

1991

"Conditional" Functionality: The New Standard For Evaluating "Aesthetic" Functionality Established By the Second Circuit In Wallace International Silversmiths, Inc. v. Godsinger Silver Art Co.

Mark I. Peroff

Liddy, Sullivan, Galway, Begler & Peroff

Nancy J. Deckinger

Liddy, Sullivan, Galway, Begler & Peroff

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**"CONDITIONAL" FUNCTIONALITY:
The New Standard For Evaluating
"Aesthetic" Functionality Established
By The Second Circuit In *Wallace
International Silversmiths, Inc. v.
Godinger Silver Art Co.***

Mark I. Peroff*
Nancy J. Deckinger**

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* Partner, Liddy Sullivan Galway Begler & Peroff, P.C.; B.A. 1969, University of Cincinnati; J.D. 1973, University of Cincinnati College of Law.

** Associate, Liddy Sullivan Galway Begler & Peroff, P.C.; B.A. 1971, Bard College; J.D. cum laude 1985, Benjamin N. Cardozo School of Law.

† Liddy Sullivan Galway Begler & Peroff represented the plaintiff in this action. This article, however, reflects only the present considerations and views of the authors, which should neither be attributed to the firm, nor to any of its present or former clients.

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I. OVERVIEW

The decision by the Second Circuit Court of Appeals¹ in *Wallace International Silversmiths, Inc. v. Godinger Silver Art Co.*,² a trade

1. The Second Circuit Court of Appeals in *Godinger* will be referenced as "the *Godinger* Court" or "the Court."

2. *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76 (2d Cir. 1990), *reh'g denied*, No. 90-7408 slip op. (2d Cir. Nov. 29, 1991), *cert. denied* (Apr. 22, 1991). This decision will be referenced as "*Godinger*," "the *Godinger* Decision," or "the Decision."

dress³ infringement case involving two silverware manufacturers, may well change the face of trade dress law in cases where ornamental design features are at issue.⁴ In *Godinger*, the plaintiff⁵ sought to enjoin the defendant⁶ from infringing the trade dress of its GRANDE BAROQUE silverware⁷ which was recognized as "one of the best-selling silverware lines in America."⁸

The Court affirmed the district court's⁹ denial of relief¹⁰ on the ground that the GRANDE BAROQUE trade dress was "aesthetically" functional.¹¹ Thus, the defendant could not be enjoined from marketing its 20TH CENTURY BAROQUE product line even though:

1. the GRANDE BAROQUE pattern had acquired secondary meaning¹²
2. the goods were "virtually identical",¹³ and
3. the trade dresses were "substantially similar".¹⁴

In considering *Godinger's* "aesthetic" functionality defense, the Court specifically rejected a test known as the "important ingredient" test, one which other courts had found synonymous with "aes-

3. The "trade dress" of a product involves the overall look of the product and/or the overall look of the product's packaging. Elements of a trade dress may include, *inter alia*, the texture, the shape, the color, the material and the ornamental designs on the product itself or the product's packaging. *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir. 1985) (citing *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)).

4. The trade dresses at issue are depicted *infra* section II(A).

5. The plaintiff will be referenced as "Wallace" or "the plaintiff".

6. The defendant will be referenced as "Godinger" or "the defendant".

7. Like the Plaintiff's sterling silver GRANDE BAROQUE pattern, the Defendant's silver-plated 20TH CENTURY BAROQUE pattern consisted of typical "baroque style" design elements. As one silver historian has explained, "[t]he term Baroque, in its modern, neutral sense, includes broad sweeping ornamentation, bold and pronounced. . . ." A. SOMERS COCKS, *Baroque Silver, 1610-1725*, in *THE HISTORY OF SILVER* 95 (C. Blair ed. 1987). Elaborate embossed scrolls and floral patterns are generic elements which comprise the baroque style. *See id.* at 94-123.

8. *Godinger*, 916 F.2d at 77.

9. The *Godinger* district court decision will be referred to as "the District Court" or "the *Godinger* District Court".

10. *Wallace International Silversmiths, Inc. v. Godinger Silver Art Co.*, 735 F. Supp. 141, 144-45 (S.D.N.Y. 1990).

11. *Godinger*, 916 F.2d at 81-82. While the Court's denial of injunctive relief was clear, the basis for the denial is not readily apparent. At the beginning of the Decision, the Court explained that the GRANDE BAROQUE design was completely unprotectible. *Id.* at 77. Yet, at the end of the Decision, the Court stated that the design would have been protectible had the challenged design been "identical or virtually identical". *See infra* Section V(A).

12. *See infra* note 37.

13. *Godinger*, 916 F.2d at 77.

14. *Godinger*, 735 F. Supp. at 142.

thetic" functionality.¹⁵ In its place, the *Godinger* Court appears to have formulated a new test for evaluating "aesthetic" functionality.¹⁶ This new test will be referred to as the "conditional" functionality test.

The "important ingredient" test had mandated a preliminary inquiry as to whether the aesthetic appeal of the ornamental designs on the product's trade dress had "contributed" to the sale of the product. If the answer to that question was "yes", then trade dress protection was denied.¹⁷ The application of this inflexible rule often yielded harsh results.¹⁸

However, the newly crafted "conditional" functionality test does not appear to be much more liberal than the "important ingredient" test. The *Godinger* Court seemingly mandates a "two-step" analysis where the initial inquiry is whether the design *elements* of the product's trade dress are commonly used by competitors. If they are, the court must then determine whether the defendant's design is "identical or virtually identical". The court may only grant trade dress protection if the designs are found to be "identical or virtually identical".

Under *Godinger*, where ornamental features are found to be commonly used by competitors, the ultimate finding of functionality will therefore be conditioned upon the circumstances. For example, in situations where a defendant's design is "identical or virtually identical", the plaintiff's design will be "non-functional". Conversely, in situations where a defendant's design is merely "substantially similar", the plaintiff's design will be "functional".¹⁹ The *Godinger* Court appears to have created a new standard for evaluating "aesthetic" functionality which, it is suggested, can therefore best be referred to as "conditional" functionality.

It is submitted that the application of a "conditional" functionality analysis could potentially allow the concurrent marketing of "confusingly similar" designs. Theoretically, any defendant could readily defeat an infringement claim by merely making minor changes to a plaintiff's trade dress such that its "new" design was not "virtually identical" to the original. This could result in the co-existence of designs which are not only "substantially similar" but also "confusingly similar". This could occur because "substantially similar" trade dresses are often "confusingly similar".²⁰ Paradoxically, this result could well discourage free competition and encourage unfair competition to the detriment of designers, manufacturers, and con-

15. See *infra* section III(B)(2)(a).

16. *Godinger*, 916 F.2d at 81-82.

17. See *infra* section III(B)(2)(a).

18. See *infra* section III(B)(3)&(4).

19. *Godinger*, 916 F.2d at 82.

20. See *infra* sections V(B)-(D).

sumers alike.²¹

It is further submitted that any functionality analysis is inapplicable to an evaluation of ornamental designs because competitive need is a prerequisite to functionality and no such need exists in the case of a design that is purely ornamental. Since competitors are *always* free to *create their own* designs by *merely rearranging* the composite elements of an earlier design, there is no need for slavish copying of any ornamental design in its entirety.²²

Moreover, it appears that the Court's initial inquiry mandated by the newly formed "conditional" functionality test contravenes the basic tenet of the doctrine of functionality that a court should only evaluate a trade dress in its *entirety*.²³ It further appears that the second inquiry contravenes another basic tenet that a finding of functionality should be unconditional and should not be conditioned upon the degree to which the challenged design resembles the original.²⁴

This article will provide a brief discussion of the trade dresses at issue and the District Court decision.²⁵ The article will then discuss the evolution of the doctrine of "aesthetic" functionality²⁶ and an alternative approach to evaluating the protectability of ornamental features.²⁷ The article will also discuss the apparent tension between *Godinger* and recent Second Circuit precedent.²⁸ Thereafter, the article will explore the far-reaching implications and inherent paradoxes of the Decision.²⁹ Finally, an analysis of the Decision will serve as a springboard for the following two-fold proposal with respect to cases apposite to *Godinger*:

1. "aesthetic" functionality, "conditional" functionality, and even "utilitarian" functionality, should all be rejected and in their stead,

21. See *infra* section V(E).

22. See *infra* sections V(I)(1)&(2).

23. See *infra* section V(H)(1). This tenet underlies not only the law of functionality, but also all other aspects of trademark law. As the Tenth Circuit has explained, any analysis of a trade dress entailing the dissection of the constituent design elements is "alien to the policies of the Lanham Act." *Hartford House, Ltd. v. Hallmark Cards, Inc.*, 846 F.2d 1268, 1272-73 (10th Cir.), *cert. denied*, 488 U.S. 908 (1988) (quoting *Hartford House Ltd. v. Hallmark Cards, Inc.* 647 F. Supp. 1533, 1539 (D. Colo. 1986)).

24. See *infra* section V(A).

25. See *infra* section II.

26. See *infra* sections III(B)(1)&(2).

27. See *infra* section III(A).

28. See *infra* section III(B)(4).

29. Notwithstanding that *Godinger* dealt with a very discrete class of goods, "baroque silverware", the Decision does not contain any suggestion that it is limited to the facts of this case.

2. the "merely ornamental" rule³⁰ and the "Polaroid Factors"³¹ should be applied.

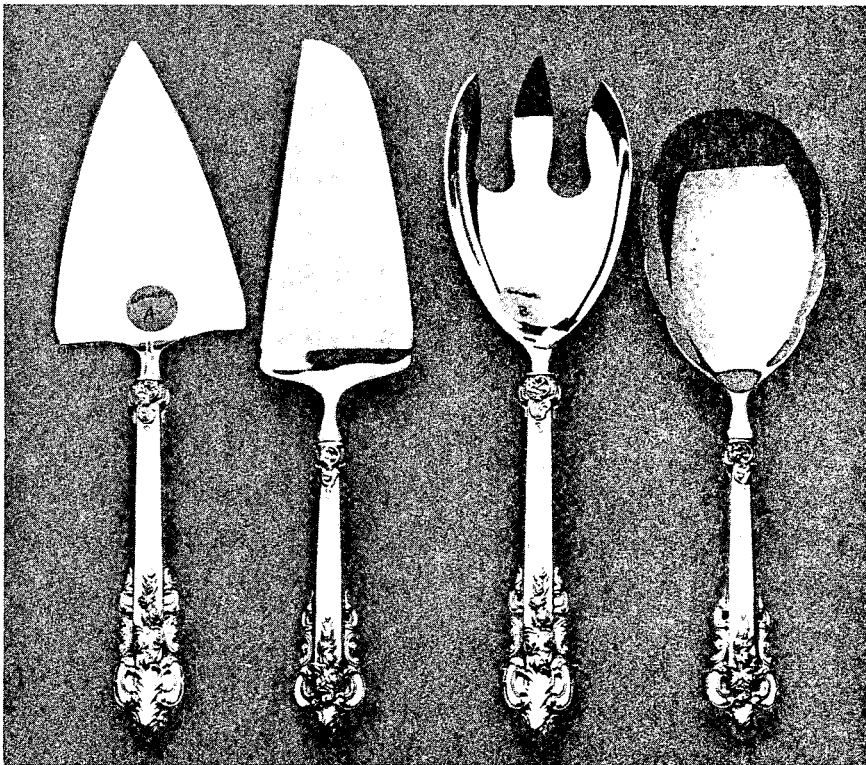
It is submitted that this approach would not only prevent the unwarranted appropriation of ornamental designs, but would also prevent the marketing of confusingly similar trade dresses thereby simultaneously furthering the underlying purposes of both the doctrine of functionality and the Lanham Act.

