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THE IMPACT OF SEARS AND COMPCO ON FEDERAL TRADEMARK AND PATENT LAW

I. INTRODUCTION

Rights in intellectual property have traditionally been determined by reference to a number of disparate and sometimes conflicting bodies of law. Federal patent law provides protection for inventions which meet standards of innovation and non-obviousness by granting to the inventor a temporary monopoly on the use of his discovery.¹ Federal protection is also extended to distinctive trade names and symbols.² Various state laws, both statutory and decisional, grouped under the broad heading of "unfair competition" laws, prohibit such practices as palming off,³ copying⁴ and misappropriation.⁵ However, the relationship between all these bodies of law in the context of a federal system were thrown into a state of some confusion by the 1964 decisions of the Supreme Court in *Sears, Roebuck & Co. v. Stiffel Co.*⁶ and *Compco Corp. v. Day-Brite Lighting, Inc.*⁷ In *Sears* and *Compco* the Court held that federal patent laws preempted state causes of action for unfair competition based upon the alleged copying of unpatented products. The sweeping language of the opinions has given rise to serious questions concerning the status of federal laws which regulate patent and trademark protection. This comment will examine the continued vitality of federal trademark protection in the wake of *Sears* and *Compco* and the presently existing federal system conflicts.

II. FEDERAL TRADEMARK AND FEDERAL PATENT PROTECTION

In contrast to copyright, which is often referred to as intellectual property, trademarks and patents are sometimes classified as industrial property.⁸ There is a measure of justification for this distinction, if it is not taken too literally, since the primary sphere in which trademarks and patents play their chief role is the area commonly referred to as trade, commerce and industry.

A. Trademarks

The law of trademark, although dealing in the area of words, symbols, sounds and pictures, is concerned not with their content but rather with their function of identification.⁹ A trademark is not intended to describe a product

1. 35 U.S.C. § 265 (1964).

2. 15 U.S.C. §§ 1051-72, 1091-96, 1111-27 (1964).

3. See *Developments in the Law—Competitive Torts*, 77 HARV. L. REV. 888, 908-23 (1964).

4. See, e.g., *Stiffel Co. v. Sears, Roebuck & Co.*, 313 F.2d 115 (7th Cir. 1963), *rev'd*, 376 U.S. 225 (1964).

5. *International News Service v. Associated Press*, 248 U.S. 214 (1918); see *supra* note 3, 932-59.

6. 376 U.S. 225 (1964).

7. 376 U.S. 234 (1964).

8. VANDENBURGE, *TRADEMARK LAW AND PROCEDURE*, § 1.10 (2d ed. 1968).

9. *Trademark Cases*, 100 U.S. 82 (1879); 15 U.S.C. § 1127 (1964).

or convey information but rather to serve the purpose of associating a product with its manufacturer, or with a group of products originating from the same or common source.¹⁰ The role of a trademark is two-fold. Its function on the one hand is to enhance and to preserve the good will of its owners whose profit is derived from the sale of products, and on the other to safeguard the purchasing public by preventing confusion as to the source or identity of those products. Accordingly, the trademark system is designed to accomplish these results by placing the emphasis not on the content of the mark or its intrinsic literary or artistic merit, but upon its utility as a badge, or similar means of identification.¹¹

B. Mechanical Patents

The patent system is predicated upon invention and should be considered in terms of a continuing search for the discovery of new principles and the development of new technology.¹² It seeks to encourage the creation of new devices, products, and methods of manufacturing products which are already known. Thus, the emphasis of this branch of law is on the novelty of the principles conceived, i.e., the fact that they were not previously obvious to persons skilled in the art, nor were they used to achieve useful results.¹³ The objective of the system is to provide legal protection to those novel conceptions which will serve a useful purpose.

C. Design Patents

An ornamental design may likewise be protected by a patent if it is new and original and meets the test of invention.¹⁴ To qualify for design patent protection, the object expressing the design must be an article of manufacture¹⁵ which is capable of being reproduced.¹⁶ By definition the term does not include natural products or elements,¹⁷ nor does it include a process.¹⁸ Although a

10. *Id.*

11. *Columbia Mill Co. v. Alcorn*, 150 U.S. 460, 463 (1893).

12. U.S. Consr. art. I, § 8, cl. 8.

13. 35 U.S.C. §§ 101-03 (1964).

14. 35 U.S.C. §§ 171-73 (1964). For the purposes of patent law, a design has been defined as

[t]hat characteristic of a physical substance which, by means of lines, images, configuration, and the like, taken as a whole, makes an impression, through the eye, upon the mind of the observer. The essence of a design resides, not in the elements individually, nor in their method of arrangement, but . . . in that indefinable whole that awakens some sensation in the observer's mind.

