The Mud Thickens:
The Federal Circuit Issues Its Latest Decision on Utilitarian Functionality, Refusing Registration to Becton Dickinson's Blood Collection Tube Cap

April 16, 2012

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On April 12, 2012, the Federal Circuit waded into the increasingly muddy waters of utilitarian functionality law with its decision in *In re Becton, Dickinson and Co.*, 2012 WL 1216281. The Federal Circuit affirmed the TTAB's decision that Becton Dickinson's ("BD") closure cap for blood collection tubes (shown below) was functional and not registerable by the U.S. Patent and Trademark Office. The drawing for BD's mark appeared as follows:

A shape is functional as utilitarian if it is "essential to the use or purpose of the article or affects the cost or quality of the article." *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001). Functional shapes can never be protected as trademarks. Over the past year or two, the courts have produced a number of utilitarian functionality decisions that unfortunately do little to help businesses predict whether their designs are functional or subject to trademark protection. *See, e.g., Georgia-Pacific Consumer Products LP v. Kimberly-Clark Corporation*, 647 F.2d 723 (7th Cir. 2011) (quilted toilet paper design found functional); *Specialized Seating v. Greenwich Industries, L.P.*, 616 F.3d 722 (7th Cir. 2010) (folding chair found functional as utilitarian despite hundreds of alternative designs); *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855 (7th Cir. 2010) (round beach

towel found functional on utilitarian and aesthetic grounds). *In re Becton Dickinson* continues to grapple with the determination.

The Federal Circuit uses four factors to evaluate utilitarian functionality: (1) the existence of a utility patent disclosing the utilitarian advantages of the design sought to be registered; (2) advertising by the applicant that touts the utilitarian advantages of the design; (3) whether the design results from a comparatively simple or inexpensive method of manufacture, and (4) the availability of alternative designs. *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1331 (C.C.P.A. 1982).

Before turning to the factors, the court evaluated BD's main argument. The drawing in BD's application included both functional and non-functional elements. BD argued that the existence of some non-functional features removed the mark "from the realm of functionality." The Board disagreed, noting that "a mark possessed of significant functional features should not qualify for trademark protection where insignificant elements of the design are non-functional." *Id*. Far from finding that the TTAB's weighing of the functional and non-functional features of the claimed design was improper, as BD claimed, the Federal Circuit stated that the inquiry was "mandated."

The court affirmed the TTAB's finding that a utility patent showing features of BD's design was strong evidence of functionality. BD argued that the features on which the Board relied to find functionality were not claimed in the patent. The court held that one need not consider only the actual patent claims in evaluating trademark functionality. "*TrafFix* teaches that statements in a patent's specification illuminating the purpose served by the design may constitute equally strong evidence of functionality." *Id.* (citing *TrafFix* at 23-35).

Design patents apparently are not subject to the broad interpretation the court applied to utility patents. In weighing BD's design patents, the court held that the design patents were similar, but did not cover the specific design for which BD sought protection. Therefore, they "lack[ed] sufficient evidentiary value" to overcome the utility patent evidence of functionality.

Perhaps the kiss of death in this case was BD's own advertising of the functionality of its blood tube caps in terms of their "enhanced handling features." Many companies' arguments against functionality go down in flames in the face of similar evidence. Companies are well advised to determine early whether additional features can be added, or a design can be changed to accord long-lasting trademark protection to a new product. They should tailor their advertising to tout the source identifying features of their products apart from those that enhance function.

The court held that there was no need to consider the third *Morton-Norwich* factor, "'alternative designs," because "the feature cannot be given trade dress protection merely because there are alternative designs available.'" *Id.* (citations omitted). Finally, as to the fourth factor, "the record failed to establish that there are meaningful alternative designs . . . ." *Id*. Thus, based on the factors, the design was functional.

The case generated an interesting dissent. Judge Linn disagreed with the majority's weighing of the functional and non-functional features of BD's design. Instead Judge Linn suggested that the court consider whether the shape at issue was *required* to look the way it did (*i.e.*, whether alternative designs were available). If the design was not *required*, then the shape was non-functional. This is directly contrary to other cases which have held that the mere existence of alternatives does not

render a shape non-functional. *See, e.g., Specialized Seating*, 616 F.3d 722 (The existence of many alternative designs did not mean that the plaintiff's design was non-functional. It was not "the only way to do things" but "it represent[ed] one of many solutions to a problem."). Judge Linn evaluated the *Morton-Norwich* factors, and disagreed with the majority.

Suffice it to say, this case illustrates yet again the extreme difficulty of establishing that a design is non-functional in the face of a utility patent and damaging advertising. It does teach would-be applicants to very carefully compose their drawings to reflect only or mostly non-functional elements. This will help avoid a finding that the mark "as a whole" is functional.

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