II. BACKGROUND

A. *The Trade Dresses at Issue*

"Every man was not born with a silver spoon in his mouth."³²

"Yes, some are silver-plated copies."³³



The Godinger patterns are first and third from the left.

30. See *infra* section III(A)(2).

31. See *infra* section V(B).

32. M. CERVANTES, *DON QUIXOTE DE LA MANCHA* 926 (Ozell's rev. ed. 1950) (1605).

33. Anon.

1. The GRANDE BAROQUE Trade Dress

a. Description

In describing the Plaintiff's decorative product design, the District Court had observed that the pattern "is ornate, massive and flowery: it has indented, flowery roots and scrolls and curls along the side of the shaft, and flower arrangements along the front of the shaft."³⁴ It succinctly stated that "[i]n a word, it is 'Baroque'."³⁵ A complete set of Wallace's GRANDE BAROQUE sterling silver product line retails for several thousand dollars.³⁶

b. History/Secondary Meaning³⁷

The District Court did not challenge the Plaintiff's assertion that its GRANDE BAROQUE pattern had acquired secondary meaning. Indeed, it stated:

I assume for purposes of this motion that anyone that sees, for instance, five lines of Baroque silverware will single out the Wallace line as being the "classiest" or the most handsome looking and will immediately exclaim "Oh! That's the Wallace line. They make the finest looking 'Baroque' forks!" *That is secondary meaning.*³⁸

The *Godinger* Court apparently saw no need to reverse this finding.³⁹ In fact, the Court observed that in 1990, the GRANDE BAROQUE pattern had been on sale continuously for the past fifty years and that it was one of the most popular silverware patterns in the country with sales in excess of fifty million dollars.⁴⁰

More than forty years ago, in *R. Wallace & Sons Mfg. Co. v. Ellmore Silver Co.*,⁴¹ a federal district court made the GRANDE BA-

34. *Godinger*, 735 F. Supp. at 142. The Second Circuit adopted this description. *Godinger*, 916 F.2d at 77.

35. *Godinger*, 735 F. Supp. at 142.

36. *Godinger*, 916 F.2d at 77.

37. A trade dress is said to have acquired "secondary meaning" when it can be demonstrated that an appreciable number of consumers associate the product in question primarily with a particular source. See, e.g., *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 851 n.11 (1982); *Yarmouth-Dion, Inc. v. D'ion Furs, Inc.*, 835 F.2d 990, 993 (2d Cir. 1987).

The factors which a court evaluates are:

(1) sales success; (2) the senior user's advertising expenditures; (3) unsolicited media coverage of the product; (4) consumer surveys; (5) intentional copying of the product; and (6) length and exclusivity of the product in the market.

PAF S.r.l. v. Lisa Lighting Co., Ltd., 712 F. Supp. 394, 403 (S.D.N.Y. 1989). All factors need not be proved. *Id.*

38. *Godinger*, 735 F. Supp. at 144-45 (emphasis added).

39. See *Godinger*, 916 F.2d 76.

40. *Id.* at 77.

41. *R. Wallace & Sons Mfg. Co. v. Ellmore Silver Co.*, 91 F. Supp. 703 (D. Conn.

ROQUE pattern's tremendous commercial success a matter of public record, explaining that: "[s]ales of \$7,000,000 (wholesale prices) over a scant nine-year period, during five of which materials and market were restricted by war-time conditions, seems very *substantial* indeed."⁴² The *R. Wallace* decision buttresses the later finding that the GRANDE BAROQUE pattern had acquired secondary meaning.⁴³

2. The 20TH CENTURY BAROQUE Trade Dress

Godinger's 20TH CENTURY BAROQUE product line had not been sold to the public at the time the action was instituted. It consisted of a set of four silver-plated serving pieces with a suggested retail price of twenty dollars.⁴⁴

The District Court observed that, "defendant admits that the products are substantially similar. In fact, defendant admits that it was 'aware of' and 'inspired by' plaintiff's product."⁴⁵

3. Third Party Competitors

Both the Plaintiff and the Defendant relied on evidence of the proliferation of other competing baroque lines of silverware. The Plaintiff argued that the Defendant did not have to copy its GRANDE BAROQUE design in order to compete since other competitors had effectively competed without appropriating the Plaintiff's trade dress.⁴⁶

Conversely, the Defendant argued that this evidence demonstrated that the Defendant *did* have to copy Plaintiff's design. The crux of its argument was that the competitors' designs were just as similar to Plaintiff's design.⁴⁷

B. *The Proceedings Below*

1. The Relief Sought

The Plaintiff sought a temporary restraining order, an evidentiary hearing, a preliminary injunction and expedited discovery after

1950). In *R. Wallace*, the Plaintiff's predecessor-in-interest had successfully enforced its rights under a design patent for the GRANDE BAROQUE design and that its design was, at the time of the decision, "unique". *Id.* at 706.

42. *Id.* at 708-9 (emphasis added).

43. *See supra* note 37.

44. *Godinger*, 916 F.2d at 77.

45. *Godinger*, 735 F. Supp. at 142.

46. *E.g.*, Brief for Plaintiff 22-23. *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76 (2d Cir. 1990), *reh'g denied*, No. 90-7408, slip op. (2d Cir. Nov. 29, 1991), *petition for cert. denied*, U.S.L.W. (U.S. Feb. 28, 1991)(No. 90-1366). Although this argument was raised in the Plaintiff's supporting memoranda, it was not discussed in either decision in this case.

47. *Godinger*, 735 F. Supp. at 142.

learning about an advertisement for the 20TH CENTURY BAROQUE product line. The application for a temporary restraining order was made to prevent the Defendant from selling its product at an impending table-top trade show.⁴⁸ The Plaintiff sought only to enjoin the Defendant from copying its GRANDE BAROQUE pattern in its entirety, not its elements.⁴⁹

2. Plaintiff's Burden under the Lanham Act

Section 43(a) of the Lanham Act⁵⁰ allows for the protection of an unregistered trade dress. Accordingly, since the GRANDE BAROQUE design was unregistered,⁵¹ the Plaintiff brought its action under this section.⁵² To prevail, the Plaintiff was required to establish that:⁵³

- (1) its GRANDE BAROQUE silverware pattern had attained secondary meaning,⁵⁴ and
- (2) the 20TH CENTURY BAROQUE silverware pattern posed a threat of confusion in the marketplace.⁵⁵

48. *Godinger*, 916 F.2d at 77.

49. *See generally Godinger*, 735 F. Supp. 141.

50. Section 43(a) of the Lanham Act provides, in pertinent part that:

Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce . . . shall be liable to a civil action . . . by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) (1990).

51. *Godinger*, 735 F. Supp. at 143. The trade dress was also not covered by a copyright registration.

52. *See, e.g., Stormy Clime, Ltd. v. ProGroup, Inc.*, 809 F.2d 971, 974 (2d Cir. 1987).

53. *See LeSportsac* 754 F.2d at 75.

54. This is the first element which a plaintiff must prove, since without adequate proof thereof, a plaintiff's trade dress is unprotectable. 15 U.S.C. § 1125(a). Plaintiff had met this burden. *See supra* note 37.

55. As one circuit court has explained:

[r]egardless of how much secondary meaning it possesses, a product's trade dress will not be protected from an imitator that is sufficiently different in its features to avoid such confusion.

Freixenet, S.A. v. Admiral Wine & Liquor Co., 731 F.2d 148, 151 (3rd Cir. 1984) (citing *LeSportsac, Inc. v. Dockside Research, Inc.*, 478 F. Supp. 602 (S.D.N.Y. 1979)) (emphasis added).

The district court did not evaluate this element because it had found that Plaintiff's pattern was "aesthetically" functional, and therefore, unprotectable. *Godinger*, 735 F. Supp. at 145-46.

3. Defendant's Burden — Functionality Defense

In the Second Circuit, functionality is regarded as a defense,⁵⁶ one which the Defendant duly raised. However, it was incumbent on the Defendant to establish that simulating the GRANDE BAROQUE pattern was a prerequisite for the Defendant to effectively compete in the marketplace. The Defendant was also required to prove that the purchasers of the GRANDE BAROQUE silverware were primarily motivated to buy the Plaintiff's product because of its aesthetic appeal, not because of its trademark significance.⁵⁷ No evidence on these issues was introduced by the Defendant, and the Decision did not address either issue.⁵⁸

4. The Disposition by the District Court

The District Court heard oral argument by both parties but declined to hold an evidentiary hearing. It denied all requests for preliminary relief, finding the GRANDE BAROQUE design to be "aesthetically" functional and hence, unprotectible.⁵⁹

III. PROTECTABILITY OF ORNAMENTAL DESIGNS PRIOR TO GODINGER

A discussion of the evolution of the "aesthetic" functionality doctrine, as well as an alternate approach to the evaluation of ornamental design features, will provide the proper context for an analysis of the *Godinger* Decision.

A. *Evaluating the Protectability of Ornamental Features Without Consideration of Functionality*

1. Secondary Meaning

Early cases in which ornamental features of trade dresses were at issue did not evaluate functionality. Rather, the sole issue was secondary meaning.

For example, in *Enterprise Mfg. Co. v. Landers, Frary & Clark*,⁶⁰ the defendants had made virtual copies of the plaintiff's trade dresses. The Second Circuit enjoined the defendants, finding that they had "simulat[ed] . . . the collocation of details of appearance by which the consuming public [had] come to recognize the product of

56. One federal district court has explained that "[t]he burden of proof . . . rests squarely" with a defendant to establish that the plaintiff's design is functional. *PAF S.r.l. v. Lisa Lighting Co.*, 712 F. Supp. 394, 400 (S.D.N.Y. 1989).

57. See *infra* section III(B)(4).

58. See *Godinger*, 735 F. Supp. 141.

59. *Godinger*, 735 F. Supp. at 145.

