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Too Successful To be Your Intellectual Property?

How the *Apple v. Samsung* Case Illustrates a Growing Legal Trend That Can Punish Product Designers for Being Too Good at What They Do

The iPhone has already staked its place as a great achievement in aesthetic industrial design. Apple's billion dollar verdict against Samsung, in part for copying that design, signals the legal system will protect innovators from those who would copy another's efforts.

But lately, some courts have begun to accept a radical argument that the more successful an aesthetic design, the less likely it will be protected from copying.

In fact, even Samsung was allowed to make this argument to the jury, known in legal jargon as "aesthetic functionality," in its lawsuit against Apple. While Apple escaped with its rights to the iPhone design intact, every manufacturer's heart should skip a beat knowing that its best designs could be deemed too successful for protection by a group of twelve randomly selected citizens.

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A product's design can be protected as "trade dress." The purpose of trade dress law, a branch of trademark law, is to protect consumers from confusion about what company is behind the product. Trade dress is like a brand name or logo but in the form of product packaging or design.

That means trade dress will protect only unique, distinctive aspects of a product design that tell the consumer who makes it. Examples of protectable trade dress include the shape of a Ferrari Daytona Spyder, the Big Bertha golf club, and Nabisco's Goldfish crackers. In *Apple v. Samsung*, Apple successfully claimed rights in the iPhone's rectangular design with rounded corners, flat clear face, large display screen, black borders, metallic bezel and other features.

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everyone to use. Ferrari can own the exclusive right to cars with distinctive shapes but not the exclusive right to cars with four wheels. Nabisco can own goldfish-shaped crackers but not crackers covered with salt. Apple can be the exclusive maker of iPhones but not all phones with touch screens. This concept is known as "traditional" or "utilitarian functionality" and is not controversial.

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"Aesthetic functionality," some might say, is an oxymoron because it applies to product features that have no function other than being so aesthetically pleasing that they allow the product to dominate the market. When courts adopt aesthetic functionality, they arguably punish those who create great designs by taking away protection routinely granted to lesser designs.

Samsung's arguments in *Apple v. Samsung* illustrate the danger in the logic behind aesthetic functionality. Samsung claimed that "if the 'elegant design' of Apple's products make them more appealing to consumers, than it *may not* be exclusively appropriated under trademark law." Resisting the growing aesthetic functionality trend, Apple argued vigorously that the legal doctrine should not apply at all to trade dress.

The judge in the *Apple v. Samsung* case essentially punted the issue to the jury. The judge rejected Apple's argument that aesthetic functionality could never apply to trade dress, but she also did not adopt Samsung's maximalists views on the issue. When it came to instructing the jury on aesthetic functionality, the judge issued an ambiguous instruction that Apple could not protect features if it would "impose a significant non-reputation-related competitive disadvantage" to Samsung, but that "the fact that the feature contributes to consumer appeal and saleability of the product does not mean that the trade dress is necessarily functional." One can easily speculate this instruction doomed Samsung, assuming one could understand the instruction in the first place.

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Shortly after the *Apple v. Samsung* verdict, a federal appeals court in New York gave a bigger boost to the aesthetic functionality doctrine in *Christian Louboutin v. Yves Saint Laurent*. In that case, Louboutin sought to enforce its registered trade dress in high-heeled shoes with red soles against copycat shoes made by Yves Saint Laurent. Yves Saint Laurent ultimately won the case because the court found its shoes were not close enough copies. Nevertheless, the appeals court went out of its way to write a

mini-tome on the history of aesthetic functionality, point out decisions from courts that doubted the validity of the doctrine, and rule that the doubters were wrong.

The New York court also attempted to explain where the doctrine applies: "where the protection of the mark *significantly* undermines competitors' ability to compete in the relevant market" because of the aesthetics of the product as opposed to its "branding success." The court noted, with classic judicial understatement, that "aesthetic function and branding success can sometimes be difficult to distinguish." Trade dress owners will be dealing with this difficulty for as long as courts continue to apply aesthetic functionality.

Given this uncertainty, what can trade dress owners do to better their chances of protecting their intellectual property?

First, they should register their trade dress rights with the U.S. Patent and Trademark Office and not just rely on common law rights. A registration puts the burden of proof on the accused infringer to prove functionality. A trade dress owner claiming common law rights has the burden of disproving functionality. When a government office has approved a trade dress claim, juries are much more hesitant to invalidate it than they are to find a common law right enforceable. The *Apple v. Samsung* jury is an example: it invalidated none of Apple's registered trade dress claims but found three of Apple's five very similar common law trade dress claims unprotectable.

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And, second, consult an intellectual property lawyer on alternatives to trade dress. U.S. law provides for copyright , utility patent, and design patent protection. All of these have the potential to protect a product's design, and aesthetic functionality is not a valid defense to any of them. With aesthetic functionally on the rise, product manufacturers will need all the help that they can get.