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NEWSLETTER | MarkIt to Market® - April 2018

The April 2018 issue of Sterne Kessler's MarkIt to Market® discusses the application of aesthetic functionality to design patents and lists the new gTLD Sunrise periods.

Sterne Kessler's Trademark & Brand Protection practice is designed to help meet the intellectual property needs of companies interested in developing and maintaining strong brands around the world. For more information, please contact Monica Riva Talley or Tracy-Gene G. Durkin.

In this issue

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Aesthetic Functionality – Design Patents in the Clear (For Now)

By: Tracy-Gene G. Durkin and Karin Benavides

The aesthetic-functionality doctrine is a concept in trademark law that can preclude trademark protection for elements of trade dress deemed to be aesthetically pleasing; the doctrine can come into play when a trade dress element is viewed as an important factor in the commercial success of the product. An example is “John Deere Green” from the case of *Deere & Co. v. Farmhand, Inc.*, in which the district court in the Southern District of Iowa determined that the color green used on John Deere tractors was aesthetically functional because farmers wanted to have their tractor implements match their tractors.

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gTLD Sunrise Periods Now Open

As first reported in our December 2013 newsletter, the first new generic top-level domains (gTLDs, the group of letters after the "dot" in a domain name) have launched their "Sunrise" registration periods. Please contact us or see our December 2013 Newsletter for information as to what the Sunrise Period is, and how to become eligible to register a domain name under one of the new gTLDs during this period.

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Until recently, application of the doctrine of aesthetic functionality has been limited to trademarks. However, in a recent case, the Automotive Body Parts Association (ABPA), which represents replacement auto parts makers, sought to extend the aesthetic-functionality doctrine to designs protected by design patents. In the case, *Automotive Body Parts Association v. Ford Global Technologies, LLC*, the ABPA sought to invalidate two design patents owned by Ford covering the designs of two F-150 body parts. The ABPA claimed the designs were functional, and therefore ineligible for design patent protection under, among other things, the aesthetic-functionality doctrine. The ABPA argued that the designs were "dictated by the need to physically fit onto the F-150, including mating with the surrounding body parts and connecting to the truck's frame." Further evidence of the functionality of the designs, the ABPA claimed, could be found in certain insurance provisions and government regulations that allegedly set restrictions for the aesthetic designs of truck parts. Although the court found the ABPA's contention to be logical, it declined to "import the aesthetic-functionality doctrine from trademark law to design-patent law" for three reasons.

First, no court has ever applied the aesthetic-functionality doctrine in invalidating a design patent.

Second, the court explained that trademark and patent law serve different purposes—trademark law exists to promote competition, while patents inhibit competition. The purpose of trademarks is to facilitate the connection between a particular good or service and its source. If a mark is functional, it provides more for its owner than its intended function. Then, not only does it act as a source identifier, but it also prevents competitors from using it as a design element in their products. Such exclusionary rights are better suited for patent protection.

Third, building on this, the court pointed out that "there is greater reason for trademark law to be concerned with functionality . . . than design-patent law." For a patent to be granted, giving its owner a *temporary* monopoly over the claimed subject matter, the corresponding application must comply with the provisions of Title 35 of the U.S. Code, and survive prosecution at the U.S. Patent & Trademark Office. Conversely, trademarks applications do not require such rigorous examination, since their statutory requirements are different. Accordingly, as the term for a trademark lasts as long as it is used in

commerce, a grant of a functional trademark would effectively grant an indefinite monopoly over a functional product while avoiding examination by a patent examiner.

Ultimately, the court found that the designs of Ford's F-150 parts were not dictated by function, but in doing so it looked to design patent case law for guidance instead of the aesthetic-functionality doctrine rooted in trademark law. This case has been appealed to the Court of Appeals for the Federal Circuit, so in the coming months that court will have an opportunity to weigh in on the issue of the aesthetic-functionality doctrine as it applies to design patents.

So what guidance does this case provide for businesses wanting to protect their valuable product designs? Design patents should always be considered to protect product designs that are novel, not obvious, and not dictated by their function. Since design patents expire 15 years after they are granted, and there is no novelty requirement for trademarks, it is wise to consider trademark protection if the design has been on sale for some time and it serves to identify the source of the product (a requirement unique to trademark protection). However, if the design consists of a desirable aesthetic quality, trademark protection may not be available.

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As of April 25, 2018, ICANN lists Sunrise the period as open for the following new gTLD:

.xn-g2xx48c	.icu	.app

ICANN maintains an up-to-date list of all open Sunrise periods here. This list also provides the closing date of the Sunrise period. We will endeavor to provide information regarding new gTLD launches via this monthly newsletter, but please refer to the list on ICANN's website for the most up-to-date information – as the list of approved/launched domains can change daily.

Because new gTLD options will be coming on the market over the next year, brand owners should review the list of new gTLDs (a full list can be found here) to identify those that are of interest.