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THE TTAB**

Mailed: June 28, 2012

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Hershey Chocolate and Confectionary Corporation

Serial No. 77809223

Oral Hearing: December 8, 2011

Paul C. Llewellyn of Kaye Scholer LLP for applicant.

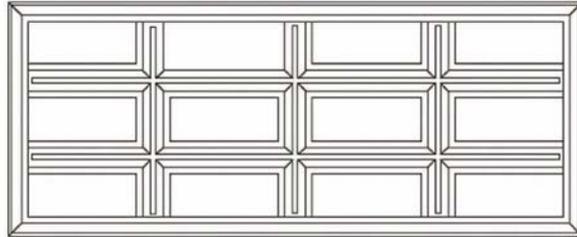
John Dwyer, Trademark Examining Attorney, Law Office 116
(Michael W. Baird, Managing Attorney).

Before Cataldo, Mermelstein, and Shaw, Administrative
Trademark Judges.

Opinion by Shaw, Administrative Trademark Judge:

The Hershey Chocolate and Confectionary Corporation
filed an application to register the following
configuration mark on the Principal Register for goods

identified as "candy; chocolate," in International Class 30.¹



The description of the mark reads as follows: "The mark is a configuration of a candy bar that consists of twelve (12) equally-sized recessed rectangular panels arranged in a four panel by three panel format with each panel having its own raised border within a large rectangle."

The specimen of use provides a photographic view of the configuration of the goods:



The application is based on an allegation of first use anywhere and in commerce on December 31, 1968, and contains

¹ Application Serial No. 77809223, filed August 20, 2009, pursuant to Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a).

a claim that the mark has acquired distinctiveness under Trademark Act Section 2(f), 15 U.S.C. § 1052(f).

The Examining Attorney refused registration under Section 2(e)(5) of the Trademark Act, 15 U.S.C. § 1052(e)(5), on the ground that applicant's proposed mark is a functional configuration of the goods. The Examining Attorney also refused registration on the alternative ground that, if the proposed mark is not functional, it nonetheless consists of a nondistinctive configuration of the goods that does not function as a mark under Trademark Act Sections 1, 2, and 45, 15 U.S.C. §§ 1051-1052 and 1127, and has not acquired distinctiveness under Trademark Act Section 2(f), 15 U.S.C. § 1052(f).

Applicant and the Examining Attorney filed briefs, including applicant's reply brief. In addition, applicant and the Examining Attorney presented arguments at an oral hearing held before this panel on December 8, 2011.

The Mark and the Goods

Before discussing the merits of the grounds for refusal, it is important to discuss what exactly applicant is seeking to register. As for the proposed mark itself, there is no dispute that it represents a configuration of the goods, i.e., a candy bar. Accordingly, when considering the merits of the refusal to register, we must

consider all elements, including those described in the description of the mark as well as those shown on the drawing page.

As to the precise nature of the proposed mark, the drawing and the description establish that the configuration of the candy bar is comprised of the following elements:

1. A rectangular candy bar divided into twelve segments,
2. The segments are equally sized and rectangular in shape,
3. The segments are in a four by three arrangement, and
4. Each segment is recessed with a raised border design.

Regardless of whether each of the foregoing elements may be functional or non-functional, it is the overall combination of these elements that will guide our review of the merits of the refusals to register.

Functionality

A product feature is functional, and cannot serve as a trademark, 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., Inc.*, 514 U.S. 159, 34 USPQ2d 1161, 1163-1164 (1995) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 214 USPQ 1, 4 n.10 (1982)). Functional matter cannot receive trademark protection. At its core, the functionality doctrine serves

as a balance between trademark and patent law. As the Supreme Court explained in *Qualitex*:

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. It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time, 35 U.S.C. §§ 154, 173, after which competitors are free to use the innovation. If a product's functional features could be used as trademarks, however, a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity).

Qualitex, 34 USPQ2d at 1163.

In making our determination as to whether a proposed mark is functional, the following four factors are considered:

- (1) the existence of a utility patent that discloses the utilitarian advantages of the design sought to be registered;
- (2) advertising by the applicant that touts the utilitarian advantages of the design;
- (3) facts pertaining to the availability of alternative designs; and
- (4) facts pertaining to whether the design results from a comparatively simple or inexpensive method of manufacture.

