

No. 21-417

IN THE
Supreme Court of the United States

SULZER MIXPAC AG,

Petitioner,

v.

A&N TRADING COMPANY, *et al.*,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED
STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

**BRIEF FOR THE INTERNATIONAL
ANTICOUNTERFEITING COALITION,
INDUSTRIAL DESIGNERS SOCIETY OF
AMERICA, INC. AND SWISSMEM AS *AMICI
CURIAE* IN SUPPORT OF PETITIONER**

VINCENT SMOLCZYNSKI
SEYFARTH SHAW LLP
121 West Trade Street,
Suite 2020
Charlotte, NC 28202
(704) 925-6043

JAMAICA P. SZELIGA
Counsel of Record
SEYFARTH SHAW LLP
975 F Street, NW
Washington, DC 20004
(202) 828-5364
jszeliga@seyfarth.com

JOSEPH R. LANSER
SEYFARTH SHAW LLP
233 South Wacker Drive,
Suite 8000
Chicago, IL 60606
(312) 460-5895

Counsel for Amici Curiae

308137



COUNSEL PRESS

(800) 274-3321 • (800) 359-6859

TABLE OF CONTENTS

	<i>Page</i>
TABLE OF CONTENTS.....	i
TABLE OF CITED AUTHORITIES	ii
INTERESTS OF THE <i>AMICI CURIAE</i>	1
SUMMARY OF THE ARGUMENT.....	3
ARGUMENT.....	7
I. The Functionality Doctrine.....	7
II. The Circuit Courts Are Currently Split Regarding Whether the Functionality of Trade Dress Rests on a Single- or Multi-factor Approach	10
1. The Majority of Circuits Hold that Product Configurations Are Protectable, Despite Some Usefulness.....	10
2. The Second and Third Circuit’s Categorical Exclusion of Useful Features Departs from Long Standing Precedent and the Majority Approach	16
III. This Court Should Grant <i>Certiorari</i> and Resolve the Existing Circuit Split Regarding Trade Dress Functionality.....	18
CONCLUSION	21

TABLE OF CITED AUTHORITIES

	<i>Page</i>
Cases	
<i>Bodum USA, Inc. v. A Top New Casting Inc.</i> , 927 F.3d 486 (7th Cir.), <i>cert. denied</i> , 140 S. Ct. 675, 205 L. Ed. 2d 439 (2019)	12, 14, 15, 19
<i>In re Bose Corp.</i> , 772 F.2d 866, 227 U.S.P.Q. 1 (Fed. Cir. 1985)	11
<i>Brunswick Corp. v. Spinit Reel Co.</i> , 832 F.2d 513, 4 U.S.P.Q.2d 1497, 23 Fed. R. Evid. Serv. 1272 (10th Cir. 1987)	9
<i>Christian Louboutin S.A. v.</i> <i>Yves Saint Laurent Am. Holding, Inc.</i> , 696 F.3d 206 (2nd Cir. 2012)	16
<i>Converse, Inc. v.</i> <i>Int’l Trade Comm’n Skechers U.S.A., Inc.</i> , 909 F.3d 1110 (Fed. Cir. 2018)	16
<i>Disc Golf Ass’n, Inc. v. Champion Discs, Inc.</i> , 158 F.3d 1002 (9th Cir. 1998)	15
<i>Elmer v. ICC Fabricating, Inc.</i> , 67 F.3d 1571, 36 U.S.P.Q.2d 1417 (Fed. Cir. 1995)	8
<i>Ezaki Glico Kabushiki Kaisha v.</i> <i>Lotte Int’l Am. Corp.</i> , 986 F.3d 250 (3d Cir. 2021), <i>pet. for cert. docketed</i> , No. 20-1817 (U.S. June 29, 2021)	4, 17, 18

