

Hearing:
April 26, 2005

**THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT
OF THE TTAB**

Mailed:
July 12, 2005
Bucher

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Bose Corporation

Serial No. 74734496

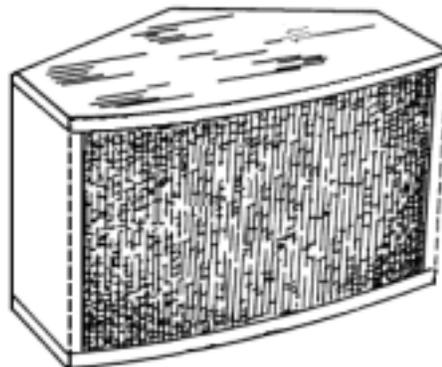
Charles Hieken of Fish & Richardson P.C. for Bose Corporation.

Glenn G. Clark, Trademark Examining Attorney, Law Office 115 (Tomas Vlcek, Managing Attorney).

Before Hairston, Bucher and Drost, Administrative Trademark Judges.

Opinion by Bucher, Administrative Trademark Judge:

Applicant seeks registration on the Principal Register of the following product design for "loudspeaker systems" in International Class 9:



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¹ Application Serial No. 74734496 was filed on September 26, 1995, based upon applicant's allegation of first use and first use in commerce at least as early as September 1976. The application,

This is a case whose "long and tortuous prosecution history"² will soon span thirty years. This latest case is before the Board on appeal from the final refusals of the Trademark Examining Attorney to register this design based upon the following grounds: (1) that applicant has failed to comply with the requirement that the applicant submit evidence allegedly missing from the record; (2) that applicant has failed to comply with the requirement that the applicant submit an acceptable drawing of the proposed mark and explain the nature of two vertical dashed lines that appear in the drawing; (3) that under the doctrine of *res judicata*, applicant has already had a full and fair opportunity to prosecute this proposed mark for identical goods [Application Ser. No. 73127803]; (4) that registration is proscribed by Section 2(e)(5) of the Trademark Act,

as amended, contains a statement that the lines and stippling in the drawing are features of the mark and do not indicate color. In the course of prosecution, applicant has described this product design as consisting of "an enclosure and its image of substantially pentagonal cross section with a substantially pentagonal-shaped top with a curved front edge parallel to a substantially pentagonal-shaped bottom with a curved front edge."

Applicant also claims ownership of Registration No. 0992982, issued on September 10, 1974 (second renewal, January 2004), also for "loudspeaker systems" in International Class 9 for the design shown below:



² *In re Bose Corporation*, 772 F.2d 866, 227 USPQ 1, 2 (Fed. Cir. 1985).

15 U.S.C. Section 1052(e)(5); (5) that the proposed design consists of a *de jure* functional configuration of a loudspeaker system; and (6) that even if this matter should be found not to be *de jure* functional, applicant's claim of acquired distinctiveness is insufficient to support registration on the Principal Register under Section 2(f) of the Lanham Act, 15 U.S.C. Section 1052(f).

Applicant and the Trademark Examining Attorney have fully briefed this case, and both applicant's counsel and the Trademark Examining Attorney appeared before this panel of the Board at an oral hearing conducted on April 26, 2005.

1. Evidence allegedly missing from the record

In his appeal brief and at oral argument, the Trademark Examining Attorney continued to argue that applicant's booklet ["*Bose® Product Line*"]³ was missing from the record, and that applicant's failure to submit another copy of this booklet is simply one more reason for denying registration herein.

However, applicant argues as follows:

We are aware of no authority that allows refusal of registration based on the failure of an applicant to supply a booklet that was previously furnished to the Office and misplaced by the Office.

³ This appears to be a fifty-two page booklet if one counts both the front and back covers.

This booklet was discontinued four or five years ago. We enclose a copy of it.

We have afforded extensive cooperation to the Office during the nine-year prosecution of this application including furnishing a copy of the file history of the abandoned application that the Office was unable to locate.

