

Protecting packaging and product designs as trademarks

Protecting trade dress is a delicate matter – not least because the way in which it is promoted directly impacts on enforceability. However, a well-thought-out strategy can result in a trademark right that is valid before the US Patent and Trademark Office

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Whenever a company rolls out a novel product design (think the first-generation Apple iPhone) or unusual product packaging (think the iconic Coca-Cola bottle), the first question that springs to the minds of everyone involved is: “How can we keep others from copying it?” This question has two elements: protecting how it works and protecting how it looks. This article deals with the latter.

It is actually very challenging to protect product designs or packaging (known collectively as trade dress) as trademarks with the US Patent and Trademark Office (USPTO). Two general obstacles must be overcome. First, the rights holder must prove that the trade dress is a trademark and perceived as such by purchasers. Second, it must prove that protecting the trade dress as a trademark would not violate US law and policy.

Before attempting to protect trade dress, the rights holder must initially determine what type of trade dress it has. Packaging trade dress can be any of the following:

- Décor (eg, how you decorate your restaurant or special uniforms that your employees wear to sell your services).
- Colour, which can include the colour of

the goods themselves or of the external packaging in which the goods are sold.

- Essentially all forms of packaging styles which the USPTO has determined as a matter of policy, including bottles holding liquids or any other visual feature associated with the goods, but not the goods themselves.

In contrast, product design trade dress is the actual product or a physical element of the product. With this in mind, rights holders have significant hurdles to overcome in order to register their trade dress successfully. Overcoming these hurdles requires realistic and thoughtful deliberation over which elements of a product or packaging are protectable as marks and which are not.

A primary challenge is figuring out whether the trade dress is capable of being perceived as a trademark at all. Often, visual or aesthetic elements are merely ornamental, meaning that no one who sees them would ever think of them as a trademark belonging to a single owner. A good example of this would be the scrolling arms of a light fixture. No matter how beautiful, it would be highly unusual for a consumer to see the fixture and think that its arms indicated a brand. Indeed, it is unlikely that such a feature would ever operate as a trademark. On the other hand, some ornamental product features can, over time, be perceived as trademarks when used exclusively by rights holders and promoted as such to the public. Colour is one example (eg, pink fibreglass might suggest the name Owens Corning). Thus, the first challenge for a rights holder is to determine whether its trade dress can function as a mark at all and, assuming that it can, whether it actually does.

With the exception of colour, packaging

trade dress is theoretically capable of being inherently distinctive, meaning that it can be unique and thus instantly recognisable as a trademark. For example, a star-shaped cereal box would probably be inherently distinctive, as might a bottle of bath gel shaped like a guitar. On the services side, a good example of inherent distinctiveness might be the Ronald McDonald clown used to promote restaurant services. However, the vast majority of packaging trade dress is not inherently distinctive and thus there must be proof that the trade dress actually operates as an indicator of source. As such, the rights holder should know that any packaging trade dress application will likely initially be refused registration by the USPTO for failing to function as a trademark, as the USPTO takes the position that the trade dress is merely ornamental and lacks distinctiveness.

These types of refusal can be understood as a challenge laid down by the USPTO for the rights holder to come back with hard evidence that the packaging functions as a mark, is perceived as a mark by consumers and is entitled to protection as such. In this respect, good preparation in advance of filing the trademark application is crucial. For instance, one would want to take care in the ways that the trade dress is promoted, always drawing consumers' attention to the uniqueness of the element for which registration is sought. However, a word of caution to marketing departments is in order: as further discussed below, if the trade dress makes a product work better than others, makes it easier for the buyer to use than others, makes it cheaper for the seller to make or improves the quality of the product itself, then trademark protection is legally prohibited. In those instances, patent protection might be in order.

In contrast to packaging trade dress, as a matter of law product designs are never inherently distinctive, even when they are strikingly different from competing products. A good example of this would be the first-generation Apple iPhone which, when it was introduced in 2007, looked very different from other phones on the market. Yet US law requires the rights holder to prove that a product design has acquired distinctiveness before it can be federally registered at the USPTO.

Proving distinctiveness of packaging or product design trade dress

Once the USPTO issues a refusal (based on lack of distinctiveness or its close cousin, ornamentation/failure to function), the rights holder should be prepared to

submit proof that the trade dress either is inherently distinctive (applies only to packaging) or has acquired distinctiveness as a mark. There are various ways to prove distinctiveness before the USPTO.

If the rights holder wishes to prove that the trade dress is inherently distinctive, it must first be certain that the trade dress is product packaging as opposed to product design, and that such packaging is not merely an ornamental feature, such as colour.

Assuming that this requirement is satisfied, one of the best ways to demonstrate inherent distinctiveness is to submit samples of the packaging trade dress used by the competition to illustrate how very different the applied-for trade dress is from others in the industry. However, a word of caution. Generally, packaging marks that are inherently distinctive are obviously so, and thus one should be prepared to prove to the USPTO that the trade dress has acquired distinctiveness in order to obtain federal protection.

Proving acquired distinctiveness of trade dress (whether packaging or product design) can best be achieved by using a combination of the following tactics:

- Submit a verified declaration that the mark has been in substantially exclusive and continuous use for at least five years in interstate commerce within the United States or between the United States and another country. The longer the mark has been in use, the better – if this is longer than five years, rights holders should draw the USPTO's attention to this.
- Submit affidavits or declarations attesting to sales figures of the products or services associated with the trade dress, marketing efforts and advertisements promoting the trade dress as a mark.
- Submit examples of the trade dress itself and advertisements, including pictures, literature, brochures and website excerpts promoting the trade dress as a mark, along with pictures of the packaging or products sold by competitors, in order to demonstrate the distinctiveness of the rights holder's packaging or product design.

