

No. 20-1817

IN THE
Supreme Court of the United States

EZAKI GLICO KABUSHIKI KAISHA, D/B/A/ EZAKI GLICO CO.,
LTD. & EZAKI GLICO USA CORP.,
Petitioners,

v.

LOTTE INTERNATIONAL AMERICA CORP. &
LOTTE CONFECTIONARY CO. LTD.,
Respondents.

**On Petition For A Writ Of Certiorari
To The United States Courts of Appeals
For The Third Circuit**

**BRIEF IN OPPOSITION FOR RESPONDENTS
LOTTE INTERNATIONAL AMERICA CORP. AND
LOTTE CONFECTIONARY CO. LTD.**

| | |
|------------------------------------|---------------------------|
| LAWRENCE S. ROBBINS | JOHN J. DABNEY |
| ROY T. ENGLERT, JR. | MARY D. HALLERMAN |
| RALPH C. MAYRELL | <i>Counsel of Record</i> |
| <i>Robbins, Russell, Englert,</i> | <i>Snell & Wilmer</i> |
| <i>Orseck & Untereiner LLP</i> | 2001 K Street, N.W. |
| 2000 K Street, N.W. | Ste. 425 North |
| 4th Floor | Washington D.C. 20006 |
| Washington, D.C. 20006 | (202) 908-4262 |
| | mhallerman@swlaw.com |

*Counsel for Respondents Lotte International America Corp.
and Lotte Confectionary Co. Ltd.*

QUESTIONS PRESENTED

The Lanham Act protects only “arbitrary, incidental, or ornamental” product features as trade dress, not “functional” ones. *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 34 (2001). Whether a product feature or configuration is functional is a question of fact. See *id.* at 30.

The questions presented are:

1. Whether the court of appeals correctly affirmed the district court’s fact-bound conclusion that Pocky’s design was functional, and thus not valid trade dress.
2. Whether the court of appeals correctly affirmed the district court’s fact-bound conclusion that the mere existence of alternative designs did not create a genuine dispute of material fact that Pocky’s design was functional.

RULE 29.6 DISCLOSURE STATEMENT

1. Lotte International America Corp. is a wholly owned subsidiary of Lotte International Co., Ltd., and no publicly traded corporation owns 10% or more of its stock.

2. Lotte Co., Ltd., which is publicly traded in Korea, currently owns 48.2% of Lotte Confectionary Co., Ltd. Lotte Aluminum, which is not publicly traded, currently owns 10.03% of Lotte Confectionary Co., Ltd. The remainder of Lotte Confectionary Co., Ltd. is currently owned by other entities or individuals, each of whom owns less than 10% of the company.

TABLE OF CONTENTS

| | Page |
|--|-------------|
| STATEMENT | 2 |
| A. Legal Framework..... | 2 |
| B. Factual Background..... | 5 |
| C. Procedural History..... | 8 |
| REASONS FOR DENYING THE PETITION | 12 |
| I. The Court of Appeals’ Decision Regarding Functionality Does Not Conflict with the Decisions of This Court or Other Circuits | 13 |
| A. The Panel’s Decision and Controlling Third Circuit Precedent Do Not Deviate From This Court’s Precedents | 13 |
| B. Other Circuits Define Functionality by Reference to Usefulness and Utility | 17 |
| II. There is No Circuit Conflict Over Whether the Existence of Alternative Designs Creates a Fact Issue on Functionality | 23 |
| A. Neither the Panel Below Nor Controlling Third Circuit Precedent Holds That Alternative Designs <i>Never</i> Create a Fact Issue on Functionality | 24 |
| B. No Circuit Has Held That the Mere Existence of Alternative Design Evidence <i>Always</i> Suffices to Create an Issue of Fact on Functionality | 26 |

| Table of Contents – cont’d | Page |
|--|-------------|
| III. This Case Is a Poor Vehicle for Resolving the Questions Presented..... | 33 |
| IV. This Case Was Correctly Decided | 34 |
| CONCLUSION..... | 36 |

TABLE OF AUTHORITIES

| Cases | Page(s) |
|--|----------------|
| <i>American Greetings Corp. v. Dan-Dee Imports, Inc.</i> , 807 F.2d 1136 (3d Cir. 1986) | 10, 11, 24 |
| <i>Arlington Specialties, Inc. v. Urban Aid, Inc.</i> , 847 F. 3d 415 (7th Cir. 2017)..... | 20, 29 |
| <i>Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.</i> , 457 F.3d 1062 (9th Cir. 2006)..... | 21 |
| <i>Black v. Cutter Labs.</i> , 351 U.S. 292 (1956)..... | 15 |
| <i>Blumenthal Distrib., Inc. v. Herman Miller, Inc.</i> , 963 F.3d 859 (9th Cir. 2020)..... | 22, 30 |
| <i>Board of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.</i> , 550 F.3d 465 (5th Cir. 2008)..... | 19 |
| <i>Bodum USA, Inc. v. A Top New Casting Inc.</i> , 927 F.3d 486 (7th Cir. 2019)..... | 20, 29 |
| <i>Cartier, Inc. v. Sardell Jewelry, Inc.</i> , 294 F. App'x 615 (2d Cir. 2008)..... | 27, 28 |

| Cases – cont’d | Page(s) |
|--|----------------|
| <i>Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc.</i> , 696 F.3d 206 (2d Cir. 2012) | 17 |
| <i>Clicks Billiards, Inc. v. Sixshooters, Inc.</i> , 251 F. 3d 1252 (9th Cir. 2001)..... | 31 |
| <i>Coach, Inc. v. We Care Trading Co.</i> , 67 F. App’x 626 (2d Cir. 2002)..... | 18 |
| <i>Converse, Inc. v. ITC</i> , 909 F. 3d 1110 (Fed. Cir. 2018) | 32 |
| <i>CTB, Inc. v. Hog Slat, Inc.</i> , 954 F. 3d 647 (4th Cir. 2020)..... | 19 |
| <i>Dippin’ Dots, Inc. v. Frosty Bites Distribution, LLC</i> , 369 F.3d 1197 (11th Cir. 2004)..... | 22 |
| <i>Disc Golf Ass’n v. Champion Discs, Inc.</i> , 158 F.3d 1002 (9th Cir. 1998)..... | 30, 31 |
| <i>Eco Mfg. LLC v. Honeywell Int’l, Inc.</i> , 357 F.3d 649 (7th Cir. 2003)..... | 20 |
| <i>Eliya, Inc. v. Steve Madden, Ltd.</i> , 749 F. App’x 43 (2d Cir. 2018)..... | 17, 18 |
| <i>Elmer v. ICC Fabricating</i> , 67 F.3d 1571 (Fed. Cir. 1995) | 22 |
| <i>Fair Wind Sailing, Inc. v. Dempster</i> , 764 F.3d 303 (3d Cir. 2014) | 16 |

| Cases – cont’d | Page(s) |
|---|----------------|
| <i>Frosty Treats, Inc. v. Sony Computer Entm’t Am., Inc.</i> , 426 F.3d 1001 (8th Cir. 2005)..... | 21 |
| <i>Georgia-Pacific Consumer Prods. LP v. Kimberly-Clark Corp.</i> , 647 F.3d 723 (7th Cir. 2011)..... | 28 |
| <i>Groeneveld Transp. Efficiency, Inc. v. Lubecore Int’l, Inc.</i> , 730 F.3d 494 (6th Cir. 2013)..... | 19 |
| <i>Home Builders Ass’n of Great St. Louis v. L&L Exhibition Mgmt. Inc.</i> , 226 F.3d 944 (8th Cir. 2000)..... | 21 |
| <i>Ideal Toy Corp. v. Plawner Toy Mfg. Corp.</i> , 685 F.2d 78 (3d Cir. 1982) | 16 |
| <i>Inwood Labs., Inc. v. Ives Labs., Inc.</i> , 456 U.S. 844 (1982)..... | 4, 13, 16, 17 |
| <i>Joseph v. United States</i> , 135 S. Ct. 705 (2014)..... | 16 |
| <i>Keene Corp. v. Paraflex Indus., Inc.</i> , 653 F.2d 822 (3d Cir. 1981) | <i>passim</i> |
| <i>Kellogg Co. v. National Biscuit Co.</i> , 305 U.S. 111 (1938)..... | 10 |
| <i>Landscape Forms, Inc. v. Columbia Cascade Co.</i> , 113 F.3d 373 (2d Cir. 1997) | 4 |

