

Revisiting Unanswered Questions from *Traffix Devices, Inc. v. Marketing Displays, Inc.*

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Traffix Devices, Inc. v. Marketing Displays, Inc. *532 U.S. 23 (2001)*

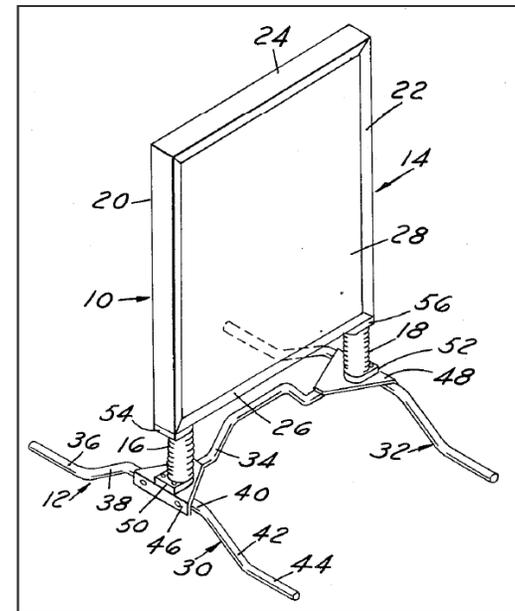
■ Key Holdings:

- Plaintiffs bear the burden of proving that the characteristic for which trade dress protection is sought is not functional.
- Having a utility patent that discloses the claimed trade dress raises a very strong presumption that the design was functional.
- 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.***
- A design is functional if it serves any purpose that makes the product work better, or makes the product less expensive to produce. That an alternative design is available does not undercut the functionality of a given design.

Traffix Devices, Inc. v. Marketing Displays, Inc. 532 U.S. 23 (2001)



Traffix Devices's Accused Product



MDI's Expired '696 Patent

“In the case before us, **the central advance claimed in the expired utility patents (the Sarkisian patents) is the dual-spring design**; and the dual-spring design is **the essential feature of the trade dress MDI now seeks to establish and to protect**. The rule we have explained bars the trade dress claim, for MDI did not, and cannot, carry the burden of overcoming the strong evidentiary inference of functionality based on the disclosure of the dual-spring design in the claims of the expired patents.”

Traffix Devices, at 30.

Unanswered Questions from *Traffix Devices*

“Traffix and some of its *amici* argue that the Patent Clause of the [Constitution, Art. I, § 8, cl. 8](#), of its own force, prohibits the holder of an expired utility patent from claiming trade dress protection.”

“We need not resolve this question. *If*, despite the rule that functional features may not be the subject of trade dress protection, ***a case arises in which trade dress becomes the practical equivalent of an expired utility patent***, that will be time enough to consider the matter.”

Traffix Devices, at 35 (emphasis added).

Unanswered Questions from *Traffix Devices*

- Is there an affirmative “right to copy” expired or invalid designs and non-functional aspects of utility patents?
 - Very few cases since *Traffix Devices* have grappled with the question left unanswered by the Supreme Court.
 - The Supreme Court’s prediction that few cases would surpass the presumption of functionality appears to have been fairly accurate.
 - With the growing popularity of design patents, this question may become more important as design patents begin to expire.



Is There a “Right to Copy” Under the Constitution?

“To promote the Progress of Science and useful Arts, *by securing **for limited Times*** to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”

Article 1, Section 8, Clause 8

The Federal Right to Copy Trumps State Unfair Competition Laws

Two Supreme Court Cases:

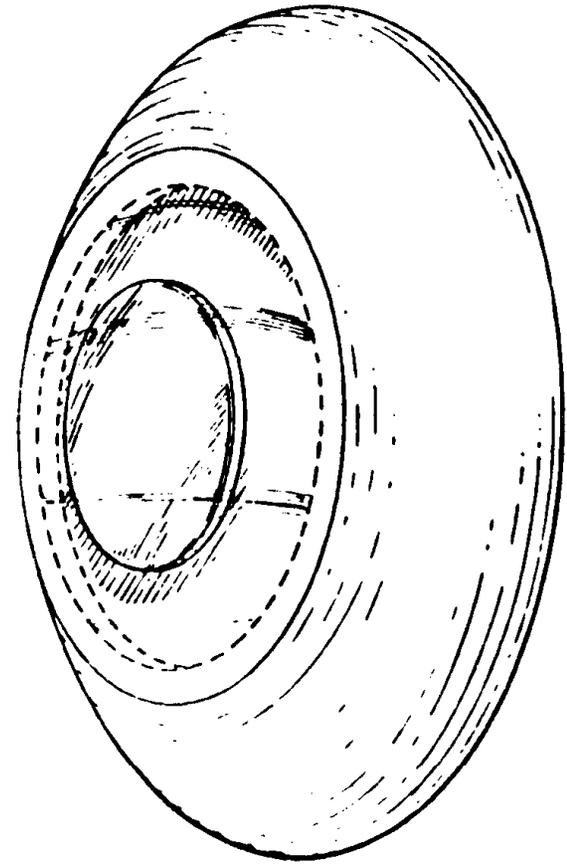
- “Especially relevant here, **when the patent expires the monopoly created by it expires, too, and the right to make the article**—including the right to make it in precisely the shape it carried when patented—**passes to the public.**”
 - *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, (1964) (Stiffel’s “pole lamp” had been rejected for either a utility or design patent and was therefore unpatentable. Illinois could not prevent copying under unfair competition laws).
- “[W]hen an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article. **To forbid copying would interfere with the federal policy, found in Art. I, s 8, cl. 8, of the Constitution** and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.”
 - *Compco Corp. v. Day-Brite Lightning, Inc.*, 376 U.S. 234 (1964) (lower court rendered judgment that a design patent on a reflector was invalid but that the defendant was guilty of unfair competition under Illinois unfair competition law).

Can Trade Dress Disclosed in an Expired Design Be Registered?

- *In re Shakespeare Co.*, 289 F.2d 506 (C.C.P.A. 1961)
 - Applicant sought to register spiral markings on a glass fishing rod as a trademark, but the markings were the necessary result of a patented manufacturing process for making the glass rods, which patent was still in existence
 - “The true basis of such holdings is not that they (the marks) cannot or do not indicate source to the purchasing public but that **there is an overriding public policy of preventing their monopolization, of pre-serving the public right to copy.**”
 - “[W]hen the patent expires, **freedom to utilize that process and whatever advantages it may have is a public right** which cannot be interfered with by alleged trademark rights.”

Can Trade Dress Disclosed in an Expired Design Be Registered?

- *In re Honeywell, Inc.*, 497 F.2d 1344 (C.C.P.A. 1974)
 - Applicant sought to register the circular portion of a thermostat as a trademark. The design was the subject of an expired design patent.
 - “We believe the solicitor has failed to draw a crucial 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.”
 - “The analysis is precisely the same as that found in the decisions of this court, e.g., *In re Shakespeare Company*, supra, wherein federal trademark rights were also **denied for functional features**.”



The Second Circuit Holds that the Lanham Act is an *Exception* to the Right to Copy

- ***Ives Labs, Inc. v. Darby Drug Co., 601 F.2d 631 (1979)***
 - Holding that drug manufacturer was entitled to claim trade dress protection in green color for drug, even after utility patent on drug had expired but remanding for consideration of functionality.
 - “It is surely true that in the ***Sears*** and ***Compco*** opinions the Supreme Court said nothing about the federal tort created by s 43(a). ... ***The opinions can be read as limited to rights claimed under state unfair competition law*** granting protection equivalent to that of the federal patent or copyright laws for products not enjoying valid patent or copyright protection.”
 - “it would be hard to argue that the time limitation on the power of Congress to protect “writings and discoveries” ***limits its power under the commerce clause to protect trademarks*** or other symbols of origin.”

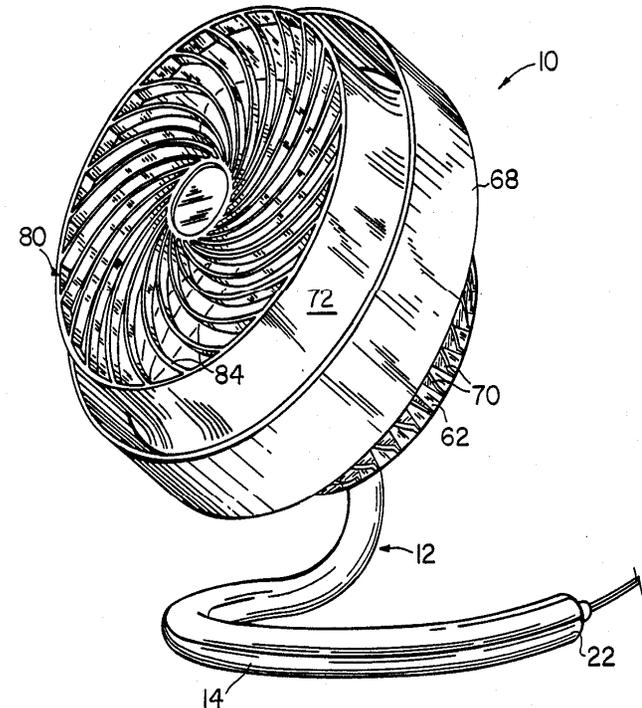
The Eighth Circuit Holds that the Lanham Act is Separate and Unrelated to Patent Law

