

# Trademarks, Design Patents and Strategies for US Design Protections

by Charles TJ Weigell

*Many creations that involve design can benefit from the protection offered by design patents as well as trademarks. However, how should practitioners – particularly those outside the United States – decide which types of protection to apply for, and when?*

Product designs and configurations in the United States are protected by different types of IP right. While the interplay between these requires careful consideration, the additional effort (and expense) of protecting designs in the United States with multiple IP filings can bring substantial benefits.

This article provides a brief, practical overview of the laws available to protect product designs in the United States, focusing mainly on the availability and interplay of design patent and trademark (trade dress) protections. It is hoped that this will provide non-US practitioners with useful guidance on the available protections and when these might best apply.

In the United States, the three forms of protection that are potentially available to protect product designs are:

- copyright;
- trademark (trade dress); and
- design patent.

Of these, copyright protection, which automatically attaches to a work upon its creation (and can be affirmed by a cheap and quick registration), may be the easiest to establish. However, in the United States, copyright usually applies to limited types of design only – primarily those that are artistic or sculptural in nature (eg, dolls, jewellery and surface patterns for fabrics and clothing). The US Copyright Act denies copyright protection to most designs of utilitarian products (so-called ‘useful articles’), such as cars, shoes, handbags, glassware and containers, tools or electronic devices. In each legislative term for the last few years the US Congress has considered, but has not passed, new legislation to extend copyright protection to fashion items (ie, shoes, handbags and clothing) for a brief five-year period (the Innovative Design Protection Act of 2012, Section 3523, 112<sup>th</sup> Congress, Second Session (2011-2012)). However, until such legislation is actually passed, the trademark (trade dress) and design patent laws are often the only real alternatives available to protect many designs.

Product designs and configurations that are candidates for protection under trademark laws are often referred to as ‘trade dress’. This is usually defined as the “totality of elements” by which a product (or service) is packaged or presented to consumers, though it can be summarised as the look or appearance of the product, or of a portion thereof (1 J Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, Section 8:1 (4<sup>th</sup> ed 2012)). Like any words or symbols asserted as trademarks, trade dress rights arise where the design or configuration has been used

in a manner that denotes the product's commercial source (*id*). Some trade dress can be registered as a trademark (or even as a service mark). Although it is often difficult to obtain a registration for trade dress, such a registration can be renewed perpetually, provided that the trade dress remains in use in the United States.

By contrast, design patents are limited to a 14-year term after issuance, although once issued they require no further maintenance fees or renewal filings. Design patents protect the way that an article looks and extend generally to any new ornamental designs for articles of manufacture that are novel and non-obvious. They differ from utility patents, which protect the way that an article works (see *Manual of Patent Examination Procedure*, Section 1502.01 (8<sup>th</sup> ed Rev July 7 2008.)).

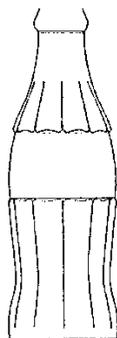
A design patent is often easier to procure than a trademark registration for trade dress. Given that there is no requirement to show consumer recognition of the design or configuration as a source indicator, design patents are also potentially available to a wider range of product designs and configurations, even those not yet launched in the marketplace. However, a design patent application must be timely filed or the applicant risks losing these rights.

With any given design, the challenge is to unite the particular design with the most effective form of available IP protection, recognising that often both types of protection – trade dress and design patent – can apply. Thus, understanding the applicability and limitations of each form of protection is crucial.

### **Trademark and trade dress protection**

Trademarks are distinctive indicators of a commercial source and are not limited to words or graphical symbols. As discussed above, trademark laws can protect product designs and configurations, provided that these are source identifying.

An example of a design that has been registered and is protected as a trademark is the iconic shape of the COCA-COLA® bottle.

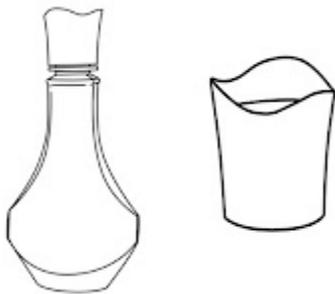


### **US Trademark Registration No 1,057,884**

In the context of a product design or configuration, trade dress rights will usually arise only where the owner can show that the design is 'distinctive' (ie, that consumers will associate it exclusively with a particular maker, sponsor or other singular commercial source of the product). Usually, this requires evidence of acquired distinctiveness (also called 'secondary meaning'), derived through extensive use and promotion of the design or configuration in the marketplace.