There is absolutely nothing in this booklet which bears on the registrability of this mark, except that it shows the wide range of loudspeaker systems Bose manufactures that differ from the mark. The information regarding Bose products was readily available to the Examining Attorney on the Bose website at www.bose.com and is still available there.

Applicant's reply brief, p. 4.

According to the records of the United States Patent and Trademark Office (USPTO), this booklet is now a part of the record, having been sent most recently with a certificate of mailing via the United States Postal Service on December 3, 2004, one day after applicant's counsel submitted the reply brief quoted above.

As noted by applicant, this booklet is, at best, cumulative of other evidence in this extensive record, showing a wide range of loudspeaker systems that applicant manufactures that have different product configurations from the Bose 901 loudspeakers involved herein.

We are sympathetic to applicant's frustration with this particular requirement of the Trademark Examining Attorney.

It appears as if this latest submission may well be the third or fourth time this now out-of-date brochure has been placed into the prosecution record. It appears as if this may have been the original specimen filed with the application. Then, as part of its argument for registrability, the booklet was submitted with applicant's response of September 29, 1997. Unfortunately, by December 1997, the Trademark Examining Attorney indicated that this booklet had been misplaced. Then, years later, after the entire file wrapper was lost by the Office, applicant submitted copies in July 2002 of the entire record since 1995 - including the contents of the earlier abandoned Application Ser. No. 73127803. As indicated above, the booklet was submitted most recently on December 3, 2004.

We conclude that applicant has submitted the requested brochure, and hence, we reverse this refusal to register made by the Trademark Examining Attorney.

2. Drawing requirements

In its reply brief, applicant states with reference to its drawing that "[t]he vertical broken lines represent the side edges of the enclosure." The Trademark Examining Attorney correctly notes that "[i]t is unclear why the drawing of the mark features the two dashed lines. By

featuring these two dashed lines, it appears that the applicant is disclaiming any exclusive right to the two vertical front edge walls of the configuration design." Trademark Examining Attorney appeal brief, p. 3. See also Trademark Rule 2.52(b)(4).⁴

We too are unsure why applicant has chosen, in its drawing, to portray the two vertical edges (where the front meets the two sides of the speaker enclosure) as broken lines. We presume that applicant may have been attempting, with its drawing, to contrast these ordinary vertical edges - which would be identical on a rectangular speaker enclosure - with the pentagonally-shaped enclosure having a curved front. However, even the explanations proffered by applicant's counsel at the oral hearing failed to clear up our confusion on this point. Nonetheless, we are constrained to decide this case on the merits inasmuch as the legal arguments have all been clearly explored and fully briefed. In any case, we find that this small anomaly in the drawing has a *de minimus* impact on our decision on the

⁴ (4) *Broken lines to show placement.* If necessary to adequately depict the commercial impression of the mark, the applicant may be required to submit a drawing that shows the placement of the mark by surrounding the mark with a proportionately accurate broken-line representation of the particular goods, packaging, or advertising on which the mark appears. **The applicant must also use broken lines to show any other matter not claimed as part of the mark.** For any drawing using broken lines to indicate placement of the mark, or matter not claimed as part of the mark, **the applicant must describe the mark and explain the purpose of the broken lines.** (*Emphasis supplied*).

issue of functionality herein. Hence, on this refusal to register, we also reverse the Trademark Examining Attorney.

