



Trademarks by Design: Combining Design Patents and Trademarks to Protect Your Intellectual Property

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INTRODUCTION

Design patents and trademarks are separate species of intellectual property (IP), but each can provide significant commercial advantages to their owners. Design patents grant the inventor exclusive rights to the invention for a period of fourteen years which will soon be changed to fifteen years. However, at the end of that time, the design invention is dedicated to the public unless it is protected by another intellectual property right. Trademarks, if properly maintained, can exist forever. With the growing importance of IP rights, old ideas, such as combining trademarks and design patents, deserve another look as a means to accomplish this. Moreover, with the Supreme Court's declaration in *Wal-Mart Stores, Inc., v. Samara Brothers, Inc.*, 529 U.S. 205 (2000), that secondary meaning is required before certain types of product designs are entitled to trade dress protection, design patents may be the most effective way to ward off infringers while secondary meaning for trademarks and/or trade dress is established. This article addresses the relationship between design patent protection and trademark protection and described the strategy of using the combination of these rights.

THE LEGAL FRAMEWORK

The Patent Law provides for the granting of design patents to any person who has invented any new, original and ornamental design for an article of manufacture. Design patents cover the way an article looks, and may be drawn to the shape/configuration of an article, surface ornamentation applied to the article, or a combination of both. A design patent does not need to be directed to the entire article, and claiming a portion of the article is permitted, *In re Zahn*, 617 F.2d 261 (CCPA 1980). During the soon to be fifteen year term, the owner of the patent has the right to exclude others from making an infringing design.

A trademark is any word, name, symbol, or device that serves as an indicator of source. Thus, the shape of article can serve as a trademark provided that all other requirements are met. Although an application to register a trademark can be filed before a mark is actually in use, ultimately trademark rights arise, and can only be maintained, through use of a mark. Federal trademark registrations carry a presumption that the registration is valid and the registrant has the exclusive right to use the mark. The term of a federal registration is ten years, with renewals available in ten-year increments, so long as the mark remains in use.

Both design patents and trademarks are entitled to a variety of statutory remedies, which may include damages, infringer's profits, injunctions, and under certain circumstances, attorneys' fees. Differences relating to injunctive relief are addressed later in this article. However, not all remedies are available under all circumstances, so the facts of a particular case must be reviewed to determine which remedies are possible.

INTERPLAY BETWEEN DESIGN PATENTS AND TRADEMARKS

In many instances, the same design can be protected by trademark and design patent laws. Examples of well-known design trademarks which also have been the subject of design patents include the DUSTBUSTER® vacuum cleaner, the APPLE iPod® electronic music player, and the NIKE Air Max 1995® shoe upper.

At first blush, combining design patents and trademarks might seem contrary to public policy -- design patents grant a limited period of protection for a design, while trademark law may provide perpetual protection for the same design. However, the CCPA (predecessor to the Court of Appeals for the Federal Circuit) made it clear in *In re Mogen David Wine Corporation*, 328 F.2d 925 (CCPA 1964) and *In re Honeywell, Inc.*, 328 F.2d 925 (CCPA 1974), that trademark rights exist independently of design patent rights. Trademark protection is granted to prevent the public from being confused, while the purpose of design patents is to encourage inventors to develop novel, ornamental designs. However, trademark protection is not extended to designs that are merely ornamental and are not indicators of source. For example, in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985), a key issue was whether the color pink for fiberglass insulation was merely ornamentation, or whether it was an indicator of source.

The e-commerce revolution has underscored the need to protect IP assets in cyberspace, such as the appearance of computer screen displays and web pages. Designs, such as computer icons, are now commonly protected in various forms through both design patents and trademarks. For example, Sun Microsystems has the coffee cup symbol for its JAVA® product registered as a trademark, and also has a design patent (where the coffee cup is combined with the words “JAVA WORKSHOP”). Thus, a combination of design patent and trademark protection may be the most effective way to protect your trademarks, trade dress and designs in cyberspace.

