

ORIGINAL

OFFICIAL TRANSCRIPT

PROCEEDINGS BEFORE

THE SUPREME COURT

OF THE

UNITED STATES

CAPTION: WAL-MART STORES, INC. Petitioner v. SAMARA
BROTHERS, INC.

CASE NO: 99-150 et

PLACE: Washington, D.C.

DATE: Wednesday, January 19, 2000

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Supreme Court U.S.

1 IN THE SUPREME COURT OF THE UNITED STATES

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3 WAL-MART STORES, INC. :
4 Petitioner :
5 v. : No. 99-150
6 SAMARA BROTHERS, INC. :

7 - - - - -X
8 Washington, D.C.
9 Wednesday, January 19, 2000

10 The above-entitled matter came on for oral
11 argument before the Supreme Court of the United States at
12 11:16 a.m.

13 APPEARANCES:

14 WILLIAM D. COSTON, ESQ., Washington, D.C.; on behalf of
15 the Petitioner.

16 LAWRENCE G. WALLACE, ESQ., Deputy Solicitor General,
17 Department of Justice, Washington, D.C.; on behalf of
18 the United States, as amicus curiae, supporting the
19 Petitioner.

20 STUART M. RIBACK, ESQ., New York, New York; on behalf of
21 the Respondent.

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7	as amicus curiae, supporting the Petitioner	17
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1 PROCEEDINGS

2 (11:16 a.m.)

3 CHIEF JUSTICE REHNQUIST: We'll hear argument
4 next in No. 99-150, Wal-Mart Stores, Inc.

5 Mr. Coston.

6 ORAL ARGUMENT OF WILLIAM D. COSTON

7 ON BEHALF OF THE PETITIONER

8 MR. COSTON: Mr. Chief Justice, and may it
9 please the Court:

10 This case raises the legal question of when a
11 product design is inherently distinctive under the Lanham
12 Act, but it also raises the more practical question of how
13 high will we raise a trademark barrier to competition.

14 The affluent consumer, the middle class
15 consumer, and the low income consumer all want to wear
16 clothes that are popular and stylish. Here, the \$25
17 seersucker dress sold under the Samara label was also sold
18 with a noticeably different quality by Wal-Mart for \$3.88
19 under different labels, Cuties by Judy and Small Steps.

20 The effect of the court's injunction here is to
21 deny consumers the opportunity to buy any seersucker dress
22 with appliques which may or may not be found in the
23 collar.

24 Because of the tension in this case between
25 trademark law and competition law, we submit there is a

1 need for a new standard to measure when trade dress and
2 product configuration is inherently distinctive.

3 QUESTION: Now, there were rather lengthy
4 instructions given to the jury in this case. I think if I
5 were a juror reading them, I'd be a little confused. But
6 there -- apparently Wal-Mart didn't object to those
7 instructions, and we're not here being asked to find that
8 the instructions that were given were faulty. And so,
9 it's -- it's -- I don't think that the test that you
10 propose would necessarily fit within the instructions that
11 were given, and yet that's what went to the jury. And I
12 wonder if we -- we don't just say, well, okay --

13 MR. COSTON: Well, Justice O'Connor --

14 QUESTION: -- let it stand.

15 MR. COSTON: In -- in this case, we, Wal-Mart,
16 contended from day one that the trade dress was not
17 inherently distinctive. We've never waived that point.

18 QUESTION: Right, but you submitted that
19 question to the jury, and the jury, for whatever reason,
20 has come back thinking it was inherently distinct.

21 MR. COSTON: The case --

22 QUESTION: I mean, that's how it --

23 MR. COSTON: The case was submitted to the
24 jury --

25 QUESTION: -- came out.

1 MR. COSTON: -- under instructions that we
2 suggest do not properly state the law.

3 QUESTION: Well --

4 MR. COSTON: They -- they were instruction on
5 Abercrombie --

6 QUESTION: But you didn't preserve any objection
7 on that. We're not up here arguing about the validity of
8 the instructions.

9 MR. COSTON: As this Court held in the Preponik
10 case, Justice O'Connor, a rule 50 challenge to a judgment
11 is tantamount to a challenge to the instructions. And in
12 that case, there were many facts very similar to this
13 case. A changing landscape that -- and I use the word
14 landscape pointedly.

15 QUESTION: Well, now, are you suggesting that if
16 you simply challenge a judgment under rule 50, even though
17 you made no objections to the instructions, that brings
18 about a change -- that brings about a challenge to each
19 instruction?

20 MR. COSTON: No, I wouldn't go that far, Your
21 Honor.

22 QUESTION: Well, then what do you mean?

23 MR. COSTON: In this case the legal landscape of
24 the protectability of trade dress, particularly in product
25 configuration, has been shifting since Two Pesos. Every

1 case produces a different result, and we submit that it -
2 - it is unfair to litigants in that climate to have to
3 predict with certainty what the standard would be. We
4 tried at the district court level and the Second Circuit
5 level to confine ourselves to Second Circuit law.

6 QUESTION: Well, it just -- it's hard to know
7 how to define inherently distinctive. It's -- it's sort
8 of like pornography: I know it when I see it. How -- how
9 are we supposed to define that term?

10 MR. COSTON: Well, we submit, Justice O'Connor,
11 that on closer inspection of the statute, that Congress
12 has given us the answer to that, that Congress has said
13 for product configuration trade dress, the old-fashioned
14 rule works best. Go to secondary meaning. Rather than
15 trying to predict how a consumer will view a new product
16 design, let's wait for the market to determine if that
17 design has earned any --

18 QUESTION: Where -- where did Congress say that
19 we had to find that secondary --

20 MR. COSTON: In 1946, Congress adopted section
21 23(c) of the Lanham Act, which lists, among a whole litany
22 of possible marks, configuration of goods. That's the
23 only spot in the Lanham Act that the term configuration of
24 goods is found. And what is its significance? What --

25 QUESTION: Mr. Coston, before you get into that,

1 I'm not completely clear on -- on this first question
2 about the instructions below. I had thought that what
3 you're arguing here -- and correct me if I'm wrong -- is
4 not that the instructions were wrong, but simply that
5 there was not enough evidence under a proper criterion to
6 go to the jury and that you were entitled to judgment as a
7 matter of law --

8 MR. COSTON: That is correct, Justice Scalia.

9 QUESTION: -- regardless of your -- you're not
10 complaining about the instructions. You're just saying in
11 this case, there was not enough evidence to go to the
12 jury.

13 MR. COSTON: That is correct, Justice Scalia.

14 QUESTION: So, we not only have to agree with
15 you about the standard, but we also have to agree that if
16 we apply that standard, no reasonable jury could have come
17 out finding your -- your client liable.

18 MR. COSTON: Or -- or it should be remanded to
19 the Second Circuit for that evaluation.

20 QUESTION: We also believe that part of the
21 reason the importance of taking a case like this is given
22 the different standards in the various courts of appeals,
23 there is a need for some certainty so that juries can be
24 properly instructed. And that is what we submit should be
25 an outcome here, that this jury was instructed on

1 Abercrombiè. It was instructed on partial Seabrook. It
2 was instructed on partial Knitwaves. It was a very
3 confusing set of instructions because, we submit, the law
4 was very confusing at that time.