Cited Authorities

	<i>Page</i>
<i>Flexible Steel Lacing Company v. Conveyor Accessories, Inc.</i> , 955 F.3d 632 (7th Cir. 2020)	14
<i>Frosty Treats, Inc. v. Sony Comput. Ent. Am. Inc.</i> , 426 F.3d 1001 (8th Cir. 2005)	15
<i>Fuji Kogyo Co., Ltd. v. Pac. Bay Int'l, Inc.</i> , 461 F.3d 675 (6th Cir. 2006).....	13, 14
<i>Georgia-Pacific Consumer Products LP v. Kimberly-Clark Corp.</i> , 647 F.3d 723, 99 U.S.P.Q.2d 1538 (7th Cir. 2011) ...	14
<i>I.P. Lund Trading ApS v. Kohler Co.</i> , 163 F.3d 27 (1st Cir. 1998)	12
<i>Inwood Laboratories, Inc. v. Ives Laboratories, Inc.</i> , 456 U.S. 844 (1982).....	<i>passim</i>
<i>Jay Franco & Sons, Inc. v. Franek</i> , 615 F.3d 855, 96 U.S.P.Q.2d 1404 (7th Cir. 2010) ...	8
<i>Lady Primrose's, Inc. v. After Hours Bath Prod., Inc.</i> , 211 F.3d 125 (5th Cir. 2000)	13
<i>In re Loggerhead Tools, LLC</i> , 119 U.S.P.Q.2d 1429, 2016 WL 3876808 (T.T.A.B. 2016)	12

Cited Authorities

	<i>Page</i>
<i>McAirlaids, Inc. v. Kimberly-Clark Corp.</i> , 756 F.3d 307 (4th Cir. 2014).....	13
<i>Moldex-Metric, Inc. v. McKeon Prods., Inc.</i> , 891 F.3d 878 (9th Cir. 2018).....	15
<i>In re Morton-Norwich Products, Inc.</i> , 671 F.2d 1332, 213 U.S.P.Q. 9 (C.C.P.A. 1982).....	10, 11, 12, 15
<i>Qualitex Co. v. Jacobson Prods. Co.</i> , 514 U.S. 159 (1995).....	3, 8, 9
<i>Schwinn Bicycle Co. v. Ross Bicycles, Inc.</i> , 870 F.2d 1176, 10 U.S.P.Q.2d 1001 (7th Cir. 1989).....	9
<i>TrafFix Devices, Inc. v. Marketing Displays, Inc.</i> , 532 U.S. 23 (2001).....	3, 9, 12
<i>Two Pesos, Inc. v. Taco Cabana, Inc.</i> , 505 U.S. 763 (1992).....	7
<i>Valu Engineering, Inc. v. Rexnord Corp.</i> , 278 F.3d 1268, 61 U.S.P.Q.2d 1422 (Fed. Cir. 2002).....	12, 15

Cited Authorities

	<i>Page</i>
Statutes	
15 U.S.C. § 1051	5
15 U.S.C. § 1052(e)	8
15 U.S.C. § 1052(e)(5)	8
15 U.S.C. § 1064(3)	8
15 U.S.C. § 1114(1)	7, 19
15 U.S.C. § 1127	7, 18
35 U.S.C. § 1	8
Other Authorities	
Supreme Court Rule 37.2(a)	1
Supreme Court Rule 37.6	1
<i>Just the Facts: Intellectual Property Cases— Patent, Copy-right, & Trademark</i> (Feb. 13, 2020)	6

INTERESTS OF THE *AMICI CURIAE*¹

Amici Curiae, International AntiCounterfeiting Coalition (“IACC”), Industrial Designers Society of America, Inc. (“IDSA”), and Swissmem (collectively the “*Amici Curiae*”), are national and international associations and organizations that promote the protection of intellectual property rights and the fair and consistent application of intellectual property laws in the United States and worldwide.

IACC is a non-profit organization based in Washington, D.C., and is devoted to combating product counterfeiting and piracy by promoting laws, regulations, directives, and relationships designed to ensure that the theft of intellectual property is undesirable and unprofitable. IACC advocates for the protection of its members’ respective intellectual property rights from illegal copying, infringement, and other forms of theft, by engaging in substantive dialogue with governments, policy-makers, rights-holders, and partners from a variety of industries and sectors around the world. IACC also develops and conducts training for domestic and foreign law enforcement officials, submits comments on intellectual property laws and regulations in the United States and abroad, and participates in

1. Pursuant to Supreme Court Rule 37.6, this brief was authored solely by the *Amici Curiae* and their counsel, Seyfarth Shaw LLP, and no part of this brief was authored by counsel for a party. No party or counsel for a party, nor any other person or entity other than *amici*, their members, and their counsel, made a monetary contribution intended to fund the preparation or submission of this brief. Additionally, pursuant to Supreme Court Rule 37.2(a), both Petitioner and Respondents were provided timely notice and have consented to the filing of this *Amicus Brief*.

regional and international programs aimed at improving intellectual property enforcement standards.

