Trade Dress: Who Should Bear the Burden of Proving or Disproving Functionality in a Section 43(a) Infringement Claim?

Danielle Rubano

J.D. Candidate, 1996, Fordham University School of Law.
Trade Dress: Who Should Bear the Burden of Proving or Disproving Functionality in a Section 43(a) Infringement Claim?

Cover Page Footnote
I would like to thank Joseph D. Garon, Esq., for his insightful comments and support in writing this Note.
Trade Dress: Who Should Bear the Burden of Proving or Disproving Functionality in a Section 43(a) Infringement Claim?

Danielle Rubano*

INTRODUCTION

Can you imagine what would happen if any and all cola manufacturers could copy the shape of Coca-Cola's traditional classic cola bottle? How disappointed would you be when you picked up that fluted glass bottle expecting your old favorite and instead got an imitation?

The fluted Coca-Cola bottle is an example of the "trade dress" of a product. Traditionally, trade dress was simply thought of as labels, wrappers, containers or other packaging. The notion of trade dress has expanded over time, and today, the trade dress of a product is generally defined as "the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques." Thus, trade dress encompasses the total look of a product and its packaging.

* J.D. Candidate, 1996, Fordham University School of Law. I would like to thank Joseph D. Garon, Esq., for his insightful comments and support in writing this Note.


2. John H. Harland Co. v. Clarke Checks, Inc., 711 F.2d 966, 980 (11th Cir. 1983); see also 1 MCCARTHY, supra note 1, §8.01, at 8-1 to 8-12 (defining trade dress in various circuits and discussing rules of trade dress protection). Trade dress takes a variety of forms. See, e.g., Computer Care v. Service Sys. Enters., 982 F.2d 1063 (7th Cir. 1992) (infringement on trade dress of auto service reminder letters, sales brochure and monthly reports); Two Pesos, Inc. v. Taco Cabana, Inc., 112 S. Ct. 2753, 2755 n.1 (1992) (infringement on trade dress of restaurant including "the shape and general appearance of the exterior of the restaurant, the identifying sign, the interior kitchen floor plan, the decor, the menu, the equipment used to serve food, the servers' uniforms and other features reflecting on the total image of the restaurant").

3. 1 MCCARTHY, supra note 1, § 8.01[2], at 8-5; see also Ideal Toy Corp. v. Plawner Toy Mfg. Corp., 685 F.2d 78, 80 n.2 (3d. Cir. 1982) ("Although historically trade dress
To ensure that trade dress does not cause confusion among products, Congress passed § 43(a) of the Lanham Act prohibiting the "false designation" of a product's origin.\(^4\) Section 43(a) requires proving three elements in a trade dress infringement claim: first, that a consumer is likely to confuse the imitated product's trade dress with that of its competitor; second, that the imitated product's trade dress has inherent distinctiveness or has acquired secondary meaning; and, third, that the imitated trade dress is non-functional.\(^5\) While the various federal circuits agree that the party claiming trade dress infringement is responsible for proving the first two elements in federal trade dress infringement claims, the circuit courts are divided as to whether the plaintiff or the defendant bears the burden of proving or disproving functionality where the product's trade dress is unregistered.\(^6\)

This Note examines which party should bear the burden of proving or disproving functionality in an unregistered trade dress infringement claim. Part I reviews the legislative history of the Lanham Act, providing an overview of trade dress infringement and explaining functionality. Part II surveys representative opinions of the circuit courts and their rationales for placing the burden on either the plaintiff or defendant. Part III argues that the defendant should always bear the burden of proving functionality in a trade dress infringement claim. Finally, this Note concludes that functionality should be an affirmative defense to a trade dress infringement claim, regardless of whether trade dress is registered or unregistered.

\(^4\) To ensure that trade dress does not cause confusion among products, Congress passed § 43(a) of the Lanham Act prohibiting the "false designation" of a product's origin (15 U.S.C. § 1125(a) (1994); see S. REP. No. 1333, 79th Cong., 2d Sess. 3 (1946) [hereinafter S. REP. No. 1333]; see also infra note 8 (citing text of the Lanham Act)).

\(^5\) See infra note 8 (citing text of the Lanham Act); Two Pesos, 112 S. Ct. at 2758 (citing § 43(a) of the Lanham Act); infra part I (discussing in depth the elements of the trade dress infringement claim).

\(^6\) Compare, e.g., Rachel v. Banana Republic, Inc., 831 F.2d 1503, 1506 (9th Cir. 1987) (requiring the plaintiff to bear the burden) and Woodsmith Publishing Co. v. Meredith Corp., 904 F.2d 1244, 1247 (8th Cir. 1990) (same) with Warner Bros., Inc. v. Gay Toys, Inc., 724 F.2d 327 (2d Cir. 1983) (requiring the defendant to bear burden of proof) and W.T. Rogers Co. V. Keene, 778 F.2d 334 (7th Cir. 1985) (same).
I. Overview of Trade Dress Infringement: §43(a) of the Lanham Act, Trade Dress Infringement and Functionality

Section 43(a) of the Lanham Act provides remedies for a variety of deceptive trade practices, including a federal cause of action for trade dress infringement. The legislative history of § 43(a) and the case law indicate that the purpose of protecting trademarks and trade dress functioning as a trademark is twofold: first, to ensure the consumer receives the product it asked for and expected; and, second, to protect the investment of the trademark owner who has

7. Remedies for trademark/trade dress infringement include: preliminary and permanent injunctions, monetary recovery, punitive damages and attorney fees. See generally 4 MCCARTHY, supra note 1, § 30.01-.31, at 30-1 to 30-160.

8. Rachel, 831 F.2d at 1505 (discussing § 43(a) providing a remedy for deceptive trade practices) (citing Fuddruckers, Inc. v. Doc's B.R. Others, Inc., 826 F.2d 837, 841 (9th Cir. 1987)). Section 43(a) of the Lanham Act provides in pertinent that:

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.


