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Recent Development

RECENT DEVELOPMENTS IN THE UNFAIR COMPETITION ARENA INCLUDING TRADEMARKS, TRADE
DRESS AND FALSE ADVERTISING

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I. Introduction

False advertising appears to be a popular, up-and-coming cause of action, so this topic is addressed first in this article. At least two cases have limited the scope of protection or recovery; however, at least one other case has seemingly expanded the potential scope of protection. Next, trademark and trade dress cases are reviewed. As usual, functionality is a topical issue and has appeared in several cases. After reviewing some of the more important procedural issues that have been *290 addressed by the courts, the article concludes with two cases addressing insurance coverage issues. Both cases hold insurance carriers liable to defend or indemnify defendants accused of Lanham Act violations, reminding all of us who defend companies in this area to check the insurance policy as a first order of business.¹

II. False Advertising

The first case discussed on the issue of false advertising recognized that not only must you be a competitor of the party accused of false advertising to seek relief, but also a competitor having a directly competing product. In *Fuller Brothers Inc. v. International Marketing Inc.*,² the U.S. District Court for the District of Oregon held that because false advertising claims under the Lanham Act may be brought only by competitors of the accused wrongdoer,³ a claim cannot be maintained by a party whose products do not compete with the product that is the subject of the allegedly false advertising.⁴ Therefore, since Fuller Brothers (FBI) did not have a product that competed with the product for which International Marketing (IMI) allegedly was advertising falsely, FBI's claim was dismissed, even though FBI and IMI "competed with respect to a variety of [other] products."⁵ In the court's opinion, to rule otherwise would be to broaden the coverage of the Lanham Act "from unfair competition to unfair trade."⁶

At the appellate level, the second case under review also restricted liability for false advertising claims, at least with respect to monetary recovery. In *William H. Morris Co. v. Group W, Inc.*,⁷ Omicron International, a division of William H. Morris and the national distributor of the dietary supplement Food Source One, sent a letter to its customers when it learned that Group W, a former distributor of Food Source One, was marketing a competing dietary supplement, Food Plus. The letter advised the customers that Omicron "intended to vigorously defend its copyrights, trade dress and product integrity;" described three law suits filed by Omicron alleging unfair trade practices in connection with marketing of Food Source One substitutes; and warned the customers to beware of any party that claims its product is "just like Food Source One" or "replaces Food Source One."⁸ The U.S. District *291 Court for the Eastern District of Washington concluded that the letter was misleading because it implicitly and falsely suggested that Food Plus infringed Omicron's intellectual property rights and because the description of the pending litigations was inaccurate since only two of the three suits involved Food Source One.⁹

On Omicron's appeal, the U.S. Court of Appeals for the Ninth Circuit held, in regard to the implicit reference to Food Plus, that "[w]here a statement is not literally false and is misleading only in context, ... proof that the advertising actually conveyed the implied message and thereby deceived a significant portion of the recipients becomes critical" in determining whether the allegedly injured party is entitled to recover damages.¹⁰ Group W was able to show that, at most, only three percent of the recipients of the letter interpreted the letter as referring to Food Plus. Therefore, Group W did not prove that a "significant portion" of the customers were deceived.¹¹ In regard to the false statement about the number of pending litigations involving Food Source Plus, the Ninth Circuit held that when a party is seeking lost profits, it cannot establish causation unless it can show that the false statement caused the damage by influencing customers to forego purchasing its products, which Group W did not prove in this case.¹² As a result, the Ninth Circuit reversed the district court's judgment.¹³

In contrast, the third case expansively applied the Lanham Act with regard to a claim of false advertising. In *Ediciones Quiroga S.L. v. Fall River Music Inc.*,¹⁴ the parties claimed to be copyright proprietors of similar musical compositions based upon a work by a deceased Cuban artist. The parties entered into an agreement under which Fall River agreed to modify the federal copyright registration and the credits for its composition to indicate its adaptation from the original work.¹⁵ Fall River also agreed to pay royalties to Quiroga.¹⁶ Quiroga later alleged that Fall River breached the agreement and brought action in the U.S. District Court for the Southern District of New York for breach of contract as well as for Lanham Act violations.¹⁷ Fall River filed a motion to dismiss, which the district court *292 conditionally denied, pending Quiroga's compliance with an order to join additional parties in the litigation.¹⁸