In re Morton-Norwich Prods, Inc., 671 F.2d 1332, 213 USPQ 9, 15-16 (CCPA 1982); see also, *Valu Eng'g Inc. v. Rexnord Corp.*, 278 F.3d 1268, 61 USPQ2d 1422, 1426 (Fed. Cir.

2002). Upon consideration of these factors, our determination of functionality is ultimately a question of fact, and depends on the totality of the evidence presented in each particular case. *Valu Eng'g*, 61 USPQ2d at 1424; *In re Caterpillar Inc.*, 43 USPQ2d 1335, 1339 (TTAB 1997); see also, TMEP § 1202.02(a)(iv) (8th ed. 2011).

Furthermore, and particularly relevant to this proceeding, our primary reviewing court has instructed that "[w]henever a proposed mark includes both functional and non-functional features . . . the critical question is the degree of utility present in the overall design of the mark." *In re Becton, Dickinson and Co.*, 675 F.3d 1368, 102 USPQ2d 1372, 1376 (Fed. Cir. 2012).

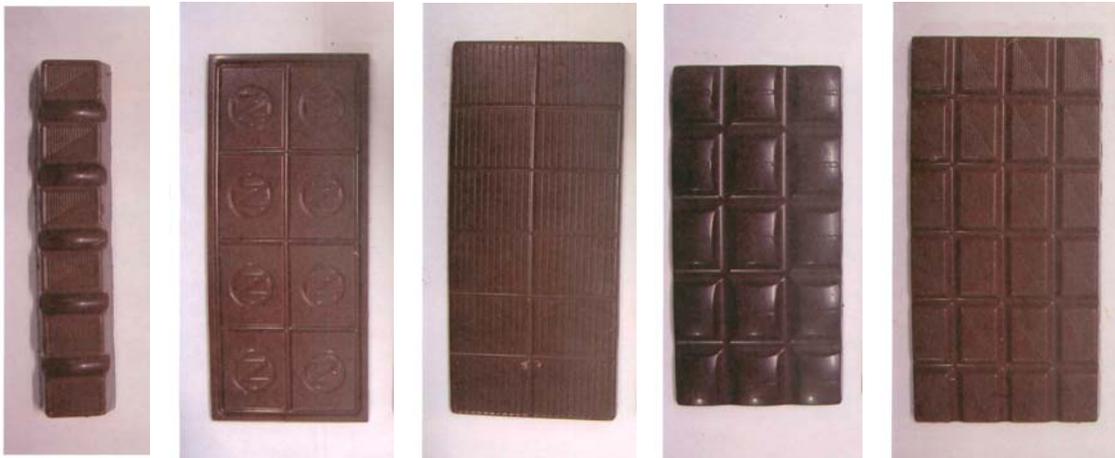
The Examining Attorney argues that the flat rectangular shape and the "scoring" of applicant's candy bar into smaller pieces represent functional features which constitute an absolute bar to registration. Examining Attorney's Br. at 5. The Examining Attorney relies in part on a utility patent claiming a method of scoring candy so that it may be more easily broken into smaller pieces. *Id.* at 6. The Examining Attorney also points to numerous articles touting the utility of applicant's segmented candy bars for sharing, as well as to flat and segmented candy bar shapes produced by third parties. *Id.* at 8-12.

Finally, the Examining Attorney discounts applicant's affidavit claiming that its candy bar moulds are more expensive to make compared to other shapes by arguing that the affidavit addresses only one feature of the design, not the other elements of the candy bar configuration such as the flat rectangular shape. *Id.* at 13-14.

Applicant argues that the Examining Attorney improperly focuses on only a single feature of the mark, i.e., the scoring, and ignores the other elements of the mark comprising the configuration as a whole. Applicant's Br. at 12. Further, applicant argues that the cited patent neither claims nor discloses features comprising applicant's configuration mark. *Id.* at 15. Applicant also argues that it has not promoted any utilitarian advantages of the design and that numerous alternative designs are available to competitors. *Id.* at 16-19. Finally, applicant argues that its design is not the result of a simpler or cheaper method of manufacture. *Id.* at 19.