| Cases – cont’d | Page(s) |
|--|----------------|
| <i>Leapers, Inc. v. SMTS, LLC</i> , 879 F.3d 731 (6th Cir. 2018)..... | 19, 20 |
| <i>Leatherman Tool Grp., Inc. v. Cooper Indus., Inc.</i> , 199 F.3d 1009 (9th Cir. 1999)..... | 4 |
| <i>McAirlaids, Inc. v. Kimberly-Clark Corp.</i> , 756 F.3d 307 (4th Cir. 2014)..... | 28 |
| <i>Merchant & Evans, Inc. v. Roosevelt Bldg. Prod. Inc.</i> , 963 F.2d 628 (3d Cir. 1992) | 16, 26 |
| <i>Millennium Labs., Inc. v. Ameritox, Ltd.</i> , 817 F.3d 1123 (9th Cir. 2016)..... | 22, 31 |
| <i>Moldex-Metric, Inc. v. McKeon Prods., Inc.</i> , 891 F.3d 878 (9th Cir. 2018)..... | 21, 30 |
| <i>In re Morton-Norwich Prods., Inc.</i> , 671 F.2d 1332 (C.C.P.A. 1982)..... | 23, 26, 32 |
| <i>Neiman Marcus Group, Inc. v. A’Lor International, Ltd.</i> , 22 F. App’x 60 (2d Cir. 2001) | 27 |
| <i>Nora Beverages, Inc. v. Perrier Grp. of America, Inc.</i> , 269 F.3d 114 (2d Cir. 2001) | 18 |
| <i>Qualitex Co. v. Jacobson Prods. Co.</i> , 514 U.S. 159 (1995)..... | <i>passim</i> |

| Cases – cont’d | Page(s) |
|---|----------------|
| <i>Sears & Roebuck & Co. v. Stiffel Co.</i> , 376 U.S. 225 (1964)..... | 10 |
| <i>Shire U.S. Inc. v. Barr Labs., Inc.</i> , 329 F. 3d 348 (3d Cir. 2003) | 16 |
| <i>Sweet Street Desserts, Inc. v.</i> <i>Chudleigh’s Ltd.</i> , 655 F. App’x 103 (3d Cir. 2016) | 26 |
| <i>Talking Rain Bev. Co. v. South</i> <i>Beach Bev. Co.</i> , 349 F.3d 601 (9th Cir. 2003)..... | 31, 33 |
| <i>Tools USA & Equipment Co. v.</i> <i>Champ Frame Straightening</i> <i>Equipment Inc.</i> , 87 F. 3d 654 (4th Cir. 1996)..... | 18, 19 |
| <i>TraFFix Devices, Inc. v. Marketing</i> <i>Displays, Inc.</i> , 532 U.S. 23 (2001)..... | <i>passim</i> |
| <i>Two Pesos, Inc. v. Taco Cabana, Inc.</i> , 505 U.S. 763 (1992)..... | 3 |
| <i>United States v. Tann</i> , 577 F.3d 533 (3d Cir. 2009) | 16 |
| <i>Valu Eng’g, Inc. v. REXNORD Corp.</i> , 278 F.3d 1268 (Fed. Cir. 2002) | 22, 28, 32, 33 |
| <i>Versa Prods. Co. v. Bifold Co.</i> , 50 F.3d 189 (3d Cir. 1995) | 4 |

| Cases – cont’d | Page(s) |
|---|----------------|
| <i>Wal-Mart Stores, Inc. v. Samara Brothers, Inc.</i> 529 U.S. 205 (2000)..... | 3, 15 |
| Statutes & Rules | |
| 15 U.S.C. § 1125 | 4 |
| Trademark Manual of Examining Procedure § 1202.02 (July 2021) | 23 |
| Other Authorities | |
| 4 Louis Altman & Malla Pollack, <i>Callman on Unfair Competition,</i> <i>Trademarks & Monopolies</i> (4th ed.)..... | 14 |
| 1 Anne Gilson LaLonde, <i>Gilson on</i> <i>Trademarks</i> (Matthew Bender)..... | 14 |
| 1 J. Thomas McCarthy, <i>Trademarks &</i> <i>Unfair Competition</i> (5th ed.) | <i>passim</i> |
| <i>Oxford English Dictionary</i> (2d ed. 1989)..... | 10 |
| <i>Webster’s Third New International</i> <i>Dictionary</i> (1966)..... | 10 |

**BRIEF IN OPPOSITION FOR RESPONDENTS
LOTTE INTERNATIONAL AMERICA CORP. AND
LOTTE CONFECTIONARY CO. LTD.**

In the decisions below, a unanimous Third Circuit panel and the district court applied well-settled law to determine that the design of Petitioners' Pocky – a stick-shaped cookie partly covered in chocolate – was functional and thus ineligible for trade dress protection under the Lanham Act. The result would have been the same in other circuits. There is no disagreement among the circuits for this Court to resolve. The Petition should be denied.

To create the illusion of a circuit split on its first question presented, Glico¹ mischaracterizes the Third Circuit's opinion and the law of other circuits. By its own terms, the panel's decision held that a feature is functional if the particular shape chosen for the feature makes the product work better. That is precisely the standard that Glico asked the Third Circuit to apply: whether "there is some additional utility that is flowing from the design" and whether the product "work[s] better . . . because of this design." C.A. Tr. 24.

At no point did the panel indicate that it was treading new ground or contradicting any precedent. Petitioners have acknowledged that prior Third Circuit decisions applied the correct standard. C.A. Reh'g Pet. 2. The panel did not purport to depart from those precedents; indeed, it repeatedly cited and

¹ "Glico" herein refers to Petitioners collectively; "Lotte" herein refers to Respondents collectively.

relied on several of them in its opinion. Even if Petitioners' characterization of the opinion below were correct – and it is not – there would be no reason for this Court to address an intra-circuit split.

Glico's second question presented is also premised on a wholesale misrepresentation of the Third Circuit's opinion and the precedent of other courts. The Third Circuit did not hold that alternative design evidence *never* creates a fact issue, but instead that it did not do so in this particular case. Nor does any court of appeals follow the bright-line approach that Glico advocates here – that the presence of alternative designs *necessarily* creates a fact issue on functionality sufficient to withstand summary judgment.

Even if either of Glico's issues were certworthy, this case would be a poor vehicle for the Court to address them. The district court applied the very test for functionality that Glico claims the Third Circuit failed to apply, and it still found Pocky's design functional.

STATEMENT

A. Legal Framework

The Lanham Act establishes a cause of action for trade dress infringement. *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 34-35 (2001). Trade dress protects product packaging, as well as product designs and features, that are “arbitrary, incidental, or ornamental” and identify a product's source. *Id.* at 34. Unlike patent and copyright protection, trade dress protection does not expire after

a fixed time and instead may be maintained “in perpetuity.” *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164-65 (1995).

Like trademark protection, trade dress protection is meant to “secure the owner of the [trade dress] the goodwill of his business and to protect the ability of consumers to distinguish among competing producers.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 774 (1992) (internal quotation marks omitted). However, “almost invariably, even the most unusual of product designs . . . is intended not to identify the source, but to render the product itself more useful or more appealing.” *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.* 529 U.S. 205, 213 (2000). Thus, the Court in *Wal-Mart* cautioned against overextending trade dress protection there because of a general policy that applies equally here: “Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves.” *Ibid.*

“The Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law.” *TrafFix*, 532 U.S. at 34. Thus, “[t]rade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products. In general, unless an intellectual property right such as a patent or copyright protects an item, it will be subject to copying.” *Id.* at 29. As this Court has explained, “copying is not always discouraged or disfavored by the laws which preserve our competitive economy,” and “[a]llowing competitors to copy will have salutary effects in many instances.” *Ibid.* For that reason, “it

is, and should be, more difficult to claim product configuration trade dress than other forms of trade dress.” *Leatherman Tool Grp., Inc. v. Cooper Indus., Inc.*, 199 F.3d 1009, 1013 (9th Cir. 1999) (citing *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 379 (2d Cir. 1997); *Versa Prods. Co. v. Bifold Co. (Mfg.) Ltd.*, 50 F.3d 189, 207-08 (3d Cir. 1995)).

