


# Leapers, Inc. v. SMTS, LLC

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# LEAPERS, INC. V. SMTS, LLC

Melissa Cole\*

## I. INTRODUCTION

The United States is one of the leading gun producers in the world, with roughly twelve million guns entering into the stream of commerce each year.<sup>1</sup> About five million of those guns are rifles, the second most common gun purchased in America.<sup>2</sup> Rifles, like many other guns, can be equipped with additional items, such as rifle scopes.<sup>3</sup> Rifle scopes are incredibly important to consumers who purchase rifles to hunt, because the scopes aid in securing better aim for the hunter.<sup>4</sup>

Rifle scopes contain knurling, which is present to allow users to obtain a better grip on the scope.<sup>5</sup> This knurling is a pattern created by the designer in order to function to its maximum capacity.<sup>6</sup> But

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<sup>1</sup> Bureau of Alcohol, Tabaco, Firearms and Explosives, *Annual Firearms Manufacturing and Export Report*, (2016),

<https://www.atf.gov/about/docs/undefined/afmer2016webreport508pdf/download>.

<sup>2</sup> *Id.*; See Max Prasac, *Handgun Hunting: Choosing Scopes and Sights*, (August 17, 2012), <https://gundigest.com/how-to/handgun-hunting-choosing-scopes-and-sights>; see also Jason J. Brown, *The Basics of Riflescopes and How They Work*, Thursday, May 4, 2017, <https://www.nrablog.com/articles/2017/5/the-basics-of-riflescopes-and-how-they-work/>.

<sup>3</sup> Bureau of Alcohol, Tabaco, Firearms and Explosives, *supra* note 1.

<sup>4</sup> See generally, Keith Wood, *Top New Riflescopes of 2017*, (April 21, 2017) <https://www.americanhunter.org/articles/2017/4/21/top-new-riflescopes-for-2017/>.

<sup>5</sup> *Leapers, Inc. v. SMTS, LLC*, 879 F.3d 731,733 (6th Cir. 2018).

<sup>6</sup> *Id.*

what happens when the designer of rifle scope knurling creates a pattern that, while still functioning as rifle knurling, is also designed primarily to be aesthetically appealing? The doctrine of aesthetic functionality is not accepted by many circuits, but the Sixth Circuit recently accepted this doctrine, and laid out a clear test regarding how to apply it.<sup>7</sup> This could be the first step in converting holdout circuits to adopt the aesthetic functionality doctrine.

Part II of this article will provide background information on the functionality doctrines and what it means to acquire secondary meaning, and how this applies to trade dress under the current precedent, noting the circuit split regarding aesthetic functionality.<sup>8</sup> Part III will discuss the subject opinion of this Note, *Leapers, Inc., v. SMTS, LLC*, which adopted the aesthetic functionality doctrine as well as the utilitarian functionality doctrine, and touches upon the secondary meaning defense.<sup>9</sup> Part IV will discuss the conflicts relating to the different types of functionality, and the concerns regarding the secondary meaning and functionality overlap.<sup>10</sup> Part V will discuss the future implications of the ruling, and what this means for the courts and the rifle scope industry.<sup>11</sup> Part VI will conclude the overall discussion.<sup>12</sup>

## II. BACKGROUND

In 1946, the Lanham Act was passed in the United States which afforded, among other things, trademark protection for any “word, name, symbol, or device, or any combination thereof used by a person or which a person has a bona fide intent to use in commerce.”<sup>13</sup> This protection also extends to trade dress.<sup>14</sup> The Sixth Circuit has defined trade dress as referring “to the image and overall

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<sup>7</sup> *Id.* at 740-41.

<sup>8</sup> See *infra* notes 13-35 and accompanying text.

<sup>9</sup> See *infra* notes 36-87 and accompanying text.

<sup>10</sup> See *infra* notes 88-124 and accompanying text.

<sup>11</sup> See *infra* notes 125-137 and accompanying text.

<sup>12</sup> See *infra* notes 138 -139 and accompanying text.

<sup>13</sup> 15 U.S.C. § 1127 (1946).

