

No. 04-

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IN THE  
**Supreme Court of the United States**

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DIPPIN' DOTS, INC.,

*Petitioner,*

v.

FROSTY BITES DISTRIBUTION, LLC

*Respondent.*

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**On Petition for a Writ of Certiorari  
to the United States Court of Appeals  
for the Eleventh Circuit**

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**PETITION FOR A WRIT OF CERTIORARI**

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TODD E. STOCKWELL  
STOCKWELL & ASSOCIATES  
861 Corporate Drive  
Suite 201  
Lexington, Kentucky  
(859) 223-3400

D. SCOTT HEMINGWAY  
STORM & HEMINGWAY  
8117 Preston Road  
Suite 460  
Dallas, Texas  
(214) 292-8301

GREGORY A. CASTANIAS  
*(Counsel Of Record)*  
JONES DAY  
51 Louisiana Avenue, N.W.  
Washington, D.C. 20001  
(202) 879-3939

TODD R. GEREMIA  
JONES DAY  
222 East 41st Street  
New York, New York  
(212) 326-3939  
*Attorneys for Petitioner*

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## QUESTIONS PRESENTED

Section 43(a)(1)(A) of the Lanham Trade-Mark Act, 15 U.S.C. § 1125(a)(1)(A), prohibits the use of “any word, term, name, symbol, or device ... which ... is likely to cause confusion ... as to the origin, sponsorship, or approval of his or her goods.”

The questions presented are:

1. Whether a court may determine as a matter of law that a defendant’s use of an allegedly infringing trademark is not likely to cause consumer confusion when only one factor—similarity of the trademarks at issue—from a multi-factor test for determining likelihood of confusion is deemed to weigh in favor of the accused infringer, and *all* of the other factors, including evidence of actual and intended confusion, weigh in favor of the plaintiff.
2. Whether a product feature—in this case, the specific shades of colors that petitioner uses for ice cream products—may be denied protection as trade dress pursuant to the doctrine of “aesthetic functionality,” a doctrine recognized by only a minority of the courts of appeals and that this Court has mentioned in dicta but never adopted.

**CORPORATE DISCLOSURE STATEMENT**

Petitioner Dippin' Dots, Inc. has no parent corporations, and there are no publicly held companies that hold 10% or more of petitioner's stock.

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## INTRODUCTION

The Court has in recent Terms focused on fundamental questions of trademark law that have divided the circuits. See *TrafFix Devices v. Marketing Displays, Inc.*, 532 U.S. 23, 29 (2001) (a “utility patent is strong evidence that the features therein claimed are functional,” and thus not protectable as a trademark); *Wal-Mart Stores v. Samara Bros., Inc.*, 529 U.S. 205 (2000) (product design trade dress is not protectable unless it acquires distinction as an indicator of source). In these cases, the Court has painstakingly considered the circumstances under which product features are *protectable* as trademarks under federal law. See *id.*; see also *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995) (color is protectable); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 766, 776 (1992) (restaurant motif trade dress may be protectable as “inherently distinctive”). But the Court has not yet had occasion in any of its modern decisions to address the issues that sharply divide the circuits on the next level of inquiry in trademark law: when is a protectable trademark *infringed*? This case presents, in stark terms, a fundamental question of trademark infringement on which the circuits are deeply divided.

The statutory test for infringement in trademark law is whether a defendant’s use of a “word, term, name, symbol, or device” is “likely to cause confusion” with the plaintiff’s use of its trademark. 15 U.S.C. § 1125(a). All circuits use a multi-factor test to answer this “likelihood-of-confusion” inquiry—tests which require courts to evaluate, among other evidence, whether consumers are *actually* confused by defendant’s use of an allegedly infringing mark, and whether the defendant intended to cause confusion. Most of the circuits have held that a single factor in this test—the similarity of the marks at issue—cannot alone be determinative of likelihood of confusion as a matter of law. A minority of circuits have held to the contrary. With its decision in this case, the Eleventh Circuit has now joined the minority of circuits that permit summary disposition of a

trademark infringement claim on the basis of *only* the similarity-of-the-marks factor.

In light of the growing, and “uncommonly large,” number of trademark cases that parties now seek to resolve on motions for judgment as a matter of law, this Court should grant the petition and resolve this split on an issue that has long percolated in the courts of appeal. *See* David J. Kera & Theodore H. Davis, Jr., *United States: The Fifty-Third Year of Administration of the Lanham Trademark Act of 1946*, 91 TRADEMARK REP. 1, 106-07 (2001) (noting that “summary judgment is generally disfavored in trademark cases because of the inherently factual nature of most trademark disputes,” but that more recently “courts [have] rushed to dismiss unfair competition claims as a matter of law, whether appropriately or inappropriately”); *see also* Virginia S. Taylor & Andrea E. Parrish, *Dispositive Motions in Trademark Infringement Cases*, 2002 ALI-ABA PROGRAM MATERIALS, LITIGATING TRADEMARK, TRADE DRESS, AND UNFAIR COMPETITION CASES 113, 120 (Am. Law Inst. 2002) (“Although likelihood of confusion is generally considered a question of fact, which is in dispute in virtually all trademark cases, grants of summary judgment on that issue are affirmed with increasing regularity.”). Indeed, this case is a particularly well-suited vehicle for resolving the split among the circuits. The Eleventh Circuit here held that petitioner could not, as a matter of law, prevail on its trademark infringement claim because the similarity-of-the-marks factor weighed against petitioner, even though the court expressly ruled that *every other factor* in the likelihood-of-confusion analysis weighed in favor of petitioner, including evidence that respondent intended to confuse consumers and that consumers are *actually* confused by respondent’s use of its allegedly infringing “Frosty Bites” logo. The first question presented is thus posed in particularly pristine terms by this case.

