

# Opting for Flexibility: How the Existence of a Design Patent Should Shape Evidentiary Burdens in Litigation over Trade Dress Protection for the Same Features

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## INTRODUCTION

To a layman, and a legalist in a hurry, trademarks are brand names. They are words like “Colgate,” “Crest,” and “Coca-Cola.” Trademarks, however, include things that are not words but nonetheless convey a brand. The subset of trademarks made up of shapes, colors, patterns, and the like are known as trade dress. An example of something protected as trade dress is the contrasting red color on the bottom of women’s high fashion shoes. To aficionados, these lacquered red soles indicate that the shoes are made by Christian Louboutin, a famous French fashion designer.<sup>1</sup>

Trade dress protection is given to designs that function as brands. But despite covering designs, trade dress should not be confused with design patents. A design patent does not serve as a brand because it does not indicate a product’s source. Instead, design patent protection exists to encourage innovation in the space of “new, original and ornamental design for [ ] article[s] of manufacture.”<sup>2</sup> The appearance of the Apple iPhone, for example, is protected by various design patents.<sup>3</sup>

Trade dress and design patents thus involve distinct legal doctrines: trade dress is a form of trademark, while design patents are a kind of patent. What happens when the two doctrines interact? In particular, how should the existence of a

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<sup>1</sup> See *Christian Louboutin SA v Yves Saint Laurent America Holding, Inc*, 696 F3d 206, 212 (2d Cir 2012) (concluding that “Louboutin’s trademark, which covers the red, lacquered outsole of a woman’s high fashion shoe, has acquired limited ‘secondary meaning’ as a distinctive symbol that identifies the Louboutin brand”).

<sup>2</sup> 35 USC § 171(a).

<sup>3</sup> See *Apple Inc v Samsung Electronics Co*, 735 F3d 1352, 1356–58 (Fed Cir 2013).

design patent shape evidentiary burdens in litigation over trade dress protection for the same product features?

Answering this question matters because the answer a court or agency adopts may drive its ultimate decision in a case. Consider, for instance, *In re American National Can Co*<sup>4</sup> and *American Beverage Corp v Diageo North America, Inc.*<sup>5</sup> The petitioning parties in both of these cases claimed trade dress over specific features of beverage containers. American National Can sought trade dress protection for a metal can design with “flutes of equal width extending substantially the length of the sidewall of the can body,”<sup>6</sup> while American Beverage claimed that it had trade dress protection over a flexible, liquid-holding pouch in an hourglass shape with three labeling partitions.<sup>7</sup> Both beverage companies held design patents over the same features for which they sought protection as trade dress. But because the fact finders took different approaches with respect to the information that the design patents provided, they reached opposite conclusions about the validity of the trade dress.<sup>8</sup>

This Comment answers the question of how the existence of a design patent should shape evidentiary burdens in litigation over trade dress protection. Part I delves into the definitions of design patent and trade dress as well as the requirement of non-functionality that underlies both concepts. Part II surveys the ways in which a design patent may shape a determination of whether a trade dress is functional. Part III examines what it means for a design patent to cover the “same” elements as a trade dress. The Comment concludes with the recommendation that a design patent should provide some evidence that a trade dress claimed over the same features is nonfunctional but that it should not do much more.

## I. OVERVIEW OF THE PATENT-TRADEMARK RELATIONSHIP

Before proposing any recommendations, this Comment first explores the different concepts embedded in the question of how

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<sup>4</sup> 41 USPQ2d 1841 (TTAB 1997).

<sup>5</sup> 936 F Supp 2d 555 (WD Pa 2013).

<sup>6</sup> *American National Can*, 41 USPQ2d at 1842.

<sup>7</sup> *American Beverage*, 936 F Supp 2d at 580.

<sup>8</sup> Of course, the two cases were not identical in all the relevant facts. For example, there were utility patents present in *American National Can* but no such patents in *American Beverage*. Contrast *American National Can*, 41 USPQ2d at 1843–44, with *American Beverage*, 936 F Supp 2d at 586. For further discussion regarding utility patents, see Part I.A.1.

the existence of a design patent should shape the evidentiary burdens in litigation over trade dress protection for the same features. What is a design patent? What is a trade dress? What does it mean to meet the evidentiary burden of showing non-functionality? How can one tell whether a design patent covers the “same” features as a trade dress?

Because a design patent is a type of patent and a trade dress is a type of trademark, the proper place to start is with patents and trademarks. This Part discusses patents and trademarks generally and then proceeds to examine the crucial link of “functionality” between the two doctrines.

## A. Patents

A patent is a limited-time monopoly whose purpose, as stated in the US Constitution, is to promote the “useful [a]rts.”<sup>9</sup> The first federal patent statute was enacted in 1790, two years after the ratification of the Constitution, and it was implemented by then-Secretary of State Thomas Jefferson.<sup>10</sup> The full system of patent examination, however, did not come into existence until the 1836 revision of the federal patent statute.<sup>11</sup> This revision created the Patent Office, which is today known as the Patent and Trademark Office (PTO). The PTO is responsible for the examination of all patent applications and for “the granting and issuing of patents.”<sup>12</sup> This Part discusses two types of patents: utility patents and design patents.

### 1. Utility patents.

When members of the public think of patents, they generally think of utility patents. A utility patent may be granted for a “new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.”<sup>13</sup> It may issue only for inventions that are novel (that is, not anticipated

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<sup>9</sup> US 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.”).

<sup>10</sup> See Robert Patrick Merges and John Fitzgerald Duffy, *Patent Law and Policy: Cases and Materials* 7–8 (LexisNexis 6th ed 2013).

<sup>11</sup> See *id.* at 8.

<sup>12</sup> 35 USC § 2(a)(1). The PTO is also responsible for the registration of trademarks, thus earning the *T* in its name. 35 USC § 2(a) (“The United States Patent and Trademark Office . . . shall be responsible for the granting and issuing of patents and the registration of trademarks.”). Trademark registration is discussed more fully in Part I.B.

<sup>13</sup> 35 USC § 101.

by existing prior art at the time of the invention or patent application)<sup>14</sup> and nonobvious (that is, not readily discoverable to one skilled in the relevant subject matter).<sup>15</sup> Eli Whitney's cotton gin,<sup>16</sup> Samuel Colt's revolver,<sup>17</sup> and Samuel Morse's code<sup>18</sup> are famous inventions covered by utility patents.

Once a patent issues, the patentee has the right to exclude others from using the patented invention.<sup>19</sup> He may enforce this right by bringing a patent infringement suit in federal district court.<sup>20</sup> If successful, the plaintiff-patentee is entitled to both monetary damages and injunctive relief.<sup>21</sup> If unsuccessful, the patentee may appeal the adverse decision to the United States Court of Appeals for the Federal Circuit.<sup>22</sup>

Utility patents differ from design patents in many ways.<sup>23</sup> The key distinguishing feature between the two types of patents,

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<sup>14</sup> For a patent application filed on or before March 15, 2013, the patent will not be granted if it is anticipated by prior art existing at the time of the invention. See Act of July 19, 1952 ("Patent Act of 1952") § 102(a), 66 Stat 792, 797, codified at 35 USC § 102(a) (2006) (entitling a person to a patent unless "the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, *before the invention* thereof by the applicant for patent") (emphasis added). For patent applications filed after March 15, 2013, the critical date for examining prior art is the patent's effective filing date. See Leahy-Smith America Invents Act § 102(a)(1), Pub L No 112-29, 125 Stat 284, 285–86 (2011), codified at 35 USC § 102(a)(1) (2012) (entitling a person to a patent unless "the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public *before the effective filing date* of the claimed invention") (emphasis added). See also Merges and Duffy, *Patent Law and Policy* at 341–43 (cited in note 10); US Patent and Trademark Office, Examination Guidelines for Implementing the First Inventor to File Provisions of the Leahy-Smith America Invents Act, 78 Fed Reg 11059, 11059 (2013).

<sup>15</sup> See 35 USC § 103.

<sup>16</sup> See Joan Brodsky Schur, *Teaching with Documents: Eli Whitney's Patent for the Cotton Gin* (National Archives), archived at <http://perma.cc/UC22-4QTW>.

<sup>17</sup> See Samuel Colt, Revolving Gun, US Patent 9,430X, issued Feb 25, 1836.

<sup>18</sup> See Samuel F.B. Morse, Telegraph Signs, US Patent 1,647, issued June 20, 1840.

<sup>19</sup> See 35 USC § 154(a)(1) ("Every patent shall contain . . . a grant to the patentee, his heirs or assigns, of the right to exclude others from making, using, offering for sale, or selling the invention.").

<sup>20</sup> See 35 USC § 281. See also 28 USC § 1338(a) ("The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, . . . copyrights and trademarks. No State court shall have jurisdiction over [these claims].").

<sup>21</sup> 35 USC §§ 283–84.

<sup>22</sup> See 28 USC § 1295(a) (defining the jurisdiction of the Federal Circuit).

<sup>23</sup> For instance, a utility patent lasts for twenty years from the date of application, while a design patent enjoys protection for a shorter term of either fourteen or fifteen years (depending on whether it was filed before or after December 18, 2013) from the date the patent issues. See 35 USC §§ 154(a)(2), 173. For a utility patent to last its full twenty-year term, the patent-holder must pay maintenance fees, which are due at three

however, is that utility patents may be issued only for “useful” inventions.<sup>24</sup> The utility requirement means that an invention covered by a utility patent must perform some function.<sup>25</sup> In contrast, a design patent may be issued only for “ornamental design[s].”<sup>26</sup> Thus, design patents are focused on form rather than function.

Because of the utility requirement, utility patents have been denied for methods and processes that operate only to create appearances. In the case of *Levi Strauss & Co v Golden Trade, SrL*,<sup>27</sup> for example, the United States District Court for the Southern District of New York granted partial summary judgment for Levi Strauss because patentee Golden Trade’s claims did not meet the requirements for a utility patent under 35 USC § 101 and were better conceived as a design patent.<sup>28</sup>

Golden Trade was the assignee of a patent covering a method for bleaching fabrics to produce randomly faded patterns. It claimed that both the method and the products produced by this method were covered under its utility patent.<sup>29</sup> Levi Strauss argued, and the court agreed, that claims over the garments produced by Golden Trade’s method were “directed to the ornamental look or the visual effects achieved on fabric or garments.”<sup>30</sup> As such, the court noted that “[t]he products with the random faded effects in these claims do not meet the requirements for patentable subject matter of a utility patent but are more akin to those envisioned in a design patent.”<sup>31</sup> This was because the

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separate times during the life of the patent. See *Maintain Your Patent* (PTO, Mar 12, 2015), archived at <http://perma.cc/LXM8-KAGR>. There are no comparable fees for a design patent holder. See *General Information concerning Patents: Design Patents* (PTO, Dec 8, 2014), archived at <http://perma.cc/AD4S-V2U3>.

For other differences between utility and design patents, see Donald S. Chisum, 1 *Chisum on Patents: A Treatise on the Law of Patentability, Validity and Infringement* § 23.01 n 1 (Matthew Bender 2014).

<sup>24</sup> 35 USC § 101 (“Whoever invents or discovers any new and *useful* process, machine, manufacture, or composition of matter, or any new and *useful* improvement thereof, may obtain a patent therefor.”) (emphasis added).

<sup>25</sup> See Chisum, 1 *Chisum on Patents* at § 4.01 (cited in note 23) (“The utility requirement means that an invention must perform some function of positive benefit to society.”).

<sup>26</sup> 35 USC § 171(a).

<sup>27</sup> 1995 WL 710822 (SDNY).

<sup>28</sup> *Id.* at \*8–9.

<sup>29</sup> *Id.* at \*1.

<sup>30</sup> *Id.* at \*8.

<sup>31</sup> *Levi Strauss*, 1995 WL 710822 at \*9.

bleached, randomly faded effect on a pair of jeans “attracts attention but does not affect the utility of the jeans themselves.”<sup>32</sup>

*Levi Strauss* illustrates that being useful or serving a function beyond an “ornamental look” is a key requirement for obtaining a utility patent for an invention that otherwise meets the relevant statutory requirements.<sup>33</sup> This stands in contrast to design patents.

## 2. Design patents.

A design patent is a patent granted for a “new, original and ornamental design for an article of manufacture” subject to other conditions and requirements of the patent laws.<sup>34</sup> The first design patent issued in the United States was for a new font.<sup>35</sup> Famous inventions covered by design patents include the Statue of Liberty (held by sculptor Frédéric Auguste Bartholdi),<sup>36</sup> the shape of the Coca-Cola bottle,<sup>37</sup> and elements in the Apple iPhone.<sup>38</sup>

In contrast to utility patents, design patents cannot be granted for designs that are dictated primarily by function. As the Supreme Court stated in *Bonito Boats, Inc v Thunder Craft Boats, Inc*,<sup>39</sup> “[t]o qualify for [design patent] protection, a design must present an aesthetically pleasing appearance that is not dictated by function alone.”<sup>40</sup>

This nonfunctionality requirement exists because design patents are intended to be a form of monopoly reward to encourage

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<sup>32</sup> *Id.*

<sup>33</sup> *Id.* at \*8.