<sup>14</sup> *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 216 (2000).

appearance of a product [which includes] . . . packaging . . . total image of a product [including]... size, shape, color, or color combinations, texture, graphics, or even particular sales techniques.”<sup>15</sup> Trade dress is extremely important because, like trademarks, trade dress protects the goodwill that a person has accumulated with a product or service.<sup>16</sup> Trade dress disputes have been documented as early as the 1900s.<sup>17</sup>

### *A. Functionality Doctrines*

To have a successful trade dress infringement claim, a plaintiff needs to show among other things, that its design is nonfunctional and that it has acquired secondary meaning.<sup>18</sup> As a result, courts have developed a plethora of tests to determine functionality, and the concept of functionality is one that has confused the federal circuits, particularly at the district level, leaving federal district judges to grapple with a clear position.<sup>19</sup> This could be because there are different types of functionality, specifically utilitarian, and aesthetic functionality.<sup>20</sup>

#### *1. Utilitarian Functionality*

“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.”<sup>21</sup> If an item is functional, it cannot receive trade dress protection.<sup>22</sup> This is what the court calls utilitarian functionality.<sup>23</sup> The most common test for utilitarian functionality, or more often

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<sup>15</sup> *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 629 (6th Cir. 2002).

<sup>16</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 771 (1992).

<sup>17</sup> *See Charles E. Hires Co. v. Consumers’ Co.*, 100 F. 809 (7th Cir. 1900).

<sup>18</sup> *Leapers, Inc., v. SMTS, LLC* 879 F.3d 731, 735 (6th Cir. 2018).

<sup>19</sup> *See generally* Vincent N. Palladino, *Trade Dress Functionality After Traffix: The Lower Courts Divide Again*, 93 TMR 1219 (2003).

<sup>20</sup> Beth F. Dumas, *The Functionality Doctrine in Trade Dress and Copyright Infringement Actions: A Call For Clarification*, 12 Hastings Comm. & Ent. L.J 471, 481 (1990).

<sup>21</sup> *Inwood Labs, Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982).

<sup>22</sup> *Leapers, Inc.*, 879 F.3d at 736.

<sup>23</sup> *Id.*

nonfunctionality, is known as the Inwood Test.<sup>24</sup> To prove nonfunctionality under this test, a design feature must not be “essential to the use or purpose of the article,” and that design feature must not “affect the cost or quality of the article.”<sup>25</sup> If a design article satisfies both points of the test, the design is deemed nonfunctional, and can potentially qualify for trade dress protection.

## 2. Aesthetic Functionality

“A design has aesthetic functionality when it communicates the use, purpose, cost, or quality of the product in a way that competitors cannot avoid replicating without incurring costs. . . .”<sup>26</sup> Aesthetic functionality is designed to protect competitors from being significantly disadvantaged by a design that was claimed to solely be creative, but also enhances the function of the product.<sup>27</sup> Aesthetic functionality protects source identifiers that do not relay information regarding the purpose, cost, or quality.<sup>28</sup> While aesthetic functionality is not accepted by many courts, courts that do acknowledge this test only had the Qualitex standard to rely on.<sup>29</sup> The Qualitex standard states that a design does not have aesthetic function “such that exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.”<sup>30</sup> Until the Sixth Circuit’s recent clarification in *Leapers*, this standard was difficult to separate from utilitarian functionality.

### B. Secondary Meaning

If a design has secondary meaning, it means that the design “serves to identify the product with its manufacturer or source.”<sup>31</sup> This requires that the public (or target audience of the product)

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<sup>24</sup> *Id.*

<sup>25</sup> See *Inwood Labs, Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982).

<sup>26</sup> *Leapers, Inc.*, 879 F.3d at 737.

<sup>27</sup> See *Id.* at 737.

<sup>28</sup> *Id.* at 736-37.

<sup>29</sup> See *Id.* at 738.

<sup>30</sup> *Leapers, Inc.* 879 F.3d at 737, quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995).