5 QUESTION: Well, this Court in that Two Pesos
6 case basically said that we don't apply to a trade dress
7 claim a general requirement of secondary meaning. I -- I
8 thought we crossed that bridge. And yet, you're here
9 arguing that we have to go back and change that. I think
10 your position would require us to basically review and --
11 and reverse Two Pesos. That was a trade dress case.

12 MR. COSTON: Yes. I -- I submit not, Justice
13 O'Connor. The holding of Two Pesos was simply that not
14 all trade dress requires proof of secondary meaning. The
15 Court allowed the possibility that some trade dress might
16 require secondary meaning. Indeed, this Court in the
17 Qualitex case held just that, that color as a form of
18 trade dress always requires secondary meaning. We're
19 submitting that the shape of a product is like color,
20 never arbitrary, never inherently distinctive, but always
21 requires secondary meaning.

22 QUESTION: Well, why should it always? I mean,
23 you could have a weird situation. Imagine you made a hair
24 brush in the shape of a grape, you know, and they
25 continuously -- that was it. It's called the grape

1 hairbrush, and that's it. I mean, that's so weird that I
2 guess that people would pick it up.

3 MR. COSTON: I submit, Justice Breyer, that --
4 that unless it had bristles, it wouldn't be --

5 QUESTION: It does. I mean, you know, that's
6 not the point.

7 MR. COSTON: Right. If it has --

8 QUESTION: The point is why couldn't you --
9 since we said you could in Two Pesos, why isn't Two Pesos
10 basically right that it may require something special and
11 rather unusual, but not impossible?

12 MR. COSTON: The -- the grape brush I submit
13 says nothing to the consumer about source.

14 QUESTION: Oh, yes, it does after a while.

15 MR. COSTON: After a while.

16 QUESTION: I mean, sure -- no, no, no. All the
17 products are grape. I mean, you know, you wonder what's
18 it -- going on here with this grape, et cetera. I mean -
19 -

20 MR. COSTON: Well, I -- I agree --

21 QUESTION: It was like the --

22 MR. COSTON: -- that after a while the market
23 would acknowledge that the grape hairbrush came from a
24 certain company, but that's the point of secondary
25 meaning, that it has to show to the consumer --

1 QUESTION: It's a whole line. It's a grape
2 hairbrush, a grape comb, a grape hair curler, and a grape
3 -- you know, et cetera. And so, almost instantly when you
4 see it there, you get the idea.

5 MR. COSTON: Well, without fighting the
6 hypothetical, my assumption would be that there would be
7 some packaging that would accompany it and probably a
8 brand name that no one would launch a new product without
9 any other indicia of source.

10 QUESTION: I'm really saying I don't -- I don't
11 see why we have to -- why should we overrule Two Pesos?
12 It isn't really what you want us to -- to narrow it to
13 make sure that it really is an arbitrary kind of situation
14 where source is pretty readily indicated.

15 MR. COSTON: I think -- I think the lower courts
16 and certainly all trademark advocates are asking this
17 Court to clarify Two Pesos. We are not asking that you
18 overrule it, but we do think that -- that 23(c) is some
19 evidence that Congress felt that a configuration of goods
20 was different than --

21 QUESTION: -- that you're making that we should
22 -- we should confine Two Pesos to the packaging and --
23 trade dress, as I understand it, covers both the -- the
24 package that the product comes in and the product itself.
25 You are conceding that the product itself could have

1 acquired distinctiveness.

2 MR. COSTON: That is correct, Justice Ginsburg.

3 QUESTION: But Two Pesos doesn't seem to make a
4 distinction between the packaging and the product. Do we
5 even know what the decor of the rest are? Whether --
6 whether that was -- where that fit?

7 MR. COSTON: Different courts have interpreted
8 Two Pesos in different ways. I think the majority view is
9 that Two Pesos was more of a packaging case, that it was a
10 way of packaging restaurant services, a servicemark if you
11 will, and restaurant food.

12 We are asking you to -- to clarify Two Pesos and
13 to resolve a question really that wasn't resolved in that
14 case. The court assumed, without deciding, that the dress
15 was inherently distinctive. It was stipulated when it was
16 presented --

17 QUESTION: Well, is the qualification that
18 you're asking to confine Two Pesos to packaging cases as
19 opposed to product cases?

20 MR. COSTON: That is correct, Justice Ginsburg,
21 to non-product configuration trade dress.

22 QUESTION: But it's very --

23 QUESTION: You say that no --

24 QUESTION: -- it's very difficult, frankly, to
25 know whether it's product packaging or product

1 configuration in many cases. Which was it in the
2 restaurant?

3 MR. COSTON: In the restaurant, I submit it was
4 a -- it was a package.

5 QUESTION: Well, it's not all that clear, and I
6 think there are many cases where it wouldn't be clear. It
7 sounds like -- you -- you know, you can say the words, but
8 I think they blur at the margins --

9 MR. COSTON: I --

10 QUESTION: -- in knowing which is which.

11 MR. COSTON: I agree, Justice O'Connor, there
12 are cases at the margin when you're not sure if it's a
13 package or a product, but in that case you look at how
14 it's being presented to the consumer. If the principal
15 presentation to the consumer is this is a product, then
16 secondary meaning would be required. If the principal
17 presentation is don't look at the contents here, look at
18 this good itself as a package, then the fact finder should
19 find that it's a package. And even then it may not be
20 inherently distinctive.

21 QUESTION: Well, but another way of avoiding the
22 difficulty is to say don't try to separate them, that
23 trade dress -- that trade -- the product and trade dress
24 go the same way --

25 MR. COSTON: And --

1 QUESTION: -- and that Two Pesos would regulate
2 both.

3 MR. COSTON: And, Mr. Chief Justice, our
4 alternative argument does just that, as do most of the
5 amicus briefs. They say let's start with the Seabrook
6 test to determine what is unique trade dress with no
7 distinction between packaging and product.

8 The -- the distinction we offered on packaging
9 and product is in our first argument as representing the
10 congressional intent. We think they drew the line.

11 And we also think that if this Court were to
12 follow the Abercrombie tests, which are word descriptive
13 analysis tests, that a product configuration under
14 Abercrombie is always merely descriptive --

15 QUESTION: Is that consistent with Two Pesos?

16 MR. COSTON: I believe it is, Mr. Chief Justice.
17 The Two Pesos certainly went through an Abercrombie
18 analysis and used the -- the generic, descriptive,
19 suggestive, fanciful classification --

20 QUESTION: Mr. -- Mr. Coston, whether I'm
21 willing to accept your first argument, which is that
22 configuration can never qualify as trade dress or -- or
23 your second one, which is -- would apply a starchier test
24 for configuration, depends for me largely upon whether
25 aesthetics on a product, the shape of a product is

1 pleasing, whether that is functionality or not. If it's
2 -- if -- if that is functional, then -- then it -- you
3 know, it can't -- it can't constitute trade dress even if
4 the other -- even if the other conditions are met. And -
5 - and --

6 MR. COSTON: You are correct, Justice Scalia,
7 that --

8 QUESTION: Do you think it's functional or not?

9 MR. COSTON: I -- I think in this case -- and we
10 argued that the -- the appearance of this good was merely
11 aesthetically pleasing. It had an aesthetic
12 functionality. Now, the -- whether that doctrine exists
13 in trademark law today is unclear.

