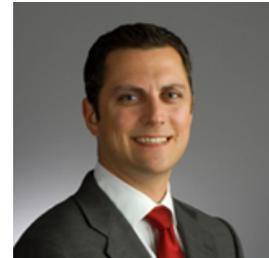


Protecting the Brick: LEGO's Global IP Enforcement Efforts

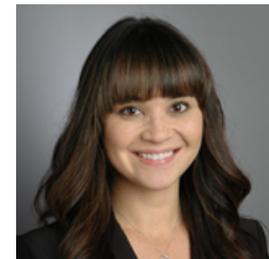
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There are few toys as recognizable as the LEGO brick. The tiny plastic brick is the LEGO Group's "most important product."¹ Although LEGO products have undergone extensive development since the launch of the traditional LEGO brick in 1958, the foundation has remained the same. LEGO has twice been named "Toy of the Century."² In 1999, the brick was named as one of the "Products of the Century" by Fortune Magazine.³ It has spawned licensing deals with well-known franchises such as *Star Wars*, Lego-themed television shows, theme parks, videogames, and the 2014 box office hit, *The LEGO Movie*.



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Given the success of the LEGO brick, the LEGO Group has, not surprisingly, sought and obtained patents to protect its foundational brick technology. LEGO's early U.S. patents issued in the 1960s and claimed variations of the famous toy brick.⁴ Over the years, LEGO's early brick patents expired, opening the market to competitors to sell "similar if not identical products."⁵ Many of these competitors, such as Canadian company Mega Bloks, make lower cost products that are compatible with LEGO bricks. For example, Mega Bloks initially had developed and marketed large-size (i.e., "mega") building blocks, but "after the expiry of the last LEGO patents in Canada, it decided to use the traditional LEGO technology" and has since become a significant global competitor to LEGO.⁶ As a result, LEGO has sought to protect its valuable bricks using a variety of intellectual property.



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As described in this article, over the past 20 years, LEGO has made attempts in jurisdictions around the world to protect its LEGO bricks and related product lines using a combination of patent, trademark, and copyright. LEGO's IP enforcement efforts, which largely have been an uphill battle, demonstrate a company with valuable, but older, technology attempting to protect its most enduring asset.

Attempts to Protect With Trademark Rights

Enforcement Efforts in Canada. In 1996, LEGO sued Mega Bloks in a Canadian court for infringement of LEGO's unregistered trademark on the LEGO brick,⁷ consisting of LEGO's "distinctive orthogonal pattern of raised studs distributed on the top of each toy-building brick," i.e., "the upper surface of the block, with eight studs distributed in a regular geometric pattern."⁸ LEGO claimed that Mega Bloks' use of the trademark in its MICRO and MINI lines of small bricks using the same pattern caused confusion in the marketplace. In 2002, the trial court dismissed LEGO's claim, finding that the purely functional features of the LEGO brick could not become the basis of a trademark.⁹ The court concluded that LEGO "was indirectly attempting to extend its patent protection, contrary to the principles of the patent system" because "the subject matter at issue [in the trademark case] had been claimed and disclosed in expired patents."¹⁰

In 2005, the Canadian Supreme Court affirmed, holding that the claimed "LEGO" trademark consisted "solely of the technical or functional characteristics" of the product (i.e., the studs on top of each brick), which were "formerly protected by [LEGO's] patents," rather than "a name, drawing or particular get-up of the product."¹¹

Enforcement Efforts in the European Union. In 1996, LEGO submitted an application in the European Union for registration of a two-by-four brick as a three-dimensional trademark. The trademark was recognized as not exclusively functional and as a distinctive feature of LEGO toys. The mark was registered with effect throughout the entire European Union in October 1999.¹² Mega Bloks, however, applied to have the registration cancelled.¹³ In 2004, the EU Office for Harmonisation in the Internal Market (OHIM) invalidated the registration.¹⁴ After a series of appeals upholding that ruling, in 2010, the European Court of Justice held that the design of LEGO brick "merely performs a technical function [and] cannot be registered as a trademark."¹⁵ The court held that "the image is of a 'functional' plastic brick, the appearance of which 'is bound to be the same no matter the manufacturer.'"¹⁶

However, in June 2015, in response to a challenge by competitor Best-Lock Construction Toys, the General Court of the European Union held that the shape of certain LEGO "minifigures," the small LEGO characters often sold as part of a

