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Value and Risk of Overlapping Intellectual Property Protections

The Patent Playbook on **May 8, 2025**

A well-orchestrated intellectual property strategy requires carefully and thoughtfully leveraging copyright, trademark, and patent laws, as highlighted by a recent decision handed down by the United Sates Court of Appeals for the Federal Circuit: *CeramTec GMBH v. CoorsTek Bioceramics LLC*.

Background

CeramTec is a manufacturer of artificial hip components using a ceramic material containing chromium oxide ("chromia"), which results in the hip replacement products, marketed under the name "Biolox Delta," taking on a distinctive pink color.

In the 1990s, CeramTec secured U.S. Patent 5,830,816 (the "Patent") for the chemical composition of Biolox Delta. The Patent discloses that chromia colors the ceramic pink and helps the composition achieve greater hardness levels.

In 2012 – one year before the Patent was set to expire – CeramTec applied for two trademarks to protect its use of the color, which differentiated its products. Subsequently, in April 2013, the trademarks were added to a national trademark registry maintained by the United States Patent and Trademark Office.

Prior Proceeding

In March 2014, rival firm, Coorstek, filed a lawsuit in the United States District Court for the District of Colorado and a cancellation petition with the Trademark Trial and Appeal Board ("TTAB"), arguing that the pink color was functional and ineligible for trademark protection.

The TTAB ended up ruling in favor of Coorstek, finding that the pink color was functional and cancelling CeramTec's trademark registrations. The TTAB grounded its decision on evidence from CeramTec's expired patent, as well as technical publications showing that chromia provided material benefits to the ceramic components. CeramTec subsequently appealed this decision.

Federal Circuit Appeal

The Federal Circuit held that the pink coloration of CeramTec's products was a function protectable by patent but not protectable by trademarks.

The Federal Circuit's analysis revolved around a four-part test established in *In re Morton-Norwich Products, Inc.* This test is used to determine whether a product feature is functional by examining: (1) the existence of a patent disclosing the utilitarian advantages of the design; (2) advertising materials in which the originator of the design touts its utilitarian advantages; (3) the availability to competitors of functionally equivalent designs; and (4) facts indicating the design results in a comparatively simple or cheap method of manufacturing.

In CeramTec's case, the court found that the first two factors supported a finding of functionality, while the last two factors were neutral. Of particular significance was CeramTec's expired patent disclosing the use of chromia in ceramics to achieve greater hardness levels, which provided powerful evidence that the pink color was functional.

Takeaways

Multiple IP rights often overlap with respect to the same underlying subject matter, and the key to maximizing protection is to understand the scope of each right. Companies should, for example, evaluate the implications of disclosing functional advantages in patent filings because, as was the case with CeramTec, these disclosures may foreclose trademark protection down the road. Had CeramTec deemphasized the functional advantages in its patent disclosure, the outcome may have been different. Indeed, different kinds of intellectual property protection can interact and overlap without conflict. In the United States, for example, software can be protected under both copyright law and patent law. More specifically, the software for a mobile application can be patented if it includes a novel and non-obvious technological process, while the source code can be protected by copyright. Overlaps between different types of protection in this way can help to ensure that the full value of a company's creations is safeguarded.

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