

That’s the Way the Trade Dress Crumbles: Third Circuit Holds No Trade Dress Protection for Pocky Sticks

Ezaki Glico Kabushiki Kaisha v. Lotte Int’l Am. Corp., No. 19-3010, 2020 WL 5951113 (3d Cir. Oct. 8, 2020)

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You are likely familiar with Pocky, a popular stick-shaped biscuit cookie dipped in chocolate. Lotte, a South Korean conglomerate, makes its own version, called Pepero. On October 8, 2020, the Third Circuit affirmed the district court’s holding that the biscuit cookie product’s design was functional, and ineligible for trademark protection. On January 26, the Third Circuit vacated and reissued its original opinion, maintaining, but clarifying, its original holding: the product design is functional and, thus, not protectable.



The Third Circuit noted the importance of protecting only designs¹ that prevent consumer confusion and safeguard the earned goodwill of the trademark owner—not functional features that blur into the realm of patent law where protection is only for a *limited* time. A “useful” feature is functional and need not be “essential,” as Glico argued; otherwise, trademark protection would cross over into patent protection. Additionally, design features that improve quality or lower cost also are functional and cannot be protected. If a design feature does anything more than identify its source, such as give a product a useful edge, that feature is functional. The Third Circuit also analyzed functionality at the level of each particular feature, instead of analyzing the entire product or type of feature. (“To decide whether a trade dress is functional, we look at the usefulness of the **exact feature** or **set of features** claimed.”). Further, the court noted that a combination of functional and non-functional features can be protectable as trade dress (see, e.g., the green-gold ironing board pad in *Qualitex* and the “C” shaped handle in *Bodum*).

When considering the Pocky cookies specifically, the Court discussed that the biscuit’s design makes it easier to eat—i.e., the uncoated end prevents getting chocolate on the consumer’s hands; the stick shape makes it easier to hold; and the thinness of the shape creates ease of packing the sticks into a box. Glico’s advertising promoted Pocky’s useful features. And, as far as alternative designs, while Lotte could have picked a different shape for its Pepero, that did not make Pocky any less useful. However, the Court also discounted Lotte’s argument that Glico’s utility patent proved that Pocky was functional—the patent was for a manufacturing method, not for the biscuit shape, and thus irrelevant.

As such, when considering what aspect of your product design to claim as trade dress, it is vital to simultaneously consider how market the product—advertising features as “convenient,” or “useful,” both invites a functionality challenge and puts design patents claims unnecessarily at risk.

¹ In the court’s original opinion, the court had used product “feature” and “design” largely interchangeably. In this reissue opinion, the court was more precise in its use of design (to describe what Lotte was seeking to protect) and feature to describe what design elements were (or were not) functional.