This case also squarely presents a second issue that has long divided the circuits and that has become further “clouded and obscured” by dicta in the Court’s recent

decisions. See 1 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 7:80, at 7-202 (4th ed. 2004). This Court's decisions in *TrafFix*, *Samara*, and *Qualitex* all discussed the trademark doctrine of functionality, under which a product feature is not protectable as trade dress if it is "essential to the use or purpose of the article or if it affects the cost or quality of the article." *Qualitex*, 514 U.S. at 165. But the Court has never addressed, except in dicta, the controversial doctrine of "aesthetic functionality," under which a product feature may be deemed unprotectable as trade dress if a court deems it "aesthetically pleasing." *Id.* at 164. Before *Qualitex* and *TrafFix*, nearly all of the circuits had rejected the aesthetic functionality doctrine. In light of "passing references" to the doctrine in those two decisions, however, it is now unclear whether the Court has "put some life in the fading theory of aesthetic functionality." 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-201 (noting that "some are of [this] view"); see also *id.* § 7:81, at 7-212 ("The notion of 'aesthetic functionality' is an unwarranted and illogical expansion of the functionality policy, carrying it far outside the utilitarian rationale that created the policy.").

Indeed, the Eleventh Circuit's own decisions on this issue well illustrate the need for clear guidance. That court had once rejected the doctrine of aesthetic functionality. But, in this case, it has now embraced the doctrine by holding that respondent was entitled to copy the *exact* color scheme of petitioner's ice cream because that color scheme is an "aesthetic functionality." App. 12a n.9. To clarify whether aesthetic functionality is a viable doctrine, and to resolve a split on "one of the most troublesome [issues] in trademark law" that is certain only to deepen in light of the Court's ambiguous dicta in *TrafFix* and *Qualitex*, the Court should also grant the petition on the second question presented. See Mitchell M. Wong, Note, *The Aesthetic Functionality Doctrine and the Law of Trade-Dress Protection*, 83 CORNELL L. REV. 1116, 1118 (1998) ("Questions regarding

functionality became increasingly difficult for courts to resolve as the focus of disputes turned from utilitarian designs to ornamental ones.... The bench has offered no clear response, and consequently, this ‘aesthetic functionality’ problem remains one of the most troublesome issues in trademark law.” (footnote omitted)).

### **OPINIONS BELOW**

The opinion of the Eleventh Circuit is reported at 369 F.3d 1197 and reprinted at App. 2a-18a. The order denying the petition for en banc rehearing is unreported and is reprinted at App. 1a. The district court’s opinion is reported at 249 F. Supp. 2d 1346 (N.D. Ga. 2003), and reprinted at App. 19a-67a.

### **JURISDICTION**

The judgment of the Eleventh Circuit was entered on May 11, 2004. Petitioner timely filed a petition for en banc rehearing, which was denied on July 13, 2004. On September 30, 2004, Justice Kennedy extended the time for filing this petition until November 10, 2004. This Court has jurisdiction under 28 U.S.C. § 1254(1).

### **PERTINENT STATUTORY PROVISIONS**

Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), provides in pertinent part:

(a) Civil Action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) 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 \* \* \*

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

#### STATEMENT OF THE CASE

1. Since 1988, petitioner, Dippin' Dots, Inc., has marketed and sold a "flash-frozen" ice cream product under the federally registered trademark "Dippin' Dots." App. 2a-3a. Dippin' Dots are sold in the form of small spheres or beads, each of which is distinctly colored, from colorful kiosks or stands at shopping malls, amusement parks, and sporting venues. *See id.* at 3a. To identify itself at these locations, petitioner uses a distinctive logo made up of blue, yellow, and pink spheres surrounding the product's registered trademark, "Dippin' Dots," printed in blue letters. *See id.* Petitioner touts its product with the tag line "Ice Cream of the Future." *See id.* 3a.

In the Fall of 1999, several of petitioner's former dealers decided to start a competing ice cream business selling a similar flash-frozen ice cream product. *See* App. 4a. Many of these dealers, while still under contract as dealers for petitioner, began secret preparation for this new business, which would later be conducted under respondent's name, "Frosty Bites." *See id.* Then, on March 16, 2000, eight of petitioner's former dealers terminated their contracts with petitioner and, the very next day, began selling a competing flash-frozen ice cream product from the same kiosks where they had sold petitioner's Dippin' Dots product the day before. *See id.* Overnight, respondent replaced the "Dippin' Dots" logo on the kiosks with its "Frosty Bites" logo. *See id.* And respondent also uses the exact same shades of colors on its ice cream as petitioner does. *See id.*

Respondent's logo consists of the Frosty Bites name against an ice-like background. *See id.* "Frosty Bites" is written in blue letters shadowed in pink, similar to the pastel

colors that feature prominently in petitioner's "Dippin' Dots" logo. *See id.* The "o" in the word "Frosty" is depicted as the torso of a cartoon caricature of a penguin holding a cup of colored beads of ice cream. *See id.* Below the name is a tag line that touts respondent's product as "The Ultimate Ice Cream Sensation!" *See id.*

2. Petitioner brought claims against respondent under Section 43(a) of the Lanham Trade-Mark Act for infringement of (i) petitioner's "Dippin' Dots" logo, and (ii) petitioner's trade dress in the form of its unique, multi-colored, small beads of ice cream. *See App. 4a.* As set out above, Section 43(a) prohibits the use of "any word, term, name, symbol, or device" which is "likely to cause confusion ... as to the origin, sponsorship, or approval of his or her goods ...." 15 U.S.C. § 1125(a)(1)(A).

Respondent moved for summary judgment on both claims, and the district court granted the motion. *See App. 5a.* As to petitioner's claim for infringement of its logo, the district court ruled that the parties' respective logos are "so dissimilar" that petitioner could not, as a matter of law, show a "likelihood of confusion" between the two logos. *Id.* at 58a. The district court did not discuss or analyze any of the other six factors in the Eleventh Circuit's prescribed test for determining likelihood of confusion in a trademark infringement action. *See id.* at 58a-59a.