60. *Enterprise Mfg. Co. v. Landers, Frary & Clark*, 131 F. 240 (2d Cir. 1904).

his competitor."⁶¹ In *Yale & Towne Mfg. Co. v. Alder*,⁶² the Second Circuit evaluated the *over-all* impression created by each trade dress in order to determine if they were confusingly similar. The court explained:

while we cannot say that the appropriation by the defendant of this particular feature or that particular feature would have been unfair, we can say that when all of the prominent ones have been appropriated, and *so assembled together* with slight variations in some of them that altogether they produce the *same general effect*, and the ordinary purchaser would not be apt to discover the difference, enough appears to establish unfair competition.⁶³

In *Crescent Tool Co. v. Kilborn & Bishop Co.*,⁶⁴ Judge Learned Hand stated that *Enterprise* and *Yale* represented "the cases of so-called 'non-functional' unfair competition . . ."⁶⁵ He explained that these cases, "are *only instances of the doctrine of 'secondary' meaning*. All of them *presuppose* that the appearance of the article . . . has *become associated in the public mind* with the first comer as manufacturer or source . . ."⁶⁶

2. The Merely Ornamental Rule

It would appear that the "merely ornamental rule" is, in essence, the modern name for the doctrine of secondary meaning as applied specifically to ornamental features of trade dresses.⁶⁷ In *Anchor Hocking*,⁶⁸ a case particularly apposite to *Godinger*, the Trademark Trial and Appeal Board (hereinafter "the TTAB") invoked the merely ornamental rule to allow Corningware to register a blue floral chinaware design, even though competing manufacturers also incorporated floral designs on their chinaware.⁶⁹ The TTAB explained that:

it is settled that *merely because a design is ornamental does not preclude it from becoming a valid trademark* capable of distin-

61. *Id.* at 241 (emphasis added).

62. *Yale & Towne Mfg. Co. v. Alder*, 154 F. 37 (2d Cir. 1907).

63. *Id.* at 38 (emphasis added).

64. *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299 (2d Cir. 1917).

65. *Id.* at 300.

66. *Id.* (emphasis added). These cases were decided without consideration of functionality. While it appears that no discussion of functionality was necessary, Judge Hand's reference to these cases as "'non-functional' unfair competition" decisions would seem to imply that he had, *sub silentio*, made a determination with respect to functionality.

67. The initial application of the merely ornamental rule seems to have been in *In re Swift & Co.*, 223 F.2d 950, 955 (C.C.P.A. 1955) (registration of a design on a product label permitted).

68. *Anchor Hocking Glass Corp. v. Corning Glass Works*, 162 U.S.P.Q. (BNA) 288, 289 (T.T.A.B. 1969).

69. *Id.* at 292-95.

guishing in commerce the particular goods upon which it is placed. See *In re Todd Co., Inc.*, 129 U.S.P.Q. 408 (C.C.P.A. 1961); and *In re David Crystal, Inc.*, 132 U.S.P.Q. 1 (C.C.P.A. 1961).⁷⁰

In *In re Paramount Pictures Corp.*,⁷¹ the TTAB found that the pictures of the television characters "Mork & Mindy", when applied to T-shirts and decals, functioned as valid trademarks. The TTAB explained:

while not every sign used on a product, or on its label, package, etc., functions as an indication of source of the product on which it is used — e.g. some are merely part of the aesthetic ornamentation — the broad and *liberal* interpretation of our law is that, where such a sign also serves a source indicating function, it should be regarded as acceptable subject matter for registration.⁷²

In these cases, as with the "'non-functional' unfair competition" cases, the protectability of the ornamental design at issue was evaluated without resort to *any* doctrine of functionality, much less, to "aesthetic" functionality. Rather, the sole consideration was secondary meaning.

B. *The Genesis, Schism, and Return to Functionality*

1. "Traditional" Functionality

Prior to the advent of "aesthetic" functionality, the evaluation of the functionality of *mechanical* designs had simply been referred to as the doctrine of functionality. This judicial doctrine was created to prevent the monopolization of product features necessary for the use and/or manufacture of a competing product.⁷³ As the Court of Customs and Patent Appeals⁷⁴ explained, "[f]rom the earliest cases, 'functionality' has been expressed in terms of 'utility.'"⁷⁵

A finding of "functionality" had always sounded the death knell for a plaintiff's claim of trade dress infringement. For example, at the beginning of this century, the Second Circuit Court of Appeals explained that:

[i]n the absence of protection by patent, no person can monopolize or appropriate to the exclusion of others elements of *mechanical* construction which are *essential* to the successful practical operation of a manufacture, or which primarily serve to promote

70. *Id.* at 291 (emphasis added).

71. *In re Paramount Pictures Corp.*, 213 U.S.P.Q. (BNA) 1111 (T.T.A.B. 1982).

72. *Id.* at 1113 (emphasis added). *Accord In re Olin Corp.*, 181 U.S.P.Q. (BNA) 182 (T.T.A.B. 1973).

73. *In re Deister Concentrator Co.*, 289 F.2d 496, 501 (C.C.P.A. 1961).

74. This court, [hereinafter "CCPA"], is the predecessor court to the Court of Appeals for the Federal Circuit.

75. *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 1338 (C.C.P.A. 1982).

its *efficiency for the purpose to which it is devoted*.⁷⁶

If a product feature is held functional:

the courts will *never* apply the "secondary meaning" doctrine so as to create monopoly rights. The true basis of such holdings is not that [the product features at issue] cannot or do not indicate source to the purchasing public but that there is an *overriding public policy* of preventing their monopolization, of preserving the right to copy. A certain amount of purchaser *confusion may even be tolerated* in order to give the public the advantages of *free competition*.⁷⁷

Thus, the doctrine of functionality is a powerful doctrine, for its application can, by judicial fiat, preempt a federal statute and allow a first comer to lose the benefit of the good will associated with its product while simultaneously allowing the public to face possible confusion as to source.⁷⁸

2. The Schism which Created "Aesthetic" Functionality and "Utilitarian" Functionality

The conception of "aesthetic" functionality and its complement, "utilitarian" functionality, can be traced to a comment in Section 742 in the First Restatement of Torts.⁷⁹ While Section 742 defines functionality in traditional terms,⁸⁰ Comment (a) introduced a distinction between *mechanical and ornamental* aspects of product de-

76. *Marvel v. Pearl*, 133 F. 160, 161 (2d Cir. 1904) (emphasis added). *Accord* *Pope Automatic Merchandising Co. v. McCrum-Howell Co.*, 191 F. 979, 981 (7th Cir. 1911)(cylindrical shape of vacuum cleaner found "functional" on the ground that it was essential for mechanical operation of product and therefore necessary to compete).

77. *See supra* note 73. *In re Deister Concentrator Co.*, 289 F.2d 496, 504 (C.C.P.A. 1961) (emphasis added). For example, in *Fisher Stoves, Inc. v. All Nighter Stove Works, Inc.*, 626 F.2d 193 (1st Cir. 1980), the designer of a wood burning stove sued for infringement of the stove's trade dress. It was conceded that the plaintiff had created the trade dress and that the public had come to associate that product's trade dress with the plaintiff. Notwithstanding these findings, the court, albeit reluctantly, found the trade dress functional. The court explained,

[p]laintiff designed a stove with several functional innovations. These were enthusiastically received in the marketplace. Defendant, in imitating them, is doubtless sharing in the market formerly captured by the plaintiff's skill and judgment. While we sympathize with plaintiff's disappointment at losing sales to the imitator, *this is a fact of business life*.

Id. at 196 (emphasis added).

78. *Id.* *Accord* *Schwinn Bicycle Co. v. Murray Ohio Mfg. Co.*, 339 F. Supp. 973, 980 (M.D. Tenn. 1971), *aff'd per curiam*, 470 F.2d 975 (6th Cir. 1972) and *Famolare, Inc. v. Melville Corp.*, 472 F. Supp. 738, 744-45 (D. Haw. 1979), *aff'd mem.*, 652 F.2d 62 (9th Cir. 1981).

79. RESTATEMENT (FIRST) OF TORTS § 742 comment a (1938).

80. RESTATEMENT (FIRST) OF TORTS § 742 (1938). Section 742 designates a design of goods as "functional" if it "affects the purpose, action or performance, or the facility or economy of processing, handling or using them" *Id.*

signs. This "distinction" would ultimately give rise to a spurious schism within the doctrine of functionality creating the dual doctrines of "aesthetic" and "utilitarian" functionality.⁸¹

a. "Aesthetic" Functionality

Comment (a) stated, in pertinent part, that:

[w]hen goods are bought largely for their aesthetic value, their features may be functional because they definitely contribute to that value and thus aid the performance of an object for which the goods are intended.⁸²

However, it was not until some fifteen years later in *Pagliario v. Wallace China Co.*,⁸³ that the budding doctrine of "aesthetic" functionality was to come into full flower. In *Pagliario*, the defendant had made identical copies of four floral patterns covering "vitrified hotel china" plates.⁸⁴ Thus, in certain respects, *Pagliario* bears a striking similarity to *Godinger*. For example, the goods at issue were tabletop products. Further, the designs had been bona fide creations by the plaintiff, not just stock designs.⁸⁵ Finally, the plaintiff had requested a very limited injunction. It only sought protection for its specific unique designs; it did not seek a monopoly on all floral designs for china patterns.⁸⁶

The *Pagliario* district court issued a preliminary injunction covering both the names and the designs at issue. On appeal, the Ninth Circuit upheld the injunction with respect to the names, but reversed with respect to the designs.⁸⁷

The appellate court had observed that the "[p]urchase of hotel china is induced, in part, by virtue of its attractive appearance,"⁸⁸

81. *E.g.*, *Plasticolor Molded Prods. v. Ford Motor Co.*, 713 F. Supp. 1329, 1336-37 n.11 (C.D. Cal. 1989) ("Recent authority has suggested the existence of two distinct types of functionality, 'aesthetic functionality' and 'utilitarian functionality'").

82. RESTATEMENT (FIRST) OF TORTS, § 742 comment a (1938).

83. *Pagliario v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952). Coincidentally, the plaintiff in *Pagliario* was also named "Wallace", but is "no relation" to the Plaintiff.

84. The defendant had also copied each of the names for the four floral patterns. *Pagliario*, 198 F.2d at 340.

85. One trademark commentator has stated that:

[i]t is clear that Wallace China had done more than attempt removal of a common theme or device from the public domain; it developed several theretofore unknown designs, [and] affixed them as china ornament[ation].

B.J. Duft, *Aesthetic Functionality*, 73 TRADEMARK REP. 151, 178 (1982). See *supra* note 41.

86. See *Pagliario*, 198 F.2d 339. In addition, the designs in both cases were not covered by federal trademark or copyright registrations. *Id.* at 341 and see *supra* note 51.

87. *Pagliario*, 198 F.2d at 339.

