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Supreme Court's Discouraging Words About Trade Dress Actions

The Supreme Court recently reiterated the "strong presumption" that claims in utility patents prevent trade-dress protection for those features, regardless of competitive effect or secondary-meaning. In *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, No. 99-1571 (U.S. March 20, 2001), the Court held that prior utility-patent claims involving the springs supporting wind-proof road-side signs were "strong evidence" of "vital significance" supporting the "great weight" of the statutory presumption of functionality. The Court reversed the Sixth Circuit, effectively reinstating the trial-court's defense summary-judgment.

The Court took the case to resolve a circuit split over an expired utility patent forecloses trade-dress protection for the product's design. The 5th, 6th, 7th and Fed. Circuits had held it did not, while the 10th Circuit held it did. *Compare Sunbeam Prods, Inc. v. West Bend Co.*, 123 F. 3d 246 (5th Cir. 1997) (not foreclosed), *TrafFix*, 200 F.2d 929 (6th Cir. 1999)(not), *Thomas & Betts Corp. v. Panduit Corp.*, 138 F. 3d 277 (7th Cir. 1998)(not), *and Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F. 3d 1356 (Fed. Cir. 1999)(not) *with Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F. 3d 1498, 1500 (10th Cir. 1995)(foreclosed).

While the Court's language arguably fell just short of establishing a *per se* bar, its holding was clear that the features claimed in a prior utility patent (and any similar features previously asserted as infringing under the doctrine of equivalents) prevent a claimant from carrying the heavy burden "of overcoming the strong evidentiary inference of functionality based on the disclosure" in the patents.

The Court also clarified that a feature is functional (and not protectable) -- without further inquiry -- if (a) essential to the product's use or purpose *or* (b) it affects the product's cost or quality. The second-step "competitive effect" analysis [whether exclusive use puts competitors at significant non-reputation-related disadvantage] is required only in cases of aesthetic functionality. Similarly, secondary-meaning cannot "save" trade-dress claims for an otherwise functional attribute.

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Together with the Court's decision from last term in *Wal-Mart v. Samara Brothers*, 529 U.S. 205 (March 22, 2000)(designs aren't inherently distinctive, thus unregistered dress is protect able *only* on showing of secondary meaning), *TrafFix* indicates a concerted effort to restrain the expansion of trade-dress claims for unregistered product designs and configurations.

Remember that these legal principles may change and vary widely in their application to specific factual circumstances. You should consult with counsel about your individual circumstances. For further information regarding these issues, contact:

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