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Note

Product Configuration Trade Dress and *Abercrombie*: Analysis of *Ashley Furniture Industries, Inc. v. SanGiacomo N.A. Ltd.*

Rohit A. Sabnis*

In *Ashley Furniture Industries v. SanGiacomo N.A. Ltd.*,¹ the Fourth Circuit had the opportunity to develop proper standards for analyzing the inherent distinctiveness of product configuration trade dress.² Determining these standards aptly has been called “one of the most difficult analytical issues in all of trade dress law.”³ This difficulty, as seen in the *Ashley Furniture* case, continues to arise for courts seeking to determine when the design or features of a product indicate its source to consumers upon first encounter. Some courts apply traditional trademark analysis to product configurations and point to the Supreme Court's decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*⁴ as strong authority.⁵ Others find the traditional analysis inappropriate and have developed their own tests for inherent distinctiveness.⁶ As a result, the Circuit Courts of

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1. See *Ashley Furniture Industries, Inc. v. SanGiacomo N.A. Ltd.*, 187 F.3d 363 (4th Cir. 1999) (Ashley Furniture Industries and SanGiacomo are manufacturers of home furniture. See *id.* at 366. In the fall of 1995, Ashley introduced “a neoclassical bedroom suite under the trade name ‘Sommerset.’” *Id.* at 367. In December 1996 or January 1997, SanGiacomo began selling a line of furniture very similar to the “Sommerset” line. See *id.* Ashley then brought suit against SanGiacomo for violation of federal trade dress law. The district court granted summary judgment in favor of SanGiacomo. Ashley appealed to the Fourth Circuit Court of Appeals. See *id.* at 368. The Fourth Circuit held that summary judgment was improper and that the plaintiff's trade dress could be found inherently distinctive and therefore protectable from copying. See *id.* at 377.).

2. See *id.*

3. *Krueger Int'l, Inc. v. Nightingale Inc.*, 915 F. Supp. 595, 600 (S.D.N.Y. 1996).

4. 505 U.S. 763 (1992).

5. See *Ashley Furniture Industries, Inc.*, 187 F.3d at 370.

6. See *id.* at 370-72 (describing tests for the inherent distinctiveness of

Appeals have created divergent standards to which design producers must tailor their activities to avoid litigation.

The issue raised by the Fourth Circuit's adoption of the *Abercrombie & Fitch*⁷ classifications⁸ for the analysis of product configurations in *Ashley Furniture* raises important concerns about the proper scope of trade dress law. Liberal standards for trade dress protection may improperly grant exclusive rights to product configurations that do not serve to identify a producer and distinguish his or her goods in the marketplace. On the other hand, extremely stringent standards may fail to grant trade dress protection when a product feature will immediately indicate source to consumers. These standards must also balance an interest in protecting a manufacturer's source identifying product configuration against the importance of maintaining a competitive marketplace that allows the imitation of successful, unpatented designs. Thus, any decision to promulgate standards for inherent distinctiveness in this area of trade dress law has significant ramifications on the producer of a design and those who wish to capitalize on its success.

This Comment seeks to use the Fourth Circuit's holding in *Ashley Furniture*, along with those of other Circuit Courts of Appeals, to urge that application of traditional trademark analysis to product configurations is not required by Supreme Court precedent and is inappropriate. Part I establishes the relevant background of trademark and trade dress law, Supreme Court decisions, and Circuit Courts of Appeals decisions that provided the backdrop for the *Ashley Furniture* decision.⁹ Part II describes the holding of the *Ashley Furniture* case.¹⁰ Finally, Part III analyzes that holding and proposes a standard for determining the inherent distinctiveness of product configurations.¹¹

The Comment concludes that the *Ashley Furniture* court, like others, has created standards for inherent distinctiveness that afford overly broad trade dress protection to product configurations that may produce results incongruent with the

product configurations that do not apply traditional trademark analysis).

7. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976).

8. See *infra* Part I.A (describing the *Abercrombie* classifications).

9. See *infra* notes 12-135 and accompanying text.

10. See *infra* notes 136-154 and accompanying text.

11. See *infra* notes 155-235 and accompanying text.

purposes of trademark law. The Comment also concludes that the correct standard to use when inquiring into inherent distinctiveness is a less stringent version of the Courts of Appeals tests rejected in *Ashley Furniture*.

I. BACKGROUND

A. TRADITIONAL TRADEMARK LAW

United States trademark law, codified in the Lanham Act,¹² is an exercise of Congress' power to regulate interstate commerce under the Commerce Clause.¹³ The purpose of the Act is to "secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers."¹⁴ The intent of the Act also seeks to make "actionable the deceptive and misleading use of marks' and 'to protect persons engaged in . . . commerce against unfair competition."¹⁵ Thus, the Lanham Act creates an incentive to produce quality goods and impedes those who seek to confuse customers as to the source of a product and benefit from the goodwill created by another business.¹⁶ While Section 32¹⁷ protects registered marks, Section 43(a)¹⁸ protects qualifying unregistered trademarks. This section of the Lanham Act

12. 15 U.S.C. §§ 1051-1127 (1998).

13. U.S. CONST. art. I, § 8, cl. 3.

14. *Park' N Fly, Inc. v. Dollar Park And Fly, Inc.*, 469 U.S. 189, 198 (1985).

15. *Two Pesos, Inc.*, 505 U.S. at 767-68 (citing Lanham Act § 45, 15 U.S.C. § 1127 (1998)).

16. *See Qualitex Co. v. Jacobson Products, Inc.*, 514 U.S. 159, 163-64 (1995).

17. 15 U.S.C. § 1114 (1998).

18. Section 43(a) of the Lanham Act provides:

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

15 U.S.C. § 1125(a) (1982).

creates a cause of action against a defendant who uses an unregistered trademark that causes a likelihood of confusion among consumers about the source, sponsorship, or approval of its goods.¹⁹

A trademark is defined as “any word, name, symbol, or device, or any combination thereof used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”²⁰ Commonly known marks include the term “Microsoft” and the Nike swoosh. Marks such as these are often classified in the following categories of increasing distinctiveness: generic, descriptive, suggestive, arbitrary, or fanciful.²¹ Categories three through five are deemed inherently distinctive and are entitled to trademark protection because their “intrinsic nature serves to identify a particular source of a product.”²² These marks are likely to identify the source of a product “because they have minimal natural or necessary conceptual connection with the product they mark.”²³ The inherent distinctiveness of these marks is a legal presumption that they will, upon first encounter by a consumer, serve to identify and distinguish the source of the product.²⁴ *Abercrombie* grants immediate and exclusive protection to these marks because competitors have no substantial need to access them in order to effectively market their products.²⁵

19. See *Two Pesos, Inc.*, 505 U.S. at 768.

20. 15 U.S.C. § 1127 (1994).

21. See *Abercrombie & Fitch Co.*, 537 F.2d 4, 9 (2d Cir. 1976).

22. *Two Pesos, Inc.*, 505 U.S. at 768. A suggestive mark “requires imagination, thought and perception to reach a conclusion as to the nature of goods.” *Abercrombie & Fitch Co.*, 537 F.2d at 11. An example of a suggestive mark might be the use of the word “penguin” to describe an air conditioning company. See *Ashley Furniture Industries, Inc.*, 187 F.3d at 369. An arbitrary mark is one that is totally unrelated to the product but well known in other contexts, for example the use of the word “penguin” in denoting a publishing company. See *id.* A fanciful mark is totally unrelated to the product but is a made-up word or mark, for example, a publishing company using a made-up word like “Penquell.” See *id.*

23. Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C.L. REV. 471, 486 (1997).

24. See 1 J. GILSON, TRADEMARK PROTECTION AND PRACTICE § 2.09[1] (1994).

25. See Chad M. Smith, *Undressing Abercrombie: Defining When Trade Dress Is Inherently Distinctive*, 80 J. PAT. & TRADEMARK OFF. SOC'Y 401, 417 (1998) (describing the varying need for competitors to use marks classified under *Abercrombie's* generic, descriptive, and inherently distinctive

In contrast, generic marks are those that refer “to the genus of which the particular product is a species”²⁶ and are not inherently distinctive.²⁷ Examples of generic terms include “aspirin”²⁸ and “thermos.”²⁹ These marks are not protectable as trademarks because they are used in everyday language to signify a broad “genus” of product and are thus not capable of identifying a singular product source.³⁰

Marks that serve only a descriptive function in relation to a product are also not inherently distinctive.³¹ A descriptive term identifies a characteristic or quality of an article or service such as its color, odor, function, dimensions, or ingredients.³² An example of a descriptive mark would include use of the word “Alo” in reference to products containing gel of the aloe vera plant.³³ When these marks are used only to describe a product, they do not inherently identify a particular source, and thus cannot be protected.³⁴ But, over time, a descriptive mark may acquire distinctiveness that allows it to be protected under Section 2(f) of the Lanham Act.³⁵ This type of acquired distinctiveness is called secondary meaning.³⁶ Secondary meaning is established when a manufacturer shows that, “in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.”³⁷

Thus, a mark is distinctive and capable of being protected

categories).

26. *Abercrombie & Fitch Co.*, 537 F.2d at 9.

27. *See id.*

28. *See Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921).

29. *See King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577 (2d Cir. 1963).

30. *See* Michele A. Shpetner, Note, *Determining a Proper Test for Inherent Distinctiveness in Trade Dress*, 8 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 947, 961 (1998).

31. *See Two Pesos, Inc.*, 505 U.S. at 769.

32. *See Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 790 (5th Cir. 1983) (citation omitted).

33. *See id.*

34. *See Two Pesos, Inc.*, 505 U.S. at 769.

35. The Lanham Act provides that a descriptive mark that otherwise could not be registered under the Act may be registered if it “has become distinctive of the applicant’s goods in commerce.” 15 U.S.C. § 1052(f) (1998).