Founded in 1965, IDSA is one of the oldest and largest non-profit, membership associations for professional industrial designers. IDSA is dedicated to improving industrial design knowledge, and representing the industrial design profession to businesses, the government, and the public. IDSA has thousands of members in dozens of Student Chapters, Professional Chapters, and Special Interest Sections. IDSA's Design Protection Section is actively involved in monitoring and commenting on legal issues relating to design rights, routinely speaking at leading law schools, testifying before Congress on design rights issues, and having members serve as expert witnesses in hundreds of design-related cases, including those related to trade dress law. IDSA has a primary interest in the outcome of this matter based on its longstanding commitment to design rights issues, in addition to the importance of color in industrial design and branding. IDSA believes it is tantamount for US courts to apply a consistent approach in evaluating trade dress functionality, including the role of color in functionality, as it furthers IDSA's goals of fostering and encouraging a transparent and just legal system that affords owners of US registered trade dress rights for product configurations the full extent of legal protections available under the Lanham Act. These interests are critical to industrial designers, trademark owners, and the purchasing public.

Swissmem is the leading association for small and mid-size enterprises (SMEs) and large companies in the Switzerland mechanical, electrical and metal

industries (“MEM industries”) and related technology-oriented sectors. Swissmem promotes the national and international competitiveness of its approximately 1,200 member companies, including Petitioner Sulzer Mixpac AG, through effective representation of their interests, needs-based services, targeted networking, training and continuing education of employees in the MEM industries in line with the labor market.

The Swiss MEM industry is an innovative high-tech sector that offers high-performance solutions in all areas of life and economies. It generates around 7% of the gross domestic product of Switzerland (2020), and thus occupies a key position in the Swiss economy. With around 320,000 employees, the sector is the largest industrial employer in Switzerland and accounts for approximately 30% of total goods exports, with exports worth of CHF 60.7 billion (\$65.5 billion USD). Swissmem, as a representative for the Swiss MEM industry, is concerned about the lack of consistent legal intellectual property protection of trade dress throughout the United States, a key trading and export market for its members.

SUMMARY OF THE ARGUMENT

This Court previously addressed the test for assessing trade dress functionality in several cases. For example, in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 n.10 (1982), the Court held that “a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” The Court has since held the *Inwood* test as the proper functionality standard in *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995), and *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 33 (2001).

However, despite nearly forty-years of this Court's precedent establishing the legal framework for evaluating trade dress functionality, the Appellate Circuit Courts have been assessing trade dress functionality inconsistently. For example, the Second Circuit's *Sulzer Mixpac AG v. A&N Trading Co.* holding (for which this *amicus* urges the Court to review) ignored this Court's functionality testing mandates by instead utilizing a single factor, bright-line rule, holding that any degree of utility or usefulness of a product feature categorically precludes trade dress protection under the functionality doctrine. Thus, according to the Second Circuit, if a product's aesthetic feature serves any useful purpose whatsoever, trade dress protection is unattainable. Likewise, the Third Circuit in *Ezaki Glico Kabushiki Kaisha v. Lotte Int'l Am. Corp.*, 986 F.3d 250 (3d Cir. 2021), *pet. for cert. docketed*, No. 20-1817 (U.S. June 29, 2021), applied a *per se* functionality doctrine under which any "usefulness" renders a trade dress functional, similar to the test utilized by the Second Circuit. In comparison, the remaining Circuits that have addressed functionality of trade dress apply a multi-factor analysis.

The implications of the Second Circuit's functionality test are numerous. First, the Second Circuit's bright-line rule of functionality directly conflicts with this Court's precedent, similar precedent in nearly every other regional Circuit (except the Third Circuit (discussed below)), and the U.S. Patent and Trademark Office and Trademark Trial and Appeal Board - the legal US bodies tasked with issuing and maintaining registered trade dress rights - all of which have adopted a multi-factor analysis to functionality in line with this Court's holdings. Significantly, the existing split between the Circuits

and ultimate inconsistent legal protection afforded to trade dress configurations will inevitably lead litigants to forum shop, both in terms of the location for filing trademark infringement lawsuits, as well as the locus of counterfeiters and other infringers, thereby eliminating uniform application of intellectual property laws across the United States, which Congress sought when it passed the Lanham Act (15 U.S.C. § 1051, *et. Seq.*). For example, under the existing framework, a US registered trade dress issued by the US Patent and Trademark Office could be held valid and enforceable in the Ninth Circuit, whereas that very same registered trade dress could be held invalid for functionality in the Second Circuit.

