

You Know What It Is: Taco Tuesday and the Failure-to-Function Doctrine In Trademark Law

By **Brandon Leahy**

In LeBron James' house, Tuesday nights mean one thing: Tacos. In a series of Instagram posts last year, the NBA superstar gleefully announced to his 50-plus million followers that he and his family were enjoying the tradition of eating tacos on Tuesday. It picked up enough attention that James decided to file an intent-to-use trademark application for TACO TUESDAY, including for "advertising and marketing services," "podcasting services," and "online entertainment services" (see, Ser. No. 88579771). But as the *New York Times*, *Los Angeles Times*, and numerous other outlets reported, the application was refused by the United States Patent and Trademark Office (USPTO) in a Sept. 11, 2019 office action. One reason given for the refusal was that the applied-for mark did not "function

Brandon Leahy is an associate in the Palo Alto, CA office of Wilson Sonsini Goodrich & Rosati, where he practices trademark, copyright, and advertising law. He advises clients on all aspects of brand protection and enforcement in the U.S. and internationally, including clearance and selection of trademarks, prosecution of trademark applications, and licensing and transactions.

as a trademark." See, <http://bit.ly/39JPoO7>.

The foundational requirement that a trademark function as a trademark has received little attention in the case law. More recently, however, there has been an apparent uptick in scrutiny of trademark use by the USPTO and Trademark Trial and Appeal Board (TTAB), as well as fresh academic attention paid to the issue.

For a designation to be protectable as a trademark, it must identify and distinguish the source of a good or service (even if that source is unknown). This threshold protectability inquiry is often centered on the question of distinctiveness, that is, whether a designation is sufficiently distinctive in relation to the goods or services at issue for trademark protection to adhere. But distinctiveness alone is not sufficient for a designation to be protectable as a trademark. A designation must also serve to identify the source of a good or service.

What does it mean for a designation to perform the function of a trademark? The TTAB has asked "whether the designation in question, as used, will be recognized in and of itself as an indication of origin for this particular product."

Proctor & Gamble Co. v. Keystone Auto. Warehouse, Inc., 191 USPQ2d 469 (TTAB 1976). It has also emphasized that the focus must be on public perception, that is, whether the designation would be perceived by consumers as a trademark. See, *In re Eagle Crest, Inc.*, 96 USPQ2d 1227 (TTAB 2010). "Trademark use' can be generally understood as use of a word or symbol in close association with goods or services being offered for sale, in a manner that is likely to communicate the source of those goods or services to consumers." Margreth Barrett, "Finding Trademark Use: The Historical Foundation for Limiting Infringement Liability to Uses 'In the Manner of a Mark,'" 43 Wake Forest L. Rev. 893, 894. And Professor McCarthy says in his treatise: "To be a trademark, a designation must do the job of a trademark." 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §3:3 (5th ed. 2017) (McCarthy).

As with the TACO TUESDAY example, office actions can issue against intent-to-use applications based on failure to function, thus shutting off the opportunity for an applicant to show with evidence that the mark actually functions as a mark when viewed in the marketplace. Indeed,

the office action refusing the TACO TUESDAY application expressly stated that James' company could not respond "by amending the application to seek registration on the Supplemental Register or asserting a claim of acquired distinctiveness under Section 2(f)." The application was dead on the spot, absent arguments sufficient to persuade the examining attorney or TTAB that the designation in fact functions as a trademark.

The Trademark Manual of Examining Procedure (TMEP) offers scant guidance on this issue. TMEP §1202.19(e) says, without meaningful elaboration, that the "USPTO will not register an applied-for mark unless it functions as a mark. That is, the mark must serve as an indicator of the source of the goods or services, identifying and distinguishing them from those of others." (Citations omitted.) The lack of guidance on the subject may be one reason the USPTO's application of the rule can seem inconsistent. For example, a registration was issued in 1989 for TACO TUESDAY for "restaurant services" (Reg. No. 1572589), and an application by a different entity in 2018 for TACO TUESDAY for clothing items, such as t-shirts, was published for opposition (Ser. No. 87880862).

In a recent academic article on this topic, Professor Alexandra J. Roberts explained that certain types of terms and phrases generally do not function as trademarks absent other indicators of source, such as book titles, business names, hashtags, informational slogans, descriptive text and terms and phrases used ornamentally, such as on clothing or bumper stickers.

Alexandra J. Roberts, "Trademark Failure to Function," 104 Iowa L. Rev. 1977 (2019) (*Roberts*). In particular, a number of "informational slogan" applications have been refused recently. For example, the TTAB affirmed the denial of Wal-Mart's application for INVESTING IN AMERICAN JOBS as a merely informational phrase that did not function as a mark. The TTAB there was not persuaded by evidence showing signs of the slogan on store shelves and as a subject title on a web page, even though the phrase in both instances was set apart and stood out from other material in large lettering. *In re Wal-Mart Stores, Inc.*, 129 USPQ2d 1148 (TTAB 2019). The Board drew parallels to other phrases refused as merely informational or laudatory, such as YOU HAVE MAIL by AOL, DRIVE SAFELY by Volvo, and THE BEST BEER IN AMERICA by the Boston Beer Company, saying that Wal-Mart's phrase was "like other statements that would ordinarily be used in business or industry ... to convey support for American-made goods, and thus would not be recognized as indicating source ..."

