



TRADEMARK'S FUNCTIONALITY DOCTRINE: A REVIEW OF THE US AND THE EU WITH A SPECIAL REFERENCE TO INDIA

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ABSTRACT

Under trademark law, protecting the distinctiveness of product configurations involves a tension between the benefits of protecting identifiers of source and the costs of hindering competitors' freedom to copy useful or aesthetically pleasing design features. The effect of such extensive protection would be that competitors will never have the right to imitate and possibly improve upon the protected configuration. To prevent these consequences, The USPTO (Patent and Trademark Office) and the judiciary had developed the doctrine of functionality. The trademark functionality doctrine prevents features that are essential for a product's basic function or significantly impact its manufacturing cost or quality from receiving trademark protection. This paper will follow a case law-based approach and explores relevant case laws from the United States and EU and identify few factors that must be kept in notice with respect to utilitarian functionality

determination. The fourth section analyses the two main factors that have emerged from the discussed case laws: the effect of having an alternate design available and the separation of configuration from purpose. The article concludes that the Indian Manual clarifies the position to a limited extent, but the way forward is the jurisprudence developed by P.T.O. of the U.S., as in future with a innovation and manufacturing boom India will also witness cases that go beyond the limited extent of technical features application.

Keywords: Design, Functionality Doctrine, India, E.U, Trademark, U.S.A.

INTRODUCTION

Identification of the source is the primary justification for protecting any mark under trademark law. Generally, any mark is in the form of 'words' but such purpose of source identification can even be done through other mediums also. For

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example, shapes, designs and the configuration of products can also play a vital role. To be precise, consumers can relate to the shape of products like the Ferrari automobile or Gucci handbag by looking at their designs, even if registered trademarks do not appear on them. And thus, in turn, can identify the source of such products. Any deceptive use by a competitor with a similar trademark design could be damaging for the manufacturer, and hence, trademark law protects the right of the manufacturer to use a source-identifying product design or configuration.³

Although such protection is a must, as trademark law must serve its purpose of source identification, it also has a corresponding drawback. Any such shape of a product or any product configuration, along with identifying source information, may also encapsulate some useful and aesthetically pleasing features in the form of shapes, designs and so on. If such a configuration is granted protection under trademark law, the manufacturer of such a product will also have a monopoly in using the useful or aesthetically pleasing features embodied in the design, thereby hindering competitors from using the same useful or aesthetically pleasing features of that design. It thus unduly extends such protection of configuration to the detriment of others. Therefore, there is a trade-off involving tension when it comes to protecting product configurations under trademark law between the advantages of safeguarding source identifiers and the costs of restricting competitor's ability to copy practical or aesthetically pleasing design elements.⁴

Additionally, useful or aesthetically pleasing features of any such product have been protected under a distinct body of law. Utility and design patents are available for configurations or designs that significantly advance the state of the art within that field. The patentee of such a product has been granted an exclusive temporary monopoly right to control the use and sale so that maximum economic

benefit could be obtained by such an exclusive right. Such exclusive rights are granted by the state to reward innovation but due to its temporary nature, other manufacturers get unrestricted access and the right to copy and improve the patented product.

Even if the useful or aesthetically pleasing features are not sufficiently innovative to be granted protection under a separate law, protection under trademark law would enable a manufacturer to obtain protection that is as effective as patent or design law and more importantly, such protection would last indefinitely as a trademark can be renewed periodically. The effect of such extensive protection would be that competitors will never have the right to imitate and possibly improve upon the protected configuration. To prevent these consequences, The USPTO and the judiciary have developed the *doctrine of functionality*. Under this doctrine, if any useful or aesthetically pleasing features of a product's configuration overshadow its role as a source identifier, The configuration will not be granted trademark law protection and will only be considered functional. This doctrine suggests that no component of a product may be protected if it is crucial to its intended usage or if it has an impact on the product's price or quality.⁵ Functionality doctrine analysis can be divided into utilitarian functionality as well as its aesthetic functionality. The utilitarian aspect recognises product configurations that offer practical functions and aims to restrict their exclusive use to utility patents. Likewise, the aesthetic aspect of the doctrine identifies product configurations that have aesthetically appealing features and seeks to limit their exclusive use to design patents.

