

## Design Patents and Trade Dress Protection: Are the Two Mutually Exclusive?

By Tracy-Gene G. Durkin and Julie D. Shirk

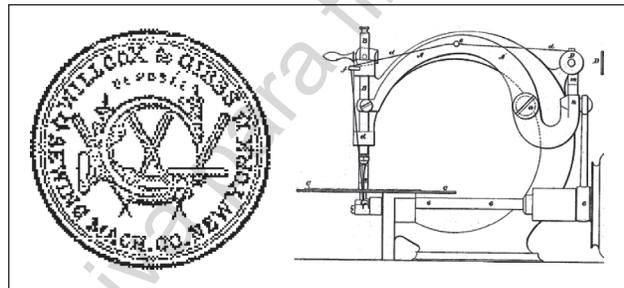
As intellectual property practitioners, we are constantly faced with the challenge of counseling our clients on how best to protect their intellectual property assets from copying. To that end, we typically rely on patents and trademarks. Through experience, we know that, in general, patents are used to protect the innovations that come from the R&D department and that trademarks are used to protect the creative ideas that come from the marketing department. How often do we consider whether both patents and trademarks (including trade dress) can and should be used to protect the fruits of both departments? We know well that the “patent monopoly” cannot be extended beyond the term of a patent and that a trademark registration cannot be obtained for features that were previously protected by a “utility” patent. But does the same hold true for a design protected by a “design patent”? Perhaps not.

### Historical Perspective: Shift from Unlawful Extension of Patent Rights to Functionality

For more than 100 years, courts have been presented with issues relating to the effect of a design patent on trademark protection. In 1883, the circuit court in New York held in *Wilcox & Gibbs Sewing-Machine Co. v. The Gibbens Frame* that a patent holder could not use a trademark to protect its monopoly indefinitely.<sup>1</sup> In that case, Wilcox & Gibbs was granted both a utility patent and a design patent for a G-shaped frame for a sewing machine.<sup>2</sup> Wilcox & Gibbs manufactured the frames under the patents until they expired in 1872. In 1881, they registered the shape of the frame as a trademark, alleging continuous use since 1859. Figure 1 depicts the images from the patent and trademark registrations.

Finding that it was the protection of the patent that had allowed Wilcox & Gibbs to exclude others from making machines of similar design, the court held that the rights acquired under the patent ceased when the patent expired. Thus, whatever was formerly patented is transferred to the public and becomes free for all to

**Figure 1: Wilcox & Gibbs Sewing-Machine Co.: Left Image from Trademark Registration No. 53,529; Right Image from US Patent No. 21,129, reissued as US Patent No. RE 2,655 (G-Shaped Sewing Machine Frame)**



use upon the expiration of the patent term. The court discussed how, if not for the exclusive rights conferred by the patents, the patented frame may have been used by other manufacturers such that the patent holder’s use would not have amounted to an identification of source. This viewpoint is not surprising in light of the common anti-patent attitude due to the fear of monopolies.<sup>3</sup>

A few years later, in 1896 in *Singer Mfg. Co. v. June Mfg. Co.*, the Supreme Court refused to enjoin the copying of another sewing machine design.<sup>4</sup> In this case, Singer made distinctive sewing machines for several years under several utility patents, and the name “Singer” became the generic description for such machines. After expiration of the patents, June Manufacturing Company began making sewing machines having the same design. The Court found that June Manufacturing Company could continue manufacturing the sewing machines, holding that:

It is self-evident that on the expiration of a patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property. It is upon this condition that the patent is granted. It follows, as a matter of course, that on the termination of the patent there passes to the public the right to make the machine in the form in which it was constructed during the patent. We may, therefore, dismiss without further comment the complaint,

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as to the form in which the defendant made his machines.<sup>5</sup>

It was not until 1964 that the Court of Customs and Patent Appeals (the predecessor to the Court of Appeals for the Federal Circuit) first had a chance to consider the issue of whether the existence of a design patent precludes later trademark protection. In *In re Mogen David Wine Corp.*, Mogen David Wine Corp. had appealed from the Trademark Trial and Appeal Board's (TTAB) denial of registration of the configuration of its unique decanter bottle for wines.<sup>6</sup> The TTAB had denied registration because Mogen David Wine Corp. was the owner by assignment of an existing design patent that

covered the decanter bottle for which it sought registration. The TTAB based its decision on the opinion that issuance of the registration would unlawfully extend the monopoly granted by the design patent, contrary to the intent and purpose of patent law. Figure 2 shows the images from Mogen David Wine Corporation's trademark and patent applications.

