

January 2015

JOURNAL OF INTELLECTUAL PROPERTY LAW

Collected Writings of Banner & Witcoff in 2014

In analyzing whether Aereo performs, the Court admitted that “the language of the Act does not clearly indicate when an entity ‘perform[s]’ . . . and when it merely supplies equipment that allows others to do so.” The Court analogized Aereo’s technology to cable TV (CATV) technology of 40 years ago. CATV providers “placed antennas on hills above” cities, then “amplified and modulated the signals” to rebroadcast them to customers. In 1968 and 1974, the Court held that CATV systems did not infringe the copyrights of the content they rebroadcast; “[v]iewers do not become performers by using ‘amplifying equipment’ and a CATV provider should not be treated differently for providing viewers the same equipment.” But in 1976, Congress amended the Copyright Act “to reject the Court’s holdings . . . [and] to bring the activities of cable systems within the scope of the Copyright Act.”

Even though the Court acknowledged a “particular difference between Aereo’s system” and CATV systems — that only “in automatic response to the subscriber’s request does Aereo’s system activate an antenna and begin to transmit the requested program” — the Court “d[id] not see how this single difference, invisible to subscriber and broadcaster alike, could transform a system that is for all practical purposes a traditional cable system into” one that does not “perform” within the scope of the Copyright Act.

In analyzing whether Aereo performs “publicly,” the Court similarly ignored “technological differences” between Aereo’s system and traditional cable systems. In the Court’s view, “Congress would as much have intended to protect a copyright holder from the unlicensed activities of Aereo as from those of cable companies.” Thus, the Court interpreted “the public” to apply to “a group of individuals acting as ordinary members

of the public who pay primarily to watch broadcast television programs.”

Even though the Court held that Aereo infringed the right of public performance, the Court stressed that “we do not believe that our limited holding” will “discourage or control the emergence or use of different kinds of technologies.” The Court specifically noted that “questions involving cloud computing, remote storage DVRs, and other novel issues not before the Court” are not covered by its holding. Justice Scalia authored a strong dissent.

It remains to be seen if “Congress will take a fresh look at this new technology” and “decid[e] whether the Copyright Act needs an upgrade.” But for now, the Court limited its holding to Aereo’s system and others like it, thus hoping to avoid disturbing future investments in and development of other new technologies.

***Petrella v. Metro-Goldwyn-Mayer, Inc.:* Applicability of Laches to Copyright- Infringement Claims**

In *Petrella*, a 6–3 majority of the Court held that laches cannot be invoked as a bar to a copyright-infringement claim for damages brought within the Copyright Act’s three-year statute of limitations. The author’s daughter, Paula Petrella, inherited the copyright to a 1963 screenplay on which the 1980 MGM film *Raging Bull* was based. She sued MGM for infringement in 2009. Petrella “sought no relief for conduct occurring outside” the three-year limitations period, but the district court and the Ninth Circuit nevertheless invoked laches as a bar to relief, because Petrella *could have* brought her claim earlier.

Congress established “a right to sue for infringement occurring no more than three years back from the time of suit,” [MORE ►](#) and “[t]hat regime leaves ‘little

[SUPREME IP, FROM PAGE 21]

place' for a doctrine that would further limit the timeliness of a copyright owner's suit." The Court did, however, recognize that "the consequences of a delay in commencing suit may be of sufficient magnitude" to limit the amount or type of relief that may be rewarded. For example, in *Chirco v. Crosswinds Communities, Inc.*, the owner of a copyrighted architectural design was not "entitled to an order mandating destruction of" a housing development in which more than 168 units were built, with 109 units occupied. That relief would be inequitable for two reasons: "the plaintiffs knew of the defendants' construction plans before the defendants broke ground, yet failed to take readily available measures to stop the project; and the requested" destruction would be "an unjust hardship' upon the defendants and innocent third parties."

Petrella's claim did not present the kind of extraordinary circumstances that would bar some types of relief at the outset. "Allowing Petrella's suit to go forward will put at risk only a fraction of the income MGM has earned during [the past three decades] and will work no unjust hardship on innocent third parties." The Court noted, however, that if Petrella ultimately prevails, the district court "may take account of her delay in commencing suit" when determining

appropriate damages. But her delay cannot completely "foreclos[e] the possibility of any form of relief."