The paper attempts to comprehensively examine the established practice of this doctrine concerning the utilitarian functions of any given configuration. India's burgeoning economy and manufacturing sector anticipate the emergence of disputes of this specific kind. Drawing from

3 Kellner, C. J.. *Rethinking the procedural treatment of functionality: Confronting the inseparability of useful, aesthetically pleasing, and source-identifying features of product designs*. 46 Emory L J, 913. (1997)

4 *Id* at 3.

5 *Inwood Laboratories, Inc v. Ives Laboratories, Inc.*, 456 U.S. 844 (1982).

case law primarily from the United States and noting the application of this doctrine within the jurisdictions of the European Union and India. This exploration will serve as a guiding beacon for further discussion and a conclusion will be drawn to synthesise the insights gained from this comparative analysis.

TRADEMARK AS PER TRIPS

TRIPS marked a significant turning point in the development of trademark law by establishing minimum standards for protection across WTO countries. Similar to patents, trademarks are governed by standards under the Paris Convention, however its scope of protection is not specified. TRIPS was also the first agreement to define trademark protection at the global level, even though the European Community, in particular, had already made great progress towards the regional amplification of trademark law.

The Article 15(1) of TRIPS which talks about Subject Matter qualified for protection puts it as follows *“that any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trade mark. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use.”*⁶

A trademark, by definition, is a sign or a symbol that can be used to differentiate one company’s products or services from other businesses. However, A sign designating a certain undertaking as the source of products or services is not similar as a sign enabling consumers to discern or differentiate among undertakings. As per Article 15.1’s first sentence, the consumer is not required to pinpoint the precise source of the products or

services. Trademarks function to create a clear distinction in the marketplace, allowing consumers to recognise the unique origin of the marked goods or services. As an illustration, a bottle of a soft drink with a well-known trademark, “Pepsi”, is the product of the PepsiCo Company.

The function of trademarks in singling out the source of goods is thus widely acknowledged, but this is not the only possible use for a trademark. In fact, the express provisions of TRIPS have somewhat diminished the significance of the “source identification” role by extending trademark protection to an enterprise’s goodwill.⁷

Position in the U.S.

The statutory language used for Trademarks in the U.S. is quite broad,⁸ different from that provided under TRIPs. According to the definition, a trademark is any designation, including a word, name, symbol, device, or any combination of these, that is used to identify and set apart the goods produced or sold by the mark owner from those made or sold by others and to identify the source of the goods, even in cases when the source is unknown.⁹ Hence, the act specifically mentions that the nature of the mark will not prevent its registration as long as it performs the source identification function of a trademark.

As was previously mentioned, the design of the product or its exterior packaging can potentially reveal the origin of a brand name. For example, the glass bottle of Coca-Cola Company in which soft drinks are packaged has obtained trademark protection for the shape of the glass bottles. USPTO accepted that the shape of the bottle ascertains a certain source in the mind of consumers even in the absence of the brand name COCA-COLA®.¹⁰ Further, the Federal Court upheld that the design of certain FERRARI® automobiles demonstrated

6 Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh; Agreement Establishing the World Trade Organization, Annex 1C (1994) 1197.

7 UNCTAD-ICTSD, Resource Book on TRIPS and Development (Cambridge Univ. Press 2005).

8 Lanham Act, 2013, § 1127 No.15 U.S.C. 2013 (United States)

9 Lanham Act, 2013, § 45 No.15 U.S.C. 2013 (United States)

10 Federal Registration No. 696,147(1960).

their source even in the absence of the written trademark FERRARI®.¹¹

When certain characteristics of the product's packaging or design are utilised to signify its origin, they are commonly referred to as the "trade dress" of the product. Trade dress includes the product's overall design and images, and can involve aspects such as its dimensions, form, colour scheme or combinations, texture, and graphics, and can also include unique marketing strategies.¹² The doctrine of functionality developed in response to the issues that emerged as a result of this protection provided to product configurations under trademark law.¹³