14 QUESTION: Well, you see, I see a big difference
15 between let's -- you know, kids like to -- like to have
16 brand name basketball shoes. And let's assume that a -- a
17 company comes out with a basketball shoe that has a big
18 lump, just a big lump, over the big toe. It has no
19 function whatever and it is ugly as sin. And -- and the
20 kids somehow -- you know, they get on to this, and they -
21 - they want people to know that they are wearing that
22 company's shoes, so they wear these shoes with the ugly,
23 big lump on the toe. I have no problem with that.

24 But I do have a problem with -- with somebody
25 who -- who creates a beautiful dress and the beauty, it

1 seems to me, may well be part of the functionality of --
2 of the product. And you mean just because I'm the first
3 one to have discovered this beautiful thing, nobody else
4 can create beautiful things like that. That's --

5 MR. COSTON: Well, I agree completely with you,
6 Justice Scalia.

7 QUESTION: I -- it seems to me that if -- if
8 beauty is -- is functional, then you should get a design
9 patent for it and -- and protect -- protect your right to
10 that particular beautiful thing, but only for what? 17
11 years, whatever.

12 MR. COSTON: For 14 years on a design patent.

13 QUESTION: Right.

14 MR. COSTON: Just a couple of observations,
15 Justice Scalia. The -- the comment you made that our
16 first argument says no protection for product
17 configurations, in fact we do allow protection for product
18 configurations on proof of secondary meaning. And I think
19 you'll find in the Patent and Trademark Office that there
20 is no reported decision that we can find that has ever
21 allowed an inherently distinctive product configuration,
22 but there are many cases which allow a product
23 configuration to serve as a mark on proof of secondary
24 meaning.

25 With respect to the aesthetic functionality

1 notion, we do find in the Qualitex case some notion that
2 where color serves a function of -- of beauty, that no one
3 has the right to take that away from the marketplace and
4 -- and prohibit competition.

5 QUESTION: Color is functional, and I think --
6 color is functionality, which I think Qualitex came pretty
7 close to saying, doesn't it?

8 MR. COSTON: Yes.

9 QUESTION: Then -- then shape would be too.

10 MR. COSTON: I agree.

11 QUESTION: I mean, there's no basis for a
12 distinction there.

13 But -- but then do we have to overrule Two
14 Pesos? I mean, I think Justice Scalia is right. I agree
15 with what --

16 QUESTION: Shape is not necessarily functional.
17 You don't say it necessarily is --

18 QUESTION: No, no, no, no. Not --

19 QUESTION: It may be if -- if its purpose is
20 aesthetic as opposed to the lump on the toe. And that's
21 your position.

22 MR. COSTON: Yes, Justice Scalia.

23 QUESTION: But isn't -- do we then have the same
24 difficulty that we have with the difference between
25 product and packaging? I mean, it's easy to say that

1 whenever a -- a product is purchased at least primarily
2 for or substantially for an aesthetic reason, which is
3 easy to say, I guess, in the case of a dress or a car,
4 that in fact at that point the -- the aesthetics really is
5 the -- the function.

6 But isn't that simply going to lead to a -- a
7 totally porous distinction? You know, I -- I buy the
8 comb. There -- there are different shapes of combs. They
9 all have teeth. Some have longer teeth, some have shorter
10 teeth. Aren't we simply going to be met with the
11 argument, well, there was -- there was an aesthetic
12 component there? And are we simply going to end up with a
13 distinction which -- which we can't maintain?

14 MR. COSTON: I think not, Justice Souter. If we
15 keep in mind the purpose of the Lanham Act is to protect
16 consumers against confusion when they buy one good or
17 another, and if there isn't that consumer protection
18 notion in a choice between one thing of beauty and
19 another, if they don't care who made it, but they buy it
20 because it's beautiful, then the Lanham Act isn't even
21 implicated.

22 If I could reserve a few moments, Mr. Chief
23 Justice.

24 QUESTION: Very well, Mr. Coston.
25 Mr. Wallace, we'll hear from you.

1 ORAL ARGUMENT OF LAWRENCE G. WALLACE

2 ON BEHALF OF THE UNITED STATES, AS AMICUS CURIAE,

3 SUPPORTING THE PETITIONER

4 MR. WALLACE: Thank you, Mr. Chief Justice, and
5 may it please the Court:

6 If this Court had held in the Qualitex case that
7 color is an inherently distinctive source identifying
8 characteristic of products, the Patent and Trademark
9 Office would have been flooded with applications for color
10 marks and we would have been well on our way to having
11 color-coded industries. And the expectations of consumers
12 would, likewise, have been affected. They would have
13 begun thinking of color as source identifying more than
14 they had prior to the decision.

15 Instead, the Court looked toward the traditional
16 remedial role of finding that secondary meaning had been
17 established for the use of color on a particular product
18 in a particular industry and someone was appropriating the
19 good will in a way that was deserving of protection. It's
20 possible, in other words, for the courts to get too far
21 out in front on these issues in interpreting the law, and
22 there can be self-fulfilling prophecies of what becomes
23 source identifying, and industries can become regimented
24 into each producer having his own little niche. That --
25 that is the danger of too receptive a standard of inherent

1 distinctiveness.

2 QUESTION: Right. So -- so, are you saying now
3 we should overrule Two Pesos --

4 MR. WALLACE: Not at all.

5 QUESTION: -- or that we should --

6 MR. WALLACE: What I was trying to lead up to is
7 that that is the utility -- the utility that has been
8 found in applying the so-called Seabrook approach. It's
9 not that it provides an intellectually satisfying abstract
10 definition. It's very hard to come up with anything of
11 that sort in this context, but that it -- it requires the
12 courts to ask a series of practical questions that
13 appropriately distinguish what is a permissible protection
14 for inherent distinctiveness without getting the courts
15 out in front.

16 QUESTION: I'm not sure that I know how it would
17 apply in this very case, however. I'm not sure that it is
18 clarifying. How do you trace it down here?

19 MR. WALLACE: This is --

20 QUESTION: I -- I look at that thing and it
21 looks pretty amorphous to me.

22 MR. WALLACE: This is a very difficult case for
23 that purpose. In a way it's a good case for that reason,
24 but in a way it's a hard one to address.

25 There -- I mean, by a parity of reasoning, if

1 the -- the holding that there was inherent distinctiveness
2 in this configuration alternately prevails, the holding of
3 the court below, there -- there would likely be some
4 tendency of other manufacturers to come up with their own
5 configurations of appliques to seersucker garments --

6 QUESTION: Well, I take it you think that a
7 properly instructed jury could rule for Samara in this
8 case?

9 MR. WALLACE: Well, what -- what we suggest is
10 that there is a responsibility on the courts to determine
11 whether applying the Seabrook factors to the evidence that
12 was before the jury, there is a basis for a finding --

13 QUESTION: Well, I know it's the responsibility
14 of the courts.

15 MR. WALLACE: -- a reasonable basis. Right.

16 QUESTION: But I want to know your -- your
17 answer. Do you think a properly instructed jury could
18 find for Samara, if I'm pronouncing it right, in this
19 case?

