

Amazing Spaces, Inc. v. Metro Mini Storage

608 F.3d 225 (5th Cir. 2010)

{The relevant facts are as follows: Plaintiff Amazing Spaces, Inc. (“Amazing Spaces”) and defendant Metro Mini Storage (“Metro”) were rival self-storage businesses in Houston, Texas. Amazing Spaces claimed a star design as its service mark, which it registered at the PTO in 2004 (see the registration certificate below). Metro used a similar design on its storage buildings. In response to Amazing Spaces’ suit for trademark infringement, Metro argued that Amazing Spaces’ star design mark lacked both inherent and acquired distinctiveness and was improperly registered. The district court agreed and granted Metro’s motion for summary judgment on the issue. On appeal, after considering, among other things, the weight to be accorded to the PTO registration (an issue we will discuss in Part I.D below), the Fifth Circuit turned to the question of whether the star design was inherently distinctive.}

APPENDIX

Int. Cl.: 39

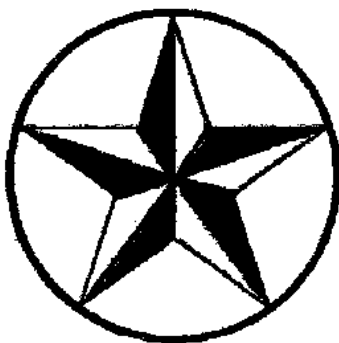
Prior U.S. Cls.: 100 and 105

United States Patent and Trademark Office

Reg. No. 2,859,845

Registered July 6, 2004

**SERVICE MARK
PRINCIPAL REGISTER**



AMAZING SPACES (TEXAS CORPORATION)
9040 LOUETTA ROAD, SUITE B
SPRING, TX 77379

FIRST USE 4-0-1998; IN COMMERCE 4-0-1998.

SER. NO. 76-540,834, FILED 8-15-2003.

FOR: STORAGE SERVICES, IN CLASS 39 (U.S.
CLS. 100 AND 105).

DOMINIC J. FERRAIUOLO, EXAMINING ATTOR-
NEY

KING, Circuit Judge

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2. Inherent Distinctiveness

As mentioned above, “a mark is inherently distinctive if ‘its intrinsic nature serves to identify a particular source.’” *Wal-Mart Stores*, 529 U.S. at 210 (quoting *Two Pesos*, 505 U.S. at 768). Inherent distinctiveness is attributable to a mark when the mark “almost *automatically* tells a customer that it refers to a brand and . . . immediately signal[s] a brand or a product source.” *Id.* at 212 (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162–63 (1995)). The parties disagree over not only the answer to whether the Star Symbol is inherently distinctive but also over the proper method for conducting the inquiry. Metro urges that the familiar *Abercrombie* test cannot be used to categorize the Star Symbol and instead asks that we apply the *Seabrook Foods* test to determine that the Star Symbol is not inherently distinctive. Amazing Spaces, by contrast, presses the application of the *Abercrombie* test, under which it claims the Star Symbol is inherently distinctive, and it argues alternatively that the Star Symbol is inherently distinctive under the *Seabrook Foods* test.

a. Abercrombie

In *Abercrombie*, Judge Friendly sought to arrange the universe of marks into a spectrum of distinctiveness. *See* 537 F.2d at 9. . . .

We agree with Metro that the Star Symbol resists categorization under the *Abercrombie* test, and we consequently do not rely on a rote application of its categories in determining whether the Star Symbol is inherently distinctive. The Supreme Court’s most recent recitation of the *Abercrombie* categories noted its use only in the context of marks consisting of words. *See Wal-Mart Stores*, 529 U.S. at 210 (“*In the context of word marks*, courts have applied the now-classic test originally formulated by Judge Friendly” (emphasis added) (citing *Abercrombie*, 537 F.2d at 10–11)). The Court’s precedent also supports the proposition that some marks, although deserving of legal protection, do not fit within the *Abercrombie* spectrum. In *Qualitex*, the Court declined to apply the *Abercrombie* test to a mark consisting purely of a shade of color used in a product’s trade dress, holding that the mark could constitute a legally protectable mark only through a showing of secondary meaning. 514 U.S. at 162–63. The Court further extended that logic when, in *Wal-Mart Stores*, it stated that “[i]t seems to us that [product] design, like color, is not inherently distinctive” and held that marks consisting of a product’s design were protectable only upon proof of secondary meaning—a conclusion it could not have reached had it applied the *Abercrombie* test. *Wal-Mart Stores*, 529 U.S. at 212. Professor McCarthy, a luminary in the field of trademark law, has likewise suggested that the *Abercrombie* test may not apply

to all marks, stating that “[u]se of the spectrum of descriptive, suggestive, arbitrary and fanciful is largely confined to word marks. It is usually not suitable for nonword designations such as shapes and images . . . [, which] must be judged by other guidelines.” 2 MCCARTHY ON TRADEMARKS § 11:2, at 11–7. . . .

