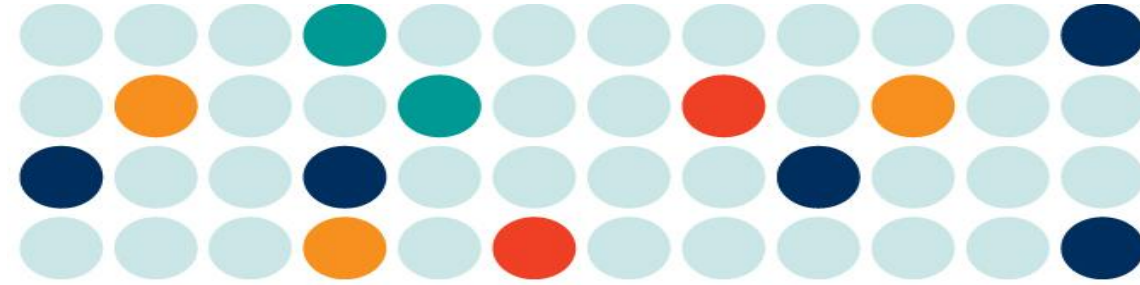


PUNNY AND FUNCTIONAL: WHEN A PLAY ON WORDS FAILS TO IDENTIFY SOURCE

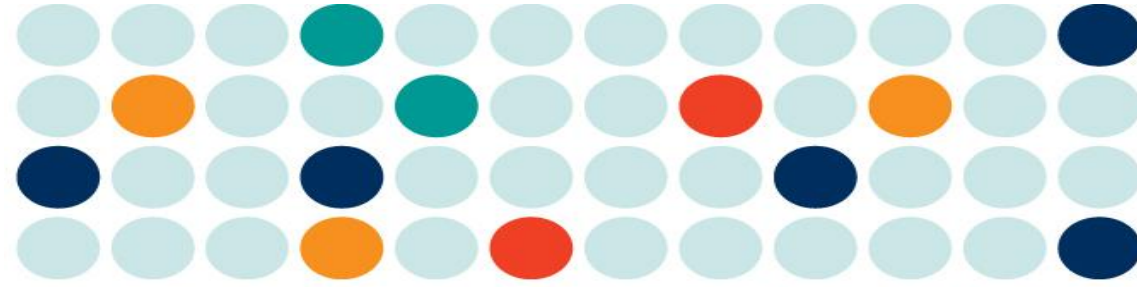
STATUTORY BACKGROUND



The Lanham Act protects “any word, name, symbol, or device, or any combination thereof” that a person or business uses in commerce **to distinguish** their product or service from others” (“Mark”).

15 U.S.C. § 1127

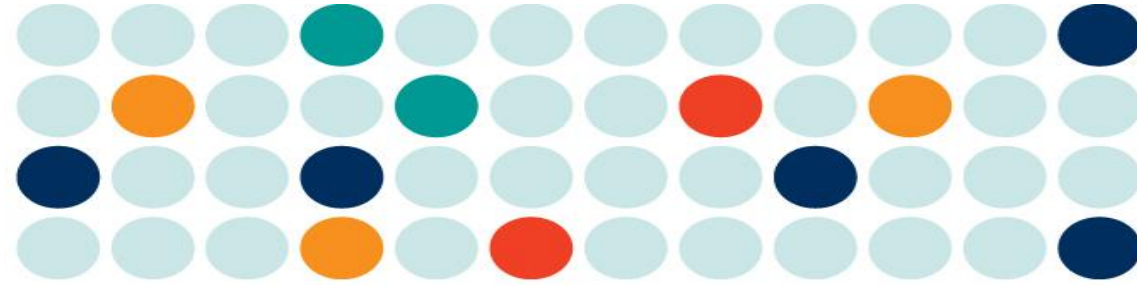
KEY ELEMENTS OF A TRADEMARK



Because the objective is to protect words, symbols and designs that **distinguish** one's goods/services from those of another, three key elements are considered:

1. Distinctiveness (inherent or acquired)
2. Exclusive use in commerce
3. Source-identifying function (how it is used/perceived)