FUNCTIONAL V. ORNAMENTAL

A design patent protects the ornamental appearance of the article of manufacture and not its structural or utilitarian features. Articles protected under the design patent laws must be “primarily ornamental” and not “primarily functional,” *L.A. Gear Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993). However, in a design patent context, “primarily functional” is not construed as broadly as the phrase might suggest. In determining whether a design is “primarily functional” or “primarily ornamental,” the claimed design is viewed in its entirety, not on a feature-by-feature basis, *L.A. Gear, supra*. If the functional aspects of the design could be accomplished in other ways, it is likely to be primarily ornamental. *Rosco, Inc. v. Mirror Lite Co.*, 304 F.3d 1373 (CAFC 2002). However, if a design is dictated solely by the functionality of its article of manufacture, it is not patentable, *Best Lock Corp. v. Ilco Unican Corp.*, 94 F.3d 1563 (Fed. Cir. 1996). For most designs, the issue of functionality is not likely to create a problem during the prosecution of the design patent application, but it may arise during litigation.

Trademark protection is not available for designs that are merely ornamental, nor is it available for designs that are de jure functional. In contrast to the design patent process, functionality likely will be raised as an issue during the prosecution of a trademark application, and also may arise during litigation.

If a design is “de jure functional” (functional as a matter of law), it will never be registrable as a trademark. A design is functional as a matter of law if it is “essential to the use or purpose of the article or if it affects the cost or quality of the article.” *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33, (2001); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165, (1995); *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850, n.10, (1982).

However, a design that is “de facto functional” (functional as a matter of fact), still may be either inherently distinctive or capable of acquiring distinctiveness, and therefore be registrable. For example, in *In re Morton-Norwich Products Inc.*, 671 F.2d 1332 (CCPA 1982), a bottle with a pump for spraying liquid was found de facto functional -- the elements of the mark were used to store and spray liquid -- but potentially registrable as a trademark, provided the owner could prove that the trademark had acquired distinctiveness. (The design in *Morton-Norwich* also was the subject of a design patent.)

It should also be noted that if the product features sought to be protected as a mark were the subject of an expired utility patent, this “adds great weight to the statutory presumption that features are deemed functional until proven otherwise” and that one who seeks such protection “must carry the heavy burden of showing that the feature is not functional.” *TrafFix Devices v. Marketing Displays, Inc.*, 532 U.S. 23 (2001).

Another type of functionality that may also be cited to preclude trademark protection in certain circumstances is “aesthetic functionality.” In contrast to utilitarian functionality, “aesthetic functionality” refers to situations where the feature may not provide a truly utilitarian advantage in terms of product performance, but provides other competitive advantages. (Aesthetic functionality inquiries may look at whether the design would put competitors at a significant non-reputation related disadvantage). Cases in which aesthetic functionality has been addressed cover such diverse products as black outboard motors (*Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527 (Fed. Cir. 1994), *cert. denied*, 514 U.S. 1050 (1995)), red soles on shoes (*Christian Louboutin S.A. v. Yves Saint Laurent America, Inc.*, 696 F.3d 206 (2d Cir. 2012)), red wax seals on whiskey bottles (*Maker’s Mark Distillery, Inc. v. Diageo North America Inc.*, 679 F.3d 410, 418-19 (6th Cir. 2012) and a basketweave pattern on leather goods (*In re Bottega Veneta International S.a.r.l.*, Appl. No. 77219184 (TTAB Sept. 30, 2013)).

Although some types of designs are inherently distinctive, and automatically entitled to trademark protection, for many designs (particularly product configurations), acquired distinctiveness (secondary meaning) must be shown. In *Wal-Mart*, the Supreme Court made a distinction between product designs and packaging designs. While the Court agreed that a packaging design could be inherently distinctive, it held that a product design may only be protectable trade dress if secondary meaning has been demonstrated.