In fact, where the design or configuration is of the product itself, rather than its packaging, evidence of secondary meaning is always required to establish trade dress rights (*Wal-Mart Stores, Inc v Samara Bros, Inc* (529 US 205, 212-16 (2000))). Even packaging, such as bottle configurations, usually requires secondary meaning to be protected, except for unusual and highly distinctive packaging or containers.

Where the design of a product container is unusual or unique enough, it may qualify as “inherently distinctive” and therefore not require evidence of secondary meaning to be registered. Since the appearance of the design in question must be unique beyond any mere refinement of existing container designs for similar goods, it is usually difficult to establish “inherent distinctiveness.” But in a recent Trademark Trial and Appeal Board case, the Board held the following container design and cap for mouthwash to qualify as inherently distinctive:



In re Procter & Gamble Co., (re: Application Serial Nos. 77685045 and 77685052—Precedential decision dated November 16, 2012). In this case, apart from the uniqueness of the design, the record showed that there was substantial publicity surrounding the launch of the design. The design also received an industry award.

Trade dress consisting of product designs and configurations can be federally registered as trademarks, but trade dress rights can also be protected without a registration. Unregistered designs can be enforced based on common law rights derived through use in the marketplace. However, defining and establishing these common law rights can be difficult and registration (on the Principal Register) affords significant advantages. A registration provides a legal presumption that the design or configuration is a valid and protectable trademark. Also, if a registration issues and later become incontestable (upon filing a declaration after at least five years of continuous use), the registered design can no longer be attacked based on lack of distinctiveness (Lanham Act §15, 15 USC §1065 ).

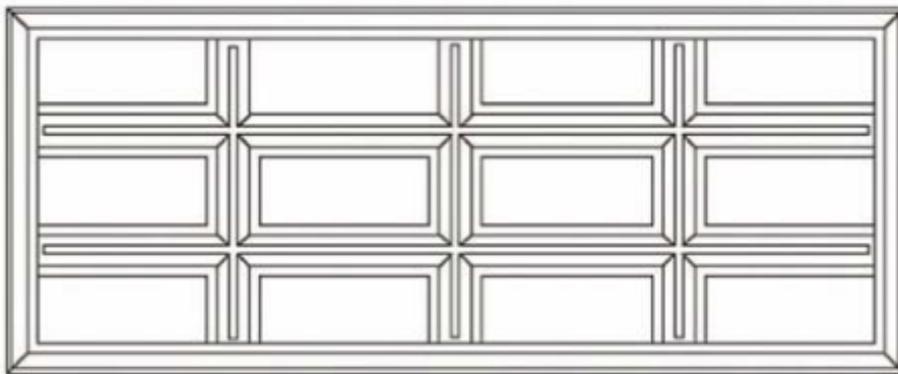
However, applications to register product designs and configurations often face considerable hurdles. For many designs embodied in utilitarian articles such as tools, containers or mechanical or electronic devices, the US Patent and Trademark Office (USPTO) will object that the design is ‘functional’. A design is considered functional and ineligible for registration (or trade dress protection) “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article” – that is, if exclusive use of the design puts competitors at a significant disadvantage in making a product of equal utility if they cannot use the design (*Inwood Laboratories, Inc v Ives Laboratories, Inc* (456 US 844, 850, n10 (1982))).

The USPTO is often extremely strict in assessing functionality. Many recent cases have held designs for utilitarian articles to be functional and unregistrable as trademarks. Indeed, even where the product design at issue has acknowledged non-functional features, recent cases have approved of the USPTO approach to evaluate and compare these features in order to see whether the functional features predominate: “Whenever a proposed mark includes both functional and non-functional features, as in this case, the critical question is the degree of utility present in the overall design of the mark” (*In re Becton Dickinson & Co* (102 USPQ2d 1372, 1376 (Fed Cir 2012))). Of course, this is a far easier test to articulate than to apply to a given design.

Even where functionality issues are overcome, or not raised, attempts at registration often founder on the additional hurdle of establishing distinctiveness (ie, consumer recognition of the design as a source indicator). As discussed above, the USPTO also usually requires a showing of acquired distinctiveness. This must be supported by evidence of extensive US advertising and sales of the product bearing the design. Therefore, the chances of securing a trademark registration typically increase the longer the product remains on the market. This actually merges well with the requirements of patent law to file for a design patent early. Design patent protections can be in place while the product design gains distinctiveness over time and trade dress protection becomes available.