20 MR. WALLACE: Well, we haven't taken a position
21 on that in the case --

22 QUESTION: You haven't taken a position. Just
23 -- I think you've answered Justice Kennedy.

24 You come in here and say we should adopt these
25 factors and let the court of appeals figure out what they

1 mean. Well, that's just too easy a task. I mean, it
2 seems to me if we're going to say these are the
3 controlling factors, we've got to be able to apply them to
4 this case. But you don't give us any hint as to how that
5 should be done.

6 MR. WALLACE: Well, I -- what -- what we learned
7 from the Patent Office in looking at this is that it would
8 be difficult for them to conclude, in a registration
9 process, that there was anything inherently distinctive
10 about the individual garments that were at issue here.
11 They used common elements that the Seabrook inquiry would
12 not ordinarily allow protection for.

13 The claim here was not a claim that any
14 particular garment was entitled to protection or that any
15 particular garment was infringed, but it was a claim about
16 the -- the overall appearance or look of a line of
17 garments even though the garments held to infringe more
18 closely resembled individual garments than they resembled
19 this abstraction which was based on certain common
20 characteristics that sometimes were variable and sometimes
21 didn't even appear in certain garments.

22 QUESTION: What about the aesthetically pleasing
23 element? I mean, what -- what if people were buying these
24 -- these knock-offs just because they -- they think it's
25 pretty, this kind of design?

1 MR. WALLACE: I --

2 QUESTION: If -- if that is a functional
3 element, this case is over, isn't it?

4 MR. WALLACE: Well, that -- functionality is a
5 separate inquiry from whether a characteristic is source
6 identifying to consumers. You can find that consumers
7 actually think that a particularly pleasing item comes
8 from a particular source. You can prove secondary
9 meaning, but still it could be unprotectable because --

10 QUESTION: I understand, but -- but without
11 proving secondary meaning, if it's functional, you're --
12 you're home free. Isn't that right? I mean, the person
13 who copies is home free.

14 Now, is -- is this -- is the aesthetically
15 pleasing nature of these clothes not a -- not a functional
16 element of -- of the product?

17 MR. WALLACE: It can -- it can be if -- if the
18 ability to compete in this market is impeded by denying
19 access to competitors to a similarly pleasing combination
20 of very familiar elements.

21 QUESTION: Seersucker, watermelons, you know,
22 collars, whatever.

23 MR. WALLACE: One could easily view this case as
24 one where the copyright protection that was afforded from
25 direct and duplication suffices and otherwise the industry

1 is being too impeded here.

2 QUESTION: Don't we at least have to --

3 QUESTION: Mr. Wallace --

4 QUESTION: Don't we at least have to say that
5 the more important the aesthetic element is in the
6 consumer's decision, the more difficult it is to prove
7 inherent distinctiveness, the less likely that there is
8 inherent distinctiveness?

9 MR. WALLACE: I -- I think that is correct,
10 Justice Souter.

11 QUESTION: It isn't quite that, is it? Could it
12 not be the fact that the -- a -- the only thing inherently
13 distinctive is itself functional? Then there would be no
14 protection I take it.

15 MR. WALLACE: Well, there certainly would be no
16 protection but not because there isn't inherent
17 distinctiveness.

18 QUESTION: Correct. There could be some
19 inherently distinctive feature that was a functional
20 feature that would preclude protection without secondary
21 meaning.

22 MR. WALLACE: There's also --

23 QUESTION: Mr. Wallace --

24 QUESTION: Let's say a modern artist who -- who
25 comes up with the idea of, you know, putting a nose where

1 -- where the ear ought to be. You know, he's the first
2 one to do it. No one has ever done it before. Now, if -
3 - if somebody else decides, gee, people like that, I'll do
4 the same thing, I -- I think even though it was totally
5 distinctive, I don't think that would be a violation.

6 MR. WALLACE: I think that's right. There -- of
7 course, there could be copyright protection for a work of
8 art.

9 QUESTION: May I ask you, Mr. Wallace, because
10 you have so little time, but -- to help us with the who
11 decides question? You said Seabrook. That's a good
12 formula. You didn't want to tell us how it would apply in
13 this case. But who -- who applies it? Does this case --
14 can you tell us? Does this case go to the jury and is
15 Seabrook the charge that you would recommend for the jury?
16 Or does this case not go to the jury?

17 I'm really troubled. In most of these cases,
18 they go to a jury and the jury hasn't got a clue what that
19 charge means.

20 MR. WALLACE: Well, you know, there -- there is
21 much that we -- we really think there's much wisdom in
22 Judge Newman's dissenting remarks on this issue, that you
23 can't cede so much authority to the juries that they're
24 deciding what the scope of the law is.

25 But this was a question presented in the

1 petition that was excluded from the grant and we didn't
2 brief it. So, I -- I can't really say much beyond that
3 question. We do think --

4 QUESTION: Well, if you ask us to -- to adopt
5 the Seabrook standard, do we adopt it as a charge for the
6 jury or as a screen to see whether the case goes to the
7 jury?

8 MR. WALLACE: I -- I think that it -- it really
9 is a screen for judges, so far as -- as I'm able to answer
10 the question, although I don't know that it would be error
11 to charge a jury.

12 It's just a question we have not briefed. It
13 was a question excluded from the grant. We go through a
14 process in trying to arrive at an answer to questions of
15 this sort.

16 I do want to say that there is room for more
17 skepticism about a claim of inherent distinctiveness when
18 the inherent distinctiveness cannot be perceived in any
19 one item, but can only be perceived by extracting
20 characteristics from a line of items. That doesn't mean
21 that it's -- it's impossible to find it, but --

22 QUESTION: Thank you, Mr. Wallace.

23 MR. WALLACE: -- there's more reason for
24 skepticism.

25 QUESTION: We'll hear now from you, Mr. Riback.

1 ORAL ARGUMENT OF STUART M. RIBACK

2 ON BEHALF OF THE RESPONDENT

3 MR. RIBACK: Mr. Chief Justice, may it please
4 the Court:

5 In terms of the legal standard that we're
6 advocating, we have no substantive disagreement with the
7 position of the United States in its brief about what must
8 be shown to establish that a product's design is
9 inherently distinctive under the Lanham Act. In the
10 context of product design, Seabrook gives concrete
11 definition to the Abercrombie standard that this Court
12 endorsed in Two Pesos, carried forward in Qualitex. In
13 other words, something that is commonly used on a product
14 is associated with the product and thus descriptive, and
15 something that is unique and unusual is not and,
16 therefore, is inherently distinctive.

17 Abercrombie, as focused by Seabrook, is
18 consistent with this Court's precedents in Two Pesos and
19 Qualitex. It is consistent with practice in the Patent
20 and Trademark Office. It is consistent with how most
21 circuits, irrespective of how they articulate their legal
22 standard, in actual practice have been ruling on these
23 cases.

24 QUESTION: Well, that's because Seabrook is so
25 vague, it's consistent with almost anything.

1 (Laughter.)

2 QUESTION: I mean, you know, it doesn't prove
3 anything.

4 MR. RIBACK: Well, no, Seabrook I believe asks
5 some concrete questions that enable you to give content to
6 the question of how inherently distinctive something is.

7 QUESTION: Well, in inherent -- I know you're
8 going to do that, but if it's -- I just want to -- Justice
9 Scalia and the answer to my question have thrown me a
10 little bit. And I -- I'd like you to focus, when you go
11 through this list, on the particular thing that they
12 brought up, which is where you have a word, it's pretty
13 easy to think of an arbitrary or fanciful word that
14 clearly is meant to designate source.