Pelouze Scale & Mfg. Co. v. American Cutlery Co., 102 Fed. 916, 918-19 (7th Cir. 1900).

15. 35 U.S.C. § 171 (1964).

16. *Harmon Paper Co. v. Kimberly Clark Co.*, 289 Fed. 501, 509 (E.D. Wis. 1922). See *In re Hadden*, 20 F.2d 275 (D.C. Cir. 1927); *Harmon Paper Co. v. Prager*, 286 Fed. 267, 271 (E.D.N.Y. 1922), *aff'd*, 287 Fed. 842 (2d Cir. 1923).

17. Mott, *The Standard of Ornamentality in the United States Design Patent Law*, 48 A.B.A.J. 548, 549 (1962).

18. See *Waldman v. Swanfeldt*, 66 F.2d 294, 296 (9th Cir. 1933); *In re Shetterly*, 9 U.S.P.Q. 60, 48 F.2d 421 (1931).

design may qualify for a mechanical patent or copyright, the qualifications for these types of design protections are distinguishable. While a mechanical invention must be useful in order to qualify for patent protection,¹⁹ utility plays no part in determining the validity of a design patent.²⁰ However, a design is not unpatentable as a design merely because it has some mechanical or utilitarian function.²¹ Broadly speaking, copyrights protect works of art while design patents protect the configuration of an article of manufacture.²² The most significant distinction between the two, lies in the more stringent requirements needed to qualify for a design patent.²³ A design must possess novelty of the art or object described to be patentable.²⁴ The novelty of the art or the subject described is irrelevant in determining the validity of a copyright.²⁵

D. *The Relationship Between Trademark and Patent Law*

Trademark had its genesis in the common law. The adoption and use of a trademark is in itself sufficient to seek protection at common law in the state courts.²⁶ In addition, many states have their own trademark statutes to which a proprietor may resort.²⁷ However, if a manufacturer uses his mark in interstate commerce, he may register it and seek protection under the federal law.²⁸

Although the congressional authority to enact patent law is derived specifically from the Constitution²⁹ and extends to intrastate as well as interstate activities, the federal trademark act has its foundation only in the commerce clause.³⁰ Accordingly, a mark must first be used in interstate or foreign commerce if it is to be registered under the federal statute. This is not required under the patent statute.

It should be noted that a trademark stems from its use in trade and

19. *E.g.*, *Atlantic Works v. Brady*, 107 U.S. 192 (1882); *Stein v. Expert Lamp Co.*, 188 F.2d 611 (7th Cir. 1951) *cert. denied*, 342 U.S. 829 (1951); *Application of Bremner*, 37 C.C.P.A. (Patents) 1032, 182 F.2d 216 (1950); *see* 35 U.S.C. § 101 (1964).

20. *E.g.*, *Koch Mfg. Co. v. Blue Star Auto Stores*, 103 F.2d 598, 599 (7th Cir. 1939); *In re Bigelow*, 39 C.C.P.A. (Patents) 827, 830, 194 F.2d 545, 548 (1952).

21. *E.g.*, *In re La Montague*, 19 C.C.P.A. (Patents) 880, 882, 55 F.2d 486, 488 (1932).

22. *Compare* 17 U.S.C. §§ 4, 5 (1964) *with* 35 U.S.C. § 171 (1964). It has been held that merely because a design is patentable copyright protection is not precluded. *Mazer v. Stein*, 347 U.S. 201 (1953). However, whether a design can be patented and also have copyright protection still appears to be an open question, although several cases indicate this has been done. *See, e.g.*, *Rosenthal v. Stein*, 205 F.2d 633 (9th Cir. 1953).

23. *See, e.g.*, *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 191 F.2d 99, 101 (2d Cir. 1951).

24. 35 U.S.C. § 171 (1964), the design patent statute, has been interpreted by the courts to require four elements before a design is patentable. It must be new, original, ornamental, and must show the exercise of inventive faculty. *See, e.g.*, *R. M. Palmer Co. v. Luden's, Inc.*, 236 F.2d 496 (3d Cir. 1956); *Sel-O-Rak Corp. v. Henry Hanger & Display Fixture Corp.*, 232 F.2d 176 (5th Cir. 1956), *cert. denied*, 352 U.S. 870 (1956).

25. *See, e.g.*, *Baker v. Selden*, 101 U.S. 99, 102-03 (1879). *See generally* 1 WALKER, PATENTS § 57 (2d ed. Deller 1964).

26. *Supra* note 9.

27. VANDENBURGH, TRADEMARK LAW AND PROCEDURE, *supra* note 8, at § 2.30.

28. 15 U.S.C. § 1051 (1964).

