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Circuit Courts Issue Two Important Trade Dress Decisions

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The U.S. Court of Appeals for the Seventh Circuit and the U.S. Court of Appeals for the Fourth Circuit recently issued two notable trade dress decisions.

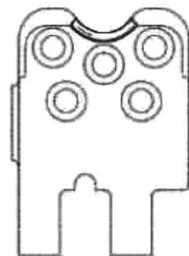
CONVEYOR BELT FASTENER DESIGN HELD NOT ELIGIBLE FOR TRADE DRESS PROTECTION

In *Flexible Steel Lacing Co. v. Conveyor Accessories Inc.*,¹ the Seventh Circuit ruled that a conveyor belt fastener’s “beveled center scallop” design was not entitled to trade dress protection because it was utilitarian.

Flexible Steel Lacing Co. (“Flexco”) and Conveyor Accessories Inc. (“CAI”) were competitors in the belt conveyor industry. Belt conveyors are used in a wide variety of material handling applications, ranging from transporting coal from a mine shaft to moving groceries at the check-out lane. Many belt conveyor systems employ an endless flexible rubber belt comprised of multiple high-strength rubber belt segments that are spliced together, and mechanical belt fasteners can be used to splice the segments together.

In 1999, Flexco introduced the Scalloped Edge™ fastener, a mechanical belt fastener featuring leading edges that are scalloped. “Compared to a straight-edged fastener, the Scalloped Edge fastener displaces and compresses less rubber when it is installed because less plate material is being imbedded in the belt,” the court said.

Flexco received utility and design patents for the fastener. After the patents expired, Flexco applied for and received federal trade dress protection for the fastener’s beveled center scallop. Flexco’s U.S. Trademark Registration No. 4,971,326 (Flexco’s registered trade dress, or the beveled center scallop) claimed only the beveled concave curve of the leading edge, as indicated by the darkened outline border in the illustration below:



Flexco sued CAI for trade dress infringement based on fasteners that Flexco said were confusingly

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similar to its trade dress. CAI argued the design was not eligible for trade dress protection because it was functional. The district court agreed with CAI, and the Seventh Circuit affirmed.

If a product's functional feature were permitted to be used as a trademark, competition would be unduly stifled because a trademark can be "renewed in perpetuity," the Seventh Circuit observed. Five factors are generally considered in the determination of whether a design is functional:

- (1) The existence of a utility patent, expired or unexpired, that involves or describes the functionality of an item's design element;
- (2) The utilitarian properties of the item's unpatented design elements;
- (3) Advertising of the item that touts the utilitarian advantages of the item's design elements;
- (4) The dearth of, or difficulty in creating, alternative designs for the item's purpose; and
- (5) The effect of the design feature on an item's quality or cost.

The court rejected Flexco's argument that the utility patent referred solely to the two convex curves of the fastener's leading edge as utilitarian features that improved the fastener's bite and profile, finding it was "simply not supported by the plain language" of the relevant patent claim. The court also disagreed with Flexco's argument that the center scallop was not a functional element of the utility patent. There was "clear language in the utility patent disclosing the utilitarian advantages" of the scallop, the court reasoned.

"The utility patent clearly discloses that the beveled center scallop improves the bite and reduces the profile of the fastener's leading edge," the court explained. "This is functional because consumers would pay to have it rather than be indifferent toward or pay to avoid it." The court also indicated that the utility patent's strong evidence of functionality was bolstered by Flexco's own advertisements,

and internal communications, and statements to the U.S. Patent Office.

The court said Flexco's marketing brochures "emphasize the utilitarian advantages of the beveled center scallop" and that Flexco stated during patent prosecution that the scallop "reduces the exposure to cleaner blades, skirt rubber, and return idlers" and "reduces the effects of impact between the fasteners and belt cleaners."

