The TTAB in 2004:
What Was Hot, What Was Not

John L. Welch
Foley Hoag LLP

The year 2004 at the TTAB was a lackluster one by recent standards. The Board deemed only 13 of its decisions "citable," out of about 600 rulings rendered during the year. This fraction (about 1/46) of citable decisions is the lowest since the turn of the century, despite the clamor of the trademark bar for more precedential TTAB rulings. Moreover, the 13 decisions that were deemed citable cannot exactly be called monumental.

In the last several years, the Board rendered important rulings in the areas of fraud, dilution, and trade dress protection, but the year 2004 turned out to be considerably less interesting. Perhaps the most significant of this year's citable cases is *In re Dell Inc.*, in which the Board seemed to signal an easing of the standard for trademark specimens when a mark is used in connection with products sold on the Internet.

Here are the 13 citable decisions, listed in chronological order:

In re Los Angeles Police Revolver and Athletic Club, Inc., 69 USPQ2d 1630 (TTAB 2004) [Section 2(a) - falsely suggesting a connection]

In re Planalytics, Inc., 70 USPQ2d 1453 (TTAB 2004) [Rule 2.61(b) - PTO request for information]

Zimmerman v. National Ass'n of Realtors, 70 USPQ2d 1425 (TTAB 2004) [genericness]

In re Gregory, 70 USPQ2d 1792 (TTAB 2004) [Section 2(e)(4) - primarily merely a surname]

Yahoo! Inc. v. Loufrani, 70 USPQ2d 1735 (TTAB 2004) [Section 13 - timely filing of opposition]

Alfacell Corp. v. Anticancer, Inc., 71 USPQ2d 1301 (TTAB 2004) [laches]

Finger Furniture Co. v. Finger Interests Number One, Ltd., 71 USPQ2d 1287 (Dir. of PTO 2004) [attorney disqualification]

Baseball America, Inc. v. Powerplay Sports, Ltd., 71 USPQ2d 1844 (TTAB 2004) [Section 2(d) - likelihood of confusion]

In re Dell Inc., 71 USPQ2d 1725 (TTAB 2004) [Rule 2.56(b)(1) - trademark specimen of use]

In re Consolidated Specialty Restaurants, Inc., 71 USPQ2d 2004 (TTAB 2004) [Section 2(e)(3) - primarily geographically deceptively misdescriptive]

In re Candy Bouquet Int'l, Inc., 73 USPQ2d 1883 (TTAB 2004) [genericness]

In re White, 73 USPQ2d 1713 (TTAB 2004) [Section 2(a) - falsely suggesting a connection]

Cognis Corp. v. DBC, LLC, 73 USPQ2d 1766 (TTAB 2004) [cross-motions for summary judgment denied]

Several areas of TTAB jurisprudence showed stirrings of life last year, and they are discussed immediately below in the "hot" section of this paper. Perhaps these topics will enjoy more TTAB attention in 2005. The "not" section reviews the year's decisions in the ever-popular but not particularly active areas of dilution, genericness, and trade dress.

I. What Was Hot in 2004

A. Fraud in Focus

The issue of fraud on the PTO continued to catch the Board's eye in 2004. Four fraud decisions confirm that the Board remains determined to hold an applicant to its word when making a verified statement to the PTO about use of its mark on the identified goods – with little or no room for excuses or for correction. And the consequences of making a false statement are severe.

In February 2004 the TTAB found fraud in *Tequila Cazadores, S.A. De C.V. v. Tequila Centinela, S.A. De C.V.*, Opposition No. 91125436 (Feb. 24, 2004) [not citable]. The opposed application for the mark CABRITO & Des. was filed under Section 1(a), identifying the goods as various alcoholic beverages, including gin, wine, whiskey, vodka, and rum. At the time of filing, however, Applicant Centinela had never used the mark in connection with gin, wine, whiskey, vodka, or rum. The Board granted summary judgment in favor of Opposer Tequila Cazadores on the ground of fraud. Centinela explained that it "did not receive legal advice when the [application] was prepared" and it did not understand that the application should have listed only those goods on which the mark was already being used. The Board, however, ruled that Centinela's lack of legal counsel and/or its misunderstanding of the "clear and unambiguous requirement" for a use-based application did not "negate the intent element of fraud." Centinela attempted to distinguish last year's citable fraud decision in *Medinol Ltd. v. Neuro VASX, Inc.*, 67

USPQ2d 1205 (TTAB 2003), by arguing that, unlike Neuro Vasx, it sought to amend its application *before* the claim of fraud was made, but the Board found that distinction immaterial.

In *Orion Electric Co. v. Orion Electric Co.*, Opposition No. 91121807 (March 19, 2004) [not citable], the Board sustained an opposition to registration of the mark ORION for "display monitors, moniputers and related accessories" on the grounds of likelihood of confusion and fraud. At the time of filing its Section 1(a) application, Applicant, a Korean company, had not used the mark on all the identified goods, but it argued that its filing error "was inadvertent, due to language difficulties and miscommunication." The Board found the *Medinol v. Neuro Vasx* decision to be "analogous to this case": Applicant knew or should have known that "its sworn statement in the application was materially incorrect." The Board concluded that these misrepresentations were fraudulent, and it deemed the application, in its entirety, void *ab initio*.

In *Hawaiian Moon, Inc. v. Doo*, Cancellation No. 92042101 (April 29, 2004) [not citable], the Board entered summary judgment in favor of Petitioner Hawaiian Moon on the ground of fraud in the filing of an SOU. Respondent Rodney Doo filed an I-T-U application for "clothing" and later amended the identification of goods to "clothing and sportswear, namely, shirts, shorts, skirts, dresses, caps, swimwear and sweatshirts." At the time he filed his SOU, Doo had used the subject mark HAWAIIAN MOON only on shirts, but he claimed use on all the listed goods. Guided by *Medinol v. Neuro Vasx*, the Board observed that knowledge of or reckless disregard for the truth establishes a fraudulent intent; the Board need not inquire into subjective intent, but only into the objective manifestations of that intent. Despite the warning in the SOU that willful false statements may jeopardize the validity of the document, "respondent evidently was not prodded into making an inquiry to see if the statement of use was accurate." Doo's attorney asserted that Doo did not have a copy of the application "before him" when he reviewed the SOU, and that Doo "assumed that the [document] was in order and signed and returned [it]." The Board found that, even if the attorney's statement constituted proper evidence,

> [b]y failing to consult the application or Notice of Allowance to determine the goods listed in the application, yet being warned that the penalty for false statements in the statement of use is a fine or imprisonment or both, respondent had reckless disregard for the truth of the statements regarding those goods on which he had used the mark. (slip op, pp. 9-10).

Four months after the petition for cancellation was filed and the fraud claim asserted, Doo had requested correction of his registration to eliminate the additional goods, but the Board deferred consideration of that request. In its decision granting the summary judgment motion, the Board noted that Doo sought correction only after the petition to cancel was filed, a fact that "reinforced" the Board's fraud conclusion. That observation might suggest that had Doo sought correction earlier, this panel of the Board may have reached a different conclusion as to fraud, but the *Tequila Cazadores* decision

discussed above indicates otherwise. [Judge Simms wrote both opinions]. There, amendment was sought before the fraud claim was made, but that fact was deemed immaterial to the fraud issue.