15 MR. RIBACK: That's right, Justice Breyer.

16 QUESTION: So, why bother with the secondary
17 meaning question?

18 MR. RIBACK: Right.

19 QUESTION: But what they've suddenly got me
20 thinking is -- it's very hard to find an example of a
21 shape or a configuration where you could say the same
22 because of what Justice Scalia said because where you do
23 have a weird shape or even a Coke bottle, you see, the
24 classic, the Coke bottle -- I mean, where you do have
25 that, the natural human reaction is to think, well,

1 they're trying to attract customers by the shape. They're
2 not trying to indicate source. They're trying to --
3 they're trying to -- it's weird, a grape brush. It's --
4 and even the Two Pesos, you see?

5 So -- so, if that's so, why not force people at
6 least to prove secondary meaning so we don't get into all
7 the rest of this case? I mean, there we've got -- and
8 that solves the problem that he brought up. It does force
9 us either to change Two Pesos or to create a new,
10 difficult distinction, the one between packaging and trade
11 dress.

12 But maybe now I'm thinking those are the lesser
13 of the evils. So -- so, I grant you those would be bad,
14 either of those two, but maybe this -- this new
15 distinction would be the lesser evil. So, that's what I'd
16 like you to address.

17 MR. RIBACK: Well, if I -- if I may, Justice
18 Breyer, I think that something that you said was
19 inaccurate, which is if you're trying to draw customers
20 based on the shape, then that is an indicator of source.

21 QUESTION: But what we don't want is to have the
22 Lanham Act protecting a shape because it's an attractive
23 shape or even a repellent shape that people would buy
24 something because of the shape. That's just what you
25 don't want. You want to give total freedom to do that and

1 use the Copyright Act if they want to protect it. You
2 don't want the Lanham Act to protect that even to 1 inch.
3 All you want the Lanham Act to protect is the source, the
4 fact that the customer thinks, oh, I see what that means,
5 it's a Coke bottle. Coke produced it. But there was
6 secondary meaning proved. So, why not always force them
7 to that proof where you're dealing with a shape?

8 MR. RIBACK: Because there's nothing in the
9 Lanham Act that tells you that the same feature of a
10 product can't serve more than one purpose. You don't
11 want --

12 QUESTION: Yes, but that's why we want to do it.
13 I mean, the Lanham Act doesn't tell us this -- I'm not
14 saying they can't. I'm just saying that -- that let's at
15 least, before we start interfering with aesthetic and
16 other purposes, force the plaintiff to the proof that
17 people really do think this indicates a source rather than
18 having a judge or a jury guess it.

19 MR. RIBACK: Well, there's a number of problems
20 with that, if I may. I think what's been coming out in
21 the lower courts, in terms of the advocating a separate
22 test for product design or saying the product design
23 should more likely have secondary meaning, is two things.

24 One is this concern that was stated about
25 protecting the item itself. The item itself is not what's

1 being protected. If the item itself is what was being
2 protected, we'd be running into the functionality
3 doctrine. And I think this addresses Justice Scalia's
4 point. What the functionality doctrine says is if you
5 need something in order to compete, if there's something
6 about the particular mark that's being claimed that is
7 necessary so that competitors won't be foreclosed, then
8 that feature is functional, and if that feature is
9 functional, it makes no difference if it's inherently
10 distinctive. You can't lock it up. That's how
11 functionality shows up. But that means that then the item
12 itself is what's being protected. We're not talking about
13 that here.

14 We're talking about non-functional arrangements
15 of features that give the product the appearance it has.
16 This is something that Judge Motz in the Ashley case in
17 the Fourth Circuit pointed out. It is not the product
18 itself.

19 The other --

20 QUESTION: Non-functional arrangement that --
21 but you assume that -- that aesthetics are separate from
22 functionality.

23 MR. RIBACK: Aesthetics can be functional --

24 QUESTION: I mean, it is a function of a dress
25 is to look pretty. One of its -- one of its functions is

1 to cover the body, but certainly another function is to
2 look pretty.

3 MR. RIBACK: Of course, and you wouldn't want to
4 force someone who wants to use the design of the dress to
5 indicate its source to make it ugly in order to get it to
6 be source indicated.

7 QUESTION: Right.

8 MR. RIBACK: So, there's no necessary tension
9 there.

10 QUESTION: Nor would you want to prevent other
11 people from copying a beautiful thing that one
12 manufacturer has created. If -- if it's beautiful, they
13 ought to be free to copy it unless -- unless it is
14 misleading consumers into thinking that -- that it's the
15 product of somebody else. But I don't see you can say
16 that just because they're copying beauty that -- that was
17 first created elsewhere.

18 MR. RIBACK: Unless it is so unique and unusual
19 that the customer would be warranted in inferring source.

20 QUESTION: That's always going to be the case
21 when -- when the -- a first person -- the person first
22 discovers a new manner of beauty such as the nose coming
23 out of the ear, if one considers that beauty. I mean, you
24 know, you would say, oh, my God, that's Picasso, but it
25 turns out it wasn't Picasso because other artists copied

1 the same thing. Now, if Picasso wanted to, you know,
2 copyright the nose coming out of the ear, I suppose he
3 could have done that or maybe gotten a design patent. But
4 I don't see why he should have had -- had protection for
5 it under the Lanham Act.

6 MR. RIBACK: Well, I think -- I think what you
7 might be getting at, Justice Scalia, is the concern that
8 people don't tend to perceive a product design to be a
9 source indicator as readily as they might perceive a
10 package. Okay. And that might be true. I don't know. I
11 haven't seen a study. It may well be correct. But if
12 it's true, that doesn't mean the test is different. What
13 it means is if you apply the right test, you're going to
14 get more negative answers on product design cases.

15 QUESTION: But if we -- if we think -- if we
16 think, see, as in color, you know, that there's risks of
17 the kind, do we do any harm by saying -- of course, we
18 might in your case. I understand that, but in general --

19

20 (Laughter.)

21 MR. RIBACK: Yes.

22 QUESTION: I mean, in -- in general, do -- do we
23 cause a problem for the lawyers who practice in this area
24 or others if we were to say, look, all we're saying is
25 show secondary meaning. That way we know that people

1 really do associate this shape or dress with a source.
2 That's all. We're just asking you don't let them go on a
3 hunch. Just -- just bring in some evidence.

4 MR. RIBACK: Well, first of all, I would say if
5 we follow the Court's precedent in Two Pesos, that
6 forecloses that because Two Pesos says that one of the
7 things that the Lanham Act says you do not need to do is
8 require secondary meaning of someone who has an inherently
9 distinctive trade dress.

10 QUESTION: Okay, but let's assume for the -- for
11 the sake of answering Justice Breyer --

12 MR. RIBACK: Yes.

13 QUESTION: -- because I want to ask the same
14 question he wants to ask. Assume just for the sake of
15 that answer that maybe we -- we didn't get it right in Two
16 Pesos. What's the right answer? Forget Two Pesos for a
17 minute.