36. *See Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 845 (1982).

37. *Id.* (citing *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938)).

if it is inherently distinctive or has acquired secondary meaning.³⁸ In both cases, the mark identifies and distinguishes a singular, although possibly anonymous source.

B. TRADE DRESS LAW

Trademarks are defined and expressly protected by the Lanham Act. Trade dress, on the other hand, has been developed by the case law. Trade dress has been defined to involve “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.”³⁹

Some examples of trade dress held to be protectable include the festive décor of a restaurant,⁴⁰ the color of a dry cleaning pad,⁴¹ the packaging of gardening and lawn bottles,⁴² the packaging of Klondike ice cream bars,⁴³ and the design of a chair.⁴⁴ These examples fall within two distinguishable categories of trade dress, product packaging and product configuration.⁴⁵ Product packaging trade dress includes the total image created by the actual packaging in which a product is marketed and, similar to a trademark, is conceptually separable from the product.⁴⁶ On the other hand, product configuration trade dress encompasses the design or any particular features of the product.⁴⁷ The design of a product, like the shape of a Ferrari sports car, is not separable from the product but is a part of the product itself.

Just as with trademarks, trade dress is distinctive and

38. See *Two Pesos, Inc.*, 505 U.S. at 769.

39. *Id.* at 764 (citing *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)).

40. See *Two Pesos, Inc.*, 505 U.S. at 763.

41. See *Qualitex Co.*, 514 U.S. at 163-64.

42. See *Chevron Chemical Co. v. Voluntary Purchasing Groups*, 659 F.2d 695, 702-04 (5th Cir. 1991).

43. See *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1539 (11th Cir. 1986).

44. See *Krueger Int'l, Inc. v. Nightingale Inc.*, 915 F. Supp. 595, 608 (S.D.N.Y. 1996).

45. See Margreth Barrett, *Trade Dress Protection for Product Configurations and the Federal Right to Copy*, 20 HASTINGS COMM. & ENT. L.J. 471, 475 n.15 (1998) (suggesting that product configuration trade dress may consist of one or a combination of physical features of a product while product packaging trade dress refers to the packaging that the product is sold in).

46. See *id.* at 475.

47. See *id.*

capable of being protected under the Lanham Act if it is either inherently distinctive or has acquired distinctiveness through secondary meaning.⁴⁸ In addition, the trade dress must be non-functional.⁴⁹ The functionality requirement prevents trademark law, which seeks to promote competition by protecting the goodwill of a source, from inhibiting competition by granting exclusive rights to a functional product feature.⁵⁰ It is the province of patent law to give an inventor a limited exclusive right to practice the useful, inventive aspects of a product in exchange for its creation and disclosure to the public.⁵¹ Nevertheless, the patent owner's right to exclude competition from these product features is not granted without first satisfying four stringent requirements: the inventor must show that the invention is useful,⁵² novel,⁵³ non-obvious,⁵⁴ and described in a way that enables others to make and use it.⁵⁵

The aesthetic functionality doctrine further seeks to protect competition by recognizing that in some instances non-useful or decorative product features should be denied trade dress protection. Courts have recognized that in some cases, competitors need to copy strictly decorative product features in order to be able to compete effectively.⁵⁶ The Second Circuit has held that when a decorative or 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."⁵⁷

48. See *Two Pesos, Inc.*, 505 U.S. at 769-70.

49. See *id.* at 769.

50. See *Qualitex Co.*, 514 U.S. at 164.

51. See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.* 489 U.S. 141, 150-51 (1989) (noting that "the federal patent system [] embodies a carefully crafted bargain for encouraging the creation and disclosure of . . . advances in technology and design in return for the exclusive right to practice the invention for a period of years").

52. 35 U.S.C. § 101 (2000).

53. 35 U.S.C. § 102 (2000).

54. 35 U.S.C. § 103 (2000).

55. 35 U.S.C. § 112 (2000).

56. See Barrett, *supra* note 45, at 481.

57. *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co., Inc.*, 916 F.2d 76, 81 (2d Cir. 1990). The court denied trade dress protection to a baroque design on silverware. See *id.* at 82. The court found that although the design patterns did not serve a utilitarian function, granting trade dress protection would exclude competitors from serving the large market for baroque style silverware. See *id.*

Thus, trade dress law leaves at least one important question open: Under what circumstances can the features or design of a product be properly considered inherently distinctive? This question remains to be answered directly by the Supreme Court. The Court's recent decisions in *Two Pesos* and *Qualitex* have shed some light on this issue while creating confusion among courts trying to answer this question themselves.

C. THE SUPREME COURT: *TWO PESOS* AND *QUALITEX*

1. *Two Pesos, Inc. v. Taco Cabana, Inc.*

In *Two Pesos, Inc. v. Taco Cabana, Inc.*, the Court granted certiorari “to resolve a split among the Courts of Appeals on the question of whether trade dress that is inherently distinctive is protectable under Section 43(a) of the Lanham Act without a showing that it has acquired secondary meaning.”⁵⁸

Two Pesos dealt specifically with the trade dress of a fast food Mexican restaurant chain that alleged trade dress infringement under Section 43(a) of the Lanham Act by a competing chain that opened restaurants with a similar motif.⁵⁹ The Fifth Circuit and the District Court ruled that Taco Cabana's restaurant trade dress was non-functional and inherently distinctive. These rulings were not in issue at the Supreme Court level and were assumed to be correct.⁶⁰ The Supreme Court held that proof of secondary meaning is not required for trade dress determined to be inherently distinctive.⁶¹

The Court first sought to find any reasonable basis for allowing immediate protection for inherently distinctive trademarks while requiring inherently distinctive trade dress

58. *Two Pesos, Inc.*, 505 U.S. at 767. The split occurred between the Fifth Circuit in *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 702 (5th Cir. 1981) (holding that “trademark law requires a demonstration of secondary meaning only when the claimed trademark is not sufficiently distinctive of itself to identify the producer” and that the same principle should be applied to trade dress) and the Second Circuit in *Vibrant Sales v. New Body Boutique*, 652 F.2d 299, 303-04 (2d Cir. 1981), *cert. denied*, 455 U.S. 909 (1982) (holding that Section 43(a) does not protect unregistered trademarks or designs absent a showing of secondary meaning).

59. *Two Pesos, Inc.*, 505 U.S. at 763.

60. *See id.*

61. *See id.* at 776.

to have acquired actual consumer association before receiving such protection.⁶² The Court reasoned that since trademarks and trade dress serve the same statutory purpose of maintaining the goodwill of a business and preventing customer confusion, “[t]here is no persuasive reason to apply different analysis to the two.”⁶³ The Court also found no “textual basis in Section 43(a) for treating inherently distinctive verbal or symbol trademarks differently from inherently distinctive trade dress.”⁶⁴ Thus, in reviewing the Court of Appeals decision in the case, the Court determined that:

The Fifth Circuit was quite right in *Chevron*, and in this case, to follow the *Abercrombie* classifications consistently and to inquire whether trade dress for which protection is claimed under § 43(a) is inherently distinctive. If it is, it is capable of identifying products or services as coming from a specific source and secondary meaning is not required.⁶⁵

The Court also discussed the potential negative effects on competition that could occur if non-descriptive trade dress were required to acquire secondary meaning before gaining protection.⁶⁶ The Court was especially concerned with the possibility that a secondary meaning requirement could create particular burdens on small, startup companies.⁶⁷ The Court reasoned that denying protection for inherently distinctive trade dress until secondary meaning was established would allow competitors to copy and use the originator's trade dress in markets where the originator had not yet but might want to expand to in the future.⁶⁸

2. *Qualitex Co. v. Jacobson Products, Inc.*

Three years after the *Two Pesos* decision, the Supreme Court in *Qualitex Co. v. Jacobson Products, Inc.*⁶⁹ resolved a split among the Circuits as to whether color alone could possibly act as a trademark.⁷⁰ After deciding that color is

62. *See id.* at 772-74.

63. *Id.* at 773-74.

64. *Id.* at 774.

65. *Id.* at 773.

66. *See id.*

67. *See id.* at 775.

68. *See id.*

69. *Qualitex Co. v. Jacobson Products, Inc.*, 514 U.S. 159 (1995).

70. *See Qualitex Co.*, 514 U.S. at 161. The case dealt with the color of a

“within the universe of things that can qualify as a trademark,”⁷¹ the Court determined that color was “capable” of satisfying the statutory definition of a trademark.⁷² The Court reasoned that “[i]t is the source-distinguishing ability of a mark . . . that permits it to serve these [trademark laws] basic purposes.”⁷³ The Court suggested that color alone, as a feature of a product, can never be inherently distinctive because color does not immediately serve these purposes.⁷⁴ Thus, color alone can only be protected upon establishing secondary meaning.⁷⁵

Importantly, the Court acknowledged the functionality doctrine and the tension that exists between patent and trademark law when trade dress is at issue. The Court stated: “[i]t is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time . . . after which competitors are free to use the innovation.”⁷⁶ This statement, along with precedent approving copying and preserving competition,⁷⁷ reflects the Court's concern that the owners of unpatented and uncopyrighted products not be able to enjoin imitation of their products under the laws of trademark and unfair competition.⁷⁸

dry cleaning pad. The Court compared *Nutra Sweet v. Stadt Corp.*, 917 F.2d 1024, 1028 (7th Cir. 1990) (absolute prohibition against protection of color alone), with *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1128 (Fed. Cir. 1985) (allowing registration of the color pink for fiberglass insulation), and *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219, 224 (8th Cir. 1993) (declining to establish a per se prohibition against protecting color alone as a trademark).

