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# Breaking through the barriers

If practitioners can avoid registration refusals based on functionality and lack of distinctiveness, the liberal US regime for non-traditional marks provides brand owners with an opportunity to strengthen goodwill

US trademark law allows for the protection and registration of an almost limitless variety of non-traditional trademarks. In *Qualitex Co v Jacobson Prods Co*, 514 US 159, 164 (1995), the US Supreme Court held that “it is the source-distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve” as a trademark. Thus, “[a]nything that can be detected by one of the human senses should be eligible for protection as a trademark if it is used to identify and distinguish a source of goods or services” (J Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §7:105 (4th ed 2004)). However, the US Patent and Trademark Office refuses registration of many non-traditional marks each year for two major reasons:

- The subject matter of the trademark is functional in nature; and/or
- The mark lacks the requisite distinctiveness and therefore fails to function as a trademark.

The functionality doctrine prevents brand owners from gaining perpetual monopolies over useful product features (see *Qualitex*, 514 US at 164). Useful product features are typically those that make the final product of a higher quality or less costly to produce, such that the “exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage” (*id* at 165). Functional matter is not eligible for trademark protection.

Whether a feature is functional “is a question of fact, and depends upon the totality of the evidence presented in each particular case” (*In re Udor USA, Inc*, 89 USPQ2d 1978, 1979 (TTAB 2009)). The Trademark Trial and Appeal Board (TTAB) and its primary reviewing court, the US Court of Appeals for the Federal Circuit,

consider the following four *Morton-Norwich* factors in determining whether a feature is functional:

- the existence of a utility patent that discloses the utilitarian advantages of the design sought to be registered;
- advertising by the applicant that touts the utilitarian advantages of the design;
- the availability of alternative designs; and
- whether the design results from a comparatively simple or inexpensive method of manufacture (see *In re Morton-Norwich Prods, Inc*, 671 F2d 1332, 1340-41 (CCPA 1982)).

The TTAB and Federal Circuit recently deemed a number of non-traditional trademarks functional based on the first *Morton-Norwich* factor, which dictates that the disclosure of a feature in the claims of a utility patent and statements made in a patent’s specification that illuminate the purpose served by a design constitute strong evidence of functionality (see *In re Becton, Dickinson & Co*, 675 F3d 1368, 1375 (Fed Cir 2012)).

In *AS Holdings, Inc v H & C Milcor, Inc, f/k/a Aquatico of Texas, Inc*, Opp No 91182064 (TTAB August 6 2013) (precedential), the applicant sought to register a product configuration mark for “pipe flashing for use in sealing openings for pipes”. The TTAB held that the original applicant’s now-expired utility patent, which covered a similar stepped-cone configuration, was strong evidence that those product features were functional. The patent described the purpose of the configuration as allowing for the accommodation of pipes of various sizes. The TTAB also cited four third-party utility patents as evidence that the circular ribs on the applicant’s pipes were intended to act

as a cutting guide and keep clamps in place, and were therefore functional.

In *In re Becton, Dickinson & Co* the Federal Circuit upheld the TTAB’s determination that the applicant’s product configuration mark for a closure cap for blood-collection tubes was functional. The TTAB found that a utility patent owned by the applicant indicated the utilitarian nature of at least two prominent features of the proposed mark:

- the two concentric circles at the top of the closure cap, which allowed a needle to be inserted; and
- the ribbed surface of the cap, which served as a gripping surface.

In *In re Pohl-Boskamp GmbH & Co KG*, 106 USPQ2d 1042 (TTAB 2013) (precedential), the applicant sought to register the flavour of peppermint for use in medications comprised of nitroglycerin. The TTAB considered a third-party utility patent which disclosed that menthol-containing substances (eg, peppermint oil), when combined with nitroglycerin, reduce the needed dosage of nitroglycerin and thereby lessen its side effects. Therefore, the TTAB held that the applicant’s use of peppermint oil affected the quality of the final product, and that allowing the applicant to do so exclusively would put competitors at a non-reputation-related disadvantage.

The functionality determinations in *AS Holdings* and *In re Becton* also turned on the second *Morton-Norwich* factor, since the applicants in those cases had advertised the utilitarian advantages of their designs. In *AS Holdings* the TTAB noted that the applicant’s catalogue explained that its pipe design “will securely seal all pipes and the large double thick molded rib at the top of each step offers supreme tear resistance and reinforcement as well as a cutting guide”. In

*In re Becton* the applicant's advertisements had highlighted that the ribs on its closure cap allowed for a more secure grip. Such advertisements are strong evidence that the matter sought to be registered is functional.