9. See Reader's Digest Ass'n v. Conservative Digest, Inc., 821 F.2d 800, 803 (D.C. Cir. 1987) ("It is well established that this section creates a federal cause of action for trade dress infringement."); see also LeSportsac, Inc. v. K Mart Corp., 754 F.2d 71, 75 (2d Cir. 1985) ("Section 43(a) . . . establishes a federal law of unfair competition by providing a statutory remedy to a party injured by a competitor's 'false designation of origin' of its product, whether or not the aggrieved party has a federally registered trademark.").

10. Trademarks are referred to as "trademarks" or "marks" and trade dress is referred to as "trade dress" or "dress." See, e.g., Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 868-69 (8th Cir. 1994).
spent time, money, and energy bringing a product to the public.\textsuperscript{11}

Trademarks protect their owners against another manufacturer's selling of a product as the trademark owner's.\textsuperscript{12} Because trademarks identify a product's manufacturer, consumers rely on trademarks when purchasing goods.\textsuperscript{13} Trademark protection, and therefore, trade dress protection\textsuperscript{14} essentially safeguard against unfair competition.\textsuperscript{15} Trademarks protect the public from deception, promote fair competition, and secure the advantages of reputation for the business community.\textsuperscript{16}

Under § 43(a)'s protection, a product's manufacturer can register its trade dress as a trademark,\textsuperscript{17} or protect its product's trade dress as an unregistered trademark.\textsuperscript{18} The difference between regis-

\begin{itemize}
\item \textsuperscript{11} S. REP. NO. 1333, supra note 4, at 3; \textit{see also} Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1508 (10th Cir. 1995) ("The core concepts of trademark protection are that consumers not be confused, misled, or deceived as to whose product they are buying, that sellers' goodwill—or investment in their reputation for quality—be protected . . ."); \textit{LeSportsac}, 754 F.2d at 76 (purpose of Lanham Act is to protect consumer from confusion); Jessica Litman, \textit{Note, The Problem of Functional Features: Trade Dress Infringement Under Section 43(a) of the Lanham Act}, 82 COLUM. L. REV. 77, 92 (1982) ("[T]he [Lanham] Act's complementary purposes [are] to protect the public against deception and to prevent diversion of trade through misrepresentation or appropriation of another's goodwill.").
\item \textsuperscript{12} S. REP. NO. 1333, supra note 4, at 3.
\item \textsuperscript{13} \textit{Id.}
\item \textsuperscript{14} \textit{See} Vaughan Mfg. Co. v. Brikam Int'l, Inc., 814 F.2d 346, 348 n.2 (7th Cir. 1987) ("The issues discussed [in trademark and trade dress cases include] 'secondary meaning' and 'functionality' [and] have the same meaning in both areas; courts deciding 'trade dress' cases cite freely from 'trademark' cases, and vice versa."); \textit{see also} Aromatique, 28 F.3d at 868 ("The difference between trade dress and trademark is no longer of importance in determining whether trade dress is protected by federal law.").
\item \textsuperscript{15} S. REP. NO. 1333, supra note 4, at 4.
\item \textsuperscript{16} \textit{Id.} Once a manufacturer secures a trademark in the trade dress of its product, others are prohibited from copying that trade dress which, in turn, prevents consumers from confusing the trademarked product with the imitator's product. Thus, the interests of both consumers and manufacturers are protected. \textit{See supra} note 11 (discussing goals of trade dress protection).
\item \textsuperscript{17} \textit{See} Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1303 (1995) (citing Coca-Cola as an example of a registered trademark).
\item \textsuperscript{18} \textit{See, e.g., Rachel}, 831 F.2d at 1506 (protecting unregistered trade dress); \textit{LeSportsac}, 754 F.2d at 75 (trade dress "may become an unregistered trademark eligible for protection under § 43(a)"); Stormy Clime Ltd. v. ProGroup, Inc., 809 F.2d 971, 974 (2d Cir. 1987) (stating "the first manufacturer of a product is entitled to an unregistered
tered and unregistered trademarks or trade dress is that registered marks or dress are entitled to certain presumptions while unregistered marks or dress are not.\textsuperscript{19} For example, the registration of a mark creates a rebuttable presumption that the mark is valid and, therefore, distinctive and nonfunctional.\textsuperscript{20} This presumption places the burden of proving that the registered mark is invalid on the allegedly infringing party and can place the burden of proving functionality on the defendant.\textsuperscript{21} Thus, in a trade dress infringement claim where a party's trade dress was previously registered, the defendant bears the burden of proving functionality.

Prior to the Supreme Court's decision in \textit{Two Pesos, Inc. v. Taco Cabana, Inc.}\textsuperscript{22} to prevail on a claim for trade dress infringement under § 43(a) three elements were required: first, the trade dress of the two products had to be confusingly similar causing a "likelihood of confusion"; second, the trade dress must have acquired "secondary meaning"; and, third, the copied features of the trade dress had to be primarily nonfunctional.\textsuperscript{23} In \textit{Two Pesos}, the Supreme Court, analogizing trade dress to trademark, extended the second element of this test to include all trade dress that is "inherently distinctive" as well as trade dress that has acquired secondary meaning.\textsuperscript{24}

The "likelihood of confusion" element requires the plaintiff to prove that the defendant's product and package is sufficiently similar to its own product and package to confuse ordinary consum-

\begin{footnotesize}
\begin{tabular}{l}
\textsuperscript{19} \textit{Aromatique}, 28 F.3d at 868-69. \\
\textsuperscript{20} \textit{Id.} \\
\textsuperscript{21} See \textit{id.; see also 1} \textsuperscript{2} \textit{McCARTHY, supra} note 1, § 7.26[3][d], at 7-128 (stating that if the plaintiff has a federally registered trademark, the burden of proving functionality is on the defendant because a registration is prima facie evidence of validity). \\
\textsuperscript{22} 112 S. Ct. 2753 (1992). \\
\textsuperscript{24} \textit{Id.} at 2758 (affirming the lower court's finding that the plaintiff's trade dress involving the appearance, design and motif of its restaurant was inherently distinctive without having acquired secondary meaning).
\end{tabular}
\end{footnotesize}
For example, in Computer Care v. Service Systems Enterprises, the court found that defendants "slavishly" imitated the plaintiff's trade dress of auto service reminder letters, sales brochure and monthly reports, thus causing a likelihood of confusion.