As the district court discovered, the challenge of placing the Star Symbol into *Abercrombie*’s constellation of categories is a futile endeavor. We have described the *Abercrombie* categories as follows

The district court briefly probed the utility of applying the *Abercrombie* test and concluded that the Star Symbol did not fit as a generic, descriptive, or suggestive mark. *See Amazing Spaces*, 665 F.Supp.2d at 737. The district court first rejected the notion that the Star Symbol was generic because “[a] five-pointed star within a circle does not refer to a product or service provided by a self-storage company” and “[t]he evidence of widespread use of a five-point star or a five-point star set within a circle by many diverse businesses and government offices supports the conclusion that the star mark is not related to or a generic symbol for self-storage goods or services.” *Id.* It next determined that the Star Symbol was not descriptive because “[i]t does not identify a characteristic or quality of self-storage service, such as its function or quality.” *Id.* Nor was the Star Symbol suggestive, according to the district court, because “[t]here is no basis to conclude that a five-pointed star set within a circle suggests an attribute of self-storage services.” *Id.* We discern no flaws in the district court’s analysis with respect to these three categories. However, the logical extension of the district court’s analysis is the conclusion that the Star Symbol is arbitrary or fanciful, which under the *Abercrombie* test would render it inherently distinctive and thus entitled to protection. Yet the district court refused to so conclude, stating that “the star mark cannot be classified as arbitrary or fanciful unless it is inherently distinctive so as to serve as a source identifier for Amazing Spaces.” *Id.* It then turned to the *Seabrook Foods* test in conducting its inquiry into the Star Symbol’s inherent distinctiveness. *See id.*

We agree that the Star Symbol—indeed, any mark—lacks inherent distinctiveness if its intrinsic nature does not serve to identify its source. *See Wal-Mart Stores*, 529 U.S. at 210 (“[A] mark is inherently distinctive if ‘its intrinsic nature serves to identify a particular source.’” (quoting *Two Pesos*, 505 U.S. at 768)). Furthermore, as we have already indicated, we approve the district court’s decision to apply a test other than *Abercrombie* in this case. However, we disagree somewhat with the district court’s reasoning that a mark cannot be categorized as arbitrary or fanciful unless it is inherently distinctive. Under the *Abercrombie* test, it is the categorization of a mark that dictates its inherent distinctiveness, not the other way around. A rote application of the *Abercrombie* test yields the conclusion that the Star Symbol is an arbitrary or fanciful mark because it “bear[s] no relationship to the products or services to which [it is] applied.” *Pebble Beach*, 155

F.3d at 540 (quoting *Zatarains*, 698 F.2d at 791). Were we to apply the *Abercrombie* test mechanically to the Star Symbol, without an eye to the question the test seeks to answer, we would be left with the conclusion that the Star Symbol is inherently distinctive. The district court, aware of that result, proceeded to apply the *Seabrook Foods* test. See *Amazing Spaces*, 665 F.Supp.2d at 737.

Both the Supreme Court and scholars have questioned the applicability of the *Abercrombie* test to marks other than words. See *Wal-Mart Stores*, 529 U.S. at 210–13, (noting that the *Abercrombie* test was developed and applied “[i]n the context of word marks” and declining to apply it to a mark consisting of product design); *Qualitex*, 514 U.S. at 162–63 (referring to the *Abercrombie* test but not applying it to a mark consisting of a shade of color); 1 MCCARTHY ON TRADEMARKS § 8:13, at 8–58.1 (“Only in some cases does [*Abercrombie*] classification make sense [for trade dress] The word spectrum of marks simply does not translate into the world of shapes and images.”); We do not go so far as to hold that the *Abercrombie* test is eclipsed every time a mark other than a word is at issue. Instead, we hold that the *Abercrombie* test fails to illuminate the fundamental inquiry in this case: whether the Star Symbol’s “intrinsic nature serves to identify” *Amazing Spaces* and its storage services. *Wal-Mart Stores*, 529 U.S. at 210 (quoting *Two Pesos*, 505 U.S. at 768, 112 S.Ct. 2753). For the answer to that question, we now turn to the *Seabrook Foods* test employed by the district court.

