The TTAB's Dangerous Dismissal of 'Doubt'

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http://lsr.nellco.org/nyu_plltpw/448
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“For this most inadequate proof [of consumer recognition], applicant asks us to give it the exclusive right to use red and blue bands on men’s white, ribbed socks — that we cannot do.”

_In re Izod, Ltd._, 296 F.2d 771, 778 (C.C.P.A. 1961)

Summary

On September 30, 2013, the Trademark Trial and Appeal Board¹ issued a troubling decision in _In re Bottega Veneta Int’l S.a.r.l._² Viewed in a broader context, the decision reflects the Board’s growing reluctance to apply the doctrine of “aesthetic functionality”³ in _ex parte_ prosecution proceedings to bar the issuance of potentially anticompetitive trade-dress⁴ registrations. The TTAB gives its imprimatur to the dubious “trade dress” at issue in _Bottega Veneta_ through procedural moves whose novelty and import could easily go unacknowledged — specifically, (1) the Board’s declaration of its intention to resolve “doubts” as to aesthetic functionality _in favor of applicants_, and (2) the Board’s disposal of concerns about product-design monopolization through reliance on supposedly limiting conditions agreed to by the applicant, but which the federal courts _will not observe or enforce_. As such, _In re Bottega Veneta_ — despite its technical status

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¹ USPTO.GOV, _About the Trademark Trial and Appeal Board (TTAB)_
http://www.uspto.gov/trademarks/process/appeal/ (last visited Oct. 12, 2013) (“The TTAB is an administrative board that hears and decides adversary proceedings between two parties, namely, oppositions (party opposes a mark after publication in the Official Gazette) and cancellations (party seeks to cancel an existing registration). The TTAB also handles interference and concurrent use proceedings, as well as appeals of final refusals issued by USPTO Trademark Examining Attorneys within the course of the prosecution of trademark applications.”). It is the final type of proceeding that concerns us here.


³ _In re Florists’ Transworld Delivery_, Serial No. 77590475, at 24-25 (T.T.A.B. Mar. 28, 2013) (Bucher, Administrative Trademark J., concurring) (wondering whether “this Board should decide at some future point to drive a stake through the heart of the ‘aesthetic functionality’ doctrine”).

⁴ See discussion at _Maharishi Hardy Blechman Ltd. v. Abercrombie & Fitch Co._, 292 F. Supp. 2d 535, 541 (S.D.N.Y. 2003) (“Although not originally classified under ‘trademarks,’ the concept of ‘trade dress’ — the overall appearance or image of goods — has been incorporated into the general trademark law . . . . The scope of trade dress claims has expanded to include ‘the totality of any elements in which a product or service is packaged or presented.’ . . . More recently, the scope of trade dress even includes claims, such as the one in this case, involving the design of a product itself.”) (Internal citations omitted).
as a mere “non-precedential” decision by an agency whose determination can theoretically be revisited by the federal courts — will improperly hinder marketplace competition and restrict creative freedom among designers.

I

In its traditional form, trademark law protected only words or logos designating the source of goods or services. There was rarely a legitimate competitive need to use the trademarks of another in commerce, except in limited situations like comparative advertising, which the law could accommodate with little difficulty. But the past fifty years have witnessed a dramatic expansion of “[t]he breadth of the definition of marks registrable under § 2 [of the federal Lanham Act], and of the confusion-producing elements recited as actionable” under trademark law. In particular, the concept of protectable “trade dress” has been expanded “to encompass the design of a product.” (Material held to be protectable trade dress has included the appearance of a particular lamp, doorknob, flashlight, video game console, cell phone, bathroom scale, outdoor furniture, water meter, wristwatch, and sports shoe, among many other items.) This doctrinal development can produce a chilling effect on marketplace competition, as “product design almost invariably serves purposes other than source identification” — purposes like offering consumers more visually appealing goods than those of a competitor.

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8 See supra note 4.
9 Samara Bros., 529 U.S. at 205.
10 1 McCarthy On Trademarks and Unfair Competition § 8:4.50 (4th ed.) (“Examples of trade dress”).
11 Id. at 213.
For this and other reasons, a unanimous Supreme Court in the 2000 case of *Wal-Mart Stores v. Samara Bros., Inc.* imposed a hurdle to product-design trade-dress rights in the form of an absolute “secondary meaning” requirement. Only if, “in the minds of the public, the primary significance of a [product-design feature is] to identify the source of the product rather than the product itself,” will trade dress rights in product design be recognized under federal law. Where such “acquired distinctiveness” does not exist, the Court noted, a party can always “secure a design patent or a copyright for the design.” Indeed, as the Court had recently observed: “It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs [and even then, exclusive rights are granted only] for a limited time.”