The requirement of proving "inherent distinctiveness," or "inherent distinctiveness through secondary meaning," requires an examination of traditional trademark classifications. This is because trademarks are often classified in categories of increasing distinctiveness as: "(1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful." Marks that are "suggestive," "arbitrary" or "fanciful" immediately identify a particular source or manufacturer of a product and are "deemed inherently distinctive." "Merely descriptive" marks are not inherently distinctive because they do not necessarily identify a particular, though possibly anonymous, source and should be considered free for all to use. However, a "descriptive" mark or dress may acquire distinctiveness in the course of commerce, thereby acquiring "secondary meaning." Acquiring "secondary meaning" indicates a mark or dress has achieved "consumer recognition." This means consumers associate that mark or dress with one particular source or manu-

25. 1 McCarthy, supra note 1, § 8.03, at 8-18.3; accord First Brands Corp. v. Fred Meyer, Inc., 809 F.2d 1378, 1383-84 (9th Cir. 1987).
26. 982 F.2d 1063 (7th Cir. 1992).
27. Id. at 1069-70 (examining all the evidence including deliberate copying to determine the issue of likelihood of confusion); see Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir.), cert. denied, 368 U.S. 820 (1961) (explaining the eight factors involved in determining likelihood of confusion).
28. Two Pesos, 112 S. Ct. at 2757 (citing Abercrombie & Fitch Co. v. Hunting World, Inc. 537 F.2d 4, 9 (2d Cir. 1976)).
29. Id.
31. Two Pesos, 112 S. Ct. at 2757 (citing Abercrombie & Fitch Co. v. Hunting World, Inc. 537 F.2d 4, 9 (2d Cir. 1976)).
32. Id.
33. 1 McCarthy, supra note 1, § 7.26(2), at 7-116.2; see also Two Pesos, 112 S. Ct. at 2758-59 (referring to secondary meaning as "substantial consumer association" (quoting Taco Cabana Int'l, Inc. v. Two Pesos, Inc., 932 F.2d 1113, 1120 n.7 (5th Cir. 1991))); Warner Bros., Inc. v. Gay Toys, Inc., 724 F.2d 327, 334 (2d Cir. 1983) (finding that consumer association of the product with its source is enough to prove secondary meaning).
manufacturer. Consequently, the second element of a trade dress infringement claim requires a showing that the imitated trademark or trade dress is inherently distinctive, or that it has acquired consumer recognition through secondary meaning.

Nonfunctionality, the third element required to prevail on a claim for trade dress infringement under § 43(a), is based on whether the shape or feature being evaluated has a utilitarian purpose. If the shape or feature adds utility or quality to the product, or makes the product more economical to manufacture, then the shape or feature is "functional," and not protectable. The rationale behind functionality is that an indefinite removal from the realm of competition of a feature that is "essential to the use or purpose of the article" severely and unjustly disadvantages other manufacturers. Some examples of functional features include: the oval shape of a football the pillow shape of a shredded wheat biscuit and the ribbed outline of a packet for salt and pepper. One example of trade dress that was found nonfunctional is the box and bottle of Chanel No. 5 perfume. Additionally, the Supreme Court has recently held that in certain situations color, by itself, may be considered a nonfunctional feature, and can therefore serve as a trademark.

34. 1 McCARTHY, supra note 1, § 8.02[1], at 8-12 to 8-13, § 8.02[3], at 8-16 to 8-18; Warner Bros., 724 F.2d at 332; see also Two Pesos, 112 S. Ct. at 2758-59; Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 851 n.11 (1982) (noting that the trade dress of a product attains "secondary meaning" when the consumer associates that trade dress with a particular producer or source rather than with the product itself).

35. 1 McCARTHY, supra note 1, § 8.02[3], at 8-16 to 8-18; see also Two Pesos, 112 S. Ct. at 2761 (discussing that if trade dress is inherently distinctive, proof of secondary meaning is not required).

36. 1 McCARTHY, supra note 1, § 7.26[1], at 7-114.

37. Id.; see also Inwood Labs., 456 U.S. at 850 n.10 (defining functionality as a feature that "is essential to the use or purpose of the article or affects the cost or quality of the article").

38. Inwood Labs., 456 U.S. at 850 n.10.


42. See Chanel Inc. v. Suttner, 109 U.S.P.Q. 493 (S.D.N.Y. 1956); see also 1 McCARTHY, supra note 1, § 8.03, at 8-20.4 to 8-21.

43. See Qualitex, 115 S. Ct. at 1303-04. See generally, Daniel R. Schechter, Com-
The functionality element of the test for trade dress infringement is frequently litigated because it demonstrates the conflict between trademark protection and copyright or patent protection. The primary rationale for trademark protection is that if competitors could freely copy identifying features, consumers would be confused as to the source or the manufacturer of the product. Accordingly, trademark protection allows consumers to easily identify products with which they have had a good experience and want to continue purchasing, or a bad experience and want to avoid purchasing. However, allowing trademark/trade dress protection creates conflict because “there exists a fundamental right to compete through imitation of a competitor’s product, which right can only be temporarily denied by the patent or copyright laws.” Thus, the concept of functionality removes certain design features from the realm of trademark protection, limiting the features protected in a trade dress infringement claim to those found to be nonfunctional. In other words, manufacturers have the right to use the functional features of a competitor’s product and freely build upon those features, but may not copy nonfunctional, identifying features. However, not all potentially functional features are automatically excluded from protection. For example, if a feature, such as color, serves a nonfunctional identifying purpose for a particular product, it may receive trademark protection.

44. See Rogers, 778 F.2d at 338 (citations omitted).
45. Id.
47. Rogers, 778 F.2d at 338. A registered trademark is entitled to the presumption that the mark is valid, and therefore, nonfunctional, however, the presumption is rebuttable. Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 869 (8th Cir. 1994).
48. See Qualitex, 115 S. Ct. 1300 (holding that although color may be a functional feature, it may also serve as a trademark if its purpose is a nonfunctional identifying one).
49. Id. at 1306.
II. CIRCUIT COURT DECISIONS

A survey of representative circuit court decisions reveals that a split exists among the federal circuits regarding which party bears the burden of proving or disproving functionality in a trade dress infringement claim where the product’s trade dress was unregistered. While the Second and Seventh Circuits place the burden of proof on the defendant, the Ninth, Eighth, and Third Circuits place the burden of proof on the plaintiff.

