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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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| Proceeding | 85868023 |
| Applicant | William Grant & Sons Irish Brands Limited |
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

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| In the Matter of Trademark Application | | : | | |
| Serial Nos.: | 85868023 | : | Int'l. Class 33 | |
| Applicant: | William Grant & Sons Irish Brands Limited | : | | |
| | | : | Ex. Atty: | Frank J. Lattuca |
| Filed: | April 3, 2007 | : | | Law Office 109 |
| Mark: | (design) | : | | |

United States Patent and Trademark Office
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## APPLICANT'S APPEAL BRIEF

Applicant, William Grant & Sons Irish Brands Limited ("William Grant"), appeals from the Examining Attorney's final rejection of Application No. 85868023 for a three-dimensional mark on the Principal Register and asks the Board to reverse the Examining Attorney's actions.

## BACKGROUND

For more than fifteen years William Grant has sold its well-received HENDRICK'S gin in its unique and distinctive "apothecary" packaging. Combining the look of an old-fashion apothecary bottle with upper and lower "rings" and a large, diamond-shaped label, the

HENDRICK'S packaging has drawn rave reviews from commentators, consumers, and critics, including twice being recognized as one of the best gin packaging designs in the spirits industry:

"Quaker City … came up with the concept for Hendrick's, which was introduced in 1999, and **developed the distinctive packaging** — the bottle looks as if it came from an apothecary shop, circa 1900, on The Strand in London"
http://www.nytimes.com/2010/06/21/business/media/21adnewsletter1.html?_r=0

"Hendrick's specializes in being different **with a distinctive toffee-brown bottle that is reminiscent of an old-fashioned apothecary's bottle**, a clever reference to gin's medicinal origins."
http://www.gintime.com/brands/hendricks-gin/

"**Lovely bottle design**."
http://www.sublime.ag/things/?tag=cuisine

"**[V]ery distinctive and easy to spot-stark contrast to other gin bottles**- make it easy to find on a store of bar shelf."
http://www.spiritsreview.com/reviews-gin-hendricks.html

"**The Hendrick's bottle is quite simply beautiful**."
https://secretginclub.wordpress.com/2012/11/12/hendricks-gin-review/

"The marketing experts at William Grant & Sons started with **brilliant packaging** for Hendrick's Gin. The antique bottle looks like it contains patent medicines from the old days."
http://wiredgin.com/reviews/hendricks-gin-review/

"**It even looks cooler than other gins**."
http://www.boston-barhopper.com/2013/01/04/hendricks-gin-the-delightfully-peculiar-cocktail-academy/

"This unusual gin, so complexly tasty and so delightfully unusual, is contained in **an equally unique apothecary bottle** - like those used by pharmacists in the past in order to protect the delicate healing powers of the liquid held within."
http://www.bottlehampton.com/sku185089.html

"And, in the case of Hendrick's, **the bottle looks super cool** .... Hendrick's has, and always has had, an old school, apothecary style bottle. It's dark and interesting and **like nothing else out there**."
http://cocktailhacker.com/?p=2084

"Hendricks' Gin from Scotland, in its **distinctive squat black bottle with the white diamond label**"
http://www.examiner.com/article/three-gins-cascade-mountain-oregon-gin-hendrick-s-and-bols-genever

"Hendrick's is marketed in **a distinctive black bottle that calls to mind apothecaries of the Victorian era**—a time of croquet and cucumber sandwiches in the rose garden, all characteristics that Hendrick's savvy marketers have used to good effect."
http://drinks.seriouseats.com/2008/07/hendricks-gin-cocktail-new-generation.html

"**The first thing we noticed** was that the bottle is squat and brown and distinctive"
http://www.liquorsnob.com/archives/2006/01/hendricks_gin_review_wake_up_and_smell_the_roses.php

"When the grocery store didn't have my usual [gin], I was drawn to **the unique shape** of the Hendrick's bottle"
http://www.liquorsnob.com/archives/2006/01/hendricks_gin_review_wake_up_and_smell_the_roses.php (user comment)

"Hendrick's Gin (88 proof) is one of the most interesting spirits we've seen in some time. **The packaging is superb**."
http://www.alcoholreviews.com/SPIRITS/gins-0901.shtml

"Hendrick's Gin in its **signature apothecaries bottle."**
http://www.adliterate.com/2007/01/the-brand-catwalk-hendricks/ (caption)

