

The Trademark Reporter®



The Law Journal of the International Trademark Association

Constitutional Avoidance and Standards of Proof in Trademark Infringement Litigation: A Comment on Post-*Jack Daniel's* Applications of the *Rogers* Test for Liability

Theodore H. Davis Jr.

Survey Methodologies to Overcome “Failure to Function” Refusals in the U.S. Patent and Trademark Office

R. Charles Henn Jr.

Book Review: *Intellectual Property and Sustainable Markets*. Ole-Andreas Rognstad and Inger B. Orstavik, eds.

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The TMR (ISSN 0041-056X) is published electronically six times a year by INTA, 675 Third Avenue, New York, NY 10017-5704 USA. INTA, the INTA logo, INTERNATIONAL TRADEMARK ASSOCIATION, THE TRADEMARK REPORTER, and inta.org are trademarks, service marks, and/or registered trademarks of the International Trademark Association in the United States and certain other jurisdictions.

**SURVEY METHODOLOGIES TO OVERCOME
“FAILURE TO FUNCTION” REFUSALS IN THE U.S.
PATENT AND TRADEMARK OFFICE**

*By R. Charles Henn Jr.**

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I. INTRODUCTION

Whether a word, design, or color scheme functions as a mark is an empirical question, based necessarily on how relevant consumers perceive it. As the United States Patent and Trademark Office (“USPTO”) continues to ratchet up the frequency of “failure to function” refusals, trademark owners have struggled to present evidence sufficiently compelling to convince examining attorneys to withdraw those refusals. And the stakes can be high: unlike mere descriptiveness refusals, a failure-to-function refusal cannot be overcome by amending the Supplemental Register or claiming acquired distinctiveness through length of use. This article thus offers practical advice on how to design surveys—including both tried-and-true methods and an entirely new approach—that can provide empirical evidence showing whether an applied-for term¹ functions as a mark.

II. WHETHER A TERM FAILS TO FUNCTION AS A MARK IS AN EMPIRICAL QUESTION A SURVEY CAN ANSWER

The Lanham Act defines “trademark” as “any word, name, symbol, or device, or any combination thereof used . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”² The two primary features of a mark, therefore, are to *identify* and to *distinguish* the goods of one person from those of another person.

As the U.S. Supreme Court recently explained in *Jack Daniels Properties, Inc. v. VIP Products, LLC*:

Start at square 1, with what a trademark is and does. . . . The first part of [the Lanham Act’s] definition, identifying the kind of things covered, is broad: It encompasses words (think “Google”), graphic designs (Nike’s swoosh), and so-called trade dress, the overall appearance of a product and its packaging (a Hershey’s Kiss, in its silver wrapper). The second part of the definition describes every trademark’s “primary” function: “to identify the origin or ownership of the article to which it is affixed.” Trademarks can of course do other things: catch a consumer’s eye, appeal to his fancies, and convey every manner of message. But whatever else it may do, a trademark is not a trademark unless it identifies a product’s source (this is a Nike) and distinguishes that

¹ I use “term” in this article for ease of reference, but the same principles apply equally to other material functioning as a mark (e.g., symbols, designs, and color schemes).

² 15 U.S.C. § 1127.

source from others (not any other sneaker brand). In other words, a mark tells the public who is responsible for a product.³

The USPTO has incorporated these concepts into the Trademark Manual of Examining Procedure (“TMEP”)—the set of rules that examining attorneys follow when considering applications to register marks. The TMEP states: “The USPTO will not register an applied-for designation unless it functions as a mark. . . . That is, the mark must serve as an indicator of the source of the goods or services, identifying and distinguishing them from those of others.”⁴

The TMEP also provides examining attorneys with guidance when evaluating specimens submitted by a service mark’s owner:

Factors that the examining attorney should consider in determining whether the asserted mark functions as a service mark include whether the wording claimed as a mark is physically separate from textual matter, whether such wording is displayed in capital letters or enclosed in quotation marks, and the manner in which such wording is used in relation to other material on the specimen.

While a service mark does not have to be displayed in any particular size or degree of prominence, it must be used in a way that makes a commercial impression separate and apart from the other elements of the advertising matter or other material upon which it is used, such that the designation will be recognized by prospective purchasers as a source identifier. The proposed mark must not blend so well with other matter on specimen that it is difficult or impossible to discern what the mark is.⁵

Although factors such as a physical separation of the term from other textual matter, capitalization, or other font differences may provide some guidance to examining attorneys, the ultimate question of whether a term functions as a mark is based on consumer perception. The TMEP readily acknowledges that “[i]t is the *perception of the relevant public* that determines whether the asserted mark functions as a service mark, not the applicant’s intent, hope, or expectation that it do so.”⁶ Similarly, the Trademark

³ 599 U.S. 140, 145-46 (2023) (citations omitted) (quoting *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916)).

⁴ TMEP § 1202.17(c) (citing, *inter alia*, *In re Team Jesus LLC*, 2020 U.S.P.Q.2d 11489, at *2 (T.T.A.B. 2020) and *In re Tex. With Love, LLC*, 2020 U.S.P.Q.2d 11290, at *2-3 (T.T.A.B. 2020).)

⁵ TMEP § 1301.02 (internal citations omitted); *see also* TMEP § 1202 (noting that the same focus on the specimen is applicable in the context of *trademarks*—“The issue of whether a designation functions as a mark usually is tied to the use of the mark, as evidenced by the specimen.”)

⁶ TMEP § 1301.02 (citing, *inter alia*, *In re Standard Oil Co.*, 275 F.2d 945 (C.C.P.A. 1960)).