A. Burden of Proof on the Defendant

1. Second Circuit

In 1981, the Second Circuit, in *Vibrant Sales, Inc. v. New Body Boutique, Inc.*, suggested that the burden of proving nonfunctionality for a § 43(a) claim should rest with the plaintiff. However, the court found it unnecessary to decide the issue because the plaintiff failed to prove its product’s appearance or methods of advertising had acquired secondary meaning, another part of the pre-*Two Pesos* three-prong test.

The Second Circuit revisited the issue two years later. In *Warner Brothers, Inc. v. Gay Toys, Inc.*, the Second Circuit affirmed summary judgment for the plaintiff on its claim that the defendant had violated § 43(a) of the Lanham Act. The plaintiff claimed that the defendant marketed a toy car which closely resembled the “General Lee,” an automobile featured in the plaintiff’s television series “The Dukes of Hazard.” The plaintiff further claimed that the similarity confused consumers as to whether the

50. In addition to those circuits discussed herein, the First Circuit addressed the issue of which party must bear the burden of proving or disproving functionality in a trade dress infringement claim, expressed uncertainty as to whether this burden rests with the plaintiff or defendant, and has not resolved the issue. See *Fisher Stoves, Inc. v. All Nighter Stove Works, Inc.*, 626 F.2d 193, 195-96 (1st Cir. 1980).
52. Id. at 304.
53. Id.
54. 724 F.2d 327 (2d Cir. 1983).
55. Id. at 329.
56. Id.
plaintiff manufactured the toy. The only difference between the
defendant’s car and the real General Lee was that the symbol on
the side of the defendant’s car was a “10” instead of the “01”
which appeared on the plaintiff’s car. When customers noted the
apparent error and complained, the defendant sent them individual
labels of a “1” and a “0,” telling them to affix the numbers as they
saw fit.

In finding for the plaintiff, the Second Circuit characterized the
question of functionality as a defense, thus placing the burden of
proving functionality on the defendant. In reaching this conclu-
sion, the court stated that the functionality defense was developed
for three reasons: (1) to prevent the monopolization of useful de-
sign features; (2) to promote competition; and (3) to encourage
broad dissemination of those features.

The Second Circuit followed its Warner reasoning two years
later in LeSportsac, Inc. v. K Mart Corp. In LeSportsac, the
plaintiff sued the defendant to enjoin the defendant’s marketing of
canvas bags whose trademark and trade dress the district court

57. Id.
58. Id. at 329 n.1.
59. Id. The district court found that the plaintiff had a right to a monopoly over the
profits generated from a demand for “General Lee” copies which was created because of
the success of the “Dukes of Hazard” television show. Warner Bros., Inc. v. Gay Toys,
60. Warner, 724 F.2d at 331.
61. Id.; see also Pope Automatic Merchandising Co. v. McCrum-Howell Co., 191 F.
979, 981-82 (7th Cir. 1911), cert. denied, 223 U.S. 730 (1912).

Development in a useful art is ordinarily toward effectiveness of operation
and simplicity of form. Carriages, bicycles, automobiles, and many other things
from diversity have approached uniformity through the utilitarian impulse. If
one manufacturer should make an advance in effectiveness of operation, or in
simplicity of form, or in utility of color; and if that advance did not entitle him
to a monopoly by means of a machine or a process or a product or a design
patent; and if by means of unfair trade suits he could shut out other manufactur-
ers who plainly intended to share in the benefits of the unpatented utilities . .
. he would be given gratuitously a monopoly more effective than that of the
unobtainable patent in the ratio of eternity to 17 years.

Id. at 981-82.
62. 754 F.2d 71 (2d Cir. 1985).
found to be confusingly similar to that of the plaintiff’s product.\textsuperscript{63} Citing \textit{Warner}, the Second Circuit affirmed the district court’s decision and characterized functionality as a defense, thus, placing the burden of proving functionality on the defendant.\textsuperscript{64} The \textit{LeSportsac} court stated that “[r]equiring the plaintiff to prove nonfunctionality . . . might ‘defeat [] the Lanham Act’s purpose of enabling a purchaser to distinguish one product from another . . . because a plaintiff unable to prove that the features copied are nonfunctional will not prevail, no matter how compelling the evidence that purchasers are confused . . .’”\textsuperscript{65} \textit{LeSportsac} also relied on Justice White’s concurring opinion in \textit{Inwood Laboratories, Inc. v. Ives Laboratories, Inc.},\textsuperscript{66} which asserted that “functionality is a defense to a suit under § 43(a) of Lanham Act.”\textsuperscript{67}

2. Seventh Circuit

a. \textit{W.T. Rogers Co. v. Keene}

In 1985, the same year the Second Circuit decided \textit{Lesportsac}, the Seventh Circuit, in \textit{W.T. Rogers Co. v. Keene},\textsuperscript{68} likewise held that functionality is an affirmative defense to a § 43(a) trade dress infringement claim.\textsuperscript{69} In \textit{Rogers}, the plaintiff and defendant were

\begin{thebibliography}{99}
\bibitem{63} \textit{Id.} at 73.
\bibitem{64} \textit{Id.} at 76.
\bibitem{65} \textit{Id.} (quoting Litman, \textit{supra} note 11, at 87 n.78 (citing S. Rep. No. 1333, \textit{supra} note 4, at 4)).
\bibitem{66} 456 U.S. 844 (1982).
\bibitem{67} \textit{LeSportsac}, 754 F.2d at 76 (citing \textit{Inwood Labs.} 456 U.S. at 863 (White, J., concurring)). \textit{Inwood Labs.} involved a drug manufacturer who claimed that generic drug companies were vicariously liable for pharmacists’ infringement of its product’s trademark. \textit{Inwood Labs.}, 456 U.S. at 849-50. The generic companies copied the drug’s appearance resulting in pharmacists dispensing the generic drug as the name-brand drug. \textit{Id.} at 850. The district court did not hold the generic drug companies liable because there was no showing that these companies induced the pharmacists to infringe on the trademark by dispensing the generic as the name-brand drug, nor was there a showing that these companies knew the pharmacists were mislabeling the generic product yet continued to supply them nonetheless. \textit{Id.} at 855. However, Justice White explained that the use of a product or package design so similar to that of another manufacturer is likely to confuse consumers as to the product’s source and may constitute “false designation of origin” within the meaning of the Lanham Act. \textit{Id.} at 863 (White, J., concurring).
\bibitem{68} 778 F.2d 334 (7th Cir. 1985).
\bibitem{69} \textit{Id.} at 338.
\end{thebibliography}
competing manufacturers of office supplies. The plaintiff’s claim arose over the defendant’s copying of a “molded plastic stacking office tray [used] for letters and other documents.” The defendant’s tray was almost identical to the plaintiff’s tray. The plaintiff had never attempted to obtain a design patent for its tray, nor had it ever tried to register the unique end panels of its tray as a trademark.

