

# THE CO-EXISTENCE OF DESIGN PATENTS AND TRADE DRESS

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In my column in the January/February issue of *WIPR*, I examined the underappreciated design patent as a highly potent intellectual property weapon that is available to manufacturers and commercial entities. In this column, I seek to examine the potential use of yet another significant form of IP: trade dress rights. The co-existence of design patent and trade dress rights provides IP owners with formidable weapons against knock-offs.

There is a never-ending quest by manufacturers and others competing in the commercial marketplace to prevent the unauthorised appropriation of their valuable creations. Imitators, counterfeiters, and infringers abound and are the bane of those that invest considerable time and money in developing products and systems.

Trade dress is regulated by US laws governing unfair competition. Examples of unfair competition include trademark infringement, deceptive conduct, and misappropriation. As distinguished from a company's trademarked logo or word mark, trade dress claims may cover a product's inherently distinctive physical appearance, as well as the manner in which the product is packaged. This definition of trade dress may in some instances overlap with the ornamental features of an article of manufacture—a characteristic of which is protectable by a design patent.

So, if a company creates a novel artistic design of a beer bottle, for example, is it possible to obtain protection for this bottle design under both the laws of trade dress and design patent? The answer is a resounding "yes". Design patents may co-exist with trade dress protection. In fact, companies have claimed trade dress for well-known features such as the colour pink used in insulation, lollipops in the shape of a diamond ring, the shape of Ferrari cars, and the shape of the Dom Perignon champagne bottle. Trade dress can also be found in distinctive graphics and marketing strategies.

The beauty of trade dress protection is its perpetual life if used continuously in inter-state commerce. The terms of design patents, on the other hand, will expire 15 years from their date of grant.

## A source identifier

We must not lose sight of what trade dress actually protects, as well as the context in which it is used. At its core, trade dress has meaning as a source identifier. By that, a consumer will come to recognise the inherently distinctive overall physical appearance of a product as originating from the genuine source of that product. One who views a classic Coca-Cola bottle will recognise that the bottle originates from Coca-Cola or its authorised licensee or affiliate.

In addition to the product itself, trade dress may also be claimed for

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the manner in which the product is packaged, labelled, or wrapped. A Virginia federal jury in March 2014 found that the similar aluminium foil packaging of Handi-Foil infringed the trade dress of Reynolds Wrap. To succeed in a trade dress infringement action, one must own valid and enforceable trade dress rights that are not primarily functional, and that possess either inherent distinctiveness or secondary meaning. The likelihood of causing confusion will form the basis of establishing infringement.

Design patents protect non-utilitarian (non-functional) features of articles of manufacture. Protection is found in and is limited by the content of a design patent's drawings. To infringe one's design patent, valid and enforceable design patent rights must exist. The test of infringement has been established by the seminal 2008 *Egyptian Goddess* case (*Egyptian Goddess v Swisa*), where the US Court of Appeals for the Federal Circuit found *en banc* that there was trade dress in a nail buffer. In finding infringement, the court used the test of "an ordinary observer as informed by the prior art".

In both design patent and trade dress infringement actions, in addition to compensatory damages, a successful party will be able to pursue both preliminary and permanent injunctions. Triple damages and/or attorneys' fees may be recovered in exceptional cases. A successful trade dress plaintiff may recover the defendant's profits or its actual damages. A successful design patent plaintiff is entitled to recover "entire market value", no less than a reasonable royalty.

Owners of IP are therefore able to enjoy the co-existence of these options, if guided by experienced IP counsel. ■

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