CASES FOR 2014-2015 TERM

While not hearing a single trademark case in its previous term, the Court has already granted certiorari of two trademark cases for its next term, plus an additional patent case:

- *Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.*: The Court will consider the appropriate standard for reviewing a district court's factual findings in patent claim construction.
- *B&B Hardware v. Hargis Industries*: The Court will consider whether the Trademark Trial and Appeal Board's finding of likelihood of confusion precludes a respondent from relitigating that issue in infringement litigation.
- *Hana Financial v. Hana Bank*: The Court will consider whether the jury or the court determines whether use of an older trademark may be tacked to a newer one.

As always, Banner & Witcoff attorneys will watch these and other cases before the Court, and provide updates and analysis as more information becomes available. ■



JOSEPH M. POTENZA ELECTED ABA-IPL REPRESENTATIVE TO THE ABA HOUSE OF DELEGATES

Joseph M. Potenza was elected as the American Bar Association Section of Intellectual Property Law (ABA-IPL) Representative to the ABA House of Delegates during the organization's Annual Meeting in Boston, Aug. 6-12, 2014. He will serve a three-year term, expiring in 2017.

TRADEMARKS



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

**Robert S. Katz, Helen Hill Minsker
and Erik S. Maurer**

***American Intellectual Property Law
Association Spring Meeting***

March 2014



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

March 2014

Authors:

- **Robert S. Katz**, Principal Shareholder, Washington, DC – rkatz@bannerwitcoff.com
- **Helen Hill Minsker**, Principal Shareholder, Chicago – hminsker@bannerwitcoff.com
- **Erik S. Maurer**, Principal Shareholder, Chicago – emaurer@bannerwitcoff.com

Chicago, IL
Ten South Wacker Drive
Suite 3000
Chicago, IL 60606

Washington, DC
1100 13th Street NW
Suite 1200
Washington, DC 2005

Boston, MA
28 State Street
Suite 1800
Boston, MA 02109

Portland, OR
121 SW Salmon Street
11th Floor
Portland, OR 97204

www.bannerwitcoff.com

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.



**Aesthetic Functionality in the TTAB
since *Louboutin***

Anna L. King

***Banner & Witcoff Intellectual
Property Update***

April 21, 2014

AESTHETIC FUNCTIONALITY IN THE TTAB SINCE LOUBOUTIN



BY: ANNA L. KING

The doctrine of aesthetic functionality was revived in the recent *Louboutin* case to protect the competitive need to use color to communicate a particular message. In that case, Christian Louboutin S.A. tried to enforce its trademarked red lacquered outsole against Yves Saint Laurent's use of the color red on a monochromatic shoe (including on the outsole). *Christian Louboutin S.A. v. Yves Saint Laurent America, Inc.*, 778 F. Supp. 2d 445, 447-48 (S.D.N.Y. 2011). The district court relied on *Qualitex*, finding that color would only be protectable if it distinguishes one's goods and identifies their source, without serving a function. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995). It accordingly held that Louboutin's red outsole served non-trademark functions, such as eluding energy and sexiness, and could not be upheld as a trademark as it would hinder creativity and artistic freedom in the fashion industry to preclude competitors from using the color on shoes.

The U.S. Court of Appeals for the Second Circuit reversed the district court's decision. It noted that to uphold the district court's decision would be to single out the fashion industry and hold it to a different standard than other industries. It reviewed Louboutin's evidence of acquired distinctiveness of the mark and determined that it had little support for acquired distinctiveness extending to uses where the red outsole did not contrast with the upper portion of the shoe (e.g., monochromatic shoe like that of YSL). Thus,

it held that Louboutin's red outsole is entitled to limited protection as a trademark. *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.*, 696 F.3d 206 (2d Cir. 2012). This protection amounts to a limitation of the red outsole registration to situations where the red outsole contrasts in color with the upper portion of the shoe.