In Rogers, the court accepted the functionality defense doctrine, stating that “functionality is a traditional defense in the common law of unfair competition to a suit for trademark infringement.” The court explained that there are two views regarding the interpretation of § 43(a) of the Lanham Act. The first view is that the section provides a federal remedy for unfair competition (occurring in interstate commerce), and thus requires a court to look to a state’s common law for the “contours of the functionality defense.” The second view is that § 43(a) creates a “federal substantive law of unfair competition in interstate commerce, or more precisely authorizes the federal courts to create such a law.” In other words, federal courts are given the power to create federal common law. Under the latter view, an infringement claim is a suit to enforce a federal common law trademark and would not require the court to follow a state’s common law. Under federal common law, the court may or may not be bound to recognize a defense of functionality, and nonfunctional features may not be protectable unless competition is “unduly hindered” by copying those nonfunctional features.

70. Id. at 337.
71. Id.
72. Id.
73. Rogers, 778 F.2d at 338; see also 1 McCarthy, supra note 1, § 7.26[3][d], at 7-126 to 7-127 (“The majority takes the view that functionality is a classic ‘defense’ to be pleaded and proven by the defendant as part of a challenge to validity.”).
74. Rogers, 778 F.2d at 338.
75. Id.
76. Id.
77. Id.
78. Id.
79. See id. (citing Litman, supra note 11, at 81-93). This is problematic because a federal common law for trade dress infringement could be arbitrarily determined by the
The Seventh Circuit explained that this second view ignores the "importance of recognizing a defense of functionality in order to head off a collision between Section 43(a) and patent law." Pre- vents a collision is important because patent law fosters competition among manufacturers by allowing patented subject matter to enter the public domain after seventeen years. If federal common law were to allow indefinite trademark protection for functional features, it would thwart patent law's goal of limiting the time period a functional feature can remain out of the public realm and therefore interfere with the primary purpose of patent law.

The 

The court also noted a practical objection to the federal common law view, referring to problems with enforcing federal common law. The court claimed that "confusion, complexity, and forum-shopping would be the result of allowing firms to enforce simultaneously, in different courts, state and federal common law trademarks." While the Seventh Circuit did not explicitly decide whether the common law trademark that § 43(a) protects is state or federal, the court strongly favored functionality as an affirmative defense requiring the defendant to bear the burden of proving func-

federal courts. It could allow copying of nonfunctional features which would increase consumer confusion and thereby undermine trademark law's goal of protecting the consumer from confusion amongst products. Id.

80. Id.


82. Merchant, 963 F.2d at 633.

It is self evident that on the 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. It is upon this condition that the patent is granted. It follows, as a matter of course, that 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.

Id. (citing Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169, 185 (1896)); see also Pope Automatic Merchandising, 191 F. at 981-82 (explaining it is unfair to allow a manufacturer a gratuitous monopoly more effective than a patent "in the ratio of eternity to 17 years").

83. Rogers, 778 F.2d at 338.

84. Id.
tionality to rebut a trade dress infringement claim.\textsuperscript{85}

b. Computer Care v. Service Systems Enterprises

More recently, the Seventh Circuit in \textit{Computer Care}\textsuperscript{86} advocated the current \textit{Two Pesos}\textsuperscript{87} modification to the traditional three-prong test for proving trade dress infringement.\textsuperscript{88} In \textit{Computer Care}, the court explained that the elements of a trade dress infringement claim are that: (1) the trade dress is “inherently distinctive” or has acquired “secondary meaning”; (2) the similarity between the defendant’s and the plaintiff’s trade dress creates a “likelihood of confusion”; and (3) the plaintiff’s trade dress is “nonfunctional.”\textsuperscript{89} Clarifying its view, the court stated that functionality “\textit{is actually an affirmative defense on which the defendant bears the burden of proof}.”\textsuperscript{90}

B. Burden of Proof on the Plaintiff

1. Ninth Circuit

In contrast to the Second and Seventh Circuits, the Ninth Circuit, in \textit{Rachel v. Banana Republic, Inc.},\textsuperscript{91} placed the burden of proof on the plaintiff,\textsuperscript{92} despite the court’s acknowledgement that

\textsuperscript{85} Id.
\textsuperscript{86} 982 F.2d 1063 (7th Cir. 1992).
\textsuperscript{87} 112 S. Ct. 2753 (1992).
\textsuperscript{88} \textit{Computer Care}, 982 F.2d at 1067; see also Schwinn Bicycle Co. v. Ross Bicycles, Inc., 870 F.2d 1176, 1182 (7th Cir. 1989) (noting that in a trade dress infringement case, a manufacturer must prove its trade dress has acquired secondary meaning or that it is inherently distinctive).
\textsuperscript{89} \textit{Computer Care}, 982 F.2d at 1067-68 (emphasis added).
\textsuperscript{90} Id. at 1068 (emphasis added); see also Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 20 (7th Cir. 1992) (stating functionality is actually an affirmative defense). In \textit{Computer Care}, both the plaintiff and the defendant were engaged in the auto service “reminder letter” business. \textit{Computer Care}, 982 F.2d at 1065. Each used a computer program to generate letters on behalf of auto dealerships and repair shops reminding car owners when it was time to bring their cars in for service. \textit{Id}. The plaintiff brought suit claiming the defendant infringed upon its trade dress of reminder letters, sales brochure and monthly reports. \textit{Id}. The district court found that the presentation and format of the plaintiff’s trade dress could be varied and did not have to be set up in a specific way to perform its function. \textit{Computer Care v. Service Sys. Enters.}, 761 F. Supp. 1333, 1335 (N.D. Ill. 1991). Therefore, the plaintiff’s trade dress was found nonfunctional. \textit{Id}. The Seventh Circuit affirmed on the issue of functionality. \textit{Computer Care}, 982 F.2d at 1071.
\textsuperscript{91} 831 F.2d 1503 (9th Cir. 1987).
\textsuperscript{92} \textit{Rachel}, 831 F.2d at 1506 (citing First Brands Corp. v. Fred Meyer, Inc., 809 F.2d
the “weight of authority” characterizes functionality as a defense. The Rachel court, therefore, required the plaintiff to prove nonfunctionality as an element of its cause of action. However, the court gave little reason for its decision.

