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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91119899
Party	Defendant R.W. FERNSTRUM & COMPANY ,
Correspondence Address	SAMUEL D. LITTLEPAGE DICKINSON WRIGHT PLLC 1901 L STREET, N.W., SUITE 800 WASHINGTON, DC 20026
Submission	Applicant's trial brief
Filer's Name	Marc A. Bergsman
Filer's e-mail	MBergsman@dickinsonwright.com
Signature	/Marc A. Bergsman/
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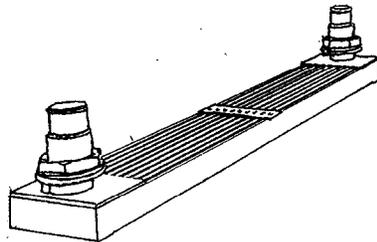
**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

DURAMAX MARINE, LLC,)	
)	
Opposer,)	
)	
v.)	Opposition No. 119,899
)	
R.W. FERNSTRUM & COMPANY,)	
)	
Applicant.)	

APPLICANT'S TRIAL BRIEF

I. SUMMARY OF ARGUMENT

Applicant, R. W. Fernstrum & Company (hereinafter "Fernstrum"), filed a service mark application to register the design shown below for manufacturing marine heat exchangers to the order and specification of others. The mark is a partial representation of but one of many different designs of a Fernstrum keel cooler (hereinafter "GRIDCOOLER logo").¹ It is *not* a three-dimensional representation of the product, it is *not* drawn to scale, and it is *not* used in technical drawings of the product.² Duramax Marine, LLC (hereinafter "Duramax") opposed registration on the ground that the mark sought to be registered is functional and that it has not acquired secondary meaning.



¹ A "keel cooler" is a type of marine heat exchanger.

² S. Fernstrum Dep., p. 9, line 13 to p. 10, line 24 (a technical drawing is a blueprint or a representation used in an installation manual); Duramax's Notice Of Reliance, Tab E, S. Fernstrum Dep., p. 4, line 11 to p. 5, line 24, p. 6, lines 15-24.

Duramax's opposition on the ground of functionality is based on the erroneous premise that Fernstrum is trying to register a product configuration for the marine heat exchanger itself. However, the GRIDCOOLER logo is only used to identify and distinguish **the service** of custom manufacturing heat exchangers. The fact that the mark is used in connection with services, rather than products, means its registration will not prevent any competitors from manufacturing and selling competing products. Duramax has not cited, and Fernstrum has not found, a single case where a two-dimensional mark used in connection with services has been held functional. Registration merely gives Fernstrum the exclusive right to use that particular logo to identify its manufacturing services, not a monopoly on the product configuration itself.

Duramax has also argued that the evidence of secondary meaning submitted by Fernstrum was not sufficient. To supplement its proof of secondary meaning, Fernstrum introduced evidence of its substantially exclusive and continuous use of the GRIDCOOLER logo since 1975 (and in another form since the mid-1950's). That evidence includes use of the mark at industry trade shows, in industry advertising, and during personal sales visits. The effectiveness of the advertising and promotional efforts has been corroborated by Duramax's own witnesses. Moreover, Fernstrum is also the owner of U.S. Trademark Registration No. 2,357,354 for the GRIDCOOLER logo and a globe design for marine heat exchangers. The GRIDCOOLER logo was registered under the Section 2(f) of the Lanham Act. Neither Duramax, nor any other competitor, lodged any objection to the registration of the GRIDCOOLER logo in that registration -- thereby evidencing that the marine industry did not believe that Fernstrum was somehow obtaining a right to which it was not entitled.

Fernstrum contends that Duramax does not have "standing" to prosecute this opposition. In settlement of previous trade dress litigation between the parties, Duramax, through its predecessor-in-interest (a manufacturer of keel coolers), agreed that it would **not** manufacture, promote, or sell a keel cooler with rectangular headers and that all of its advertising would "clearly display the beveled end(s) of the header(s)." Accordingly, Duramax simply has no personal stake in this proceeding. Duramax expressly contracted away its standing by agreeing not to manufacture or advertise a keel cooler with rectangular headers such as those prominently displayed in the GRIDCOOLER logo sought to be registered. In reliance on those promises, Fernstrum agreed that it would not interfere with Duramax's manufacture and sale of keel coolers with beveled headers.

Fernstrum also contends that Duramax is estopped from challenging the registration of Fernstrum's GRIDCOOLER logo. Duramax, through its predecessor-in-interest, intervened in the settlement of the previous trade dress infringement litigation noted above. In the Settlement Agreement, Fernstrum agreed that Duramax could manufacture a keel cooler with a beveled header and that "nothing herein shall preclude Fernstrum from seeking to register" its GRIDCOOLER logo. Relying on its reasonable belief that the Settlement Agreement would allow it to register its GRIDCOOLER logo, Fernstrum then settled the trade dress litigation and filed the application at issue. Duramax is bound by the Settlement Agreement and is equitably estopped from now contesting the registration of the GRIDCOOLER logo.

II. THE RECORD

A. Duramax's Evidence And Testimony

1. Opposer's Notice Of Reliance
 - a. Trademark Registrations:
 1. U.S. Trademark Registration No. 941,382 for the mark GRIDCOOLER for "external cooling system for marine engines and installed upon the hulls of water craft" owned by Fernstrum; and,
 2. U.S. Trademark Registration No. 2,357,254 for a two-dimensional drawing of a GRIDCOOLER and a globe design for "external cooling system for marine engines, namely, heat exchangers" owned by Fernstrum.
2. Fernstrum's Responses To Duramax's Interrogatories.
3. Fernstrum's Responses to Duramax's Request for Admissions.
4. Excerpts from the discovery deposition of Sean Fernstrum, Fernstrum's Vice President of Operations. Fernstrum has filed a Notice of Reliance pursuant to Trademark Rule 2.120(j)(4) for additional excerpts from the Sean Fernstrum discovery deposition.
5. Excerpts from the discovery deposition of Paul Fernstrum, Fernstrum's President and CEO. Fernstrum has filed a Notice of Reliance pursuant to Trademark Rule 2.120(j)(4) for additional excerpts from the Sean Fernstrum discovery deposition.
6. Printed publications and official records:³
 - a. File history of U.S. application Serial No. 75/382,250 (abandoned application for the configuration of the GRIDCOOLER);

³ In its August 10, 2004 Order, the Board granted Fernstrum's motion to strike seven (7) exhibits from Duramax's Notice of Reliance. Those exhibits were pleadings and Orders from previous civil actions were stricken.

- b. U.S. Patent No. 6,575,227;
 - c. U.S. Patent No. 4,338,993;
 - d. U.S. Patent No. 6,099,373; and,
 - e. U.S. Patent No. 5,931,217.
7. Testimony depositions:
- a. Michael W. Brakey;
 - b. Jeffrey Leeson;
 - c. Richard Lockhart;
 - d. George Kyle McHugh;
 - e. Steven Garver;
 - f. David L. Culpepper;
 - g. Todd P. Boudreaux; and,
 - h. Paul Michael Boudreaux.

B. Fernstrum's Evidence And Testimony

- 1. Testimony Deposition of Sean Fernstrum, Fernstrum's Vice President of Operations;
- 2. Fernstrum's Notice of Reliance on Duramax's Answers to Fernstrum's First Set of Requests for Admission pursuant to Trademark Rule 2.120(j)(3)(i);
- 3. Fernstrum's Notice of Reliance on Duramax's Answers To Fernstrum's Fourth Set of Requests for Admission pursuant to Trademark Rule 2.120(j)(3)(i);
- 4. Fernstrum's Notice of Reliance on the prosecution history file of U.S. Registration No. 2,357,354 for a two-dimensional drawing of a GRIDCOOLER and a globe design for "external cooling system for marine engines, namely, heat exchangers" owned by Fernstrum.

C. Fernstrum's Objection

1. Objections To Duramax's Brief.

Fernstrum objects to Sections IV(B) and (C) of Duramax's Trial Brief. Duramax purports to recount the litigation history between the parties; however, Duramax's "history" is not supported by any evidence. Indeed, it is nothing more than mere attorney argument. Moreover, the entire "history/argument" is irrelevant to the issues *sub judice*. The pre-settlement history of the trade dress litigation between Fernstrum and Donovan Marine, Inc. and East Park Radiator & Battery, Inc. and the false advertising action between Fernstrum and Duramax have no tendency to make the existence of any fact that is of consequence to the determination of this action more probable or less probable than it would be without it. FED.R.EVID. 401. The only possible reason that Duramax has tried to introduce the litigation history seems to be a rather transparent attempt to prejudice the Board against Fernstrum.⁴

2. Objections To Michael Brakey's Testimony.

Fernstrum objects to Michael Brakey's testimony regarding the litigations identified *supra*. (Brakey Dep., at p. 131, lines 7-15; p. 134, line 11 to p. 135, line 2; p. 136, lines 5-12; p. 137, lines 13-24; p. 138, line 23 to p. 140, line 2; p. 140, line 11 to p. 141, line 6; p. 148 to 149). The testimony regarding the previous litigations is irrelevant because it has no bearing whatsoever on the facts in this proceeding. Moreover, Mr. Brakey's testimony is hearsay to the extent that Duramax is trying to

⁴ In its August 10, 2004 Order, the Board granted Fernstrum's motion to strike Duramax's Notice of Reliance to the extent that pleadings and Orders from previous cases were not properly authenticated. Nevertheless, Duramax has persisted in presenting such improper and unsubstantiated arguments in its Brief.

prove that Judge Lemmon and Judge Enslin made certain findings of fact in those litigations.⁵

Mr. Brakey's testimony is improper expert testimony. His testimony is an improper "back door" attempt by Duramax to introduce expert testimony. Brakey is an engineer with a self-proclaimed expertise in flow dynamics. Duramax sought to introduce Brakey's expert testimony regarding the functionality of the GRIDCOOLER design. Fernstrum objected to Brakey's expert testimony because he was never previously identified as an expert witness. (Brakey Dep., p. 9, line 7 to p. 10, line 21; p. 16, lines 16-24; p. 17, line 9 to p. 18, line 2; p. 66, line 11 to p. 68, line 9, etc.). Fernstrum renews its objection to Mr. Brakey's testimony as improper expert testimony.