The court also rejected Flexco's argument that the scalloped design was not functional because CAI did not show that the scallop's utilitarian properties could not be attained via other designs. After CAI put forth evidence of the utility patent, the "heavy burden" shifted to Flexco to show that the scallop was not functional. "Where functionality is established, there is no need to consider alternative design possibilities," the court said.² Accordingly, the court held the following:

Here, . . . there well may be numerous alternative designs for the space between the two convex curves of the metal fastener. But because Flexco has claimed the beveled center scallop as a solution to a problem in its patents, in its statements to the [U.S. Patent Office], and in its advertisements, the beveled center scallop properly remains in the world of patents.

Consequently, the court held that Flexco's registered trade dress was functional and therefore invalid as a trademark.

RAMIFICATIONS

There are significant limits to trade dress protection particularly here. Flexco appears to have done the most it could to protect the functional features of its intellectual property. Once utility and design patents expire, however, the success of attempts to protect functional aspects of inventions becomes severely limited, reflecting the fact that the U.S. constitution secures for inventors the rights to their discoveries only for "limited times." In the words of Socrates, "The secret of change is to focus all of your energy, not on fighting the old but on building the new."

FUNCTIONAL CHICKEN FEEDER DESIGN HELD NOT ELIGIBLE FOR TRADE DRESS PROTECTION

In *CTB Inc. v. Hog Slat, Inc.*, the Fourth Circuit found that a chicken feeder design was not eligible for trade dress protection because it improved the way the feeders worked. It was therefore eligible only for patent protection because it was functional and not ornamental.³

CTB made and sold pan feeders for chicken farms, and received U.S. Patent No. 5,092,274, covering a novel structure for spokes and a pan that improved on several issues with prior art pan feeders. The invention used L-shaped spokes to give birds more room to maneuver in and out of the feeder, improving on earlier feeders that could cause “birds which force their way into the feeder apparatus [to] become trapped inside,” resulting in injury or death.⁴

CTB also obtained U.S. Patent No. 6,571,732 for a “Reflective Particle Feeder,” which explained that feeders could attract animals by color, and that “it is relatively well known within the agricultural industry that adult turkeys and chickens are attracted to the color red and, therefore, many adult turkey and chicken feeding trays are now colored red in order to entice the adult turkeys and chickens.”⁵ The invention also included reflective “metallic flecks or flakes, such as titanium or aluminum,” to attract chickens.⁶

After the '274 patent expired, CTB received trade dress protection from the U.S. Patent and Trademark Office for the feeders’ octagonal shape (“Configuration Trade Dress”), both alone and in combination with a color scheme for a red pan and shiny gray metallic spokes (“Color Trade Dress”).

CTB sued another pan feeder maker, Hog Slat Inc., for infringing its trade dress by copying its trade dress design. Hog Slat argued CTB’s trade dress was invalid because it was “dictated by utilitarian considerations,” and therefore eligible only for patent protection.⁷

The district court agreed with Hog Slat, and the Fourth Circuit affirmed.⁸ The court initially noted:

In general, trade dress serves the same function as trademarks: promoting competition by protecting features that identify a

product’s manufacturer or source. . . . Rather than consisting of a brand name or logo, trade dress is the “total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques. . . .”

Because trade dress is intended to promote competition, it cannot extend to product features that are functional, and thus covered by patent law’s time-limited monopoly on utilitarian inventions.⁹

The court explained the requirements for trade dress enforcement:

[T]hree factors must be met for a party to bring a claim for trade dress infringement: (1) the trade dress is primarily non-functional; (2) the trade dress is inherently distinctive or has acquired a secondary meaning to customers; and (3) the alleged infringement creates a likelihood of confusion among customers as to a product’s source. . . . [A] product feature is functional “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” . . . Put simply, a feature is functional if “it is the reason the device works. . . .”