LEGO toy set, can be registered as a trademark. Best-Lock had argued that the shape of the figurines (i.e., the head, body, arms and legs) could not be trademarked because it provides a "technical result"—"the European equivalent of the American functionality doctrine"—of attaching the figurines to other LEGOs.¹⁷ However, the court found that the essential parts of the minifigures did not perform this technical function because the actual "result" of the shape is "simply to confer human traits on those figures."¹⁸

Enforcement Efforts in Germany. The German Patent and Trademark Office registered the design of a LEGO brick as a three-dimensional trademark in 1996.¹⁹ After being challenged by numerous third parties, the German Federal Patent Court revoked the LEGO trademark as ineligible under the German Trademark Act.²⁰ The court held that the LEGO studs on the top of the bricks "had a merely technical function as they were part of the LEGO bricks clamping system that allowed bricks to connect with each other."²¹ The decision was upheld by the Federal Court of Justice.²²

Utility Patent Enforcement Efforts

In 2004, LEGO sued Mega Bloks in the U.S. District Court for the Southern District of New York,²³ alleging that Mega Bloks' interlocking bricks sold under the "Nano" product line infringed two LEGO utility patents, including U.S. Patent No. 6,554,676, entitled "Toy Building Set," which issued on April 29, 2003. Mega Bloks counterclaimed for antitrust and anticompetitive conduct, alleging, inter alia, that LEGO "possesses the specific intent to monopolize a relevant market in the United States consisting of construction toys, and in a relevant submarket in the United States consisting of construction toys that incorporate a system of interlocking plastic building blocks."²⁴ The parties settled in 2006.

In May 2015, LEGO sued Texas company SmallWorks in the District of Connecticut for infringement of four patents LEGO alleges are infringed by the "SmallWorks BrickCase," LEGO brick-compatible cases for cell phones and other devices.²⁵ The case is currently pending.

Efforts to Protect Friends Minifigures

Recently, LEGO has brought a series of actions asserting patents directed to LEGO's "minifigures." In 2012, LEGO introduced its LEGO Friends mini-doll minifigures. Each LEGO Friends minifigure has a trapezoidal torso, cylindrical head, arms bent slightly at the elbows, straight legs, certain fixed facial expressions, and inverted feet with rounded front edge and smaller sole outfitted with a multitude of shoe styles and various clothing styles. LEGO claims that the LEGO Friends minifigures embody features that are the subject of recently issued LEGO design patents and registered copyrights.²⁶

Litigation in the District of Connecticut. In 2014 and early 2015, LEGO filed lawsuits against Cra-Z-Art, Mega Bloks, and Best-Lock for infringement of LEGO design patents and (as well as related copyrights) related to the LEGO Friends minifigures in the District of Connecticut. LEGO filed a companion action at the International Trade Commission.

In July 2014, LEGO accused Cra-Z-Art's "LITE Brix" toy sets and figurines of infringing three LEGO design patents and four copyrights. LEGO alleged that "the torso, head, arms, legs, and feet of Cra-Z-Art's [figurine] all have nearly exact dimensions and proportions as those respective parts of the Asserted Copyrights and the corresponding claims of the Asserted Patents."²⁷ The case is currently stayed pending a companion ITC investigation.

In February 2015, LEGO sued Mega Bloks, accusing certain "My Life" toy sets and figurines of infringing the LEGO design patents and copyrights related to the LEGO Friends minifigures.²⁸ The district court stayed the case pending the ITC investigation. On July 1, 2015, LEGO and Mega Bloks settled and dismissed the case.

Also in February 2015, LEGO sued Best-Lock, accusing its "Fairy Tale High" toy sets and figurines of infringing four copyrights and one design patent related to the LEGO Friends minifigures.²⁹ The case is currently pending.

International Trade Commission Investigation. LEGO filed a complaint with the International Trade Commission against Cra-Z-Art, MEGA Brands (maker of Mega Bloks), and Best-Lock in February 2015,³⁰ alleging infringement of the same copyrights and design patents by the same accused figurines at issue in the district court actions. In June 2015, the ITC entered a Consent Order preventing Best-Lock from offering for sale, selling and/or importing infringing products and terminated the action as to Best-Lock.³¹

LEGO and MEGA Brands filed a joint motion to terminate the investigation as to MEGA Brands pursuant to a June 2015 settlement agreement.³² As of July 8, 2015, LEGO's claims against Cra-Z-Art remain under investigation by the ITC.