In its motion to dismiss, Fall River asserted, among other things, that Quiroga's claims under the Lanham Act were not claims for which relief could be granted since the allegedly wrongful conduct stemmed from a breach of contract.¹⁹ The court rejected this assertion, however, ruling that Quiroga had indeed stated a claim since it maintains that Fall River's use of

credits that are “false ... and misleading or confusing” are misrepresentations that may be actionable under the Lanham Act, regardless of the existence of a contract between the parties.²⁰ If this issue is adjudicated and resolved in favor of Quiroga, the scope of the Lanham Act may be expanded to surprising new limits.

III. Trademark and Trade Dress

Turning now to the more common causes of action under the Lanham Act, recent cases have dealt with several aspects of trademark and trade dress law, including the functionality doctrine, presumptions arising from copying an established trade dress, limitations on the rights associated with a mark or dress, and federal preemption of state anti-dilution statutes.

A. Functionality

1. Trade Dress Protection vs. Utility Patent Protection

In *Elmer v. ICC Fabricating, Inc.*,²¹ the U.S. Court of Appeals for the Federal Circuit addressed an increasingly popular question: What level of protection does trade dress law provide to a design protected by United States patent laws? In addressing this issue, the Federal Circuit invoked the functionality doctrine to limit the scope of trade dress protection.

William Elmer and HTH, Inc. (collectively “HTH”) were the owner and the exclusive licensee, respectively, of both a utility patent and a design patent covering features of certain vehicle advertising signs (much like those commonly seen on the car of your local pizza delivery person).²² HTH brought suit in the U.S. District Court for the Middle District of Florida against ICC Fabricating, Inc., (ICC) for utility patent infringement, design patent infringement, trade dress infringement, and *293 state common law unfair competition.²³ ICC counterclaimed for a declaration that each of the patents was invalid.²⁴ The district court entered judgment on a jury verdict finding that several claims of the utility patent were not invalid and were infringed, that the claim of the design patent was not invalid and was infringed, that the trade dress was protectable and was infringed, and that ICC violated Florida unfair competition law.²⁵ The district court denied a motion by ICC for judgment as a matter of law (JMOL) setting aside the verdict.²⁶

On appeal, the Federal Circuit affirmed the district court’s denial of JMOL with respect to validity and infringement of the claims of the utility patent and reversed the denial of JMOL with respect to infringement of the design patent.²⁷ In discussing the claim of trade dress infringement, the Federal Circuit noted that HTH had tried to assert trade dress rights in “a rigid, two-sided aerodynamic sign body with a clear plastic window mounting member, and with the two sides extending generally vertically and generally parallel with the direction of the vehicle travel when mounted upon a vehicle side window.”²⁸ However, every feature within this trade dress definition had a utilitarian purpose, according to the specification of the utility patent.²⁹ In response, HTH asserted that despite the functional nature of the elements of the trade dress, “the overall appearance of these elements yields a nonfunctional, and thus protectable, trade dress.”³⁰

Applying the trade dress law of the U.S. Court of Appeals for the Eleventh Circuit (the jurisdiction encompassing the district court), the Federal Circuit rejected HTH’s arguments, stating that an asserted trade dress encompassing only useful features is not protectable, especially when the party seeking protection has not shown how the combination of functional elements renders the trade dress as a whole nonfunctional.³¹ Furthermore, patent law, not trade dress law, is the principal means for providing exclusive rights in useful product features. Therefore, a trade dress defined “to be essentially coextensive with, and in fact broader than,” a utility patent claim cannot be enforced as a matter of public policy.³² The Federal Circuit concluded that because HTH’s design was primarily functional, the district court *294 should have granted JMOL for ICC with respect to the trade dress infringement and common law unfair competition claims.³³

