

No. 25-_____

IN THE
Supreme Court of the United States

CERAMTEC GMBH,
Petitioner,

v.

COORSTEK BIOCERAMICS LLC,
F/K/A C5 MEDICAL WERKS, LLC,
Respondent.

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

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether under this Court’s decision in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001), a utility patent that produces a product with a wide array of designs is “strong evidence” that every aspect of every design produced by practicing the patent is functional rather than arbitrary, incidental, or ornamental.

PARTIES TO THE PROCEEDING

Petitioner in this Court is CeramTec GmbH. Respondent is CoorsTek Bioceramics LLC, formerly known as C5 Medical Werks, LLC.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Supreme Court Rule 29.6, CeramTec GmbH hereby states that CeramTec is a wholly-owned subsidiary of CeramTec Group GmbH. No publicly held company owns 10% or more of stock in CeramTec Group GmbH.

STATEMENT OF RELATED PROCEEDINGS

U.S. Court of Appeals for the Federal Circuit:

CeramTec GmbH v. CoorsTek Bioceramics LLC, No. 23-1502 (Jan. 3, 2025) (reported at 124 F.4th 1358).

Trademark Trial and Appeal Board:

CoorsTek Bioceramics LLC v. CeramTec GmbH, Cancellation Nos. 92058781 and 92058796 (Dec. 6, 2022) (available at 2022 WL 17547263).

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PETITION FOR A WRIT OF CERTIORARI

CeramTec GmbH respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The Federal Circuit’s opinion (Pet. App. 1a-20a) is reported at 124 F.4th 1358. The Federal Circuit’s order denying CeramTec’s petition for rehearing en banc (Pet. App. 177a-178a) is not reported.

The Trademark Trial and Appeal Board’s opinion cancelling Petitioner’s trademarks (Pet. App. 21a-176a) is unreported but available at 2022 WL 17547263.

JURISDICTION

The Federal Circuit entered judgment on January 3, 2025. Pet. App. 1a.¹ The court denied Petitioner’s rehearing petition on April 22, 2025. Pet. App. 178a. On June 25, 2025, the Chief Justice extended CeramTec’s deadline to petition for a writ of certiorari to and including August 20, 2025. This Court has jurisdiction under 28 U.S.C. § 1254(1).

INTRODUCTION

This case presents a circuit split over a recurring question of vital importance to intellectual property holders. In *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, this Court held that “the disclosure of a [trademarked] feature in the claims of a utility patent constitutes strong evidence” that the trademark is functional and therefore invalid. 532 U.S. 23, 31 (2001). At the same time, the Court recognized that “a different result might obtain” when “a manufacturer seeks to protect arbitrary, incidental, or ornamental aspects of features of a product found in the patent claims.” *Id.* at 34.

Before this case, circuit courts uniformly held that such arbitrary or incidental features of a product produced by practicing a patent were not strong evidence of functionality under *TrafFix*. The Federal Circuit’s decision below upended that consensus. It held that any time practicing a patent “causes” the trademarked design feature, the patent is “strong evidence” of functionality under *TrafFix*—regardless of how incidental, arbitrary, or ornamental the design. Pet.

¹ The court’s slip opinion contains a typographical error reporting the date as January 3, 2024.

App. 8a-11a. The Federal Circuit’s approach tracks and expressly endorses the one adopted by the Trademark Trial and Appeal Board in this case.

The Federal Circuit and the Board relied on that broad understanding of *TrafFix* to cancel CeramTec’s trademarks on the color pink as applied to ceramic hip-joint components. The expired patents at issue did not claim—indeed, did not even mention—the color pink. Instead, the patents claimed, in relevant part, a range of chromia, a chemical compound, when used in ceramic materials. Chromia, in turn, affects the ceramic’s color. It is undisputed that practicing the claimed range of chromia in the patents can yield a ceramic of nearly any color—from pink to red to purple to yellow to black to gray to white. And, critically, it is undisputed that the patents do not ascribe any particular advantage to the amount of chromia that corresponds to the color pink over any other color among this rainbow of options.

No matter, according to the Federal Circuit and the Board. Because the amount of chromia that CeramTec chose within the claimed range “causes” the color pink, the patents are “strong evidence” of functionality—regardless of whether competitors can take full advantage of the patents’ teachings without using the color pink and regardless of whether competitors imitating the mark are even practicing CeramTec’s patents. Pet. App. 8a-11a; C.A. App’x 11423.

The Third, Fourth, and Seventh Circuits have all rejected the Federal Circuit’s expansive understanding of *TrafFix*, recognizing that where a trademarked design is “a purely aesthetic choice among many alternatives,” *TrafFix* does not apply. *McAirlaids, Inc. v.*

Kimberly-Clark Corp., 756 F.3d 307, 312-313 (4th Cir. 2014); accord *Ezaki Glico Kabushiki Kaisha v. Lotte Int’l Am. Corp.*, 986 F.3d 250, 260 (3d Cir. 2021); *Bodum USA, Inc. v. A Top New Casting Inc.*, 927 F.3d 486, 496 (7th Cir. 2019).