<sup>34</sup> 35 USC § 171(a). Like utility patents, design patents may be issued only for inventions that are novel and nonobvious. See 35 USC § 171(b).

<sup>35</sup> See George Bruce, Letters Patent, US Patent D1, issued Nov 9, 1842.

<sup>36</sup> See Auguste Bartholdi, Design for a Statue, US Patent D11,023, filed Jan 2, 1879, and issued Feb 18, 1879.

<sup>37</sup> See Alexander Samuelson, Design for a Bottle or Similar Article, US Patent D48,160, filed Aug 18, 1915, and issued Nov 16, 1915. See also *Coca-Cola Co v Whistle Co of America*, 20 F2d 955, 955–56 (D Del 1927).

<sup>38</sup> See, for example, Bartley K. Andre, et al, Electronic Device, US Patent D618,677, filed Nov 18, 2008, and issued June 29, 2010; Bartley K. Andre, et al, Electronic Device, US Patent D593,087, filed July 30, 2007, and issued May 26, 2009; Freddy Anzures and Imran Chaudhri, Graphical User Interface for a Display Screen or Portion Thereof, US Patent D604,305, filed June 23, 2007, and issued Nov 17, 2009. See also *Apple Inc v Samsung Electronics Co*, 735 F3d 1352, 1356–58 (Fed Cir 2013).

<sup>39</sup> 489 US 141 (1989).

<sup>40</sup> *Id.* at 148.

innovative visual ornamentation.<sup>41</sup> The PTO defines designs as “the visual characteristics embodied in or applied to an article,”<sup>42</sup> and design patents protect the “ornamental design[s]” embodied in manufactured articles.<sup>43</sup> If design patents were granted for features that are dictated primarily by function, they would lose their focus on fostering decorative, ornamental innovations and would instead overlap impermissibly with utility patents.<sup>44</sup>

*Barofsky v General Electric Corp*<sup>45</sup> illustrates how the requirement of nonfunctionality for a design patent works in practice. Barofsky held a design patent for a cabinet that was intended to hold a television set.<sup>46</sup> The district court found that the patent was invalid because its main feature—a door in front of the space housing the television—was functional.<sup>47</sup> The Ninth Circuit affirmed and reiterated the rule discussed above: “[I]f the resulting configuration proceeds primarily from the necessity of functional or mechanical requirements, it is not a valid design patent.”<sup>48</sup>

The Ninth Circuit then explained that the door’s design features were primarily functional.<sup>49</sup> The door’s design features

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<sup>41</sup> See J. Thomas McCarthy, 1 *McCarthy on Trademarks and Unfair Competition* § 6:11 (Thomson Reuters 4th ed 2015) (“While a utility patent covers functional aspects, design patent covers ornamental aspects. . . . One purpose of design patents is to promote progress in the ‘decorative arts.’”).

<sup>42</sup> US Patent and Trademark Office, 1 *Manual of Patent Examining Procedure* § 1502 (Thomson Reuters 9th ed 2014).

<sup>43</sup> 35 USC § 171(a).

<sup>44</sup> Of course, even visual, decorative features primarily concerned with shaping the appearance of a manufactured article may serve some useful purpose. Thus, design patent protection is not denied merely because the design performs some function. See, for example, *Robert W. Brown & Co v De Bell*, 243 F2d 200, 201–03 (9th Cir 1957). There, the court upheld the validity of a design patent covering features of an automobile license plate holder. The features included design elements like depression of the holder’s surfaces to make advertisements (for instance, the name of the dealer that sold the car) stand out more clearly. *Id* at 201–02. The court concluded that “a design which comprehends a useful, in addition to a decorative, purpose” is not precluded from design patent protection. *Id* at 202–03.

<sup>45</sup> 396 F2d 340 (9th Cir 1968).

<sup>46</sup> *Id* at 341.

<sup>47</sup> *Id* at 343.

<sup>48</sup> *Id* at 342.

<sup>49</sup> The court went through a lengthy explanation as to why the door was the proper feature on which to focus the analysis. The court acknowledged that it is the design as a whole that is to be judged as primarily functional or not. *Barofsky*, 396 F2d at 343. Thus, if the district court had examined “minor features” and adjudged them to primarily serve a functional purpose, then this would not have been enough to invalidate the design patent as a whole. *Id*. However, “[i]nvalidation is indicated if the individual features which are found to serve, primarily, a functional purpose may fairly be labeled as dominant, in the sense that they are chiefly relied upon as contributing to the over-all design the qual-

included its height, width, and depth; the fact that its sides were made up of sound-permeable cloth; and the fact that the doors were beveled and could be opened away from the television and closed to completely obscure the television inside.<sup>50</sup> The height and width of the doors were purely functional because they were dictated by the need to house a television set,<sup>51</sup> the depth of the doors and their sound-permeable-cloth sides were needed because the doors were also to house loudspeakers,<sup>52</sup> the beveled designs were needed to open the door at acute angles,<sup>53</sup> and the opening and closing of the door were also dictated by the presence of the television set.<sup>54</sup> The door was, in short, functional.

This case exemplifies the type of functionality needed to declare a design patent invalid. This concrete example of functionality should be kept in mind during the discussion in Part I.C regarding a more general and abstract definition of functionality. Before examining functionality, however, Part I.B examines trademarks.

## B. Trademarks

The second doctrinal area implicated in the question of how a design patent should shape evidentiary burdens in trade dress litigation over the same design is trade dress. Analogous to how a design patent is a type of patent, a trade dress is a species of trademark. This Section opens by examining the legal operations and economic rationales for trademarks. It then focuses in on trade dress and concludes with a discussion of the commonalities and differences between design patents and trade dress.

### 1. Trademarks generally.

A trademark is a symbol used to indicate a product's source.<sup>55</sup> It is a monopoly on a "word, name, symbol, or device, or any combination thereof . . . [used] to identify and distinguish [one firm's] goods, including a unique product, from those

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ities of newness, originality, ornamentation and non-obviousness." *Id.* Because Barofsky's design patent "claimed no novelty" for any features of the cabinet other than the door, the Ninth Circuit held that the district court was correct to focus on the door. *Id.* at 343–44.

<sup>50</sup> *Id.* at 343–44.

<sup>51</sup> *Id.* at 343.

<sup>52</sup> *Id.* at 343–44.

<sup>53</sup> *Barofsky*, 396 F2d at 344.

<sup>54</sup> *Id.*

<sup>55</sup> See 15 USC § 1127.

manufactured or sold by others and to indicate the source of the goods.”<sup>56</sup> A trademark may last in perpetuity.<sup>57</sup>

The first federal trademark statute was enacted in 1870.<sup>58</sup> Congress grounded the statute on the same constitutional clause that authorizes patent legislation—Article 1, § 8, Clause 8 (“the Patent Clause”).<sup>59</sup> The Supreme Court, however, found that there is no constitutional support in that text for trademark protection.<sup>60</sup> The Court stated that “[t]he ordinary trade-mark has no necessary relation to invention or discovery” and so does not fall within the meaning of the Patent Clause.<sup>61</sup> The Court maintained that Congress has the power to enact trademark legislation, but that power is derived from the Commerce Clause.<sup>62</sup>

Modern trademark legislation did not emerge until the passage of the Lanham Act<sup>63</sup> in 1946.<sup>64</sup> Trademark enforcement under the Lanham Act is similar to the enforcement of patents. A person who believes that his trademark has been infringed may bring a private civil suit to vindicate his rights, just as he may do when he thinks that his patent has been infringed. There is one key difference, however: trademark rights are not contingent on registration with the PTO.<sup>65</sup>

Unlike patent-holders, who have enforcement rights only once a patent is issued by the PTO, trademark owners possess statutorily recognized rights regardless of whether their marks are registered by the PTO.<sup>66</sup> Registration confers certain benefits<sup>67</sup> but is not necessary for asserting trademark rights. As the

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<sup>56</sup> 15 USC § 1127. “Service marks” are similarly defined with “services” replacing “goods.” 15 USC § 1127.

<sup>57</sup> See McCarthy, 1 *McCarthy on Trademarks* at § 6:8 (cited in note 41) (“[R]ights in a trademark continue for as long as the mark is used to identify and distinguish.”).

<sup>58</sup> Act of July 8, 1870, 16 Stat 198. See also McCarthy, 1 *McCarthy on Trademarks* at § 5.3 (cited in note 41).

<sup>59</sup> See *Trade-Mark Cases*, 100 US 82, 92–93 (1879) (noting that the Government pointed to Article I, § 8, Clause 8 as the source of congressional authority for passage of the Act of July 8, 1870).

<sup>60</sup> *Id.* at 93–94.

<sup>61</sup> *Id.* at 94.

<sup>62</sup> *Id.* at 86–91. See also US Const Art I, § 8, cl 3 (empowering Congress “[t]o regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes”).

<sup>63</sup> Pub L No 79-489, 60 Stat 427 (1946), codified as amended at 15 USC § 1051 et seq.

<sup>64</sup> See McCarthy, 1 *McCarthy on Trademarks* at § 5:4 (cited in note 41).

<sup>65</sup> See *id.* at § 6:8.

<sup>66</sup> See *id.*

<sup>67</sup> For example, registration creates several rebuttable presumptions in favor of the registrant within five years of registration. See 15 USC § 1115(a). Outside the five-year

Lanham Act makes clear, registration “shall not preclude another person [accused of trademark infringement] from proving any legal or equitable defense or defect . . . which might have been asserted if such mark had not been registered.”<sup>68</sup>

Trademark law is also remarkable in another way. As Judge Pierre Leval stressed in his article *Trademark: Champion of Free Speech*, the Lanham Act—the key federal statute governing trademarks—is “the type of delegating statute that adopts common law.”<sup>69</sup> Congress codified the law, but it expressly intended for trademark doctrine to retain its common-law nature. Not only are trademark rights not dependent on the administration of a federal agency but the continued development of trademark law rests with the judiciary rather than with micromanaging legislation or administrative promulgation.<sup>70</sup> Courts are thus in a position to flexibly interpret trademark law to advance the broad goals underlying the doctrine.<sup>71</sup>

There are two broad rationales for trademark protection. First, trademarks help consumers identify the products they want.<sup>72</sup> For example, consumers looking for Crest toothpaste can easily pick out the product by looking for the mark “Crest,” prominently emblazoned on the packaging in its familiar red and blue. In economic parlance, trademarks serve to lower consumers’ search costs for the desired product.<sup>73</sup> Because consumers save on search costs, they are willing to spend more on trademarked products, thus giving producers an incentive to invest in their marks.<sup>74</sup>

Second, trademarks provide producers with an incentive to invest in quality control for their goods.<sup>75</sup> This is because the word “Crest” identifies the product the consumer looks for only if products bearing the trademark “Crest” have consistent quality from tube to tube. Knowing this, producers are incentivized to do quality control on their trademarked goods and services since

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period, a subset of these presumptions becomes irrebuttable and the mark is said to be “incontestable.” 15 USC § 1065.

<sup>68</sup> 15 USC § 1115(a).

<sup>69</sup> Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 Colum J L & Arts 187, 198 (2004).

<sup>70</sup> See *id.* at 198–99.

<sup>71</sup> See *id.* at 199.

<sup>72</sup> See William M. Landes and Richard A. Posner, *The Economic Structure of Intellectual Property Law* 167–68 (Harvard 2003).

<sup>73</sup> See *id.*

<sup>74</sup> See *id.* at 168.

<sup>75</sup> See *id.* at 167.

products that are of inconsistent quality, even if branded, cannot capture the price premium that consumers are willing to pay for known goods. No one would pay more for Crest toothpaste relative to an unbranded dentifrice if “Crest” signified a high-quality toothpaste sometimes but a defective product at other times. To profit off their brands, then, producers also expend dollars on quality control.<sup>76</sup>

To ensure that legally protected marks serve these two functions, the law requires that trademarks be distinctive, that is, capable of identifying and distinguishing a source for a product or service.<sup>77</sup> Trademarks are distinctive when they signify to the relevant consumer “a single thing coming from a single source.”<sup>78</sup> Marks that are not capable of performing this source-identifying function are deemed “generic” and are categorically denied trademark protection.<sup>79</sup> Examples of marks that are denied protection because they do not denote “that the primary significance of the term in the minds of the consuming public is . . . the producer”<sup>80</sup> include the words “Shredded Wheat” when referring to a breakfast cereal<sup>81</sup> and “Chick-Fri” when referring to a batter for frying chicken.<sup>82</sup> This requirement for distinctiveness carries over to trade dress.

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<sup>76</sup> See Landes and Posner, *The Economic Structure of Intellectual Property Law* at 167–68 (cited in note 72).