On petitioner's trade dress infringement claim, the district court held that petitioner's asserted trade dress was not protectable because it is functional. *See id.* at 52a. The court invoked what it considered two separate tests for determining functionality as set out in this Court's decision in *TrafFix Devices v. Marketing Displays, Inc.*, 532 U.S. 23, 32 (2001). *See App. 53a-55a.* First, a product feature is functional, and therefore not protectable as trade dress, if it is "essential to the use or purpose of the article or if it affects the cost or quality of the article." *TrafFix*, 532 U.S. at 32 (internal quotation marks omitted). Second, a product

feature is functional if its exclusive use would “put competitors at a significant non-reputation-related disadvantage.” *Id.* (internal quotation marks omitted).

The district court determined that, under either of these formulations of the test for functionality, the color of petitioner’s ice cream is functional because it serves to identify flavor. *See* App. 53a, 55a. The court did not, however, address whether as a matter of law it could be deemed “essential” for respondent to use the precise same color shades that petitioner uses on its ice cream product, nor did it address whether respondent would be put to a “significant non-reputation-related disadvantage” if it were not permitted to use these exact same shades to color its ice cream.

The district court also separately determined that, under *TrafFix*, the size of the beads in petitioner’s ice cream product was not entitled to trade dress protection because it was functional in that the small size of the beads facilitates service, affects the packaging, and affects the quality and taste of the ice cream. *See* App. 54a-55a.

3. On appeal, the Eleventh Circuit affirmed the district court’s judgment. *See* App. 2a. The court of appeals acknowledged, however, that respondent’s “usurpation of [petitioner’s] business may have been immoral or unethical.” *Id.* at 18a. And the court also ruled that, among other facts which weigh in favor of petitioner, petitioner’s logo was strong, the parties’ products and retail outlets are identical, and it was “unnecessary” for respondent to copy the precise color shades that petitioner uses for its ice cream. *See id.* at 12a, 16a & nn.7, 12. The Eleventh Circuit nevertheless believed that the Lanham Act compelled judgment as a matter of law for respondent.

In particular, on petitioner’s claim for infringement of its “Dippin’ Dots” logo, the court of appeals ruled that the district court erred by considering only the similarity of the parties’ logos to hold that there was no likelihood of

confusion as a matter of law. *See id.* at 15a. According to the Eleventh Circuit, however, the district court’s likelihood-of-confusion determination was not erroneous even though, as the Eleventh Circuit expressly noted, *all* of the other factors in the Eleventh Circuit’s test for likelihood of confusion favored petitioner, including evidence that respondent intended to confuse consumers and evidence that consumers were actually confused by respondent’s use of its “Frosty Bites” logo. *See id.* at 16a & n.12.

Respondent had, for instance, made an overnight change to what had been Dippin’ Dots kiosks to sell its identically colored Frosty Bites product from these same kiosks. *See* App. 4a. And respondent’s own dealers even acknowledged under oath that there were instances of *actual* consumer confusion—a factor that is, for obvious reasons, considered weighty in determining whether there is a likelihood of consumer confusion. One of respondent’s dealers flatly admitted that consumers would approach Frosty Bites stands and ask, “[I]s this Dippin’ Dots[?]” (Plaintiff’s Resp. to Defs’. Motion for Summ. J. on Plaintiff’s Trade Dress Infringement Claim, Ex. F) And another testified, “Oh yeah. We get a lot of people that ask if it is Dippin’ Dots ....” (*Id.* Ex. G)

The Eleventh Circuit acknowledged that other circuits—in its view, the Third and the Ninth—permit a court to consider only the similarity of the marks when determining whether there is a likelihood of consumer confusion. *See* App. 16a n.13. The Eleventh Circuit professed not to adopt this rule, however, in light of its own precedent holding that the “extent to which two marks are confusingly similar cannot be assessed without considering all seven [likelihood-of-confusion] factors to ensure that the determination is made in light of the totality of the circumstances.” *Id.* at 15a (quoting *Wesco Mfg. v. Tropical Attractions of Palm Beach*, 833 F.2d 1484, 1488-89 (11th Cir. 1987)). Nevertheless, according to the Eleventh Circuit in this case, “our present seven-factor balancing test allows us to reach the same conclusion [as the

Third and Ninth Circuits] when the logos of directly competing goods are overwhelmingly dissimilar.” *Id.* at 16a n.13. In other words, in the Eleventh Circuit a court may determine (and it did here) that there is no likelihood of confusion as a matter of law based *solely* on the similarity-of-the-marks factor, even if all of the other factors weigh in favor of the plaintiff.

On petitioner’s trade dress infringement claim, the Eleventh Circuit agreed with the district court’s ruling that the shape, size, and color of petitioner’s ice cream product are functional features. *See* App. 8a-15a. As to the color of petitioner’s product, the court of appeals held that “[t]he color [of petitioner’s ice cream] is functional because it indicates the flavor of the ice cream.” *Id.* at 8a-9a. The Eleventh Circuit also addressed, however, whether respondent is entitled to copy the “identical Pantone® colors” of petitioner’s ice cream, that is, the exact same shades that petitioner uses for its ice cream. *Id.* at 12a n.9. The court acknowledged that “such exact copying is unnecessary” for respondent to compete. *Id.* Nevertheless, according to the Eleventh Circuit, the exact shades of color that petitioner uses on its ice cream can be deemed functional—and thus not protectable as trade dress—under the doctrine of “aesthetic functionality.” *Id.*

As set forth in more detail below, under the controversial doctrine of aesthetic functionality—which the Eleventh Circuit embraced for the first time in this case and a majority of the courts of appeals have rejected—a product feature that does not serve a useful function or otherwise affect the cost or quality of an article (such as the specific shades of Pantone® colors that petitioner uses for its ice cream) may nevertheless be deemed functional if that feature is deemed “aesthetically pleasing.” *See Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995) (noting the doctrine in dicta, but not addressing whether it is viable).

