

# The Burger Court Opinion Writing Database

## *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*

456 U.S. 844 (1982)

Paul J. Wahlbeck, George Washington University  
James F. Spriggs, II, Washington University in St. Louis  
Forrest Maltzman, George Washington University



Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
THE CHIEF JUSTICE

MAY 19 1982

May 19, 1982

Re: No. 80-2182 - Inwood Laboratories Inc. v. Ives Labs., Inc.  
81-11 - Darby Drug Co., Inc. v. Ives Laboratories, Inc.

Dear Sandra:

I join.

Regards,



Justice O'Connor

Copies to the Conference

Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
THE CHIEF JUSTICE

June 7, 1982

MEMORANDUM TO THE CONFERENCE

Re: Case held for No. 80-2182, Inwood Laboratories, Inc. v. Ives Laboratories, Inc.

No. 81-1387, Voluntary Purchasing Groups, Inc. v. Chevron Chemical Co.

Since 1949, respondent has sold its "Ortho" lawn and garden products in red and yellow packages. In 1971, it adopted a package format with a band of white at the top, on which is imprinted "Ortho," a band of yellow in the middle, on which is printed the product name (e.g., "Bone Meal"), and a band of red at the bottom, where the product is described and its chemical analysis is provided. See Petn App D-1. In 1974, petitioner introduced its "Hi-Yield" line of garden products in virtually identical white, red, and yellow packages, see Petn App D-3; it consulted its attorneys because it wished to copy Ortho's package design as much as the law would allow. After respondent protested, petitioner modified its package design somewhat; it still used bands with the identical shades of red, yellow, and white appearing on the Ortho products, but it altered the width and placement of the bands. See Petn App D-4, D-5, D-6.

Respondent, not satisfied with the changes, sued petitioner, alleging, inter alia, that the Hi-Yield trade dress violated its rights under § 43(a) of the Lanham Act, proscribing "false designations of origin" and "false descriptions or representations." After a trial on liability, the District Court for the ND Tex. entered judgment for petitioner. The Court found that petitioner had not intended to defraud customers, that the white, red, and yellow colors had not developed a "secondary meaning," and that respondent had not demonstrated actual or likely consumer confusion. The court did find that some sales clerks had intermingled the Ortho and Hi-Yield products on store shelves, but concluded that this resulted from "inadvertence." Moreover, the court held that use of a confusingly similar trade dress is insufficient to violate § 43(a).

The CA5 reversed, holding that § 43(a) creates a cause of action for "trade dress infringement," and that a showing of "secondary meaning" is not required to demonstrate a violation of § 43(a) if the copied trade dress is arbitrary, distinctive, and non-functional. The CA5 agreed with the district court that

Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
JUSTICE WM. J. BRENNAN, JR.

May 20, 1982

RE: No. 80-2182 Inwood Laboratories, Inc. v.  
Ives Laboratories, Inc.

Dear Sandra:

I agree.

Sincerely,



Justice O'Connor

cc: The Conference

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Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
JUSTICE BYRON R. WHITE

May 10, 1982

Re: 80-2182 - Inwood Laboratories, Inc.  
v. Ives Laboratories, Inc.

Dear Sandra,

I vote to reverse primarily because (1) I thought the Court of Appeals' interpretation of the Lanham Act was wrong -- that it permitted a finding of contributory infringement based on the use of non-functional colors without knowledge or intent that passing-off was occurring, unduly watering down what is necessary to prove contributory infringement; and (2) because I was not sure that the Court of Appeals employed the proper standard of review with respect to functionality. I would not have voted to grant on the basis of our own reassessment of the facts under the proper statutory standard or the proper standard of review, and I would rather not reverse on this basis. I am considering writing separately.

Sincerely yours,

*BW*  
*cpm*

Justice O'Connor

Copies to the Conference

cpm

To: The Chief Justice  
 Justice Brennan  
 Justice Marshall  
 Justice Blackmun  
 Justice Powell  
 Justice Rehnquist  
 Justice Stevens  
 Justice O'Connor

From: **Justice White**

Circulated: 18 MAY 1982

Recirculated: \_\_\_\_\_

1st DRAFT

**SUPREME COURT OF THE UNITED STATES**

Nos. 80-2182 AND 81-11

80-2182 INWOOD LABORATORIES, INC., ET AL.,  
 v.  
 IVES LABORATORIES, INC.