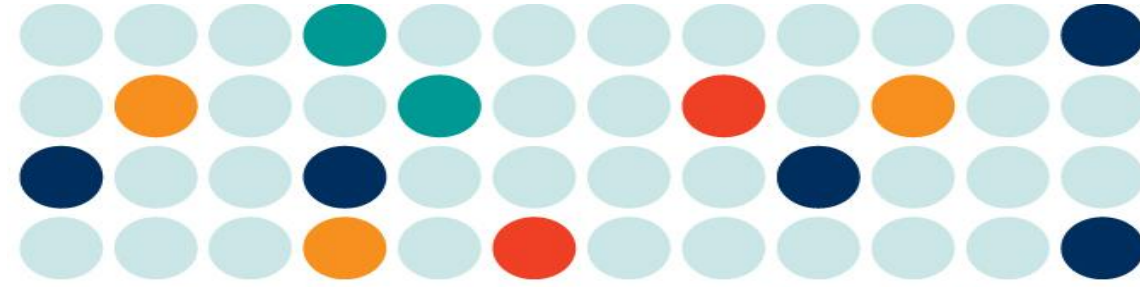
1. DISTINCTIVENESS



- Can be inherent or acquired
- This is the idea that the mark must be somewhat unique and recognizable (as opposed to diluted or descriptive unless it has acquired recognition to overcome any descriptiveness)

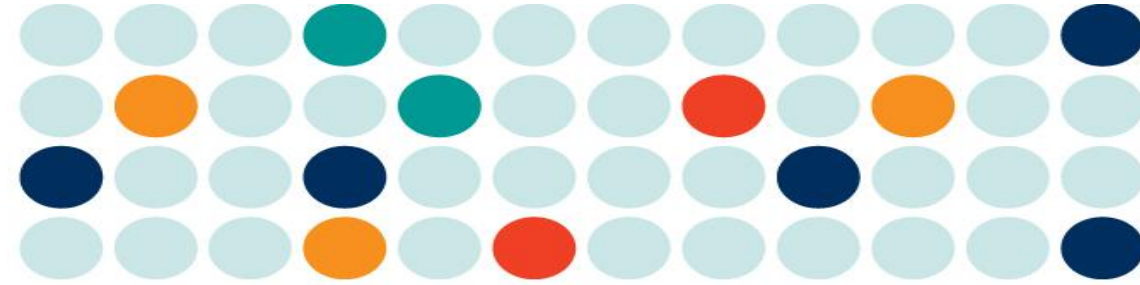
15 U.S.C. § 1127

2. EXCLUSIVITY OF USE



- **This is the idea that, to distinguish your goods and services from those of others, your mark must be relatively unique to you and your goods/services**
- *Put simply, how can the mark distinguish one source from another if several people or companies use the same one for the same or similar goods/services?*

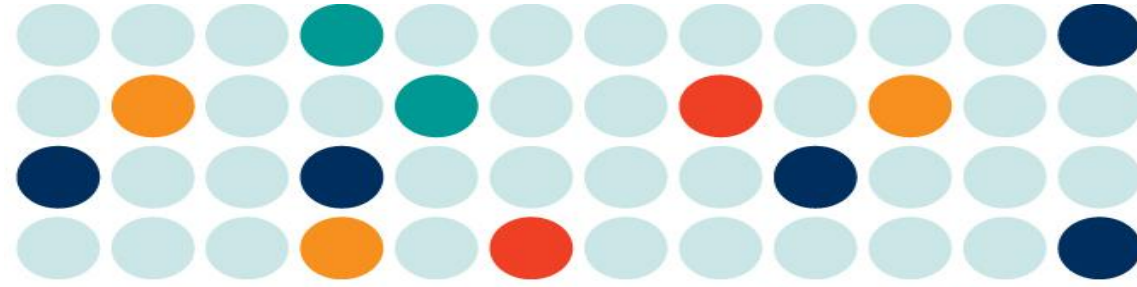
3. SOURCE-IDENTIFYING FUNCTION



- The mark must be used in a manner that communicates to consumers that this is a brand and it designates who manufactures the goods or offers the services.
- This means the symbol/word/design cannot be “*ornamental/decorative*” or “*functional*”