While not identical, this case comports with the now nine-year old decision in *Stormy Clime Ltd. v. Progroup, Inc.*,³⁴ in which the U.S. Court of Appeals for the Second Circuit set forth three factors to consider in determining the applicability of the functionality defense to a claim of trade dress infringement: 1) the degree of functionality of the similar features, 2) the degree of similarity between the nonfunctional features, and 3) the feasibility of alternative arrangements of functional features that would not impair the utility of the product.³⁵ In *Elmer*, the Federal Circuit deemed every element of the asserted trade dress to be an important functional element. Therefore, the outcome in *Elmer* appears to be consistent with *Stormy Clime*.³⁶

2. Functionality as a Defense

In *Fabrication Enterprises, Inc. v. Hygenic Corp.*,³⁷ the Second Circuit held that in view of the U.S. Supreme Court's recent decision in *Qualitex Co. v. Jacobson Products Co.*,³⁸ color alone may be protectable trade dress. Hygenic manufactures latex resistance exercise equipment in varying degrees of resistance, each degree coded with a unique color.³⁹ Fabrication Enterprises, a manufacturer of similar equipment, instituted a suit in the Southern District of New York for declaratory judgment that Hygenic's color code scheme is not a legally protectable trade dress.⁴⁰ The district court granted summary judgment in favor of Fabrication Enterprises, concluding that the color code is functional and therefore not protectable trade dress.⁴¹

*295 The Second Circuit vacated the summary judgment,⁴² holding that in view of *Qualitex*, a color code may be protectable under the Lanham Act, even when the color code contributes to the function of the product.⁴³ In reversing and remanding, the Second Circuit noted the fairly typical functionality restriction, stating that the color code would not be protectable if the costs of precluding competitors from using the color code are too high or if the color code is essential to the use or the purpose of the product or affects the product's cost or quality.⁴⁴

In *Landscape Forms, Inc. v. Columbia Cascade Co.*,⁴⁵ the Second Circuit showed that under the proper circumstances, the functionality defense may be raised on appeal even when the defendant does not specifically mention this defense in the lower court. Landscape Forms, the manufacturer and seller of a popular line of site furnishings, sought and obtained from the Southern District of New York a preliminary injunction prohibiting Columbia Cascade from selling a similar line of furniture.⁴⁶ On appeal, Columbia Cascade asked the Second Circuit to vacate the injunction because the district court did not consider whether Landscape Forms' furniture design was functional.⁴⁷ The Second Circuit pointed out that Columbia Cascade did not mention the functionality doctrine by name in the lower court, but that it did argue the "essential element of the functionality defense: that it needed to use the design to compete effectively in the market."⁴⁸ As a result, the issue of functionality was properly raised on appeal, and the preliminary injunction was vacated pending the district court's resolution of the functionality issue.⁴⁹

*296 3. The Function of Aesthetic Designs

In *Knitwaves, Inc. v. Lollytogs Ltd.*,⁵⁰ the Second Circuit reversed a district court holding that Lollytogs infringed Knitwaves' trade dress rights in "ecology" designs for sweaters, stating that "[w]hile 'arbitrary,' 'fanciful,' or 'suggestive' packaging ... may be presumed to serve this source-identifying function, and thus may be deemed *per se* distinctive of the source, ... the same presumption may not be made with regard to product features or designs whose primary purposes are likely to be functional or aesthetic."⁵¹ The Second Circuit concluded that the sweaters were not eligible for trade dress protection because Knitwaves' leaf and squirrel sweater designs were not intended to identify and distinguish its goods from those of others, and because the designs were not likely to serve primarily as a designator of origin of the product.⁵² However, the appellate court did uphold the district court's finding of willful infringement of Knitwaves' copyright in the sweaters.⁵³