88. *Id.* at 340.

and that "these designs are *not merely* indicia of source."⁸⁹ On the basis of these observations, the court then concluded that the design was functional. The court explained, "[f]unctional' in this sense might be said to connote other than a trade-mark purpose."⁹⁰ This enigmatic pronouncement was followed by what was destined to be the most quoted sentence in the entire decision: "[i]f the particular feature is an *important ingredient in the commercial success* of the product, the interest in free competition permits its imitation in the absence of a patent or copyright."⁹¹

This statement provided the precedent that a trade dress is not entitled to protection in all cases where it serves *dual* functions of source indication *and* decoration. This holding came to be known not only as the doctrine of "aesthetic" functionality, but also as the "important ingredient in commercial success" standard, or the "important ingredient" test.⁹²

b. "Utilitarian" Functionality

It is submitted that the term "utilitarian" functionality is not very "utilitarian" because it contains an inherent redundancy. Thirty years after *Pagliero*, the CCPA flatly stated that "[f]unctional' means 'utilitarian'."⁹³ Nonetheless, with the advent of "aesthetic" functionality, "traditional" functionality came to be referred to as "utilitarian" functionality in order to distinguish it from "aesthetic" functionality.⁹⁴ However, under the CCPA's edict, there is no distinction between "aesthetic" functionality and "utilitarian" functionality.⁹⁵

89. *Id.* at 344 (emphasis added). As in *Godinger*, the *Pagliero* court "assumed" the plaintiff's design had acquired secondary meaning and yet found for the defendant.

90. *Id.* at 343.

91. *Id.* (emphasis added).

92. *Ives Laboratories, Inc. v. Darby Drug Co.*, 601 F.2d 631, 643 (2d Cir. 1979); *Vuitton et Fils S.A. v. J. Young Enterprises, Inc.*, 644 F.2d 769, 773 (9th Cir. 1981); *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 517 (10th Cir. 1987); *Stormy Clime, Ltd. v. ProGroup, Inc.*, 809 F.2d 971, 977 (2d Cir. 1987); *Sno-Wizard Mfg., Inc. v. Eisemann Prods. Co.*, 791 F.2d 423, 423 n.3 (5th Cir. 1989); *Prufrock, Ltd. v. Lasater*, 781 F.2d 129, 134 (8th Cir. 1986); *Fabrica, Inc. v. El Dorado Corp.*, 697 F.2d 890, 895 (9th Cir. 1983); *Hess v. Bland*, 347 F.2d 835 (C.C.P.A. 1965); *Villeroy & Boch v. THC Systems, Inc.*, 10 U.S.P.Q. 2d (BNA) 2027, 2029 (S.D.N.Y. 1989); *STX, Inc. v. Trik Stik, Inc.*; 708 F. Supp. 1551, 1558-59 (N.D. Cal. 1988); *Freddie Fuddruckers, Inc. v. Ridgeline, Inc.*, 589 F. Supp. 72, 77 (N.D. Tex. 1984), *aff'd without op.*, 783 F.2d 1062 (5th Cir. 1986). See also *infra* section III(B)(3).

93. *Morton-Norwich*, 671 F.2d at 1338.

94. See *Plasticolor*, 713 F. Supp. at 1336-37 n.11.

95. Professor McCarthy has suggested "[t]hat both words 'utilitarian' and 'aesthetic' are appended to the same base word 'functionality' is misleading semantics. Ornamental aesthetic designs are the antithesis of utilitarian designs." 1 J.T. McCARTHY, TRADEMARKS & UNFAIR COMPETITION § 7:26, at 247 (2d ed. 1984).

3. Widespread Disavowal of Pagliero by Other Circuits

A review of recent circuit court decisions reveals that prior to *Godinger*, virtually all circuits⁹⁶ had specifically rejected *Pagliero*'s "important ingredient" test finding it:

1. a superfluous addition to the law of functionality, and/or
2. antithetical to the realities of modern business practices since many trademarks are selected precisely because of their aesthetic appeal.⁹⁷

Even the Ninth Circuit had come to disavow its own creation. For example, in *First Brands Corp. v. Fred Meyer Inc.*,⁹⁸ the court explained that:

[i]n this circuit, the "aesthetic" functionality test has been limited, *Vuitton*, 644 F.2d at 773, if not rejected, *Fabrica v. El Dorado Corp.*, 697 F.2d 890, 895 (9th Cir. 1983), in favor of the "utilitarian" functionality test.⁹⁹

96. It appears that only the Fourth Circuit has not done so. See *infra* notes 97-116 and accompanying text.

97. It does not appear that any trademark commentators have approved of "aesthetic" functionality in recent years. The following is illustrative of the wide-spread disapproval in the academic community:

1. 1 J.T. MCCARTHY, *TRADEMARKS & UNFAIR COMPETITION* § 7:26, at 246-47 (emphasis added) ("the 'important ingredient in the commercial success of the product' formulation is much *too open-ended* and vague to be a useful rule of law. Taken literally, it *negates all trademarks.*")
2. J.B. SWANN, *The Design of Restaurant Interiors — A New Approach to Aesthetic Functionality*, 75 *TRADEMARK REP.* 408, 412 n.21 ("[aesthetic functionality] should be broadly redefined by returning to trademark fundamentals.")
3. A.L. FLETCHER, *The Defense of "Functional" Trademark Use: If What Is Functional Cannot Be a Trademark, How Can a Trademark Be Functional?* 75 *TRADEMARK REP.* 249, 268 (1982) (emphasis added) ("[Aesthetic functionality] appears to serve no useful or necessary purpose. *It should be buried.*")
4. B.J. DUFT, *Aesthetic Functionality*, 73 *TRADEMARK REP.* 151, 202 (1982) ("'Aesthetic' functionality is a game with no rules.")
5. A.S. ODDI, *The Functions of "Functionality" in Trademark Law*, 76 *TRADEMARK REP.* 308, 348 (1986) ("From the outset, 'aesthetic functionality' has proved to be a controversial and ill-defined concept.")
6. Note, *The Broad Sweep of Aesthetic Functionality: A Threat to Trademark Protection of Aesthetic Product Features*, 57 *FORDHAM L. REV.* 345, 348 (1982) ("In denying trademark protection to aesthetic features on the basis of mere consumer appeal, courts fail to recognize that businessmen in today's mass marketing economy must select aesthetically pleasing product features to encourage consumer demand for their products.")
7. A. ZELNICK, *The Doctrine of "Functionality"*, 73 *TRADEMARK REP.* 128, 141 n.43 (1983) ("[aesthetic] functionality] skews the balance too far in favor of the pro-copying theory of competition and totally ignores the concept of progress by reward to the innovator.")

98. *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378 (9th Cir. 1987).

99. *Id.* at 1382 n.3.

In *Sicilia Di. R. Biebow & Co. v. Cox*,¹⁰⁰ the Fifth Circuit concluded that "[d]efining functionality as anything that is 'an important ingredient in the commercial success' of a product would almost always permit a second comer freely to copy the trade dress of a successful product that has accumulated good will."¹⁰¹ In rejecting the "important ingredient" test, the courts have essentially returned to the judicial doctrine developed in the early twentieth century.¹⁰²

4. Recent Second Circuit Treatment of Pagliero Prior to Godinger

Warner Bros. v. Gay Toys, Inc.,¹⁰³ signaled the Second Circuit's return to the fold of traditional functionality.¹⁰⁴ In *Warner*, the plaintiff alleged that the defendant had infringed *ornamental* designs on Warner's toy cars. The *Warner* court applied the traditional test for functionality, explaining:

More recently courts have continued to understand the functionality defense as a way to protect *useful design features* from being monopolized. The Supreme Court, in *Inwood Laboratories, Inc. v. Ives Laboratories*,¹⁰⁵ defined a functional feature as one that "is essential to the use or purpose of the article or if it affects the cost or quality of the article." A design feature of a particular article is "essential" only if the feature is dictated by the functions to be performed¹⁰⁶

100. *Sicilia Di. R. Biebow & Co. v. Cox*, 732 F.2d 417 (5th Cir. 1984).

101. *Id.* at 427-28. *Accord* *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 340 (7th Cir. 1985); *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 378 (1st Cir. 1980); *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 519 (10th Cir. 1987); *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 982 n.27 (11th Cir. 1983); *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 1338 (C.C.P.A. 1982); *Truck Equipment Service Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1218 (8th Cir. 1976); *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 825 (3d Cir. 1981); *Tast-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3, 7-8 (6th Cir. 1957).

102. *See supra* section III(B)(1). Some courts have maintained the redundant term "utilitarian" functionality using it in lieu of "traditional" functionality, while others use the two terms interchangeably. *See, e.g., First Brands*, 809 F.2d at 1382 and *Sicilia*, 732 F.2d at 429, n.8. Other courts have not only explicitly rejected "aesthetic" functionality, but have also implicitly rejected "utilitarian" functionality, for they merely refer to "functionality" as the new doctrine. *See, e.g., Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 517-19 (10th Cir. 1987). It is submitted, however, that as long as the courts have held that a specific doctrine for evaluating the functionality of ornamental features on trade dresses is unnecessary, the name accorded the umbrella doctrine of functionality is merely a matter of semantics.

103. *Warner Bros. v. Gay Toys*, 724 F.2d 327 (2d Cir. 1983).

104. *Zippo Manufacturing Co. v. Rogers Imports, Inc.*, 216 F. Supp. 670 (S.D.N.Y. 1963) contains a particularly thoughtful discussion of the early confusion in the Second Circuit with respect to the proper application of the doctrine of "aesthetic" functionality.

105. *Inwood Laboratories, Inc. v. Ives Laboratories*, 456 U.S. 844, 850-52 n. 10 (1982) (dictum).

106. *Warner*, 724 F.2d at 331 (emphasis added). This definition of functionality

Yet, two weeks later, in *Industria Arredamenti Fratelli Saporiti v. Charles Craig, Ltd.*,¹⁰⁷ the Second Circuit applied the "important ingredient" test. However, the Second Circuit has not applied this test since the *Industria* decision.

One month later, in *LeSportsac, Inc. v. K Mart Corp.*,¹⁰⁸ the court observed that the "important ingredient" test had a questionable status in view of the earlier *Warner* decision,¹⁰⁹ adding the following qualification:

we do not suggest that [the "important ingredient" test] cannot be appropriately applied in certain circumstances. The "important ingredient" definition achieved its most quoted formulation in the context of a product, hotel china, the essential feature of which was the aesthetic appeal of its design.¹¹⁰

Although the *LeSportsac* court did not formulate a formal test, *per se*, it did establish that the following edicts should be central in determining functionality:

1. ornamental design elements must be viewed in their entirety, *not individually*,
2. hindrance to competition is a primary consideration, and
3. "attractive" and "protectible" are *not* mutually exclusive terms.¹¹¹

Under the "important ingredient" test, "attractive trade dress" and "protectible trade dress" are, in effect, mutually exclusive. Hence, it would appear this test is completely irreconcilable with the *LeSportsac* test. Where one is followed, the other *cannot* properly be applied.¹¹²

Later that same year, in *Morex S.p.A. v. Design Institute America, Inc.*,¹¹³ the Second Circuit clarified its position, *explicitly* explaining that "[t]he *Craig [Industria]* standard for functionality was *implic-*

seems to paraphrase early 20th century definitions of functionality. *See supra* section III(B)(1).

