

# The Trademark Reporter®



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Phantom Rules: The USPTO's Disruptive Denial of Trademark Protection in New Communicative Spaces

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*Book Review: Research Handbook on Design Law.* Henning Hartwig, ed.

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# The Trademark Reporter®

## PHANTOM RULES: THE USPTO’S DISRUPTIVE DENIAL OF TRADEMARK PROTECTION IN NEW COMMUNICATIVE SPACES\*

By Christopher P. Bussert\*\* and Jonathan E. Moskin\*\*\*

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## I. INTRODUCTION

The law has been settled for generations that the key to whether certain designations are capable of functioning as trademarks (for instance, where there is a question of genericness versus descriptiveness) is how the relevant consuming public perceives them (that is, whether they are *perceived* by the relevant consuming public as identifying the source of goods and services). In recent years, the United States Patent and Trademark Office (“USPTO”) has taken increasingly aggressive positions on the issue of consumer perception, under which it has subtly (and sometimes not so subtly) set aside established evidentiary constraints as to actual consumer perceptions, substituting instead its own seemingly unsubstantiated assumptions regarding the evidence of record (including any specimen(s) or other evidence of use introduced by the trademark owner during the prosecution of the subject application). In some cases, the USPTO has sought to support these assumptions by formulating, seemingly on the fly, new legal rules and evidentiary presumptions that shift the burden of proof from itself to the applicant and that are often inconsistent or otherwise incompatible with existing USPTO stated practice (most notably relevant provisions of the Trademark Manual of Examining Procedure (“TMEP”) and precedent).

This article examines two recent cases in particular where trademark owners successfully overcame the USPTO’s assumptions as to consumer perceptions—primarily through survey evidence in which the USPTO essentially forced the trademark owner to shoulder the *prima facie* burden (which, by law, the USPTO bears) to establish in the first instance what consumers perceive.<sup>1</sup> In the first case, *United States Patent & Trademark Office v. Booking.com B.V.*,<sup>2</sup> the Supreme Court affirmed decisions by the United States District Court for the Eastern District of Virginia and the Fourth Circuit, with all three courts rejecting the USPTO’s effort to erect evidentiary and legal presumptions (rather than the usual empirical proofs in genericness cases), which would have denied registration to a highly successful brand in the travel industry,

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<sup>1</sup> The Lanham Act broadly defines a trademark to include “any word, name, symbol, or device, or any combination thereof [used] to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” U.S. Trademark (Lanham) Act of 1946, Pub. L. No. 79-489, 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. §§ 1051-1129). And yet, as the authors have directly experienced, the USPTO has recently developed rules that appear to move the goalposts, which we believe are applied in disregard of fact and law, limiting what types of claimed marks (including well-known and successful marks) could be registered.

<sup>2</sup> 591 U.S. 549, *cert. granted, judgment vacated*, 141 S. Ct. 187 (2020). The author, Jonathan E. Moskin, represented Booking.com before the U.S. Court of Appeals for the Fourth Circuit and the U.S. Supreme Court.

despite substantial evidence establishing that substantial numbers of consumers recognized the claimed mark as a brand.

In the other case, *In re Pound Law, LLC*,<sup>3</sup> both the USPTO and the TTAB recited the elements of TMEP § 1301.02<sup>4</sup> (for assessing whether a claimed designation of origin does or does not function as a trademark), concluding that the mnemonic telephone number mark #LAW did not “currently”<sup>5</sup> qualify as a service mark or meet the test, despite the absence of specific supporting evidence and despite substantial contrary evidence.

In both cases, the applicant presented survey evidence in a *de novo* district court proceeding challenging the assumptions underlying the USPTO’s refusal to register. And, in both cases, the surveys provided factual evidence as to consumer perceptions that contradicted the USPTO’s bare assumptions and abstract legal analysis. Graphically demonstrating the lack of constancy in applying the rules, the application in both cases was initially approved for publication before being recalled (in the case of #LAW, repeatedly so).

Although the trademark owners in these two cases shouldered the burden of proof rightly belonging to the USPTO, and although there is no certain tool in the first instance (without appropriate judicial intervention) to ensure that the USPTO accepts and meets its burden of proof, this article offers substantive and strategic insights as to how to achieve such fact-based outcomes more

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<sup>3</sup> Serial No. 87724338, 2022 WL16960106 (T.T.A.B. Nov. 9, 2022), *subsequently modified in* Pound Law, LLC v. Vidal, No. 6:23-cv-00061-RMN (M.D. Fla. Sept. 11, 2023). The author, Christopher P. Bussert, represented Pound Law, LLC before the Trademark Trial and Appeal Board, and both authors represented Pound Law, LLC in the U.S. District Court for the Middle District of Florida.

<sup>4</sup> TMEP § 1301.02 provides, in relevant part, as follows:

The question of whether a designation functions as a mark that identifies and distinguishes the recited services is determined by examining the specimen(s) and any other evidence in the record that shows how the designation is used. It 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. 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.**

TMEP § 1301.02 (emphasis added) (citations omitted).

<sup>5</sup> The subject application was filed based on Section 2(f) of the Lanham Act approximately six months after the trademark owner had renewed Supplemental Registration Reg. No. 3,240,931 for the #LAW mark, reflecting that at both the time of registration and the time of renewal #LAW functioned as a trademark. Thus, it was arguably incumbent on the USPTO to establish that in the six-month period circumstances had changed sufficiently such that the relevant consuming public no longer would “ever” perceive #LAW as a service mark. See *In re TracFone Wireless*, 2019 U.S.P.Q.2d 222983, at \*9 (T.T.A.B. 2019) and *infra* notes 71-74 and accompanying text.

consistently. Adherence to settled law (evidentiary and substantive) is not only inherently desirable, it also better supports the Lanham Act's purpose of protecting the shared interests of consumers and brand owners. Because of *Booking.com*, the USPTO has made some credible efforts to improve consistency in evaluating designations for genericness by adopting a new examination guide,<sup>6</sup> but to date it has undertaken few efforts to improve consistency in addressing failure-to-function refusals. To the contrary, refusals to register on the ground of failure to function have increased exponentially, and the corresponding USPTO justifications for interposing such refusals have become increasingly amorphous. Practitioners and trademark owners deserve clarification of the law and consistency in practice.

## II. CASES

### A. United States Patent and Trademark Office v. *Booking.com*

#### 1. Summary of Law

In *Booking.com*, the Supreme Court rejected the USPTO's position seeking to establish a bright-line *legal* rule that any combination of a generic term with the TLD designation “.com” was generic for that reason alone. This proposed bright-line rule varied from the arguably factual theory initially proposed by the USPTO in the district court,<sup>7</sup> and the Supreme Court ultimately agreed with the trademark owner that “whether a term is generic depends on its meaning to consumers. That bedrock principle of the Lanham Act is incompatible with an unyielding legal rule that entirely disregards consumer perception.”<sup>8</sup> The Court explained the three basic steps in its reasoning as follows:

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<sup>6</sup> See U.S. Pat & Trademark Off., Examination Guide 3-20, *Generic.com Terms After USPTO v. Booking.com* (USPTO-T-9) (Oct. 2020). However, as discussed below, a later-issued “clarification” from the USPTO risks creating inconsistency between USPTO practice and the analysis of federal courts in evaluating genericness. See *infra* notes 16-19 and accompanying text.

<sup>7</sup> The USPTO acknowledged in its motion for summary judgment (in lieu of trial) in the district court that genericness is an issue of fact, citing *In re Reed Elsevier Properties, Inc.*, 482 F.3d 1376 (Fed. Cir. 2007); *Retail Services, Inc. v. Freebies Publ'g*, 247 F. Supp. 2d 822, 825 (E.D. Va. 2003), *aff'd*, 364 F.3d 535 (4th Cir. 2004) and *Shammas v. Rea*, 978 F. Supp. 2d 599, 605 (E.D. Va. 2013). See Memorandum of Law in Support of Defendant's Motion for Summary Judgment Case 1:16-cv-00425-LMB-IDD, ECF 61 (E.D. Va. Dec. 09, 2016) ECF No. 61 at 10. Its arguments there focused more on challenging *Booking.com*'s evidence.

<sup>8</sup> 591 U.S. at 560 (internal citation omitted). Contrary to its position in the district court, under which the USPTO argued that the facts supported a finding of genericness, in the Supreme Court, the USPTO restated the question presented as “[w]hether the addition by an online business of a generic top-level domain (.com) to an otherwise generic term can create a protectable trademark.” Brief for Petitioners (I), United States Patent and

First, a “generic” term names a “class” of goods or services, rather than any particular feature or exemplification of the class. Second, for a compound term, the distinctiveness inquiry trains on the term’s meaning as a whole, not its parts in isolation. Third, the relevant meaning of a term is its meaning to consumers. Eligibility for registration, all agree, turns on the mark’s capacity to “distinguis[h]” goods “in commerce.” Evidencing the Lanham Act’s focus on consumer perception, the section governing cancellation of registration provides that “[t]he primary significance of the registered mark to the relevant public . . . shall be the test for determining whether the registered mark has become the generic name of goods or services.”<sup>9</sup>

Under the USPTO’s proposed legal rule eliding actual consumer perception, COCA-COLA, which is simply the combination of two generic terms separated by a hyphen, might also be generic. In fact, of course, COCA-COLA can be (and plainly is) recognized by consumers as a trademark and as one of the best-known trademarks in modern commerce. Likewise, AMERICAN AIRLINES is simply two generic terms but is hardly a generic term for all United States airlines.

Courts have long held that genericness is a question of fact.<sup>10</sup> Similarly, bearing in mind that claimed trademarks are classified

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Trademark Office v. Booking.com B.V., 591 U.S. 549 (2020) (Case No. 19-46). Stated differently, the USPTO sought a *per se* rule that some classes of marks are generic as a matter of law. Indeed, the USPTO conceded the existence of secondary meaning in the name BOOKING.COM, which the Fourth Circuit had deemed critically important, and which the USPTO did not appeal. *Booking.com B.V. v. USPTO*, 915 F.3d 171, 179 (4th Cir.) *cert. granted*, 140 S. Ct. 489 (2019), *aff’d*, 591 U.S. 549, *cert. granted, judgment vacated*, 141 S. Ct. 187 (2020). This was contrary to its position in the district court, where the USPTO argued on a more nuanced factual basis for a finding of genericness. See Memorandum of Law in Support of Defendant’s Motion for Summary Judgment Case 1:16-cv-00425-LMB-IDD, ECF 61 (E.D. Va. Dec. 9, 2016), relying on evidence of public understanding of the component terms “booking” and “.com” and of “booking.com” as a whole, such as dictionary entries, articles, Booking.com’s marketing and advertising material, and third-party websites featuring hotel reservation and travel agency services as well as an argument that it was Booking.com that was insisting on a *per se* rule that any combination of a generic term and .com was protectible.

<sup>9</sup> 591 U.S. at 556 (alterations in original) (internal citations and citations omitted). For purposes of this article, the authors do not purport to contest whether the word “Booking” is generic either for the specific travel services recited in the subject applications (which covered a wide scope of travel services, not simply making travel reservations) or otherwise. Booking.com actually argued that the word (the primary definition of which is for theatrical engagements) was at most descriptive and possibly suggestive. The Fourth Circuit specifically acknowledged that the various different dictionary meanings and connotations of the word were relevant to its finding that the entire mark BOOKING.COM was not generic. *Booking.com B.V.*, 915 F.3d at 182.

<sup>10</sup> *In re Merrill, Lynch, Pierce, Fenner, & Smith, Inc.*, 828 F.2d 1567, 1570 (Fed. Cir. 1987); *In re Reed Elsevier Props., Inc.*, 482 F.3d 1376, 1378 (Fed. Cir. 2007); see also *Royal Crown Co. v. Coca-Cola Co.*, 892 F.3d 1358, 1364 (Fed. Cir. 2018) (“Whether an asserted mark is generic or descriptive is a question of fact.”).



as (i) generic, (ii) descriptive, (ii) suggestive, or (iv) arbitrary or fanciful “placement of a mark on the fanciful-suggestive-descriptive-generic continuum<sup>11</sup> is a question of fact.”<sup>12</sup>

It is also well settled that to determine genericness, courts apply the primary significance test first enunciated by the Supreme Court over eighty years ago in *Kellogg Co. v. National Biscuit Co.*, which held that a term is not generic if “the primary significance of the term in the minds of the consuming public is not the product but the producer.”<sup>13</sup> Congress later expressly amended the Lanham Act to acknowledge that the test for genericness is a mark’s primary significance to the relevant public: “The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.”<sup>14</sup> A generic term does not “identify in the public’s mind the particular source of a product or service but rather identifies a class of product or service, regardless of source.”<sup>15</sup>

Equally settled (perhaps until recently) has been the government’s burden in proceedings before the USPTO to prove genericness by “clear evidence.”<sup>16</sup> However, as noted in the margin, the TMEP has been amended since *Booking.com* to replace the clear

<sup>11</sup> *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

<sup>12</sup> *In re Oppedahl & Larson LLP*, 373 F.3d 1171, 1173 (Fed. Cir. 2004). Precisely because “categorizing trademarks is necessarily an imperfect science, it would be imprudent to adopt a sweeping presumption denying trademark protection to a whole category of domain name marks in the absence of robust evidence . . .” *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 908 (E.D. Va. 2017) (citation omitted), *order amended*, No. 1:16-cv-425 (LMB/IDD), 2017 WL 4853755 (E.D. Va. Oct. 26, 2017), *aff’d*, 915 F.3d 171 (4th Cir.), *cert. granted*, 140 S. Ct. 489 (2019), *aff’d*, 591 U.S. 49, *cert. granted, judgment vacated*, 141 S. Ct. 187 (2020).

<sup>13</sup> 305 U.S. 111, 118 (1938).

<sup>14</sup> 15 U.S.C. § 1064 (3).

<sup>15</sup> *Glover v. Ampak Inc.*, 74 F.3d 57, 59 (4th Cir. 1996) (citing 15 U.S.C. § 1064(3)); *Princeton Vanguard, LLC v. Frito-Lay N. Am., Inc.*, 786 F.3d 960, 965 (Fed. Cir. 2015).