18 Are there going to be so many negative answers
19 that the sensible rule would be to require proof of
20 secondary meaning in the meaning in the first place? Then
21 everybody knows where he stands, and the likelihood that
22 our answer is going to -- that we do finally get is simply
23 going to be on the basis of, you know, the hunch is going
24 to be greatly reduced.

25 MR. RIBACK: I think that --

1 QUESTION: Is that a practical suggestion?

2 MR. RIBACK: I think the harm is this. You can
3 go in today on January 19th, 2000 into a store with
4 certain perceptions about what is and is not likely to be
5 used by consumers to identify products. That's a
6 secondary meaning argument. But you -- you can use
7 January 19, 2000 as your baseline.

8 I don't know a month from now, a year from now,
9 10 years from now, what sort of products will be there,
10 what sort of innovative methods of differentiating one
11 product from another there will be, or --

12 QUESTION: Yes, but why isn't this simply an
13 argument to the effect that it's always -- there's
14 something ultimately time based about secondary meaning?
15 That's going to be true in every secondary meaning
16 situation.

17 MR. RIBACK: That would get rid of inherent
18 distinctiveness altogether. I'm not -- I'm not sure, in
19 addition to that, that there is any principled way in
20 which you could distinguish packaging from secondary
21 meaning.

22 QUESTION: Yes, you may well be right.

23 MR. RIBACK: You're opening up another --

24 QUESTION: Let's assume -- let's assume --

25 MR. RIBACK: You're opening up another thicket

1 with that. Yes.

2 I'm sorry. What?

3 QUESTION: No. I -- I'll make that assumption
4 that I can't make that distinction. I don't know how to
5 -- I don't know how -- frankly, I don't know how you apply
6 it in Two Pesos.

7 MR. RIBACK: I think in Two Pesos it would
8 depend on whether you think the restaurant was serving
9 food or serving a dining experience. If the restaurant is
10 serving food, then it's a package. If it's serving a
11 dining experience, then the ambiance and the layout are
12 part of it.

13 QUESTION: Right.

14 MR. RIBACK: And it's a product design case.
15 And I think restaurants do serve -- do serve you with a
16 dining experience.

17 QUESTION: Yes, but I think the assumption in
18 Two Pesos was that it was -- it was not the dining
19 experience because then it would have been part of the
20 product, and I think it was treated as though it was part
21 of the packaging.

22 MR. RIBACK: Well, I --

23 QUESTION: Maybe it was wrong, but I thought
24 that was the assumption.

25 MR. RIBACK: I don't think the opinion bears

1 that out because what the opinion talks about, if you look
2 at Two Pesos, when they have the discussion of section 2,
3 it talks about if a verbal or symbolic mark or the
4 features of a product design may be registered under
5 section 2.

6 And I think the reason that Two Pesos is
7 addressed toward product design very heavily is because
8 when you look at the four Second Circuit cases that were
9 disapproved in the Two Pesos case, every last one of those
10 is a product design case.

11 Now, I'm not saying that every one of the
12 product design cases that was addressed there would
13 necessarily be inherently distinctive, but Two Pesos says
14 that you cannot exclude that possibility.

15 QUESTION: It seems to me that one can draw a
16 distinction -- maybe it's pretty fine -- between packaging
17 and product, though, and one can interpret Two Pesos to
18 just relate to packaging rather than product. And one can
19 also, although there really is some tension in it, to say
20 that in -- in a line of clothing that appeals to the
21 aesthetics of the -- of the purchaser, that aesthetics in
22 that context is functional and part of the -- and
23 therefore, distinctiveness would not qualify for Lanham
24 Act protection but would qualify for copyright protection.
25 It seems you could fit that scheme together I think.

1 Maybe I'm wrong.

2 MR. RIBACK: I -- I'm not sure that's exactly
3 right because the entire thrust of Two Pesos is that --
4 first of all, it never mentions the word package I don't
5 believe, other than in one of the concurrences. But --

6 QUESTION: But that was the argument. I can't
7 remember exactly how it was phrased, but that the -- all
8 the Mexican features of their restaurants had nothing --
9 was not functional at least and, therefore, was more like
10 a packaging -- more like packaging than the product
11 itself.

12 MR. RIBACK: Well, that only presumes that the
13 product itself is what's being protected. We're not
14 talking about that. We're talking about something that
15 isn't necessarily part of the product where the product
16 would still be the product even if you stripped the
17 feature off, which would be certainly the case with what's
18 at issue in this case. You could strip the features off.
19 You could -- the product would still be the product, and
20 you could then put those features onto something else.
21 Obviously, it would have to be made out of cloth, but you
22 could use it for a curtain. You could use it, you know,
23 for a drape or a bedspread.

24 QUESTION: Well, I don't -- you think the
25 product would be a product? I mean, I --

1 MR. RIBACK: Oh, sure. Something like that
2 happened at the trial as a matter of fact.

3 QUESTION: A piece of cloth that -- that can
4 cover your body, and -- and that's -- that's all that goes
5 into a dress.

6 MR. RIBACK: That -- well, actually that
7 happened at the trial. At the trial, I took the collar of
8 a dress, folded it up into the dress, and asked the Wal-
9 Mart witness if she would buy it for Wal-Mart to put out
10 on its shelves and sell and she said, absolutely, it's
11 very cute. So, the record in this case absolutely
12 supports that.

13 QUESTION: Suppose that we take your preferred
14 way of doing it, which is to leave the functionality
15 question as a subsidiary question coming in at the end.

16 MR. RIBACK: Well, no, it's -- it's a
17 preliminary question now by statute. It used to --

18 QUESTION: All right, or the functionality
19 question becomes a separate question.

20 MR. RIBACK: Yes.

21 QUESTION: And say you could include aesthetic
22 considerations as functionality. But then that's not this
23 question. This question is do we get down the track by -
24 - by asking if this particular shape or design is meant to
25 identify a source. That's the question before us. Right?

1 And the -- the issue is --

2 MR. RIBACK: That's the ultimate question.

3 QUESTION: -- that sometimes it could be so
4 unique that that's what it does.

5 Suppose you took the Seabrook factors, those
6 three questions, which basically say, look, if this is
7 normal or it's just ornamentation, forget it, you're out
8 the window. Right?

9 MR. RIBACK: Right.

10 QUESTION: Suppose you -- could you add to that
11 the very question we want to know? Suppose you also said
12 and you must say to the jury, jury, do you believe that
13 when you look at this, it's not only unique, this shape or
14 dress, but the very way in which it's unique in this
15 industry is likely to indicate to a person that why
16 they've done it is to show a source, not just beauty, not
17 just -- I mean, could you ask -- I could get a better
18 formula --

19 MR. RIBACK: I -- I think what the question -- I
20 think what you're gliding past in the question is what
21 we're trying to ascertain here is inherent
22 distinctiveness. Think of what those words mean.

23 QUESTION: No, but it's different. But inherent
24 is --

25 MR. RIBACK: It has to be inherent in the

1 product and it has to distinguish it from others.

2 QUESTION: But inherent distinguish -- inherent
3 distinctiveness of the source -- of the sort that would
4 tend to identify a source, not inherent distinctiveness of
5 the sort that would lead a person to buy something for its
6 beauty or shape.

7 MR. RIBACK: Well, it's -- the -- the
8 presumption under the Lanham Act and the case law,
9 including out of this Court, is that if it's inherently
10 distinctive, then it indicates source. That's the
11 presumption.

