The Potential Pitfalls of Overlapping Design Patents and Trademarks

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As discussed by Brian Cordery and Danielle Onona, "The Potential Pitfalls of Registering Product Shapes as TMs," ipFrontline, Aug. 10, 2005, trade dress registration has recently become possible in the UK. That has, however, long been true in the United States — where design patents are also an option.

In re Morton-Norwich Products, Inc., 671 F.2d 1322 (CCPA 1982), rebuffed a PTO refusal to register a spray bottle covered by a design patent. The advantages to Morton-Norwich are far from clear, but the possibility raises interesting questions.

Anything claimed as a trademark must have source significance. If others can immediately recognize a product's name or some aspect of its appearance to indicate that it originates with a particular firm, source significance is said to be inherent. Alternatively, source significance, or "secondary meaning," must be acquired; protection is not available until the public comes to regard a potential mark as signifying a specific commercial source.

Wal-Mart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205 (2000), held that aesthetic features of products and their packaging differ in that regard. It holds that inherently distinctive product packaging, but not product shapes, may be protected without a showing of secondary meaning. The distinction between products and their packaging may sometimes be difficult to apply, but as stated by the Court at 215: "To the extent there are close cases, we believe that courts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning."

Why this is true relates to a further dichotomy not addressed by Cordery and Onona. Justice Holmes provided the most generic articulation in Saxlehner v. Wagner, 216 U.S. 375 (1910). At 380-81, he insisted that competitors forbidden by trademark law from free riding on a *producer's* good will nevertheless be allowed to share in the goodwill of its otherwise unprotected *products.* Of the many variations on that theme, the most relevant for present purposes is flagged by relatively new Lanham Act § 43(a)(3), 15 U.S.C. § 1125(a)(3): Trade dress cannot be protected as a source indicator if it is "functional."

Echoing Holmes, a feature is functional if, in addition to possibly protecting a producer's goodwill, its exclusive use would prevent duplication of the product. To prohibit the copying of trade dress in such circumstances might be equivalent to copyright or patent protection.

Receiving little attention in *Wal-Mart,* that issue was the focus of TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23 (2001). Skirting the issue of whether the Constitution mandates the same result, the Court held at 34-35: "The Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity. The Lanham Act, furthermore, does not protect trade dress in a functional design simply because an investment has been made to encourage the public to associate a particular functional feature with a single manufacturer or seller."

The feature at stake in *TrafFix,* however, was covered by a utility, not a design, patent. How its holding might apply to an ornamental feature conferring an arguable competitive advantage remains to be seen. Yet, the difficulty in avoiding loss of trademark rights will surely be exacerbated if claimed trade dress features were critical to issuance of a design patent. First, a firm that sought a design patent might be estopped to argue later that its claimed ornamentation conferred no competitive advantage. Second, it seems doubtful in light of Scott Paper Co. v. Marcalus Mfg.

Co., Inc., 326 U.S. 249 (1945), for example, that anyone may withdraw from the public domain something previously covered by a design patent. Although neither *Morton-Norwich* nor any other case seems to address those precise issues, they should be considered closely before design patent protection is sought for features that might enjoy trademark protection for more than fourteen years.