4. Dippin' Dots petitioned the Eleventh Circuit for en banc rehearing. Petitioner argued, among other things, that the panel decision erroneously held, contrary to Eleventh Circuit precedent but in accord with two other circuits, that judgment as a matter of law is warranted in a trademark infringement case on the basis of *only* a court's visual comparison of the marks at issue. Petitioner also argued that the Eleventh Circuit erred by making an inappropriate and unwarranted finding of fact that the parties' competing logos are "so dissimilar" and that the court applied an erroneous standard for determining the functionality of petitioner's trade dress. The Eleventh Circuit denied the petition for en banc rehearing without an opinion on July 13, 2004, and this petition followed.

#### **REASONS FOR GRANTING THE PETITION**

##### **I. THE ELEVENTH CIRCUIT, IN CONFLICT WITH OTHER CIRCUITS, DECIDED LIKELIHOOD OF CONFUSION AS A MATTER OF LAW SOLELY ON A COMPARISON OF THE MARKS**

The statutory test for trademark infringement is whether the allegedly infringing mark is "likely to cause confusion" as to the source or sponsorship of the goods to which the mark is affixed. *See* 15 U.S.C. § 1125(a)(1)(A). Every circuit, including the Eleventh Circuit, has set out a multi-factor test used to answer the statutory question of likelihood of confusion. The Eleventh Circuit's list of factors is typical and is as follows:

In determining whether a likelihood of confusion exists, the fact finder evaluates a number of elements including [the following seven factors]: the strength of the trade dress, the similarity of design, the similarity of the product, the similarity of retail outlets and purchasers, the similarity of advertising media used, the defendant's intent, and actual confusion.

*AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1538 (11th Cir. 1986) (footnote omitted).

Although there is general agreement among the circuits as to the factors used to determine the issue of likelihood of confusion in trademark infringement cases,<sup>1</sup> the circuits are split on whether a court may rely solely on one factor—the similarity of the trademarks at issue—to determine that there is no likelihood of confusion as a matter of law. *See generally* Jerome Gilson & Anne Gilson LaLonde, *The Lanham Act: Time for a Face-lift?*, 92 Trademark Rep. 1013, 1019 (2002) (“[T]he circuits are split on whether all factors must be considered in each case.”).

1. As set out below, most circuits reject the notion that this single factor may be deemed dispositive of the likelihood-of-confusion inquiry. With its decision in this case, however, the Eleventh Circuit has now joined a minority of circuits holding that the likelihood-of-confusion element of a trademark infringement claim can be resolved, as a matter of law, *solely* on the basis of a visual comparison of the marks at issue. The Eleventh Circuit initially cited its own precedent for the proposition that it is error to “consider[] only the similarity of designs rather than all seven factors” in determining whether there is a likelihood of consumer confusion. App. 15a. But the court went on to rule that there was not, as a matter of law, a likelihood of confusion between the marks at issue on the sole basis of its

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<sup>1</sup> *See, e.g.,* *Beacon Mutual Ins. Co. v. OneBeacon Ins. Group*, 376 F.3d 8, 15 (1st Cir. 2004) (“[e]ight factors ... are typically used to assess the likelihood of confusion”: similarity of the marks, similarity of the goods, parties’ channels of trade, parties’ advertising, classes of purchasers, actual confusion, defendant’s intent, and strength of plaintiff’s mark); *Patsy’s Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 217-18 (2d Cir. 2003) (seven factors where parties’ products are in direct competition: strength of plaintiff’s mark, similarity of the marks, proximity of the products, actual confusion, defendant’s good faith, quality of the products, and consumer sophistication); *Gateway, Inc. v. Companion Prods., Inc.*, 384 F.3d 503, 509 (8th Cir. 2004) (six factors: strength of plaintiff’s mark, similarity of the marks, proximity of products, defendant’s intent, actual confusion, and level of purchaser care).

own visual comparison of the marks. Indeed, the court expressly ruled that *all* six of the remaining likelihood-of-confusion factors favored petitioner, including evidence that respondent *intended* to confuse consumers by selling its flash-frozen ice cream product under a logo that respondent affixed to the very same kiosks where petitioner had sold its Dippin' Dots flash-frozen ice cream. Indeed, the court of appeals even pointed to evidence that consumers were not just “likely” to be confused by this conduct, but were *actually* confused by respondent’s use of its “Frosty Bites” logo. App. 16a n.12.

The Second, Third, and Federal Circuits are in accord with the Eleventh in holding that the similarity-of-the-marks factor, standing alone, can dispose of the question of likelihood of confusion as a matter of law. The Second Circuit has held that the “similarity-of-the-marks” factor can be dispositive of the likelihood-of-confusion inquiry and that analysis of this factor alone can warrant summary judgment for a defendant. *Nabisco, Inc. v. Warner-Lambert Co.*, 220 F.3d 43, 46 (2d Cir. 2000). Likewise, the Third Circuit—in a decision on which respondent relied below—has held that, “[i]f products are directly competing, and the marks are clearly very similar, a district judge should feel free to consider only the similarity of the marks themselves.” *A & H Sportswear v. Victoria’s Secret Stores*, 237 F.3d 198, 214 (3d Cir. 2000). In the Federal Circuit as well, the similarity-of-the-marks factor can be dispositive of likelihood of confusion as a matter of law. *See Kellogg Co. v. Pack’em Enters.*, 951 F.2d 330, 332 (Fed. Cir. 1991) (upholding ruling by the Trademark Trial and Appeal Board that “[t]he similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression” was dispositive of the issue and warranted summary judgment in favor of applicant for federal trademark registration).

While the Ninth Circuit has no binding precedent on this issue, in an unpublished disposition it has affirmed summary

judgment for a defendant in a trademark infringement case on the basis of its ruling that “[t]he most important factor in this case—similarity of the marks—clearly weighs in” defendant’s favor. *See Karoun Dairies Inc. v. Los Altos Food Prods.*, 107 Fed. Appx. 785, 787-88 (9th Cir. 2004) (unpublished disposition; affirming summary judgment for defendant principally on the basis of the similarity-of-the-marks factor); *see also Brookfield Communications v. West Coast Entm’t Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (stating in dicta that “[w]here the two marks are entirely dissimilar, there [can be] no likelihood of confusion” and ruling that similarity of “MovieBuff” and “moviebuff.com” weighed in favor, but was not dispositive, of finding likelihood of confusion).