The fourth fraud decision, *Jimlar Corp. v. Montrexport S.P.A.*, Cancellation No. 92032471 (June 4, 2004) [not citable], involved an Italian company that filed a false declaration under Section 8 in connection with its Section 44(e) registration for the mark MONTREX and Des. for "shoes, athletic footwear, sandals, boots, and slippers." The Board granted Petitioner Jimlar's summary judgment motion, ruling that Montrexport committed fraud when it filed its declaration claiming use of the mark on all the goods. After discovery responses revealed that it had never used the mark on athletic footwear and slippers, Montrexport filed a motion to amend its registration to delete those goods. It also submitted the declaration of its president, stating that when he signed the Section 8 declaration, he was unaware that the mark had not been used in the United States for those goods because at the time he did not "administer operations of the Registration Owner concerning the sale of its goods in the United States." He further stated that he did not fully understand the declaration, that his statements were made "on information and belief," and that he did not intend to deceive the PTO. The Board noted that Montrexport's asserted lack of intent to deceive was not relevant (citing *Medinol v. Neuro Vasx*) and found that Registrant knew or should have known that it had not used the mark in connection with all the goods listed in the declaration. The Board denied the motion to amend because Montrexport "cannot cure an act of fraud by later amendment," and it cancelled the registration in its entirety.

In summary, these four TTAB decisions underscore a fundamental principle: when an applicant makes a verified or sworn statement regarding use of its mark, that statement had better be completely true. False statements will not be readily excused. Lack of legal advice, misunderstanding of the statutory requirements, and/or language difficulties will not provide a defense to a charge of fraud. Nor will the (wholly expected) assertion of lack of fraudulent intent.

Practitioners would be wise to make sure that a declarant or affiant fully comprehends not only the contents of the statement that he or she is about to verify, but also the ramifications of a false statement made to the Patent and Trademark Office. Errors regarding the goods or services with which a mark is being used cannot be cured by later amendment – apparently even if the amendment is sought *before* an adversary makes a claim of fraud. The result may be not only the loss of the involved application or registration in its entirety (and in applications and registration not based on actual use, loss of the important constructive first use date), but possibly other unsavory ramifications should the mark become involved in litigation. Moreover, an applicant or registrant against whom a fraud charge is sustained might point a finger of blame, however unjustly, at the trademark practitioner who helped prepare the application or other document in question. That is a situation we all should do our best to avoid.

B. Those Phantom Marks Just Keep Coming!

It seemed as though the U.S. Court of Appeals for the Federal Circuit had sounded the death knell for the registrability of "phantom" marks in *In re International Flavors & Fragrances, Inc.*, 51 USPQ2d 1513 (Fed. Cir. 1999). Applicant International Flavors sought to register the marks LIVING XXXX FLAVORS, LIVING XXXX FLAVOR, and LIVING XXXX for essential oils and flavorings – the "XXXX" denoting "a specific herb, fruit, plant or vegetable" in the first two marks, and in the third "a botanical or extract thereof, to wit: 'flower', 'fruit', 'yellow sunset orchid,' 'osmanthus', 'fragrance,' 'raspberry' and the like." The appellate court agreed with the TTAB that these applications ran afoul of the language of the Lanham Act and "the clear policy behind federal registration of trademarks" which holds that a trademark applicant may seek to register only a single mark in an application. An application that seeks to register a "phantom" mark – defined by the CAFC as one in which "an integral portion of the mark is generally represented by a blank or dashed line acting as a placeholder for a generic term or symbol that changes, depending on the use of the mark" (51 USPQ2d 1513 at n.1) – violates this one-mark-per-application limit.

> "Phantom" marks with missing elements . . . encompass too many combinations and permutations to make a thorough and effective search possible. The registration of such marks does not provide proper notice to other trademark users, thus failing to bring order to the marketplace and defeating one of the vital purposes of federal trademark registration. *Id.* at 1517-18.

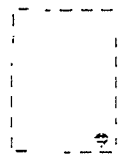
In light of the *International Flavors* decision, the PTO declared in its Examination Guide No. 1-99 (September 29, 1999) that: "The Office will not register 'phantom' marks."

The TTAB soon applied the *International Flavors* ruling in *Cineplex Odeon Corp. v. Fred Wehrenberg Circuit of Theatres Inc.*, 56 USPQ2d 1538 (TTAB 2000), granting a petition for cancellation of a registration for the mark "--- SHOW" for entertainment information and reservation services. The Registration stated that the "broken lines indicate a telephone prefix that will vary," and Registrant disclaimed any right to the telephone prefix. The Board ruled on summary judgment that "respondent's mark is not entitled to continued registration because it is a single registration for multiple marks."

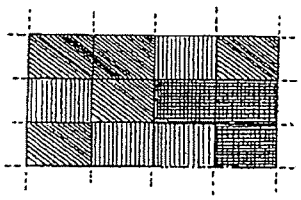
> Respondent's registration for the mark --- SHOW issued erroneously because, pursuant to the Trademark Act, rules promulgated thereunder, and clear policy underlying federal registration of trademarks, a single trademark application may only seek to register a single mark. See *In re International Flavors & Fragrances, Inc.*, 51 USPQ2d 1513 (Fed. Cir. 1999); and Trademark Act Section 1. The first three dash elements of respondent's mark represent "place holders" for telephone

> prefixes to be supplied by telephone companies. As respondent recognized when offering its description of the mark, varying or different prefixes may be placed in the --- position of the mark. Thus, respondent sought to register, and obtained a registration for, multiple marks in one application. 56 USPQ2d at 1541.

In 2001, the Board exorcised a quasi-"phantom" mark in *In re Upper Deck Co.*, 59 USPQ2d 1688 (TTAB 2001) when it affirmed a refusal to register a "hologram device" as a mark for "trading cards." The application stated that Upper Deck did not claim as a feature of the mark, its size, shape, content, or positioning on the cards. The Board found that Applicant's hologram, without further definition, constituted more than one "device" as contemplated by Section 45 of the Trademark Act.



And in 2002, the Board again relied on *International Flavors* to block another quasi-"phantom" mark. Messrs. Hayes and Clodfelter sought to register on the Supplemental Register a design consisting of "the colors red, green, and amber used as a color scheme for respective color blocks on reporting charts to correspond with performance ratings within selected categories of performance." *In re Hayes*, 62 USPQ2d 1443 (TTAB 2002). The application stated that the drawing "shows a representative pattern of the colors but no claim is made to a particular pattern of three colors." The Board concluded that Applicants were seeking to register multiple marks in a single application and it therefore affirmed the Examining Attorney's requirement for an acceptable description of the mark reflecting only the mark as shown on the drawing page.



However, the Board failed to note that in *In re Dial-A-Mattress Operating Corp.*, 57 USPQ2d 1807 (Fed. Cir. 2001), the CAFC had seemingly taken a step back from the rigid one-mark-per-application stance of *International Flavors*. In ruling that Applicant could establish secondary meaning in connection with its mark 1-888-M-A-T-R-E-S-S, based upon the acquired distinctiveness of its legally-equivalent, registered mark (212) M-A-T-T-R-E-S (shown here), the CAFC recognized that the latter is a "phantom" mark, but rejected the PTO's argument that the mark was therefore unregistrable and entitled to little weight on the issue of secondary meaning:

(212) M-A-T-T-R-E-S

> Although the registration of the "(212) M-A-T-T-R-E-S" mark is a "phantom" mark, the use of which we have questioned, see In re Int'l Flavors & Fragrances, Inc., 51 USPQ2d 1513, 1516-17 (Fed. Cir. 1999), it is apparent in the present case that the missing information in the mark is an area code, the possibilities of which are limited by the offerings of the telephone companies. 57 USPQ2d at 1813.

Thus there are circumstances, in the CAFC's view, when a "phantom" mark is registrable because the "possibilities" for the "missing information" are "limited."