To avoid the indefinite monopolization of useful features, functional features or designs cannot be protected as trade dress. *TrafFix*, 532 U.S. at 29 (citing 15 U.S.C. § 1125(a)(3)). That is true even if the design has acquired distinctiveness. *Id.* at 33 (“In the instant case . . . [plaintiff’s] dual-spring design provides a unique and useful mechanism to resist the force of the wind. Functionality having been established, whether [plaintiff’s] dual-spring design has acquired secondary meaning need not be considered.”). And functional features cannot be protected as trade dress even if there is evidence of alternative designs. *Id.* at 33-34 (“[T]he functionality of [plaintiff’s] spring design means that competitors need not explore whether other spring juxtapositions might be used.”).

Functionality is a question of fact. See *id.* at 30. The “traditional rule” of functionality assesses whether the physical features of a product are, “[i]n general terms . . . essential to the use or purpose of the article or . . . affect[] the cost or quality of the article.” *TrafFix*, 532 U.S. at 32-33 (quoting *Qualitex*, 514 U.S. at 165; *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982)).

“To boil it down to a phrase: something is ‘functional’ if it works better in this shape.” Pet. App.

13a (quoting 1 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 7:63 (5th ed.)). Even if a product configuration or feature is not functional under that definition, a product configuration or feature (such as a color) may nevertheless be “aesthetically” functional if “the exclusive use of [that feature] would put competitors at a significant non-reputation-related disadvantage.” *TrafFix*, 532 U.S. at 32 (internal quotation marks omitted).

As this Court has explained, “[t]he 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.” *Qualitex*, 514 U.S. at 164.

B. Factual Background

Petitioners Glico and Respondents Lotte have been direct competitors in the snack product industry for decades. In the late 1970s, Glico (a Japanese company) began selling a cookie stick mostly covered in chocolate under the brand name Pocky in the United States. Pet. App. 3a-4a. In the late 1980s, Lotte (a Korean company) commenced sales of its own cookie stick under the brand name Pepero in the United States, often competing side-by-side against Pocky on the same store shelves. *Id.* at 4a-5a.

Glico knew of Lotte’s Pepero sales in the United States no later than 1990 but waited more than 25 years to file suit. *Id.* at 5a, 25a; C.A. App. 526, 822-25. In 2015, Glico sued Lotte for trade dress infringement in the U.S. District Court for the District of New

Jersey. Pet. App. 5a-6a. Glico did not claim that Lotte had infringed the Pocky trademark or the packaging for Pocky. Rather, Glico asserted that it owned trade dress rights in the configuration of the Pocky cookie stick, and that Lotte's sale of Pepero cookie sticks infringed those rights. *Id.* at 22a-26a. Glico's Pocky configuration is depicted below.



Glico obtained two federal trade dress registrations for its product configuration, one that it described as “an elongated rod comprising biscuit or the like, partially covered in chocolate,” and the other that it described as “biscuit sticks covered with chocolate or cream and almonds,” *id.* at 15a, 24a-25a:

Reg. No. 1,527,208
(registered
Feb. 28, 1989)

Reg. No. 2,615,119
(registered
Sept. 3, 2002)



By Glico's own account, the Pocky configuration is based on an uncoated cookie stick that Glico introduced under the name Pretz. *Id.* at 31a-32a. "Pretz," according to a Glico document, "was stick-shaped and easy to hold, so it could be shared with others to enjoy as a snack." *Id.* at 31a. After launching Pretz, Glico sought to develop a chocolate snack. See *id.* at 31a-32a. Testing showed that Glico's cookie stick paired well with chocolate, and Glico sought to combine the two. *Ibid.*

Glico coated the entire cookie stick with chocolate. But, according to Glico, this created a problem: end users would get chocolate on their hands when eating the snack. See *ibid.* Glico developed a solution to this functional problem: leave part of the cookie stick uncoated. See *ibid.* As its contemporaneous documents revealed, Glico decided to leave a small part of the stick uncoated to serve as a "handle" or a "place to hold" so that end users could eat it without getting their hands messy. *Id.* at 17a, 31a-33a. This, according to an internal Glico document, "was the moment when the original shape of the product called Pocky was born." *Id.* at 31a-32a. In addition to the

self-described “handle innovation,” Glico’s internal files showed that the “elongated and smart shape” of Pocky allowed end users to eat the product “without opening [their] mouth wide” and enabled Glico to pack many sticks “close together” in a “compact box.” *Id.* at 32a-33a; C.A. App. 627.

Glico proudly and publicly promoted all the utilitarian benefits of Pocky’s design that had been discussed in its internal documents. See Pet. App. 16a-17a, 32a-33a. Glico’s website pocky.com, for example, boasted that Pocky is an “easy-to-handle stick that keeps chocolate off your hands.” *Id.* at 16a-17a, 33a. Glico promoted Pocky as offering a “no mess handle” which “make[es] it easier for multi-tasking without getting chocolate on your hands.” *Id.* at 17a, 33a. The thin stick design of Pocky is “convenient,” “easy-to-handle,” and “portable.” *Ibid.*; C.A. App. 648.

C. Procedural History

1. After discovery, Lotte moved for summary judgment on Glico’s claims on three grounds: (1) that Pocky’s design was functional and thus not protected trade dress; (2) that Glico abandoned its trade dress by granting an uncontrolled license to the manufacturer of copycat products; and (3) that Glico’s claims were barred by laches because it had waited more than twenty-five years to bring them. Pet. App. 26a-27a.

The district court granted Lotte’s motion on the first ground, without reaching the alternatives. It concluded that the “evidence clearly indicates that the design ‘is essential to the use or purpose’ of the cookie and is not merely an ‘arbitrary, incidental, or

ornamental' product feature." *Id.* at 30a-31a (quoting *TrafFix*, 532 U.S. at 33-34). The district court relied on Glico's statements about the benefits of Pocky's design. *Id.* at 32a-33a. Glico's documents showed that it set out to develop a product "that would not dirty the hands," and chose an "[e]longated shape that you can eat without opening your mouth wide" and that "has a place to hold" so chocolate would not get on the end user's hands. *Ibid.* The district court concluded that, "by [Glico]'s own account, Pocky's design is critical in enabling ease of consumption for the consumer." *Id.* at 32a.

Reviewing Glico's evidence of other cookies partially covered in chocolate, the district court reasoned that "[t]he fact that other shapes might be equally suited for easy consumption . . . does not foreclose the conclusion that Pocky's configuration is itself functional." *Id.* at 34a. "There is no need . . . to engage . . . in speculation about other design possibilities" when the design "is not an arbitrary flourish in the configuration . . . ; it is the reason the device works." *Id.* at 35a (quoting *TrafFix*, 523 U.S. at 33-34).