107. *Industria Arredamenti Fratelli Saporiti v. Charles Craig, Ltd.*, 725 F.2d 18, 19 (2d Cir. 1984).

108. *LeSportsac, Inc. v. K Mart, Inc.*, 754 F.2d 71 (2d Cir. 1985).

109. *Id.* at 77.

110. *Id.* at 77-78 (quoting *Pagliero*, 198 F.2d at 343). The *LeSportsac* court may have included this qualification in deference to the particular panel that had decided *Industria*. This inference is supported by the following suggestion by the Tenth Circuit: "The Second Circuit did not reject the important ingredient test in all cases. The implication in *LeSportsac*, however, is that the fact finder must always also consider whether the ingredient *primarily* identifies the product source." *Brunswick*, 832 F.2d at 516 n.3.

111. *LeSportsac*, 754 F.2d at 77-78.

112. *See supra* note 110.

113. *Morex S.p.A. v. Design Institute America, Inc.*, 779 F.2d 799, 801 (2d Cir. 1985) (*per curiam*).

itly rejected . . . by our decision in *LeSportsac*."¹¹⁴

Approximately one year thereafter, in *Stormy Clime Ltd. v. ProGroup, Inc.*,¹¹⁵ the court explained:

We do not mean to suggest that the functionality inquiry is equivalent to the "important ingredient in commercial success" test applied in *Industria Arredamenti Fratelli Saporiti v. Charles Craig, Ltd.* . . . and limited in *LeSportsac* . . . a *critical aspect* in considering *hindrance to competition* is whether bestowing trade dress protection on a product design prevents potential competitors from entering a market that is not foreclosed by a valid patent. Thus, a *distinctive design or arrangement of features that is an important ingredient in the commercial success of a product but is not "essential to the use or purpose" of the product and does not "affect] the cost or quality" of the product could be protectible trade dress.*¹¹⁶

Thus, the *Stormy Clime* appears to have followed and elaborated on the *LeSportsac* court's approach.

IV. THE GODINGER DECISION

A. *The Rejection of Pagliero*

The *Godinger* Court made it clear that *Pagliero* was no longer good law in the Second Circuit. The Court stated that, "[w]e rejected *Pagliero*, in *LeSportsac* . . . and reiterate that rejection here."¹¹⁷

B. *The Restatement Test*

The *Godinger* Court adopted the test for functionality as formulated in the Third Restatement of the Law, Unfair Competition.¹¹⁸

114. *Id.* at 801 (emphasis added). Accord *Demetriades v. Kaufmann*, 680 F. Supp. 658, 667 n.15 (S.D.N.Y. 1988).

The *LeSportsac* court had noted that an "obvious tension" existed between the *Warner* and the *Industria* decisions. *LeSportsac* 754 F.2d at 77. The *Morex* court, which was *per curiam*, attempted to resolve the tension between the *LeSportsac* and *Industria* approaches to functionality. The *Morex* court explained that since the *LeSportsac* decision had been filed one month after the *Industria* decision had been issued, the *Industria* court could not have reviewed that decision. *Morex*, 779 F.2d at 801. This appears to suggest that had the *Industria* panel been "privity" to the *LeSportsac* decision, it would not have applied the "important ingredient" test.

115. *Stormy Clime, Ltd. v. ProGroup, Inc.*, 809 F.2d 971 (2d Cir. 1987).

116. *Stormy Clime*, 809 F.2d at 977 (emphasis added); see *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 n.50 (1982); accord *PAF S.r.l. v. Lisa Lighting Co.*, 712 F. Supp. 394, 401 (S.D.N.Y. 1989); *Artemide SpA v. Grandlite Design and Mfg. Co.*, 672 F. Supp. 698, 707 (S.D.N.Y. 1987)(decorative designs of lamps at issue, "aesthetic" functionality rejected).

117. *Godinger*, 916 F.2d at 80.

118. RESTATEMENT (THIRD) OF THE LAW OF UNFAIR COMPETITION § 17 (Tent. Draft No. 2, 1990).

This test follows a standard similar to that which has been accepted by most other circuits as well as the *LeSportsac* and *Stormy Clime* courts¹¹⁹ and was articulated by the *Godinger* Court as follows:

where an ornamental feature is claimed as a trademark and trademark protection would significantly *hinder competition* by limiting the range of *adequate alternative* designs, the *aesthetic functionality* doctrine denies such protection.¹²⁰

However, while rejecting the "important ingredient" test, the Court retained the phrase "aesthetic" functionality,¹²¹ and therefore, presumably, the concept.

C. The "Conditional" Functionality Test

The *Godinger* Court appears to have formulated a unique "two-step" analysis¹²² for the application of the Restatement test which introduces two new standards. This "two-step" analysis comprises the newly formulated "conditional" functionality test.

1. The "Analysis of Individual Design Elements" Standard

The first "step" seems to require evaluation of each design element *individually* in order to determine whether it is "commonly used".¹²³

2. The "Identical or Virtually Identical" Standard

The second "step" requires that in cases where the court finds the elements in common use, it may then only grant protection to the over-all design in instances where the accused design constitutes an "identical or virtually identical" trade dress.¹²⁴

119. See *supra* sections III(B)(3)&(4).

120. *Godinger* at 81 (emphasis added). While the Restatement test does not use the phrase "aesthetic" functionality, Comment c acknowledges the doctrine's continued viability. RESTATEMENT (THIRD) OF THE LAW OF UNFAIR COMPETITION § 17, comment c (Tent. Draft No. 2, 1990).

121. *Id.* See *infra* section V(D).

122. While the Court never specifically articulated this test, *per se*, it is suggested that a court must apply this test in order to follow the Court's ruling. See *Godinger*, 916 F.2d at 82.

123. *Godinger*, 916 F.2d at 81. The Court never actually uses this phrase. However, it is suggested that the Court's language provides a reasonable basis from which to infer that this, or a similar phrase describes the type of design elements at issue in *Godinger*. For example, the Court explained that, "Wallace seeks . . . protection, not for a precise expression of a decorative style, but for . . . elements of a style that is part of the public domain." *Id.* at 81.

It is possible that future courts will limit this decision to cases involving ornamental features of baroque silverware. However, the Court does not state, nor even suggest, that it is limiting its ruling to the facts of this case. See *Godinger*, 916 F.2d 76.

124. *Id.* at 82.

D. *The Disposition by the Court*

Curiously, the Court seems to have issued contradictory rulings on functionality. In the very beginning of the Decision, the Court stated that it was affirming the District Court's finding that the Plaintiff's design was *functional*, and thus, in all circumstances, *unprotectible*.¹²⁵ However, at the end of the Decision, the Court ruled that the design would have been *protectible*, (and hence *non-functional*) if the challenged design had been "identical or virtually identical".¹²⁶ This enigmatic dichotomy will be discussed directly below.

V. THE INHERENT PARADOXES AND IMPLICATIONS OF GODINGER

A. *The Dual Rulings on Functionality*

One of the most perplexing aspects of the Decision is that in attempting to clarify the Second Circuit's view of "aesthetic" functionality, the Court, instead, rendered two conflicting rulings.

At the beginning of the Decision, the Court stated that it was affirming the District Court's finding that "the GRANDE BAROQUE design is a 'functional feature of 'Baroque' style silverware'."¹²⁷ The Court then explained that as a result of this finding of functionality, the design was "*not subject to protection as a trademark*."¹²⁸

However, the end of the Decision contains a ruling which suggests a direct conflict with the ruling quoted above. The Court held that the GRANDE BAROQUE pattern might be protected against "identical or virtually identical" designs.¹²⁹ Implicit in this latter ruling is the finding that the GRANDE BAROQUE design is *not* functional.

One possible explanation for these conflicting findings is that the Court found the design to be, in effect "conditionally" functional. In other words, a design may or may not be functional depending on how closely the challenged design mimics that of the plaintiff.

However, the CCPA had made clear that a design is *either functional or it is not*.¹³⁰ There is *no medium ground*. Similarly, the Fifth Circuit has explained, "a design cannot be found both legally functional—that is, not entitled to trademark protection—and 'sufficiently distinctive' [in order] to serve as an indicator of source."¹³¹ Taking

125. *Godinger*, 916 F.2d at 77.

126. *Id.* at 82.

127. *Godinger*, 916 F.2d at 77.

128. *Id.* (emphasis added).

129. *Id.* at 82.

130. *Morton-Norwich*, 671 F.2d at 1343 n.4.

131. *Sno-Wizard*, 791 F.2d at 427 n.4 (quoting *Sicilia*, 732 F.2d at 425).

a contrary view, the *Godinger* Court has turned the "aesthetic" functionality analysis into a chameleon-like doctrine.

The Court's creation of "conditional" functionality may represent an attempt to find a compromise ruling based on a belief that the GRANDE BAROQUE trade dress lacked distinctiveness, and therefore, was entitled to only limited protection.¹³² However the CCPA had explained that although the issues of distinctiveness and functionality must both be addressed in assessing trade dress protectability, they are nonetheless separate issues which must be addressed accordingly.¹³³ The court explained that a "truism" of the law of functionality is that "a non-distinctive design does not necessarily equal a 'functional' design."¹³⁴ Consequently, in *Morton-Norwich*, the CCPA reversed the TTAB's finding of functionality which had apparently been premised on a conclusion the design was "ordinary".¹³⁵

Applying the *Morton-Norwich* analysis to the facts of *Godinger*, the Court's ruling on functionality should not have been affected by a belief that the GRANDE BAROQUE design was "ordinary". Rather, a conclusion as to the distinctiveness of the trade dress should have been addressed in an analysis of the merits of the case.¹³⁶

B. The "Confusingly Similar" Test

Where a trade dress is found protectible and non-functional, a court must evaluate whether the challenged trade dress is "confusingly similar". This inquiry is mandated both by statute¹³⁷ and by common law.¹³⁸ Further, a court must evaluate the trade dress, as a

132. This inference is suggested, for example, by the Court's adoption of the following observation by the District Court:

there is a substantial market for baroque silverware and . . . effective competition in that market requires "use [of] essentially the same scrolls and flowers" as are found on Wallace's silverware.

Godinger, 916 F.2d at 80 (quoting *Wallace Int'l Silversmiths v. Godinger Silver Art Co.*, 735 F. Supp. 141, 144 (S.D.N.Y. 1990)).