In mid-2004, in another case involving an "area code" mark of the same Applicant, the TTAB acknowledged that it may have to alter its view of phantom marks. *In re Dial-A-Mattress Operating Corp.*, S.N. 76290744 (June 15, 2004) [not citable]. The Board reversed the PTO's "phantom" mark refusal to register 1-800-MATTRESS for telephone sales and retail store services in the field of mattresses and bedding. [The numbers 800 appear in dotted lines to indicate that "the area code will change."] Applicant contended that the mark at issue was legally identical to its registered mark (212) M-A-T-T-R-E-S and thus that the Board was presented with the same situation as in the 2001 CAFC case. The Board agreed, finding no reason to reach a conclusion different from the CAFC as to the registrability of the "phantom" mark in question. The Board refrained from making any broader pronouncements regarding the registrability of "phantom" marks, and made no mention of its now-questionable *Cineplex* decision, but it did observe that "clearly, not all phantom marks are prohibited, *per se*, from registration."

It seems only a matter of time before another "phantom" mark comes knocking on the TTAB's door. Perhaps the Board will arrive at the position that a "phantom" mark in which the changeable element has little or no trademark significance (such as an area code, or perhaps a year date), does not violate the one-mark-per-application rule because the significant portion of the mark (e.g., MATTRESS) is not changeable. In other words, the changeable element is not an "integral portion" of the mark, as required by the *International Flavors* definition of a "phantom" mark. The "mattress" cases would fit nicely into that framework, as would the unregistrable marks in the *International Flavors* case, in which the changeable element comprised a significant portion of each of the marks.

C. Responding to the Inquiring Attorney Examiner

The TTAB becomes especially rankled when an applicant fails to cooperate with an Examining Attorney who has required the submission of information under *Trademark Rule* 2.61(b). Why an applicant would wholly fail to respond is difficult to fathom, but even partial compliance may not be enough, as one applicant recently learned.

The Board considers this issue so important that for each of the last three years it has deemed a pertinent decision to be citable. In 2002, it was *In re SPX Corp.*, 63 USPQ2d 1592 (TTAB 2002), in which the Board affirmed a refusal to register based alternatively on a failure to comply with a *Rule* 2.61(b) request. In both the initial and the final office action, the Examining Attorney required submission of samples or advertisements or promotional materials or, if not available, a description of "the nature, purpose and channels of trade for the goods, and to indicate whether the goods are used in connection with automobiles." Applicant ignored the request and never argued against the validity of the requirement or explained its own inaction. At the oral hearing on the

appeal, SPX's attorney "merely indicated that perhaps it would have been a better course to have responded." The Board certainly agreed.

In 2003, in *In re DTI Partnership, L.L.P.*, 67 PQ2d 1699 (TTAB 2003), the Board affirmed a refusal to register the mark IBLOCK THERMAL MAPS for "computer software used to perform data analysis in the field of demographics," because Applicant failed to comply with the Examining Attorney's final requirement for information under *Rule* 2.61(b). The Examining Attorney sought advertising or promotional materials, a description of the nature and purpose of the goods, and an indication of the significance of the wording in the mark. The Board found the Examining Attorney's requirement to be proper because it was "directly relevant to the issue of mere descriptiveness and thus 'may be reasonably necessary to the proper examination of the application,' as required by the Rule." Noting that the *Trademark Rules of Practice* have the effect of law and that failure to comply with a request for information is a ground for refusal, the Board found inexplicable Applicant's failure to heed the Examining Attorney's express warnings and reminders.

And in 2004 the *Rule* 2.61(b) case was *In re Planalytics, Inc.*, 70 USPQ2d 1453 (TTAB 2004), in which the Board affirmed a refusal to register the mark GASBUYER for on-line risk management services in the field of natural gas, based in part on Applicant's failure to comply with a *Rule* 2.61(b) request. The Examining Attorney required that Planalytics "submit product information for the identified goods/services." Planalytics responded that "information regarding its services may be found on its website, located at www.planalytics.com." The Board found that response to be insufficient because websites often contain voluminous information and are transitory and subject to change at the owner's discretion. "Therefore, it is important that the party actually print out the relevant information and supply it to the Examining Attorney."

In short, as stated by counsel for Applicant in *In re SPX Corp.*, when one receives a *Rule* 2.61(b) request for information, the better course of action is to respond.

D. Increasing Admissibility of Internet Evidence?

As personal computers spread like a virus, it should not be surprising that the Board is giving increasing weight to some Internet evidence – both from newswire services and from foreign websites.

In the distant past, the Board considered articles in foreign publications to be of limited evidentiary value because they are unlikely to have "any material impact on the perceptions of the relevant public in this country." *See, e.g., In re Men's International Professional Tennis Council*, 1 USPQ2d 1917, 1918 (TTAB 1986). Similarly, wire service news stories were accorded little probative value because they often do not reach general circulation. *See, e.g., In re Professional Tennis Council*, 1 USPQ2d 1917, 1918 n. 5 (TTAB 1986); *In re Appetito Provisions Co.*, 3 USPQ2d 1553, 1555 n. 6 (TTAB 1987). However, after the turn of the 21st century, things began to change.

As to foreign websites, in *In re Remacle*, 66 USPQ2d 1222 (TTAB 2002) the Board found excerpts from foreign Internet websites relevant to the issue of mere descriptiveness of the mark BIO-CD for "compact discs that are used to test biological matter." It observed that there are situations in which "inferences regarding accessibility and familiarity with foreign publications may be made."

> For example, it is reasonable to assume that professionals in medicine, engineering, computers, telecommunications and many other fields are likely to utilize all available resources, regardless of country of origin or medium. Further, the Internet is a resource that is widely available to these same professionals and to the general public in the United States. Particularly in the case before us, involving sophisticated medical technology, it is reasonable to consider a relevant article from an Internet web site, in English, about medical research in another country, Great Britain in this case, because that research is likely to be of interest worldwide regardless of its country of origin. *Id.* at 1224 n. 5.

As to wire services stories, the Board considered them relevant in *In re Cell Therapeutics, Inc.*, 67 USPQ2d 1795 (TTAB 2003). In affirming refusals to register, on the ground of genericness, the term CELL THERAPEUTICS, INC. ("inc." disclaimed) for certain bio-chemical signaling pathway modulators and for related laboratory research and development services, the Board relied on many NEXIS items from wire services. Applicant argued that in the past the TTAB has accorded such wire service news stories limited probative value, but the Board distinguished earlier decisions by pointing out that here the relevant public comprises highly sophisticated medical doctors and researchers who have access to news wire stores. Moreover, the widespread use of personal computers makes it more likely that news wire stories will reach the general public, and therefore such stories have decidedly more probative value today.

> This Board would be blind if it did not recognize that during the past fifteen years, there has been a dramatic change in the way Americans receive their news. In the 1980's personal computers were in their infancy as was the transmission of new stores via the Internet. Put it quite simply, we believe that communications have changed dramatically during the past fifteen years such that by now it is by no means uncommon for even ordinary consumers (much less sophisticated doctors and researchers) to receive news not only via tangible newspapers and magazines, but also electronically through personal computers. Thus, it is much more likely that newswire stories will reach the public because they can be picked up and "broadcast" on the Internet. *Id.* at 1798.

The Board cautioned, however, that although newswire stories are now deserving of more probative value, the Board is "not saying that the newswire stories are of the same probative values as are stories appearing in magazines and newspapers."

This year's decision in *In re DataMirror Corp.*, S.N. 75203278 (February 12, 2004) [not citable] follows *In re Remacle.* The Examining Attorney relied on, *inter alia*, Internet excerpts discussing Applicant's product in arguing that Applicant's mark TRANSFORMATION SERVER is merely descriptive. Two of those websites were foreign in origin (but apparently in English). The Board found the items to be relevant, extensively quoting *Remacle* in support of its view that professionals in the computer field would find these items of interest regardless of the country of origin.