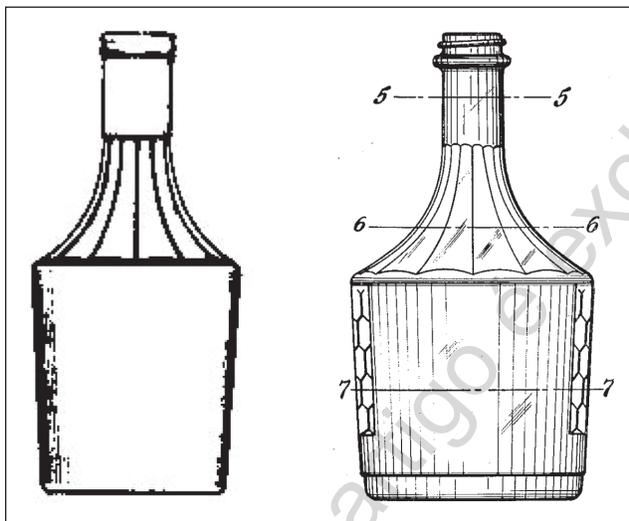
The Court of Customs and Patent Appeals (CCPA) reversed, holding that trademark rights (or other rights under the law of unfair competition), which happen to continue beyond the expiration of a design patent, do not "extend" the patent monopoly.<sup>7</sup> The court emphasized that patent and trademark laws exist independently of each other for different reasons. The termination of either has no legal effect on the continuance of the other: "[p]atent expiration is nothing more than the cessation of the patentee's right to exclude held under the patent law. Conversely, trademarks conceivably could end through nonuse during the life of a patent."

*Mogen David* moves away from the view that the existence of trademark rights derived in conjunction with the exploitation of patent rights is an improper "extension of monopoly" and toward the view that the existence of a patent should be considered as evidence only of functionality. According to the court, the only reason to consider a patent is that it may contain evidence of the functionality of the outline shape sought to be registered as a trademark.

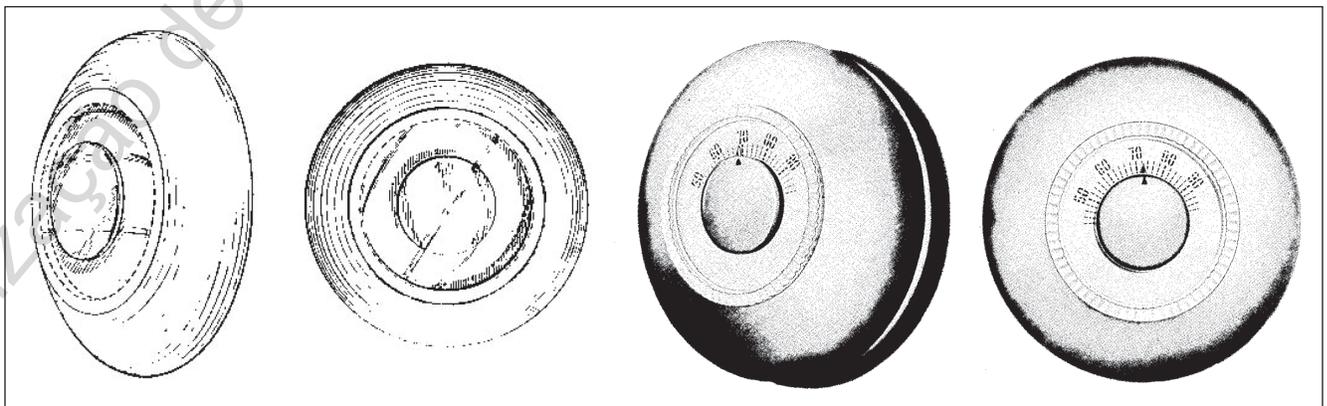
Such a trend continued in *In re Honeywell, Inc.*<sup>8</sup> In *Honeywell*, the TTAB refused to register configuration of a round thermostat.<sup>9</sup> The features sought to be registered were a portion of the subject matter of a design patent that Honeywell also owned. Figure 3 shows images of Honeywell, Inc.'s trademark and patent applications.