<sup>31</sup> *TrafFix Devices, Inc. v. Marketing Displays, Inc.* 532 U.S. 23, 28 (2001).

understands a design to “identify the source of the product rather than the product itself.”<sup>32</sup> In order to determine if trade dress has secondary meaning, the Sixth Circuit applies a seven factor test.<sup>33</sup> These factors include direct consumer testimony, customer surveys, exclusivity and length of trade dress usage, amount and manner of advertising, amount of sales and number of customers, established place in the market, and proof of intentional copying.<sup>34</sup> While not all factors need be proven, no factor is individually determinative and all factors need to be analyzed.<sup>35</sup>

### III. LEAPERS, INC. V. SMTS ET AL, SUN OPTICS USA

#### *A. Factual Background*

Since 2002, plaintiff, Leapers, Inc., (“Leapers”) has made adjustable rifle scopes which contain portions textured with knurling.<sup>36</sup> Knurling consists of a pattern of straight, angled, or crossed lines rolled onto material.<sup>37</sup> This pattern can be found not only on rifle scopes, but also on door handles, coin edges, bottle lids, mechanical pencils, and barbell bars.<sup>38</sup> Knurling has a functional purpose, as it allows users of an object to grip the item better.<sup>39</sup> It is frequently used on gun grips in order to give shooters a better grip and to allow them to make fine-tuned adjustments.<sup>40</sup>

Shortly after Leapers began production of these rifle scopes it entered into an exclusive manufacturing contract with Nantong WuYang Sporting Goods, located in China.<sup>41</sup> Chuanwen Shi and

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<sup>32</sup> Inwood Labs, Inc. v. Ives Labs., Inc., 456 U.S. 844, 850 n.11 (1982).

<sup>33</sup> GMC v. Lanard Toys, Inc., 468 F.3d 405, 418 (6th Cir. 2006).

<sup>34</sup> *Id.*

<sup>35</sup> Herman Miller, Inc. v. Palazzetti Imports & Exports, Inc., 270 F.3d 298, 312 (6th Cir. 2001).

<sup>36</sup> Leapers, Inc., v. SMTS, LLC, 879 F.3d 731, 733 (6th Cir. 2018).

<sup>37</sup> See *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

<sup>41</sup> *Id.* at 733-34.

Donghui Yang were the factory managers at the time, and part of the contract required a confidentiality clause relating to Leapers products.<sup>42</sup> Specifically, it called for them to “never disclose any information related to Leapers products.”<sup>43</sup>

This relationship continued until November 17, 2011, when Leapers terminated the contract with Nantong WuYang Sporting Goods.<sup>44</sup> At this time, Shi and Yang agreed to cease the use of all technical specifications, product designs, packaging, logos, and instructions relating to Leapers products.<sup>45</sup> They also agreed to destroy “all parts, accessories, attachments, and the like related to” Leapers’ rifle scopes.<sup>46</sup> However, Shi never followed through with this arrangement.<sup>47</sup>

Shortly after the termination of the Leapers and Nantong agreement, Shi formed his own company, Trarms, Inc, (“Trarms”) and he began to sell rifle scopes as well as manufacture rifle scopes for other sellers including SMTS, LLC (“SMTS”), and Defendant, Sun Optics USA (“Sun Optics”).<sup>48</sup>

### *B. District Court Decision*

On June 10, 2014, Leapers filed suit against Trarms, SMTS, and Sun Optics alleging trade dress infringement of the Leapers’ rifle scope knurling designs.<sup>49</sup> Leapers has since settled with Trarms and SMTS, and only Sun Optics remains concerned.<sup>50</sup> Leapers sought monetary and injunctive relief.<sup>51</sup> The case progressed to discovery where Shi refused to testify.<sup>52</sup> At this time, Sun Optics filed for

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<sup>42</sup> *Leapers, Inc.*, 879 F.3d at 734.

<sup>43</sup> *Id.*

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.*

<sup>48</sup> *Leapers, Inc.*, 879 F.3d at 734.

<sup>49</sup> *Id.*

<sup>50</sup> *Leapers, Inc.*, 879 F.3d at 734 n. 1.

<sup>51</sup> *Id.* at 734.

<sup>52</sup> *Id.*

summary judgement and alleged that Leapers was unable to prove nonfunctionality and secondary meaning of its rifle scope, and that no trade dress infringement had occurred.<sup>53</sup> Sun Optics argued that summary judgment was permissible here despite the pending discovery motion, because Shi's testimony would be irrelevant regarding both of these elements.<sup>54</sup> Leapers opposed this summary judgement motion, and stated that testimony from Shi would further show that the knurling design was not chosen for functionality, as well as provide more evidence on the existence of secondary meaning.<sup>55</sup>

The district court granted Sun Optics motion for summary judgment, concluding that Leapers knurling design would not be able to satisfy the nonfunctionality requirement.<sup>56</sup> The courts holding neglected to render an opinion in regards to the question of secondary meaning.<sup>57</sup> Final judgment was entered by the district court on December 2, 2016.<sup>58</sup>