b. *Seabrook Foods*

In contrast to the *Abercrombie* test, the *Seabrook Foods* test, articulated by the U.S. Court of Customs and Patent Appeals in 1977, applies expressly to marks consisting of symbols and designs:

In determining whether a design is arbitrary or distinctive this court has looked to [1] whether it was a “common” basic shape or design, [2] whether it was unique or unusual in a particular field, [3] whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods, or [4] whether it was capable of creating a commercial impression distinct from the accompanying words.

Seabrook Foods, 568 F.2d at 1344 (footnotes omitted).¹⁴ The first three of the *Seabrook Foods* “questions are merely different ways to ask whether the design, shape or combination of elements is so unique, unusual or unexpected in this

¹⁴ As noted above, the district court omitted discussion of the fourth factor, which by its terms applies only when a party seeks trademark protection for a background design typically accompanied by words. See *Amazing Spaces*, 665 F.Supp.2d at 736. Similarly, we will not consider the fourth *Seabrook Foods* factor.

market that one can assume without proof that it will automatically be perceived by customers as an indicator of origin—a trademark.” *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 40 (1st Cir. 1998) (quoting 1 MCCARTHY ON TRADEMARKS § 8:13, at 8–58.5). As is true of the *Abercrombie* test, the *Seabrook Foods* test seeks an answer to the question whether a mark’s “intrinsic nature serves to identify a particular source.” *Wal-Mart Stores*, 529 U.S. at 210 (quoting *Two Pesos*, 505 U.S. at 768, 112 S.Ct. 2753)¹⁶

We agree with the assessment of . . . Professor McCarthy that the *Seabrook Foods* factors are variations on a theme rather than discrete inquiries. In *Star Industries v. Bacardi & Co.*, the Second Circuit noted that “[c]ommon basic shapes’ or letters are, as a matter of law, not inherently distinctive . . . , [but] stylized shapes or letters may qualify, provided the design is not commonplace but rather unique or unusual in the relevant market.” 412 F.3d 373, 382 (2d Cir. 2005) (citing *Seabrook Foods*, 568 F.2d at 1344; *Permatex Co. v. Cal. Tube Prods., Inc.*, 175 U.S.P.Q. 764, 766 (TTAB1972)). This statement, turning on whether the symbol or design is “common,” comprises, essentially, the first two *Seabrook Foods* factors. However, the third *Seabrook Foods* factor similarly asks whether a symbol or design is “common” in the sense that it is likely to be perceived by the public as ornamentation rather than a mark. *See Wiley v. Am. Greetings Corp.*, 762 F.2d 139, 142 (1st Cir. 1985) (equating a red heart shape on a teddy bear to “an ordinary geometric shape” because it “carrie[d] no distinctive message of origin to the consumer, . . . given the heart shape’s widespread use as decoration for any number of products put out by many different companies”).¹⁷ A “common” symbol

¹⁶ We note, of course, that the *Wal-Mart* Court was urged by the respondent in that case and by the United States as *amicus curiae* to adopt the *Seabrook Foods* test writ large for product design but declined to do so. *Id.* at 213–14, 120 S.Ct. 1339. The Court’s concern was that “[s]uch a test would rarely provide the basis for summary disposition of an anticompetitive strike suit.” *Id.* at 214, 120 S.Ct. 1339. However, as discussed below, we are of the opinion that the relevant portions of the *Seabrook Foods* test do provide a basis for summary disposition in this case. Because we conclude that the Star Symbol is not inherently distinctive under the *Seabrook Foods* test, we do not address whether it constitutes a “reasonably clear test,” *id.* at 213, such that it would be preferable to the *Abercrombie* test in the ordinary trademark or service mark dispute.

