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Descriptiveness, Disclaimers, and Unitary Trademarks, Oh My!

Here's the scenario: A manufacturer of spa products filed an application for a federal trademark that consisted of a dark background with a circle design and the words "European Formula." The party had used this trademark for only a few months before applying for registration. The examining attorney at the U.S. Patent and Trademark Office (PTO) required the manufacturer-applicant to disclaim the word portion of the mark as merely descriptive, and the applicant agreed to do so.

The trademark was published for opposition, and a competing manufacturer sought the deletion of the word element from the trademark, protesting that the words "European Formula" were so highly descriptive that they could not function as a trademark. The applicant admitted that the words could not function as a trademark alone but asserted that the circular design and the words together made up a single unitary trademark that could be registered.

Starting with Descriptiveness

The federal trademark law, the Lanham Act, prohibits registration of any trademark that is "merely descriptive" of the goods or services on which it is used.[1] To some extent, this regulation seems counterintuitive. Many business people instinctively reach for descriptive terms to name their products or services, because those words convey the most information to the consumer—for example, this spa product has a European formula, this toilet paper is soft, that delivery service is speedy.

But extending trademark protection essentially removes the word from the language for the purpose of advertising similar products or services. Allowing one seller to trademark the word "soft" for his or her brand of toilet paper will not serve the market very well, because lots of sellers may want purchasers to know that the toilet paper is soft. Accordingly, the Lanham Act will only allow the protection of a descriptive term that has been used in connection with one product source for such a long time that consumers have learned to associate that term with only one source (a concept called "secondary meaning"), or the descriptive term must be combined with some more creative element—such as "Angel Soft" toilet paper—to form a unitary trademark.

What About Disclaimers?

When a party tries to register a trademark that is, in part, descriptive of the product or services on which it is used, the trademark examiner will require the registration to include a disclaimer: "NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE '[descriptive term]' APART FROM THE MARK AS SHOWN." To return to the example with which this column started, the disclaimer allows other manufacturers to make use of the phrase "European formula" on their spa products if they don't use the other elements of the registered mark—such as the dark background and the circle design. So what was the battle about?

According to the Lanham Act, an applicant can disclaim "an unregistrable component of a mark otherwise registrable."[2] An applicant with a mark whose unregistrable component is the most prominent or dominant feature cannot acquire registration by disclaimer merely by attaching an insignificant element to the descriptive mark. When the unregistrable portion of a mark dominates, the mark has no "unregistrable component," because the dominant feature of the mark extends an unregistrable meaning to the whole trademark. The entire mark becomes unregistrable.

A disclaimer is proper when the nondescriptive portions of a mark are equally distinctive, or more distinctive, parts of a mark. For instance, Speedy Delivery Service can register a trademark that puts the word "Speedy" on the side of a race car, disclaiming the word outside of the context of the mark, when anyone who sees the mark is likely to remember the race car as much as the word on its side. The mark as a whole means something to the consumer; in addition to the descriptive nature of the word used, its elements make up one unitary trademark.

What Are Unitary Trademarks?

A unitary mark creates a single and distinct commercial impression. The observable characteristics of a unitary trademark combine all the elements; they are inseparable. The PTO must consider the average purchaser's potential reaction when encountering the trademark under normal marketing of the goods and

services. Factors that assist in making this determination include whether the unregistrable material is physically connected to the mark by lines or other design features; how close that material is located to the mark and whether it is found side by side on the same line; and what the words mean and how the meaning of each word relates to the others and to the goods.

The scenario presented in the beginning fell down on this point. On review, the Federal Circuit sent the matter back to the PTO to determine whether the disclaimed portion of the mark (the words "European Formula") dominated the mark, making registration improper.[3] The court concluded that the applicant did not seek registration of a unitary trademark: "The observable characteristics of [the applicant's] mark show that its elements are not 'so merged together that they cannot be regarded as separable elements.'" The court found that no particular meaning connected the words "European Formula" and the circular design (unlike "Speedy" on a race car). The word and circle elements were shown in close proximity, but this was not enough to link them together into a single commercial impression.

So What's the Big Deal?

Attorneys advising clients who are starting businesses, choosing names for new product lines, or purchasing another entity's intellectual property should understand the limits of trademark protection when it comes to marks that include descriptive elements. A descriptive term may seem ideal for advertising a new product or service, but it won't have the trademark protection that is often vital in today's crowded marketplace unless the descriptive term is part of a unitary trademark that is dominated by other, nondescriptive, elements.

Even if a trademark can be registered with a disclaimer, it's important to remember that a trademark holder cannot rely on the disclaimed portions of a mark to bring a claim against another party for infringing a registered trademark under the Lanham Act.[4] Even though a competitor must avoid creating the same commercial impression as the registered mark does on the whole, the registration will not prevent the competitor from using the disclaimed, descriptive elements of the mark. **TFL**

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Endnotes

[1]15 U.S.C. § 1052(e).

[2]15 U.S.C. § 1056(a).

[3]*Dena Corp. v. Belvedere Intern. Inc.*, 950 F.2d 1555, 1561 (Fed. Cir. 1991) (statutory changes have overturned *Dena* where it addressed marks that are primarily geographically misdescriptive, which can no longer be registered at all).

[4]15 U.S.C. § 1114.

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the experience of being able to assess and apply legal doctrines across a body of different substantive laws—to see the law's general currents and flows. The Federal Circuit's caseload provides that experience.

Service on a federal appeals court has traditionally and correctly been deemed appropriate preparation for service as a Supreme Court justice. But, until now, the Federal Circuit has inexplicably been excluded. It is time to allow Federal Circuit service to open the door to a seat on the U.S. Supreme Court.

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Thank you, Mr. President, for considering these views. I hasten to add that I disclaim any unique expertise in how to select Federal Circuit judges. But I do have some relevant experience. A patent litigator in my 22nd year as a lawyer, I am a voraciously interested user of the Federal Circuit's work product: the opinions it releases. And the views expressed in this column were informed and shaped by service on the California's Commission on Judicial Nominees Evaluation, which evaluates the California governor's potential nominations to the California judiciary (the world's largest judicial system) and confidentially reports back to the governor's office. That said, you have many talented people advising you on judicial appointments. You trust them, and no doubt you listen to them. This column is written with the modest goal of providing a perspective that you may not have considered previously.

The Federal Circuit is a particularly important court. May wisdom guide your nominations to it. **TFL**

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