29. U.S. CONST. art. I, § 8, cl. 8.

30. *See supra* note 9.

commerce and the failure to continue that use may result in abandonment of the right.³¹ This condition does not prevail under the patent system. When a patent is obtained the rights continue during the full term allowed in the statute.³²

The methods of obtaining a patent or a trademark are very similar. Under the Patent Statute³³ and under the Trademark Act,³⁴ applications must be made to the Patent Office. Provisions are made under the statutes for both *ex parte* and *inter partes* procedures in the Patent Office.³⁵ A third party may oppose a trademark application, or be joined as a party in a patent interference proceeding.³⁶ The statute³⁷ makes a provision for an appeal not only within the Patent Office but to the Court of Customs and Patent Appeals. Even after the grant of a patent or a trademark registration the question of its validity may still be raised for a determination by the courts.

The jurisdiction for infringement actions is somewhat different. Under patent doctrine,³⁸ it is the appropriation of the invention as described in the granted patent which constitutes the tort of an infringement. On the other hand, the fundamental test for a claim of trademark infringement lies in the confusion over the source or origin of a product.³⁹ Whether the exact name, illustration or design is used as a trademark, or a modification thereof, the test is still one of confusion, i.e., whether the purchasing public would be misled into believing that the infringer's product was produced or sold by the owner of the original trademark. Infringement is not limited to conscious and deliberate copying. Even an innocent adoption of a name or symbol which results in the confusion of the origin of a product is actionable.⁴⁰

III. RATIONALE OF *Sears* AND *Compco*

In *Stiffel Company v. Sears, Roebuck & Company*,⁴¹ plaintiff designed a new type of "pole lamp." The lamp was not eligible to receive a patent since the pole lamps lacked the standard of patent law invention. Soon after Stiffel's lamps proved to be a commercial success Sears, Roebuck & Company began to sell similar pole lamps. Sears argued unsuccessfully in the circuit court that plaintiff's lamps failed to establish a secondary meaning, i.e., that the appearance had come to be associated in the public's mind with a particular manu-

31. *Beech-Nut Packing Co. v. P. Lorillard Co.*, 273 U.S. 629 (1927); 15 U.S.C. § 1127 (1964).

32. 35 U.S.C. § 154 (1964).

33. 35 U.S.C. § 111 *et seq.* (1964).

34. 15 U.S.C. § 1051 (1964).

35. 35 U.S.C. §§ 131-35 (1964); 15 U.S.C. §§ 1051-1070 (1964).

36. 15 U.S.C. § 1063 (1964).

37. 15 U.S.C. § 1071 (1964); 35 U.S.C. § 141 (1964).

38. 35 U.S.C. § 271 (1964).

39. *Simmons Cl. v. Baker*, 200 F. Supp. 149 (D.C. Mass. 1961); 15 U.S.C. § 1114 (1964).

40. 15 U.S.C. § 1114 (1964).

41. 313 F.2d 115 (7th Cir. 1963), *rev'd*, 376 U.S. 225 (1964).

facturer,⁴² under the Unfair Competition Law of the State of Illinois.⁴³ The court held that it was not necessary to prove actual confusion, but merely a likelihood of confusion, citing *Day-Brite Lighting v. Compco Corporation*.⁴⁴

The *Day-Brite* case involved a similar factual situation. The plaintiff designed and marketed reflectors for commercial fluorescent lights. As in the case of Stiffel's lamps, the plaintiff's design was ineligible for a valid patent. As in the *Sears* case, the Court of Appeals for the Seventh Circuit did not find that the appearance of the plaintiff's lights had acquired a secondary meaning; but did find that the appearance of the plaintiff's devices had the "capacity to identify the plaintiff in the trade and does, in fact, so identify the plaintiff to the trade."⁴⁵

In reversing the lower court decisions, the Supreme Court said that a state cannot, under the law of unfair competition, give protection that clashes with the objectives of federal policy. Such policy is set forth in Article I, section 8, clause 8 of the Constitution—the patent and copyright clause—and in the implementing federal patent and copyright statutes. Speaking for the Court, Mr. Justice Black summed up the rationale of the two cases:

If the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will.⁴⁶

IV. FEDERAL TRADEMARK PROTECTION IN LIGHT OF *Sears* AND *Compco*

Although *Sears* and *Compco* deal only with state law, the decisions may have unexplored repercussions in the federal law of trademarks. The question before the Court was whether a state's unfair competition law could prohibit the copying of an article protected by neither a federal patent nor a federal copyright. It seems clear that when the subject of an invalid or expired design patent becomes public property no further right to exclude the public from its use may be claimed merely because it has acquired secondary meaning or trademark significance even if confusion as to source would result. Yet, uncertainty exists as to whether Justice Black's opinions in these two cases create an absolute right in the public to copy an article or feature in the absence of a valid subsisting patent or copyright. This in turn raises the issue whether the subject of an invalid or expired design patent, admittedly dedicated to the public, can be withdrawn from the public domain to give its proprietor a perpetual monopoly on the design merely because he succeeds in registering it as a trademark under the Lanham Trademark Act of 1946.⁴⁷ If the article's configuration meets all the standards required of trademarks under the Act, copying can be prohibited by a trademark infringement action. The Supreme

42. *See Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 Fed. 299, 300 (2d Cir. 1917).