71. See *Qualitex Co.*, 514 U.S. at 162.

72. See *id.* at 162-63.

73. *Id.* at 164.

74. See *id.* at 162.

75. See *id.* The Court stated that:

[A] product's color is unlike “fanciful,” “arbitrary,” or “suggestive” words or designs, which almost *automatically* tell a customer that they refer to a brand The imaginary word “Suntost,” or the words “Suntost Marmalade,” on a jar of orange jam immediately would signal a brand or product “source”; the jam's orange color does not do so.

Id. at 163.

76. *Qualitex Co.*, 514 U.S. at 164.

77. See, e.g., *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157-60 (1989); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231 (1964); *Compcorp v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 237 (1964).

78. See William D. Raman, *Troubled Times For Trade Dress Law*, 497 LITIGATING COPYRIGHT, TRADEMARK AND UNFAIR COMPETITION CASES 345, 351 (1997).

3. Effects of the Supreme Court Decisions

The Court's decisions in *Two Pesos* and *Qualitex* have expanded the ability to protect trade dress under the Lanham Act. However, since these decisions did not mandate standards for the inherent distinctiveness of product configurations, the Circuit Courts of Appeals have established their own varying standards. There is little dispute between the Circuit Courts over applying the traditional *Abercrombie* trademark classifications to product packaging trade dress. Nevertheless, the Circuit Courts have formulated different, conflicting approaches for determining the inherent distinctiveness of product configurations.⁷⁹

D. CIRCUIT COURTS OF APPEALS DECISIONS

1. Second Circuit: The *Knitwaves* Test

In *Knitwaves, Inc. v. Lollytogs Ltd.*,⁸⁰ the Second Circuit faced the task of determining “what it means for trade dress to be ‘inherently distinctive.’”⁸¹ The court held that designs on children's sweaters were product features and, in contrast with product packaging, should not be analyzed for inherent distinctiveness using the *Abercrombie* classifications.⁸²

The court found that *Two Pesos* did not intend to nullify the statutory definition of a trademark requiring “a person ‘us[e]’ or ‘inten[d] to use’ the mark ‘to identify and distinguish his or her goods . . . from those manufactured or sold by others

79. See *infra* Part D (describing the various standards used by the Circuit Courts of Appeals).

80. 71 F.3d 996 (2d Cir. 1995).

81. *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1007 (2d Cir. 1995). The *Knitwaves* court sought to determine the distinctiveness of children's sweaters designed with “leaf” and “squirrel” patterns. *Id.* The defendant in *Knitwaves* had admittedly copied the design of the plaintiff's sweaters. *Id.* at 999.

82. See *id.* at 1007. The court stated that:

Not only does the classification of marks into “generic,” “descriptive,” “suggestive,” or “arbitrary or fanciful” make little sense when applied to product features, but it would have the unwelcome, and likely unintended, result of treating a class of product features as “inherently distinctive,” and thus eligible for trade dress protection, even though they were never intended to serve a source-identifying function.

Id. at 1007.

and to indicate the source of the goods.”⁸³ The court found that the presumption of this source identifying function given to inherently distinctive product packaging under *Abercrombie* should not be extended to product configurations because configurations are primarily aesthetic or functional rather than source identifying.⁸⁴ The court thus found that the proper inquiry for determining inherent distinctiveness is to ask whether product features are “likely to serve primarily as a designator of origin of the product.”⁸⁵ Important in this inquiry is the producer's intent to use a product design as source identification.⁸⁶

In 1997, the Second Circuit applied the *Knitwaves* test in *Landscape Forms, Inc. v. Columbia Cascade Co.*⁸⁷ The court concluded that “this circuit appears to be moving toward a rule that packaging is usually indicative of a product's source, while the design or configuration of the product is usually not so.”⁸⁸

2. Third Circuit: The *Duraco* Test

In *Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.*,⁸⁹ the Third Circuit sought to “delineate when, if ever, product configurations should be deemed inherently distinctive.”⁹⁰ The case dealt with the copying of the shape and texture of a garden planter.⁹¹ The court, like the Second Circuit in *Knitwaves*, found the *Abercrombie* classifications inapplicable to determining inherent distinctiveness in product configurations.⁹²

The court recognized that *Two Pesos* made extensive

83. *Id.* at 1008 (citing *Qualitex Co.*, 514 U.S. at 162 (quoting 15 U.S.C. § 1127)).

84. *See id.*

85. *Id.* at 1008 (quoting *Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.*, 40 F.3d 1431, 1449 (3d Cir. 1994)).

86. *See id.* at 1008-09.

87. *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373 (2d Cir. 1997).

88. *Id.* at 379.

89. 40 F.3d 1431 (3d Cir. 1994).

90. *Duraco Products, Inc.*, 40 F.3d at 1440.

91. *Id.* at 1433.

92. *See id.* at 1441. The court stated that, “the very basis for the [traditional *Abercrombie*] taxonomy—the descriptive relationship between the mark and the product, along with the degree to which the mark describes the product—is unsuited for application to the product itself.” *Id.*

reference to the *Abercrombie* classifications but determined that the Supreme Court did not decide the issue of whether the classifications should be applied to product configurations.⁹³ The court also determined that the trade dress at issue in *Two Pesos* was more like product packaging than product configuration.⁹⁴ For these reasons, the court declined to treat *Two Pesos* as binding precedent as applied to configurations.

The court found the *Abercrombie* classifications an improper framework for product features which, “[b]eing constitutive of the product itself and thus having no such dialectical relationship to the product, . . . cannot be said to be ‘suggestive’ or ‘descriptive’ of the product, or ‘arbitrary’ or ‘fanciful’ in relation to it.”⁹⁵ Thus, product features could never be inherently distinctive under *Abercrombie*. The court also held that the presumption of source identifying ability permitted inherently distinctive trademarks and product packaging under the *Abercrombie* test is inappropriate for product configurations.⁹⁶ The court reasoned that a product's configuration does not generally give rise to such a presumption because consumers are more likely to view the feature as contributing to the inherent appeal of the product and not to any source designating function.⁹⁷

Nevertheless, the court determined that product configurations could be inherently distinctive under certain circumstances. The court found these circumstances would arise when a product configuration serves a “virtually exclusive identifying function for consumers” and “where consumers are especially likely to perceive a connection between the product's configuration and its source.”⁹⁸ Taking into account these

93. *See id.* at 1442.

94. *See id.* The court distinguished between packaging and configurations stating:

Product packaging designs, like trademarks, often share membership in a practically inexhaustible set of distinct but approximately equivalent variations, and an exclusive right to a particular overall presentation does not substantially hinder competition in the packaged good, the item in which a consumer has a basic interest. A product configuration, contrariwise, commonly has finite competitive variations that, on the whole, are equally acceptable to consumers.

Id. at 1448.

95. *Id.* at 1440-41.

96. *See id.* at 1448.

97. *See id.* at 1441.

98. *Id.* at 1448. The court further reasoned that under these circumstances, concerns over the misappropriation of an identifying feature

principles, the court held that Lanham Act protection could be afforded for product features if they are unusual and memorable, conceptually separable from the product, and likely to serve primarily as a designator of origin of the product.⁹⁹

3. Eighth Circuit: The *Stuart Hall* Test

The *Stuart Hall* court sought to determine the proper test for determining inherent distinctiveness in trade dress.¹⁰⁰ The case examined the manufacturer of specialized notebooks and pads whose graphics and text were copied and sold at a lower price by a competitor.¹⁰¹ The *Stuart Hall* court adopted the *Abercrombie* standards for determining inherent distinctiveness in all types of trade dress cases.¹⁰²

The court, in accepting the *Abercrombie* classifications, cited *Two Pesos* to find that the bases for legal protection of trade dress are not distinct from protection of traditional trademarks.¹⁰³ Further, the court embraced a broad interpretation of *Two Pesos* as applying *Abercrombie* to “trade dress” as a single concept including both product configuration and product packaging.¹⁰⁴ In support of this interpretation, the court reasoned that the restaurant décor at issue in *Two Pesos* fit more properly within the category of a product configuration as opposed to product packaging.¹⁰⁵ Thus, the court found that creating a distinction between the standards to be applied to product configuration and product packaging would be contrary

and the cost to a business of gaining and proving secondary meaning would outweigh concerns over inhibiting competition. *Id.*

99. *See id.* at 1449. The court noted that the third prong of the test is not satisfied if the product configuration “is likely to be notably desirable to consumers for some reason other than its function as a source designator.” *Id.* at 1450.

100. *Stuart Hall Co., Inc. v. Ampad Corp.*, 51 F.3d 780 (8th Cir. 1995).

101. *See id.* at 783.

102. *See id.* at 788.

103. *See id.* at 784.

104. *See id.*

105. *See id.* at 788. The court stated:

The room and . . . furnishing [of a restaurant] are not packaging, which is separate from product and to be thrown away once the product is removed from its packaging, but are part of the restaurant experience itself—the product itself is the room and its furnishing as well as whatever food is served.

Id.

to *Two Pesos*.¹⁰⁶

The court found the *Abercrombie* classifications appropriate to “address the relation between the product and the trade dress.”¹⁰⁷ The court held that if a certain trade dress is only tenuously connected to the nature of the product, then the dress is inherently distinctive and no secondary meaning need be shown.¹⁰⁸ If, on the other hand, the trade dress is dictated by the nature of the product, secondary meaning must be proven.¹⁰⁹

In formulating this standard, the court rejected any source identification requirement for determining the inherent distinctiveness of product features.¹¹⁰

4. Fifth Circuit: The *Pebble Beach* Test

In *Pebble Beach Co. v. Tour 18 I*,¹¹¹ the Fifth Circuit sought to determine the distinctiveness of three golf hole designs copied by the defendant from the plaintiff's famous golf courses.¹¹² The court applied the *Abercrombie* classifications to the designs in order to determine whether they were protectable product configuration trade dress.¹¹³

Like the Eighth Circuit in *Stuart Hall*, the court read *Two Pesos* to instruct that the tests for determining the protectability of trademarks and trade dress are the same.¹¹⁴ But, importantly, the court stated that with trade dress, the question is “whether a combination of features creates a distinctive visual impression, identifying the source of the

106. *Id.*

107. *Id.* at 786.