This was seen as a win for the fashion industry as well as for both parties. The fashion industry was allowed once again to protect single colors as trademarks. As for the parties, Louboutin viewed it as validation of its trademark albeit in limited circumstances, and YSL interpreted it as a win because it was allowed to continue to use red soles on monochromatic red shoes. The decision also provided a test for aesthetic functionality. The decision held that a mark is aesthetically functional and therefore ineligible for trademark protection if: (1) the design feature is essential to the purpose of the good; (2) the design feature affects the cost or quality of the product; and (3) protection of the design feature would significantly hinder competition.

In 2013, the Trademark Trial and Appeal Board addressed the issue of aesthetic functionality and provided some guidance into the "competitive need" factor in two noteworthy cases. In the first case, *Florists' Transworld Delivery (FTD)* attempted to register the color black for packaging for its flower arrangements. *In re Florists' Transworld Delivery, Inc.*, 106 USPQ2d 1784 (TTAB 2013). The Board echoed the Second Circuit's test in *Louboutin*; however, it focused its analysis on the issue of competitive need to consider whether a single color can be registered as a trademark for a particular product. The Board also cited to an earlier case noting that "functionality hinges on whether registration of a particular feature hinders competition and not whether the



[MORE >](#)

These recent decisions indicate that the doctrine of aesthetic functionality is likely here to stay.



feature contributes to the product's commercial success." *M-5 Steel Mfg. Inc. v. O'Hagin's Inc.*, 61 USPQ2d 1086, 1097 (TTAB 2001).

The Examining Attorney submitted evidence that color has significance in the floral industry and noted that the color black, in particular, serves an aesthetic function in relation to floral packaging. It is associated with an elegant, classic look. It is also a color to communicate grief or condolence as well as a color associated with Halloween. Accordingly, he argued, and the Board agreed, the color black is necessary in the floral industry to communicate these messages and allowing FTD to own exclusive rights to the color black for floral packaging would hinder competition.

In a concurrence opinion, Judge Bucher agreed with the results of the majority, but indicated that instead of attempting to negotiate the various functionality cases and categorize each case into a pre-existing label such as "aesthetic functionality," he would instead apply "first principles." This would simply ask if "public interest is best served by refusing to permit a particular feature to be taken from the 'public domain.'" He indicates that the answer will turn "on whether the non-traditional indicator should remain permanently available for competitors to use freely."

In a subsequent decision, the Board did not adopt this simplified test, but again considered the doctrine of aesthetic functionality when considering the registrability of Bottega Veneta's basket-weave pattern used on its leather

products. *In re Bottega Veneta International S.a.r.l.*, Serial No. 77219184 (September 30, 2013) [non-precedential]. The Board again focused on the competitive need to use the particular design. In this case, the Examining Attorney submitted many examples of uses of weave patterns to show the competitive need for such designs; however, the Board noted that the patterns submitted into evidence were all distinct from the applied for mark. In view of the very narrow description Bottega Veneta submitted for its mark ("a configuration of slim, uniformly-sized strips of leather, ranging from 8 to 12 millimeters in width, interlaced to form a repeating plain or basket-weave pattern placed at a 45-degree angle over all or substantially all of the goods") and the lack of any designs submitted into evidence that totally matched the description of the weave design, the Board held that there was not a competitive need for this particular design of weave for leather goods. As Bottega Veneta was also able to prove acquired distinctiveness, the design was allowed to register.



These recent decisions indicate that the doctrine of aesthetic functionality is likely here to stay. It is also apparent that courts and the Trademark Trial and Appeal Board are willing to continue providing protection for designs and colors where exclusive rights thereto would not be perceived as restricting a competitor's need. What constitutes a "competitor's need" will continue to be an industry specific analysis and relate to the commercial message being conveyed by the particular color or design. Thus, the lessons learned from these cases are to know the particular market at issue and consider how the specific color or pattern is perceived in that market before pursuing trademark protection. ■



NFL Teams 0-2 in the TTAB

Helen Hill Minsker

***Banner & Witcoff Intellectual
Property Update***

September 19, 2014

NFL TEAMS 0-2 IN THE TTAB



BY HELEN HILL MINSKER

This past summer yielded two interesting decisions from the Trademark Trial and Appeal

Board (TTAB) of the U.S. Patent and Trademark Office (USPTO) involving NFL teams. In the Washington Redskins case, the TTAB cancelled several registrations owned by the Washington Redskins that included the word “Redskins” on the ground that the term was disparaging. Although for different reasons than the Washington Redskins case, the New York Giants likewise found an unsympathetic ear in the TTAB when it attempted to register the term “G-MEN.”