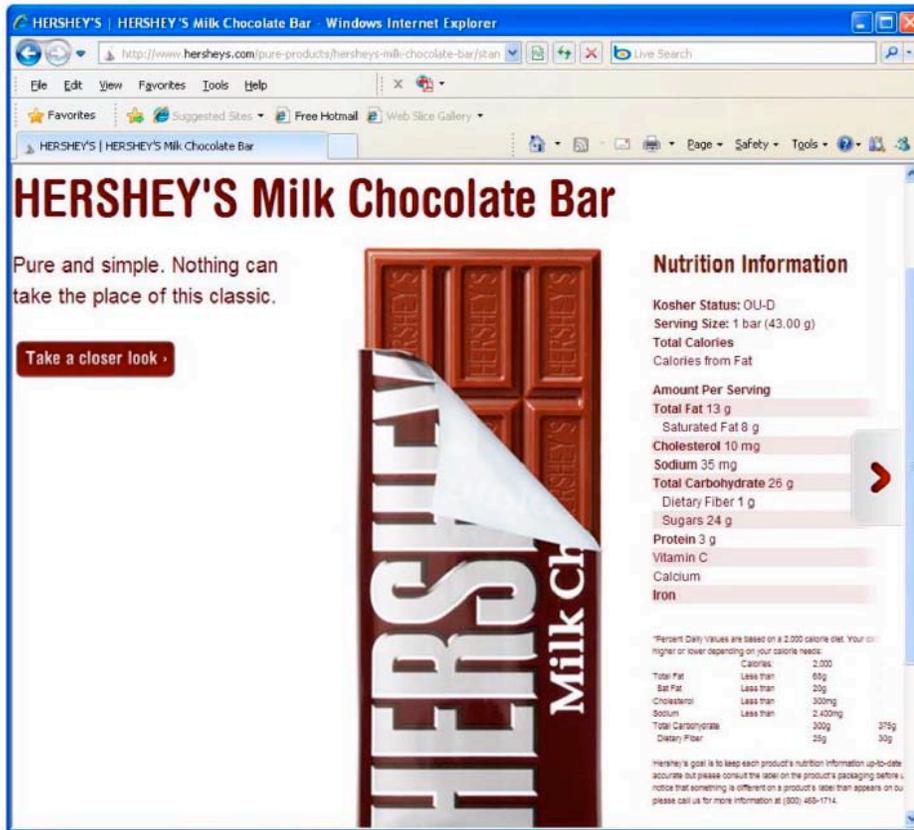
In assessing acquired distinctiveness in applications to register trade dress or product configurations, the USPTO will consider declarations setting out high sales figures and promotional expenditures, usually over years of use. However, it is also often helpful to submit evidence that the design is marketed and promoted to potential customers in a manner that creates an association with the owner’s business as a commercial source. Advertising that highlights (and specifically instructs potential customers to “look for”) the particular product design best supports a claim of acquired distinctiveness. Surveys can also be commissioned to show acquired distinctiveness, although this is much more expensive.

To illustrate, in a recent decision (*In re Hershey Chocolate and Confectionary Corporation* (Serial No 77/809,223 (June 28 2012))), the USPTO Trademark Trial and Appeal Board reversed an examining attorney’s refusal of the following HERSHEY’S® chocolate bar design as functional and lacking in distinctiveness.



In the case, Hershey overcame a rejection based on functionality mainly by showing numerous other examples of different segmentation used in chocolate bars. The examining attorney also felt that, despite evidence showing high levels of sales and promotional expenditure over many

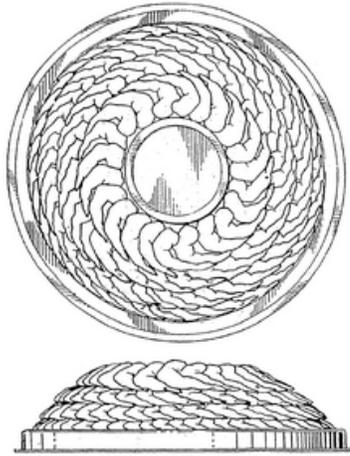
years, Hershey’s showing of acquired distinctiveness was still insufficient. Part of the way that Hershey helped to overcome this was by submitting samples of advertising that featured the design prominently, thus showing its efforts to associate the design with a brand identity. An example of this was included in the USPTO opinion (*id* at 17).