Utilitarian Functionality: Case Laws

The most effective way to comprehend utilitarian functionality is by examining real-life situations such as prominent legal cases around it. One such example involves Sylvania flash bulbs for cameras, where the blue dot on the bulbs was deemed functional because it helped identify defective bulbs during manufacturing and after purchase due to colour changes and air leakage.¹⁴ Similarly, an aluminium fitting that connected tubing segments was rejected for trademark registration because its shape was crucial in creating a secure and tight fit.¹⁵

In 1938, for the first time, the US Supreme Court made an attempt to implement this concept in *Kellogg Co. v. National Biscuit Co. (Nabisco)*.¹⁶ Nabisco alleged unfair competition against Kellogg for the sale of food commonly used for

breakfast using a similar name, 'shredded wheat' and for making a similar shape of biscuit, 'pillow-shaped form'. What was important to note from the point of view of 'utilitarian functionality' was that Nabisco had a patent over a machine that was developed in a style that could manufacture biscuits in the pillow shape, and it was only after the expiry of a patent that Kellogg started manufacturing such machine. Supreme Court relied on *Singer Mfg. Co. v. June Mfg. Co.*¹⁷ Relying on a point that any patent holder has a temporary monopoly over a patented article, it is in public purpose that upon expiration, such a patented machine in an original form must be assigned to the public as it becomes a public property after the expiration of exclusive rights. Due to this reason, public has the legal entitlement to replicate the machine in its original safeguarded form. The court determined that Nabisco's biscuit's structure had an important functional use because adopting an alternative form would have resulted in higher expenses and lower product quality.¹⁸

The same year saw the passage of the Restatement of Torts Act, which stated that items are deemed "functional" if their design influences their action, performance, processing, handling, or cost-effectiveness.¹⁹ This provision was in consonance with Kellogg's Case.

In the year 1982, The Court issued its *In re Morton-Norwich Products Inc.* verdict,²⁰ which is still recalled for deploying four determinants to confirm the analysis of utilitarian functionality.

11 *Esercizio v. Roberts*, 944 F.2d 1235 (1991).

12 *Two Pesos Inc. v. Taco Cabana Inc.*, 505 U.S. 763 (1992).

13 M. A. Thurmon, *The rise and fall of trademark law's functionality doctrine*. 56 FLR, 243.

14 *Sylvania Elec. Prods. v. Dura Elec. Lamp Co.*, 247 F.2d 730(1957).

15 *In re Hollaender Mfg. Co.*, 511 F.2d 1186,1189 (C.C.P.A. 1975).

16 *Kellogg Co. v. National Biscuit Co. (Nabisco)* 305 U.S. 111, 122 (1938).

17 *Singer Mfg. Co. v. June Mfg. Co* 163 U.S.169(1896).

18 *Kellogg*, 305 U.S. 111,122 (1938).

19 Restatement (First) Of Torts § 742(1938)

20 *In re Morton-Norwich Products Inc.* 671 F.2d 1332 (C.C.P.A. 1982); Plaintiff sought trademark protection for a spray bottle which he used as container for its products. He owned two patents which was included in the design of spray bottle. In support he gave evidence of secondary meaning acquired by the spray bottle but the argument was rejected based on the ground of functionality and non-distinctiveness.

1. The design's utility advantages are revealed by an expired utility patent;
2. The design's creator uses advertising to promote the benefits of the design;
3. There are other alternatives available;
4. A specific design emerges from a relatively easy or inexpensive way to manufacture the product.

In that same year, the Apex Court had decided *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*²¹ In this case, Respondent was a manufacturer of colourful capsules of a patented drug which was registered under the trademark CYCLOSPASMOL. Following the expiration of the patent, multiple generic drug manufacturing firms and the petitioner started producing and selling the formulation, also intentionally mimicking its appearance. The court found that the colour of the tablets was a functional component, stating that any characteristic of a given product is typically to be considered functional if it has an definite effect on the product's quality or cost, or if it is necessary for its intended use.

