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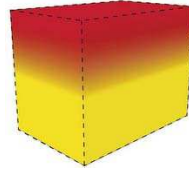
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91221004
Party	Plaintiff International IP Holdings, LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Tom Miles d/b/a Real Energy,  
Counterclaim Petitioner,  
v.  
International IP Holdings, LLC,  
Counterclaim Respondent.

Mark: Red, Orange, and Yellow  
product packaging trade  
dress



Registration No.: 4,677,405

Opposition No.: 91221004

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**Trial Brief for Registrant-Respondent  
International IP Holdings, LLC**

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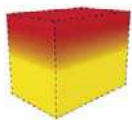
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## II. Summary of Argument

Between filing its cancellation and its trial brief, Petitioner did not pursue its claim. It now entreats the Board to interpret its arguments and ignore the deficiency of evidence. Petitioner's inaction in this proceeding waives its principal claim for cancellation and requires the conclusion that it fails to meet its burden on the other.

This proceeding began as an opposition to Tom Miles d/b/a REAL ENERGY's ("Petitioner") REAL and Design composite mark, which respondent International IP Holdings, LLC, ("IIPH") opposed as merely descriptive and likely to create confusion. Petitioner, without notice to IIPH, voluntarily withdrew the underlying application to this proceeding. After the Board's order sustaining IIPH's opposition, Petitioner took no action, which allowed the counterclaim to proceed. Petitioner did not issue interrogatories, document requests, or requests to admit. It took no depositions or testimony. While IIPH is not under an obligation to respond, it nevertheless incurs the expense and time to defend its valuable mark.

The registration Petitioner seeks to cancel consists of a unique-to-registrant, multichromatic, asymmetrical arrangement of the colors red, orange, and yellow



U.S. Registration No. 4,677,405 ("Color Fade Mark" or "Color Fade Registration"). It is product packaging trade dress that appears on IIPH's core, regular strength packages regardless of size (4-packs, 6 packs, 10, packs, 12 packs, etc.). As product packaging it can be distinctive – IIPH maintains it is.

The one statutory basis for cancellation identified in Petitioner's counterclaim is that the Color Fade Mark product packaging is functional under 15 U.S.C. § 1052(e)(5). Petitioner now solely argues the Color Fade Mark fails-to-function with no acquired distinctiveness. Petitioner does not address the claim of functionality in its brief. Accordingly, this claim is waived.

The only action undertaken by Petitioner in pursuit of its claim is a single notice of reliance, which includes part of the registration file already of record and eight third-party registrations with a corresponding webpage for each respective registration. Though Petitioner makes only passing reference to these documents, the third-party registrations and corresponding Internet materials cannot demonstrate any insight into the minds of actual consumers in the marketplace. None of the third-party registrations are shown for sale on the corresponding Internet printouts nor do they evidence the marks are used in U.S. commerce for the registered-for-goods. Further, the eight third-party marks are so strikingly different on their face that they cannot reasonably rebut IIPH's sworn exclusive use of its Color Fade Mark.

Petitioner must, but does not, address the distinctiveness of the Color Fade Mark. In the prosecution history of the Color Fade Mark, IIPH argued that the product packaging is inherently distinctive. In the alternative, not as an admission, IIPH argued that the mark has acquired distinctiveness. In approving the Color Fade Registration for publication, the Examiner never ruled on the distinctiveness. It is manifestly unjust to, as Petitioner urges, now saddle IIPH with the admission

that the Color Fade Mark is not distinct when it never conceded this fact, expressly denied it, and would be deprived a forum to redress the implication. Petitioner provides no evidence or argument against the Color Fade Mark's distinctiveness.

Petitioner's half-hearted prosecution condemns its counterclaim by waiving its functional claim and falling short of the required burden to show that the Color Fade Mark lacks *both* distinctiveness and secondary meaning.