<sup>77</sup> See 15 USC § 1127 (defining a trademark as a device to “identify and distinguish [one’s goods] . . . from those manufactured or sold by others”). See also 15 USC § 1052 (requiring that a trademark distinguish an applicant’s goods from other goods in order to qualify for registration); 15 USC § 1064 (allowing for the cancellation of a trademark “[a]t any time if the registered mark becomes the generic name for the goods or services”).

<sup>78</sup> *Zatarains, Inc v Oak Grove Smokehouse, Inc*, 698 F2d 786, 795 (5th Cir 1983), quoting *Coca-Cola Co v Koke Co*, 254 US 143, 146 (1920).

<sup>79</sup> See 15 USC § 1127 (explaining that a trademark is deemed abandoned if “the owner . . . causes the mark to become the generic name for the goods or services”); 15 USC § 1064.

<sup>80</sup> *Kellogg Co v National Biscuit Co*, 305 US 111, 118 (1938).

<sup>81</sup> *Id* at 116:

The plaintiff has no exclusive right to the use of the term “Shredded Wheat” as a trade name. For that is the generic term of the article, which describes it with a fair degree of accuracy; and is the term by which the biscuit in pillow-shaped form is generally known by the public.

<sup>82</sup> *Zatarains*, 698 F2d at 796–97. Unlike the term “shredded wheat,” which is generic and de jure incapable of performing the source-identifying function, “Chick-Fri” is a descriptive mark, or a mark that must be shown to have acquired distinctiveness or secondary meaning to be protected as a trademark under 15 USC § 1052(e)–(f). See *id* at 795–97. In *Zatarains*, the court affirmed that the plaintiff had failed to prove that the mark had secondary meaning and therefore denied trademark protection. *Id* at 797.

## 2. Trade dress.

Trade dress is a kind of trademark.<sup>83</sup> Instead of conveying a source of goods in words, names, or symbols, trade dress conveys the source of goods or services by means of the distinctive appearance of the product or its packaging.<sup>84</sup> Examples of trade dress include the color pink as used in insulation to denote that the product was manufactured by Owens-Corning<sup>85</sup> and contrasting red-lacquered outsoles on high fashion women's shoes to indicate the Louboutin brand.<sup>86</sup>

Like any trademark, trade dress must be distinctive.<sup>87</sup> This makes sense given that trade dress is a species of trademark and must serve the same two goals—lowering consumers' search costs and incentivizing producers' quality control—that trademarks do.<sup>88</sup> This requirement, along with others, distinguishes trade dress from design patents.

## 3. Design patents and trade dress.

Despite affording protection to similar creations, design patents and trade dress are doctrinally distinct. Design patents, unlike trade dress, do not need to be capable of identifying a particular manufacturer or the source of the product. Moreover, in a patent infringement suit, a design patent holder need not prove that consumers were confused as to which product was his

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<sup>83</sup> See Landes and Posner, *The Economic Structure of Intellectual Property Law* at 166 & n 1 (cited in note 72).

<sup>84</sup> See *id.*

<sup>85</sup> See *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1122 (Fed. Cir. 1985) (“[T]he color ‘pink’ has no utilitarian purpose, does not deprive competitors of any reasonable right or competitive need, and is not barred from registration on the basis of functionality.”).

<sup>86</sup> See *Christian Louboutin SA v Yves Saint Laurent America Holding, Inc.*, 696 F.3d 206, 228 (2d Cir. 2012) (holding that the Louboutin “red lacquered outsole that contrasts with the color of the adjoining ‘upper’” constitutes an enforceable trademark under the aesthetic functionality doctrine).

<sup>87</sup> For a discussion of the “distinctiveness” requirement of trade dress, see *Two Pesos, Inc. v Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (“The general rule regarding distinctiveness is clear: An identifying mark is distinctive and capable of being protected if it *either* (1) is inherently distinctive *or* (2) has acquired distinctiveness through secondary meaning.”); *Wal-Mart Stores, Inc. v Samara Brothers, Inc.*, 529 U.S. 205, 210–15 (2000).

<sup>88</sup> For trade dress that consists of product designs rather than product packaging, a claimed design must not merely be capable of identifying a source; it must actually do so. See *Wal-Mart Stores*, 529 U.S. at 216 (holding that “in an action for infringement of unregistered trade dress under § 43(a) of the Lanham Act, a product’s design is distinctive, and therefore protectible, only upon a showing of secondary meaning”).

and which was the infringing competitor's.<sup>89</sup> In a trademark infringement case, on the other hand, a trade dress owner must show both distinctiveness and consumer confusion to prevail.<sup>90</sup> Without a showing of distinctiveness, the plaintiff does not have a valid trademark; without a showing of consumer confusion, the plaintiff has not shown that the defendant has infringed his trademark rights.<sup>91</sup>

Design patents and trade dress do share one crucial feature: nonfunctionality. Recall the earlier discussion on the requirement that a design patent must not cover designs that are dictated by function.<sup>92</sup> Trademarks—and by extension, trade dress—must satisfy a similar requirement.<sup>93</sup> What, then, is nonfunctionality? What does it mean for a trade dress to be nonfunctional?

### C. Nonfunctionality

Before defining trademark nonfunctionality, it is helpful to first understand why trademarks are required to be nonfunctional. Part I.C.1 is devoted to this task. Part I.C.2 then lays out the legal definition for functionality as articulated by the Supreme Court. This definition consists of three separate prongs, and the satisfaction of any one of these three qualifies a mark as “functional” and thus ineligible for trademark protection. Finally, Part I.C.3 tackles the question whether each prong of the legal definition makes sense given the foundational justification advanced for requiring trademarks to be nonfunctional.

#### 1. Rationale for requiring a trademark to be nonfunctional.

Trademarks are required to be functional because they are not patents. Patents, and utility patents in particular, are seen

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<sup>89</sup> See 35 USC § 271.

<sup>90</sup> See *Krueger International, Inc v Nightingale Inc*, 915 F Supp 595, 605 (SDNY 1996) (discussing the differences between trade dress and design patents and concluding that “[a] design patent, therefore, can neither guarantee nor preclude a finding of protectable trade dress”).

<sup>91</sup> For a succinct statement of these two factors, see *Facebook, Inc v Teachbook.com LLC*, 819 F Supp 2d 764, 775 (ND Ill 2011) (“A trademark infringement claim under the Lanham Act has two elements. First, the plaintiff must show that its mark is protected under the Lanham Act. Second, the plaintiff must show that the challenged mark is likely to cause confusion among consumers.”) (quotation marks and citations omitted).

<sup>92</sup> See Part I.A.2.

<sup>93</sup> A design cannot receive trade dress protection if it “comprises any matter that, as a whole, is functional.” 15 USC § 1052(e).

as the exclusive source of legal protection for useful innovations.<sup>94</sup> If trademarks were afforded to functional or useful features, this would create patent-like exclusionary rights for things that do not meet the criteria for patentability.<sup>95</sup> This would, in essence, impermissibly expand trademarks into a domain intended to be occupied solely by patents.

More significantly, trademarks are intended to stimulate competition. In contrast, patents inhibit competition (for a limited time) by awarding inventors a monopoly right to practice their inventions.<sup>96</sup> Trademark protection lowers consumers' search costs and gives producers an incentive to invest in quality control.<sup>97</sup> It promotes competition by preventing producers from free riding on others' investments by appropriating their trademarks or using confusingly similar marks.<sup>98</sup> Although trademark protection, like patents, comes in the form of exclusive rights, trademarks do not inhibit competition because the number of words or designs available for trademark use is essentially limitless<sup>99</sup> and only the attributes that are capable of identifying a source are protected.<sup>100</sup>

But this is true only if trademark protection is not afforded to features that make the products in which they are embedded "cheaper, faster, lighter, or stronger" or otherwise more effective or efficient.<sup>101</sup> If trademark protection were extended to these "functional" features, competition would be hampered.<sup>102</sup> Rival firms would be prevented from using features that affect the quality, performance, or cost of their products. These firms

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<sup>94</sup> See McCarthy, 1 *McCarthy on Trademarks* at § 7:64 & n 2 (cited in note 41), quoting *Qualitex Co v Jacobson Products Co*, 514 US 159, 164–65 (1995) (elaborating on the Supreme Court's holding that "[i]t is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions").

<sup>95</sup> See McCarthy, 1 *McCarthy on Trademarks* at § 7:64 (cited in note 41).

<sup>96</sup> See *Qualitex*, 514 US at 164–65.

<sup>97</sup> See Landes and Posner, *The Economic Structure of Intellectual Property Law* at 168 (cited in note 72).

<sup>98</sup> See *id.*

<sup>99</sup> See *id.* at 172 ("Our analysis also suggests that the universe from which trademarks are picked is very large."). Professor William Landes and Judge Richard Posner were writing specifically about the number of words that could function as trademarks, but their point applies more generally.

<sup>100</sup> See *id.* at 187.

<sup>101</sup> *Jay Franco & Sons, Inc v Franek*, 615 F3d 855, 857 (7th Cir 2010).

<sup>102</sup> *Qualitex*, 514 US at 169–70.

would not be able to effectively compete against the owners of the trademarked attributes.<sup>103</sup> Competition would thus diminish.

In sum, trademarks are required to be nonfunctional because it is only by limiting their scope to nonfunctional features that trademark law can serve the intended purpose of promoting competition and leaving patent law as the exclusive domain for protecting useful innovations.

## 2. Three-prong definition of functionality.

A trademarked feature is functional if it satisfies any one of the following three criteria: (1) “it is essential to the use or purpose of the article,”<sup>104</sup> (2) “it affects the cost or quality of the article,”<sup>105</sup> or (3) its exclusive use “would put competitors at a significant non-reputation-related disadvantage.”<sup>106</sup> This three-prong definition, articulated by the Supreme Court, is the test for functionality in all trade dress cases.<sup>107</sup>

The last prong in the definition of functionality is referred to as “aesthetic functionality.”<sup>108</sup> A feature is aesthetically functional if the value of the feature’s aesthetics to consumers “cannot practically be duplicated by the use of alternative designs.”<sup>109</sup> The doctrine of aesthetic functionality is best understood by looking at how it has been applied by courts to specific sets of facts.

*Wallace International Silversmiths, Inc v Godinger Silver Art Co*<sup>110</sup> is a well-known case that deals with aesthetic functionality. Wallace, the plaintiff, sold silverware in what it called the “Grande Baroque” style.<sup>111</sup> The style was characterized as “ornate, massive and flowery [with] indented, flowery roots and scrolls and curls along the side of the shaft, and flower arrangements along the front of the shaft.”<sup>112</sup> Wallace brought suit alleging trade dress infringement when Godinger began marketing baroque-style silverware.<sup>113</sup> Although the patterns on the

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<sup>103</sup> See *id.*

<sup>104</sup> *Inwood Laboratories, Inc v Ives Laboratories, Inc*, 456 US 844, 850 n 10 (1982).

<sup>105</sup> *Id.*

<sup>106</sup> *TrafFix Devices, Inc v Marketing Displays, Inc*, 532 US 23, 32 (2001), quoting *Qualitex*, 514 US at 165.

<sup>107</sup> The Court most recently reiterated this rule in 2001. See *TrafFix*, 532 US at 32–33.

<sup>108</sup> McCarthy, 1 *McCarthy on Trademarks* at § 7:80 (cited in note 41).

<sup>109</sup> Restatement (Third) of Unfair Competition § 17, comment c (1995).

<sup>110</sup> 916 F2d 76 (2d Cir 1990).

<sup>111</sup> *Id.* at 77.

<sup>112</sup> *Id.* (brackets in original).

<sup>113</sup> *Id.* at 77–78.

silverware did not affect the performance of the products themselves, the district court nonetheless found the Grande Baroque design to be functional and therefore ineligible for trademark protection.<sup>114</sup> The district court, as quoted at length in the Second Circuit's opinion, wrote: "The Baroque curls, roots and flowers are not mere indicia of source. Instead, they are requirements to compete in the silverware market."<sup>115</sup> That is, to make baroque-style silverware, competitors needed to use the baroque style consisting of ornate and massive flowery roots, scrolls, curls, and flower arrangements.<sup>116</sup> Without these flowers and curls, one would not be making baroque-style silverware and hence would not be a competitor in the market for such silverware. The Second Circuit affirmed the district court's decision.<sup>117</sup>

Aesthetic functionality is a contentious doctrine.<sup>118</sup> In *TrafFix Devices, Inc v Marketing Displays, Inc*,<sup>119</sup> the Supreme Court seemed to suggest that judges should consider whether a feature is aesthetically functional only if they find that it is not functional under the first two prongs of the functionality test.<sup>120</sup> The Court's decision in *TrafFix*, however, has not dispelled doubts on the usefulness of the doctrine.<sup>121</sup> The topic remains fertile ground for commentary and future development.<sup>122</sup>

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<sup>114</sup> *Wallace*, 916 F2d at 78.

<sup>115</sup> *Id* (quotation marks omitted).

<sup>116</sup> See *id* (describing the silverware style as "a classic example of the proposition that 'to imitate is to compete'").