In the case of *Qualitex Co. v. Jacobson Products Co*²², although it was primarily for aesthetic functionality, but the court held an important test for determining functionality. For its press pads, the petitioner used a variation of the green-gold colour. Respondent also began to use almost similar colour which forced the petitioner to file a claim of unfair competition. In this instance, the forum observed that the doctrine of functionality does not prohibit the usage of a colour as a mark because the colour of a product is not always a crucial component to its intended use and purpose, nor does it have any bearing on its quality or cost.

Later, in 2001, The issue of whether or not the availability of a utility patent that has expired precludes the patent holder from pursuing trade

dress protection for the product's design emerged in *TraFFix Devices, Inc. V. Marketing Displays, Inc.*²³ In this case, MDI had utility patent protection for the mechanism which was used to keep the outdoor signs upright in the wind. Its mechanism was basically using a "dual spring design" that was later copied by TraFFix after the expiry of the patent. MDI filed a lawsuit against TraFFix for violating trade dress protection, alleging that the patented design of the sign stands was easily identifiable by purchasers and users. The court acknowledged that utility patents provide compelling proof that the stated characteristics are functional. However, if the expired patent covered the relevant features, anyone seeking to secure protection of trade dress must demonstrate that the feature's not functional, which may involve proving that it is purely ornamental, incidental, or arbitrary to that product's design. As MDI was unable to carry the burden, it was held that the mechanism is functional in nature and hence cannot be granted trade dress protection.

In *valu engineering, inc. V. Rexnord corp.*²⁴, valu engineering, inc.(plaintiff) manufactured guide rails for conveyors that were primarily used in bottling and canning plants. These guide rails were useful in keeping products from falling off from constantly moving conveyors which were regularly washed and sanitised (wet areas). Importantly, the promotional material used by the plaintiff portrayed the functional benefits of guide rails. Moreover, the plaintiff also applied for patent protection of these guide rails but abandoned the application, which shows the utility aspect of the product. Later, the plaintiff applied for trademark protection which was opposed by Rexnord (defendant) on the basis that the designs are functional. The "Trademark Trial And Appeal Board" found that the present proof showed that the designs for the plaintiff's guide rails were primarily functional. The evidence that the board noticed was (1). Plaintiff's abandoned patent

21 Inwood, 456 U.S. 844(1982).

22 Qualitex Co. v. Jacobson Products Co 514 U.S.159(1995)

23 TraFFix Devices, Inc. v. Marketing Displays, Inc 532 U.S. 23(2001).

24 Valu engineering, inc. v. Rexnord corp 278 F.3d 1268 (2002).

application; (2). Promotion materials indicated functional advantages; (3). Limited range of alternate designs; and (4). Economic benefits to customers of using guide rails, i.e. It was a cheap method of manufacturing these designs. As the guide-rail designs had utilitarian advantages in the wet areas of bottling plants, they became unsuitable for trademark protection.

In *Eppendorf-Netheler v. Ritter GMBH*²⁵, Plaintiff, a German company that produced large-scale components used usually in medical laboratories, asked for protection of trade dress for a range of dispenser syringes and pipette tips that were disposable, designed to provide precise and swift dispensing. Taking note of the cases mentioned above, the court determined that every aspect of the design that is allegedly protected by trade dress was necessary for the functioning of the products²⁶, i.e., essential for the use of syringes and are not arbitrary or ornamental. Moreover, the court, while taking this view, also noted that for determining functionality, the existence of substitute designs is not important. The court concluded that under the conventional definition, the functionality of a product is determined by whether it is necessary for the device to operate correctly, and an alternative design's availability is not taken into account while making this decision.

In, *Jay franco & sons, inc. V. Franek*²⁷, the defendant, manufactured a beach towel with a circular shape, which was later trademarked also. His company launched the towel by showing its utility, i.e., the Round shape of the towel removed the requirement of getting up, and instead of moving the towel, the sunbather could just reposition themselves as the sun moved in the sky. The defendant sued the plaintiff for the unauthorised

use of the trademark after finding that the plaintiff was manufacturing the same towel. The plaintiff, in turn, applied for invalidation of the mark on the grounds of the functional nature of the design. The court, while determining the issue, identified a utility patent for a circular beach towel equipped with drawstrings, enabling the transformation of the towel into a carry-all satchel, which in turn was strong proof of the functionality of this round towel. The court also noted the nature of perpetual protection under trademark law and held that if Franek's design were held non-functional, then it would permanently stifle competition, and other investors would have to take a license from him to improve the product.

