

**THIS OPINION IS NOT A
PRECEDENT OF THE TTAB**

Hearing:
February 5, 2009

Mailed:
April 8, 2009

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Gratnell's Limited

Serial No. 78450327

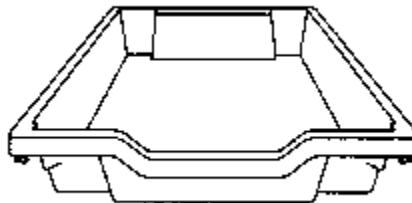
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for Gratnell's Limited.

Nicholas Altree, Trademark Examining Attorney, Law Office
107 (J. Leslie Bishop, Managing Attorney).

Before Zervas, Bergsman and Wellington, Administrative
Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

Gratnell's Limited ("applicant") filed an intent-to-use application to register the design of a tray, shown below, for "trays not of precious metals, namely storage trays, trays of plastic for storage and stackable trays" (hereinafter "trays"), in Class 20.



During the prosecution of the application, applicant filed an amendment to allege use claiming October 1989 as its date of first use anywhere and September 1992 as its date of first use in commerce. The photograph below was submitted when the application was filed and it is a clear representation of applicant's trays.



While there was no formal description of the "mark" sought to be registered,¹ the applicant has asserted,

The distinct presentation of Applicant's trays combines a number of unique characteristics:

- 1) A recess in the top end of the tray, defined by two downwardly and inwardly sloping surfaces and intermediate horizontal surface joining the two downwardly and inwardly sloping surfaces, all with somewhat rounded corners and junctions.
- 2) A prominent lip and the end of the tray following the tray's contours.

¹ If an acceptable statement describing the mark is not in the record, the examining attorney *must* require the applicant to submit a description to clarify what the applicant seeks to register. See 37 C.F.R. §2.52(b)(5); TMEP §808 and 1202.02(d) (5th ed. 2007). The description is printed in the *Official Gazette* and on the registration certificate.

3) A horizontally-extending projection.

4) The outer edges of the projection sloping downwardly and toward each other.²

The Examining Attorney refused registration on the grounds that the subject matter sought to be registered is functional pursuant to Section 2(e)(5) of the Trademark Act of 1946, 15 U.S.C. §1052(e)(5), and that the design sought to be registered has not acquired distinctiveness.

Functionality

The design or trade dress of a product is functional if it is essential to the use or purpose of a product or if it affects the cost or quality of the product. *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 214 USPQ 1, 4 n.10 (1982). In analyzing whether the subject sought to be registered is functional, we determine whether the design of the trays is functional, not whether applicant's trays are functional. Accordingly, we must determine whether the design of the trays is essential to their use or purpose or if it affects the cost or quality of the products (*i.e.*, whether granting trademark protection to the design will hinder competition). *In re Morton-Norwich Products, Inc.*, 213 USPQ at 12-15. In other

² Applicant's Brief, p. 8.

words, the issue is whether the design of the product works better in the shape at issue. *In re R.M. Smith, Inc.*, 734 F.2d 1482, 222 USPQ 1, 3 (Fed. Cir. 1984).

In determining whether the product design is functional, we focus on the overall design of the product. We cannot dissect the design into its individual elements and analyze the utility of each feature separately. *In re Teledyne Industries, Inc.*, 696 F.2d 968, 217 USPQ 9, 11 (Fed. Cir. 1982).

A determination of functionality normally involves consideration of the following factors:

1. The existence of a utility patent that discloses the utilitarian advantages of the design sought to be registered;

2. Advertising by the applicant that touts the utilitarian advantages of the design;

3. Facts pertaining to the availability of alternative designs; and,

4. Facts pertaining to whether the design results from a comparatively simple or inexpensive method of manufacture.

In re Morton-Norwich Products, Inc., 671 F.2d 1332, 213 USPQ 9, 15-16 (CCPA 1982).

A. Utility patent.

The record does not contain any utility patents referencing the utilitarian advantages of the design sought to be registered.³

B. Applicant's advertising.

The examining attorney argues that applicant's advertising touts the utilitarian advantages of the tray design.