2. The Third Circuit affirmed. A unanimous panel agreed that "[e]very feature" of the Pocky configuration "relates to the practical functions of holding, eating, sharing, or packing the snack Viewed as a whole, [Pocky's design] is functional. The claimed features are not arbitrary or ornamental flourishes that serve only to identify Ezaki Glico as the source." Pet. App. 16a.

a. The Third Circuit equated functional with "useful." See Pet. App. 7a-13a. The court rooted its use

of that term in the Lanham Act, the Patent Act, and this Court's decisions. See *ibid.* Because the Lanham Act does not define "functional," the court consulted the plain meaning of the term. *Id.* at 9a (citing *Webster's Third New International Dictionary* (1966) and *Oxford English Dictionary* (2d ed. 1989)). The Third Circuit explained that the ordinary meaning of functional – "useful" – helps to differentiate the respective roles of trademark and patent law. *Ibid.*

The Third Circuit reasoned that precedents from this Court "support[] defining functional as useful." Pet. App. 10a. In *Qualitex*, for example, this Court described functionality as preventing a competitor from perpetually "control[ling] a useful product feature." *Ibid.* (quoting 514 U.S. at 164). In *TrafFix*, this Court described functionality as depending on whether "the feature in question is shown [to be a] useful part of the invention." *Id.* at 10a, 13a (quoting 532 U.S. at 34 and citing *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 122 (1938); *Sears & Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231-32 (1964)). The Third Circuit also grounded its definition of functional by reference to a leading trademark treatise. *Id.* at 12a-13a (citing 1 *McCarthy* § 7:63 ("If [the product feature] makes the product more *useful* for its purpose . . . then the feature is 'functional'[,]") (emphasis added)).

b. Applying uncontroversial law, the Third Circuit then identified an array of factors commonly used to assess functionality, relying on its own decisions and this Court's *TrafFix* decision. Pet. App. 14a (citing *TrafFix*, 532 U.S. at 29; *American Greetings Corp. v. Dan-Dee Imports, Inc.*, 807 F.2d 1136, 1142 (3d Cir. 1986); *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d

822, 827 (3d Cir. 1981)). The Third Circuit held that “evidence can directly show that a feature or design makes a product work better . . . and it is ‘strong evidence’ of functionality that a product’s marketer touts a feature’s usefulness.” *Ibid.* (quoting *American Greetings*, 807 F.2d at 1142-43). The court also noted that the “existence of other workable designs” can bear on the functionality inquiry. *Ibid.* (citing *Keene*, 653 F.2d at 827, and 1 *McCarthy* § 7:75).

With those factors from unchallenged prior decisions identified, the Third Circuit scrutinized the record evidence. *Id.* at 15a-17a. The court cited Glico’s own documents showing that the shape of Pocky’s design makes the snack “easy to hold, so it can be shared with others to enjoy as a snack,” “lets people eat the cookie without having to open their mouths wide,” and enables Glico to “pack many sticks in each box, enough to share with friends.” *Id.* at 16a. Glico’s own documents revealed that Glico chose not to coat part of the Pocky stick so people could eat it without getting chocolate on their hands. *Ibid.* The features of Pocky, the Third Circuit held, “are not arbitrary or ornamental flourishes,” but instead serve to make Pocky “more useful as a snack” and “more appealing to consumers for reasons well beyond reputation.” *Ibid.*

The Third Circuit next reviewed the record evidence of Glico’s advertising and promotional materials and noted that Glico “promot[ed] Pocky’s utilitarian advantages.” *Ibid.* For example, Glico’s advertisements touted “the no mess handle of the Pocky stick,” which “mak[es] it easier for multi-tasking without getting chocolate on your hands.” *Id.* at 17a. Glico promoted the product design as

“convenient” and “portable,” since “one compact, easy-to-carry package holds plentiful amounts of Pocky.” *Id.* at 16a-17a; C.A. App. 648. Every feature of the product design, the Third Circuit held, “relates to the practical functions of holding, eating, sharing, or packing the snack” and “makes it work better as a snack.” Pet. App. 16a.

The Third Circuit considered Glico’s evidence of alternative designs, noting specifically nine chocolate snacks offered by Glico to show non-functionality. Pet. App. 17a. Even if Lotte “could have shaped its Pepero differently,” the Third Circuit determined that the existence of those alternative designs did not create a fact issue on functionality, given the evidence from Glico’s own documents and advertising that showed that its product design was functional. *Ibid.* As the court put it, “[e]very aspect of Pocky is useful,” and “[t]he nine other designs do not make it less so.” *Ibid.* (citing *Keene*, 653 F.2d at 827).

REASONS FOR DENYING THE PETITION

Glico asserts that circuits are split on (1) the test to determine whether trade dress is functional and (2) the impact that the existence of alternative designs has on that determination. There is no conflict on either issue. Regardless, this case is a poor vehicle for the Court’s review of those issues. The importance of the Third Circuit’s decision to the protectability of trade dress writ large is wildly exaggerated by both Glico and its *amici*. Based on well-settled factors used to assess functionality, the Third Circuit correctly affirmed the fact-bound conclusion that Glico’s Pocky design is functional and not protectable trade dress. The Court should deny Glico’s petition.

I. The Court of Appeals’ Decision Regarding Functionality Does Not Conflict with the Decisions of This Court or Other Circuits

Glico claims that this Court in *TrafFix*, *Qualitex*, and *Inwood*, nine courts of appeals, and the U.S. Patent & Trademark Office (USPTO) all hold that the test for functionality is whether a product feature “is essential to the use or purpose of the article or if it affects the cost or quality of the article.” See Pet. 2, 13-20. According to Glico, the Third Circuit repudiated that test in favor of a substantively different test forged only by reference to *Webster’s Dictionary*: a feature is functional if it is useful. See *ibid*.

Although the Third Circuit’s opinion discusses at length the cases Glico claims are contrary and asserts its intention to apply the same test applied in those cases, Glico insists that the court somehow did not. Rather, Glico claims, the Third Circuit unwittingly and improbably created a circuit split between itself on the one hand, and nine of its sister courts, on the other.

Glico mischaracterizes the panel’s opinion and the opinions of other courts. The multi-factor functionality test employed by the Third Circuit in this and prior cases is the same test used by this Court and other courts of appeals.

A. The Panel’s Decision and Controlling Third Circuit Precedent Do Not Deviate From This Court’s Precedents

1. Contrary to Glico’s assertion, the Third Circuit did not “[s]ua sponte . . . coin[] its own novel test”

asking nothing more than whether a product design is “useful.” Pet. 13. The Third Circuit instead engaged in a holistic analysis describing the nature of the functionality inquiry. The panel carefully considered dictionary definitions, this Court’s case law, its own prior precedents, and scholarly authority in articulating the functionality standard. Petitioners ignore that thoughtful analysis altogether and focus myopically on sentences from the opinion where the Third Circuit used “useful” as a shorthand for “functional.” Pet. 3, 12-13, 16, 19, 21-22. As the Third Circuit noted, however, this Court has done exactly the same thing. Pet. App. 10a (quoting *Qualitex*, 514 U.S. at 164 (“a useful product feature”); *TrafFix*, 532 U.S. at 34 (“the feature in question is shown as a useful part of the invention”)).²

Furthermore, the Third Circuit did not stop at a dictionary definition of “useful” but instead followed a multi-faceted approach to functionality. Drawing from binding precedent, it explained that functionality is assessed by whether a “design gives [the product] *an edge* in usefulness.” Pet. App. 10a (emphasis added); see also *id.* at 13a (“[s]o long as the design *improves* cost, quality, or the like” (emphasis added)); *id.* at 14a (“makes a product *work better*”

² Trademark treatises likewise discuss functionality in terms of “useful[ness].” See, e.g., 1 Anne Gilson LaLonde, *Gilson on Trademarks* § 2A.04[01] (Matthew Bender) (“In the main . . . the functionality doctrine is designed to insure that *useful* designs not be monopolized and that competition is encouraged by access to them.”); 4 Louis Altman & Malla Pollack, *Callman on Unfair Competition, Trademarks & Monopolies* § 19:20 (4th ed.) (“[F]unctionality prevents marks from being used to obtain monopolies on *useful* matter[.]”) (emphases added to all).

(emphasis added)). That is fundamentally different than asking if a feature merely has *some* use.

Using a multifactor test, the Third Circuit asked if the features of Pocky made it *more* useful. That comports with this Court’s use of the term “useful” in explaining functionality. In *Qualitex*, for example, this Court noted that color can be functional if it “mak[es] a product *more desirable*.” 514 U.S. at 165 (emphasis added); *Wal-Mart*, 529 U.S. at 213 (product designs can “render the product itself *more useful* or *more appealing*” (emphasis added)); see also 1 *McCarthy* § 7:63 (“something is ‘functional’ if it works *better* in this shape” (emphasis added)). And that is consistent with the standard Glico advocated for below: “[A] design is functional only if it is the reason the product ‘works *better*.” C.A. Reply Br. 4 (emphasis added); C.A. Reh’g Pet. 12 (“there would need to be evidence that the particular design worked ‘*better*’ (emphasis added)); C.A. Tr. 24 (functional means “*additional* utility” and “working *better*” (emphasis added)).