Trial and Appeal Board (“TTAB”) repeatedly has confirmed that “[t]he critical inquiry in determining whether a proposed mark functions as a trademark is *how the relevant public perceives it*.”⁷

In cases involving failure-to-function refusals, the TTAB emphasizes the importance of evidence reflecting consumer perception. For example, in *In re California Exotic Novelties, LLC*, the Board bolded the phrase “the evidence” when pointing out that “commonplace terms and expressions are properly found as failing to function as marks and cannot be registered [w]here **the evidence** suggests that the ordinary consumer would take the words at their ordinary meaning rather than read into them some special meaning distinguishing the goods and services from similar goods and services of others.”⁸ The TTAB has further advised applicants that “[e]vidence of the public’s perception may be obtained from any competent source, *such as consumer surveys, dictionaries, newspapers and other publications*.”⁹ And an applicant or registrant’s failure to submit survey evidence may be a consideration in the TTAB sustaining a failure-to-function refusal.¹⁰

It follows, therefore, that survey evidence can be important—if not dispositive—of the question of whether a term “functions as a mark.” So, then, what survey methodologies can answer that question?

⁷ *In re Calif. Exotic Novelties, LLC*, Serial No. 88629939, 2022 WL 4384865, *4 (T.T.A.B. Aug. 31, 2022) (emphasis added); *see also* *Univ. of Ky. v. 40-0, LLC*, Opposition No. 91224310, 2021 WL839189, *13 (T.T.A.B. Mar. 4, 2021) (“The critical inquiry in determining whether a proposed mark functions as a trademark is how the relevant public perceives the term sought to be registered.”); *In re Greenwood*, Serial No. 87168719, 2020 WL 7074687, *2 (T.T.A.B. Dec. 1, 2020) (“The critical inquiry in determining whether a proposed mark functions as a trademark is how it would be perceived by the relevant public.”); *In re Vox Populi Registry Ltd.*, Serial Nos. 86700941 and 87187215, 2020 WL 6581862, *5 (T.T.A.B. Oct. 29, 2020) (“[T]he determination whether the designation is capable of functioning as a mark focuses on consumer perception.”), *aff’d*, 25 F.4th 1348 (Fed. Cir. 2022); *In re The Ride, LLC*, Serial No. 86845550, 2020 WL 564792, *7 (T.T.A.B. Feb. 3, 2020) (“The central question in determining whether Applicant’s proposed mark functions as a service mark is the commercial impression it makes on the relevant public (e.g., whether the term sought to be registered would be perceived as a mark identifying the source of the services).”).

⁸ 2022 WL 4384865, *10 (T.T.A.B. Aug. 31, 2022) (quoting *Greenwood*, 2020 WL 7074687, at *6).

⁹ *In re Black Card, LLC*, 2023 WL 8110301, *5 (T.T.A.B. Nov. 21, 2023) (emphasis added) (reversing refusal to register FOLLOW THE LEADER on failure-to-function grounds); *see also In re Calif. Exotic Novelties, LLC*, Serial No. 88629939, 2022 WL 4384865, *10 & n.24 (T.T.A.B. Aug. 31, 2022) (“Evidence of consumer perception can include consumer surveys....”).

¹⁰ *Univ. of Ky. v. 40-0, LLC*, Opp. No. 91224310, 2021 WL839189, *13 (T.T.A.B. Mar. 4, 2021) (noting “[n]either party has adduced direct evidence, such as a survey.”).

III. EXISTING SURVEY METHODOLOGIES ASSESSING WHETHER A TERM FUNCTIONS AS A MARK

Before assuming an entirely new methodology needs to be developed to answer the question of whether a term functions as a mark (i.e., acts as an indicator of source), it is first worth considering the many existing (and court-approved) methodologies. This author is of the opinion that three existing methodologies provide empirical evidence of whether a term acts as a source identifier—genericness surveys, secondary meaning surveys, and *Eveready* confusion surveys. These formats are discussed in turn below, as well as a fourth methodology that was rejected by a district court but has not been tested by the TTAB.

A. *Genericness Surveys*

“Consumer surveys have become almost de rigueur in litigation over genericness.”¹¹ Genericness surveys assess whether the primary (or principal) significance of the term at issue is as a mark or as the common name of a good or service. In many ways, a failure-to-function refusal presents the same question.

For example, a *Teflon* survey, “the most widely used survey format to resolve a genericness challenge,”¹² first instructs respondents on the difference between a “brand name” and a “common name.” Although courts and the TTAB have accepted many variations of this instruction, some typical approaches appear below:

- “*Brand names* are names that companies use to identify *who* a product or service comes from. Brand names primarily let the consumer know that a product or service comes from a specific company *Common names* are words used to identify a *type* of product or service—in other words, *what* the product or service is, not who makes it. Common names primarily let the consumers know what type of product or service is being offered.”¹³
- “By brand or proprietary name, I mean a name like ‘Bank of America’ which is used by one company or organization; by a

¹¹ J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* [hereinafter *McCarthy*], § 12:14 (5th ed. 2023).

¹² *Id.* § 12:16.

¹³ This is the language Hal Poret used in the *Booking.com* survey implicitly relied on by the U.S. Supreme Court in *United States Patent & Trademark Office v. Booking.com*, 591 U.S. 549, 557 (2020) (“Consumers do not in fact perceive the term ‘Booking.com’ [as generic], the courts below determined. The PTO no longer disputes that determination.”); *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 918 (E.D. Va. 2017) (approving Poret’s methodology and accepting his conclusion); E.D. Va. Civ. No. 1:16-cv-425, Dkt. No. 64-1, Expert Report of Hal Poret at 10.

‘common name’ I mean a name like ‘safe deposit box’ which is used by a number of different companies or organizations.”¹⁴

- “A common or generic name refers to a type of [product] whereas a brand name refers to [products] from one company or source.”¹⁵

After being informed of the difference between brand names and common names, respondents in a *Teflon* genericness survey are then presented with a mini-test to confirm their understanding of the difference. Many mini-tests have been approved, but one typical version asks whether the term “Chevrolet” is a brand name or a common name, and whether the term “washing machine” is a brand name or a common name. Respondents who accurately identify “Chevrolet” as a brand name and “washing machine” as a common name “pass” the mini-test; others are excluded from continuing with the survey.

Respondents passing the mini-test are then presented with a series of terms—some actual brand names, some actual generic terms, and the one term being tested.¹⁶ Respondents then indicate for each term whether it is a brand name or a common name. If a majority of respondents indicate the term being tested is a “brand name,” then the survey shows the term is perceived by relevant consumers as a mark. If, on the other hand, a majority of respondents indicate the term is a “common name,” the survey demonstrates that relevant consumers do not perceive the term as a mark.