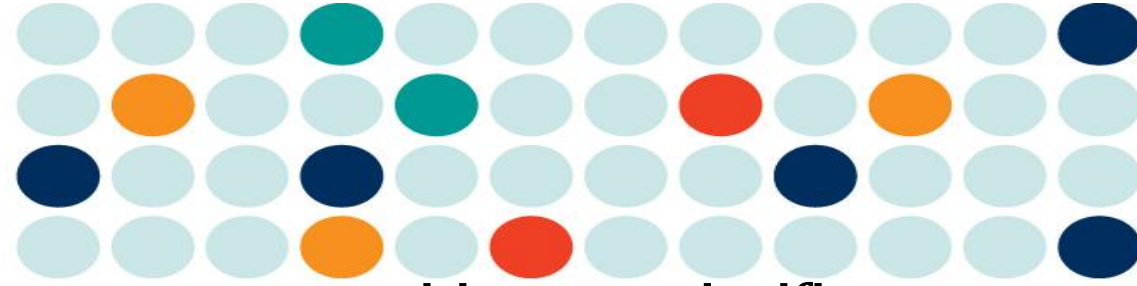
15 U.S.C. § 1127

ISSUES OF ORNAMENTALITY



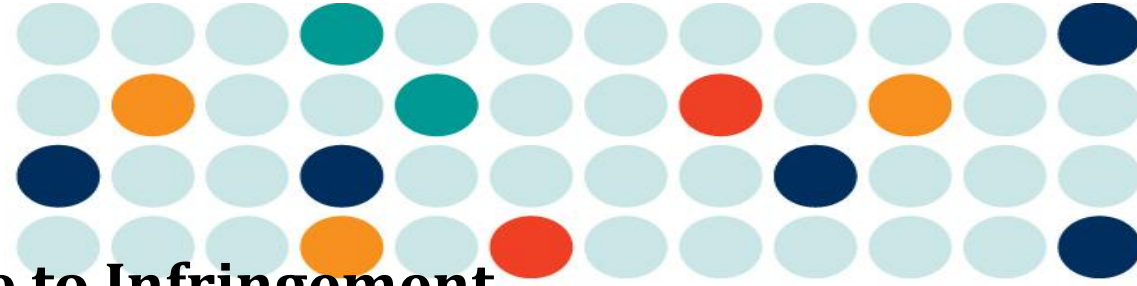
- **Consumer Focused:** “Will consumers see this as a trademark?” Usually a question about “how” it is used on products or services.
 - *e.g.* Nike Swoosh on face of t-shirt versus hang/neck tags. What this really means is that the use on the face of the T is NOT what is creating the TM rights.
- **Falls on a spectrum:** primarily or incidentally ornamental?
- **Factors considered by Examiners:**
 1. The commercial impression of the applied-for mark (placement)
 2. The relevant practices of the trade (placement of competition)
 3. Secondary source (recognized for other goods/services?)
 4. Evidence of distinctiveness (viewed as a mark)

ISSUES OF FUNCTIONALITY



- **Competition Focused**: would exclusive use by one party put competition at a significant non-reputation related disadvantage?
- **Two types**:
 1. **Utilitarian**: the design itself has a utilitarian purpose that should be available to all. *e.g. everyone needs a keyboard to be able to type (functional) but if a distinctive rounded shape of a key has no other purpose than to distinguish= not functional*
 2. **Aesthetic**: The design itself creates appeal that has nothing to do with its ability to designate source.
e.g. if black is the preferred leather color for bags generally, how can one claim black as the color for purses as a trademark? Apple green, however, might be different.

FUNCTIONALITY TEST



Can serve as a bar to registration or a defense to Infringement.

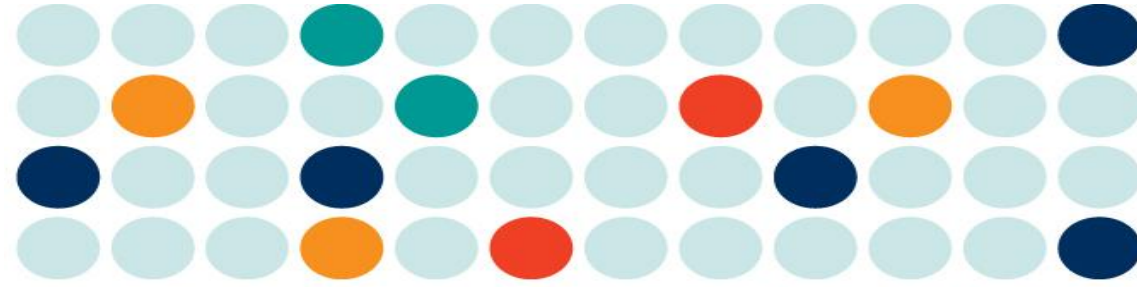
Two Part Test:

1) Is it useful? Is the alleged ‘significant non-trademark function’ is “essential to the use or purpose of the article [or] affects [its] cost or quality.

If yes, it is utilitarian. If no, then:

2. Is it aesthetically functional? Does protection of the feature as a trademark impose a significant non-reputation-related competitive disadvantage to others?

