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The wave of imitation sweeping through competitive American business has crowded the courts with unfair competition cases. The most recent and representative of these cases will be examined here.

The ironic aspect of unfair competition is that the party to whom the misrepresentation is made is the consuming public, yet rarely does a consumer bring an action. In the usual case the action is brought by the party whose trade has been diminished by another palming off his goods as those of the plaintiff so that confusion develops as to the source of the goods. Thus the gist of the charge in an unfair competition case is that the public is so misled that the plaintiff loses trade by reason of the deception.

It has been said that unfair competition requires something affirmative and does not automatically pick up what patent and copyright laws omit. It is well settled that, when an article is capable of general manufacture, a particular manufacturer not having an exclusive patent on the article may not assert exclusive rights to a form if the public does not associate the form with a particular source.

The acid test in the law of unfair competition is the likelihood of the public being deceived as to the origin of merchandise.

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5 O'Day Corp. v. Talman Corp., 310 F. 2d 623 (1st Cir. 1962).
PRODUCT IMITATION

dise. The mere possibility that customers will be misled is not enough. Since the consumer public is entitled to know the source of the goods it desires to purchase the courts are always alert to eliminate the possibility of deceit.

A finding of unfair competition rests more easily upon the judicial conscience when there are at least some indicia of fraud. A recent California decision held that there is an element of fraud in all unfair competition cases although the fraud involved may be constructive rather than actual. An open approach to the problem was adopted by the Seventh Circuit where the opinion indicated that the controlling principle in unfair competition cases is a little old fashioned honesty.

Among the elements to be considered in determining if defendant is unfairly competing by imitating plaintiff's product are similarity in appearance, design and color such that a customer exercising ordinary care is induced to buy the defendant's product in the belief plaintiff's goods are being purchased.

Functional Features

It is generally accepted that product features which are utilitarian and functional do not acquire a secondary meaning, and therefore, in the absence of actual consumer deception the imitating defendant is not guilty of unfair competition. Competition permits product imitation but only as to those features of the original goods that are not in any way essential to their use. One who imitates features must take reasonable precau-

9 Surgical Supply Service, Inc. v. Adler, 321 F. 2d 536 (3rd Cir. 1963).
10 King-Seeley Thermos Co. v. Aladdin Industries, Inc., 321 F. 2d 577 (2d Cir. 1963).
tions to inform prospective customers that the goods he markets are not those of the other manufacturer.¹⁷

In the recent case of Wembley, Inc. v. Diplomat Tie Co.,¹⁸ it was held that defendant was not guilty of competing unfairly where he used a fabric label sewn into his neckties which contained advice on color combinations the tie could be worn with, notwithstanding that plaintiff had conceived the device and used it extensively in its advertising campaign "The Tie with the Color Guide." The court held that the label was a "mere functional characteristic" and that a deliberate attempt to compete is not equivalent to a deliberate attempt to deceive prospective purchasers.

This liberal interpretation of "functional features" was recently affirmed in Zippo Mfg. Co. v. Rogers Imports, Inc.¹⁹ where the court held that a feature is functional so that copying is not unfair competition

... if it affects their purpose, action, or performance, or facility or economy of processing, handling or using them, and possibly also if it affects the buyer's choice because of its pleasing appearance.²⁰

However, the court determined that defendant must take further steps, with respect to display cards, to differentiate its lighter from plaintiff's, since there was a substantial likelihood of confusion.

Where plaintiff's flash bulbs were characterized by a blue dot which had acquired a secondary meaning, the dot was found to be functional (as an air leak indicator) and it was held that defendant could imitate this functional feature in every respect as long as defendant took reasonable steps to inform prospective purchasers that the bulbs were not manufactured by plaintiff.²¹

Where the plaintiff manufactured and sold plastic tomato-shaped catsup and mustard dispensers, colored red and yellow,

²⁰ Id. at page 695.
PRODUCT IMITATION

respectively, it was held that these features served merely to indicate the contents of the dispenser and hence were functional features which could be copied.22

Thus it appears that the broad definition of "functional" as set forth in the Zippo23 case will sweep in virtually all but the most decorative features of a product.

