

Keywords: inherent distinctiveness; trade dress; product configuration; trademark

General: *Prima facie* case of no inherent distinctiveness of a mark as a source identifier does not require the USPTO to show that similar marks or configurations are actually in use in the relevant market.

In re Pacer Technology
67 USPQ2d 1629 (Fed. Cir. 2003)
Decided August 4, 2003

I. Facts

Pacer Technology applied for a trademark for an adhesive container cap design. The USPTO refused the application on grounds that the design was not inherently distinctive. On appeal to the USPTO Trademark Trial and Appeal Board the rejection was upheld. Pacer appealed to the CAFC.

Pacer's cap features a lower ridged circumferential part and an upper tapering cylindrical extension flanked by four equally-spaced radial fins or wings. The examining attorney in the USPTO cited a number of design patents with drawings of similar container caps with four or six similar wings around the crown. Pacer submitted affidavits from consumers stating the Pacer's cap design was a source-identifier of Pacer's adhesive product. The examiner and Board found, however, that the design patents were "probative of the fact that consumers are not likely to find applicant's claimed feature (wings arrayed evenly around a pointed crown) to be at all unique, original or peculiar in appearance."

The Board also found that several of the design patents belonged to Pacer's competitors. Thus, the Board found that Pacer's asserted mark did not serve as a source-identifier for consumers, and that the design had not acquired distinctiveness as a source-identifier under the Lanham Act.

On appeal, Pacer essentially argued that the USPTO had failed to establish a *prima facie* case of lack of inherent distinctiveness because it failed to show that the patented designs were actually used in the relevant marketplace.

II. Issues

A. Does a case of lack of inherent distinctiveness require a showing that similar prior marks were actually in use in a relevant marketplace?

III. Discussion

A. No.

The CAFC expressly limited its review to determining whether the Board had substantial evidence to support its finding and *prima facie* case, and whether Pacer submitted sufficient evidence to rebut the *prima facie* case.

The court looked to a series of previous trademark decisions concerning *prima facie* cases, although not of inherent distinctiveness. In a first case, the court had decided that a *prima facie* case that a mark was primarily geographically deceptively misdescriptive, in which the applicant

had argued that the USPTO had not proven that the public would *actually* make an erroneous association as to the geographic origin. The court ruled that the USPTO simply did not have the means to do so.

Another case concerned whether a mark was merely descriptive. The applicant had argued there that whether the term “Apple Pie” referring to the smell of a potpourri was merely descriptive should be determined by the ultimate purchasers. The applicant, however, issued a wholesale catalog indicating that the scents “simulate those unforgettable aromas” such as apple pie. The court had ruled that the wholesale catalog was sufficient evidence to support the *prima facie* case.

Here the court found that the design patents were sufficient evidence to support the *prima facie* case of the USPTO. The court again seemed influenced by the limitations inherent within the USPTO in carrying out extensive surveys and research into the relevant markets. The court indicated that the applicant is in a much better position to do so, even if it implies a burden on the applicant in refuting the *prima facie* case.

The court also found Pacer’s refutation of the *prima facie* case insufficient. The court indicated that Pacer could have successfully rebutted the USPTO’s case by showing that the design patented caps were not actually being sold in the relevant market, although this might impose a burden on Pacer. Another approach could have been so show that, even if other, similar designs were on the market, the relevant public viewed Pacer’s container cap as unique or unusual. The affidavits (five) presented by Pacer were simply too specific (in the artificial nail adhesive market) to demonstrate the public perception required for the broad market for which protection was sought (containers holding adhesives and bonding agents generally).