The existing *Teflon* format therefore should provide a factfinder with evidence that a term does or does not function as a mark. Indeed, in the context of determining whether COUNTRY MUSIC ASSOCIATION could be registered, the TTAB used the results of a *Teflon genericness* survey to infer *acquired distinctiveness*. The TTAB held: “[A]lthough the consumer survey conducted by Dr. Ford was submitted in connection with the issue of genericness, the acquired distinctiveness of the term “COUNTRY MUSIC ASSOCIATION” among the relevant purchasing public can be

¹⁴ *In re Country Music Ass’n, Inc.*, Ser. Nos. 789069000 and 78901341, 2011 WL 5600319, *8-10 (T.T.A.B. Oct. 25, 2011) (approving Dr. Gerald L. Ford’s survey and relying on its results).

¹⁵ E. Deborah Jay, *Genericness Surveys in Trademark Disputes: Under the Gavel* [hereinafter *Genericness Surveys*], in *Trademark & Deceptive Advertising Surveys: Law, Science, & Design* 107, 124 n.78 (Shari Seidman Diamond & Jerre B. Swann, eds., 2d ed. 2022) [hereinafter *Trademark Surveys* 2d Ed.]. The methodology for Dr. Jay’s survey, was “endorsed” by the court in *UGG Holdings, Inc. v. Severn*, No. CV04-1137-JFW, 2005 WL 5887187, *5 (C.D. Cal. Feb. 23, 2005).

¹⁶ Typically, an equal number of “brand” and “generic” terms are used in the *Teflon* test. See, e.g., Poret’s survey in *Booking.com*, cited *supra* at n.13, wherein seven terms were presented to respondents consisting of “Booking.com,” three brand names, and three generic terms.

inferred from the results. By categorizing the term . . . as a brand name, 85% of the respondents were saying, in effect, that they associated the term with the product or services of only one company.”¹⁷ Associating a term with “only one company” is essentially determining that the term identifies and distinguishes the goods or services of one person from those of another person—the Lanham Act’s definition of “trademark.”

On the other hand, the TTAB has separately held that “Teflon surveys are only appropriate” in cases involving genericness of a “coined or arbitrary mark” and are “not relevant when a term is not inherently distinctive.”¹⁸ Thus, and as discussed below in Part IV, the TTAB has suggested that some variation on a traditional *Teflon* survey may be necessary in the failure-to-function context.¹⁹

B. Secondary Meaning Surveys

The question of whether an applied-for mark has acquired distinctiveness or secondary meaning is very similar, if not identical, to the question of whether a term functions as a mark. The TTAB has explained in the trade dress context that acquired distinctiveness requires a showing that “the product design sought to be registered is perceived by relevant consumers not just as the product (or a feature of the product), but as *identifying the producer or source* of the product.”²⁰ The TTAB recently held in the context of a failure-to-function refusal that

[N]ot every common term or phrase warrants refusal on failure to function grounds. The refusal is strictly dependent on the evidence presented to show how consumers would perceive the proposed mark. The totality of the evidence must be sufficient to show that the phrase sought to be registered is used in such a way that it cannot be attributed to a *single source* of the goods or services at issue.²¹

Courts and the TTAB have long acknowledged that properly conducted secondary meaning surveys can establish that relevant consumers perceive a term as identifying a single source of the goods or services at issue.²² This is because a secondary meaning survey

¹⁷ *Country Music Ass’n*, 2011 WL 5600319 at *12.

¹⁸ *Frito-Lay N. Am., Inc. v. Real Foods Pty. Ltd.*, Opp. No. 91212680, 2019 WL 5290196, *5 (T.T.A.B. Sept. 24, 2019) (quoting *Frito-Lay N. Am., Inc. v. Princeton Vanguard, LLC*, Opp. No. 91195552, 124 U.S.P.Q.2d 1184, 1196 (T.T.A.B. 2017)).

¹⁹ *The Ride, LLC*, 2020 WL 564792, *8 (T.T.A.B. Feb. 3, 2020).

²⁰ *In re Snowizard, Inc.*, 2018 WL 6923620, at *4 (T.T.A.B. Dec. 21, 2018) (emphasis added) (sustaining refusal to register because, inter alia, applicant did not provide sufficient evidence, including survey evidence).

²¹ *Black Card, LLC*, 2023 WL 8110301, at *4 (emphasis added).

²² See *LVL XIII Brands, Inc. v. Louis Vuitton Malletier S.A.*, 209 F. Supp. 3d 612, 638 (S.D.N.Y. 2016) (“Because the primary element of secondary meaning is a mental

presents relevant consumers with the term at issue and asks questions designed to determine whether they associate that term with goods or services coming from *one* source (and, typically, whether they can accurately identify that source²³) or *multiple* sources.

Because the TTAB has held that a failure-to-function refusal is appropriate only if the term “cannot be attributed to a single source,”²⁴ a secondary meaning survey should be admissible as evidence that a term functions as a mark in the minds of relevant consumers.

C. Modified Failure-to-Function Eveready Surveys

To function as a mark, a term must serve as a source identifier. The TTAB explained: “[A] proposed trademark is registrable only if it functions as an identifier of the source of the applicant’s goods or services. Matter that does not operate to indicate the source or origin of the identified goods or services . . . does not meet the statutory definition of a trademark and may not be registered.”²⁵

The question of whether a design identifies a particular source as applied to a particular good can be tested reliably using the well-established *Eveready* survey format with a control.²⁶ Participants in

association in the buyers’ minds between the alleged mark and a single source of the product, the determination whether a mark or dress has acquired secondary meaning is primarily an empirical inquiry. Accordingly, courts have long held that consumer surveys are the most persuasive evidence of secondary meaning.” (citations omitted); *see also* *Converse, Inc. v. Int’l Trade Comm’n*, 909 F.3d 1110, 1120 (Fed. Cir. 2018) (listing as the first factor to be used when assessing acquired distinctiveness “association of the trade dress with a particular source by actual purchasers (typically measured by customer surveys),” but subsequently directing the ITC to accord Sarah Butler’s survey “little weight” because it was conducted ten years after the infringing use began); Susan S. McDonald, *Secondary Meaning Surveys in Trademark Surveys* 2d Ed. 79, 95-97 (collecting cases).