¹⁷ The interrelationship between these inquiries is also reflected in Professor McCarthy’s discussion of common geometric shapes:

Most common geometric shapes are regarded as not being inherently distinctive, in view of the common use of such shapes in all areas of advertising. Thus, such ordinary shapes as circles, ovals, squares, etc., either when used alone or as a background for a word mark, cannot function as a separate mark unless (1) the shape is likely to create a commercial impression on the buyer separate from the word mark or any other indicia and (2) the shape is proven to have secondary meaning The rationale is that such

or design—lacking inherent distinctiveness—is the antithesis of a symbol or design that “is so unique, unusual or unexpected in this market that one can assume without proof that it will automatically be perceived by customers as an indicator of origin—a trademark.” *I.P. Lund Trading*, 163 F.3d at 40 (quoting 1 MCCARTHY ON TRADEMARKS § 8:13, at 8–58.5); accord RESTATEMENT § 13 cmt. d, at 107 (“Commonplace symbols and designs are not inherently distinctive since their appearance on numerous products makes it unlikely that consumers will view them as distinctive of the goods or services of a particular seller.”).

The district court determined that the Star Symbol was “not a plain five-pointed star” but was instead “shaded and set within a circle,” rendering it “sufficient[ly] styliz[ed]” to be “more than a common geometric shape.” *Amazing Spaces*, 665 F.Supp.2d at 737. It then proceeded to conclude that the Star Symbol “[wa]s not inherently distinctive and d[id] not act as an indicator of origin for any self-storage business, including Amazing Spaces.” *Id.* at 738. It supported this assertion with a discussion of “[t]he ubiquitous nature of the five-pointed star set within a circle” in Texas, specifically its “use[] as a decoration or ornamentation on innumerable buildings, signs, roads, and products.” *Id.* The court concluded that this ubiquity—including use of the same or a similar star design in 63 businesses and 28 other self-storage locations—“preclude[d] a finding that [the Star Symbol wa]s inherently distinctive or that it c[ould] serve as an indicator of origin for a particular business.” *Id.*

Undoubtedly, the Star Symbol is stylized relative to an unshaded five-pointed star design not set within a circle. However, we disagree that the issue of stylization revolves around comparing a design’s actual appearance to its corresponding platonic form. Instead, as discussed above, asking whether a shape is stylized is merely another way of asking whether the design is “commonplace” or “unique or unusual in the relevant market,” *Star Indus.*, 412 F.3d at 382 (citing *Permatex*, 175 U.S.P.Q. at 766), or whether it is “a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation,” *Seabrook Foods*, 568 F.2d at 1344.¹⁸ The

designs have been so widely and commonly used as mere decorative graphic elements that the origin-indicating ability of such designs has been diminished.

1 MCCARTHY ON TRADEMARKS § 7:29, at 7–73–74 (footnotes omitted).

¹⁸ The parties dispute the scope of the “relevant market”—specifically, whether the district court correctly considered use of a similar or identical star design beyond the self-storage service industry. *Amazing Spaces* contends that we should limit our analysis to the self-storage services industry, while *Metro* argues that we may take into account uses of star designs in a larger context. The second *Seabrook Foods* factor refers to uniqueness or unusualness “in a particular field,” 568 F.2d at 1344, and the Second Circuit has stated that a stylized design may be protectable when it “is not commonplace but rather unique or

stylization inquiry is properly conceived of as asking whether a particular symbol or design is stylized such that prospective purchasers of goods or services are likely to differentiate it from other, similar symbols or designs.¹⁹ *See Wiley*, 762 F.2d at 142 (holding that a red heart on a teddy bear “carrie[d] no distinctive message of origin to the consumer . . . given the heart shape’s widespread use as decoration for any number of products put out by many different companies”); *Brooks Shoe*

unusual in the relevant market,” *Star Indus.*, 412 F.3d at 382. Similarly, the third factor refers to whether a mark is commonly used as ornamentation for a “particular class of goods.” *Seabrook Foods*, 568 F.2d at 1344. In contrast, the First Circuit, in considering whether a red heart on the chest of a teddy bear was inherently distinctive, appeared to consider the broader use of red hearts in determining whether the use at issue was unique or unusual. *See Wiley*, 762 F.2d at 142 (“[T]he record contains so many examples of use of a red heart motif on teddy bears and other stuffed animals, *not to mention all manner of other toys and paraphernalia*, that no reasonable argument on this point can be made.” (emphasis added)). The rule in the RESTATEMENT asks whether, “because of the nature of the designation and *the context in which it is used*, prospective purchasers are likely to perceive it as a designation that . . . identifies goods or services produced or sponsored by a particular person.” RESTATEMENT § 13(a), at 104 (emphasis added). It further explains that

[c]ommonplace symbols and designs are not inherently distinctive since their appearance on numerous products makes it unlikely that consumers will view them as distinctive of the goods or services of a particular seller. Thus, unless the symbol or design is striking, unusual, or otherwise likely to differentiate the products of a particular producer, the designation is not inherently distinctive.

