Emerging Protection for Non-Traditional Trademarks: Product Packaging and Design

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Introduction

A focus of my practice is counseling clients on creative and cost-effective protection of their valuable intellectual property assets. Distinctive visual feature presentations, such as product design and packaging, are often overlooked for federal trademark protection, which lasts as long as the product feature is in use and extends throughout the U.S. Because my clients invest significant resources in new products, I counsel them to consider intellectual property protection for non-traditional trademarks as well as copyright and patent protection.

I have represented clients in worldwide branding strategy ranging from consumer products in the automotive industry to highly specialized equipment for oil and gas exploration and production. My firm was founded in 1949 and has more than 3,900 locally qualified lawyers and 7,000 professional staff in sixty-seven offices and thirty-nine countries. Baker & McKenzie is known for advising clients in trademark protection due to the global reach of its intellectual property professionals and represents some of the world’s largest trademark portfolio owners. This depth of knowledge provides my clients with a worldwide view of protection for non-traditional marks. I work with clients on initiatives for the global marketplace to enhance brand recognition and value.

Protection for Non-Traditional Trademarks

Protection of non-traditional trademarks balances the need for the customer to recognize the source of the product or service against the need for others to effectively compete. Trademarks are protected from unauthorized use so consumers have reliable source indication and can trust the quality of the goods or services associated with a mark. It is up to the trademark owner to creatively develop the traditional and non-traditional marks to protect their market in the future.

Non-traditional trademarks are any feature other than a word or logo (common examples of traditional trademarks are the Nike “swoosh” or the word “STARBUCKS”) that consumers associate with the source or origin of a product or service. For example, NBC holds a registered trademark on its recognizable audible G-E-C note chime. Principal Register Serial No.
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72/349,496, Registration No. 0,916,522 (Filed Jan. 23, 1970) (FEDTM 0916522). While a chime’s traditional use would be for musical entertainment purposes, the distinctive three-note G-E-C chime signifies an NBC service. Apple has a federal trademark registration for a case comprising the circular and rectangular shapes that are the display screen and control wheel on the popular iPOD® devices. Principal Register Serial No. 78/925,932, Registration No. 3,365,816 (Filed July 10, 2006) (FEDTM 3365816). The arrangement of the geometrical shapes on the case as shown below qualifies for federal trademark protection.

Yamaha registered the rooster tail water spray generated by the propulsion of a jet ski as a trademark. Principal Register Serial No. 74/321,288, Registration No. 1,946,170 (Filed July 10, 1995) (FEDTM 1946170). The visual display of the registered mark is shown below:


In the past, trademarks could be protected under federal law if they comprised a word or symbol. 1 J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS* § 5:3, 8 (4th ed. 2004) (MCCARTHY § 5:3). Under the Feb. 20, 1905 Act, which provided for federal trademark registration,
the marks had to be arbitrary or fanciful; words or symbols that merely described the product were not allowed. Act of Feb. 20, 1905, 33 Stat. 724 (codified at 15 U.S.C. § 81 et seq.). The Lanham Act of 1946, which governs federal trademark law today, changed the landscape of trademark law. Trademarks were no longer restricted to arbitrary or fanciful words or symbols, but could consist of “any word, name, symbol, or device, or any combination thereof.” Lanham Act § 45, 15 U.S.C. § 1127 (2006). Courts have applied an expansive interpretation of this language to protect almost anything to act as an identification of source—e.g., color, product shapes, packaging, and even scent and sound as a trademark.

Despite the expansive interpretation of the Lanham Act, there are boundaries on what features can be protected. The federal courts created rules and doctrines to gauge which packaging and product features could be registered. From the judicial process of reviewing features for trademark protection, the functionality doctrine developed which is the most important doctrine. The functionality doctrine prevents registration and protection as a mark of certain purely functional features because holding otherwise would allow “a producer to control a useful product feature” which is the “province of patent law, not trademark law.” Qualitex Co. v. Jacobson Products Co., 514 U.S. 159, 164 (1995). Useful features of products are protected by utility patents that have a finite duration, whereas trademark protection may last indefinitely.