The *Samara Bros.* “secondary meaning” requirement, in theory, limits trade-dress protection to situations where a product’s design essentially functions as a publicly recognized trademark in its own right. In practice, however, “secondary meaning” is evaluated using proxies, such as money spent advertising a product’s trade dress, more probative of a company’s budget than of real consumers’ perceptions. It is often quite easy to buy what might be called “constructive” secondary meaning through extensive advertising and/or by merely filing suit alleging secondary meaning by reciting a party’s

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12 *Id.* at 216.
13 *Id.* at 213 (quoting Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 851 n.11 (1982)).
14 *Id.* at 214.
16 See *BigStar Entm’t, Inc. v. Next Big Star, Inc.*, 105 F. Supp. 2d 185, 196 (S.D.N.Y. 2000) (“This test refers to demonstrable evidence that the mark, by means of sufficient marketing, sales, usage and passage of time, has established distinctiveness in commerce, measured by the extent to which it has become identified in the public mind with the particular source of the goods.”).
expenditures\textsuperscript{17} — a strategy virtually always sufficient to survive a motion to dismiss.\textsuperscript{18} (The perverse incentives for this litigious strategy lie in the economics of litigation, which require most defendants to settle after the denial of a motion to dismiss — typically by agreeing to cease use of the alleged “trade dress” in question — and the publicity arising from these lawsuits, which might actually create a public association between the alleged trade dress and the plaintiff where none existed before the case.)

Further, it is an even simpler matter — at least, with strategic use of funds\textsuperscript{19} or just a little patience\textsuperscript{20} — to overcome the supposed hurdle of secondary meaning when seeking a federal trademark registration for product-design trade dress.

\textsuperscript{17} See, e.g., Clearline Technologies Ltd. v. Cooper B-Line, Inc., Civ. No. H–11–1420, 2013 U.S. Dist. LEXIS 77710, at *26–*27 (S.D. Tex. June 3, 2013) (denying motion for judgment as a matter of law following jury finding of trade-dress infringement, where plaintiff had proven secondary meaning primarily through evidence of presenting product at trade shows, sales numbers, and advertising expenditures). The court recognized that this evidence did not “directly prove” consumers’ association between the trade dress at issue and a single source, but the court “does not believe it must.” \textit{Id.} at *26. The court explained that “although survey evidence is admittedly the preferred evidence of secondary meaning . . . the jury was presented with more than a scintilla of evidence on the other factors from which it was entitled to conclude that [plaintiff’s] yellow and black color scheme had acquired secondary meaning.” \textit{Id.} at *26–*27.

\textsuperscript{18} See Eliya, Inc v. Kohl’s Dep’t Stores, 06 Civ 195 (GEL), 2006 U.S. Dist. LEXIS 66637, at *14 (S.D.N.Y. Sept. 13, 2006) (Lynch, J.) (“If a product with a particular trade dress becomes popular in a short period of time, the trade dress may become distinctive through secondary meaning in a matter of months . . . . Here, Eliya alleges that its products based on the SHOE design are well known and that the public identifies the design as being affiliated exclusively with Eliya. Whether this is so is to be determined later in this litigation, but Eliya has sufficiently alleged that its trade dress is distinctive.”).

\textsuperscript{19} Examining Attorneys, due to limited time and investigative resources and status-related incentives, can frequently be persuaded to reverse initially adverse decisions on “ornamentality” and secondary meaning. \textit{See, e.g., British Seagull Ltd, and Outboard Marine Corp. v. Brunswick Corp.}, Opp. Nos. 80,900 and 80,901 (T.T.A.B. July 30, 1993) (“[D]uring the \textit{ex parte} phase of the prosecution of this application, applicant submitted materials which persuaded the Examining Attorney that the color had acquired secondary meaning.”). As explained below, an Examining Attorney is simply not well positioned to counter a motivated party’s mountain of evidence, whether in support of secondary meaning or non-functionality. Thus, even weak evidence of secondary meaning may often get the “green light.”

\textsuperscript{20} Material deemed “ornamental” or “descriptive” but lacking acquired distinctiveness can virtually always be placed on the USPTO’s “Supplemental Register.” \textit{See 15 U.S.C. § 1091(c) (2012)} (material eligible for registration on the Supplemental Register). Notably, marks placed on the Supplemental Register, entitling the registrant to use of the ® designator but not several other benefits of registration, \textit{is not published for opposition} by third parties. \textit{15 U.S.C. § 1092} (2012). There is little cost in an applicant’s preemptively placing purported trade dress that has \textit{perhaps} not yet accrued “secondary meaning” on the Supplemental Register, as “[r]egistration of a mark on the supplemental register . . . shall not preclude registration by the registrant on the principal register [and] shall not constitute an admission that the mark has not acquired distinctiveness.” \textit{15 U.S.C. § 1095} (2012). Indeed, applicants — like Bottega Veneta in the matter under discussion — that premise their domestic registrations on those already existing in foreign countries are
The largely illusory barrier of secondary meaning/acquired distinctiveness to procuring trade-dress protection for product-design features, compounded with the current, hopelessly open-ended “likelihood of confusion” test for trademark infringement,\(^1\) makes the monopolization of aesthetically pleasing product-design features by well-funded parties an alarmingly easy feat. Even companies that routinely seek and obtain design patents for supposedly novel\(^2\) decorative features of their products deploy “trade-dress rights” as another prong of their IP campaigns — if only because trade-dress protection, unlike design-patent protection, can theoretically last as long as the trade dress is used in commerce.\(^3\) Further, the increasingly popular use of design patents has given rise to *bootstrapping*, where the design-patent term is followed