*In Re Becton Dickinson & Co., no.*²⁸, The trademark board denied registration for the closure cap design intended for blood collection tubes, citing its functionality as the reason for refusal. The decision was challenged in the court of law, which considered the board's findings accurate based on the four factors laid down under *Morton-Norwich*.²⁹ reliance placed by board on the statements made in the patent specification was confirmed by the court also³⁰. Moreover, utilitarian advantages were also exhibited through the advertisement which established functionality.

POSITION IN THE E.U. AND INDIA

Just like in the U.S. with TRIPs, *India* also has a broad definition of trademarks that includes non-traditional marks. Definitions of 'mark'³¹ and 'trade mark'³² suggest that the inclusion of other non-conventional marks are subject to explicit and implied exclusion. From the perspective of discussion on the doctrine of functionality, Section 9(3) is paramount for consideration as it indicates

25 *Eppendorf-Netheler v. Ritter GMBH*, 289 F.3d 351 (2002)

26 *Eppendorf GMBH*, 289 F.3d at 358; Specifically, fins, flange, plunger head, plunger, length of tips, angle of tips, colouring scheme.

27 *Jay Franco & Sons, inc. v. Franek*, 615 F.3d 855 (7th Cir. 2010).

28 *re becton dickinson & co.*, no 675 F.3d 1368 (2012).

29 *Morton-Norwich*, 671 F.2d 1332 (C.C.P.A. 1982).

30 *Id* at 29.

31 The Trade Marks Act, § 2(m), No. 47 of 1999, Act of Parliament 1999 (India) (hereinafter, Trade Marks Act)

32 Trade marks Act § 2(1)(zb).

functionality prohibition. The section states that “a mark is not registrable as a trade mark if it consists exclusively of –

- a. *the shape of goods which results from the nature of the goods themselves; or*
- b. *the shape of goods which is necessary to obtain a technical result; or*
- c. *the shape which gives substantial value to the goods.”*

The E.U. Community Trademark Regulation’s Article 7(1)(e) has a precisely comparable clause.³³ The grounds listed in Article 7(1)(e) of the Regulation for denial of registration were determined in the *Philips v. Remington Consumers Products* case.³⁴ The court opined that the reasoning behind this is to avoid trademark protection from giving the owner exclusive rights to technical solutions or functional aspects of a product that consumers may want in competing products. In this instance, a three-headed electric rotary shaver’s design was being considered, and the E.C.J. looked at these clauses and felt that two questions needed to be thought through:

Firstly, In situations where a shape possesses both technical and non-technical characteristics, it may not necessarily be solely focused on technical results. Similarly, if a shape includes some non-technical elements, such as stylised or arbitrarily chosen features, it may not be subject to this restriction. However, the “European Court of Justice” (ECJ) emphasised that identifying a shape’s “essential characteristics” is the first stage. Even if only some parts of the shape are technical in nature, if these features are deemed essential to the shape, then the ban on exclusive rights still applies.³⁵

Secondly, In regard to Philips’s argument that for the electric razors, alternative shapes were available and the triangular shape they chose was not necessary, the European Court of

Justice interpreted the term “necessary” causally. This means that even in cases where alternatives are available, the prohibition is applicable if the shape of the product’s fundamental functional features is completely determined by the intended technological result. Therefore, the key factor in determining the prohibition is whether the product’s shape was selected with a specific technical goal in consideration.

The *Lego* decision by the E.C.J. Court of First Instance (CFI), in line with the Philips principles, has affirmed that the terms “exclusively” and “necessary” should be interpreted purposefully to reinforce this prohibition.³⁶ Lego sought registration for the shape of their small-scale bricks as a trademark, which is designed to balance the technical demands of being interlockable and easily separable for children. The court applied the same approach as in Philips, where “exclusively” refers to the essential features of a shape achieving a technical outcome (not necessarily the entire shape), and “necessary” refers to a causal relationship between the chosen shape and the outcome that was desired (availability of alternative shapes is irrelevant). This approach strengthens the prohibition by ensuring that trademarks do not confer exclusive rights over the product’s essential technical or functional aspects.