Among the utilitarian advantages touted in these promotional materials are (1) that users "can stack them in and on top of one another," (2) that the trays "save space by fitting into one another," (3) that they "are designed to fit directly into standard school furniture," (4) that "the front handle cutout allows the contents to be seen," (5) that "the flat fronts create a safer grip surface," and (6) that "a continuous ribbed edge keeps the tray sides from squeezing in."⁴

Applicant, on the other hand, contends that its advertising is "standard statements of puffery."⁵

The specimen of use submitted with applicant's September 12, 2005 response promotes applicant's trays as the only adjustable storage system for schools.⁶ It states:

Tray Design

³ Applicant stated that it "does not own a utility patent disclosing the utilitarian advantages of the overall design of the tray." (Applicant's Brief, p. 13). See also applicant's September 12, 2005 response.

⁴ Examining Attorney's Brief, pp. 4-5.

⁵ Applicant's Brief, p. 13; Applicant's Reply Brief, pp. 3-6.

⁶ An excerpt from applicant's website at gratnells.com.

The only adjustable storage system for schools

The website also promotes the "special design" of the trays, as shown below, including nesting, stacking, the "Handle Cut Out for semi visual control" and the flange "for maximum tray support on side runners."⁷



Applicant's Carolina website (Carolina.com), shown below, also touts the "front handle cutout" that allows contents to be seen and the flat front that creates a safer grip surface.⁸

⁷ The "Handle Cut Out" is the recess described as one of the distinct features of applicant's design. The flange is the "prominent lip and the end of the tray following the tray's contours" described as another of the distinct features of applicant's design. The "Handle Cut Out" and flange are also described in applicant's online catalog attached to the January 25, 2007 Office Action.

⁸ The flat front is the "horizontally-extending projection" described as one of the distinct features of applicant's design.



Winner of the 1992 World Didac Silver Award for tray design. A continuous ribbed edge keeps the tray sides from squeezing in. The front handle cutout allows the contents to be seen, and the flat fronts create a safer grip surface. The 20% talc filling gives greater rigidity and more fire resistance than nonfilled trays. The trays are nestable for storage purposes; by rotating 180°, trays are stackable to hold specimens. Ribs are incorporated in the base to add rigidity to the bottom of the trays. Five colors (green, blue, yellow, red, and translucent).

These advertisements indicate that the tray design featuring the recess in the front, the flat surface and the flanged edges provide competitive advantages in terms of monitoring content, handling and storage. We are not persuaded by applicant's argument that these claims are mere puffery because they point to specific characteristics of applicant's product.

C. Alternative designs.

The availability of alternative designs is relevant to show that the design sought to be registered will not hinder competition. *In re Morton-Norwich Products, Inc.*, 213 USPQ at 16. In this regard, the Federal Circuit has noted that the mere fact that other designs are available does not necessarily mean that applicant's design is not functional. *In re Bose*, 772 F.2d 866, 227 USPQ 1, 5-6 (Fed. Cir. 1985) ("That another type of [design] would work equally as well does not negate that this [design] was designed *functionally* to enhance or at least not detract from the rest of the system ... If the feature asserted to

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give a product distinctiveness is the best, or at least one, of a few superior designs for its *de facto* purpose, it follows that competition is hindered. *Morton-Norwich* does not rest on total elimination of competition in the goods." (emphasis in original)).

Applicant submitted two examples of alternative designs shown below: Debcor trays and Tot Mate trays.

Debcor All-Purpose Tote Trays

These all-purpose work/storage trays are made of a sturdy, high-impact plastic that is practically unbreakable. They're the perfect storage solution for classrooms and shared studio spaces. Use them also to maintain inventories of art and craft materials.

Trays are lightweight and easy to handle, and they nest when stored empty. Their smooth surface provides for easy cleaning and resists inorganic chemicals. Each tray has an aluminum card holder, perfect for identification.

Note — Sizes may vary by up to 1/16".



[\(enlarge\)](#)



Set of 10 Colored Trays

Your Price: \$56.25

Compare at: \$60.00

You Save: \$3.75 (6%)

#TR516

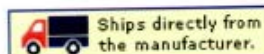
Please Specify - COLOR ▾

IN STOCK

Qty.

Add to Cart

[Add to Favorites](#)



These sturdy trays are great for storage, to keep things organized or to move materials easily from place to place. Pack of 10 Tot Mate" trays, all of one color. Each tray is 5"H x 11"D x 7 1/2"W. Available in Sunshine Yellow, Astro Green, Morning Blue, Tulip Red, Maple, Royal Blue, Celestial Purple and Dandelion Yellow, please specify color when ordering. Ships within 5 working days.