2. By contrast to the Second, Third, and Federal Circuits, nearly all of the other circuits do not allow the similarity-of-the-marks factor to be dispositive of likelihood of confusion on a motion for judgment as a matter of law. The circuits in the majority reason, correctly, that the test is not whether consumers are likely to confuse the parties’ *marks*, considered in isolation, but whether the defendant’s *use* of its mark in the marketplace is likely to cause consumers to confuse defendant’s goods with plaintiff’s. For this reason, it is improper, on the majority view, to rely solely on a visual comparison of the parties’ marks. The Tenth Circuit has cogently articulated the rationale:

[T]he district court’s resolution of the infringement claim [against plaintiff on a motion for a directed verdict] was improperly based on a side-by-side package comparison, although the parties presented evidence of other relevant factors ... [T]he court erroneously equated likelihood of confusion with similarity. Similarity must be considered along with the other factors set out ... to determine whether, under all the circumstances of the marketplace, confusion is likely.

*Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 941-42 (10th Cir. 1983) (emphasis added; citation omitted). One prominent commentator echoes the Tenth Circuit’s reasoning: “A court should not indulge in a prolonged and minute comparison of the conflicting marks in the peace and quiet of judicial chambers .... [T]he fundamental issue is whether the ordinary person in the marketplace is likely to be confused, whether the decision-maker personally agrees or not.” 3 MCCARTHY ON TRADEMARKS § 23:58, at 23-174.1, 23-175 (emphasis added; footnote omitted).

The First, Fourth, Fifth, Sixth, Seventh, and Eighth Circuits all adhere to the majority view as expressed by the Tenth Circuit.<sup>2</sup> Indeed, before it issued its decision in this

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<sup>2</sup> See *IAM v. Winship Green Nursing Ctr.*, 103 F.3d 196, 201 (1st Cir. 1996) (“No one listed factor is determinative, and any other factor that has a tendency to influence the impression conveyed to prospective purchasers by the allegedly infringing conduct may be weighed by the judge or jury in gauging the likelihood of confusion.”); *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 127 (4th Cir. 1990) (stating that “no one factor is dispositive of the ‘likelihood of confusion’ inquiry,” although acknowledging that sophistication of purchasers may, in certain circumstances, preclude a finding of likelihood of confusion); *Elvis Presley Enters. v. Capece*, 141 F.3d 188, 194 (5th Cir. 1998) (listing likelihood-of-confusion factors and then stating that “[n]o one factor is dispositive, and a finding of a likelihood of confusion does not even require a positive finding on a majority of these digits of confusion”) (internal quotation marks omitted); *Sun-Fun Prods. v. Sontan Research & Dev’t*, 656 F.2d 186, 189 (5th Cir. Unit B 1981) (reversing judgment as a matter of law for defendant in trade dress case because “[t]he district court’s directed verdict was based upon only one of these [likelihood-of-confusion] factors, similarity of design”); *Gray v. Meijer, Inc.*, 295 F.3d 641, 646 (6th Cir. 2002) (affirming grant of summary judgment against defendant in a trademark infringement case and noting that “[n]one of these [likelihood-of-confusion] factors is dispositive of a plaintiff’s case” on a motion for summary judgment); *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 296 (7th Cir. 1998) (reversing summary judgment for defendant; holding that “[w]hen considering whether there is a likelihood of confusion, none of these factors considered alone is dispositive” and “[w]hen making its inquiry, the court must compare the

case, the Eleventh Circuit had adhered to the rule that the “extent to which two marks are confusingly similar *cannot be assessed without considering all seven [likelihood of confusion] factors* to ensure that the determination is made in light of the totality of the circumstances.” *Wesco Mfg. v. Tropical Attractions of Palm Beach*, 833 F.2d 1484, 1488 (11th Cir. 1987) (emphasis added). Now, contrary to a majority of the courts of appeals, the Eleventh Circuit has held that a court may dispose of a trademark infringement claim as a matter of law on the sole basis of a visual comparison of the marks at issue.

3. The Eleventh Circuit’s decision is wrong and contrary to the plain statutory text of Section 43(a) of the Lanham Act. As the Tenth Circuit aptly explained, Congress proscribed the use of a mark that is “likely to cause confusion” as to the source or sponsorship of a defendant’s goods; it did not proscribe the use of a mark that is merely visually similar to a plaintiff’s mark. *See Beer Nuts*, 711 F.2d at 941-42. But under the Eleventh Circuit’s rule a mark may be deemed non-infringing as a matter of law based solely on a visual inspection of the mark itself. This approach strays far from the statutory language and wrongly ignores *any* factors other than similarity of the marks, including actual consumer confusion and the defendant’s intent to cause that confusion—both of which the Eleventh Circuit concluded were in the record here. Those latter factors are much more closely tied to the statutory language of Section 43(a), which prohibits the use of marks that are “likely to cause confusion,” yet these factors were deemed

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trade dresses in light of what happens in the marketplace, not merely by looking at the two . . . side-by-side”) (internal quotation marks omitted); *Insty\*Bit, Inc. v. Poly-Tech Indus., Inc.*, 95 F.3d 663, 670 (8th Cir. 1996) (reversing summary judgment for the defendant; “the district court erred in placing primary, if not exclusive, weight on its visual examination of the packaging of the [parties’] products”).

totally irrelevant by the Eleventh Circuit’s strict-visual-comparison approach here.