<sup>117</sup> *Id* at 82.

<sup>118</sup> See Justin Hughes, *Cognitive and Aesthetic Functionality in Trademark Law*, 36 *Cardozo L Rev* 1227, 1229 (2015) ("[T]he aesthetic functionality doctrine has a somewhat checkered history and lacks a coherent jurisprudence; more to the point, the doctrine is widely considered a most controversial and ill-defined concept and even an oxymoron.") (quotation marks and citations omitted); McCarthy, 1 *McCarthy on Trademarks* at § 7:81 (cited in note 41) ("Trademark law and policy does not need the theory of 'aesthetic functionality.'"); Lauren Traina, Note, *Seeing Red, Spending Green: The Costly Process of Registering and Defending Color Trademarks*, 87 *S Cal L Rev* 1319, 1327, 1339–49 (2014) (describing aesthetic functionality as "a hotly debated topic among courts" and surveying its use (or lack thereof) across jurisdictions).

<sup>119</sup> 532 US 23 (2001).

<sup>120</sup> See *id* at 33 ("Where the design is functional under the *Inwood* formulation there is no need to proceed further to consider if there is a competitive necessity for the feature.").

<sup>121</sup> See McCarthy, 1 *McCarthy on Trademarks* at § 7:80 (cited in note 41) (characterizing the language from *TrafFix* regarding aesthetic functionality as "only further cloud[ing] and obscur[ing] the issue of whether aesthetic functionality is in fact to be given any weight").

<sup>122</sup> A simple search on Westlaw using the term "aesthetic functionality" returns more than two hundred journal articles that have been published since 2002, the year after *TrafFix* was decided. A recent article by Professor Michael S. Mireles Jr, for instance, commented that "it is abundantly clear why commentators characterize this area

3. Restating the definition of functionality in economic terms.

In economic terms, a product attribute is functional if it has no or few substitutes.<sup>123</sup> Firms that are denied access to a functional attribute cannot find alternatives, and without this attribute, they cannot do as well as firms that are allowed access. Thus, competitors operate at a disadvantage relative to a firm that has exclusive access to a functional attribute.<sup>124</sup> They can produce the product only at a higher cost than the firm that is allowed to use the attribute. Equivalently, for the same cost, competitors will be able to produce only an inferior product—one that cannot fetch the same price on the market.<sup>125</sup> This contrasts with nonfunctional attributes, which have perfect or close-to-perfect substitutes.<sup>126</sup> Competitors can always opt for an alternative design if they are denied the use of a given nonfunctional design. The product will have a different appearance, but no competitive advantage will likely be conferred on the firm that has the exclusive right to use the protected design.

This economic restatement of the functionality test tracks the first two prongs of the legal definition for trademark functionality in a straightforward manner. A feature with no substitutes at all is “essential to the use or purpose of the article”<sup>127</sup> (the first prong of the legal definition for functionality) because one cannot make the article without the feature. Similarly, a feature with few substitutes “affects the cost or quality of the article”<sup>128</sup> (the second prong of the definition) because substitution is then costly.

The third prong of the legal definition—*aesthetic functionality*—is more subtle. If the market in which “the exclusive use of [the feature] would put competitors at a significant non-reputation-related disadvantage”<sup>129</sup> is defined narrowly enough—such that in

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of the law as confusing” and proposed new applications for the doctrine. Michael S. Mireles Jr., *Aesthetic Functionality*, 21 *Tex Intel Prop L J* 155, 188, 190 (2013).

<sup>123</sup> See Landes and Posner, *The Economic Structure of Intellectual Property Law* at 198 (cited in note 72).

<sup>124</sup> See *id.* at 198–99.

<sup>125</sup> See *id.*

<sup>126</sup> William M. Landes and Richard A. Posner, *The Economics of Trademark Law*, 78 *Trademark Rptr* 267, 295 (1988) (“A nonfunctional feature, hence one that can be trademarked, is one with perfect (or nearly perfect) substitutes. . . . But if the feature lacks good substitutes . . . trademark protection will be denied.”).

<sup>127</sup> *Inwood*, 456 US at 850 n 10.

<sup>128</sup> *Id.*

<sup>129</sup> *TrafFix*, 532 US at 32, quoting *Qualitex*, 514 US at 165 (quotation marks omitted).

order to be in that market the article needs to have the feature—then the feature is aesthetically functional in this market.<sup>130</sup> For example, the relevant market in *Wallace* was defined as the market for baroque-style silverware, thus rendering the use of the baroque pattern a necessity for competing in that market.<sup>131</sup> The baroque pattern had few or no substitutes exactly when the market was defined as comprising baroque-style wares.<sup>132</sup> Thus formulated, aesthetic functionality is understood in terms of the availability of substitutes.

Finally, this economic restatement of the definition of functionality is intuitive given the rationale for requiring trademarks to be nonfunctional. Specifying that a feature is functional if it has few substitutes operationalizes the end goal of trademark law: encouraging competition. Competition is unfettered when substitutes are plentiful, so giving exclusive access to such features leaves firms free to compete. But competition would be hindered if trademark law were to protect features with few substitutes. Accordingly, trademark law does not protect such features.

#### D. Patents and Trade Dress

This Part has thus far laid out the four separate elements embedded in the original inquiry—utility patents, design patents, trademarks, and trade dress—as well the functionality link that ties those concepts together. This Section looks at how courts have used utility and design patents to shed light on trademark disputes.

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<sup>130</sup> See Landes and Posner, *The Economic Structure of Intellectual Property Law* at 198 (cited in note 72).

<sup>131</sup> See *Wallace*, 916 F2d at 78.

<sup>132</sup> One may wonder whether the *Wallace* court's definition of the market was correct. Courts dealing with trademark cases have not adopted a formal set of tools to help them define the relevant markets. Instead, courts seem to focus on whether there are people or firms that sell the same product as the purported trademark owner without the claimed features. If there are, then the features are eligible for protection. As Landes and Posner explain, "the courts deny trademark protection for the attractive feature only if [the feature] is indispensable to the marketing of the product, that is, roughly speaking, only if the trademark owner would obtain a product monopoly if he could exclude others from copying the feature." Landes and Posner, *The Economic Structure of Intellectual Property Law* at 200 (cited in note 72). The underdevelopment of market-definition tools is another reason why aesthetic functionality is a contentious doctrine.

### 1. Tension between utility patents and trade dress.

As the Supreme Court held in *TrafFix*, “[a] utility patent is strong evidence that the features therein claimed are functional” and therefore ineligible for trademark protection.<sup>133</sup> As a result, there exists a fundamental (although not insurmountable) incompatibility in claiming both utility patent and trade dress protection for the same features.

The plaintiff in *TrafFix* owned utility patents for a dual-spring design that helped traffic signs withstand strong winds.<sup>134</sup> After the patents expired, the defendant entered the market and began selling sign stands featuring the same dual-spring configuration that had made the plaintiff’s products a commercial success.<sup>135</sup> The plaintiff sued, alleging that the defendant had infringed its trade dress in the dual-spring design.<sup>136</sup>

The Supreme Court ruled against the plaintiff, determining that the plaintiff’s dual-spring design was not a valid trade dress because it was functional.<sup>137</sup> In coming to this conclusion, the Court considered the expired utility patents that covered the same dual-spring design and concluded that a utility patent “has vital significance in resolving the trade dress claim.”<sup>138</sup> The Court stated that:

A utility patent is strong evidence that the features therein claimed are functional. . . . 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.<sup>139</sup>

A utility patent thus stands in strong opposition to trade dress protection claimed over the same features.

### 2. Coexistence of design patents and trade dress.

Unlike a utility patent, a design patent can coexist with a trade dress. While this is not how courts have always viewed

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<sup>133</sup> *TrafFix*, 532 US at 29.

<sup>134</sup> *Id.* at 25.

<sup>135</sup> *Id.* at 26.

<sup>136</sup> *Id.*

<sup>137</sup> See *TrafFix*, 532 US at 31–32.

<sup>138</sup> *Id.* at 29.

<sup>139</sup> *Id.* at 29–30.

design patents and trade dress,<sup>140</sup> the picture changed with the case of *Application of Mogen David Wine Corp.*<sup>141</sup> Mogen David Wine Corporation had, since 1950, held a design patent for a decanter wine bottle.<sup>142</sup> Some time thereafter, it sought to register the same decanter wine bottle as a trade dress for its wines. Mogen David claimed that the bottle configuration was eligible for trade dress protection because it had gained secondary meaning: recognition among consumers that the bottle signified that the wine was made by Mogen David.<sup>143</sup> The Trademark Trial and Appeal Board (TTAB) rejected Mogen David's registration on the ground that allowing such trademark protection would "extend the monopoly of the patent contrary to the intent and purpose of the patent law."<sup>144</sup>

The United States Court of Customs and Patent Appeals<sup>145</sup> (CCPA) reversed. The court held that Mogen David was not precluded as a matter of law from registering the same design as a trademark, despite the fact that the design had been protected by a design patent during the life of that patent.<sup>146</sup> The court based its decision on the different purposes served by patent and trademark laws, stating that a trademark does not extend a patent monopoly but rather exists independently of it.<sup>147</sup> In short, "registration as a design and registration as a trademark are not mutually exclusive."<sup>148</sup>

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<sup>140</sup> See McCarthy, 1 *McCarthy on Trademarks* at § 7:91 (cited in note 41) ("In the early years of the Lanham Act, the Patent Office held that a configuration covered by a design patent was unregistrable as a trademark.").

<sup>141</sup> 328 F2d 925 (CCPA 1964).

<sup>142</sup> *Id.* at 926 & n 2.

<sup>143</sup> *Id.* at 926-27.

<sup>144</sup> *Id.* at 927.

<sup>145</sup> The CCPA was the predecessor to the Federal Circuit. For a brief history of the CCPA before it was abolished by the creation of the Federal Circuit, see *History of the Federal Judiciary: U.S. Court of Customs and Patent Appeals (Successor to the Court of Customs Appeals), 1910-1982* (Federal Judicial Center), archived at <http://perma.cc/2SWF-5E4D>. After the Federal Circuit was created by legislation in 1982, it took over all cases previously heard by the CCPA. The Federal Circuit now has exclusive jurisdiction over patent appeals from the federal district courts and the Patent Trial and Appeal Board at the PTO. See Merges and Duffy, *Patent Law and Policy* at 10 (cited in note 10); 28 USC § 1295(a).

<sup>146</sup> *Mogen David*, 328 F2d at 928, 932.

<sup>147</sup> See *id.* at 929.

<sup>148</sup> *Id.*, quoting *In re United States Playing Card Co's Application*, 1 Ch 197 (1908).

## II. TREATMENT OF DESIGN PATENTS AND TRADE DRESS

Beyond coexistence, how do design patents and trade dress interact? Specifically, how do they interact in the common space of nonfunctionality? This Comment addresses these questions. In particular, it addresses the question of how the presence of design patents, current or expired, shapes the evidentiary burdens in litigation over trade dress protection for the same features.

Courts have answered this question in two different ways. Some courts, like the district court in *American Beverage*, have treated the existence of a design patent as presumptive evidence that a trade dress is nonfunctional.<sup>149</sup> Others, like the TTAB in *American National Can*, have held that the existence of a design patent is some evidence of nonfunctionality but that it establishes no such presumption.<sup>150</sup> Courts that adhere to this latter view mostly phrase the link between design patents and trade dress in the negative, noting that while a design patent is some evidence of trademark validity on functionality grounds, the existence of a design patent is not sufficient to show nonfunctionality.<sup>151</sup>

For paradigmatic examples of these two approaches, consider again *American Beverage* and *American National Can*. *American Beverage* and *American National Can* both sought trade dress registrations for beverage-container designs that were covered by design patents.<sup>152</sup> In grappling with how the existence of a design patent should shape a fact finder's thinking about trade dress protection that is claimed over the same features, the court in *American Beverage* asserted that "[t]he existence of a design patent is presumptive proof of nonfunctionality."<sup>153</sup> In *American National Can*, in contrast, the TTAB held that "[t]he existence of a design patent, while some evidence of nonfunctionality, is not alone sufficient evidence."<sup>154</sup> The two fact finders then came to diverging conclusions about the validity of the claimed trade dress.<sup>155</sup>

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<sup>149</sup> *American Beverage*, 936 F Supp 2d at 588–89.

<sup>150</sup> *American National Can*, 41 USPQ2d at 1843.

<sup>151</sup> See, for example, *id.*

<sup>152</sup> See *American Beverage*, 936 F Supp 2d at 567; *American National Can*, 41 USPQ2d at 1842–43.

<sup>153</sup> *American Beverage*, 936 F Supp 2d at 597.

<sup>154</sup> *American National Can*, 41 USPQ2d at 1843.

<sup>155</sup> Contrast *American Beverage*, 936 F Supp 2d at 597, with *American National Can*, 41 USPQ2d at 1846.