3. Res judicata based upon Application Ser. No. 73127803

Under the doctrine of claim preclusion (or *res judicata*), the entry of a final judgment "on the merits" of a claim (i.e., cause of action) in a proceeding serves to preclude the re-litigation of the same claim in subsequent proceedings between the parties or their privies. See Lawlor v. National Screen Service Corp., 349 U.S. 322, 75 S.Ct. 865, 99 L.Ed. 1122 (1955); Chromalloy American Corp. v. Kenneth Gordon, Ltd., 736 F.2d 694, 222 USPQ 187 (Fed. Cir. 1984); and Flowers Industries, Inc. v. Interstate Brands Corp., 5 USPQ2d 1580 (TTAB 1987). The "[a]pplication of *res judicata* [claim preclusion] requires a prior final judgment on the merits by a court or other tribunal of competent jurisdiction; identity of the parties or those in privity with the parties; and a subsequent action based on the same claims that were raised, or could have been raised, in the prior action." International Nutrition Co. v. Horphag Research Ltd., 220 F.3d 1325, 1328, 55 UPSQ2d 1492, 1494 (Fed. Cir. 2000).

There is no dispute but that the applicant herein is identical to the applicant in the earlier proceeding (involving Application Ser. No. 73127803).

The Trademark Examining Attorney also contends that this Board and our principal reviewing Court, the Court of Appeals for the Federal Circuit, rendered final decisions in that action on the issue of *de jure* functionality of substantially the same product configuration as is before us in this proceeding.⁵

However, applicant argues that the circumstances have changed since that earlier, adverse decision:

... The facts and issues in the present case are not identical to those in the Applicant's prior adjudication. The facts in the prior adjudication did not include a clear and concise description of the mark limiting the mark to the top and bottom having a curved front edge. Manifestly, the mark having a curved front edge is not functional and was not considered in the prior application. Nor was it possible to state in the prior application that there was no use by others of anything resembling the mark since 1976, a period of nearly 27 years, additional evidence of absence of functionality. ...

⁵ *In re Bose Corporation*, 215 USPQ 1124 (TTAB 1982) [configuration of loudspeaker design is *de jure* functional]; *In re Bose Corporation*, 215 USPQ 1132 (TTAB 1982) [request for rehearing denied]; *In re Bose Corporation*, 216 USPQ 1001 (TTAB 1983) [on remand from the Court of Appeals for the Federal Circuit, the Board found that the involved loudspeaker had *de facto* acquired distinctiveness sufficient to support registration of the mark under Section 2(f) of the Lanham Act]; *In re Bose Corporation*, *supra* (Fed. Cir. 1985) [shape of loudspeaker enclosure represents a superior design and is *de facto* functional].

In view of the foregoing amendment, authorities, the authorities previously set forth, the remarks, the additional evidence not considered in connection with the first application, and the absence of confusing similarity between any registered mark of another and mark in a pending application, this application is submitted to be in a condition for publishing the mark, and notice thereof is respectfully requested...

Applicant's appeal brief, p. 12.

As to applicant's first contention above, in its appeal brief, applicant emphasizes a difference between that earlier, adverse decision and this application created by the description of the mark in the instant application having a "curved front edge."

It is true that the bibliographical portion of the previous USPTO application record does not contain a written description of the loudspeaker enclosure. However, whether the front edge of the current speaker design is described as "bowed" or "curved," we find that this is not a change from the applied-for matter in the earlier-filed application. The images shown on the drawings are substantially identical in both applications:



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Moreover, the late Judge Nies, in footnote 3 of the Federal Circuit's 1985 decision, notes that the "front edge is bowed."⁶ Hence, this feature of the alleged mark has not changed, and the enclosure remains "substantially pentagonally shaped." Having made no prominent arguments as to the legal significance of the bowed (or curved) front edge in the previous litigation, it is disingenuous for applicant to argue in this re-litigation that this unchanged feature of the enclosure design now represents "an arbitrary flourish"⁷ that bars a finding of claim preclusion.

On the other hand, applicant also argues that the circumstances in the instant case are indistinguishable from the circumstances found relevant by the Board in approving registration of the round thermostat design. In re Honeywell, Inc., 8 USPQ2d 1600 (TTAB 1988). In fact, applicant contends that this case should be treated exactly like Honeywell, where the Board expressly refused to find *res judicata* based upon the previous attempt at registration, because "applicant's [Honeywell's] appeal of the Board's affirmance of refusal was to the Court of Customs and Patent Appeals, not the federal district court." The Board in Honeywell also based its determination on what

⁶ In re Bose Corporation, 227 USPQ at 4.