The USPTO has also refused terms and phrases considered to be too commonplace. In the TACO TUESDAY office action, the examining attorney explained that the applied-for mark "is a commonplace term ... widely used by a variety of sources that merely conveys an ordinary, familiar, well-recognized concept or sentiment." Citing uses online of the term by a variety of sources, the examining attorney explained further that, "[b]ecause consumers are accustomed to seeing this term or expression commonly used in

everyday speech by many different sources, they would not perceive it as a mark identifying the source of applicant's goods and/or services but rather as only conveying an informational message." Similarly, the TTAB affirmed a refusal for application of the mark JOHN 15:11 PUBLICATIONS for books and publications, on the ground that the "John 15:11" biblical verse is commonly referenced in publications, sermons, and various consumer goods. *See*, Ser. No. 87880862.

While a designation deemed too informational or commonplace can be denied protection and registration regardless of how an applicant may ultimately use it, whether other types of designations function as marks generally depends on how the designations appear in context. The placement of a designation can be particularly determinative on the question of whether a designation is merely "ornamental," and thus not functioning as a trademark. *See*, TMEP 1202.03. Ornamental design issues commonly arise where a party seeks protection for a designation on clothing. A designation emblazoned across the center of a t-shirt, for example, will generally not be considered to perform a trademark function because consumers are not accustomed to identifying source in that location. (*See, e.g., In re Diesel Power Gear, LLC.*, Ser. No. 87261073 (TTAB Feb. 27, 2019) (denying application for bearded skull design). On the other hand, use of a designation on a hang tag or clothing label is generally not considered ornamental.

In addition to placement, the font size, capitalization, and style of a designation in relation to

surrounding text or material, as well the use of trademark symbols in connection with the designation, can all aid factfinders in determining whether a designation is acting as a mark. *See*, McCarthy at §3:4. These indicators can all tend to differentiate a designation from surrounding material and draw to a consumer's attention that the source of the product or service is using the designation to symbolize source. As Professor McCarthy puts it, these indicators all point to the ultimate question: "Has the designation claimed as a protectable mark been used in such a way as to make such a visual impression that the viewer would see it as a symbol of origin separate and apart from everything else?" McCarthy at §3:4.

During examination, this question often arises post-publication when an intent-to-use applicant files a Statement of Use, sometimes several years after filing an application, and the "dos" and "don'ts" of specimen submissions can puzzle the uninitiated. Marks used with pharmaceuticals often present particularly tricky cases because of the amount of information necessary to include on pharmaceutical labels, the limited space available on labels, and the pre-market, clinical nature of the "commercial" use being alleged. In one such case, the TTAB reversed the USPTO's refusal of an application for the mark TRULICITY for pharmaceuticals. *See, In re Eli Lilly & Co.*, Ser. No. 85183667 (TTAB June 18, 2015). There, the application was refused post-publication when the applicant filed a Statement of Use showing the mark on a label allegedly used in clinical trials. The mark only appeared on

the label specimen once, in the following sentence surrounded by a lot of other text of the same font size and type: "Syringe contains a 0.5 mL solution for injection of Trulicity™ (dulaglutide) or placebo." In refusing the application, the office action stated that the applied-for mark was part of a "logically connected and continuous sentence, as opposed to the mark alone" But such rigid focus on its appearance in a sentence ignored other clear indicia of use, such as the capitalization of the letter "T," the use of the ™ symbol with the mark, and the appearance of the designation just before the drug's generic name, which appeared in all lower case in a parenthetical. Moreover, the TTAB, in reversing the examiner's refusal, viewed it as significant that the designation was inherently distinctive and the only coined term on the label, further indicating its use as a mark.

The last point bears emphasizing. Although not generally considered to be a marker of whether a designation functions as a trademark, in practice, trademark distinctiveness — the other protectability requirement — can often inform the inquiry. Professor Roberts' article advances a theory whereby use as a mark and distinctiveness exist together on a spectrum: the greater the distinctiveness, the more permissive a factfinder may be in finding trademark use, and "the more descriptive a borderline term appears to be ... the more its use must bear all the trappings of trademark use if consumers are to understand it as a source indicator from the time they first encounter it." *Roberts*, at p. 166.

This conception of use and distinctiveness forms the concepts into a single inquiry. Whereas distinctiveness is conceptual in nature and assumes consumers will draw inferences based on the relatedness of a term or phrase to a good or service, the failure-to-function doctrine is about context and whether a designation, seen in the wild, looks like a trademark. While they each seek to answer a question about consumer understanding, independently they are insufficient proxies for determining whether consumers will perceive a designation as a trademark. Only the failure-to-function doctrine suggests that a fanciful word emblazoned on a t-shirt will not in most cases be a trademark, and only distinctiveness doctrine informs that an inconspicuous word on a pharmaceutical label may nevertheless function as a trademark if it is fanciful.

So what about the application for TACO TUESDAY? At a minimum, it stands to reason that the use of the phrase with marketing services or a podcast about sports could be so inherently distinctive as to signal to consumers that the services come from a particular source. After all, does anyone get more excited about Taco Tuesday than LeBron?