<sup>16</sup> *In re Merrill, Lynch Pierce, Fenner Smith*, 828 F.2d 1567, 1571 (Fed. Cir. 1987) (citation omitted); Curiously, although TMEP § 1209.01(c)(i) as of 2018 provided in parallel that the examining attorney had the burden to demonstrate genericness under the “clear evidence” standard, the current (as of May 2024) version of the TMEP has relaxed this burden to require only that “The examining attorney must establish a prima facie case that a term is generic by providing a reasonable predicate (or basis) that the relevant purchasing public would primarily use or understand the matter sought to be registered to refer to the genus of goods or services in question.” *Compare* TMEP § 1209.01(c)(i) (Oct. 2018) (“The Examining Attorney has the burden of proving that a term is generic by clear evidence”), <https://tmepl.uspto.gov/RDMS/TMEP/Oct2018#/Oct2018/TMEP-1200d1e7132.html> (last visited Sept. 4, 2024), *with* TMEP § 1209.01(c)(i) (May 2024). *See also* “Examination Guide 1-22 Clarification of Examination Evidentiary Standard for Marks Refused as Generic,” <https://www.uspto.gov/sites/default/files/documents/TM-ExamGuide-1-22.pdf> (last visited July 29, 2024) (“[T]he USPTO will no longer use the terminology ‘clear evidence’ in the TMEP to refer to the examining attorney’s burden to support genericness refusals.”) (hereinafter, “Examination Guide 1-22 Clarification”).

evidence standard with a requirement that the USPTO only “establish a prima facie case” that there exists a “reasonable predicate (or basis)” to conclude consumers perceive the term to be generic. The USPTO’s rationale for this change is that courts, including the Federal Circuit, have misconstrued the “clear evidence” language of TMEP § 1305.04 to impose “a clear and convincing” evidentiary burden on the USPTO in proving genericness.<sup>17</sup> According to the USPTO, read in context, “the term clear was meant to convey the ordinary meaning of the term, not an evidentiary burden.”<sup>18</sup> On its face, this is puzzling given the accepted usage of the term as an evidentiary standard and given the many years the USPTO acquiesced in such usage in TTAB and federal court precedents. It remains to be seen how the USPTO will implement, and how the courts will react to, this lesser burden.<sup>19</sup> As shown below, the USPTO has also employed a more subtle means to shift this burden to applicants.

Long-settled law also requires that marks not be dissected into individual elements in assessing their meaning (the “anti-dissection rule”). More than a century ago, in *Estate of P.D. Beckwith, Inc. v. Commissioner of Patents*, the Supreme Court set forth the principle that “[t]he commercial impression of a trade-mark is derived from it as a whole, not from its elements separated and considered in detail.”<sup>20</sup>

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<sup>17</sup> Examination Guide 1-22 Clarification, 2.

<sup>18</sup> *Id.*

<sup>19</sup> Several commentators have observed that the USPTO’s unilateral attempt to relax its evidentiary burden and alter established precedent may be of questionable validity because (1) the USPTO lacks authority to reverse the decisions of the Federal Circuit and other courts (irrespective of the USPTO’s view that their decisions are incorrect or inconsistent with USPTO rules); and (2) the USPTO failed to adhere to the normal rulemaking process in which it collects public comments on proposed rule changes. See, e.g., Daniel Davis, *Killing Them Easier: USPTO Reverses the Federal Circuit on Genericness* (Aug. 2, 2022), <https://www.jdsupra.com/legalnews/killing-them-easier-uspto-reverses-the-1030527/> (last visited Sept. 4, 2024); Eleanor Atkins, *PTO Lowers the Bar for Genericness Refusals* (July 14, 2022), <https://www.ipupdate.com/2022/07/pto-lowers-the-bar-for-genericness-refusals/> (last visited Sept. 4, 2024). At a minimum, the USPTO’s purported rule change creates obvious friction with federal courts and at least one federal court (post-clarification) has expressly declined to deviate from imposing on the USPTO a clear and convincing evidence burden in assessing genericness. See *Snap, Inc. v. Vidal*, No. 2:22-cv-00085-SK, slip op. at 59 (C.D. Cal. Sept. 27, 2024).

<sup>20</sup> 252 U.S. 538, 545-46 (1920); see also *Princeton Vanguard, LLC v. Frito-Lay North America, Inc.*, which explained the proper analytical bases for assessing the factual issue of genericness for compound terms (in that case, PRETZEL CRISPS):

[T]o determine whether a mark is generic . . . the Board must first identify the genus of goods or services at issue, and then assess whether the public understands the mark, *as a whole*, to refer to that genus. On appeal, Frito-Lay . . . suggest[s] that the Board can somehow short-cut its analysis of the public’s perception where “the purported mark is a compound term consisting merely of two generic words.” . . . [H]owever, there is no such short-cut, and the test for genericness is the same, regardless of whether the mark is a compound term or a phrase.

The Federal Circuit's decision *In re Oppedahl & Larson* illustrates the application of the anti-dissection rule in the context of a factual analysis of genericness or not of a mark also functioning as a domain name. Consistent with precedent and statutory language, the court affirmed a TTAB decision that the mark PATENTS.COM, claimed in connection with software used to track patent applications and issued patents, was *descriptive* because "Appellant's identification of goods includes the use of the Internet. Accordingly, '.com' is descriptive of this feature of the goods listed in the application."<sup>21</sup> The court concluded that "TLD marks may obtain registration upon a showing of distinctiveness . . . [and] [t]he Board properly left that door open for this patents.com mark . . ."<sup>22</sup> The court also specifically noted that it would be "legal error" to preclude registration of a ".com" mark having secondary meaning.<sup>23</sup> *Oppedahl & Larson* also noted separately that it would allow registration of .com marks without proof of acquired distinctiveness if the marks had some inherent distinctiveness, for example, citing the hypothetical "Tennis.net."<sup>24</sup> The court further ruled that the element .com is descriptive, not generic.<sup>25</sup> In short, applying the logic of *Estate of P.D. Beckwith*, under which the elements of the mark had to be treated as a whole, the status and legal classification of the mark was a factual matter.<sup>26</sup>

Likewise, in *In re Dial-A-Mattress Operating Corp.*,<sup>27</sup> where the applicant claimed the mnemonic telephone number mark "1-888-M-A-T-R-E-S-S" for a telephone shop-at-home mattress business, the Federal Circuit acknowledged that "(888)" was devoid of source-identifying significance and that "MATRESS" was generic in the composite mark "1-888-MATRESS." Nonetheless, considered in its entirety, the mark was unique and there was "no record evidence

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786 F.3d at 966 (citation omitted).

<sup>21</sup> 373 F.3d 1171, 1176 (Fed. Cir. 2004).

<sup>22</sup> *Id.* at 1176.

<sup>23</sup> *Id.* at 1175-76.

<sup>24</sup> *Id.* at 1175.

<sup>25</sup> *Id.* at 1176.

<sup>26</sup> In *Oppedahl & Larson*, the Federal Circuit specifically explained:

The law requires that a mark be "considered in its entirety." In *Dial-A-Mattress*, this court required the Board to consider marks using telephone area codes, i.e., "1-888-MATRESS," as a whole to determine the commercial impression of the mark. Even though the area code ("888") standing alone was "devoid of source-indicating significance," the analysis in *Dial-A-Mattress* required the Board to weigh the entire commercial impression, including the "888" prefix, when assessing the registrability of the mark.

373 F.3d at 1174 (first quoting *Est. of P. D. Beckwith, Inc. v. Comm'r of Pats.*, 252 U.S. 538, 546 (1920) and then quoting *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1345 (Fed. Cir. 2001)).

<sup>27</sup> 240 F.3d at 1346.

that the relevant public refers to the class of shop-at-home telephone mattress retailers as ‘1-888-M-A-T-R-E-S-S.’”

However, in *In re Hotels.com, L.P.*,<sup>28</sup> the Federal Circuit declined to follow its earlier precedent. This arguably departed from the settled rule of appellate practice that one three-judge panel cannot overturn an earlier three-judge panel; only an *en banc* decision can do so. Other appellate decisions cited in the margin followed suit; however, as the district court concluded in *Booking.com*, each was at least arguably decided on its facts and therefore distinguishable on such facts.<sup>29</sup> Essential to Booking.com’s ultimate success in the district court, the Fourth Circuit, and the Supreme Court was its pursuit of de novo review under 15 U.S.C. § 1071(b) (where it could submit additional evidence), rather than appealing directly to the Federal Circuit based solely on the record before the USPTO.

A further unsuccessful argument advanced by the USPTO in the Supreme Court in support of its request to create a legal rule that “.com” marks could not be protected turned on an interpretation of the Supreme Court’s 1888 decision *Goodyear’s India Rubber Glove Manufacturing Co. v. Goodyear Rubber Co.*<sup>30</sup> In *Goodyear’s*, the Supreme Court held that “Goodyear Rubber Company” (consisting of what was then a generic or descriptive term for rubber, i.e., “Goodyear Rubber,” and another generic or descriptive term “company”) was not “capable of exclusive appropriation.”<sup>31</sup>

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<sup>28</sup> 573 F.3d 1300, 1306 (Fed. Cir. 2009).

<sup>29</sup> *Advertise.com, Inc. v. AOL Advert., Inc.*, 616 F.3d 974, 982 (9th Cir. 2010) (finding the claimed mark “Advertise.com” likely generic but also noting “we create no per se rule against the use of domain names, even ones formed by combining generic terms with TLDs, as trademarks”); *In re Hotels.com*, 573 F.3d at 1306 (“The Board’s finding that HOTELS.COM is generic was supported by substantial evidence.”); *In re 1800Mattress.com IP, LLC*, 586 F.3d 1359, 1364 (Fed. Cir. 2009) (holding that “substantial evidence [supported] the Board’s conclusion” that MATTRESS.COM is generic); *In re Reed Elsevier Props. Inc.*, 482 F.3d 1376, 1380 (Fed. Cir. 2007) (holding that “substantial evidence [supported] the board’s finding” that LAWYERS.COM is generic). Both the district court and the Fourth Circuit distinguished these cases as having been decided on their facts and the different standards of review there at issue. See *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 906 (E. D. Va. 2017) (“[A]ll of these opinions arose in § 1071(a) proceedings, in which the Federal Circuit reviewed the TTAB’s decisions regarding genericness and descriptiveness for substantial evidence, which is a more deferential standard than the de novo review applicable in this civil action brought under § 1071(b).”); *Booking.com B.V. v. USPTO*, 915 F.3d 171, 182, 183-84 (4th Cir.) (noting that “although those courts recognized that the inclusion of the proposed mark in longer domain names was strong evidence of genericness, they nonetheless remained open to considering consumer surveys to determine the public’s understanding of the proposed mark,” and deferring to the trial court decision), *cert. granted*, 140 S. Ct. 489 (2019), *aff’d*, 591 U.S. 549, *cert. granted, judgment vacated*, 141 S. Ct. 187 (2020).

<sup>30</sup> 128 U.S. 598 (1888).

<sup>31</sup> *Id.* at 602. Moreover, *Oppedahl & Larson* had already specifically distinguished *Goodyear’s* in concluding both PATENTS.COM and the element “.com” itself are descriptive, not generic, and hence protectable on a showing of secondary meaning. 373 F.3d at 1175-76. *Oppedahl & Larson* thus clarified that even if entity designations such

*Goodyear's*, of course, was decided 60 years before the Lanham Act (and 110 years before the commercial Internet). However, at the time, descriptive and generic terms were equally unprotectable under the common law.<sup>32</sup> It was not until the Lanham Act that descriptive terms could be protected at all, and *Goodyear's* made no finding of genericness.<sup>33</sup>

## 2. Application

Booking.com had filed four separate applications to register the mark BOOKING.COM. Each of these applications contained the term “BOOKING.COM” but included different design elements. After the USPTO initially published the BOOKING.COM applications for registration on the Principal Register, it then withdrew the applications from publication. The USPTO (and later the TTAB) initially ruled that the mark BOOKING.COM was generic or at least merely descriptive (and lacking secondary meaning). Without addressing here all of the affirmative evidence presented that BOOKING.COM was at the time recognized as a trademark, or the dictionary evidence concerning the meaning of the word “booking,” what is of interest now is how the USPTO sought to sidestep much of this evidence and (subtly) put the burden of proof on the applicant.

To begin, the TTAB conceded it is logically impossible to use the name BOOKING.COM generically, stating that “it is impossible to use BOOKING.COM in a grammatically coherent way to refer generically to anything,” and that “it is not at all logical to refer to a type of product or service as a ‘booking.com.’”<sup>34</sup> Arguably, this should have ended the matter favorably for the applicant. However, citing *In re 1800Mattress.com IP, LLC*,<sup>35</sup> discussed below, the TTAB

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as “Corp.” have no inherent source-identifying function (which is true of all descriptive terms), “TLDs immediately suggest a relationship to the Internet,” and therefore the court found that *Goodyear's* “does not operate as a per se rule . . . with respect to TLDs.” *Id.* at 1175. In *In re Steelbuilding.com*, the Federal Circuit reiterated that “*Goodyear's* did not create a per se rule for TLD indicators” and found that the applicant’s “TLD indicator expanded the meaning of the [STEELBUILDING.COM] mark” and was therefore descriptive. 415 F.3d 1293, 1299 (Fed. Cir. 2005).

<sup>32</sup> *Del. & Hudson Canal Co. v. Clark*, 80 U.S. (13 Wall.) 311, 323 (1871).

<sup>33</sup> The Supreme Court had previously distinguished decisions predating the enactment of the Lanham Act because the Act “significantly changed and liberalized the common law to ‘dispense with mere technical prohibitions,’ most notably, by permitting trademark registration of descriptive words . . . where they had acquired ‘secondary meaning.’” *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 171 (1995) (citations omitted). *Goodyear's* also did not articulate the “primary significance” test, so it is impossible to know what standard it used.

<sup>34</sup> See Booking.com Memorandum In Support of Motion for Summary Judgment, Civil Action No. 1:16-cv-425-LMB-IDD (E.D. Va. Dec. 9, 2016), ECF No. 64 at 8 (citing Admin. Record at A3119).

