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**TRAFFIX REVISITED:
EXPOSING THE DESIGN FLAW
IN THE FUNCTIONALITY DOCTRINE**

*By Clifford W. Browning**

On March 20, 2001, the U.S. Supreme Court unanimously decided *TrafFix Devices, Inc. v. Marketing Displays, Inc.*,¹ after having granted *certiorari*² to resolve a conflict among several U.S. courts of appeals over the protection to be afforded product configuration trade dress. A split of authority among the circuits had arisen over whether an expired U.S. utility patent forecloses the patentee, or assignee, from asserting trade dress protection in the product configurations of the invention claimed in the expired patent.³

The Supreme Court did not decide the patent-related trade dress issue in *TrafFix* by turning to the Patent Clause of the U.S. Constitution.⁴ The *TrafFix* petitioner, and some of its *amici*, had argued in their briefs that the Patent Clause prohibits, by its own force, the patentee, or assignee, of an expired patent from claiming trade dress protection.⁵ Justice Kennedy, writing for the Supreme Court, stated:

We need not resolve this question. If, despite the rule that functional features may not be the subject of trade dress protection, a case arises in which trade dress becomes the practical equivalent of an expired utility patent, that will be time enough to consider the matter.⁶

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1. 532 U.S. 23 (2001). See also the discussion of this decision at 91 TMR 622-74 (2001).

2. 530 U.S. 1260 (2000).

3. *TrafFix*, 532 U.S. at 28.

4. *Compare* U.S. Const. art. I, § 8, cl. 8 (“The Congress shall have power. . . . To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”), *with* U.S. Const. art. I, § 8, cl. 3 (“The Congress shall have power. . . . To regulate commerce with foreign nations, and among the several states, and with Indian tribes.”).

5. *TrafFix*, 532 U.S. at 35, citing Brief for Petitioner at 33-36; Brief for Panduit Corp. as Amicus Curiae at 3; Brief for Malla Pollack as Amicus Curiae at 2.

6. *Id.*

Instead, the Supreme Court based its decision in *TrafFix* on the functionality doctrine, which originally had been deduced entirely from lower court decisions⁷ but which now is codified in the U.S. Trademark (Lanham) Act.⁸ As the Court held:

A utility patent is strong evidence that the features therein claimed are functional. If trade dress protection is sought for those features the strong evidence of functionality based on the previous patent adds greater weight to the statutory presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection. Where the expired patent claimed the features in question, one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device.⁹

The *TrafFix* decision, which was to resolve one conflict among certain U.S. courts of appeals, has led to yet another split of authority among several lower courts over how the *TrafFix* functionality-doctrine-based decision is to be interpreted. These new post-*TrafFix* splits of authority were recently addressed in an article by Vincent N. Palladino.¹⁰

Notwithstanding the relative merits of the opposing post-*TrafFix* views that are again dividing the lower courts, the Supreme Court's *TrafFix* opinion exposed a more fundamental flaw in the functionality doctrine itself: a design flaw.

The *TrafFix* decision addressed only the effect an expired utility patent has on the functionality doctrine. Since, in general terms, an expired utility patent may be said to have protected the structure and function of the claimed invention, the post-*TrafFix* functionality doctrine does not appear to be at cross-purposes with

7. *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1336, 213 U.S.P.Q. 9, 12 (C.C.P.A. 1982) (citing *In re Mogen David Wine Corp.*, 328 F.2d 925, 932, 140 U.S.P.Q. 575, 581 (C.C.P.A. 1964)). The court in *Mogen David* noted: "We know of no provision of patent law, statutory or otherwise, that guarantees to anyone an absolute right to copy the subject matter of any expired patent. Patent expiration is nothing more than the cessation of the patentee's right to exclude under the patent law." 328 F.2d at 930, 140 U.S.P.Q. at 579.

8. 15 U.S.C. § 1125(a)(3) ("In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional."). The Lanham Act also provides that registration on the Principal Register is unavailable for any mark that "comprises any matter that, as a whole, is functional." 15 U.S.C. § 1052(e)(5).

9. *TrafFix*, 532 U.S. at 29-30.

10. Vincent N. Palladino, *Trade Dress Functionality After TrafFix: The Lower Courts Divide Again*, 93 TMR 1219 (2003). The author identified the following two issues that have continued to divide the lower courts since the *TrafFix* decision: (1) in deciding whether the design of a product feature is functional, is evidence concerning the availability of alternative designs relevant?; and (2) is functionality the equivalent of utility? *Id.* at 1220.

the view that there is a federal right to “copy and use” the inventions of expired patents.¹¹ However, when the *TrafFix* opinion addressed the burden of proof imposed on those who claim trade dress rights in product configurations, and specifically recited an example of the type of evidence that would meet that burden, a design flaw in the functionality doctrine was clearly exposed.