"[W]hat's so special about Hendrick's if not solely the taste? The answer here is *branding*, something so many liquor companies get wrong. ... **First off, there's the bottle** – modeled off of a classic apothecary container, it is modern, beautiful, stoic and old-fashioned all at the same time. **You want it on your bar**"
http://imbideblog.tumblr.com/post/924207930/review-hendricks-gin

> "The **distinctive bottle** scored highly for its old-school mystique."
> http://imbibe.com/feature/imbibe-ice-awards-feature/3475 (2009 ICE Awards)
>
> "[O]ur judges couldn't help but **love the bottle design**, despite its impracticality."
> http://imbibe.com/feature/ice-awards-2010/3934 (2010 ICE Awards)

*See* Response to Office Action (Apr. 21, 2015) ("April 2015 Response"), Attach. L, M, N, O, P.

The apothecary packaging is considered one of the reasons for the wild success of the HENDRICK'S brand—a brand that has enjoyed annual sales growth of more than 70% over the seven-year period 2007 to 2014. *See id.*, Attach. E ("Hopkins Decl."), ¶¶ 3-6. In fact, the distinctive packaging was *specifically designed* to be a driver of brand growth. As Ian McLaren, Head of New Product Development at William Grant, testified, the apothecary packaging design was meant to "rock[] the 'norm,'" and in the end his team created a design that "has an unmistakable presence in any bar." *See id.*, Attach. F ("McLaren Decl."), ¶¶ 2-3. Mr. McLaren also made it clear that the apothecary packaging does not afford William Grant any functional advantages over the use of traditional designs. In fact, he explained that the "the bottle is more complicated and expensive to manufacture as a result of its design," and that packaging HENDRICK'S gin in this way slows down and complicates the production process. *See id.*, ¶ 4.

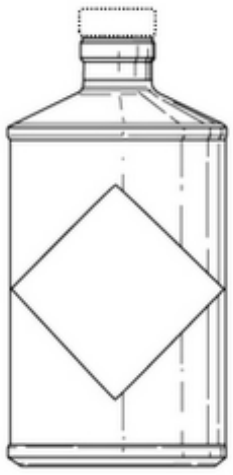
When judges named HENDRICK'S one of the best gins in 2010, they echoed the same tone, pointing out that they "love[d] the bottle design, **despite its impracticality**." *See* April 2015 Response, Attach N. And at least one online reviewer shared a similar observation, recounting a story about an instructor at a class about spirits who, when referencing the apothecary bottle, joked that "Hendrick's designed the bottle **to make it as difficult as possible for a bartender to pour**." *See id.*, Attach. P. That is to say, function here *followed* form.

Looking to protect this brand asset, William Grant first applied in October 2008 to register the look of the apothecary bottle itself. That application (Serial No. 77585764) covered

the three-dimensional design shown below for use with "gin" (Class 33) and issued the following year as Registration No. 3688447. The registration has since become incontestable:

*See* April 2015 Response, Attach. E (U.S. Reg. No. 3688447).

In March 2013, William Grant then filed the current application (Serial No. 85868023) in an effort to protect the apothecary packaging **as a whole**. Specifically, William Grant seeks to register as a mark the <u>combination</u> of (1) the apothecary bottle; (2) upper and lower "rings"; and (3) a large, centrally-placed diamond-shaped label. The specific mark for which William Grant is seeking registration (as amended during prosecution) is shown and described below:



The mark consists of a three-dimensional configuration of a bottle container for the goods, having a primarily cylindrical body with a diamond-shaped label on the center and a slightly raised ring around the bottle at both the top and bottom of the body; above the upper ring, the bottle slopes gently upward to a short neck. ... The bottle cap is depicted in dotted lines and is not claimed as part of the mark.

*See* TSDR (Current Status) (portions of the mark description have been omitted here for clarity).

The Examining Attorney, however, has refused registration. Although he has accepted that William Grant's apothecary packaging is capable of functioning as a mark and that it has acquired distinctiveness (and withdrawn two earlier refusals on those points), *see* Final Office Action (June 2, 2015), pp. 2-3, the Examining Attorney claims that the packaging contains "functional elements" that supposedly render the design as a whole unregistrable. *See id.*, pp. 2-6. The Examining Attorney has also objected to the drawing of the mark, maintaining that the drawing is improper because it supposedly "includes functional elements depicted in solid lines rather than broken or dotted lines." *See id.*, p. 6 (citing TMEP §1202.02(c)(i)(A)).