B. Presumptions Arising When Trade Dress Is Copied

In *Chums Ltd. v. Snugz/USA, Inc.*,⁵⁴ Chums brought action in the District of Utah against Snugz for infringement of the trade dress of its eyeglass retainers (the rope-like objects that prevent eyeglasses from straying from the head of the wearer). The district court entered judgment on a jury verdict finding that Chums' trade dress was distinctive, but that there was no likelihood of confusion between Chums' and Snugz' eyeglass retainers.⁵⁵

Chums appealed to the U.S. Court of Appeals for the Tenth Circuit, asserting, among other things, that the district court erred in failing to instruct the jury that "adoption of a trade dress similar to one already established in the marketplace raised a presumption of illegality."⁵⁶ The Tenth Circuit affirmed the judgment, rejecting Chums' reliance on the rule that "deliberate adoption of a similar mark may lead to an inference of intent to pass off goods as those of another which in turn supports a finding of likelihood of confusion," because the rule did not apply in this case.⁵⁷ The appellate court held that when, as in this case, all that is shown is that one good, similar to a preexisting good, has entered the market, a "presumption of *297 illegality" will not arise.⁵⁸ This ruling is consistent with Fifth Circuit law, which holds that the defendant's *intent* in adopting a mark or dress must be analyzed to determine whether the intent is merely to compete or rather to ride the coattails of a successful trade dress.⁵⁹

C. Limitations on Trademark Rights

The following two cases addressed “fair use” and geographic limitations on trademark rights.

In *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*,⁶⁰ the U.S. Court of Appeals for the Seventh Circuit held that Sunmark’s use of its own incontestable trademark “SweeTARTS” in a descriptive way on its own goods does not divest Sunmark of any rights in the mark.⁶¹ However, the court also ruled that Ocean Spray’s use of the phrase “sweet-tart” to truthfully describe the taste of its cranberry juice drink, rather than to identify the source of the drink, qualifies as fair use.⁶² Sunmark failed to show that, among other things, it was likely to overcome the fair use defense. Consequently, the Seventh Circuit affirmed denial of Sunmark’s motion for preliminary injunction.⁶³

In *Peaches Entertainment Corp. v. Entertainment Repertoire Associates, Inc.*,⁶⁴ Peaches Entertainment (PEC), owner of the federally registered service mark “Peaches” for “retail tape and record services,” brought an infringement action in the U.S. District Court for the Eastern District of Louisiana against Entertainment Repertoire (ERA), an intermediate junior user of the “Peaches” mark in southeastern Louisiana.⁶⁵ The district court issued a permanent injunction that allowed ERA to use the mark for advertising in a trade territory consisting of seven Louisiana parishes, but limited future expansion to two of the seven parishes.⁶⁶ Both parties appealed the judgment.

*298 After holding that determination of the proper legal standard for assessing a junior user’s trade territory is a question of law reviewable de novo,⁶⁷ the Fifth Circuit held that the district court did not err in relying upon ERA’s “zone of reputation” (i.e., the reputation, advertising, and sales proven in a given service area), to determine ERA’s trade territory.⁶⁸ The Fifth Circuit noted that the evidence fully supported the district court’s finding that ERA’s zone of reputation encompassed seven parishes in Louisiana—those comprising the greater New Orleans area.⁶⁹ The Fifth Circuit then concluded that, given this finding, the district court erred in restricting the location of ERA’s business to two of the seven parishes since there was no evidence in the record that such a restriction was necessary to prevent expansion of ERA’s existing trade area and since there was no support in the law for such a restriction.⁷⁰ Thus, the intermediate user’s rights extended to the “zone of reputation” as opposed to a zone of its prior actual use.

D. Federal Preemption of State Anti-Dilution Statutes

Are trademark and anti-dilution claims mutually exclusive? In *Three Blind Mice Designs Co. v. Cyrk, Inc.*,⁷¹ the District Court for the District of Massachusetts held that the “overriding modern purpose” of state anti-dilution statutes is to fill a void left by trademark law by prohibiting a merchant of non-competitive goods from selling its products on the goodwill and reputation of another merchant’s mark.⁷² Therefore, to the extent that a state anti-dilution statute “prohibits the marketing of a product resulting in a likelihood of confusion between *similar*, directly competitive goods,” the court held that the anti-dilution statute is preempted by section 43(a) of the Lanham Act.⁷³

IV. Procedural Notes

The following cases involving Lanham Act claims also addressed general procedural issues.