The *TrafFix* opinion states that “one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional, *for instance by showing that it is merely an ornamental . . . aspect of the device.*”¹² However, a product configuration trade dress feature that is merely an ornamental aspect of the device would be the feature of the device that would be the proper subject matter of a U.S. design patent. Title 35, Section 171 of the U.S. Code (Patents for designs), states, in part:

Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.

Therefore, if an expired design patent claimed the ornamental aspects of a device for which product configuration trade dress protection was being sought, does *TrafFix* suggest that the design patent would be proof of the nonfunctionality of the product configuration trade dress under the post-*TrafFix* functionality doctrine?¹³ If the answer is yes, then the *TrafFix* opinion puts the functionality doctrine at direct cross-purposes with the view that there is a federal right to “copy and use” the inventions of expired patents.¹⁴ If the answer is no, then there is an obvious flaw in the functionality doctrine: its inability to resolve conflicts between claims to product configuration trade dress protection in the ornamental aspects of a device and the inventions of expired design patents that claimed the same product features.

This design flaw in the functionality doctrine was identified to the Supreme Court in the *TrafFix* Brief of the United States as Amicus Curiae Supporting Petitioner, as follows:

11. See *infra* the text accompanying note 20.

12. *TrafFix*, 532 U.S. at 29-30 (emphasis added).

13. In at least one pre-*TrafFix* decision, a U.S. district court stated, “Because a design patent is granted only for non-functional designs, it can serve as evidence that a plaintiff’s trade dress is not functional.” *Krueger Int’l, Inc. v. Nightingale, Inc.*, 915 F. Supp. 595, 605, 40 U.S.P.Q. 1334, 1342 (S.D.N.Y. 1996). *Accord In re Morton-Norwich*, 671 F.2d at 1342 n.3, 213 U.S.P.Q. at 17 n.3 (“It is interesting to note that appellant [applicant] also owns design patent 238,655 for the design in issue, which, at least presumptively, indicates that the design is not de jure functional.” (citations omitted)).

14. See *infra* the text accompanying note 20.

The scope of the right to copy that arises on the expiration of a design patent does not readily correlate with the functionality doctrine, because the subject matter of design patents is, by definition, ornamental and non-functional.¹⁵

The Supreme Court did not address this point in its *TrafFix* opinion, most likely because the expired patent at issue in *TrafFix* was a utility patent, not a design patent. Nevertheless, the *TrafFix* opinion addressed the “right to copy” in more general terms, citing the Supreme Court’s 1989 decision in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*:¹⁶

Trade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products. In general, unless an intellectual property right such as a patent or copyright protects an item, it will be subject to copying. As the Court has explained, copying is not always discouraged or disfavored by the laws which preserve our competitive economy. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 160 (1989). Allowing competitors to copy will have salutary effects in many instances.¹⁷

In *Bonito Boats*, the Supreme Court specifically addressed the federal right to “copy and use” that arises under the U.S. patent laws upon the expiration of U.S. patents. The *Bonito Boats* petitioner and its supporting *amici* were quoting the 1985 decision of the Court of Appeals for the Federal Circuit in *Interpart Corp. v. Italia*,¹⁸ in which the Federal Circuit stated, “the patent laws ‘say nothing about the right to copy or the right to use, they speak only in terms of the right to exclude.’”¹⁹ With regard to the *Interpart* opinion, Justice O’Connor, writing for a unanimous Supreme Court in *Bonito Boats*, said:

[W]e are somewhat troubled by the *Interpart* court’s reference to the *Mine Safety* case for the proposition that the patent laws say “nothing about the right to copy or the right to use.” . . . For almost 100 years it has been well established that in the case of an expired patent, the federal patent laws *do* create a federal right to “copy and to use.”²⁰

15. See Brief for the United States as Amicus Curiae Supporting Petitioner at 18 n.6, *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001) (No. 99-1571).

16. 489 U.S. 141 (1989).

17. *TrafFix*, 532 U.S. at 29.

18. 777 F.2d 678, 228 U.S.P.Q. 124 (Fed. Cir. 1985).

19. *Id.* at 685, 228 U.S.P.Q. at 129 (quoting *Mine Safety Appliances Co. v. Electric Storage Battery Co.*, 56 C.C.P.A. (Pat.) 863, 864 n.2, 405 F.2d 901, 902 n.2, 160 U.S.P.Q. 413, 414 n.2 (1969)).

20. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 163, 164-65 (1989) (emphasis in original).