⁷ Applicant's reply brief, p. 3.

had "happened in the marketplace in the 17 years since the record of the original application closed [In re Honeywell, Inc., 532 F.2d 180, 189 USPQ 343 (CCPA 1976)] and since applicant's design patent on the configuration expired ...". The Board found these factors represented additions to the record significant enough to avoid a holding of *res judicata*.

Similarly, applicant argues that *res judicata* is not appropriate herein inasmuch as the present record reflects what has happened in the marketplace in the twenty-one years since the record of the original application closed and the sixteen years since applicant's Patent No. 3,582,553 (hereinafter "'553 patent") expired.

However, in spite of applicant's urging us to apply Honeywell to the instant case, and find that Bose's current appeal is not barred by *res judicata*, or claim preclusion, we find that case can be distinguished given important factual differences between these two cases.

First, the Board found that the mark that Honeywell applied for in the 1980's was different from the mark that it had applied for in the 1970's. Specifically, the Board found that the prior decisions of the Board and CCPA "were influenced by the functionality of the visibility of the temperature-controlling and -indicating mechanism," and that

"the absence of such a feature in the present configuration" provided a reason why the Board was not bound by the holdings in the prior decisions. Honeywell, *supra* at 1603. By contrast, as noted above, the instant applicant's two images shown on the drawings are substantially identical in both applications.

Second, we see a difference in how the two configurations evolved. The Honeywell record shows that the round configuration was chosen for source-indicating purposes, and that then the other components were designed to fit the round configuration.⁸ Here, the pentagonal shape is a clear derivative of the angled rear panels that are integral to the utility patents herein.⁹ As a corollary, Honeywell involved an expired utility patent having "ancillary references" to "round casings." This is not simply drawing a distinction between what is *disclosed* and what is *claimed* in a utility patent, but rather, an *ancillary reference* is clearly something less than either *disclosed* or *claimed*. In the instant case, the previous litigation, along with the evidence of record, demonstrates

⁸ In re Honeywell Inc., 8 USPQ2d at 1603.

⁹ As discussed *infra*, the patented technology requires that the drivers be directed at specific angles in a specially shaped enclosure. "It is obvious that if the back of a conventionally shaped speaker cabinet is replaced with two angled panels, this results in a pentagonally shaped enclosure." In re Bose Corporation, 215 USPQ at 1126.

that these patents contain much more than merely "ancillary references" to the pentagonal shape. See discussion *infra*.

Third, we note that much of the discussion in the Board's 1988 Honeywell decision actually pointed to *design* patents rather than *utility* patents. When dealing with issues of utilitarian functionality, it is significant if the product design feature claimed as a trademark is an integral feature of a utility patent, as is the case herein. Certainly, one cannot draw the same conclusions if the portion of the product configuration claimed as a trademark is merely a feature of a design patent.

Finally, a recent case has seriously undercut the rationale of the Board's 1988 Honeywell decision. Eco Manufacturing LLC v. Honeywell International Inc., 357 F.3d 649, 69 USPQ2d 1296 (7th Cir. 2003), *aff'g* 295 F.Supp2d 854 (S.D. Ind. 2003).

The Seventh Circuit affirmed the trial court's denial of Honeywell's motion for a preliminary injunction in its counterclaim against Eco Manufacturing LLC for infringement. The underlying action was one for declaratory judgment brought by Eco against Honeywell International Inc., that Eco's product will not infringe Honeywell's trade dress. The judge in the trial court [Eco Manuf. v. Honeywell, *supra*] declined to follow the Board's 1988 Honeywell

decision, concluding instead that there was a sufficiently high likelihood that the shape of Honeywell's thermostat would be found to be functional after a trial on the merits. He dismissed the impact of the Board's decision because the proceeding was *ex parte*, the Board applied what the District Court Judge regarded as the wrong legal standard of functionality, the Board did not have before it significant evidence of competitors' use of circular thermostat designs and the Board allegedly misread the evidence before it, including the claims of the relevant utility patent.