Second, the Second Circuit's simplistic, single factor analysis that discards the multi-factor framework the remaining Circuits have long-applied for assessing trade dress functionality will invariably call into question the protectability of all other product features that have been registered as protectable US trade dress. According to the Second Circuit's analysis, there essentially can be no trade dress protection, because most trade dress designs necessarily have some underlying function, as a trade dress, by definition, is a physical object. For example, using the Second Circuit's approach, the design of the famous Coca-Cola® bottle is not entitled to any trade dress protection, because such design invariably performs a function - namely, holding fluid. This not only risks destroying the substantial time, money, and effort that brands and companies have invested in marketing and developing those ornamental product features, but will also cause significant consumer confusion when counterfeiters and other competitors enter the market utilizing substantially identical aesthetic product features the public has come to identify with a particular brand.

Lastly, the Second Circuit’s functionality analysis may significantly impact the public interest in quality products and source identification. For one, a Circuit that disfavors trade dress protection for product configurations that exhibit even *de minimis* functionality disincentivizes brands and manufacturers from developing creative, original, source-identifying product features, if counterfeiters and other potential infringers can simply piggyback off the financial and human expenditure invested in developing those products. Additionally, the Second Circuit - one of the two most frequent venues for trademark infringement - improperly provides counterfeiters and other infringers significant ammunition to invalidate otherwise legal trade dress rights as they improperly seek to profit off the good-will of well-intentioned brands and trade dress right holders. *See Just the Facts: Intellectual Property Cases—Patent, Copyright, & Trademark* (Feb. 13, 2020) (identifying New York as having heard 9,659 trademark cases between 1996 and 2018, constituting 12 percent of all trademark cases in the United States, and second behind only California). It is certainly plausible that trademark owners may forego filing suit in the Second Circuit altogether at the risk of invalidating their trade dress for failure to enforce.

As a result, *Amici Curiae* encourage the Court to grant the petition for *certiorari* filed by *Sulzer Mixpac*. Review here is necessary to restore consistent functionality assessments of trade dress throughout the United States, regardless of venue.

ARGUMENT

The petition for *certiorari* filed by Sulzer Mixpac goes to the heart of one of the most frequently raised defenses to trade dress infringement - invalidity based on functionality. The Second Circuit's assessment of trade dress functionality runs contrary to the majority of Circuit Courts, contravenes the public and national interests in uniform and consistent application of US trade dress and other intellectual property rights, and threatens to undermine the expectations of brand owners and consumers who have come to rely on the well-established source identifying features of product design configurations as trade dress.

I. The Functionality Doctrine

Under the US Lanham Act, a “trademark” is a “word, name, symbol, or *device* . . . used by a person[] . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods.” 15 U.S.C. § 1127 (emphasis added). Trademark protection extends to product features or designs, called “trade dress.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764-65 & n.1 (1992). The Lanham Act also protects consumers and trademark holders from counterfeiters and other copiers by prohibiting the use of trade dress in ways that are “likely to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. § 1114(1).

In 1998, Congress codified the functionality doctrine in the Lanham Act as an explicit ground for: (1) rejection of a US trademark registration application; (2) cancellation

of a US trademark registration; and (3) defense to an incontestably registered mark. *See* 15 U.S.C. § 1052(e); 15 U.S.C. § 1064(3). The Lanham Act specifically excludes protection for trade dress that “comprise[] any matter that, *as a whole*, is functional.” *Id.* § 1052(e)(5) (emphasis added). As this Court has repeatedly held, “a product feature is functional . . . *if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.*” *Qualitex Co.*, 514 U.S. at 165 (*quoting Inwood Labs. Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982)) (emphasis added).

There are two primary rationales underlying the functionality doctrine. First, there is only one source of exclusive rights in functional and utilitarian features—utility patent law. *Qualitex Co.*, 514 U.S. at 164 (“It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time . . .”); *see also Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 36 U.S.P.Q.2d 1417 (Fed. Cir. 1995) (“[P]atent law, not trade dress law, is the principal means for providing exclusive rights in useful product features.”); *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 857, 96 U.S.P.Q.2d 1404 (7th Cir. 2010) (“[T]he functionality doctrine polices the division of responsibilities between patent and trademark law by invalidating marks on useful designs.”). This is because, when dealing with functional features, the subject matter of a utility patent must pass strict statutory requirements under the US Patent Act, 35 U.S.C. § 1, *et. seq.*, such as novelty, nonobviousness, and enablement, to ensure the functional invention is in fact innovative and entitled to protection. Moreover, utility patent protection provides only a limited duration of exclusivity, unlike the

potentially perpetual source-identifying protection of trademarks. After the exclusive utility patent protection period expires, competitors are then free to use the disclosed, enabled innovation.