Hershey’s also submitted evidence of copying. This can also help to establish acquired distinctiveness (assuming that one can, as Hershey’s did, distinguish intentional copying from mere innocent use of the same design features by others).

### Design patents

Design patent protections can be applied to a broad array of designs and configurations. For example, a well-known 2003 design patent case involved the claimed infringement of a “plate of shrimp” design featuring a specific placement and orientation of the shrimp (*Contessa Food Products, Inc v Conagra, Inc* (282 F 3d 1370 (Fed Cir 2002) – this design is the subject of US Design Patent D481,953).



Design patent applications differ significantly from trademark applications in many ways. Taking just one example, a trademark application usually shows only one view of the design or configuration, while most design patent applications include multiple views of the design – usually between six and seven figures (or more) – to satisfy the requirement for a complete and clear disclosure of the design. As the USPTO is typically very strict in evaluating illustrations in a design patent application, examiners prefer to see the design illustrated with pen and ink drawings prepared by a draftsman. Photographic drawings can be submitted, but these will be rejected if they are unclear or show obscured views. Photographic drawings may also include details that are not new or narrow the claim scope. Because the design claimed is strictly construed from what is depicted in the views, this can make it easier for an infringer to design around a resulting patent.

Although design patents are more detailed than initial trademark applications to register designs or configurations, issues of functionality are often less of a concern. Although theoretically the same standard for functionality applies as for trademark applications (*Krueger International, Inc v Nightingale, Inc* (40 USPQ 2d 1334, 1342 (SDNY 1996))), in practice, it is rare to receive a functionality rejection. Moreover, as the application covers the ornamental aspects of the design itself, its significance as a source indicator is irrelevant and there is no requirement to show acquired distinctiveness (or secondary meaning) to obtain a design patent.

A comparative illustration of what a design patent can cover is provided by *Richardson v Stanley Works, Inc* (597 F 3d 1288 (Fed Cir 2010)), where the plaintiff obtained a design patent on a multiuse tool.

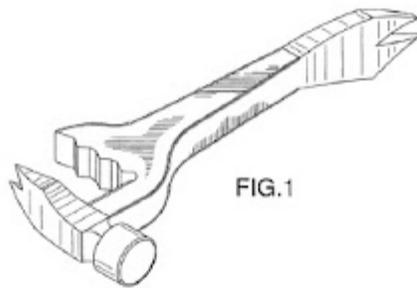


FIG.1

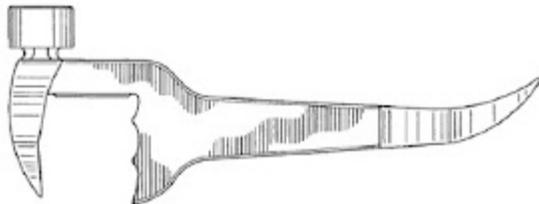


FIG.2

This design is the subject of US Design Patent D507,167. The patentee brought suit against an accused infringing product, but the courts applied a strict analysis to discount any common features between the patented and infringing articles that could be considered functional. However, the courts did not invalidate the design patent, although they did concede that much of its structure was dictated by its functional use, whether as a hammer, wrench or any of the other tool functions.

A review of the transaction history for the application that matured into this patent shows that the USPTO issued the design patent without raising any issues of functionality – that is, eligibility for design patent protection was not questioned. In contrast, based on this author’s experience, a corresponding trademark application for this device would likely have received a strong rejection based on functionality or, at the very least, the applicant would have had to provide detailed arguments and explanations as to why this design was not functional. This would be in addition to having to submit extensive evidence of acquired distinctiveness to obtain registration. In the author’s opinion, the prospects for obtaining a trademark registration for this design would likely be quite poor.

Although many abroad may believe that US design patents are analogous to design registrations obtained in other countries, there can be significant differences. For instance, unlike with registered Community designs in Europe, the USPTO will often not issue a patent covering multiple designs. This is true also for variations of a single design, unless a variation exhibits only minor differences. Where multiple designs are disclosed in an application, the USPTO will usually require the owner to restrict the application to one design; patents for the non-elected designs must then be pursued in separately filed divisional or continuation applications (although with a claim to priority to the original filing date). Those familiar with continuation and divisional application practice in US utility patent applications will note that analogous policies and procedures apply.

Design patent applications are not published before issuance and are typically not available to the public until such time as a patent issues. Also, much of the same statutory provisions governing patentability in utility patent contexts also apply to designs. This includes Section 112 of the Patent Act (first and second paragraphs) governing adequacy and definiteness in how the design is disclosed, as well as novelty and obviousness under Sections 102 and 103 and their prior art definitions. However, in practice, there are significant differences in how these statutory provisions are applied to design patents. The assistance of US counsel with specific experience in design patent practice is often indispensable.

