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■ 'SHIRE' DECISION ■

Encouraging copycats

By Jeffrey L. Eichen SPECIAL TO THE NATIONAL LAW JOURNAL

ONE OF THE cornerstones of trade dress law is the functionality doctrine: A company can never claim trade dress protection for a product's functional or utilitarian features; allowing that protection would give inventors a perpetual monopoly over those features, defeating the federal patent scheme. But just as courts cannot ignore the doctrine, neither can they overindulge in applying it, lest functionality swallow up even those cases where a company is rightfully entitled to trade dress protection. This is exactly what happened recently in the 3d U.S. Circuit Court of Appeals' decision in *Shire US Inc. v. Barr Laboratories Inc.*

The functionality doctrine makes perfect sense when applied to a functional or utilitarian product feature. For example, if a company invents an unusually shaped light bulb that casts more light than other bulbs, the company may be entitled to protect its invention under federal patent law. But once this patent expires (or if a patent isn't available at all), the inventor cannot create a monopoly by claiming the light bulb's unusual shape as its trade dress. The unusual shape is functional and, when not protected by patent law, is in the public domain and free for copying and exploitation by all.

In some cases, a product's color has been found to be functional. For example, in *Brunswick Corp. v. British Seagull Ltd.*, the U.S. Court of Appeals for the Federal Circuit found that the black color of Mercury outboard engines was functional because the color coordinated well with a wide variety of boat hull colors and made the engine appear smaller than it was—both desirable qualities.

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Similarly, in *John Deere & Co. v. Farmhand Inc.*, the Southern District of Iowa found that the shade of green used for John Deere farm equipment was functional because farmers preferred to purchase farm equipment—regardless of the manufacturer—that matched the color of their Deere tractors. Even the pink color of Pepto Bismol has been deemed functional because that shade of pink is soothing to one with an upset stomach.

In other words, to be functional, a product's color or shape must serve some purpose other than identifying the source of the goods. Conversely, colors and shapes that serve no purpose other than identifying the source of the goods should qualify for trade dress protection.

Too much to swallow

In *Shire*, the company manufactured a prescription drug called Adderall, and used different colors and shapes to help distinguish between dosages. Barr then came out with a generic version of Adderall and copied Shire's colors and shapes. When accused of trade dress infringement, Barr claimed that Shire's color scheme was functional and open for copying by anyone.

But what function does Shire's color scheme serve? Using different colors and shapes for different dosages is certainly functional. But that doesn't explain why Barr copied the exact colors and shapes of Shire's pills. After all, if preventing dosage mistakes were the only goal, Barr could have come up with any set of arbitrary colors and shapes for its pills. So Barr argued instead that copying Shire's color scheme "increased patient acceptance and comfort" when a pharmacist substituted Barr's drug for Shire's.

Acceptance and comfort, however, are not things that competitors are entitled to have for the asking—because they are really

just synonyms for Shire's goodwill and reputation, which patients recognize when they see Shire's color scheme. While it may be useful for Barr to share in this reputation, that factor does not make Shire's color scheme functional.

The particular colors Shire chose for its pills are not like the black color used for Mercury's outboard engines or the green color used for John Deere's farm equipment. Shire's colors add nothing to the pills' underlying function or desirability—other than indicating to patients that they are receiving genuine pills made by Shire. That's not a function that should be freely copied—that's a color being used as a legitimate trade dress to identify a source of goods.

Allowing Barr to copy Shire's color scheme to "increase patient acceptance and comfort" gives far too much girth to the functionality doctrine, allowing it to swallow up all of trade dress law.

Consider this: If I were to open a hamburger restaurant, using McDonald's colors would certainly increase the "acceptance" of my burgers. If I were to go into the soft drink business, using Coca-Cola's bottle shape would help increase the "acceptance" of my cola. Does that mean that McDonald's colors and Coca-Cola's bottle are functional? Of course not—these shapes and colors are pure trade dress, because they identify the source of these goods—period. Just like the shapes and colors that Shire used to identify its pills, until they were defeated by the functionality doctrine run amok.

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