The majority have it right. The approach adopted by the Federal Circuit is inconsistent with *TrafFix* and hornbook law. Under the Federal Circuit’s approach, any design—no matter how incidental—that results from practicing a patent would fall within the sweep of *TrafFix*. That rule will make it extremely difficult, if not practically impossible, for patent holders to ever secure trademark protection for even arbitrary design features of the patented invention. The division between the Federal Circuit and other courts on this crucial question of trademark law, moreover, will incentivize forum shopping, with parties seeking to invalidate trademarks filing a challenge before the Board rather than in the Third, Fourth, or Seventh Circuits.

The position of the Federal Circuit and the Board is equally incompatible with the underlying principles of intellectual property law, which ascribe very different roles for patents and trademarks. The party behind the cancellation petitions in this case—CoorsTek—is a case-in-point. CoorsTek’s long quest to cancel CeramTec’s marks began not with an effort to copy CeramTec’s patented formula, but with a trip to Home Depot to select the color swatch that best matches CeramTec’s trademarked pink. Its choice was driven by the marketing department, not the patent division. In fact, CoorsTek’s competing pink product was designed to avoid practicing the primary expired patent at issue in this case.

This Court should grant certiorari to resolve the issue reserved in *TrafFix* and restore uniformity on this important issue of intellectual property law. The petition should be granted.

STATUTES INVOLVED

Under 15 U.S.C. §§ 1091(c) and 1092, a trademark on the supplemental register shall be cancelled if it “as a whole is * * * functional.”

STATEMENT OF THE CASE

A. Legal Framework

1. Patent and trademark law serve different—but equally important—procompetitive purposes. Patents exist to “promote the Progress of Science and useful Arts’ * * * by offering inventors exclusive rights for a limited period as an incentive for their inventiveness and research efforts.” *Diamond v. Chakrabarty*, 447 U.S. 303, 307 (1980) (quoting U.S. Const. Art. I, § 8, cl. 8). The “primary purpose” of this system, however, “is not reward of the individual” but the “disclosure of advances in knowledge which will be beneficial to society” as a whole. *Sinclair & Carroll Co. v. Interchemical Corp.*, 325 U.S. 327, 330-331 (1945); accord *Halo Electronics, Inc. v. Pulse Electronics, Inc.*, 579 U.S. 93, 112 (2016) (Breyer, J., concurring) (“Through a complex system of incentive-based laws, patent law helps to encourage the development of, disseminate knowledge about, and permit others to benefit from useful inventions.”).

Trademark law, by contrast, helps ensure that consumers can make informed decisions about the source and quality of products on the market. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-164 (1995). A trademark or protected trade dress “quickly

and easily assures a potential customer that *this* item—the item with this mark—is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past.” *Id.* at 164.² Thus, trademarks ensure “a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product.” *Id.*

Reflecting these diverging purposes, patents require disclosure of the invention to the market, *see* 35 U.S.C. § 112(a), and protect the claimed inventions for a time-limited period, after which they expire, *see id.* §§ 154, 156. Because trademarks protect arbitrary, source-identifying designs, they never expire so long as they are appropriately maintained. *See* J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 6:6 (5th ed. 2025).

Because trademarks are about signaling source and quality—not protecting useful product attributes—trademarks are invalid if they are functional. This Court has explained that a mark is “functional” if the specific “product feature” that is protected is “essential to the use or purpose of the article” or “affects the cost or quality of the article.” *Qualitex*, 514 U.S. at 165 (quotation marks omitted).

2. In *TrafFix*, this Court set out the legal framework for determining when an expired utility patent provides evidence that a trademark is impermissibly functional. In that case, the manufacturer of roadside signs—for example, “Road Work Ahead”—held a

² Trade dress is simply a form of trademark protection that applies to the look of the product rather than, for example, a logo or brand name. *See* McCarthy, *supra*, §§ 3:1, 8:1, 8:7.

utility patent claiming a particular dual-spring design that helped the sign withstand strong gusts of wind and stay upright. 532 U.S. at 25. After the patents expired, the manufacturer sought trade dress protection for the very same dual-spring design. *Id.* at 25-26. A competitor who wanted to use that dual spring design argued that “the existence of an expired utility patent” for that design completely “forecloses the possibility of the patentee’s claiming trade dress protection in the product’s design.” *Id.* at 28.

This Court rejected that bright-line rule and instead adopted a middle-ground approach. The Court held that an expired patent “is strong evidence that the features therein claimed are functional.” *Id.* at 29. But it recognized that a patent might also disclose “arbitrary, incidental, or ornamental aspects of features of a product” that practices the patent. *Id.* at 34. In such situations, the Court recognized, “a different result might obtain.” *Id.* Because the dual-spring design in that case was “the central advance claimed in the expired utility patents,” however, this Court held the patent was strong evidence that the design was functional. *Id.* at 30. *TrafFix* thus focuses on whether “the features in question” are functional based on a prior patent. *Id.*

B. Factual Background

1. CeramTec is a leading manufacturer of ceramics, including hip-joint components, and has spearheaded multiple advances in ceramic production methods. *See* Pet. App. 63a-64a. CeramTec led the market in shifting from pure alumina ceramics to those made of a composition known as “zirconia-toughened alumina” (ZTA), which has better fracture

and wear rates when compared to pure alumina because of the addition of zirconia. *See* Pet. App. 53a.