In its supplemental brief of May 2005, submitted after oral argument, applicant cites to the final paragraph of the Seventh Circuit's opinion:

Thus the district court did not abuse its discretion in holding that Eco may go forward with a round thermostat – at its own risk, of course, should the decision come out otherwise on the merits. Although we have not endorsed all of the district court's legal analysis, it would be pointless to remand for another hearing on interlocutory relief. The case should proceed expeditiously to final decision; another "preliminary" round would waste everyone's time. It would be especially inappropriate to direct the district judge to issue a preliminary injunction when issues other than functionality remain to be addressed. Eco contends, for example, that Honeywell bamboozled the Patent and Trademark Office when seeking registration during the 1980s, and material deceit would scotch this enforcement action whether or not the trade dress is functional. We do not express any

view on that issue, or any ultimate view about functionality; it is enough to say that the record compiled to date adequately supports the district judge's interlocutory decision.

The Seventh Circuit posed the question of whether the shape of Honeywell's thermostat is so clearly non-functional that the district judge abused his discretion by failing to enjoin Eco's competing round thermostat, and then answered this question in the negative. While we are cognizant of the high standard of review by the Appeals Court of this interlocutory ruling on a motion for preliminary injunction, the Seventh Circuit's affirmance clearly does not strengthen the case applicant has made the centerpiece of its argument in the instant case against our finding *res judicata* as to the issue of *de jure* functionality.

As discussed by applicant, and in this decision, *infra*, there has been twenty years of additional usage of this product design since the adverse decision by the Board and Court of Appeals for the Federal Circuit. That may well provide additional support for applicant's ongoing claim of acquired distinctiveness. However, we are not convinced that any positive change in the levels of *de facto* recognition by consumers of the design of this speaker enclosure has any effect on the conclusion that the design is *de jure* functional. Certainly applicant has not made the

argument that the relevant "laws of physics"¹⁰ have changed over the past twenty years. A design feature that is shown by way of an exhaustive analysis of a utility patent to be *de jure* functional does not become not *de jure* functional by the mere passage of time,¹¹ more years of promotion or ever increasing sales of the goods, etc.

Accordingly, we find that Bose's current appeal is barred by claim preclusion. The applicant herein is identical to the applicant in the earlier proceeding, the Court of Appeals for the Federal Circuit rendered a final decision in that action on the issue of *de jure* functionality of the same product configuration as is before us in this proceeding, and no conditions, facts or circumstances of consequence to the issue of *de jure* functionality have changed since that earlier, adverse decision. Hence, we affirm the refusal of the Trademark

¹⁰ *In re Bose Corporation*, 227 USPQ at 4.

¹¹ Applicant has not made an argument herein similar to that advanced by Honeywell, that, for example, due to technological changes, what was once functional for loudspeakers (in the 1960's and 1970's) may now, these decades later, be nothing more than ornamental. Specifically, Honeywell had pointed out that the transistor was not invented until 1947, the year after Honeywell's utility patent issued. At the time "The Round" was designed, the innards contained operating parts that were a complex, electro-mechanical linkage. While the circular casing and dial may have been related in a functional way to the operating parts of this pre-war device, thermostats in recent decades have been controlled by ever-smaller microprocessors - not "complex, electro-mechanical linkages."

Examining Attorney to register this matter based upon the doctrine of *res judicata*.

4. Registration is proscribed by Section 2(e)(5) of the Act

In its appeal brief and at oral argument, the Trademark Examining Attorney took the position that this claimed mark is absolutely barred from registration under Section 2(e)(5) of the Lanham Act as amended (See Office action of May 2003). However, Lanham Act Section 2(e)(5) applies only to applications filed after October 30, 1998. Technical Corrections to Trademark Act of 1946 (TCTA), Pub. L. No. 105-330, Section 201(b), 112 Stat. 3064 (1998). Given the filing date of this application (September 26, 1995), Section 2(e)(5) clearly does not apply to this application. Hence, we reverse the refusal of the Trademark Examining Attorney to register this matter based upon Section 2(e)(5) of the Act.