81-11 DARBY DRUG CO., INC., ET AL.  
 v.  
 IVES LABORATORIES, INC.

ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF  
 APPEALS FOR THE SECOND CIRCUIT

[May —, 1982]

JUSTICE WHITE, concurring in the result.

We granted certiorari in this case in order to review the legal standard employed by the Second Circuit in finding that a generic drug manufacturer is vicariously liable for trademark infringement committed by pharmacists who dispense the generic drug. The Court, without any discussion whatever, implicitly endorses the legal standard purportedly employed by the Court of Appeals, *Ante* at 9, but finds that the court erred in setting aside factual findings that were not clearly erroneous. With one exception, the issue of whether the clearly erroneous standard of Rule 52(a), Fed. R. Civ. Proc., was observed in this case was not even presented in the Petitions for Certiorari.<sup>1</sup> Because I believe

<sup>1</sup>The exception is Petitioner Darby Drug Co.'s third question which embraces the Court of Appeals overturning of the district judge's finding of functionality without ruling that the trial judge's findings were clearly erroneous. As discussed below, I agree with the Court's invocation of Rule

To: The Chief Justice  
 Justice Brennan  
 ✓ Justice Marshall  
 Justice Blackmun  
 Justice Powell  
 Justice Rehnquist  
 Justice Stevens  
 Justice O'Connor

From: Justice White

pp. 1-2, 4; footnotes  
 renumbered; stylistic changes

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Recirculated: 24 MAY 1982

2nd DRAFT

**SUPREME COURT OF THE UNITED STATES**

Nos. 80-2182 AND 81-11

80-2182 INWOOD LABORATORIES, INC., ET AL.,  
 v.  
 IVES LABORATORIES, INC.

81-11 DARBY DRUG CO., INC., ET AL.  
 v.  
 IVES LABORATORIES, INC.

ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF  
 APPEALS FOR THE SECOND CIRCUIT

[May —, 1982]

JUSTICE WHITE, with whom JUSTICE MARSHALL joins,  
 concurring in the result.

We granted certiorari in this case in order to review the legal standard employed by the Second Circuit in finding that a generic drug manufacturer is vicariously liable for trademark infringement committed by pharmacists who dispense the generic drug. The Court implicitly endorses the legal standard purportedly employed by the Court of Appeals, *Ante* at 9, but finds that the court erred in setting aside factual findings that were not clearly erroneous. The question whether the Court of Appeals had misapplied the clearly erroneous rule, however, was not presented in the petitions for certiorari. This was conceded at oral argument.<sup>1</sup> Tr. Oral

<sup>1</sup>The third question in Petitioner Darby Drug Co's petition embraced the claim that the Court of Appeals had failed to observe Rule 52(a) in overturning the district judge's finding of functionality. As discussed below, I agree with the Court's invocation of Rule 52 with respect to this

Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
JUSTICE THURGOOD MARSHALL

May 20, 1982

Re: Nos. 80-2182 and 81-11 - Inwood Laboratories and  
Darby Drug Co v. Ives Laboratories

Dear Byron:

Please join me in your opinion.

Sincerely,



T.M.

Justice White

cc: The Conference

Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
JUSTICE HARRY A. BLACKMUN

May 10, 1982

Re: No. 80-2182 - Inwood Laboratories v. Ives Laboratories

Dear Sandra:

I would like to join your opinion and I could do so except for footnote 19 beginning on page 12. I presume to offer a substitute for that footnote to read as follows:

"<sup>19</sup>The Court of Appeals reached that conclusion despite the District Court's express finding that, for purposes of §43(a), the capsule colors were functional. See p. 8, *supra*. As the dissent below noted, the Court of Appeals' majority either disregarded the District Court's finding of functionality, see 638 F.2d, at 545, n. 1, (Mulligan, J., dissenting), or implicitly rejected that finding as not 'persuasive.' See *id.*, at 547.

While the precise basis for the Court of Appeals' ruling on this issue is unclear, it is clear that the Court of Appeals erred. The Court of Appeals was not entitled simply to disregard the District Court's finding of functionality. While the doctrine of functionality is most directly related to the question whether a defendant has violated §43(a) of the Lanham Act, see generally Note, The Problem of Functional Features: Trade Dress Infringement Under Section 43(a) of the Lanham Act, 82 Colum. L. Rev. 77 (1982), a finding of functionality may also be relevant to an action involving §32. By establishing to the District Court's satisfaction that uniform capsule colors served a functional purpose, petitioners offered a legitimate reason for producing an imitative product.