Marketplace Fame & Use Evidence Isn’t Enough to Avoid Likelihood of Confusion: *In re New York Football Giants, Inc.*, (TTAB July 3, 2014) (unpublished)

The New York Football Giants sought to register “G-MEN” for “shirts; t-shirts; tops” in Class 25 (SN 85599795). The USPTO refused registration on the basis of likelihood of confusion with a prior registration for GMAN Sport for “boxer shorts; socks; t-shirts; tank tops,” also in Class 25.



The Giants tried mightily to convince the TTAB that even though there was overlap in the description of the goods in their application and the cited registration, and no restrictions on the intended uses or channels of trade, the mark “G-MEN” in its application is so famous that there was no likelihood of confusion. As the TTAB noted at the outset of its opinion,

“The essence of Applicant’s argument as to why there is no likelihood of confusion is that its G-MEN mark is (1) so famous that (2) when used in the context of football related merchandise, it has a unique and singular meaning for a distinct set of products.”

Per the Giants, “[t]here is no more fundamental and grievous error than to conclude that confusion is likely by comparing two marks in the abstract, divorced from marketplace circumstances...” The TTAB boiled down the Giants’ argument to the proposition that if the Applicant produces evidence of record relating to the fame of its mark, and the nature of the goods/channels of trade for the goods, then “... the lack of express restrictions or limitations in the respective descriptions of the goods is no longer relevant.” The problem for the Giants, according to the TTAB, is that this interpretation is expressly contrary to longstanding TTAB and Federal Circuit law.

The TTAB, which seemed to be somewhat frustrated by the position taken by the Applicant, notes that usually, when this type of argument is made, it is because the Applicant fails to recognize that Board precedent requires it to take into account the specific identification of the goods in the application. Here, the TTAB noted, “... Applicant’s counsel appears not to have ignored such precedent, but to have made a direct argument that application of such precedent, over the course of many years, has been improper and the Board’s focus, in likelihood of confusion cases, on broadly construed identifications, has been in error.”

The TTAB then proceeded to provide a primer on its longstanding precedent that requires it to focus on the

[MORE ►](#)

[NFL TEAMS, FROM PAGE 7]

similarity or dissimilarity of the goods *as described in an application or registration*. Having concluded that, under its precedent, the goods as described in the application are overlapping, the TTAB also found the Giants

by the boundaries of the description in the application or registration, and the type of marketplace analysis that courts typically make in assessing likelihood of confusion in an infringement context. The Supreme Court

“There are fundamental differences between how the TTAB looks at likelihood of confusion and how a court analyzes the issue.”

arguments relating to the other factors considered in determining likelihood of confusion were not persuasive, and it affirmed the refusal to register the mark.

This case provides a good example of the differences between the analysis of likelihood of confusion in a registrability proceeding, which is constricted significantly

presently has before it the case of *B&B v. Hargis*, where it will weigh how much deference, if any, courts should give to a TTAB decision on likelihood of confusion. The Giants case is a reminder that even though some aspects of the analysis may be similar, there are fundamental differences between how the TTAB looks at likelihood of confusion and how a court analyzes the issue. ■

DONALD W. BANNER DIVERSITY SCHOLARSHIP FOR LAW STUDENTS

Banner & Witcoff is proud to offer the Donald W. Banner Diversity Scholarship for law students. This scholarship is part of the firm's commitment to fostering the development of intellectual property lawyers from diverse backgrounds.

Law students who meet the selection criteria and have entered into a J.D. program at an ABA-accredited law school in the United States are eligible to apply for the scholarship. Applicants may not be a current or past employee of Banner & Witcoff, or directly related to a current employee of the firm.

