

THE NATIONAL LAW JOURNAL

IN FOCUS

Intellectual Property

MONDAY, MAY 1, 2000

SECTION C

©2000 NEW YORK LAW PUBLISHING CO.

Design patent + trademark = better protection?

The e-commerce revolution has sparked an interest in combining both forms of IP.

By Robert S. Katz and
Helen Hill Minsker

special to the national law journal

DESIGN PATENTS and trademarks are separate species of intellectual property, but both can provide significant commercial advantages to their owners. Design patents grant the inventor exclusive rights to the invention, but only for a period of 14 years. Trademarks, if properly maintained, can exist forever. These two forms of IP protection are not mutually exclusive. With the growing importance of IP rights, old

ideas, such as combining trademarks and design patents, deserve another look.

Moreover, with the U.S. Supreme Court's recent declaration in *Wal-Mart Stores Inc. v. Samara Bros. Inc.*,¹ 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

Mr. Katz and Ms. Minsker are shareholders at Washington, D.C.'s Banner & Witcoff Ltd. Mr. Katz's practice focuses on design and utility patent prosecution and enforcement, while Ms. Minsker's practice focuses on trademark and trade dress law. They can be reached at katz@bannerwitcoff.com and minsker@bannerwitcoff.com.

secondary meaning for trademarks and/or trade dress is being established.

Patent law provides for the granting of design patents to any person who has invented a new, original and ornamental design for an article of manufacture.² 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; claiming a portion of the article is permitted.³ During the 14-year term, the owner of the patent has the right to exclude others from making, selling or using an infringing design.

A trademark is any word, name, symbol or device that serves as an indicator of source. 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 the use of a mark. Federal trademark registration carries a presumption that the registration is valid and that the registrant has the exclusive right to use the mark. The term of a federal registration is 10 years, with renewals available in 10-year increments as long as the mark remains in use.

One design, two protections

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, attorney fees. Not all remedies are available under all circumstances, so the facts of a particular case must be reviewed to determine which remedies should be sought.

In many instances, the same design can be protected by trademark and design patent laws. Examples of well-known design trademarks that also have been the subject of design patents include the Dustbuster vacuum cleaner by Black & Decker, the Pepsi bottle and the Honeywell round thermostat.

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 U.S. Court of Customs and Patent Appeals, the predecessor to the U.S. Court of Appeals for the Federal Circuit, made it clear in *In re Mogen David Wine Corp.*⁴ and *In re Honeywell Inc.*⁵ 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 Fiberglass Corp.*,⁶ 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 registered the coffee-cup symbol for its Java product as a trademark, and also has a design patent for the coffee cup combined with the words "Java Workshop." Thus, a combination of design patent and trademark protection may be the most effective way to protect trademarks, trade dress and designs in cyberspace.

A design patent protects the ornamental appearance of an article of manufacture, not its structural or utilitarian features. Articles protected under the design patent laws must be "primarily ornamental" and not "primarily functional."⁷ 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. If the functional aspects of the design can be accomplished in other ways, it is likely to be primarily ornamental.

However, if a design is

dictated solely by the functionality of its article of manufacture, it is not patentable.⁸ Additionally, if there are no ornamental, nonfunctional differences between the design and the prior art, then the design is not patentable. 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.

Types of functionality

Trademark protection is not available for designs that are merely ornamental, nor is it available for designs that are functional as a matter of law (de jure functional). One example of a de jure functional design was a five-sided loudspeaker, for which it was shown that the shape was a factor in producing the sound quality.⁹ Functionality likely will be raised as an issue during the prosecution of a trademark application, in contrast to the design patent process, and also may arise during litigation. If a design is de jure functional, it will never be registrable as a trademark. 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.*,¹⁰ 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.

Some types of designs are inherently distinctive and automatically entitled to trademark protection, but 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 be protectable trade dress only if secondary meaning has been demonstrated.

De jure functionality

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 is at least a presumption that the design is de jure functional and is 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—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 recognizes 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. Honeywell also told us, “So when you buy, build or remodel your home, go right, Go Round” to establish that when it comes to thermostats, “round” means “Honeywell.” Such advertising campaigns are rarely successful

overnight, so the design patent’s 14-year right 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.

Choosing IP protection

Not all designs warrant both design patent and trademark protection. The following are some of the factors relevant to deciding which protection is appropriate:

■ *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.

■ *The nature of the competitors.* Is this an industry in which copying is rampant? If copying is the norm, then obtaining the maximum protection, through both design patents and trademark registration, may be critical.

■ *Cost of asserting rights.* Developing a winning evidentiary record in a trademark case may require extensive surveys and may 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.

■ *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 trademark registration for a mark that faces a functionality objection may face many years of prosecution (or persecution, depending on the viewpoint)

before a registration issues. ■ *Budget.* Will the design fit in a single design patent or trademark application, or are multiple applications required? If budget is a factor, counsel should look to see whether elements of the design require individual or collective protection, and then determine which type of protection is most economical.

■ *Time.* Has more than a 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.

■ *Acquired distinctiveness.* 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, a company can use the design patent’s 14 years of exclusivity to develop consumer goodwill. At the very least, it can use the patent to obtain the five years of substantially exclusive use needed to register the trademark on the basis of acquired distinctiveness.

■ *Regular audits of IP portfolios.* Many changes will occur in the marketplace during the 14-year life of a design patent. Companies should look at their design patent portfolios periodically to see whether any of the designs deserve trademark protection.

In short, companies should analyze whether design patent protection is available, whether trademarks already exist in the designs the companies have or whether the trademarks can be trademarks by design, and select their form of protection accordingly.

- (1) 120 S. Ct. 1339 (2000).
- (2) 35 U.S.C. 171.
- (3) *In re Zahn*, 617 F.2d 261 (C.C.P.A. 1980).
- (4) 328 F.2d 925 (C.C.P.A. 1964).
- (5) 497 F.2d 1344 (C.C.P.A. 1974).
- (6) 774 F.2d 1116 (Fed. Cir. 1985).
- (7) *L.A. Gear Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993).
- (8) *Best Lock Corp. v. Ilco Unican Corp.*, 94 F.3d 1563 (Fed. Cir. 1996).
- (9) *In re Bose Corp.*, 772 F.2d 866 (Fed. Cir. 1985).
- (10) 671 F.2d 1332 (C.C.P.A. 1982).

NLJ