### **III. Statement of the Issues**

1. Is the Color Fade Mark functional under 15 U.S.C. § 1052(e)(5)?
  - a. No. Petitioner's trial brief entirely ignores the specifically identified basis for cancellation in the counterclaim. Accordingly, Petitioner has waived this claim and it should be dismissed.
2. Has Petitioner met its burden in establishing no acquired distinctiveness?
  - a. No. The strong legal presumption that the Color Fade Mark has secondary meaning must be rebutted in order for Petitioner to prevail. It has not. Petitioner unequivocally fails to meet its burden in rebutting the Color Fade Registration's presumption of validity.
3. Has Petitioner met its burden in establishing the Color Fade Mark is non-distinctive?
  - a. No. IIPH has always asserted its color fade product packaging is inherently distinctive. IIPH did not concede the Color Fade Mark is non-distinctive. It argued secondary meaning in the alternative. Petitioner errs in failing to address the marks distinctiveness and



relying on the § 2(f) as an admission when IIPH expressly denied the admission in its answer to the counterclaim.

#### **IV. Recitation of Facts**

##### *A. Procedural history*

On March 11, 2015, IIPH filed an opposition to Petitioner's trademark application for the mark REAL and Design, Opposition Proceeding 91221004, on the basis that the term "real" is merely descriptive for Petitioner's goods and the running man design and coloring in the mark are likely to cause consumer confusion with IIPH's marks. (1 TTABVUE). On April 13, 2015, Petitioner answered the opposition and filed a counterclaim seeking cancellation of IIPH's Principal Register registration for its Color Fade Mark limited to International Class 5. (4 TTABVUE). On September 22, 2015, Petitioner withdrew its application without consent. (12 TTABVUE). On September 28, 2015, the Board sustained IIPH's opposition leaving only Petitioner's counterclaim to cancel IIPH's Color Fade Registration. (13 TTABVUE).

##### *B. Petitioner's Counterclaim to Cancel the Color Fade Registration*

Petitioner's counterclaim to IIPH's Color Fade Registration in Class 5 identifies one statutory basis for cancellation, that the Color Fade Mark purportedly is functional under 15 U.S.C. § 1052(e)(5). (4 TTABVUE 9).

Petitioner did not issue any discovery or take any testimony. Petitioner added to the record eight third-party registrations with respective webpage printouts purporting to show the third-party marks in use. (15 TTABVUE; 16 TTABVUE).

Petitioner's trial brief argues that the Color Fade Registration should be cancelled as it fails-to-function as a mark and has not acquired distinctiveness. (20 TTABVUE) ("Petitioner's Brief").

*C. Registration of the Color Fade Mark*

On November 12, 2013, IIPH filed to register the Color Fade Mark with a date of first use of September 2004. During prosecution the Examiner initially refused registration believing the Color Fade Mark is not inherently distinctive (March 13, 2014 Office Action, TSDR p. 1). On September 15, 2014, IIPH responded to the Examiner's office action arguing the product packaging was unique, unusual, and inherently distinctive. (15 TTABVUE 5-90). In the alternative, IIPH submitted over 80 pages of materials to support that the Color Fade Mark has acquired distinctiveness. This evidence includes: (1) a sworn declaration attesting to over ten years of use of the Color Fade Mark, billions of products sold, and hundreds of millions on marketing expenditures (15 TTABVUE 25-26); (2) a civil judgement finding trademark infringement by a competitor using a similar color fade trade dress on its goods (15 TTABVUE 74-80); and, (3) extensive marketing materials. The marketing materials, also of record by Petitioner's notice of reliance, show materials with copyright notices dating to 2008 and 2009 (15 TTABVUE 36-37); materials touting \$60 million in advertising for the year 2009 (15 TTABVUE 33); and, IIPH's sponsorships, which prominently feature the color fade, of NASCAR drivers Rusty and Steven Wallace and Clint Bowyer (15 TTABVUE 38-9, 62) and the NASCAR series races 5-HOUR ENERGY 200 at Dover international speedway

and the 5-HOUR ENERGY 500 at Pocono Raceway. (15 TTABVUE 65-66). The color fade was incorporated on Rusty Wallace's racecar (15 TTABVUE 67-68). IIPH sponsors high profile professional athletes such as PGA golfer Jim Furyk (15 TTABVUE 63); retired professional baseball and football player Bo Jackson (15 TTABVUE 69); and professional all-star baseball player Carlos Beltran (15 TTABVUE 69).