<sup>35</sup> 586 F.3d 1359 (Fed. Cir. 2009).

concluded that it was possible for consumers to understand a term in a manner independent of use (and, implicitly, that it was capable of divining such understanding *a priori*, without empirical evidence). The district court, however, cited approvingly the unchallenged report of Booking.com’s linguistic expert, who testified to the basic linguistic science that “understanding” cannot be separated from “use.” Citing the Princeton linguistics scholar Dr. Sarah Jane Leslie, the district court adopted the settled principle of linguistic science (first proposed by the philosopher Ludwig Wittgenstein), that “meaning is use” and that “[l]inguistic understanding is not some further mental condition, feeling or association that is somehow independent of how one uses those terms.”<sup>36</sup> Dr. Leslie thus explained that “There is no known empirical support in the science of linguistics for the notion of linguistic understanding of terms divorced from how those terms are used.”<sup>37</sup> When the USPTO challenged her analysis saying she did not use the term “generic” in a strictly legal sense, she explained in a rebuttal declaration that she was “not aware of any basis to suggest that individuals in their capacities as consumers use language in some way different from how they use language in general.”<sup>38</sup> Indeed, there is not. The primary significance of a mark

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<sup>36</sup> Report of Sarah Jane Leslie ¶ 78 (“Leslie Rep.”), Sept. 12, 2016 (ECF No. 64-2), *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891 (E.D. Va. 2017). Dr. Leslie explained in full:

Linguistic understanding, including understanding of the reference of the terms in one’s own language, is made manifest by how one conventionally uses those terms, and is exhausted by how one is disposed to conventionally use the terms in actual and possible circumstances. By “conventional use” is meant use of the terms not just to make noise, or produce word salads, or exercise one’s vocal cords, but use of the terms when intending to communicate by using the term in accord with the grammatical requirements of the language. Linguistic understanding is not some further mental condition, feeling or association that is somehow independent of how one uses those terms. (This is sometimes put by way of the slogan: “meaning is use” a slogan which comes from Section 43 of Ludwig Wittgenstein’s *Philosophical Investigations*; but, of course, the empirical theory of language understanding has advanced greatly from Wittgenstein’s days.)

*Id.* (footnote omitted); see *Booking.com*, 278 F. Supp. 3d at 914 (“Importantly, in this *de novo* proceeding, the evidence before the Court indicates that ‘[l]inguistic understanding is not some further mental condition’; rather, in the words of Ludwig Wittgenstein, ‘meaning is use.’” Leslie Rep., Pl. Ex. 2 [Dkt. No. 64–2] ¶ 78 (citing *Philosophical Investigations* § 43 (1953)). The District Court also noted as “striking . . . the absence of evidence that consumers or producers use the term booking.com to describe . . . hotel and travel reservation services.” *Id.*).

<sup>37</sup> Leslie Rep. ¶ 80 (ECF No. 64-2), *Booking.com B.V.*, 278 F. Supp. 3d 891. Although said in a very different context, the basic notion is not far removed from the thought famously expressed by Justice Oliver Wendell Holmes Jr. in *Towne v. Eisner*, 245 U.S. 418, 425 (1918): “A word is not a crystal, transparent and unchanged, it is the skin of a living thought and may vary greatly in color and content according to the circumstances and the time in which it is used.”

<sup>38</sup> Declaration of Sara-Jane Leslie, ¶ 2, Jan. 10, 2017, ECF No. 72, *Booking.com*, 278 F. Supp. 3d 891.

to the relevant public is in part an empirical question, not only a legal one.<sup>39</sup>

Without addressing the underlying linguistic science, the Supreme Court did ultimately note:

[W]hether ‘Booking.com’ is generic turns on whether that term, taken as a whole, signifies to consumers the class of online hotel-reservation services. Thus, if “Booking.com” were generic, we might expect consumers to understand Travelocity—another such service—to be a “Booking.com.” We might similarly expect that a consumer, searching for a trusted source of online hotel-reservation services, could ask a frequent traveler to name her favorite “Booking.com” provider.<sup>40</sup>

Once again, the primary significance of a mark to the relevant public is an entirely empirical question, not a legal one; the USPTO’s effort to transform this factual question into a legal one was (correctly) found unavailing.

Disregarding its earlier admission that it is logically impossible to use the name “BOOKING.COM” generically, the TTAB remarked (and the USPTO in the course of the litigation argued) that a finding of genericness could be premised not on affirmative evidence, but rather on a double negative: that the lack of actual use as a generic term for travel services “does not mean [it] could not be understood” generically.<sup>41</sup> As noted, the basis for this assumption was citation to similar (unchallenged) inferences in *1800Mattress.com*, which theorized (on unknown grounds) that it might be possible to have “understanding” independent of “use.”<sup>42</sup> However, *1800Mattress.com* and the USPTO in *Booking.com* did not address the linguistic science that meaning cannot be divorced from use. Genericness being a purely empirical question of what consumers understand is the primary significance of the term at issue, the PTO failed to meet its burden of proof.

Although this article’s purpose is not to weigh the specific evidence in either *Booking.com* or *Pound Law*, consistent with *Estate of P.D. Beckwith*, common sense also reveals how the element “.com” can alter the meaning of words. For instance, the original meaning of “Amazon” is a river (or to classics scholars, a race of

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<sup>39</sup> As the district court noted in rejecting the non-empirical criticism of Dr. Leslie: “Although Dr. Leslie’s opinion is not relevant as legal expertise, her robust knowledge of linguistics is certainly relevant to the ultimate inquiry, which, as explained by Judge Learned Hand, ‘is merely one of fact: what do buyers understand by the word for whose use the parties are contending?’” *Booking.com B.V.*, 278 F. Supp. 3d at 914 n.12 (quoting *Bayer Co. v. United Drug Co.*, 272 F. 505, 509 (S.D.N.Y. 1921)).

<sup>40</sup> 591 U.S. 549, 557, *cert. granted, judgment vacated*, 141 S. Ct. 187 (2020).

<sup>41</sup> Brief for Petitioners at 30, *United States Patent and Trademark Office v. Booking.com B.V.*, 591 U.S. 549 (2020) (Case No. 19-46).

<sup>42</sup> 586 F.3d 1359 (Fed. Cir. 2009).

women warriors), yet adding “.com” immediately changes its meaning. And while “staples” are any kind of necessary commodities or a specific type of office supply product used to bind papers, Staples.com is a leading retailer of office supplies and a mark registered by the PTO. So too other well-known “generic.com” names such as “Dictionary.com” or “Register.com.” How consumers understand those names requires empirical evidence, not bare surmise and supposition.

Booking.com presented the results of a *Teflon* survey “indicating that 74.8% of consumers recognized BOOKING.COM as a brand rather than a generic service.” The survey also included as a control the made-up name WASHINGMACHINE.COM, which 60% of respondents thought generic versus only 24% for BOOKING.COM. The selection of this control served as a key element to the survey in *Booking.com*. In *Hotels.com*, the TTAB and the Federal Circuit rejected an otherwise similar survey because the control was not a domain name.<sup>43</sup> A separate spurious challenge raised on behalf of the USPTO in the Supreme Court (principally by one of the *amici*) was that the 30% of respondents who identified “Washingmachine.com” as a trademark should have been subtracted from the gross number of 74.8% recognizing BOOKING.COM as a trademark to arrive at a net level of recognition. However, as Booking.com’s expert had argued in the district court, and as another set of *amici* argued in the Supreme Court, proof of recognition (unlike likely confusion) is not a test of causation. Hence the inappropriateness of “netting out” the overall level.<sup>44</sup>

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<sup>43</sup> *In re Hotels.com, L.P.*, 87 U.S.P.Q.2d 1100 (T.T.A.B. 2008). The TTAB concluded that the trademark owner’s *Teflon* survey, finding that approximately 76% of the respondents viewed HOTELS.COM as a “brand name,” was unreliable and entitled to no weight based on its non-empirical assumptions as follows: “Many consumers may automatically equate a domain name with a brand name, believing they both serve the same function. Thus, Dr. Dupont should have ascertained through the screening process, rather than assumed, that participants in the survey could distinguish the two concepts; and those who could not make the distinction should have been eliminated from the sample.” *Id.* at \*11. The TTAB further asserted that “At a minimum, the respondents should have been presented with sample names that had some relevance to the mark in this case. Except for the term “AMAZON.COM,” which involves a compound term created by joining an arbitrary term and a TLD, the sample names have no connection to the type of mark at issue.” *Id.* at \*12. The Federal Circuit accepted the TTAB’s assumptions and upheld, without analysis, the TTAB’s conclusion that “the survey questions ‘radically skew[ed] the results of the survey in applicant’s favor.’” *In re Hotels.com, L.P.*, 573 F.3d 1300, 1305 (Fed. Cir. 2009) (alteration in original) (citation omitted). In our opinion, the questions raised would ordinarily simply go to weight, not to admissibility in evidence per se. However, by means of this evidentiary ruling, the TTAB avoided the need to address its own burden of proof.

<sup>44</sup> As the *amicus* Survey Scholars and Consultants explained, the error in the argument by *amicus* the Trademark Scholars (which position had already been established in the district court based on the un rebutted testimony of Booking.com’s expert, Hal Poret) was as follows:



To be sure, the dissent of Justice Breyer and the concurrence of Justice Sotomayor in *Booking.com* strike a note of caution in use of survey evidence. However, the reality is that courts and the Board alike have widely accepted genericness survey designs, particularly those utilizing a *Teflon* format, for nearly fifty years. What is critical is to employ best practices and proper designs (a particular challenge the authors faced in *Pound Law*, discussed below,<sup>45</sup> where no court-approved methodologies for failure-to-function surveys exist). Sadly, to borrow from the Scottish writer, Andrew Lang, it can be said of too many survey experts that “[they] use[] statistics as a drunken man uses lamp-posts . . . for support rather than illumination.”<sup>46</sup> Such practices tarnish the entire field but should not diminish the relevance of properly conducted consumer research.

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The Trademark Scholars’ second criticism is that the 74.8% “gross” recognition of BOOKING.COM is not the true measure of the recognition level as a brand name, but instead the “net” recognition should be determined by subtracting out the percentage of participants who thought WASHINGMACHINE.COM was a brand name from the percentage who opined that BOOKING.COM is a brand. Trademark Scholars’ Br. 20-21. This is counter to standard and accepted practice for a Teflon survey. While the Trademark Scholars cite McCarthy for the proposition that majority use of a term controls, McCarthy in this passage is not talking about net usage. See McCarthy § 12:6.

For several reasons, in a Teflon survey it is unnecessary and improper to subtract one result from another to derive a “net” level of association. First, as previously explained, the Teflon survey design includes a mechanism, i.e., the mini-test, to exclude participants who are potentially guessing or inattentive. This step ensures that the answers given later in the survey are more reliable.

Second, controls used to net or subtract gross rates are used only in surveys designed to test a causal proposition. Diamond at 397. For example, in a likelihood of confusion survey, half of the participants are typically placed in a “control group” that answers the same questions as the “test group,” but the control group is shown a stimulus that is different from the stimulus being tested in the “test group.” *Id.* at 398–99. This allows the researcher to assess whether confusion measured by the survey is caused by the disputed mark, as opposed to other factors, such as pre-existing beliefs. *Id.* But in a Teflon survey, the goal is not to determine why consumers view a particular term as a brand or a generic, but rather to establish how the majority views a particular term, regardless of the reasons for the belief. As a result, it is accepted practice that control groups are not used in Teflon surveys, nor are the response rates for other terms subtracted to derive a “net” rate of association. See Jacob Jacoby, *Experimental Design and the Selection of Controls in Trademark and Deceptive Advertising Surveys*, 92 T.M.R. 890 (2002), § IV.A.

The sole takeaway from the results for WASHINGMACHINE.COM is that they confirm that participants could distinguish between brand names and common names and thus validate the survey’s finding that the consuming public views BOOKING.COM as a brand. Brief of *Amici Curiae* Survey Scholars and Consultants in Support of Respondent at 13-14, *United States Patent and Trademark Office v. Booking.com B.V.*, 591 U.S. 549 (2020) (Case No. 19-46).

<sup>45</sup> See *infra* at notes 112-119 and accompanying text.

<sup>46</sup> See <https://www.goodreads.com/quotes/93716-he-uses-statistics-as-a-drunken-man-uses-lamp-posts-for>.

None of the history of *Booking.com* suggests that “generic.com” or “descriptive.com” marks should routinely be protectable or how wide a scope of protection any one such mark should be afforded. The hypothetical “washingmachine.com” used as a control in the survey is, at the very least, highly descriptive and probably not likely ever to garner substantial secondary meaning. Perhaps because consumers have more emotional engagement (for better or worse) with a travel service, they are more likely to encode the name in memory more deeply than a utilitarian site for buying or evaluating a washing machine—something people buy infrequently, at best. “American Airlines,” which is no more nor less descriptive (or even generic) for an airline flying in the northern or southern hemisphere than is “Booking.com” for a travel service, generates far more personal connections (for better or worse) than washers or dryers. That engagement was reflected in substantial numbers of users following Booking.com on social media (as shown in the record of the litigation). Other evidence will vary from case to case. However, had Booking.com simply appealed to the Federal Circuit, the standard of review would have foreclosed consideration of any new facts (such as a survey) and would have largely foreordained the outcome based on the narrow analysis employed by that court in *Hotels.com* and other like cases. As Judge Brinkema noted in the district court, all of the prior cases decided against owners of “.com” marks were decided under different standards of review from *Booking.com*.<sup>47</sup>

The Supreme Court in *Booking.com* also helped confirm that a party seeking *de novo* review of USPTO decisions under 15 U.S.C. § 1071(b) no longer faces a risk of having to pay the government’s attorneys’ fees as “expenses” as that term is used in the statute. In *Peter v. NantKwest, Inc.*,<sup>48</sup> the Court held that the provision of the Patent Act paralleling Section 1071(b)<sup>49</sup> did not authorize an award of attorneys’ fees to the USPTO regardless of outcome. The Court later extended this ruling in *Booking.com* to the Lanham Act.<sup>50</sup> Although many of Booking.com’s arguments paralleled those in *NantKwest*, it also argued that the threat of attorneys’ fees denied the right to petition the government for redress of grievances under the First Amendment. Parties denied registration today no longer face this threat, which creates a considerable disincentive on the USPTO not to litigate *ex parte* appeals “to the wall,” particularly on issues where it very likely will not prevail. A subsequent decision in

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<sup>47</sup> See *supra* note 29. One such case was merely a preliminary injunction in a case commenced in the district court, not a final decision, and the others were appeals to the Federal Circuit from TTAB rulings without the benefit of *de novo* review.