43. *Id.* at 118, n.6.

44. 311 F.2d 26 (7th Cir. 1962), *rev'd*, 376 U.S. 231 (1964).

45. *Id.* at 29.

46. *Compco v. Day-Brite Lighting*, 376 U.S. 231, 238 (1964).

47. 15 U.S.C. §§ 1051-72 (1964).

Court in *Sears and Compco*, however, did not determine whether Congress, as distinguished from the states, can enact legislation such as the Lanham Act under the commerce clause of the Constitution, providing for the recognition and protection of the subject matter of a design patent as a trademark.

A. *Historical Background*

The Supplemental Register, established by section 23 of the Trademark Act of 1946,⁴⁸ permits "configurations of goods" which are "capable of distinguishing" the proprietor's goods to be registered. This section originally attempted to insure protection for United States nationals against design and trademark piracy in various countries in which trademark rights were based solely upon registration and in which a foreign applicant must prove that his mark was registered in his home country to succeed in obtaining registration. Today, this registration serves as a preliminary step to obtaining registration on the Principal Register.⁴⁹ Registration on the Supplemental Register, therefore, constitutes recognition that the configuration is capable of indicating origin⁵⁰ and capable of distinguishing the applicant's product from the like product of others, but it affords the registrant no presumptive right to exclusive use.

It is possible to obtain registration for arbitrary or non-functional features of an article on the Principal Register under section 2(f),⁵¹ provided the registrant can establish that such features have acquired a secondary meaning. In contrast to the Supplemental Register, this registration constitutes *prima facie* evidence of the registrant's exclusive right to use the mark in commerce on the goods specified in the certificate.⁵²

The protection granted, based upon congressional enactment under the commerce clause rather than under the patent and copyright clause, is tantamount to protection under the law of unfair competition where secondary meaning has been established. Neither packages nor configurations of goods are registerable, however, unless intended primarily to indicate origin or unless they are of such a nature that the ordinary purchaser would be likely to consider that they would indicate origin.⁵³ Still, the fact that the design is recognizable is not sufficient to make it registerable. If this were the criterion every unpatentable, utilitarian article which was slightly different from others would be granted a perpetual monopoly as an alleged trademark.⁵⁴ Hence, functional shapes, though they may have acquired a secondary meaning, are not entitled to trademark registration, since such a monopoly would be contrary to the "socio-economic policy . . . [of] the encouragement of competition . . . [which]

48. 15 U.S.C. § 1091 (1964).

49. 15 U.S.C. § 1052 (1964).

50. *Ex parte* Caron Corp., 100 U.S.P.Q. 356 (Comm'r 1954).

51. 15 U.S.C. § 1052(f) (1964).

52. 15 U.S.C. § 1057(b) (1964).

53. *In re* Bourns, 45 C.C.P.A. (Patents) 821, 824, 252 F.2d 582, 584 (1958).

54. *Ex parte* Alan Wood Steel Co., 101 U.S.P.Q. 209 (1954), *aff'd sub rem.* Alan Wood Steel Co. v. Watson, 150 F. Supp. 861 (D.C.C. 1957).

encompasses the right to copy."⁵⁵ Nevertheless, where an article is "in its concept arbitrary," the fact that its shape is utilitarian will not deprive it of trademark protection.⁵⁶

If the analysis in the preceding discussion is correct, possible conflict with *Sears* and *Compco* will arise only when an entire product configuration or a distinctive part, as distinguished from its package or container, is registered as a trademark.⁵⁷ While a distinctive bottle or container may acquire trademark significance for the enclosed product, it generally, if not always, remains free for use by producers of unrelated products.⁵⁸ Trademark registration of the product, however, results in a theoretically perpetual monopoly of a configuration that *Sears* and *Compco* seem to assign to the public domain in the absence of a valid design patent.