Fernstrum objects to the Brakey Exhibit Nos. 2-5 and 7 and Brakey's testimony thereto on the ground that the Exhibits were not properly authenticated and that such testimony was not based on the witness's first-hand knowledge. (Brakey Dep. p. 7, lines 4-9; p. 8, lines 1-18; p. 48, line 24 to p. 49, line 2; p. 50 line 20 to p. 51, line 1; p. 53, lines 7-23; p. 56, line 8 to p. 57, line 15; p. 57, line 21 to p. 58, line 23; p. 61, lines 11-13; p. 71, lines 20-23; p. 72, line 11-19; p. 73, line 25 to p. 74, line 2; p. 84, lines 1-19; p. 127, lines 2-7). Duramax did not introduce evidence that Brakey had any familiarity with the above-noted exhibits sufficient to corroborate their authenticity. FED.R.EVID. 901. Mr. Brakey was shown the exhibits by counsel for Duramax and merely asked to describe them. Counsel for Duramax failed to lay any foundation

⁵ Exhibit 11 to the Brakey Deposition is the December 5, 2000 Court's Ruling Regarding Motion For Preliminary Injunction in *R.W. Fernstrum & Company v. Duramax Marine, LLC*, 2:00-CV-194 (W.D.Mich. 2000). This Exhibit is not only irrelevant, but it contains improper expert testimony by Mr. Brakey to which Fernstrum timely objected. (Brakey Dep. p. 148-149).

demonstrating that Brakey had first-hand knowledge about the origin or authenticity of the exhibits. FED.R.EVID. 602 ("A witness may not testify to a matter unless evidence is introduced sufficient to support a finding that the witness has personal knowledge of the matter"). Accordingly, Brakey Exhibits Nos. 2-5 and 7 should not be received into evidence and Brakey's testimony regarding those exhibits should be given no consideration by the Board.

III. ISSUES

- A. **Duramax Does Not Have Standing To Prosecute This Opposition**
- B. **Duramax Is Barred By The Doctrine Of Equitable Estoppel From Prosecuting This Opposition**
- C. **The Mark Sought To Be Registered Is Not Functional (*i.e.*, Whether A Two-Dimensional Logo Used In Connection With Services Can Be Functional).**
- D. **The Mark Sought To Be Registered Has Acquired Secondary Meaning.**

IV. FACTUAL BACKGROUND

A. Introduction⁶

⁶ Duramax's "statement of facts" is replete with inaccuracies and must be read with skepticism. The following are representative examples of the problems rife throughout Duramax's "factual" statement:

1. On page 7 of its Brief, Duramax stated the following: "Third parties [*i.e.*, George Kyle McHugh] having no affiliation with either Duramax Marine or Fernstrum have described the drawing in Serial No. 75/701,707 as a realistic depiction of a keel cooler." George Kyle McHugh is hardly a disinterested third party. McHugh has represented Duramax as its manufacturers representative for 16 years. (McHugh Dep., p. 29, lines 5-6);

2. On page 14 of its Brief, Duramax argued that the Sorensen Survey submitted by Fernstrum is defective because the photographs do not accurately represent the mark sought to be registered. In an effort to prove its point, counsel for Duramax showed its witnesses extremely poor quality photocopies of the photographs used by Dr. Sorensen's interviewers and asked the witnesses to identify the subject of

Footnote continued on next page ...

Fernstrum has used its two-dimensional GRIDCOOLER logo in connection with its custom manufacturing of marine heat exchangers since the mid-1970's, as well as in other forms since the mid-1950's. (S. Fernstrum Dep., p. 11, lines 11-13, p. 17, lines 5-8, and p. 18, lines 17-20). Fernstrum has never maintained a large inventory of heat exchangers. It is a "job shop" that builds products to the order and specification of its customers. (S. Fernstrum Dep., p. 8, line 25 to p. 9, line 7).

Marine heat exchangers are cooling systems for engines in a marine environment. They are, in essence, radiators for marine engines. (S. Fernstrum Dep., p. 5, lines 1-8). Marine heat exchangers are purchased by vessel owners and operators, shipyards, naval architects, and marine engineers. (S. Fernstrum Dep., p. 6, lines 19- 21). Naval architects and marine engineers specify the equipment, including marine heat exchangers, that are included in new or refurbished vessels. (S. Fernstrum Dep., p. 7, lines 1-6).

B. How Fernstrum Sells Marine Heat Exchangers

Fernstrum sells marine heat exchangers through: (1) requests for proposals; (2) requests for quotations or "recommendations"; and (3) personal sales visits. (S. Fernstrum Dep., p. 7, lines 7- 10). A request for proposal is a preliminary estimate

Continued from previous page ...

the photocopied photographs. (Leeson Dep., p. 14, line 25 to p. 14, lines 4; P. Boudreaux Dep., Exhibit 8). In the actual survey however, the survey interviewer showed the interviewees photographs of the keel cooler, identified the product, and asked the subjects if they associated the product with one or more than one source; and,

3. On page 4 of its Brief, Duramax cited Paul Fernstrum's testimony as demonstrating that Fernstrum's advertising emphasizes the compactness of its product when, in fact, Mr. Fernstrum's testimony stated that the advantage of his company's product is that it can be recessed in the hull for a flush installation. (P. Fernstrum Dep., p. 61, lines 12 -23).

identifying a particular model and cost for a heat exchanger developed as part of the bidding process for a contract to build or renovate a vessel. (S. Fernstrum Dep. p. 7, line 11 to p. 8, line 2).

A request for a quotation or "recommendation" is the identification of a specific model and fixed cost that will be used in a specific marine environment. (S. Fernstrum Dep., p. 8, lines 3-11). Fernstrum uses its recommendation form shown in Fernstrum Exhibit No. 2 to record the information necessary to prepare quotations or recommendations. Consumers can obtain the recommendation forms from Fernstrum's website, mail, personal sales visits, or at trade shows. (S. Fernstrum Dep., p. 8, lines 3-20 and Exhibit No. 2). The recommendation form features the Fernstrum GRIDCOOLER logo sought to be registered. Subsequently, Fernstrum places its quotation or recommendation on a "Gridcooler Recommendation" sheet shown in Fernstrum Exhibit No. 8 which is sent to the customer. (S. Fernstrum Dep., p. 31, line 20 to p. 32, line 6).

Fernstrum representatives and employees also visit clients for the purpose of discussing Fernstrum products and making sales proposals and recommendations. These visits are made by Sean Fernstrum, Fernstrum's Vice President of Operations, Todd Fernstrum, Fernstrum's Vice President of Manufacturing, Frank Bjorkman, Fernstrum's National Sales Manager, and Dale Gusick, Fernstrums' Export Sales Manager. (S. Fernstrum Dep., p. 4, lines 13-14 and p. 18, line 24 to p. 19, line 14).

C. How Fernstrum Promotes The GRIDCOOLER Logo

Fernstrum promotes its GRIDCOOLER logo in promotional materials and literature distributed through advertising, sales visits, trade shows, direct mail, and its website. (S. Fernstrum Dep., p. 11, lines 11-25). Over the last five years, Fernstrum

has spent on average \$120,000 annually in the United States promoting the Fernstrum GRIDCOOLER logo in connection its manufacturing services. That money is spent on print advertising, trade show booth space, and the internet. (S. Fernstrum Dep., p. 20, line 12 to p. 21, line 1; p. 134, lines 4-15). It does not include expenditures by Fernstrum's manufacturer representatives and distributors advertising Fernstrum's GRIDCOOLER. (S. Fernstrum Dep., p. 21, line 14 to p. 22, line 7 and p. 22, line 24 to p. 23, line 11).⁷

1. Trade Shows Attended By Fernstrum

Fernstrum has presented exhibits and displays at marine trade shows since the mid-1950's. It promotes its GRIDCOOLER logo at such trade shows by distributing promotional and informational materials and literature. (S. Fernstrum Dep. p. 12, lines 8-13, p. 17, lines 5-8). Over the decades, Fernstrum has distributed a wide variety of promotional and informational materials at trade shows which display the two-dimensional GRIDCOOLER logo, including tie pins, bankers pouches, paperweights, informational fliers, installation, maintenance, and trouble shooting manuals, and catalogs. (S. Fernstrum Dep., p. 27, lines 3–18, p. 27, line 19 to p. 28, line 12, p. 28, line 22 to p. 29, line 17, p. 35, lines 2–14, p. 35, line 15 to p. 41, line 5, p. 62, line 14 to p. 63, line 6, p. 63, line 17 to p. 64, line 23; Fernstrum Exhibit Nos. 4, 5, 6, 12, 13, 14, 15, 16, 17, 18, 21, 24, 25). Fernstrum currently attends the following trade shows:

a. **MariTrends**, formerly the Fish Expo, in Seattle, Washington.

MariTrends is a commercial marine industry trade show geared toward the commercial

⁷ Fernstrum's manufacturer representatives and distributors promote Fernstrum's GRIDCOOLER through direct mail, personal sales visits, trade shows, print advertising, and on websites. (S. Fernstrum Dep., p. 22, lines 13-23 and p. 23, lines 17-24).

fishing industry. It has recently expanded to encompass the entire commercial marine industry. Attendees and exhibitors include vessel owners and operators, naval architects and marine engineers, shipyards, manufacturers representatives, marine equipment distributors, and marine equipment manufacturers. There are approximately 3,000 – 5,000 attendees. Fernstrum has been an exhibitor at the MariTrends/Fish Expo since the mid-1970's. (S. Fernstrum Dep., p. 12, line 14 to p. 13, line 17).

b. **International WorkBoat Show** in New Orleans, Louisiana. Attendees and exhibitors at the International WorkBoat Show include vessel owners and operators, naval architects and marine engineers, shipyards, manufacturers representatives, marine equipment distributors, and marine equipment manufacturers. There are approximately 10,000 attendees at the International WorkBoat Show. Fernstrum has been an exhibitor at the International WorkBoat Show since the early 1970's. (S. Fernstrum Dep., p. 13, line 18 to p. 14, line 10).

c. **Society of Naval Architects and Marine Engineers Show** is a part of the annual meeting of the Society of Naval Architects and Marine Engineers. Attendees and exhibitors at this trade show include vessel owners and operators, equipment suppliers, and shipyards. There are approximately 1,500 attendees at this trade show. Fernstrum has been an exhibitor at the Society of Naval Architects and Marine Engineers show since the mid-1980's. (S. Fernstrum Dep. p. 14, lines 11 to p. 15, line 2).

d. **Passenger Vessel Association Show** is a part of the annual meeting of the Passenger Vessel Association. The Passenger Vessel Association is an organization comprising ferryboat owners and operators. Attendees/exhibitors at this show include vessel owners and operators, naval architects and marine engineers, shipyards, and marine equipment suppliers. There are approximately 800 attendees. (S. Fernstrum Dep., p. 15, line 3-22).

e. **International Tug and Salvage Show** is a trade show geared toward the tugboat and marine salvage industries. Attendees/exhibitors include vessel owners and operators, naval architects and marine engineers, shipyards, manufacturers representatives, marine equipment distributors, and marine equipment manufacturers. There are approximately 2,000 attendees at the International Tug and Salvage Show. Fernstrum has exhibited at the International Tug and Salvage Show since the early 1990's. (S. Fernstrum Dep. p. 16, lines 4-25).

