

Protecting Product Configuration: Trade Dress Focus

January 23, 2009



haynesboone
Setting precedent.

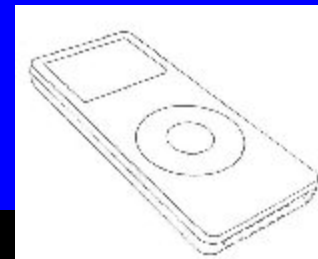
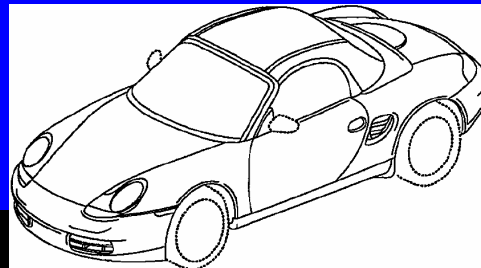
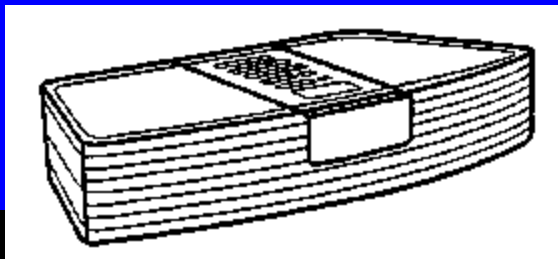
Some Context

- Hot area of litigation
- Potential for high damages
- Adidas v. Payless
 - **Jury awarded \$305 million; cut to \$65 million**



Legal Framework: Trade Dress Law

- Subset of trademark law
- **Total image and appearance** of product, packaging, interior décor, and the like
- Encompasses product shape and features
 - Might cover shape, size, a color or color combination, pattern, design, texture, or a combination of those elements



Legal Framework: Trade Dress Law



- Key hurdles to establishing trade dress rights (or registering product configuration with USPTO)
 1. Acquired distinctiveness (secondary meaning)
 2. Ornamentation
 3. Functionality

Legal Framework: Trade Dress Law

Hurdle #1: Distinctiveness

- **Identifies the product's source or origin to consumers**
- How do you prove that?
 - Direct evidence
 - Survey evidence (yikes...expensive!)
 - Consumer testimony
 - Proof of actual confusion

Legal Framework: Trade Dress Law

How else can you prove distinctiveness?

– Indirect evidence

- Length and exclusivity of use
- Ad expenditures
- Sales volume
- Media coverage
- Part of product line



Legal Framework: Trade Dress Law

How else can you prove distinctiveness?

- How you market (“look for...”, consistency, emphasis on design of interest)



Legal Framework: Trade Dress Law

Side Note on Distinctiveness

- Trade dress law of product packaging and product design differs on this issue
 - Product packaging **can** be inherently distinctive
 - Product design **cannot**

Legal Framework: Trade Dress Law

Another Side Note on Distinctiveness

- **Can register product configuration as trade dress on the Supplemental Register**

- Reg. No. 2,833,430 for pet food
- Reg. No. 2,098,432 for bakery goods




- The mark consists of a cylindrical configuration of a cinnamon roll having a height of about two and one-half inches and a width of about four inches; and having a spiral wrap of five and one-half to six and one-half layers of baked dough with a melted cinnamon/brown sugar/margarine layer between overlapping portions of the wrap, with the inner portion of the wrap being slightly elevated above the outer portions of the wrap, and with the top and portions of the side of the wrap being covered by melted frosting. The stippling in the drawing is for shading purposes only.



Legal Framework: Trade Dress Law

Hurdle #2: Mere Ornamentation



- **Merely decorative and does not identify and distinguish applicant's goods**
- How do you disprove ornamentation?
 - Not common symbol 
 - Design is unique in field
 - But, the design *type* is used in field
 - Indicates source for other goods/services
 - Placement / size / etc. – be an advocate!