The court in *American Beverage* granted trademark protection to a liquid-holding pouch based on the presumption of nonfunctionality afforded by the design patent.<sup>156</sup> American Beverage had a design patent over a flexible, hourglass-shaped pouch and claimed the shape of the pouch and its partition into three labeling sections as a trade dress.<sup>157</sup> American Beverage then brought a trade dress infringement suit against a competitor, who defended on the ground that American Beverage's trade dress was invalid for being functional.<sup>158</sup> The court gave short shrift to this defense, stating that "[t]o the extent that plaintiffs established a likelihood of success on the merits with respect to the functionality issue in their design patent claim, the court will conclude it is likely that a reasonable jury would find that the trade dress is nonfunctional."<sup>159</sup>

The *American National Can* fact finder, on the other hand, denied trademark protection to the applicant's design because, despite the existing design patent, the design was deemed functional.<sup>160</sup> The design that American National Can wished to claim as a trade dress consisted of "flutes of equal width extending substantially the length of the sidewall of the can body."<sup>161</sup> But according to the trademark examiner, the flutes made the can easier to grip and the can walls stronger.<sup>162</sup> Because the flutes served these useful purposes, they were "functional" and hence ineligible for trademark protection.<sup>163</sup>

*American Beverage* and *American National Can* demonstrate that two similar designs, both claimed as trade dress, can come to different fates depending on the evidentiary role that courts are willing to afford to the existing design patents covering the same features. The petitioning companies in these cases both claimed trade dress protection for designs that were, at first glance, useful. If the flutes made the American National can easier to grip, then the hourglass shape on the American Beverage pouch arguably made it easier to hold as well. Yet, the flutes were found functional, while the hourglass shape was presumed not to be functional on the strength of the design patent

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<sup>156</sup> See *American Beverage*, 936 F Supp 2d at 597.

<sup>157</sup> Id at 567, 580.

<sup>158</sup> See id at 572–76.

<sup>159</sup> Id at 597.

<sup>160</sup> *American National Can*, 41 USPQ2d at 1845.

<sup>161</sup> Id at 1842.

<sup>162</sup> Id at 1843.

<sup>163</sup> Id at 1845.

on the pouch.<sup>164</sup> Deducing the right approach between the two routes taken in these cases matters for the ultimate outcomes of trade dress cases.

As a shorthand, this Comment calls the approach taken by *American Beverage* the “presumptive evidence” approach and the more attenuated approach of *American National Can* the “some evidence” view. Part II.A discusses a sample of cases that have followed one approach or the other.

#### A. “Presumptive Evidence” Cases

A number of courts have adopted the “presumptive evidence” approach, opining that a design patent has a robust role to play in determining the functionality of a corresponding trade dress. In the view of these courts, a design patent is presumptive evidence that a trade dress that is claimed over the same features is nonfunctional.<sup>165</sup> *In re Morton-Norwich Products, Inc*<sup>166</sup> is the most prominent case in this camp.

The key language from *Morton-Norwich* comes from a footnote. In footnote three, the CCPA stated: “It is interesting to note that appellant also owns design patent 238,655 for the design in issue, which, at least presumptively, indicates that the design is not *de jure* functional.”<sup>167</sup> The court ultimately found that *Morton-Norwich*’s configuration for a spray bottle was not functional.<sup>168</sup>

The court based this conclusion on the grounds that there were many other bottle designs on the market that performed the same functions as the applicant’s spray-bottle design (namely, to hold and spray fluid) and that these other designs successfully competed with the applicant’s product.<sup>169</sup> The court also took pains to explain that, while the applicant held a utility patent on a bottle pump—which normally would be evidence that the pump was utilitarian—the utility patent was irrelevant in this case because the patent’s “drawings . . . show [the pump]

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<sup>164</sup> Contrast *American National Can*, 41 USPQ2d at 1845, with *American Beverage*, 936 F Supp 2d at 597.

<sup>165</sup> See, for example, *American Beverage*, 936 F Supp 2d at 597 (“The existence of a design patent is presumptive proof of nonfunctionality.”).

<sup>166</sup> 671 F2d 1332 (CCPA 1982).

<sup>167</sup> *Morton-Norwich*, 671 F2d at 1342 n 3.

<sup>168</sup> *Id* at 1342.

<sup>169</sup> See *id*.

embodied in a structure which bears not the slightest resemblance to the appearance of appellant's spray top."<sup>170</sup>

*Morton-Norwich* has been very influential for the “presumptive evidence” camp. Every case that has adopted the “presumptive evidence” position has cited either *Morton-Norwich* directly or a case that in turn cites *Morton-Norwich*.<sup>171</sup> However, there have not been many cases that have adopted the *Morton-Norwich* approach. *The Topps Co v Gerrit J. Verburg Co*<sup>172</sup> is another prominent case that treated a design patent as presumptive evidence of trade dress nonfunctionality. But since 2001, only two other cases have followed this approach.<sup>173</sup>

It is also worth noting that despite its language on the presumptive weight of the design patent, the *Morton-Norwich* court did not mention the design patent elsewhere in its opinion. Footnote three, which was quoted in its entirety above,<sup>174</sup> is the court's sole discussion of the link between a design patent and a determination of functionality for trade dress.<sup>175</sup>

To see how a presumption of nonfunctionality provided by a design patent helps a trade dress owner, consider *Topps*. In this case, the plaintiff Topps held an expired design patent “on the ‘inventive’ ornamental design for a diamond gemstone ring candy” (called a “Ring Pop”).<sup>176</sup> Topps was also a trade dress

<sup>170</sup> *Id.*

<sup>171</sup> See, for example, *Fuji Kogyo Co v Pacific Bay International, Inc*, 461 F3d 675, 683 (6th Cir 2006) (citing *Morton-Norwich* as support for the “presumptive evidence” position).

<sup>172</sup> 41 USPQ2d 1412 (SDNY 1996).

<sup>173</sup> See *Fuji Kogyo*, 461 F3d at 683 (citing *Morton-Norwich* and *Topps* for the rule that “[a] design patent, counter to a utility patent, is presumptive evidence of nonfunctionality, evidence that may support a similar trademark claim”); *American Beverage*, 936 F Supp 2d at 597 (citing *Fuji Kogyo* for the proposition that “[t]he existence of a design patent is presumptive proof of nonfunctionality”).

<sup>174</sup> See note 167 and accompanying text.

<sup>175</sup> The *Morton-Norwich* court did articulate five factors that are relevant to de jure functionality. These are the factors that, if proved, may overcome the presumption of nonfunctionality created by the design patent. See *Morton-Norwich*, 671 F2d at 1340–43. The factors are:

- (1) the existence of a utility patent, expired or unexpired, that involves or describes the functionality of an item's design element;
- (2) the utilitarian properties of the item's unpatented design elements;
- (3) advertising of the item that touts the utilitarian advantages of the item's design elements;
- (4) the dearth of, or difficulty in creating, alternative designs for the item's purpose;
- (5) the effect of the design feature on an item's quality or cost.

*Georgia-Pacific Consumer Products LP v Kimberly-Clark Corp*, 647 F3d 723, 727–28 (7th Cir 2011), quoting *Specialized Seating, Inc v Greenwich Industries, LP*, 472 F Supp 2d 999, 1011 (ND Ill 2007) (listing the *Morton-Norwich* factors).

<sup>176</sup> *Topps*, 41 USPQ2d at 1413.

registrant of “a candy portion in the configuration of a jewel mounted on a stylized ring.”<sup>177</sup> In this capacity, Topps brought a suit against a competing candymaker, Verburg, alleging trade dress infringement.<sup>178</sup> Verburg defended itself by arguing that Topps’s trade dress was invalid because it was functional.<sup>179</sup> The court, however, found Verburg’s argument unpersuasive.<sup>180</sup>

In reaching this conclusion, the court relied in part on Topps’s expired design patent. The court stated that “the design patent that Topps had obtained for Ring Pops [was] presumptive evidence of non-functionality.”<sup>181</sup> Because Verburg did not rebut the weight of this presumption and other evidence, it failed to show that Topps’s trade dress was functional.<sup>182</sup>

#### B. “Some Evidence” Cases

In contrast to the “presumptive evidence” cases, some courts have held that a design patent is only “some evidence” that the same feature claimed for trade dress protection is nonfunctional.<sup>183</sup> One influential case within the “some evidence” camp is *Krueger International, Inc v Nightingale Inc*.<sup>184</sup> *Krueger* involved features of a stacking chair. Although these features were previously covered by a design patent that had since expired, the

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<sup>177</sup> *Id.*

<sup>178</sup> *Id.* at 1413–15.

<sup>179</sup> *Id.* at 1418–19.

<sup>180</sup> *Topps*, 41 USPQ2d at 1420.

<sup>181</sup> *Id.* at 1419.

<sup>182</sup> *See id.* at 1420.

<sup>183</sup> Since 2001, there have been five cases in which courts have followed the “some evidence” approach. *See E-Z Bowz, LLC v Professional Product Research Co*, 2003 WL 22068573, \*24 (SDNY) (stating that, although the existence of a design patent “does not, by itself, require a finding that the trade dress is non-functional, it provides some additional weight”) (citations omitted); *Market Masters, Inc v Clinician’s Choice Dental Products, Inc*, 99 Fed Appx 677, 682–83 (6th Cir 2004) (rejecting the argument put forth by Clinician’s Choice that a design patent is presumptive proof of functionality on the grounds that the case Clinician’s Choice cited, *Krueger International, Inc v Nightingale Inc*, 915 F Supp 595 (SDNY 1996), did not support that conclusion); *Keystone Manufacturing Co v Jaccard Corp*, 2007 WL 655758, \*8–9 (WDNY) (discussing *Krueger* at length and ultimately declining to adopt a legal presumption of nonfunctionality and instead espousing the view that a design patent “is relevant evidence suggesting non-functionality”); *Levenger Co v Feldman*, 516 F Supp 2d 1272, 1288 (SD Fla 2007) (“At best, a design patent can only help rebut the functionality defense; it cannot do the whole job of proving inherent distinctiveness.”); *Secalt SA v Wuxi Shenxi Construction Machinery Co*, 668 F3d 677, 685 (9th Cir 2012) (“[A] design patent, without more, is insufficient to prove that a design is nonfunctional.”).

<sup>184</sup> 915 F Supp 595 (SDNY 1996).

plaintiff now claimed trade dress protection over them.<sup>185</sup> Then-Judge Sonia Sotomayor explained that the design patent was “relevant” to showing that the trade dress was nonfunctional.<sup>186</sup> Sotomayor 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. . . . This is not tantamount to saying, however, that a design patent always serves as a trademark. . . . At best, a design patent can only help rebut the functionality defense.<sup>187</sup>

The key takeaways from *Krueger* are not only Sotomayor’s conclusion and the cases she cited,<sup>188</sup> which are quite influential on their own,<sup>189</sup> but also the way in which she applied legal reasoning to the facts of the case. Sotomayor found that the stacking chair was nonfunctional because its shape was not “dictated by the functions to be performed.”<sup>190</sup> In coming to this conclusion, she relied on the availability of alternative designs that served the same functions of providing seating and enabling stacking as those claimed as a trade dress.<sup>191</sup> Since the number of alternative designs was “not unduly limited,” the defendant

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<sup>185</sup> Id at 598.

<sup>186</sup> Id at 605.

<sup>187</sup> Id.

<sup>188</sup> Sotomayor cited some cases decided by the TTAB. *Krueger*, 915 F Supp at 605. Because the TTAB is a body within the PTO, these cases can be read as affording some insight into the views of the PTO. The cases cited are *In re R. M. Smith, Inc*, 219 USPQ 629, 633 (TTAB 1983) (calling into doubt whether the applicant’s expired design patent covered the features claimed as the applicant’s trade dress, and rejecting the applicant’s contention that the design patent was “presumptive evidence that the features are not functional”), and *In re Vico Products Manufacturing Co*, 229 USPQ 364, 370 (TTAB 1985) (holding that, “with respect to the design patent, the fact that a device is the subject of such a patent does not, without more, mean that the device functions as a trademark”).

For other cases from the TTAB in support of the “some evidence” camp, see *American National Can*, 41 USPQ2d at 1843 (“The existence of a design patent, while some evidence of non-functionality, is not alone sufficient evidence.”); *In re Caterpillar Inc*, 43 USPQ2d 1335, 1339 (TTAB 1997) (“The existence of a design patent, while some evidence of non-functionality, is not alone sufficient evidence.”).

<sup>189</sup> For example, *Vico Products* cited *R. M. Smith. Vico Products*, 229 USPQ at 370 (citing *R. M. Smith* to support the proposition that “the fact that a device is the subject of [a design] patent does not, without more, mean that the device functions as a trademark”). Moreover, *Caterpillar* cited *R. M. Smith*, *American National Can*, and *Vico Products. Caterpillar*, 43 USPQ2d at 1339 (citing these three cases to support the rule that “[t]he existence of a design patent, while some evidence of non-functionality, is not alone sufficient evidence”).