Not only does the decision examine the overlap between patent and trademark law, but it also establishes a methodology for identifying the “essential characteristics” of a given shape. Lego suggested that rather than having technical specialists evaluate these aspects, the appropriate customer should make the determinations. But instead of applying this “eye appeal” criteria, the court took a more purposeful stance.

The *Lego* case is also worth taking a notice of as it raises a similar issue as of the *TraFFix Devices case by the Supreme Court of the U.S.*, which addressed the evidentiary value of an earlier

33 COUNCIL REGULATION (EC) No 207/2009 of 26 February 2009 on the Community trade mark.

34 (C-299/99), 2002 E.T.M.R. 81 (European Court of Justice).

35 D Gangjee, *Non-Conventional Trademarks In India*. 22 NLSIR, (2010).

36 *Lego Juris v. OHIM, Mega Brands*, (T-270/06), 2009, E.T.M.R. 15 (European Court of Justice)

patent relating to a shape that was the subject of a trademark claim.³⁷ In *Traffix Devices*, it was established that previous patent provides strong proof of the functionality of the claimed features. The grip-and-release technical aspects of a lego brick was covered by a patent held by Lego. The CFI also acknowledged that proof of the functionality of the brick's key components could be obtained from an earlier patent., even though this did not create an unquestionable presumption, ie it's not necessarily definitive proof of functionality.

THE TWO CENTRAL CONSIDERATIONS

Assessment of the above-mentioned case laws displays a few dominant and paramount considerations that must be kept in mind in respect of utilitarian functionality determination.

Configuration must be separated from the purpose served by the product

First and foremost, the elements of the design of the product claimed as protectable trade dress must be separated from the purpose served by the product as a whole. This is evident from the ruling of *Inwood* and the Restatement of Torts Act³⁸. This principle was further elaborated by the federal circuit in *Warner Bros. Inc. v. Gay Toys, Inc.*³⁹ The Court ruled that a feature of an article's design is only necessary if it is required by the functions that need to be carried out; a feature that only serves to accommodate a practical function is insufficient. This, in turn, shows that if the design of the product 'accommodates' its purpose, making it unprotectable, then product configurations would never be protectable because all products' designs must enable the product to perform the tasks for

which it is purchased.⁴⁰ This is evident from the federal circuit ruling in *In re Morton-Norwich Products Inc.*⁴¹, in which the court has overturned the Trademark board's rejection for registering the shape of an applicant's spray bottle for its cleaning fluids. The spray bottle permitted that product to serve its purpose of dispensing cleaning fluids, but the applicant had not claimed trademark rights in all spray bottles. Any one of a potentially infinite number of shapes could accommodate this purpose, and thus the applicant was entitled to protection for the particular shape that it had chosen and used on its goods. Even in *Traffix*⁴², the court has recognised that the traditional test of functionality laid down in *Inwood*⁴³ is sufficient for determining utilitarian functionality. However, the court has also indicated that a utility patent's existence is strong proof of functionality, but this presumption is rebuttable if the feature is merely ornamental, arbitrary, and incidental.

Based on the traditional test of functionality, the following case laws are also noteworthy:

- In *of Antioch Co. v. W. Trimming Corp.*, The scrapbook album's reinforced pages, padded cover, spine, and dual strap-hinge design were all considered functional design elements. This decision was based on the fact that each of these features, both individually and in combination, was crucial to the album's utility and had an impact on its overall quality.⁴⁴
- In *Talking Rain Beverage Co. v. South Beach Beverage Co.*, it was determined that the shape of a bottled water container was functional due to its utilitarian benefits. The design included grip features that made the bottle offer structural support

37 *Traffix Devices, Inc. v. Marketing Displays, Inc.* 532 U.S. 23 (2001)

38 Restatement (First) Of Torts § 742(1938)

39 *Warner Bros. Inc. v. Gay Toys, Inc* 724 F.2d 327,331 (2d Cir. 1983).