The Examining Attorney focuses on three portions of the bottle used in the mark, calling them separate "elements." Each of these portions, according to the Examining Attorney, has a functional purpose, and thus must be deleted from the drawing and cannot be claimed:

1. "the bottle neck";
2. "the flat bottom of the bottle"; and
3. "the cylindrical shape."

Office Action (Jan. 20, 2014), p. 2; *see also* Final Office Action, p. 3 (explaining that "the neck and cap at the top allow for the liquid to come out of the bottle ... [and] make it easy for the bottle to be resealed"; "[t]he flat bottom portion of the mark allows the bottle to sit on the shelf easily"; and the cylindrical shape "allows for bottles to be placed right next to each other, and maximizes the volume the bottle can hold"). Notably, the Examining Attorney did <u>not</u> claim that the apothecary bottle *as a whole* is functional for "gin"—he instead focuses exclusively on these three, so-called "functional elements." It is the Examining Attorney's position that so long as William Grant seeks to register a bottle design that contains <u>any</u> of these three "elements" (and they are not excluded from the drawing), the design as a whole must be found unregistrable:

> [A]pplicant suggests that because the examining attorney did not find evidence the rings on the bottle, nor the diamond shaped label, were functional, then the mark cannot be held functional. ... [U]nder Section 2(e)(5), a mark may be refused if it comprises any matter that, as a whole, is functional. Although some elements may not be functional on their face, other matter-the bottle neck, the flat bottom of the bottle, the cylindrical shape-are functional, and the evidence supplied shows this.
>
> **Applicant has applied for the entire bottle shape, including the functional elements**. **The applicant has specifically elected not to mark those elements as not being claimed,** or supplied a drawing page that would comply in removing these elements from consideration. **The application, as currently configured, seeks to claim functional matter which cannot be protected as trademark.**

*See id.* (emphasis added); *see also* Office Action (Oct. 21, 2014), p. 3 (repeating argument).[1]

William Grant respectfully suggests that the Examining Attorney's approach to the pending application is incorrect. As will be discussed, the Examining Attorney has improperly dissected the bottle used in William Grant's mark into what he arbitrarily calls "elements," and is then using that decision as justification for requiring the piecemeal exclusion of large portions of the claimed design. Moreover, in so doing, the Examining Attorney is misapplying the law and creating a *per se* rule against the registration of most product or packaging designs.

William Grant is seeking to register the distinctive look created by combining a modified apothecary bottle with upper and lower "rings" and a large, centrally-placed diamond label. William Grant is <u>not</u> trying to obtain the exclusive right to use a bottle with a cylindrical body, a

[1] In the Final Office Action, the Examining Attorney wrote that "the following elements are functional: The shape of the bottle, *including* the flat bottom, the straight sides, and the top and neck of the bottle." *See* Final Office Action, p. 6 (emphasis added). The Examining Attorney, however, has never shown that the bottle design *as a whole* was functional, and his use of "including" in the Final Office Action cannot expand the earlier refusals. Indeed, if the Examining Attorney *is* now claiming that the entire shape of the bottle is "functional," *but see, e.g.,* Office Action (Jan. 20, 2014), p. 2 (refusing registration because of the three identified "functional elements" were included in the overall "bottle shape," and not addressing other "elements" of the bottle, such as its angled "shoulders"); Office Action (Oct. 21, 2014), p. 3 (same); Office Action (June 23, 2013) (only raising two "elements"), then the Examining Attorney raised new matter in the Final Office Action. *Cf.* TMEP, § 706. Regardless, William Grant addresses the alleged functionality of the bottle as a whole in Section B, *infra*.

short neck, or a flat bottom, and, indeed, has already entered disclaimers to that effect. The Examining Attorney's decision to deny registration was improper and should be reversed.

## ARGUMENT

### A. The Examining Attorney Has Adopted an Improper Definition of "Element"

The fundamental question in this appeal is the meaning of "element" as used in Section 1202.02(c)(iii). That section (on which the Examining Attorney relies) provides that "**elements that are functional** or otherwise incapable of trademark significance must be depicted in broken or dotted lines on the drawing." *See* TMEP, § 1202.02(c)(iii) (emphasis added).