<sup>190</sup> *Krueger*, 915 F Supp at 607 (quotation marks omitted).

<sup>191</sup> Id at 598, 608.

would not be improperly hampered in its competition with the plaintiff if it were denied access to the plaintiff's chair design.<sup>192</sup> Thus, what drove Sotomayor's nonfunctionality finding was the number of alternative designs to the plaintiff's claimed trade dress. What did not drive this finding—indeed, what was not even discussed—was the plaintiff's design patent.<sup>193</sup>

*Krueger* illustrates that the adoption of the “some evidence” approach places an upper bound on the weight given to a design patent. The upper bound is “some,” but not determinative, evidence. That is, under the “some evidence” approach, a design patent cannot by itself persuade a court that a trade dress is nonfunctional. In conjunction with other evidence, though, it may convince the court that this is so. The lower bound is zero: a court is free to ignore the design patent if it so wishes. This zero-evidence lower bound is the same as it would be if a court were to hold that a design patent is orthogonal to whether a trade dress is functional or not. The “some evidence” approach eschews such categorical independence but allows the court to disregard the design patent at its discretion.

More lower courts have opted for the “some evidence” approach than the “presumptive evidence” approach.<sup>194</sup> Ten cases have followed the “some evidence” line,<sup>195</sup> while only four have adhered to the “presumptive evidence” approach.<sup>196</sup> There is no time trend in how courts have ruled. The oldest cases from both camps are from the 1980s and the most recent are from the 2010s.

Finally, there are no inter- or intracircuit splits among the cases examined. Many of the cases were decided at the district court level and thus are not authoritative opinions for their circuits. There are, however, four appellate-level opinions.

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<sup>192</sup> *Id.* at 608.

<sup>193</sup> See *id.*

<sup>194</sup> The collection of cases discussed below was collected by looking at the seed case of *Morton-Norwich* and then expanding to the cases that cite *Morton-Norwich* and those that cite to them. Searches on Lexis and Westlaw using the compound term [“design patent” AND “trade dress”] were also used to locate all the cases on the topic published since 2001.

<sup>195</sup> See generally *R. M. Smith*, 219 USPQ 629; *Vico Products*, 229 USPQ 364; *Krueger*, 915 F Supp 595; *American National Can*, 41 USPQ2d 1841; *Caterpillar*, 43 USPQ2d 1335; *E-Z Bowz*, 2003 WL 22068573; *Market Masters*, 99 Fed Appx 677; *Levenger*, 516 F Supp 2d 1272; *Keystone*, 2007 WL 655758; *Secalt*, 668 F3d 677.

<sup>196</sup> See generally *Morton-Norwich*, 671 F2d 1332; *Topps*, 41 USPQ2d 1412; *Fuji Kogyo*, 461 F3d 675; *American Beverage*, 936 F Supp 2d 555.

The most recent of these is the Ninth Circuit case *Secalt SA v Wuxi Shenxi Construction Machinery Co.*<sup>197</sup> The Ninth Circuit stated in that opinion: “Courts have uniformly held that a design patent, without more, is insufficient to prove that a design is nonfunctional.”<sup>198</sup> This statement may reflect the belief that even courts that purportedly hold a design patent to be presumptive evidence of nonfunctionality will always look at other types of evidence and use the design patent as additional supporting evidence of nonfunctionality. No court within the Ninth Circuit has disagreed with *Secalt*.

Two Sixth Circuit opinions,<sup>199</sup> while placed in different categories, do not in fact create an intracircuit split. *Market Masters, Inc v Clinician’s Choice Dental Products, Inc*<sup>200</sup> rejected the defendant’s claim that a design patent is presumptive evidence of nonfunctionality.<sup>201</sup> The court did so on the narrow ground that the case the defendant cited, *Krueger*, did not support that proposition.<sup>202</sup> The court did not endorse *Krueger*, however. By not weighing in on whether *Krueger*’s holding was correct, the court effectively demurred on whether it agreed with the “some evidence” or the “presumptive evidence” camp. As such, it does not stand in conflict with the second Sixth Circuit case, *Fuji Kogyo Co v Pacific Bay International, Inc*,<sup>203</sup> which took the “presumptive evidence” approach.<sup>204</sup>

### C. Summarizing the Case Law

Sorting the cases by their ultimate findings of functionality or nonfunctionality reveals some interesting patterns. While this method of sorting does not speak to the causal link between design patents and trade dress, it does present a basic correlation between the existence of a design patent and a finding of nonfunctionality. Because not all of the cases mentioned in the previous Section reached a conclusion on the functionality of the trade dress, not all of them can be sorted in this way.<sup>205</sup>

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<sup>197</sup> 668 F3d 677 (9th Cir 2012).

<sup>198</sup> *Id* at 685.

<sup>199</sup> See generally *Market Masters*, 99 Fed Appx 677; *Fuji Kogyo*, 461 F3d 675.

<sup>200</sup> 99 Fed Appx 677 (6th Cir 2004).

<sup>201</sup> *Id* at 682–83.

<sup>202</sup> See *id*.

<sup>203</sup> 461 F3d 675 (6th Cir 2006).

<sup>204</sup> *Id* at 683.

<sup>205</sup> The unsorted cases are *Levenger*, 516 F Supp 2d 1272; *E-Z Bowz*, 2003 WL 22068573; *Keystone*, 2007 WL 655758; and *Secalt*, 668 F3d 677.

Of the four cases that followed the “presumptive evidence” approach, three resulted in conclusions that the trade dress was nonfunctional,<sup>206</sup> while one found the claimed trade dress to be functional.<sup>207</sup> Of the “some evidence” cases, the majority (five out of the six cases that could be sorted) found the trade dress to be functional,<sup>208</sup> while the remaining case concluded that the claimed designs were nonfunctional.<sup>209</sup> This case law is summarized in the table below.

TABLE 1. CASES SORTED BY FINDINGS OF FUNCTIONALITY

	Some Evidence	Presumptive Evidence
Trade Dress Functional	<p><i>In re R. M. Smith, Inc.</i>, 219 USPQ 629 (TTAB 1983)</p> <p><i>In re Vico Products Manufacturing Co.</i>, 229 USPQ 364 (TTAB 1985)</p> <p><i>In re American National Can Co.</i>, 41 USPQ2d 1841 (TTAB 1997)</p> <p><i>In re Caterpillar Inc.</i>, 43 USPQ2d 1335 (TTAB 1997)</p> <p><i>Market Masters, Inc v Clinician’s Choice Dental Products, Inc.</i>, 99 Fed Appx 677 (6th Cir 2004)</p>	<p><i>Fuji Kogyo Co v Pacific Bay International, Inc.</i>, 461 F3d 675 (6th Cir 2006)</p>
Trade Dress Nonfunctional	<p><i>Krueger International, Inc v Nightingale Inc.</i>, 915 F Supp 595 (SDNY 1996)</p>	<p><i>In re Morton-Norwich Products, Inc.</i>, 671 F2d 1332 (CCPA 1982)</p> <p><i>The Topps Co v Gerrit J. Verburg Co.</i>, 41 USPQ2d 1412 (SDNY 1996)</p> <p><i>American Beverage Corp v Diageo North America, Inc.</i>, 936 F Supp 2d 555 (WD Pa 2013)</p>

<sup>206</sup> See *Morton-Norwich*, 671 F2d at 1341–42; *Topps*, 41 USPQ2d at 1419–20; *American Beverage*, 936 F Supp 2d at 597.

<sup>207</sup> See *Fuji Kogyo*, 461 F3d at 690.

<sup>208</sup> See *R. M. Smith*, 219 USPQ at 634; *Vico Products*, 229 USPQ at 370; *American National Can*, 41 USPQ2d at 1846; *Caterpillar*, 43 USPQ2d at 1342; *Market Masters*, 99 Fed Appx at 682–83.

<sup>209</sup> See *Krueger*, 915 F Supp at 608.

The case law thus paints the following correlation between design patents and trade dress: First, courts that have insisted on a strong link between design patents and trade dress (that is, a design patent being presumptive evidence of nonfunctionality for the same feature that is sought as a trade dress) have found the trade dress to be nonfunctional in more cases than have courts in the other camp. The “presumptive evidence” courts have found the trade dress to be nonfunctional in three out of four cases, whereas the “some evidence” courts have found them to be functional in only one of the six cases.

Second, looking at all the cases, the presence of a design patent is not correlated with a finding of nonfunctionality within the trade dress domain. In six cases in which there was a design patent, the trade dress was nonetheless found to be functional;<sup>210</sup> in the remaining four cases, the trade dress was found to be nonfunctional.<sup>211</sup> Thus, the presence of a design patent provides very little indication as to how a court will rule on the question of functionality.<sup>212</sup>

### III. DESIGN PATENTS SHOULD NOT CREATE A PRESUMPTION OF TRADE DRESS NONFUNCTIONALITY

A design patent should not afford a strong presumption that a trade dress claimed over the same features is nonfunctional. Coming to this answer matters because it may well change the ultimate outcome in a trade dress dispute. Recall the discussion of *American Beverage* and *American National Can* from the Introduction.<sup>213</sup> These two cases featured different approaches to how design patents shape evidentiary burdens in trade dress litigation and came to opposite conclusions about the validity of the trade dress at issue. These cases are in line with the observed pattern indicating that courts that reject the presumption of nonfunctionality are much more likely to find that trade

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<sup>210</sup> See *Fuji Kogyo*, 461 F3d at 690; *R. M. Smith*, 219 USPQ at 634; *Vico Products*, 229 USPQ at 370; *American National Can*, 41 USPQ2d at 1846; *Caterpillar*, 43 USPQ2d at 1342; *Market Masters*, 99 Fed Appx at 682–83.

<sup>211</sup> See *Morton-Norwich*, 671 F2d at 1341–42; *Topps*, 41 USPQ2d at 1419–20; *American Beverage*, 936 F Supp 2d at 597; *Krueger*, 915 F Supp at 608.

<sup>212</sup> In 60 percent of the cases in which a design patent was present, the trade dress was nonetheless found to be functional. In the remaining 40 percent of the cases, the trade dress was found to be nonfunctional. Perhaps surprisingly then, the presence of a design patent more often than not resulted in the trade dress being found to be functional.

<sup>213</sup> See notes 4–8 and accompanying text.

dress is invalid for being functional than courts that accept the presumption of nonfunctionality.<sup>214</sup>

This Part proceeds as follows: Part III.A delves into the thorny issue of what it means for a design patent and a trade dress to cover the same elements.<sup>215</sup> Part III.B then elaborates on the reasons why design patents should not afford a presumption of trade dress nonfunctionality, and Part III.C builds an affirmative case for treating a design patent as some evidence that a trade dress claimed over the same features is nonfunctional.

#### A. A Design Patent Can Give Insight to the Functionality of a Trade Dress Only If the Design Patent and Trade Dress, in Their Entirety, Substantially Overlap

A design patent and a trade dress cover the same elements if the patent and trade dress overlap perfectly. Such an overlap exists when the claimed trade dress consists of the exact attributes revealed in the patent application and no more. The patent and trade dress can also cover the same elements if the additional elements present in one but not the other are minor details, such as arbitrary flourishes that would not change the patent's construction or scope.

This approach narrows the evidentiary value of the design patent. But it does not go so far as to allow one challenging the trade dress to nitpick on minor details and to claim that the underlying design patent is irrelevant to the trade dress dispute. The doctrine of equivalents—the principle that a patent's scope subsumes not only its literal terms but also patent claims' equivalents—puts a limit on such nitpicking.<sup>216</sup> Moreover, courts have demonstrated their ability to treat the issue critically and sensibly, finding that design patents and trade dress are “the same” in some cases but not others.<sup>217</sup>

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<sup>214</sup> The ratio of functional to nonfunctional outcomes is five to one for the “some evidence” camp and one to three for the “presumptive evidence” camp. See Table 1.

<sup>215</sup> Many opinions seem to gloss over this issue. *Krueger*, for instance, devoted much room to discussing the theoretical relationship between design patents and trade dress without ever touching on the issue of how much the two must overlap for this relationship to hold. *Krueger*, 915 F Supp at 604–08. The court never discussed the design patent in the actual dispute, so there is no indication whether then-Judge Sotomayor thought that the patent covered the “same” elements as the trade dress.

<sup>216</sup> For more on the doctrine of equivalents within the design patent context, see Chisum, 1 *Chisum on Patents* at § 23.05[7] (cited in note 23).

<sup>217</sup> The district court in *American Beverage* and the TTAB in *Topps* treated the design patents and trade dress at issue as covering the same features. See *American Beverage*, 936 F Supp 2d at 597 (“To the extent that plaintiffs established a likelihood of

Three possibilities arise if the design patent does not perfectly overlap with the trade dress. One is that the trade dress contains everything in the design patent and some additional features, another is that the trade dress contains less than everything in the design patent but nothing outside of the design patent, and the last is that the trade dress imperfectly overlaps with the design patent so that neither completely subsumes the other. In all three of these cases, the design patent's ability to help determine the functionality of the trade dress is extremely limited.