5. This design consists of a de jure functional configuration of a loudspeaker

In the event we should be reversed on appeal on the issue of *res judicata*, we examine again, in the alternative, the question of *de jure* functionality of the applied-for matter. This determination is a question of fact, and depends on the totality of the evidence presented in each

particular case. Valu Engineering, Inc. v. Rexnord Corp., 278 F.3d 1268, 61 USPQ2d 1422 (Fed. Cir. 2002). For more than two decades, this Board and our reviewing Court have applied the "Morton-Norwich" factors when determining whether a particular product design is functional. In re Morton-Norwich Products, Inc., 671 F.2d 1332, 213 USPQ 9 (CCPA 1982).

5.1. Morton-Norwich factor one: the existence of a utility patent that discloses the utilitarian advantages of the design sought to be registered

This factor continues to be most important in the instant case. Applicant's relevant patents repeatedly disclose the utilitarian advantages of this particular design. The United States Supreme Court has reaffirmed that if the product configuration sought to be registered as a mark is the subject of a utility patent that discloses the feature's utilitarian advantages, then the applicant bears an especially "heavy burden of overcoming the strong evidentiary inference of functionality." TraFFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 58 USPQ2d 1001, 1005 (2001).

Applicant is the owner of two expired utility patents that have been made a part of this record (Patent No. 3,582,553 ('553) and Patent No. 4,146,745 ('745)) disclosing

the utilitarian advantages of the design sought to be registered.

As argued by the Trademark Examining Attorney, the '553 patent explicitly claims the pentagonal shape of the applied-for design. The drawings (Figures 2, 3 and 9) of this patent show the pentagonal shape of the claimed invention. The *DETAILED DESCRIPTION OF PREFERRED EMBODIMENTS* identifies a specific angle of the rear panels which form the pentagonal shape of the goods:

Referring to Figure 3, [e]ach of the rear panels includes four loudspeakers ... on the left, and ... on the right ... [E]ach rear panel is a $\frac{3}{4}$ inch piece of plywood about $10\frac{1}{2}$ inches by about $10\frac{3}{4}$ inches forming an angle of 120 degrees so that the angle between each of the rear panels and the wall upon which they direct sound for reflection is substantially 30 degrees.

Claim 12 of the applicant's '553 patent specifically claims the pentagonal shape of the design sought to be registered:

A loudspeaker system in accordance with claim 9 wherein said rear baffles are contiguous flat panels forming an angle, and said loudspeaker cabinet comprises a pair of side panels each interconnecting a respective normally vertical edge of said front panel with a normally vertical edge of a respective rear baffle flat panel to define said internal volume as of pentagonal cross section and interconnecting generally parallel top and bottom panels to coact therewith and define said internal volume. [*Emphasis* added.]

The pentagonal loudspeaker enclosure design sought to be registered is also the preferred embodiment of applicant's '745 expired utility patent (viz., it is not claimed in this latter patent since the '553 patent is part of the prior art). Thus, the front-page figure of the '745 patent is a top view of the loudspeaker enclosure configuration which applicant seeks to register, shown in a cut-away, cross section so that the internal structure and features are visible.

Consistent with earlier decisions on this matter, the Trademark Examining Attorney argues convincingly that the pentagonal shape of the loudspeaker enclosure has inherent utilitarian value. As seen herein, the patented technology requires that the drivers be placed into two panels connected as a precise angle (e.g., 120°) in a specially-shaped enclosure. If the back of a loudspeaker enclosure having a square or rectangular cross section is replaced with two, angled panels, this necessarily results in a pentagonally-shaped enclosure.