40 Kellner, *supra* note 1

41 *In re Morton-Norwich Products Inc* 671 F.2d 1332 (C.C.P.A. 1982).

42 *Traffix*, 532 U.S. 23(2001).

43 *Inwood*, 456 U.S. 844(1982).

44 *Antioch Co. v. W. Trimming Corp* 347 F.3d 150 (2003).

and more comfortable to hold., while the shape of the bottle also facilitated its use in bike holders. Ultimately, these utilitarian advantages were deemed essential to the design of the bottle, indicating that the shape was functional.⁴⁵

- In the case of *Waddington North America Business Trust v. EMI Plastics Inc.*, the S-shaped lip feature of a disposable plastic serving tray was found to be functional. This was due to the fact that the lip feature enabled the tray's covers to lock securely in place, thus preventing any potential spills.
- In the case of *Straumann Co. v. Lifecore Biomedical Inc.*, the general functionality of a dental implant's design was established. The plaintiff in the case had presented evidence indicating that the implant's individual features were not essential to its usage and purpose. Nonetheless, the plaintiff was unable to prove that the arrangement was arbitrary or that the implant's cost or quality was unaffected by the design as a whole. As a result, the court ultimately deemed the overall design of the implant to be functional.⁴⁶
- In the case of *Baughman Tile Co. Inc.*, the court focused on the utilitarian functionality of corrugated plastic tubing. It was determined that the yellow colour of the tubing was functional due to its reflective properties, which helped the tubing remain stiffer in heat and made it easier to identify during excavation. Therefore, the tube's yellow colour, according to the court, was a functional feature of its design.⁴⁷

The separation of a product's design elements from its intended purpose is paramount in determining protectable trade dress. Thus, while protecting product configurations requires careful

consideration of functionality, trademark law offers avenues for safeguarding distinctive designs that transcend mere utility.

Availability of alternative design

The **second** critical factor is the design feature itself. Here, the goal is to prevent unfair competition. This means the feature should not simply be about lowering production costs or functionality improvements or putting the competitors at a disadvantage, which is unrelated to reputation.⁴⁸ To justify this argument, in the *Traffix* case, one can argue that instead of a dual spring mechanism, three springs can be used, but that would affect the costing of an article and would significantly disadvantage rivals in areas not connected to reputation. Similarly, if, in the *Morton-Norwich* Case, that particular shape would have produced a design that was more successful economically or functionally, then it would not have been entitled to protection. This suggests an equally important consideration for the determination of functionality, i.e. the possibility of an alternative design. However, the court in the *Eppendorf-Netheler* case stated that if the standard test to check if functionality is satisfied, It is not necessary to take into account the existence of substitute designs. This suggests that while the presence of alternative designs cannot refute the functionality of a trademark, it may suggest that the claimed design has some decorative features.

The "Court of Customs and Patent Appeals" used the terminology 'de facto' and 'de jure' functionality to express this distinction. The Federal Circuit and the P.T.O. continue to use it. A product element is functional 'de facto' and protectable under the trademark law if it merely accommodates the product's function, as the spray bottle did in *Morton-Norwich*. A product element is functional 'de jure' and therefore unprotectable in trademark law if the particular design chosen

45 *Talking Rain Beverage Co. v. South Beach Beverage Co* 349 F.3d 604.

46 *Waddington North America Business Trust v. EMI Plastics Inc.*, 278 F.2d 130 (2003).

47 *Baughman Tile Co. Inc.*, 211 F. Supp. 2d 722.

48 *Warner Bros. Inc.*, 724 F.2d 327,331 (2d Cir. 1983)

improves the product's performance or makes it cheaper to manufacture.⁴⁹

The consideration of design features is crucial in curbing unfair competition. Courts examine whether a feature affects cost or quality, potentially disadvantaging competitors. Alternative designs may influence functionality determination but are not decisive. In trademark law, the differentiation between the "de facto" and "de jure" functionality still has relevancy.