The design patent had not expired at the time that Honeywell filed its application to register the design as

**Figure 2: Mogen David Wine Corp.: Left Image from US Trademark Application Serial No. 73,406; Right Image from US Design Patent No. 158,213 (Decanter Bottle)**



**Figure 3: Honeywell, Inc.: Left Images from US Trademark Application Serial No. 306,776; Right Images from US Design Patent No. 176,657 (Thermostat)**



# Intellectual Property

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a trademark but had expired by the time of the TTAB's decision. Although the trademark examiner had set forth functionality as a ground for denying the registration, the TTAB had relied solely on Honeywell's prior design patent to deny registration. Much like the prior cases, the TTAB reasoned that the issuance of a registration for the same subject matter as the design patent would serve, in effect, to extend the protection accorded the patented design, which, according to the TTAB, was contrary to the purpose and intent of the patent law.

The CCPA rejected the TTAB's reasoning and applied the reasoning of *Mogen David* to non-functional features of the expired design patent. The court emphasized the distinction between "functional subject matter disclosed in utility patents and subject matter disclosed in design patents, which may or may not be functional, in the context of their relationship with trademarks."<sup>10</sup> The court looked to the underlying bases of federal trademark and design patent laws:

Federal design patent laws were created to encourage the invention of ornamental designs. Federal trademark laws, which are independent in origin from the design patent laws, seek to prevent the public from encountering confusion, mistake, and deception in the purchase of goods and services and to protect the integrity of the trademark owner's product identity. With that distinction in mind, this court decided that the public interest—protection from confusion, mistake, and deception in the purchase of goods and services—must prevail over any alleged extension of design patent rights, when a trademark is non-functional and does in fact serve as a means to distinguish the goods of the trademark owner from those of others.<sup>11</sup>

Nevertheless, on remand, the TTAB denied registration of the thermostat design on the ground that the shape was functional.<sup>12</sup> Honeywell again appealed, but this time the court affirmed the denial of registration on the basis of functionality.<sup>13</sup>

## Old Arguments Die Hard

While the issue of whether one may acquire trademark rights in a design also protected by a design patent appeared to be resolved, some parties did not give up the argument so easily. For example, in *Hubbell Inc. v. Pass & Seymour, Inc.*,<sup>14</sup> where Pass & Seymour was alleged to have infringed Hubbell's trade dress for an electrical connector and plug after expiration of the related design patents, the defendants moved to dismiss the Lanham Act claim as an unlawful attempt to extend

the patent monopoly. The court denied the motion, stating that the Lanham Act and design patent law "were designed to serve quite different purposes," and "may operate separately and without unavoidable conflict."<sup>15</sup> Trade dress protection, the court concluded, "is not as a matter of law unavailable to products for which design patents have expired."<sup>16</sup>

In 1996, the US District Court for the Southern District of New York again considered whether trademark rights can be used to extend a patent monopoly. In *Krueger International, Inc. v. Nightingale, Inc.*, the plaintiff brought a trade dress action under the Lanham Act after expiration of its design patent on a metal-frame stacking chair.<sup>17</sup> In opposing a motion for a preliminary injunction, the defendant argued that the trade dress claim was an impermissible attempt to extend the monopoly afforded by the now-expired design patent. Disagreeing with the defendant, the court held:

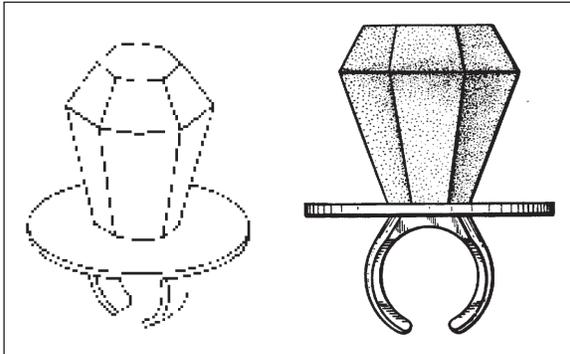
[T]rademark rights do not "extend" the patent monopoly. They exist independently of it, under different law and for different reasons. The termination of either has no legal effect on the continuance of the other. When the patent monopoly ends, it ends. The trademark rights do not extend it.<sup>18</sup>

Rejecting the argument that granting relief under the Lanham Act runs counter with the right to copy the subject matter of an expired design patent, the court also found that, "[w]hen a design patent expires, the design becomes copyable. It may not, however, be copied in such a way that customers are deceived about what they are buying."<sup>19</sup>

That same year, in *Topps Co., Inc. v. Gerrit J. Verburg Co.*,<sup>20</sup> the court again rejected the argument that there is an inherent conflict between trademark and patent rights.<sup>21</sup> In *Topps*, the court made clear that precedent had established that the existence of an expired design patent does not preclude trademark rights or registration of a trademark.<sup>22</sup> Figure 4 shows the images from Topps Co.'s trademark and patent registrations.