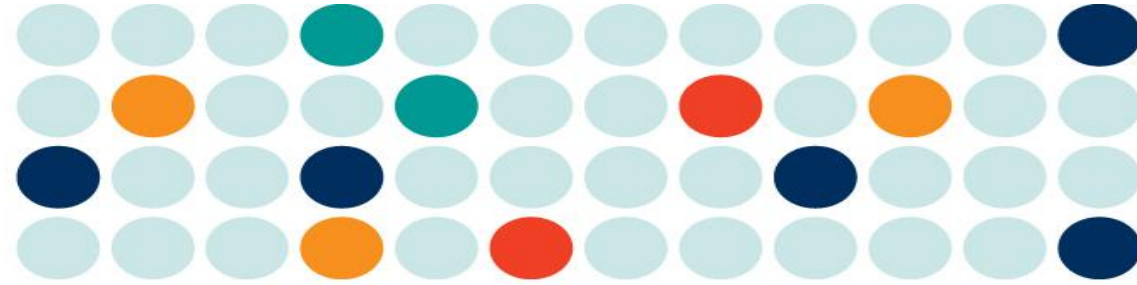
TEST FOR AESTHETIC FUNCTIONALITY



What is a significant non-reputation related disadvantage?

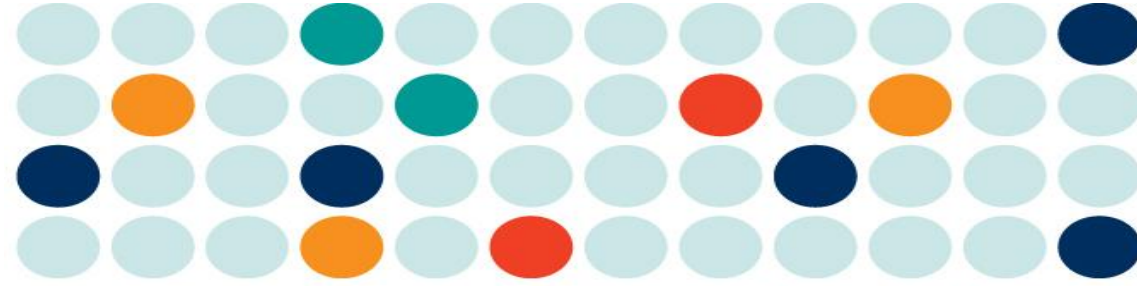
- Does the mark create advantages that derive solely from the aesthetic or ornamental quality of the usage as opposed to its ability to designate source.
- Does the design or pun, in and of itself, and apart from its source-identifying function, improves the usefulness or appeal of the product it adorns.
 - *e.g. do people buy Nike T-shirts because the swoosh looks pretty or is it also because it represents the Nike brand?*

EXAMPLES



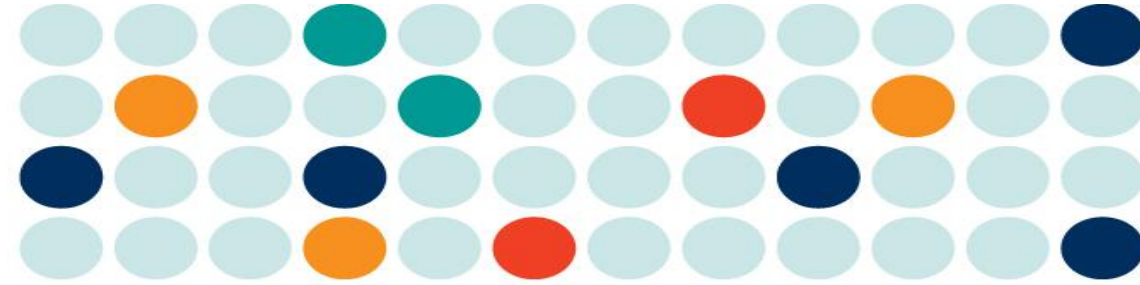
1. A baroque design on silverware found aesthetically functional where evidence was presented that consumers purchased the silverware for its beauty and NOT because they believed the design meant the silverware came from a particular source.
2. A heart-shaped candy box: aesthetically functional where evidence showed that consumers purchased the item because of its shape and did not perceive that shape to also indicate source.
3. A Louis Vuitton registered design symbol used on purse as a pattern found NOT aesthetically functional where evidence showed that, yes, it's an appealing design, but people recognize it as indicating Vuitton as the source and buy it for that reason.
 - *The fact that the mark was registered was not decisive here, instead it was that consumers and store clerks attested that the pattern was purchased because it indicated Vuitton as the source.*

KEY ISSUES IN RESOLVING THESE CASES:



1. Most Circuits have found that the aesthetic appeal of the feature must be **wholly-independent** from any source-identifying function.
2. The above rule is crafted with the understanding that aesthetically pleasing marks are and will always have aesthetic appeal. They should only remain in the “public domain” if that appeal is not tied in some way to the connection that the design has with the prior user.
3. **This raises the question as to how we consider Aesthetic Functionality an affirmative defense to infringement or whether it should be considered as part or together with the infringement analysis.**