²³ The law does not require the additional exercise of naming the source, because of the “anonymous source rule,” which provides that a mark may have acquired distinctiveness or secondary meaning based on its ability to indicate a single, albeit anonymous source. *See* *Tone Bros. v. Sysco Corp.*, 28 F.3d 1192, 1203-04 & n.11 (Fed. Cir. 1994). Nevertheless, some secondary meaning surveys will ask participants if they can name the one source, because if they are able to name the mark’s owner, it may be interpreted as providing even stronger evidence of secondary meaning.

²⁴ *Black Card, LLC*, 2023 WL 8110301, at *4.

²⁵ *Univ. of Ky. v. 40-0, LLC*, Opp. No. 91224310, 2021 WL839189, at *13 (T.T.A.B. Mar. 4, 2021) (citations and internal quotation marks omitted); *see also In re Calif. Exotic Novelties, LLC*, Ser. No. 88629939, 2022 WL 4384865, *4 (T.T.A.B. Aug. 31, 2022) (finding FUCK ME failed to function as a designation of source for vibrators).

²⁶ *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 385-88 (7th Cir. 1976), *superseded by rule on other grounds as noted in* *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1429 (7th Cir. 1985); *Anheuser-Busch, LLC v. Innvopak Sys. Pty Ltd.*, 115 U.S.P.Q.2d 1816, 1828 (T.T.A.B. 2015) (referring to the *Eveready* model as a “widely used and well accepted format for . . . surveys”); *Starbucks U.S. Brands LLC v. Ruben*, 78 U.S.P.Q.2d 1741, 1753 (T.T.A.B. 2006) (approving use of an *Eveready* survey).

a traditional *Eveready* survey measuring likelihood of confusion are shown the allegedly infringing mark (on a product or in advertising for a service) and are asked a series of questions, including:

- Who, or what company, do you believe makes or puts out this product?
- Do you believe that this product is (or is not) being made or put out with the authorization or approval of any other companies or brands?
- If yes, what companies or brands?
- What other products, if any, are put out by the same company that puts out this product?²⁷

In the context of likelihood of confusion, the term shown to respondents in an *Eveready* survey is the allegedly infringing one. The *Eveready* survey can be modified, however, to evaluate failure-to-function arguments because the questions posed to respondents ask about the *source* of goods or services offered under the term. In a modified failure-to-function *Eveready* survey, respondents would be shown the term accused of failing to function as a mark.²⁸ An appropriate control stimulus for a modified failure-to-function *Eveready* survey would be a term that does not function as a mark, such as a generic term in the same product category.²⁹

Interestingly, in the Seventh Circuit decision first establishing the viability of the *Eveready* format, the appellate court criticized the lower court for not considering the confusion survey as evidence of secondary meaning. The Seventh Circuit held: “[I]n excess of 50% of those interviewed associated Carbide products, such as batteries and flashlights, with defendants’ mark. The only conclusion that can be drawn from these results is that an extremely significant portion of the population associates Carbide’s products with a single

²⁷ This final question is useful in cases in which the plaintiff and defendant both use a mark that is “visually or aurally identical,” because otherwise it is difficult to differentiate between a response reflecting confusion as to source and a response correctly referencing the alleged infringer. See, e.g., Jerre B. Swann, *A History of the Evolution of Likelihood of Confusion Methodologies*, 113 TMR 724, 731 & n.46 (2023).

²⁸ Put another way, in an *Eveready* survey testing confusion, the junior user’s mark is shown to participants and the questions are designed to show whether participants mistakenly believe the *source* (or sponsorship/affiliation) of the junior user’s mark is the senior user. In the context of failure-to-function, there is no “junior user’s mark,” but these same questions can assess whether the senior user’s mark is acting as an indicator of *source* for the goods or services depicted.

²⁹ See Shari Seidman Diamond, *Reference Guide on Survey Research*, in *Reference Manual on Scientific Evidence* 398 (Fed. Judicial Center 3d ed. 2011) (“It is possible to adjust many survey designs so that causal inferences about the effect of a trademark or an allegedly deceptive commercial become clear and unambiguous. By adding one or more appropriate control groups, the survey expert can test directly the influence of the stimulus.”).

anonymous source.”³⁰ Similarly, if a meaningful proportion (net of noise measured in the control condition) of relevant consumers seeing the applied-for term can accurately name the applicant, the term necessarily is serving as a source identifier, i.e., it is functioning as a mark.

D. A Failed “Commercial Impression” Test

In a recent case, *The Pennsylvania State University v. Vintage Brand LLC*,³¹ the defendant argued that its use of certain Penn State trademarks on the front of T-shirts was merely ornamental. In response, Penn State offered a “commercial impression” survey that purported to measure whether customers perceived certain images on the front of the defendant’s T-shirts as trademarks. Thus, in many ways, the *Penn State* survey sought to answer the failure-to-function question.

In the survey, participants were first shown shirts that had Penn State design marks (e.g., the Pozniak Lion) or word marks (e.g., PENN STATE BASKETBALL).³² They were then given the following definition of a trademark: “The term ‘trademark’ includes any word, name, symbol, device (e.g., a drawing or design), or any combination thereof, used by an entity to identify and distinguish its merchandise from merchandise manufactured or sold by others and to indicate the source of the merchandise.”³³ Then participants were asked whether the shirts “contained any trademarks” and, if so, to indicate from a provided list in which the features were trademarks.³⁴ Approximately 80% of survey participants identified at least one trademark on the shirts in the test condition, and 24% identified a trademark on the shirt in the control condition (a shirt depicting a football between the words “Game Day”).³⁵

The district court granted Vintage Brand’s motion to exclude the survey on numerous grounds, including priming respondents to look for trademarks by mentioning Penn State in screening questions, not replicating marketplace conditions (by not showing the shirts on

³⁰ *Union Carbide Corp.*, 531 F.2d at 381; *see also* *Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*, 685 F.2d 78, 82 (3d Cir. 1982) (accepting 40% confusion rate among survey respondents as evidence of secondary meaning); *Audemars Piguet Holding SA v. Swiss Watch Int’l, Inc.*, 46 F. Supp. 3d 255, 277 (S.D.N.Y. 2014) (citing post-sale confusion survey to find evidence of secondary meaning), *rev’d in part on other grounds on reconsideration*, 2015 WL 150756 (S.D.N.Y. Jan. 12, 2015).