<sup>48</sup> 589 U.S. 23 (2019).

<sup>49</sup> 35 U.S.C. § 145.

<sup>50</sup> *Booking.com B.V. v. U.S. Pat. & Trademark Office*, 141 S. Ct. 187 (2020).

*Hyatt v. Hirshfeld*<sup>51</sup> added that even expert witness fees likewise are not recoverable as expenses under these provisions.

The key takeaway is that the USPTO was ultimately unsuccessful in *Booking.com* in transforming the entirely *empirical* question of the primary significance of a mark to the relevant public into a *legal* one (although ultimately *Booking.com* still bore most of the burden of proof, which was necessary to overcome precedents such as *Hotels.com* that effectively created an overwhelming evidentiary presumption against protecting such marks).<sup>52</sup> Unfortunately, the recent spate of cases concerning whether terms do or do not function as marks has exposed fertile new ground for the USPTO shifting to trademark owners the USPTO's own burdens of proof, and to deny protection to statutorily eligible subject matter on spurious grounds. As discussed further below, one reason for this is that failure-to-function jurisprudence is far less developed, let alone settled, than that involving genericness. However, lessons similar to those learned in *Booking.com* can be gleaned from a recent litigation involving the mark #LAW.

## **B. In re Pound Law, LLC**

### **1. Summary of Law**

According to the USPTO, Sections 1, 2, 3, and 45 of the Lanham Act provide the statutory bases for its refusal to register designations as trademarks on the grounds of failure to function (although, notably, none of these sections actually mentions failure

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<sup>51</sup> 16 F.4th 855 (Fed. Cir. 2021).

<sup>52</sup> Another recent example of the importance of seeking independent review under 15 U.S.C. § 1071(b) is *Snap Inc. v. Vidal*, 2024 U.S.P.Q.2d 456 (C.D. Cal. Mar. 24, 2024), where the district court denied the USPTO's motion for summary judgment against Snapchat that its claimed mark SPECTACLES was generic for "smart glasses" having camera technology attached to eyeglasses enabling wearers to capture and post videos and photos in the Snapchat app. To begin, the district court rejected as "semantic sleight of hand" the USPTO's attempt to subsume the entire technology dubbed "smart glasses" under the familiar category or genus of "glasses" simply because of the shared word "glasses." *Id.* at \*5. Recognizing (under *Booking.com*) that genericness is a factual question under which the USPTO *always* bears the burden of proof, the court cited various conflicting evidence (including two competing surveys): "For its part, the USPTO offers a *Teflon* consumer survey. . . . According to that survey, 79.9% of respondents said that they believe 'spectacles' is a generic term in the context of 'smart glasses.' . . . On the other hand, Snap presents a *Thermos* consumer survey, finding that only 1.5% of respondents used the term 'spectacles' generically to identify 'smart glasses.'" *Id.* at \*9. Significantly, at trial, the USPTO offered a second *Teflon* survey after its first *Teflon* survey was criticized by Snap's survey expert. *Snap, Inc. v. Vidal*, No. 2:22-cv-00085-SK, slip op. at 29 (C.D. Cal. Sept 27, 2024). The court ultimately concluded that the USPTO's survey evidence was insufficient to show reliably that most consumers perceived SPECTACLES as a common name. *Id.* at 40-46. In so holding, the court found that both surveys had multiple flaws, including having been designed to take "as given the [US]PTO's unproven and legally flawed supposition" that "any terms consumers may associate with eyewear, including smart glasses, are only unprotectable generic product names rather than potentially registrable descriptive marks." *Id.* at 32.

to function).<sup>53</sup> Sections 1, 2, and 3 provide, inter alia, for the application and registration on the Principal Register of trademarks “by which the goods [or services] of the applicant may be distinguished from the goods, [or services] of others.”<sup>54</sup> Section 45 defines “trademark” as “any word, name, symbol, or device, or any combination thereof used . . . to identify and distinguish his or her goods [or services] . . . from those manufactured or sold by others and to indicate the source of the goods [or services] even if that source is unknown.”<sup>55</sup> The two primary trademark functions of any designation at issue, therefore, are to *identify* and to *distinguish* the goods or services of one person from those of another person. If the designation at issue fails to serve these functions, it does not qualify as a mark and an application for federal registration may meet with a failure-to-function refusal from the USPTO.

Refusals to register on failure-to-function grounds have grown exponentially in recent years in the wake of *Booking.com* as well as *Matal v. Tam*<sup>56</sup> and *Iancu v. Brunetti*.<sup>57</sup>

A recent article compiled statistics demonstrating this trend and included the following chart as “Figure 2,” wherein the y-axis reflects the number of failure-to-function refusals per year.<sup>58</sup>

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<sup>53</sup> See, e.g., *In re Black Card, LLC*, 2023 U.S.P.Q. 2d 1376, \* 2-3 (T.T.A.B. 2023); *In re Brunetti*, Serial Nos. 88308426, 88308434, 88308451, 88310910, 2022 WL 3644733, at \*4-5 (T.T.A.B. 2022), *dismissed*, No. 2023-1103, 2023 WL 1860227 (Fed. Cir. Feb. 9, 2023).

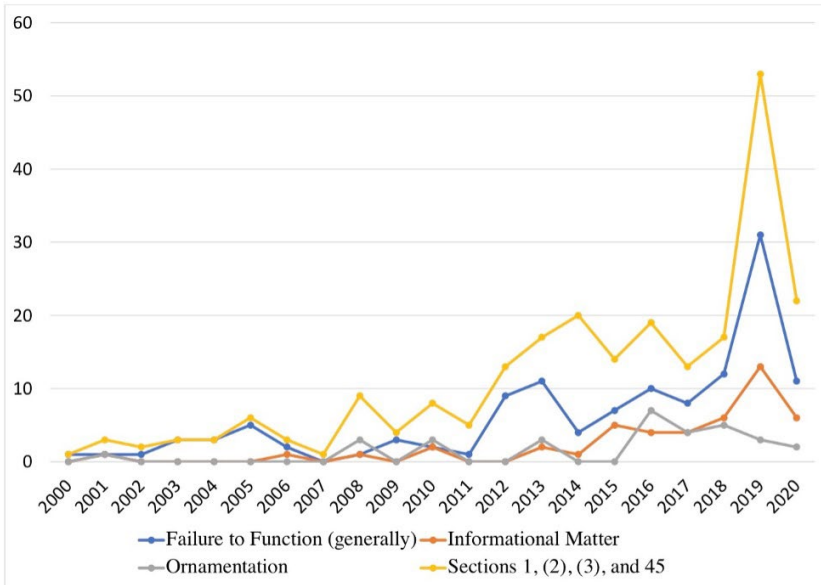
<sup>54</sup> 15 U.S.C. §§ 1051-1053.

<sup>55</sup> 15 U.S.C. § 1127.

<sup>56</sup> 582 U.S. 218 (2017).

<sup>57</sup> 588 U.S. 388 (2019).

<sup>58</sup> See Lucas Daniel Cuatrecasas, *Failure to Function and Trademark Law's Outermost Bound*, 96 N.Y.U. L. Rev. 1312, 1326 (2021). Copyright © 2021 by Lucas Daniel Cuatrecasas. “Figure 2” reprinted with kind permission of the author. See also John H. Muranda, *What's Your Major Malfunction?: Breaking Down the USPTO's Strange New Breed of Failure-to-Function Refusals*, <https://www.altlegal.com/blog/whats-your-major-malfunction-breaking-down-the-usptos-strange-new-breed-of-failure-to-function-refusals/> (Dec. 24, 2020).



Annual Number of TTAB Decisions  
Under Failure to Function and  
Related Categories (2000–2020)

Until recently, failure-to-function refusals were relatively rare and issued by the USPTO only where a designation was deemed to be ornamental or allegedly simply provided information (even if unrelated to the product or service with which it was used). However, the USPTO now appears to be invoking failure-to-function refusals more broadly in numerous cases where no other clear basis for refusal could be articulated, other than the USPTO’s own unsupported beliefs or “say-so,” which has exposed increasing categories of marks to such refusals, including those previously recognized as trademarks (slogans and mnemonic telephone number marks, to name a few).<sup>59</sup>

<sup>59</sup> In a recently filed Request for Reconsideration where the USPTO denied registration to the claimed mark ANTI SOCIAL on failure-to-function grounds because the mark was allegedly merely informational and “widely used” by a number of unrelated third parties, the applicant compiled extensive statistical evidence of the inconsistency of USPTO refusals to register on such grounds. See Request for Reconsideration after Final Office Action, U.S. Trademark Application Serial No. 88/891165 (USPTO Aug. 3, 2021). For instance, in connection with the case, see *In re Remington Products, Inc.*, 3 U.S.P.Q.2d 1714, 1715 (T.T.A.B. 1987), where the claimed mark PROUDLY MADE IN USA was deemed not registrable for electric shavers because it would have been perceived as conveying an informational message, thirty-eight other marks carrying a similar message had been registered or allowed, such as PROUDLY MADE IN THE USA (Reg. No. 1,952,001) PROUDLY MADE IN AMERICA SINCE 1878 (Reg. Nos. 5,697,344; 5,697,345; and 5,697,346), and USA AMERICAN MADE (Reg. No. 5,046,025). Numerous

Section 1302.02 of the TMEP identifies specific elements the USPTO should consider in assessing whether consumers likely perceive a claimed trademark as functioning as a trademark:

The question of whether a designation functions as a mark that identifies and distinguishes the recited services is *determined by examining the specimen(s) and any other evidence in the record that shows how the designation is used. It 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. *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 the specimen that it is difficult or impossible to discern what the mark is.* On the other hand, the fact that the proposed mark is prominently displayed does not in and of itself make it registrable, if it is not used in a manner that would be perceived by consumers as an indicator of source. The important question is not how readily a mark will be noticed but whether, when noticed, it will be understood as identifying and indicating the origin of the services.<sup>60</sup>

As is evident on the face of the Rule, consumer perception is stated to be the guiding principle. As explained below, it is also significant that the Rule cites to *In re Singer Manufacturing Co.*<sup>61</sup> Unfortunately, applying these factors has proven to be highly amorphous, as the TTAB has noted that none of the factors alone or in combination is necessarily dispositive of the issue of consumer

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similar examples were cited and in this instance the USPTO responded by withdrawing its failure-to-function refusal. The author of the response, John R. Sommer, prepared the filing for the avowed purpose of also publishing it as a law review article.

<sup>60</sup> TMEP § 1301.02 (emphasis added) (citations omitted). The final case citation is to *In re Singer Mfg. Co.*, 255 F.2d 939, 118 U.S.P.Q. 310 (C.C.P.A. 1958).

<sup>61</sup> See *supra* note 60. See *infra* notes 77-83 and accompanying text.

perception.<sup>62</sup> Moreover, the TTAB has held that the fact a trademark owner may intend, hope, or expect that a particular designation functions as a mark is alone insufficient to establish trademark use.<sup>63</sup> As a result of the lack of a clear delineation regarding what combination of factors will be sufficient to establish whether a particular designation qualifies as a trademark, many TTAB decisions on failure-to-function issues devolve to a Potter Stewart–type exercise that “we know [failure to function] when we see it.”<sup>64</sup>

Other settled law suggests that the discretion the USPTO now attempts to wield in the failure-to-function realm in deciding consumer perception should be far more limited in practice. At the outset, the TTAB itself has at least in one case articulated the USPTO’s burden of proof if it chooses to deny registration on failure-to-function grounds. *In re Brunetti*,<sup>65</sup> where the applicant sought to register a familiar swear word as a trademark for various goods and services, that opinion recognizes that the USPTO bears the burden to establish that a claimed designation of origin fails to function as a mark.

The Examining Attorney is required to establish a reasonable predicate for his position—*i.e.*, a prima facie case—that FUCK is not registrable and did so here with evidence showing that FUCK is so ubiquitously used as an informational sentiment that the relevant public would not perceive FUCK as indicating the source of the goods and services in the application. The Examining Attorney is not required to prove to a moral certainty that consumers will not perceive FUCK to function as Applicant’s mark. It is enough that the third-party use evidence here “is competent to suggest that upon encountering Applicant’s ‘mark’, prospective purchasers familiar with such widespread nontrademark use are unlikely to consider it to indicate the source of Applicant’s goods [or services]. . . . [That in turn shifts the burden to applicant] to come forward with competent evidence that consumers would perceive the

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<sup>62</sup> See *In re Remington Prods, Inc.*, 3 U.S.P.Q.2d at 1715; *In re Anchor Hocking Corp.*, 223 U.S.P.Q. (BNA) 85, 88 (T.T.A.B. 1984); *In re Indus. Washing Mach. Corp.*, 201 U.S.P.Q. (BNA) 953, 955 (T.T.A.B. 1979).

<sup>63</sup> TMEP § 1301.02. See, e.g., *In re Am. in Harms Way*, Serial No. 87976064 2023 BL 444357, at \*22 (T.T.A.B. Nov. 30, 2023); *In re Pro-Line Corp.*, 28 U.S.P.Q. 2d 1141, 1142 (T.T.A.B. 1993).