Overcoming legal bars to registration, regardless of distinctiveness

One of the most vexing realities of trademark law falls under the doctrine of functionality. The doctrine bars rights and federal registration for marks that are deemed functional. The doctrine is something of a misnomer because it bars

trademark protection not only for useful or essential product features, but also for those that affect the product's cost or quality. It additionally precludes trademark protection for any trade dress which, if protected as a trademark, would hinder the competition by putting them at a "significant non-reputation related disadvantage" with regard to the rights holder.

It is easier to understand the doctrine if one thinks about it in the following terms. The law bars trademark protection on trade dress if protecting it would confer an unfair competitive advantage upon the rights holder. One reason for this is that trademarks are the only form of intellectual property that never expire, so long as they remain in use. This means that unlike patents on a product design, which expire after a set time and enter the public domain, a valid trademark on a product design can be subject to a perpetual monopoly and thus confer upon the rights holder the perpetually exclusive right to make the product itself, as opposed merely to the right to use the brand name under which the product is sold exclusively. As the US Supreme Court held in a landmark trade dress case (*Traffix Devices, Inc v Mktg Displays, Inc*): "Trade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products." The court observed that copying actually promotes competition. Accordingly, functionality is ascertained primarily by looking at a number of factors related to whether the product design is essential to the use or purpose of the product, or it is of higher quality than those sold by the competition, is cheaper to manufacture than others and/or whether works better than others. If any of these facts can be proven, it will be nearly impossible to secure enforceable trademark rights to the product design.

A good starting point for a rights holder considering whether to seek trademark protection for a product or a particular feature of a product is to consider whether it has ever been subject to a utility patent. This is because designs protected by a utility patent are nearly impossible to protect as trademarks, unless the patent covers only parts of the product that have no bearing on how it looks, and the trade dress covers only parts of the product that have no relationship to how it works. An example of this would be utility patents covering the operations of a smartphone, which the rights holder might assert has no causal relationship to the way that the phone appears, including the layout or size

of the screen. In some ways this could be seen as protecting the visual housing, which hides mechanical or computerised functions of the product. The claim would succeed only if such housing were chosen solely for aesthetic reasons and could be shown to have no impact on the cost, quality, use or purpose of the product. Given this backdrop, it is easy to see how unlikely it would be to have a utility patent on a product that had no bearing on its visual appearance.

Occasionally, there are instances when a product design that is entitled to trademark protection can also be covered by a design patent. In contrast to a utility patent, a design patent covers the way that a product or product element looks, not how it works. Normally, owners seek design patent protection for ornamental features that are not recognised as marks and never will be. However, as discussed above, there are times when ornamental product features come to be recognised as source indicators – normally after the passage of a period of years and after diligent promotion of the feature as a trademark by its owner. In such cases, rights holders might find trademark protection more palatable than design patent protection, since design patents expire after 14 years, whereas trademark protection never expires, provided that the mark remains in use and valid. However, once again, the key is in how the rights holder promotes the mark and how the public perceives it. It is also critical that exclusive use of the feature as a mark would not put the competition at a significant non-reputation related disadvantage.

The pathway to overcoming a functionality refusal is in some ways similar to that for overcoming a refusal for lack of distinctiveness. The most important aspect that rights holders and their marketing teams must consider is how to promote the trade dress as a mark effectively without falling into the trap of opening themselves up to a functionality refusal from the USPTO. For example, it would be highly undesirable from a trademark protection standpoint to publish advertisements promoting the product design as working better than others on the market. (Clearly, from a marketing perspective, that can be a frustrating irony.) In the case of colour on a product, it would be wise to limit the US trademark application to a specific product and limit the colour to a specific Pantone range. This helps to create an enforceable right in the colour, and shields the rights holder from a challenge that the registration is overly broad and the mark insufficiently



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identified. Other critical components to demonstrate to the USPTO include:

- Informing it that there are no utility patents covering the design (assuming that this is the case).
- Submitting examples of alternative, cost-competitive designs sold by the competition.
- Providing the USPTO with information pertaining to competitors' market share in order to demonstrate they are playing on a level playing field.
- Submitting examples of the product design advertising, proving that the design is promoted as a mark for its distinctive look, but not for being of better quality or utility than others on the market.

Clearly, the pathway to protecting trade dress must be navigated delicately, with careful thought to how to market the trade dress to the public. The goal is to create a valid trademark right that can be protected with the USPTO and, should litigation arise, defended in court. The manner in which trade dress is promoted directly impacts on enforceability. All ads must be reviewed to ensure that they do not create a means to challenge the trade dress for functionality. Moreover, if any utility patents cover the product, the rights holder should be circumspect in determining whether a credible argument can be made in support of registration. Similarly, if a design patent

protects the trade dress, the owner should assess objectively whether it can point to extensive past marketing efforts to promote the design as a mark and whether those efforts have worked. By thoughtfully approaching the factual and legal considerations at play, rights holders can more easily identify protectable trade dress and effectively promote it consistent with their objective of preserving valid trademark rights. In so doing, they will maximise their chances of successful registration and enforcement. ■

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