At the end of the day, Glico’s petition on the first question presented boils down to its dissatisfaction with the panel’s invocation of the word “useful” in its opinion. But Glico’s quarrel with terminology used by the panel is not a basis for this Court’s review. *Black v. Cutter Labs.*, 351 U.S. 292, 297-98 (1956) (“This Court . . . reviews judgments, not statements in opinions. . . . [I]t is our duty to look beyond the broad sweep of the language and determine for ourselves precisely the ground on which the judgment rests.”).

2. Controlling case law in the Third Circuit applies this Court’s definition of functionality from

Inwood and *TrafFix*. Glico itself argued in its petition for rehearing *en banc* that other Third Circuit cases “uniformly” applied the correct standard in other cases. C.A. Reh’g Pet. 2. Glico’s *amici* agree. AIPLA Amicus Br. 9; ITA Amicus Br. 9; Mondelez Amicus Br. 5 n.4. For example, in *Shire U.S. Inc. v. Barr Labs., Inc.*, the Third Circuit stated that “a product feature is functional . . . ‘if it is essential to use or purpose of the article or if it affects the cost or quality of the article.’” 329 F.3d 348, 354 (3d Cir. 2003) (quoting *TrafFix*, 532 U.S. at 32); accord *Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*, 685 F.2d 78, 81 (3d Cir. 1982) (“[A] product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.”); *Merchant & Evans, Inc. v. Roosevelt Bldg. Prod. Inc.*, 963 F.2d 628, 634 (3d Cir. 1992); *Fair Wind Sailing, Inc. v. Dempster*, 764 F.3d 303, 310-11 (3d Cir. 2014).

These cases represent binding Third Circuit law, which the panel cited and applied. If the panel’s decision nevertheless strayed from those cases (which it did not), then it would not alter Third Circuit law because “the earlier decision is generally the controlling authority.” *United States v. Tann*, 577 F.3d 533, 541 (3d Cir. 2009). If a split existed (which it does not), then by Glico’s own thesis that split would be internal to the Third Circuit and thus best left to that circuit to resolve. *Joseph v. United States*, 135 S. Ct. 705, 707 (2014) (Kagan, J., respecting denial of certiorari) (“[W]e usually allow the courts of appeals to clean up intra-circuit divisions on their own.”).

B. Other Circuits Define Functionality by Reference to Usefulness and Utility

Nowhere in its decision did the Third Circuit suggest that it was splitting with other circuits. It instead noted that the “Federal Circuit and other sister circuits also use similar inquiries” to the functionality test it had used, including many of the same circuits from which Glico falsely claims the Third Circuit diverged. Pet. App. 14a (citations omitted). The Third Circuit was right.

To the extent the decisions Glico cites substantively address the traditional meaning of functionality that applies here – and many do not – those courts quote the “essential” language from *Inwood* and *TrafFix* in the same breath as they – like this Court – use words like “useful” and “utilitarian” to describe a feature that is functional. Regardless of the terminology used, the circuits all consider the same types of evidence to assess functionality – internal statements about the functional benefits of the design, advertising touting the utilitarian benefits of the design, utility patents, the existence of alternative designs, and benefits in cost and quality.

Take the Second Circuit. In its unpublished decision in *Eliya, Inc. v. Steve Madden, Ltd.*, the court referenced the “essential” language from *TrafFix*, as Glico notes, but also said that trade dress “is ‘not intended to protect innovation by giving the innovator a monopoly over a *useful* product feature.’” 749 F. App’x 43, 46-47 (2d Cir. 2018) (emphasis added) (quoting *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206, 216-19 (2d Cir. 2012)). Thus, a shoe’s “strap and the raised heel

tab” were functional because “they enable the user to put the shoe on and wear it,” *id.* at 47, just as the Pocky shape and handle enable the user to eat it.

As for *Coach, Inc. v. We Care Trading Co.*, the only “significant weight,” Pet. 14-15, that unpublished opinion placed on the word “essential” was italic typeface. 67 F. App’x 626, 629 (2d Cir. 2002). There was no discussion of what “essential” means that would show how it differs (if at all) from the analysis in this case. *Ibid.* By contrast, a published Second Circuit opinion, not cited by Glico, took the same approach as the panel did here, concluding that a design was functional where plaintiff “admitt[ed] that its design is *useful*, but argue[d], incorrectly that this does not render it functional.” *Nora Beverages, Inc. v. Perrier Grp. of Am., Inc.*, 269 F.3d 114, 120 n.4 (2d Cir. 2001) (emphasis added).

Glico also cites the Fourth Circuit’s pre-*TrafFix* decision in *Tools USA & Equipment Co. v. Champ Frame Straightening Equipment Inc.* for the proposition that functional is “not merely useful.” Pet. 15 (quoting 87 F.3d 654, 659 (4th Cir. 1996)). That is consistent with the standard the Third Circuit applied here, which asked not whether Pocky’s design was *merely* useful, but whether Pocky’s design made it *more* useful. And in *Tools USA*, unlike this case, there was no evidence that the plaintiff, or even the defendants, considered the magazine layout in that case to be more useful. Thus, the outcome of that case would have been the same in the Third Circuit.

Further, no court has since quoted that language from *Tools USA*. To the contrary, twenty-five years after *Tools USA* and in the wake of *TrafFix*, the

Fourth Circuit noted in *CTB, Inc. v. Hog Slat, Inc.* that trade dress did not protect “*useful* product features.” 954 F.3d 647, 663 (4th Cir. 2020) (emphasis added). The court affirmed summary judgment that the product configuration there was functional, citing, for instance, “uncontroverted evidence in the form of Plaintiff’s utility patent, advertisements, and the testimony” regarding the “functional purpose[s]” of the design, *id.* at 662-63, 670 – the same types of evidence the district court and the Third Circuit considered in this case.

Glico’s only Fifth Circuit case expounded upon “essential” as “the reason the device works.” *Board of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 485-86 (5th Cir. 2008) (internal quotation marks omitted). But that case applied that test to the aesthetic functions of a college sports team’s colors where there were no arguments that the colors provided the sort of practical, physical benefits that the Third Circuit considered here with respect to the features of Pocky’s design.

The Sixth Circuit has written that “[t]he nonfunctionality requirement ‘channel[s] the legal protection of *useful* designs from the realm of trademark to that of patent.’” *Leapers, Inc. v. SMTS, LLC*, 879 F.3d 731, 736 (6th Cir. 2018) (emphasis added) (quoting *Groeneveld Transp. Efficiency, Inc. v. Lubecore Int’l, Inc.*, 730 F.3d 494, 508 (6th Cir. 2013)). Thus, that court assessed whether “each of the design elements either reduced production costs or augmented the usefulness” of the product. *Ibid.* In light of plaintiff’s evidence that it picked the specific texture (“knurling”) applied to a rifle scope for purely

aesthetic reasons and did not believe the texture had any “functional benefit,” the court concluded that it would be inappropriate to grant summary judgment on the grounds that the knurling was functional. *Id.* at 738-39. That record is different than the evidence in this case that Glico picked the Pocky design specifically because it made the product work better and promoted those design benefits to the public.

The Seventh Circuit in *Arlington Specialties, Inc. v. Urban Aid, Inc.*, explained that the functionality doctrine prevents trademark law from “giving one competitor a perpetual and exclusive right to a *useful* product feature.” 847 F.3d 415, 418 (7th Cir. 2017) (emphasis added). The court also quoted another Seventh Circuit case, which Glico ignores, making clear that usefulness is the guidepost to functionality: “*TrafFix* rejected an equation of functionality with necessity; it is enough that the design be *useful*.” *Eco Mfg. LLC v. Honeywell Int’l, Inc.*, 357 F.3d 649, 654-55 (7th Cir. 2003) (emphasis added); see also *Bodum USA, Inc. v. A Top New Casting Inc.*, 927 F.3d 486, 493 (7th Cir. 2019) (functionality turns on evidence of a “utilitarian advantage” (internal quotation marks omitted)). Thus, in reasoning similar to that of the Third Circuit below, the *Arlington Specialties* court concluded that the shape, softness, zippers, and seams on a purse were functional based on evidence that “customers care about those features for reasons other than source identification.” 847 F.3d at 420.