Prior to *Sears* and *Compco*, it was thought a fundamental principle of the law of trademark that functional features and utilitarian shapes were denied registration not because they failed to meet trademark requirements, but rather because nothing which the public had a right to copy under traditional unfair competition doctrine could be the subject of a valid trademark registration irrespective of its use as an indicator of source.⁵⁹ *Sears* and *Compco* have abrogated the dichotomy between functional shapes incapable of being monopolized and those shapes which could be monopolized because they are of such an arbitrary nature that the law does not recognize a right in the public to copy them. It has been stated that the only conclusion seemingly compatible with this view is that product configurations, other than distinctive containers, should be considered incapable of "trademark" significance as a matter of law.⁶⁰

Justice Black stated:

But if the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will.⁶¹

While the reference to "other federal statutory protection" may, from the tenor and context of the opinions, appear to relate to a mechanical patent or copyright, the Trademark Trial and Appeal Board in *Electric Storage Battery Co. v. Mine Safety Appliances Co.*⁶² could not be sure, and it therefore denied a motion opposing registration on the Principal Register of a design impressed upon the crown of applicant's safety helmets. The Board noted that if it were

55. *In re Deister Concentrator Co.*, 48 C.C.P.A. (Patents) 952, 961, 289 F.2d 496, 501 (1961). *Accord, In re Shenango Ceramics, Inc.*, 143 U.S.P.Q. 48 T.T.A.B. 1964).

56. *In re Deister Concentrator Co.*, 48 C.C.P.A. (Patents) 952, 968, 289 F.2d 496, 506 (1961).

57. See Derenberg, in Symposium—*Product Simulation: A Right or a Wrong?*, 64 COLUM. L. REV. 1192, 1201, (1964).

58. See Derenberg, *The Seventh Year of Administration of the Lanham Trademark Act of 1946*, 54 TRADEMARK REP. 655, 661-63 (1964).

59. *In re Pollack Steel Co.*, 50 C.C.P.A. (Patents) 1045, 314 F.2d 566 (1963).

60. Derenberg, *supra* note 57, at 1202.

61. *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 238 (1964). (Emphasis added.)

62. 143 U.S.P.Q. 163 (T.T.A.B. 1964).

to rule that an article's configuration is, by virtue of the Supreme Court's rulings, *per se* unregistrable as a trademark, it would, in effect be ruling that section 23 of the Trademark Act of 1946, which expressly provides for the registration of configurations of goods, was unconstitutional.

It is significant that in a case prior to *Electric Storage Battery Co.* the Court of Customs and Patent Appeals, without mentioning *Sears* and *Compco*, held that a wine decanter, subject to an existing design patent, could be registered on the Principal Register.⁶³ The court reasoned that because the patent and trademark laws are federal, and thereby distinct in purpose and philosophy, trademark registration was not inimical to the rights of others conditioned under the patent grant to make fair use of the subject matter after expiration of the patent, and would not thereby effectually extend the patent monopoly, contrary to the intent and purpose of the patent law.⁶⁴ When the applicant appealed to the same court three years later requesting a finding of secondary meaning the court again failed to consider the *Sears* and *Compco* decisions. However, one judge in a concurring opinion stated:

It seems to me that there is a public interest in trademarks manifested in the prevention of confusion, mistake and deception in the sale of goods. Congress has provided, by authority of the *commerce clause* of the Constitution, for federal recognition of this public interest when its existence has been proven. . . . [T]he Supreme Court in *Sears* and *Compco* in expressly relying on the federal policy underlying patents, would require and must yet face the task, should it arise, of *also considering the federal underlying trademark*.⁶⁵

Under this rationale, it is submitted that if the designs involved in *Sears* and *Compco* were in fact capable of serving as indicators of origin, the producers might have been successful in their efforts to protect their designs had they sought the protection of the federal trademark statute rather than that of state common law in a federally preempted area.⁶⁶

If, as the *Compco* opinion indicates,⁶⁷ the *Sears* and *Compco* proscription

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

64. *See Smith, In Vino (Mogen David Brand) Veritas?*, 54 TRADEMARK REP. 581 (1964).

65. *In re Mogen David Wine Corp.*, 372 F.2d 539, 545 (C.C.P.A. Patents 1967) (Emphasis added.)

66. *See Andrew, Domestic Protection of Commercial Designs*, 39 ST. JOHN'S L. REV. 23, 38. *But see Derenberg, The Federal-State Conflict*, *supra* note 57, at 1203, where the author concludes that the mere posing of the question whether *Day-Brite* might have prevailed if it had taken the position that its lighting fixture's distinctive ribbing was selected solely for the purpose of indicating origin, and consequently qualified as a "mark" under section 23, or a "trademark" under section 2(f) would "seem to suggest a negative answer, or at least, a more conservative approach than that reflected in the Court of Customs and Patent Appeals' most recent opinion [*In re Minnesota Mining & Mfg. Co.*, 335 F.2d 836 (Patents 1964)].