Trade show attendees are certain to encounter the Fernstrum GRIDCOOLER Logo:

Q. Is it possible for an attendee at one of these trade shows not to encounter the Gridcooler logo?

A. I -- I think they'd probably be hard pressed; generally, no. They're -- they're going to see -- see it either in the -- in the show directory, if they're looking through it, or -- or at our booth, or -- or at some sort of advertisement at the show.

(S. Fernstrum Dep. p. 17, lines 9-15).

2. Trade Magazines/Journals In Which Fernstrum Advertises

Fernstrum has promoted its GRIDCOOLER logo service mark in advertisements in marine trade journals and magazines since the inception of the logo in the mid-1970's

and in earlier versions since the mid-1950's. (S. Fernstrum Dep., p. 17, line 16 to p. 18, line 20). Fernstrum advertises in the following trade journals:

a. **WorkBoat Magazine** is a commercial marine industry trade journal published monthly. Its subscribers include vessel owners and operators, shipyards, naval architects and marine engineers, and marine equipment suppliers and manufacturers. Fernstrum has advertised in WorkBoat Magazine since the early 1970's. (S. Fernstrum Dep., p. 42, line 13 to p. 43, line 6);

b. **Maritime Reporter** magazine is a monthly, commercial marine industry trade publication sent to vessel owners and operators, naval architects and marine engineers, shipyards, manufacturers representatives and marine equipment distributors. Fernstrum has placed advertisement in the Maritime Reporter since the early 1980's. (S. Fernstrum Dep., p. 45, lines 2-21);

c. **National Fisherman** is a monthly, commercial fishing industry publication. Its subscribers include vessel owners and operators, naval architects and marine engineers, shipyards, marine equipment suppliers, manufacturers representatives and marine equipment manufacturers. Fernstrum has placed advertisements in the National Fisherman since the 1970's. (S. Fernstrum Dep. p. 45, line 22 to p. 46, line 14); and,

d. **Maritime Directory** is an annual directory of commercial marine industry companies, shipyards, vessels, naval architects, marine engineers, marine service providers, and marine equipment suppliers and manufacturers. The Maritime Directory is used by vessel owners and operators, shipyards, naval architects and marine engineers, and marine equipment suppliers and manufacturers. Fernstrum

placed advertisements in the Maritime Directory twice. (S. Fernstrum Dep., p. 43, line 7 to p. 44, line 15).

Fernstrum also advertises in Passenger Vessel News, Marine Log, Seaway Review, Marine Technology, Marine Services Directory, Alaska Fisherman's Journal, and Pacific Fishing Magazine. Each of the preceding publications has a subscription base comprising vessel owners and operators, shipyards, naval architects and marine engineers, and marine equipment suppliers and manufacturers. (S. Fernstrum Dep. p. 46, line 15 to p. 59, line 20; Exhibit No. 19).

3. Personal Sales Visits

Fernstrum promotes its GRIDCOOLER logo service mark during personal sales visits by distributing materials and literature to customers and prospective customers. Fernstrum makes personal sales visits throughout the United States, specifically, wherever there is a commercial marine industry. (S. Fernstrum Dep., p. 19, line 17 to p. 20, line 11). During these in-person sales calls describing its services, Fernstrum points to the logo and explains that the customers should look for the rectangular headers:

Look - - - - to look for this general appearance. A rectangular head means it's a Fernstrum Gridcooler keel cooler. Nobody else uses that rectangular head. And that speaks for the 50 years, plus, of experience and quality and durability and overall know-how and customer service that they get from us and from one else.

(S. Fernstrum Dep., p. 20, lines 1-7).

Fernstrum has distributed thousands of tie pins, bankers pouches, paperweights, informational fliers, installation, maintenance, and trouble shooting manuals, and catalogs displaying its GRIDCOOLER logo at personal sales visits, direct mailings, and

at trade shows. (S. Fernstrum Dep., p. 27, lines 3-18, p. 27, line 19 to p. 28, line 12, p. 28, line 22 to p. 29, line 17, p. 35, lines 2-14, p. 35, line 15 to p. 41, line 5, p. 62, line 14 to p. 63, line 6, p. 63, line 17 to p. 64, line 23; Fernstrum Exhibit Nos. 4, 5, 6, 12, 13, 14, 15, 16, 17, 18, 21, 24, 25).

D. Effectiveness Of Fernstrum's Promotional Efforts

Fernstrum's success and advertising has made the visual image of the GRIDCOOLER a well known symbol in the marine industry. Michael Brakey, Duramax's own witness, admitted that Fernstrum did a good job of displaying the GRIDCOOLER logo in its advertising, that he had seen numerous Fernstrum advertisements featuring the GRIDCOOLER logo, and that the GRIDCOOLER was well known in the marine industry.⁸

Q. This is Exhibit 5/V. If you would identify what you see on this document?

A. Actually it looks to be almost a composite of two documents, each one showing the Fernstrum ten tube keel cooler on it, both in opposite 90 degree turns compared to what was seen in Exhibit 2. . .

* * * *

A. One of these I've seen multiple times. The one to the far left I can't recognize it. Part of it again, is due to the quality of the photocopy. **But on each one they've done an excellent job of displaying the heat exchanger, the keel cooler.**

(Brakey Dep., p. 96, line 5 to p. 97 line 7) (Emphasis added).

⁸ Michael Brakey is the President of Brakey Consulting, Inc. Duramax is one of Brakey's clients. Prior to starting Brakey Consulting, Inc., Brakey was an engineer at Duramax Marine and subsequently at Johnson Rubber, a corporation that is related to Duramax. (M. Brakey Dep., p. 12, line 5 to p. 13, line 7, p. 15, lines 19-23). Also, Brakey was an expert witness on behalf of both East Park Radiator & Battery Shop, Inc. and Donovan Marine, Inc. in litigations against Fernstrum. (M. Brakey Dep., p. 129, line 23 to p. 130, line 20).

Q. I give you 5/Z. Can you identify what's on this exhibit?

A. I have seen a lot of images and brochures and advertising like this, but specifically due to the quality of this, I could see the Fernstrum keel cooler, that is still sharp enough to see.

(Brakey Dep. p. 101, lines 2-8) (Emphasis added).

Q. Exhibit 5/J, can you identify that?

A. Yes. It's a decal from Fernstrum & Company and **it's got their well known keel cooler** plus the globe design in the background.

* * * *

Q. Excuse me, Exhibit 5/K.

A. YES. Again, it's something Fernstrum is well known for, that is the keel cooler, which though its (sic) darkened in (sic) is identical to the trademark with the globe behind it.

(Brakey Dep., p. 79, lines 3-6; lines 13-18) (Emphasis added).

Q. Can you identify what's shown on Exhibit 5/X?

A. This is Workboat, March, April publication, and showing advertisements from Fernstrum. **In it we see again the popular image of the Fernstrum keel cooler**, the one single bracket, in both cases at an angle about 90 degrees reverse of what was seen in trademark Exhibit 2.

(Brakey Dep., p. 99, lines 16-24) (Emphasis added).

Todd Boudreaux and Paul Boudreaux corroborated the fact that the GRIDCOOLER is well known in the marine industry.

Q. And in your experience, the Fernstrum GRIDCOOLER is well known in the marine industry?

A. Oh, yes.

(T. Boudreaux Dep., p. 21, lines 22-25).⁹

Q. In your opinion, is the Fernstrum GRIDCOOLER well known in the marine industry?

A. Well, considering the other guys' coolers have only been out for three years, I would say Fernstrum is most well known in the marine industry.

(P. Boudreaux Dep. P. 33, lines 11-17).¹⁰

The success of Fernstrum has been recognized in the media. Exhibit No. 18 of the Lockhart Deposition, an article in *Passage Maker: The Trawler & Ocean Motorboat Magazine*, states: "R. W. Fernstrum & Company is the leading manufacturer of keel coolers in the U.S."

At one time or another, seventy-five percent (75%) of the relevant marine market has purchased a Fernstrum GRIDCOOLER.

Q. What percentage of the relevant marine market has purchased Gridcoolers?

A. On and off, I'd say 75 percent.

(S. Fernstrum Dep., p. 24, lines 16-18)

At least ninety percent (90%) of the relevant marine market has been exposed to the GRIDCOOLER logo sought to be registered.

Q. As a result of Fernstrum's attendance at trade shows, advertising in trade journals and personal sales visits, what percentage of the relevant marine market has seen the Gridcooler logo?

A. At least 90 percent.

⁹ Todd Boudreaux is the owner and President of East Park Radiator & Battery Shop, Inc. (T. Boudreaux Dep., p. 5, lines 7-11).

¹⁰ Paul Boudreaux is the owner and President of Ashton Marine. (P. Boudreaux Dep. p. 6 lines 1-4).

(S. Fernstrum Dep., p. 24, lines 9 – 13).

E. Prior Registration Of The GRIDCOOLER Logo

Fernstrum is the owner of U.S. Trademark Registration No. 2,357,354 for a mark comprising the Fernstrum GRIDCOOLER logo superimposed over a globe design for "external cooling system for marine engines, namely heat exchangers." The Fernstrum GRIDCOOLER logo was registered under the provisions of Section 2(f) of the Lanham Act. No one, including Duramax, lodged an opposition against the registration of the mark in Registration No. 2,357,354. (Applicant's First Notice of Reliance Under Trademark Rule 2.122(e); S. Fernstrum Dep., p. 72, line 11 to p. 73, line 6).