5.2. Morton-Norwich factor two: advertising by the applicant that touts the utilitarian advantages of the design of its 901 speakers

A review of applicant's advertisements reveals that they tout the utilitarian advantages of the product design

sought to be registered. For example, the text on pages two and three of a brochure attached to the applicant's December 19, 1996 response, entitled "*Bose® The Bose 901® Series VI Direct/Reflecting Speaker System*," states: "901 Acoustic Matrix enclosure: This patented enclosure is a complex injection-molded structure with 14 independent acoustic regions that act as sound-enhancing elements." In a brochure entitled *Bose® The Limited Edition Bose® 901® Concerto Direct/Reflecting Speaker System*, the applicant states, "[t]he Bose® 901 speaker system: A host of patented technologies working together."

The record touts "forty years of research" and "Over 1000 Advances" or "over 1000 improvements made since the first 901 speaker revolutionized the audio world."¹² These advances or improvements certainly involve phenomenal changes in audio technology, signal processing, sound equalization, etc., and may well include, for example, the touted "complex injection-molded structure with 14 independent acoustic regions." However, of the "Three Acoustic Design Principles Developed by Bose," the first is "re-create a balance of reflected and direct sound similar to that found in a concert hall" and the second is "Use

¹² "Introducing The Bose® Lifestyle® 901 Music System," page 7 of 8.

multiple full-range drivers."¹³ Accordingly, in spite of all the advances applicant has made to the speakers that may well be unrelated to the shape of the speaker enclosure, we find that the pentagonal shape of this enclosure and the precise placement on the back panels of eight full-range drivers, as claimed in applicant's expired patents, continue to be the essential features of these highly-acclaimed speakers.

5.3. Morton-Norwich factor three: facts pertaining to the availability of alternative designs

In determining whether a feature is functional, this factor of the Morton-Norwich test considers the availability to competitors of feasible alternative designs - i.e., whether the design is superior to other designs.

The pentagonal shape of this enclosure and the precise placement on the back panels of eight full-range drivers are the reasons applicant claims the device works as it does, so detailed speculation about other designs need not be undertaken, according to the Supreme Court in the TraFFix decision:

There is no need, furthermore, to engage, as did the Court of Appeals, in speculation about other design possibilities, such as using three or four springs which might serve the same purpose. 200 F.3d, at 940. Here,

¹³ *Id.*

the functionality of the spring design means that competitors need not explore whether other spring juxtapositions might be used. The dual-spring design is not an arbitrary flourish in the configuration of MDI's product; it is the reason the device works. Other designs need not be attempted.

Because the dual-spring design is functional, it is unnecessary for competitors to explore designs to hide the springs, say by using a box or framework to cover them, as suggested by the Court of Appeals. *Ibid.* The dual-spring design assures the user the device will work. If buyers are assured the product serves its purpose by seeing the operative mechanism, that in itself serves an important market need. It would be at cross-purposes to those objectives, and something of a paradox, were we to require the manufacturer to conceal the very item the user seeks.

TraFFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 58 USPQ2d 1001, 1007 (2001).

As noted by the Trademark Examining Attorney, the Supreme Court in TraFFix reaffirms the traditional rule of Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844, 214 USPQ 1 (1982), that "a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." 532 U.S. at 32, 58 USPQ2d at 1006.

Regarding the third Morton-Norwich factor, the Federal Circuit has explained that:

We did not in the past under the third factor require that the opposing party establish that there was a "competitive necessity" for

the product feature. Nothing in TraFFix suggests that consideration of alternative designs is not properly part of the overall mix, and we do not read the Court's observations in TraFFix as rendering the availability of alternative designs irrelevant. Rather, we conclude that the Court merely noted that once a product feature is found functional based on other considerations there is no need to consider the availability of alternative designs, because the feature cannot be given trade dress protection merely because there are alternative designs available. But that does not mean that the availability of alternative designs cannot be a legitimate source of evidence to determine whether a feature is functional in the first place.