However, the Board panel in *In re Administrators of the Tulane Educational Fund*, S.N. 76255445 (June 30, 2004) [not citable], refused to follow the citable *Cell Therapeutics* decision in a case involving the mark ON-LINE MARKETPLACE for on-line retail services. The Applicant objected to Internet evidence from new services and foreign publications, while the Examining Attorney contended that this evidence "is more likely to be encountered by the actual users or purchasers of applicant's online retail services than would be stories in printed publications." The Board, however, sustained the objections and distinguished *Cell Therapeutics* as a case "involving 'highly sophisticated medical doctors and researchers' who may have greater access to such sources via the Internet or otherwise."

To summarize, foreign websites that are in English and relate to the technical subject matter at hand will be given consideration in determining the meaning of a word or phrase. Internet newswire stories available to computer users in this country – at least if the users are "sophisticated," like medical doctors and researchers – will likewise be given probative weight.

As we trademark practitioners plunge into the 21st Century, one may expect even wider use of personal computers. Should we not expect a corresponding increase in the willingness of the TTAB to consider a wider range of Internet evidence?

II. What Was Not Hot

A. Dilution – Drip by Drip

The TTAB continues to move at a glacial pace in the development of its dilution jurisprudence. When a case can be decided on likelihood of confusion grounds, the Board will decline to consider the dilution issue. Consequently, because dilution claims are typically pleaded in the alternative along with Section 2(d) claims, the dilution issue is rarely reached by the Board.

In the five years since the FTDA became effective, the Board has issued two citable, substantive dilution decisions: *Toro Co. v. ToroHead, Inc.*, 61 USPQ2d 1164

(TTAB 2001), and *NASDAQ Stock Market, Inc. v. Antartica, S.r.l.*, 69 PQ2d 1718 (TTAB 2003). In *Toro*, the Board, while dismissing Opposer's Section 43(c) claim, ruled that *likelihood of dilution* rather than *actual dilution* is the applicable standard in TTAB proceedings – at least when a Section 1(b) application is involved and the challenged mark has not yet been put into use. In *NASDAQ*, the Board sustained Opposer NASDAQ's dilution claim, extending the likelihood of confusion standard to oppositions "alleging prospective dilution by a mark not yet in use and that is the subject of a Section 44 application." *NASDAQ* at 1734.

Many questions remain unanswered regarding dilution.[1] In this year's decision in *Dream Merchant Co. v. Fremonster Theatrical*, Opposition No. 91152686 (June 17, 2004) [not citable], the TTAB found it unnecessary to answer perhaps the major unresolved issue: what standard – actual dilution or likelihood of dilution – applies in a case in which the challenged mark is *already in use*. Applicant Fremonster conceded the fame of Opposer Dream Merchant's mark, but Opposer failed to submit any proof of "blurring or tarnishment or any sort of lessening of the distinctiveness of plaintiff's famous mark." However, the marks at issue – CIRQUE DE SOLEIL and CIRQUE DE FLAMBE – were clearly not "virtually identical," as required for a plaintiff to prevail on a TTAB dilution claim. The Board noted that Applicant's mark was already in use, but concluded that Opposer's Section 43(c) claim would fail regardless of which standard applied – actual dilution or likelihood of dilution.

Perhaps a reason for putting off consideration of this important question – in addition to the traditional jurisprudential principle that a court should not decide an issue that it need not reach – is the current flurry of activity regarding possible amendment of the FTDA. Because the statute may be changed in the near future – and one possible change will be to introduce a likelihood of dilution standard – prudence may dictate that the Board continue on its slow pace in developing its dilution doctrine.

B. Genericness – The Two-Faced Test

1. Compound Word versus Phrase

The current CAFC genericness analysis dictates that a different test be applied to compound word marks than that applied to phrases. This dichotomy has led to some rather strange results.

The basic test for genericness is found in *H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.*, 228 USPQ 528, 530 (Fed. Cir. 1986):

> Determining whether a mark is generic therefore involves a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered or retained on

[1] For a more complete discussion of the development of TTAB dilution law through 2003, *see* Welch, "Dilution at the TTAB: What to Prove and How to Prove It," 17 *Allen's Trademark Digest* 9 (January 2004), available for downloading at www.ttablog.com.

the register understood by the relevant public primarily to refer to that genus of goods or services?

But the CAFC has developed different evidentiary requirements for proving genericness of a *compound word* (like SCREENWIPE) as opposed to a *phrase* (such as CASH MANAGEMENT ACCOUNT). That difference was explained in *In re American Fertility Society*, 51 USPQ2d 1832 (Fed. Cir. 1999), in an attempt to reconcile two prior, inconsistent decisions: *In re Gould Paper Corp.*, 5 USPQ2d 1110 (Fed. Cir. 1987), which found the term SCREENWIPE for antistatic wipes unregistrable as generic based only on evidence of the genericness of the *constituent words*; and *In re Merrill Lynch, Pierce, Fenner and Smith, Inc.*, 4 USPQ2d 1141 (Fed. Cir. 1987), which reversed a genericness refusal of the phrase CASH MANAGEMENT ACCOUNT for financial and money management services due to a lack of evidence that the financial community used the phrase *as a whole* as a generic term. As to phrases, the Court in *American Fertility* held that the correct test for genericness is that set forth in *Marvin Ginn*. To prove genericness, *Marvin Ginn* requires (1) "evidence of 'the genus of goods or services at issue'" and (2) evidence of "the understanding by the general public that the mark refers primarily to 'that genus of goods or services.'" *American Fertility*, 51 USPQ2d at 1836.

As to compound words, *American Fertility* blessed the approach taken in *Gould* but limited the applicability of *Gould* to compound words. Under *Gould*, according to *American Fertility*, "if the compound word would plainly have no different meaning from its constituent words, and dictionaries, or other evidentiary sources, establish the meaning of those words to be generic, then the compound word too has been proved generic. *No additional proof* of the meaning of the compound word is required." *American Fertility*, 51 USPQ2d at 1836. [emphasis supplied]. For phrases, however, the second element of the *Marvin Ginn* test still obtains: there must be proof that the general public understands the mark *as a whole* to refer to the genus.

Thus under current CAFC precedent the PTO arguably has a somewhat easier task in demonstrating the genericness of a compound word than of a phrase. Although the applicable test is supposedly still the two-part inquiry of *Marvin Ginn*, if the individual words in a compound word are generic, then *Gould* provides "additional assistance" in determining genericness. *American Fertility*, 51 USPQ2d at 1837. Unless compounding the individual words into a single word yields some different meaning, the compound word is generic. With regard to phrases – as *American Fertility* itself demonstrates – the PTO's task is more difficult: it cannot rely only on the genericness of the constituent words, but must demonstrate that the phrase as a whole meets the second prong of the *Marvin Ginn* test. In *American Fertility*, the PTO failed to provide any evidence of the public's understanding of the phrase SOCIETY FOR REPRODUCTIVE MEDICINE as a whole, and therefore the CAFC reversed the TTAB's decision refusing registration on the Supplemental Register.