Meanwhile, another defendant was attempting to base an antitrust counterclaim in a trademark action on an "unlawful extension of an expired design patent" in *Northwestern Corp. v. Gabriel Mfg. Co.*<sup>23</sup> Northwestern Corp.'s trademark and patent registration images are shown in Figure 5. The court held that such a counterclaim would not result in dismissal because it was well established that a product's different qualities can be protected simultaneously, or successively, by more than one of the statutory means for protection of intellectual property. The court noted that functionality is

**Figure 4: Topps Co.: Left Image from US Trademark Registration No. 1,846,873; Right Image from US Design Patent No. 246,646 (Ring Pop Candy)**



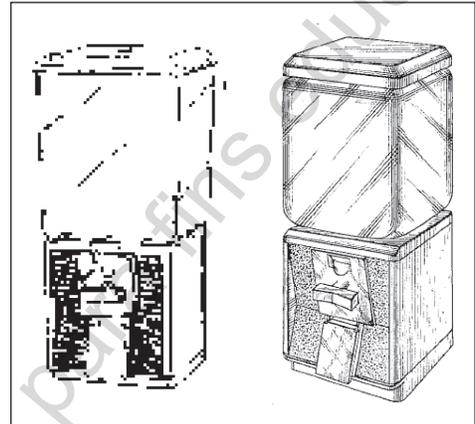
a public policy defense that prevents perpetual utility patent protection. Thus, trademark law may not be used to establish a perpetual monopoly on functional features of a product.

## Effect of Design Patents on Trade Dress Protection in Wake of *TrafFix* Case

The momentum of the functionality doctrine led to a landmark Supreme Court decision on the issue in 2001. The case dealt with a mechanism built upon two springs to keep outdoor signs upright during high winds. This dual-spring design was the subject of two expired utility patents.<sup>24</sup> The dual-spring design was the central advance claimed in the utility patents and was the essential feature of the trade dress that the appellant was seeking to establish and protect. *TrafFix* arrived at the Supreme Court from an appeal of a decision of the Sixth Circuit. That appellate court had noted a split of the circuits on the issue of whether the existence of an expired utility patent forecloses the possibility of the patentee's claiming trade dress protection in the product's design: the Fifth, Seventh, and Federal Circuits held that trade dress protection is not foreclosed, while the Tenth Circuit held that, "where a product configuration is a significant inventive component of an invention covered by a utility patent . . . it cannot receive trade dress protection."<sup>25</sup>

The Supreme Court held that a *utility patent* is strong evidence that the features therein claimed are functional.<sup>26</sup> "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>27</sup> In *TrafFix*, however, the Supreme Court did not discuss the effect of an expired

**Figure 5: Northwestern Corp.: Left Image from US Trademark Registration No. 1,456,248; Right Image from US Design Patent No. 186,466 (Vending Machine)**