Yttria is added to ZTA ceramics for stabilization purposes. *See* C.A. App'x 10590-92, 11294. Early on, CeramTec relied on yttrium chromite to introduce yttria to its ZTA ceramics. C.A. App'x 13726-29. During the production process, the chromium ions bonded with oxygen to form chromia. C.A. App'x 13728-29. The presence of chromia in the ZTA compound affects its color. Pet. App. 3a. Depending on the specific amount of chromia, the resulting compound could be almost any color of the rainbow. *See id.*

CeramTec ultimately obtained U.S. Patent No. 5,830,816 (the '816 patent) for the composition of its ZTA ceramics. The patent reflected the then-prevailing view that adding chromia to a ZTA ceramic modestly increased the hardness of the resulting ceramic.³ The patent claims a wide range of chromia values—from 1 part chromia per 1,000 parts zirconia all the way to 1 part chromia per 20 parts zirconia. C.A. App'x 13998.

Within this claimed range, it is undisputed that the resulting ceramic can come “in a variety of colors, such as pink, red, purple, yellow, black, gray [or] white.” Pet. App. 3a. Nothing in the patent suggests that any particular chromia value within the claimed

³ Scientific testing has proven this belief incorrect. Every controlled test in the record showed that chromia had *no* material effect on hardness in the amount used to produce CeramTec's pink ceramic. *See* CeramTec C.A. Reply Br. 18. The Board and the Federal Circuit rejected this argument, however, and the question presented to this Court assumes solely for the sake of argument that the patent accurately describes chromia's effect on the ceramic's hardness.

range affects hardness differently from any other value within that range. *See* C.A. App'x 1230-42. In other words, the patent discloses the *same* effect for any amount of chromia within the range claimed in the patent—and, thus, the same effect for all the colors that range can produce.⁴ CeramTec's product practicing this patent—BioloX Delta—"contains chromia at a 0.33 weight percentage (0.33%), which makes it pink." Pet. App. 3a.

Subsequent scientific advancements made it unnecessary to use yttria chromite to introduce yttria into the ceramic—instead, that could be achieved with the cheaper yttrium oxide. C.A. App'x 13730, 13820-21. But CeramTec recognized that its pink product had enormous value as a brand identifier. CeramTec retained its signature pink product and invested heavily in promoting its association with the color pink. *See* C.A. App'x 12802-19.

Ultimately, CeramTec secured trademark protection for the color pink as applied to ceramic hip-joint components. Pet. App. 3a.

2. Respondent CoorsTek (then called C5) entered the ceramic implant market long after CeramTec and sought to capitalize on the market's association between the color pink and the reputation for outstanding quality that CeramTec had achieved over many years. Although customers had advised CoorsTek of CeramTec's association with the color pink as early as

⁴ The parties' briefing below focused on the '816 patent. *See* C.A. Reply Br. 4 n.1. The Federal Circuit refers to additional expired patents and an abandoned patent application related to CeramTec's ZTA ceramics. *See* Pet. App. 8a. Those patents are in all material respects the same as the '816 patent.

2009, CoorsTek’s head of marketing launched “project pink.” *See* C.A. App’x 6622-24, 10478, 13541. He went to Home Depot, found the paint swatch most closely resembling CeramTec’s pink product, and told CoorsTek’s product team to match the color as closely as it could. C.A. App’x 13649-50, 13666-68.

At the time, CoorsTek already had a white product that competed with CeramTec—one CoorsTek had repeatedly touted as “substantially equivalent” to CeramTec’s pink product. C.A. App’x 13444. CoorsTek knew its white product was “[o]bviously * * * cleanest from a IP standpoint,” C.A. App’x 13465. Nevertheless, CoorsTek plowed ahead with development of a pink product to compete with CeramTec’s. *See* Pet. App. 4a. Although CoorsTek’s product mimics the pink color of CeramTec’s, it does not practice the ’816 patent. C.A. App’x 11423.

C. Procedural Background

CoorsTek initiated cancellation proceedings before the Board and also filed a lawsuit against CeramTec in the District of Colorado seeking to cancel the marks. Pet. App. 4a. The Board proceedings were initially stayed pending the outcome of the Colorado case. Pet. App. 27a-29a. After the Tenth Circuit concluded that the District of Colorado lacked personal jurisdiction over CeramTec, however, proceedings before the Board resumed. Pet. App. 28a; *see C5 MedicalWerks, LLC v. CeramTec GmbH*, 937 F.3d 1319 (10th Cir. 2019).

The Board ruled in CoorTek’s favor, concluding that CeramTec’s trademarks on the color pink as applied to hip-joint components were functional. Pet. App. 26a. Although the Board’s opinion was 106

pages long, its legal analysis did not begin until page 85. *See* Pet. App. 149a.

