

Using Trademarks to Protect Patentable Innovations - The Case of Kirkby AG v. Ritvik Holdings Inc. By Elias Borges, Borges & Rolle LLP [www.borgesrolle.com](http://www.borgesrolle.com)

Innovations such as new and inventive devices, materials or processes are best protected by patents. Patents afford the patent holder an exclusive monopoly over the innovation for a period of 20 years from the filing of the application. However, it often takes many years for an innovative product to become successful in the marketplace. Therefore, there is a temptation to try to extend the exclusive monopoly for the innovation using other forms of intellectual property protection. The two forms of intellectual property which could theoretically be employed to extend the term of protection are copyright and trademark. Copyright protection is relatively narrow and can be easily circumvented by competitors. Nevertheless, in a few circumstances, copyright can usefully extend the life of monopoly protection. For example, in the early days of the computer industry (a scant 25 years ago), Apple Computers tried to maintain its dominance in the computer industry by registering copyright in its circuit board designs and enforcing that copyright against competitors. This approach met with limited success however, since designing original circuit boards was a straightforward enterprise and since the copyright afforded to Apple's designs was limited to "creative" elements of the design as opposed to functional elements. Trademarks have proven a more fertile method of extending monopoly protection.

The cases of NutraSweet and Dolby are examples of successfully using trademarks to extend monopoly protection beyond the life of a patent. In NutraSweet's case, the holder of the Aspartame patent compelled all licensed users to display NutraSweet's registered swirl trademark on all products containing the sweetener. When the patent for Aspartame expired, the swirl trademark was a desired selling point for products containing the sweetener and only purchasers of the sweetener supplied by NutraSweet were entitled to display the logo. Likewise, Dolby compelled all licensed users of his patented noise reduction circuitry to display the Dolby logo. The Dolby trademark became so ubiquitous a trademark that manufacturers continued to license the use of the trademark long after the patents expired. However, both NutraSweet are exceptional cases, and even their trademarks did not secure an absolute monopoly over the products represented by their respective marks.

Kirkby AG, the creators of the famous LEGO building blocks, enjoyed a patent enforced monopoly on plastic construction blocks for many years. However, the "Lego" patents expired several years ago, and a new player entered the market with a building block which, while not identical to LEGO brand building blocks, were none the less compatible with them. Kirkby AG took several steps to shore up their trademark rights in hopes of extending their monopoly past the life of their patents. Each LEGO branded building block prominently displayed the LEGO trademark and each block had an identical design theme. Kirkby AG even attempted to register the eight studded design of their building blocks as a three dimensional trademark, but were refused by the registrar of trademarks. Three dimensional trademarks (often referred to as distinguishing guises) are often granted registration, provided the design is not functional in nature. The three dimensional design of a Coca-Cola bottle is an example of a distinguishing guise which has been registered as a trademark.

Kirkby AG decided to bring action against its competitor, Ritvik Holdings Inc. (the sellers of

MEGABLOCK brand building blocks) on the basis of passing off. Essentially, Kirkby argued that Ritvik's blocks, being of very similar design and being intended to be fully functional with LEGO brand building blocks, were causing the consumer as to be misled and confused. Ritvik, they argued, was attempting to pass off its MEGABLOCKS as LEGO brand blocks. Kirkby lost at trial, then appealed to the Federal Court of Appeal, and then appealed again to the Supreme Court of Canada. The supreme court agreed with the lower court decisions that the passing off action must fail under the doctrine of functionality. The doctrine of functionality establishes that trademark protection cannot extend to features of a mark which has a purely functional role. Despite a few sophisticated constitutional arguments on the part of the appellant, the court held that, in addition to the doctrine of functionality, the appellant's case must fail due to a lack of distinctiveness of the LEGO block design. The block design was commonly used by a number of different toy block products, so the design lacked distinctiveness.

The case illustrates the limits of using trademarks to extend the monopoly created by patents. Nevertheless, the use of trademarks in conjunction with patents is a powerful tool in maintaining market dominance in the absence of a monopoly.