Second, the functionality doctrine preserves effective competition among competitors by ensuring that a competitor is free to copy product configuration features that are necessary to effectively compete. *See Qualitex Co.*, 514 U.S. at 165 (Identifying whether “exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage” as justification for doctrine); *see also Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1190, 10 U.S.P.Q.2d 1001 (7th Cir. 1989) (The “ultimate question” is whether the copier is able to “compete effectively” without copying the senior user’s design.); *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 519, 4 U.S.P.Q.2d 1497, 23 Fed. R. Evid. Serv. 1272 (10th Cir. 1987) (The functionality issue “should turn on whether the protection of the configuration would hinder competition or impinge upon the rights of others to compete effectively in the sale of goods.”). To this end, and within limits, courts frequently consider the availability of alternative designs when assessing functionality to determine whether a competitor is able to “effectively” compete in the market place.²

2. However, in *Traffix*, this Court cautioned that the ability of a competitor to effectively compete is not to be considered a legal definition of what product features are to be deemed to be “functional,” but merely a policy rationale for the functionality doctrine. *Traffix*, 532 U.S. at 33 (lower court’s use of competition definition “was incorrect as a comprehensive definition”).

Regardless, other than the Second and Third Circuits, the Circuit Courts uniformly agree that several factors must be weighed - frequently referred to as the *Morton-Norwich* factors (*see infra*, p. 9) - when assessing trade dress functionality.

II. The Circuit Courts Are Currently Split Regarding Whether the Functionality of Trade Dress Rests on a Single- or Multi-factor Approach

At least seven Circuit Courts and the US Patent and Trademark Office hold that product features can receive trade dress protection, even if the feature has some underlying utility or usefulness. The Second and Third Circuits, on the other hand, depart from the majority view of functionality by categorically eliminating all trade dress protection for any product configuration or feature that has any degree of usefulness whatsoever.

1. The Majority of Circuits Hold that Product Configurations Are Protectable, Despite Some Usefulness

Every trade dress infringement case that includes allegations of functionality inevitably presents a unique set of facts not easily disposed of by sweeping generalities or bright-line rules. However, so long as the proper framework is established, courts have generally been able to successfully weigh the evidence to determine whether the disputed design feature is, in fact, functional in accordance with this Court's *Inwood* functionality guidance.

That framework was initially laid out in 1982 in *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 1340, 213 U.S.P.Q. 9 (C.C.P.A. 1982). *See also In re Bose Corp.*, 772 F.2d 866, 870, 227 U.S.P.Q. 1 (Fed. Cir. 1985) (“While the *Morton-Norwich* case dealt with a container design and the present appeal deals with a product design, the principles set forth in *Morton-Norwich* are equally appropriate for resolving questions of registrability of product shapes.”). *Morton-Norwich* laid out four factors that have often been used by courts across the nation as a practical framework to evaluate the evidence when assessing functionality of a trade dress. They include:

1. the existence of a utility patent that discloses the utilitarian advantages of the trade dress feature;
2. the existence of advertising or promotions which tout the functional or utilitarian advantages of the trade dress feature;
3. the existence of alternative designs which perform the utility function of the trade dress feature equally well; and
4. whether the trade dress feature results from a comparatively simple, cheap, or superior method of manufacturing the article.

Id. at 1340-1341.³

3. Circuits have categorized or identified these factors in different manners. For example, the Seventh Circuit considers “(1) the existence of a utility patent, expired or unexpired, that involves or describes the functionality of an item’s design element; (2) the

Subsequent decisions have affirmed the applicability of the *Morton-Norwich* factors when assessing trade dress functionality. See e.g., *Valu Engineering, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1276, 61 U.S.P.Q.2d 1422 (Fed. Cir. 2002) (“We do not understand the Supreme Court’s decision in *TrafFix* to have altered the *Morton-Norwich* analysis.”); *In re Loggerhead Tools, LLC*, 119 U.S.P.Q.2d 1429, 1431, 2016 WL 3876808 (T.T.A.B. 2016) (While the *Morton-Norwich* analysis was decided prior to the Supreme Court’s functionality decisions, it retains its vitality.).

Important within the *Morton-Norwich* framework is the idea that a finding that a particular trade dress feature has some utility or usefulness does not categorically render the trade dress functional, and thus end the functionality analysis. Rather, a multitude of factors should be considered - advertising, utility patents, alternative designs, and impact on costs - to assess “functionality” of the trade dress design. The majority of Circuit Courts follow this logic.