There is no doubt that scoring or segmenting candy bars, in and of itself, serves a useful function to enable the consumer to break the candy bar into smaller pieces for consumption. Numerous reviews of applicant's candy bars, as well as reviews of other candy bars, point out the utility of segments for dividing chocolate for consumption.

Furthermore, the record submitted by both parties is replete with examples of candy bars with differing segment patterns. Candy bars are comprised of squares, rectangles, triangles, ovals, and the like. These segments are often arranged in a variety of common symmetrical patterns, including, one by six, two by four, three by ten, four by six, etc. The record shows dozens of numerical combinations of segments in a variety of shapes and patterns such as the following samples submitted by the applicant.



Applicant's May 3, 2010 Response to Office Action at 8-18. The record even shows that in some cases the size and weight of the candy bar segments correspond to common weights and measures used in cooking. Examining Attorney's December 28, 2010 Final Office Action at 47. Thus, the size, number, and arrangement of the segments in a candy bar, while varying greatly, nevertheless are likely to be a

function of the overall size of the bar relative to the desired size of an individual serving of chocolate. Simply put, candy bar segmentation is a functional feature of such goods.

Similarly, the record shows numerous examples of rectangular candy bars and there is no doubt that many candy bars, if not most, have a rectangular shape.

But applicant is not seeking to register a segmented rectangular candy bar of no particular design. Rather, applicant is seeking to register a candy bar comprising all of the elements shown in the drawing and in the description of the mark, i.e., "twelve . . . equally-sized recessed rectangular panels arranged in a four panel by three panel format with each panel having its own raised border within a large rectangle." Therefore, while there is no question that a rectangular shape or segments by themselves are functional for candy bars and cannot be registered, this alone does not resolve the issue of functionality. We must balance these functional elements against any non-functional elements to determine whether the mark as a whole is essentially functional. *In re Becton*, 102 USPQ2d at 1376.

In light of the need to balance all of the elements in the mark, we disagree with the Examining Attorney's focus

on the rectangular shape of applicant's candy bar and its segments as dispositive of the issue of functionality. Focusing on the segments, and to a lesser degree on the rectangular shape, does not give an understanding of the "degree of utility present in the overall design of the mark." *In re Becton*, 102 USPQ2d at 1376. This analysis ignores the other elements of applicant's mark, namely, the twelve recessed rectangles with a raised border design in a four by three format. These raised-border rectangles form a prominent part of applicant's mark. The record shows that candy makers often embellish their candy bars with decorative elements and these raised borders and ridges decorate and embellish what otherwise would be a simple rectangular shape with a four by three pattern. Furthermore, while the record shows an extensive variety of shapes and decorative designs for candy bars, there is no evidence that this particular combination of recessed rectangles with a raised border is used by other candy makers or that the overall design is in any way functional.

When the significance of design of the recessed rectangles with a raised border is balanced against the rectangular shape including segments, we find that the mark as a whole is not essentially functional. The prominent decorative recessed rectangle and raised border design

reduces the degree of utility present in the overall design of the mark so as to remove it from the category of functional under Section 2(e)(5). We recognize that segmentation and rectangular shapes are extremely common in the candy field, but registration of configuration marks is not limited to marks where the design has no connection with the function or purpose of the goods. Such a rule, as the CCPA noted, would lead to the impossible situation where "the design of a particular article would be protectable as a trademark only where the design was useless, that is, wholly unrelated to the function of the article." *Morton-Norwich*, 213 USPQ at 13. Thus, even if certain features found in applicant's candy bar design are functional and common to other candy bars, it does not necessarily follow that the *overall* appearance of applicant's candy bar configuration is functional.

Accordingly, we conclude that the candy bar configuration mark, considered in its entirety, is not functional.

Acquired Distinctiveness

The Examining Attorney also has finally refused registration under Trademark Act Sections 1, 2, and 45 on the ground that the candy bar design sought to be

registered is not inherently distinctive and that applicant has not established acquired distinctiveness.