The Board’s functionality analysis relied heavily on CeramTec’s expired utility patents, which the Board concluded were “strong evidence that the color pink for ceramic hip implant components is functional” under *TrafFix*. Pet. App. 160a. Although the Board acknowledged that “the patent[] may encompass a wide variety of [design variations],” it nevertheless believed *TrafFix* applied because “a pink ceramic” *can* “result[] from the implementation of the patent.” Pet. App. 158a-159a. In other words, the Board believed that the patent “disclose[d] the utilitarian advantages of [chromia]” and that *TrafFix* applied because the color pink was “a natural byproduct” of the specific amount of chromia used in CeramTec’s product. Pet. App. 172a. The Board also believed that other evidence in the record, including CeramTec’s marketing materials and scientific literature, corroborated its finding of functionality and relied on those factors in combination with the patents to support its ultimate determination of functionality. *See* Pet. App. 172a-173a.

The Federal Circuit affirmed. Pet. App. 2a. It concluded that the Board “correctly applied *TrafFix*” when finding “that CeramTec’s patents were ‘strong evidence’” of functionality. Pet. App. 8a, 11a. The court rejected the argument that a “patent must explicitly disclose that the claimed feature” in a trademark “is functional,” instead embracing the Board’s determination that the patents were strong evidence of functionality here because “the addition of chromia causes ZTA ceramics to become pink.” Pet. App. 8a-9a, 11a. The court also concluded that it was

irrelevant whether “the ‘central advance’ ” of the patents at issue related to the color pink as applied to a medical device—dismissing that language from this Court’s opinion in *TrafFix* as merely an illustration of “why the patent in that case was particularly strong evidence that the design feature at issue was functional.” Pet. App. 11a.

CeramTec filed a petition for rehearing, explaining that the panel’s application of the *TrafFix* “strong evidence standard” to *any* design that can be produced by practicing a patent—without considering whether that design is arbitrary or ornamental—deviated from this Court’s decision in *TrafFix* and the approach adopted by other circuits. The court denied CeramTec’s request, Pet. App. 178a, and this petition follows.

REASONS FOR GRANTING THE PETITION

In the decisions below, the Federal Circuit and the Board held that a utility patent is “strong evidence” of functionality under *TrafFix* whenever practicing the patent “causes” the trademarked feature to occur. That overbroad reading of *TrafFix* is incompatible with three prior circuits that have considered the same question, each of whom have properly focused on whether the utility patents at issue teach a functional benefit for the *specific* trademarked feature. If this Court does not grant certiorari and reverse, the Federal Circuit’s guaranteed jurisdiction over appeals from the Board will create a nationwide venue that is uniquely susceptible to the cancellation of marks that would be valid if assessed by other regional circuits. This Court should grant certiorari to bring the Federal Circuit and Board back in line with the majority

rule and restore the delicate balance that Congress struck between patent and trademark protections.

I. THE FEDERAL CIRCUIT AND THE TRADE-MARK TRIAL AND APPEAL BOARD SPLIT FROM OTHER CIRCUITS’ READING OF THIS COURT’S OPINION IN *TRAFFIX*.

1. Three circuits have correctly held that a utility patent is not “strong evidence” of functionality under *TraFFix* merely because practicing the patent “causes” the trademarked feature in a literal sense. Instead, those circuits conclude that the *TraFFix* “strong evidence” standard does not apply where practicing the patent results in many different designs, and the design protected by a trademark is arbitrary, incidental, or ornamental.

The Fourth Circuit’s opinion in *McAirlaids* is particularly instructive. In that case, the registered trade dress constituted a particular pattern of “pin-point-like dots” on a textile material used for absorbent goods. 756 F.3d at 309. This pattern “result[ed] from” a patented manufacturing process, in which including *some* “pressurized bonding points” was a functional necessity. *Id.* at 311-312. Nearly any pattern of pressurized bonding points, however, would achieve the patent’s goals. *See id.* The owner of the patent trademarked only one such design pattern. The question the Fourth Circuit addressed in *McAirlaids* was whether the trademark owner’s “chosen embossing pattern” was functional, or could instead be protected through a trademark.

As the Fourth Circuit explained, *TraFFix* was “distinguish[able]” because the specific dot pattern claimed as a trademark was “not the ‘central advance’

of any utility patent.” *Id.* at 312 (quoting *TrafFix*, 532 U.S. at 30).⁵ Under the patented process, “embossing studs of different shapes [could] be used, including lines, pyramids, cubes, truncated cones, cylinders, and parallelepipeds.” *Id.* Thus, the choice of repeating dots “was a purely aesthetic choice among many alternatives.” *Id.* at 312-313. As a result, the utility patents were “not the same ‘strong evidence’ [of functionality] as the patents in *TrafFix*.” *Id.* at 312. The court reiterated these principles in *CTB, Inc. v. Hog Slat, Inc.*, where it described its holding in *McAirlaids* as concluding “that the patents did not establish that the feature in question [was] shown as a useful part of the invention.” 954 F.3d 647, 661 (4th Cir. 2020) (quotation marks omitted).

Under the Board and the Federal Circuit’s approach, *McAirlaids* would have come out differently: Because practicing the patent results in the repeating dot design—even though the patent nowhere mentions this individual design, and even though the design is not the central advance of the patent—both the Board and the Federal Circuit would have concluded that the *TrafFix* “strong evidence” standard applies. *See* Pet. App. 11a, 158a.