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\(^2\) See Dennis Crouch, *Design Patent Rejections*, PATENTLYO (Jan. 19, 2010) http://www.patentlyo.com/patent/2010/01/design-patent-rejections.html (arguing that the low rate of USPTO rejections of design patents suggests that it is operating as a “registration” — i.e., rubber stamp-style — system “rather than as one based on a true examination” of the material over which exclusive rights are sought). For numerous examples of design patents issued over clearly non-novel and/or obvious designs, see generally *Design Patent Lookbook*, http://designpatentlookbook.tumblr.com/

\(^3\) *Qualitex Co.*, 514 U.S. at 164–65 (“If a product’s functional features could be used as trademarks, however, a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity).”).
of the patent-enabled period of exclusivity into trade-dress rights, via claimed “acquired distinctiveness.”

It may well be prudent to legislatively abolish trademark-based rights in product-design features across the board — but that is a topic for a longer, more quixotic article than this. Until then, the most powerful safety valve for preventing trade dress-based monopolization of visually appealing design features is the doctrine of “aesthetic functionality,” which trumps “acquired distinctiveness.” As the Supreme Court explained in the 1995 case of *Qualitex Co. v. Jacobson Prods. Co.*, the functionality doctrine “prevents trademark law, which seeks to promote competition by protecting a firm’s reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature.”

“Usefulness” is a multifaceted characteristic. As the Seventh Circuit’s Chief Judge Easterbrook explained in a 2010 decision rejecting alleged trade-dress rights in a round beach towel: “A design’s aesthetic appeal can be as functional as its tangible characteristics,” because “[g]ranting a producer the exclusive use of a basic element of design (shape, material, color, and so forth) impoverishes other designers’ palettes” and thus hinders their ability to compete in the marketplace. Where an aspect of a product’s design is “functional” in this way, the “aesthetic functionality” doctrine theoretically precludes trademark protection, in both the registration and litigation contexts.

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24 For this reason, it would make a great deal of sense to extend the utility patent/utilitarian functionality holding of *TrafFix Devices v. Mktg. Displays*, 532 U.S. 23, 20 (2001) (“Where the expired patent claimed the features [now claimed as protected ‘trade dress’], one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional . . . .”) to design patents/aesthetic functionality — but that is a topic for another article.
25 *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1594 (Fed. Cir. 1994).
26 *Qualitex Co.*, 514 U.S. at 164.
27 *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 850 (7th Cir. 2010).
28 See discussion at TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.02(a)(vi).
II

In *In re Bottega Veneta Int’l S.a.r.l.*, the Trademark Trial and Appeal Board refused to apply the doctrine of “aesthetic functionality” to preclude issuance of a trade-dress registration covering the most basic of woven-leather patterns:

![Woven-leather design](image)

Bottega Veneta had applied in 2007 for a U.S. trademark registration on the USPTO’s Principal Register, claiming that its woven-leather design\(^\text{30}\) had achieved sufficient public recognition to satisfy Lanham Act § 2(f) — where the law’s above-


\(^{30}\) In its application, filed on June 29, 2007, Bottega Veneta stated: “The mark consists of Interlaced woven strips of leather arranged in a distinctive repeating pattern that is used over all or substantially all of the goods.” By the time the TTAB ruled on the matter, Bottega had agreed to amend the scope of its desired registration — in wording clearly selected so as not to prejudice its rights — to “[a] mark consist[ing] of a configuration of slim, uniformly-sized strips of leather, ranging from 8 to 12 millimeters in width, interlaced to form a repeating plain or basket weave pattern placed at a 45-degree angle over all or substantially all of the goods.” See *USPTO TESS Database*, Serial Number 77219184, http://tmsearch.uspto.gov/bin/gate.exe?f=tess&state=4804:nxk13w.1.1 (last visited Oct. 16, 2013) (follow “Word and/or Design Mark Search (Structured)” hyperlink; insert serial number in “Search Term” box; select “Serial or Registration Number” from “Field” dropdown menu). *But see* 15 USC § 1056(b) (2012) (“No disclaimer . . . shall prejudice or affect the applicant’s or registrant’s rights then existing or thereafter arising in the disclaimed matter, or his right of registration on another application if the disclaimed matter be or shall have become distinctive of his goods or services.”).
mentioned “acquired distinctiveness” requirement is codified — in connection with shoes (Class 25) and myriad other leather goods (Class 18).