### C. Sixth Circuit Opinion

The Sixth Circuit reviewed this case *de novo*, as is appropriate for trade dress claims.<sup>59</sup> The court correctly noted that the Lanham Act protects not only trademarks, but also trade dress.<sup>60</sup> In order to determine success on a trade dress infringement claim, the court used a three factor test that requires a plaintiff to show that "its design is (1) nonfunctional, (2) has acquired secondary meaning, and (3) is confusingly similar to the allegedly infringing design."<sup>61</sup> Additionally, if a plaintiff does not present enough evidence for a jury

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<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> *Leapers Inc.*, 879 F.3d 734.

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.* at 735.

<sup>60</sup> *Id.* at 735; *See also Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 210 (2000).

<sup>61</sup> *Groenveld Transp. Efficiency, inc. v. Lubecore Int'l Inc.*, 730 F.3d 494, 503 (2013).



to reasonably find in plaintiffs favor on any one of the above three elements, summary judgement will be denied on behalf of the plaintiff.<sup>62</sup>

### *1. Nonfunctionality*

This court first addressed the nonfunctionality requirement.<sup>63</sup> Leapers admitted that knurling is a functional component of a rifle scope.<sup>64</sup> The court first considered Leapers' argument that even though knurling in general is functional, it applies a purely ornamental design to the knurling on its rifle scopes, and that the unique ornamental design Leapers uses on its knurling constitutes as trade dress.<sup>65</sup> After review of several previous Sixth Circuit opinions relating to trade dress, the court concluded that the use of the Inwood functionality test that calls for a design to be "not essential to the use or purpose of the article, and that the design does not affect the cost or quality of the article."<sup>66</sup> The court concluded that Leapers had introduced enough evidence to show that a jury could reasonably conclude that Leapers' design is purely ornamental and thus nonfunctional.<sup>67</sup> Leapers had provided testimony stating that it chose the design to stand out from the competition, and evidence showing that competitors implement a wide variety of patterns when applying knurling to the rifle scopes.<sup>68</sup> There was also evidence that some competitors' knurling is more effective than Leapers for its functional purpose, and that Leapers intentionally chose a less effective pattern in order to obtain a specific look.

Sun Optics argued that there is a limited number of available knurling designs that allow rifle knobs to be gripped better to perform the function of knurling.<sup>69</sup> Sun Optics argued that this meant that the knurling design had aesthetic functionality, meaning that if the pattern

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<sup>62</sup> *Id.* at 504.

<sup>63</sup> *Leapers*, 879 F.3d at 735.

<sup>64</sup> *Id.* at 736.

<sup>65</sup> *Id.* at 738.

<sup>66</sup> *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10, (1982).

<sup>67</sup> *Leapers*, 879 F.3d at 738.

<sup>68</sup> *Id.*

<sup>69</sup> *Id.* at 739.

were excluded from use, it would put competitors at a significant disadvantage.<sup>70</sup> The court determined that based on the record, competition for rifle scopes is based on allowance of the best grip, and not by aesthetics.<sup>71</sup> Leapers introduced evidence, however, that the designs it uses are not based on functionality, but rather on visual appeal, and showed numerous pictures of other knurling designs.<sup>72</sup> The court found that a jury could reasonably conclude that Leapers design would not put competitors at a significant disadvantage, as it could be determined by the images Leapers submitted that there are an unlimited number of patterns.<sup>73</sup>

Leapers also asserted that testimony from Shi would also bolster the evidence of nonfunctionality.<sup>74</sup> The court found that the district court had erred when it stated that Shi's testimony would be irrelevant, and that the testimony of a competitor (specifically the one who had copied the design) would show whether the exclusive use of the design would put the competitor at a significant disadvantage.<sup>75</sup> The court also found that because Shi invoked his Fifth Amendment privilege to avoid testifying, a jury could reasonably infer that Shi had tried and failed to find functionality in Sun Optics rifle scopes.<sup>76</sup> Leapers also introduced evidence that Shi had attempted to file a design patent in China on Leapers design instead of a utility patent, further showing that Shi failed to find a functional component of Leapers design.<sup>77</sup> The court found again that a jury could reasonably infer from this evidence that Shi had not found a functional component of Leapers knurling design.<sup>78</sup>

The court found that the district court was correct when it held that the knurling itself was nonfunctional, however, it failed to consider that Leapers was not asserting trade dress on knurling, but

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<sup>70</sup> *Id.*

<sup>71</sup> *Id.*

<sup>72</sup> *Id.*

<sup>73</sup> *Leapers, Inc.*, 879 F.3d at 740.