108. *See id.*

109. *See id.*

110. *See id.* at 787. The court found that this requirement “would undermine *Two Pesos* by requiring that, in order to be inherently distinctive, a trade dress be shown to meet a version of the secondary meaning test with a lesser burden of production.” *Id.* at 788.

111. *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526 (5th Cir. 1998).

112. *Id.* at 534-35. The defendant, *Tour 18 I*, created golf courses exclusively of golf holes copied from famous golf courses all around the country. *See id.* The plaintiffs were owners of three famous golf courses, *Pebble Beach*, *Pinehurst*, and *Harbour Town Golf Links*. *See id.* at 532. The defendants copied one hole from each of the plaintiffs' golf courses into their own course. *See id.* at 533. None of the holes had federal trademark registration, copyright, or utility patent on the designs. *See id.*

113. *See id.* at 540-42.

114. *See id.* at 535 (citing *Two Pesos, Inc.*, 505 U.S. at 768-70, 773-74).

product.”¹¹⁵ Further, the court reasoned in dicta that in order to be inherently distinctive a product must not only be unique but also “sufficiently distinctive to indicate source.”¹¹⁶

Thus, although the court's test for inherent distinctiveness is not yet well established, the court has signaled the importance it places on protectable trade dress functioning as a designator of source. And, despite embracing *Abercrombie*, the Fifth Circuit in *Sunbeam Products, Inc. v. West Bend Co.*¹¹⁷ sympathized with the *Duraco* court's concern regarding the difficulty of presuming that product configurations serve as source designators.¹¹⁸ This decision hints at a more stringent application of the traditional *Abercrombie* test.

5. Court of Customs and Patent Appeals: The *Seabrook* Test

In *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*,¹¹⁹ the court formulated a test for determining inherent distinctiveness and applied the test to a product packaging design.¹²⁰ The *Seabrook* test has been adopted by several courts seeking to determine the inherent distinctiveness of product configurations.¹²¹ The *Seabrook* court sought to determine if a “stylized leaf design” on a bag of frozen vegetables was “arbitrary or distinctive” and

115. *Id.* at 536 (quoting *Sunbeam Prods. v. West Bend, Co.*, 123 F.3d 246, 251 n.3 (5th Cir. 1997), *cert. denied*, 118 S. Ct. 1795 (1998)).

116. *Id.* at 541 n.7.

117. 123 F.3d 246 (5th Cir. 1997), *cert. denied*, 118 S. Ct. 1795 (1998).

118. *See Sunbeam Products, Inc.*, 123 F.3d at 252-53. In *Sunbeam*, the Fifth Circuit observed:

Inssofar as product configurations are fundamentally different from trademarks and trade dress, there is some question whether a product configuration can ever be deemed “inherently distinctive.” *Id.* at 252. Unlike traditional trademarks and trade dress, which function primarily to identify the source of a given product, the primary purpose of product configuration is not identification. *Id.* at 252-53. Accordingly, as the Third Circuit stated, “one cannot automatically conclude from a product feature or configuration—as one can from a product's arbitrary name, for example—that, to a consumer, it functions primarily to denote the product's source.”

Id. at 253 (quoting *Duraco Products, Inc.*, 40 F.3d at 1441).

119. *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342 (C.C.P.A. 1977).

120. *See id.* at 1344-46.

121. *See, e.g., Ashley Furniture Industries, Inc.*, 187 F.3d 363; *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998); *Landscape Forms, Inc.*, 113 F.3d 373; *Duraco Products, Inc.*, 40 F.3d 1431; *Krueger Int'l, Inc.*, 915 F. Supp. 595.

thus inherently distinctive.¹²²

The test used by the court to determine inherent distinctiveness asked whether the design was (1) common; (2) unique or unusual in a particular field; (3) a mere refinement of a commonly adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods; or (4) capable of creating a distinct commercial impression.¹²³ The court found the design was not inherently distinctive because it was not “an unmistakable, certain, and primary means of identification pointing distinctly to the commercial origin of such product.”¹²⁴

More recently, in *I.P. Lund Trading v. Kohler Co.*,¹²⁵ the First Circuit applied the *Seabrook* test to determine the inherent distinctiveness of a product configuration.¹²⁶ To justify its use of the *Seabrook* test, the court interpreted *Two Pesos* narrowly to instruct only that inherently distinctive trade dress need not demonstrate secondary meaning.¹²⁷ The court also interpreted *Two Pesos* to allow flexibility in the creation of standards for determining the inherent distinctiveness of trade dress as long as the test does not “eviscerate[] the distinction between inherently distinctive trade dress and trade dress that has acquired secondary meaning.”¹²⁸

Interestingly, the court stated that the “*Seabrook Foods* test is largely consistent with the Second Circuit’s *Knitwaves* test for inherent distinctiveness, that is, [it focuses on] whether the design ‘is likely to serve primarily as a designator of origin of the product.’”¹²⁹

122. See *Seabrook Foods, Inc.*, 568 F.2d at 1344.

123. See *id.*

124. *Id.* at 1345.

125. 163 F.3d at 40. The court sought to determine the inherent distinctiveness of a wall mounted faucet that had been on display at the Museum of Modern Art. See *id.* at 32.

126. See *id.* at 39-41.

127. See *id.* at 40.

128. *Id.*

129. *Id.* at 41 (citing *Knitwaves*, 71 F.3d at 1008). The Second Circuit in *Landscape Forms* accepted the *Seabrook* test as a “useful tool[] to assess whether a design is likely to be perceived as a source indicator.” *Landscape Forms, Inc.*, 113 F.3d at 378 n.3.

6. Summary of the Circuit Courts of Appeals decisions

The Circuit Courts are split on how to determine the inherent distinctiveness of product features.¹³⁰ The most apparent split concerns *Two Pesos* and whether it requires the application of the *Abercrombie* classifications to product configurations.

The First, Second, and Third Circuits have held that *Two Pesos* allows them to formulate standards for the inherent distinctiveness of product configurations that vary from the *Abercrombie* analysis.¹³¹ These Circuits have in common a source identification requirement eliminating the presumption of source designating ability given to inherently distinctive trademarks under *Abercrombie*. This requirement allows the court to inquire into the likelihood that a product feature will serve as a designator of source as opposed to an alternative function. Nevertheless, there are still disputes among this group of courts.¹³²

On the other hand, the Fifth and Eighth Circuits read *Two Pesos* to require the application of the *Abercrombie* standards to product configurations.¹³³ The Eighth Circuit finds trade dress inherently distinctive if it is tenuously connected with the nature of the product.¹³⁴ This finding creates the presumption of source identifying ability and allows protection from copying. The Fifth Circuit test may impose greater requirements before the product configuration is placed into one of *Abercrombie's* inherently distinctive categories.¹³⁵

130. See *supra* Part I.D (describing the various Circuit Courts of Appeals tests).

131. See *supra* Part I.D. 1, 2, 5 (describing the Second, Third, and First Circuit tests).

132. The Second Circuit has rejected the first two prongs of the Third Circuit's more stringent test. *Knitwaves, Inc.*, 71 F.3d at 1009 n.6. The First Circuit, although equating its adoption of *Seabrook* as generally consistent with the *Knitwaves* test, noted that its test, in contrast with the Second Circuit's, maintains a clear distinction between the inquiry into secondary meaning and the inquiry into inherent distinctiveness. *I.P. Lund Trading ApS*, 163 F.3d at 41. The First Circuit also found the *Knitwaves* inquiry into intent to use a product feature as a designator of source was not entitled much weight in determining inherent distinctiveness. See *id.*

133. See *supra* Part I.D. 3, 4 (describing the Fifth and Eighth Circuits' adoption of the *Abercrombie* classifications).

134. See *supra* Part I.D. 3 (describing the Eighth Circuit test).

135. See *supra* Part I.D. 4 (describing the Fifth Circuit test and its possibly stringent application of the *Abercrombie* classifications).

II. CASE DESCRIPTION OF *ASHLEY FURNITURE INDUSTRIES, INC. V. SANGIACOMO N.A. LTD.*

On appeal, the Fourth Circuit in *Ashley Furniture* defined the issue to be a determination of the circumstances qualifying the configuration or feature of a product as inherently distinctive.¹³⁶ The court relied heavily on *Two Pesos* to find that the *Abercrombie* classifications provide the appropriate framework for accessing the inherent distinctiveness of product features.¹³⁷ The court read *Two Pesos*' endorsement of the *Abercrombie* classifications by the Fifth Circuit in *Chevron* and *Two Pesos* to mandate the application of the analysis to all trade dress cases.¹³⁸

The court rejected the reasoning of courts that hold that *Abercrombie* is an appropriate analysis for trademarks and product packaging, which are conceptually separable from the product, but that it is not well suited for application to the product itself.¹³⁹ The court then defined the trade dress of a product, even if a product configuration, to “consist[] not of the entire product but only of those nonfunctional features of the product that, taken together, make up its total image.”¹⁴⁰

The court interpreted *Two Pesos* to “indicate[], if . . . not require, that lower courts should use [the *Abercrombie*] analysis in product configuration cases generally.”¹⁴¹ The court interpreted the restaurant trade dress at issue in *Two Pesos* as part of the product being sold at the restaurant.¹⁴² Thus, the court cast *Two Pesos* as a product configuration case. This converted the Supreme Court's apparent approval of *Abercrombie* in *Two Pesos* into authority mandating the application of the classifications to product configurations.