<sup>64</sup> *Jacobellis v. Ohio*, 378 U.S. 184 (1964)

<sup>65</sup> 2022 U.S.P.Q.2d 764 (T.T.A.B. 2022).

proposed mark as a source identifier to rebut the showing made by the Examining Attorney.”<sup>66</sup>

In *Brunetti*, “Applicant failed to offer any evidence of consumer perception of *this* proposed mark that would rebut the robust prima facie case made out by the Examining Attorney.”<sup>67</sup> Rather, Brunetti’s arguments focused on challenging the sufficiency of both the USPTO’s factual evidence (i.e., the methodology it used in determining that the swear word in question was widely used) and its arguments.<sup>68</sup>

Assuming the USPTO successfully makes out its prima facie case of failure to function, the burden (in theory) then presumably shifts to the trademark owner to introduce evidence of trademark use. Up until now, no TTAB decision has articulated the quantum of evidence necessary for a trademark owner to rebut the USPTO’s prima facie case of failure to function (let alone the evidence necessary for the USPTO to establish its own prima facie case). Rather than fleshing out each party’s prima facie case in subsequent decisions, the current TTAB approach to failure to function now appears to be defaulting to a global assessment of the “totality of the evidence” in the record.<sup>69</sup>

But is a “totality of the evidence” standard even appropriate where the parties’ respective evidentiary burdens so materially differ? Significantly, in the context of failure-to-function refusals, the trademark owner’s burden to establish trademark use is arguably *far lower* than that to overcome proof of genericness. Professor McCarthy has noted that the evidentiary burden to establish a designation is a trademark and not a common term is not “some evidence” of consumer perception as a trademark, but that the relevant consuming public “primarily” perceives the designation as a trademark.<sup>70</sup> In contrast with this high burden on the issue of genericness, not only is “some evidence” of trademark use arguably sufficient to overcome a failure-to-function refusal, the relevant TMEP sections suggest *any* bona fide evidence of trademark use may suffice in some cases. For example, one section

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<sup>66</sup> *Id.* at \*19 (first alteration in original) (citations omitted) (quoting *In re Team Jesus*, 2020 U.S.P.Q.2d 11489, at \*6 (T.T.A.B. 2020)).

<sup>67</sup> *Id.* As noted above, in genericness cases, the burden of proof likewise is always on the USPTO. (See *supra* note 16.)

<sup>68</sup> 2022 U.S.P.Q.2d 764, at \*11-26; see Christopher P. Bussert, *WTF? The Board Weighs in on Failure-to-Function Refusals*, IP Strategist (Nov. 2022).

<sup>69</sup> See, e.g., *In re GO & Assocs., LLC*, 90 F.4th 1354, 1357 (Fed. Cir. 2024). Notably, since *Brunetti*, the TTAB has declined to discuss, let alone mention, the prima facie case standard in subsequent TTAB failure-to-function decisions.

<sup>70</sup> J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §12:6 (5th ed., database updated Sept. 2024) (“The standard to be applied to determine whether a term is a generic name or a mark is not whether the term has *some* significance to the public as a generic term of an article, but whether its generic meaning is its *principal* significance”) (emphasis added).



instructs the USPTO to permit substitute specimens demonstrating trademark use to overcome a failure-to-function refusal except “in instances where the nature of the mark . . . indicates that consumers would *never* perceive it as source indicating, regardless of the manner of use. . . .”<sup>71</sup> That provision further provides a non-exhaustive list of examples where a review of applicant’s specimen reflects the designation at issue fails to function as a mark including where the:

- Applied-for mark is used *solely* as a trade name;
- Applied-for mark is used *solely* as a domain name;
- Applied-for mark is used *solely* to identify a character.<sup>72</sup>

Similarly, another section states:

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 . . .

Similarly, a term that *only* identifies a process, style, method or system used in rendering the services is not registrable as a service mark, unless it is also used to identify and distinguish the services . . .

A term that *only* identifies a menu item does not function as a mark for restaurant services . . .

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 refused as non-distinctive trade dress . . . .<sup>73</sup>

The TMEP’s references to “never” being perceived as a source indicator or “only” or “solely” identifying a product, process, trade name, or decoration or to the possibility of the trademark owner overcoming a failure-to-function refusal by submitting a single substitute specimen demonstrating trademark use suggests:<sup>74</sup> (1) the USPTO’s initial evidentiary burden to establish a prima facie case is high; and (2) the trademark owner can rebut that case with relatively minimal bona fide evidence of source-identifying use of

<sup>71</sup> TMEP § 904.07(b).

<sup>72</sup> *Id.*

<sup>73</sup> TMEP § 1301.02(a) (emphasis added).

<sup>74</sup> “Generally, when initially refusing registration on the ground that the subject matter does not function as a trademark or service mark, the examining attorney should advise the applicant that the refusal will be reconsidered if the applicant submits a substitute specimen showing proper use of the applied-for mark as a trademark or service mark. . . .” TMEP § 904.07(b).

the designation at issue. In any event, the threshold evidentiary showing required of both the USPTO and the trademark owner is clearly different from in the case of genericness (despite some effort by the USPTO to suggest that the two thresholds may be the same).<sup>75</sup>

Settled law also makes clear that failure to function is not an “either/or” proposition and that designations may serve a dual function (trademark and non-trademark) depending on how they are used and how the relevant consuming public is likely to perceive that use. The Supreme Court has repeatedly recognized this dual function concept in recent decisions. For example, in rejecting the proposition that a “Generic.com” designation conveys that the generic good or service is offered online “and nothing more,” Justice Ginsburg noted:

A “generic.com” term might also convey to consumers a source-identifying characteristic: an association with a particular website. As the PTO and the dissent elsewhere acknowledge, only one entity can occupy a particular Internet domain name at a time, so “[a] consumer who is familiar with that aspect of the domain-name system can infer that BOOKING.COM refers to *some* specific entity.” Thus, consumers could understand a given “generic.com” term to describe the corresponding website or to identify the website’s proprietor. We therefore resist the PTO’s position that “generic.com” terms are capable of signifying only an entire class of online goods or services and, hence, are categorically incapable of identifying a source.<sup>76</sup>

In *Jack Daniels Properties, Inc. v. VIP Products, LLC*,<sup>77</sup> Justice Kagan also recognized the dual function of designations, observing:

Start at square 1, with what a trademark is and does. The Lanham Act, the core federal trademark statute, defines a trademark as follows: “[A]ny word, name, symbol, or device, or any combination thereof “ that a person uses “to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods.” The first part of that definition, identifying the kind of things

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<sup>75</sup> See *In re The Ride, LLC*, Serial No. 86/845,550, 2022 WL 564792 (T.T.A.B. Feb. 3, 2020). In that case, the TTAB, under the guise of criticizing the conclusions of the trademark owner’s survey expert, noted that “mere association of something with a particular source [was] insufficient.” Rather, to show that “something’ serves as a source-indicator, the questions and responses must demonstrate that the ‘primary significance’ of the stimulus is as a brand identifier.” *Id.* at \*10 (emphasis added). Notably, the TTAB’s legal authority for this proposition was two court decisions ruling on a genericness, and not a failure-to-function, issue.

<sup>76</sup> 591 U.S. 459 (alterations in original) (citations omitted), *cert. granted, judgment vacated*, 141 S. Ct. 2020).

<sup>77</sup> 599 U.S. 140 (2023).

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 source from others (not any other sneaker brand).*<sup>78</sup>

The Court of Customs and Patent Appeals also long ago not only recognized the dual function concept but arguably expanded that concept even further in *In re Singer Manufacturing Co.*,<sup>79</sup> which, as noted above, forms an essential part of TMEP § 1301.02. Notably, the evidence of record in that case included both evidence of trademark and non-trademark use. Both the examining attorney and Assistant Commissioner of the USPTO had ruled that the trademark owner’s design mark failed to function as a trademark because it was merely ornamentation.<sup>80</sup> This conclusion was not supported by evidence; rather, it was based solely on how the USPTO “believed that purchasers would regard that presentment on the specimen of use submitted by the trademark owner (a small gummed label).”<sup>81</sup> Moreover, the Assistant Commissioner had concluded that “the tiny reproduction” of the trademark owner’s designation on the specimen of use submitted was insufficient to make a commercial impression “particularly where, as here, the purchaser was not apt to see the label until the carton [on which the label was affixed] was delivered.”<sup>82</sup>

The court reversed the failure-to-function refusal. At the outset, the court noted that although the record contained evidence of both ornamental and trademark use of the trademark owner’s design mark, evidence of the former did not “disqualify” the use of the design mark on the labels as a trademark use.<sup>83</sup> As to the trademark owner’s specimen of use, the court viewed it as “preposterous that

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<sup>78</sup> *Id.* at 145 (emphasis added; first quoting 15 U.S.C. § 1127; and then quoting *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916)) (other citations omitted).

<sup>79</sup> 255 F.2d 939 (C.C.P.A. 1958).

<sup>80</sup> *Id.* at 940-41.

<sup>81</sup> *Id.* at 941. Such a statement of belief concerning consumer perceptions unsupported by empirical evidence calls to mind the similarly non-empirical assumptions concerning consumer understanding underlying *In re 1800Mattress.com IP, LLC*, 586 F.3d 1359 (Fed. Cir. 2009), *supra* note 35 and accompanying text.

<sup>82</sup> 255 F.2d at 941.

<sup>83</sup> *Id.*

anyone would suppose that the tiny reproduction on a small white gummed label pasted on the carton was . . . merely as an ornament.”<sup>84</sup> It added that whether the design was used as a trademark must account for “the realities of the situation as presented by the record that its sold [sic] function is one indicating the origin of the goods.”<sup>85</sup>

The TTAB has recently acknowledged that certain designations may, in some instances, have dual functions making failure-to-function refusals unsustainable. For example, in *In re ZeroSix, LLC*,<sup>86</sup> the TTAB observed that “[p]erforming artist names such as ‘Bruce Springsteen’ or ‘Rolling Stones’ obviously identify [the name of] the artist” but that they “may also serve another purpose, however, ‘as a means of identification by which [the artist’s] records,’ . . . may ‘be distinguished from the records of others.’”<sup>87</sup> And in *In re Hi-Tech Pharmaceuticals, Inc.*,<sup>88</sup> the TTAB again acknowledged the dual functionality of some designations, this time noting that a designation may function as both a trade name and a trademark.<sup>89</sup>

Finally, the Supreme Court has chastised the USPTO’s practice of staking out “new,” more restrictive legal positions regarding the registrability of marks that are inconsistent with the USPTO’s long-standing practice in addressing similar marks. When confronted with past practice regarding categories of marks during prosecution, the USPTO is well known to respond that what it has done in the past is irrelevant and that each application must be judged on its own merits.<sup>90</sup> However, Justice Ginsburg in *Booking.com* questioned that practice where the legal position taken by the USPTO (that all generic.com marks are generic) would call into question the validity of existing registrations previously granted by the USPTO.<sup>91</sup> The USPTO’s recent efforts to expand failure to function beyond its narrow historical confines risks creating similar validity issues with existing registrations.<sup>92</sup>

<sup>84</sup> *Id.*

<sup>85</sup> *Id.*

<sup>86</sup> 2023 U.S.P.Q.2d 705 (T.T.A.B. 2023).

<sup>87</sup> *Id.* at \*1 (alteration in original) (quoting *In re Spirer*, 225 U.S.P.Q. (BNA) 693, 694 (T.T.A.B. 1985)).

<sup>88</sup> Serial No. 88595250, 2023 BL 127887 (T.T.A.B. Mar. 31, 2023).

<sup>89</sup> *Id.* at \*4-5.

<sup>90</sup> See, e.g., *In re Cordua Rests., Inc.*, 823 F.3d 594, 600 (Fed. Cir. 2016) (citing *In re Shinnecock Smoke Shop*, 571 F.2d 1171, 1174 (Fed. Cir. 2009); *In re Nett Designs, Inc.*, 236 F.3d 1339, 1342 (Fed. Cir. 2001)). However, the TTAB has also noted that a pattern of registrations exemplifies long-standing and extensive practice in the USPTO. *Keebler Co. v. Associated Biscuits, Ltd.*, 207 U.S.P.Q. 1034, 1037 (T.T.A.B. 1980).

<sup>91</sup> 591 U.S. 549, 558, *cert. granted, judgment vacated*, 141 S. Ct. 187 (2020).

<sup>92</sup> As noted above, *supra* note 58, statistics similarly show great inconsistency where the USPTO determines that a claimed mark is merely informational.

One such telling example is that, until very recently, the USPTO routinely allowed registration of mnemonic telephone number marks on the Principal or Supplemental Registers, provided that the term combined with the numerals was not generic in the context of the covered goods or services.<sup>93</sup> To the extent questions were raised regarding the registrability of such marks, they were limited to assessing whether the mnemonic telephone number mark was generic or merely descriptive.<sup>94</sup> As discussed below, applying a “just because” logic, the USPTO, without any acknowledged rule change, has begun to refuse to register mnemonic telephone number designations on the ground that they fail to function as marks.<sup>95</sup>

## 2. Application

In December of 2017, one of the authors filed an application on behalf of Pound Law, LLC, to register the mnemonic telephone number mark #LAW on the Principal Register for various legal services based on the mark’s acquired distinctiveness under Section 2(f) of the Lanham Act. At the time of filing, Pound Law anticipated little resistance to its registration effort. It already owned a Supplemental Register Registration for the #LAW mark that it had recently renewed without incident, and Pound Law and its licensee and predecessors had used the #LAW mark on a substantially exclusive and continuous basis for more than five years immediately prior to the application’s filing.

Early on in the prosecution of that application, the focus was on whether Pound Law had introduced sufficient evidence of acquired distinctiveness to support registration on the Principal Register. After Pound Law’s introduction of several rounds of extrinsic evidence of the very substantial commercial success of use of the #LAW mark in the marketplace, the Examining Attorney agreed

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<sup>93</sup> See TMEP 1209.03(1). Moreover, courts have long recognized that mnemonic phone numbers can also function as trademarks. In *In re Dial-A-Mattress Operating Corp.*, where the mark “1-888-M-A-T-R-E-S-S” for a telephone shop-at-home mattress business, the Federal Circuit acknowledged that “(888)” was devoid of source-identifying significance and that “MATRESS” was generic, the composite mark “1-888-MATRESS,” considered in its entirety was unique and there was “no record evidence that the relevant public refers to the class of shop-at-home telephone mattress retailers as ‘1-888-M-A-T-R-E-S-S.’” 240 F.3d 1341, 1346 (Fed. Cir. 2001); see also *Express Mortg. Brokers, Inc. v. Simpson Mortg. Inc.*, 31 U.S.P.Q. 2d 1371, 1374 (E.D. Mich. 1994) (holding 369-CASH merely descriptive but shown to have acquired distinctiveness as applied to mortgage brokering and mortgage related services).