Nor was the Court of Appeals entitled simply to dismiss the District Court's finding of functionality as not 'persuasive.' If the District Court erred as a matter of law, the Court of Appeals should have identified the District Court's legal error. If the Court of Appeals disagreed with the District Court's factual findings, it should have found them clearly erroneous."

What do you think?

What happened to the companion "case," No. 81-11, Darby Drug Co. v. Ives Laboratories?

Sincerely,

Justice O'Connor  
cc: The Conference



Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
JUSTICE HARRY A. BLACKMUN

May 11, 1982

Re: No. 80-2182 - Inwood Laboratories v. Ives Laboratories  
No. 81-11 - Darby Drug Co. v. Ives Laboratories

Dear Sandra:

Thank you for your response of May 10. I, of course,  
now join your opinion.

Sincerely,



Justice O'Connor

cc: The Conference

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Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
JUSTICE LEWIS F. POWELL, JR.

May 11, 1982

80-2182 Inwood Laboratories v. Ives Laboratories

Dear Sandra:

Please join me in your opinion for the Court.

I would have no objection to the substitute for footnote 19 suggested by Harry. It seems to me to be helpful.

Sincerely,

LFP

Justice O'Connor

lfp/ss

cc: The Conference

May 11, 1982

80-2182 Inwood Laboratories v. Ives Laboratories

Dear Sandra:

Please join me in your opinion for the Court.

I would have no objection to the substitute for footnote 19 suggested by Harry. It seems to me to be helpful.

Sincerely,

Justice O'Connor

lfp/ss

cc: The Conference

P.S. In footnote 11, p. 6, it may be more accurate to substitute "source of the product" for the word "producer" in the third line of the footnote. Although your quote comes from Kellogg, a product may have a secondary meaning without actually identifying the "producer".

To: The Chief Justice  
 Justice Brennan  
 Justice White  
 Justice Marshall  
 Justice Blackmun  
 Justice Powell  
 Justice Stevens  
 Justice O'Connor

From: **Justice Rehnquist**

Circulated: MAY 10 1982

Recirculated: \_\_\_\_\_

1st DRAFT

**SUPREME COURT OF THE UNITED STATES**

No. 80-2182

INWOOD LABORATORIES, INC., ET AL., PETITIONERS  
 v. IVES LABORATORIES, INC.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF  
 APPEALS FOR THE SECOND CIRCUIT

[May —, 1982]

JUSTICE REHNQUIST, concurring in the result.

I agree that the judgment of the Court of Appeals should be reversed. That court set aside factual findings of the District Court without having found them to be clearly erroneous as required by Rule 52(a) of the Federal Rules of Civil Procedure. I disagree, however, with the Court's determining for itself that the findings of the District Court were not clearly erroneous. I think in the usual case this is a question best decided by the Courts of Appeals, who have a good deal more experience with the application of this principle than we do, and I see no reason to make an exception in this case.

I also assume, correctly I hope, that the Court's discussion of appellate review of trial court findings in bench trials, *ante*, at 15, is limited to cases in which the appellate court has not found the trial court findings to be "clearly erroneous." *United States v. United States Gypsum Co.*, 333 U. S. 364 (1948), upon which the Court relies, establishes the authority of a reviewing court to make its own findings, contrary to those of the trial court, where it has determined the latter to be "clearly erroneous."

I agree with the Court that the case should be remanded to the Court of Appeals to review the District Court's dismissal of respondent's claims under § 43(a) of the Lanham Act and its state law claims.

RECEIVED  
 SUPREME COURT, U.S.  
 JUSTICE MARSHALL

'82 MAY 10 AM 1:35

Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
JUSTICE JOHN PAUL STEVENS

May 6, 1982

Re: 80-2182 - Inwood Laboratories v.  
Ives Laboratories

Dear Sandra:

Please join me.