67. "To forbid copying would interfere with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain." *Compco v. Day-Brite Lighting*, 376 U.S. 231, 237 (1964).

is a constitutional prohibition and not merely a rule of federal preemption, it would then apply not only to states but also to the federal government as well. Since the Constitution permits protection under the patent laws for only a "limited time"⁶⁸ any attempt to give unlimited protection would seem to be unconstitutional. Such a severe result, however, appears to be an unwarranted extension of the *Sears—Compco* patent thesis. Also, reading *Sears* and *Compco* as a definitive constitutional prohibition of federal design protection other than through the patent mechanism necessarily renders unconstitutional any other attempt by Congress to prescribe commercial exploitation of designs in the public domain. It is difficult to conclude on the basis of *Sears* and *Compco* that the constitutional grant of power enabling Congress to protect designs for "limited times" should be construed to operate as a limitation on legislation concededly constitutional within the commerce clause.⁶⁹

V. FEDERAL TRADEMARK AND FEDERAL DESIGN PATENT PROTECTION—
THE OVERLAP PROBLEM

Federal trademark and design patent protection are fundamentally different in purpose. The patent seeks to encourage the arts by granting monopolies on new products with unique appearances. The trademark aims to prevent consumer confusion by designating exclusive use of a symbol that serves to identify the origin of an item. Although these goals are easily distinguishable in theory, in practice they tend to overlap. A unique configuration of an item—a particular bottle, for example—may become so closely associated with a particular producer that it would qualify as a trademark, with the right to perpetual protection.

A. *Statutory Construction by the Courts*

Early cases under the 1946 Lanham Act ruled that a configuration of patentable character would not qualify as a trademark.⁷⁰ One opinion noted that the act "clearly was not intended to repeal the law as to design patents and it is not believed that an alternative form of protection, without limitation

68. "To promote the progress of science and useful arts by securing for limited times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const. art. I, § 8, cl. 8.

69. *But see* Goldstein, *Federal System Ordering of the Copyright Interest*, 69 COLUM. L. REV. 49, 63 (1969), where the author concludes that the Supreme Court in *Sears* and *Compco* espoused a *per se* rule to maintain the constitutional competition-monopoly balance. Also the framers' stipulation of "limited times" represents an imposition responsible to the balancing impetus and for the courts or the Congress to abandon these paradigms in the course of a commerce power exercise would not only improperly disrupt their attendant federal system postulates but would, as well, contradict the federal competition—monopoly balance sanctioned by *Sears* and *Compco*.

70. *See, e.g.,* *Lucien Lelong, Inc. v. Lenel, Inc.*, 181 F.2d 3 (5th Cir. 1960); *Ex parte Mars Signal-Light Co.*, 85 U.S.P.Q. 173 (Ass't Comm'r of Patents 1950); *Ex parte Minnesota Mining & Mfg. Co.*, 92 U.S.P.Q. 74 (Patent Office Examiner-in-Chief 1952). *See Note, Registrability of Package & Configuration of Goods on the Supplemental Register*, 23 GEO. WASH. L. REV. 82 (1954).

as to time, could have been intended."⁷¹ Although this approach was one way to reconcile the two federal statutes, it did not take full account of the trademark law's purpose of preventing deception of the public. Nor did it take account of the specific statutory provision allowing registration of configurations on the Supplemental Register,⁷² or of language that might permit such registration on the Principal Register.⁷³ *Ex parte Haig & Haig Ltd.*⁷⁴ presented circumstances favoring a more thorough analysis of these factors and a more precise evaluation of the interests involved. Here, the applicant's distinctive "pinch" bottle, which had never been covered by a design patent, was granted registration on the Principal Register. Although the Principal Register is not expressly open to "packages" or "configurations," the Commission ruled that the nature of the article cannot preclude registration; the decisive question in each case is whether the applicant's bottle has functioned as a trademark. Since the bottle had acquired a secondary meaning, registration was granted. The issue of whether a bottle configuration may *simultaneously* be the subject of a design patent and a trademark registration was brought before the Commission in the case of *In re Mogen David Wine Corp.*⁷⁵ Prior to that case, a bottle protected by an existing design patent was granted registration on the Supplemental Register.⁷⁶ But in *Mogen David* the Commission held that a decanter bottle which was covered by an unexpired design patent could not be registered on the Principal Register. It reasoned that, unlike the Supplemental Register, registration on the Principal Register would grant an exclusive right of use and thus would be inconsistent with the public's right to copy the bottle upon expiration of the design patent. The Court of Customs and Patent Appeals reversed the Commission's ruling because patent protection and trademark protection could not be inconsistent since each existed for different reasons independent of the other. The court reasoned that

The purpose of federal design patent laws is to encourage the creation of ornamental designs. The inventor receives, for a limited time, a federal right to exclude others from making, using, or selling the patented design throughout the United States. Federal trademark laws, independent in origin from design patent law, have the dual purpose of protecting both the trademark owner and public from confusion, mistake and deception.