The court further held it possible to apply *Abercrombie*, in and of itself, to product configurations but noted that in some

136. See *Ashley Furniture Industries, Inc.*, 187 F.3d at 366.

137. See *id.* at 370-73.

138. See *id.* at 370.

139. See *id.* The court's disapproval included the holdings in *Knitwaves, Inc.*, 71 F.3d 996, and the holding in *Duraco Products, Inc.*, 40 F.3d 1431, which refused to apply the *Abercrombie* classifications. See *Ashley Furniture Industries, Inc.*, 187 F.3d at 370.

140. *Id.* (citing *Stuart Hall Co., Inc. v. Ampad Corp.*, 51 F.3d 780, 788 (8th Cir. 1995)).

141. *Ashley Furniture Industries, Inc.*, 187 F.3d at 370.

142. See *id.*

cases it would present difficulties.¹⁴³ The court determined that these difficulties could be clarified by comparing the configuration at issue to those of related products under the *Seabrook* test.¹⁴⁴ The court posited that *Seabrook* could help determine the crucial question of whether a product configuration should be classified as inherently distinctive or generic.¹⁴⁵ The court stated:

Seabrook makes plain that a product's overall design cannot be found inherently distinctive if it constitutes a "well-known" or "common" design, even if that design had not before been "refine[d]" in precisely the same way. Rather, to qualify as inherently distinctive a design must be "unique or unusual" in the "particular field" at issue.¹⁴⁶

Thus, the court held that for a product configuration to be arbitrary or fanciful, the configuration must fit *Seabrook's* "unique or unusual" in a particular field requirement.

The court then found in *Two Pesos* the basis for rejecting the defendant's argument that a test based on source identification requirements should be applied to product configuration cases.¹⁴⁷ Initially, the court noted that *Two Pesos* expressed the Supreme Court's desire for a uniform approach to claims under Section 43(a) of the Lanham Act.¹⁴⁸ The court interpreted *Two Pesos* to direct that the text of Section 43(a) would not support a "differentiation between trade dress and trademark"¹⁴⁹ and that "the creation of a new rule to be applied only to product configuration would comport neither with the language of the statute nor with the Court's preference for

143. *Id.* As an example of a possible application of *Abercrombie* to product configurations, the *Ashley Furniture* court stated:

The configuration of a banana-flavored candy, for example, would be generic if the candy were round, descriptive if it were shaped like a banana, suggestive if it were shaped like a monkey, arbitrary if it were shaped like a trombone, and fanciful if it were formed into some hitherto unknown shape.

Id.

The court did not explicitly state the nature of the difficulties that may arise when applying *Abercrombie* to product configurations.

144. *See id.* at 371.

145. *See id.*

146. *Id.*

147. *Id.* at 371-72. The defendant argued for the application of the alternative tests adopted by *I.P. Lund Trading ApS*, 163 F.3d at 41; *Landscape Forms, Inc.*, 113 F.3d at 378 n.3; *Duraco Products, Inc.*, 40 F.3d at 1450. *See Ashley Furniture Industries, Inc.*, 187 F.3d at 371-72.

148. *Id.* at 371.

149. *Id.*

uniformity.”¹⁵⁰

The court further criticized the First, Second, and Third Circuit tests by holding that they are in specific conflict with *Two Pesos*' description of inherently distinctive trade dress as that which is “capable of identifying products or services as coming from a specific source.”¹⁵¹ The court interpreted *Two Pesos*' rejection of requiring “actual” consumer recognition for inherently distinctive trade dress to suggest that “likely” consumer recognition is also improper.¹⁵² The court further held that requiring “likely” consumer recognition is contrary to *Two Pesos* because it involves showing the same kind of evidence as required for secondary meaning.¹⁵³

The court then reasoned that the “capable of identifying a product” test is more appropriate than the alternate tests because it does not require an “improper emphasis on source identification.”¹⁵⁴

III. ANALYSIS OF *ASHLEY FURNITURE INDUSTRIES, INC., V. SANGIOCOMO N.A. LTD.*

The main holding in *Ashley Furniture* was that the *Abercrombie* classifications must, under direction of *Two Pesos*, be applied to product configurations and that the classifications can be properly applied to configurations.¹⁵⁵ The first section of the Analysis will examine the individual holdings the *Ashley Furniture* court used to arrive at this conclusion.¹⁵⁶ The court held: (1) that *Two Pesos* decided the issue of the proper standards to use in determining inherent distinctiveness; (2) that *Two Pesos* creates standards for determining inherent distinctiveness in product configurations; (3) that the *Abercrombie* classifications can be properly applied to product configurations; and (4) that alternative tests for inherent distinctiveness which incorporate a “source-identification” requirement undermine the *Two Pesos* holding.¹⁵⁷

The first section of the Analysis concludes that: *Two Pesos*

150. *Id.*

151. *Id.* at 372 (quoting *Two Pesos, Inc.*, 505 U.S. at 773).

152. *See id.*

153. *Id.*

154. *Id.*

155. *See supra* Part II.

156. *See infra* Part III.A.

157. *See supra* Part II.

did not decide the issue of the proper standards to use in determining inherent distinctiveness; that *Two Pesos* did not create standards specific to product configurations; that the *Abercrombie* classifications may not be effectively applied to configurations; and that “source identification” tests do not undermine *Two Pesos*.¹⁵⁸

The second section of the Analysis will then propose a test for determining inherent distinctiveness in product configurations.¹⁵⁹ In doing so, the general problems with the current standards formulated by the Circuit Courts of Appeals will be examined, and a test for inherent distinctiveness will be proposed that seeks to serve the purposes of the Lanham Act.

The second section of the Analysis concludes that the current standards used by the Circuit Courts of Appeals protect product configurations under the Lanham Act either too broadly or restrictively and that the proper standard to use for this determination is a two part test requiring product configurations to be (1) unique and striking, and (2) likely to serve as an indicator of source.¹⁶⁰

A. ANALYSIS OF INDIVIDUAL HOLDINGS

1. Analysis of *Ashley Furniture's* holding that *Two Pesos* indicated the proper standards to use in determining inherent distinctiveness

The *Ashley Furniture* court made it clear that *Two Pesos* indicated, if not required, that the *Abercrombie* classifications be used in the trade dress context.¹⁶¹ This conclusion assumes that *Two Pesos* formulated the *Abercrombie* test as appropriate for determining inherent distinctiveness in all types of trade dress cases.

In *Two Pesos*, however, the Supreme Court acknowledged that the only issue before the Court was whether inherently distinctive trade dress should be required to have acquired secondary meaning before gaining Lanham Act protection.¹⁶²

158. See *infra* Part III.A.

159. See *infra* Part III.B.

160. See *infra* Part III.B.

161. See *Ashley Furniture Industries, Inc.*, 187 F.3d at 370.

162. See *Two Pesos, Inc.*, 505 U.S. at 767.

Two Pesos was an appeal from a jury verdict.¹⁶³ The parties in the case stipulated that the legal rules utilized in other areas of trademark law apply equally well to trade dress. The litigants did not object to the jury instruction on that basis, and therefore were not adverse on the question of whether the *Abercrombie* standards applied to trade dress. The nature and breadth of *Abercrombie* was thus not an issue at the Supreme Court level.

In light of *Two Pesos* procedural posture, it seems reasonable that the Court's approval of *Abercrombie* was a way for the Court to illustrate its approval of any trade dress analysis that allows for a finding of inherent distinctiveness without an additional finding of secondary meaning. Or perhaps the Court did nothing more than affirm the use of the *Abercrombie* factors in the single case before it.

Contrary to this interpretation of *Two Pesos*, the Fourth, Fifth and Eighth Circuits read *Two Pesos* to require that the *Abercrombie* spectrum be applied to product configurations.¹⁶⁴ As discussed above, other Circuit Courts do not interpret *Two Pesos* in this manner. Moreover, as stated in *I.P. Lund*, courts can exercise a great deal of discretion in determining inherent distinctiveness without running afoul of the narrow *Two Pesos* holding that inherently distinctive trade dress need not show proof of secondary meaning in order to gain protection under the Lanham Act.¹⁶⁵ This is consistent with the fact that *Two Pesos* decided this issue and created binding authority on this issue alone.

2. Analysis of *Ashley Furniture's* holding that *Two Pesos* creates standards for determining inherent distinctiveness in product configurations

As noted above, the Fourth Circuit in *Ashley Furniture* determined that the issue of whether to apply the *Abercrombie* standards to trade dress was decided in *Two Pesos*.¹⁶⁶ The court then used this finding to conclude that *Two Pesos* creates strong, if not binding, authority to apply *Abercrombie* generally

163. See *id.* at 766.

164. See *supra* Part I.D. 3, 4 and Part II (describing the Eighth, Fifth, and Fourth Circuit tests).

165. See *I.P. Lund Trading ApS*, 163 F.3d at 40.

166. See *supra* Part II.

to product configuration cases.