WAY FORWARD

The test for utilitarian functionality thus resolves into two steps: the features claimed as protectable trade dress must be isolated from the product itself, and the claimed trade dress's benefits must be evaluated in comparison to the commercially viable alternatives. If the claimed trade dress has no independently useful qualities and does not advance the product's goal in its entirety, then the doctrine of utilitarian functionality permits its protection under the trademark law.

As shown by the aforementioned case laws, functionality is a broad prohibition in the United States and applies to all types of trademarks. Many countries, like Singapore⁵⁰, China⁵¹, Hong Kong⁵² including India, which follows the path of the E.U. and has transposed the exclusions into domestic laws. South Africa⁵³ extended those exclusions to apply to the 'shape, configuration or colour' of goods.

These exclusions are aimed at ensuring that the trademark law is not misused to indefinitely extend the life spans of patent and design rights, and in turn, competitors can access the configurations

of product features incorporating the technical solutions.

Notably, The E.U. has also moved closer to the broader U.S. position: in both its *2015 Trade Marks Directive*⁵⁴ and the amended *E.U. Trade Mark Regulation*⁵⁵, in force from 23 March 2016, the three exclusions contained in the earlier *2008 Trade Marks Directive* have been extended to cover signs that feature "*the shape, or another characteristic*" of goods.⁵⁶

With little litigation, Indian jurisprudence on this subject is still at a very nascent stage, and due to similar statutory provisions, Indian courts are likely to take the same course as the European Court of Justice., as in *Philips and Lego*. Moreover, section 9(3)(b) exclusion is only applicable in the shape of goods, and the Indian Manual also clarifies the position to a limited extent, i.e., the essential features test and the presence of any expired patent application. In future, there could be cases which go beyond the limited extent of technical features application. As the latest amendments in E.U. laws have extended the scope of the application of this doctrine to 'another characteristic of goods', this shows that the concept of utilitarian functionality can be extended to other features of product configuration, as is evident from the case laws of the U.S. discussed above. Indian policymakers must also take note of these trends and proceed towards a jurisprudence suitable for the Indian innovation climate.

CONCLUSION

The examination of the doctrine of functionality in trademark law across the United States and the

49 Morton-Norwich, 671 F.2d 933 (C.C.P.A. 1982).

50 Trade Marks Act, 1998 § 7(3), No. 46, Acts of Parliament 1998 (Singapore).

51 Trademark Law of the People's Republic of China, art. 12, National People's Congress, Order No 59, 27 October 2001.

52 Trade Marks Ordinance, 1954, § 11(3), 143 G.N.A. of 1954 (Hong Kong) .

53 Trade Marks Act, 1993, § 10(5), No. 194 Acts of Parliament 1993 (South Africa).

54 Directive (EU) 2015/2436 of European Parliament OJ L 336/1 (2015).

55 Regulation (EU) 2015/2424 OJ L 341/21 (2015).

56 M. Handler, *Detangling Functionality, Distinctiveness And Use In Australian Trade Mark Law*, 42(1)MULR 55, (2018).

European Union showcases a complex interplay between the protection of source identifiers and the prevention of unfair competition. The essence of this doctrine lies in striking an appropriate balance between granting exclusive rights to certain product configurations and allowing for fair competition and innovation.

The case law analysis reveals two central considerations that guide the finding of utilitarian functionality: the separation of the configuration of the product from its intended purpose and the availability of an alternative design. These considerations serve as critical benchmarks for courts in discerning whether a particular configuration warrants trademark protection or falls within functional features.

Looking ahead, the evolution of trademark law in various jurisdictions, including India, suggests a growing recognition of the importance of functionality doctrines in safeguarding competition and fostering innovation. The broader scope of functionality doctrines, as seen in recent amendments to the EU laws, indicates a shifting landscape where the concept of utilitarian functionality may extend beyond traditional product configurations to encompass other aspects of goods. This evolution necessitates a forward-thinking approach in jurisprudence that remains responsive to the dynamic needs of a rapidly evolving global marketplace.

Essentially, the functionality doctrine serves as a cornerstone in trademark law, embodying fairness, competition, and innovation principles. With careful jurisprudence and legislative adjustments, a path toward a trademark regime that safeguards innovation promotes fair competition in the international marketplace and nurtures creativity can be realised.

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