The Examining Attorney assigned to Bottega’s application denied the requested registration on various bases, including the “utilitarian functionality,”31 “aesthetic functionality,” and “ornamentality”32 bars imposed by the Lanham Act and the Trademark Manual of Examining Procedure. Although initially focused primarily on the design’s utilitarian functionality,33 the Examiner later became more concerned about its apparent aesthetic functionality. As the Examiner would argue to the TTAB: “For makers of bags and shoes, plain woven leather in either orientation represents such an essential aesthetic commodity and may be reasonably compared to a color in an artist’s palette. Registration of the proposed mark would remove from the public domain a ubiquitous motif required by competitors to effectively respond to consumer demands and expectations.”34

Bottega Veneta responded to the Examiner’s various Office Actions with numerous arguments, some of them irreconcilable. For example, Bottega’s response to the Examiner’s utilitarian-functionality objection consisted, inter alia, of the assertion that the company’s woven leather fabric placed at an angle on fashion goods was

31 See discussion at TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.02(a)(i) (“Statutory Basis for Functionality Refusal”).

32 See id. at § 1202.03 (“Refusal on Basis of Ornamentation”) (“Subject matter that is merely a decorative feature does not identify and distinguish the applicant’s goods and, thus, does not function as a trademark. A decorative feature may include words, designs, slogans or other trade dress. . . . Matter that serves primarily as a source indicator, [which can occur for product design solely] as a result of acquired distinctiveness, and that is only incidentally ornamental or decorative, can be registered as a trademark.”).

33 Examining Attorney’s Brief to TTAB [hereinafter “Examiner’s Brief”], at 2 (Dec. 10, 2010) (“[T]he functionality refusal set forth in the initial Office action addressed potential utilitarian advantages in strength offered by the woven configuration of the proposed mark. Supporting evidence included statements that applicant’s goal ‘was to manufacture supple, but sufficiently sturdy, bags by weaving fine strips of leather together so as to make them stronger.’”).

34 Examiner’s Brief at 13.
“employed strictly for aesthetic reasons.”\textsuperscript{35} (This assertion was belied by both the construction advantages of the weaving technique in question\textsuperscript{36} and the Examiner’s proffered evidence concerning “enhanced utilitarian benefits of breathability and comfort more suitable than solid leather” — which Bottega had identified as a purported reasonable alternative to its design.\textsuperscript{37}) Even assuming the benefits of the claimed design were strictly “aesthetic,” Bottega had seemingly back itself into a corner: didn’t this approach simply dispute utilitarian functionality by emphasizing the \textit{aesthetic} functionality of the design? And if the woven design had indeed been used “strictly for \textit{aesthetic} reasons,” did that not bolster the Examiner’s ornamentality-based denial, bringing to mind the Supreme Court’s observation in \textit{Samara Bros.} that “product design almost invariably serves purposes other than source identification”?\textsuperscript{38}

Having failed to persuade the Examining Attorney to come around, Bottega Veneta appealed the denial to the Trademark Trial and Appeal Board. Certain passages in Bottega’s brief to the Board practically concede the “competitive necessity” of using designs of the sort at issue — in other words, of the design’s aesthetic functionality. In one passage, for example, Bottega complained to the TTAB: “In 2009, Bottega Veneta’s \textit{competitor}, Louis Vuitton, registered a mark “consist[ing] of squares with a checkered

\textsuperscript{36} As the Examining Attorney’s brief explained: “Since plain weave merely interlaces the warp and weft strips in an alternating pattern, the weave gives the maximum number of interlacings, and is capable of producing a stronger woven material at a lower cost.” Examiner’s Brief at 9.
\textsuperscript{37} Examiner’s Brief at 8.
\textsuperscript{38} \textit{Samara Bros.}, 529 U.S. at 213.
pattern of light and dark with the unusual contrast of weft and warp.”39 The implication: Louis Vuitton, along with other fashion houses mentioned in Bottega’s brief, had obtained trademark-based monopolies over similar aesthetic features, and Bottega Veneta needed its own trade-dress monopoly in order to compete.

Bottega’s “what about us?” argument reveals a great deal about its motives (and simultaneously illuminates more systemic problems associated with recognizing trade-dress rights over product-design features). Bottega was hardly without remedies for “infringement” of its design rights: indeed, it has made, and continues to make, liberal use of design patents, many of which prominently feature the woven pattern at issue (as well as other weave patterns and even two-dimensional crosshatching) in connection with leather goods and an array of other products.40 Yet Bottega apparently deemed it necessary to obtain a perpetual monopoly — as opposed to the mere fifteen-year term of protection for design patents — facilitated by a trade-dress registration in order to successfully compete in the long term with other fashion companies that had similarly coopted trademark protection for improper ends. One might argue that Bottega had effectively turned the doctrine of aesthetic functionality on its head by arguing that, because trade dress is so widely misused to obtain exclusive rights over critical design elements, it is only fair that Bottega be accorded those same rights.