Thus, the Fourth Circuit seems to have realized that the Court's approval of *Abercrombie* was dicta but found it influential nevertheless. However, it is important to note that the Supreme Court did not directly address the possible differences between product packaging and product configuration cases in *Two Pesos* and, by analogy, did not address whether its approval of *Abercrombie* applies to product configurations.¹⁶⁷ In fact, there is reason to believe from the *Two Pesos* opinion itself that the trade dress at issue was product packaging and not product configuration.¹⁶⁸ Although not alone conclusive in clarifying this question, it is also significant that the *Two Pesos* Court approved of the Fifth Circuit's use of the *Abercrombie* classifications in both the *Two Pesos* and *Chevron* cases.¹⁶⁹ The *Chevron* case dealt solely with determining inherent distinctiveness in product packaging and the Supreme Court in *Two Pesos* made no distinctions between the applicability of the *Abercrombie* classifications to the trade dress at issue in these Fifth Circuit rulings.¹⁷⁰

The Supreme Court's decision in *Qualitex* lends further support to this narrow interpretation of *Two Pesos*. The *Qualitex* Court recognized that inherently distinctive trademarks automatically communicate to consumers that they refer to a brand while the product feature in the case, a color, could not.¹⁷¹ The Court held that a product feature, to wit color, cannot be inherently distinctive and must gain secondary

167. See Barrett, *supra* note 45, at 486 (discussing that *Two Pesos* did not directly address the possible differences between the trade dress at issue in the case, product packaging trade dress, or product feature trade dress). See also Travis L. Bachman, *Inherent Distinctiveness, Product Configuration, and "Product Groups": The Developing Law of Trade Dress*, 23 J. CORP. L. 501, 512 (1998) (questioning whether the Supreme Court in *Two Pesos* acknowledged an entirely new type of trade dress, "service industry trade dress," in which it is appropriate to use the *Abercrombie* factors).

168. See *Two Pesos, Inc.*, 505 U.S. at 787 (Thomas, J., concurring) ("[T]he first user of an arbitrary package, like the first user of an arbitrary word, should be entitled to the presumption that his package represents him without having to show that it does in fact."). See also Theodore H. Davis, Jr., *Management and Protection of Brand Equity in Product Configurations*, 1998 U. ILL. L. REV. 59, 75-76 (suggesting that Justices Thomas and Scalia considered the restaurant trade dress at issue in *Two Pesos* to be product packaging).

169. See *Two Pesos, Inc.*, 505 U.S. at 773.

170. See *id.*

171. See *Qualitex Co.*, 514 U.S. at 162.

meaning in order to be protectable trade dress.¹⁷² Thus, the *Qualitex* Court made it clear, even in light of *Two Pesos*, that product features may require a different analysis than trademarks because of inherent differences in source identifying ability. That is not to say that *Qualitex* requires all product features to acquire secondary meaning to gain Lanham Act protection.¹⁷³ Some shapes, designs, and other product features are more likely to “automatically tell a customer that they refer to a brand”¹⁷⁴ rather than color alone. At the very least, *Qualitex* is a signal from the Court that product features are different than trademarks and that the Court did not intend *Two Pesos* to create a blanket, general test for determining inherent distinctiveness in trade dress.

The Fourth Circuit's holding is also in conflict with other Circuit Courts that do not interpret *Two Pesos* to hold that the *Abercrombie* standards should be applied to product configuration cases.¹⁷⁵ These courts do not accept this interpretation because, like the Supreme Court in *Qualitex*, they recognize the inherent differences in source identifying ability between trademarks (including product packaging) and product features.¹⁷⁶ These differences render the *Abercrombie* classifications, which are well suited and relatively easy to apply to trademarks and product packaging, inappropriate for product configurations.¹⁷⁷

In addition, the mere difficulty of applying traditional trademark analysis to product configurations does not fully express the differences between product packaging and configurations not addressed by *Two Pesos*. First, unlike granting trademark protection to product packaging, the protection of product configurations may have anti-competitive effects on the marketplace.¹⁷⁸ Affording trademark protection

172. *See id.*

173. *But see* Davis, *supra* note 168, at 76 (suggesting that the *Qualitex* Court's recognition of a class of product characteristics as ineligible for inherently distinctive status may be significant).

174. *See Qualitex Co.*, 514 U.S. at 162-63.

175. *See supra* Part I.D. 1, 2 (The Second and Third Circuits conflict with the Fourth Circuit.).

176. *See Knitwaves, Inc.* 71 F.3d at 1008; *Duraco Products, Inc.*, 40 F.3d at 1441.

177. *See Duraco Products, Inc.*, 40 F.3d at 1448.

178. *See id.* *See also* Barrett, *supra* note 45, at 477-78 (noting that the pool of usable product features is much smaller than the possibly unlimited combination of product packaging trade dress and thus, granting trade dress

to product designs is likely to be exclusionary in nature because designs have limited alternatives and are themselves valuable to consumers and competitors.¹⁷⁹ The exclusionary effect on competitors may be exacerbated by the fact that trademark law does not have the same safeguards against overly broad protection as other intellectual property systems that more regularly protect product features.¹⁸⁰

Second, there is the possibility that affording broad protection to product configurations under trademark law will encroach upon the patent law.¹⁸¹ The Supreme Court in *Qualitex* raised this concern in its discussion of functionality.¹⁸² If design producers could substitute trademark protection for design patent protection, then it would be possible for a producer to gain protection for his or her design without meeting patent law's stringent non-obviousness and novelty requirements. These requirements seek to insure that ideas in the public domain remain there for public use.¹⁸³

Thus, affording trademark protection to product configurations raises important issues that do not arise with product packaging or trademarks. It is doubtful that the Supreme Court would lump together such varying parts of trade dress without comment.

3. Analysis of *Ashley Furniture's* application of the *Abercrombie* classifications to product configurations

The Fourth Circuit's decision to combine the *Abercrombie*

protection to product features is more likely to have a negative effect on competitors).

179. See *Duraco Products, Inc.*, 40 F.3d at 1448. See also Graeme B. Dinwoodie, *The Death of Ontology: A Theological Approach to Trademark Law*, 84 IOWA L. REV. 611, 636 (1999) (suggesting that trademark protection for product designs may confine the possible supply of shapes by which a product can be designed and that the restraints imposed upon a competitor's choice of source identifier may effectively act as a constriction of production choices).

180. See Dinwoodie, *supra* note 179 at 636. Professor Dinwoodie notes safeguards such as pre-fixed temporal limits and the requirement of novelty in patent law. See *id.* Trademark law possesses none of these provisions.

181. See Melissa R. Glibberman, *From Fast Cars To Fast Food: Overbroad Protection of Product Trade Dress Under Section 43(a) of The Lanham Act*, 45 STAN. L. REV. 2037, 2058-63 (1993) (discussing conflicts between trademark and patent law created by an overbroad reading of Section 43(a) of the Lanham Act).

182. See *Qualitex Co.*, 514 U.S. at 164.

183. See *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979).

and *Seabrook* tests is especially telling of the inappropriateness of applying *Abercrombie* to product configurations.

In order to support the argument that it is not “inherently impossible, illogical, or anomalous to apply the *Abercrombie* categories to product configurations,”¹⁸⁴ the court presented what it determined was a workable example.¹⁸⁵ The example is illustrative of problems with the court's argument that product configurations are not the “product itself” but rather specific non-functional features of the product. First, the court's analysis of different shapes of “banana-flavored candy”¹⁸⁶ ignores the fact that a product and its shape can never be “totally unrelated.”¹⁸⁷ Unlike a trademark, there is always a direct conceptual connection between the product and its shape. The shape, being part of the product itself, may serve merely to “describe” to the consumer a characteristic that makes it more appealing.¹⁸⁸ The *Abercrombie* classifications do not, in the absence of secondary meaning, protect marks which function solely to describe or make a product more desirable.¹⁸⁹ The shape could then only be “descriptive” of the product. Using this reasoning, a product configuration can never be properly classified as inherently distinctive under *Abercrombie*.¹⁹⁰

Second, it is hard to imagine when a product such as an automobile or a piece of furniture could ever be “arbitrary” under the court's standard and still be marketable. Could a table be protected only if it were shaped like a hamburger? Or, could an automobile design be protected only if it were shaped like a beer bottle? For most products, there is a limit as to how distinct a design can be in relation to the product before it becomes undesirable to consumers. Thus, even if the court's example is a proper characterization of an “arbitrary” relationship, it may only help access the inherent distinctiveness of novelty products.

184. See *Ashley Furniture Industries, Inc.*, 187 F.3d at 370.

185. See *id.* at 370 (providing an example of different shapes of “banana-flavored candy” and how these shapes would be classified under *Abercrombie*).

186. See *id.*

187. See *id.* at 369 (defining arbitrary and fanciful product features as “totally unrelated” to the product).

188. See *Duraco Products, Inc.*, 40 F.3d at 1441 (reasoning that consumers are more likely to view product features as contributing to the inherent appeal of the product).

189. See *supra* notes 30-36 and accompanying text (discussing “descriptive” marks under the *Abercrombie* classifications).

190. See *id.*

The *Ashley Furniture* court's adoption of the *Seabrook* factors was intended to alleviate the above problems.¹⁹¹ By adoption of these factors, the court equates a product feature which is "unique and unusual" in a particular field with a product feature which is "totally unrelated" to the product itself.¹⁹² First, because even a "unique and unusual" product design is a part of the product itself, it cannot be "totally unrelated" to the product. This is true even if the "unique and unusual" feature meets *Seabrook's* more than a "mere refinement"¹⁹³ standard. A "unique and unusual" combination of product features that are more than a "mere refinement" of those used in previous designs are still a part of the product itself. Thus, there is a conflict between *Seabrook's* "unique and unusual" and *Abercrombie's* "totally unrelated" definitions and they cannot be properly equated.

