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PERSPECTIVE

When product design serves as trade dress

By Todd M. Lander

A surge in design patent/trade dress litigation has strained the longstanding tension in the law between unprotected functional elements of product design and appropriately protected trade dress. The distributor of UGG boots, for instance, has initiated a campaign in recent years against manufacturers and retailers of similarly styled boots, asserting infringement of the UGGs design patents and trade dress (I defended several of these cases).

The issue in these cases is what a product looks like, not how it is packaged or presented in the marketplace. That is, the product design is the trade dress for all intents and purposes, raising the esoteric question of how and where to draw the opaque line separating the design and source identifying functions on the goods.

There are three basic forms of intellectual property protection under federal law: copyright, patent and design patent, and trademark and trade dress. The interplay between design patent and trade dress is particularly apropos here. Design patents protect the ornamental features of a design, and do not encompass functional elements. See *Bonito Boats Inc. v. Thunder Craft Boats Inc.*, 489 U.S. 141, 148 (1989). Similarly, trade dress protection may not extend to functional design elements. See *Disc. Golf Ass'n v. Champion Discs*, 158 F.3d 1002, 1006 (9th Cir. 1998).

As a result, the U.S. Supreme Court has been hostile to efforts to drape product design under the blanket of trade dress protection. In *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995), for example, the court articulated the policy rationale for proscribing protection of functional elements: “The functionality doctrine pre-

vents trademark law, which seeks to promote competition by protecting a firm’s reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature ... If a product’s functional features could be used as trademarks, however, a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity).” That shows the mischief that can be made when product design serves as the essential predicate of asserted trade dress — that is, a backdoor monopolization where new market entrants are quelled because products look the same.

Alas, the Supreme Court opened this seemingly sealed door in *Wal-Mart Stores Inc. v. Samara Brothers Inc.*, 529 U.S. 205, 120 S.Ct. 1339 (2000), a case where a children’s clothing designer sued Wal-Mart for distributing “knock off” goods based on photos of the designer’s products. The court concluded that the “product’s design is distinctive, and therefore protectable, upon a showing of secondary meaning.” That sounds reasonable enough — secondary meaning being acquired when a non-distinctive mark nevertheless serves to identify product source rather than the product itself — but it is ultimately little more than tautology.

Reciting that design can theoretically acquire trade dress level distinctiveness does not address, nor resolve, how to determine when unprotectable design graduates to protectable trade dress. The court breezily acknowledged this problem, observing that its holding might “force courts to draw difficult lines between product-design and product packaging trade dress. There will indeed be some hard cases at the margin ... We believe,



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Pharrell Williams sporting a pair of UGG boots in London last year.

however, that the frequency and the difficulty of having to distinguish between product design and product packaging will be much less than the frequency and the difficulty of having to decide when a product design is inherently distinctive.”

The phrase “famous last words” comes to mind, because the margins have now arrived, and in full force. The UGGs style cases present exactly the difficulty *Qualitex* foresaw, and *Wal-Mart* somewhat flippantly dismissed. When the design itself is the postured trade dress, how can we maintain the necessary line the *Qualitex* opinion drew, particularly where the plaintiff’s goods are well known in the market? And how can we reasonably expect juries, as fact finders, to navigate this question, let alone answer it in fidelity with the law? These circumstances threaten to vitiolate the line entirely, opening the door for the design based market domination *Qualitex* addressed.

All of which begs the question of what, as a practitioner, can be done to address this dilemma. There is a sound strategy, though one must admit the obvious risks of allowing these questions to go to a jury.

To start, if the case includes a design patent claim (often the case), arguing functionality during the claim construction process — which pivots on the functional vs. ornamental elements of a design

— is critical. The functionality test in design patent is not identical to that in trade dress, but the two are similar. Focusing on functionality in claim construction provides a foundation for addressing the issue concerning trade dress. In that context, it is essential to emphasize that functional elements cannot serve as trade dress, and to note the inherent risks — per *Qualitex* and *Wal-Mart* — of allowing product design to serve as a surrogate for legitimately protectable source identifying marks.

Another important issue is forcing the plaintiff and the court to identify what precisely is providing a source identifying function. Thus, if the plaintiff holds trademarks, and is using those marks on the goods in dispute, that undermines any claim that the design is what conveys source of origin to the consumer.

In short, any lawyer defending these cases should ensure that the *Qualitex* line is maintained, and that the plaintiff be compelled to prove both that its trade dress is not functional, and that it — as opposed to some other symbol of mark — is source identifying. If all that fails, there is always the appeal.

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