<sup>94</sup> See TMEP 1209.03(1); see also *In re Dial-a-Mattress Operating Corp.*, 240 F.3d 1341 (Fed. Cir. 2001), recognizing that mnemonic telephone numbers can function as trademarks and are eligible for registration.

<sup>95</sup> See, e.g., Office Action, U.S. Trademark Application Serial No. 88/299,306 (USPTO Jan. 27, 2020); Final Office Action, U.S. Trademark Application Serial No. 87/724,338 (USPTO July 22, 2020).

that the #LAW mark was registrable and indicated that the application would be sent to publication.

Despite this, Pound Law received from the USPTO shortly thereafter a new Office Action refusing registration on the grounds of lack of acquired distinctiveness, genericness, and failure to function. Over the next four years, Pound Law and the USPTO argued over the registrability of the #LAW mark. At one point during that time, the Examining Attorney *again* indicated that the application would be sent to publication, but that decision was vetoed by the supervising attorney. Also of significance here (in assessing the empirical bases or not for failure-to-function refusals) is the fact that all of the USPTO's failure-to-function refusals were cursory in nature, stating that #LAW does not function as a service mark because it "would be perceived by consumers as merely an abbreviated dialing code." There was no analysis of the facts bearing on the elements set forth in TMEP § 1301.02, no discussion of any factual basis underlying that conclusion, and no explanation as to why the USPTO was deviating from its past practice of allowing registration of mnemonic telephone number marks.<sup>96</sup> After a final refusal to register issued, Pound Law appealed the refusal to the TTAB. Significantly, during the briefing process before the TTAB, the USPTO abandoned its refusal to register based on lack of acquired distinctiveness and genericness<sup>97</sup> and elected to pursue only failure to function on appeal, thus spotlighting on that issue and the factual analysis contemplated under TMEP § 1301.02.

In its appeal to the TTAB, Pound Law, in accordance with TMEP § 1301.02, pointed to evidence in the record demonstrating service mark use of the #LAW mark including (1) display of #LAW in initial or all capital letters, in larger-size print, and a logo form physically separate from the textual material and with different colors for the # and LAW elements, (2) use of the ® symbol with #LAW, and (3) use of the statement "the #LAW logo and name are registered trademarks of Pound Law, LLC" and "#LAW is a registered trademark of Pound Law, LLC."<sup>98</sup>

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<sup>96</sup> See, e.g., Final Office Action, *supra* note 95, at \*10.

<sup>97</sup> The timing of the withdrawal of the genericness refusal (shortly after the Supreme Court's decision in *Booking.com*) suggests that the USPTO concluded this refusal would not stand in light of that decision.

<sup>98</sup> Supplemental Brief of Applicant Pound Law, LLC, at 13-17, Doc. No. 17, *In re Pound Law*, Appeal No. 87724338; Reply Brief of Applicant Pound Law, LLC, at 1, Doc. No. 20, *In re Pound Law*, Appeal No. 87724338. Pound Law's Section 1301.02 factor evidence was arguably far superior to the applicant's in *In re Hi-Tech Pharmaceuticals, Inc.* (see *supra* note 88). There, in concluding that applicant's EXPERIMENTAL AND APPLIED SCIENCES designation would be solely perceived as a trade name the TTAB noted:

While it is true the proposed mark appears in bold and on a separate line, this is not enough to cause the designation to be perceived as more than a mere trade name because the designation appears in the same color, identical or nearly identical font size and style and justification as all of the surrounding lines of the

Pound Law also pointed out the following—which Pound Law asserted was not contested by the USPTO:<sup>99</sup>

- TMEP § 1201.03(1) and the Federal Circuit in *In re Dial-a-Mattress*<sup>100</sup> expressly recognized that mnemonic telephone numbers function as trademarks and are eligible for registration;
- Following a long-standing practice as to the registrability of mnemonic telephone number marks, the USPTO over the past twenty-five years had repeatedly allowed registration of those marks, including abbreviated dialing code marks;<sup>101</sup>
- There was no record evidence of a mnemonic telephone number mark ever being finally refused registration by any court, the TTAB, or the USPTO for failure to function;
- The specimens and other evidence of use submitted by Pound Law during the prosecution of the application of the #LAW mark were wholly consistent with what the USPTO had accepted for the past twenty-five plus years as demonstrating trademark use of a mnemonic telephone number mark;<sup>102</sup> and
- Pound Law’s #LAW mark was the subject of Reg. No. 3,240,031 on the Supplemental Register, which was valid and subsisting (and properly noted in advertising using the ® symbol with the mark).<sup>103</sup>

In affirming the USPTO’s failure-to-function refusal, the TTAB referred to but declined to give any weight to Pound Law’s TMEP § 1301.02 evidence.<sup>104</sup> The TTAB concluded instead that consumers would perceive #LAW only as a means to contact Pound Law (or its licensee) by phone and not as designating the source of the

text. Moreover, the graphic scheme employed by Applicant does not create a separate and distinct commercial impression.

Opposition No. 88/291,540, at 6-7.

<sup>99</sup> Reply Brief of Applicant Pound Law, LLC, at 2.

<sup>100</sup> 240 F.3d 1341 (Fed. Cir. 2001).

<sup>101</sup> See examples cited in Response to Office Action, U.S. Trademark Application Serial No. 87/724,338, at \*8-9, \*18-19 (USPTO May 11, 2020).

<sup>102</sup> See examples cited in Response to Office Action, *supra* note 101, Exhibits 6-7 and Sixth Declaration of Brian Kempner, ¶ 12 and Exhibits 5-6.

<sup>103</sup> Pound Law’s use of the ® symbol in its advertising of the #LAW mark is arguably *alone* sufficient to demonstrate trademark use. The USPTO has itself described the significance of the ® symbol on consumer perception as follows “The ® symbol indicates that you have federally registered your trademark with the United States Patent and Trademark Office. *It puts the public on notice that your mark is registered.*” <https://www.uspto.gov/learning-and-resources/trademark-faqs>, “Where should I place the ® symbol?” (May 14, 2022) (emphasis added).

<sup>104</sup> Serial No. 87724338, 2022 WL 16960106, at \* 7-9 (T.T.A.B. Nov. 9, 2022).

underlying services.<sup>105</sup> This conclusion rested largely on the following evidence and suppositions:

- Use by some third parties of #LAW as a social media hashtag;<sup>106</sup>
- Reasoning based on evidence of use of #LAW as a hashtag that consumers “might” perceive and vocalize #LAW as a hashtag;<sup>107</sup>
- A pronouncement that abbreviated dialing code marks such as #LAW “present a somewhat different situation than traditional alphanumeric telephone numbers” and were less worthy to be considered as trademarks;<sup>108</sup>
- An assumption that even though consumers associated #LAW with Pound Law’s licensee, the Morgan & Morgan law firm, they did so *only* as a means by which prospective clients may contact a Morgan & Morgan lawyer;<sup>109</sup>
- Several of Pound Law’s multimedia specimens of record also encouraged consumers to “call” or “dial” #LAW on a cell phone;<sup>110</sup>

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<sup>105</sup> *Id.* at \*3, \*7-8.

<sup>106</sup> *Id.* at \*11.

<sup>107</sup> *Id.* at \*6. Such inferential reasoning is similar to the steps taken in *Booking.com* to infer how consumers understand a term independent of how it is used. *See supra* notes 34-39 and accompanying text. Particularly on issues such as this where the USPTO bears the burden of proof, current practice risks turning the law on its head and shifting the burden of proof to applicants. Reliance on this inference was even more problematic here, as it was not articulated below by the USPTO. Rather, the TTAB presented the inference for the first time *sua sponte* in its decision.

<sup>108</sup> *Id.* at \*6. The reasoning behind this pronouncement was presumably that the USPTO had not previously considered whether abbreviated dialing code marks such as #LAW were capable of functioning as trademarks. But this pronouncement was directly contrary to the evidence of record. As to #LAW itself, both at the time that the earlier Supplemental Register Registration issued and was renewed, #LAW was found to be a trademark despite the fact it is an abbreviated dialing code. And the issuance and renewal of this registration was hardly an anomaly as the USPTO had also previously issued and renewed registrations on the Principal Register to the owners of other abbreviated dialing code marks, namely #FLY (U.S. Reg. No. 2,554,615) and #TAXI (U.S. Reg. No. 3,137,442) and a Supplemental Register Registration to the owner of the abbreviated dialing code mark #LEY (Supp. Reg. No. 4,064,898). In fact, the USPTO issued a Principal Register Registration to the owner of the abbreviated dialing code mark #WIN (U.S. Reg. No. 6,030,456) based on an application filed *after* the filing date of Pound Law’s #LAW 2(f) application.

<sup>109</sup> By way of example, the TTAB stated “we find that Applicant’s multimedia specimens do not show service mark use because they present #LAW as a mnemonic for the telephone number #529 by which prospective clients may contact a lawyer at the Morgan & Morgan law firm, not as a source indicator for legal or legal referral services. . . . The multimedia ads consistently refer to the source of the legal services being provided as Morgan & Morgan.” 2022 WL16960106, at \*28.

<sup>110</sup> 2022 WL 16960106, at \*8. The USPTO’s suggestion that specimens of use encouraging consumers to “dial” or “call” a mnemonic telephone number (including abbreviated dialing codes) are insufficient to demonstrate trademark use is wholly inconsistent with



- As to Pound Law’s specimens of use and its reliance on the TMEP § 1301.02 factors, an assumption that consumers would choose to disregard these indicia of trademark use completely and focus instead myopically on other allegedly non-trademark use of #LAW in the specimens and other evidence of use submitted by Pound Law in the record; and
- As to the repeated statements in one of Pound Law’s specimens that “the #Law logo and name are registered trademarks,”<sup>111</sup> an assumption that that consumers would not be “substantially influenced” because this language was a “small print statement at the bottom of the page” and “visually minimal.”<sup>112</sup>

Pound Law then appealed the TTAB’s decision to the U.S. District Court for the Middle District of Florida, which allowed the introduction of additional evidence and a *de novo* review of all of the evidence (both the new evidence and the evidence Pound Law had introduced below).<sup>113</sup> Pound Law recognized that its likelihood of success would be greatly enhanced if it could conduct a survey of actual consumer perceptions of the mark. The problem, of course, was the format that would be used for the survey, because of the

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USPTO past practice. The evidence of record demonstrated that the USPTO had routinely accepted specimens encouraging consumers to “dial” or “call” a mnemonic telephone number as evidencing trademark use. In fact, the USPTO had granted registrations to mnemonic telephone number marks that included the word “Dial” as part of the mark. *See, e.g.*, DIAL 1-800 STAY HOME (U.S. Reg. No. 6,129,554), DIAL 1-800 IT’S OVER (U.S. Reg. No. 6,611,790) and DIAL L-A-W-Y-E-R-S (U.S. Reg. No. 2,860,024). There was further no evidence in the record of the USPTO ever finally refusing any such specimen submitted in connection with the registration or maintenance of a mnemonic telephone number mark. Moreover, the USPTO’s criticism of the adequacy of these specimens appears to be based on a newly constructed and faulty premise—that a mnemonic telephone number (including an abbreviated dialing code) is *either* a telephone number *or* a service mark, but not both, and if the owner advertises that the mnemonic telephone number is a telephone number then the telephone number cannot also serve as a source identifier. Of course, if that were the test, no mnemonic telephone number could *ever* serve as a trademark or service mark, as *all* mnemonic telephone numbers are *by definition* telephone numbers first, and their owners must advertise that fact so consumers understand how to use them. Mnemonic telephone numbers are, indeed, a quintessential example of a dual function designation and the TTAB’s refusal to recognize that here, while recognizing dual function in other contexts (*see In re ZeroSix LLC*, and *In re Hi-Tech Pharmaceuticals, Inc.*, *supra* notes 86-89) is, at a minimum, illogical.

<sup>111</sup> Ironically, one of those specimens had been accepted without question by the USPTO months earlier as evidence of trademark use in connection with the renewal of Supplemental Register Registration No. 3,240,031 for the #LAW mark.

<sup>112</sup> 2022 WL 16960106, at \*10. Of course, the TTAB’s focus on the size of this language is directly contrary to *In re Singer*. *See supra* note 84-85.

<sup>113</sup> Under 15 U.S.C. § 1071(b), when the appellant offers new evidence outside the administrative record, the district court undertakes a *de novo* review. *See Kappos v. Hyatt*, 566 U.S. 431, 438 (2012) (“[T]he district court must make its own findings *de novo* and does not act as the ‘reviewing court’ envisioned by the APA.”) (citation omitted); *Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 155-56 (4th Cir. 2014).

absence of any reported court or Board decisions approving a failure-to-function survey format.

In due course in the district court litigation, Pound Law offered the results of a consumer survey in consisting of a modified *Teflon*-type introduction to assess how consumers perceived the claimed mark.<sup>114</sup> Thus, after screening potential respondents based on the demographic profile of the plaintiff's target consumers (or clients), the qualified respondents received a "mini-tutorial" modeled after the widely used *Teflon*-type survey instructions, which provided a definition of what does or does not function as a trademark (similar to the so-called brand v. common name distinction used in *Teflon* surveys).<sup>115</sup> This was followed by a "mini-test" to confirm whether the respondents understood what functions as a trademark.<sup>116</sup> Respondents demonstrating a correct understanding of which elements in a sample third-party advertisement functioned as trademarks were then asked to review various uses of the plaintiff's claimed mark as compared with a control stimulus that did not use the symbol as a mark.

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<sup>114</sup> Respondents were informed that

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.

Respondents were given four examples to illustrate this, including verbal descriptions and visual depictions of exemplary marks and non-marks. Expert Report of Dr. Basil Englis, No. 6:23-cv-00061-RMN (M.D. Fla. July 7, 2023) See also R. Charles Henn Jr., *Survey Methodologies to Overcome "Failure-to-Function Refusals in the U.S. Patent and Trademark Office"* 114 Trademark Rep. 560 (2024), for a more detailed discussion of the design and administration of the #LAW survey. Mr. Henn collaborated with author Jonathan Moskin and Dr. Basil Englis in the design of the survey submitted in connection with the #LAW district court appeal.