Second, courts and commentators alike have rejected the notion that uniqueness alone can be equated with inherent distinctiveness.¹⁹⁴ Courts do accept uniqueness as one factor in determining the inherent distinctiveness of product features but do not rely on it alone.¹⁹⁵

Proponents of using *Seabrook* in conjunction with *Abercrombie* may nevertheless argue the tests are compatible because the *Seabrook* test is based on the *Abercrombie*

191. See *supra* Part II.

192. See *id.*

193. See *Seabrook Foods, Inc.*, 568 F.2d at 1344.

194. See *Pebble Beach Co.*, 155 F.3d at 541 n.7 (rejecting uniqueness alone to determine inherent distinctiveness while applying the *Abercrombie* test); *Duraco Products, Inc.*, 40 F.3d at 1441 (arguing that product designs are not protectable simply because they are unusual). See also 1 J. MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 8:13, at 8-35 to 8-36 (2d ed. 1984) ("[A] product . . . feature is not inherently distinctive merely because there is no other product on the market that looks exactly the same."); Nancy D. Chapman, *Trade Dress Protection in the United States After the Supreme Court Decision in Two Pesos*, 387, Advanced Seminar on Trademark Law 7, 32 (1994) ("[U]nique is not by itself equivalent to inherently distinctive, but a unique design may be so if it also functions as a source indicator.").

195. See *I.P. Lund Trading ApS*, 163 F.3d at 40-41 (accepting the *Seabrook* test and its uniqueness requirement as part of its "likely to serve primarily as a designator of origin of the product" test); *Pebble Beach Co.*, 155 F.3d at 541 n.7 (defining an inherently distinctive product configuration as unique, but noting that the converse is not necessarily true); *Landscape Forms, Inc.*, 113 F.3d at 378 n.3 (arguing that the *Seabrook* factors, including the uniqueness requirement, can "be useful tools to assess whether a design is likely to be perceived as a source indicator"); *Duraco Products, Inc.*, 40 F.3d at 1449 (requiring that a product configuration "partake of a unique, individualized appearance" as one part of its three prong test).

classifications. In fact, *Seabrook* was formulated to determine “whether a design is arbitrary or distinctive.”¹⁹⁶ However, it must be reiterated that the *Seabrook* court formulated its test for inherent distinctiveness in the context of product packaging which is separable and can be “totally unrelated” to the product it packages.¹⁹⁷ Thus, there is no conflict in using *Seabrook* to determine whether a particular packaging is “arbitrary.” In contrast, product configurations can never be “totally unrelated” to a product and therefore *Seabrook* cannot be used to make up for this defect when *Abercrombie* is applied to configurations.

4. Analysis of Ashley Furniture's Rejection of “Source Identification” Requirements

The Fourth Circuit in *Ashley Furniture* criticized tests formulated by other courts requiring that product configurations meet a source identification requirement.¹⁹⁸ The court reasoned that these tests would conflict with the Lanham Act and would undermine the *Two Pesos* holding.¹⁹⁹

When the *Two Pesos* Court spoke of applying the same analysis under Section 43(a) to both trademarks and trade dress, it determined that when a trademark or trade dress is found to be inherently distinctive, no additional showing of secondary meaning should be required in either case.²⁰⁰ As noted above, *Two Pesos* did not address the issue of how to arrive at the determination of inherent distinctiveness.²⁰¹ The First, Second, and Third Circuits read *Two Pesos* to allow the formulation of appropriate tests for inherent distinctiveness as long as they do not require a showing of secondary meaning. It follows that tests for the inherent distinctiveness of product configurations that do not require secondary meaning do not conflict with the test for inherently distinctive trademarks. Thus, harmony between trademarks and product

196. See *Seabrook Foods, Inc.*, 568 F.2d at 1344.

197. *Id.*

198. See *Ashley Furniture Industries, Inc.*, 187 F.3d at 371-72.

199. See *supra* Part II.

200. *Two Pesos, Inc.*, 505 U.S. at 773. The Court stated that “[t]here is no persuasive reason to apply different analysis to the two [trademark and trade dress]. The proposition that secondary meaning must be shown even if the trade dress is a distinctive, identifying mark, [is] wrong.”

201. See *supra* Part III.A.1.

configurations, under Section 43(a), is achieved as directed by *Two Pesos*.

The alternate tests rejected by the Fourth Circuit all generally require that plaintiffs in an infringement suit show that the product feature they seek to protect will be likely to function primarily as an indicator of source.²⁰² This requirement focuses on the likelihood that a product feature will have an inherent ability to automatically function as a designator of source of the product. The requirement is therefore a predictive measure focusing on “whether a consumer would likely perceive the feature or combination or arrangement of features as something that renders the product intrinsically more desirable regardless of the source of the product, or . . . as a signifier of the product's source.”²⁰³ The secondary meaning requirement, on the other hand, is a factual finding focusing on a consumer's actual mental association of the trade dress with its source.²⁰⁴

The evidence required to show that a product feature is likely to function as an indicator of source is also different from that used to establish secondary meaning. As noted above, courts use the *Seabrook* test and other factors to help predict whether a product feature is likely to be immediately recognized by consumers primarily as an indicator of source.²⁰⁵ In contrast, secondary meaning is proven with empirical evidence showing that consumers actually associate a certain trade dress with a source.²⁰⁶ Thus, contrary to the Fourth Circuit's holding, the distinction between inherent distinctiveness and secondary meaning is not blurred by source identification requirements. They are two separate and distinct types of analysis.

The Fourth Circuit did recognize that source identification requirements would not necessarily require the same kinds of evidence as secondary meaning but determined that even more modest requirements would impermissibly require conscious

202. See *I.P. Lund Trading ApS*, 163 F.3d at 41; *Knitwaves, Inc.*, 71 F.3d at 1008; *Duraco Products, Inc.*, 40 F.3d at 1449.

203. *Duraco Products, Inc.*, 40 F.3d at 1450.

204. See *id.*

205. See *supra* Part I.D. 1, 2, 5 (describing the Second, Third, and First Circuit tests; all applying a predictive analysis).

206. See *Zatarains, Inc.*, 698 F.2d at 795 (Factors used to access secondary meaning can include amount and manner of advertising, volume of sales, and length and manner of use.).

consumer recognition of a product design as a source designator.²⁰⁷ The court's reasoning is open to criticism since source identification tests never require even one consumer to consciously recognize a product feature as an indicator of source. Source identification requirements seek only to make a prediction as to the ability of a product feature to serve as a source designator.

In this sense, source identification requirements are similar to *Abercrombie* as applied to trademarks and product packaging. Because *Abercrombie* can be used to effectively analyze the relationship between a trademark and product, the test can be used to predict whether the trademark will function as a source identifier. "Suggestive," "arbitrary," or "fanciful" trademarks and packaging almost certainly serve as source designators.²⁰⁸ This certainty arises because there is no other function that the inherently distinctive trademark or non-functional packaging can perform.²⁰⁹ The legal presumption as to source identifying ability is appropriate because it is highly likely to reach the correct result; protection of product features that designate source.

Product features, on the other hand, are part of the product itself and may be seen by consumers to perform several functions at once.²¹⁰ Thus, features cannot be effectively predicted for source identifying ability under *Abercrombie*.²¹¹ *Abercrombie*'s presumption of this ability, without a separate

207. See *Ashley Furniture Industries, Inc.*, 187 F.3d at 372.

208. See Smith, *supra* note 25, at 426-28 (arguing that trademarks traditionally analyzed under *Abercrombie* serve either to communicate a product's attributes or source. Those trademarks in the inherently distinctive categories do not communicate product attributes, so, by process of elimination, they can only serve to communicate source).

209. See *id.* For example, when a penguin is used as a trademark to denote a publishing company it has no direct or conceptual relation to the publishing company. It thus does not describe the company and can only serve to identify source.

210. See Christopher J. Kellner, *Rethinking the Procedural Treatment of Functionality: Confronting the Inseparability of Useful, Aesthetically Pleasing, and Source-Identifying Features of Product Designs*, 46 EMORY L.J. 913, 914 (1997) (noting that consumers could view single product configurations as embodying trademark, useful, and aesthetically pleasing features).

211. For example, the design of a piece of furniture can serve to make it more attractive or appealing, thus describing the furniture to the consumer. Alternatively, it could serve some utilitarian purpose or identify the source of its producer. Even if a utilitarian function is eliminated, the feature may still describe the product or identify source. One or the other cannot be eliminated without further inquiry.

predictive analysis, may therefore lead to trade dress protection of product features that are not be seen by consumers to designate source. These features should remain in the public domain and free for competitors to copy in the absence of patent protection or until they have acquired secondary meaning.

In the Fourth Circuit test, any configuration whose total image satisfies *Seabrook's* “unique and unusual” requirement is inherently distinctive and presumed to be “capable of identifying a product.”²¹² In doing so, the court adopted the Supreme Court's “capable of identifying products” standard from *Two Pesos*.²¹³ However, it is not clear that the Supreme Court's use of this standard means that a presumption of source identifying ability should be given to inherently distinctive product features. The Court has called trademarks “almost anything at all that is capable of carrying meaning.”²¹⁴ Descriptive marks and color fall within this broad category but require a showing of secondary meaning in order to be protected.²¹⁵ Inherently distinctive trademarks and packaging too are capable of identifying the source of a product and are properly presumed to do so. Product configurations are also capable of identifying source and require a predictive analysis that lies between the secondary meaning requirement and the presumption because of their inherent qualities. Thus, it could be that the Supreme Court's use of the “capable of identifying products” language means nothing beyond its designation of marks that might have the ability to act as designators of source.

Thus, it seems that the Fourth Circuit's, like the Eight Circuit's, rejection of source identification requirements is not required by *Two Pesos* and may extend trade dress protection too broadly.