According to the Examining Attorney, any ***portion*** of a product or packaging design may arbitrarily be called an "element." Thus, in the case of a bottle (or pretty much *any* package), just the bottom could be called "**an element**." And because no one can seriously dispute the Examining Attorney's contention that the flat bottom of a bottle performs several desirable functions—for example, it "mak[es] ... storage on shelves easier"; *see* Office Action (June 25, 2013), p. 3—then by rule **no one could ever register a bottle design that contains a flat bottom as part of the mark**. Under the Examining Attorney's approach, that "functional element"—along with any other portion that has a function—would instead have to be excluded from the mark by being depicted in broken or dotted lines. *See* TMEP, 1202.02(c)(i)(A).

William Grant respectfully submits that the Examining Attorney's approach is improper and would essentially create a *per se* rule again the registration of most product or packaging designs when they are depicted in their entireties. Consider, for example, the design of the famous COKE bottle, which the Office to this day holds out *as an example* of how a company can use the trademark registration process to protect their designs. *See* April 2015 Response,

Attach. C ("What Every Small and Medium Sized Business Should Know About Intellectual Property") (posted at www.uspto.gov/about/offices/ous/121205.pdf), p. 7. As can be seen, the COKE bottle unmistakably has a "flat bottom" that "mak[es] ... storage on shelves easier." Thus, if the Examining Attorney's approach is correct, that "functional element" (along with the "neck" and the opening at the top) should have been depicted in broken lines and excluded:

*See* April 2015 Response, Attach. B. Similarly, at least twenty other bottle design registrations (not to mention any number of three-dimensional packaging or product designs) should have also had their "bottom" portions excluded. *Cf. id.*, Attach. A(1)-(2), A(4)-(6), A(8)-(9), A(12)-(22), A(24); *see also id.*, Attach. E (registration covering the HENDRICK'S apothecary bottle itself).

All of those marks, however, were properly registered because not every "portion" of a three-dimensional design can or should be considered a separable "element" of the mark. To be sure, the Office does not appear to have stated before how to define the term "element." William Grant, however, believes that guidance can be found in how courts (and the U.S. Copyright Office) determine whether "elements" of a useful article are capable of copyright protection.

Under copyright law, the overall design of a useful article is not capable of copyright protection. *See* 17 USC § 101. However, if the useful article "incorporates a design element that is **physically or conceptually separable from the underlying product**," that "element" is separately eligible for copyright protection. *E.g., Chosun Int'l, Inc. v. Chrisha Creations, Ltd.*, 413 F.3d 324, 328 (2d Cir. 2005) (emphasis added). So, for example, although a belt as a whole is "undeniably ... a 'useful article,'" the belt's *buckle* could be protected by copyright as a separate "element" because it is "conceptually separable from that useful 'belt' function." *See id.* ("[t]he [buckle] design ... [does] not enhance the belt's ability to hold up one's trousers"); *see also Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989 (2d Cir. 1980).

Applying that logic here, one sees that the bottom of a bottle should not be considered an "element" because it is neither "physically" nor "conceptually" separable from the rest of the bottle. Rather, it is an integral part of the bottle as a whole—like, say, the end of the belt that has the holes through which the clasp goes. In contrast, the label on a bottle *would be* an "element" because it is conceptually (if not physically) separable from the bottle, as would be any ornamentation that appears to have applied *to* the bottle, such as the upper and lower "rings" here. Also, the cap of a bottle would naturally be a separate element given that it is physically separable from the rest of the bottle, and moreover it would also likely be considered a "functional elemental" that an Applicant could not claim. *See* TMEP, § 1202.02(c)(i), (iii).[2]

Thus, William Grant's claimed apothecary design can and should be considered as comprising three physically or conceptually separable "elements": (1) the apothecary bottle as a

[2] There is, of course, an important difference between copyright and trademark law. Copyright law looks to see whether a "useful article" unregistrable as a whole nonetheless contains separate elements that could be registered. Trademark law, on the other hand, considers whether a trade dress design that is otherwise *registrable* as a whole contains one or more "functional elements" that cannot be claimed. How copyright law *treats* separable "elements," however, does not undercut the fact that how copyright law *defines* what an "element" is has logical appeal here.

whole; (2) the upper and lower "rings"; and (3) the diamond-shaped label.[3] And because the Examining Attorney has not shown that any of these elements is functional, *see infra*, they may properly be claimed as part of the mark, and the mark as a whole should be allowed to register.