The U.S. Congress first added patent protection for designs to the U.S. Code in 1842.²¹ Therefore, in the 100 years preceding the *Bonito Boats* decision, both utility and design patents have been expiring.²²

In the Supreme Court term that preceded the *TrafFix* opinion, the Court decided in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*²³ that in a civil action under Section 43(a) of the Lanham Act²⁴ for infringement of unregistered trade dress, product configuration trade dress will be distinctive, and therefore protectible, only upon a showing of secondary meaning.²⁵ In partial answer to the expressed concerns of device producers to the Court's finding that there can never be inherently distinctive product configuration trade dress, Justice Scalia, writing for the Court, stated:

Competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not worth the candle. That is especially so since the producer can ordinarily obtain protection for a design that *is* inherently source identifying (if any such exists), but that does not yet have secondary meaning, by securing a design patent or a copyright for the design—as, indeed, respondent did for certain elements of the designs in this case. The availability of these other protections

21. 35 U.S.C. § 171 *et seq.* See also *Bonito Boats, Inc.*, 489 U.S. at 148 (“Since 1842, Congress has also made protection available for ‘any new, original and ornamental design for an article of manufacture.’ 35 U.S.C. § 171. To qualify for protection, a design must present an aesthetically pleasing appearance that is not dictated by function alone, and must satisfy the other criteria of patentability.”).

22. In Fiscal Year 2003, the U.S. Patent and Trademark Office (USPTO) issued 16,525 design patents, and as of September 30, 2003, there were 24,970 design patent applications pending. United States Patent and Trademark Office Performance and Accountability Report Fiscal Year 2003, Tables 5 and 6, at 110-12. By contrast, there were 54,744 chemical, electrical and mechanical utility patents issued in Fiscal Year 2003. *Id.* U.S. design patents have a term of 14 years from date of grant. 35 U.S.C. § 173. If anyone applies the patented design, or any colorable imitation thereof, to any article of manufacture, or uses, offers to sell or sells any such articles of manufacture in the United States during the term, they will infringe the design patent. 35 U.S.C. §§ 171, 271, 289. The single claim of a design patent is a set of drawings with sufficient views to constitute a complete disclosure of the ornamental appearance of the claimed design. 37 C.F.R. §§ 1.152, 1.153. As a practical matter, design patent attorneys will counsel their clients to prepare design patent drawings of the final prototypes of their devices so that the drawings will reproduce the ornamental appearance of the devices, as built. Design patent applications may therefore be filed with the USPTO well before a device is actually sold in commerce. A design patent application must be filed within one year after a sale or offer of sale, *inter alia*, of the device in commerce, or rights to a design patent are irretrievably lost, by statute. 35 U.S.C. §§ 102(b), 171.

23. 529 U.S. 205 (2000).

24. 15 U.S.C. § 1125(a).

25. *Wal-Mart Stores, Inc.*, 529 U.S. at 216.

greatly reduces any harm to the producer that might ensue from our conclusion that a product design cannot be protected under § 43(a) without a showing of secondary meaning.²⁶

So, by following Justice Scalia's lead in *Wal-Mart*, what will a producer do if it believes that its device has source-identifying product configuration trade dress but it does not wish to risk losing that source-identifying significance in a race to secondary meaning in the market with potential competitors? The producer will elect to file a design patent application that claims the nonfunctional, ornamental features of the product configuration trade dress of the device. The producer will then have the 14-year term of the design patent within which to claim exclusive rights to use the product configuration trade dress in the market, thereby preventing any competitors from entering the race to secondary meaning using the patent laws as an enforcement sword.²⁷

If secondary meaning cannot be attained during 14 years of exclusive use of product configuration trade dress in the market, it is unlikely that it will ever be attained. So, if the producer obtains secondary meaning in the market with the aid of the design patent laws and seeks to register the product configuration trade dress as a distinctive trademark on the Principal Register of the USPTO, or seeks to enforce its unregistered product configuration trade dress under Section 43(a) of the Lanham Act after the design patent expires, what should be the fair outcome? Should the producer succeed under either option by arguing that its product configuration trade dress is nonfunctional under the post-*TrafFix* functionality doctrine, as evidenced by its design patent, and that a nonfunctional trademark is protectible wholly independently of the design patent laws? On the other hand, should the producer fail under either option because upon the expiration of the producer's design patent, which the producer *elected* to secure, the federal patent laws gave rise to a federal right to "copy and to use" the claimed ornamental features of the device in favor of all other producers?

One thing is certain. If the producer pursued a failure to the Supreme Court under either option, the Court would be presented with a case in which, despite the rule that functional features may not be the subject of trade dress protection, trade dress had become the practical equivalent of an expired *design* patent.²⁸ Beyond that certainty, one can only hope that the Supreme Court would then grant *certiorari*, because the time had finally come to consider the matter again, now under the Patent Clause of the

26. *Id.* at 214 (emphasis in original).

27. See *supra* note 22.

28. See *supra* text accompanying note 5.

United States Constitution, as the post-*TrafFix* functionality doctrine is inherently incapable of resolving the design patent issue.