One case in 2004 suggested that some judges on the Board are not completely comfortable with the *American Fertility* test for phrases. In *In re American Food Co.*, S.N. 76101362 (September 29, 2004) [not citable], the Board panel (Judges Quinn,

Walters, and Drost) reversed a genericness refusal of the mark THE BEEF JERKY OUTLET for "retail services featuring meat products," even though "beef jerky" and "outlet" were recognized as generic for, respectively, a type of beef snack and a commercial market. In light of *American Fertility*, the panel was "constrained" to find that "[w]hile THE BEEF JERKY OUTLET is certainly an apt name for a retail establishment that sells strips of dried beef, the evidence does not show that it is used as a generic name for such services. Aptness is insufficient to prove genericness." However, the panel expressed some uneasiness with the result:

> Although we have concerns here about the genericness of applicant's designation, it is the record evidence bearing on purchasers' perceptions that controls the determination, not general legal rules or our own subjective opinions. Any doubts raised by the lack of evidence must be resolved in applicant's favor. * * * On a different and more complete record, such as might be adduced by a competitor in an opposition proceeding, we might arrive at a different result on the issue of genericness.

However, Judge Hanak, whose dissent at the TTAB level was embraced by the CAFC in *American Fertility*, shows no hesitance in applying the *American Fertility* standard. In *In re SRO Management, LLC*, S.N. 76236222 (May 27, 2004) [not citable], the Board panel (Judges Hanak, Hohein, and Bottorff) not only reversed a genericness refusal of the mark THE CONTINENTAL RESTAURANT & MARTINI BAR for restaurant and bar services (RESTAURANT & MARTINI BAR disclaimed), but went on to rule that Applicant had established secondary meaning for the mark.

The Examining Attorney, in finding the phrase CONTINENTAL RESTAURANT & MARTINI BAR generic, relied on numerous magazine and newspaper articles to demonstrate that "continental restaurant" and "martini bar" are generic terms, but, much to Judge Hanak's chagrin, she never applied the *American Fertility* test:

> If the Examining Attorney had simply followed this clear, well established legal test set forth by the United States Court of Appeals for the Federal Circuit, she should never have refused registration, simply with the evidence she made of record, on the basis that applicant's mark, taken in its entirety, was generic. Throughout the entire examination process and indeed in her brief, the Examining Attorney never even mentioned the *American Fertility* case.

Not a single article proffered by the Examining Attorney contained Applicant's mark in its entirety, nor did any article even include both the terms "continental restaurant" and "martini bar." Therefore, the Board concluded that the Examining Attorney had failed to satisfy the PTO's burden of proof.

In several other decisions in 2004, the Board reversed genericness refusals because the PTO had similarly failed to satisfy the *American Fertility* requirement for phrases. In *In re Polytechnic University*, S.N. 76090924 May 11, 2004) [not citable], the Examining Attorney's evidence – dictionary definitions and descriptive/generic uses of the constituent words – was insufficient to establish genericness of the phrase INSTITUTE FOR INTERDISCIPLINARY STUDIES. In *In re Diamond Machining Technology, Inc.*, S.N. 76345344 (May 4, 2004) [not citable], the Board had "no choice but to reverse" the refusal to register DIAMOND WHETSTONE, noting that although there were scattered indications of generic use, those instances "represent a distinct minority." Similarly, the PTO failed to prove the genericness of SKIN CARE FOR SCARS in *In re Merz Pharmaceuticals*, S.N. 76364848 (September 6, 2004) [not citable], because the record "includes only one isolated instance where someone in the trade used the specific designation . . . in a generic manner." And in *In re Antisense Pharma GmbH*, S.N. 76036465 (September 30, 2004) [not citable], the Board reversed a genericness refusal because the record contained no evidence that the entire phrase ANTISENSE PHARMA is used as a generic term.

Based on the current state of genericness law, one concludes that the first and only user of a phrase comprised of generic terms may avoid or overcome a genericness refusal by pointing out the lack of evidence that others use the phrase as a whole in a generic manner. This state of affairs contrasts with not only the law applicable to the genericness of compound words, but also the law applicable to merely descriptive marks: a mark may be found unregistrable as merely descriptive even though the applicant is the first and only user of the descriptive term. *See, e.g., In re Zanova, Inc.*, 59 USPQ2d 1300 (TTAB 2001); *see also, Trademark Manual of Examining Procedure*, §1209.03(c) (3rd ed. May 2003).

The lesson to be learned from these genericness cases is a practical one: if your client is seeking to register a mark comprised of two or more possibly generic words, it would be better to keep the words as a phrase rather than combine them into a single compound word. Does this make any sense? No. But until the Board and the CAFC come to their senses on the genericness issue, that is the law.

2. Other Facets of Genericness

Several other genericness decisions in the year 2004 deserve some attention, one of which may be the worst TTAB decision of the year: namely, *Fox v. Hornbrook*, Opposition No. 91121292 (August 25, 2004) [not citable], an opposition involving dueling dentists. The Board came to the remarkable conclusion that the phrase DENTISTRY FOR THE QUALITY CONSCIOUS is *generic* for dental services. In an analysis that may be generously described as perfunctory, the Board ruled that "such phrase is so commonly used in the field of dentistry as a designation for a high level of, or excellence in, dental care services as to be generic, in the sense that the slogan essentially denotes a category or class of dentistry to the general public as well as to members of the dental profession." Apparently the Board seized on the genericness claim because Opposer Fox had not asserted that the phrase was merely descriptive. And so the

Board, in its apparent eagerness to sustain the opposition, chose to force-fit the applied-for mark into the genericness pigeonhole in order to deny registration. One is left to wonder whether there is a class of dental services called DENTISTRY FOR THE QUALITY *UNCONSCIOUS*?

Another noteworthy genericness case involved the REALTOR service mark. In *Zimmerman v. National Ass'n of Realtors*, 70 USPQ2d 1425 (TTAB 2004), the Board dismissed petitions for cancellation of registrations for the marks REALTOR and REALTORS for real estate brokerage services. Petitioner Zimmerman argued that the general public perceives these marks as "generic terms for real estate agents." Registrant NAR contended that the marks are collective *membership* marks and, therefore, the only relevant population for the genericness determination comprises members of the real estate profession. The Board ruled that the marks are not membership marks but collective service marks, and so both the general public and real estate professionals are relevant survey universes. NAR's survey evidence demonstrated that the terms do indeed serve as source indicators with "the population subset of real estate agents and brokers." As to the general population, Zimmerman failed to show by a preponderance of the evidence that the terms are perceived as generic. The Board noted, however, that even Zimmerman's "flawed" survey suggests that "members of the general public seeking real estate services from an association professional" may perceive the terms as generic, "in spite of respondent's best efforts to create perceptions of these terms as source indicators among members of the general public."

Finally, in a non-genericness case of note, *In re Rizzo*, S.N. 75461632 (Feb. 18, 2004) [not citable], the Board affirmed a Section 23 refusal to register on the Supplemental Register the term SEPIA (stylized) for cosmetics on the ground that the mark is incapable of functioning as a trademark. The Examining Attorney noted that "sepia" "denotes the color or appearance of the skin that will be created as a result of the use of the goods by the purchasing public." Applicant Rizzo pointed to third-party registrations on the Principal Register for the marks RED, SNOW WHITE, and LA BLANCHE, and further argued that even if "sepia" has descriptive significance, the stylized version of the word makes the mark capable of serving as a source indicator. The Board held that the applied-for mark is not capable of identifying Applicant's goods and distinguishing their source. "Simply put, while 'sepia' is not a generic term, in the sense that it is not the name of any particular cosmetic product . . . it is used to identify a color of the goods, irrespective of their source, and hence must remain in the public domain, so that any seller or manufacturer of cosmetics retains the ability to tell prospective purchasers that its goods are available in the color sepia." Furthermore, the Board ruled, Applicant's stylization fails to create a commercial impression apart from the word in its ordinary sense that would make the mark capable of indicating source.