TRADEMARK INFRINGEMENT

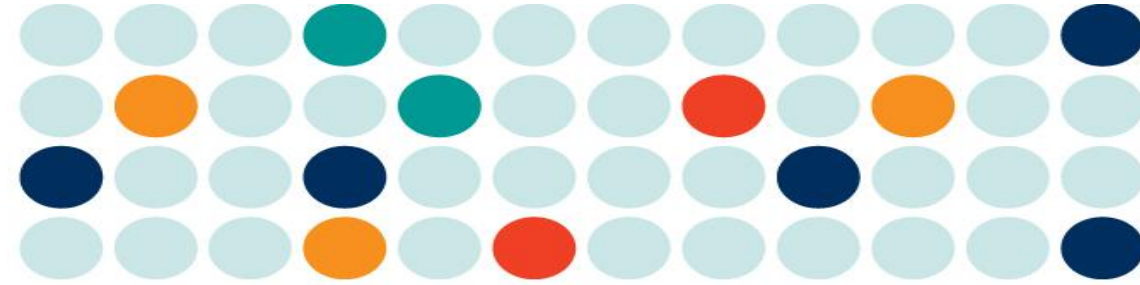


Likelihood of Confusion

The Act protects against any third party “reproduction, counterfeit, copy, or colorable imitation” in order to sell or advertise goods or services, and which “is likely to cause confusion, or to cause mistake, or to deceive”

15 U.S.C. § 1114

LIKELIHOOD OF CONFUSION FACTORS



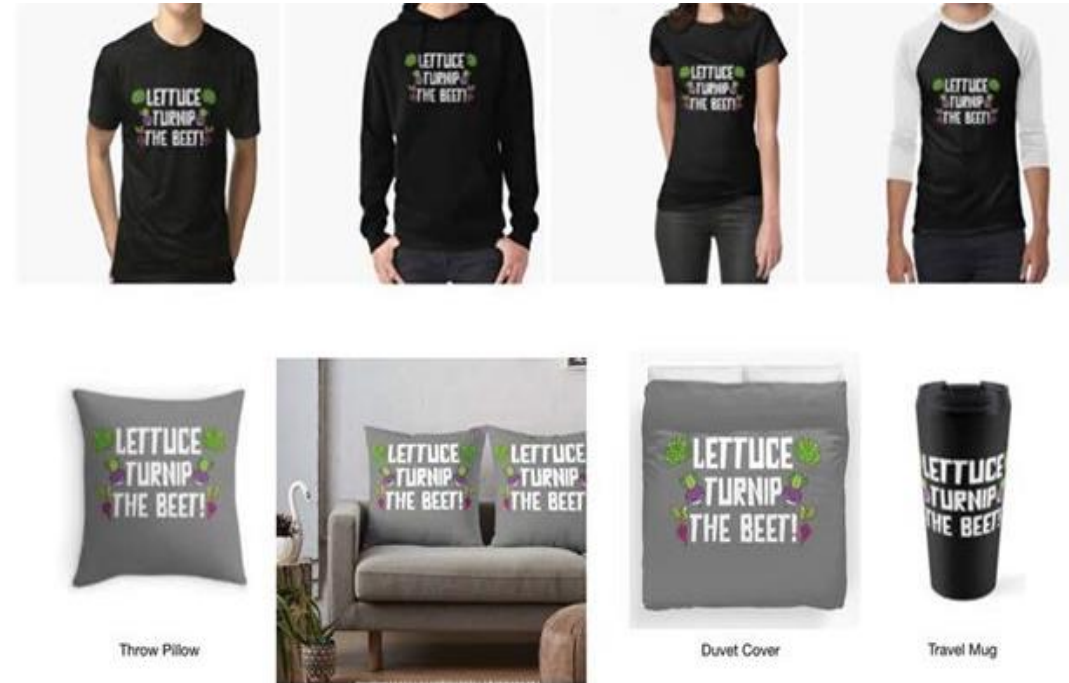
- Strength of the mark
- Similarity of the marks
- Channels of trade/ target audience
- Similarity of products or services
- Actual Confusion
- Consumer Sophistication
- Intent

Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492 (2d Cir. 1961)

***LTTB, LLC v. Redbubble, Inc., No. 19-16464, 2021 WL 195024,
(9th Cir. Jan. 20, 2021).***



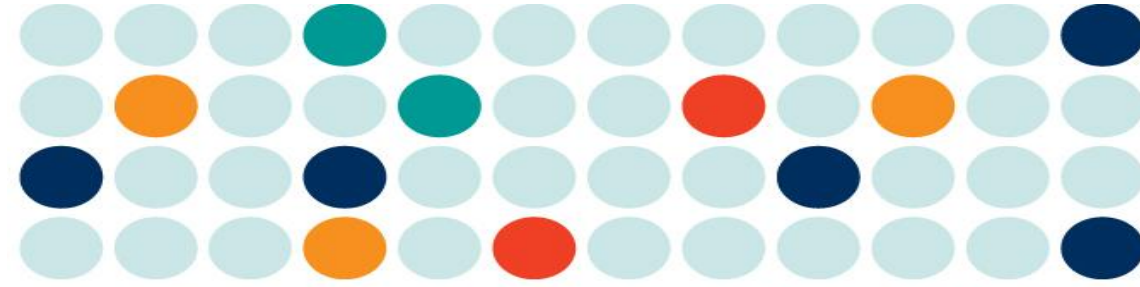
v.