F. East Park Radiator & Battery Shop, Inc. Recognized Fernstrum's Superior Right To Use The GRIDCOOLER Logo As A Service Mark

East Park Radiator & Battery Shop, Inc. used a drawing of the Fernstrum GRIDCOOLER in its Yellow Pages advertisements. (T. Boudreaux Dep., p. 22, lines 22-4). In October, 1997, Fernstrum sent East Park Radiator & Battery Shop, Inc. a protest letter objecting to among other things that company's use of the Fernstrum GRIDCOOLER Logo. (T. Boudreaux Dep. p. 8, lines 9-22; Exhibit 16). After receiving the protest letter by Fernstrum, East Park Radiator & Battery Shop stopped using the drawing of the Fernstrum GRIDCOOLER.

Q. East Park Radiator stopped using the image of the Fernstrum GRIDCOOLER in 1997?

A. Yes.

Q. And East Park Radiator stopped using the Fernstrum GRIDCOOLER after Fernstrum objected to the use of that image?

A. Right.

(T. Boudreaux Dep. p. 22, lines 9-16).

Sean Fernstrum, Fernstrum's Vice President of Operations is not aware of any other company that has used the mark sought to be registered as either a service mark or a trademark. Mr. Fernstrum also testified that he is unaware of any reason why a competitor would even need to use the drawing of the mark sought to be registered. (S. Fernstrum Dep. p. 26, lines 14-25).

G. Settlement Of Prior Keel Cooler Trade Dress Litigation

In 1998, East Park Radiator & Battery Shop, Inc. filed a declaratory judgment action against Fernstrum in the Eastern District of Louisiana (Civil Action No. 97-3598) seeking a judgment *inter alia* that: (1) the configuration of Fernstrum's keel cooler is functional and not susceptible to trade dress protection; and, (2) the East Park Radiator keel cooler does not infringe the trade dress of the Fernstrum keel cooler. Fernstrum filed a civil action against East Park Radiator & Battery Shop, Inc. in the Eastern District of Louisiana (Civil Action No. 97-3657) alleging *inter alia* that: (1) East Park Radiator's use of GRIDCOOLER infringes the exclusive rights owned by Fernstrum in its federally-registered trademark; and, (2) East Park Radiator's copying of the distinctive appearance of Fernstrum's GRIDCOOLER is likely to cause confusion. (Applicant's First Notice of Reliance Under Trademark Rule 2,120(j), Requests for Admission Nos. 1, 2, 6, 7, 8, 9, and 10; Exhibit A).

Donovan Marine, Inc. filed a civil action against Fernstrum in the Eastern District of Louisiana (Civil Action No. 97-3974) seeking monetary damages for breach of contract for Fernstrum's termination of Donovan Marine's distribution relationship with Fernstrum. Fernstrum filed a counterclaim against Donovan Marine alleging *inter alia* that: (1) Donovan Marine actively assisted a manufacturing competitor of Fernstrum

(later shown to be Duramax) to design, develop, test, and sell a keel cooler replicating Fernstrum's exclusive trade dress; and, (2) the sale of the Duramax keel cooler by Donovan Marine constitutes the unlawful misappropriation of Fernstrum's trade dress and is likely to cause confusion. (Applicant's First Notice of Reliance Under Trademark Rule 2,120(j), Requests for Admission Nos. 1, 2, 6, 7, 8, 9, and 10; Exhibit A).

The three civil actions were consolidated for trial which began on May 3, 1999. During the trial, the parties agreed to settle their differences. Although not a party to the litigation, Duramax, Inc. appeared and intervened in the settlement because it manufactured the infringing keel cooler for Donovan Marine. (Applicant's First Notice of Reliance Under Trademark Rule 2,120(j), Requests for Admission Nos. 1, 2, 6, 7, 8, 9, and 10; Exhibit A; S. Fernstrum Dep., p. 68, line 21 to p. 69, line 24).

The Settlement Agreement and Mutual Release Agreement between Fernstrum and Duramax Inc., Duramax's predecessor-in-interest, (Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)), provided that Duramax would only manufacture, advertise, and promote a keel cooler with beveled headers:

11. As of the expiration of the ninety (90) day period set forth above, **Duramax and East Park agree to modify the design and configuration of their respective one-piece keel coolers so as to incorporate beveled fore and aft header portions** as generally set forth on Exhibit 1 It is further stipulated by the parties that in the event that Fernstrum no longer uses a header configuration consisting of a vertical edge at the aft and fore of the headers on its GRIDCOOLER keel cooler, then at such time Duramax and East Park shall not be required to use the header design modification as illustrated on Exhibit 1 and shall at that time be free to adopt and use the vertical edge header configuration previously utilized on Fernstrum's GRIDCOOLER keel cooler.

* * * *

13. Upon the expiration of the ninety (90) day period set forth above, **all advertising thereafter placed by Duramax and East Park that depicts their respective one-piece keel coolers will clearly display the beveled end(s) of the header(s)** configured in accordance with the provisions of paragraph 11 of this Agreement.

(Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j))(Emphasis added).

In the present Opposition proceeding, Duramax has made the following admissions with respect to the Settlement Agreement:

1. Duramax may neither manufacture nor advertise one-piece keel coolers with rectangular fore and aft headers as shown in the drawing of the mark sought to be registered;¹¹
2. The Fernstrum mark sought to be registered does not depict the design or configuration of the one-piece keel cooler manufactured by Duramax;¹² and,
3. Duramax may advertise and promote its one piece keel coolers featuring beveled headers.¹³

Finally, in the Settlement Agreement and Mutual Release Agreement between Fernstrum and Duramax, Fernstrum agreed that Duramax could use a two-dimensional design of its keel cooler as a trademark and that "nothing herein shall preclude Fernstrum from seeking to register" its GRIDCOOLER logo:

18. Fernstrum stipulates and agrees that in the event Duramax or East Park files a trademark application(s) with the U.S. Patent and Trademark Office, which includes the two-dimensional design of their beveled one-piece keel cooler, Fernstrum will not oppose or

¹¹ Duramax's Responses To Requests For Admission Nos. 30, 31, 39, and 40. (Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)).

¹² Duramax's Responses to Request For Admission No. 37 and 38. (Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)).

¹³ Duramax's Responses To Requests For Admission Nos. 32 and 35.

otherwise contest said application and Fernstrum will not file a petition or other proceeding to cancel any registration issuing from said trademark application.

(Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)).

15. . . . Nothing herein shall preclude Fernstrum from seeking to register, in two dimensional design format, its trademark logo featuring its one-piece keel cooler as part of said design.

(Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)).

Relying, in good faith, or its reasonable belief that the language in paragraph No. 15 would allow it to register its GRIDCOOLER logo in two-dimensional format, Fernstrum then agreed to settle the above-noted trade dress litigation. Had Fernstrum been aware that Duramax would renege on its agreement to permit registration of the GRIDCOOLER logo, Fernstrum would not have agreed to settle the trade dress litigation. (S. Fernstrum Dep., p. 71, line 11 to p. 72, line 6 and p. 73, lines 11-16).

V. ARGUMENT

A. Standing

1. Controlling Authority

Any person who believes that he will be damaged by the registration of a mark may file an opposition. A company's right or standing to prosecute an opposition flows from its *bona fide* belief that it will be damaged by the registration of the mark. The purpose of requiring standing is to prevent litigation where there is no "real" controversy between the parties. In other words, an opposer must have a personal stake in the outcome of the proceeding. See, *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 U.S.P.Q.2d 2021, 2023 (Fed. Cir. 1987); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1029, 213 U.S.P.Q. 185 (CCPA 1982). As

demonstrated below, Duramax did not, and does not, have a personal stake in the outcome of this proceeding.

Standing is an element of the plaintiff's case that must be affirmatively proved. *Lipton Industries, Inc. v. Ralston Purina Co.*, *supra* at 1028. Thus, Duramax is not entitled to a finding that it has standing solely because of the allegations in its Notice of Opposition. *Id.* On the contrary, it must prove both of the following two elements:

1. Duramax has a real interest in the proceeding; and,
2. Duramax has a reasonable basis in its belief that it will be damaged.

Ritchie v. Simpson, 170 F.3d 1092, 50 U.S.P.Q.2d 1023 Fed. Cir. 1999); *Lipton Industries, Inc. v. Ralston Purina Co.*, *supra* at 1026.

To establish its standing to assert an opposition on the ground that a mark is merely descriptive (or functional), "a plaintiff need only show that it is engaged in the manufacture or sale of the same or related goods as those listed in the defendant's involved application and registration **and that the product in question is one which could be produced in the normal expansion of plaintiff's business**; that is, that plaintiff has a real interest in the proceeding because **it is one who has a present or prospective right to use the term descriptively [or functionally] in its business.**" *Binney & Smith, Inc. v. Magic Marker Industries, Inc.*, 222 U.S.P.Q. 1003, 1010 (T.T.A.B. 1984) (Emphasis added). "All that is necessary is that petitioner be in a position to have the right to use the mark in question." 3 McCarthy On Trademarks And Unfair Competition §20:50 (4th ed. 2003); *DeWalt, Inc. v. Magna Power Tool Corp.*, *supra* 129 U.S.P.Q. at 280 (the term must be descriptive and **the opposer must have a "sufficient interest" in using the term descriptively in his business**); *Southwire Company v. Kaiser Aluminum & Chemical Corporation*, 196 U.S.P.Q. 566, 572 (T.T.A.B.

1977) (opposer must be one who has a sufficient interest in making use of the term in its business). This test also logically applies to the question of whether Fernstrum's service mark is functional.

Duramax does not have standing because, as shown below, it simply has no right to use the mark sought to be registered in connection with its own business.

2. Duramax May Not Manufacture Or Promote Keel Coolers With Rectangular Headers

The Settlement Agreement and Mutual Release Agreement between Fernstrum and Duramax Inc., Duramax's predecessor-in-interest, (Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)), provided that Duramax would only manufacture, advertise, and promote a keel cooler with beveled headers (while Fernstrum's mark prominently features a rectangular header):

11. . . . [D]uramax and East Park agree to modify the design and configuration of their respective one-piece keel coolers so as to incorporate beveled fore and aft header portions as generally set forth on Exhibit 1.

* * * *

13. . . . [a]ll advertising thereafter placed by Duramax and East Park that depicts their respective one-piece keel coolers will clearly display the beveled end(s) of the header(s) configured in accordance with the provisions of paragraph 11 of this Agreement.

(Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)).¹⁴

¹⁴ The beveled headers are a significant design feature of the Duramax keel cooler, as evidenced not only by Duramax's advertisements touting the beveled headers, but also by virtue of the fact that Duramax and Fernstrum agreed that the parties could (and would) distinguish their products by manufacturing and advertising different headers. (Applicant's Second Notice of Reliance Under Trademark Rule 2.120(j), Exhibit G; S. Garver Dep., pp. 12-16; G. McHugh Dep., p. 12, line to page 13, line 16; pp. 28-31; P. Boudreaux Dep. pp. 33-35). Moreover, David Culpepper, one of the attorneys
Footnote continued on next page ...

Not only has Duramax admitted that the Settlement Agreement provided that it could not manufacture or advertise one-piece keel coolers with rectangular headers as shown in the Fernstrum GRIDCOOLER¹⁵, but it also admitted that the Agreement authorized Duramax to register its own two-dimensional design of a keel cooler.¹⁶

18. Fernstrum stipulates and agrees that in the event Duramax or East Park files a trademark application(s) with the U.S. Patent and Trademark Office, which includes the two-dimensional design of their beveled one-piece keel cooler, Fernstrum will not oppose or otherwise contest said application and Fernstrum will not file a petition or other proceeding to cancel any registration issuing from said trademark application.

(Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)).

Duramax expressly contracted away its right to manufacture, advertise or use drawings of a keel cooler with rectangular headers (**the only circumstances under which Duramax would have a "real interest" in the outcome of this proceeding**). Moreover, Duramax has not introduced any evidence or testimony demonstrating that it has the present or prospective right to use the mark sought to be registered. By failing to introduce any evidence or testimony on the issue of standing, Duramax has not met

Continued from previous page ...

responsible for negotiating the Agreement, testified that "the beveled header discussion was a very significant part of the give and take between the parties in reaching this deal." (Culpepper Deposition, p. 11, lines 12-15).

¹⁵ Duramax's Responses To Requests For Admission Nos. 30, 31, 32, 35, 37, 38, 39, and 40. (Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)).

¹⁶ Duramax's Responses To Requests For Admission Nos. 32 and 35. (Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)). In this regard, Duramax further admits that the "fair use" defense as enumerated in 15 U.S.C. §1154(b)(4) permits Duramax to display and publish photographs and drawings of its product without being liable for trademark infringement. Duramax's Responses To Requests For Admission Nos. 134 and 135. (Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)).

its own affirmative burden of proof on the issue of standing. Thus, this opposition proceeding can, and should be, dismissed with prejudice on that basis alone.

B. Equitable Estoppel

1. Controlling Authority

A party is estopped from asserting a right by an act causing his opponent to rely on a reasonable belief that the right has been abandoned. *Wells Cargo, Inc. v. Wells Cargo, Inc.*, 606 F.2d 961, 203 U.S.P.Q. 564, 567 (C.C.P.A. 1979) (applicant's withdrawal of its prior application with prejudice caused opposer to accept dismissal of the opposition in the reasonable belief that any right applicant may have had to seek registration had been abandoned); *Roux Laboratories, Inc. v. La Cade Products Company*, 558 F.2d 33, 194 U.S.P.Q. 542, 544 (C.C.P.A. 1977) (opposer's counsel withdrew the cause of action based on likelihood of confusion during the cross-examination of a witness giving rise to an equitable estoppel preventing opposer from subsequently asserting that likelihood of confusion was an issue). A party seeking to apply the doctrine of equitable estoppel must establish the following elements:

1. A representation;
2. Reasonable good faith reliance on that representation; and,
3. Prejudice.

American Hygienic Laboratories, Inc. v. Tiffany & Co., 228 U.S.P.Q. 855, 857 (T.T.A.B. 1986). "With respect to positions taken in litigation, the doctrine has been applied to estop a party from asserting a position which his opponent reasonably and detrimentally relied upon as abandoned during the course of prior litigation." *Id*, citing *Wells Cargo, Inc. v. Wells Cargo, Inc.*, *supra*.

It has been recognized that there is an overriding public policy which encourages settlement of litigation and holds parties -- including Duramax -- to the terms of their agreements. See, *MWS Wire Industries, Inc. v. California Fine Wire Co., Inc.*, 797 F.2d 799, 230 U.S.P.Q. 873, 875 (9th Cir. 1986); *Beer Nuts, Inc. v. King Nut Co.*, 477 F.2d 326, 177 U.S.P.Q. 609, 610-11 (6th Cir. 1973), *cert. denied*, 414 U.S. 858 (1973); *Wells Cargo, Inc. v. Wells Cargo, Inc.*, *supra* at 203 U.S.P.Q. 568; *Danskin, Inc. v. Dan River, Inc.*, 182 U.S.P.Q. 370 (CCPA, 1974); *Marcon Ltd. v. Avon Products, Inc.*, 4 U.S.P.Q.2d 1474 (T.T.A.B. 1987). In the absence of a showing of fraud, undue influence or ambiguity, a settlement agreement is decisive of the rights of the parties and bars relitigation of the claims covered by the agreement. *MWS Wire Industries, Inc. v. California Fine Wire Co., Inc.*, *supra*; *Wells Cargo, Inc. v. Wells Cargo, Inc.*, *supra* ("Common sense and considerations of judicial economy dictate that parties be not only permitted but encouraged to avoid needless litigation."). Indeed, any trademark policy that may preclude equitable defenses to challenges to trademark validity occupies a subsidiary position to the fundamental policy favoring the expedient and orderly settlement of disputes and the fostering of judicial economy. *Cf. Hemstreet v. Spiegel, Inc.*, 851 F.2d 348, 350, 7 U.S.P.Q.2d 1502 (Fed.Cir. 1988) *quoting Ransburg Electro-Coating Corp. v. Spiller and Spiller, Inc.*, 489 F.2d 974, 978 (7th Cir. 1973).

2. Fernstrum Reasonably Relied On Duramax's Representation That Fernstrum Could Register Its GRIDCOOLER Logo

In the Settlement Agreement resolving the previous trade dress and trademark infringement action (Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)), Duramax agreed not to assert any claims or causes of action arising in any way out of the facts and/or claims asserted (or which could have been asserted) by its

licensee/distributor, Donovan Marine, in the litigation. (Opposer's Answers To Applicant's Request for Admission No. 2 and Exhibit A, Applicant's First Notice Of Reliance Under Trademark Rule 2.120(j)). That promise necessarily included any claims that Fernstrum's trademark logo featuring its one-piece keel cooler is functional or descriptive. *T & T Manufacturing Company v. A. T. Cross Company*, 449 F.Supp. 813, 826 (D.R.I. 1978), *aff'd*, 587 F.2d 533 (1st Cir. 1978), *cert. denied*, 441 U.S. 908 (1979) (contracts with respect to the use of trademarks may abrogate a legal defense and constitute an estoppel).¹⁷ Significantly, Fernstrum agreed to withdraw its previously-filed trademark application for the configuration of its one-piece keel cooler, with the reasonable understanding and belief that it would not be precluded by Duramax from registering, in two dimensional design format, its service mark logo featuring the one-piece keel cooler. (S. Fernstrum Dep., p. 71, line 11 to p. 72, line 6).

The effect of the Settlement Agreement was to release the claims raised (or which could have been asserted in any way from the facts asserted in the civil action) against Fernstrum in that litigation (*i.e.*, functionality and descriptiveness). In good faith reliance upon the Settlement and Mutual Release Agreement, Fernstrum abandoned its original application and filed its present application. Accordingly, the language and spirit of the Settlement and Mutual Release Agreement bars all of the claims now raised by Duramax in the present Notice of Opposition.

¹⁷ "Generally, courts uphold the contract principle that a contracting party [Duramax] may not repudiate his promises solely because he later becomes dissatisfied with his bargain." *Beer Nuts, Inc. v. King Company*, 477 F.2d 326, 328 (6th Cir. 1973), *cert. denied*, 411 U.S. 1033 (1973). The Sixth Circuit also held that the public interest in guarding against the protection of descriptive marks does not take precedence over the rule of contracts that a person should be held to his undertakings. *Id.* at 329.

It is also noteworthy that Duramax itself originally entered into the Settlement and Mutual Release Agreement with full and actual knowledge that Fernstrum was actually using its logo as a service mark in connection with the custom manufacture of keel coolers.¹⁸ By virtue of Paragraph No. 15 of that Agreement, Duramax also knew that Fernstrum would be filing a new application for its logo trademark once it abandoned the earlier application for the three-dimensional configuration. A significant part of the Agreement was to finally resolve the trademark and trade dress rights in Fernstrum's trademark logo featuring the one-piece keel cooler, thereby encouraging Fernstrum to rely on the belief that Duramax would not (and could not) challenge its design logo mark. Indeed, if the Agreement were construed otherwise, then Fernstrum received no consideration for the abandonment of its prior application.

One year after executing the Settlement Agreement, Duramax challenged Fernstrum's new application, reneging upon its earlier promise not to raise any claims or causes of action against the Fernstrum mark. It is absurd that Duramax should be allowed to now challenge Fernstrum's application on the very grounds that Duramax previously agreed it would not raise. Because of the public policy encouraging the settlement of litigation and of holding parties to the terms of their agreements (particularly after full and complete performance by one of the parties), the Settlement and Mutual Release Agreement signed by Duramax precludes that party from now

¹⁸ Michael Brakey testified that he was familiar with Fernstrum's advertising "in the past". (M. Brakey Dep. p. 72, line 23 to p. 73, line 13, p. 84, line 22 to p. 86, line 2, p. 86, line 15 to p. 87, line 16, p. 96, lines 19-25, p. 100, lines 8-15, p. 101, lines 13-25); Duramax submitted samples of Fernstrum advertising from the 1980's and early 90's from Duramax's archival records. (Lockhart Dep. p. 8, lines 15-18 and Exhibit Nos. 19-24).

challenging the Fernstrum mark. To hold otherwise would be to render the prior Settlement Agreement a mere sham.

The parties contemplated the filing of the application at issue. Paragraph No. 15 of the Settlement and Mutual Release Agreement provided the following: "Nothing herein shall preclude Fernstrum from seeking to register, in two dimensional format, its trademark logo featuring its one piece-keel cooler as part of said design." However, this very opposition by Duramax **precludes** Fernstrum from seeking its registration.