Trademark rights which happen to continue beyond the expiration of a design patent, do not extend the patent monopoly.⁷⁷

71. *Ex parte Mars Signal-Light Co.*, 85 U.S.P.Q. 173, 176 (Ass't Comm'r of Patents 1950).

72. 15 U.S.C. § 1091 (1964).

73. 15 U.S.C. § 1052 (1964): "No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature . . ."

74. 118 U.S.P.Q. 229 (Comm'r of Patents 1958).

75. 134 U.S.P.Q. 576 (T.T.A.B. 1962).

76. *In re Pepsi-Cola Co.*, 120 U.S.P.Q. 468 (T.T.A.B. 1959).

77. *In re Mogen David Wine Corp.*, 140 U.S.P.Q. 575, (C.C.P.A. Patents 1964).

Accordingly, the court found that a bottle configuration may at once be the subject of a design patent and a trademark registration. As a result of *Mogen David*, the holder of a design patent may obtain a perpetual trademark monopoly on his innovation, even though the patent provided the holder with only a limited-term monopoly.

Mogen David illustrates the difficulty of reconciling the patent and trademark statutes. If the design patent has the purpose of freeing designs for any type of use after the period of statutory protection, then the subsequent or contemporaneous grant of trademark protection surely conflicts with this purpose. Moreover, the statutory monopoly granted by the patent is intended to give the producer time to recover his development costs; it is not intended to supply a period in which to develop consumer association of the design with the producer, a requisite for Lanham Act registration. In answering the argument that registration of a patented article as a trademark would extend the patent monopoly, the court in *Mogen David* based its decision upon a distinction between patent and trademark rights. The court stated:

The underlying purpose and the essence of patent rights are separate and distinct from those appertaining to trademarks. No right accruing from the one is dependent upon or conditioned by any right concomitant to the other. The longevity of the exclusivity of one is limited by law while the other may be extended in perpetuity.⁷⁸

If one accepts the theory that a patent is in the nature of a contract in which the patentee only *discloses* his invention to the public as consideration for the grant of the monopoly,⁷⁹ then the existence of a patent should in no way affect trademark rights. Since the inventor has fulfilled all that is required of him by disclosure, there would seem to be no reason why he could not obtain additional protection from other sources, e.g., trademark laws.

Contrasted with this theory is the view that a patent is in the nature of a contract but the consideration upon which the patent is granted is the *dedication* of the invention to the public upon the expiration of the patent. This view finds early support in *Singer Mfg. Co. v. June Mfg. Co.*⁸⁰ wherein the Court held that the patent is granted on the condition that, upon the expiration of the monopoly, the public has a right to manufacture the article. The Court's philosophy was aptly summarized by Mr. Chief Justice Stone in a later case:

By the force of the patent laws not only is the invention of a patent dedicated to the public upon its expiration, but the public thereby becomes entitled to share in the good will which the patentee has built up in the patented article or product through the enjoyment of his

78. *In re Mogen David Wine Corp.*, 140 U.S.P.Q. 575, 578, 328 F.2d 925, 929 (C.C. P.A. Patents 1964).

79. The contract theory wherein the consideration is the inventor's *disclosure* of his invention, the public being vested with no future right to the free use of the invention, is supported by some commentators. See Smith, *supra* note 64.

80. 163 U.S. 169 (1896); see *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 119-20 (1938).

patent monopoly. Hence we have held that the patentee may not exclude the public from participating in that good will or secure, to any extent, a continuation of his monopoly by resorting to trademark law.⁸¹

Even more recently the Court in *Brulotte v. Thys Co.* quoted Chief Justice Stone writing for the majority in *Scott Paper Co. v. Marcalus Co.*:

[A]ny attempted reservation or continuation in the patentee of those claiming under him of the patent monopoly, after the patent expires, whatever the legal device employed, runs counter to the policy and purpose of the patent laws.⁸²

The Supreme Court's view and that of the Court of Customs and Patent Appeals in *Mogen David* seem difficult to reconcile. *Mogen David* would appear, in practical effect, to permit the establishment of a perpetual monopoly through the use of the patent and trademark laws. The Supreme Court holds, on the other hand, that protection of a product, not covered by a design patent, would conflict with the federal patent laws.