OBTAINING TRADEMARK REGISTRATIONS FOR DESIGNS

The registrability of design trademarks often hinges on demonstrating that the design is not de jure functional. Thus, the PTO and courts look at factors, such as whether the design is the subject of a utility patent or a design patent. If it is the subject of a utility patent, there at least is a presumption that the design is de jure functional and not registrable as a trademark. In contrast, because design patents cover primarily ornamental designs, the existence of a design patent can provide strong evidence that a design is not de jure functional. Advertising for a product is also a factor in determining whether a design is de jure functional. Does the IP owner advertise the utilitarian functions of the design, or does it use advertising to demonstrate that the design is an indicator of source? Additional factors in determining whether a design is de jure functional include whether there are alternative designs available to competitors, and whether the design results from a comparatively cheap, simple method of manufacturing the product.

While the latter two factors may bar even a distinctive design from registration, the first two factors, the presence or absence of a design patent and advertising for a product, can be most useful in establishing a trademark for the product. It often takes many years, and substantial advertising expenditures, before the public will recognize a design as a trademark. Thus, Owens-Corning hired the Pink Panther to urge us to “THINK PINK,” as it sought to register pink as a trademark for fiberglass insulation and United Parcel Service asked us to consider “What Can Brown Do For You?” in its effort to protect the color brown for its delivery services. Such advertising campaigns are rarely successful overnight, so the design patent’s term to exclude can be used to develop public awareness that a particular design is also an indicator of source. Now that the Supreme Court has raised the bar for protecting product designs, the period of exclusivity granted by a design patent becomes even more important in protecting IP rights.

DIFFERENT RIGHTS, POTENTIALLY DIFFERENT REMEDIES

In general, design patent lawsuits are subject to the same precedents that control utility patent lawsuits. To that end, for example, design patent plaintiffs must satisfy the *eBay* requirements to obtain permanent injunctive relief, and courts will not presume the existence of irreparable harm when infringement is found. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006).

Notably, irreparable harm requires showing a causal nexus between the infringing design and the plaintiff’s injury. *Apple, Inc. v. Samsung Electronics Co., Ltd.*, 735 F.3d 1352, 1362-63 (Fed. Cir. 2013). For example, in *Apple v. Samsung*, the district court denied permanent injunctive relief because Apple could not show that the infringing design features drove consumer demand for the accused Samsung products. *Id.*

On appeal, the Federal Circuit cautioned against overly rigid standards for demonstrating causal nexus because *eBay* is premised in flexible principles of equity. *Id.* at 1364. Nevertheless, the Federal Circuit affirmed denial of a permanent injunction against Samsung’s design patent infringements, agreeing that “Apple must show some connection between the patented feature and demand for Samsung products,” and the district court’s findings would not be disturbed under the controlling standard of review. *Id.*

Trademarks, in contrast, may yet afford an automatic entitlement to a permanent injunction against on-going violations – provided the asserted mark is famous and liability flows from dilution. Here, the Federal Trademark Dilution Revision Act of 2006 (“FTDA”) provides that the owner of a famous mark is entitled to an injunction against marks that are “likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.” 15 U.S.C. § 1125(c)(1).

This situation might have played out in *Apple v. Samsung*, but for the fact Samsung stopped selling phones that were found to dilute Apple’s famous iPhone trade dress before the district court addressed the issue of post-judgment permanent injunctive relief. There, the district court exercised its discretion to deny a permanent injunction because it was undisputed that Samsung voluntarily stopped its diluting conduct. *Apple, Inc. v. Samsung Electronics Co., Ltd.*, 909 F.Supp.2d 1147, 1158 (N.D.Cal. 2012). On appeal, the Federal Circuit affirmed denial of a

permanent injunction against the diluting phone designs, but avoided the direct question of whether the FTDA would otherwise automatically authorize issuance of permanent injunction. *Apple*, 735 F.3d 1373-74, n.9. Instead, the Federal Circuit interpreted Ninth Circuit precedents, concluding that the district court could have issued an injunction notwithstanding Samsung's voluntary cessation, but that the court acted within its discretion. *Id.* at 1375.