12 QUESTION: But that isn't really true where
13 you're talking about a shape or trade dress. Indeed,
14 dress designers make their money out of making something
15 that is unique and beautiful.

16 MR. RIBACK: Well, you got to ask the other
17 questions in Seabrook then if that's the case. There's no
18 exclusion in the Lanham Act for clothing.

19 QUESTION: No, no. I know.

20 MR. RIBACK: So, there's certainly --

21 QUESTION: And Seabrook doesn't distinguish
22 between that which is unique and -- and attracts customers
23 because it's beautiful and unique and that which attracts
24 customers only because it is unique and thereby indicates
25 source. And my question to you is should this Court, in

1 trying to list tests, take Seabrook and add to it a
2 question that would make that very distinction?

3 MR. RIBACK: No, I don't think so because all of
4 the formulations that I've seen about what might be added
5 all require measures of consumer perception which in and
6 of itself are secondary meaning tests. So, if you concede
7 that you don't want to calcify the law by freezing current
8 conceptions into place, and allow for development of the
9 marketplace in the future with new products and new ways
10 of differentiating them, then you have to maintain that
11 there can be inherently distinctive anything. The
12 question is how you ascertain it.

13 Seabrook doesn't ask just is it unique and
14 unusual. It also follows a couple of other -- another
15 couple of questions down the line. Is it merely a
16 refinement of what's out there, even if it is somewhat
17 different? Is it a commonly used shape? It adds more
18 than just saying is it different. What it does is it
19 gives content to the analysis by saying something will be
20 descriptive for purposes of the usual Abercrombie
21 analysis. Something will be descriptive if it's very
22 common because ordinarily a feature of a product wouldn't
23 have descriptive or suggestive capability. You would need
24 to give content to that in this context, and I think
25 Seabrook does that if you follow those questions down.

1 But you would need to follow all of it.

2 QUESTION: Well, why are these dresses just
3 inherently descriptive as opposed to distinctive? I mean,
4 you expect to find children's clothes to be pretty, to
5 have appliques, to be of washable material. And so, I --
6 why would a juror think that there's anything about this
7 that would be indicative of a source rather than just
8 being a nice, decorative pattern?

9 MR. RIBACK: There was extensive evidence on
10 that at the trial. There were -- and I'm sure you've
11 noticed in the joint appendix -- dozens of garments that
12 were submitted. There was evidence submitted on what
13 Samara is trying to accomplish by using this particular
14 look. In terms of Seabrook, you line up the Samara
15 dresses against what else was there, they're noticeably
16 and markedly different. And given that --

17 QUESTION: Well, Judge Newman --

18 MR. RIBACK: I'm sorry.

19 QUESTION: -- didn't think that because didn't
20 he suggest that the Simplicity pattern looked like the
21 Samara dress?

22 MR. RIBACK: Well, two things I'd like to say
23 about that. First of all, Judge Newman's dissent forgot
24 one point, which is we're not saying that using a collar
25 on clothing is inherently distinctive. That would be

1 silly. We're not saying using appliques on clothing is
2 inherently distinctive. That's almost as silly. What we
3 are saying is not that any particular one of these
4 features is unique and unusual, but the particular
5 combination that is used is different from what is out
6 there in the rest of the market and serves to indicate
7 source as a result.

8 In terms of the Simplicity pattern, that's a
9 function of reduced copying and basically just not looking
10 at what the record said about it. In terms of the
11 Simplicity pattern, that was not a collar where the
12 applique was made into the collar. That was just
13 something printed right onto the face of the dress, and
14 the testimony in the trial brings that out.

15 QUESTION: So, the first person who comes up
16 with a thing of beauty, a distinctive aspect of beauty, of
17 course, since he's the first one to come up with it, he'll
18 be identified with it. And he gets protection for that
19 automatically not by reason of any copyright protection or
20 design patent protection, but just because, since he's the
21 first one to invent it, everyone will think that something
22 that is just as pretty in the same way must come from him.

23 MR. RIBACK: No. He also has to use it in
24 commerce.

25 QUESTION: Oh, sure, sure.

1 MR. RIBACK: Right?

2 QUESTION: The other things.

3 MR. RIBACK: So -- so, in and of itself, the
4 commercial use distinguishes it somewhat from the other -
5 - from the other instances that you made.

6 But the other thing is there isn't one single
7 standard of beauty and there are a lot of ways to make
8 things beautiful. One of the things that both Wal-Mart
9 and Samara agreed on at the trial is that there is
10 virtually infinite number of ways to make pretty or
11 attractive, saleable children's clothing.

12 QUESTION: Well, that's fine, but the -- but the
13 purpose of the Lanham Act is not to give him dibs on -- on
14 one particular way.

15 MR. RIBACK: The purpose --

16 QUESTION: Why shouldn't other people be able to
17 -- to use that same aspect of beauty?

18 MR. RIBACK: Because the purpose of the Lanham
19 Act is twofold. It's, number one, to give consumers
20 information so that when they see something, they
21 recognize it. And number two, it's to protect producers,
22 who come up with a way to differentiate their products, in
23 their efforts to promote it and to protect their
24 investment --

25 QUESTION: Yes, but why don't they get

1 protected? The -- the producer who comes up with the --
2 the first time with the nose in the ear. Why doesn't the
3 producer get protected with a design patent? And if then,
4 in the course of the -- the life of the design patent, the
5 producer can establish the -- the identification of the -
6 - of the nose in the ear with him, he then will get Lanham
7 Act protection. That way we don't calcify product design,
8 but we do gain a greater assurance in the conclusion that
9 we're supposed to draw for Lanham Act purposes.

10 MR. RIBACK: If I may, I think a design patent
11 will look somewhere else. With a design patent, you're
12 talking about novelty and non-obviousness. Unique and
13 unusual isn't necessarily novel. It's a different
14 concept. With design patents, you want to promote
15 creativity. You want to promote something new, not
16 necessarily in the Lanham Act. With the Lanham Act, it's
17 simply the ability of whatever it is that you're using as
18 the signifier to signify what's been --

19 QUESTION: Okay, but if you're going to --

20 QUESTION: Well, if --

21 MR. RIBACK: -- what's been signified.

22 QUESTION: May I ask just one more question on
23 this? If you're going to have the Seabrook test --

24 MR. RIBACK: Yes.

25 QUESTION: -- isn't the Seabrook test looking to

1 the same kind really of novelty for purposes of
2 differentiation which you're telling me the design
3 patentee has got to show in order to get his design
4 patent. So, isn't there a consistency then?

5 MR. RIBACK: There's -- there's some overlap of
6 subject matter. I think the way the case law has shaken
7 out almost unanimously in the lower courts has been that,
8 although some of the same subject matter can be covered by
9 both the design patent law and the Lanham Act, they are
10 basically different inquiries, serving different -- the
11 statutes serve different functions, and aim at different
12 things.

13 QUESTION: May I ask this question just --

14 MR. RIBACK: Yes.

15 QUESTION: Is it essential to your case that
16 Wal-Mart copied these designs? Supposing they had
17 independently come up with their line without copying but
18 just came a little bit later than yours. Would the result
19 of the case had been the same?