40 Charles Colman, Selected Bottega Veneta design patents, LAW OF FASHION (Oct. 18, 2013), http://www.lawoffashion.com/blog/story/10/18/2013/203. Note, in particular, the varying dimensions of the cross-hatched patterns, as well as the different surfaces to which they are applied. Virtually every scope-related limitation advanced by the applicant and acknowledged by the TTAB on its way to approving the trade dress in question is flatly contradicted by the material in these design patents. Also of interest is the final patent provided at the linked website, which reveals no use of Bottega’s “signature” woven pattern at all. While a product-design feature can potentially achieve “acquired distinctiveness” even if it not used on every item sold by an applicant, a company’s sale of other designs at least suggests “ornamentation.” See supra note 32.
Perhaps realizing that its arguments about Louis Vuitton and others’ trade-dress registrations might be construed as support for the Examiner’s claim of competitive necessity, Bottega Veneta took the still more ambitious tack of characterizing the aesthetic-functionality doctrine itself as “suspect legal theory,” relying on what the Examiner described as “clearly outdated or misinterpreted” authority. As the Examiner’s brief correctly observed, even “the U.S. Supreme Court ha[d] expressly acknowledged aesthetic functionality as a valid legal concept.” However, if Bottega had been paying attention to the TTAB’s recent decisions, its argument may have been less about what the law actually was and more about what the Board might want it to be.

III

Bottega’s strategy paid off. On September 30, 2013, the TTAB issued a “non-precedential” decision in favor of Bottega, allowing the registration process to move forward. The Board’s decision acknowledged that the Examiner’s evidence in support of his denial was substantial — at least, in volume:

In order to show a competitive need for the applied-for weave design, the examining attorney has made of record over 1500 pages of evidence, consisting primarily of advertisements from third-party websites depicting items having weave designs. The bulk of this evidence relates to the use of weave designs on handbags and shoes.

But the Board discounted the probative value of this evidence using a variety of techniques, the unifying theme of which can only be described as willful disregard of the actual test for trademark infringement applied in federal-court litigation.

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41 Examiner’s Brief at 4.
42 Id.
43 See supra note 3.
45 On page ten of its decision, the TTAB writes that “the arguments made by the examining attorney apply to the competitive need for a weave design in general, but not for the specific weave design for which registration is sought,” and asserts that as a result of the Board’s approval of Bottega’s trade dress,
The TTAB concluded that, all told, the Examiner’s voluminous evidence and arguments “raise[d] some doubt” as to the aesthetic functionality of the alleged trade dress. But this was not enough. In tension with — if not contravention of — the TTAB’s previous commitment to taking a “permissive stance” toward the “probative value of [an Examiner’s] evidence in an ex parte proceeding,” the Board declared that it would henceforth resolve aesthetic functionality-related “doubts” in favor of applicants:

In cases involving other grounds for refusal, there is a policy that doubt should be resolved in favor of publication of the mark. . . . In a case involving the issue of aesthetic functionality, where the question to be resolved is competitive need, we think that adopting this principle is particularly appropriate, since publishing the mark will allow competitors to come forward to assert and prove that they do have a competitive need to use the proposed mark if, indeed, they have such a need. Accordingly, because we have doubts about whether the proposed mark is functional for handbags and shoes (and because the evidence with respect to the goods in Class 18 relates virtually entirely to handbags), we reverse the refusal on the ground of functionality.

Thus, despite Bottega Veneta’s superficial status as a one-off, “non-precedential” decision, the TTAB’s opinion in fact reshapes the procedural law concerning the ex parte prosecution of potentially aesthetically functional “marks” — and does so in a decidedly anticompetitive manner. After all, how can any Examining Attorney, especially given the

“[competitors] would be deprived only of the right to an identical or nearly identical design comprising the elements listed in the description of applicant’s mark.” The TTAB’s reasoning is irreconcilable with the current, alarmingly malleable and expansive test for trademark-infringement liability. See Colman, Trademarklawpocalypse, supra note 21 (“[T]he modern federal Lanham Act, passed in 1946 and existing in substantially similar form today, goes much further [than the common law of trademarks] providing for trademark liability when a defendant’s conduct ‘is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.’ Federal courts have been largely unable, or unwilling, to limit the reach of this language (especially the ‘sponsorship [or] approval’ bases for liability)[,]” (Footnotes omitted).

46 Id. at 22.

47 Trademark Trial and Appeal Board Manual of Procedure (3d ed. 2013), at § 1208 (“Treatment of Evidence”) (citing In re Hudson News Co., 39 USPQ2d 1915, 1920 n.10 & 1924 n.18 (TTAB 1996) (in ex parte proceeding, Board allowed search database evidence to show psychological effect of color blue, over hearsay objections, recognizing difficulty for Examining Attorney to establish such facts without using tools of this sort; Board also accepted sufficiency of Examiner’s evidentiary showing that applicant’s purported trade dress was commonplace, recognizing that USPTO’s limited resources constrain an Examiner’s ability to obtain evidence like photographs of retail establishments).)