Respectfully,



Justice O'Connor

Copies to the Conference

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611  
211

To: The Chief Justice  
Justice Brennan  
Justice White  
Justice Marshall  
Justice Blackmun  
Justice Powell  
Justice Rehnquist  
Justice Stevens

From: **Justice O'Connor**

Circulated: MAY 6 1982

Recirculated: \_\_\_\_\_

1st DRAFT

**SUPREME COURT OF THE UNITED STATES**

No. 80-2182

INWOOD LABORATORIES, INC., ET AL., v.  
IVES LABORATORIES, INC.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF  
APPEALS FOR THE SECOND CIRCUIT

[May —, 1982]

JUSTICE O'CONNOR delivered the opinion of the Court.

This action requires us to consider the circumstances under which a manufacturer of a generic drug, designed to duplicate the appearance of a similar drug marketed by a competitor under a registered trademark, can be held vicariously liable for infringement of that trademark by pharmacists who dispense the generic drug.

I

In 1955, respondent Ives Laboratories, Inc. (Ives) received a patent on the drug cyclandelate, a vasodilator used in long-term therapy for peripheral and cerebral vascular diseases. Until its patent expired in 1972, Ives retained the exclusive right to make and sell the drug, which it did under the registered trademark CYCLOSPASMOL.<sup>1</sup> Ives marketed the

<sup>1</sup>Under the Trademark Act of 1946 (Lanham Act), 60 Stat. 427, as amended, 15 U. S. C. § 1051 *et seq.*, the term "trademark" includes "any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." 15 U. S. C. § 1127. A "registered mark" is one registered in the United States Patent and Trademark Office under the terms of the Lanham Act "or under the Act of March 3, 1881, or the Act of February 20, 1905, or the Act of March 19, 1920." *Ibid.*

*Jan*  
*B.W.*  
*1982*

Supreme Court of the United States  
Washington, D. C. 20543

CHAMBERS OF  
JUSTICE SANDRA DAY O'CONNOR

May 10, 1982

No. 80-2182 Inwood Laboratories v. Ives Laboratories

Dear Harry,

Your proposed revision of footnote 19 is entirely acceptable and we will make the change in the next circulation.

The printer omitted the Darby Drug case and number by mistake.

Sincerely,



Justice Blackmun

Copies to the Conference

*Stylistic changes and  
pp. 6, 12, 13*

To: The Chief Justice  
Justice Brennan  
Justice White  
Justice Marshall  
Justice Blackmun  
Justice Powell  
Justice Rehnquist  
Justice Stevens

From: **Justice O'Connor**

Circulated: \_\_\_\_\_

Recirculated: **MAY 12 1982**

*2nd*  
~~1st~~ DRAFT

**SUPREME COURT OF THE UNITED STATES**

Nos. 80-2182 AND 81-11

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<sup>1</sup>Under the Trademark Act of 1946 (Lanham Act), 60 Stat. 427, as amended, 15 U. S. C. § 1051 *et seq.*, the term "trademark" includes "any

*BKJ  
Dissent*

p. 9  
 footnotes renumbered

To: The Chief Justice  
 Justice Brennan  
 Justice White  
 Justice Marshall —  
 Justice Blackmun  
 Justice Powell  
 Justice Rehnquist  
 Justice Stevens

From: **Justice O'Connor**

Circulated: \_\_\_\_\_

Recirculated: **MAY 19 1982**

3rd DRAFT

**SUPREME COURT OF THE UNITED STATES**

Nos. 80-2182 AND 81-11

80-2182 INWOOD LABORATORIES, INC., ET AL.,  
 v.  
 IVES LABORATORIES, INC.

81-11 DARBY DRUG CO., INC., ET AL.  
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ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF  
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[May —, 1982]

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Stylistic Changes Throughout

To: The Chief Justice  
Justice Brennan  
Justice White  
Justice Marshall  
Justice Blackmun  
Justice Powell  
Justice Rehnquist  
Justice Stevens

From: **Justice O'Connor**

Circulated: \_\_\_\_\_

Recirculated: **MAY 28 1982**

4th DRAFT

**SUPREME COURT OF THE UNITED STATES**

Nos. 80-2182 AND 81-11

80-2182 INWOOD LABORATORIES, INC., ET AL.,  
*v.*  
IVES LABORATORIES, INC.

81-11 DARBY DRUG CO., INC., ET AL.  
*v.*  
IVES LABORATORIES, INC.

ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF  
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