The Third Circuit reached a similar conclusion in *Ezaki Glico*. That case involved a challenge to the trade dress registered by the maker of Pocky cookie sticks: an elongated stick dipped in chocolate or

⁵ *McAirlaids* further distinguished *TrafFix* based on the burden of proof. *TrafFix* involved an unregistered trade dress, so the burden was on the party seeking protection to prove nonfunctionality. Here, as in *McAirlaids*, the burden to invalidate CeramTec’s registered marks was on the challenger, CoorsTek. *Compare McAirlaids*, 756 F.3d at 311, *with* Pet. App. 17a.

cream, sometimes including crushed nuts. 986 F.3d at 253. The challenger claimed that the design protected was functional, citing the cookie maker’s expired utility patent that claimed a useful “method for *making* the snack’s stick shape.” *Id.* at 260. According to the challenger, because the patented process resulted in a stick-shaped cookie, the *TrafFix* “strong evidence” of functionality standard applied. *See Kaisha v. Lotte Int’l. Am. Corp.*, No. 15-5477, 2019 WL 8405592, at *6-7 (D.N.J. July 31, 2019). The district court agreed, holding that the patent “further support[ed] a finding that Plaintiffs’ registered trade dress is functional.” *Id.* at *6.

The Third Circuit disagreed, concluding that it was “error” for the district court to have even “considered the utility patent” in its analysis. *Ezaki Glico*, 986 F.3d at 260. The court explained that under *TrafFix*, “[i]f a patentee relied on a product’s feature to show that the product was patentable, that reliance is good evidence that *the feature* is useful.” *Id.* (emphasis added). “As *TrafFix* put it, the question is whether the ‘central advance’ of the utility patent is also ‘the essential feature of the trade dress’ that the owners want to protect.” *Id.* (quoting *TrafFix*, 532 U.S. at 30). Thus, although the trade dress’s feature resulted from practicing the patents, “the patent’s innovation” was making the shape, not the shape itself. As a result, “the patent’s mention of the shape [said] nothing about whether the shape [was] functional.” *Id.*⁶ That ruling is directly contrary to the Federal

⁶ The Third Circuit ultimately affirmed the functionality determination for the trade dress at issue on other grounds. 986 F.3d at 260.

Circuit’s approach, which holds that *any* design that results from practicing the patent is subject to the *Traffix* “strong evidence” of functionality standard.

The Seventh Circuit’s decision in *Bodum* is in accord with the Third and Fourth Circuits’ position. That case involved a dispute over “an iconically designed houseware product—the Chambord French press coffeemaker.” 927 F.3d at 488. The registered trade dress claimed a domed lid inspired by “the towers of the Chambord Chateau, a castle in France’s Loire Valley.” *Id.* at 489. At trial, the party challenging the trade dress argued that the domed lid was functional and attempted to introduce evidence that the manufacturer had utility patents on certain elements of the French press coffeemaker, including a “removable cover.” *Id.* at 496. The district court disagreed and excluded the patents under Federal Rule of Evidence 403 because “the features [the manufacturer] claimed as part of its trade dress” were not “disclosed in the patents,” despite the patents’ mention of a “removable cover.” *Id.*

The Seventh Circuit affirmed. Like the Third and Fourth Circuits, it focused on whether the patents “claim[ed] any of [the trade dress] features as part of the patented invention.” *Id.* at 497. Because the patents claimed a “removable cover” rather than the specified domed lid design in the trade dress, the fact that the patents disclosed a removable cover that had a domed shape was not “strong evidence” of functionality under *Traffix*. *See id.* at 495-497. On the contrary, they were “irrelevant to the legal question of functionality.” *Id.* at 497. The Seventh Circuit thus follows the rule that “if ‘the central advance’ claimed in the utility patent matches the ‘essential feature’ of

the trademark, there is strong evidence that the design is functional.” *Georgia-Pac. Consumer Prods. LP v. Kimberly-Clark Corp.*, 647 F.3d 723, 728 (7th Cir. 2011) (quoting *TrafFix*). Otherwise, a utility patent is “irrelevant.” *Bodum*, 927 F.3d at 497.

2. The approach of the Federal Circuit and Board in this case represents a sharp break from the consensus of three circuits.

The Board’s evaluation of CeramTec’s utility patents turned on its conclusion “that a pink ceramic results from the implementation of the patent.” Pet. App. 158a. Although the Board acknowledged the evidence establishing that *nearly any color* could also result from using chromia according to the patent claims, the Board held that was “a non sequitur” so long as the pink in CeramTec’s product “result[ed]” from one way of practicing the patent. Pet. App. 158a-159a. And the Board dismissed this Court’s statement in *TrafFix* that a trademarked feature should be the “central advance” of a patent before it is considered “strong evidence” of functionality as “neither a holding of nor arguably even dicta from *TrafFix*.” Pet. App. 159a.