48 In re Bottega Veneta, at 23.
“limited evidentiary tools available to him,”⁴⁹ hope to prove that the Board’s affirmation of hypothetical exclusive rights in the purported trade dress “would put competitors at a significant non-reputation-related disadvantage?”⁵⁰ How often will he even deem such a formidable task worthwhile, particularly in the wake of this decision?⁵¹

Consider the momentous efforts required of a well-funded, competitively motivated, and fully equipped third-party “opposer” in inter partes proceedings over the alleged aesthetic functionality of black outboard motors, in British Seagull Ltd. and Outboard Marine Corp. v. Brunswick Corp.: 

The record in this proceeding is one of the largest ever submitted for consideration by the Board. The parties do not appear to dispute the basic description of the record as presented in opposers’ brief (the testimony, exhibits and the evidence made of record by notices of reliance take six typed pages just to list, and include over three thousand pages of testimony, as well as over eighteen hundred exhibits) . . . . The evidence shows that people who buy outboard motors for boats like the colors of the motors to be harmonious with the colors of their vessels, and that they also find it desirable under some circumstances to reduce the perception of the size of the motors in proportion to the boats.⁵²

That this volume of evidence was deemed necessary by the opposer in British Seagull illustrates the difficulty of proving aesthetic functionality, even where a corporate entity is fully invested in challenging a problematic application that has come to its attention.

Where no third party intervenes — as is often the case for reasons having little to do with the level of importance to potentially interested parties⁵³ — there will frequently be

⁵⁰ Qualitex Co., 514 U.S. at 165.
⁵¹ That the Examiner in Bottega Veneta, Steven M. Perez, stood his ground for so long, and managed to gather the ample evidence produced to the TTAB, is commendable.
⁵³ These reasons range from a lack of financial resources to a “diffusion of responsibility” among all parties potentially harmed by the registration. See generally John M. Darley & Bibb Latane, Bystander Intervention in Emergencies: Diffusion of Responsibility, 8 J. Personality & Soc. Psychol. 377 (1968). While a full exploration of the reasons for non-opposition by interested third parties is beyond the scope of this article, it should be noted that applications for claimed trade-dress rights in product design are less likely to come to competitors’ attention than are applications for problematic word marks, because the
“doubts” about the aesthetic functionality of the applicant’s proffered “trade dress,” if only because of “the limitations examining attorneys have in developing evidence” to support the rejection of a registration,\textsuperscript{54} compounded with the inherent difficulties of producing persuasive evidence of future anticompetitive effects on (1) parties not present, as a result of (2) exclusive rights not yet formally recognized.\textsuperscript{55}

While there might be situations in which it is prudent for the TTAB to resolve “doubts” in favor of applicants, they do not include determinations of aesthetic functionality in \textit{ex parte} prosecution proceedings.

\textbf{IV}

The greatest cause for alarm in \textit{Bottega Veneta} was still to come: the TTAB expressly disposed of lingering “doubt” about potential monopolization by relying on supposedly limiting conditions agreed to by the applicant. Yet the Board failed to recognize the crucial fact that Bottega Veneta’s (or any applicant’s) seemingly reasonable concessions \textit{will not be observed or enforced by the federal courts}.

The Board notes early in its opinion: “Applicant has stated unequivocally that ‘it is not claiming exclusive rights in every possible formation of a leather weave design[.] Rather, it seeks to register a mark consisting of leather strips of specific dimensions and placed in a specific orientation.’”\textsuperscript{56} This purported limitation informs (or rather, misinforms) the rest of the Board’s analysis. The TTAB later returns to Bottega’s

\textsuperscript{54} In re Florists’ Transworld Delivery, Inc., Serial No. 77590475, at 3 (T.T.A.B. Mar. 28, 2013) (precedential).

\textsuperscript{55} See id. (“It seems to us that evidence pertaining to the effect of color in the floral industry, and in particular the meaning of the color black on floral packaging, would be difficult to locate.”). This difficulty has, at times, prompted adjudicators to recognize that aesthetic functionality more of a \textit{normative} than \textit{descriptive} inquiry. The recent trend among courts, unfortunately, has been to employ the latter approach.

\textsuperscript{56} In re \textit{Bottega Veneta}, at 11.
professed modest intentions — intentions directly at odds with the company’s monopolistic design-patent efforts in connection with numerous product categories and crosshatching patterns, somehow ignored by the Board — in a conclusion conveying a palpable sense of relief at not having to apply the aesthetic-functionality doctrine:

The examining attorney has raised the concern that, armed with a registration, applicant would attempt to prevent third parties from using various forms of a plain weave design. It does not appear that applicant has any intention of doing so; applicant specifically says that it “appreciates that its rights in the Bottega Weave Design may be relatively narrow.” . . . If applicant were claiming rights to such other designs, the analysis would change, and designs having these other features would have to be considered in assessing competitive need. In effect, the reason that we have found no competitive need for applicant’s proposed mark is because we are considering as probative only competitive uses of the essentially identical design.