Design

In general, completely copying an article of trade is permitted without something more that would amount to a misrepresentation.24 An imitator's desire to endow his product with physical requirements essential to success does not result in unfair competition. It is not necessary to change the appearance of a product nor to sacrifice strength, durability or cheapness to avoid a similar appearance.25 Thus where defendant copied plaintiff's pitchers in every detail, but these features were found to be functional, a claim for unfair competition was not established.26 On the other hand, where defendant copied the design and appearance of plaintiff's commercial record files, defendant was enjoined from further imitation and from making and selling files of the same dimensions.27

When marketing goods identical in appearance to those of plaintiff, defendant is required to take reasonable precautions to avoid deception of potential customers.28 For example, where the opposing parties marketed physically identical recreational devices through the same trade channels, there was such substantial likelihood of confusion between plaintiff's registered trade mark "Pitch Back" and defendant's mark "Pitch-N-Field" that plaintiff was granted injunctive relief.29 Similarly, defendant's name on the bottom of ash trays, which were identical to plain-

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26 Bliss v. Gotham Industries, Inc., 316 F. 2d 848 (9th Cir. 1963).
tiff's, was held insufficient to prevent deception and palming off.\textsuperscript{30} Where defendant chose precisely the same design for ribbing used by plaintiff on the reflectors of its commercial fluorescent light fixtures, confusion relative to the source of the fixtures was likely, and defendant was guilty of unfair competition, even though plaintiff's design patent was invalid.\textsuperscript{31}

The fact that a dealer associates a particular design with a particular source does not tend to show that the ordinary consumer will make the same association.\textsuperscript{32} The requirement for a showing of unfair competition is that a reasonably careful purchaser would be misled as to the source of the goods.\textsuperscript{33}

In \textit{Waco-Porter Corp. v. Tubular Structures Corp. of America}\textsuperscript{34} it was held that since plaintiff's identifying model numbers on scaffolding and related products had acquired a secondary meaning, defendant was unfairly competing by attaching the same model numbers to the imitations. Further, the court refused to enjoin plaintiff's circularization of a notice that he was suing defendant for patent and trade mark infringement, breach of contract and unfair competition, on the theory that anyone has the right to inform the trade about court actions. Similarly, in \textit{Al-Fab Aluminum Fabricators, Inc. v. Wagner},\textsuperscript{35} where defendant not only copied plaintiff's window, but advertised the imitations with photographs of the original windows, plaintiff was permitted to circularize a threat to sue defendant's customers, providing that he acted in good faith and did not try to intimidate those who would not be under legal liability for selling defendant's product. However, where defendant sold copies of abrasive segments which varied slightly from the original but still fitted plaintiff's original chuck, and used the designation given to such segments by plaintiff, there was no unfair competition, since the designations were of shape and in accordance with custom.\textsuperscript{36}

\begin{footnotes}
\item[\textsuperscript{31}] Day-Brite Lighting, Inc. v. Compco Corp., \textit{supra} n. 12.
\item[\textsuperscript{34}] 220 F. Supp. 724 (S. D. Cal. 1963).
\item[\textsuperscript{35}] 220 F. Supp. 715 (N. D. Ill. 1963).
\end{footnotes}
In a recent New York decision it was held that defendant had not competed unfairly where defendant promoted its bongo drums by purchasing plaintiff's drums, removing their mark and affixing its own, and using the drums as samples. Defendant also photographed plaintiff's drums and used the pictures in its advertising, after retouching the photographs to remove plaintiff's mark. The court held that there was no unfair competition where there was no palming off of the product and where the plaintiff did not have patent rights in its product. In affirming, the New York Court of Appeals noted that plaintiff's lack of success in the common law unfair competition action did not bar him from seeking relief under the false designation provisions of the Lanham Act.

In subsequent proceedings under the Lanham Act, plaintiff recovered on the theory that defendant's merchandise was inferior to the sample obtained from plaintiff, and plaintiff was thereby damaged.