Because virtually every circuit has now weighed in on this important issue, the split is both deep and mature, and there is thus no need to allow the issue to percolate further in the lower courts. Moreover, this case is a particularly well-suited vehicle to address the circuit split. The Eleventh Circuit expressly ruled in this case that the similarity-of-the-marks factor—the sole factor that favored respondent in this case—may dispose of a trademark infringement claim as a matter of law, even though the court also expressly determined that every other likelihood-of-confusion factor, including evidence of *actual* consumer confusion, weighed in petitioner’s favor. As set out above (at p. 8), respondent’s own dealers have conceded, for example, that numerous consumers have *actually* been confused as to whether respondent marketed petitioner’s Dippin’ Dots product under the “Frosty Bites” logo.

Nearly all Circuits recognize that this proof of actual consumer confusion is the “best,”<sup>3</sup> “most persuasive,”<sup>4</sup> or “paramount”<sup>5</sup> evidence of a likelihood of confusion. *See*

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<sup>3</sup> *Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252, 263 (5th Cir. 1980) (evidence of actual confusion is the “best evidence” of likelihood of confusion); *Tools USA & Equip. Co. v. Champ Frame Straightening Equip.*, 87 F.3d 654, 660 (4th Cir. 1996) (“[E]vidence of actual customer confusion is patently the best evidence of likelihood of confusion.”) (internal quotation marks omitted); *see also Frisch’s Rest., Inc. v. Shoney’s Inc.*, 759 F.2d 1261, 1267 (6th Cir. 1985) (evidence of actual confusion is “obviously the most probative proof”).

<sup>4</sup> *Oreck Corp. v. U.S. Floor Sys.*, 803 F.2d 166, 173 (5th Cir. 1986); *see also Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 259 (2d Cir. 1987) (there is “no more positive or substantial proof” of likelihood of confusion than evidence of actual confusion).

<sup>5</sup> *See Lyons P’ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 804 (4th Cir. 2001) (actual confusion “is often paramount” in an infringement analysis); *Lone Star Steakhouse & Saloon v. Alpha of Va.*, 43 F.3d 922,

also *World Carpets, Inc. v. Dick Littrell's New World Carpets*, 438 F.2d 482, 489 (5th Cir. 1971) (“There can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion.”). For this reason, evidence of *actual* confusion is, in most circuits, sufficient to establish a triable issue as to *likelihood* of confusion.<sup>6</sup> The Ninth Circuit has aptly explained why:

Evidence of actual confusion constitutes persuasive proof that future confusion is likely. This rule makes good sense. If enough people have been *actually* confused, then a *likelihood* that people are confused is established.

This is not to say that evidence of actual confusion will always compel a jury to find likelihood of confusion. . . . But if a party produces evidence from which a reasonable jury could surmise that an *appreciable* number of people are confused about the source of the product, then it is entitled to a trial on the likelihood of confusion—although it will not necessarily prevail at that trial.

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937 (4th Cir. 1995) (evidence of actual confusion is the “most compelling”).

<sup>6</sup> Not all circuits agree. The Eighth Circuit has ruled that evidence of actual confusion is *not* sufficient to create a triable issue of likelihood of confusion:

Though evidence of actual confusion may be the best evidence of likelihood of confusion, it is not conclusive of its existence. Therefore, a court may find such evidence insufficient to establish the existence of a genuine issue of material fact regarding likelihood of confusion.

*Woodsmith Publ'g Co. v. Meredith Corp.*, 904 F.2d 1244, 1249 (8th Cir. 1990) (citation omitted). This petition thus also presents an opportunity for the Court to resolve the split in the circuits on how to treat evidence of actual confusion on a motion for judgment as a matter of law.

*Thane Int'l v. Trek Bicycle Corp.*, 305 F.3d 894, 902 (9th Cir. 2002) (emphasis in original); *see also* *Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 597 (5th Cir. 1985) (holding that “evidence of actual confusion [is] the best evidence of likelihood of confusion” and that “very little proof of actual confusion would be necessary to prove the likelihood of confusion”); *Daddy’s Junky Music Stores v. Big Daddy’s Family Music Ctr.*, 109 F.3d 275, 284 (6th Cir. 1997) (“Bearing in mind that a successful Lanham Act plaintiff only must show a sufficient *potential* of confusion, not actual confusion, the fact that some confusion already has occurred favors plaintiff at least to some extent.” (emphasis in original)); *Thomas & Betts*, 138 F.3d at 297 (reversing summary judgment for defendant; “evidence of actual confusion, where it exists, is entitled to substantial weight”).

Similarly, as with actual confusion, courts have long recognized that a defendant’s intent to confuse is “a critical factor, since if the mark was adopted with the intent of deriving benefit from the reputation of [the plaintiff] that fact alone ‘may be sufficient to justify the inference that there is confusing similarity.’” *Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252, 263 (5th Cir. 1980) (quoting RESTATEMENT OF TORTS § 729 cmt. f (1938)); *see also* *American Chicle Co. v. Topps Chewing Gum*, 208 F.2d 560, 562-63 (2d Cir. 1953) (L. Hand, J.) (explaining that a court “need no more” than evidence that a defendant intended to confuse consumers, “for he at any rate thinks that any differentia he adds will not, or at least may not, prevent the diversion and we are content to accept his forecast that he is ‘likely’ to succeed”). In this case, the Eleventh Circuit expressly noted evidence that respondent had a bad-faith intent to confuse consumers. *See* App. 16a & n.12. In particular, respondent made an overnight change to kiosks where petitioner had sold Dippin’ Dots, simply affixed its “Frosty Bites” logo to these kiosks, and then sold from these very same kiosks a flash-frozen ice cream that was colored identically to petitioner’s flash-

frozen ice cream. It is hardly surprising, in light of this bad-faith conduct, that respondent “get[s] a lot of people” that ask, “[I]s this Dippin’ Dots[?]” (Plaintiff’s Resp. to Defs’. Motion for Summ. J. on Plaintiff’s Trade Dress Infringement Claim, Exs. F, G)

The Eleventh Circuit has now made clear, however, that under its blunt rule—the same rule adopted by the Second, Third, and Federal Circuits—a court may grant judgment as a matter of law to a defendant even in the face of both actual confusion (which has, for good reason, been deemed the “best” evidence of likelihood of confusion) and evidence that the defendant intended to confuse consumers (which, likewise, has aptly been viewed as a “critical factor” in the likelihood-of-confusion analysis). This case thus starkly illustrates the contours and consequences of the Eleventh Circuit’s rule that the similarity-of-the-marks factor, standing alone, can be dispositive of likelihood of confusion as a matter of law. The Court should grant the petition to resolve the circuit split on this issue and provide uniformity to this fundamental area of trademark law.

