# Aesthetic Functionality Still has Legs in the Ninth Circuit

March 17, 2012 By Peter Bauman and Robert Freedman

Trademark law does not prohibit a person from copying the "functional" features of a product which constitute the actual benefit that the consumer wishes to purchase, as distinguished from an assurance that a particular entity made, sponsored, or endorsed a product. For example, if a piece of jewelry bears the insignia of an organization, it does not mean that that organization endorses the product or that it is an official item of the organization. The name and emblem are "functional aesthetic components" of the product—not trademarks—so there is no infringement.

Aesthetic functionality means that any product design feature which is an important ingredient in the commercial success of the product is said to be functional, and therefore cannot be afforded trademark protection. Although not debated frequently in the courts, last year the Ninth Circuit created a stir throughout the intellectual property bar and licensing industry by using this doctrine to affirm a district court ruling for the defendant in a trademark infringement in *Fleischer Studios, Inc. v. A.V.E.L.A., Inc*.

The appeal concerned a copyright and trademark infringement action involving the cartoon character Betty Boop for use of that image on merchandise including tee shirts, purses, and other items. The district court ruled that Fleischer held neither a valid copyright nor a valid trademark in the Betty Boop cartoon character and thus lacked standing to sue. The Ninth Circuit stated that the defendant was not using Betty Boop as a trademark, but instead as "a functional product."

As in the example above, the Court reasoned that the name and image were functional aesthetic components of the product: they were not trademarks, and therefore there could be no infringement. Given the aesthetic functionality of the Betty Boop image, and the fact that a ruling in Fleischer's favor would prevent the Betty Boop character from ever entering the public domain, the court, practically speaking, said that Betty Boop was too popular to warrant a trademark.

Curiously, the court cited *International Order of Job's Daughters v. Lindeburg & Co*., 633 F.2d 912 (9th Cir.1980) (trademark infringement action where unlicensed selling happened after expiration of the mark, unlike the facts in Fleischer) rather than more recent precedent; the court stated that Betty Boop was a "prominent feature of each item so as to be visible to others when worn, "and was never "designated. . .as `official' [Fleischer] merchandise or otherwise affirmatively indicated sponsorship." The court found that the plaintiff Fleischer did not show even one situation where a customer was "misled about the origin, sponsorship, or endorsement" of the products. Denoting the source of the merchandise is not enough for a trademark.

Aesthetic functionality stipulates that the feature that is sought to be protected has no customary use, and the Ninth Circuit in this case intimated that unregistered marks may be apt to be more aesthetically functional than a registered trademark.

Rather than look to more recent decisions such as *Au-Tomotive Gold, Inc. v. Volkswagen*, 457 F. 3d 1062 (9th Cir. 2006) and Vuitton v. J. Young Enterprises, 644 F. 2d 769 (9th Cir. 1981), which stated that a feature was not functional by the fact that is was commercially desirable and an indicator of source, the Circuit Court of Appeals in Fleischer watered down the test to hold that a mark is aesthetically functional only if it is the key commercial component in the product's success.

Resurrecting 30-year-old case law, ignoring more recent precedent, and diluting the applicable standard shakes the heads and the confidence of those relying on trademark protection in the Ninth Circuit. Trademark protection of other well-known characters, names, and images may become much more porous if the Court decides to apply its revised test of the aesthetic functionality doctrine in another action.

Indeed, that chance may arise soon, as a case in Oregon District Court in late December 2011 considered an unfair competition claim based on the alleged trademark infringement of a slogan and its aesthetic content. The business attorneys at our firm will watch to see how that case is handled, and how it may affect your business.