<sup>74</sup> *Id.*

<sup>75</sup> *Id.* at 739.

<sup>76</sup> *Id.*

<sup>77</sup> *Id.* at 740.

<sup>78</sup> *Id.*

rather on a specific knurling design.<sup>79</sup> The Sixth Circuit found the district court erred when it granted Sun Optics summary judgment motion based on nonfunctionality, because based on Leapers evidence, a jury could reasonably conclude that the knurling design was purely ornamental, and thus nonfunctional.<sup>80</sup>

### 2. *Secondary Meaning*

The court then considered secondary meaning.<sup>81</sup> Sun Optics argued that no reasonable jury would find that Leapers design had acquired secondary meaning.<sup>82</sup> This court determined that the seven-factor test outlined in a previous Sixth Circuit case should apply when determining secondary meaning, however, it declined to analyze these factors because the district court only analyzed two factors and failed to do a thorough review.<sup>83</sup> The district court also declined to rule on the issue of secondary meaning even with its minor conclusions.<sup>84</sup> The Sixth Circuit remanded this case back to the district court to determine if Leapers has created a genuine issue regarding secondary meaning.<sup>85</sup>

### 3. *Holding*

The Sixth Circuit vacated the district court's holding granting Sun Optics summary judgment and remanded the case for further proceeding consistent with its opinion.<sup>86</sup>

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<sup>79</sup> *Leapers, Inc.*, 879 F.3d at 740.

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.* at 741.

<sup>83</sup> *Id.*

<sup>84</sup> *Id.*

<sup>85</sup> *Leapers, Inc.*, 879 F.3d at 741.

<sup>86</sup> *Id.* (There was no need for the court to discuss the third factor, because Sun Optics had copied Leapers design exactly, since they had the sketches and products already in their possession.)

## IV. ANALYSIS

*A. Functionality of the Knurling Design*

Functionality is a key factor when determining if trade dress has been infringed upon.<sup>87</sup> Requiring that a trade dress be nonfunctional helps to define a boundary between protection for a trademark or trade dress and a patent.<sup>88</sup> Patents are valid only for a twenty year period in order to protect the public from monopolies and to encourage new technology to be developed.<sup>89</sup> Trademarks and trade dress are protected indefinitely, so long as they are used in commerce.<sup>90</sup> The nonfunctionality requirement for trade dress infringement insures that a loophole is not created that would go against the Lanham Act's intended purpose.<sup>91</sup> Knurling by its very nature serves a functional purpose for a rifle scope, as it is used to allow its user to get a better grip when shooting.<sup>92</sup> When the design used for the knurling does not affect or even hinders the functionality that the knurling is intended for and is purely ornamental, the question of functionality becomes blurred.<sup>93</sup>

*1. Utilitarian Functionality*

Leapers argued that the specific design of a combination of wave like scalloping, and parallel straight lines coupled with wide banding and placement all over the scope and not just on the adjustment knobs was purely ornamental and served no functional purpose.<sup>94</sup> Leapers contended that the functionality aspect of the knurling was not part of its trade dress.<sup>95</sup> Because of the knurling patterns obvious functionality, it is difficult to determine whether the

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<sup>87</sup> See *Id.* at 738.

<sup>88</sup> *Id.* at 736.

<sup>89</sup> *Abercrombie*, 280 F.3d at 629; 35 U.S.C. 154.

<sup>90</sup> See United States Patent and Trademarks Office, *About Trademarks*, USPTO, <https://www.uspto.gov/about-trademarks>.

<sup>91</sup> See *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 862, (1982).

<sup>92</sup> See *Leapers, Inc. v. SMTS, LLC*, 879 F.3d 731, 733 (6th Cir. 2018).

<sup>93</sup> See, *Id.* at 736.