LTTB v. RedBubble

FACTS

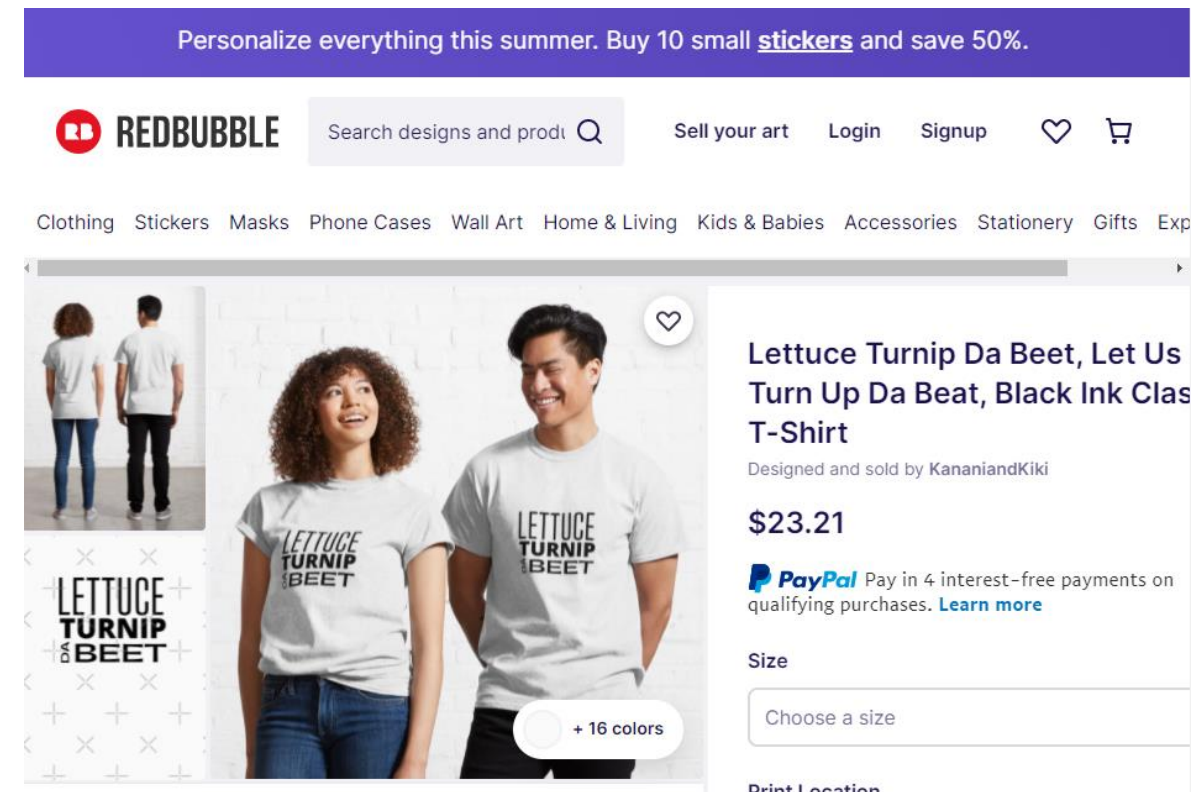
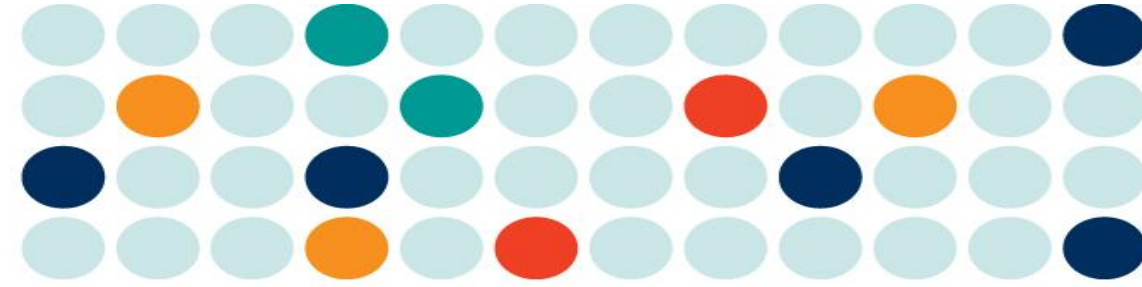
- LTTB owns 4 trademark registrations for the pun LETTUCE TURNIP THE BEET for various apparel products, tote bags, and online retail store services, among other things.
- 2 of those registrations are incontestable
- Many of LTTB's products are emblazoned with the phrase
- During prosecution the USPTO initially refused the mark on the basis that it was merely ornamental
- Ultimately, upon showing that hang and neck tags also carry the mark/pun, the USPTO granted the registrations "LTTB is serving as a mark on a tag"