Given novelty requirements, patent laws everywhere tend to encourage prompt filing of applications. Failure to do so within the prescribed time period can result in a loss of rights. The United States is no different in this regard. Delays in filing a design patent application while designs are on sale or in public use for more than a year can be a bar to patenting. In contrast, registration of product designs and configurations as trademarks tends to be easier after waiting years to develop evidence of acquired distinctiveness.

### **The choice – design patent, trademark registration or both?**

Assuming that a given design is not eligible for copyright protection and the time period to obtain a patent has not expired, it appears that rights holders face a choice as to whether to pursue protection under the trademark or design patent laws. But must they choose? Generally speaking, despite references in some cases to the freedom to copy formerly patented material (often arising from, or attributed to, the Supreme Court decision involving “shredded wheat” in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938)), there is no policy or legal prohibition that precludes obtaining a trademark registration as well as a design patent for the same product design and maintaining trademark protections even after a design patent expires.

The reason for this is that the design patent and trademark laws have different purposes. Design patents protect an inventor who creates an ornamental design, for a limited time. The trademark laws protect a trademark owner and the public from confusion, mistake and deception, *so long as the design in question is not functional and is shown to be recognized by consumers as a trademark*. (In *re Mogen David Wine Corp.*, 372 F.2d 539 (C.C.P.A. 1967), see also *Kohler Co. v. Moen, Inc.*, 12 F.3d 632 (7<sup>th</sup> Cir., 1993)). Unlike utility patents, which can show that a certain product design is functional, and thus ineligible for trademark or trade dress protections, the existence of a design patent can show that a design is non-functional. A design patent cannot, however, establish that the design has achieved distinctiveness as a trademark.

However, given impediments to obtaining a trademark registration for a design, it is unlikely that a rights holder would seek both a design patent and a trademark registration at the same time. Timing is critical. Design patents must be filed early, as they can be barred by any earlier prior art public disclosures or publications of substantially the same design, as well as disclosures and offers for sale by the applicant itself of the design it seeks to patent more than one year before the application filing date. Moreover, once US patent law converts from a first-to-invent to a first-to-file system in March 2013 (America Invents Act, HR 1249, 112<sup>th</sup> Congress, Second Session (2011-2012)), filing as soon as possible will become even more important. Indeed, a failed first-filed trademark application to register trade dress could be enough of a public disclosure to invalidate a subsequent design patent for the same product configuration.

Yet as design patents have a limited term, while trademark registrations can be perpetually renewed, there is still a significant incentive to obtain a trademark registration. It may also be the only available form of protection if the rights holder waited too long to obtain a design patent. Moreover, whereas a design patent can be invalidated by any prior publication of a substantially identical design – even if the design is obsolete and no longer sold – trade dress protections, once established and sales of the product are ongoing, are impacted only by other similar competing designs that are being offered in the marketplace. However, seeking a trademark registration too early can present difficulties. The two hurdles of functionality and distinctiveness can be too much for many applications to overcome. Acquired distinctiveness can be difficult to show for a newly launched product without years of high sales and advertising expenditures.

In comparison, design patent applications typically run into far fewer difficulties with functionality and require no showing of distinctiveness, or evidence of acquired distinctiveness or secondary meaning. Moreover, the design to be patented is defined by the drawings submitted with the application – unlike trademark applications, where there need be no use or specimen showing the actual product on sale. Lastly, design patents are not published; nor are they subject to opposition proceedings, as are trademark applications.

Given this, a potential strategy for effective design protection can involve filing a design patent application in the United States early, preferably in advance of any public disclosure or publication (or with a priority claim that pre-dates such disclosures). Such applications can be expedited if a thorough prior art search is performed and submitted to the USPTO (with, of course, an additional fee) along with the application.

Once the design patent proceeds and eventually issues (after all issues raised by the USPTO have been successfully addressed), and the product design is on the market, the rights holder can turn to developing trademark and trade dress rights, and plan to obtain a trademark registration eventually. This involves assessing whether the design is likely to be rejected as functional, and developing advertising and marketing initiatives that can provide strong evidence of acquired distinctiveness (eg, developing advertising that features and touts the design specifically, or instructing employees to collect and retain any media articles, consumer correspondence or even design awards that reflect recognition of the design).