This is because trade dress functionality is determined by looking at a design in its entirety.<sup>218</sup> Functionality is assessed not by deconstructing a claimed mark into individual elements and then determining the utility (or lack thereof) of each element but rather by looking at the trade dress as a whole.<sup>219</sup> In addition, a design patent may not be primarily functional, but it may nonetheless include some (unprotected) functional elements.<sup>220</sup> This means that a court cannot break down a trade dress into constituent elements, separate out the elements that are present in the design patent, treat these as nonfunctional, assess the functionality of the remaining individualist parts, and then come to a conclusion about the functionality of the trade dress based on its decisions about these separate parts. A court simply cannot avoid looking at the trade dress as a whole.

A similar analysis reveals the limits of a design patent that completely subsumes a trade dress. Because some of the elements

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success on the merits with respect to the functionality issue in their design patent claim, the court will conclude it is likely that a reasonable jury would find that the trade dress is nonfunctional.”); *Topps*, 41 USPQ2d at 1419 (“[T]he expiration of the design patent that Topps had obtained for Ring Pops is presumptive evidence of non-functionality.”). Contrast this treatment with *R. M. Smith*, in which the TTAB expressed doubt that the design patent and trade dress covered the same features. See *R. M. Smith*, 219 USPQ at 633 (noting with regard to the design patent that “three of the features claimed to serve as applicant’s mark . . . are not the subject of the design patent and that one other feature . . . is shown in broken lines in the patent, indicating that its ornamentality was in effect disclaimed” and that “[i]t is unclear if the design patent covers the remaining elements”).

<sup>218</sup> See 15 USC § 1052(e)(5) (stating that a design cannot receive trade dress registration if it “comprises any matter that, *as a whole*, is functional”) (emphasis added).

<sup>219</sup> See, for example, *E-Z Bowz, LLC v Professional Product Research Co*, 2003 WL 22068573, \*21 (SDNY) (stating that “case law makes clear that ‘even if certain individual elements of [plaintiff’s] trade dress are functional, the appropriate inquiry looks at the trade dress as a whole’”) (brackets in original).

<sup>220</sup> See *Chisum*, 1 *Chisum on Patents* at § 23.03[4] & nn 1–2 (cited in note 23) (“The configuration of a useful object may constitute a patentable design. Thus, elements of a design may be functional.”).

in a design patent may be functional, a trade dress that is a strict subset of the design patent may have picked up all (or enough) of the invention's functional features such that even though the patent is nonfunctional, the trade dress may not be.

For a concrete example, suppose that the design patent at issue covers the iPhone.<sup>221</sup> The design patent claims multiple elements, including (A) a black, highly polished surface over the face of the phone, (B) a bezel surrounding the perimeter, and (C) rounded phone corners. Further suppose that the bezel and the black, polished surface are nonfunctional features, but that the rounded phone corners are functional. If Apple claims only the rounded corners as trade dress, then this is a case in which the design patent completely subsumes the trade dress. While the design patent is presumably valid because it is nonfunctional overall, a trade dress claimed over the functional rounded corners alone would be invalid.

Likewise, for a design patent and a trade dress that partially overlap, the design patent may be nonfunctional while the trade dress is functional. When the patent and trade dress overlap but neither is a strict subset of the features contained in the other, the overlap between the design patent and the trade dress may include enough of the patent's functional elements to make the trade dress functional. Even when the overlap includes only the patent's nonfunctional elements and a court can look at each of the nonoverlapping elements in the trade dress and determine that they are nonfunctional, the court is still obligated to look at the trade dress as a whole.

Return to the iPhone example above. Suppose that now Apple claims the black, polished surface as a trade dress along with some features of the graphical user interface. In particular, Apple contends that it has a trade dress over (A) a black, highly polished surface, (D) square icons that are (E) arranged in rows on the display screen, and (F) the rounded corners of the icons. This is a case in which the design patent and trade dress imperfectly overlap such that neither completely subsumes the other. Is the trade dress nonfunctional in this case? One can tell only by examining the trade dress as a whole rather than by examining feature (A) in isolation from the design elements of the graphical interface.

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<sup>221</sup> This example is loosely based on the design patents at issue in *Apple Inc v Samsung Electronics Co*, 735 F3d 1352, 1356–58 (Fed Cir 2013).

Finally, even assuming *arguendo* that a trade dress can be broken down into its constituent parts and compared piece by piece with a design patent, there is no gain from doing so. Looking at individual subsets of elements, determining whether each is functional or not, and then reassembling them into the trade dress whole and coming to a conclusion about the functionality of the trade dress will likely be as difficult as determining the functionality of the trade dress by examining it in its entirety to begin with. Such a roundabout exercise is likely to only increase administrative costs and the potential for errors.

B. A Design Patent Should Not Be Used as Presumptive Evidence of Trade Dress Nonfunctionality

This Section explains why the arguments for using a design patent as presumptive evidence of trade dress nonfunctionality are unpersuasive. These arguments are of two types. The first is a legal argument: if the functionality requirement is doctrinally the same for design patents and trade dress, then the existence of a design patent ought to offer strong evidence that the trade dress is nonfunctional. The second is a policy argument: if using a design patent as a shortcut for determining trademark nonfunctionality does not decrease the accuracy of the determination and does save on decision costs, then the design patent should be used as presumptive evidence of nonfunctionality. Both arguments fall short.

1. The legal argument.

The legal argument requires one to look at how functionality is defined under patent and trademark law and to see if the concept is the same in these two domains. If it is, then it must be that a design patent is strong evidence of nonfunctionality of a trade dress that is claimed over the same features.<sup>222</sup>

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<sup>222</sup> The reason that the design patent creates a strong but still rebuttable presumption of nonfunctionality is because one cannot discount the possibility that the PTO erred in granting the design patent. For a recent report by the US Department of Commerce that criticized the PTO for potentially underrepresenting its true error rate in patent issuance, see Office of Inspector General, *USPTO Needs to Strengthen Patent Quality Assurance Practices* (Department of Commerce, Apr 10, 2015), archived at <http://perma.cc/FH6V-BZ2B>.

The legal argument proceeds as follows: Because a patent is presumed valid,<sup>223</sup> a design patent carries the presumption of nonfunctionality (because it would otherwise be an invalid design patent). If a design patent being nonfunctional is the same as trade dress being nonfunctional, and the patent and trade dress cover the same features, then the trade dress must be presumed nonfunctional as well. This presumption shifts the burden of proof to the party challenging the trade dress and can be rebutted only with clear and convincing evidence.<sup>224</sup> Put differently, the PTO's decision to grant a design patent is entitled to deference until it is proved wrong by clear and convincing evidence.<sup>225</sup>

The problem with this deference-to-the-PTO argument is that the PTO does not extend such deference in its own decisions. Cases decided by the TTAB, a body within the PTO, have treated design patents as *some* evidence of nonfunctionality for trade dress claimed over the same features but not as presumptive evidence of such nonfunctionality.<sup>226</sup> It could be the case that the TTAB is simply mistaken in this approach. If this is an error, however, it is one not of oversight but of deliberate policy.

The TTAB approaches a design patent as some evidence of nonfunctionality because this is how the PTO instructs its examiners to treat trademark applications. In its *Trademark Manual of Examining Procedure*, the PTO instructs its examiners that “[a] design patent is a factor that weighs against a finding of functionality,” but it also instructs them that the patent “does not in itself establish that a product feature is nonfunctional, and can be outweighed by other evidence supporting the functionality

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<sup>223</sup> 35 USC § 282(a) (“A patent shall be presumed valid. . . . The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.”).

<sup>224</sup> See, for example, *Microsoft Corp v i4i Limited Partnership*, 131 S Ct 2238, 2242 (2011).

<sup>225</sup> Although the PTO is an administrative agency and this discussion refers to deference to the PTO, the discussion does not implicate the kind of deference discussed in *Chevron U.S.A. Inc v Natural Resources Defense Council, Inc*, 467 US 837 (1984). *Chevron* expounded the rule that, under certain circumstances, a court should defer to an agency's construction of a statute that the agency administers. *Id* at 842–43. That rule is inapplicable here because this argument does not involve the construction of a statute. The requirement of nonfunctionality is in the text of the Lanham Act, but whether a design patent is evidence that should be considered and what weight a court should attach to that design patent are not matters of statutory command.

Of course, a party who offers a design patent in support of its claimed trade dress in a trademark dispute necessarily obtained that patent through the PTO. But in this situation, the PTO is the provider of a piece of evidence, not an agency construing a statute. *Chevron* does not apply in this context.

<sup>226</sup> See note 188.

determination.”<sup>227</sup> There is no mention that the “other evidence” must meet the standard of being clear and convincing.<sup>228</sup> In short, if affording deference to the PTO results in judicial treatment of design patents as presumptive evidence of trade dress nonfunctionality, then this treatment is contrary to what the PTO itself does in both its examination and its adjudication contexts.

But to return to the crux of the argument, are the definitions of functionality under patent and trademark law the same? As discussed above,<sup>229</sup> a feature claimed as a trademark is considered functional (1) “if it is essential to the use or purpose of the article,” (2) “if it affects the cost or quality of the article,” or (3) if it is “aesthetically functional.”<sup>230</sup> Functionality in the design patent domain, on the other hand, means that the design was “dictated by considerations of function.”<sup>231</sup>

It is true that some courts have used whether a feature is “dictated by function” as a test for functionality in evaluating trade dress.<sup>232</sup> However, while “dictated by function” may map onto the first prong of the Supreme Court’s test for trade dress functionality, it does not correspond to the second or third factors.

A feature that is not dictated by the function of an article may still affect the cost or quality of that article. In *Spotless Enterprises, Inc v A & E Products Group LP*,<sup>233</sup> the court explained that the test for whether functionality invalidates a design patent is more stringent than the test for invalidation of a trade dress:

[A]lthough the general considerations of functionality are of course similar, the functionality doctrine in trademark law is quite distinct from the functionality determination in

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<sup>227</sup> *Trademark Manual of Examining Procedure* § 1202.02(a)(v)(A) (PTO 8th ed 2011) (emphasis added).

<sup>228</sup> The limited weight given to design patents stands in stark contrast with the instruction that the PTO gives regarding utility patents. PTO examiners are told that, “when presented with facts similar to those in *TrafFix* (i.e., where there is a utility patent establishing the utilitarian nature of the product design at issue), the examining attorney may properly issue a final functionality refusal based primarily on the utility patent.” *Id.*

<sup>229</sup> See Part I.C.2.

<sup>230</sup> *Qualitex Co v Jacobson Products Co*, 514 US 159, 165, 170 (1995).

<sup>231</sup> Chisum, 1 *Chisum on Patents* at § 23.03[4] (cited in note 23).

<sup>232</sup> See, for example, *Krueger*, 915 F Supp at 607 (“To determine whether the design features at issue are functional, [courts] must ask whether their shape is ‘dictated by the functions to be performed.’”).

<sup>233</sup> 294 F Supp 2d 322 (EDNY 2003).

design patents. Although functionality will invalidate a design patent only when the design is “*dictated*” by the function, a lesser showing of functionality is necessary to invalidate trademarks. Functionality will invalidate a trademark “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.”<sup>234</sup>

*Spotless Enterprises* thus speaks to the dissonance between functionality for design patents and the second prong of functionality for trade dress.

As for the third factor—*aesthetic functionality*—unless the “function” dictating the design is the ability to sell the product, these two definitions of functionality are not the same. In short, the bar of nonfunctionality that a design patent must pass is not the same as the bar that a trade dress must overcome. Because a trade dress may be found functional under the last two factors even when the design is not dictated by considerations of function, knowing that a design patent exists does not tell a court whether a trade dress claimed over the same features is logically nonfunctional as well.<sup>235</sup>

An example may serve to illustrate the imperfect overlap between the requirement for nonfunctionality in the design patent domain and that in the trade dress domain. Suppose that the carmaker Henry Ford had sought a design patent for a particular shade of black for his mass-produced automobiles. If the patent were considered on functionality grounds alone, there would be good reason to issue it.<sup>236</sup> A car need not be black to perform the function of transporting people.

But could Ford claim the same color, now covered under a design patent, as a trade dress? He assuredly could not. Even assuming that due to his company’s dominance in the market, people recognize black cars as being made by Ford, the color black for cars is functional under trademark law. Allowing Ford a monopoly over this color would shut competitors out of certain markets. If limousine owners overwhelmingly prefer their cars

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<sup>234</sup> Id at 350 (citation omitted).

<sup>235</sup> On the other hand, if a design patent is invalidated for functionality, then it must be the case that the feature claimed in the patent is primarily dictated by function. This means that if a trade dress over the same feature exists, then the trade dress should be invalidated for functionality as well.