## **V. Description of the Record**

A. The entire file history for the Color Fade Registration. The trademark was registered on the Principal Register on January 27, 2015, with a claim of 2(f) in the alternative, and a date-of-first-use in interstate commerce of September 2004.

### *B. Objection to Petitioner's Submission:*

Petitioner filed one notice of reliance ("NOR") with documents spanning two submissions. (15 TTABVUE and 16 TTABVUE). The NOR fails to identify which document relates to which claim or the relevance of that document to that claim. Therefore, Petitioner's NOR is procedurally defective and much of the information contained in the NOR is irrelevant. 37 C.F.R. § 2.122(e); TBMP §§ 704.03(b)(1)(B), 704.08(b).

Petitioner impermissibly relies on third-party registrations and Internet printouts to prove the truth of the statements contained therein; i.e., that the goods identified in the registrations are sold in interstate commerce and gives insight into consumers' minds. However, "documents obtained through the Internet may not be used to demonstrate the truth of what has been printed." TBMP § 704.08(b). As an

example, IIPH submits evidence that at least one of the third-party registrations is not in use as it has deleted its website, abandoned its domain name, and its manufacturer, SKY Nutrition, Inc., is out of business. (19 TTABVUE 23-57).

*C. IIPH's Submissions:*

1. Electronic copies of articles in printed publications in general circulation showing consumer recognition and identification of IIPH's goods by its red, orange, and yellow product packaging trade dress. (19 TTABVUE 9-22).

2. The status, title, and 8/15 filing for Petitioner's cited third-party ALLDAY ENERGY registration. The specimen label identifies SKY Nutrition, Inc. as the manufacturer. (19 TTABVUE 42).

3. Printouts of webpages from DomainTools WHOIS for the domain alldayenergy.net, the Internet Archive Wayback Machine for the same domain, and the Office of the Illinois Secretary of State evidencing the ALLDAY ENERGY manufacturer is out of business. (19 TTABVUE 46-57).

4. Status and title of IIPH's trademark registration, U.S. Registration No. 4,315,511 on the Principal Register for the consistent multichromatic, asymmetrical, red, orange, and yellow product packaging trade dress in a different

mark . (19 TTABVUE 58-64).

5. Printouts from U.S. users on the social media platform Twitter showing consumer recognition and identification of IIPH's products by its unique red, orange, and yellow product packaging. (19 TTABVUE 66-83).

## VI. Argument

### A. *Petitioner's Functionality Claim is Waived*

Petitioner's did not prosecute, argue, or mention in its brief, its principal claim for cancellation – that the Color Fade Mark is functional under § 2(e)(5) of the Trademark Act. Petitioner's inaction waives its ground for cancellation based on the cited registration's alleged functionality.

“If a party fails to reference a pleaded claim or affirmative defense in its brief, the Board will deem the claim or affirmative defense to have been waived.” TBMP § 801.01; *Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc.*, 107 U.S.P.Q.2d 1750, 1753 (TTAB 2013) (opposer's pleaded descriptiveness and geographical descriptiveness claims not argued in brief deemed waived); *Central Garden & Pet Co. v. Doskocil Mfg. Co.*, 108 U.S.P.Q.2d 1134, 1136 (TTAB 2013) (pleaded claim not argued in brief deemed waived).

The principal basis for cancellation in Petitioner's counterclaim is that the Color Fade Mark product packaging is functional under 15 U.S.C. § 1052(e)(5). (4 TTABVue 6-7, 9-10). Petitioner does not mention the claim of functionality in its brief. Accordingly, the pleaded claim has been waived.