## **II. THE COURT SHOULD RESOLVE WHETHER THE DOCTRINE OF AESTHETIC FUNCTIONALITY IS VIABLE**

There is a second reason why the Court should grant the petition in this case. The Eleventh Circuit ruled that respondent was permitted to copy the exact shades of colors that petitioner uses on its flash-frozen ice cream product because petitioner’s use of these particular shades is an “aesthetic functionality.” App. 12a n.9. While a majority of the courts of appeals has flatly rejected this controversial doctrine, this Court has recently suggested, in what one prominent commentator has called “confusing dictum,” that aesthetic functionality may be a viable doctrine. *See* 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-202 (discussing opinion for the Court in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001)). This Court should grant

the petition in this case to clarify this dictum and resolve whether aesthetic functionality is a viable doctrine.

“[T]rade dress protection may not be claimed for product features that are functional.” *TrafFix*, 532 U.S. at 29. As this Court has stated, the traditional role of the functionality doctrine is to “prevent[] 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.” *Qualitex Co.*, 514 U.S. at 164. In the traditional, utilitarian sense of functionality, a product feature is deemed functional, and thus is not protectable as a trademark, “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” *Id.* at 165 (internal quotation marks omitted).

Under the controversial doctrine of “aesthetic functionality,” however, a product feature can also be deemed functional if it is deemed “aesthetically pleasing.” *Qualitex*, 514 U.S. at 169. The test for determining whether a feature is functional under this doctrine, although variously stated, was set out in a leading Ninth Circuit case as whether the product feature “is an important ingredient in the commercial success of the product.” *See Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952); *see also* 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-203 (calling the Ninth Circuit’s *Pagliero* definition the “classic ... definition of aesthetic functionality”).

This Court has “never directly addressed aesthetic functionality as a dispositive issue in a case.” 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-201. In *Qualitex*, the Court held that “no special legal rule prevents color alone from serving as a trademark.” 514 U.S. at 161. The Court did not rule on whether aesthetic functionality is a viable doctrine. But, in the course of addressing the so-called “color-depletion” theory—that is, the argument that color alone should not serve as a trademark because “colors are in limited supply,” *id.* at 168—the Court invoked the doctrine

of functionality as a safeguard against depleting the supply of available colors. As part of this discussion, the Court quoted the definition of aesthetic functionality from the RESTATEMENT (THIRD) OF UNFAIR COMPETITION and noted that color might serve a “nontrademark function” where it is used to “creat[e] esthetically pleasing designs.” 514 U.S. at 170. In a later decision, *Wal-Mart Stores v. Samara Bros., Inc.*, 529 U.S. 205 (2000) (holding that product design may not be asserted as trade dress unless it has acquired “secondary meaning”), the Court picked up on its dicta from *Qualitex* (and acknowledged it as such) when it noted that “establish[ing] the nonfunctionality of [a] design feature” is “a showing that *may* involve consideration of its esthetic appeal.” 529 U.S. at 214 (emphasis added).

Then, in Professor McCarthy’s studied view, the Court’s opinion in *TrafFix* “only further clouded and obscured the issue of whether aesthetic functionality is in fact to be given any weight.” 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-202. *TrafFix* resolved a circuit split over whether a product feature claimed in a utility patent is protectable as trade dress. The Court held that “[a] utility patent is strong evidence that the features therein claimed are functional.” 532 U.S. at 29. And, in dicta, the Court discussed how the doctrine of functionality might have applied “if there ha[d] been no previous utility patent” covering the product feature in question—an issue not before the Court because a utility patent did in fact cover the feature in question. As part of this dicta, however, the Court characterized *Qualitex* to stand for the proposition that “[i]t is proper to inquire into a ‘significant non-reputation-related disadvantage’ in cases of esthetic functionality.” *Id.* at 33. But *TrafFix* never addressed, nor did *Qualitex*, whether the doctrine of aesthetic functionality should be recognized.

The Eleventh Circuit has nevertheless seized on the Court’s dicta in *TrafFix*. Invoking *TrafFix* as support, the court ruled in this case that the exact color shades petitioner uses for its ice cream is an “aesthetic functionality” and that

if petitioner's competitors were precluded from using these precise shades they would be put at a "significant non-reputation-related disadvantage" under the formulation set out in this Court's *Qualitex* decision. App. 8a-9a n.7. This case thus squarely presents the issue of whether the aesthetic functionality doctrine is viable. Regardless of whether, as a general matter, the "color of ice cream is indicative of flavor," as the Eleventh Circuit ruled (App. 11a-12a), the only basis for its ruling that the *exact* shades petitioner uses on its ice cream products are functional was that these exact shades are aesthetically pleasing. Accordingly, the issue of whether aesthetic functionality is a viable doctrine is now ripe for resolution by this Court.

This issue is especially worthy of this Court's review because, while this Court has given "cryptic[]" indications that aesthetic functionality is a viable doctrine, 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-202, the court of appeals are widely split in a manner that defies easy categorization. *See generally* Melissa R. Gleiberman, Note, *From Fast Cars to Fast Food: Overbroad Protection of Product Trade Dress Under Section 43(a) of the Lanham Act*, 45 Stan. L. Rev. 2037, 2046-47 (1993) ("[I]t is unclear what remains of aesthetic functionality. Standards vary among the circuits, and even individual opinions often contain conflicting language.").