20 MR. RIBACK: In terms of infringement?

21 QUESTION: It wouldn't have been before the
22 jury, but would it -- it legally would have been the same.

23 MR. RIBACK: In -- in terms of infringement, I
24 think the answer probably would be yes. The answer -- the
25 answer would be the same. In terms of the consequences, I

1 think the answer would be no.

2 QUESTION: May I --

3 QUESTION: I don't understand.

4 QUESTION: But the jury shouldn't take into
5 consideration, should it, in deciding this case that there
6 was an intentional copying? Because it doesn't make any
7 difference.

8 MR. RIBACK: Insofar as inherent
9 distinctiveness --

10 QUESTION: That's not the test.

11 MR. RIBACK: Insofar as inherent distinctiveness
12 is concerned, I think that's probably right. Insofar as
13 secondary meaning is concerned, no. Intentional copying
14 is an indicator of secondary meaning.

15 QUESTION: But doesn't -- doesn't intent
16 indicate that the second manufacturer recognized the
17 distinctiveness and that's why he wanted to do it? So,
18 intent is -- is relevant. You wouldn't say that intent is
19 irrelevant.

20 MR. RIBACK: No, it's not -- it's not
21 irrelevant, but it doesn't mean that you do have an
22 infringement with intent and don't have an infringement
23 without it, which -- which is what I understood that
24 question to be.

25 QUESTION: Would -- could -- could Wal-Mart have

1 protected itself here by hanging a tag on every dress
2 saying this is not a Samara dress?

3 MR. RIBACK: No, it could not have for the same
4 reason --

5 QUESTION: This is a Wal-Mart dress.

6 MR. RIBACK: It could not have, Justice
7 O'Connor, for the same reason that Taco Cabana, by
8 printing its name on its menus and putting a big sign on a
9 pylon outside, couldn't have saved itself from infringing
10 on Two Pesos' mark. Or I have that backwards. I'm sorry.

11 QUESTION: May I ask one other -- one other -- I
12 just want to be sure of your position. Assume no
13 secondary meaning and assume inherent distinctiveness, but
14 also assume that the quality that makes the product
15 inherently distinctive is functional. Protection or no
16 protection?

17 MR. RIBACK: No protection. If it's functional
18 -- if -- if it is functional, then under every authority
19 that I'm aware of, it makes no difference whether it's
20 inherently distinctive or not.

21 QUESTION: But then why did you respond to
22 Justice Scalia -- I think it was Justice Scalia or Justice
23 Souter's earlier question -- no, or that there would --
24 remember? I think their question was about somebody
25 creates a beautiful design or a beautiful thing that does

1 indicate the source, but it's also beautiful, and they
2 don't take out copyright protection. And you said, well,
3 then there would be Lanham Act protection.

4 MR. RIBACK: There could be Lanham Act
5 protection.

6 QUESTION: Well, in other words -- now, what
7 would you have to show? You'd come in and say I agree it
8 indicates that it's a Dior dress, but he didn't get his
9 design copyright, and so I can go copy it. And now you -
10 - you assert now it's a Lanham Act violation, and the
11 defendant says not at all. He says it's -- because there
12 it's serving a functional purpose, the purpose of beauty
13 and --

14 MR. RIBACK: No. I say that it can be a Lanham
15 Act violation. You would need to go through the analysis
16 prescribed under Seabrook and Abercrombie in order to
17 ascertain where this comes out in the Lanham Act analysis.
18 And then at a certain point, you may well be able to say
19 that this is Lanham Act protected. I'm not saying it
20 necessarily would be.

21 QUESTION: I see what the -- the problem is
22 going to be showing the harm to competition, and that's
23 going to lead to a big argument.

24 MR. RIBACK: If you can design around it -- and
25 this is -- this is basically what the predecessor of the

1 Federal circuit -- the Court of Customs and Patent Appeals
2 said. If you can design around it, if you need it in
3 order to compete, then it's functional. But if you -- I'm
4 sorry. If you cannot design around it, if you need it in
5 order to compete, then it's functional. But if you can
6 design around it, if there's no reason for you to use
7 specifically that, then it's not functional.

8 There's a case in the Seventh Circuit that
9 explains how the aesthetic functionality works, which is a
10 cookbook case decided by Judge Posner, where he said,
11 look, you want to have a cookbook big so that it opens up
12 so you can read it. You want to have big pictures and big
13 print so you can read it while you're working at a
14 counter. So, of course, you're going to end up with a
15 picture -- you're going to end up with a cookbook with big
16 pictures and print, and in order to prevent the pictures
17 from bleeding out onto the edges, you're going to have
18 gold -- gold edging. So, of course, the cookbooks are
19 going to look alike. Well, that's aesthetic
20 functionality, but that's not what's involved in this
21 case. This case is quite different.

22 If I might go on. There hasn't been any
23 contention here that the jury wasn't appropriately
24 instructed. The district judge specifically mentioned
25 Seabrook by name in his analysis in the judgment as a

1 matter of law opinion. The Second Circuit said, among
2 other things -- it said a lot of things that it didn't
3 need to in our view, but one of the things that it said
4 was the task of the court is to evaluate how unique and
5 unexpected the claimed trade dress is. It also said that
6 the jury looked at the dozens of garments before it. It
7 said that at least two or three times. In making that
8 analysis, I submit that if you do apply the Seabrook test,
9 you must come to the conclusion that an affirmance is
10 necessary in this case.

11 If there aren't any other questions, I'll
12 conclude.

13 QUESTION: Thank you, Mr. Riback.

14 Mr. Coston, you have 2 minutes remaining.

15 REBUTTAL ARGUMENT OF WILLIAM D. COSTON

16 ON BEHALF OF THE PETITIONERS

17 MR. COSTON: Thank you, Mr. Chief Justice.

18 The problem with an inherently distinctive test
19 is -- is that it is predictive. It attempts to determine
20 in advance of the demonstration of secondary meaning what
21 consumers would think, and we know from product
22 configurations alone that they do not tell people source-
23 indicating facts. Rather, they tell consumers I'm a
24 product. It inherently describes the product.

25 In this case, application of a secondary meaning

1 rule would work no harm. Samara had had its products in
2 the market for 5 or 6 years, the record evidence
3 indicates. And what we're seeing with the amicus briefs
4 proposing a very rigorous Seabrook test is that the same
5 evidentiary burden is going to be put on mark owners,
6 albeit it calling it a Seabrook burden, as has been done
7 in the past with the secondary meaning test.

8 But the Patent and Trademark Office has followed
9 the secondary meaning test for many, many years. They've
10 got it down to a science. Trademark practitioners know
11 how to do it. We submit that's the right outcome here,
12 that for product configurations, require secondary
13 meaning.

14 Thank you.

15 CHIEF JUSTICE REHNQUIST: Thank you, Mr. Coston.

16 The case is submitted.

17 (Whereupon, at 12:13 p.m., the case in the
18 above-entitled matter was submitted.)

CERTIFICATION

Alderson Reporting Company, Inc., hereby certifies that the attached pages represents an accurate transcription of electronic sound recording of the oral argument before the Supreme Court of The United States in the Matter of:

WAL-MART STORES, INC. Petitioner v. SAMARA BROTHERS, INC.
CASE NO: 99-150

and that these attached pages constitutes the original transcript of the proceedings for the records of the court.

BY: Jonathan M. May
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