Other Copyright Enforcement Efforts

In 2002, LEGO sued Tianjin Coko Toy Co., Ltd. in China for copyright infringement of the LEGO bricks.³³ A Chinese trial court found 33 out of 50 pieces of the LEGO bricks were infringed.³⁴ Coko was ordered to cease manufacture and sale of the infringing bricks, publish a formal apology, and pay an approximately \$6,000 fee in damages. The Beijing High People's Court upheld the trial court's ruling.³⁵

In 2011, LEGO sued Best-Lock in the U.S. District Court for the District of Connecticut for copyright infringement.³⁶ LEGO's complaint asserts copyrights in LEGO's minifigures, which "has a head, arms, legs, and can feature a multitude of fixed facial expressions and clothing styles."³⁷ The copyrights include a "Figure with brown hair" and "Basic minifigures" with "jackets, helmets or crash helmets."³⁸ Unlike the more recent cases filed against Best-Lock in 2015, LEGO did not assert patent infringement. LEGO asserts that "the torso, head, arms, legs, and feet of" Best-Lock's infringing toys all have the exact dimensions and proportions as those respective parts of" LEGO's copyrights.³⁹

Following LEGO's complaint, Best-Lock filed a petition with the Trademark Trial and Appeal Board to cancel LEGO's trademark consisting of "a cylindrical surface feature" found on the LEGO bricks.⁴⁰ The cancellation proceeding is pending.⁴¹

Soon after it filed its petition for cancellation, Best-Lock filed a related action in the District of Connecticut in early 2012 against LEGO seeking declaratory judgment that its plastic building blocks and figures do not infringe the same LEGO trademark, and that LEGO's trademark is functional, generic and therefore invalid and unenforceable.⁴² Best-Lock requested cancellation of the trademark and a preliminary injunction requiring LEGO to file with the U.S. Customs and Border Protection a consent to importation and delivery of Best-Lock products. The case was consolidated with LEGO's copyright claims against Best-Lock, and Best-Lock's motion for a preliminary injunction was denied.⁴³ The case is still pending.

Conclusion

The LEGO Group has been building on the success of the LEGO brick since 1958. Confronted with a product fundamental to its business that has achieved sustained success long after its early utility patents expired, LEGO's IP enforcement efforts demonstrate how companies can build an enforcement program using all available forms of IP across multiple jurisdictions in an attempt to protect their most valuable assets.

Endnotes:

1. The LEGO Group History, LEGO, http://www.lego.com/en-us/aboutus/lego-group/the_lego_history (last visited July 7, 2015).
2. Id.
3. Id.
4. See, e.g., U.S. Patent Nos. 3,005,282A (entitled "Toy building brick"), which issued on Oct. 24, 1961, 3,034,254A (entitled "Toy building sets and building blocks"), which issued on May 15, 1962, and 3,162,973A (entitled "Toy building element"), which issued on Dec. 29, 1964).
5. *Kirkbi AG v. Ritvik Holdings*, [2005] 3 S.C.R. 302 (Can.).
6. Id.
7. LEGO's 1996 trademark application for the LEGO Indicia was rejected by the Registrar of Trademarks.