In Rachel, the plaintiff sold synthetic animal heads to the defendant, Banana Republic, for display in its retail stores. Banana Republic later terminated its business with Rachel and began purchasing animal displays from Fred Funk, who improved on Rachel’s work by casting a mold of an actual specimen to add realism to the animal display. Rachel brought suit claiming trade dress infringement and arguing that the defendants bore the burden of proving functionality. The Rachel court, relying on Ninth Circuit precedent, held that the plaintiff had the burden of proving nonfunctionality. Therefore, under Ninth Circuit analysis, proving nonfunctionality is an essential element of a plaintiff’s cause of action. Rachel subsequently lost his claim because he failed to fulfill this burden.

1378, 1381 (9th Cir. 1987)). The First Brands decision stated, without any extensive analysis, that the plaintiff bears the burden of proof as an element of its cause of action. The court stated the “[Plaintiff] must prove that its trade dress: (1) is nonfunctional, (2) has acquired secondary meaning, and (3) is likely to be confused with [the defendant’s] private label . . . .” First Brands, 809 F.2d at 1381.

93. Rachel, 831 F.2d at 1506 n.2. But see LeSportsac, 754 F.2d at 75-76 (opining that the defendant has the burden of proving functionality); Vaughan Mfg. Co. v. Brikam Int’l, Inc., 814 F.2d 346, 349 (7th Cir. 1987) (holding that functionality is a defense); Stormy Clime, 809 F.2d at 974 (stating that the defendant can show functionality to prevail); 1 McCarthy, supra note 1, § 7:26 [3][d], at 7-127 (placing the burden of proving functionality on the defendant once the plaintiff has shown inherent distinctiveness).

94. Rachel, 831 F.2d at 1506.

95. Id. The Rachel court only stated that “[i]n [the Ninth Circuit] we have placed the burden of proof on the plaintiff.” Id. The court gave no further explanation, except to acknowledge in a footnote the current controversy as to whether the plaintiff or defendant should bear the burden of proving or disproving functionality. Id. at n.2.

96. Id. at 1506.

97. Id. at 1505.

98. Id. at 1506.

99. Id.

100. Id. (citing First Brands Corp. v. Fred Meyer, Inc., 809 F.2d 1378, 1381 (9th Cir. 1987)).

101. Id. at 1506-07.
2. Eighth Circuit

The Eighth Circuit, in Woodsmith Publishing Co. v. Meredith Corp.,\textsuperscript{102} similarly held that the burden of proving nonfunctionality rested with the plaintiff.\textsuperscript{103} In Woodsmith, both parties “published nationally competing bimonthly magazines for the woodworking hobbyist and used advertising mailers to solicit subscriptions.”\textsuperscript{104} The plaintiff sued, alleging trade dress infringement.\textsuperscript{105} The plaintiff claimed the defendant assumed its trade dress and engaged in unfair competition by using a subscription solicitation system confusingly similar to the plaintiff’s system.\textsuperscript{106} The district court granted the defendant’s request for summary judgment\textsuperscript{107} which the Eighth Circuit affirmed. The Woodsmith court stated “[a] moving party is ‘entitled to judgment as a matter of law’ if the nonmoving party fails to make a sufficient showing of an essential element of a claim with respect to which it has the burden of proof.”\textsuperscript{108} Thus, the court concluded that proving nonfunctionality is an “essential element” of a plaintiff’s cause of action, and therefore, a plaintiff must bear the burden of proof in order to succeed on its claim.\textsuperscript{109} However, the Eighth Circuit, like the Ninth Circuit, gave no further explanation for its conclusion requiring the plaintiff to bear the burden of proof in a trade dress infringement claim.

3. Third Circuit

Like the Eighth and Ninth Circuits, the Third Circuit requires a plaintiff claiming trade dress infringement to prove: “(1) that the imitated feature is non-functional, (2) that the imitated feature has acquired a ‘secondary meaning,’ and (3) that consumers are likely to confuse the source of the plaintiff’s product with that of the

\textsuperscript{102} 904 F.2d 1244 (8th Cir. 1990).
\textsuperscript{103} See id. at 1247.
\textsuperscript{104} Id. at 1245.
\textsuperscript{105} Id. at 1246.
\textsuperscript{106} Woodsmith Publishing Co. v. Meredith Corp., 904 F.2d 1244, 1246 (8th Cir. 1990).
\textsuperscript{108} Woodsmith, 904 F.2d at 1247 (quoting in part, Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986)).
\textsuperscript{109} Id.
defendant’s product.”110 In Merchant & Evans, Inc. v. Roosevelt Building Products Co.,111 the Third Circuit asserted that the plaintiff bears the burden of proving nonfunctionality in a trade dress infringement claim.112 The plaintiff brought the action as a result of defendant’s copying of the plaintiff’s “long-length, concealed fastener metal roofing system.”113 This design became known as the “bulb & hook” configuration.114 The plaintiff patented both the standing seam roofing product and the special zippering tool used in the system.115 However, the patents expired in April 1984.116 The plaintiff then marketed its product under the registered trademark of “Zip-Rib.”117 The district court held the “bulb & hook” profile of the Zip-Rib product was trade dress and protectable under § 43(a) of the Lanham Act.118