B. Three Mitigating Factors Relative to the Overlap Conflict

Although it is still arguable that some design protection is being afforded by the trademark, the danger of serious conflict between the policies of the statutes is not great. *First*, patent policy is concerned with promoting competition in the manufacture of desirable goods by the freeing of designs (as well as other inventions). Yet the trademark law protects only distinctive and identifiable forms of packaging for the purpose of eliminating deception of consumers. To allow copying here would not promote the usual cost-reducing goals of competition; rather it would tend to confuse the consumer as to source.⁸³ Thus, under these circumstances, the federal patent interest in promoting beneficial copying is exceedingly small, while the federal trademark interest in prohibiting such copying is substantial.

Second, the courts have drawn a strict line to prevent the trademarking of configurations that may have a functional purpose.⁸⁴ These cases usually deal with shapes that serve a mechanical function; for example, irregular grooves in plywood to eliminate stresses,⁸⁵ treads on metal plate flooring to prevent slipping,⁸⁶ or a distinctively shaped deck for an oreshaking apparatus,⁸⁷ each of which may serve to identify the manufacturer. One commentator has noted that

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

82. *Brulotte v. Thys Co.*, 379 U.S. 29, 31 (1964) quoting *Scott Paper Co. v. Marcalus Co.*, 326 U.S. 249, 256 (1945).

83. See Rich, *Trademark Problems As I See Them—Judiciary*, 52 TRADEMARK REP. 1183, 1188-89 (1962); cf. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232 (1964).

84. See Wehringer, *Two for One: Trademarks and Design Patents*, 50 TRADEMARK REP. 1158, 1163 (1960).

85. *United States Plywood Corp. v. Watson*, 171 F. Supp. 193 (D.D.C. 1958).

86. *Alan Wood Steel Co. v. Watson*, 150 F. Supp. 861 (D.D.C. 1957).

87. *Application of Deister Concentrator Co.*, 289 F.2d 496 (C.C.P.A. 1961).

just as the trademark cannot grant a monopoly on such mechanically functional features, neither should it be able to forbid the copying of aesthetically functional features.⁸⁸ If the Haig & Haig bottle was purchased primarily for use as a vase, the policies of the patent scheme would indeed be violated by the allowance of a trademark. The policies of both statutes are satisfied, however, if a trademark is allowed only to those configurations that serve no purpose except to identify for consumers the source of the particular product.

A *third* method of limiting possible undesirable effects of the patent-trademark overlap is to require a strict test as to whether the configuration does in fact serve as a true trademark. In fact, this factual question has been the greatest stumbling-block to registration of containers.⁸⁹ In *Mogen David*, for example, after winning the legal arguments, the applicants lost on remand.⁹⁰ The Board found that the evidence did not sustain the contention that consumers identified the product by the shape of the bottle and not by name. If the factual requirements are held to the same high level as in *Mogen David*, there should be relatively little fear that the trademark law will be used to circumvent the patent act.

VI. CONCLUSIONS

The foregoing discussion has reviewed the impact of the *Sears* and *Compco* decisions upon the law dealing with federal patent and trademark protection. The rationale of *Sears* and *Compco* is inextricably interwoven in the fabric of conflicting federal system postulates. Indeed, Justice Black indicated the direction of his thinking in citing the two cases in support of a statement that there is a "constitutional plan of a competitive economy" and that this plan prevented the grant of a legally protected monopoly over articles which are "not patentable and therefore are in the public domain."⁹¹ It is submitted that such a rigid policy tends to overlook the power of Congress under the commerce clause and would prove an obstacle to Congressional action in protecting designs not meeting the patent clause's standards or in establishing federal unfair competition remedies. The patent clause should be a source of power, *not* a prohibition. However, since concededly free competition is to be favored in the competition-monopoly balance some pruning of the monopolistic tendencies of trademark law should be effectuated by the courts. For example, the federal trademark statute allows registration of a "configuration of goods" which has been limited by interpretation to nonfunction configuration.⁹² The problem of federal trademark law providing commercial entrepreneurs with unlimited

88. See Note, 78 HARV. L. REV. 1269 (1965).

89. See Wehringer, *supra* note 84, at 1162.

90. 145 U.S.P.Q. 85 (Pat. Off. Trademark Trial & App. Bd. 1965).

91. *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 522 (1964) (dissent).

92. Application of *Deister Concentrator Co.*, 289 F.2d 496 (C.C.P.A. 1961); *accord* Application of *Shenango Ceramics, Inc.*, 362 F.2d 287, 291 (1966); 15 U.S.C. § 1091 (1964).

protection for their products, however, can be lessened so long as Congress shares the Court's concern with competition and with the maintenance of stringent limits on federal monopoly grants.

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