For example, in *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998), the First Circuit held that “[t]he fact that a product contains some functional elements does not . . . preclude Lanham Act protection.” *Id.* at 37. In the Fourth Circuit, (a) the existence of utility patents,

utilitarian properties of the item’s unpatented design elements; (3) advertising of the item that touts the utilitarian advantages of the item’s design elements; (4) the dearth of, or difficulty in creating, alternative designs for the item’s purpose; and (5) the effect of the design feature on an item’s quality or cost.” *Bodum USA, Inc. v. A Top New Casting Inc.*, 927 F.3d 486 (7th Cir.), cert. denied, 140 S. Ct. 675, 205 L. Ed. 2d 439 (2019).

(b) advertising focusing on the utilitarian advantages of a design, (c) the availability of functionally equivalent designs, and (d) the effect of the trade dress design on manufacturing, are all relevant to the functionality analysis. *McAirlaids, Inc. v. Kimberly-Clark Corp.*, 756 F.3d 307, 313 (4th Cir. 2014). These factors are used by the Fourth Circuit to assess whether a product feature is functional, i.e., “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article” in accordance with *Inwood. Id.* at 310.

The Fifth Circuit has similarly recognized that assessing functionality cannot be limited to a single-factor analysis. In *Lady Primrose’s, Inc. v. After Hours Bath Prod., Inc.*, 211 F.3d 125 (5th Cir. 2000), the Fifth Circuit evaluated the functionality of various luxury bath and skin care products. In determining that the trade dress was not functional, the Court considered the evidence (or lack thereof) regarding whether the asserted trade dress was “superior or optimal in terms of engineering, economy of manufacture, accommodation of utilitarian function or performance,” whether the trade dress made the products “easier or less expensive to manufacture,” and also whether competitors could effectively compete in the marketplace without using the same features. *Id.* at *3. Similarly, the Sixth Circuit utilizes those same factors for assessing functionality of a trade dress - (a) existence of utility patents, (b) advertising materials touting the utilitarian advantages of a particular design, (c) availability of alternative designs to competitors, and (d) whether the design results in a comparatively simple or cheap manufacturing method. *Fuji Kogyo Co., Ltd. v. Pac. Bay Int’l, Inc.*, 461 F.3d 675, 685 (6th Cir. 2006). Upon a full evaluation of the evidence submitted in support of these

factors, the Sixth Circuit determined the district court had not clearly erred in finding the product configuration functional. *Id.*

The Seventh Circuit also uses a multi-factor approach to the determination of functionality. *See Flexible Steel Lacing Company v. Conveyor Accessories, Inc.*, 955 F.3d 632, 644, (7th Cir. 2020) (using five-point test to find that conveyor belt fastener product design was functional); *Georgia-Pacific Consumer Products LP v. Kimberly-Clark Corp.*, 647 F.3d 723, 727–728, 99 U.S.P.Q.2d 1538 (7th Cir. 2011) (using five-point test to affirm summary judgment that a product design was functional). For example, in *Bodum USA, Inc. v. A Top New Casting Inc.*, 927 F.3d 486, 492 (7th Cir. 2019), the Seventh Circuit noted the dichotomy between the “function” of a particular product feature, compared to the “functionality” of that feature in a legal trade dress sense.⁴ *Id.* at 492 (“[T]o establish it has a valid trade dress, *Bodum* did not have to prove that something like a handle does not serve any function. It merely needed to prove that preventing competitors from copying the Chambord’s particular design would not significantly disadvantage them from producing a competitive and cost-efficient French press coffeemaker.”). Therein, the Seventh Circuit faulted the infringer for failing to focus on the “functionality” of the actual designs claimed as the trade dress. 927 F.3d at 492. Rather, the defendant in *Bodum* focused on the generic underlying function of the handle, lid, and feet of the coffee press performing the basic respective functions of a general handle, lid and feet. In other words, the

4. It is this dichotomy between “function” and “functionality” that the Second and Third Circuits fail to appreciate.

infringer in *Bodum* failed to establish that it was anything attributable to the *specific* design of the handle, design of the lid, or design of the feet, that somehow imparted any respective functionality as a handle, lid, or feet.