The Third Circuit, applying the pre-Two Pesos three-prong test for trade dress infringement, vacated and remanded the district court’s decision, holding that the plaintiff failed to make the requisite showing of nonfunctionality.119 Thus, the Third Circuit adopted the rule that the plaintiff must prove nonfunctionality as an essential element of its cause of action, but did not explain in detail the rationale for doing so.120

---

111. 963 F.2d 628 (3d Cir. 1992).
112. Id. at 633. “This court places the burden on the plaintiff to prove non-functionality.” Id. (citing American Greetings Corp. v. Dan-Dee Imports, Inc., 807 F.2d 1136, 1141 (3d Cir. 1986)).
113. Id. at 631.
114. Id.
115. Id.
116. Id. at 632 n.2.
117. Id. at 631.
119. Merchant, 963 F.2d at 635-36.
120. Id. at 633.
III. THE DEFENDANT SHOULD BEAR THE BURDEN OF PROVING FUNCTIONALITY IN A TRADE DRESS INFRINGEMENT CLAIM

Upon consideration of the various competing viewpoints, functionality should be a federal affirmative defense in a trade dress infringement claim because it is the most persuasive and best supported solution to the conflict among the circuits.

The Seventh Circuit's analysis and the Lanham Act's legislative history demonstrate that the aim of § 43(a) of the Lanham Act is to prevent confusion of consumers and allow them to purchase products they have experienced and enjoyed, while avoiding products they have previously experienced and disliked. Accordingly functionality should be an affirmative defense. This is for several reasons. First, nonfunctionality as a negative assertion is difficult to prove. If proving nonfunctionality is required and a plaintiff fails to prove nonfunctionality, that plaintiff cannot prevail on a trade dress infringement claim. If the plaintiff does not prevail, the defendant may continue to market a confusingly similar product and consumers will remain uncertain of the source or manufacturer of the product they wish to buy. Because the main goal of the Lanham Act is to prevent consumer confusion, its primary purpose may be defeated when a plaintiff bears the burden of proof and fails to carry its burden.

A second reason why functionality should be an affirmative defense is to prevent a collision between § 43(a) and patent law.

121. Rogers, 778 F.2d at 338; see supra notes 11-16 and accompanying text (discussing the purpose of the Lanham Act).

122. See 78 A.L.R. FED 712, § 2(d), at 718 (discussing the fine line between functional and nonfunctional features illustrated by the conflicting opinions of the courts in deciding where that line should be drawn); see also Richard A. Epstein, Pleading and Presumption, 40 U. CHI. L. REV. 556, 573-578 (1973) (advocating the allocation of burden to the party with the affirmative side); JOHN HENRY WIGMORE, ANGLO-AMERICAN SYSTEM OF EVIDENCE IN TRIALS AT COMMON LAW § 2486 (3d ed. 1940) ("[i]t is often said that the burden is upon the party having in form the affirmative allegation").

123. LeSportsac, 754 F.2d at 76 (citing Litman, supra note 11, at 87 n.78).

124. Id.; see also supra notes 11-16 and accompanying text (discussing the purpose of the Lanham Act).

125. See supra notes 80-82 and accompanying text (discussing the potential collision between patent law and § 43(a) of the Lanham Act); see also 1 McCarthy, supra note
A federal common law that would not require either party to prove functionality or would only protect nonfunctional features if competition was "unduly hindered" by the copying of those features would create a conflict with patent limitations. Patent law essentially creates a limited monopoly, limiting the amount of time a design or product may be protected from copying in order to promote competition and development. Thus, allowing indefinite protection of functional trade dress which could otherwise be copied and improved upon, would directly undermine the purpose of patent limitations. Although the importance of the concept of functionality is not disputed, preventing a conflict between two federal laws, patent law and the Lanham Act, strongly supports the use of the uniform defense of functionality.

A third reason for functionality as an affirmative defense involves the concept of fairness. The law should favor a plaintiff who has allegedly suffered injury to its economic status, its reputation, or both, because of the acts of the infringing party. This is especially true because the plaintiff must already bear the difficult

1, § 7.26[1], at 7-114 (explaining that an important policy supporting the functionality doctrine is to prevent a collision between trademark and patent law).
126. See supra note 79 and accompanying text (noting the problems created by the conflict between patent law and § 43(a) of the Lanham Act). See generally 1 MCCARTHY, supra note 1, § 7.26[1], at 7-114 (noting that if a manufacturer could shut out others from use of an unpatented utility, he would be getting a gratuitous monopoly).
127. See supra notes 80-82 and accompanying text (discussing the collision between patent law and § 43(a) of the Lanham Act).
128. See supra notes 80-82 and accompanying text.
129. See 2 MCCORMICK ON EVIDENCE § 337, at 432 (John William Strong ed., 4th ed. 1992) (indicating fairness is an important factor in allocating the burden of proof).
[T]here is no key principle governing the apportionment of the burdens of proof. Their allocation, either initially or ultimately, will depend upon the weight that is given to any one or more of several factors, including: (1) the natural tendency to place burdens on the party desiring change, (2) special policy considerations such as those disfavoring certain defenses, (3) convenience, (4) fairness, and (5) the judicial estimate of the probabilities.
Id. (emphasis added); see also WIGMORE, supra note 122, § 2486 (explaining there is no universal rule for determining the burden of proof, but the ultimate basis of the determination rests upon "broad reasons of experience and fairness") (emphasis added); Epstein, supra note 122, at 579-80 (advocating the use of the fairness test in allocating the burden of proof).
burden of proving another stringent element of the trade dress infringement test: inherent distinctiveness or secondary meaning. The concept of fairness also supports requiring the defendant to prove a “positive” assertion through an affirmative defense of functionality, instead of requiring a plaintiff to fulfill the arduous task of proving a “negative” assertion, nonfunctionality.

Finally, Supreme Court Justice White in his concurrence in Inwood Laboratories endorsed the view that the defendant must bear the burden of proof. Justice White’s opinion strengthens the claim that functionality is an affirmative defense, because lower courts have received little guidance otherwise from the Supreme Court on the issue of who bears the burden of proof in a trade dress infringement claim.