- **Truck Equipment Svs. Co. v. Fruehauf Corp., 536 F.2d 1210 (8th Cir. 1976)**
 - “Manufacturer of twin hopper bottomed grain semitrailer brought action against defendant manufacturer of trailers for unfair competition under the Lanham Act. Trailer design was not subject to any utility or design patents.
 - “**The protection accorded by the law of trademark and unfair competition is greater than that accorded by the law of patents** because each is directed at a different purpose.”
 - “The underlying purpose and the essence of **patent rights are separate and distinct from those appertaining to trademarks**. No right accruing from the one is dependent upon or conditioned by any right concomitant to the other. The longevity of the exclusivity of one is limited by law while the other may be extended in perpetuity.”

The Tenth Circuit Holds that “Significant Inventive Components” Are Not Protectable as Trade Dress

■ Vornado Air Circulation Sys., Inc. v. Duracraft, 58 F.3d 1498 (10th Cir. 1995)

- “[D]istinguishing *Sears, Compco*, and/or *Bonito Boats* **has become a veritable jurisprudential art form** in recent years.”
- “As a practical matter, the fate of nonfunctional configurations within patented products has rarely been the subject of legal analysis, because courts often have found such designs to be functional.”

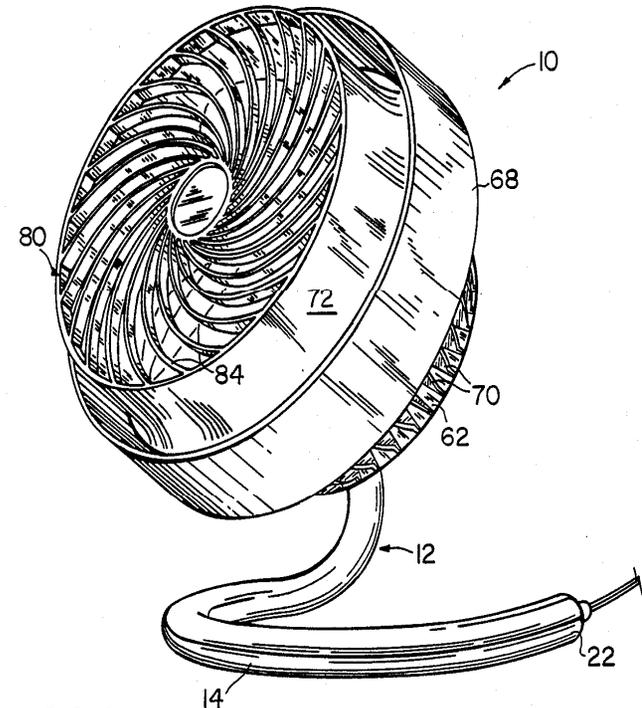


U.S. Pat. No. 4,927,324

The Tenth Circuit Holds that “Significant Inventive Components” Are Not Protectable as Trade Dress

■ Vornado Air Circulation Sys., Inc. v. Duracraft, 58 F.3d 1498 (10th Cir. 1995)

- “We hold that where a disputed product configuration is part of a claim in a utility patent, **and the configuration is a described, significant inventive aspect of the invention**, see 35 U.S.C. § 112, so that without it **the invention could not fairly be said to be the same invention**, patent law prevents its protection as trade dress, even if the configuration is nonfunctional.”

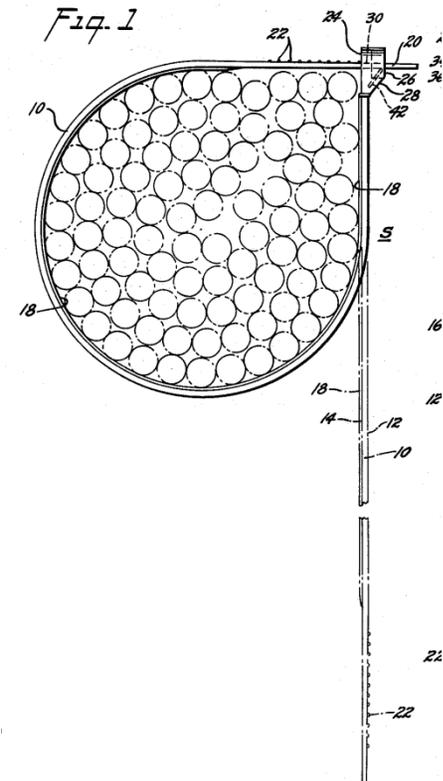


U.S. Pat. No. 4,927,324

The 7th Circuit Holds that Federal Trade Dress Rights are “Other Federal Statutory Protection,” Under *Compto*