133. *Morton-Norwich*, 671 F.2d at 1343.

134. *Id.* (emphasis added).

135. *Id.* The court added that the TTAB's finding that the trade dress at issue was incapable of functioning as a trade dress was an "unexpressed (and perhaps unconscious)" conclusion. *Id.*

136. See *infra* note 141 and section V(B).

137. Lanham Trademark Act § 43(a), 15 U.S.C. § 1125(a) (1989).

138. *Hartford House, Ltd. v. Hallmark Cards, Inc.*, 846 F.2d 1268, 1275 (10th Cir.), cert. denied, 488 U.S. 908 (1988); *Perfect Fit Indus., Inc. v. Acme Quilting Co.*, 618 F.2d 950, 953-54 (2d Cir. 1980), cert. denied, 459 U.S. 832 (1982); *American Footwear Corp. v. General Footwear Co.*, 609 F.2d 655, 664 (2d Cir. 1979), cert. denied, 445 U.S. 951 (1980); *Harlequin Enterprises v. Gulf & Western Corp.*, 644 F.2d 946, 949 (2d Cir. 1981); *Service Ideas, Inc. v. Traex Corp.*, 846 F.2d 1118, 1124-25 (7th Cir. 1988).

whole, by weighing certain considerations referred to in the Second Circuit as the "Polaroid Factors".¹³⁹

The Court found the GRANDE BAROQUE pattern protectible.¹⁴⁰ However, the Court appears to have "side-stepped" a "Polaroid Factor" analysis and based its ruling solely on a determination of functionality.¹⁴¹ Perhaps the Court had intended that its limited grant of protection would be applied only as a limited response to a functionality defense. However, since the ruling granted *some* protection to the GRANDE BAROQUE trade dress, it was incumbent upon the Court to then apply the "Polaroid Factors" in order to prevent the marketing of a "confusingly similar" trade dress.¹⁴²

The following three "Polaroid Factors" would have been central to a determination of "confusing similarity":

1. the strength of the Plaintiff's trade dress,
2. the similarity of the trade dresses, and the
3. similarity of the goods.¹⁴³

After weighing these factors, the Court could still have concluded that only "virtually identical" trade dresses posed a likelihood of confusion. However, the Court decided the *scope* of protection by only specifically considering one of the three central factors. In doing so, it not only failed to consider *all* the relevant "Polaroid Factors", but it also failed to apply the accepted standard of "substantial similarity".

C. The "Substantial Similarity" Standard

As stated above¹⁴⁴, the Court's limited grant of protection ap-

139. *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir.), cert. denied, 368 U.S. 820 (1961). Although the "Polaroid Factors" had originally been applied to trademark cases, they have since been applied to trade dress cases as well. *E.g.*, *RJR Foods, Inc. v. White Rock Corp.*, 603 F.2d 1058, 1061 (2d Cir. 1979).

140. This finding is supported by the Court's grant of protection against "identical or virtually identical designs". *Godinger*, 916 F.2d at 82.

141. The Court explained that "[o]ur review. . . focuses on the functionality issue." *Id.* at 78 (emphasis added). Notwithstanding that the Court may not have intended to "reach the merits" of the case, it nonetheless found that a defendant's "identical or virtually identical" design would constitute an infringement. *Id.* at 82. Given that the issue of infringement was central to the "merits" of the case, the Court therefore appears to have, in effect, decided the "merits".

142. The failure to apply the "Polaroid Factors" was particularly problematic in *Godinger*, given that the president of a major retailer had experienced actual confusion. *Id.* at 77. Although no one factor is dispositive, proof of actual confusion by an independent retailer represents persuasive evidence that the trade dresses are "confusingly similar". *Berkshire Fashions, Inc. v. Sara Lee Corp.*, 725 F. Supp. 790, 796-97 (S.D.N.Y. 1989).

143. *See, e.g.*, *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 256, 258 (2d Cir. 1987).

144. *See supra* section V(A).

pears to be based on an implicit belief that Plaintiff's design was weak.¹⁴⁵ However, as Professor McCarthy has observed, "[e]ven if the mark is relatively 'weak', it is entitled to protection against a *closely similar* mark used on competitive goods."¹⁴⁶

The standard applied by the courts to evaluate "closely similar" is "substantially similar", not "identical or virtually identical."¹⁴⁷ However, *Godinger*, in essence, has eliminated the standard of "substantial similarity" since in relevant cases, only two types of designs will be recognized:

- 1) identical and virtually identical designs, and
- 2) merely similar designs.

Those designs deemed "merely similar" will constitute *each and every* design not "identical or virtually identical" to the first comer's trade dress. The latter, "catch-all" group will inevitably include many designs that are not only "substantially similar" but are also "confusingly similar" designs.¹⁴⁸

D. *Competitive Goods*

It is well settled that where goods are directly competitive, and the trade dresses are "substantially similar", the likelihood of confusion is greatly increased.¹⁴⁹ Hence, disallowing protection with respect to competitive goods bearing "substantially similar" trade dresses will inevitably result in the proliferation of "confusingly similar" goods in the marketplace.

145. This inference is based on the Court's numerous comments that the same baroque elements are commonly used by all manufacturers of baroque silverware. See *Godinger*, 916 F.2d at 81-82. The Court appears to have concluded that since all competitors use these same design elements, the design, in its entirety, is common. See *id.*

146. 2 J.T. MCCARTHY, *supra* note 95, at 181 (emphasis added).

147. *E.g.*, *Allied Mktg. Group, Inc. v. CDL Mktg.*, 878 F.2d 806, 813 (5th Cir. 1989). See *Plus Prods. v. Plus Discount Foods, Inc.*, 722 F.2d 999, 1005 (2d Cir. 1983)(explaining that where a mark is found to be very weak, the extent of the protection of the mark is limited "to 'the *substantially identical* designation and/or to the subsequent use thereof on substantially similar goods.'" (quoting *Plus Prods. v. Redken Laboratories, Inc.*, 199 U.S.P.Q. (BNA) 111, 116 (T.T.A.B. 1978)(emphasis added)).

148. See *infra* section V(D).

149. It is well-settled that, where the products "are virtually identical . . . 'the degree of similarity in the marks necessary to support a finding of infringement is less than in the case of dissimilar, noncompeting products.'" *Eaton Allen Corp. v. Paco Impressions Corp.*, 405 F. Supp. 530, 533 (S.D.N.Y. 1975)(quoting *A. Smith Bowman Distillery, Inc. v. Schenley Distillers, Inc.*, 198 F. Supp. 822, 826-28 (D. Del. 1961); *David Sherman Corp. v. Hueblein, Inc.*, 340 F.2d 377, 382 (8th Cir. 1965)). *Accord* *RJR Foods v. White Rock Corp.*, 201 U.S.P.Q. (BNA) 578, 581 (S.D.N.Y. 1978), *aff'd*, 603 F.2d 1058 (2d Cir. 1979); *Squirtco v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980).

E. Unfair/Free Competition

One serious consequence of the decreased scope of protection for ornamental features of trade dresses is that unfair copying of distinctive designs may well be encouraged.¹⁵⁰ This is because under *Godinger*, only designs which are virtual line-for-line copies will constitute infringement. As the First Circuit appreciated, a rule requiring "virtual identity" of marks would eviscerate trademark law because "few would be stupid enough to make exact copies of another's mark or symbol."¹⁵¹

Applying an intense level of scrutiny, the *Godinger* Court observed that the designs at issue were not "virtually identical" because the Defendant's design extended slightly further down the handle of its silverware pieces. The Court concluded that this constituted a compelling difference between the two designs.¹⁵² However, as Professor McCarthy has observed, any two marks at issue:

should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are more important than minor points of difference. A court should not engage in "technical gymnastics" in an attempt to find some minor differences between the conflicting marks.¹⁵³

Thus, ironically,¹⁵⁴ the Decision may well permit the clever copyist to escape liability in any case involving a unique trade dress comprised of commonly used component parts merely by making small variations to the design.¹⁵⁵ However, allowing this will benefit only the unfair copyist at the expense of both the confused consumer and the innovative designer. A trade dress differentiated solely by inconsequential changes does not represent a new or wor-

150. In *Godinger*, the Defendant had all but admitted copying the Plaintiff's GRANDE BAROQUE trade dress. See *supra* section II(A)(2).

151. *Boston Athletic Ass'n v. Sullivan*, 867 F.2d 22, 30 (1st Cir. 1989)(quoting *Baker v. Master Printers Union*, 34 F. Supp. 808, 811 (D. N.J. 1940)). Accord 2 J.T. McCARTHY, *supra* note 95, § 23:3 at 56 (quoting *T&T Mfg. Co. v. A.T. Cross*, 449 F.Supp. 813 (D. R.I. 1978), *aff'd*, 587 F.2d 533 (1st Cir. 1978), *cert. denied sub nom. A.T. Cross Co. v. Quill Co.*, 441 U.S. 908 (1979), [later proceeding] 477 A.2d. 939 (R.I. 1984)).

152. See *Godinger*, 916 F.2d at 77.

153. 2 J.T. McCARTHY, *supra* note 95, § 23:15, at 81 (footnotes omitted)(emphasis added).

154. *Godinger* is even more ironic, given that in recent years, the Second Circuit has developed a particularly stringent policy protecting trade dresses. A finding that the defendant has copied a trade dress has heretofore often been fatal to the defendant's case, notwithstanding that the plaintiff had failed to prove its trade dress had acquired secondary meaning. See *e.g.*, *Perfect Fit Indus., Inc. v. Acme Quilting Co.*, 618 F.2d 950 (2d Cir. 1980), *cert. denied*, 459 U.S. 832 (1982).

155. See, *e.g.*, *WSM, Inc. v. Tennessee Sales Co.*, 709 F.2d 1084, 1087 (6th Cir. 1983); *Beech-Nut, Inc. v. Warner Lambert Co.*, 480 F.2d 801, 804 (2d Cir. 1973).

thy contribution to art or commerce. Rather, it represents an unfair appropriation of another's design and concomitant good will.