<sup>115</sup> Notably, TMEP § 1212.06(d), entitled "Survey Evidence, Market Research and Consumer Reaction Studies," provides that "the Trademark Trial and Appeal Board has given little weight to surveys that do not include an education or pre-testing portion regarding the difference between a generic term and a trademark or such portion is insufficient to educate respondents." Practitioners and experts will likely want to keep this in mind going forward in crafting a survey in the TTAB to assess failure to function. This TMEP section further validated the approach undertaken in constructing the #LAW failure-to-function survey.

<sup>116</sup> To test respondents' understanding whether words or other symbols can function as trademarks, they were then shown a sample third-party advertisement with a variety of textual and graphic elements and asked what, if anything, functions as a trademark(s). Expert Report of Dr. Basil Englis, No. 6:23-cv-00061-RMN (M.D. Fla. July 7, 2023).

For the actual test, respondents viewed three Pound Law advertisements. These stimuli were a still image taken from an actual Pound Law television advertisement, an actual Pound Law Facebook advertisement, and an actual screenshot taken from the poundlaw.com website. The content for these stimuli varied depending on whether they were sorted into the test or control conditions. In the test condition, the three advertisements were shown exactly as they appeared in the marketplace. Because the purpose of a control stimulus is to be as similar to the test stimulus as possible except for the alleged element (or elements) being evaluated, in the control condition the “#” symbol was removed from “#LAW” (and the spacing adjusted so as to leave no unusual gaps in the text), thus allowing a comparison of consumer perceptions as between the entire claimed mark sought to be registered (as a whole), consistent with *Estate of P.D. Beckwith*, and the element “LAW” alone. Otherwise, the test and control stimuli were identical.

The survey then asked respondents open-ended questions to identify what elements in the test and the control stimuli they thought functioned as trademarks.<sup>117</sup> Those respondents who indicated that something in an advertisement functioned as a trademark were then asked whether there was anything else in the advertisement that functioned as a trademark? Among the other key findings were that in the test condition 63.5% of respondents said that #LAW functioned as a mark whereas 16.4% responded that the word “LAW” alone did so. In the control condition, only 2.6% of respondents said “LAW” functioned as a mark. Other possible indicia of origin also consistently reflected respondents’ understanding of the difference between trademark and non-trademark subject matter.

Although there has been little published guidance on proper survey methodologies for testing alleged “failure to function” as a mark, the TTAB provided some insight on the subject in one published decision, *In re The Ride, LLC*:<sup>118</sup>

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

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<sup>117</sup> The key questions presented were: “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. If you have only one answer to give, then please only use the first text box.” Expert Report of Dr. Basil Englis, No. 6:23-cv-00061-RMN (M.D. Fla. July 7, 2023).

<sup>118</sup> Serial No. 86845550, 2020 WL 564792 (T.T.A.B. Feb. 3, 2020).

methodology would have been aided by a mini-course. . . . In this case, Mr. Kaiser did not conduct any sort of mini-test or other evaluation of the participants' ability to recognize an indicator of source, and we cannot determine whether the survey respondents understand or can identify a mark. As a result of this apparent flaw in Mr. Kaiser's methodology, we discount the value of his surveys based upon the lack of proper foundation for their introduction.<sup>119</sup>

Given the extensive case law establishing the propriety and effectiveness of the basic *Teflon* survey design in determining whether claimed marks do or do not function as marks for purposes of assessing genericness, there is no apparent reason why this similar type of survey design should not become acceptable for assessing failure to function in general. Indeed, genericness can fairly be characterized as merely a subset of the broader issue of when consumers do or do not perceive given subject matter as a trademark, and the *Teflon* design usefully isolates the elements of such consumer perception. However, as noted above, one readily apparent difference is that, because the "primary significance" test has been interpreted to require that 50% or more of respondents perceive the symbol as a mark, in our opinion, whether something is "capable of functioning as a mark" appears to have a far lower threshold.<sup>120</sup> Indeed, that threshold may be even lower than assessing secondary meaning, which remains as a separate basis for allowing or refusing protection of marks where failure to function is an issue.

Such a survey design preserves the inherently factual nature of the inquiry. Pound Law's survey expert opined that the trademark significance of #LAW had been established based on two separate rationales. First, the survey results alone (where a majority identified #LAW functions as a trademark) were significant because they established that well over a majority of respondents recognized #LAW as a trademark. Second, when considering the high threshold the USPTO must meet in sustaining a failure-to-function refusal, the percentage difference between the test and control (63.5% less 40% for a net 23.5%) was relevant and constituted far more than inconsequential evidence of trademark use.<sup>121</sup>

Pound Law shared the survey results with the USPTO during the discovery process (along with other expert reports),<sup>122</sup> and

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<sup>119</sup> *Id.* at \*8.

<sup>120</sup> See *supra* notes 74-75 and accompanying text.

<sup>121</sup> As noted above, *supra* note 44, because the modified *Teflon*-type survey of failure to function does not measure causation (unlike likelihood of confusion), there is good reason to conclude that the key issue is consistency, i.e., to demonstrate respondents understand and correctly answer the questions, not to net out a total isolating different causal factors.

<sup>122</sup> Pound Law also secured and shared with the USPTO expert reports from Dr. Ronald Goodstein, a marketing expert, and Leslie Lott, an expert in USPTO practice and

shortly thereafter the USPTO agreed to reverse its prior refusal to register on the ground of failure to function. In the Agreed Order of Dismissal and Remand dismissing the case, the USPTO acknowledged that Pound Law had provided “additional probative evidence on how consumers would perceive uses of #LAW” and, on that basis, the USPTO agreed to “take appropriate steps to approve [the subject application] to publication.”<sup>123</sup> Thus, although the district court did not have the opportunity to weigh in on the #LAW survey, the survey’s methodology and results appears to have persuaded the USPTO. On February 20, 2024, Registration No. 7,307,575 on the Principal Register was issued for the #LAW mark.

### 3. Failure to Function— Where Do We Go from Here?

The success the authors experienced with the #LAW survey offers a glimmer of hope to trademark owners in responding to failure-to-function refusals, but questions on survey design will continue to linger until a court or Board decision issues that vets and formally approves a particular survey format. Based on the experience of the authors, another potential weapon in the arsenal of trademark owners in overcoming such refusals is to pursue, where appropriate, ex parte appeals in district courts and to develop a record establishing the existence of genuine issues as to consumer perception (in particular, where the USPTO’s conclusions as to consumer perception appear to not rely on empirical data).<sup>124</sup> In that regard, some recent courts have not only questioned, but have outright refused reflexively to adopt, the USPTO’s consumer perception analysis.<sup>125</sup> Other commentators have suggested that in light of the Supreme Court’s recent reliance on historical analysis

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procedure. Expert Report of Dr. Ronald Goodstein, No. 6:23-cv-00061-RMN (M.D. Fla. July 7, 2023); Expert Report of Leslie J. Lott, No. 6:23-cv-00061-RMN (M.D. Fla. July 7, 2023).

<sup>123</sup> Agreed Order of Dismissal and Remand, No. 6:23-cv-00061-RMN (M.D. Fla. Sept. 1, 2023).

<sup>124</sup> See Christopher P. Bussert and Jonathan E. Moskin, *Ex Parte Trademark Appeals to District Court—Lessons Learned from the Front Lines*, IP Strategist (October 2024).

<sup>125</sup> See *Snap Inc. v. Vidal*, 2024 U.S.P.Q. 2d 456, \*5, \*12-13 (C.D. Cal. 2024) (in which the court, in denying the USPTO’s motion for summary judgment, ruled that the USPTO’s genericness construct was as “factually undeveloped as it is logically unsound” and rejected the USPTO’s assumption that the key aspect of the smart glasses genus was invariably its glasses component, as opposed to its computer technology). Notably, the court was arguably even more critical of the USPTO’s genericness construct at trial, finding that its entire case was built on its “unproven and legally misguided idea that the eyewear form of smart glasses—but none of its computing capabilities—is the key product attribute against which consumer perception of SPECTACLES should exclusively be measured.” *Snap Inc. v. Vidal*, No. 2:22-cv-00085-SK, slip op. at 17 (C.D. Cal. Sept. 27, 2024).

in *Vidal v. Elster*,<sup>126</sup> more recent judge-made doctrines such as failure-to-function may be more prone to challenge.<sup>127</sup> On the other hand, as shown here, despite these developments, the USPTO continues to limit the extent to which it accepts its burden of proof to demonstrate consumer perception.

Although the authors do not contend that failure to function (any more than genericness) is an inherently suspect ground for refusing registration, they submit that a more coherent factual framework for issuing and responding to such refusals is sorely needed and that the USPTO should not delay providing one. Ideally, this would include adopting a new examination guide for USPTO examining attorneys and/or properly amending the TMEP, which, at a minimum, would more clearly spell out the parties' respective burdens in proving or disproving failure to function and would avoid creating new conflicts with existing law and practice.

In that regard, late last year the USPTO took the unusual step of requesting that the then-recent Federal Circuit opinion in *In re GO & Associates*,<sup>128</sup> a failure-to-function decision originally issued as “non-precedential,” be made “precedential.” In support of its request, the USPTO reasoned:

Reissuing *GO & Associates* as precedential would provide guidance and certainty to future applicants regarding the statutory basis for the failure-to-function refusal and its parameters, as well as the evidence relevant to that analysis. There appears to be some confusion among applicants who believe that a failure-to-function refusal operates as a per se bar to registration based on the informational content of the proposed mark, regardless of whether the proposed mark also functions to identify and distinguish source based on the relevant evidence.<sup>129</sup>

The authors agree with the USPTO that “guidance and certainty to future applicants” is sorely needed “for the failure-to-function refusal and its parameters” but submit that *In re GO & Associates* falls well short of that goal, as it fails to even mention the *Brunetti* prima facie standard, or elaborate on how that standard is met or may be rebutted. Instead, the court's decision rested on a global assessment of the “totality of the evidence” without any reference to

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<sup>126</sup> 602 U.S. 286 (2024), *vacated, appeal reinstated* by No. 2020-2205, 2024 WL 3530200 (Fed. Cir. July 25, 2024).

<sup>127</sup> See Theodore H. Davis, Jr. & Ryan Kurtiak, *Vidal v. Elster: The Supreme Court Affirms the Constitutionality of Section 2(c) of the Lanham Act*, <https://ktslaw.com/en/insights/alert/2024/6/the%20supreme%20court%20affirms%20the%20constitutionality%20of%20section%20c%20of%20the%20lanham%20act> (June 17, 2024).

<sup>128</sup> 90 F.4th 1354 (Fed. Cir. 2024).

<sup>129</sup> Director's Motion to Reissue Opinion as Precedential at 2, *In re GO & Assocs.* (Fed. Cir. Dec. 15, 2023) (No. 22-1961).

or analysis of the relevant TMEP sections discussing failure to function, the parties' materially different evidentiary burdens, how the dual function of designations may affect the analysis or, more globally, accounting for "the realities of the situation as presented by the record."<sup>130</sup> Only when the standard of review has been fully fleshed out and earlier court (i.e., *In re Singer*) and TTAB decisions on failure to function and the relevant TMEP sections have been fully reconciled will trademark owners (as well as USPTO examining attorneys) receive the guidance they deserve in addressing and insuring consistency in resolving failure-to-function issues.

### III. CONCLUSION

Enacting the Lanham Act in 1946, Congress recognized two reasons to protect trademarks: (1) "to protect the public so it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to get"; and (2) "where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats."<sup>131</sup> *Qualitex Co. v. Jacobson Prods. Co.* further noted that "[B]y preventing others from copying a source-identifying mark, [trademark law] reduce[s] the customer's costs of shopping and making purchasing decisions" (by assuring them they can rely on known marks).<sup>132</sup> When Congress confirmed the meaning of the term "generic" in 1984, it explained:

Because of their importance to our nation's commerce, trademarks long have been protected from appropriation and misuse by others, both to protect the consumer from deception and confusion and to insure that producers are rewarded for their investment in the manufacture and marketing of their product.<sup>133</sup>

In *Booking.com*, the Supreme Court also acknowledged that federal trademark protection "supports the free flow of commerce" and "foster[s] competition."<sup>134</sup> Denying protection to marks where the actual evidence demonstrates consumer recognition (such as

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<sup>130</sup> *In re Singer Mfg. Co.*, 255 F.2d 939, 941 (C.C.P.A. 1958).

<sup>131</sup> S. Rep. 1333, at 1 (1946), reprinted in 1946 U.S. Code & Cong. Serv. 1274, 1274.

<sup>132</sup> 514 U.S. 159, 163 (1995) (third alteration in original) (citation omitted). As further explained in *James Burrough, Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 276 (7th Cir. 1976), "[t]he trademark laws exist not to 'protect' trademarks, but . . . to protect the consuming public from confusion, concomitantly protecting the trademark owner's right to a non-confused public."

<sup>133</sup> S. Rep. No. 98-627 at 2, reprinted in 1984 U.S.C.C.A.N. 5718, 5719.

<sup>134</sup> 591 U.S. 549, 552 (alteration in original), quoting *Matal v. Tam*, 582 U.S. 218, 225, (2017) *cert. granted, judgment vacated*, 141 S. Ct. 187 (2020).

BOOKING.COM or #LAW) disserves the public interest and undermines the purposes of the Lanham Act. Inconsistent application of the law likewise frustrates the purposes of the statute. As demonstrated in *Booking.com*, the USPTO had indeed registered large numbers of (mostly unmemorable) “.com” marks while purporting to deny registration to one of the top brands in the travel industry.<sup>135</sup> And, as similarly demonstrated in *In re Pound Law, LLC*, the USPTO had registered large numbers of mnemonic telephone number marks while purporting to deny registration to one of the most heavily advertised and promoted mnemonic telephone number marks in the legal field. These inconsistent approaches have parallels to other categories of marks, as well as failure-to-function refusals. Other documented inconsistencies in the failure-to-function context are noted above.<sup>136</sup>

Denying registration to marks based on uncertain policy grounds developed by the USPTO renders a disservice to trademark owners and the public alike. Laying aside the inability to reconcile such policy decisions with the language of the Lanham Act and the legislative purposes of the statute, it also is wasteful of judicial resources and leads to unfair and inconsistent outcomes. Indeed, particularly when the USPTO shifts the burden of proof to applicants or adopts evidentiary rules to exclude consideration of otherwise relevant information, proceedings are distorted unfairly and multiplied needlessly in number and expense.