### B. *Petitioner Cannot Meet its Burden*

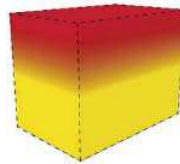
Ultimately, for Petitioner to prevail it must rebut the strong legal presumption that the Color Fade Mark has secondary meaning. It has not. Petitioner pleads for the Board to make its case for it while submitting inconsequential evidence and scant legal argument. However, it is Petitioner's

burden to rebut the evidence of acquired distinctiveness. Petitioner fails to present any such evidence, or rebut the extensive evidence of secondary meaning in the record.

i. Petitioner's Evidence

Petitioner's NOR fails to identify which document relates to which claim, element, or the relevance of the document to that claim. 37 C.F.R. § 2.122(e); TBMP §§ 704.03(b)(1)(B), 704.08(b). As seen below, the third-party marks are so strikingly different from the Color Fade Mark that they cannot reasonably rebut IIPH's sworn exclusive use. The Color Fade Mark is unique product packing consisting of an asymmetrical arrangement of the colors red, orange, and yellow, dominated by red and yellow. The majority of the cited third-party registrations do not incorporate the same colors, include color shading, and are used on goods as different as juice dispensing machines.

IIPH's product packaging trade dress for dietary supplements in Class 5 and cited third-party registrations:



(For a vending machine that dispenses fruit juice in Class 32)



(Toys, snack mix, candies, and seeds in Classes 28, 29, 30, 31)



(Herbs and extracts for medicinal purposes in Class 5)



(Fruit drinks in Class 32)



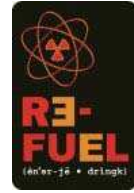
(Dietary supplements in Class 5)



(Energy drinks in Class 32)



(Energy drinks in Class 32)



(Energy drinks in Class 32)

(16 TTABVUE).

Petitioner makes only passing reference to its NOR documents at the end of its brief. The lone reference impermissibly relies on the Internet printouts to argue the third-party registrations are used in connection with the registered goods and shows lack of distinctiveness of the Color Fade Mark. (Petitioner’s Brief at 12).

However, the third-party registrations and websites are not relevant for showing any effect on the public mind because they are not evidence of actual use on the goods. Third-party registrations do not constitute evidence of use, thus are of limited probative value to show mark is weak. *Weider Publications, LLC v. D&D Beauty Care Co.*, 109 U.S.P.Q.2d 1347, 1351 n.10 (TTAB 2014); TBMP § 704.03(b)(1)(B). Additionally, while Internet documents may demonstrate what they show on their face, “documents obtained through the Internet may not be used to demonstrate the truth of what has been printed.” TMBP § 704.08(b). Only one of the Internet printouts reveals a product with a means to purchase. Further, there is no indication the websites target US residents.

There is good reason Internet printouts are not evidence of use or insight into consumer minds. For example, IIPH previously looked into the ALLDAY and Design third-party registration. *See* 16 TTABVUE 21. A review showed the

product's webpage removed, domain expired, and the manufacturer identified on the label is out of business. (19 TTABVUE 23-57).

ii. Petitioner's Argument

Petitioner's arguments lack supporting evidence and rely on little legal authority. Its argument boils down to: (1) questioning the validity of the declaration IIPH submitted as part of its acquired distinctiveness office action response; and, (2) that the drawing for the Color Fade Mark differs from the specimen and marketing materials.

First, after stating the declaration is not testimony, Petitioner nevertheless fruitlessly questions its authenticity because "the words 'applied-for-mark' are used frequently like a fill-in-the-blank phantom declaration." (Petitioner Brief at 10). Petitioner also claims that because the declaration did not delineate sales by package size or flavor in the declaration one "can assume [the goods bearing the Color Fade Mark] to be nothing more than a tiny fraction of overall sales." (Petitioner's Brief at 10).

Second, turning from the declaration, Petitioner argues the drawing does not match the specimens or marketing materials because nothing shows the mark on two adjacent sides. (Petitioner Brief at 11). However, non-straight on images of IIPH's products show the Color Fade Mark on adjacent sides at 15 TTABVUE 37 and 15 TTABVUE 84-85.

It is well established that the registration of the Color Fade Registration is *prima facie* evidence of validity. 15 U.S.C. § 1057(b); TBMP § 704.03(b)(1)(A); *Massey*



*Junior College, Inc. v. Fashion Institute of Technology*, 181 U.S.P.Q. 272, 274 (CCPA 1974).