Although the central purpose of the law of functionality is to encourage competition, the Decision may, in fact, discourage free competition.¹⁵⁶ This is because the Decision's restrictive approach to trade dress infringement will inevitably lessen the incentive to create innovative trade dresses comprised of commonly used ornamental elements.¹⁵⁷

F. *A Plaintiff's Limited Scope of Protection*

The *Godinger* Court specifically rejected the doctrine of "aesthetic" functionality as it had been articulated by the *Pagliari* court stating that it suffered from "overbreadth."¹⁵⁸ *Pagliari*, it found, was "overbroad" because in every case where the aesthetic appeal of a trade dress "contributed" to the sale of a product, trade dress protection was automatically denied, irrespective of a finding of secondary meaning.¹⁵⁹

Paradoxically, the Court adopted a new standard for determining "aesthetic" functionality which could also be viewed as overly broad. This is because under *Godinger*, in every case where the individual design features of a trade dress are commonly used by competitors, a court may deny protection in any case where the challenged design is not "identical or virtually identical", irrespective of a finding of secondary meaning and "confusing similarity."¹⁶⁰ It is submitted that most plaintiffs will necessarily be denied relief under the "conditional" functionality test. For example, under this test, the *Pagliari* defendant would have prevailed if it had only slightly altered the designs at issue. Similarly, under this test, the *LeSportsac* defendant would also have prevailed, because the design elements were not inherently distinctive and the defendant's goods were not "virtually identical."¹⁶¹

156. See, e.g., *Sicilia*, 732 F.2d at 428.

157. See, e.g., *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 825 (3rd Cir. 1981).

158. *Godinger*, 916 F.2d at 80.

159. *Id.* See also *Sicilia*, 732 F.2d at 427.

160. *Godinger*, 916 F.2d at 82.

161. The district court had noted, for example, that one design element, the plaintiff's logo, was "LeSportsac", while the defendant's logo was "di paris sac". *LeSportsac*, 607 F. Supp. at 184. These two terms are clearly not "virtually identical". Furthermore, the design elements consisted of carpet tape and nylon. The defendant had presented competitors' products which utilized the same design elements, thereby demonstrating that the elements, in and of themselves, were not unique. *Id.*

G. The Retention of "Aesthetic" Functionality

Heretofore, the doctrine of "aesthetic" functionality had generally been regarded as an alternate term for the "important ingredient" test which was articulated in *Pagliari*.¹⁶² Thus, when most other circuit courts had rejected this test, the term "aesthetic" functionality was also implicitly rejected. The Second Circuit had followed the majority in this regard.¹⁶³

While the test for functionality which the *Godinger* Court adopts centers on an evaluation of the hindrance to competition, the test, nonetheless, retains the term "aesthetic" functionality.¹⁶⁴ Thus, the Court would appear to be following the minority approach in this regard.¹⁶⁵ However, inasmuch as the test adopted by each minority circuit was virtually the same as that of the majority, the minority's retention of the term "aesthetic" functionality was, in essence, a question of semantics.¹⁶⁶

Given the "conditional" functionality test which the *Godinger* Court has articulated,¹⁶⁷ it would appear that unlike the approach by the minority circuits, the retention of the term "aesthetic" functionality by the *Godinger* Court will prove much more than a matter of mere semantics. Indeed, the Decision would appear to be a direct descendant of *Pagliari*, the very case it expressly overruled. This is because *Godinger*, like *Pagliari*, still requires the application of a special test to evaluate the functionality of ornamental designs.

162. See *supra* section III(B)(2).

163. For example, *LeSportsac* had involved a purely ornamental design on a trade dress. Nonetheless, in analyzing the ornamental features of the trade dress, the court always referred to the alleged "functionality" of the design, not the "aesthetic" functionality of the design. See *LeSportsac*, 754 F.2d 71.

164. *Godinger*, 916 F.2d at 81.

165. For example, the Third Circuit has rejected the "important ingredient" test, but retained the use of the "aesthetic" functionality nomenclature. *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 826 (3rd Cir. 1981); *c.f. W.T. Rogers v. Keene*, 778 F.2d 334, 344 (7th Cir. 1985) (adopting a more restrictive view of "aesthetic" functionality).

It is unclear as to why these two circuit courts have retained the "aesthetic" functionality nomenclature, for they have followed the modern approach to functionality. See *supra* section III B(3). It is even more curious, given that these two courts have specifically suggested that any functionality analysis is inapplicable to ornamental designs. See *infra* sections V(I)(1)&(2).

166. In *Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*, 685 F.2d 78 (3d Cir. 1982) the court evaluated the functionality of ornamental features of a trade dress without reference to "aesthetic" functionality. This supports the conclusion that the *Keene* court's utilization of the term "aesthetic" functionality was purely semantical. *Id.* at 81-82 n.4. See *supra* note 165.

167. See *supra* section IV(C).

H. *Second Circuit Precedent*

Godinger mandates a special test be applied to ornamental designs; *LeSportsac* does not.¹⁶⁸ Given that *LeSportsac* has not been overruled, where the precedent of both cases could apply, one must choose between them for they are mutually exclusive. The "conditional" functionality test directly contravenes the *LeSportsac* test which, as explained earlier,¹⁶⁹ is comprised of the following three elements:

1. Evaluation of the Design as a Whole

Under the *LeSportsac* test, a court should evaluate the over-all design of the trade dress and should not dissect the design element by element.¹⁷⁰ As the *LeSportsac* court explained, "by breaking *LeSportsac's* trade dress into its individual elements and then attacking certain of those elements as functional, *K mart* misconceives the scope of appropriate inquiry."¹⁷¹ The court concluded that *LeSportsac* merely sought to protect "the *particular combination* and arrangement of design elements that identify its bags and distinguish them from other bags."¹⁷²

In *Godinger*, Wallace had also merely sought to protect its *particular arrangement* of design elements. While the Plaintiff expressly disavowed any claim to protection of the baroque design elements,¹⁷³ the Court apparently overlooked this express qualification.¹⁷⁴ Notwithstanding the limited nature of the injunction sought, the Court denied relief explaining that, "Wallace may not exclude competitors from using those baroque design elements necessary to

168. Although the *Godinger* court discussed the particular facts of *Stormy Clime* and not those of *LeSportsac*, the court nonetheless quoted the *LeSportsac* test with approval. *Godinger*, 916 F.2d at 79-80. Given that *LeSportsac* involved purely ornamental features, while *Stormy Clime* did not, *Artemide*, 672 F. Supp. at 707, it would appear that of the two decisions, *LeSportsac* is actually more relevant to the decision in *Godinger*.

169. See *supra* section II(B)(4).

170. *LeSportsac*, 754 F.2d at 76-77.

171. *Id.* at 76. In *Hartford House v. Hallmark Cards*, 846 F.2d 1268 (10th Cir. 1988), cert. denied, 488 U.S. 908 (1988), a trade dress consisting of ornamental features was at issue. As in *LeSportsac*, the defendant had urged the court to view each of the ornamental features individually. The Tenth Circuit explained that, "[c]ontrary to Hallmark's contention, the appropriate inquiry is not whether each individual feature of the trade dress is functional but whether the whole collection of features, taken together, is functional." 846 F.2d at 1272 (citations omitted).

172. *Id.* (emphasis added).

173. *E.g.*, Brief for Plaintiff at 11. *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76 (2d Cir. 1990), reh'g denied, No. 90-7408, slip op. (2d Cir. Nov. 29, 1991), petition for cert. denied, U.S.L.W. (U.S. Feb. 28, 1991)(No. 90-1366).

174. See generally *Godinger*, 916 F.2d 76.

compete in the market for baroque silverware."¹⁷⁵ Thus, under *Godinger*, the rule that a court must evaluate a trade dress in its entirety is eviscerated given that the grant of protection to a unique arrangement of design elements is viewed as the equivalent of a grant of protection to the elements themselves.

2. Consideration of Availability of Alternate Designs

Under the *LeSportsac* test, it was incumbent upon the Defendant to demonstrate that it would be rendered unable to effectively compete in the baroque silverware industry if it were not permitted to simulate the GRANDE BAROQUE trade dress.¹⁷⁶ In *LeSportsac*, the court concluded that the *design as a whole* was non-functional, explaining that:

K mart's ability to compete is not unduly hindered by the determination that LeSportsac's particular configuration of design features is non-functional and therefore eligible for protection. . . . For example, the cotton carpet tape and carrying straps could be placed differently, contrasted in color with the bag or be made thicker or thinner; zipper pulls could be solid or nonrectangular; the repeating elliptical logo could be changed or placed differently.¹⁷⁷

However, the Decision does not indicate that the Defendant had provided any evidence to support a finding that it was necessary to copy the Plaintiff's trade dress.¹⁷⁸ The Decision does provide statements to the effect that protection for anything more than "identical or virtually identical" designs would be the equivalent of granting the Plaintiff a virtual monopoly on the baroque elements.¹⁷⁹ Nonetheless, it does not consider the plethora of third party designs which were successful expressions of the baroque-style pattern yet were not "substantially similar" to the GRANDE BAROQUE pattern.¹⁸⁰

3. Purchaser Motivation

Under the *LeSportsac* test, it was also incumbent upon the Defendant to establish that the *principal* motivation for the purchase of

175. *Godinger*, 916 F.2d at 81.

176. *LeSportsac*, 754 F.2d at 77. See generally *Godinger*, 916 F.2d at 76.

177. *LeSportsac* at 77 (citations omitted)(emphasis added). Accord *Stormy Clime, Ltd. v. ProGroup, Inc.*, 809 F.2d 971 (2d Cir. 1987). This analysis parallels that in most other circuits. E.g., *Raulo v. Russ Berrie & Co.*, 886 F.2d 931, 937 (7th Cir. 1989), cert. denied, 110 S.Ct. 1124 (1990); *First Brands v. Fred Meyer, Inc.*, 809 F.2d 1378, 1381 (9th Cir. 1987); *Truck Equip. Serv. Co. v. Freuhauf Corp.*, 536 F.2d 1210, 1217; *Hartford House*, 846 F.2d at 1273 (10th Cir. 1988); *Service Ideas v. Traex Corp.*, 846 F.2d 1118, 1123 (7th Cir. 1988).

178. See generally *Godinger*, 916 F.2d 76.

179. E.g., *id.* at 82.

180. See generally *Godinger*, 916 F.2d 76.

the GRANDE BAROQUE product was its aesthetic appeal.¹⁸¹ Nonetheless, the Decision does not contain any evidence on this issue.¹⁸² This aspect of the test for functionality is inexorably linked to the issue of secondary meaning.¹⁸³

Under *Godinger*, however, the rule that a defendant must establish purchaser motivation is eviscerated because a court may not consider evidence of secondary meaning if it determines that the challenged design is merely "substantially similar."¹⁸⁴

I. *The Inapplicability of Functionality to Ornamental Features*

1. *Table-Top Products*

In *W.T. Rogers*,¹⁸⁵ the court opined that if any given feature on a trade dress, "is ornamental, fanciful, decorative, like the *patterns* on a piece of *china* or of *silverware*, then the manufacturer can use it as his name, symbol, his identifying mark."¹⁸⁶ The court explained, "[o]rnamental, fanciful shapes and *patterns* are *not in short supply*, so appropriating one of them to serve as an identifying mark does not take away from any competitor something that he needs in order to make a competing brand."¹⁸⁷

The court maintained that the blanket denial of trade dress protection for all decorative features of table-top products would constitute "open Sesame to trademark infringement."¹⁸⁸ The court illustrated its point as follows:

[s]uppose Mr. Keene owned a complete set of Meissen china, and one of the plates broke. He might care more about replacing it with a plate that looked exactly like the plate that had broken than about who made the plate; but it would not follow that someone could make exact duplicates of Meissen china for sale to people who care more about aesthetic compatibility than about source.¹⁸⁹

It then explained that:

[a] design feature to be aesthetically functional must be pleasing in itself; it is not enough that a person who owns two items with that feature wants a matched pair. Otherwise we might be forced to admit that General Motors can duplicate the Rolls Royce, because a person who had one Rolls Royce might think a second

181. See *supra* section III(B)(4).

182. See generally *Godinger*, 916 F.2d 76.

183. *LeSportsac*, 754 F.2d at 78. See *supra* section II(B)(2).