8. *Kirkbi AG*, [2005] 3 S.C.R. 302.
9. *Kirkbi AG*, Federal Court, Trial Division (2002), 220 F.T.R. 161, 2002 FCT 585.
10. *Kirkbi AG*, [2005] 3 S.C.R. 302.
11. *Id.*
12. "EU Court: LEGO Group Not Allowed to Register Brick as Trademark," LEGO (Sept. 14, 2010), <http://www.lego.com/en-US/aboutus/news-room/2010/september/eu-court-lego-group-not-allowed-to-register-brick-as-trademark>.
13. *Id.*
14. *Id.*
15. Bill Donahue, "Lego Takes Latest Mega Blok IP Battle to Federal Court," Law360 (Feb. 11, 2015), <http://www.law360.com/articles/620808/lego-takes-latest-mega-blok-ip-battle-to-federal-court>.
16. Howard French, "Best-Lock petitions U.S. Patent Office to cancel Lego's trademark on toy building blocks," THE REPUBLICAN (Jan. 30, 2012), <http://www.masslive.com/business-news/index.ssf/2012/01/best-lock-petitions-us-patent-office-to.html>.
17. Donahue, *supra* note 15.
18. *Id.*
19. Michaela Huth-Dierig, "GERMANY: Final Revocation of Trademark Protection for Shape of LEGO Bricks," INT'L TRADEMARK ASS'N (Oct. 1, 2009), available at <http://www.inta.org/INTABulletin/Pages/GERMANYFinalRevocationofTrademarkProtectionforShapeofLEGOBricks.aspx>.
20. *Id.*
21. *Id.*
22. LEGO had also attempted to enforce a trademark of a "three dimensional 2x4 pin standard building brick" against Best-Lock in a German court, but in 2005, the Appellate Court of Hamburg dismissed LEGO's claims. See "LEGO Blocked by Best-Lock; LEGO's Suit against Best-Lock Europe LTD Dismissed in Final Ruling by German Appellate Court (Oberlandesgericht Hamburg) and in Regards to Brick Trademark Postponed," BUSINESS WIRE (Oct. 11, 2005), <http://www.businesswire.com/news/home/20051010005906/en/LEGO-Blocked-Best-Lock-LEGOs-Suit-Best-Lock-Europe#.VY2L1Pkcys0>.
23. *Interlego, A.G. v. Mega Bloks*, No. 1:04-cv-08643-LAP (S.D.N.Y.).
24. See *id.*, ECF No. 23.
25. *Lego System A/S v. Rubicon Commc'n, LP*, No. 3:15-cv-00823, ECF No. 1 at 2 (D. Conn.) (May 29, 2015).
26. *Lego v. LaRose Indus., LLC d/b/a Cra-Z-Art*, No. 3:14-cv-00350-RNC, ECF No. 1 (D. Conn. July 10, 2014). See also U.S. Design Patent Nos. D682,367 (issued on May 14, 2013), D672,411 (issued on Dec. 11, 2012), D672,412 (issued on Dec. 11, 2012), D678,432 (issued on March 19, 2013), D672,413 (issued on Dec. 11, 2012), D689,567 (issued on Sept. 10, 2013), and D689,568 (issued on Sept. 10, 2013).

27. *Cra-Z-Art*, No. 3:14-cv-00350-RNC, ECF No. 1.
28. *LEGO A/S v. MEGA Brands*, No. 3:15-cv-00182 (D. Conn. Feb. 10, 2015).
29. *Lego v. Best-Lock Constr. Toys*, No. 3:15-cv-00179 (D. Conn. Feb. 10, 2015).
30. *In the Matter of Certain Toy Figurines and Toy Sets Containing the Same*, Inv. No. 337-TA-948 (ITC).
31. *Toy Figurines and Toy Sets Containing the Same*, Inv. No. 337-TA-948 (June 19, 2015).
32. *Toy Figurines and Toy Sets Containing the Same*, Inv. No. 337-TA-948 (June 26, 2015).
33. "Dual Protection for Industrial Designs Confirmed by Court," CCIP PATENT AND TRADEMARK LAW OFFICE, <http://www.ccpit-patent.com.cn/News/2003041001.htm> (last visited July 7, 2015).
34. *Id.*
35. *Id.*
36. *Lego A/S v. Best-Lock Constr. Toys*, No. 3:11-cv-01586-CSH (D. Conn.).
37. *Best-Lock Constr. Toys*, No. 3:11-cv-01586-CSH, ECF No. 40.
38. See Copyright Registration Nos. VA0000655230 and VA0000655104.
39. *Best-Lock Constr. Toys*, No. 3:11-cv-01586-CSH, ECF No. 40.
40. See U.S. Trademark Registration No. 2,273,314 (Aug. 31, 1999) ("The mark consists of a cylindrical surface feature and is not the configuration of entire product or packaging.").
41. See Cancellation Proceeding No. 92054990. LEGO also opposed Best-Lock's September 2012 application for a trademark. See Application No. 85502413, Cancellation No. 91207050. LEGO cites its own trademark as the basis for its opposition and claims that Best-Lock fails "to disclaim and show in broken lines design matter that is non-distinctive in [Best-Lock's] hands, or ... functional."
42. *Best-Lock Group Ltd., Hong Kong v. Lego Juris AS*, No. 3:12-cv-00268, ECF No. 1 (D. Conn.).
43. *Best-Lock Constr. Toys*, No. 3:11-cv-01586-CSH, ECF No. 79.
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