*299 A. TTAB Proceedings

The following two cases touched on procedural aspects of proceedings before the Trademark Trial and Appeal Board (TTAB). One case addressed the potential collateral estoppel effect of an *inter partes* determination of likelihood of confusion, and the other case showed how a mark can become *void ab initio* with respect to certain goods during an opposition proceeding.

1. Collateral Estoppel

In *Levy v. Kosher Overseers Association of America, Inc.*,⁷⁴ Levy brought an action in the Southern District of New York for infringement of a kosher certification mark. In a previous *inter partes* opposition proceeding, the TTAB determined that Kosher Overseer’s (KOA) mark was likely to cause confusion with Levy’s mark.⁷⁵ In making this determination, the

TTAB performed an incontext marketplace comparison of the two marks.⁷⁶

In an order issued July 7, 1994, the district court granted summary judgment for Levy, apparently holding that the TTAB's determination of likelihood of confusion served to collaterally estop KOAOA from contending this issue in an infringement action in federal court.⁷⁷ KOAOA then filed a motion for reargument, contending that KOAOA was not estopped from arguing the likelihood of confusion issue because the court did not make the required finding that the TTAB's marketplace comparison was "necessary" to the TTAB's determination.⁷⁸ KOAOA also argued that the TTAB's marketplace comparison should not have been given preclusive effect because it did not consider the "entire" marketplace.⁷⁹

In the published opinion, the court denied KOAOA's motion. The court first pointed out that in the Second Circuit, and according to commentator McCarthy, TTAB determinations may have collateral estoppel effect in subsequent infringement actions.⁸⁰ The court then held, without deciding the question of whether the TTAB's marketplace comparison had to be "necessary" to be accorded preclusive effect, that in this case the TTAB's determination indeed was "necessary."⁸¹ Finally, the court held that while there is little support for the *300 argument that the TTAB must consider the "entire" marketplace, the issue was moot in this case because there was no evidence in the record to suggest that the TTAB considered anything less than the entire marketplace.⁸²

2. Marks *Void Ab Initio*

In *E.I. du Pont de Nemours and Co. v. Sunlyra International, Inc.*,⁸³ the TTAB held that a mark involved in an opposition proceeding should be treated as *void ab initio* with respect to certain goods, even when the opposing party did not so plead in the notice of opposition. The basis of this conclusion was that the issue had been raised by the applicant during the deposition of one of its employees, the issue had been tried by the consent of both parties, and the evidence clearly established that the mark was never used on the particular goods.⁸⁴

B. Judgment as a Matter of Law

In *Larami Corp. v. Amron*,⁸⁵ the U.S. District Court for the Eastern District of Pennsylvania emphasized the importance of precisely following the rules of procedure during trial. Amron filed a motion for judgment as a matter of law (JMOL) under Rule 50(b) of the Federal Rules of Civil Procedure after it filed a similar motion under Rule 50(a) at the close of Larami's case, but failed to renew that motion at the close of evidence.⁸⁶ The court pointed out that under Rule 50(b), a court "cannot enter a judgment as a matter of law unless the party seeking the judgment made a Rule 50(a) motion at the close of *all of the evidence*."⁸⁷ Therefore, the court held that even though Amron filed a Rule 50(a) motion at the close of Larami's case, its Rule 50(b) motion must be denied because it did not renew the Rule 50(a) motion at the close of all of the evidence.⁸⁸