In order for a trademark to be protectable, it must be distinctive of the applicant's goods or services in commerce. A non-inherently distinctive mark must acquire distinctiveness through use, also known as secondary meaning. Secondary meaning is acquired when, "in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product rather than the product itself" (*Inwood Labs*, 456 US at 851, 111).

Many types of non-traditional mark can never be inherently distinctive and thus require a showing of acquired distinctiveness. The rationale is that consumers do not automatically equate flavours, colours, scents and designs with the product's source (see *Wal-Mart Stores v Samara Bros*, 529 US 205, 211-14 (2000)). In the most publicised non-traditional trademark case of the past year, the US Court of Appeals for the Second Circuit held that the colour red, as applied to a shoe outsole that contrasted with the adjoining upper portion of the shoe, had acquired distinctiveness and was therefore a valid and enforceable trademark (*Louboutin SA v Yves Saint Laurent Am Holding, Inc*, 696 F3d 206, 225-28 (2d Cir 2012)). Whether a mark has acquired distinctiveness is a factual inquiry that takes into account:

- advertising expenditure;
- consumer studies linking the mark to a source;
- unsolicited media coverage of the product;
- sales success;
- attempts to plagiarise the mark; and
- length and exclusivity of the mark's use.

Given the evidentiary record, the Second Circuit held that "Louboutin has created an identifying mark firmly associated with his brand", which automatically denotes the shoes' source (*id* at 227; cf *In re Pohl-Boskamp*, 106 USPQ2d 1042 (finding the applicant's evidence insufficient to meet the 'substantial showing' required to demonstrate that its peppermint flavour and scent marks had acquired distinctiveness)).

Conversely, US trademark law holds that consumers are predisposed to associate product packaging with the source of a product, so such marks may be inherently distinctive. To determine whether a product packaging mark is inherently distinctive,



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the TTAB considers four *Seabrook* factors:

- whether the packaging is a common basic shape or design;
- whether it is unique or unusual in the particular field;
- whether it is a mere refinement of a commonly adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods; and
- whether the packaging is capable of creating a commercial impression distinct from the accompanying words (see *Seabrook Foods, Inc v Bar-Well Foods, Ltd*, 568 F2d 1342 (CCPA 1977)).

In *In re The Procter & Gamble Co*, 105 USPQ2d 1119 (TTAB 2012) (precedential), the TTAB held that the shape of a container for mouthwash and the shape of the mouthwash cap were both inherently distinctive. Relying on the first three *Seabrook* factors, the TTAB found that both the mouthwash bottle and cap were not:

- common shapes in general;
- common shapes in the field of mouthwash products; and

- mere refinements of existing mouthwash bottles and caps.

Sound marks may be inherently distinctive in some cases, but require a showing of acquired distinctiveness if the sound is emitted in the course of a product's ordinary function (see *In re Vertex Grp LLC*, 89 USPQ2d 1694 (TTAB 2009)). The TTAB recently affirmed refusals to register "five short electronic chirps", one in slightly increasing pitch and the other in slightly decreasing pitch, for battery chargers (*In re Powermat Inc*, 105 USPQ2d 1789 (TTAB 2013) (precedential)). Because the applicant's battery chargers emitted the sounds in their normal course of operation, they were within "the category of sounds that cannot be inherently distinctive and may only be registered upon a showing of acquired distinctiveness" (*id*). As the applicant had claimed only inherent distinctiveness, the TTAB held that the sounds failed to function as trademarks.

In order to avoid a functionality refusal, applicants should be certain not to advertise the utilitarian advantages of the matter for which registration is sought, and should not seek to register features that are covered by any utility patent. Developing unusual, uncommon features may help to avoid the problem of functionality.

In order to bolster a claim of acquired distinctiveness, brand owners should use 'look-for' advertising that focuses consumers' attention on unique trademark features for the purpose of distinguishing the source of the goods from those of competitors. Brand owners may also use surveys and testimonials to prove customer recognition of a mark and association with its source. The value of consumer testimonials may be discounted if they are identical form statements and/or conclusive in nature.

The liberal protection regime for non-traditional marks provides brand owners with an opportunity to strengthen goodwill among consumers in an increasingly saturated marketplace. Non-traditional trademarks may have a stronger impact on consumers in today's digital age, in which many brands are first encountered electronically. Moreover, because non-traditional marks employ content other than words and phrases, they may be able to communicate with consumers across languages and cultures. If the practitioner can avoid registration refusals based on functionality and lack of distinctiveness, the possibilities for protection are almost limitless. [WTR](#)

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