 1995).

290. *Id.* at n.10.

291. A patent holder could preclude registration of the previous patented design configuration by registration on the Supplemental Register. *See In re* Mogen David Wine Corp., 134 U.S.P.Q. 576, 578 (T.T.A.B. 1962) (holding that Mogen David's bottle design was registrable on the Supplemental Register even though not registrable on the Principle Register of the USPTO).

the more illuminating traditional marking practices. Overall, the bright-line test would force competitors to compete in the marketplace based upon traditional brand identity and product quality rather than using trademark law and the courts to dissuade competitors from entering the market.

Third, a bright-line rule also strengthens the public contract and notice function of patents. Competitors will be more easily able to identify material that is available for copying without facing litigation to settle asserted product configuration trade dress disputes that could follow the expiration of patents. Without the risk of litigation, competitors will be free to offer the public the "full benefit" of an expired patent. Moreover, because product configuration trade dress is generally not a strong indicator of the source of goods, the negative impact of an increase in consumer confusion will likely be offset by the public's ability to enjoy of the use of an invention upon expiration of a patent.

Finally, the bright-line rule does not limit the possibility that competing parties will attempt to establish product configuration trade dress. Instead, competitors will be encouraged to promote brand identity through traditional means of developing goodwill. Moreover, product configurations that do achieve "secondary meaning" would do so without the unfair assistance of the market exclusivity guaranteed by the Patent Clause. Having reduced the likelihood that indications of "secondary meaning" are merely the after effect of patent monopolies, the public would be more likely motivated to respect the investment in goodwill. As a result, the public would tend to be more supportive of providing greater protection to fairly-obtained product configuration trade dress.

VI. CONCLUSION

The constitutional policy embedded in the Patent Clause should be recognized and supported by the federal courts. The foundational policy incorporated in trademark and fair trade law is to protect the consuming public from unscrupulous business practices. Consequently, courts should prefer free competition and good faith labeling over the protectionist impulses embodied in the attempt to expand product configuration trade dress protection to include the subject matter covered by a utility or design patent.

The proposed bright-line rule requires an inventor to elect between product configuration trade dress and patent protection. As suggested by the unanimous U.S. Supreme Court in *Wal-Mart*, an inventor may elect either the relative safety of design patent protection or undergo the rigors of the marketplace to develop

secondary meaning.[292] The Patent Clause is a carefully-crafted independent bargain; it is not merely a means to an end under the Commerce Clause.

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292. *See* Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 215 (2000).