Development of U.S. Law for Non-Traditional Marks

Product manufacturers have tried to protect non-traditional marks for many years. The bar to a trademark registration on a functional feature has been explicitly stated only since the 1998 amendment to the Lanham Act. 15. U.S.C. § 1052(e) (2006). However, the history of lack of protection for functional features as marks stretches back into the common law prior to the Lanham Act. For example, in 1903 an unfair competition case involved the copying of a medical syringe design. The court noted that the allegedly infringing syringe was “made in the form that it must be made in order to accomplish its purpose” and that “defendants has as good a right...to make and sell these articles as the plaintiff had.” Marvel Co. v. Tullar Co., 125 F. 829, 830 (S.D.N.Y. 1903); see also, Diamond Match Co. v. Saginaw Match Co., 142 F. 727 (6th Cir. 1906); Luminous Unit Co. v. R. Williamson & Co., 241 F.
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265 (ND. Ill. 1917). The product's purpose dictated the design and the functional feature could not be protected without a patent. Likewise, the Supreme Court in 1938 discussed functionality and trademarks in *Kellogg Co. v. National Biscuit Co.*, during which the two parties fought over the pillow-shaped "shredded wheat" design. 305 U.S. 111 (1938). In finding that the pillow shape was not a valid trademark, the court stated in part that the shape "is functional - that the cost of the biscuit would be increased and its high quality lessened if some other form were substituted for the pillow-shape." Id. at 122. This analysis would establish some of the foundation for the functionality doctrine.

*In re Morton-Norwich Products* involved the design of a spray bottle, and the case distilled the factors that are reviewable to determine if a non-traditional feature is protectable as a mark. 671 F.2d 1332 (C.C.P.A. 1982). The examiner in the U.S. Patent and Trademark Office argued that the spray bottle design in the pending application was functional and, therefore, not registrable as a trademark. The spray bottle design is illustrated below:

![Spray Bottle Design](image)

Basically, the functionality doctrine does not allow a feature to be registered as a trademark if it is essential to the use or purpose or affects the cost or quality of the article. Further, this can be determined by looking into whether the feature (1) is covered by a utility patent, (2) is advertised for utilitarian advantages, (3) has available alternative designs, or (4) is cheaper or easier to manufacture. These rules are often referred to as the Morton-Norwich factors used by the courts to evaluate functionality. The court found the spray bottle design protectable as a trademark due to the alternative configurations that were not more economically advantageous.
Similarly, Coke registered a trademark in the shape of its cola bottle. Since this feature was not better than other bottles in holding cola and is not cheaper to make than other bottles, Coke’s bottle is not functional under trademark law and protectable as a mark.

In addition to package design, color has been claimed as a trademark. In *Qualtex v. Jacobson*, the Supreme Court used the functionality doctrine as one of the tests for whether color alone could act as a trademark. *Qualtex Co. v. Jacobson Products Co.*, 514 U.S. 159, 164 (1995). This case involved a green-gold color for the fabric used to cover press-pads used by commercial dry cleaners. Reasoning that since color is not always important in making a product more desirable, i.e., not essential to use and does not affect cost or quality; color alone cannot be barred under the functionality doctrine. Id. at 165. This case applied the same logic applied by a prior appeal’s court decision that the color pink was chosen arbitrarily and was confirmed as a trademark for building insulation. *In re Owens-Corning Fiberglass Corp.*, 774 F.2d 1116 (Fed. Cir. 1985). The Supreme Court once again visited the functionality doctrine in *Traffic Fix Devices v. Marketing Displays* in a case on temporary road signs. 532 U.S. 23 (2001). This case was on the protection of the product configuration as distinguished from packaging. The product had base supports with springs holding the road sign in a particular configuration as shown below and was previously covered by an expired utility patent.
The Supreme Court found the traffic signs were functional and therefore barred from trademark registration. The Supreme Court noted "that trade dress protection may not be claimed for product features that are functional." Id. at 29. Product features are inherently harder to protect than packaging, since a product usually has a use, hence functionality.