Four factors . . . assist our functionality inquiry. They are: (1) the existence of utility patents disclosing the utilitarian advantages of a design; (2) advertising focusing on the utilitarian advantages of a design; (3) the availability of functionally equivalent alternative designs which competitors may use; and (4) facts indicating that a design results in a comparatively simple or cheap method of manufacturing the product.¹⁰

On appeal, CTB argued the Configuration Trade Dress “serves absolutely no function” and was eligible for trade dress protection.¹¹ But the court rejected this argument and indicated neither the feeder’s top half nor bottom half alone, or a combination of the two, constituted protectable trade dress. The court observed that the octagonal

shape of the feeder’s top half was not eligible for trade dress protection because it was a “direct consequence” of the functional L-shaped spokes, and primarily served the same function.¹² “The profile created by Plaintiff’s L-shaped spokes, whether a flattened octagon, a square, a rectangle, or another shape, is still dictated by a key functional consideration: creating a greater volume within the spokes to allow chickens that enter the pan to readily exit,”¹³ the court said. “As such, the L-shaped spoke design, regardless of specific configuration, ‘is not an *arbitrary flourish* in the configuration of [Plaintiff’s] product; it is the reason the device works.’”¹⁴

The pan of the feeder’s bottom half was designed for “containing and presenting feed,”¹⁵ and was also primarily functional. The court said the record showed that every element of the pan was “generously influenced by engineering necessity.”¹⁶ In addition, CTB also gave “no reason why the combination of two wholly functional components – the pan and the spoke assembly – gains some non-functional character that qualifies the entire feeder for trade dress protection,” the court said.¹⁷ The Color Trade Dress also was not eligible for trade dress protection because CTB’s “own utility patents and witness testimony establish that the red pan and gray spokes serve the functional purpose of attracting chickens to feed.”¹⁸

TAKEAWAYS

The Fourth Circuit clarified the limits of trade dress protection/infringement. Specifically, the trade dress must be primarily nonfunctional and either be inherently distinctive or have acquired secondary meaning. In addition, the infringement must produce a likelihood of confusion as to a product’s source.

Further, the shape of a product will not be eligible for trade dress protection if it is a direct consequence of the function and primarily serves the

same function. The specific configuration will not be considered arbitrary if the configuration is the reason why the device works. The court also referenced the utility patent as additional proof of functionality. Thus, patent filers should be careful how an invention is described and, to the extent possible, provide alternative configurations that are capable of achieving similar functionality to minimize the risk of a trade dress configuration being considered functional.

Notes

1. *Flexible Steel Lacing Co. v. Conveyor Accessories Inc.*, 955 F.3d 632, 2020 USPQ2d 10298 (7th Cir. 2020).
2. *Id.*, 955 F.3d at 650 (citing *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33, 58 USPQ2d 1001, 1007 (2001); *Specialized Seating Inc. v. Greenwich Indus. L.P.*, 616 F.3d 722, 726-27, 96 USPQ2d 1580, 1583-84 (7th Cir. 2010).
3. *CTB, Inc. v. Hog Slat, Inc.*, 954 F.3d 647, 2020 USPQ2d 10262 (4th Cir. 2020).
4. *Id.*, 954 F.3d at 651 (quoting U.S. Patent No. 5,092,274, col. 1 ll. 36-38).
5. *Id.*, 954 F.3d at 654-55 (quoting U.S. Patent No. 6,571,732, col. 1 ll. 26-32).
6. *Id.*, 954 F.3d at 655 (quoting U.S. Patent No. 6,571,732, col. 3 ll. 49-50).
7. *Id.*, 954 F.3d at 655.
8. *Id.*, 954 F.3d at 651.
9. *Id.*, 954 F.3d at 656 (quoting *Tivo Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992)) (quotations and citations omitted).
10. *Id.*, 954 F.3d at 657-58 (quoting *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. at 32-34).
11. *Id.*, 954 F.3d at 659.
12. *Id.*, 954 F.3d at 662.
13. *Id.*, 954 F.3d at 661.
14. *Id.*, 954 F.3d at 661 (quoting *TrafFix* 532 U.S. 23, 34, 58 USPQ2d 1001, 1007 (2001)) (emphasis added by court).
15. *Id.*, 954 F.3d at 664.
16. *Id.*, 954 F.3d at 664.
17. *Id.*, 954 F.3d at 665.
18. *Id.*, 954 F.3d at 666.

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