C. Trade Dress: Functionality and Secondary Meaning

Not a single trade dress case was deemed citable in 2004. Nonetheless, the non-citable TTAB decisions provide useful guidance to trademark practitioners as to the Board's likely treatment of applications to register trade dress. And they demonstrate that, in the functionality area, the Board (and the CAFC) are more comfortable in applying old CAFC precedent than the Supreme Court's newer and rather confusing *TrafFix* formulation.

In *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 54 USPQ2d 1065 (2000), the Supreme Court raised the bar for registration of product design trade dress by ruling that a product configuration or feature can never be inherently distinctive – acquired distinctiveness must always be shown. One year later, in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 58 USPQ2d 1001 (2001), the Court adopted a "new" test for determining whether an applied-for mark (i.e., trade dress) is functional as a matter of law – and thus ineligible for registration – focusing on the utility of the design rather than on competitive need.

Thus the *TrafFix* and *Wal-Mart* decisions present two hurdles that must be cleared in order for a trade dress applicant to reach the PTO finish line and attain registration. In the great majority of the trade dress cases decided by the Board since 2000, the applicant has failed to complete the course.[2]

To summarize current law, if the trade dress at issue is de *jure* functional under *TrafFix*, the race is over: the trade dress is not registrable.

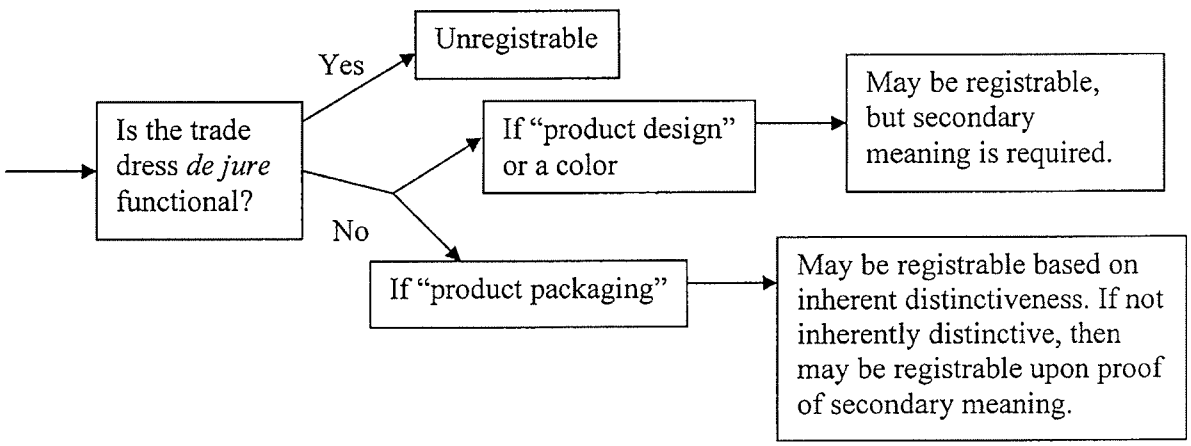


Fig. 1: The Functionality and Distinctiveness Hurdles to Registrability

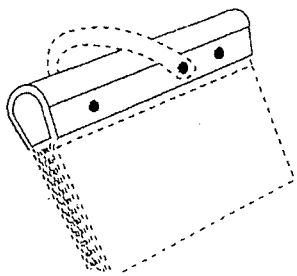
[2] For a fuller discussion of the development of TTAB trade dress law since *Wal-Mart*, *see* Welch, "Trade Dress and the TTAB: If Functionality Don't Get You, Non-Distinctiveness Will," 18 *Allen's Trademark Digest* 5 (November 2004). The article is available for downloading at www.ttablog.com.

If the trade dress applicant overcomes the *TrafFix* functionality hurdle, then the *Wal-Mart* hurdle of distinctiveness is encountered. Whether secondary meaning is required in order to achieve registration, or whether the trade dress may be registrable based on its inherent distinctiveness, depends on the type of trade dress at issue. "Product design" trade dress is registrable only upon proof of acquired distinctiveness.[3] If the trade dress may be classified as "product packaging," however, then a shortcut to registrability is available: packaging trade dress that is sufficiently distinctive may be registrable based on its inherent distinctiveness alone. If the packaging is not so distinctive, proof of secondary meaning will be required.[4]

1. Clearing the Two Hurdles

The functionality and secondary meaning hurdles have been quite formidable for trade dress applicants since 2000, and the year 2004 was no exception.

Nevertheless, in the first trade dress decision of 2004 a non-functional product shape was found to have acquired distinctiveness – the first TTAB case to find secondary meaning for a product shape subsequent to the *Wal-Mart* decision. In *In re F. Schumacher & Co.*, S.N. 75613624 (Apr. 1, 2004) [not citable], the Board reversed a refusal to register the rounded binding design shown here as a trademark for wallpaper sample books, but affirmed a refusal to register the design for wallpaper. Although Applicant and the Examining Attorney considered the design to be "product packaging" with regard to sample books, and argued over whether the design was inherently distinctive, the Board concluded that the design "is more akin to product design and not product packaging" and therefore ruled that acquired distinctiveness must be shown. However, even assuming *arguendo* that the rounded spine design constituted product packaging for sample books, the Board deemed the mark to be "almost, but not quite, inherently distinctive." Applying the CAFC's *Seabrook* test for distinctiveness of product packaging (*Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 196 USPQ 289 (CCPA 1977)), the Board found that the design is a "common basic shape" in that many books other than wallpaper sample books have a rounded binding, and that the rounded binding is a "refinement of standard flat bindings."



[3] Similarly, if the trade dress is a color, it may be registered only upon proof of acquired distinctiveness. *Wal-Mart*, 529 U.S. at 211; *Qualitex Co. v. Jacobson Prods., Inc.*, 514 U.S. 159, 34 USPQ2d 1161 (1995).

[4] In *Two Pesos v. Taco Cabana, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 23 USPQ2d 1081 (1992), the Supreme Court held that the décor of a restaurant could be protected under Lanham Act Section 43(a) without proof of secondary meaning. In *Wal-Mart*, the Court stated that the restaurant décor in *Two Pesos* did not constitute product design. Instead, "It was either product packaging . . . or else some *tertium quid* that is akin to product packaging . . . ." 529 U.S. at 215, 54 USPQ2d at 1069. Not a single TTAB case since 2000 has addressed restaurant décor trade dress, nor other types of non-traditional trade dress, such as golf course holes or building facades.

As to acquired distinctiveness, the Board observed that here, where the mark is almost inherently distinctive, "a very minimal showing pursuant to Section 2(f) should be sufficient" to establish acquired distinctiveness. It noted that the determination of distinctiveness must be made "through the eyes of typical purchasers and users of the goods in question." Schumacher proved secondary meaning vis-à-vis "the true purchasers and users of wallpaper sample books," wallpaper sales professionals. Its use of the mark for more than five years as of the time of the appeal was a factor in its favor. More importantly, Schumacher's vice-president declared that the design was specifically selected so as to "stand out," and was of "great value" despite the added cost of producing the rounded binding. And a professional sales person declared that "from the very beginning" she viewed the rounded binding as an indicator that the books emanated solely from Schumacher.

As to Schumacher's wallpaper, however, the ultimate purchasers are ordinary consumers. Schumacher "failed to make of record any evidence whatsoever establishing that the rounded binding on its wallpaper sample books was initially viewed or has ever been viewed by ordinary purchasers . . . as distinctive or as having become distinctive."