Moreover, simply following the law is unlikely to result in the parade of horrors sometimes invoked to justify such policies. Marks that are borderline descriptive or generic receive only limited protection; however, many conceptually weak marks have also become well known or even famous. Some of those cited above (such as COCA-COLA or AMERICAN AIRLINES) have become extraordinarily strong and/or famous marks.<sup>137</sup> The world is no worse for allowing such protections.

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<sup>135</sup> 591 U.S. 549, 558, *cert. granted, judgment vacated*, 141 S. Ct. 187 (2020).

<sup>136</sup> See *supra* note 59.

<sup>137</sup> Examples of marks held suggestive include the following: *Pom Wonderful LLC v. Hubbard*, 775 F.3d 1118 (9th Cir. 2014) (“Pom” for pomegranate juice); *Bose Corp. v. Int’l Jensen, Inc.*, 963 F.2d 1517 (Fed. Cir. 1992) (“Acoustic Research” for loudspeakers); *Citibank, N.A. v. Citibanc Grp., Inc.*, 724 F.2d 1540 (11th Cir. 1984) (“Citibank” for urban bank); *Anheuser Busch, Inc. v. Holt*, 92 U.S.P.Q.2d 1101 (T.T.A.B. 2009) (“Beer 1” for beer); *Brookfield Commc’ns, Inc. v. West Coast Ent. Corp.*, 174 F.3d 1036 (9th Cir. 1999) (“Moviebuff” for movie information database); *Dial-A-Mattress Operating Corp. v. Mattress Madness, Inc.*, 841 F. Supp. 1339 (E.D.N.Y. 1994) (“Dial-A-Mattress” for mattress sales); *Physicians Formula Cosms., Inc. v. West Cabot Cosms., Inc.*, 857 F.2d 80 (2d Cir. 1988) (“Physicians Formula” for skin creams and lotions); *In re Shop-Vac*, 219 U.S.P.Q. (BNA) 470 (T.T.A.B. 1983) (“Wet/Dry Broom” for electric vacuum cleaners); *Glamorene Products Corp. v. Boyle-Midway, Inc.*, 188 U.S.P.Q. 145 (S.D.N.Y. 1975) (“Spray ‘N Vac” for aerosol rug cleaner); *Playboy Enterprises, Inc. v. Chuckleberry Publishing, Inc.*, 486 F. Supp. 414 (S.D.N.Y. 1980) (“Playboy” magazine).



**BOOK REVIEW\***

*By Elisabeth Kasznar Fekete\*\**

**Research Handbook on Design Law.** Henning Hartwig, ed. 2021. Pp. 556. \$339 (hardback); \$65 (eBook). Edward Elgar Publishing Limited, The Lypiatts, 15 Lansdown Road, Cheltenham, Glos GL50 2JA, UK.

Understanding the legal protection, licensing, and enforcement of designs requires a systematic approach to other legal fields, in particular competition law and consumer law, as design became an omnipresent factor in the sale of products in the last several decades. Dynamic and competitive markets require manufacturers' efforts to enhance their products' attraction power, both in physical retail settings and e-commerce. An expanded knowledge of trademarks and copyrights (as well as correlated areas such as marketing and branding) is essential to provide guidance on the scope, rules, and procedures concerning industrial designs, a category of intellectual property rights ("IPRs") defined by the World Intellectual Property Organization ("WIPO") as "the ornamental aspect of an article" that "may consist of three-dimensional features, such as the shape of an article, or two-dimensional features, such as patterns, lines or colors,"<sup>1</sup> protected under patent law as "design patents" in some jurisdictions and under industrial design law as a "registered design" in others.

The editor and authors of *Research Handbook on Design Law* attentively captured much more than legal concepts, analyzing the protection of designs from their origin to their functions, parameters, principles, and limits. Not forgetting to present how case law addresses issues such as authorship and use as well as issues of specific markets, among which the commerce of automobile spare parts has been one of the most discussed, this book addresses designs in a comprehensive way. The book does this mainly from the perspective of European Union ("EU") and United States ("U.S.") laws but also focuses on design-related international treaties.

Obtaining effective protection of designs, which, as mentioned above, can intersect with other forms of intellectual property rights,

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\* This book review should be cited as Elisabeth Kasznar Fekete, *Book Review: Research Handbook on Design Law*, Henning Hartwig, ed., 114 Trademark Rep. 686 (2024).

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<sup>1</sup> *Industrial Designs*, World Intell. Prop. Org., <https://www.wipo.int/en/web/designs> (last visited Sept. 19, 2024).

including trademarks and copyrights, requires a multidisciplinary view of practical and legal measures, including prevention, injunctive relief in trials, equitable defenses, and exceptions.

Henning Hartwig, both the book's editor and one of its authors, is a specialized attorney and a member of the Expert Committee on Design Law of the German Association for the Protection of Intellectual Property. Hartwig has skillfully assembled the input of fifteen contributors from various jurisdictions, including Germany, Hungary, Switzerland, Poland, the United Kingdom, and the United States, with a variety of professional backgrounds. For instance, the experience of two human factors engineers with psychology, ergonomics, and biomechanics adds an even more relevant contribution to the book when they document the neuroscientific aspects of designs.

This treatise has sixteen chapters in five parts. Entitled "*FOUNDATIONS*," Part I of the book starts with Bernard Volken setting the fundamental boundaries of design law in Chapter 1, "*Requirements for design protection: global commonalities*," lecturing on (i) the definition of design—i.e., "*the form of appearance of a product or parts thereof*" and correlate terms;<sup>2</sup> (ii) the players interested in the financial rights associated with designs, including the designer and the holder of the rights; (iii) the international standardization of the form of representation of the design application; (iv) how the priority claim granted by the Paris Convention for the Protection of Industrial Property works for designs; and (v) validity of the applications according to novelty, individual character, and non-obviousness criteria as well as other related concepts such as copyright and patent basics.

Chapter 2, "*Trends in functionality jurisprudence: U.S. and E.U. design law*," provides an ample comparative analysis of the recent case law on functionality, mainly naming the differences between U.S. design patent law and EU design law, clearly explaining the main nuances of both jurisdictions regarding the application of the functionality doctrine—marked by a bifurcated approach in U.S. case law with the conflict of validity against scope functionality, in which the courts' focus shifts from direct inquiries into ornamentality. The chapter is well-illustrated by Jason J. Du Mont and Mark D. Janis with studies of cases such as *Ethicon* and *Sport Dimension v. The Coleman Co.*, discussing an approach delineating mostly the aesthetic aspect of designs, instead of solely their technical function.

In Chapter 3, "*Easier to see than to say: catching the elusive spirit of design in a net of words*," David Musker provides an overview of the challenges faced by judges to successfully compare two distinct designs, considering the difficult task of verbally

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<sup>2</sup> Research Handbook on Design Law 2 (Henning Hartwig ed., 2021).

describing the imagery that composes the designs and the necessity of allaying the existing dichotomy between analyzing the designs at stake in a judicial case by their overall impression and dissecting their essential and unessential features.

Part II, titled “*METHODOLOGICAL PERSPECTIVES*,” opens with Chapter 4, “*Reciprocity in European design law*.” Discussing a series of examples of judicial decisions, the book’s editor, Henning Hartwig, now in an author role, examines the potential conflicts among the various interested parties regarding the rights on a design and explains the relationship between the parameters of prior art, validity, scope of protection, infringement, and degree of freedom of the designer, concluding that “it seems to be well accepted in European design law, but also in other countries overseas, that there is a clear interaction between scope of protection and infringement—the broader the scope, the higher the hurdle for the accused infringer to avoid infringement (and vice versa).”<sup>3</sup> Further, Hartwig addresses the delicate balance of redefining and recreating a design, and the result of this change on the impression of the final consumers and the affected market sectors. To do so, Hartwig delivers an interesting analysis of the automotive market by studying the case of the Mercedes Benz S-CLASS automobile.

Anna Tischner delves into the technical definitions of fundamental concepts of the designers’ and design owners’ rights in Chapter 5, “*Design rights and designer’s rights in the EU*.” Among the principles discussed are personal interest versus ownership of the design, joint designership, design by commission, and transferring and licensing of design rights—with the author concluding that the autonomous character of these concepts poses a challenge to the application of design rights in the EU.

Chapter 6, “*Enablement and indefiniteness in U.S. patents after In re Maatita and Ex parte Kaufman*,” analyzes U.S. case law with a view to explore whether a single two-dimensional view of a design that covers three-dimensional aspects of a design can satisfy the enablement and definiteness requirements, after the decisions of *In re Maatita* and *Ex parte Kaufman*. Both cases involved design patent applications filed before the USPTO for sneaker soles. Margaret Polson shares strategic thoughts with regard to the standards placed by the United States Patent and Trademark Office (“USPTO”) on the drawings that the applicant must submit with its application for a design patent, including an analysis of the drawings’ elements such as two-dimensional views of three-dimensional embodiments of the object, contours, and solid lines versus broken lines, since these elements can result in a broader or narrower claim scope.

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<sup>3</sup> *Id.* at 127.

Part III, “*ESTABLISHING AND ENFORCING PROTECTION*,” relies on broad research to ascertain the boundaries of the protection applicable to designs. Chapter 7 of the book, entitled “*Protection of designs on the basis of use*,” by Estelle Derclaye, approaches the relevant question of unregistered design protection in the EU and U.K. The following chapter, written by Henning Hartwig, explores the concept of the priority claim in the Community Design law system, again drawing comparisons between the EU and the U.S. legal systems.

Chapter 9, “*Enforcing design rights through Europe*,” addresses the “*fairly consistent but far from uniform*” enforcement of designs when infringed in the EU’s Member States.<sup>4</sup> Annette Kur’s chapter covers key questions concerning applicable jurisdiction and substantive law compatible with international design infringement cases.

Part IV, titled “*CRITICAL ISSUES*,” raises three distinct, relevant topics of debate on design law. In Chapter 10, “*Protection of spare parts in design law: a comparative law analysis*,” Annette Kur and Ádám György consider the protection of spare parts, a field where IP law and competition law meet, and compare several jurisdictions and their approaches to the referred problem, which ranges from granting spare parts full and unrestricted protection to granting no protection at all. Tracy-Gene G. Durkin devotes Chapter 11 to “*Design protection for graphical user interfaces*,” by discussing design protection of graphical user interfaces, drawing interesting comparisons between distinct jurisdictions, and analyzing the cases of Samsung’s GALAXY and Apple’s iPHONE interface designs. In Chapter 12, “*‘Mast-Jägermeister’ before the Court of Justice of the EU: what the outcome really means*,” Henning Hartwig analyzes the case *Mast-Jägermeister SE v. European Union Intellectual Property Office (EUIPO)*,<sup>5</sup> in which the Court of Justice of the European Union (the “CJEU”) addressed the issue of the clarity of Mast-Jägermeister’s applications to register beakers as Community Designs.

Part V of the book, “*TRANSNATIONAL AND COMPARATIVE DIMENSIONS*,” starts with Chapter 13, “*International design law policies: present and future*,” by Robert Mirko Stutz. This chapter is particularly useful to readers of any jurisdiction, as it summarizes the global context of international registration under the Hague Agreement, Geneva Act, and Locarno Agreement regimes. This chapter describes the relationship of several countries with these treaties and the changes that the proposal for a Design Law Treaty would represent internationally.

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<sup>4</sup> *Id.* at 291.

<sup>5</sup> Judgment of July 5, 2018, *Mast-Jägermeister SE v. European Union Intellectual Property Office (EUIPO)*, C-217/17 P, ECLI:EU:C:2018:534.

Attorneys and judges dealing with trademarks will find that Chapter 14, “*Three-dimensional trademarks and designs: comparison and conflict*,” written by Alexander von Mühlendahl, provides a valuable comparison of the registrability and scope of protection of trademarks and designs, and how these factors relate to each other, making it possible for the same object to be protected both as a three-dimensional trademark and as a design. Then, the author discusses the conflict possibilities that arise from the referred context—notably the conflict between an earlier design and a later trademark, and vice versa—using cases such as the VESPA motor scooter and CHANEL logo to address the matter.

The following chapter, “*Cross-border copyright protection in Europe*,” by Uma Suthersanen, contextualizes the copyright landscape in the EU, mainly regarding the history of harmonization of this IPR throughout the EU and the evolution of the CJEU’s jurisprudence understanding on the subject. Moreover, the text turns to a pertinent analysis about the CJEU’s approach to the relationship between the functionality of the protected product and society’s understanding of the product itself and what it serves.

In the closing chapter, “*How different is different? Modern neuroscience and its impact on design law*,” Charles Lee Mauro and Christopher Daniel Morley defend the thesis that “the business value of visual design is far more important than was previously assumed.”<sup>6</sup> The authors treat the protection of visual design of products as a matter of science, which leads them to study the human mind and its tendency to make decisions regarding products based on the products’ visual design (neuroaesthetics). This multidisciplinary approach covers neuroscience and legal knowledge to bring about observations concerning how the visual design of products impacts human behavior, how our eyesight perceives and recognizes images, and how branding can impact and take advantage of this factor. Further, this chapter applies the above-mentioned concepts in the design litigation landscape, explaining how intellectual property infringement causes damage to the right holder in the form of the loss of a business opportunity. The authors also discuss how courts calculate the monetary value of such damages.

In summary, there is much to learn on design law from this authoritative 556-page compendium. Policy authorities, Industrial Property offices’ examiners, patent attorneys, trademark attorneys, judges, and any readers interested in the legal portrait of designs and on the interplay of designs with other IPRs will find that the photos, figures, and drawings of designs illustrating several chapters render this encyclopedic handbook even more useful.

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<sup>6</sup> *Id.* at 508.

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