The Federal Circuit’s analysis mirrored and adopted the Board’s, holding that “[t]he Board correctly applied *TrafFix* here.” Pet. App. 11a. Like the Board, the Federal Circuit held that *TrafFix* applies because “the addition of chromia *causes* a ZTA ceramic to become pink” and CeramTec’s product “practices at least one claim of the ’816 patent.” Pet. App. 11a (emphasis added). According to the court, nothing more was required to “establish that the ’816 patent claims a ‘feature[],’ the color pink, which CeramTec has trademarked.” Pet. App. 11a. The Federal Circuit

reached that conclusion even though practicing the same patent claims can *also* produce ceramics “in a variety of colors, such as pink, red, purple, yellow, black, gray, and white,” Pet. App. 3a, and regardless of whether the trademarked feature constitutes “the ‘central advance’” of the utility patents at issue, Pet. App. 11a.

In short, the Federal Circuit and the Board both applied *TrafFix* to hold that if a trademarked feature “results from” or is “cause[d]” by practicing a utility patent, then *TrafFix* applies and the patent is “strong evidence” of functionality. According to the Board and the Federal Circuit, this “strong evidence” standard applies regardless of whether the patent identifies the trademarked feature as having any specific functional value, regardless of whether there are other design options, and regardless of whether the trademarked feature is the “central advance” of the patent. This approach oversimplifies *TrafFix* and stretches its evidentiary rule far beyond the particular circumstances animating it. In *TrafFix*, this Court’s concern was that a patent holder could effectively bar the public from ever practicing an expired utility patent by asserting trademark protection. 523 U.S. at 30-32. That concern is simply not present in cases like this one, where the patent holder’s trademark protects just one of many available designs, and the protected design (the color pink) is not the central advance of the patent. Likewise, the trademark does not protect any specific chemical composition—only the color pink, which is not mentioned anywhere in the patent.

The Federal Circuit’s approach is irreconcilable with the straightforward analysis conducted by other circuits, which asks whether the particular

trademarked design is in fact what the patent was trying to protect, or is instead an arbitrary or ornamental design that results from practicing the patent. In each of those courts' cases, practicing the patent literally "resulted" in the trademarked feature. The patented process in *McAirlaids* produced the trademarked dot pattern; Pocky's patented production process yielded the cookie's trademarked shape; and the patented "removable cover" in *Bodum* encompassed the Chambord dome-shaped coffee pot lid. *Supra* pp. 13-17.

Unlike the Federal Circuit and the Board, however, none of these other circuits applied the *TrafFix* "strong evidence" standard solely because practicing the patent resulted in the trademarked design. Instead, each court carefully analyzed whether the patent demonstrated that the *specific trademarked design* was functional. To inform this analysis, each followed this Court's discussion in *TrafFix* and analyzed whether the trademarked design was the "central advance" of the patent at issue. 532 U.S. at 30.

Under the approach adopted by the Third, Fourth, and Seventh Circuits, CeramTec's patents would not constitute strong evidence of functionality under *TrafFix*. Like the specific dot pattern at issue in *McAirlaids*, the color pink is nothing more than an "aesthetic choice among many alternatives" when practicing the patents at issue. 756 F.3d at 313. Although *some* pattern was required to secure the benefit of the *McAirlaids* patents, the specific trademarked choice was not.

So too here: Even assuming that a range of *chromia* could fairly be described as the patent's "central advance," neither the Board nor the Federal Circuit

found that the *color pink* was a central advance of the patent. Practicing the patent—with all of the benefits of the range of chromia claimed in the patent—results in a kaleidoscope of available color options. CeramTec’s competitors can practice its expired utility patent and manufacture a ceramic of nearly any color. The *TrafFix* “strong evidence” standard does not apply in this circumstance, and neither the Board nor the Federal Circuit should have applied it. This is plainly not a case where the “essential feature of the trade dress” was the “central advance of the utility patent.” *Ezaki Glico*, 986 F.3d at 260 (quotation marks omitted).

II. THE FEDERAL CIRCUIT AND THE BOARD MISUNDERSTAND *TRAFFIX*.

The approach adopted by the Board and the Federal Circuit misreads *TrafFix* and departs from first principles of intellectual property law.

It is black letter law that the functionality analysis “must focus on the functional utility of that exact feature * * * that is claimed as a protectable” mark, not other aspects of the product or device. McCarthy, *supra*, § 7:70. Thus, this Court has explained that “a product *feature* is functional, and cannot serve 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”—“that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.” *Qualitex*, 514 U.S. at 165 (quoting *Inwood Labs. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982)) (emphasis added).

This Court’s opinion in *Qualitex* exemplifies the correct approach. That case considered whether a party could claim trademark protection for the color

green-gold as applied to pads for dry cleaning presses. *See id.* at 161. Although it was “important to use *some* color on press pads to avoid noticeable stains,” the claimed mark did not cover “color” in general—it was confined to a specific “green-gold color.” *Id.* at 166. For that reason, this Court asked whether there was a functional benefit for that particular shade and squarely rejected the argument that every color was unprotectable as functional. *See id.* at 174.