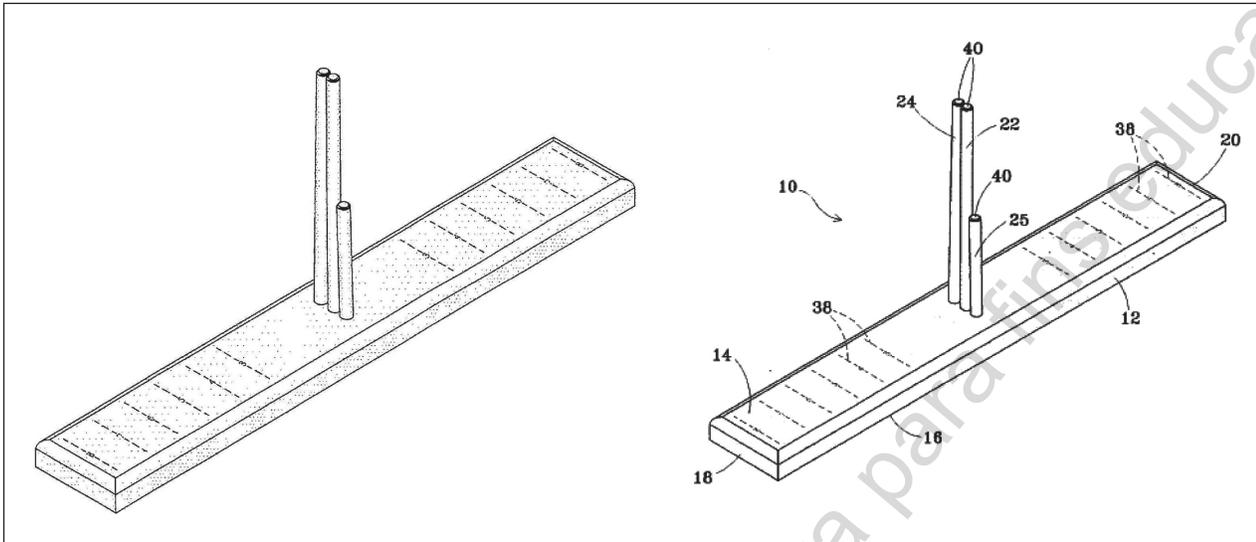


*design patent* on trade dress protection and left open the possibility of showing that a feature is not functional when it is an "arbitrary, incidental, or ornamental aspect of the device."<sup>28</sup> Thus the effect of the *TrafFix* decision was to severely limit trademark protection if a *utility patent* was ever obtained for the design features sought to be protected by trademark. *TrafFix* does not appear to have any effect on the prior case law relating to trademark protection for a design that was protected by a *design patent*, however.

An example of the application of the *TrafFix* decision presented itself in 2003 in *E-Z Bowz, L.L.C. v. Prof'l Prod. Research Co.*<sup>29</sup> In *E-Z Bowz*, the defendant sought summary judgment with respect to plaintiff's trade dress claims. Those claims related to a bow making apparatus, the same subject matter covered by one utility and two design patents. Figure 6 shows the design and patent registration images. The court denied the defendant's motion for summary judgment on plaintiff's trade dress claims, holding that some portions of the trade dress were functional but that others were purely arbitrary and were designed to allow consumers to distinguish plaintiff's bow maker from others.

In reaching its conclusion, the *E-Z Bowz* court specifically discussed the effect of the existence of a design patent on a trade dress claim after the *TrafFix* case and found not only that a design patent does not preclude trademark protection in the same design but also that it is evidence of non-functionality because a design patent cannot be issued if the invention is functional. The court further found that expiration of the design patent did not remove its relevance to the functionality question.

**Figure 6: E-Z Bowz, L.L.C.: Left Image from US Design Patent No. 364,733; Right Image from US Utility Patent No. 5,617,979 (Bow Making Apparatus)**



## Settled Precedent?

Although the law appears to be well settled with respect to the availability of trademark protection despite the existence of an expired design patent, the Supreme Court has still not expressly spoken on the issue and therefore, not all courts, nor the TTAB, may be of one mind. Thus, we may still have to wait for the Supreme Court to address the issue in order to know definitely if design patent and trade dress protection can peacefully coexist and extend one beyond the other.

In the meantime, IP practitioners should consider both design patents and trade dress protection for unique, non-functional aspects of our client's product configuration and packaging. But in any case, we need to be sure the position being taken in any related utility patent application is not inconsistent with the position being taken in a design or trademark application concerning the same features. Any admission that a feature is functional will surely prevent either design patent or trademark protection from being available.

## Notes

1. *Wilcox & Gibbs Sewing-Machine Co. v. The Gibbens Frame*, 17 F.623, 625 (C.C.S.D.N.Y. 1883).
2. *Wilcox & Gibbs*, 17 F. at 623. Although the decision is not discussed in terms of functionality, the court, in reaching its conclusion discusses how "[t]his form of frame has some advantages over others, in that it requires less room for itself in proportion to the room afforded by it for the other parts and the material sewed, as described in the patent for it." *Wilcox & Gibbs*, 17 F. at 623.