Duramax asserts that in agreeing to the quoted language in Paragraph No. 15 it never agreed not to oppose the registration of Fernstrum's GRIDCOOLER logo. This argument only demonstrates that while Fernstrum was working to resolve the previous litigation, Duramax was already planning on how to circumvent its own promises. For Duramax to argue that it simply negotiated more favorable terms is anathema to commercial integrity or to implied contractual good faith. The Board should not sanction Duramax' duplicitous conduct by allowing it to now challenge an application it had previously agreed Fernstrum could file. For the Board to permit Duramax to take such conflicting positions would render the prior Settlement Agreement valueless and without meaning to Fernstrum.¹⁹

In signing the Settlement Agreement and Mutual Release Agreement agreeing that Fernstrum could register its service mark logo, Duramax, Inc. induced Fernstrum to enter into that Agreement with the reasonable belief that Duramax would not object to registration of Fernstrum's logo. Duramax is bound by the act of its predecessor and is equitably estopped from contesting the registration of Fernstrum's logo.

¹⁹ Moreover, by condoning such conduct by Duramax, parties could rightly conclude that they would be better off litigating their disputes to conclusion rather than reaching a settlement which later would be found to be ineffective or unenforceable.

C. Functionality

1. Controlling Authority

Duramax has the burden of establishing a *prima facie* case that the two-dimensional service mark logo sought to be registered is functional. Only after Duramax has made a *prima facie* case that Fernstrum's logo is functional does the burden of proof shift to Fernstrum to show that the logo is non-functional. *Textron, Inc. v. U.S. International Trade Commission*, 753 F.2d 1019, 1024 (Fed. Cir. 1085); *Valu Engineering, Inc. v. Rexnord Corporation*, 278 F.3d 1268, 1279 (Fed. Cir. 2002).

[A] discussion of 'functionality' is *always* in reference to the *design* of the thing under consideration (in the sense of its *appearance*) and *not* the thing itself. Thus, the issue before the Board is "the 'utilitarian' *design* of a 'utilitarian' *object*. *In re Morton Norwich Products, Inc.*, 671 F.2d 1332, 1338 (C.C.P.A. 1982). "'Utilitarian means 'superior in function (de facto) or economy of manufacture,' which 'superiority' is determined in light of competitive necessity to copy." *In re Morton Norwich Products, Inc.*, *supra* at 1339 (C.C.P.A. 1982) (Emphasis added).

The functionality doctrine accommodates trademark law to the policies of patent law by preventing trademarks (which promote competition by protecting a firm's reputation) from inhibiting competition by allowing a producer to control a useful product feature. *Qualitex Co. v. Jacobson Products Company*, 514 U.S. 159, 165 (1995). "An important policy underlining the functionality doctrine is the preservation of competition." *Valu Engineering, Inc. v. Rexnord Corporation*, 278 F.3d 1268, 1277 (Fed. Cir. 2002). "[T]he effect upon competition 'is really the crux' of the functionality inquiry, and accordingly, the functionality doctrine preserves competition by ensuring competitors

'the right to compete effectively'" *Id* and *In re Morton-Norwich Products, Inc.*, *supra* at 1339.

In determining functionality, the Board must assess the effect the registration of a mark would have on competition. *Valu Engineering, Inc. v. Rexnord Corporation*, *supra* at 1277. The issue of functionality must be determined on the basis of the goods or services set forth in the application. *Valu Engineering, Inc. v. Rexnord Corporation*, *supra* at 1277-78. "[A] product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *TraFFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 32 (2001), quoting *Qualitex Co. v. Jacobson Products Co.*, *supra* at 165.

"The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature." *Qualitex Co. v. Jacobson Products Co.*, *supra* at 163 (emphasizing that the functionality doctrine prevents trademark law from imposing unacceptable competitive burdens on competitors by making them unable "reasonably to replicate important nonreputation-related product features." at 169). "If a configuration is functional . . . then everyone has the right to use the configuration for its functional purpose, subject only to such exclusive right for a *limited* time as *may* exist under the patent laws." *Best Lock Corp. v. Schlage Lock Co.*, 413 F.2d 1195, 1199, 162 U.S.P.Q.2d 552 (C.C.P.A. 1969).

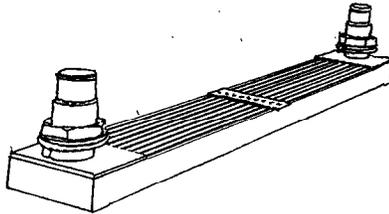
Functional means utilitarian for which there is a competitive necessity to copy. *In re Morton Norwich Products, Inc.*, *supra* at 1339. Thus, the issue may be stated as whether protection against imitation will hinder the competitor in competition. *Id*. The Federal Circuit has made clear that the test for functionality hinges on whether

registration of a particular feature hinders competition and not on whether the feature contributes to the product's commercial success. *Brunswick Corp. v. British Seagull Ltd.*, 35 F.2d 1527, 1531, 32 U.S.P.Q.2d 1120, 1124 (Fed. Cir. 1994). As demonstrated below, a logo used to identify a service is not functional because it does not prevent the copying of product features by competitors.

**2. The Mark Sought To Be Registered Is
A Two-Dimensional Logo, Not A
Product Or Product Feature**

Fernstrum is seeking to register a two-dimensional logo used in connection with a service. Because Fernstrum is not seeking to register a product configuration, the issue before the Board does not involve the exclusive appropriation of "the 'utilitarian' design of a 'utilitarian' object." *In re Morton Norwich Products, Inc.*, *supra* at 1338.

Fernstrum logo is an artistic rendering of a GRIDCOOLER. It is not the design of a workable, or utilitarian, device. The mark sought to be registered is displayed below.



The registration of Fernstrum's GRIDCOOLER logo will not preclude others from depicting a keel cooler in the manner customarily utilized in the trade. For example, the drawing sought to be registered would not be used in a technical drawing such as blueprint or installation manual. (S. Fernstrum Dep., p. 10, lines 3-24). Set forth below are representative technical drawings of keel coolers from the Fernstrum Installation and Application Form 140 (S. Fernstrum Dep. Exhibit No. 15).

FERNSTRUM GRIDCOOLERS are made of the finest, most suitable materials available. They are assembled, thoroughly tested and inspected by skilled craftsmen. Properly installed, the GRIDCOOLER should perform to your complete satisfaction.

LOCATION

To function properly, the GRIDCOOLER must be properly located on your vessel's hull. Please consider the following before locating your GRIDCOOLER:

- A. Sea water must flow over the entire length of the GRIDCOOLER.
- B. The area of the hull where the GRIDCOOLER is installed must not vibrate or flex severely.
- C. Always Install the unit parallel, not transverse, to the skeg or keel. See Figures 1 and 2.

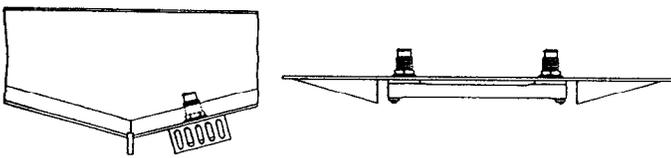


FIGURE 1 External type installation. Use fairing blocks for protection and streamlining.

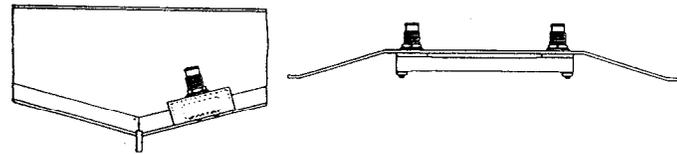


FIGURE 2 Flush type installation.

- D. On towboats, install the GRIDCOOLER as near to the propeller as possible to take advantage of its slip-stream during extreme towing operations. See Figure 3.
- E. When installing a unit on the side of a hull, position it well below the water line to avoid aerated surface water. Aeration reduces heat transfer and can cause overheating. See Figure 4.
- F. When using a two-circuit cooling system, consisting of a high temperature or jacket water cooler and a low temperature or aftercooler circuit, make certain the low temperature or aftercooler circuit is placed forward of the high temperature or jacket water cooler, when applicable. When room allows, they can be installed side by side.

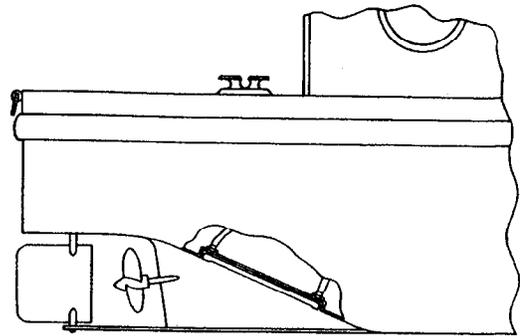


FIGURE 3 Shallow draft steel river work boat. Flush type installation is made by welding in box-shaped recess in underside of hull.

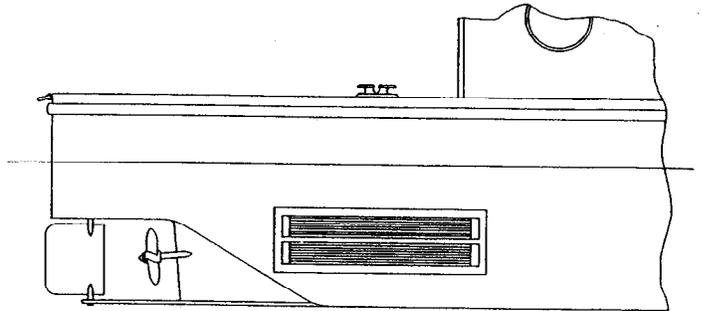


FIGURE 4 Side mounted GRIDCOOLERS well below water line.

- G. If the GRIDCOOLER is boxed in or installed in a recess, make sure that it has a 1½ in. (38 mm) clearance on all sides. If possible, flare the ends of the recess to allow free flow of water over entire cooler. See Figure 5.

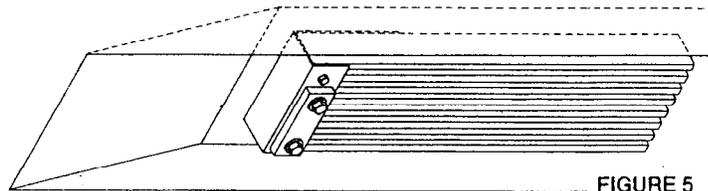


FIGURE 5

- H. If side plates and fairing blocks are used, make sure that the side plates are scalloped out so they will not entrap water. Fairing blocks are most effective when installed on a 4 to 1 slope. See Figure 6.