³¹ --- F. Supp. 3d ---, 2024 WL 456139 (M.D. Pa. Feb. 6, 2024).

³² *Id.* at *4.

³³ According to the plaintiff’s expert, this was “adapted from the Lanham Act’s statutory definition.” *Id.* at *9.

³⁴ *Id.* at *4. The list provided to participants included options like “the image of the lion on the rock,” “the word Nittany,” and “the color of the shirt.” *Id.* n.50.

³⁵ *Id.* at *4 and n.50.

the defendant’s website), and using an improper control stimulus.³⁶ Most significantly, the court was “troubled” because the survey showed a definition of “trademark” without confirming participants’ “ability to *apply* the definition.”³⁷ Citing the *Teflon* methodology, the court noted that the “standard practice in trademark surveys” is to “first teach respondents the difference between a brand name and a common name and then test respondents’ ability to apply this definition accurately to two terms, only allowing respondents who pass the test to proceed.”³⁸

IV. A NEW METHODOLOGY TO MEASURE FAILURE TO FUNCTION: THE *POUND LAW* CASE

As discussed in Part III above, many existing survey methods exist that can empirically show whether a term functions as a mark, and at least one recent effort was rejected because it did not hew closely enough to the *Teflon* methodology. The TTAB *in dicta* has also suggested that perhaps an entirely new methodology—based on a *Teflon* approach—would be appropriate to assess a failure-to-function refusal. In *In re The Ride, LLC*, the TTAB rejected the proffered survey³⁹ and stated:

To the extent we may consider a properly-conducted survey as evidence of consumer perception, we note that Mr. Kaiser does not appear to have conducted any sort of “mini-course” that would include a test of the understanding of the survey participants as to whether something functions as a mark. Given the non-traditional nature of Applicant’s proposed motion mark, a survey intended to test consumer perception may warrant a unique survey methodology, but the methodology would have been aided by a mini-course.⁴⁰

It does not appear that the TTAB or a court has yet been presented with a failure-to-function survey containing a “mini-course” as suggested by the TTAB in *The Ride*. Recently, however, this author worked with survey expert Dr. Basil Englis to design and field such a survey, and that methodology is described below.

³⁶ *Id.* at *11-13.

³⁷ *Id.* at *12 (emphasis added).

³⁸ *Id.*

³⁹ The survey did not follow any of the accepted methodologies for measuring genericness, secondary meaning, or confusion, and it was criticized by the TTAB for numerous legitimate reasons, including that the universe was underinclusive and biased, that the questions were inappropriately leading, and, most significantly, that the survey did not actually test whether the applied-for mark served as a source identifier. *The Ride, LLC*, 2020 WL 564792, *8 (T.T.A.B. Feb. 3, 2020).

⁴⁰ *Id.* (citing *Teflon* surveys as those containing a mini-course).

The national law firm of Morgan & Morgan (as a licensee of its related entity Pound Law LLC) has long used the mnemonic telephone number #LAW in connection with advertising its legal services. In 2022, the TTAB affirmed the USPTO's refusal to register #LAW on the ground that it failed to function as a mark for legal services.⁴¹ In early 2023, Pound Law initiated a *de novo* appeal to the U.S. District Court for the Middle District of Florida⁴² under Section 21(b) of the Lanham Act.⁴³ During discovery, counsel for Pound Law worked with Dr. Englis to design and implement a survey (including a “mini-course” on brand names versus common names) that would empirically measure whether relevant consumers perceive that #LAW functions as a mark for legal services.

After screening potential survey participants for individuals who had recently or were likely in the near future to need the type of legal services offered by Morgan & Morgan, Dr. Englis's survey began with a short “mini-course” describing what it means for a term to function as a mark. Survey participants were told the following:

A “trademark” is a word, phrase, or symbol (or any combination of those things) that is used by a company to identify its products or services and distinguish them from other companies' products or services.

There are lots of different words, phrases, and symbols that can function as trademarks. They do not have to be made up or well-known words like “Xerox.” Trademarks can be everyday words like “apple” or “staples.” Trademarks can even include things like phone numbers (like 1-800-FLOWERS), domain names (like Booking.com), street addresses (like 5th Avenue), and abbreviations (like AT&T).

Sometimes, a company will indicate its trademarks using symbols like “TM” or “®,” but that is *not* required. A word, phrase, or symbol (or any combination of those things) can still function as a trademark even without the symbols “TM” or “®.”

Ultimately, whether a particular word, phrase, design, or symbol *functions as a trademark* depends on the *context* in which it is used.⁴⁴

⁴¹ *In re Pound Law, LLC*, 2022 WL 16960106 (T.T.A.B. Nov. 9, 2022).

⁴² *Pound Law, LLC v. Vidal*, No. 6:23-cv-61-RMN (M.D. Fla. filed Jan. 11, 2023).

⁴³ 15 U.S.C. § 1071(b).

⁴⁴ The *Pound Law* survey did not have a second screen with a discussion of what is *not* a trademark, but it would not be improper to include such an additional component to the mini-course in an effort to avoid perceived asymmetry in the course. As discussed below, the examples provided in the *Pound Law* mini-course were balanced (symmetrical) to provide participants an explanation of what is—and what is not—functioning as a mark.