TrafFix itself fully respects this basic principle of trademark law. The Court explained that a “utility patent is strong evidence that the *features therein claimed* are functional,” and that if “trade press protection is sought *for those features* the strong evidence of functionality based on the previous patent adds great weight” to the analysis. 532 U.S. at 29-30 (emphasis added). The Court held that this “strong evidence” standard applied where the patented “dual-spring design” at issue was “the essential feature of the trade dress” at issue. *Id.* at 30. But the Court simultaneously recognized that “an ornamental, incidental, or arbitrary aspect of the device” would not be subject to the same analysis, and that “a different result might obtain.” *Id.* at 30, 34.

The approach adopted by the Federal Circuit and the Board is incompatible with this Court’s functionality doctrine. By limiting the inquiry to whether practicing the patent *happens* to yield the claimed trademark, such an approach leaves no room for patentees to seek protection for arbitrary design choices when a patent leaves competitors a wide array of design options to achieve the exact same benefits described in the patent.

Consider how the Federal Circuit’s test would apply to the patent at issue in *Bodum*: There, it was undisputed that a “removable cover” was claimed. Including a “domed lid” on a coffee pot would unquestionably practice that aspect of the patent’s claims. Under the Federal Circuit’s test, that would mean the patent is “strong evidence” of functionality for *any* removable cover—whether a domed lid, a square one, or an octagon—preventing any trade dress for a specifically shaped lid, even when that specific shape serves only as a source identifier.

The Federal Circuit should have instead followed the majority approach—particularly given its outsized influence on intellectual property law—which would have found *TrafFix* inapplicable based on the undisputed facts in the record. Even assuming that the patent’s claimed range of chromia values has some beneficial effect, CeramTec’s competitors may take full advantage of that effect by choosing *any* amount of chromia in that range. *See* Pet. App. 3a. And all are agreed that, here, the patent leaves open virtually the entire color spectrum, *id.*—just as was the case in *Qualitex*, where competitors were free to choose any color *other* than green-gold for their press pads. *See* 514 U.S. at 166.

The Federal Circuit’s test is also untethered to the basic goals of patent and trademark law. Granting protection for CeramTec’s pink mark here does not leave CeramTec’s rivals—including CoorsTek—with any “significant non-reputation-related disadvantage.” *TrafFix*, 532 U.S. at 32 (quotation marks omitted). It does not grant CeramTec a permanent monopoly on the use of chromia in ceramics for hip-joints, or any other purpose, and competitors are free

to take full advantage of any functional benefits that chromia may provide under the patents. *See Qualitex*, 514 U.S. at 164-165. Upholding CeramTec’s marks means only that competitors who want to create a ZTA ceramic by practicing the expired patent must make an aesthetic choice to select an amount of chromia within that expired patent that produces any color other than pink.

III. THIS CASE IS AN EXCELLENT VEHICLE TO RESOLVE AN ISSUE OF VITAL IMPORTANCE TO PATENT HOLDERS NATIONWIDE.

1. The question presented is exceptionally important. Although Congress structured intellectual property law to protect patents differently than trademarks, the panel’s decision will in some instances require parties to choose between these protections—a congressionally unintended result that ultimately harms the public.

Federal law protects patents and trademarks differently because they serve different purposes. Congress secured for the public the right to reap the benefit of useful inventions, but not the ability to trade on another company’s goodwill and reputation. *See supra* pp. 5-7. The distinct frameworks for these protections reflect the delicate balance Congress struck in determining the scope of intellectual property protections in this country. *See, e.g., Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508, 526-527 (2023) (discussing copyright law’s balance); *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 193-194, 197-198 (1985) (discussing trademark law’s balance); *Bonito Boats, Inc. v. Thunder Craft*

Boats, Inc., 489 U.S. 141, 146 (1989) (discussing patent law’s balance).

The Federal Circuit’s approach to *TrafFix* collapses these distinct protections, requiring in some instances that parties choose between seeking patent protections for a new invention and seeking trademark protections for its efforts to popularize that invention. This forced choice—between an immediate protection designed to benefit patent holders and a later-accrued protection designed to serve consumers—will for many parties be no choice at all. Having made substantial upfront investments in their invention, some investors may opt for a patent and the lucrative exclusivity period that a patent offers. *See* J. Masur & A. Mortaga, *Patents, Property, and Prospectivity*, 71 Stan L. Rev. 963, 969-970 (2019). Indeed, a firm “invests in [research and development] with the belief that some number of years down the road, it will be able to recoup those investments and turn a profit by leveraging the patents it has obtained.” *Id.* at 971. Forcing a choice between patent and trademark protections therefore disservices the public, who suffers most when parties lack adequate incentives to invest in brand recognition.