■ *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277 (7th Cir. 1998)

- Manufacturer of cable ties brought trade dress infringement action against competitor. Claimed trade dress was depicted in patent that expired in 1982.
- “This case is distinguishable from *Vornado*, however, in one basic respect: **the shape of the head of T & B's cable tie is not part of the claims in the Schwester patent**, and the strict holding of *Vornado*, were we to adopt it, would not be dispositive of the question before us.”

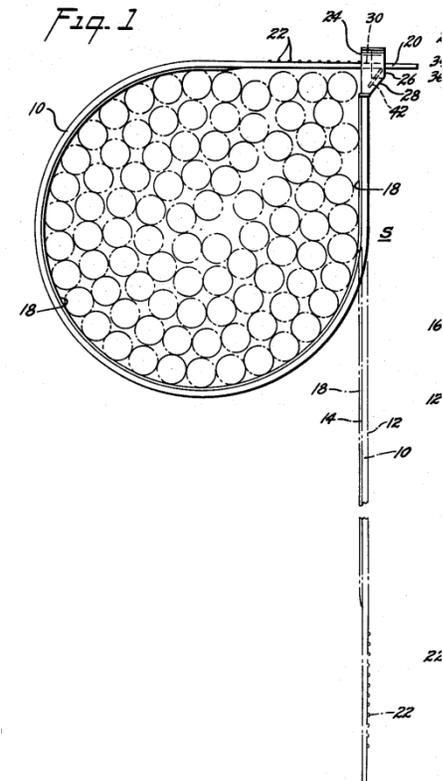


U.S. Patent No. 3,186,047

The 7th Circuit Holds that Federal Trade Dress Rights are “Other Federal Statutory Protection,” Under *Compto*

■ *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277 (7th Cir. 1998)

- “Furthermore, the right to copy established in the cases cited by Panduit is far from absolute.
 - “But if the design is not entitled to a design patent **or other federal statutory protection**, then it can be copied at will.”
- “This court has previously found that the Lanham Act “falls under the rubric of ‘**other federal statutory protection**’ ” and that *Compto* (and its companion case, *Sears*, ... does not preclude federal trademark protection of designs.”



U.S. Patent No. 3,186,047

The 5th Circuit Holds that Federal Trade Dress Rights are “Other Federal Statutory Protection,” Under *Compc*

■ *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526 (5th Cir. 1998)

- “Pebble Beach brought trade dress infringement action against competitor who had copied the distinctive design for one of its golf holes. No design patent protection had ever been sought on the hole design.
- “First, *Sears* and *Compc*, both decided the same day, concerned the preemption of state trade-dress protection by federal patent law and barred the use of state unfair-competition laws to prohibit the copying of products that are not protected by federal patents.”
- “Second, the federal trademark laws are “**other federal statutory protection**,” and their protection of product designs and configurations does not conflict with the federal patent laws or the Intellectual Property Clause. The patent laws and the trademark laws have two entirely different and consistent purposes, addressing entirely different concerns.”

The 4th Circuit Holds that Federal Trade Dress Rights are “Other Federal Statutory Protection,” Under *Compc*

- ***Larsen v. Terk Tech. Corp.*, 151 F.3d 140 (4th Cir. 1998)**
 - Larsen brought action against a CD distributor for allegedly violating its trade dress rights in decorative CD cases, which were not subject to any utility or design patent protection.
 - “Moreover, *Compc* stated that, if the article is not entitled to a patent or ***other federal statutory protection***, then it can be copied at will. ... Several circuits have relied on this statement in holding *that Sears–Compc* does not offer a defense to a Lanham Act violation. See *Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 640 (**7th Cir.1993**) (“Of course, the Lanham Act falls under the rubric of ‘other federal statutory protection,’ [as mentioned in *Compc*].”); *Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts*, 944 F.2d 1235, 1241 (**6th Cir.1991**) (“Thus, [the defendant] cannot copy at will because ‘other federal statutory protection,’ the Lanham Act, applies.”).”