To help survey participants understand these instructions, several subsequent webpages provided practical examples of terms that could function as a mark—or not—depending on context. In each case, the survey used *registered* trademarks so there would be no dispute as to whether the term functioned as a mark. The four examples provided to participants were as follows:

- The word “Subway” functions as a trademark when it is used by one company to sell sandwiches. But “subway” does not function as a trademark when it refers to a train system that runs mostly underground.
- The phrase “Fifth Avenue” does not function as a trademark when it is the name of a street in a city. But “5th Avenue” functions as a trademark when it is used by one company to sell a candy bar.
- A phone number presented with numbers and capitalized letters in an advertisement for a florist, like “1-800-FLOWERS,” functions as a trademark. But the same phone number presented in the “Contact Us” section of a website as 1-800-356-9377, does not function as a trademark.
- The phrase “four roses” does not function as a trademark when used in a paragraph that describes a rose plant: “During the spring, you should expect at least four roses to bloom on this plant.” But the phrase “Four Roses” does function as a trademark when it is capitalized in a distinctive font on the label of a bottle of bourbon.

After the mini-course, the survey then tested whether participants understood what they had been taught. This is similar to the mini-test in a *Teflon* survey, which asks participants to categorize a couple of terms as a “brand name” or “common name” before permitting them to continue with the *actual* terms being tested.⁴⁵ In our survey, we showed participants the advertisement depicted below for a pharmaceutical product and asked “Looking at the advertisement shown here, what, if anything, functions as a trademark(s)? If you are thinking of more than one trademark, please enter each trademark in a separate box.”

⁴⁵ This approach also addresses what “troubled” the court in *Penn State* because it confirms the survey participants’ “ability to apply the definition” of a trademark. See 2024 WL 456139 at *12.



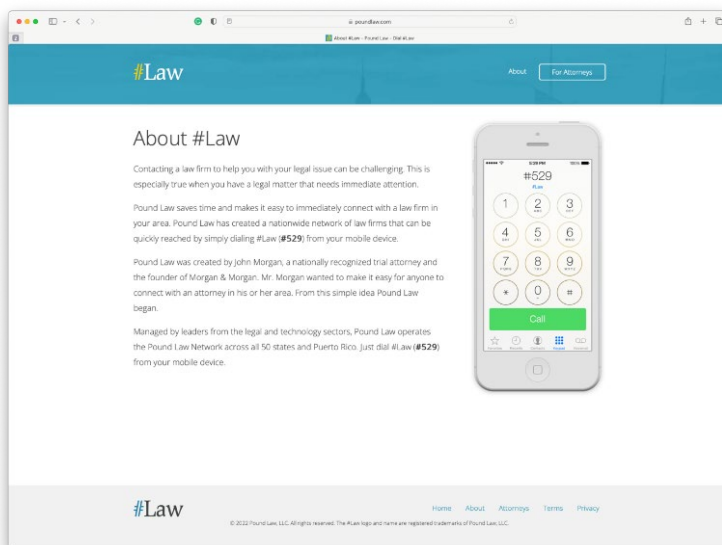
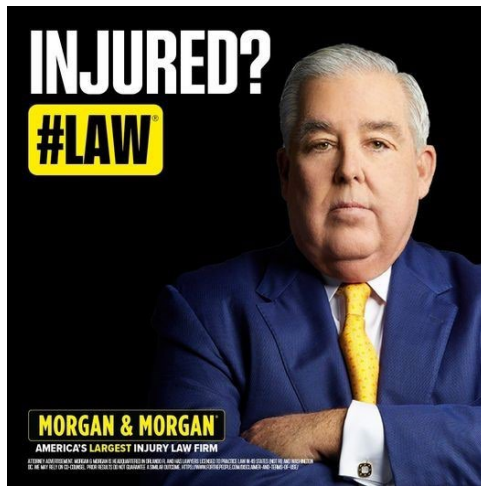
The Nexium advertisement was a helpful mini-test because it included so many different components functioning as marks.⁴⁶ Indeed, within this one advertisement, four elements are registered as marks with the USPTO: NEXIUM (Reg. No. 2483060), ASTRAZENECA (Reg. No. 2663581), PURPLEPILL.COM (Reg. No. 2941554), and the design of the pill itself (Reg. Nos. 2980749 & 3062072). Survey participants were required to identify at least *one* of these marks (but not all of them) to continue with the survey.⁴⁷ More than 99% of participants correctly identified at least one mark, which suggests the mini-course was effective.

The survey then assigned individuals passing the mini-test to either a test or control group and permitted them to proceed with the survey involving the #LAW mnemonic. The test group was presented with three representative advertisements featuring #LAW (a screenshot from a TV ad, a billboard, and a page from the law firm’s website), including the webpage that Pound Law submitted to the USPTO as a specimen during prosecution of the application to register the mark.⁴⁸ The three test-group stimuli appear below:

⁴⁶ Selecting an appropriate stimulus for the mini-test is always difficult, and there is no perfect stimulus. It is possible that a more well-known brand would have been more appropriate; it also is possible that a stimulus including more non-trademark words or phrases would have provided even more assurance that participants understood the instructions. On the other hand, the Nexium stimulus did appear to adequately “test” survey participants’ comprehension of the task, because the vast majority were able to identify at least one element functioning as a mark.

⁴⁷ It also would be appropriate to disqualify participants who improperly identified something that is *not* functioning as a mark in the stimulus (e.g., “For Many” in the Nexium ad). This is analogous to the *Teflon* mini-test, where a participant who improperly identifies “automobile” as a “brand name” is disqualified from continuing.

⁴⁸ The author is not suggesting that this methodology *requires* three (or any other number of) stimuli. In the #LAW case, the expert decided that providing representative examples of different types of media (rather than simply using one) was a more reasonable representation of the real-world marketplace.



Teflon surveys, which include a mini-course and ask participants to determine whether a term is a common (generic) name or a brand name, do not have external control groups. Instead, a *Teflon* survey employs an “internal” control in the sense that the other terms presented to the survey participants “are used to evaluate [their] ability to distinguish brand names from common names, and they also provide a measure of the amount of guessing or ‘noise’ in the survey.”⁴⁹ Because the stimuli in the *Pound Law* survey included other terms functioning as marks (e.g., MORGAN & MORGAN) and many terms not doing so, those “internal” controls existed. Nevertheless, the *Pound Law* survey also employed an external control group as an alternative method of controlling for guessing or noise.