The Eighth Circuit cases also agree that “[t]he functionality doctrine serves as a buffer between patent law and trademark law by preventing a competitor from monopolizing a *useful* product feature in the guise of identifying itself as the source of the

product.” *Frosty Treats, Inc. v. Sony Computer Entm’t Am., Inc.*, 426 F.3d 1001, 1007 (8th Cir. 2005) (emphasis added) (quoting *Home Builders Ass’n of Great St. Louis v. L&L Exhibition Mgmt. Inc.*, 226 F.3d 944, 948 (8th Cir. 2000)). Furthermore, neither of Glico’s Eighth Circuit cases meaningfully applied the traditional test of functionality at issue here. See *TrafFix*, 532 U.S. at 32-33 (contrasting traditional and alternative tests). Instead, they applied a “competitive necessity” test to aesthetic features, namely an image of a clown face and the name of a trade show. *Frosty Treats*, 426 F.3d at 1007 (“to be functional, the feature must be necessary to afford a competitor the means to compete effectively” (internal quotation marks omitted)); *Home Builders*, 226 F.3d at 948-49 (same). That restrictive formulation of an aesthetically functional feature has been more broadly recast by this Court to consider whether a feature is one the “exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage.” *TrafFix*, 532 U.S. at 32-33 (noting that “competitive necessity” was “incorrect as a comprehensive definition” of functionality).

The Ninth Circuit has also used the term “useful” as a synonym for functional, explaining that the “functionality doctrine . . . aims to protect ‘*useful*’ product features” from monopolization. *Moldex-Metric, Inc. v. McKeon Prods., Inc.*, 891 F.3d 878, 884 (9th Cir. 2018) (emphasis added) (quoting *Automotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1067 (9th Cir. 2006)). The Ninth Circuit therefore assesses the following factors: “(1) whether the design yields a *utilitarian advantage*, (2) whether alternative designs are available, (3) whether

advertising touts the *utilitarian advantages* of the design, and (4) whether the particular design results from a comparatively simple or inexpensive method of manufacture.” *Blumenthal Distrib., Inc. v. Herman Miller, Inc.*, 963 F.3d 859, 865 (9th Cir. 2020) (emphasis added and internal quotation marks omitted); accord *Millennium Labs., Inc. v. Ameritox, Ltd.*, 817 F.3d 1123, 1128 (9th Cir. 2016). These are the same types of evidence that the Third Circuit considered here.

The Eleventh Circuit agrees that trade dress does not apply to “useful product feature[s].” *Dippin’ Dots, Inc. v. Frosty Bites Distribution, LLC*, 369 F.3d 1197, 1203 (11th Cir. 2004) (internal quotation marks omitted). Thus, in the *Dippin’ Dots* case, the Eleventh Circuit concluded that the color of beaded ice cream was functional “because it indicates the flavor,” and the size of the beads of ice cream were functional because they “reduced the number of ice crystals.” *Id.* at 1203-06. These are akin to the practical benefits conferred by Pocky’s design in the manufacture and consumption of a cookie stick mostly coated in chocolate.

The Federal Circuit has held that “the Supreme Court and this court’s predecessor have held that a mark is not registrable if the design described is functional, because ‘patent law, not trade dress law, is the principal means for providing exclusive rights in *useful* product features.’” *Valu Eng’g, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1273 (Fed. Cir. 2002) (emphasis added) (quoting *Elmer v. ICC Fabricating*, 67 F.3d 1571, 1580 (Fed. Cir. 1995)). Functionality can turn on evidence of “utilitarian advantage” demonstrated through a patent, advertising, alternatives, and cost.

In re Morton-Norwich Prods., Inc., 671 F.2d 1332, 1341 (C.C.P.A. 1982). Again, these are the same types of evidence the Third Circuit assessed.

Finally, the USPTO's Trademark Manual of Examining Procedure similarly makes clear that the "[p]urpose of [the] Functionality Doctrine" is to prevent the control of "*useful* product feature[s]" through trade dress. Trademark Manual of Examining Procedure § 1202.02(a)(ii) (July 2021) (emphasis added) (quoting *Qualitex*, 514 U.S. at 164-65). The Manual also cites the same four factors that the district court and panel here considered: existence of a utility patent, advertising touting "utilitarian advantages," available alternative designs, and manufacturing efficiencies realized by the design. *Id.* § 1202.02(a)(v).

In sum, the Third Circuit's reliance on "useful" as a guidepost to the functionality inquiry, followed by its thoughtful, multi-factor analysis to assess functionality, is congruent with this Court's decisions, the Third Circuit's prior decisions, case law from its sister circuits, and the USPTO's position.

II. There is No Circuit Conflict Over Whether the Existence of Alternative Designs Creates a Fact Issue on Functionality

Glico also argues that the Court should grant review because the circuits are split on whether the existence of alternative designs creates a fact issue on functionality. Pet. 24-25. Once again, Glico's argument rests on a mischaracterization of the Third Circuit's decision. The Third Circuit did not hold (or even say) that alternative designs *never* create a fact

issue on functionality. Nor have the Second, Fourth, Seventh, Ninth, or Federal Circuits held that alternative design evidence *always* creates a question of fact. The Third Circuit did not “deepen[]” a circuit split on this question, *id.* at 24, because no circuit split exists.

A. Neither the Panel Below Nor Controlling Third Circuit Precedent Holds That Alternative Designs *Never* Create a Fact Issue on Functionality

1. Glico claims that the Third Circuit held that alternative design evidence cannot create a fact issue on functionality. Pet. 3, 31. But the Third Circuit held no such thing.

As discussed above, in affirming the district court’s summary judgment decision finding Pocky’s design functional, the Third Circuit relied on this Court’s decision in *TrafFix*, its own decisions, and a leading trademark treatise to identify considerations relevant to determining whether a product design is functional. Pet. App. 14a (citing *TrafFix*, 532 U.S. at 29; *Am. Greetings*, 807 F.3d at 1142; *Keene*, 653 F.2d at 827; 1 *McCarthy* § 7:75).

The Third Circuit held that evidence can directly show that a feature or design makes a product work better. Pet. App. 14a. The Third Circuit held that it is strong evidence of functionality if the plaintiff touts the functional benefits of the configuration. *Ibid.* And the Third Circuit held that a utility patent claiming the features of the configuration and the existence of other workable designs bear on the functionality analysis. *Ibid.*

With regard to alternative design evidence, the Third Circuit held that, “if there are only a few ways to design the product, a design is functional.” *Ibid.* (citing *Keene*, 653 F.2d at 827). But the inverse proposition is not necessarily true: “even when there are alternatives, the evidence can still show that a product design is functional.” *Id.* at 17a. Alternative design evidence may *weigh* in favor of determining that a product design is non-functional, but it does not necessarily “make a design non-functional.” *Id.* at 14a.

With those factors identified, the Third Circuit evaluated the record evidence. Pet. App. 15a-17a. Direct, undisputed evidence from Glico’s own files, coupled with its advertising proclaiming the useful advantages of the Pocky design, were decisive. The features of the Pocky design, the Third Circuit held, “are not arbitrary or ornamental flourishes,” but instead serve to make Pocky “more useful as a snack” and “more appealing to consumers for reasons well beyond reputation.” *Ibid.* Every feature of the design “relates to the practical functions of holding, eating, sharing, or packing the snack” and “makes it work better as a snack.” *Id.* at 16a.