Id. § 13 cmt. d, at 107. Finally, and most importantly, the Lanham Act defines “service mark” as a mark used “to identify and distinguish the services of one person . . . from the services of others and to indicate the source of the services.” Lanham Act § 45, 15 U.S.C. § 1127. Because a mark must distinguish one person’s services from another, we agree that our inquiry is whether the Star Symbol identifies and distinguishes Amazing Spaces’s self-storage services from others’ self-storage services. This does not mean, however, that we must blind ourselves to uses beyond the self-storage services industry: the fact that the same or a similar star is used in countless other ways certainly bears on whether it is “likely that prospective purchasers will perceive [a given star design] as an indication of source” within a particular industry because a “[c]ommonplace symbol[’s] . . . appearance on numerous products makes it unlikely that consumers will view [it] as distinctive of the goods or services of a particular seller.” RESTATEMENT § 13 cmt. d, at 107.

¹⁹ Under this analysis, use by third parties of a design bears on whether the design is inherently distinctive, not merely whether the design “is a ‘strong’ or a ‘weak’ []mark.” *Exxon Corp. v. Tex. Motor Exchange of Houston, Inc.*, 628 F.2d 500, 504 (5th Cir. 1980); *cf. Union Nat’l Bank of Tex., Laredo, Tex.*, 909 F.2d at 848 n. 25 (noting that widespread industry use can render a mark not inherently distinctive, but third-party use otherwise typically affects the issue of whether there is a likelihood of confusion between marks).

Mfg. Co. v. Suave Shoe Corp., 716 F.2d 854, 858 (11th Cir. 1983) (holding that a design consisting of a “V,” “7,” or arrow on athletic shoes was common ornamentation such that it was not inherently distinctive); RESTATEMENT § 13 cmt. d, at 107 (“The manner in which a symbol or design is used is also relevant to the likelihood that it will be perceived as an indication of source. In some instances a design is likely to be viewed as mere ornamentation rather than as a symbol of identification.”). The record evidence is replete with similar or identical five-pointed stars, both raised and set in circles, and used in similar manners, such that—withstanding the residual evidence of the presumption of validity—no reasonable jury could find that the Star Symbol is even a mere refinement of this commonly adopted and well-known form of ornamentation.²⁰ The Star Symbol is thus not “so unique, unusual or unexpected in this market that one can assume without proof that it will automatically be perceived by customers as an indicator of origin—a trademark,” *I.P. Lund Trading*, 163 F.3d at 40 (quoting 1 MCCARTHY ON TRADEMARKS § 8:13, at 8–58.5), and it “does not almost *automatically* tell a customer that it refers to a brand . . . [or] immediately signal a brand or a product source,” *Wal-Mart Stores*, 529 U.S. at 212, 120 S.Ct. 1339 (alterations and internal quotation marks omitted). Because the Star Symbol does not, by “its intrinsic nature[,] serve[] to identify a particular source,” *id.* at 210, it is not inherently distinctive, and it can be protected only upon a showing of secondary meaning.

{The court ultimately found that the star design lacked secondary meaning. It remanded the case, however, on the question, among others, of whether the overall appearance of Amazing Spaces’ facilities, rather than simply the star design alone, was protectable trade dress.}

²⁰ This is what differentiates the Star Symbol from the examples of registered marks containing stars that Amazing Spaces cites to support the protectability of five-pointed stars. The Dallas Cowboys star is stylized through the inclusion of a white border. The star in the Wal-Mart registration is a plain, five-pointed star, but the registered mark consists of more than just the star—the mark is the words “Wal” and “Mart” on either side of the star. The LanChile Airlines star is set against a circle that is 50% filled in, and it is adjacent to the words “LanChile Airlines.” Finally, the USA Truck mark is a complex design consisting of a white star within a blue circle, set against a white rectangle with blue borders and a red stripe running across the middle. Each of these marks contains elements distinguishing it from the commonplace stars in the record. *See Union Nat’l Bank of Tex., Laredo, Tex.*, 909 F.2d at 848 n. 25 (noting that the appropriate inquiry is whether the mark as a whole is protectable, not whether its component parts are individually protectable (citing *Estate of P.D. Beckwith v. Comm’r of Patents*, 252 U.S. 538, 40 S.Ct. 414, 64 L.Ed. 705 (1919))).