

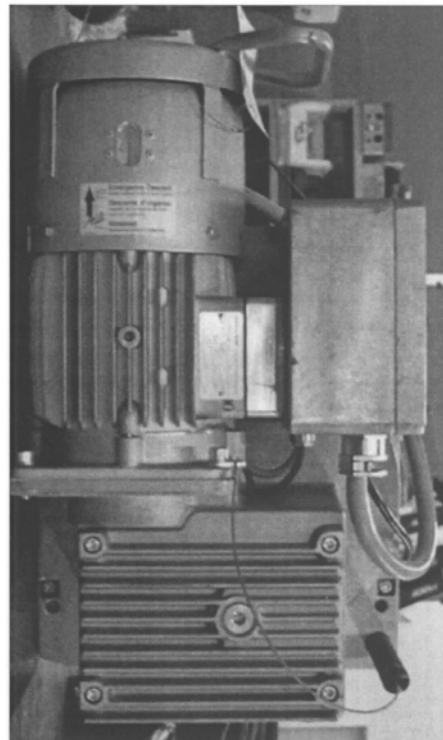


## Defendant Hoist Manufacturer Awarded Attorney's Fees in Trade Dress Case *Secalt v. Wuxi Shenxi Construction Machinery*

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In *Secalt S.A. v. Wuxi Shenxi Construction Machinery Co., Ltd.*, Nos. 10-17007 & 11-15066, 2012 WL 373102 (9th Cir. Feb. 7, 2012), plaintiff, a manufacturer of traction hoists (typically used for commercial building and window washing), alleged that it owned trade dress rights in the following design:



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The Ninth Circuit ruled for the defendant, the maker of an apparently identical product. The court's opinion rested on its conclusion that, to paraphrase, no one cares what a traction hoist looks like, as long as it works. *Id.* at \*4. Since plaintiff's design was not the subject of a federal trademark registration, plaintiff was required to prove that it was non-functional and that it had secondary meaning. Plaintiff could not prove non-functionality. A design is functional if it "is essential to the use or purpose of the article, or affects the cost or quality of the article." *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844 n.10 (1982).

The Ninth Circuit, after citing the confusing *de jure* and *de facto* definitions of functionality (which have been rejected as unhelpful by the TTAB), considered the much more understandable factors set forth in *Disc Golf Ass'n v. Champion Discs, Inc.*, 158 F.3d 1002 (9th Cir. 1988). Those factors are: "(1) whether the design yields a utilitarian advantage, (2) whether alternative designs are available, (3) whether advertising touts the utilitarian advantages of the design, and (4) whether the particular design results from a comparatively simple or inexpensive method of manufacture." *Secalt*, 2012 WL 373102, at \*4 (citing *Disc Golf*, 158 F.3d at 1006).

No factor supported the plaintiff. Plaintiff's own engineers testified that the hoist's features were utilitarian. There were alternative designs, but they were functional too. Plaintiff's own advertising stated that its hoists were rectangular ("cubist" in plaintiff's trade dress parlance) so they would not roll off of tables. All hoists cost pretty much the same, so the last factor was neutral. The court found that plaintiff's evidence was so lacking that defendant was entitled to its attorney's fees.

The *Secalt* case provides the opportunity to revisit a best practice in trade dress protection. Although a utilitarian design can only be protected for a limited time, and a purely ornamental design does not necessarily function as a source indicator, when designing a product, the developer has the opportunity to consider adding a unique feature and repeating it throughout a product line. If this is possible, then the product manufacturer has the opportunity to use the feature to develop and support brand recognition, even after its utility patent for the product expires, at which time copyists otherwise legally would be allowed to create competing identical products.

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