Application materials are now available for the 2015 scholarship award. Please visit www.bannerwitcoff.com/diversity for more information.



BANNER&WITCOFF
COMMITMENT TO DIVERSITY





**NFL Redskins Federal Trademark
Registrations Cancelled**

Ernest V. Linek

***Banner & Witcoff Intellectual
Property Update***

September 19, 2014

NFL REDSKINS FEDERAL TRADEMARK REGISTRATIONS CANCELLED



BY: ERNEST V. LINEK

On June 18, 2014, in a 2-1 decision in *Blackhorse v. Pro Football, Inc.*, the Trademark Trial and Appeal Board (TTAB)

of the United States Patent and Trademark Office (USPTO) cancelled six federal registrations for trademarks that include the term “Redskins.”

In the Federal Trademark Cancellation Action (No. 92046185) before the TTAB, two judges held in an 81-page majority opinion that the Native American Indian petitioners had successfully shown that these six REDSKINS trademarks were disparaging to Native American Indians.

Under the Federal Trademark Act of 1946 (Lanham Act), these six trademarks were deemed to have been obtained contrary to the provisions of Section 2(a) of the statute (15 U.S.C. 1052(a)), which prohibits registration of any mark that may disparage persons or bring them into contempt or disrepute, and the TTAB ordered that the registrations be cancelled.

A dissenting opinion was filed by one of the three judges on the TTAB panel, based on that judge’s opinion that there was insufficient evidence presented by the petitioners to support the claim of disparagement by the marks. In his dissenting opinion, Judge Bergsman stated:

This case is *not* about the controversy, currently playing out in the media, over whether the term “redskins,” as the name of Washington’s professional football team, is disparaging to Native Americans *today*. The provisions of the

statute under which the Board must decide this case — §§ 2(a) and 14(3) of the Trademark Act, 15 U.S.C. §§ 1052(a) and 1064(3) — require us to answer a much narrower, legal question: whether the evidence made of record in this case establishes that the term “redskins” was disparaging to a substantial composite of Native Americans *at the time each of the challenged registrations issued*.

See generally *Consorzio del Prosciutto di Parma v. Parma Sausage Prods., Inc.*, 23 USPQ2d 1894, 1898-99 (TTAB 1992) (discussing the language of Lanham Act § 14(3) and explaining that the “registration was obtained” language Congress used to specify when a registration for a mark may be cancelled under the enumerated statutory provisions, such as § 2(a), “shows an intent that only if it should not have issued in the first place should a registration more than five years old be cancelled”).

In the majority opinion, the TTAB found that based on the evidence presented by the parties and on applicable law, the *Blackhorse* petitioners carried their burden of proof.

By a preponderance of the evidence, the petitioners established that the term “Redskins” was disparaging of Native Americans, when used in relation to professional football services, at the times the various registrations involved in the cancellation proceeding were issued. Thus, in accordance with applicable law, the federal registrations for the “Redskins” trademarks involved in this proceeding must be cancelled.

[MORE ►](#)

[NFL REDSKINS, FROM PAGE 9]

EXACTLY WHAT IS A TTAB CANCELLATION PROCEEDING?

A cancellation proceeding is an action held before the TTAB in which a party seeks to cancel an existing registration of a mark. Such an action is a mini-trial conducted under specific rules of practice before the TTAB, including parts of the Federal Rules of Evidence and the Federal Rules of Civil Procedure.

Under the Trademark Act, a person (including any legal entity) who believes he will be damaged by the continuing registration of a mark may file a petition with the TTAB to cancel the registration, asserting one or more grounds for cancellation.

Most USPTO cancellation proceedings assert grounds for cancellation under Section 2 of the Trademark Act, 15 U.S.C. § 1052, which specifies a variety of types of terms or marks that Congress has determined to be ineligible for federal registration, including those that are determined, as in this case, to disparage an individual or group.

CAN ANY REGISTERED TRADEMARK BE THE SUBJECT OF A CANCELLATION PROCEEDING?

Yes. According to federal trademark law, even a long-standing registration can be the subject of a cancellation proceeding *at any time*, if an appropriate ground for cancellation is asserted.