2. Functionality Clarified?

In *Texaco Inc. v. Pennzoil-Quaker State Co.*, Opposition No. 91120520 (May 28, 2004) [not citable], Texaco motored to victory in its challenge to registration of "the color clear used on containers for motor oil." The Board found the applied-for mark to be *de jure* functional and, in the alternative, lacking in acquired distinctiveness. Forging its own path through the functionality forest, the Board noted that "[a]ny discussion of utilitarian functionality" should begin with *TrafFix*, 523 U.S. 23, 58 USPQ2d 1001 (2001), but it once again turned to CAFC precedent as the foundation for its decision. The Board pointed out that in *Valu Engineering, Inc. v. Rexnord Corp.*, 61 USPQ2d 1422 (Fed. Cir. 2002), the CAFC "held that this decision [*TrafFix*] does not alter the oft-cited case of its predecessor in the area of functionality, *In re Morton-Norwich Prods., Inc.*, 213 USPQ 9 (CCPA 1982)":

> The *Morton-Norwich* case, cited by both parties to this proceeding, clarified that in determining whether the configuration of a plastic spray bottle container was *de jure* functional, one needs to look to the competitive need to copy the claimed design feature.

Although *TrafFix* seemingly ruled out a "competitive need" analysis in cases of utilitarian functionality, the CAFC and the TTAB continue to consider alternative designs as relevant to the issue of "whether a feature is functional in the first place." *Valu Engineering*, 61 USPQ2d at 1427. Here, the Board found the evidence under the third *Morton-Norwich* factor[5] (the availability of alternative, functionally-equivalent designs)

[5] *Morton-Norwich* requires consideration of the following four factors in determining whether a product design is "the best or one of a few superior designs available" and thus whether allowing the owner to

to be the most damaging: Pennzoil-Quaker introduced the clear bottle after determining that there was an "obvious competitive advantage" to displaying the coloration of its products, even though the clear bottle is more expensive to manufacture. Furthermore, under the second *Morton-Norwich* factor (advertising that touts the design's utilitarian advantages), Applicant occasionally promoted the utilitarian benefits of the clear bottle: e.g., consumers can see what they are buying; it gives consumers the impression that the oil is pure and clean; and consumers can tell exactly how much oil has been used.

Thus Texaco made a *prima facie* showing of *de jure* functionality: it pointed out "numerous non-reputation related reasons for adopting a clear container, and these are competitive reasons that should not be denied to applicant's competitors." Pennzoil-Quaker failed to rebut that showing.

For purposes of completeness, the Board also considered Pennzoil-Quaker's evidence of acquired distinctiveness, noting that in a case such as this the Section 2(f) showing must be "much greater" than for a descriptive term, a slogan, or a label. The Board took particular note of "the ubiquity of nearly identical packaging for many related automotive products." Despite Pennzoil-Quaker's expenditure of millions of dollars promoting its motor oils, its prominent use of such slogans as "The Difference is Clear," and its inclusion of the statement "CLEAR BOTTLE IS A TRADEMARK OF PENNZOIL QUAKER STATE COMPANY" on the containers, Pennzoil-Quaker's proofs fell short on the Section 2(f) issue.

Many of the federal courts have struggled with interpretation and application of the Supreme Court's *TrafFix* ruling. The TTAB and the CAFC have chosen to adhere to an approach that they find comfortable, one they have applied since the 1982 *Morton-Norwich* ruling. The currently pending appeal of the *Texaco* decision may provide the CAFC with another opportunity to explain its view of functionality law.

3. Patents and/or Boastful Advertising

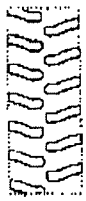
A number of cases, however, do not involve consideration of alternative designs because the first two *Morton-Norwich* factors (utility patents and/or boastful advertising) dictate a finding of *de jure* functionality. For example, in *Goodyear Tire & Rubber Co. v. Camoplast, Inc.*, Opposition No. 91152083 (June 30, 2004) [not citable], the Board sustained an opposition to registration of the product design shown here for "rubber tracks used in land vehicles," holding the design to be *de jure* functional. The application

---

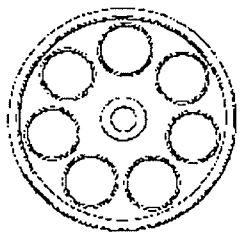
"exclude others . . . from using this trade dress will hinder competition or impinge upon the rights of others to compete effectively:"

(1) the existence of a utility patent disclosing the utilitarian advantages of the design;
(2) advertising materials in which the originator of the design touts the design's utilitarian advantages;
(3) the availability to competitors of functionally equivalent designs; and
(4) facts indicating that the design results in a comparatively simple or cheap method of manufacturing the product. 213 USPQ at 15-16.

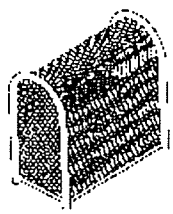
described the mark as the tread pattern on the track surface, consisting of two rows of alternating, equally-spaced tread lugs. Camoplast's own brochure described the functional features of the tread design. Moreover, its utility patent disclosed the utilitarian advantages of a design essentially identical to that of the trademark application, and the patent claims were directed to the shape of the lugs and their relative juxtaposition. Applying *TrafFix* and *Morton-Norwich*, the Board found this evidence regarding the first and second *Morton-Norwich* factors sufficient to establish the *de jure* functionality of the design.



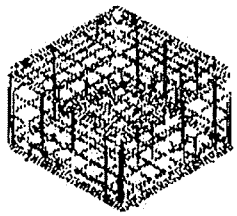
In *In re Ivanko Barbell Co.*, S.N. 78134755 (June 16, 2004) [not citable], the Board affirmed (without heavy lifting) a Section 2(e)(5) refusal to register the product configuration shown here as a trademark for a "barbell plate with seven holes." The application described the mark as a three-dimensional configuration of a barbell plate having a raised circumferential border and seven holes surrounding a central hole with a raised border. Ivanko's own advertising materials touted the utilitarian advantages of having "more grip holes to make it easier to pick up" and a rounded contour for "ease of use and exercise safety," and these statements were decisive in the Board's application of what it called the *Valu Engineering* test (i.e., the four *Morton-Norwich* factors). Ivanko asserted that other designs are available, but the Board pointed out that, under *TrafFix*, "competitive necessity" is not a prerequisite to a finding of functionality. Ivanko also asserted that its barbell plate costs more, not less, to manufacture, but the Board found this fact insignificant: "improving the utilitarian features of a product often dictates that the manufacturing process be more expensive or complicated."



In *In re Backflow Prevention Device Inspections, Inc.*, S. Nos. 76016339-41. (August 31, 2004) [not citable], the Board affirmed Section 2(e)(5) refusals to register three product configurations as trademarks for "enclosures for protection of backflow assemblies, namely, a metal cage placed over backflow assemblies," finding the marks to be *de jure* functional. Each mark consisted of "a configuration of an enclosure with no sharp corners . . . ." Applying the *Morton-Norwich* factors, the Board noted that Applicant's own advertisements stated that pedestrian safety is an important function of the enclosures, and that the "no sharp corners" feature of the designs is critical to this function. Applicant argued that alternative designs are available, but the Board pointed to the *TrafFix* ruled that alternative designs are irrelevant if a feature is found to be "essential to the purpose of the device." The Board also considered, for the sake of completeness, Applicant's acquired distinctiveness claim, but found its proofs inadequate: unimpressive sales and advertising figures and several uniform and conclusory statements from purchasers and industry personnel, but nothing to indicate the designs themselves were promoted as trademarks.



