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Cases suggest iMacs' trade dress merits protection

The recognizable shape, colors and translucency will likely be found inherently distinctive.

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Conventionally, strawberries, blueberries, tangerines, grapes and limes are fruits. These fruit names are also the unconventional "flavors" of Apple Computer Inc.'s iMac personal computer. Apple introduced the bright colors, curved lines, translucent two-tone plastic outer shell and teardrop shape of the iMac to replace the drab, monotone computer designs and colors of yesteryear. Since its launch in 1998, the iMac has been widely marketed and has won numerous design awards; it can be found in more than 2 million homes, offices, schools and college dormitory rooms around the world.

Popularity, however, spawns competition. Apple does not like the shapes and colors of the competition and thus, has accused several computer manufacturers of misappropriating the Apple iMac's trade dress. The defendants in these suits include Future Power Inc., manufacturer of the E-Power PC; eMachines Inc., maker of the eOne PC; and Sotec Co., producer of the e-one PC.[1]

Trade dress focuses on a product's entire selling image -- the whole ensemble of the article -- as it appears to the average buyer.[2] It embodies the arrangement of identifying characteristics such as, in the case of the iMac, size, shape, color, color combinations and even the translucency onnected with the iMac, which are intended to identify the product as being made by one company.[3]

In order to prevail on a claim of trade dress misappropriation, Apple will be required to prove that the iMac trade dress either is inherently distinctive or has acquired secondary meaning; that a likelihood of confusion exists between the iMac and the defendants' products; and that the iMac trade dress is primarily nonfunctional.[4]

To determine whether the iMac trade dress is inherently distinctive, one might consider whether the iMac design has a common basic shape or design; is unique or unusual in the province of computers; is a mere refinement of a commonly adopted and well-known form of ornamentation for computers; and/or is capable of creating a commercial impression distinct from any accompanying words.[5]

Inherent distinctiveness

To determine inherent distinctiveness, courts have used the categories set forth in Abercrombie & Fitch Co. v. Hunting World Inc.[6] and asked whether a trade dress is generic, descriptive, suggestive, arbitrary or fanciful.[7] Trade dress should be considered arbitrary or fanciful, on one hand, or generic, on the other, because, as compared with word marks, few product configurations will have substantial descriptive capabilities.[8] Moreover, actual or likely consumer recognition of a product design as a source designator is not a prerequisite for inherent distinctiveness. Rather, if a product is inherently distinctive, then its function as a designator of origin is presumed. Therefore, no evidence of source identification by consumers need be presented.

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Whether a product configuration is inherently distinctive depends on whether the design is capable of identifying the product. Because trade dress is the total image of a product, the relevant inquiry is not whether the individual components of a design are common or not, but whether the alleged trade dress as a whole is inherently distinctive. The fact that design elements have been used separately before does not foreclose the possibility that their combination in a new, unique way will create an inherently distinctive trade dress.[9]

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Applying these criteria, the iMac's design should probably be found inherently distinctive. Apple has won numerous awards for its innovative genre-defining design, and no computer has ever been similarly designed. Apple thus has compelling evidence that its trade dress is inherently distinctive.

If Apple cannot prove that the iMac's trade dress is inherently distinctive, it can seek to prove that secondary meaning has been established. Secondary meaning indicates that buyers recognize the trade dress (the iMac design) as coming from a particular source (Apple), even though they may not know the name of that source. Apple can rely on many consumer-related factors to prove secondary meaning: direct consumer testimony; surveys; the exclusivity, length and manner of use; the amount and manner of advertising; the amount of sales and the number of customers; the established place in the market; proof of intentional copying; and actual confusion.[10] Apple has an important fact in its favor here: After the iMac's introduction, Apple's market share almost instantly doubled. This is an indication that there is secondary meaning.

Apple must also show that a likelihood of confusion exists between the iMac and the defendants' computers. Several factors should be considered, such as the strength of iMac's trade dress; the relatedness of the products; the similarity of the iMac and the E-Power PC, the e-one PC and the eOne PC's trade dress; evidence of actual confusion; the marketing channels used; the likely degree of purchaser care; the defendants' intent in selecting its trade dress; and the area and manner of concurrent use.[11] Many first-time computer users instantly recognize the bright colors and translucent housings as belonging to Apple iMac computers. Apple was the first manufacturer to use such housings for its computers, and it blitzed the marketplace with flashy advertising that emphasized its trade dress.

