

PRACTICES

Intellectual Property

THERE IS NO SHORT CUT! Generic or Merely Descriptive? CAFC Vacates Genericness Decision on “PRETZEL CRISPS”

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U.S. INTELLECTUAL PROPERTY NEWS

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The Court of Appeals for the Federal Circuit, recently issued a decision in an appeal to determine the fate of the mark, PRETZEL CRISPS^[1]. The holding in this case attempts to shed some light on the standard for determining whether a mark is generic, or merely descriptive. Before discussing the PRETZEL

CRISPS case, however, a little background on U.S. Trademark Law might be helpful.

The United States is known, I believe, to have a stringent examination process. This is because our federal trademark rights are based on common law rights gained by actual use in commerce, which means our laws and trademark examination rules are very different from other jurisdictions. For example, the U.S. requires that all trademark owners (at some point) prove actual use in commerce through the filing of a declaration to that effect, along with an actual specimen demonstrating that use. Applicants must also describe their goods and services with great specificity, for example, instead of, “computer software,” one must say, “computer software for database management in the field of marketing.”

The U.S. is also stricter with regard to descriptive marks than other countries. In general, descriptive marks are not registerable, barring a showing of acquired distinctiveness. However, in order to comply with international laws in accommodating marks which have been granted registration by another country’s trademark office, the US adopted an interesting approach, with the “Supplemental Register.” This is a secondary register to the Principal Register, which allows for the registration of marks that the U.S. Patent & Trademark Office (USPTO) deems descriptive, but could, in time, signify source. The owner of a Supplemental Registration may use the ® symbol with the mark, and the mark does appear in the USPTO database. The Supplemental Register does not, however, confer all of the rights accorded by the Principal Register. For example, there is no presumption of validity, ownership or exclusive rights. In addition, a Supplemental Registration cannot be used to prevent importation of infringing goods, and can never be incontestable. A Supplemental Registration also cannot be converted to a Principal Registration. One can, however, re-apply for the mark claiming acquired distinctiveness, by either a showing by strong evidence or a presumption after five years of continuous and exclusive use. Generic marks are, of course, not capable of being registered at all.

Unfortunately, against all advice, businesses often choose, and wish to register, descriptive or generic marks. Many companies like the idea of having a mark that will immediately convey to consumers the nature of the goods or services. As we know, however, that short-cut results in a mark that is difficult to use exclusively and to build singular source identification, and is also difficult to register and enforce. In the U.S., a highly descriptive mark will often provoke an Office Action from the USPTO “requesting additional information” which typically means the examiner is gearing up for a genericness refusal. Such a refusal is very difficult to overcome, and difficult also to analyze due to seemingly conflicting precedent.

This leads us to the case of present interest, *Princeton Vanguard v. Frito-Lay*, which involved the trademark, PRETZEL CRISPS. In this case, Princeton Vanguard, the owner of “Snack Factory,” a snack food company, held a Supplemental Registration for the mark PRETZEL CRISPS (“PRETZEL” disclaimed). After five years^[2], Princeton Vanguard applied for the mark on the Principal Register, claiming acquired distinctiveness (also disclaiming “PRETZEL”). The USPTO approved the mark for publication, but Frito-Lay filed an opposition, claiming the mark is generic. Frito-Lay also petitioned to cancel Princeton Vanguard’s Supplemental Registration for the mark.

Both parties submitted consumer surveys and expert reports, as well as evidence of use of the words together and apart. The Trademark Trial & Appeal Board (TTAB, referred to here as the “Board”) first found that the mark, “PRETZEL CRISPS” is a “compound mark,” not a phrase. It then analyzed the words individually and found the mark generic. In other words, because “Pretzel” is generic for pretzels, and “Crisps” is generic for crackers, then the mark, “PRETZEL CRISPS” is generic for pretzel crackers.