3. *See, e.g., Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 255 (1945) ("any attempted reservation or continuation in the patentee or those claiming under him of the patent monopoly, after the patent expires, whatever the legal device employed, runs counter to the policy and purpose of the patent laws.").
4. *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 185 (1896).
5. *Singer*, 163 U.S. at 185. *See also Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 119-120 (1938) (holding that upon expiration of utility and design patents covering pillow-shaped shredded wheat biscuits "the form, as well as the name, was dedicated to the public.").
6. *In re Mogen David Wine Corp.*, 328 F.2d 925, 926 (C.C.P.A. 1964).
7. *Mogen David*, 328 F.2d at 930. In a separate but related holding, the court also held that the use of the subject matter of a design patent during the life of the patent can be considered trademark use. Along these lines, the court acknowledges that the good will of the patentee survives the patent: "His popularity as manufacturer or merchant may create a demand for the product as made by him which may be represented by a trade-mark, by non-functional decorative features which have acquired a secondary meaning, or by dress such as a label or wrapper of peculiar design by which the article and its maker have become associated in the public mind. These features have nothing to do with the patent rights. They are property of the patentee which survives the patent. As to them, the general rules with regard to trade-marks and the dress of the goods apply as though no patent were involved." *Id.* at 928.
8. *In re Honeywell, Inc.*, 497 F.2d 1344 (C.C.P.A. 1974).
9. *Honeywell*, 497 F.2d at 1345. The application for registration seeks to register "a smooth outer cover ring and a center disc positioned concentrically therein."
10. *Honeywell*, 497 F.2d at 1347.

11. *Honeywell*, 497 F.2d at 1348.
12. *In re Honeywell Inc.*, 187 U.S.P.Q. 576, 579, 1975 WL 21267 (TTAB May 13, 1975).
13. *In re Honeywell, Inc.*, 532 F.2d 180, 182-183 (C.C.P.A. 1976). The saga of Honeywell's round thermostat does not end there. In 1986, Honeywell again tried to register the round shape as a trademark. This time, the Board agreed with Honeywell and ordered registration. *In re Honeywell Inc.*, 8 U.S.P.Q.2d 1600, 1988 TTAB LEXIS 38, 1988 WL 252417 (TTAB Aug. 16, 1988). Then, in 2003, the round thermostat showed up again in litigation in *Eco Mfg. v. Honeywell Int'l, Inc.*, 295 F. Supp. 2d 854 (S.D. Ind. 2003). The patent history of the round thermostat is discussed more fully, and the round thermostat was previously protected by both a design patent and a utility patent. *Id.* at 859. The record showed that Honeywell had obtained its expired utility patent by persuading the US Patent & Trademark Office that the circular, convex shape was indeed novel and useful. *Id.* Applying *TrafFix*, the court found that the utility patent evidences that the round shape was indeed functional, and thus it cannot be protected as a trademark. *Id.* at 864.
14. *Hubbell Inc. v. Pass & Seymour, Inc.*, 883 F. Supp. 955 (S.D.N.Y. 1995).
15. *Hubbell*, 883 F. Supp. at 959.
16. *Hubbell*, 883 F. Supp. at 959.
17. *Krueger International, Inc. v. Nightingale, Inc.*, 915 F. Supp. 595 (S.D.N.Y. 1996).
18. *Id.*, quoting *Mogen David Wine Corp.*, 328 F.2d at 930.
19. *Id.*
20. *Topps Co., Inc. v. Gerrit J. Verburg Co.*, No. 96 Civ. 7302, 1996 U.S. Dist. LEXIS 18556 (S.D.N.Y. Dec. 12, 1996).
21. *Id.* at \*29. The lawsuit involves the ring pop, *i.e.*, a plastic ring with a jeweled-shaped candy on top. The plaintiff had two design patents on the product, filed for in 1975 and expired in 1990. In 1976, a trademark was registered for Ring Pop by Topps, and in 1994 a trademark registration was issued for the design configuration.
22. *Id.* at \*30 (citing *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 1342, n.3 (C.C.P.A. 1982)).
23. *Northwestern Corp. v. Gabriel Mfg. Co.*, No. 95-C2004, 1996 U.S. Dist. LEXIS 19275, at \*20 (N.D. Ill. Dec. 10, 1996). This case relates to bubble gum machines. The plaintiff acquired a design patent in 1959, which expired in 1962. In 1987, a trademark registration was issued for the shape and configuration of the bubble gum machine.
24. *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 25 (2001).
25. *TrafFix*, 532 U.S. at 28.
26. *TrafFix*, 532 U.S. at 29-30 (emphasis added) (stating that "[i]f trade dress protection is sought for those features the strong evidence of functionality based on the previous patent adds great weight to the statutory presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection").
27. *TrafFix*, 532 U.S. at 30.
28. *TrafFix*, 532 U.S. at 30.
29. *E-Z Bowz, L.L.C. v. Prof'l Prod. Research Co.*, No. 00 Civ. 8670, 2003 U.S. Dist. LEXIS 15364 (S.D.N.Y. Sept. 5, 2003).

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