Applicant admits that the candy bar configuration mark is not inherently distinctive by seeking registration under Section 2(f). *In re MGA Entm't, Inc.*, 84 USPQ2d 1743, 1747 (TTAB 2007) (application under Section 2(f) is a concession that the mark is not inherently distinctive). Thus, the issue is whether the relevant consumers view the configuration as a trademark. On this issue, it is applicant's burden to prove that the proposed mark has acquired distinctiveness. *In re Hollywood Brands, Inc.*, 214 F.2d 139, 102 USPQ 294, 295 (CCPA 1954) ("[T]here is no doubt that Congress intended that the burden of proof [under Section 2(f)] should rest upon the applicant.").

There is no clear standard as to the amount of evidence necessary for allowing a mark to register under Section 2(f); indeed, as our primary reviewing court noted:

the statute is silent as to the weight of evidence required for a showing under Section 2(f) except for the suggestion that substantially exclusive use for a period of five years immediately preceding filing of an application may be considered prima facie evidence.

As observed by our predecessor court, the exact kind and amount of evidence necessarily depends on the circumstances of the particular case, and Congress has chosen to leave the exact degree of proof necessary to qualify a mark for registration to the judgment of the Patent Office and the courts. In general, the greater the degree of descriptiveness the term has, the

heavier the burden to prove it has attained secondary meaning.

Yamaha Int'l Corp. v. Hoshino Gakki Co. Ltd., 840 F.2d 1572, 6 USPQ2d 1001, 1008 (Fed. Cir. 1988). Nevertheless, it has been observed that an applicant faces a heavy burden in cases such as this where applicant is attempting to establish the distinctiveness of a product design. *Id.*; see also, *In re Ennco Display Sys. Inc.*, 56 USPQ2d 1279, 1284 (TTAB 2000).

Ultimately, to establish acquired distinctiveness, an applicant must show that the product configuration sought to be registered is perceived by consumers as not just the product but, rather, that the design identifies the producer or source of the product. This may be shown by direct and/or circumstantial evidence. Direct evidence includes actual testimony, declarations or surveys of consumers as to their state of mind. Circumstantial evidence, on the other hand, is evidence from which consumer association might be inferred, such as years of use, prior registrations, extensive amount of sales and advertising, unsolicited media coverage, and any similar evidence showing wide exposure of the mark to consumers. See 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, Section 15:30 (4th ed. Updated 2010).

After careful consideration of the evidence submitted in this case and the arguments made, we are persuaded that applicant has, at least, made a prima facie case that its mark has acquired distinctiveness and the Examining Attorney has not sufficiently rebutted this showing.

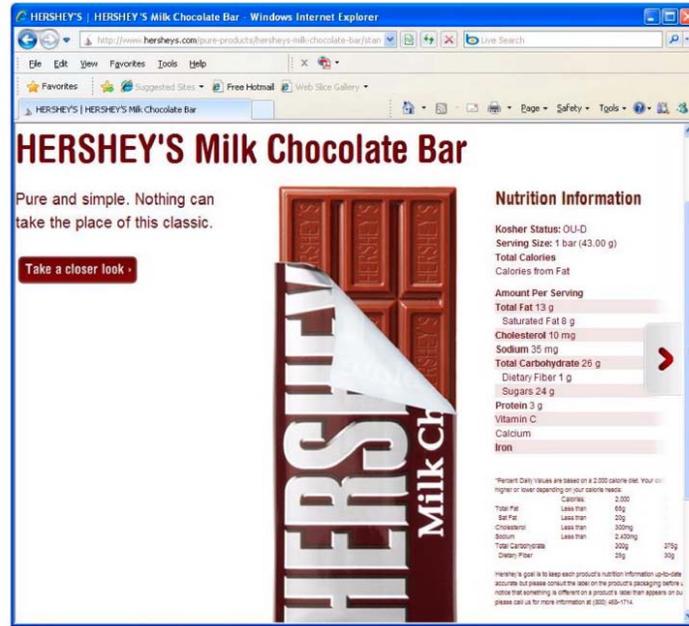
Applicant's direct evidence that the candy bar design has acquired distinctiveness comprises a consumer recognition survey conducted by Robert L. Klein. Applicant commissioned a blind internet survey of individuals (over 18 years old) who "have both purchased a chocolate bar in the past six months and also plan on purchasing a chocolate bar in the next six months." (Emphasis in original). Klein Survey at 3. The survey respondents were shown the "four by three" panel candy bar configuration in the application. A control group also was used and was shown a "one by three panel" candy bar design. Respondents were first asked if they associated the "appearance or design of the product with one or more particular companies." *Id.* at 4. If the respondents answered affirmatively, they next were asked which company or companies they associated with the design and appearance of the product. *Id.* After adjusting for the control group, approximately 42% of the survey participants correctly identified applicant as the maker of the candy bar. *Id.* at 8. These percentages are