184. *Godinger*, 916 F.2d at 82.

185. *W.T. Rogers*, 778 F.2d 334 (7th Cir. 1985).

186. *Id.* at 339 (dictum) (emphasis added).

187. *Id.* (emphasis added).

188. 778 F.2d at 344.

189. *Id.*

Rolls would look good next to it in his garage.¹⁹⁰

The court likened functionality of trade dresses to genericism of trademarks, explaining that where a word is necessary to describe a product that word may never be appropriated to the exclusion of all others.¹⁹¹ So too, where a design is necessary for the construction of a product, it is in essence, a generic property, and therefore, may not be appropriated.¹⁹²

However, the court also observed that where a term is not "generic",

[s]ince the supply of distinctive names and symbols usable for brand identification is very large, indeed for all practical purposes infinite, competition is not impaired by giving each manufacturer a perpetual "monopoly" of his identifying mark; such marks are not a scarce input into the production of goods.¹⁹³

Although the court did not explicitly so state, it would appear that the logical conclusion to be gleaned from the preceding analysis is that *ornamental patterns on silverware* and *chinaware* are *inherently non-generic* because an infinite variety of patterns is available to any competitor. Thus, any analysis of functionality with regard to these patterns is unnecessary.¹⁹⁴

2. All Trade Dresses

Additionally, Professor McCarthy has suggested that any doctrine of functionality ("aesthetic" or "utilitarian") is simply not applicable to strictly ornamental design features on all trade dresses.¹⁹⁵ Indeed, while the *W.T. Rogers* court used certain table-top products as examples, in that case, the design at issue had been the hexagonal shape of an office paper tray.¹⁹⁶ Relying on its analysis of chinaware and silverware patterns, the court suggested that the hexagonal shape of plaintiff's paper tray was non-functional, ex-

190. *Id.*

191. The court illustrates this point with the generic terms "automobile" and "car" and the trademark "Chevrolet". *Id.* at 339.

192. *Id.* See *supra* section III(B)(1).

193. *Id.* at 339 (emphasis added).

194. *Pagliari* has been the leading case on "aesthetic" functionality. *Godinger* might well become the new leading case on the subject. Given the court's suggestion in *W.T. Rogers* that the application of any functionality analysis (let alone, "aesthetic" functionality) is inapplicable to cases involving silverware or chinaware patterns, it is ironic that ornamental designs on table-top products were at issue in both *Godinger* and *Pagliari*.

195. 1 J.T. MCCARTHY, *supra* note 95, § 7:26 at 247-48. See also Note, *The Broad Sweep of Aesthetic Functionality: A Threat to Trademark Protection of Aesthetic Product Features*, 51 *FORDHAM L. REV.* 345, 380 (1982).

196. It should be noted that the Seventh Circuit seemingly regarded any "functional" analysis to be particularly inapplicable to chinaware and silverware patterns. See, e.g., *W.T. Rogers*, 778 F.2d 334.

plaining that, "[t]he hexagonal shape . . . does nothing to enhance the tray's utility in holding papers . . . [a]nd there's no suggestion that it makes a tray cheaper to produce."¹⁹⁷ The analysis in *W.T. Rogers* parallels the reasoning of *Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*¹⁹⁸ In *Ideal Toy*, the Third Circuit applied the doctrine of functionality in its consideration of the color scheme of the trade dress for the "Rubik's Cube" puzzle. The court found that, "the concern for competition . . . does not extend to the circumstances of this case in which the possible trade dress variations are limited only by the designers' imaginations."¹⁹⁹ This "concern" is central to any functionality analysis,²⁰⁰ and, as *Ideal Toy* and *W.T. Rogers* suggest, is not present in all cases where strictly ornamental features are at issue.

3. *The Applicability of the Merely Ornamental Rule*

Judge Rich has suggested that, "it is arguable that there is no 'doctrine' of aesthetic functionality which stands alone, without consideration of the more traditional principles of trademark law."²⁰¹

Building on Judge Rich's observation, Professor McCarthy has suggested that the "merely ornamental" rule protects society's interest in avoiding the monopolization of marks that do not serve a trademark purpose. He has explained:

"Aesthetic functionality" is an inappropriate response to a valid concern. The concern is over features which are merely ornamental and therefore not perceived by customers as indicia of origin-trademarks. However, trademark law has long had a rule to deal with that situation: the "merely ornamental" rule. The "merely ornamental" rule is merely a facet of the basic trademark question: is the disputed feature in fact perceived by customers as a trademark or not? Do customers perceive this feature as mere attractive ornamentation or as a symbol that identifies and distinguishes a single source?²⁰²

A prerequisite to prevailing on any trade dress claim of infringement is proof that the trade dress has achieved secondary meaning. However, this is also a necessary component of any consideration of protectability under the merely ornamental rule. Moreover, the early "'non-functional' unfair competition cases" and the cases de-

197. *Id.* at 343. The court had found that the instructions to the jury were in error and therefore, ordered a new trial. However, notwithstanding its suggestion that the design was non-functional, it ordered that the issue of functionality be evaluated on remand. *Id.* at 338.

198. 685 F.2d 78 (3rd Cir. 1982).

199. *Id.* at 81-82 n.4 (emphasis added).

200. See *supra* section III(B).

201. *In re DC Comics, Inc.*, 689 F.2d 1042, 1050 (C.C.P.A. 1982).

202. 1 J.T. MCCARTHY, *supra* note 95, § 7:26 at 247-48 (emphasis added) (footnote omitted), see *supra* section III(A)(2).

cided later under the merely ornamental rule illustrate that a court need not address the issue of functionality in order to determine the protectability of trade dresses containing ornamental designs.²⁰³

In view of the foregoing, the following argument by Professor McCarthy is highly persuasive:

[t]rademark law and policy does not need the theory of "aesthetic functionality." The policy it purports to serve can be more fairly and accurately performed by the tried and true rule of "merely ornamental", where customer perception is the guide, not a court's notion of what is "an important ingredient in the commercial success of the product."

What neither consumers nor the law of trademark needs is a new "public policy" which denies trademark [protection] to symbols which customers perceive and rely on as trademarks in their purchasing decisions.²⁰⁴

The *LeSportsac* court²⁰⁵ made it quite clear that a central inquiry to any determination of functionality should entail evaluating the principal purchaser motivation.²⁰⁶ Query, is this not *the* question posed in any evaluation as to whether a design has acquired secondary meaning?²⁰⁷ It is suggested that whether couched in one phrase or another, the ultimate inquiry should be whether the design at issue functions as an indication of source and is therefore entitled to protection from misappropriation.

203. See *supra* section III(A).

204. 1 J.T. McCARTHY, *supra* note 95, § 7:26 at 248. Several trademark commentators appear to concur with Professor McCarthy. E.g., A.L. Fletcher, *The Defense of "Functional" Trademark Use: If What Is Functional Cannot Be a Trademark, How Can a Trademark Be Functional?*, 75 TRADEMARK REP. 249, 267-68 (1982); B.J. Duft, *Aesthetic Functionality*, 73 TRADEMARK REP. 151, 202 (1982); A.S. Oddi, *The Functions of "Functionality" in Trademark Law*, 76 TRADEMARK REP. 308, 348 (1986).

205. See *LeSportsac*, 754 F.2d 71.

206. *LeSportsac*, 754 F.2d at 78. Purchaser motivation is central to virtually every circuit court's evaluation of functionality. E.g., *American Greetings Corp. v. Dan-Dee Imports, Inc.*, 807 F.2d 1136, 1142 (3rd Cir. 1986).

207. Professor McCarthy agrees that an evaluation of purchaser motivation is central to determining both "aesthetic" functionality and secondary meaning. He states that:

[m]any of the cases using the "aesthetic functionality" rationale might well have been decided the same way on a principled analysis by application of the "merely ornamental" rule. In fact, many opinions appear to use the two approaches in an uneasy synthesis.

1 J.T. McCARTHY, *supra* note 95, § 7:26 at 248 n.15. Professor McCarthy cites to *Damn I'm Good, Inc. v. Sakowitz, Inc.*, 514 F. Supp. 1357 (S.D.N.Y. 1982) in support of this observation. In *Damn I'm Good*, although the court had ostensibly followed the "important ingredient" test, the decision appears to be based in large measure on the finding that the mark in question had played "an insignificant role . . . in identifying the source of plaintiff's [goods]." *Id.* at 1362.

VI. CONCLUSION

In sum, it is submitted that in cases involving trade dress ornamental features:

- any variation of an "aesthetic" functionality analysis represents a superfluous addition to the law of functionality, and
- any functionality analysis represents a superfluous addition to the merely ornamental rule.

It is suggested that given that variations of ornamental designs are virtually limitless, functionality is not needed to prevent the monopolization of any given pattern. It is further suggested that given the heavy burden of proof which a plaintiff must meet to establish secondary meaning, the merely ornamental rule contains sufficient protection against the unwarranted appropriation of trade dress designs. It is finally suggested that a proper application of the "Polaroid Factors" would ensure that very weak trademarks would be accorded only limited protection.

At a minimum, it is submitted that the *LeSportsac* functionality analysis should be applied in lieu of the *Godinger* "conditional" functionality analysis. Many trade dresses contain ornamental elements which will not be found inherently distinctive if analyzed individually. Under *Godinger*, all trade dresses with commonly used design elements could be granted only the most limited protection possible irrespective of whether the combination was distinctive. The implications of this restrictive approach are quite serious, for the marketplace could well be flooded with trade dresses which are not only "substantially similar" but also "confusingly similar". Therefore, the application of a "conditional" functionality analysis could well foster unfair competition and hinder innovative design.

If the Second Circuit merely reverted back to the standard for determining the functionality of ornamental features that was established in *LeSportsac* and *Stormy Clime*, it is suggested that, when all is said and done, plaintiffs would be entitled to the same protection as they would if the merely ornamental rule and the "Polaroid Factors" were applied. However, much less need be said or done if all variations of the doctrine of functionality were recognized as inapplicable to the evaluation of trade dress ornamental design features.