In reviewing this case, the CAFC first attempted to clarify what it perceived to be a misunderstanding about some of the previous Federal Circuit decisions in genericness cases. The CAFC reminded the parties that the proper standard for determining genericness is the one described in its *Marvin Ginn*^[3] decision. *Marvin Ginn* set forth two questions one should ask when analyzing a mark for genericness: 1) What is the genus of good or services at issue? 2) Is the mark *as a whole* sought to be registered or retained on the register understood by the relevant public primarily to refer to that genus of goods or services? In this case, the CAFC noted the Board had instead relied primarily on language from *In re Gould Paper Corp.*,^[4] which stated that when a compound mark in its entirety has exactly the same meaning as the individual words, and the individual words are generic, then a finding of genericness as to the whole mark is proper. The Board interpreted this case to mean that if it determined that the PRETZEL CRISPS mark is a compound mark, and the words comprising that compound mark are individually generic, then the mark as a whole is generic also.

The CAFC explained that *Gould* was not meant to propose a separate test for compound marks, rather, it was only pertinent to cases where the mark as a whole carried an identical meaning as its separate parts. The CAFC pointed out that the court in *Gould* did not skip the analysis as to the mark as a whole, but instead found that the mark as a whole was deemed identical to its parts in meaning, and thus, a separate analysis would be redundant. The CAFC stated that *Gould* also comported with its other oft-cited precedential holding on this issue, *American Fertility*,^[5] which clearly ruled that *Gould* did not justify a short-cut, but only held that the evidence presented met the burden of proof. The court also noted that its subsequent decisions had reiterated this point. Thus, regardless of whether a mark is a compound mark or a phrase, the two-part test in *Marvin Ginn* governs. The CAFC acknowledged that the Board might find it useful to consider the public’s perception of the individual words in a mark, but it must also examine the evidence in the record regarding whether the words joined together gave the mark additional meaning in the public’s eye.

In *Princeton Vanguard*, the CAFC found no evidence that the Board compared its findings regarding the genericness of the individual words in the mark with the mark as a whole. The record was replete with evidence regarding the public’s perception of the mark, PRETZEL CRISPS, including a consumer survey which favored Princeton Vanguard, and the CAFC concluded that the Board should have considered this evidence in determining the genericness of the mark as a whole. The CAFC held that the Board took a “short-cut” in its analysis and remanded the case for a proper application of the genericness test set forth in *Marvin Ginn*.

In counseling businesses with regard to the distinctiveness of their marks, we should advise them as such:

1. Do not choose a mark comprised of words which are the generic terms for the goods or services represented by the mark. This will make registering, protecting and enforcing the brand extremely difficult, if not impossible.
2. If they insist, or already have such a mark in use, then they should be aware that in the U.S., even getting a Supplemental Registration will involve an expensive process of arguments and proof through evidence regarding the public's perception of their mark as a whole, and if found not to be generic, plentiful evidence of acquired distinctiveness. Such necessary evidence will likely include affidavits from customers, distributors, or others in the relevant industry, publicity or media references, and consumer surveys (which are expensive).

Hopefully, with this information in hand, brand owners will steer away from generic, or even highly descriptive marks. If not, we now have a better idea of the proper analysis.

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[1] Princeton Vanguard, LLC v. Frito-Lay North America, Inc., 114 USPQ2d 1827 (Fed. Cir. 2015) [precedential].

[2] After five years of exclusive and continuous use, the owner of an otherwise descriptive mark may file for registration on the Principal Register, under US Trademark Law Section 2(f), claiming acquired distinctiveness. The five years merely creates a presumption of acquired distinctiveness, which the USPTO or a third party may challenge.

[3] H. Marvin Ginn Corp. v. Int'l Association of Fire Chief, Inc., 782 F.2d 987, 989-990 (Fed. Cir. 1986).

[4] 834 F.2d 1017 (Fed. Cir. 1987) (SCREENWIPE).

[5] In re American Fertility Society, 188 F.3d 1341, 1347 (Fed. Cir. 1999). *American Fertility* involved a phrase: *SOCIETY FOR REPRODUCTIVE MEDICINE*.

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