It is widely understood that external control stimuli in a trademark survey should remove or alter the term being tested but (a) only as minimally necessary (e.g., enough to be non-infringing in a confusion survey or not to be associated with a single source in a secondary meaning survey); and (b) otherwise remain identical to the test stimuli.⁵⁰ A survey hewing to these principles can isolate the influence of the term being tested.⁵¹ The *Pound Law* survey modified each test stimulus to remove the “#” symbol because the applicant acknowledged that it was the *combination* of that symbol and the word “LAW” that allowed the overall mark to function as one; and the applicant did not claim exclusive rights to the word “LAW” standing alone.⁵² The stimuli seen by control-group participants appear below:

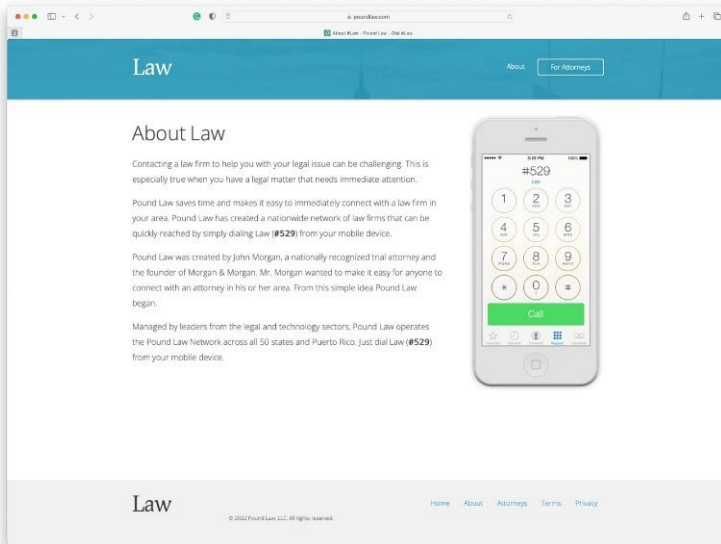
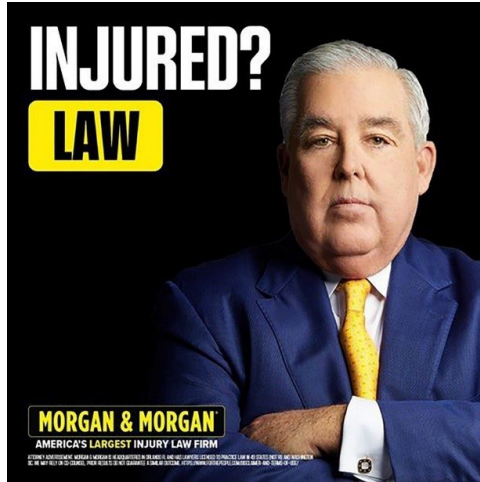


⁴⁹ Jay, *Genericness Surveys* at 131.

⁵⁰ Shari Seidman Diamond, *Control Foundations: Rationales and Approaches*, in *Trademark Surveys* 2d Ed. 239, 248.

⁵¹ Shari Seidman Diamond, *Reference Guide on Survey Research*, in *Reference Manual on Scientific Evidence* 359, 398 (3d ed. 2011).

⁵² The numeric corollary to “LAW” on a keypad is “529.” Where those numbers appeared (e.g., in the third test image), they remained unchanged in the corresponding control stimulus.



The survey asked participants in both the test and control groups the same questions regarding each stimulus they saw: “Looking at this advertisement, what, if anything, functions as a trademark(s)? If you are thinking of more than one trademark, please enter each trademark in a separate box.” They were also asked an additional probe question: “Is there anything else in this advertisement that functions as a trademark?”

Tabulation of the results revealed that survey participants did, in fact, perceive #LAW to function as a mark in these advertisements. In the test group, 63.5% of participants identified #LAW as something that “functions as a trademark.” Approximately 83% of participants accurately identified the internal control—MORGAN & MORGAN—as something that functions as a mark,

while only 16% said LAW functions as a mark and only 13% said #529 functions as a mark. Dr. Englis concluded that these results demonstrated that participants understood and could successfully identify terms functioning as trademarks.

Responses from the external control group provided similar results regarding the terms that had not changed from the test stimulus (85% accurately reported that MORGAN & MORGAN functions as a mark, while 16% reported that #529 functions as a mark). As to the term “LAW” in the control stimulus, a minority (40%) said that it functions as a mark—23.5% fewer than those who had identified #LAW as functioning as a mark in the test group. Dr. Englis concluded that whether one considered (a) the test result alone, where a majority (63.5%) identified that #LAW functions as a mark, (b) the percentage difference between test and control (63.5% less 40% for a net 23.5%), or (c) or a statistical test (the difference between test and control results as to #LAW was statistically significant), the survey results supported the conclusion that #LAW functions as a mark for legal services.

Counsel for Pound Law shared the survey results with the USPTO in discovery (along with other expert reports⁵³), and shortly thereafter, the USPTO agreed to withdraw its prior failure-to-function refusal and to approve the application for publication. In the agreed order dismissing the *Pound Law* case, the USPTO did not mention the survey explicitly, but acknowledged that Pound Law had provided “additional probative evidence of how consumers would perceive uses of #LAW.” On that basis, the USPTO agreed to “take appropriate steps to approve [the application] for publication forthwith.”⁵⁴ So, while the district court did not have the opportunity to weigh in on the *Pound Law* survey (because the case settled before an expert report describing the survey was publicly filed), in this author’s view, the survey’s methodology and results may have persuaded the USPTO to reach a settlement with Pound Law. The applied-for mark #LAW was approved for publication and ultimately registered (Reg. No. 7307575) on February 20, 2024.