**B. The Examining Attorney Has Not Shown That Any Element is Functional**

As discussed above, William Grant's claimed apothecary trade dress comprises three separate "elements"—the bottle; the upper and lower rings; and the label—and at no point did the Examining Attorney establish that any of those elements was legally functional. To be sure, the Examining Attorney has argued that certain *portions* of the "bottle" element could be viewed as functional when considered separately, *see* Final Office Action, pp. 2-6 (focusing on the "flat bottom," "straight sides," and "narrower spout"), but that is not the test. As discussed above, you cannot arbitrarily break a design up into "elements." To qualify as an "element," a design feature must be conceptually or physically separable from the trade dress as a whole.

Trade dress is considered functional if it is "essential to the use or purpose of the article or if it affects the cost or quality of the article." *Qualitex Co. v. Jacobson Prods. Co.*, 34 USPQ2d 1161, 1163-64 (1995) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 214 USPQ 1, 4, n.10 (1982)). Here, the goods for which registration is sought are "alcoholic beverages except beer." Thus, the "bottle" element of the trade dress can only be considered functional if the particular shape of the apothecary bottle *as a whole* is "essential to the use or purpose" of an alcoholic beverage, or if the shape "affects the cost or quality" of the beverage. *See id.*

The function of a bottle is to store liquid in a closed environment and then to allow for that liquid to pour out when the bottle is tipped. The Examining Attorney, however, did not offer any proof that a bottle must be "apothecary" shaped to perform those functions, or that an

[3] A fourth separable "element" (the "cap"), which is admittedly functional, is depicted in the drawing with dotted lines and was excluded from the description of the mark.

apothecary-shaped bottle is better at achieving those functions than any other bottle design. *Cf.* TMEP, § 1202.02(a)(iv) (to establish a *prima facie* case of functionality "the examining attorney must ... conduct independent research to obtain evidentiary support for the refusal"). To the contrary, the evidence submitted during prosecution suggests that William Grant actually *sacrificed* packaging functionality by opting to use an apothecary-shaped bottle instead of a more traditional bottle design. *See* April 2015 Response, Attach. N (the judges of a spirits award competition "couldn't help but love the bottle design **despite its impracticality**"), P (recounting an instructor's tongue-in-cheek comment that "Hendrick's designed the bottle to **make it as difficult as possible for a bartender to pour**"); *see also* McLaren Decl., ¶ 4 (William Grant's head of new product development testified that the apothecary bottle "does not afford any functional advantages over a more standard shape" and that none of the bottle design features are "essential to the functionality of the shape as a bottle for gin or other alcoholic beverages").

The Examining Attorney also did not offer any proof that using an apothecary-shaped bottle reduces the costs associated with producing "alcoholic beverages except beer," or that it improves the quality of the product. And again, the evidence that *is* in the record suggests the opposite. Specifically, Mr. McLaren testified that an apothecary-shaped bottle is "more complicated and expensive to manufacture" than a regular bottle, in part due to the "acute angles on the shoulders of the bottle" and the bottle "fill point [being] close to the opening" (because of the very short neck)—two design characteristics closely associated with the apothecary shape:

> [T]he shape and design of the HENDRICK'S bottle does not afford any cost advantages over a more standard bottle. In fact, the bottle is more complicated and expensive to manufacture as a result of its design. In particular, the acute angles on the shoulders of the bottle cause the height to drop when the glass cools, which gives a higher than normal reject rate. ... The bottle is also almost impossible to run on a high speed production line due to the shape around the

> contact points and the fact that the bottle's fill point is close to the opening, thus liquid will fly out when contact occurs.

McLaren Decl., ¶ 4.

The "bottle" element of the claimed design therefore cannot be considered functional as a whole, *cf. Qualitex*, 34 USPQ2d at 1163-64, nor can be the label or "rings." Consequently, there was no basis to find any "element" of the design "functional" or to require its exclusion from the drawing. The decision of the Examining Attorney should therefore be reversed.

## CONCLUSION

As set forth above, there is no basis to support the functionality or drawing refusal issued by the Examining Attorney. William Grant therefore respectfully requests that the Board reverse the refusals and allow the subject application to pass on to publication.

Respectfully submitted,

KENYON & KENYON LLP

Dated: March 8, 2016

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