A Federal registration creates a strong presumption that Petitioner's Color Fade Mark is valid. *Coca-Cola Co. v. Overland, Inc.*, 216 U.S.P.Q. 579, 582 (9<sup>th</sup> Cir. 1982). Petitioner must produce evidence sufficient to overcome that presumption and to prove descriptiveness and no secondary meaning. Petitioner fails on both accounts.

Additionally, Petitioner's burden in this cancellation proceeding is much heavier than an opposer's burden in opposition proceeding. *Massey Junior College, Inc. v. Fashion Inst. of Tech.*, 181 U.S.P.Q. 272, 274 (CCPA 1974) ("This court has stated its approval of a rationale to the general effect that the petitioner in a cancellation proceeding bears a much heavier burden of proof than the opposer in an opposition proceeding.") (internal citations omitted).

Indeed, once a mark is registered on the Principal Register based on § 2(f) of the Lanham Act it "constitutes an administrative decision carrying a strong presumption of correctness that the... mark is valid and registrable by reason of having acquired a secondary meaning denoting source of origin in the registrant of the [goods] being sold thereunder." *Evelyn Wood Reading Dynamics Insts. v. Zimmerman*, 134 U.S.P.Q. 475, 483 (N.D. Cal. 1962).

The facts here are similar to those in *The Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 92 U.S.P.Q.2d 1626 (Fed. Cir. 2009). In *The Cold War Museum*, the petitioner's evidence failed to rebut the presumption of validity and acquired

distinctiveness evidence made of record within the registration's file history. *Id.* Like *The Cold War Museum*, here Petitioner submits no evidence to contradict or rebut the evidence in the registration file history. As discussed above, the NOR submitted by Petitioner shows dramatically different marks than that at issue here; and, regardless, the NOR registrations are unable to demonstrate any insight into the minds of actual consumers in the marketplace.

Secondary meaning is shown by evidence such as consumer testimony, amount of sales, amount of advertising, established place in the market, and exclusivity of use. *Echo Travel, Inc. v. Travel Associates*, 10 U.S.P.Q.2d 1368, 1371 (7<sup>th</sup> Cir. 1989). Evidence that the Color Fade Mark does not have secondary meaning must rebut this type of evidence with its own; e.g., testimony or evidence cutting against consumer recognition, low sales, low advertising, etc.

Petitioner bears, and plainly has not met, its burden of persuasion nor the initial burden of establishing a *prima facie* case that the Color Fade Mark has not acquired distinctiveness. "Cancellation of a valuable registration around which a large and valuable business goodwill have been built should be granted only with due caution...Petitioner, to sustain its burden of proof, must leave nothing to conjecture."). *Rockwood Chocolate Co. v. Hoffman Candy Co.*, 152 U.S.P.Q. 599 (CCPA 1967)(emphasis added); 3 *McCarthy on Trademarks and Unfair Competition* § 20:64 (4<sup>th</sup> ed.). Here, Petitioner relies on nothing but conjecture.

C. *Petitioner has not Argued the Color Fade Mark is Non-Distinctive*

IIPH's Color Fade Registration and bottle color fade registration are inherently distinctive and of substantial value to IIPH.

Petitioner errs by asserting because the Color Fade Mark registered with a §2(f) claim, with reservation, IIPH admits the mark lacks distinctiveness. Petitioner therefore does not address the issue. "The [mark]'s non-distinctiveness is a nonissue, a fact." (Petitioner's Brief at 9). Petitioner cites *The Cold War Museum* as a legal basis. In *The Cold War Museum* the Applicant initially filed with a § 2(f) claim. *The Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 92 U.S.P.Q.2d 1626, 1627 (Fed. Cir. 2009). In contrast, IIPH did not initially seek registration or voluntarily amend either of its color fade applications; instead, it only sought registration under § 2(f) as an alternative.

IIPH maintains its product packaging trade dress is inherently distinctive. In an impulse-purchase industry where goods are sold mingled with competitors in mixed display racks and among other products, it is the unique multichromatic, asymmetrical arrangement of red, orange, and yellow that often first identifies IIPH's goods to consumers.

In its September 15, 2014 office action response, IIPH argued the Color Fade Mark is inherently distinctive and in the alternative provided evidence to establish that the mark had acquired distinctiveness.