Valu Engineering, 61 USPQ2d at 1427 (footnote omitted).

Consistent with this analysis, the Board earlier explicitly took the position that the availability of certain other forms or shapes for speaker enclosures did not detract from the functional character of the involved configuration. In re Bose Corporation, 215 USPQ at 1127.

To the extent we do consider the availability of other shapes for speaker enclosures, we view with some skepticism the testimony of Bose Chief Engineer, Sherwin Greenblatt, repeatedly recited by applicant herein, that this speaker enclosure could be designed to be "octagonal," or to have a "triangular cross section [with] increased height." Neither an octagonal nor a triangular structure, with their respective eight- or three-panel shapes, would provide

naturally the precise placement of the two sets of four full-range drivers at a 120° angle required by the patented technology. On the other hand, putting rear panels at a 120° angle inside such arbitrarily-shaped enclosures would result in increased costs and major inefficiencies in the manufacturing and shipping processes. These purported alternatives appear to us to be "unfeasible, uneconomical or otherwise disadvantageous." In re Bose Corporation, 215 USPQ at 1127.

5.4. Morton-Norwich factor four: facts pertaining to whether the design results from a comparatively simple or inexpensive method of manufacture

As noted by the Trademark Examining Attorney, applicant's '553 utility patent, under the heading *LOUDSPEAKER SYSTEM*, claims the configuration design in the present case:

The present invention relates in general to loudspeaker systems and more particularly concerns a novel compact loudspeaker system that is compact and **relatively easy and inexpensive to manufacture** and provides realistic reproduction of sound with negligible distortion. [**Emphasis** supplied.]

Again, we agree with the Trademark Examining Attorney that this fourth Morton-Norwich factor weighs against the applicant.

Accordingly, when applying the four Morton-Norwich factors to the instant case, each one of the factors weighs against the applicant. Therefore, we find that applicant's proposed mark is functional.

6. If not de jure functional, applicant's claim of acquired distinctiveness under §2(f) is allegedly inadequate

As argued by applicant, and as noted earlier in this opinion, on remand from the Court of Appeals for the Federal Circuit, the Board found, in the alternative, that the involved loudspeaker had *de facto* acquired distinctiveness sufficient to support registration of the mark under Section 2(f) of the Lanham Act.¹⁴ There is nothing in this record indicating that applicant has not continued to enjoy substantially exclusive use of this loudspeaker configuration over the past twenty-two years, and in its promotional efforts, continues to do all the things the Board found convincing of *de facto* acquired distinctiveness in 1983 (e.g., consistently picturing the speaker cabinet with the perspective that highlights the pentagonal shape of the enclosure, etc.). In re Bose Corporation, 216 USPQ at 1005.

Hence, if we should be reversed on appeal on the questions of claim preclusion and of *de jure* functionality,

¹⁴ In re Bose Corporation, 216 USPQ 1001 (TTAB 1983).

we feel constrained to agree with this earlier determination by the Board. Accordingly, on this refusal, we reverse the position of the Trademark Examining Attorney.

Decision: We reverse the Trademark Examining Attorney on his refusals to register based upon the following grounds: that the applicant has failed to comply with a requirement to submit evidence allegedly missing from the record; that applicant has failed to comply with the requirement to submit an acceptable drawing of the proposed mark and to explain the nature of two vertical dashed lines that appear in the drawing; that registration is proscribed by Section 2(e)(5) of the Trademark Act; and that even if this matter should be found not to be *de jure* functional, applicant's claim of acquired distinctiveness under Section 2(f) of the Trademark Act is insufficient to support registration.

On the other hand, we affirm the refusals to register on the Principal Register on the grounds that under the doctrine of *res judicata*, applicant has already had a full and fair opportunity to prosecute this proposed mark for identical goods; and that the proposed design consists of a *de jure* functional configuration of a loudspeaker system. Accordingly, registration to applicant is hereby refused.