An extension of non-traditional trademark protection in premises trade dress for businesses such as restaurants is neither product packaging and design nor color. The Supreme Court found the décor of a Mexican restaurant, Taco Cabana, "inherently distinctive" and protected under federal unfair competition law. Taco Cabana International Inc. v. Two Pesos Inc., 932 F.2d 1113 (5th Cir. 1991), aff'd, Two Pesos Inc. v. Taco Cabana Inc., 505 U.S. 763 (1992). The Supreme Court did not address functionality of the restaurant features; however, the circuit court in its opinion reviewed the functional and decorative décor of the trade dress described as:

a festive eating atmosphere having interior and patio areas decorated with artifacts, bright colors, paintings and murals. The patio includes interiors and exterior areas with the interior patio
capable of being sealed off from the outside patio by overhead garage doors. The stepped exterior of the building is a festive and vivid color scheme using top border paint and neon stripes. Bright awnings and umbrellas continue the theme. Id. at 1117.

Obviously, many of the individual features of the trade dress were functional including patios for dining, the garage doors, awnings, and umbrellas. The circuit court stated that "Two Peso's argument reduces to a fallacious syllogism: (1) functional elements do not enjoy protection; (2) Taco Cabana’s trade dress includes functional elements; (3) therefore Taco Cabana’s trade dress does not enjoy protection." Id. at 1119. The court looked to the combination of the various elements as the trade dress and found that Taco Cabana's trade dress, taken as a whole, is non-functional. The exclusive use of the Taco Cabana trade dress did not preclude competition from entering the upscale Mexican fast-type food market. The availability of a wide number of competitive alternatives was determinative that the trade dress was protectable under the Lanham Act and the Supreme Court affirmed based on the inherent distinctiveness of the trade dress.

Limitations on Features as Protectable Non-Traditional Trademarks

The development of law protecting non-traditional marks addressed the functionality of the product packaging or product features. The utilitarian features necessary for use or manufacturing the product cannot be protected from copying. However, many other non-functional features may qualify as a mark. Another limitation on the protection of trade dress is whether a feature is really different from another competitor’s product or packaging features and is distinctive. 15 U.S.C. § 1052(f) (2006). All marks, whether non-traditional or not, must be distinct from competitors to serve as the indication of source or origin of the goods or services. The Supreme Court, in Wal-Mart Stores Inc. v. Samara Brothers Inc., stated that problems in distinctiveness of trade dress tend to arise because color and product design do not create any "consumer predisposition to equate the feature with the source." 529 U.S. 205, 213 (2000). Lack of distinctiveness more often arises in product design cases, in this instance the visual impression of the fabrics, trim, and color for a children's line of clothing that Samara claimed was copied. The Wal-Mart court also noted that "product design almost
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invariably serves purposes other than source identification.” Id. The “look” of the Samara clothing line did not rise to the level of protectable trade dress, because Samara could not prove that its children’s clothing line was distinctive in the eyes of consumers.

Another limitation on protection of non-traditional marks applied by the U.S. Patent and Trademark Office is the rejection of features with “aesthetic functionality.” Trademark Manual of Examining Procedure (TMExP4th), § 1202.02(a)(iii)(A) et. seq. (4th ed. 2005) (TMExP4th § 1202.02(a)(iii)(A)). If there is a competitive need for a certain design or product color even though the feature is not utilitarian in the definition of functionality, the feature can be aesthetically functional and not protectable. Aesthetic functionality only applies to a narrow set of circumstances and was supported by the Supreme Court in Qualitex. For instance, the color pink could never be exclusively appropriated for baby caps for girls, since that color is associated by the public with those types of products even though there are a myriad of other colors that could be used for baby girl caps. The color pink in this instance is aesthetically functional and can be used by any baby clothes manufacturer.