The Board has stated a claim under § 2(f) does not serve as an admission.<sup>1</sup> *In re RiseSmart, Inc.*, 104 U.S.P.Q.2d 1931, 1932 (TTAB 2012) (“when a claim under Section 2(f) is presented in the alternative, it does not serve as an admission of mere descriptiveness.”).

Unlike an application that initially seeks registration under § 2(f) or amends its application without objection, IIPH’s alternative claim in its office action response does not constitute a concession that the matter sought to be registered is not inherently distinctive. TMEP § 1212.02(c); *In re E S Robbins Corp.*, 30 U.S.P.Q.2d 1540, 1542 (TTAB 1992).

That IIPH should lose full fruits of its registered trademark without the opportunity to defend its distinctiveness is unjust. As applicant, IIPH expressly argued and reserved its right to contend the mark is inherently distinctive product packing trade dress. IIPH was not given a final decision or afforded an opportunity to dispute the implication that Petitioner now urges is made fact.

In addition to the registration history, Petitioner is on notice that IIPH considers its trade dress inherently distinctive as IIPH expressly denied the allegation in its answer to the counterclaim. (8 TTABVUE 2). Petitioner must do something more than nothing to establish the Color Fade Mark is not inherently distinctive.

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<sup>1</sup> “where an applicant, in response to a refusal on the ground of mere descriptiveness, argues against the merits of the Examining Attorney’s position and, in the alternative, adds a claim that the matter sought to be registered has acquired distinctiveness pursuant to Section 2(f)...[i]n such instance [it] does not constitute a concession that the matter sought to be registered is not inherently distinctive.” *In re Mine Safety Appliances Co.*, 66 U.S.P.Q.2d 1694, 1695 n. 3 (TTAB 2002) citing *In re E S Robbins Corp.*, 30 U.S.P.Q.2d 1540, 1542 (TTAB 1992)

On this issue, the rationale of *The Cold War Museum* yields the same result. In *The Cold War Museum*, petitioner fatally failed to evidence the contested mark had acquired distinctiveness and only focused on its distinctiveness. *The Cold War Museum*, 92 U.S.P.Q.2d at 1358-9. Here, Petitioner fails to support or argue that the Color Fade Mark is not inherently distinctive, the *sine qua non* of a failure-to-function claim.

There is no evidence that IIPH's Color Fade Mark is a common design or refinement of well-known ornamentation for dietary supplements. Nothing in the record contradicts that it is unique and unusual in the field of dietary supplements.

The vivid arrangement of the colors red, orange, and yellow is arbitrary and enables consumers to recognize IIPH's goods, which, as the checkout counter displays in the marketing materials show, are impulse purchases typically found at the checkout registers. While other source identifiers may be obscured, it is the unique Color Fade Mark, that first identifies IIPH's goods to consumers. "[A] garish form of packaging may attract an otherwise indifferent consumer's attention on a crowded store shelf – their predominant function remains source identification ...[c]onsumers are therefore predisposed to regard those symbols as indication of the producer, which is why such symbols almost *automatically* tell a customer that they refer to a brand, and immediately signal a brand or a product source." *Wal-Mart Stores v. Samara Bros.*, 54 U.S.P.Q.2d 1065, 1068 (U.S. 2000).

The linchpin of Petitioner's claim that IIPH concedes the Color Fade Mark is non-distinctive is erroneous. Petitioner provides no support or argument beyond

this claim and presents nothing to support the claim that the Color Fade Mark is not distinctive.

## **VII. Conclusion**

For the foregoing reasons International IP Holdings, LLC respectfully requests that the Board dismiss the counterclaim to cancel U.S. Registration 4,677,405 in Class 5 in its entirety and for such further relief as this Honorable Board deems appropriate.

Respectfully submitted,

OAKLAND LAW GROUP, PLLC  
*Attorneys for Counterclaim-Respondent,  
International IP Holdings, LLC*

Date: March 8, 2017



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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this 8<sup>th</sup> day of March, 2017, a true copy of the foregoing Trial Brief for Registrant-Respondent is being served on Petitioner via electronic mail at: [wsp@NJPLS.com](mailto:wsp@NJPLS.com)

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