C. Declaratory Judgment

In *Circuit City Stores, Inc. v. Speedy Car-X Inc.*,⁸⁹ the U.S. District Court for the Eastern District of Virginia dismissed an action for declaratory judgment of no likelihood of confusion between Circuit City's "CARMAX" mark and Speedy's *301 "Car-X" mark, citing a lack of subject matter jurisdiction. Prior to this case, Speedy Car-X filed an opposition to the federal registration of Circuit City's mark and orally demanded that Circuit City "'phase out' further use of all of its CARMAX marks and 'abandon' its service mark applications."⁹⁰ Yet, the court concluded that Circuit City had no reasonable fear that infringement litigation was imminent.⁹¹ In reaching this conclusion, the court observed that the parties did not compete in similar industries within a similar region and that Speedy's opposition to federal registration of Circuit City's mark had not slowed Circuit City's aggressive expansion plans.⁹²

The court also expressly emphasized "that a party cannot claim to have acquired a reasonable apprehension of litigation merely because the defendant commenced an opposition proceeding in the Patent and Trademark Office."⁹³ However, the court did note that the filing of a notice of opposition can "ram home the point" that the defendant is serious about protecting its mark.⁹⁴

D. Jury Trial

In *G.A. Modefine S.A. v. Burlington Coat Factory Warehouse Corp.*,⁹⁵ the Southern District of New York held that under Second Circuit law, a defendant is not entitled to a jury trial when the plaintiff seeks only equitable relief. In this case, the relief sought included accounting for and disgorgement of profits, as well as enhanced damages for willful infringement, but the court concluded that all of these types of damages are equitable in nature.⁹⁶

IV. Liability of Insurance Providers for Lanham Act Violations

The following two cases addressed the liability of insurance companies for injuries caused by Lanham Act violations by the insured.

In *Ben Berger & Son, Inc. v. American Motorist Insurance Co.*,⁹⁷ the plaintiff (Ben Berger) held an insurance policy from American Motorists Insurance Co. (AMI) that included an “advertising injury” clause.⁹⁸ The Southern District of New York held that New York law required AMI to “defend” Ben Berger under the policy *302 against suits for Lanham Act violations in regard to particular clothing designs manufactured and advertised by Ben Berger.⁹⁹ However, AMI was not liable to “indemnify” Ben Berger for money paid to a third party in a settlement, pending the outcome of a trial to determine if Ben Berger in actuality would have been liable to the third party.¹⁰⁰

In *Limelight Productions, Inc. v. Limelite Studios, Inc.*,¹⁰¹ the U.S. Court of Appeals for the Eleventh Circuit held that Limelite Studio’s insurance company must cover presumed damages (i.e., ill-gotten profits) in a trademark infringement action. The court’s conclusion was based on three facts noted by the court:

- 1) The Lanham Act specifically provides for presumed damages;
- 2) The insurance company knew of the Lanham Act when the policy was written; and
- 3) The policy did not exclude this type of damages.¹⁰²

Thus, as is typical in insurance cases, coverage was construed broadly and exclusions were construed narrowly. This is in keeping with the general legal doctrine of construing contract provisions against the party who drafted the contract or particular provisions at issue.

V. Conclusion

Seemingly, no landmark cases were decided in the fall quarter of 1995. Nevertheless, these cases demonstrate the vitality of the Lanham Act in protecting consumers and competitors, even though limits of liability clearly exist. Though not landmark, these cases have addressed not only the issues between the litigants but also have contributed to this area of the law by continuing the legal refinement process.

Footnotes

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¹ This article treats cases reported in *United States Patent Quarterly*, Second Series, Volume 35, Number 10 (September 5, 1995), through Volume 36, Number 12 (December 18, 1995).

² 36 U.S.P.Q.2d (BNA) 1436 (D. Or. 1995).

³ *Id.* at 1439.

4 *Id.*

5 *Id.*

6 *Id.*

7 66 F.3d 255, 36 U.S.P.Q.2d (BNA) 1377 (9th Cir. 1995).

8 *Id.* at 257, 36 U.S.P.Q.2d at 1378.

9 *Id.*

10 *Id.* at 258, 36 U.S.P.Q.2d at 1379.

11 *Id.*, 36 U.S.P.Q.2d at 1379-80.

12 *Id.*, 36 U.S.P.Q.2d at 1380.