The Third Circuit considered alternative designs, noting specifically nine chocolate snacks offered by Glico to show non-functionality. Pet. App. 17a. Although Lotte “could have shaped its Pepero differently,” the existence of such alternative designs did not create a fact issue on functionality, given the evidence from Glico’s own documents and advertising that showed its product design to be functional. *Ibid.* As the court put it, “[e]very aspect of Pocky is useful,” and “[t]he nine other designs do not make it less so.” *Ibid.* (citing *Keene*, 653 F.2d at 827).

Therefore, and contrary to Glico's mischaracterization, the Third Circuit did not hold that evidence of alternative designs *cannot* create an issue of fact. Pet. 13. The Third Circuit instead reached the patently fact-bound conclusion that such evidence was insufficient *in this case* to create a genuine dispute of material fact in light of the strength and quality of the evidence that unambiguously proved Pocky's design to be functional. Pet. App. 17a.

2. The Third Circuit has considered alternatives in assessing functionality in prior cases. *Merchant & Evans*, 963 F.2d at 634 (“This court, like the *Morton-Norwich* court, has held product configurations to be functional when only a limited number of viable alternatives exist.” (citing *Keene*, 653 F.2d 822)). And Glico below argued that another, recent unpublished Third Circuit decision, *Sweet Street Desserts, Inc. v. Chudleigh's Ltd.*, 655 F. App'x 103 (3d Cir. 2016), “*did* implicitly consider alternatives.” C.A. Reply Br. 11. Thus, to whatever extent Glico claims the panel deviated from those other decisions (and the panel clearly did not), that would suggest only the existence of an intra-circuit disagreement best left to the Third Circuit to resolve.

B. No Circuit Has Held That the Mere Existence of Alternative Design Evidence Always Suffices to Create an Issue of Fact on Functionality

1. Glico claims that the Second, Fourth, Seventh, Ninth, and Federal Circuits “hold that evidence of alternative designs creates a question of fact on trade dress functionality, sufficient to withstand summary

judgment or judgment as a matter of law.” Pet. 25. None of the decisions cited by Glico from those circuits so holds. In fact, many say the opposite: no single factor in the court’s multi-factor functionality analysis is decisive.

The Second Circuit has never held that evidence of alternative designs alone always creates an issue of fact. Glico’s cases do not say otherwise. In the unpublished decision in *Neiman Marcus Group, Inc. v. A’Lor International, Ltd.*, the court vacated summary judgment because disputes remained over whether the claimed trade dress – a twisted-wire cable in jewelry – provided a utilitarian benefit. 22 F. App’x 60, 62-63 (2d Cir. 2001). The plaintiff there, unlike Glico here, did not produce evidence from its files revealing that the features did in fact have functional benefits, it never advertised the functional benefits of the features, and it disputed that the features had any use at all. *Ibid.* Thus, the reversal did not turn on the existence of alternatives alone. *Ibid.*

In another unpublished decision on which Glico relies, *Cartier, Inc. v. Sardell Jewelry, Inc.*, the court affirmed summary judgment for the plaintiff, concluding that, because there were “many alternative[s]” to giving a watch a square shape and Roman numerals, those design choices were not “dictated by the functions.” 294 F. App’x 615, 620-21 (2d Cir. 2008) (summary order). Here, by contrast, Glico’s own documents established that the features of Pocky’s design were dictated by function, and Glico openly marketed its functional advantages.

Evidence of alternative designs also does not automatically create a fact issue in the Fourth Circuit. That court applies a multi-factor test as well, considering “(1) the existence of utility patents, (2) advertising focusing on the utilitarian advantages of a design, (3) availability of ‘functionally equivalent designs,’ and (4) the effect of the design on manufacturing.” *McAirlaids, Inc. v. Kimberly-Clark Corp.*, 756 F.3d 307, 313 (4th Cir. 2014) (citing *Valu Eng’g*, 278 F.3d at 1274). In *McAirlaids*, the Fourth Circuit reversed a summary judgment that an embossed pattern on paper towels was functional and thus unprotectable as trade dress. *Id.* at 309, 314. The court determined that multiple disputes of fact – not just evidence of alternative designs – precluded summary judgment. *Id.* at 313-14. For example, plaintiff’s officials testified that the pattern at issue was chosen “because it looked nice” and “we liked it,” *Ibid.* There was no similar evidence from Glico here.

The Seventh Circuit likewise uses a multi-factor test to determine whether a product design is functional. It considers “(1) the existence of a utility patent, expired or unexpired, that involves or describes the functionality of an item’s design element; (2) the utilitarian properties of the item’s unpatented design elements; (3) advertising of the item that touts the utilitarian advantages of the item’s design elements; (4) the dearth of, or difficulty, in creating alternative designs for the item’s purposes; [and] (5) the effect of the design feature on an item’s quality or cost.” *Georgia-Pacific Consumer Prods. LP v. Kimberly-Clark Corp.*, 647 F.3d 723, 727-28 (7th Cir. 2011) (internal quotation marks omitted). “No one

factor is dispositive.” *Bodum USA, Inc. v. A Top New Casting*, 927 F.3d 486, 492 (7th Cir. 2019).

Applying that test to assess the sufficiency of the evidence introduced to a jury, the Seventh Circuit in Glico’s cited case, *Bodum USA*, upheld a verdict finding the design of a particular French press coffeemaker non-functional. The jury’s verdict was not “irrational” because there was sufficient evidence on four out of the five factors to support the verdict. *Id.* at 486, 488-90, 495. Specifically, unlike the record evidence here, the record evidence in *Bodum* showed that the claimed features of the design did not yield a utilitarian benefit, that the plaintiff did not tout the utilitarian benefits of those features in its advertising, that those features did not result in cost savings, *and* that there were available alternative designs. *Id.* at 492-95. The Seventh Circuit has also affirmed summary judgment for the defendant on functionality grounds even in cases where the plaintiff presented alternative designs, thus demonstrating that evidence of alternative designs does not preclude summary judgment. For example, in *Arlington Specialties*, the court affirmed summary judgment for defendant based on the plaintiff’s admission that its design had useful benefits, notwithstanding the existence of alternatives. 847 F.3d at 420. That is indistinguishable from this case, where the Third Circuit affirmed summary judgment based on Glico’s admission that its Pocky design had useful benefits, notwithstanding the existence of alternatives.

The Ninth Circuit in *Blumenthal* affirmed a jury’s decision that plaintiff’s product design was non-functional. 963 F.3d at 863. The court quoted the Ninth Circuit’s multi-factor functionality test in *Disc*

Golf Ass'n v. Champion Discs, Inc., 158 F.3d 1002, 1006 (9th Cir. 1998), stating that the following factors should be considered to determine functionality: “(1) whether the design yields a utilitarian advantage, (2) whether alternative designs are available, (3) whether advertising touts the utilitarian advantages of the design, and (4) whether the particular design results from a comparatively simple or inexpensive method of manufacture.” *Blumenthal*, 963 F.3d at 865. *Blumenthal*, like other courts of appeal, emphasized that “[n]o one factor is dispositive.” *Ibid.* Applying those factors to the evidence before the jury, the *Blumenthal* court held that the totality of the evidence adequately supported the verdict. *Id.* at 867-68. The court pointed to evidence showing that the product design resulted from “non-utilitarian design choices,” that defendant had not touted any useful benefits of the product design in its advertising, and that alternative designs could have achieved similar benefits. *Ibid.*

The Ninth Circuit likewise applied its multi-factor *Disc Golf* test in the three other decisions cited by Glico.³ In none of those cases did Ninth Circuit hold that alternative design evidence independently sufficed to create a fact issue. In *Moldex*, for example, the court determined that disputed facts remained on the functionality of the color of ear plugs, including whether the specific color claimed provided utilitarian advantages and whether other colors could provide those same advantages. 891 F.3d at 885-87. Similarly,

³ Unlike *Blumenthal*, Glico’s other cited Ninth Circuit cases did not involve an overall product design, but rather certain aesthetic features of those designs.

the court determined in *Millennium Laboratories* that factual disputes remained over whether plaintiff's layout provided a utilitarian advantage and whether plaintiff had advertised any utilitarian advantage relating to that layout. 817 F.3d at 1129-31. And in *Clicks Billiards, Inc. v. Sixshooters, Inc.*, the court concluded that the totality of the evidence created a factual dispute over whether plaintiff's bar décor was functional, as the record evidence demonstrated the "arbitrariness and non-functional nature of [plaintiff's] design decisions and the availability of alternative designs." 251 F.3d 1252, 1261-62 (9th Cir. 2001). Furthermore, other Ninth Circuit cases have ruled against plaintiffs who relied on alternatives to show non-functionality. *E.g., Talking Rain Bev. Co. v. South Beach Bev. Co.*, 349 F.3d 601, 604-05 (9th Cir. 2003) (affirming summary judgment for defendant because plaintiff's proof of alternative designs was insufficient to overcome proof of functionality under the other *Disc Golf* factors).