These alternative designs highlight the superiority of applicant's design for monitoring content, handling and storage because of the combination of the recessed front, flanged edges and flat surfaces incorporated into applicant's design. See the discussion regarding applicant's advertising *supra*.

D. Ease or economy of manufacture.

As indicated above, a product feature or design is functional if its affects the cost or quality of the product. Applicant stated for the record that "its features have not evolved as an improvement, simplification, or cheaper method of manufacture as compared with alternative designs."⁹

E. Balancing the factors.

Our analysis of the *Morton-Norwich* factors, in particular, applicant's advertising touting the functional nature of its recessed front, flat surface and flanged edges, and a comparison with the alternative designs, supports a finding of functionality in this case. In other

⁹ Applicant's September 12, 2005 response. Applicant stated that its product "is stronger, with thicker sides and composed of a stronger material than the competitor trays in the market place (sic). Applicant's trays are actually more expensive than the competitors'." However, the additional expense for manufacturing applicant's trays is associated with factors other than the design of the product, and therefore not relevant to our analysis.

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words, we find that applicant's design provides the ability to see content and improves handling and storage.

Acquired Distinctiveness

Our holding that the design sought to be registered is functional bars registration, regardless of any showing of acquired distinctiveness. However, in the event that applicant appeals this decision, and applicant's product design is found not to be functional, we have taken the alternative refusal under Section 2(f) of the Trademark Act of 1946 under advisement.

Because the subject matter sought to be registered is a product design, it is not inherently distinctive, and it is registrable only with a showing of acquired distinctiveness. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 54 USPQ2d 1065, 1067 (2000). An applicant faces a heavy burden in establishing the distinctiveness of a product design. *Yamaha Int'l Corp. v. Hoshino Gakki Co. Ltd.*, 840 F.2d 1572, 1581, 6 USPQ2d 1001, 1008 (Fed. Cir. 1988); *In re Ennco Display Systems Inc.*, 56 USPQ2d 1279, 1284 (TTAB 2000).

The Examining Attorney's position is quite simple: applicant has failed to demonstrate that the product design is recognized as a trademark. He contends that the sales

figures submitted by applicant's counsel fail to evidence any degree of consumer recognition.¹⁰

On the other hand, applicant contends that the design sought to be registered has acquired distinctiveness by virtue of the following facts:

1. Applicant has made substantially exclusive and continuous use of the design since 1992;
2. Applicant's tray is the winner of the 1992 WorldDidac Silver Award for its design;
3. Applicant's wholesale sales "for the last 6 (six) years total \$999,049.00;¹¹
4. Applicant's advertising demonstrates that consumers recognize the design as a trademark; and,
5. The design has been registered in the European Trademark Office.

In this case, we do not find applicant's evidence to be convincing. First, applicant's 17 years of use of the term in question is substantial but not necessarily conclusive or persuasive considering the nature of the subject matter sought to be registered. *In re Ennco*

¹⁰ The Examining Attorney notes that the sales figures were not submitted by applicant through an affidavit or declaration: rather, they merely set forth by counsel. Nevertheless, we will consider the figures.

¹¹ Applicant's November 28, 2006 Response. Applicant's counsel asserted that the retail price would be four times the wholesale price.

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Display Systems Inc., 56 USPQ2d at 1286 (applicant's use of the product designs ranging from seven to 17 years is insufficient to bestow acquired distinctiveness). See also *In re Bongrain International Corp.*, 894 F.2d 1316, 1317 n.4, 13 USPQ2d 1727, 1728 n.4 (Fed. Cir. 1990); *Yamaha Int'l Corp. v. Hoshino Gakki Co. Ltd.*, 6 USPQ2d at 1005.

Some of applicant's advertising states that applicant's tray has won the WorldDidac award for its design. There is no other information in the record regarding the award. We do not know what the award means, what criteria was used to determine the winner, why applicant's tray won the award, or what, if any, significance the award has to consumers. Under these circumstances, the award has little probative value.

Applicant contends that over the last six years its wholesale sales of trays have totaled close to one million dollars (an average of \$166,666 per year) which translates to four million dollars in retail sales (an average of \$666,666 per year). On their face, these figures do not seem to be significant numbers. In addition, we do not have any information regarding how many trays have been

sold or how many different consumers have purchased them.¹² Moreover, with respect to applicant's sales, there is no evidence to show whether this is a large number of sales vis-à-vis the sales of competing trays.