And in *In re The Danielson Co.*, S.N. 76406586 (October 27, 2004) [not citable], the Board affirmed a Section 2(e)(5) refusal to register the configuration of a crab trap

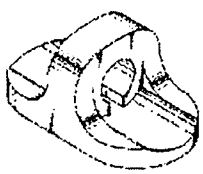


"having a generally square foot print and a height generally between 40% and 60% of its length or width." Danielson asserted that its design "serves no utilitarian purpose," and that "the vast diversity of alternative designs" demonstrates that its configuration "does not have a particular shape because it works better in that shape." Applying the *Valu Engineering* factors (a/k/a the *Morton-Norwich* factors), the Board noted that utility patents disclosed the half-cube design and advertising materials described its utilitarian advantages – namely that half-cube traps "set more easily" and are "less likely to tip over." As to alternative designs, absent proof that those designs perform equally well, their existence does not indicate that Applicant's design is not functional. For the sake of completeness, the Board then considered Applicant's claim of acquired distinctiveness and found it insufficient: despite Danielson's use of the "mark" since 1975 and its sales of $500,000, there was no indication that it had promoted the design as a trademark or that consumers recognize the design as a source indicator.

In sum, if the utilitarian advantages of a product design are disclosed or claimed in a utility patent, or if the advantages have been touted in advertising, there is little or no chance that an Applicant can convince the Board to overturn a Section 2(e)(5) refusal. Even if the *de jure* functionality hurdle is cleared, the applicant must then face the heavier Section 2(f) burden that applies to product shapes. Unless the applicant has made a significant effort to promote the product shape as a trademark, it is very unlikely that the Board will find the evidence sufficient to prove secondary meaning.

4. Lack of Secondary Meaning

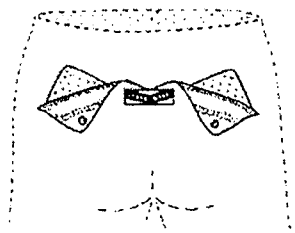
In *In re Igelmund*, S.N. 75516221 (July 29, 2004) [not citable], the Applicant failed to clear the acquired distinctiveness hurdle for the product configuration shown here for "security fixtures for personal computers, namely shackle-like devices for



securing personal computer safety cables." Igelmund submitted three of his own declarations, as well as a declaration from a single catalog retailer/customer, a catalog advertisement, and an instruction sheet. Igelmund's declarations stated that more than 500,000 units had been sold since 1996, but he offered "no advertising that demonstrates promotion of the product configuration . . . as [his] mark," and the record was "devoid of direct evidence that other kinds of retailers" or "the ultimate purchasers of the goods . . . view the matter sought to be registered as a distinctive source indicator for applicant's goods."

And in *In re Slokevage*, S. N. 75602873 (November 10, 2004) [not citable], perhaps the Board's first trade "undress" case, Applicant failed in her cheeky attempt to register the mark FLASH DARE! and Design for pants, overalls, shorts, culottes, dresses, and skirts. Slokevage described her mark as: "A configuration located on the rear hips comprised of: A label in the center with the words 'FLASH DARE!' on a V-shaped

background; and on each of the two sides of it there is a clothing feature (a cut-out area, or 'hole', and flap affixed to seat area with a closure device); the top borders of the 'holes' also forming and continuing the 'vee' shape." She contended that the elements of the mark, taken together, "create an edgy, eye-catching message suggesting the wearer might 'dare-to-flash' some skin on her posterior." Ms. Slokevage declined to disclaim the design features, and she likewise declined to offer proof of acquired distinctiveness. The Examining Attorney therefore cited *Wal-Mart* in refusing registration on the ground that clothing features can never be inherently distinctive. The Board rejected Applicant contention that *Wal-Mart* is inapplicable because her words-plus-design mark is a *unitary* mark that is not subject to dissection.



5. *De Facto v. De Jure*

The final trade dress decision of 2004 is perhaps the most troublesome. In *In re Baby Bjorn AB*, Serial No. 75751554 (November 18, 2004) [not citable], Baby Bjorn sought to register the configuration shown here for "soft baby carriers worn on the body," but the Board affirmed the Section 2(e)(5) refusal to register. The Board's functionality analysis, however, left something to be desired. Applicant described its mark as follows: "The mark comprises the configuration of a flared, kite-shaped outside front panel of a baby carrier and two v vertical stripes placed thereon. The portions of the drawing shown in dotted lines are not part of the mark but are merely intended to show the position of the mark."

After reviewing the applicable law, the Board concluded, in a rather superficial analysis, that "the flap design sought to be registered is functional as a whole."

> "The curved top of the flap is clearly designed for and promoted as providing support for the baby's head. In addition, the openings near the top of the flap are intended to be used as arm openings for the baby. These openings are clearly functional. Because the flap narrow near the bottom, the baby's legs may easily be placed on either side of the flap."

As to the vertical stripes, even if they are merely ornamental, incidental, or arbitrary, "registration on this application cannot be permitted" because Applicant sought to register the entire flap configuration.

The Board noted the existence of alternative designs for baby carriers, but declared: "In view of the evidence establishing the functionality of applicant's flap design, these alternative designs do not show that applicant's flap design is not functional."

But did the evidence show anything more that the *de facto* functionality of the design features? No doubt, the arm and leg openings perform a function, as does the curved top of the flap, but that doesn't mean the design is *de jure* functional. The question should be whether these particular design features are "essential to the use or purpose of the article or . . . affect[] the cost or quality of the article." *TrafFix Devices Inc. v. Marketing Displays Inc.*, 58 USPQ2d at 1006. Couldn't these same functions be performed just as well by a baby carrier having a different shape – e.g., the other carriers on the market?

The issue should not be whether the design features in question perform a function, but whether Applicant's design performs the functions better than the alternative designs. The Board so indicated at page 7 of its decision: "The question is not whether there are alternative designs that perform the same basic function, but whether these designs work 'equally well.' *Valu Engineering*, 61 USPQ2d at 1427, *quoting* 1 *McCarthy on Trademarks and Unfair Competition*, Sec. 7:75, 7-180-1 (4th ed. 2001)."

Unfortunately, the Board failed to analyze whether the features of the Baby Bjorn design perform their functions better than the alternative designs of record. Instead, this Board panel seemed to equate *de facto* functionality with *de jure* functionality, rather than apply the proper test.

For the sake of completeness, the Board also considered Baby Bjorn's claim of acquired distinctiveness. It found Baby Bjorn's proofs (12 years of use, over 1 million units sold, and $2 million in advertising expenditures) insufficient, noting that Applicant's advertisements contain no indication that it "'has promoted the asserted designs as trademarks, and we have no evidence that consumers have come to recognize applicant's designs as indications of origin.' *M-5 Steel Mfg. Co. v. O'Hagin's Inc.*, 61 USPQ2d 1086, 1098 (TTAB 2001)."

III. Conclusion

The TTAB seemed to glide through the year 2004 on cruise control. There were no neck-bending accelerations into new legal territory, no significant swerves from the straight-and-narrow, and certainly no U-turns. Trademark practitioners are hoping for some interesting twists and turns in the coming months. Dilution law needs to be clarified, the two-pronged genericness test requires re-thinking, and application of the *TrafFix* test for *de jure* functionality should be further explored and explained. Phantom marks may continue their re-birth, and the admissibility of Internet evidence may get increasing attention. As to fraud and Rule 2.61(b) issues, we practitioners can hope that future years will bring a decrease in pertinent decisions.

In any case, we can expect the Board to crank out another 50 dozen or so decisions in 2005, furnishing the trademark bar with much to digest, dissect, and discuss.

This paper was delivered on April 24, 2005, at the 20th Annual Intellectual Property Law Conference of the American Bar Association, in Arlington, Virginia.