CERAMTEC GMBH v. COORSTEK BIOCERAMICS LLC, Appeal No. 2023-1502 (Fed. Cir. January 3, 2025). Before Lourie, Taranto, and Stark. Appealed from TTAB.

Background:

CeramTec manufactures artificial hip components from a zirconia-toughened alumina (ZTA) ceramic with chromium oxide (chromia) added. CeramTec owned a patent that describes benefits of added chromia to a ZTA ceramic as increasing its hardness level. The amount of chromia added in the ZTA ceramic affects its coloring, and the range of chromia disclosed in the patent can produce ZTA ceramics in a variety of colors such as pink, red, purple, yellow, black, gray and white. CeramTec's marketed product contains chromia at 0.33 w% which makes it pink. Such patent expired in 2013. In 2012, CeramTec applied for trademarks claiming protection for the color pink used in its ceramic hip components. CoorsTek, a competitor, filed a cancellation petition with the TTAB seeking cancellation of such trademarks on the ground that the claimed color pink was functional. The Board found in favor of CoorsTek and cancelled the marks. CeramTec appealed.

Issue/Holding:

Did the TTAB err in finding the claimed color pink functional? No, affirmed.

Discussion:

The Federal Circuit did not find an error in the TTAB's analysis of *Morton-Norwich*'s four factors in determining functionality of trademarks. For example, with regard to the first factor—the existence of a utility patent disclosing the utilitarian advantage of the design being strong evidence of functionality—CeramTec's patent and its prosecution history explicitly stated the functional benefits of added chromia with respect to toughness, hardness, and stability of ZTA ceramics. CeramTec argued this factor is not applicable since the patent did not explicitly disclose the benefits of the color pink, only the added chromia. However, the Federal Circuit noted that CeramTec conceded that addition of chromia is what causes the ZTA ceramic to have the color pink.

With regard to the third factor—the availability of functionally equivalent designs being evidence of non-functionality—the TTAB found this factor to be neutral as there was no probative evidence that different-colored hip components were functionally equivalent to the pink-colored component of CeramTec. CeramTec argued that the TTAB overlooked potential equivalents such as CoorsTek's white ceramic component and different-colored ceramics disclosed in the patent. But the Federal Circuit noted that there is no evidence that CoorsTek's white component is functionally equivalent to the pink-colored component of CeramTec, and an employee of CoorsTek even admitted the white component being not as hard as the pink-colored component. The Board did not consider the different-colored ceramics in the patent for being too theoretical as they are not available on the market. Such decision is within the discretion of the Board. CeramTec's argument amounts to a disagreement with the weight the Board assigned to the evidence, which the Federal Circuit saw no reason to disturb.