Strategies for Effective Application of Non-traditional Trademarks

Product and packaging features that are protectable under federal law can be protected in perpetuity as long as the product is sold. Design patents also cover non-utilitarian features of articles and expire fourteen years from the date of grant. 35 U.S.C. § 173 (West 2009). If the same product feature is also a trademark serving to indicate the source or origin of the product, the subject of a design patent can be properly considered as a trademark during the life of the design patent and thereafter. Application of Mogen David Wine Corp., 328 F.2d 925 (C.C.P.A. 1964).
The design patent for the Mogen David wine bottle is shown below:

The protectable trade dress that can be protected in perpetuity is shown below:
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Federal trademark registrations are relatively inexpensive to obtain, especially when compared to the cost of national advertising campaigns to promote consumer awareness of product appearance. Federal registrations are renewable every ten years with evidence of continual use, and serve as constructive notice throughout the U.S. of the owner's rights in the mark. The practical effect of the protection is that the mark owner can prevent third parties from using the non-traditional mark and any similar mark that is likely confused with the mark. The federal unfair competition law provides national protection for non-traditional marks even if the mark owner has not sought a federal registration. 15 U.S.C. § 1125(a) (2006). In most non-traditional trademarks, color, product, and packaging design represent key strategies for companies seeking protection.

Color Marks

When the Supreme Court handed down its ruling in Qualitex, some practitioners and scholars envisioned a rush of applications to the trademark office that would be based on single color alone. Christopher Larkin, Qualitex Revisited, 94 TRADEMARK REP. 1017, 1025 (2004). In fact, “the proportion of single-color registrations to registrations of other types of marks has not increased and may actually have decreased.” Id. Perhaps Qualitex did not have this widespread effect because the practice of allowing color marks alone had already been confirmed by the earlier Federal Circuit ruling in Owens-Corning. Id. at 1026.

Selecting a color mark needs to be considered carefully. If a client wants to have exclusive use of color as a mark, it is important to select a color that: (1) does not represent a utilitarian or functional advantage over other colors, e.g., orange or yellow for emergency or safety products; and (2) will be cheaper to make or use, e.g., a color that is a natural by-product of a manufacturing process. Color combinations may be protected under federal law the same way a single color is protected. This is particularly important in industries in which one color has a functional purpose, but a color combination would not be functional. For example, in the pharmaceutical industry, certain colors have been used by many companies to denote types of medications, such as blue for heart medications. Therefore, exclusive use of color is not permitted, because patients are accustomed to associating certain colored pills with medical conditions. This exclusion relates to
Color combinations with other indicia can service as protectable marks as illustrated in Board of Regents for Louisiana State University Agricultural and Mechanical College v. Smack Apparel Co., 550 F.3d 465 (5th Cir. 2008). Universities that had long-standing use of school colors with other symbols such as mascots could prevent third party use on promotional items such as T-shirts. The court noted that in order for an unregistered mark to obtain protectibility, “[t]he key is whether the mark is ‘capable of distinguishing the applicant’s goods from those of others.’” (citing Two Pesos Inc. v. Taco Cabana Inc., 505 U.S. 763 (1992)). The Fifth Circuit agreed with the parties that a color scheme can be protected as an unregistered trademark when, as here, it has acquired secondary meaning such that consumers associated the colors with the schools and is non-functional. Id. at 475-76. Notably, the schools claimed a mark not in the color scheme alone, but in the combination of color scheme and school indicia on Smack’s products.

Product and Packaging Design – How to Choose a Non-Traditional Mark

Choose available designs that afford no significant competitive advantage, keeping in mind the functionality doctrine. In applying for a federal registration, consider the need to submit evidence to the U.S. Patent and Trademark Office to illustrate that there is no “competitive need” for that particular packaging or product design. TMEP4th, §1202.02(a)(V)(B). However, if functionality is found under the traditional doctrine, then evidence of alternative designs does not matter. See Valu Engineering Inc. v. Rexnord Corp., 278 F.3d 1268 (Fed. Cir. 2002).

For any product or packaging design selected as a non-traditional trademark, review the Morton-Norwich factors used to evaluate trademark protection:

1. Do not choose a feature that was covered by a utility patent or claimed to be useful in a utility patent application.
2. Do not choose a feature that is advertised as useful in marketing materials such as the shape of a hand tool that is easier to grip.
3. Do review the alternative designs available to competitors.
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4. Evaluate if the feature chosen to protect is cheaper or easier to manufacture than the alternatives. If so, the feature may be functional and not capable of trademark protection.