The TTAB’s reasoning in this passage, while perhaps reasonable at first glance, ignores the reality that the federal courts will not hold Bottega Veneta, or any other trademark applicant, to such promises. In doctrinal terms, the courts simply do not recognize the defense of “prosecution history estoppel” in trademark cases. (Nor can “collateral” or “judicial” estoppel, or the doctrine of “judicial admissions,” effectively step in to

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57 See supra at note 40.
58 In re Bottega Veneta, at 24.
60 See New Hampshire v. Maine, 532 U.S. 742, 750–51 (2001) (“[J]udicial estoppel ‘is an equitable doctrine invoked by a court at its discretion,’” guided by several factors including “clear inconsistency,” and a court having been “misled,. . . . A third consideration is whether the party seeking to assert an inconsistent position would derive an unfair advantage or impose an unfair detriment on the opposing party if not estopped.”) (Internal citations omitted).
61 See Enter. Rent-A-Car Wage & Hour Empl. Practices Litig. v. Enter. Rent-A-Car Co., 735 F. Supp. 2d 277, 330 n.18 (W.D. Pa. 2010) (“‘While an admission made by a party in a pleading in the same case sometimes may be deemed binding as a ‘judicial admission,’ an admission made in a different case is not conclusively binding, unless judicial estoppel applies.’”) (Internal citations omitted.); Granzow v. Eagle Food Ctrs., 27 F. Supp. 2d 1105, 1107 n.4 (N.D. Ill. 1998) (“Granzow has provided no precedent for holding that a statement in administrative proceeding filings amounts to a judicial admission, and this Court was also unable to locate any such authority . . . . Even if administrative filings were to be considered pleadings, then, the verified response at issue here is from another proceeding and is therefore . . . not considered a judicial admission in the current case.”)
ensure that an applicant will honor the limitations to which it agreed in USPTO materials apart from the registration certificate itself."

Patent-law jurisprudence, of course, does recognize the principle that a patentee’s rights will be limited where, “[t]hrough [that patent holder’s earlier] statements to the PTO and the declarations it filed, [it] made statements of clear and unmistakable surrender of subject matter outside the claimed.”62 This doctrine of “prosecution history estoppel” is undergirded by the sensible “public policy . . . that ‘other players in the marketplace are entitled to rely on the record made in the Patent Office in determining the meaning and scope of the patent.’”63

In the trademark-infringement context, by contrast, the federal courts have been repeatedly flummoxed at the prospect of applying “prosecution history estoppel”64 — that is, where they have not explicitly and emphatically denied the viability of the doctrine.65 Indeed, the federal courts have happily ignored not only restrictions to which a supposed trademark owner has agreed in order to secure a registration, but even the USPTO’s unqualified denial of a registration for the very “trademark” over which a plaintiff has brought suit.

63 Id. at 1254 (quoting Lemelson v. General Mills, Inc., 968 F.2d 1202, 1208 (Fed. Cir. 1992)).
64 See, e.g., Eniva Corp. v. Global Water Solutions, 440 F. Supp. 2d 1042, 1048 (D. Minn. 2006) (“Defendants seek to apply by analogy the doctrine of prosecution history estoppel that governs patent cases and prevents a patent owner from arguing a position contrary to what the owner argued in the prosecution of the patent. . . . The parties did not cite, and the Court could not find, a case in this Circuit that addresses this issue.”)
65 See Lucky’s Detroit, LLC v. Double L, Inc., 2013 FED App. 0741N, No. 12-1760, 2013 U.S. App. LEXIS 16589, *21 (6th Cir. Aug. 9, 2013) (“[P]rosecution history estoppel’ has traditionally been applied in the patent, not trademark, context.”) (citing 6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 32:111 (4th ed. 1998)). The Sixth Circuit opinion further notes that a handful of courts have evaluated infringement plaintiffs’ contradictory statements before the PTO, but under different doctrinal rubrics (like “judicial estoppel”) and never granting them dispositive weight. Id.
In *Adidas-Salomon AG v. Target Corp.*, for example, a federal district court summarily disregarded the potential significance of plaintiff adidas’s unsuccessful attempts to register a “shell toe” design feature for footwear with the USPTO:

Defendants submitted supplemental briefing notifying the court that adidas unsuccessfully sought to register a shell toe design with the United States Patent and Trademark Office and that a third party has also unsuccessfully attempted to register a shell toe design. According to defendants, the objections by other manufacturers to adidas’ request to register the shell toe design show that adidas’ use of the shell toe design is not exclusive and undercuts adidas’ arguments that its shell toe design is distinctive or has acquired secondary meaning, or that defendants’ trade dress causes a likelihood of confusion. [This] does not assist defendants in defeating adidas’ trade dress claims [because p]rotectable trade dress may be found in any combination of discrete elements and the visual impact of those elements must be considered as a whole. Thus, this court rejects defendants’ suggestion that previous attempts to register a shell toe design necessarily defeats adidas’ bid for trade dress protection.66