The Eighth Circuit also differentiates between the generalized function or usefulness of a particular product feature and “the specialized meaning that it has in trademark law.” *Frosty Treats, Inc. v. Sony Comput. Ent. Am. Inc.*, 426 F.3d 1001, 1007 (8th Cir. 2005).

Similarly, the Ninth Circuit routinely made clear that “[n]o single factor is dispositive and all should be weighed collectively” when evaluating trade dress functionality. *Moldex-Metric, Inc. v. McKeon Prods., Inc.*, 891 F.3d 878, 880 n.2 (9th Cir. 2018) (vacating summary judgment of functionality because of dispute as to material fact regarding whether *Moldex’s* bright-green earplugs are functional in a trade dress sense). The Ninth Circuit held that the factors to be considered include: “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.” *Id.* (citing *Disc Golf Ass’n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002 (9th Cir. 1998)).

The Federal Circuit has likewise adopted the multi-factor *Morton-Norwich* analysis for trade dress functionality. See *Valu Engineering*, 278 F.3d at 1276 (affirming TTAB’s application of the Morton–Norwich factors in refusing to register trade dress covering conveyor guide rails used to keep containers on the

conveyor). Like other Circuits, the Federal Circuit expressly recognizes the dichotomy between the “function” of a product feature that results generally from that feature, and the “functionality” of the claimed design in a trade dress sense. *Converse, Inc. v. Int’l Trade Comm’n Skechers U.S.A., Inc.*, 909 F.3d 1110, 1124 (Fed. Cir. 2018) (“Any functional benefit is derived from the presence of toe caps and bumpers generally, not the particular design of the ’753 trademark...”).

2. The Second and Third Circuit’s Categorical Exclusion of Useful Features Departs from Long Standing Precedent and the Majority Approach

The Second and Third Circuits, on the other hand, have opted for a categorical approach, in which any product feature having any utility or function whatsoever is unprotectable under US trademark laws. Therefore, there exists a clear Circuit split in assessment of trade dress functionality requiring clarity.

When making its functionality assessment of the US registered trade dress at issue in *Sulzer Mixpac*, the Second Circuit seemingly acknowledged that other factors may be relevant to the functionality inquiry - yet, the Court failed to evaluate any of those factors when it concluded the design is functional. (*See* Opinion, p. 21). For example, the Second Circuit noted that this Court’s *Inwood* functionality analysis is appropriate when it faulted the district court for failing to apply the test set forth in *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206, 219 (2nd Cir. 2012) at any stage of the proceedings, but then failed itself to utilize

such test. (*See* Opinion, p. 19). Specifically, the Second Circuit specifically found that “[t]he district court did not make a factual finding that colors are essential to the use or purpose of mixing tips,” but then declined to do so itself on the available record. (*Id.*).

Instead, the Second Circuit blindly concluded, without analysis, that “because the colors on the tip correspond to the tip sizes, the color affects the quality of the product.” (*Id.*, p. 21). Thus, the Second Circuit held that “the [US trade dress registration] colors are functional” and thus unprotectable under trade dress. (*Id.*). In the Second Circuit’s view, it did not matter whether the product feature of color actually added to manufacturing costs, affected quality, or that other companies have many available alternatives. (*Id.*). Likewise, the Second Circuit did not find it relevant that the product feature of color did not have any significant effect on competition. All that mattered to the Second Circuit was that the colors on the product tips signified a particular sized diameter, and that “small” “degree of functionality” was enough to render the US registered trade dress invalid as a matter of law. (*Id.*, p. 20). Thus, under the Second Circuit’s functionality application, even the slightest utility must necessarily somehow affect a product’s cost or quality, ending the functionality inquiry, and it thus unnecessary to consider any of the other factors the majority of Circuits find relevant when assessing functionality. The Second Circuit’s position on assessing functionality represents a stark departure from well-established law.

The Third Circuit fares no better. The pending petition for *certiorari* from the Third Circuit’s decision in *Ezaki Glico* (No. 20-1817) raises similar issues involving the

functionality doctrine due to the Third Circuit’s adoption of what can be interpreted only as a *per se* categorical exclusion of any trade dress feature bearing any useful features. While the Third Circuit noted the conventional multi-factor functionality analysis utilized in the majority of Circuits (*see Ezaki Gilco*, p. 256), it nonetheless defined the term “functional” in a trade dress sense by looking to the common dictionary definition of the term. The Third Circuit’s application of the dictionary definition indicated that any “usefulness” whatsoever renders a trade dress functional.