When choosing a product or packaging design, select the design carefully and use it uniformly in the future. Any material deviation from the original design may be considered new and different and this change will break the continued use for trademark protection. If a color or color combination is selected, use the identical shades consistently. Trademarks must be used in a consistent manner so the public recognizes the source of the product over time.

Pitfalls in Protecting Non-Traditional Trademarks

The obvious pitfall is overlooking product design and packaging that has been used in the past to identify the source of origin of products and not protecting these features as provided under federal law. The word marks and logos are often protected by federal registrations while product packaging features or design elements that may be widely recognized in the market are protected only by common law and not through a federal registration that includes constructive notice to third parties for infringement purposes throughout the U.S.

Advertising campaigns by the owner of the non-traditional mark are often damaging to the mark’s protection. The marketing materials must be reviewed, because advertising that promotes the utilitarian advantages of the product design can, inadvertently, disqualify trademark protection. The law allows for some “puffery,” but advertisements that clearly demonstrate the utilitarian advantages of the product design will be considered evidence of functionality and will be an admission against trademark protection. Testimony and experimental evidence that show the design is actually not an advantage over other designs can negate advertisements touting the utilitarian advantages. In re Weber-Stephen Products Co., 3 U.S.P.Q.2d 1659 (T.T.A.B. 1987) (advertisement of round grill shape touting that it was better than other grills was negated by finding that no experiment or evidence proved this advantage to be true and that other designs were available—round grill design was not a superior design).
Another advertising-related issue is the ease or economy of manufacture of product design. TMEP 4th, § 1202.02(a)(V)(C). Sometimes, this type of evidence, although not giving an exact figure of cost savings, may be found in advertisements that generally tout the product design as being cheaper to manufacture. Finally, it should be noted that while a cheaper or easier method of manufacture is evidence of functionality, stating that the product design results from a harder or more expensive method of manufacture does not negate a finding of functionality according to the U.S. Patent and Trademark examination rules, even though case law indicates otherwise. Id. Evidence that there are competitive alternative product designs that are cheaper to make is useful to protect product packaging and design as trademarks.

Most companies want to choose marks that have at least suggestion of the nature of the product to the consumer. In choosing a non-traditional mark, the selection of a suggestive feature may not be useful. In the case of color marks, for instance, the use of green has acquired functionality as an ecological friendly product and color alone would not serve as a mark. For products such as fruit flavors, the color pink cannot be adopted as a mark for strawberry-flavored food.

In protecting a non-traditional trademark, there is an avenue that may be overlooked. There are two alternatives available for federal registration. The most well-known option is a Principal Registration, which offers the strongest protection under U.S. law. The mark must be “distinctive” and satisfy other criteria. With non-traditional marks, distinctiveness may be difficult to show as the Supreme Court explained in Wal-Mart v. Samara Bros. However, a registration on the Supplemental Register is available for marks that are capable of distinguishing goods or services from third parties, which is a lower standard than distinctiveness. To qualify on the Supplemental Register, the mark must be in use for at least a year. After five years of use of a mark, the Supplemental Registration may be upgraded to the Principal Register with a showing of distinctiveness or sooner with evidence of distinctiveness acquired in less than five years. The same ® is used with marks on the Principal and Supplemental Register. This option of obtaining a Supplemental Registration is often not considered.
Emerging Trends in Non-Traditional Trademarks

The global brands are becoming more prevalent in the world economy. The visual impact of products that transcends language is evolving as an important marketing strategy. The impact of the image of the iPod® case is an example of the departure from relying solely on traditional marks, especially word marks, as the indicator of the source or origin of a product. The look of a product may also have fashion cache as an accessory. The attractive non-functional features of products may be the best draw for the purchaser. The constant access to visual features of products through the Internet can further enhance the value of the non-traditional trademarks.

In the U.S., there is a clear legal regime to protect non-traditional marks. Marketing plans should include reviewing the protection of the non-traditional features, and if possible, building in protectable product packaging and design. The non-traditional trademark coverage can leverage the investment in the product by obtaining protection on more features of the product. The trademark attorney should contribute their creative evaluation on the protection of the new or existing product taking into account the non-traditional marks.
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