DESIGN PATENT, TRADEMARK OF BOTH?

Not all designs warrant obtaining both design patent and trademark protection. The following factors are just some of the relevant considerations in deciding what protection is appropriate:

1. The importance and life expectancy of the design. If the design is of great importance, then both design patent and trademark protection may be warranted. If it will have a relatively short commercial life, then design patent protection alone may be sufficient.
2. The nature of competitors: is this an industry where copying is rampant? If copying is the norm, then obtaining the maximum protection through both design patents and trademark registrations may be critical.
3. Cost of asserting rights: Developing a winning evidentiary record in a trademark case may require extensive surveys and be more costly than preparing the evidence for a design patent case. On the other hand, if the design patent is more narrow than the scope of trademark protection, it may be worth the risk of additional cost to prove trademark infringement.
4. The relative ease/difficulty of registering the design under the trademark and the design patent law. If the design lacks inherent distinctiveness or secondary meaning, then a design patent may provide a quick means of securing protection. Design patents typically issue in 1-1/2 years, while a trademark registration for a mark that faces a functionality objection may face many years of prosecution (or persecution, depending on your viewpoint) before a registration issues.
5. Budget: will the design fit in a single design patent or trademark application, or are multiple applications required? If budget is a factor, look to see whether elements of the design require individual or collective protection, and then determine which type of protection is most economical.
6. Time: Has more than one year passed since the design was on sale or in public use? If so, then design patent protection is precluded by statute, but trademark protection may still be available.
7. If a design is not inherently distinctive, can it be turned into a trademark through a targeted advertising campaign, such as the "THINK PINK" campaign of Owens-Corning? If so, use the design patent's term of exclusivity to develop consumer goodwill. At the very least, use it to obtain the five years of substantially exclusive use needed to register the trademark on the basis of acquired distinctiveness.

8. Audit your IP portfolios regularly. Many changes will occur in the marketplace during the life of a design patent. Look at your design patent portfolio periodically to see whether any of the designs deserve trademark protection.

NOW & THEN – THINK AHEAD

Savvy counsel will explain to their clients how the relative ease of acquiring 14 (or 15) years of design patent protection for a new design contrasts with the rigorous requirements for later proving acquired distinctiveness and perpetual trademark rights in that design. For aspiring soothsayers aiming to predict the next iconic design, keep the following issues in mind.

Consistently define the design from the outset – claiming parts of a design in a patent should be consistent, or at least compatible, with future trade dress definitions. Here, issuance of a design patent covering some or all of the future claimed trade dress can bolster non-functionality and distinctiveness arguments.

Beware functionality – counsel clients to distinguish functional and ornamental properties of industrial design. Ensure that in-house and outside teams are coordinating on utility and design patent prosecution, and that trademark counsel is engaged where significant new designs are being launched. Regional circuit law controls trade dress functionality analyses and aesthetic functionality should be a consideration. Work with clients to highlight the ornamental, non-functional, and recognizable aspects of industrial designs.

Be smart with agreements – trademarks are vessels of goodwill that must be mindfully protected. Design patents, on the other hand, are property rights that can be enforced – or not – as clients and their budgets direct. Beware that failure to police design infringements and licensing of design rights without thought to associated goodwill could defeat future claims to owning protectable trade dress.

These are but some of the considerations counsel should discuss with design-focused clients. In sum, patents and trademarks are different rights that provide different protections at different points in time. Savvy counsel will survey the field of play from thirty-thousand feet well before advising clients about on-the-ground tactics.

In short, analyze whether design patent protection is available, whether trademarks already exist in the designs you have, or whether they can be trademarks by design, and select your protection accordingly.