13 *Id.* at 259, 36 U.S.P.Q.2d at 1380. However, the case was remanded so that the district court could determine whether Omicron intended to deceive the recipients of the letter. If so, the court would be entitled to presume that the customers in fact were deceived, and the burden of proving otherwise would shift to Omicron. *Id.*

14 35 U.S.P.Q.2d (BNA) 1814 (S.D.N.Y. 1995).

15 *Id.* at 1816.

16 *Id.*

17 *Id.* at 1816-19.

18 *Id.* at 1823.

19 *Id.* at 1820.

20 *Id.*

21 67 F.3d 1571, 36 U.S.P.Q.2d (BNA) 1417 (Fed. Cir. 1995).

22 *Id.* at 1573, 36 U.S.P.Q.2d at 1418.

23 *Id.*

24 *Id.*

25 *Id.*

26 *Id.*

27 *Id.* at 1581, 36 U.S.P.Q.2d at 1424.

28 *Id.* at 1579, 36 U.S.P.Q.2d at 1422.

29 *Id.*

30 *Id.*

31 *Id.* at 1579-80, 36 U.S.P.Q.2d at 1423.

32 *Id.* at 1580, 36 U.S.P.Q.2d at 1423.

33 *Id.* at 1581, 36 U.S.P.Q.2d at 1424.

34 809 F.2d 971, 1 U.S.P.Q.2d (BNA) 2026 (2d Cir. 1987).

35 *Id.* at 977, 1 U.S.P.Q.2d at 2031.

36 Compare *Elmer* with *Hubbell, Inc. v. Pass & Seymour, Inc.*, 883 F. Supp. 955, 35 U.S.P.Q.2d (BNA) 1760 (S.D.N.Y. 1995) discussed previously by Rose A. Hagan in *Recent Developments in Trademark Law*, 4 TEX. INTELL. PROP. L.J. 87, 92 (1995). The court in *Hubbell* held that trade dress protection may exist for a design previously protected by an expired *design* patent, while the court in *Elmer* held that trade dress protection cannot exist when it is defined to be coextensive with or broader than a claim of a *utility* patent.

37 64 F.3d 53, 35 U.S.P.Q.2d (BNA) 1753 (2d Cir. 1995).

38 115 S. Ct. 1300, 34 U.S.P.Q.2d (BNA) 1161 (1995).

39 *Fabrication Enters.*, 64 F.3d at 55, 35 U.S.P.Q.2d at 1754.

40 *Id.* at 56, 35 U.S.P.Q.2d at 1754.

41 *Id.*

42 In *Mana Products, Inc. v. Columbia Cosmetics Manufacturing, Inc.*, 65 F.3d 1063, 36 U.S.P.Q.2d (BNA) 1176 (2d Cir. 1995), a case decided less than one month after *Fabrication Enters.*, the Second Circuit affirmed summary judgment for the defendant in a suit for infringement of trade dress involving makeup compact cases sold by the plaintiff, citing the general availability of these cases to the industry and therefore lack of distinctiveness. *Id.* at 1070, 36 U.S.P.Q.2d at 1180. The court affirmed summary judgment despite its warning that summary judgment generally is not favored in trade dress infringement cases because trade dress often is arbitrary or fanciful and thus inherently distinctive, and because likelihood of confusion usually is a question of fact. *Id.* at 1069, 36 U.S.P.Q.2d at 1180.

43 *Fabrication Enters.*, 64 F.3d at 58, 35 U.S.P.Q.2d at 1756.

44 *Id.* In another recent case, *Kurt S. Adler, Inc. v. World Bazaars, Inc.*, 897 F. Supp. 92, 97, 36 U.S.P.Q.2d (BNA) 1682, 1687 (S.D.N.Y. 1995), the Southern District of New York held that Adler was entitled to trade dress protection for a bubble-blowing Santa Claus Christmas ornament because the ornament was arbitrary or fanciful and therefore inherently distinctive, despite the functional nature of some of its elements, since the functional features did not “predominate” the design.

45 70 F.3d 251, 36 U.S.P.Q.2d (BNA) 1790 (2d Cir. 1995).