The eOne PC comes in a cool blue color and has a two-toned translucent housing similar to that of the iMac. The E-Power PC comes in five brilliant gemstone colors. The original e-one PC arrived with a translucent blue-and-white housing similar to that of the iMac.[12] Although the operating systems of the competing machines are different from the iMac's, this has little impact on what customers see as they see a computer in a store or on a desk. Instead, the argument is that the defendants are trying to capitalize on Apple's reputation, marketing experience and savvy by selling computers having designs similar to that of the iMac.

Finally, Apple must show that its trade dress is primarily nonfunctional. This is where Future Power and eMachines probably hope to peel the Apple. The arguments will likely focus on whether the colors, translucency and teardrop shape of the iMac are functional. In making the functionality determination, the trade dress as a whole must be considered. However, there are an infinite number of design possibilities for computer housings. It is expected that Apple will make a strong argument that the rounded edges, color, color combinations and translucency of the iMac are primarily nonfunctional.

The Apple iMac was a significant departure from the appearance of typical personal computers. Marketing and advertising helped Apple create iMac's five "flavors," which embody a strong trade dress. In Japan, Apple, on Jan. 15, reached a settlement with Sotec after first obtaining a court order against it, ordering Sotec to temporarily suspend manufacturing, selling, exporting, importing or exhibiting the e-one personal computer. The judge had found that the two computers "resemble each other" and that "they could be mistaken for each other."[13]

Similarly, Judge Jeremy D. Fogel, of the U.S. District Court for the Northern District of California, recently issued an order enjoining Future Power from selling its iMac look-alikes. n14 The court noted that there is evidence that the defendant intended to copy iMac's appearance and found that the appearance of the iMac and the E-Power are strikingly similar. Therefore, in this litigation fruit salad, an Apple instead of a cherry has a good chance of being on top.

(1) Apple Computer Inc. v. Future Power Inc., No. 99-CV-20612 (N.D. Calif. filed July 1, 1999); Apple Computer Inc. v. eMachines Inc., No. 99-CV-20839 (N.D. Calif. filed Aug. 19, 1999); Apple Japan Inc. v. Sotec Co., Heisei 11-1999-Wa-188485 (Tokyo Dist. Court, Japan settled Jan. 15, 2000). As part of the settlement, Sotec agreed to pay 10 million yen -- the equivalent of $ 94,455 -- to Apple's Japanese unit.

(2) Vision Sports Inc. v. Melville Corp., 888 F.2d 609, 613 (9th Cir. 1989).

(3) Ferrari S.p.A. Esercizio Fabriche Automobilie Corse v. Roberts, 944 F.2d 1235, 1238-39 (6th Cir. 1991).

(4) Two Pesos Inc. v. Taco Cabana Inc., 505 U.S. 763, 767 (1992); AmBrit Inc. v. Kraft Inc., 812 F.2d 1531, 1535 (11th Cir. 1986).

(5) Two Pesos, 505 U.S. at 768-69; Seabrook Foods Inc. v. Bar-Well Foods Ltd., 568 F.2d 1342, 1344-45 (C.C.P.A. 1977).

(6) 537 F.2d 4 (2d Cir. 1976).

(7) Perini Corp. v. Perini Const. Inc., 915 F.2d 121, 124 (4th Cir. 1990).

(8) Ashley Furniture Indus. Inc. v. Sangiacomo N.A. Ltd., 187 F.3d 363, 371 (4th Cir. 1999).

(9) Id. at 372-374.

(10) Two Pesos, 505 U.S. at 766-69; Yamaha Int'l Corp. v. Hoshino Gakki Co., 840 F.2d 1572, 1583 (Fed. Cir. 1988).

(11) Ferrari, 944 F.2d at 1239, 1241-43.

(12) After the Tokyo District Court enjoined the manufacture and sale of the original e-one PC, and before the Jan. 15 settlement, Sotec changed the exterior of its computer, dubbed the "e-One 500," to a silvery blue. "Japan's iMac lookalike to defy court injunction," Agence France Presse, Sept. 28, 1999.

(13) "Court orders Sotec to stop 'e-one' production," Kyodo News Int'l Inc., Japan Computer Industry Scan, Sept. 27, 1999.

n14 Jack McCarthy, "U.S. Court to Halt Sales of iMac Look-Alikes," InfoWorld Daily News, InfoWorld Media Group, Nov. 10, 1999. NLJ