

The Third Circuit Shares Some Food for Thought on the Bounds of Trade Dress Protection

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The overall look of a product – including the look of a snack or a treat – may be entitled to intellectual property protection as “trade dress.” But the protection of the overall look of a product as trade dress is neither unlimited nor absolute. As a federal appellate court – the U.S. Court of Appeals for the Third Circuit – recently explained when addressing a dispute between two cookie makers, whether the trade dress of a product is entitled to protection depends on whether that trade dress is functional.

You may be familiar with stick-shaped cookies known as “Pocky,” which are partially covered with chocolate or a flavored cream. The manufacturer of Pocky cookies sued a competitor that made similar stick-shaped cookies, known as “Pepero,” for infringement and unfair competition based on Pocky’s trade dresses. The appeals court noted that Pepero “looks remarkably like Pocky,” but ultimately determined that Pocky’s manufacturer should not prevail in its suit. Although the manufacturer had two Pocky product configurations registered as trade dresses with the U.S. Patent and Trademark Office, those trade dresses were functional and therefore not entitled to protection.

Trade dress protection is limited to the features of a product that identify its source. Trade dress, however, does not cover functional – that is, useful – features of a product. Rather, a patent, which expires after a particular time period, may be a more appropriate vehicle for seeking protection for functional product features.

In this case, the appeals court determined that the designs of the two registered trade dresses – which both concerned a stick-shaped cookie with coated and uncoated portions – related to the practical functions of holding, sharing, eating, or packing the cookie. The functional nature of the designs was even acknowledged and promoted by Pocky’s manufacturer. The court explained that the existence of alternative partially-coated cookies that do not look like Pocky did not make the design of Pocky less functional. And notably, although the existence of a utility patent may be strong evidence that a particular design is functional, that was not the case here because the design of the Pocky cookie was not the “central advance” of a patent directed to a better method of making the cookie’s shape.

This case illustrates that not all product designs are entitled to intellectual property protection as trade dresses and that even if a

party is able to obtain registration for its product design as a trade dress, a court may still determine that the trade dress is not entitled to protection. There is no need to sugarcoat the outcome of this case, though; although the trade dresses at issue were deemed to be deficient, this case still shows that intellectual property protection, including trade dress protection, is important. Trade dress protection remains available for certain nonfunctional designs, and other types of protection – such as patent protection – may be relied on as an alternative way to protect aspects of a product’s design.

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The case is *Ezaki Glico Kabushiki Kaisha v. Lotte International America Corp.*, No. 19-3010, in the United States Court of Appeals for the Third Circuit. For more information about the significance and impact of this case, please feel free to contact the author of this alert.