<sup>94</sup> *Id.*

<sup>95</sup> *Id.* at 738.

pattern is truly ornamental. If the pattern had been in the shape of the Leapers logo, it would be easier to show that the knurling was ornamental, since the shape of the logo would be unique and have no impact on the knurling functionality.<sup>96</sup>

The court faces the difficult task of drawing a clear line in a very grey area in the case, since the pattern used by Leapers is not so dissimilar to competitors as something as distinct as a logo. The Sixth Circuit neatly side steps having to draw this line by sending it back as a question of fact for the jury to determine.<sup>97</sup>

## 2. Incidental Functionality

Sun Optics argued that the pattern used by Leapers was essential to the use of the rifle scope and that not having access to the pattern would affect the quality of the rifle scope that Sun Optics could produce.<sup>98</sup> The Sixth Circuit focused on the fact that knurling is applied in many patterns by competitors to rifle scopes, and that some of those patterns were more effective at allowing the user to grip the rifle scope.<sup>99</sup> Again, the court left this question of fact to the jury.<sup>100</sup>

Knurling is placed on rifle scopes so that users will be able to grip the scope well in order to achieve better aim.<sup>101</sup> Even though there are knurling patterns that allow the user to obtain a better grip, the district court felt that the functionality of the knurling outweighed any ornamental design that was present, and thus hindered the quality of competitors' rifle scopes if knurling patterns were allowed to be protected by trade dress.<sup>102</sup> The split between the district court and the Sixth Circuit shows the controversy with allowing trade dress protection on products that are functional by definition because they interfere with competitors ability to produce functional products.

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<sup>96</sup> *Id.*

<sup>97</sup> *Id.*

<sup>98</sup> *Leapers, Inc.*, 879 F.3d at 739.

<sup>99</sup> *Id.* at 738-39.

<sup>100</sup> *Id.* at 739.

<sup>101</sup> *Id.* at 733.

<sup>102</sup> *Id.* at 734.

### 3. Aesthetic Functionality

Sun Optics argued that knurling design options were limited by functionality requirements such as making the rifle scope easy to grasp without compromising the structure of the knob.<sup>103</sup> Again the Sixth Circuit left this as a question for the jury, noting that Leapers had provided evidence that the aesthetic function of the design do not put competitors at a significant disadvantage.<sup>104</sup>

Aesthetic functionality has had limited acceptance among the courts, with most circuits resisting aesthetic functionality claims.<sup>105</sup> These courts doubt the validity of aesthetic function, insisting that functionality alone is sufficient.<sup>106</sup> For example in Brunswick, the court affirmed that black outboard motors for boats could not be registered due to the functional advantage of making the engine look smaller.<sup>107</sup> The Sixth Circuit is one of the few courts that accepts the aesthetic functionality claim, separating it from utilitarian functionality by clarifying that aesthetic functionality means that exclusive use of the feature would put competitors at a significant disadvantage.<sup>108</sup>

The benefit of recognizing aesthetic functionality is the fact that the designs that showcase the source of the product is protected, and other competitors are prohibited from riding the coattails of goodwill of the original producer.<sup>109</sup> It also provides that valid design claims do not slip through the cracks of the utilitarian functionality test.<sup>110</sup> In contrast, recognizing aesthetic functionality allows more claims to be made that normally would have been squashed by the utilitarian functionality doctrine, as well as making trade dress

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<sup>103</sup> *Id.* at 739.

<sup>104</sup> *Leapers, Inc.*, 879 F.3d at 740.

<sup>105</sup> 1 MCCARTHY § 7:80.

<sup>106</sup> *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1531 (Fed. Cir. 1994).

<sup>107</sup> *Id.*

<sup>108</sup> *Leapers*, 879 F.3d at 737.

<sup>109</sup> *Id.*

<sup>110</sup> *See generally Id.* at 736-37.

infringement suits unpredictable due to the dependence on each individual case.<sup>111</sup>

It is also argued unless the feature becomes an attribute of the product in consumer minds, using aesthetic features does not significantly disadvantage competitors.<sup>112</sup> Others argue that by not protecting aesthetic features, it will make it less likely for producers to invest in image advertising and unique products, thereby denying consumers the right to these potential products.<sup>113</sup>

### *B. How Secondary Meaning and Functionality Overlap*

In order to succeed on a claim of trade dress infringement, not only does the plaintiff need to show nonfunctionality, but it also has to show it has achieved secondary meaning.<sup>114</sup> Nonfunctionality and acquired secondary meaning analyses often go hand in hand.<sup>115</sup> Because of this, there is concern about the potential overlap of these points.<sup>116</sup>

By protecting trade dress, there is concern that functional products might become controllable by a trademark holder, blurring the lines between trade dress and patent protection.<sup>117</sup> This concern stems from the fact that trademark holders can sometimes skirt around the functionality requirement when a strong showing of secondary meaning is present.<sup>118</sup> This was evident in *Wallace*, where the court stated that should secondary meaning be shown, the plaintiff could overcome the functionality aspect of its baroque silverware.<sup>119</sup>

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<sup>111</sup> *Id.*

<sup>112</sup> WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 199–200 (Harvard University Press, 2009).