212. See *supra* Part II.

213. See *Two Pesos, Inc.*, 505 U.S. at 773.

214. See *Qualitex Co.*, 514 U.S. at 162.

215. See *supra* Part I.A (describing the requirements for “descriptive” marks under the *Abercrombie* standards).

B. THE PROPOSED STANDARD FOR DETERMINING INHERENT DISTINCTIVENESS

1. Problems with the Current Circuit Court Standards

The standards for determining the inherent distinctiveness of product configurations developed by the Circuit Courts and discussed above can be placed into two general groups. Although all the standards have been properly formulated under *Two Pesos*, both sets of standards may fail in some cases to serve the broad purposes of the Lanham Act.²¹⁶

The first group consists of the Fourth, Fifth, and Eighth Circuits, which adhere to the *Abercrombie* classifications for analyzing inherent distinctiveness.²¹⁷ As discussed above, *Abercrombie* cannot properly be applied to product configurations.²¹⁸ By applying *Abercrombie*, product configurations may be improperly presumed to have source identifying ability and may lead to the protection of configurations that do not signify source. Protection of these configurations is in conflict with the Lanham Act's purpose to offer exclusive rights and remove from the public domain only those marks or trade dress which serve to designate source.²¹⁹ To remedy this problem it is more proper to predict rather than presume the source identifying ability of a product design.

The First, Second, and Third Circuits have formulated standards that predict the source identifying ability of product configurations.²²⁰ In general, these tests require that a protectable product configuration be likely to act primarily as an indicator of source. These stringent standards properly reduce the possibility of anti-competitive marketplace effects created by overly broad trade dress protection and also maintain the boundaries between the intellectual property regimes. This approach is also problematic since product features that identify source and concurrently increase the

216. See *supra* Part I.A (describing the intent and purpose of the Lanham Act).

217. See *Ashley Furniture Industries, Inc.*, 187 F.3d at 371; *Pebble Beach Co.*, 155 F.3d at 541; *Stuart Hall Co., Inc.*, 51 F.3d at 788.

218. See *supra* Part III.1.c.

219. See *supra* Part I.A (describing the intent and purpose of the Lanham Act).

220. See *I.P. Lund Trading ApS*, 163 F.3d at 41; *Knitwaves, Inc.*, 71 F.3d at 1008; *Duraco Products, Inc.*, 40 F.3d at 1449.

inherent appeal of a product may not be protected. In this case, product configurations that are not functional in the utilitarian or aesthetic sense,²²¹ and serve as designators of source are denied trademark protection. A lack of protection may cause consumers who immediately identify a particular product feature with a source to become confused when a competitor copies it. The competitor would then benefit from the goodwill created by the originator's product. These are the very results which trademark law seeks to prevent.²²²

Thus, it seems that the development of standards for inherent distinctiveness could be more properly satisfied by an analysis with a level of stringency that lies between those formulated by the two groups of Circuit Courts of Appeals.

2. Proposed Standard

The following proposed test seeks to balance the positive aspects of the stringent First, Second, and Third Circuit tests with the purposes of the Lanham Act to protect the goodwill of businesses and prevent customer confusion. It will be required that a product feature be nonfunctional in the utilitarian and aesthetic sense²²³ before proceeding with the proposed test for inherent distinctiveness.

The first step of the proposed standard is based on the *Seabrook* test²²⁴ and would be satisfied only if a product feature is "unique" and "striking" among a certain product group. The second step of the proposed standard is based on the source identification tests developed in the Courts of Appeals²²⁵ and would ask whether a product feature satisfying step one would be likely to function as an indicator of source.

The purpose of the first prong is to determine the distinctiveness of the particular product feature within its appropriate product group. First, it is proposed that expert testimony be allowed to present evidence that a feature or combination of features is unique within the group. Here, expert testimony will be valuable since knowledge of the

221. See *supra* Part I.B (defining functionality in the trade dress context).

222. See Part I.A (describing the purpose of trademark law).

223. See *supra* Part I.B (defining functionality in the trade dress context).

224. See *supra* Part I.D.5 (describing the *Seabrook* test).

225. See *I.P. Lund Trading ApS*, 163 F.3d at 41; *Knitwaves, Inc.*, 71 F.3d at 1008; *Duraco Products, Inc.*, 40 F.3d at 1449.

breadth of products in a particular field is essential to determining “uniqueness.” The feature should be more than a “mere refinement” of commonplace features as directed by the *Seabrook* standard.²²⁶ This will provide a baseline of product features that are sufficiently different or unique than their predecessors within the product group. Many courts already accept “uniqueness” as evidence of inherent distinctiveness.²²⁷

Second, it is proposed that the factfinder determine, without expert testimony, whether a particular feature is “striking.” This part of the test seeks to examine whether the feature “catches the eye” among an array of both unique and commonplace product configurations within its product group. The focus of this part of the test should be on the reaction of consumers to the product design and not that of experts whose familiarity with products in the field may affect his or her perceptions of what is “striking.” Examples of configurations which might be “striking” upon first sight include the design of Apple’s iMac computer, the design of a Ferrari Testarossa automobile, or a building designed by the Spanish artist Gaudi. This part of the test will serve to insure that the configuration has at least the potential to immediately communicate to consumers the source of the product. At this point, the “unique” and “striking” feature may (1) function as a source indicator, (2) function to increase the inherent appeal of the product, or (3) perform both functions. Thus, further analysis is required to determine which of these functions will most likely be performed by the product configuration.

The second step of the test seeks to predict whether the “unique” and “striking” product configuration is likely to serve as an indicator of source. Thus, the proposed test does not presume source identifying ability like the Fourth, Fifth, and Eighth Circuit standards.²²⁸ The proposed standard can also be contrasted to the source identification requirements formulated by the First, Second, and Third Circuits because it does not require that the configuration serve exclusively or primarily to identify source.²²⁹ Of course, those configurations likely to serve solely as indicators of source will gain trade dress

226. See *supra* Part I.D. 5 (describing the *Seabrook* test).

227. See *supra* note 195.

228. See *supra* Part I.D. 3, 4 and Part II (describing the Eighth, Fifth, and Fourth Circuit standards).

229. See *supra* Part I.D. 1, 2, 5 (describing the Second, Third, and First Circuit standards)

protection. These cases will be rare since most visual features communicate to consumers in more than one way.²³⁰ It follows that under this test a product feature likely to serve as an indicator of source that also increases the inherent appeal of the product will not be automatically precluded from trade dress protection. This can be directly contrasted with the extremely stringent Third Circuit standard.²³¹ The proposed standard would, however, refuse trade dress protection to configurations that are not likely to be immediately recognized as having source identifying ability.

An obvious difficulty that may arise in application of the proposed standard involves quantifying the extent that a particular product feature must be likely to serve as a source designator before it can gain trade dress protection.²³² Would a feature that is likely to serve a twenty-five, thirty-five, or fifty percent source designating function meet the minimum threshold for protection? It will also be difficult to separate out source and aesthetic functions in making this kind of assessment because a single feature can perform both functions.²³³

In addition, any trade dress protection afforded to a product feature having, for example, a fifty percent source role will remove the entire feature from the public domain without meeting the rigors of a design patent.²³⁴ This problem forces a policy choice between patent and trademark law. Since patents are effective for a limited statutory period, while trademark protection can be perpetual, it could be argued that favoring the patent policy would have the least negative effect on competition. Nevertheless, a product feature that is likely to indicate source to consumers does function as a trademark and should be protectable under the trademark law regardless of the availability of the patent regime. Congress has not provided statutory direction preferring one intellectual property regime to another. In the absence of such direction,

230. See Kellner, *supra* note 210.

231. See *Duraco Products, Inc.*, 40 F.3d at 1448 (noting that in order to be inherently distinctive a product feature must serve an almost exclusive source identifying function).

232. See Kellner, *supra* note 210, at 915 (recognizing the difficulties that may be involved with distinguishing between the utilitarian, aesthetic, and source identifying aspects of a product's design).

233. See *id.*

234. See *supra* Part I.B (describing the statutory requirements for patentability).

courts may be able to grant trade dress protection to qualifying product configurations, under the limited circumstances of the proposed standard, without improperly intruding on the patent law.

It must also be asked whether a policy in favor of copying unpatented product features outweighs, in all cases, protecting a feature that functions to designate source. Protection of a product feature that is likely to indicate source to consumers may have benefits that outweigh any negative effects on competition. This is because protecting a source designating product configuration may prevent customer confusion and increase the incentive for manufacturers to invest in their products if they know that the goodwill they create with these products will not be compromised by imitators. Allowing trademark protection in these cases would also take into account the Supreme Court's concern in *Two Pesos* with protecting the ability of small businesses to protect their source identifying trade dress from first use without the burden of developing and showing secondary meaning.²³⁵

Even with the difficulties in applying this test, it calls for a deeper analysis into the manner in which a certain product feature is likely to be perceived by consumers. This analysis may produce results that comport with the purposes of trademark law more than those standards affording overly broad or extremely restrictive protection to product configurations.

CONCLUSION

The Fourth Circuit's decision in *Ashley Furniture* expresses a liberal policy toward granting trade dress protection to product configurations produced by a broad reading of the Supreme Court's decision in *Two Pesos, Inc. v. Taco Cabana, Inc.* The Fourth Circuit's holding is an especially telling example of the inappropriateness of applying the traditional *Abercrombie* classifications and a presumption of source identifying ability to product configurations. The resulting breadth of protection afforded to product configurations increases the chance that configurations not serving as designators of source will receive trade dress protection and avoid the rigors of design patent law. The protection of product

235. See *supra* Part I.C.1.

configurations that do not designate source is in conflict with the basic purposes of the Lanham Act.

Decisions of the First, Second, and Third Circuits properly express policies designed to avoid these conflicts. Nevertheless, these policies, seeking to predict a configuration's source identifying ability, are so restrictive that they may deny trade dress protection when it would serve to maintain the goodwill of a business and prevent customer confusion. This too is in conflict with the basic purpose of the trademark law.

An appropriate test for inherent distinctiveness must seek to fulfill these purposes by in-depth analysis into the functions a product feature is likely to serve. Application of the *Abercrombie* classifications to product configurations avoids this stringent analysis. Without such analysis, courts may unwittingly make mistakes as to source identifying ability and allow designers to improperly use the Lanham Act to exclude or hamper their competitors.