III. This Court Should Grant *Certiorari* and Resolve the Existing Circuit Split Regarding Trade Dress Functionality

The purpose of the US Lanham Act is, among other things, to establish a national registration system of trademark rights in order to “regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce [and] to protect registered marks used in such commerce.” 15 U.S.C. § 1127. The Second Circuit’s functionality position threatens to derail the entire purpose of the Lanham Act by conflicting with decades of Supreme Court and regional Circuit precedent and application of the functionality doctrine. This Court must weigh in given the importance of the functionality doctrine to US trade dress law, and the irreconcilable split between the circuits.

In light of the split, a trademark holder can no longer ensure its long-standing, registered US trade dress rights will be valid throughout the United States. For example, a lawsuit based on a US registered trade dress in the Ninth

Circuit - or in any other of the majority Circuits - can successfully defeat a defense of functionality by submitting evidence relating to the well-established multi-factor approach. But, if that same US registered trade dress is litigated in the Second or Third Circuits, the trade dress could be invalidated based on functionality.

The protection of US trade dress rights not only benefits the rights holder's goodwill, reputation, and market share, but also protects the public from deceit and confusion as to the source of a particular product. *See* 15 U.S.C. § 1114(1). The Second Circuit's current functionality assessment not only threatens the goodwill established by a trade dress owner in particular product configurations, but it also drastically increases the possibility that consumers will likely be confused as to the source of numerous products embodying those substantially same configurations.

First, nearly every product configuration and design for which trade dress protection has been sought invariably has some underlying function or usefulness. Indeed, this is the very nature of a trade dress, in that it is almost always a physical object that necessarily must be serving some purpose if it is used or sold in commerce. *See Bodum USA, Inc. v. A Top New Casting Inc.*, 927 F.3d 486, 492 (7th Cir. 2019). Even the most iconic trade dress examples exhibit some function. For example, the Coca-Cola bottle indisputably retains liquids; and the Chambord French press coffee maker, with its uniquely designed handle, lid, and feet, serve generic functions that any handle, lid or foot serve. *Id.* Yet, the Second Circuit's bright-line, *de minimis* utility approach calls into question the rights in each of those long standing, source identifying trade dress.

If the Supreme Court does not address the Circuit split, counterfeiters, importers, and other potential infringers may abandon operations throughout the United States, and instead focus their activities within the Second Circuit, armed with the knowledge that the Second Circuit's minimal functionality assessment is likely to shield them from liability. These counterfeiters could seize on the well-earned goodwill of the trade dress holder, all the while knowing that the Second Circuit provides a much higher likelihood of invalidating trade dress rights based on functionality that might eventually be alleged in a lawsuit. Counterfeiters could also expect that trade dress owners might be hesitant to pursue infringement actions in the Second Circuit, lest the trade dress owner forfeit its rights throughout the United States if the Second Circuit finds functionality and invalidates the trade dress.

Consumers will also bear the brunt of the Second Circuit's divergent approach. Indeed, consumers will be less able to rely on recognizable trade dress features when purchasing products if counterfeiters are emboldened by the Second Circuit's position.

This Court has recognized that trade dress infringement not only "inhibits competition," but infringement also "deprives consumers of their ability to distinguish among the goods of competing manufacturers." *Inwood Labs.*, 456 U.S. at 854, n.14. Thus, when a trade dress holder sues a counterfeiter for trade dress infringement, the trade dress owner acts to not only protect its own interests, but also the public's. Every Circuit recognizes there is an undeniable public interest in preventing consumers from being deceived and/or confused as the source or sponsorship of particular goods

in the marketplace. The Second Circuit decision is in direct contravention of the public interest.

CONCLUSION

For the foregoing reasons, the Court should grant Petitioner Sulzer Mixpac's petition for *certiorari* and review the Second Circuit's assessment of trade dress functionality, with the goal that Court can provide final guidance as to the appropriate trade dress functionality assessment that should be consistently utilized throughout the United States, regardless of Circuit.

Respectfully submitted,

VINCENT SMOLCZYNSKI
SEYFARTH SHAW LLP
121 West Trade Street,
Suite 2020
Charlotte, NC 28202
(704) 925-6043

JAMAICA P. SZELIGA
Counsel of Record
SEYFARTH SHAW LLP
975 F Street, NW
Washington, DC 20004
(202) 828-5364
jszeliga@seyfarth.com

JOSEPH R. LANSER
SEYFARTH SHAW LLP
233 South Wacker Drive,
Suite 8000
Chicago, IL 60606
(312) 460-5895

Counsel for Amici Curiae