LTTB v. RedBubble

FACTS

- RedBubble is an online platform that allows third parties to sell products through its site
- In 2018, LTTB discovered the use of a number of products bearing the LETTUCE TURNIP THE BEET mark on various garments and home products and sued RedBubble on that basis
- In response RedBubble argued that its use is aesthetically functional and, therefore, not an infringement under applicable rules.
- Redbubble moved for summary judgment on that basis



LTTB v. RedBubble
HOLDING

**Redbubble's Motion to Dismiss the case
was granted and it was affirmed by the
9th Cir. on Appeal**



LTTB v. RedBubble

REASONING

- “No triable issue of fact because RedBubble’s use is only ornamental, *i.e.* not used as a trademark”
- In the court’s view, the mere fact that RedBubble was using the mark ornamentally was, in and of itself, enough to throw out the case on the basis that it did not meet the minimum requirements necessary
- Among other things, the court relied on the USPTO’s initial rejection of LTTB’s mark (which was later overcome) to state that Redbubble’s use of the mark on the face of a t-shirt or cap is merely ornamental and, thus, purportedly NOT the appropriate subject of a trademark infringement dispute.



LTTB v. RedBubble

What's Interesting About that?

- **Isn't "aesthetic functionality," by definition a fact-driven determination?** (*i.e.* deciding whether the appeal of the pun comes from the pun itself or from LTTB as the source of products carrying that pun)
- If so, how can it present no issue of fact unless the court effectively dismissed the case on other grounds?
- Here, the 9th Circuit's decision seems to establish **a new standard for infringement, namely one where Defendant's use of the Plaintiff's mark must be as a trademark/designation of source before an infringement action can even be brought.**
- **Suggests that a Defendant's ornamental use can be used as an affirmative defense to any likelihood of confusion analysis such that a court could bypass the whole likelihood of confusion analysis.** This is inconsistent with the Lanham Act and precedent on the subject.