The resulting loss of incentive to invest in brand recognition will ultimately harm consumers, who depend on recognizable trademarks to quickly and easily distinguish brands they trust from those they don’t. *See Qualitex*, 514 U.S. at 164. The hazards are particularly pronounced in the patent-rich medical context, where inferior, copycat products can be a matter of life and death. Many medical products (and their counterfeits) are sold directly to consumers through drug stores and online retailers. *See, e.g.,*

Amazon.com Inc. v. Bamb Awns, No. C22-0402-KKE, 2024 WL 3276352, at *1 (W.D. Wash. July 2, 2024) (permanently enjoining defendants from selling counterfeit respiratory muscle training device on Amazon); *Johnson & Johnson v. Azam Int'l Trading*, No. 07-CV-4302 SLT SMG, 2013 WL 4048295, at *1, 3 (E.D.N.Y. Aug. 9, 2013) (granting default judgment against defendants selling counterfeit blood glucose strips). Although medical professionals can in some instances help ensure product integrity, such as in the implant context, counterfeit devices and drugs are often difficult to detect even for professionals. Maria Nelson et. al., *Counterfeit Pharmaceuticals: A Worldwide Problem*, 96 Trademark Rep. 1068, 1069 (2006); see also *Johnson & Johnson v. Advanced Inventory Mgmt., Inc.*, No. 20-CV-3471, 2020 WL 8262232, at *1 (N.D. Ill. Oct. 2, 2020) (identifying evidence that counterfeit devices were “implanted in unwitting patients during surgery”). Trademarks, and the ability to meaningfully enforce those marks, are essential to protecting consumers from bad actors who attempt to trade on a trusted brand’s reputation.

These concerns would warrant attention in a decision from any circuit, but the Federal Circuit’s outsized role in resolving patent disputes provides even greater reason for this Court to intervene. Federal law authorizes direct appeals from the Trademark Trial and Appeal Board to the Federal Circuit, which means that court has outsized influence on trademark jurisprudence. See Anita B. Polott & Rachel E. Fertig, *2016 Trademark Law Decisions of the Federal Circuit*, 67 Am. U. L. Rev. 1411, 1412-13 (2018); see also 15 U.S.C. § 1071(a)(1); 28 U.S.C. § 1295(a)(4)(B). The Federal Circuit’s misapplication of *TrafFix* thus

threatens unique instability to trademark owners and creates a forum that is unusually hospitable to the cancellation of trademarks that would be sustained in other jurisdictions. This Court's review is necessary to correct the Federal Circuit's outlier approach and restore uniformity on this important issue.

2. This case offers an ideal vehicle for addressing the Federal Circuit's misinterpretation of *TrafFix*. The question presented is a purely legal issue that was fully litigated in the proceedings below and conclusively resolved in a published decision.

Moreover, the time is right for this Court to provide lower courts additional guidance on how to apply *TrafFix*'s test. In the 24 years since this Court has decided *TrafFix*, “the functionality doctrine has been characterized as ‘in a state of disarray’; ‘fractured’; having ‘not enjoyed * * * clarity’; and ‘a mess.’” J. Hughes, *Cognitive and Aesthetic Functionality in Trademark Law*, 36 Cardozo L. Rev. 1227, 1229 (2015) (collecting citations). In particular, “[m]any scholars have struggled to make sense of the *TrafFix* decision, * * * many courts have struggled to apply it” and “[t]he federal courts and the Trademark Trial and Appeal Board are split in their interpretations and applications of the *TrafFix* holding.” A. Cohen, *Following the Direction of TrafFix: Trade Dress Law and Functionality Revisited*, 50 IDEA 593, 594 (2010). Nearly a quarter century after this Court last addressed the relationship between trade dress protection and an expired utility patent, the question presented is certainly ripe for review.

Granting certiorari in this case will facilitate that review, highlighting the illogic of stretching *TrafFix* too far. The upshot of *TrafFix* is that patent holders

may not use trademark law to impermissibly extend their patent monopolies, and to withhold a useful innovation from the public domain. 532 U.S. at 34-35. But here, the Federal Circuit applied *TrafFix* despite undisputed evidence that CeramTec’s mark *allows* the public to practice its previously patented invention. See Pet. App. 3a. Indeed, CoorsTek’s grievance has never been that the company wants to practice CeramTec’s patents—on the contrary, CoorsTek’s pink product *does not practice* the ’816 patent at all. See C.A. App’x 11423. Instead, from the day CoorsTek’s marketing expert first went to Home Depot to match CeramTec’s product to a paint swatch, CoorsTek’s goal has always been to copy CeramTec’s color and trade on the goodwill that CeramTec spent years building in the market based on that color.

Finally, although the Board and Federal Circuit purported to cite other evidence in favor of their conclusions, it is well-settled that an agency action cannot stand “unless the grounds upon which the agency acted in exercising its powers were those upon which its action can be sustained.” *SEC v. Chenery Corp.*, 318 U.S. 80, 95 (1943) (*Chenery I*); accord *Calcutt v. Federal Deposit Ins. Corp.*, 598 U.S. 623, 629 (2023) (a reviewing court “is not generally empowered to conduct a *de novo* inquiry into the matter being reviewed and to reach its own conclusions based on such an inquiry” (quotation marks omitted)). There can be no question that the erroneous interpretation of *TrafFix* carried substantial weight in the functionality analysis below. See Pet. App. 10a-11a (Federal Circuit’s discussion of *TrafFix*); Pet. App. 152a-159a (Board’s discussion of *TrafFix*). And neither the Federal Circuit nor the Board purported to conclude that they

would find CeramTec's marks functional independently of their incorrect reading of *TrafFix*. Because that interpretation is wrong as a matter of law, the Board's decision cannot stand. *Chenery I*, 318 U.S. at 95.

This Court should intervene and clarify that *TrafFix* is not a tool for companies to siphon a competitor's reputational advantages.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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