<sup>236</sup> This is not to suggest that a design patent could actually be issued for the color black when it is used on the bodies of automobiles. Such an application would likely fail both the originality and nonobviousness tests. See text accompanying notes 14–15.

to be black (as seems to be the case<sup>237</sup>), then Ford would enjoy a significant non-reputation-related advantage over his competitors in the limousine market because of his trade dress over the color black. The color would thus be found aesthetically functional, and trade dress protection for it would be denied.

Additionally, if black happens to be the cheapest color to paint a car, then the trade dress would be functional under the second prong of the definition for trade dress functionality as well. This is because using the color black affects the cost of producing the car. Would-be competitors could produce only a worse-quality car—that is, an unpainted car—for the same amount of money as Ford’s black cars.

This example shows an instance in which a design patent would not be denied because the feature claimed is functional, but the feature would plainly be functional under trademark doctrine. Thus, knowing that a design patent over the feature exists would not inform a court that the trade dress is nonfunctional.

## 2. The policy argument.

The policy argument takes the practical approach that a design patent is a beneficial shortcut that should be used in determining trade dress functionality. A design patent is a useful shortcut if treating a design patent as strong evidence that a trade dress covering the same features is nonfunctional either (1) improves the accuracy of this determination or (2) reduces the administrative costs of making this determination without sacrificing accuracy. Much like how a utility patent is a helpful “cheat sheet” for determining that a trademark is functional,<sup>238</sup> a design patent is a helpful cheat sheet for determining that a trademark is nonfunctional.

As a shortcut or cheat sheet, a design patent may lower administrative costs but it cannot improve accuracy. Whatever is presumed may instead be proved. Some costs may be incurred in the proof, but it cannot be that starting from scratch and requiring proof of nonfunctionality would lead to more erroneous

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<sup>237</sup> The US president, for instance, has twelve limousines, all of which are black. See Amanda Macias, *There Is No Car like the President’s Armored Limo — aka ‘The Beast’* (Business Insider, Feb 10, 2015), archived at <http://perma.cc/M5UX-5RDX>.

<sup>238</sup> *Georgia-Pacific Consumer Products LP v Kimberly-Clark Corp.*, 647 F3d 723, 728 (7th Cir 2011), quoting *Jay Franco & Sons, Inc v Franek*, 615 F3d 855, 857 (7th Cir 2010) (noting that “utility patents serve as excellent cheat sheets [for determining functionality]” (brackets in original)).

outcomes than when nonfunctionality is presumed. Indeed, given the divergence in the definitions of functionality under the patent and trademark laws discussed above,<sup>239</sup> a design patent may well introduce more errors into a trade dress–functionality determination if it is afforded too much weight.<sup>240</sup>

The administrative costs that would be saved by using a design patent as presumptive evidence are also small. Cutting down decision costs by relying on a design patent is a possibility that has not often materialized in actual case law.<sup>241</sup> While courts tend to devote space in their opinions to the proper evidentiary role of design patents, when it comes to actually deciding the cases, courts put more stock in other types of evidence. Recall, for example, *Morton-Norwich*, in which the discussion of the design patent was relegated to a footnote,<sup>242</sup> and *Krueger*, in which the judge did not rely on the design patent before her in deciding that the trade dress was nonfunctional despite discussing the general relationship between patents and trademarks at length.<sup>243</sup> *American Beverage* is the only case in which the functionality of the trade dress hinged on the validity of the design patent.<sup>244</sup> *American Beverage*, however, involved a hotly contested design patent, and the parties introduced significant evidence on the issue of the patent’s functionality.<sup>245</sup> This evidence may well have been used for the trade dress if the design patent had

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<sup>239</sup> See Part I.C.2.

<sup>240</sup> One could imagine an argument to the contrary, but this argument should be dismissed. The argument goes something like this: Shorn of their ability to use the design patents as a rebuttable presumption of trade dress validity, courts would have to take more things into evidence. This increased load of information would increase courts’ decision costs and would lead to more errors. In essence, courts would be more likely to make mistakes when faced with more information than when dealing with less. See, for example, Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 Va L Rev 2099, 2131 (2004) (noting that “[j]udges also find it difficult to evaluate survey methodology, especially when confronted with competing expert testimony, and this increases the likelihood of error . . . [w]e can thus see the benefits of *conclusively presuming* secondary meaning in inherently distinctive marks”) (emphasis added). While this argument provides good reason for excluding *irrelevant* information, it does not justify shifting the burden of proof absent other reasons to trust in the design patent.

<sup>241</sup> This statement reflects the state of case law as set forth in the cases examined in this Comment. This sample of cases is admittedly not the universe of conflicts because many disputes are resolved or settled before they reach the courts.

<sup>242</sup> See note 167 and accompanying text.

<sup>243</sup> See notes 187–90 and accompanying text.

<sup>244</sup> See *American Beverage*, 936 F Supp 2d at 597 (“To the extent that plaintiffs established a likelihood of success on the merits with respect to the functionality issue in their design patent claim, the court will conclude it is likely that a reasonable jury would find that the trade dress is nonfunctional.”).

<sup>245</sup> See *id.* at 587–89.

not been contested; the litigation costs, rather than being saved, seem to have been merely shifted.

One may worry that parties that may now use a design patent as a presumption of their trade dress nonfunctionality would be deterred from litigating if their design patents instead afforded only some evidence in their favor. This is a possible dynamic consequence.<sup>246</sup> Its magnitude, however, is likely small. This issue has most frequently arisen at the district court level. Because district court decisions are nonbinding on parties that are not presently before the court, a potential litigant cannot know for certain how a court would treat his claim. Thus, it is doubtful that there are many parties whose decisions to bring trade dress infringement suits hinge on their ability to rely on favorable treatment of their existing design patents.

Moreover, assuming that a different set of lawsuits would result from a change in the rules, such a composition shift is not *per se* undesirable. One would bemoan a change in the rules only if one had reason to think that the deterred trade dress infringement suits were meritorious. But plaintiffs who have the wherewithal to apply for design patents are exactly the ones who have the resources (and the foresight) to register their trade dress. Registration affords a presumption of nonfunctionality,<sup>247</sup> so plaintiffs with strong marks need not rely on their design patents at all. It is plaintiffs who have not registered who rely on their design patents; given that these plaintiffs could have registered and did not, they are likely to be the ones with weak trade dress. The concern that plaintiffs who might otherwise prevail would be deterred from the courtroom is thus assuaged.

### 3. Other considerations against the “presumptive evidence” approach.

Using a design patent as presumptive evidence of trade dress functionality also runs into the uncomfortable zone of

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<sup>246</sup> Note that this effect is limited to litigation. Trade dress registration is unaffected because, as discussed above, the PTO already follows the “some evidence” approach in scrutinizing trade dress applications. See text accompanying note 226.

<sup>247</sup> A person accused of infringing a registered trademark can raise a functionality defense, but the defendant has the burden of carrying this affirmative defense. See 15 USC § 1115(b)(8). In contrast, in unregistered-trade dress cases, the plaintiff has the burden of proving functionality. 15 USC § 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.”).

what to do when both a design patent and a utility patent are present. Many trade dress cases feature dual (and dueling) patents.<sup>248</sup> While the presence of both types of patents is not impossible to resolve (for example, by finding that one of the two types of patents is irrelevant),<sup>249</sup> courts have been reluctant to give weight to a design patent when a utility patent is present.<sup>250</sup> The court in *Fuji Kogyo*, for instance, confronted “almost identical” design and utility patents and concluded that the issue of functionality could not be resolved “through evidentiary presumptions . . . without a trial.”<sup>251</sup> The fact that both a design patent and a utility patent may cover almost identical or very similar products raises further concerns about the fallibility of the PTO and counsels against importing the PTO’s decision about a given patent into the trademark domain.

There is also the issue of how a finding of functionality for a trade dress should affect a design patent.<sup>252</sup> If a design patent creates a strong presumption of nonfunctionality and the trade dress is nonetheless found to be functional, then what happens to the design patent? The design patent’s validity may well be in doubt,<sup>253</sup> but there is no mechanism for revisiting the grant of that patent. Likewise, if after trade dress protection is granted a design patent is found to be functional, then the validity of the

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<sup>248</sup> See, for example, *American National Can*, 41 USPQ2d at 1843 (“Although applicant is not the owner of a utility patent for this particular container configuration, applicant has made of record two utility patents owned by third parties for beverage containers which employ fluting.”); *In re Caterpillar*, 43 USPQ2d at 1338 (“[A]pplicant readily admits that it owned a utility patent . . . and a design patent.”); *Keystone Manufacturing Co v Jaccard Corp*, 2007 WL 655758, \*2 (WDNY) (involving a battle between the defendant’s expired utility patent and the plaintiff’s expired design patent).

<sup>249</sup> For example, in *Keystone*, the court concluded that the product embodying the trade dress at issue was covered by a design patent and not by the utility patent that improved on that design patent. *Keystone*, 2007 WL 655758 at \*6.

<sup>250</sup> A utility patent’s strong presumption of functionality is on solid ground given the Supreme Court’s holding in *TrafFix*. See Part I.D.1. A design patent is on more tenuous footing. See Part II.

<sup>251</sup> *Fuji Kogyo*, 461 F3d at 684.

<sup>252</sup> This is not a problem for utility patents because a utility patent owner who wishes to avail himself of trademark protection knows that the utility patent is a strong presumption against trademark validity. As such, he would press for trademark protection only if the utility patent is set to expire soon or has already expired. A design patent owner is theoretically not so constrained (although many seem to pursue trademark protection only after their patents, utility or design, have also expired).

<sup>253</sup> Note that the design patent is not necessarily suspect because, as discussed, a finding of functionality is more difficult for a design patent than for a trade dress. In other words, a trade dress is more easily found to be *nonfunctional* than a design patent. Thus, invalidating a trade dress because it is nonfunctional does not necessarily threaten the design patent.

trade dress is in serious jeopardy. But there is no automatic mechanism for reexamining the trade dress when a design patent is found to be functional after trade dress protection has been granted. Short of an administrative proceeding or litigation over the trade dress itself, the status of the trade dress is not revisited by the PTO.

If a design patent is going to serve as a strong link between the patent and trademark domains, then there must be an effort to ensure that the two systems move in lockstep. That this effort is missing counsels against forging this strong link.

C. A Design Patent Is Some Evidence for Trade Dress Nonfunctionality and Should Always Be Considered

A design patent cannot offer presumptive evidence for trade dress nonfunctionality, but it can offer *some* evidence. There is enough overlap in the legal definition of “functionality” across the two doctrines for a design patent—along with other facts that courts normally consider—to offer further assurances of nonfunctionality.

In particular, the “dictated by function” test for functionality in design patents is the same as the “essential to the use or purpose” test in trade dress. Indeed, some courts have used the “dictated by function” test as a benchmark for functionality of trade dress.<sup>254</sup> For these courts to ignore the existence of a design patent when assessing the functionality of a claimed trade dress would be to throw away relevant information in cases in which the design patent and trade dress cover the same elements. In these instances, a design patent can either buttress other facts directly supporting a finding of nonfunctionality or serve as a tiebreaker in close cases.

Pragmatic considerations also favor this approach. The “some evidence” camp has the support of more courts as well as the PTO. This large coalition of support is a reason to favor this approach over the minority “presumptive evidence” approach. Transition costs are lower when fewer courts must switch to a new rule. Moreover, to the extent that businesses using trade dress have developed reliance interests based on the current rules, these interests are not upset by the proposed approach insofar as the businesses’ dealings are with the PTO or with courts

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<sup>254</sup> See, for example, *Krueger*, 915 F Supp at 607.

in the “some evidence” camp, which, again, make up the majority of the courts that have taken a stance on the issue.

In sum, this Comment recommends that courts always inquire into whether a design patent exists but that they should refrain from adopting a prior rule as to how much weight should be assigned to that patent in determining the functionality of a claimed trade dress covering the same features as the patent. Such an approach offers the flexibility missing from regimes under which a design patent is either categorically deemed irrelevant or taken as giving rise to a presumption of nonfunctionality.

#### CONCLUSION

The solution proposed by this Comment has the advantage of allowing many courts to continue doing what they are currently doing: treating the existence of a design patent as some, but not presumptive, evidence that a trade dress claimed over the same features is nonfunctional. This recommendation to maintain the status quo nonetheless comes with two caveats.

First, courts should always consider design patents in trade dress cases. Failing to review design patents would be remiss—akin to ignoring utility patents in disputes over the functionality of a trade dress. Second, only those design patents that actually cover the “same” elements as the trade dress should pass beyond this stage. Those that do not cover the “same” elements simply do not say whether the trade dress, taken as a whole, is functional.

This recommendation would change the approach of courts that currently follow the “presumptive evidence” route. It would not, however, ask these courts to do much more than what they already do. No court seems to rest its decisions entirely on the presumption created by a design patent without directly examining the functionality of the features claimed. This is true even for those courts that hold that such a presumption exists. In this respect, this Comment’s recommendation simply aligns what these courts actually do with what they say they are doing: look at a design patent as one source of evidence for deciding a trade dress dispute.