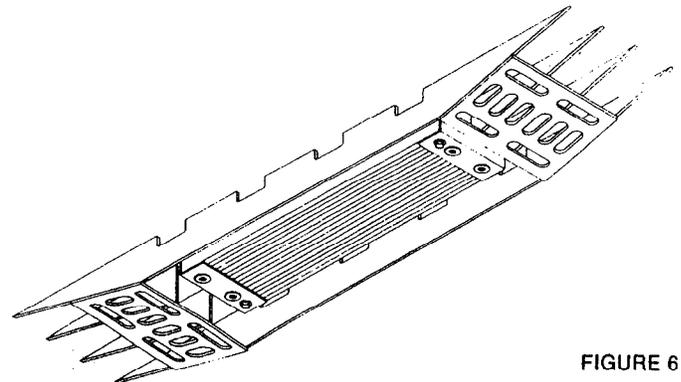


FIGURE 6

3. There Is No Product At Issue

Fernstrum is seeking only to register a two-dimensional drawing of part of its GRIDCOOLER -- a mark used in connection with the manufacturing of marine heat exchangers to the order and specification of others. It is not seeking to register the mark for marine heat exchangers. A product feature is functional if it is essential to the use or purpose of the article. *TraFFix Devices, Inc. v. Marketing Displays, Inc., supra*. The functionality doctrine is not applicable in case *sub judice* because the mark sought to be registered is not used in connection with a "product" (as opposed to a "service"). The registration of Fernstrum's logo will have absolutely no effect on Duramax's ability to manufacture and sell its product.

In this case, Fernstrum has used the logo in question on its advertising literature as well as on other promotional products such as tie tacks, paperweights, bank pouches and the like in the manner of a mark to identify and distinguish its services. (S. Fernstrum Dep., Exhibits 3-29). Fernstrum has used the service mark sought to be registered since the mid-1970's (and in another form since the mid-1950's). (S. Fernstrum Dep., p. 11, lines 11-13, p. 17, lines 5-8, and p. 18, lines 17-20). There is no evidence in the record *sub judice* that Fernstrum's use of the subject mark has inhibited the rights of others in the marine trade from depicting their products. In fact, the record evidences just the opposite -- as Fernstrum's competitors, including Duramax, have displayed their products as they actually appear. (Fernstrum Dep., Exhibit Nos. 30-32; Brakey Dep., Exhibit Nos. 13 and 14; Lockhart Exhibit Nos. 32 and 40; and Applicant's Second Notice of Reliance Under Trademark Rule 2.120(j), Requests for Admission Nos. 95 and 96, Exhibits C and D).

There is no evidence in the record demonstrating that the registration of the mark sought to be registered will hinder any competition in the marketplace.

4. Registration Will Not Prevent Duramax From Making Or Selling A Keel Cooler

The functionality doctrine preserves competition by ensuring competitors "the right to compete effectively." *Valu Engineering, Inc. v. Rexnord Corporation, supra* at 1277; *In re Morton Norwich Products, Inc., supra* at 1339. Fernstrum has been using the mark sought to be registered since 1975. (S. Fernstrum Dep., p. 11, lines 11-13).²⁰ The registration of Fernstrum's logo will have no effect on Duramax's ability to manufacture and sell its products. Paragraph No. 11 of the Settlement and Mutual Release Agreement between Duramax Marine, Inc. and Fernstrum provides that Duramax may sell one-piece keel coolers with beveled headers. Paragraph No. 13 of that Agreement provides that Duramax may display its one-piece keel cooler in its advertising so long as Duramax clearly displays the beveled end(s) of the header(s). Moreover, Duramax itself has introduced no evidence or testimony showing how its competitive position would be hindered if the Fernstrum logo was registered.

Duramax has admitted that the "fair use" doctrine (as enumerated in 15 U.S.C. §1154) will permit it to display and demonstrate its keel cooler and to publish photographs and drawings of its product without be liable for trademark infringement. (Applicant's Second Notice Of Reliance Under Trademark Rule 2.120(j), Duramax's Response to Requests For Admission Nos. 134 and 135).

²⁰ Fernstrum has used the mark sought to be registered in another form since the mid-1950's. (S. Fernstrum Dep., p. 17, lines 5-8 and p. 18, lines 17-20).

In addition to the foregoing, East Park Radiator and Battery Shop manufactures and sells keel coolers in competition with Fernstrum and Duramax. (T. Boudreaux Dep., p. 6, lines 7-11). Likewise, the Walter Machine Company, Inc. also manufactures and sells keel coolers in competition with Fernstrum and Duramax. (S. Garver Dep., p. 6, lines 1-9 and lines 18-24; Applicant's Second Notice Of Reliance Under Trademark Rule 2.120(j) (Duramax's Response to Requests For Admission No. 95 and Exhibit C); Lockhart Dep., p. 28, line 20 to page 29, line 10 (Exhibit No. 32)). Indeed, there are numerous alternative designs for marine heat exchangers. (Applicant's Second Notice of Reliance Under Trademark Rule 2.122(e)).²¹

The record in this case demonstrates that there are at least four different companies actively manufacturing and selling keel coolers: Fernstrum, Duramax, East Park Radiator and Battery Company, and The Walter Machine Company. There is not one scintilla of evidence indicating that the registration of Fernstrum's logo will hinder competition. This is significant because Fernstrum has been using the logo for over twenty-five (25) years. During that time period, both Duramax and East Park Radiator have entered the market.²² Since the use and registration of the Fernstrum logo has not prevented Duramax or others from manufacturing and selling their keel coolers, the

²¹ "Competition" should be broadly defined to include reasonable alternatives for the same purpose." 1 McCarthy On Trademarks And Unfair Competition §7:65 (4th ed. 2003); *Topps Co. v. Gerrit J. Verburg Co.*, 41 U.S.P.Q.2d 1412, 1419 (S.D.N.Y. 1996) (improper to define the competitive market as diamond shaped lollipops [plaintiff's trade dress] rather than the candy industry in general); *Ford Motor Company v. Lloyd Design Corp.*, 184 F.Supp. 2d 665, 676 (E.D. Mich. 2002) (the product category is not floor mats with FORD trademarks on them, but auto floor mats with any indicia on them). In Exhibit No. 32 of the Lockhart Deposition, the Walter Machine Company and Fernstrum keel coolers are advertised on the same page in the *WorkBoat* magazine.

²² T. Boudreaux Dep., p. 6, lines 2-11; Leeson Dep., p. 6, lines 12-17.

registration of the GRIDCOOLER logo cannot logically be viewed as hindering competition.

In view of the foregoing, Duramax has failed to make a *prima facie* case that the Fernstrum logo is functional. Therefore, the opposition on the ground of functionality should be dismissed with prejudice.

D. Secondary Meaning

1. Controlling Authority

Duramax is required to establish a *prima facie* case that the Fernstrum logo sought to be registered has not acquired secondary meaning. Once Duramax has proven a *prima facie* case that the keel cooler logo has not acquired secondary meaning, Fernstrum has the ultimate burden of demonstrating secondary meaning. *Yamaha International Corporation v. Hoshino Gakki Co., Ltd.*, 840 F.2d 1572, 6 U.S.P.Q.2d 1001, 1004 (Fed. Cir 1988). Duramax may meet its burden through evidence or argument. *Id.*

Evidence of secondary meaning may comprise the following:

1. Direct Evidence comprising the following:
 - a. Testimony; and/or
 - b. Survey.
2. Circumstantial Evidence comprising the following:
 - a. Exclusivity, length and manner of use;
 - b. Amount and manner of advertising;
 - c. Amount of sales and number of customers;
 - d. Established place in the market; and,
 - e. Proof of intentional copying.

2 McCarthy On Trademarks And Unfair Competition §15:30 (4th ed. 2004); TMEP §1212.01 (3rd ed. 2003); Restatement Third, Unfair Competition §13, comment e (1995).

2. Fernstrum Has Made Substantially Exclusive And Continuous Use Of The GRIDCOOLER Logo Since 1975

Fernstrum has made substantially exclusive and continuous use of the mark sought to be registered since 1975, as well as in other forms since the mid-1950's. (S. Fernstrum Dep., at p. 11, lines 11-14; p. 18, lines 17-20).²³ During that time, Fernstrum has nationally promoted its logo throughout the marine industry, making sales to approximately seventy-five percent (75%) of the companies involved in that industry. (S. Fernstrum Dep., at p. 24, lines 16-20). Duramax has never used the mark sought to be registered (or a variation thereof) as a trademark or service mark in connection with its keel cooler products. In addition, Duramax has not introduced any evidence or testimony regarding any third party uses of the mark sought to be registered.

3. Fernstrum Has Extensively Promoted The GRIDCOOLER Logo Since 1975

Since 1975, Fernstrum has been promoting the GRIDCOOLER logo in marine trade journals, at marine trade shows, and on personal sales visits. (S. Fernstrum Dep., at p. 11, lines 11-25). Over the last five years, Fernstrum has spent an average of

²³ Sean Fernstrum testified that he monitors the marine market in connection with developments by competitors by reviewing scientific, technical, and trade journals, attending trade shows, and speaking with marine equipment manufacturers and distributors and customers. Mr. Fernstrum was not aware of any other party, including Duramax, that was using the GRIDCOOLER logo or a variation thereof. (S. Fernstrum Dep., p. 25, line 6 to p. 26, line 19).

\$120,000 dollars per year on print and trade show advertising featuring the GRIDCOOLER logo. (S. Fernstrum Dep., at p. 20, line 12 to p. 21, line 1; p. 134, lines 4-15). That sum does not include advertising expenses by Fernstrum's manufacturers representatives and distributors. (S. Fernstrum Dep., at p. 21, line 14 to p. 22, line 7; p. 22, line 24 to p. 23, line 11).