Using both avenues of protection allows the rights holder to obtain a design patent first and use this to protect the design as it develops its trade dress significance over time, with extensive use and advertising. At a later date, it may then file a trademark application that has a reasonable chance of registration. In the meantime, the rights holder can consider adding claims to common law trade dress rights to any enforcement action based on the design patent.

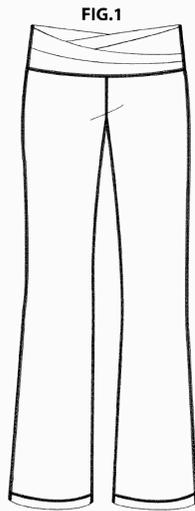
### **Crafting and enforcing the design patent claim**

A further advantage of a design patent application, insofar as it is permitted by the scope of similar prior art designs, is that the applicant can often more easily broaden or narrow the scope of the design claim.

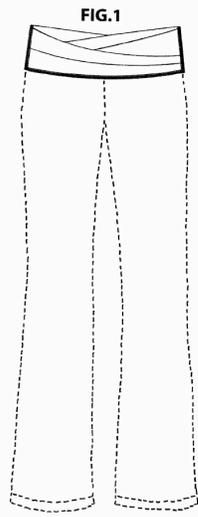
US design patent practice requires disclosure of the design in the application, usually in multiple views. Aiding this is the use of lining to specify which features are being claimed. Solid lining is used to delineate the elements of the article being claimed. Broken lines are used for other features of an article that the applicant wishes to exclude from the claim.

To illustrate, in the recently filed (and even more recently settled) case of *Lululemon Athletica Canada, Ltd v Calvin Klein, Inc* (Civil Action No 1:12-cv-01034-UNA, filed on August 13 2012 in the US District Court for the District of Delaware), Lululemon asserted multiple patents for yoga pants with a particular waistband design. One patent asserted (D645,644) uses solid lines to show and claim the waistband as well as the pant legs.

U.S. Patent Sep. 27, 2011 Sheet 1 of 8 US D645,644 S



Through the issuance of a later filed continuation application based on the application that matured into the D645,644 patent, Lululemon obtained a broader claim to the waistband alone in its asserted D661,872 patent. This patent illustrates the same design as the earlier one, but illustrates the pant legs in broken lines (and adds a statement indicating that these features are not part of the design claim).



As a result, the D661,872 patent issued with a broader claim directed to the waistband alone. The patent could then ostensibly be applied to other clothing articles with a similar waistband, regardless of the lengths or dimensions of the clothing below the waistband. However, this brings with it potential risks of a prior art clothing design with the same waistband (eg, on a pair of shorts), which could threaten the validity of the broader D661,872 patent claim (and possibly also the D645,644, if obviousness is considered). The presence of prior art designs will therefore limit how far a design claim can be broadened and yet remain enforceable.

That two or more patents can cover the same product design and vary the scope of coverage distinguishes design patents from most trademark registrations which cover product designs or configurations. Those that have prosecuted product configuration trademarks in the United States may point out that trademark applications also utilise broken lines to illustrate designs for which registration is sought. However, there is a significant difference between this and the design patent context. A trademark registration must cover the actual trademark or trade dress that consumers recognise as distinctive and source indicating. Thus, while it is theoretically possible to use broken lines to create different protective scopes for product designs and configurations in a trademark application, this may create additional difficulties in prosecuting the application. Given a claim to only a portion of an overall article as the trademark, there is a good chance that an examining attorney will accept only evidence of acquired distinctiveness that highlights this specific portion to consumers, and reject evidence directed to the entire article. Such potential difficulties in proving acquired distinctiveness of a portion of an article may dissuade applicants from taking this approach and cutting out elements and features that are part of the overall configuration that consumers encounter.

## Conclusion

Limitations of space preclude an in-depth discussion of many cases and procedures that apply to design patent and trademark (trade dress) practice. Infringement analysis and discussions of available remedies must also await another article. Moreover, determining the best available

protection will depend on specific circumstances, including the nature of the designs to be protected, the timing of their use and launch, and the types of infringement that can be expected. The hope is that practitioners recognise that the best forms of IP rights available can overlap and strengthen protection for products. In this, design patent and trademark protections are most useful when used in tandem, rather than being mutually exclusive. As brand identity and design often coalesce in the same article, design patents and trademarks should be seen as complementary and cooperative forms of protection – two potentially effective tools to maintain the integrity of a rights holder’s products and designs.