Legal Framework: Trade Dress Law

Hurdle #3: Functionality

- A design is functional if
 - Essential to the **use or purpose** of the device,
 - Affects its **cost or quality**, OR
 - Would put competitors at a significant (non-reputational) **disadvantage**
- How do you prove non-functionality?
 - Point to **alternative designs**
 - Argue that the **collection** of functional features is not functional
 - Avoid touting **utilitarian advantages**
 - Design patent **helps**; utility patent **hurts**

Legal Framework: Trade Dress Law

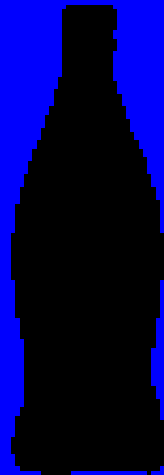
- Test for infringement: **likelihood of confusion**
- In most jurisdictions (including 5th Circuit), factors include:
 - Strength of design
 - Similarities of designs
 - Similarities of products
 - Marketing, trade channels, and consumers
 - Care used by consumers (sophisticated?)
 - Actual confusion
 - Defendant's intent

Legal Framework: Trade Dress Law

- Comments on intent...
 - In some jurisdictions, copying gives rise to inference of secondary meaning
 - That's a minority view and not the case in the 5th Circuit
 - But...still...don't copy.
 - Intent to **confuse or deceive** is even worse

Legal Framework: Trade Dress Law

- Don't forget about dilution
 - Products need not be similar
 - But, requires the plaintiff's design to be very well-known



Practical Tips: Protecting Your Product Configuration

- Creating design
 - Make sure you CAN protect design (is it functional or generic?)
 - Train your clients and marketing teams to think of unique designs that
 - Don't immediately relate to your product's quality or functioning, and
 - Aren't very common

Practical Tips: Protecting Your Product Configuration

- Product Clearance

- Develop strategy that fits both the budget and importance / visibility of your product launch.

This might impact, e.g.:

- Format of opinion sought from counsel
- Whether you purchase products vs. research online

- Steps can include....

Practical Tips: Protecting Your Product Configuration

- Product Clearance
 - To identify comparison, or possibly conflicting, designs:
 - Request “most similar” or inspiration designs
 - Websites of competitors and market leaders
 - Google Images
 - Like.com
 - USPTO TESS database (try Image List view)
 - Other trademark office websites

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yellow lamp

All Products

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Practical Tips: Protecting Your Product Configuration

- Product Clearance
 - Research “comparison” products:
 - Analyze scope of potential protection
 - Secondary meaning?
 - Ornamentation?
 - Functional?
 - Generic?
 - Third party designs?
 - Aggressive? (For practical purposes)

Practical Tips: Protecting Your Product Configuration

- File Trade Dress Application with USPTO
 - **Should you file?**
 - Reasons to consider filing:
 - Patent and copyright ownership issues
 - Patent statute of limitations issue
 - Nationwide enforcement
 - 5 years after registration, can become incontestable – and distinctiveness can no longer be challenged
 - Help rebut a defense of functionality
 - Potentially infinite protection
 - Useful (but not necessary) for lawsuit

Practical Tips: Protecting Your Product Configuration

- Application requirements to keep in mind
 - In use
 - Secondary meaning
 - 5 year presumption
 - So, you might want to wait until design has been on the market for 2-3 years, or until you have extensive advertising or market recognition

Practical Tips: Protecting Your Product Configuration

- Recording with US Customs
 - Can record trade dress (and trademark and copyright) registrations
 - Advantages:
 - Block importation of infringing or even not-so-similar designs
 - Relatively cheap and easy to do

Practical Tips: Protecting Your Product Configuration

- Marketing Efforts – Do:
 - “Look-for” advertising
 - Be consistent
 - Use applicable notice (™ or ®)
 - Place brand name on products
 - Work with marketing and financial departments to maintain records of advertising and sales
 - Remember ... length of use, ad expenditures, third party media coverage, sales figures, and the like can help prove secondary meaning

Practical Tips: Protecting Your Product Configuration

- Marketing Efforts – Don't:
 - Solely show photos of all products
 - Describe purely aesthetic features in a functional manner

Practical Tips: Protecting Your Product Configuration

- In-House Training and Documentation
 - Be careful of terms used
 - Avoid or limit written trails