The Second Circuit has rejected the traditional view that the doctrine of aesthetic functionality denies trade dress protection to any feature that is "an important ingredient in the commercial success" of the product. *Wallace Int'l Silversmiths v. Godinger Silver Art Co.*, 916 F.2d 76, 79 n.1 (2d Cir. 1990) (calling this formulation, derived from the Ninth Circuit's *Pagliari* decision, "widely criticized"). The Second Circuit has not rejected the doctrine outright, however. Rather, in the Second Circuit's view, a feature is aesthetically functional where it is an "ornamental feature" that, if protected as a trademark, "would significantly hinder competition by limiting the range of adequate alternative

designs.” *Id.* at 81. To demonstrate the degree of variation on this issue, if the Second Circuit’s standard for aesthetic functionality were applied here, petitioner’s color scheme would not be deemed functional, because there are of course numerous alternative shades that respondent can use for its ice cream.

The Third and Fifth Circuits have expressly rejected the doctrine of aesthetic functionality. *See American Greetings Corp. v. Dan-Dee Imports*, 807 F.2d 1136, 1142 (3d Cir. 1986) (ruling that a feature must “have a significant relation to the utilitarian function of the product before it [can] be declared functional”); *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 540 n.6 (5th Cir. 1998) (“This circuit has rejected the doctrine of aesthetic functionality.”).

The Sixth Circuit at first rejected, *see Ferrari S.p.A. Esercizio Fabriche Automobili E Corse v. Roberts*, 944 F.2d 1235, 1247 (6th Cir. 1991) (“[A]esthetic functionality will not preclude a finding of nonfunctionality where the design also indicates source.”), but, in light of the dicta in *TrafFix* now appears to have embraced, aesthetic functionality. *See Abercrombie & Fitch Stores v. American Eagle Outfitters*, 280 F.3d 619, 641 (6th Cir. 2002) (holding that asserted trade dress in a style of clothing was unprotectable as aesthetically functional). Similarly, the Seventh Circuit appears to have at first rejected the doctrine of aesthetic functionality, *see W.T. Rogers Co. v. Keene*, 778 F.2d 334, 343 (7th Cir. 1985) (“[T]he fact that a design feature is attractive does not . . . preclude its being trademarked.”), but later embraced the theory in holding that a district court erred by ignoring the “pleasing aspect” of a product design in considering whether it was “aesthetically functional.” *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1191 (7th Cir. 1989) (holding that “[i]t was an error of law for the district court to ignore the ‘pleasing’ aspect in determining the functionality of the overall design”). More recently, the Seventh Circuit has noted that aesthetic functionality is not an objectionable doctrine “in principle,”

but that “the critics who argue that in application the concept is mischievously vague certainly have a point.” *Publications Int’l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 339 (7th Cir. 1998) (Posner, C.J.).

As noted, the doctrine of aesthetic functionality traces its roots to the Ninth Circuit’s decision in *Pagliari*. The Ninth Circuit has more recently (and confusingly) held, however, that, “Nor has this circuit adopted the ‘aesthetic functionality’ theory, that is, the notion that a purely aesthetic feature can be functional.” *Clicks Billiards Inc. v. Sixshooters Inc.*, 251 F.3d 1252, 1260 (9th Cir. 2001) (“[T]rade dress cannot be both ‘functional and purely aesthetic.’ Such a formulation is internally inconsistent and at odds with the commonly accepted view that functionality denotes utility.”).

The Tenth Circuit has indicated, in dicta, that it might adopt the doctrine of aesthetic functionality: “Because a function of certain products is aesthetic appeal, a feature intrinsic to the aesthetic appeal of those products may not be entitled to trademark protection.” *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 519 (10th Cir. 1987). But it has never actually applied the doctrine.

The Eleventh Circuit had previously held that a jury instruction which stated that a feature is functional if it “appeals to the consumer and *affects* his or her choice” was “overly broad,” and thus appeared to have rejected the doctrine of aesthetic functionality. *See John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 983 n.27 (11th Cir. 1983) (emphasis in original). In this case, however, the Eleventh Circuit has now embraced the doctrine, holding that the precise colors of petitioner’s ice cream product are not protectable as trade dress because they serve “aesthetic functions.” App. 8a, 12a nn.7, 9.

Finally, the Federal Circuit has rejected the doctrine of aesthetic functionality by reaffirming a Court of Custom and Patent Appeals decision that rejected the doctrine. *See*

*Brunswick Corp. v. British Seagull*, 35 F.3d 1527, 1532 (Fed. Cir. 1994) (noting that in *In re DC Comics*, 689 F.2d 1043 (C.C.P.A. 1982), the Court of Customs and Patent Appeals “specifically rejected the notion that purely aesthetic features can in themselves confer utilitarian functionality on a proposed mark”).

\* \* \*

As the above discussion demonstrates, the federal circuits are sharply divided over whether to recognize the doctrine of aesthetic functionality and, if so, how to formulate the doctrine. The Eleventh Circuit’s decision in this case only deepens the existing circuit split. Because this Court’s own decisions do not provide clear guidance on this frequently recurring issue—an issue on which turns the protectability of petitioner’s color scheme for its Dippin’ Dots ice cream—the Court should grant the petition and decide whether the doctrine of aesthetic functionality is viable.

**CONCLUSION**

The petition for a writ of certiorari should be granted.

Respectfully submitted,

TODD E. STOCKWELL  
STOCKWELL & ASSOCIATES  
861 Corporate Drive  
Suite 201  
Lexington, Kentucky  
(859) 223-3400

D. SCOTT HEMINGWAY  
STORM & HEMINGWAY  
8117 Preston Road  
Suite 460  
Dallas, Texas  
(214) 292-8301

GREGORY A. CASTANIAS  
*(Counsel Of Record)*  
JONES DAY  
51 Louisiana Avenue, N.W.  
Washington, D.C. 20001  
(202) 879-3939

TODD R. GEREMIA  
JONES DAY  
222 East 41st Street  
New York, New York  
(212) 326-3939  
*Attorneys for Petitioner*

November 10, 2004