

## Bad Grammar = Good Trademark (2006)?

A mark is merely descriptive if it conveys any aspect, purpose, function or use, or desirable characteristic of the goods or services with which it is used. For example, the mark MARTHA WASHINGTON for dolls is merely descriptive of dolls that portray Martha Washington; likewise, the mark APPLE PIE for potpourri with an apple pie smell is merely descriptive of a quality of the product, *i.e.* smelling like apple pie. Because most trademark owners don't seem to be very creative in their choice of marks, descriptiveness is a significant barrier to registration.

Without first acquiring secondary meaning, trademarks that merely describe particular goods or services may not be registered on the Principal Register. Trademark owners generally overcome descriptiveness objections by convincing the examiner that the mark is instead suggestive. Failing that, they argue that the mark, although descriptive, has acquired secondary meaning, *i.e.* consumers associate the mark with the source of the goods or services instead of the actual products.

The U.S. Court of Appeals for the First Circuit has just supplied more ammunition for registrants: poor grammar. In *Borinquen Biscuit Corp. v. M.V. Trading Corp.*, the court held that a grammatically incorrect logo was not a descriptive term as applied to the product sold. Although the holding related to the Spanish language logo "Galletas RICA Sunland", presumably it would also apply to sloppy English grammar.

### BACKGROUND

Borinquen manufactures and distributes galletas -- loosely translated as crackers, cookies and biscuits. Since 1976, it has sold a semi-sweet cookie in Puerto Rico under the federally registered mark RICA. Borinquen bought the recipe and rights to the mark from Sunland Biscuit Company, which had sold the galletas in Puerto Rico since 1962, and had federally registered the mark in 1969. The registration declares that the word "Rica" may be translated as "rich."

Borinquen's product has always used a logo with the phrase "Galletas RICA Sunland." Although other entities have registered "rica" trademarks for other products, Borinquen has the only registration in the United States for a cookie, cracker or biscuit, and until this case was the only company to use "rica" in connection with the sale of galletas in Puerto Rico.

In April 2003, MV began selling a salty galleta under the brand NESTLE RICAS. This cracker was manufactured by Nestle Ecuador and imported by MV. By the summer of 2004, both parties were selling their galletas in Puerto Rican supermarkets.

When MV would not stop using its mark, Borinquen sued. A district court in Puerto Rico agreed that there was a likelihood of confusion and enjoined MV's use of its "Ricas" mark.

## FIRST CIRCUIT'S DECISION

MV argued on appeal that 1) Borinquen should have had to establish that its RICA mark had established secondary meaning, and 2) that the lower court had erred in finding likelihood of consumer confusion.

### 1. Eligibility for trademark protection

A trademark must be distinctive to be protectible. The hierarchy of marks in increasing distinctiveness are *descriptive, suggestive, arbitrary and fanciful*. Generic marks are never distinctive: in other words, calling a pencil a PENCIL will never identify the source of the product. By contrast, suggestive, arbitrary and fanciful marks are considered inherently distinctive. Descriptive marks occupy the awkward middle. They are considered non-distinctive unless the trademark owner can demonstrate that the public associates the mark with the source of the goods or services instead of the product, so-called “secondary meaning.”

Both registered and unregistered trademarks are eligible for protection. However, since registration is *prima facie* evidence of the validity of a mark, the mark is presumptively inherently distinctive, as opposed to merely descriptive. Unless the mark is incontestable and the presumption, therefore, conclusive, the defendant must then prove that the mark is merely descriptive. The burden would then shift back to the owner to demonstrate secondary meaning.

#### a. Descriptiveness of RICA mark

MV argued that the RICA mark is descriptive because the literal translation of the word is “tasty” or “rich,” both desirable characteristics of a cookie or cracker. The appeals court disagreed with this reasoning. For a registered mark, it stated, it is not enough to show that the mark describes a feature of the trademark owner’s product, the alleged infringer must demonstrate that customers regard the mark as *merely* descriptive of the product itself.

Here is where the poor grammar comes in. The first language of the typical Puerto Rican consumer is Spanish. In that language, the rule of concordance requires strict correlation of gender and number between adjectives and nouns. In Borinquen’s logo -- Galletas RICA Sunland -- the plural RICAS would be the grammatically correct descriptor of the noun Galletas. Thus, the court reasoned, a Spanish-speaking consumer would not be likely to view the grammatically incorrect mark as a mere descriptor of the product.

MV next argued that the RICA mark was not distinctive because the Puerto Rico Supreme Court had earlier held that the term RICO (the masculine of RICA) was merely descriptive of the product “Café Rico.” However, since the distinctiveness inquiry is product-specific, the court concluded, a term that merely describes one product may still

be distinctive as to another. Since the phrase “Café Rico” is grammatically correct, the court continued, a customer would more likely find RICO merely descriptive of “Café.”

Finally, in an effort to show that Borinquen’s mark was weak, MV submitted a number of RICA marks. But since registered marks are presumptively distinctive, the appeals court concluded that these registrations, rather than showing that the RICA mark was merely descriptive, instead demonstrated that the mark could be inherently distinctive.

Since MV did not show that the RICA mark was merely descriptive, the district court was correct in not shifting the burden to Borinquen to show secondary meaning, the appeals court stated.

#### b. Likelihood of Confusion

The appeals court agreed with the lower court’s injunction order and concluded that Borinquen would be likely at trial to show that MV’s marketing and sale of galletas under the trademark Nestle Ricas would likely cause consumer confusion with Borinquen’s RICA mark.