LTTB v. RedBubble

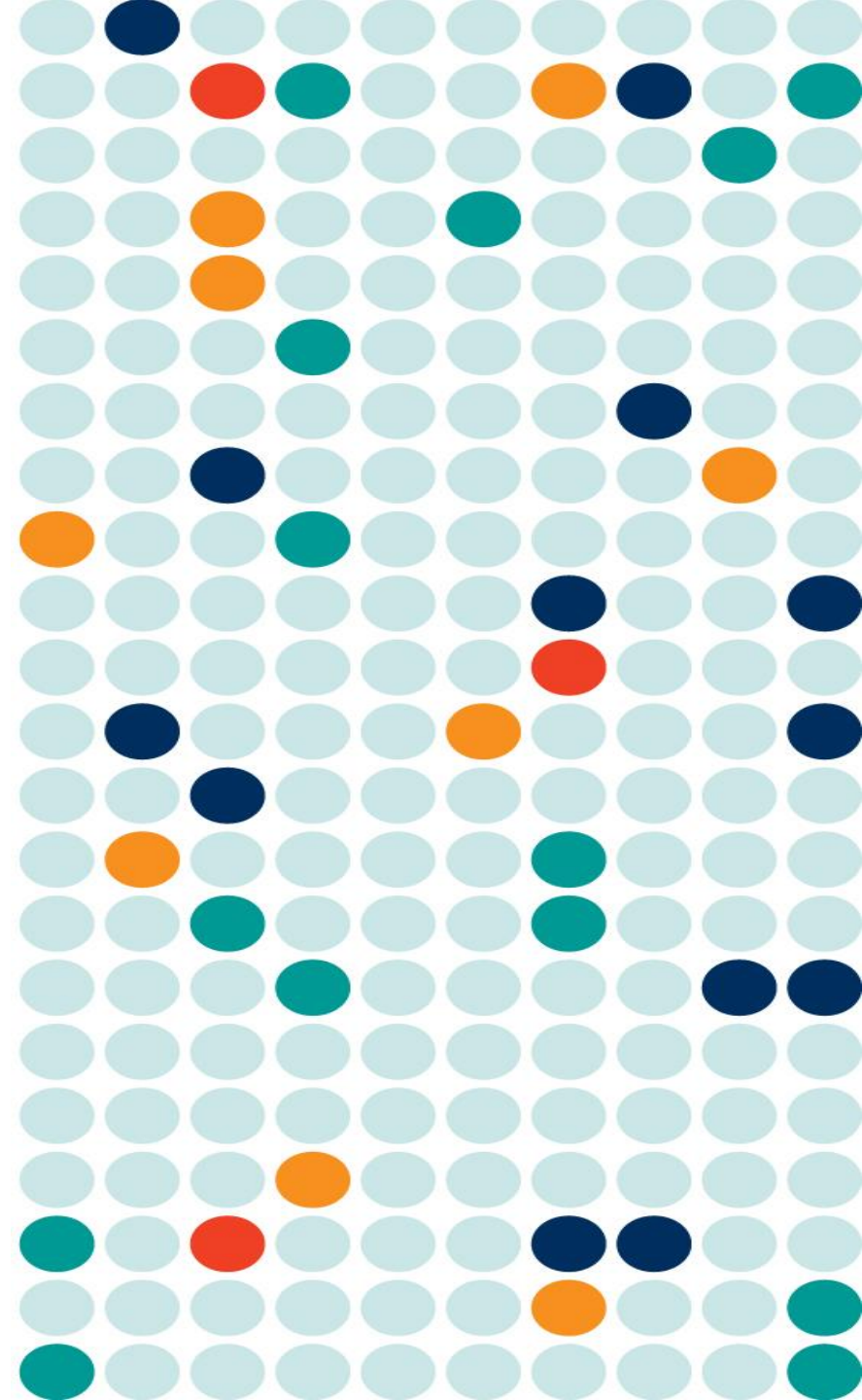
Analysis

- Applying the precedent described earlier, aesthetic functionality is about competition and is a defense for competitors in some contexts. In contrast, ornamentality is purely about what types of uses of a design/pun will give rise to trademark rights (not what uses give rise to infringement).
- The 9th Circuit in LTTB seems to conflate ornamentally and aesthetic functionality. It made the blanket statement that the two were “inherently related.” It then added:

“The registered trademarks may be enforced to the same extent as any other registered marks, under all applicable legal principles. The initial [USPTO] rejection is relevant because it supports the conclusion that, when merely emblazoned across a t-shirt or a tote bag or similar item, the pun is not source-identifying and therefore not infringing.”

Here, the 9th Cir. is essentially holding that LTTB’s trademarks are valid, but the case at hand is not a trademark infringement case because RedBubble uses LTTB’s mark ornamentally.

Nowhere in precedent or any applicable statute does a non-source-identifying use on its face constitute a not infringing use. Source-identification is only relevant in the context of establishing rights in a trademark not establishing an infringing use. An infringing use is established by assessing a likelihood of confusion.



LTTB v. RedBubble

HOLDING

As Professor J. Thomas McCarthy explained:

“The theory of defensive aesthetic functionality is much too blunt a weapon to serve as a device to solve problems that arise when a trademark is used by defendant in an arguably ‘decorative’ sense, such as on T-shirts, baseball caps[,] and other paraphernalia. In such cases the question is the familiar but difficult one of whether there is a likelihood of confusion as to source, sponsorship, affiliation[,] or connection. No notions of ‘defensive aesthetic functionality’ are proper to serve as an escape from facing head-on the question of likelihood of confusion.”



LLTB v. RedBubble

Conclusion

- The decision effectively creates a circumstance where one might be able to get out of an infringement action based on its use of another's trademark, however strong or famous, as long as he or she uses it in a non-source-identifying manner.
- Based on precedent, the proper test would have been to assess the LOC and, in doing so, assess the Aesthetic Functionality defense to see if, and to what extent, the defendant's use on the face of t-shirts, might, by reason of LLTB's existing trademark rights in that name (as acknowledged by the court) give rise to confusion.



LTTB v. RedBubble

Conclusions and Remaining Questions

- Ornamentality: an affirmative defense or only a factor in analysis of the Senior user's prior rights?
- Aesthetic Functionality Test: did the court just establish a rule whereby the AF defense is satisfied on its face if the use of the Defendant is ornamental?
- Does this mean we can all use the Nike swoosh on the face of a t-shirt and bypass infringement because it is ornamental even without establishing or inquiring as to whether it is also aesthetically functional?



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