<sup>113</sup> Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 970 (1993).

<sup>114</sup> *Leapers*, 879 F.3d 731, 734 (6th Cir. 2018).

<sup>115</sup> *Id.*

<sup>116</sup> *See Two Pesos, Inc. v. Taco Cabana, Inc.* 505 U.S. 763, 771 (1992).

<sup>117</sup> *Qualitex Co. v. Jaconson Prods. Co.*, 514 U.S. 159, 164–65 (1995).

<sup>118</sup> *See Wallace Intern. Silversmiths, Inc. v. Godinger Silver Art Co., Inc.* 916 F.2d 76 (2d Cir. 1990).

<sup>119</sup> *Id.* at 82.

Trade dress is in existence to promote competition and acquiring secondary meaning aides in this goal.<sup>120</sup> A design that is functional by nature but has secondary meaning to consumers may provide the trademark holder with a loophole to avoid denial due to functionality.<sup>121</sup> The courts did not make a final decision on whether Leapers had obtained secondary meaning.<sup>122</sup> However, if the knurling pattern on the rifle scope is the reason that consumers chose Leapers' products over Sun Optics, because they recognize the pattern as Leapers and associate that with great products, Leapers has a stronger case to dodge a strong functionality analysis.<sup>123</sup>

## V. IMPACT OF THE SIXTH CIRCUIT OPINION

### *A. Impact on The Courts*

In this opinion, the Sixth Circuit has clearly laid out the test for functionality, including the unpopular aesthetic functionality doctrine.<sup>124</sup> The aesthetic functionality doctrine is one that is highly controversial in the trade dress realm, and while some argue it unnecessary, it allows for more clarity to courts when determining if a functional item can be protected under trade dress. By setting out this aesthetic functionality test, the Sixth Circuit has given clear guidelines to doubting jurisdictions as to how to adopt and implement the aesthetic functionality test. By allowing Leapers to take its functionality claims to a jury, the Sixth Circuit has opened the door for many more trade dress suits to be reviewed under a standard of clarity that the functionality doctrine has been, at best, unpredictable and murky in nature.

### *B. Impact on the Rifle Industry*

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<sup>120</sup> *TraFFix Devices, Inc. v. Marketing Displays, Inc.* 532 U.S. 23, 28 (2001).

<sup>121</sup> *Leapers*, 879 F.3d at 740.

<sup>122</sup> *Id.* at 741.

<sup>123</sup> *Id.* at 735.

<sup>124</sup> *See generally Leapers, Inc.*, 879 F.3d 731.



Should the jury allow trade dress protection of the knurling on rifle scopes, it would greatly impact the rifle industry. According to the Bureau of Alcohol Tobacco and Firearms (ATF) manufacturing report, rifles are the second most common gun imported into the United States' commerce stream.<sup>125</sup> Consumers looking to purchase rifle scopes for this popular weapon are generally labeled "hunters" by producers and sellers of the scopes.<sup>126</sup> These hunters are primarily concerned with accuracy, and thus the functionality of the rifle scope trumps as opposed to how the scope looks.<sup>127</sup> If the pattern of knurling was protected by trade dress, the number of patterns available to consumers will become limited, as certain knurling patterns provide for a better grip as opposed to others.<sup>128</sup> The company that can provide these hunters with the scope that allows them to be more accurate by having a knurling pattern that eases the grip will have a monopoly over rifle scope owners.<sup>129</sup> It is possible that other factors, such as price and aesthetics may influence some consumers, but for true hunters, the gun and accessories that provide the shooter with the best shot are what they will purchase.<sup>130</sup>

Consumers make up the bulk of gun purchasers, with combined military and law enforcement officials purchasing less than 40% of all guns produced in the United States.<sup>131</sup> The impact of

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<sup>125</sup> A Bureau of Alcohol, Tabaco, Firearms and Explosives, *Annual Firearms Manufacturing and Export Report*, (2016),

<https://www.atf.gov/about/docs/undefined/afmer2016webreport508pdf/download>.