The Federal Circuit similarly uses a four-factor test to evaluate whether a product design is functional, considering the "(1) the existence of a utility patent disclosing the utilitarian advantages of the design; (2) advertising materials in which the originator of the design touts the design's utilitarian advantages; (3) the availability to competitors of functionally equivalent designs; and (4) facts indicating that the design results in a comparatively simple or cheap method of manufacturing the product." *Valu Eng'g*, 278 F.3d at 1274 (citing *Morton-Norwich*, 671 F.2d at 1340-41). As with every other circuit, "[f]unctionality . . . depends on the totality of the evidence," and the court affirmed the Trademark

Trial and Appeal Board’s application of the *Morton-Norwich* factors in finding the design of a guide rail functional. *Id.* at 1273, 1279.⁴

2. Of all the circuits that have considered evidence of alternative designs in reviewing a district court’s functionality determination, none has held that “evidence of alternative designs creates a question of fact . . . sufficient to withstand summary or judgment as matter of law.” Pet. 25.

If the evidence of alternative designs had the neutralizing effect that Glico insists it has, any trade dress owner could present examples of alternative designs – regardless of quantity – and pursue competitors for infringement all the way to a jury for a product that was otherwise functional. That contradicts *TrafFix*, where this Court held that evidence of available alternatives does not render a design that is otherwise proven to be functional any less so. *TrafFix*, 532 U.S. at 33-34 (“There is no need, furthermore, to engage, as did the Court of Appeals, in speculation about other design possibilities, such as using three or four springs which might serve the same purpose. Here, the functionality of the spring design means that competitors need not

⁴ Glico’s other cited Federal Circuit case, *Converse, Inc. v. ITC*, only superficially addressed functionality in a three-sentence discussion affirming the conclusion of the International Trade Commission. 909 F.3d 1110, 1124 (Fed. Cir. 2018). Even then, the court refused to disturb the International Trade Commission’s determination that certain features of Converse’s shoe were protectable as trade dress not solely because of available alternative designs, but because the claimed features did not yield a useful benefit. *Ibid.*

explore whether other spring juxtapositions might be used.” (citations omitted); accord *Valu Eng’g*, 278 F.3d at 1276 (“[O]nce a product feature is found functional based on other considerations there is no need to consider the availability of alternative designs, because the feature cannot be given trade dress protection merely because there are alternative designs available.” (citing *TrafFix*, 532 U.S. at 33-34)); *Talking Rain Bev.*, 349 F.3d at 604-05 (same). The Court should decline Glico’s invitation to revisit this issue.

III. This Case Is a Poor Vehicle for Resolving the Questions Presented

Glico urges the Court to grant its petition because this case is an “excellent” vehicle and “[b]oth questions presented were pressed and passed on” by the Third Circuit. Pet. 37. On the contrary, this case is a particularly poor vehicle for this Court’s review.

1. In finding Pocky’s design to be functional, the district court applied the very test Glico claims the Third Circuit repudiated. See Pet. App. 30a-37a. The district court found that “the evidence clearly indicates that the design ‘is essential to the use or purpose’ of the cookie and is not merely an ‘arbitrary, incidental or ornamental’ product feature.” *Id.* at 30a-31a (quoting *TrafFix*, 532 U.S. at 33-34). The court considered Glico’s proffered alternative designs and found that those examples did not raise an issue of fact to prevent summary judgment. *Id.* at 34a (“The fact that other shapes might be equally suited for easy consumption, however, does not foreclose the conclusion that Pocky’s configuration is itself functional.” (citing *TrafFix*, 532 U.S. at 33-34)). The

district court thus found Glico's product design to be functional. *Id.* at 18a-19a, 42a-43a. Because the district court already answered the "relevant question," Pet. 37, and did so adversely to Glico, this Court's review would serve only to draw out an already lengthy and expensive dispute.

2. Indeed, Lotte challenged the protectability of Glico's trade dress as one of *several* affirmative defenses it asserted to fend off Glico's strike suit, so taking up the issue of functionality would not alter the ultimate outcome of the case. In particular, Glico knew about Lotte's sale of its allegedly infringing product since no later than 1990 yet did not sue until 2015.⁵ Because Glico sat on its hands for 25 years, Glico's claims should be barred by laches. Granting review not only would force Lotte to spend time and expense defending a hard-fought decision in a case that was correctly decided, but also would not change the ultimate result – the failure of Glico's infringement claims.

IV. This Case Was Correctly Decided

After a thorough consideration of the law as applied to the facts of this case and the decision of the district court, the Third Circuit unanimously held that Glico could not claim exclusive and perpetual rights in a cookie stick mostly covered in chocolate. That is the correct result.

⁵ Lotte asserted a laches affirmative defense below, but neither the district court nor the Third Circuit ruled on it because the fact that Pocky's design was functional disposed of all of Glico's claims.

Relying on the record evidence before it and applying the analysis applied in all other circuits, the court observed that Glico's own documents revealed that Glico selected a stick shape because it was easy to hold and that it coated most, but not all, of the stick in chocolate so that the uncoated part could serve as a handle. Pet. App. 16a-17a. The court also noted "plenty of evidence that [Glico] promotes Pocky's convenient design," as "[i]ts ads tout all the useful features described above." *Ibid.* Glico's "promotions confirm[ed] that Pocky's design is functional." *Id.* at 17a. The court considered Glico's evidence of alternative designs but found it "hardly dispositive" on the question of functionality (just as every other circuit would have done). *Id.* Although the Third Circuit disagreed with the district court's consideration of Glico's utility patent, "many other factors show[ed]" that Glico's product design was functional. *Id.* at 18a. The court held that the district court "properly granted summary judgment for Lotte," which it had done using the very test of utilitarian functionality that Glico claims the Third Circuit did not apply here. See Pet. 2; Pet. App. 18a, 30a-31a.

Nothing about that decision is remarkable or alters the landscape of trade dress protection. Functionality is a question of fact, not of hypotheticals and hyperbole. All courts, including the Third Circuit, evaluate utilitarian functionality based on the record evidence bearing on a host of considerations, including whether the design yields utilitarian benefits, whether alternative designs achieving those benefits are available, whether the trade dress owner has touted the utilitarian advantages of the design, whether the particular design results from a

comparatively simple or inexpensive method of manufacture, and whether there is a utility patent claiming or disclosing the useful advantages of the trade dress at issue. See *supra* Part II.

At bottom, Glico disagrees with the result that was reached under the applicable law, not the law that was applied. That is not a reason for this Court's review. That is, instead, "the way the cookie crumbles." Pet. App. 19a.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

| | |
|---|--|
| LAWRENCE S. ROBBINS | JOHN J. DABNEY |
| ROY T. ENGLERT, JR. | MARY D. HALLERMAN |
| RALPH C. MAYRELL | <i>Counsel of Record</i> |
| <i>Robbins, Russell, Englert,</i> | <i>Snell & Wilmer</i> |
| <i>Orseck & Untereiner LLP</i> | 2001 K Street, N.W. |
| 2000 K Street, N.W. | Ste. 425 North |
| 4th Floor | Washington D.C. 20006 |
| Washington, D.C. 20006 | (202) 908-4262 |
| | mhallerman@swlaw.com |
| <i>Counsel for Respondents Lotte International America Corp. and Lotte Confectionary Co. Ltd.</i> | |

September 29, 2021