



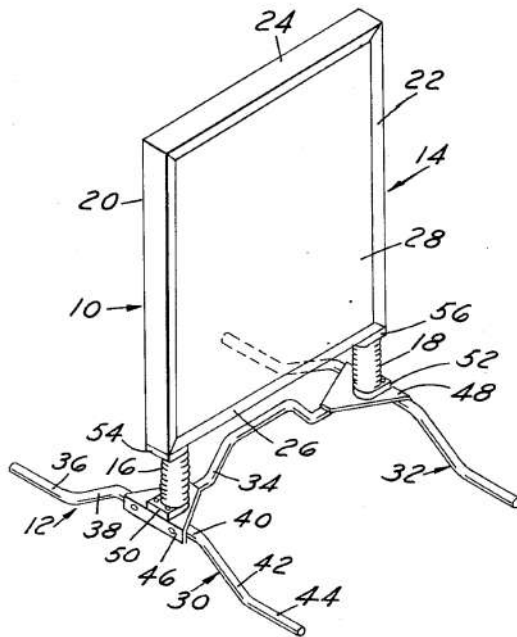
Functionality

Trademark & Unfair Competition

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Konomark
Most rights sharable





What is functionality?

- It's functional if
- _____
- [and? / or?]
- _____

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Let's try to create a
blackletter formulation of
a test for functionality ...

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Discussing trademarks, we have said “ ‘[i]n general terms, a product feature is functional, and cannot serve as a trademark, ‘if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.’ ” *Qualitex*, 514 U.S., at 165 (quoting *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850, n. 10 (1982)). Expanding upon the meaning of this phrase, we have observed that a functional feature is one the “exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage.” 514 U.S., at 165. The Court of Appeals in the instant case seemed to interpret this language to mean that a necessary test for functionality is “whether the particular product configuration is a competitive necessity.” 200 F.3d, at 940. See also *Vornado*, 58 F.3d, at 1507 (“Functionality, by contrast, has been defined both by our circuit, and more recently by the Supreme Court, in terms of competitive need”). This was incorrect as a comprehensive definition. As explained in *Qualitex*, *supra*, and *Inwood*, *supra*, a feature is also functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device. The *Qualitex* decision did not purport to displace this traditional rule. Instead, it quoted the rule as *Inwood* had set it forth. It is proper to inquire into a “significant non-reputation-related disadvantage” in cases of esthetic functionality, the question involved in *Qualitex*. Where the design is functional under the *Inwood* formulation there is no need to proceed further to consider if there is a competitive necessity for the feature. In *Qualitex*, by contrast, esthetic functionality was the central question, there having been no indication that the green-gold color of the laundry press pad had any bearing on the use or purpose of the product or its cost or quality. — *TrafFix* (U.S. 2001)

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It’s functional (& D wins) if **any of these is true:**

- it’s a competitive need,
- it’s essential to the use or purpose of the article,
- it affects the cost of the article,
- it affects the quality of the article, **OR**
- it puts competitors at a significant non-reputation-related disadvantage (particularly applicable in cases concerning aesthetic functionality)

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- one of these is true:
 - it’s a competitive need,
 - it’s essential to the use or purpose of the article,
 - it affects the cost of the article, **OR**
 - it affects the quality of the article,
- **OR** it’s true that both:
 - it’s a question of aesthetic functionality, **AND**
 - it puts competitors at a significant non-reputation-related disadvantage



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If these cases leave things unclear, then where do we go to get the authoritative resolution for these?

- standard for summary judgment
 - _____
- appropriate jury instructions
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Consider:

- *pattern jury instructions for the court/state/circuit*
- *leading treatise (McCarthy)*
- *Restatement of Unfair Competition*
- *local rules of court*
- *agency rulemaking*

What is functionality?

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This is an example of exactly the kind of ambiguity that lawyers deal with and within which they must

What is functionality?

If these cases leave things unclear, then where do we go to get the authoritative resolution for these?

- standard for summary judgment

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- appropriate

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This is an example of exactly the kind of ambiguity that lawyers deal with and within which they must **make arguments.**

What is functionality?

Groeneveld (6th Cir. 2013):

- This issue is not the availability of alternative designs (at least in this case)
- If the design is influenced by functional imperatives or preferences, that will clinch for defendant
- If all components are functional, then the overall design is functional (seems to be in serious tension with *Filipino Yellow Pages* and *Best Cellars*)

Jay Franco (7th Cir. 2010):

- TM claimants can't block innovation by appropriating designs that undergird further improvements (← *seems like a powerful argument for defendants*)
- "A design that produces a benefit other than source identification is functional" (← *fyi, this seems to conflict strongly with, e.g, the 9th Circuit's Auto-Gold case*)

Some lessons about functionality

Groeneveld (6th Cir. 2013):

- functionality is an issue of fact for the jury
- judged for “clear error” on appeal
- a plaintiff can prove functionality with its own self-serving testimony (apparently, because the dissent sure saw it that way, and the majority didn’t say that part was wrong)
- that a grease pump shows “good taste” compared to competitors that “look terrible” didn’t undermine the trademarkability of the product configuration

Jay Franco (7th Cir. 2010):

- advertising functionality is a pitfall for trade dress plaintiffs
- TraFFix seems to have influenced circuit courts as to this kind of factual context

Arguing functionality using “pins,” patterns, and persuasiveness precedent

These “pins” are points made by, and placemarkers within, past cases that correspond to a determination of

functionality and a **defendant** win,

and they form a place for a defendant to attach to precedent a favorable argument on functionality (“it” referring to the claimed mark):

- it’s a competitive need,
- essential to the use or purpose of the article
- it affects the cost of the article
- it affects the quality of the article
- it puts competitors at a significant non-reputation-related disadvantage (particularly for situations arguably concerning aesthetic functionality)
- it enables the product to operate (*Inwood*)
- it’s a means of excluding competitors from a substantial market (*Wallace*)

Arguing functionality using “pins,” patterns, and persuasiveness precedent

These “pins” correspond to **non-functionality** and a **plaintiff** win (“it” referring to the claimed mark):

- alternative designs are available (even more so if “virtually unlimited” alternatives exist)
- it’s a distinctive, arbitrary arrangement of ornamental features, because that does not hinder potential competitors (*Christian Louboutin*)
- it does not “*significantly*” undermine competitors ability to compete in “the relevant market” (*Christian Louboutin*)
- defendants must meet their burden of showing that trade dress elements are “essential to effective competition in a particular market” (*Best Cellars*)
- specifically articulated trade dress isn’t functional as a result of including elements that are well-designed and thus “functional” (*Best Cellars*)

Arguing functionality using “pins,” patterns, and persuasiveness precedent

These are **patterns** to consider – and to use in making arguments and making predictions or at least assessing probabilities:

Is the mark like . . .

- the pillow form of shredded wheat in *Kellogg v. Nabisco*?
- the sign in *TraFFix*?
- the grease pump in *Groeneveld v. Lubecore*?
- the beach towel in *Jay Franco v. Franek*?

If so, that could correspond to **functionality** and a **defendant** win.

Arguing functionality using “pins,” patterns, and persuasiveness precedent

These are **patterns** to consider – and to use in making arguments and making predictions or at least assessing probabilities:

Is the mark like . . .

- the restaurant trade dress in *Two Pesos v. Taco Cabana*?
- the wine store trade dress in *Best Cellars v. Wine Made Simple*?
- the red-soled shoes in *Christian Louboutin v. Yves Saint Laurent*?
- the accessories in *Au-To Gold v. Volkswagen*?

If so, that could correspond to

non-functionality and a **plaintiff** win.