46 *Id.* at 252, 36 U.S.P.Q.2d at 1790-91.

47 *Id.* at 253, 36 U.S.P.Q.2d at 1791.

48 *Id.* at 254, 36 U.S.P.Q.2d at 1792.

49 *Id.* at 254-55, 36 U.S.P.Q.2d at 1793.

50 71 F.3d 996, 36 U.S.P.Q.2d (BNA) 1737 (2d Cir. 1995).

51 *Id.* at 1008-09, 36 U.S.P.Q.2d at 1746-47 (citation omitted).

52 *Id.* at 1009, 36 U.S.P.Q.2d at 1747.

53 *Id.* at 1010-11, 36 U.S.P.Q.2d at 1748-49.

54 36 U.S.P.Q.2d (BNA) 1125 (10th Cir. 1995).

55 *Id.* at 1126.

56 *Id.* at 1127.

57 *Id.*

58 *Id.*

59 Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252, 263, 205 U.S.P.Q. (BNA) 969, 978 (5th Cir.), cert. denied, 449 U.S. 899, 208 U.S.P.Q. (BNA) 464 (1980) (holding that a defendant cannot be deemed to have adopted and used a mark in bad faith when there is no evidence that the defendant attempted to "pass off" its goods as those of the plaintiff and no evidence that the defendant adopted its mark with any intent to confuse, mislead, or deceive the public).

60 64 F.3d 1055, 36 U.S.P.Q.2d (BNA) 1046 (7th Cir. 1995).

61 *Id.* at 1058, 36 U.S.P.Q.2d at 1048.

62 *Id.* at 1060, 36 U.S.P.Q.2d at 1049.

63 *Id.* at 1061, 36 U.S.P.Q.2d at 1050.

64 62 F.3d 690, 35 U.S.P.Q.2d (BNA) 1772 (5th Cir. 1995).

65 *Id.* at 691-92, 35 U.S.P.Q.2d at 1773-74.

66 *Id.* at 692, 35 U.S.P.Q.2d at 1774.

67 *Id.* at 693, 35 U.S.P.Q.2d at 1775.

68 *Id.* at 694, 35 U.S.P.Q.2d at 1776.

69 *Id.* at 695, 35 U.S.P.Q.2d at 1776.

70 *Id.* at 696, 35 U.S.P.Q.2d at 1777-78.

71 892 F. Supp. 303, 36 U.S.P.Q.2d (BNA) 1001 (D. Mass. 1995).

72 *Id.*

73 *Id.* at 309, 36 U.S.P.Q.2d at 1006.

74 36 U.S.P.Q.2d (BNA) 1724 (S.D.N.Y. 1995).

75 *Id.* at 1725.

76 *Id.*

77 *Id.*

78 *Id.* at 1725-26.

79 *Id.* at 1726.

80 *Id.* at 1725.

81 *Id.* at 1726.

82 *Id.*

83 35 U.S.P.Q.2d (BNA) 1787 (T.T.A.B. 1995).

84 *Id.* at 1791.

85 36 U.S.P.Q.2d (BNA) 1073 (E.D. Pa. 1995).

86 *Id.* at 1076.

87 *Id.*

88 *Id.* at 1078.

89 35 U.S.P.Q.2d (BNA) 1703 (E.D. Va. 1995).

90 *Id.* at 1705.

91 *Id.* at 1708.

92 *Id.*

93 *Id.* at 1706.

94 *Id.*

95 888 F. Supp. 44, 35 U.S.P.Q.2d (BNA) 1797 (S.D.N.Y. 1995).

96 *Id.* at 45-46, 35 U.S.P.Q.2d at 1798.

97 36 U.S.P.Q.2d (BNA) 1105 (S.D.N.Y. 1995).

98 *Id.* at 1107.

99 *Id.* at 1108.

100 *Id.* at 1109-10.

101 60 F.3d 767, 35 U.S.P.Q.2d (BNA) 1734 (11th Cir. 1995).

102 *Id.* at 769, 35 U.S.P.Q.2d at 1736.