On the other hand, the strongest argument advanced by the circuits which favor the plaintiff bearing the burden of proving nonfunctionality is that nonfunctionality is an essential element of the plaintiff’s cause of action and, therefore, the burden of proving it should be borne by the plaintiff. Initially, this argument seems extremely rudimentary. Despite its simplicity, requiring the plaintiff to prove all the elements of a cause of action is a basic premise to succeeding on a claim and is a difficult premise to ignore.

Additionally, one can argue that a plaintiff has a “peculiar means of knowledge” about its product which enables them to

130. See 1 McCarthy, supra note 1, § 7:26 [3][d], at 7-127 (placing the burden of proving functionality on the defendant once the plaintiff has shown inherent distinctiveness).

131. See supra note 122 (discussing the allocation of the burden of proof to parties with the affirmative side).

132. See Inwood Labs., 456 U.S. at 863 (1982) (White, J., concurring) (stating that the defendant has the burden of proving functionality).

133. See discussion supra part II.B (discussing the arguments for placing the burden of proving nonfunctionality on the plaintiff); cf. Wigmore, supra note 122, § 2486 (“It is sometimes said that [the burden of proof] is upon the party to whose case the fact is essential.”).

134. See Trico Prods. Corp. v. Ace Prods. Corp., 30 F.2d 688, 689 (D. Conn. 1929) (implying that before a case of unfair competition is made out, a plaintiff must prove defendant copied more than simply functional features).
more easily meet the burden of proving nonfunctionality.\textsuperscript{135} Therefore, if a plaintiff can more easily fulfill the burden of proof, the plaintiff should bear that burden and prove nonfunctionality.

Finally, if one argues that the main purposes of the functionality defense is to prevent useful features of a product from being monopolized and to encourage competition,\textsuperscript{136} requiring the plaintiff to bear the burden of proving nonfunctionality can support these goals equally as well. Proving or disproving functionality can be a difficult task. Placing the burden of proof with the plaintiff may indirectly favor the defendant because the plaintiff will be more likely to fail in an attempt to prove trade dress infringement. Consequently, if a plaintiff cannot prove trade dress infringement, the defendant can continue using those similar features which, in turn, prevents their monopolization and encourages competition. Therefore, arguing that the goal of encouraging competition and protecting functional features from monopolization favors an affirmative defense is not strongly persuasive.\textsuperscript{137}

\begin{itemize}
\item \textsuperscript{135} See Wigmore, supra note 122, § 2486.
\item \textsuperscript{136} Warner Bros., Inc. v. Gay Toys, Inc., 724 F.2d 327, 331 (2d Cir. 1983).
\item \textsuperscript{137} Another view proposes that traditional state common law for unfair competition should determine whether functionality is a defense to a § 43(a) trade dress infringement claim. Rogers, 778 F.2d at 338; see also supra notes 73-85 and accompanying text (regarding functionality as a traditional state common law defense to unfair competition). This reasoning has weight in light of the potential problems involved with creating a federal common law to govern trade dress claims. Rogers, 778 F.2d at 338. A federal common law that diverges from a state’s common law could result in different outcomes depending on whether a suit was brought in federal or state court or could simply not recognize functionality at all. \textit{id.} The fear is that implementing a federal common law could lead to confusion, complexity and forum shopping problems due to the potential for conflicting outcomes. \textit{id.} Favoring simplicity and insuring that the outcome of a trade dress infringement claim will not change if brought in federal as opposed to state court, argues for following a state’s traditional common law and against creating a federal common law.
\end{itemize}

However, the downside to following each individual state’s common law is that it will still present the possibility of forum shopping among the individual states, defeating the initial goals of uniformity and simplicity. Additionally, functionality as a defense does not cause conflicts with patent limitations because it is still a requirement in a trade dress infringement claim and functional features will not be afforded trademark protection. Finally, the legislative history suggests that trademark and trade dress protection should be covered by federal and not state substantive law:

There can be no doubt under the recent decisions of the Supreme Court of the
However, none of these arguments for requiring the plaintiff to bear the burden are truly compelling. First, the circuits that require the plaintiff to bear the burden of proof do not explain their reasoning in great detail. Because these courts have not fully explained their reasoning or adequately addressed the concerns of the circuits that place the burden of proof on the defendant, their position is weakened. Second, a plaintiff seeking to protect nonfunctional trade dress is afforded protection under § 43(a) of the Lanham Act and should not be subject to greater chance of failure on its claim in order to encourage competition. Third, consumers who are already confused as to a product’s manufacturer will remain confused if a plaintiff is required to bear the burden of proving nonfunctionality and fails. Considering these factors, along with all the competing arguments that favor the defendant bearing the burden of proof—the legislative history of § 43(a) of the Lanham Act, resolving conflicts with patent limitations, fairness to all parties, uniformity, and simplicity—the weight of the arguments overwhelmingly favors the defendant bearing the burden of proving functionality in a § 43(a) trade dress infringement claim.

S. REP. NO. 1333, supra note 4, at 5. Therefore, establishing functionality as a federal affirmative defense is a more appropriate option than allowing states to individually determine the standard for a federal trade dress infringement claim. Moreover, the former option is supported by the legislative history of the Lanham Act.

138. See discussion supra part II.B (discussing the arguments for placing the burden of proving nonfunctionality on the plaintiff).
140. See supra notes 11-16 and accompanying text.
141. See supra notes 80-82, 125 and accompanying text.
142. See supra notes 129-31 and accompanying text.
143. See supra note 137 and accompanying text.
CONCLUSION

Having the defendant bear the burden of proving functionality as an affirmative defense in a § 43(a) trade dress infringement claim is the best way to protect the interests of consumers who want to buy “the real thing” when purchasing their Classic Coca-Cola or any other favored product. Requiring a defendant to prove functionality as an affirmative defense is the most fair allocation of burden among the parties. It provides uniformity, simplicity, and is supported by the legislative history. Furthermore, the burden of functionality is already presumed to be on the defendant if the trade dress is registered with the Patent-Trademark Office. Thus, to avoid future confusion, functionality should be a uniform affirmative defense to a claim of trade dress infringement under § 43(a) of the Lanham Act, in all instances, regardless of whether the trade dress is registered or unregistered.