**Color**

Although color is an element to consider where palming off is in issue, generally one cannot claim a monopoly on color in connection with a particular line of trade. In *H. P. Hood & Sons, Inc. v. Whiting Milk Co.*, it was held that although defendant may have intended to imitate by using a red color on its milk cartons which were identical in size and shape to plaintiff's, defendant was entitled to use a red color since the design was reasonably distinguished from the design on plaintiff's carton. However, where one manufacturer completely copies the prior user's product in every detail, including color, there is a strong inference that defendant intended to trade on plaintiff's reputation, particularly since defendant's product was of a markedly inferior quality. In another recent case it was held that the manufactur...
urer of inflatable plastic world globes could not have a monopoly on their size nor on the color used to designate the polar areas.\textsuperscript{43}

It is possible for a color to have functional attributes which would render the particular color incapable of exclusive appropriation. Thus in \textit{Norwich Pharmacal Co. v. Sterling Drug, Inc.},\textsuperscript{44} it was held that plaintiff could not exclusively appropriate the color pink for an upset stomach remedy (Pepto-Bismol) since a functional value might be found in the color because of its soothing effect upon the sufferer.

Similarly it has been held that the physical appearance, size, shape and color of medicinal capsules are functional features. However, since defendant copied plaintiff's products and suggested to druggists that defendant's product could be substituted when those products were ordered by physicians, and they gave druggists cards which listed the substitutes for plaintiff's products, defendant was found to have competed unfairly.\textsuperscript{45}

\section*{Secondary Meaning}

It is public association with a particular source that gives rise to a secondary meaning. A product acquires this meaning when its form and design identifies the product with its manufacturer, and purchasers are influenced to buy the product because of its identification.\textsuperscript{46} Thus, where plaintiff's model numbers for scaffolding had acquired a secondary meaning, it was an invasion of this secondary meaning for defendant to appropriate these model numbers for its imitation product.\textsuperscript{47} Where plaintiff manufactured inexpensive articles which were imitated by defendant, plaintiff's unfair competition action did fail for lack of showing that a secondary meaning had attached to its products, because purchasers, relying on the apparent quality

\begin{itemize}
\item \textsuperscript{44} 271 F. 2d 569 (2d Cir. 1959), cert. den. 362 U. S. 919, 80 Sup. Ct. 671, 4 L. Ed. 2d 739 (1960), revg. 167 F. Supp. 427 (N. D. N. Y. 1958).
\item \textsuperscript{45} Upjohn Co. v. Schwartz, 246 F. 2d 254 (2d Cir. 1957).
\item \textsuperscript{47} Waco-Porter Corp. v. Tubular Structure Corp. of America, supra n. 34.
\end{itemize}
PRODUCT IMITATION

and eye appeal of the product itself, might believe that the competing articles were from the same source.48

A secondary meaning may become attached to a product even though the consumer is not aware of the source.49 It is sufficient that prospective purchasers associate the non-functional attributes of goods with a particular manufacturer whose identity may be unknown.50 Once a secondary meaning has attached, the likelihood of confusion becomes the ultimate question.51

Conclusion

In most instances the functional features of a product can be copied unless the prior user has patent protection. The judicial interpretation of functional features is extremely broad, extending perhaps even to those features whose sole function is eye appeal. A defendant is not obligated to sacrifice the physical requirements implicit in success to avoid imitation, but where there is exact copying reasonable steps must be taken to avoid confusing prospective purchasers. Colors may not be exclusively appropriated. While secondary meaning is not an essential element of unfair competition, it is evidence of likelihood of confusion as to the source of the goods.

CAVEAT: On March 9, 1964, as this went to press, the United States Supreme Court reversed both the Sears case (n. 51), 32 U. S. Law Week 4206, and the Compco case (n. 12 and 31), 32 U. S. Law Week 4208. It is still uncertain how these opinions will affect the substance of this article.

48 Hygienic Specialties Co. v. H. G. Salzman, Inc., 189 F. Supp. 790 (S. D. N. Y. 1960), rev'd. 302 F. 2d 614 (2d Cir. 1962). The earlier finding that a secondary meaning existed was influenced by the inexpensive nature of the imitated product, which in itself, brought a secondary meaning into existence.


51 Norwich Pharmacal Co. v. Sterling Drug, Inc., supra n. 44. See also Stiffel Co. v. Sears, Roebuck & Co., 313 F. 2d 115 (7th Cir. 1963) cert. granted, 374 U. S. 826, 83 Sup. Ct. 1868, 10 L. Ed. 2d 1050 (1963) (oral argument 1/16/64, 32 U. S. L. Week 3261).