A claim that a registered trademark was *disparaging* of an individual or group at the time it was originally registered is one such example of a claim that can be appropriately brought at any time, regardless of the age of the registration.

CAN THE TRADEMARK OWNER APPEAL?

Yes. A party dissatisfied with the TTAB's decision has two initial options to seek further judicial review:




(1) One option is to file an appeal to the U.S. Court of Appeals for the Federal Circuit in Washington, D.C.; or

(2) Another option is to file a civil action in the U.S. District Court for the Eastern District of Virginia, which has jurisdiction over civil actions seeking review of TTAB cancellation proceedings.

ARE THE SIX REDSKINS REGISTRATIONS NOW CANCELLED?

No. This decision by the TTAB is not the final decision for these trademarks. The trademark owner, Pro Football, Inc., has now sought review by the U.S. District Court for the Eastern District of Virginia.

THESE SIX FEDERAL REGISTRATIONS FOR TRADEMARKS THAT INCLUDE THE TERM "REDSKINS" WERE CANCELLED IN JUNE:

1.Registration No. 836122 (1967):	2. Registration No. 978824 (1974):	3.Registration No. 986668 (1974):	4. Registration No. 987127 (1974):	5. Registration No. 1085092 (1978):	6. Registration No. 1606810 (1990):
	WASHINGTON REDSKINS			REDSKINS	REDSKINETTES

Accordingly, these six REDSKINS registrations will remain “on the federal register of marks” and not be listed in the USPTO’s records as “cancelled” until after all judicial reviews have been completed. This could include a final appeal to the U.S. Supreme Court.

WHAT DOES THE TTAB DECISION MEAN FOR THESE TRADEMARKS?

If the cancellation of the registrations for the trademarks involved in this case is affirmed following all possible reviews in the federal courts, Pro Football, Inc., as record owner of the involved registrations, would lose the legal benefits conferred by federal registration of the marks. Such lost benefits include:

- (a) the legal presumptions of ownership and of a nationwide scope of rights in these trademarks;
- (b) the ability to use the federal registration ® symbol, and;
- (c) the ability to record the registrations with the U.S. Customs and Border Patrol Service so as to block the importation of infringing or counterfeit foreign goods.

WHAT DOES THE TTAB DECISION NOT MEAN FOR THESE TRADEMARKS?

This decision does not require the Washington D.C. professional football team to change its name or stop using the trademarks at issue in this case.

Cancellation of the federal registration of a trademark does not mean that the owner loses all legal rights in the mark. This is because trademark rights in the United States come from use of the mark on or in conjunction with goods or services, not merely from the additional, and optional, step of federal registration.

The TTAB decision — if upheld by the federal courts — determines only whether a mark can be registered with the federal government (and

thus gain the additional legal benefits thereof), not whether it can be used.

Regardless of the federal registration status, the trademark owner retains its rights in the mark based on use of the mark. Such rights are known as “common law” rights, and those use-based rights will continue to exist even if a federal registration is cancelled.

PRO FOOTBALL APPEALS TTAB DECISION

On August 14, 2014, Pro Football Inc., the owner of the subject Washington Redskins trademarks, filed a federal lawsuit seeking to overturn the USPTO’s cancellation of its trademark registration on grounds that the name is disparaging to Native Americans, calling the agency’s decision “replete with errors of fact and law” and additionally, unconstitutional.

The complaint, filed in the U.S. District Court for the Eastern District of Virginia, claimed that the TTAB ruling against the team violated the First and Fifth Amendments of the U.S. Constitution. It urged the court to reverse the TTAB’s decision, declare that the word “Redskins” and the team’s marks do not disparage Native Americans, and deem part of the Lanham Act unconstitutional under the First Amendment, among other remedies.

According to the complaint:

“The Redskins Marks, as designations of the professional football team, do not disparage Native Americans or bring them into contempt or disrepute under any analysis of the terms ‘disparage,’ ‘contempt,’ or ‘disrepute.’ To the contrary, the name ‘Redskins,’ when used in association with professional football — as it has been for over 80 years — *denotes only the team* and connotes the history and tradition of the club.” [MORE ►](#)