V. HOW MUCH IS ENOUGH?

Part of the reason the expert’s conclusion in the *Pound Law* survey cited multiple approaches to viewing the data (i.e., majority vs. net percentage vs. statistical significance) is because no case law establishes the threshold net percentage of positive survey responses necessary to establish that the #LAW mnemonic

⁵³ Pound Law also shared expert reports from Dr. Ronald Goodstein, a marketing expert, and Leslie Lott, Esq., an expert on USPTO practice and procedure.

⁵⁴ *Pound Law*, No. 6:23-cv-61-RMN, Dkt. No. 55, Agreed Order of Dismissal and Remand, at ¶¶ 3-4 (Sept. 11, 2023).

functions as a mark. By contrast, plenty of case law establishes various survey thresholds for other empirical questions.

The threshold in *Teflon* genericness surveys is 50% because the legal standard is whether the term's "principal" or "primary" significance is as a common term or as a mark.⁵⁵ If the expert properly codes 51% of responses as classifying the tested term as a "common name," the survey shows the term is generic; if 51% of those responses are properly coded as "brand name," the survey shows the term is not generic.

The threshold is less precise in the secondary meaning context, in part because "the applicant's burden of showing acquired distinctiveness increases with the level of descriptiveness; a more descriptive term requires more evidence of secondary meaning."⁵⁶ Professor McCarthy notes that "figures over 50% are regarded as clearly sufficient. However, figures of 46%, 37% and 31% have also been found sufficient."⁵⁷ Matt Ezell and Dr. Annabelle Sartore's chapter summarizing the case law in this area cites instances of courts both accepting and rejecting "one company" survey results as low as 22%.⁵⁸

Courts considering the actual confusion factor (the factor under which survey evidence is considered) in likelihood-of-confusion inquiries generally require more than a *de minimis* showing,⁵⁹ and the mark owner must prove an *appreciable* number of consumers are likely to be confused.⁶⁰ For this reason, the survey threshold is not merely "above zero"; rather, net levels below 10% are considered evidence that confusion is *not* likely.⁶¹ On the other hand, percentages in an *Eveready* survey in excess of 10% may be considered "probative" evidence while net percentages in excess of 20% are considered "significant evidence" of likely confusion.⁶²

In the context of a failure-to-function refusal, the threshold likely should be lower than the thresholds for genericness,

⁵⁵ See, e.g., McCarthy, *supra* note 11, § 12:6 (collecting cases and noting that some refer to "principal" and others refer to "primary" significance, but in any event, majority perception controls).

⁵⁶ *In re Steelbuilding.com*, 415 F.3d 1293, 1300 (Fed. Cir. 2005); see also *In re Greenliant Sys. Ltd.*, 2010 WL 5099659, *8 (T.T.A.B. Nov. 29, 2010)

⁵⁷ McCarthy, *supra* note 11, § 32:190.

⁵⁸ Matthew G. Ezell & AnnaBelle Sartore, *Survey Percentages in Lanham Act Matters* [hereinafter *Survey Percentages*], in *Trademark Surveys* 2d Ed. 317, 323-25.

⁵⁹ See, e.g., *Jackpocket, Inc. v. Lottomatrix NY LLC*, 645 F. Supp. 3d 185, 260 (S.D.N.Y. 2022) ("As a legal matter, *de minimis* evidence of actual consumer confusion is at best weakly probative of the potential for actual consumer confusion in the marketplace.")

⁶⁰ See, e.g., *LVL XIII Brands*, 209 F. Supp. 3d at 638 (dismissing three instances of actual confusion as not "demonstrating that an appreciable number of ordinarily prudent purchasers" would be confused) (citation omitted) (internal quotation marks omitted).

⁶¹ Ezell & Sartore, *Survey Percentages* 321.

⁶² *Id.* at 320.

secondary meaning, or confusion. Indeed, the relevant threshold for failure-to-function surveys may merely be whether the test and control reflect significantly different statistical results.⁶³

The basis for setting a lower threshold for failure-to-function surveys is the language of the TMEP itself. The TMEP sections providing guidance to examining attorneys regarding failure-to-function refusals, set a high threshold for sustaining such a refusal. For example, Section 904.07(b) instructs examining attorneys to allow substitute specimens of use except “in instances where the nature of the mark . . . indicates that consumers would *never* perceive the mark as source indicating, regardless of the manner of use.”⁶⁴ Similarly, Section 1301.02(a) states the following:

A term that is used *only* to identify a product, device, or instrument sold or used in the performance of a service rather than to identify the service itself does not function as a service mark [A] term that *only* identifies a process, style, method, or system used in rendering the services is not registrable as a service mark A term used *only* as a trade name is not registrable as a service mark If a service mark would be perceived *only* as decoration or ornamentation when used in connection with the identified services, it must be refused⁶⁵

The references to “never” being perceived as source indicating or “only” identifying a product, process, trade name, or decoration suggest that *any* evidence that a term is, in fact, source identifying should suffice to overcome a failure-to-function refusal. The threshold clearly does not appear to be as high as in cases of genericness, where one must show the “primary” or “principal” significance of a term; nor does it contemplate an increasing evidentiary requirement depending on how descriptive the term is; nor does it require a “more than de minimis” showing as in the case of likely confusion. That said, it remains to be seen what threshold the TTAB (or courts) will require of a survey specifically testing whether a term fails to function as a mark.

VI. CONCLUSION

As mark owners continue to face failure-to-function challenges from the USPTO, it is worth remembering that the ultimate question is how consumers perceive the applied-for mark. And the

⁶³ It is worth noting that statistical significance can be impacted by sample size, so if the standard applied to a failure-to-function survey is merely statistical significance, attention should be paid to the number of participants who completed the test and control conditions in the survey.

⁶⁴ TMEP § 904.07(b) (emphasis added).

⁶⁵ *Id.* § 1301.

best evidence of consumer perception is a properly conducted survey of relevant consumers. Although several existing methodologies can provide evidence that a term is functioning as a mark, this article offers an alternative (and perhaps better) methodology—one that helped convince the USPTO to withdraw an earlier refusal to register the #LAW mark (because of a perceived failure-to-function) and approve Pound Law’s application for publication.