Fernstrum has regularly been an exhibitor at major commercial marine trade shows since the mid-1950's. Those trade shows include MariTrends, International WorkBoat Show, Society of Naval Engineers, Passenger Vessel Association Show, and the International Tug and Salvage Show. At those shows, Fernstrum actively promotes its GRIDCOOLER logo. (S. Fernstrum Dep. p. 12, lines 8-13, p. 17, lines 5-8; p. 27, lines 3-18, p. 27, line 19 to p. 28, line 12, p. 28, line 22 to 29, line 17, p. 35, lines 2-14, p. 35, line 15 to p. 41, line 5, p. 62, line 14 to p. 63, line 6, p. 63, line 17 to p. 64, line 23; Fernstrum Exhibit Nos. 4, 5, 6, 12, 13, 14, 15, 16, 17, 18, 21, 24, 25).

Fernstrum has routinely placed advertisements featuring the GRIDCOOLER Logo in commercial marine trade journals and magazines since the mid-1970's (and in earlier versions since the mid-1950's). (S. Fernstrum Dep., at p. 17, line 16 to p. 18, line 20). The trade journals and magazines include WorkBoat Magazine, Maritime Directory, Maritime Reporter, National Fisherman, Passenger Vessel News, Marine Log, Seaway Review, Marine Technology, Marine Services Directory, Alaska Fisherman's Journal, and Pacific Fishing Magazine. (S. Fernstrum Dep. p. 17, lines 16-23; p. 42, line 13 to p. 59, line 20; Exhibit 19).

Finally, Fernstrum employees make personal sales visits on customers and prospective customers throughout the United States. During those sales trips, Fernstrum distributes literature and promotional gifts featuring the GRIDCOOLER Logo.

(S. Fernstrum Dep., p. 19, line 17 to p. 20, line 11; p. 20, lines 1-7; p. 27, lines 3-18, p. 27, line 19 to p. 28, line 12, p. 28, line 22 to 29, line 17, p. 35, lines 2-14, p. 35, line 15 to p. 41, line 5, p. 62, line 14 to p. 63, line 6, p. 63, line 17 to p. 64, line 23; Fernstrum Exhibit Nos. 4, 5, 6, 12, 13, 14, 15, 16, 17, 18, 21, 24, 25).

Through Fernstrum's advertising, approximately ninety percent (90%) of the people in the relevant marine industry have encountered the Fernstrum GRIDCOOLER service mark logo and approximately, seventy-five percent (75%) of the companies in the relevant marine industry have purchased a Fernstrum GRIDCOOLER. (S. Fernstrum Dep., at p. 24, lines 9-20).

4. The Fernstrum GRIDCOOLER Is Well Known In The Marine Industry

The effectiveness of Fernstrum's promotional efforts in connection with its GRIDCOOLER Logo was corroborated by no less than three of Duramax's witnesses: Michael Brakey; Todd Boudreaux; and Paul Boudreaux. Brakey testified that Fernstrum did a good job of displaying the GRIDCOOLER logo in its advertising, that he had seen numerous Fernstrum advertisements featuring the GRIDCOOLER logo, and that the GRIDCOOLER was well known in the marine industry. (Brakey Dep., at p. 79, lines 1-6 and 13-18; p. 96, line 5 to p. 97, line 7; p. 99, lines 16-24; p. 101, lines 2-8). Todd Boudreaux and Paul Boudreaux both testified that the GRIDCOOLER is well known in the marine industry. (T. Boudreaux Dep., at p. 21, lines 22-25; P. Boudreaux Dep., at p. 33, lines 5-17).²⁴

²⁴ In addition to these comments from competitors, the success of Fernstrum has been recognized by the media. Exhibit No. 18 of the Lockhart Deposition, an article in *Passage Maker: The Trawler & Ocean Motorboat Magazine*, states: "R. W. Fernstrum & Company is the leading manufacturer of keel coolers in the U.S."

5. East Park Radiator Recognized Fernstrum's Superior Rights In the Fernstrum GRIDCOOLER Logo

East Park Radiator and Battery Company used the Fernstrum GRIDCOOLER logo in its Yellow Page advertisements. However, in 1997, after Fernstrum lodged an objection to the use of the GRIDCOOLER logo by East Park Radiator and Battery Company, that company halted all further use of the GRIDCOOLER logo. East Park Radiator and Battery Company has not used the Fernstrum GRIDCOOLER logo since Fernstrum lodged its objection. (T. Boudreaux Dep. p. 6, line 12 to p. 8, line 8; p. 22, line 1 to p. 23, line 6; and Exhibits 13-15). The fact that East Park Radiator and Battery Company copied the Fernstrum GRIDCOOLER logo with the knowledge that the Fernstrum GRIDCOOLER was well known in the trade,²⁵ coupled with the fact that East Park Radiator and Battery Company stopped using the GRIDCOOLER logo as a result of Fernstrum's, is evidence that the GRIDCOOLER logo has acquired secondary meaning. Restatement Third, Unfair Competition §13, comment e (1995) ("Proof that a competing seller has intentionally copied a designation previously used by another is often accepted as evidence of secondary meaning on the theory that the copying was motivated by a desire to benefit from confusion with the prior user."); *Vision Sorts, Inc. v. Melville Corporation*, 888 F.2d 609, 615 (9th Cir. 1989) (proof of copying strongly supports an inference of secondary meaning); *Schwinn Bicycle Company v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1182 n. 13 (7th Cir. 1989) (proof of intentional copying is probative evidence of secondary meaning).

²⁵ T. Boudreaux Dep., at p. 21, lines 22-25.

6. Fernstrum Is The Owner Of A Federal Registration Featuring The Very GRIDCOOLER Logo Sought To Be Registered Herein

Ownership of a prior registration of the same mark may be accepted as *prima facie* evidence of distinctiveness. Trademark Rule 2.41(b). The GRIDCOOLER logo has been previously registered as a part of U.S. Trademark Registration No. 2,357,354. The mark in that registration comprises the GRIDCOOLER logo and a globe design for "external cooling system for marine engines, namely, heat exchangers". The design of the GRIDCOOLER logo was registered under the provisions of Section 2(f) of the Lanham Act. (Applicant's First Notice Of Reliance Under Trademark Rule 2.122(e)). Thus, Fernstrum's GRIDCOOLER logo used in connection with the manufacture of marine heat exchangers to the order and specification of others has become distinctive of those services as evidenced by Fernstrum's ownership of Registration No. 2,357,354 for related goods.

When the GRIDCOOLER logo and globe design in Registration No. 2,357,354 for the GRIDCOOLER logo and globe design was published for opposition, neither Duramax, nor any other third party, filed an opposition against the registration of the mark. The fact that neither Duramax, nor anyone else in the marine industry, filed an opposition is evidence that those in the marine industry did not find that the registration of the GRIDCOOLER logo would bestow a right upon Fernstrum to which it was otherwise not entitled. *Cf. In re The Laitram Corporation*, 194 U.S.P.Q. 206, 209 (T.T.A.B. 1977).

VI. CONCLUSION

Fernstrum cannot help but be both confused and frustrated by this opposition since Duramax cannot possibly be damaged by the mark sought to be registered. The GRIDCOOLER logo is a stylized drawing of part of a keel cooler prominently featuring a rectangular header. Duramax can neither manufacture nor advertise a keel cooler with a rectangular header. In fact, Duramax has repeatedly admitted that its own beveled headers are important design features of its product, that the Fernstrum mark does not depict the Duramax product, and that Fernstrum has agreed that Duramax may advertise and promote its own keel coolers featuring these beveled headers. Accordingly, this opposition should be dismissed because Duramax cannot possibly be damaged by the registration of the GRIDCOOLER logo and, therefore, it does not have standing.

Adding to the confused nature of this opposition is Duramax's own functionality argument. Duramax argued, in essence, that the GRIDCOOLER logo should not be registered because it is a "picture of a functional product having only functional features". That argument completely ignores that the critical fact that the GRIDCOOLER logo is being used to identify a service, not the product displayed in the drawing of the mark. Indeed, Duramax never even addressed the issue of whether a two-dimensional logo used to identify a service can be functional (*i.e.*, whether the registration of the GRIDCOOLER logo for custom manufacturing marine heat exchangers will prevent others from manufacturing those products). Since Duramax presented no evidence regarding the effect on competition by the registration of Fernstrum's service mark, the opposition must be dismissed.

With respect to the issue of secondary meaning, Duramax has certainly *not* met its burden of producing sufficient evidence or argument whereby the Board could conclude that Fernstrum did not demonstrate that the GRIDCOOLER logo had acquired distinctiveness or secondary meaning. However, since Fernstrum has the ultimate burden of proving secondary meaning, it supplemented the evidence in the application at issue with extensive evidence of its advertising and promotion of the GRIDCOOLER logo. Duramax never addressed Fernstrum's evidence, a tacit admission that the GRIDCOOLER logo is indeed well-known in the marine industry.

Finally, the parties clearly contemplated Fernstrum filing the application at issue. Duramax's agreement that Fernstrum could seek registration of the GRIDCOOLER logo caused Fernstrum to settle the trade dress litigation and file this application in reasonable belief that the parties had settled their dispute. Duramax, as the successor of Duramax, Inc., is bound by that action and is equitably estopped from opposing the application of the GRIDCOOLER logo. Nevertheless, Duramax has opposed the application, thereby reneging on its obligations under the Settlement Agreement. The Board should not sanction Duramax' duplicitous conduct by allowing it to challenge an application it had specifically agreed Fernstrum could file.

There is "an overriding public interest in settling and quieting litigation." [citations omitted]. Promotion of this policy requires judicial enforcement of settlement agreements. . . . Accordingly, the courts of California regard a settlement agreement as tantamount to a judgment.

MWS Wire Industries, Inc. v. California Fine Wire, supra at 802.

In view of the foregoing, Fernstrum respectfully requests that the opposition be dismissed with prejudice and the application approved for registration.

R. W. FERNSTRUM & COMPANY

Date: December 10, 2004



Samuel D. Littlepage, Esquire

Marc A. Bergsman, Esquire

Nicole M. Meyer, Esquire

Dickinson Wright PLLC

1901 "L" Street, N.W., Suite 800

Washington, D.C. 20036-3506

Tel: (202) 659 – 6944

Fax: (202) 659 – 1559

Email: MBergsman@dickinsonwright.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 13th day of December, 2004, a true and correct copy of the foregoing **APPLICANT'S TRIAL BRIEF** was served via certified U.S. mail, return receipt requested, on:

D. Peter Hochberg, Esquire
D. Peter Hochberg Co., L.P.A.
The Baker Building
Sixth Floor
1940 East Sixth Street
Cleveland, Ohio 44114