In other words, so long as a plaintiff’s alleged trade dress differs even slightly from material that the plaintiff previously tried, and failed, to register with the USPTO, its past failures are of no consequence. Further, even if a trademark-infringement plaintiff had once conceded functionality in USPTO proceedings, and that concession were somehow deemed admissible and potentially probative as a party admission, federal-court doctrine allows for such an admission to be brushed aside as relevant only to the circumstances of another place and time. This is precisely what occurred in another case brought by repeat trade-dress litigant adidas against a different “budget” competitor, in *Adidas America v. Payless Shoesource*:

Though adidas acknowledges that some of the individual elements of the Superstar Trade Dress may have been intended to be functional in 1969 (when adidas introduced the shoes), Payless proffers no evidence that any of the Superstar Trade Dress elements have been functional during any part of the relevant period of alleged infringement[,] Contrary to Payless’ argument, *there is authority for the proposition that product features once deemed wholly functional can be transformed over time to non-functional, source-indicating features[.]*67

66 228 F. Supp. 2d 1192, 1209 (D. Or. 2002) (findings and recommendation adopted).
In short, federal case law tends to ignore a trademark-infringement plaintiff’s earlier admissions — including most types of assertions made to the USPTO in order to procure a registration — either by disregarding those admissions altogether or by providing a ready means of circumventing them, should a plaintiff later deem that expedient.

V

It is folly for the TTAB to rely on an applicant’s supposedly “limiting” promises in order to give its blessing to questionable applications, as the Board did unabashedly in Bottega Veneta. Such reliance is all the more incomprehensible where an applicant’s “promises” are flatly contradicted by readily accessible evidence on the public record within the very same agency as the TTAB — as was true here.68 The net result of the TTAB’s limitations-without-consequences approach taken in Bottega Veneta is that would-be trade-dress monopolists can apply for registrations with the expectation of potentially receiving the significant benefits that a USPTO registration confers,69 while incurring essentially no costs (beyond the financial, which are relatively minimal) for having unsuccessfully pressed the Trademark Office to allow a registration of dubious validity in ex parte proceedings.

Put differently, promises made that successfully coax the TTAB into allowing a registration will not be enforced later on, while promises that fail to achieve the

since a previous denial of registration on the basis of functionality) and In re Honeywell, Inc., 1988 TTAB LEXIS 38, 1988 WL 252417, *6 (TTAB, Aug. 16, 1988)) (emphasis added).

68 See supra at note 40.

69 See discussion supra at note 20. Even questionable registrations are, by virtue of the USPTO’s supposed imprimatur, “presumed valid” in federal-court litigation, making it less appealing for most parties accused of infringement of registered marks to pursue any path besides settlement. Further, recall that a mark is deemed “incontestable,” for certain key purposes, once its registration has been on the Trademark Office’s Principal Register for five years. See 15 U.S.C. §§ 1115(b), 1065 (2012).
applicant’s desired results will be ignored in court. When compounded with the TTAB’s newly declared finger-on-the-scales doctrine to dispose of “doubt” in the aesthetic-functionality realm, it becomes nearly irresistible for the would-be monopolist to “make a go” at a trademark registration for very-likely-ornamental, quite-possibly-aesthetically-functional “trade dress.” It is a quintessential “no-brainer”: parties can count on their continued ability to sue alleged infringers, unhampered by any *ex parte* losses at the administrative level but bolstered by any administrative wins (whether through blind luck, the gradual wearing-down of an Examining Attorney’s resistance, or the misguided benevolence of the TTAB — if not its sheer distaste for “aesthetic functionality”).

*In re Bottega Veneta* removes multiple obstacles to the registration of “trade dress” that might otherwise be deemed aesthetically functional. As such, the Board’s decision will only bolster anticompetitive forces already at work in the area of product-design “rights.” Yet the fallout will occur primarily in the marketplace, and, to some extent, in the federal courts. The TTAB, however, may never feel the effects of its folly.

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70 See *Levy v. Kosher Overseers Ass’n of Am.*, 104 F.3d 38, 42 (2d Cir. 1997) (“We agree with the view of [McCarthy on Trademarks that only] ‘where the Trademark Board has indeed compared conflicting marks in their entire marketplace context, [are] the issues are the same, [such that] collateral estoppel is appropriate.’”); cf. *In re Budge Mfg. Co.*, 857 F.2d 773, 775 (Fed. Cir. 1988) (“the PTO has limited facilities for acquiring evidence—it cannot, for example, be expected to conduct a survey of the marketplace or obtain consumer affidavits”). There might be a greater threat of collateral estoppel on key issues if a trademark registration were opposed, turning the application process into an *inter partes* proceeding. But at that point, applicants can — and have — simply abandon(ed) their applications to avoid such results.

71 The decision is flawed in other respects, but space constraints do not permit an exploration of those errors (which are myriad in the second portion of the Board’s decision, addressing “ornamentality.”)