With respect to applicant's advertising, there were numerous advertisements and websites made of record. The advertising features photographs of the trays, and in some instances the advertising describes the design features.¹³ However, because the discussion in the advertisements regarding the design features point out the qualities of applicant's trays (e.g., "Handle Cut Out for semi visual control," "Flange 12mm for maximum tray support on side runners," etc.), consumers are not likely to view the product design as a trademark: rather, they will view the design elements as functional features. Finally, while the product design is featured in every advertisement, there is no evidence that potential purchasers would view the design as anything more than a photograph of the products.

In this regard, we note that applicant argues that it "has intentionally designed its tray to serve as a source-

¹² In its November 28, 2006 Response, applicant provided an excerpt from its January 2006 catalog which listed manufacturers and catalog companies to whom applicant sells.

¹³ See the advertisements in the discussion regarding functionality.

indicator.”¹⁴ Applicant contends that its tray design is distinctive because it “is distinct from any competitor’s product,” and the trays “are specifically designed to be unlike anything produced by competitors.”¹⁵ As indicated above, features of a product’s design can never be inherently distinctive and are registrable only upon a showing of acquired distinctiveness. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 54 USPQ2d at 1069. The Supreme Court noted that product design almost invariably serves purposes other than source identification, and that consumers are aware that even the most unusual product design (such as a cocktail shaker shaped like a penguin) is intended not to identify the source, but to render the product itself more useful or appealing. *Id.* Accordingly, it is not helpful for an applicant to argue that its product design is unique and appealing unless it can demonstrate that the unique and appealing product design is recognized as a trademark.

Finally, applicant asserts that the European Community Trademark Office found that the design of applicant’s tray would be recognized as a trademark and authorized its registration.

¹⁴ Applicant’s Brief, p. 8.

¹⁵ Applicant’s Brief, p. 8.

Bearing in mind the niche market in which appellant is operating and taking account of the restrictions of the list of goods to "*trays of plastic for use in schools*," the Board is satisfied that in a substantial part of the Community as a whole, a significant portion of the relevant consumers are likely to be familiar with the appellant's tray and to associate a tray of that shape and appearance with the appellant.¹⁶

Applicant contends that this decision is relevant to show that applicant's design is unique and functions as a trademark.¹⁷

The decision by the European Community Trademark Office has no probative value in this case. First, applicant did not submit the decision by the European Trademark Office, and therefore there is nothing for us to consider.

Second, each application for registration of a mark must be separately evaluated. Section 20 of the Trademark Act of 1946, 15 U.S.C. §1070, gives this Board the authority and duty to decide an adverse final decision of the Examining Attorney. This duty may not be delegated by adopting the conclusions reached by a foreign tribunal. Suffice it to say that each case must be decided on its own

¹⁶ Applicant's Brief, p. 7; applicant's April 11, 2006 Response, pp. 2-3. Applicant did not submit a copy of the European Community Trademark Office decision from which it quotes.

¹⁷ Applicant's Brief, p. 7.

merits based on the evidence of record, and the issuance of a registration in the European Community Trademark Office cannot control the result in the U.S. Patent and Trademark Office. See *In re Sunmarks Inc.*, 32 USPQ2d 1470, 1472 (TTAB 1994).

Finally, assuming *arguendo* that applicant is asserting that the decision by the Board in the European Community Trademark Office should have the weight of *stare decisis*, applicant's argument still fails. *Stare decisis* is a policy of courts to stand by precedent and not to disturb a settled point. In other words,

. . . when a court has once laid down a principle of law as applicable to a certain set of facts, it will adhere to that principle, and apply it to all future cases, where the facts are substantially the same, regardless of whether the parties and properties are the same.

In re Johanna Farms, 8 USPQ2d 1408, 1410 (TTAB 1988). The decision by the European Community Trademark Office has no precedential effect because that tribunal operates under a different set of laws. Moreover, because applicant did not submit the entire decision by the Board in the European Community Trademark Office, there is no way to determine whether the facts are the same.

In considering the totality of the probative evidence - - applicant's use of the design sought to be registered since 1992, wholesale sales of almost one million dollars over the last six years, and applicant's advertising - - we find that the evidence is insufficient to show that the design of applicant's trays has acquired distinctiveness.

Decision: The refusal to register on the ground that applicant's product design is functional is affirmed. The alternative refusal on the ground that, even if the design is not functional, applicant's evidence is insufficient to demonstrate acquired distinctiveness under Section 2(f) is also affirmed.