<sup>126</sup> The number one reason to purchase a gun is for protection, with a pistol being America's most popular gun. Rifles come in second to popularity, with hunting being the primary use given by consumers. *See generally NRA Outdoors*, NRA, <https://www.nraoutdoors.com> (2018).

<sup>127</sup> *See* Max Prasac, *Handgun Hunting: Choosing Scopes and Sights*, (August 17, 2012), <https://gundigest.com/how-to/handgun-hunting-choosing-scopes-and-sights>; *see also* Jason J. Brown, *The Basics of Riflescopes and How They Work*, Thursday, May 4, 2017, <https://www.nrablog.com/articles/2017/5/the-basics-of-riflescopes-and-how-they-work/>.

<sup>128</sup> *Leapers*, 879 F.3d at 739.

<sup>129</sup> *See Id.*

<sup>130</sup> *See generally*, Keith Wood, *Top New Riflescopes of 2017*, (April 21, 2017) <https://www.americanhunter.org/articles/2017/4/21/top-new-riflescopes-for-2017/>.

<sup>131</sup> Brad Plumer, *How the U.S. gun industry became so lucrative*, Washington Post, (December 19, 2012)

restricting producers of rifle scopes by granting trade dress would drastically limit the marketplace, and thus restrict consumer options.<sup>132</sup>

Should the jury find that knurling is functional, and there are no circumstances to which a producer could be granted trade dress protection, consumers could be misled as to who is producing the rifle scope. Should a specific company, like Leapers, produce a distinct pattern that consumers recognize and associate with a certain quality of product, and a company, like Sun Optics, is allowed to use that pattern without repercussion, consumers could purchase a rifle scope under false pretenses.<sup>133</sup> However, companies selling rifle scopes often place logos, and other identifying features on either the scope or at the very least, the packaging.<sup>134</sup> Because knurling is typically not obviously visible on a scope, these identifiers would alert the consumer before they made the purchase.<sup>135</sup> No matter how the jury decides regarding Leapers, it will still require more work on the part of the consumer when purchasing rifle scopes.<sup>136</sup>

## VI. CONCLUSION

Aesthetic functionality has long been a confusing doctrine for many courts. The Sixth Circuit has clearly laid out a test in an attempt to clarify this language in *Leapers*.<sup>137</sup> Because of its limited acceptance in other circuits, the Sixth Circuit is laying out potential language that may encourage other circuits to adopt the aesthetic functionality test.<sup>138</sup> At the very least, the court has laid out clear

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[https://www.washingtonpost.com/news/wonk/wp/2012/12/19/seven-facts-about-the-u-s-gun-industry/?noredirect=on&utm\\_term=.2b74c6afd46a](https://www.washingtonpost.com/news/wonk/wp/2012/12/19/seven-facts-about-the-u-s-gun-industry/?noredirect=on&utm_term=.2b74c6afd46a).

<sup>132</sup> See, Jurgen Brauer, *The US Firearms Industry Production and Supply* Small Arms Survey, Geneva Switz. (2013).

<sup>133</sup> *Leapers*, 879 F.3d 731, 732 (6th Cir. 2018).

<sup>134</sup> See *Id.* at 738.

<sup>135</sup> *Id.*

<sup>136</sup> See *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445, 447 (S.D.N.Y. 2011) (Dealing with the issue of post purchase confusion is also a potential problem regarding the issue of aesthetic functionality.).

<sup>137</sup> See generally *Leapers*, 879 F.3d 731.

<sup>138</sup> *Id.*

guidelines that will protect both manufacturers' creativity and competitors' ability to compete by its aesthetic functionality test.

Regardless of how the jury decides in *Leapers*, the rifle industry will be affected. If protection is awarded to knurling trade dress on rifle scopes, consumers will be limited in the number of knurling patterns available to them that function the best. If protection is not awarded regarding the knurling, consumers will potentially be confused as to who produced the scope. Purchasers of rifle scopes may have to perform more thorough research when purchasing a scope if the jury finds in favor of *Leapers*.