significant when compared to previous cases where secondary meaning or acquired distinctiveness in a mark has been established. *Cf.*, *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 116, 227 USPQ 417, 424 (survey showing 41% and 50% recognition, submitted together, found sufficient to establish acquired distinctiveness of trade dress); *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 217 USPQ 988 (5th Cir. 1983) (23-28% correct responses sufficient to establish secondary meaning); and *In re Jockey Int'l, Inc.*, 192 USPQ 579, 581 (TTAB 1976) (survey showing 51.6% recognition found sufficient to establish acquired distinctiveness for trade dress). We do not find these survey results, alone, to be conclusive in establishing that the candy bar design has acquired distinctiveness; however, the survey is one piece of persuasive evidence that is considered in conjunction with the entire record before us.

As for circumstantial evidence, applicant has submitted a declaration from Lois B. Duquette, applicant's Assistant Secretary, as to the length of use of the mark, sales revenues of the goods bearing the mark, and advertising expenditures to promote goods bearing the mark. Applicant has been using the mark since 1968, over 40 years. For the twelve year period from 1998 to 2010, sales

of candy products embodying the candy bar configuration exceeded four billion dollars. Additionally, as of 1986, applicant spent more than 186 million dollars to advertise products embodying the candy bar configuration. While it is well settled that sales and advertising expenditures alone do not always amount to a finding of acquired distinctiveness, these are compelling numbers, particularly when viewed in the larger context of applicant's evidence of acquired distinctiveness. *Cf. In re Boston Beer Co., L.P.*, 198 F.3d 1370, 53 USPQ2d 1056 (Fed. Cir. 1999).

Similarly, while there is no evidence that applicant has promoted the candy bar configuration via "look for" advertisements, we note that at least some of the advertisements submitted with the Duquette declaration display the candy bar configuration prominently. One such example from applicant's web site appears below.



Duquette declaration, exh. A at 14.

In support of acquired distinctiveness, applicant also submitted evidence of purported attempts by a third party to copy the design of the candy bar configuration for the shape of the brownie baking pan shown below. The term "CHOCOLATE" appears in each rectangle instead of "HERSHEY'S."



Applicant argues that this copying of its candy bar design for brownie baking pans suggests that the

configuration has "obtained [] acquired distinctiveness in the minds of the public." Applicant's Br. at 24. We agree. It is often true that copying of a configuration mark by third parties may be nothing more than an attempt to exploit a desirable product feature. See *In re Van Valkenburgh*, 97 USPQ2d 1757, 1768 (TTAB 2011), and cases cited therein. In this case, however, we find it is more likely that the brownie pan maker choose the "chocolate bar brownie pan" shape because of its powerful association with applicant's chocolate bars in the mind of the consumer. This suggestion of an association between the applicant's candy bar configuration and consumer perceptions regarding chocolate bars is reinforced by a web site review of the brownie pan which describes applicant's candy bar configuration as "a classic confectionary icon." Duquette declaration, exh. D at 1.

Based upon consideration of all the evidence of record, we conclude that applicant has established a prima facie case that the candy bar configuration has acquired distinctiveness within the meaning of Section 2(f) of the Trademark Act. The evidence and arguments of the Examining Attorney, taken together, do not rebut that showing.

Decision: The refusal of registration is reversed.