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U.S. DEPARTMENT OF COMMERCE  
PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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In re **Packaged Ice, Inc.**

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Serial No. 74/**703,747**

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**Kenneth H. Johnson for Packaged Ice, Inc.**

**David C. Reihner**, Trademark Examining Attorney, Law Office  
**107** (Thomas Lamone, Managing Attorney).

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Before Seeherman, Hanak and Hairston, Administrative  
Trademark Judges.

Opinion by Seeherman, Administrative Trademark Judge:

Packaged Ice, Inc. has applied to register the mark  
PACKAGED ICE INC. and design, shown below, with the term  
"Inc." disclaimed, for "plastic bags for packaging."<sup>1</sup>  
Applicant filed this appeal when the Examining Attorney  
made final the refusal of registration pursuant to Sections

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<sup>1</sup> Application Serial No. 74/703,747, filed July 20, 1995, and  
asserting first use as of October 7, 1993 and first use in  
commerce as of April 27, 1994.

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2 and 45 of the Trademark Act, 15 U.S.C. 1052 and 1127, on the ground that the mark sought to be registered is not used to identify the source of the goods specified in the application, namely, plastic bags for packaging.

The appeal has been fully briefed. Applicant did not request an oral hearing.

Applicant is a manufacturer of automatic bagging ice machines which make, bag and merchandise ice. Each system consists of "one or more ice cubers, a Packaged Ice bagger, and a merchandiser." Applicant licenses the use of these machines to, for example, retail stores, but the machines remain the property of applicant. Applicant installs the machines at the stores, and is required to provide regular maintenance and service and maintain the machines in good working order. The licensees are required to provide all utilities necessary for the operation of the machines, namely, potable water, accessible water drain and electricity.

The license agreement requires the licensees to use only plastic bags provided by applicant in the machines.

In addition to acting as the packaging for the bagged ice the stores sell to customers, these bags are used to calculate the license fees which the licensees pay to applicant for the use of the equipment. Specifically, the license agreement provides that

6. License Fee and Payment. Licensee shall pay for the right to use the Systems granted hereunder by Packaged Ice [applicant] by paying a license fee based on the number of bags of ice produced by the System. The fee per bag shall be as set forth in Schedule B attached hereto. Packaged Ice and Licensee agree that the number of bags produced shall be equal to the number of plastic bags delivered to each Store by Packaged Ice. Defective and broken bags shall be replaced at no cost. Plastic bags shall be payable in accordance with the terms set forth in Schedule B. Packaged Ice guarantees that the license fee as set forth in Schedule B shall not increase during the initial three (3) year term of this Agreement...

Schedule B describes the payment for the bags as a license fee, to wit: "Initial license fee per bag: \$0.36 (\$360 per 1000 bag case)."

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The bags which applicant supplies, and which are the specimens submitted by applicant, are clear plastic bags on which writing and designs appear in black, blue and white, and are obviously used to hold the ice produced by applicant's machines. They bear the notations "NET WT. 8 LBS. (3.63 kg)" "CYRSTAL CLEAR ICE," "Distributed by: Packaged Ice, Inc. P.O. Box 79233 Houston, TX 77279-9233 PH. (713) 464-9384" on the front, along with a stylized rendering of ice cubes and the asserted mark which is at issue herein, on the front. Nutrition information with respect to Recommended Daily Allowances (U.S. RDA) of calories, sodium, vitamins, and the like, appears on the back. The front of the bag, in reduced size, is reproduced below.

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As the Examining Attorney has correctly pointed out, quoting **In re Bose Corp. d/b/a Interaudio Systems**, 546 F.2d 893, 192 USPQ 213, 216 (CCPA 1976), "...the manner in which an applicant has employed the asserted mark, as evidenced by the specimens of record, must be carefully considered in determining whether the asserted mark has been used as a trademark with respect to the goods named in the application." (emphasis in original).

There is no question that, as used in connection with packaged ice, the applied-for mark would be perceived by the purchasers of the ice as the trademark for that ice. However, as applicant has pointed out, it is not seeking a registration for its mark for ice, but for plastic bags. The question before us, thus, is whether the purchasers of the bags, namely, the licensees of applicant's ice machines, will perceive the mark, as it is used on the specimen bags, as a trademark for the bags, rather than as a trademark for the ice.

The Board has previously been confronted with an analogous factual situation in **In re Kentucky Fried Chicken Corp.**, 170 USPQ 51 (TTAB 1971). In that case, an applicant sought to register a vendor's cart design as a trademark for paper bags. The applicant franchised retail restaurants to use the mark in connection with their

restaurant and carry-out services, with applicant furnishing the licensees with empty bags bearing the mark, and the franchisees using the bags to distribute and sell to customers various food items. Although the Board recognized that a mark could be used and registered for both containers and the contents thereof, it pointed out that the specimens must clearly reflect use as applying to or identifying the specific product or products covered by the application. That is, specimens "that may serve to identify possibly restaurant services or the contents of the bags do not ipso facto constitute use of the same mark for the containers, per se." Id. At 53. In Kentucky Fried, the Board found it was clear from the bags that the mark was used to identify the contents of the bags and/or to advertise the retail restaurant establishments conducted by applicant's franchisees rather than the bags, per se, and, moreover, that **"while it can be assumed that applicant's franchisees do associate these bags with applicant, this association, in our opinion, is unquestionably due to their relationship and business dealing with applicant rather than from the manner of use of the mark on these goods."** (emphasis added). Id. At 54. A similar result was found, and similar language was used, in **In re Burger Family, Inc.**, 141 USPQ 139 (TTAB 1964),

which involved an application by a restaurant franchiser to register various marks for hamburger sandwich bags.

We reach a similar result in this case. That is, based on the facts and the specimens of record, we find that applicant's licensees, who are the purchasers of the plastic bags, will not regard the applied-for mark, as it is used on the specimens of record, as a trademark which is used to indicate the source of the bags. While they will realize that the bags come from applicant, it is because of their business relationship with applicant that they will make this association, and not because of the manner in which the logo is used on the bags.

The dissent has pointed out that the present case differs from Kentucky Fried and Burger Family because in those cases the applicant had also obtained registrations for, respectively, restaurant services and hamburger sandwiches, while here applicant apparently does not own a registration for ice. However, we do not believe that this difference should compel a different result in this case. As our principal reviewing Court and this Board have said in a different context, consumers are generally unaware of what resides on the register. What the purchasers of the bags are aware of, however, is what the bags themselves show. In this case, the bags clearly indicate, despite

applicant's claims that it doesn't "sell" ice, that the ice in the bags comes from applicant. In particular, the bags state, immediately under the words CRYSTAL CLEAR ICE, "Distributed by: Packaged Ice, Inc."

This case presents even stronger reasons than there were in the Kentucky Fried and Burger Family cases cited above to find that applicant's use of its logo would not be perceived as a trademark for its bags. Here, the bags in question are identified by the license agreement as representing the license fee. The licensees/purchasers are not purchasing the bags per se; rather, the bags are the means by which the license fee is calculated. The fee paid for the bags, as shown by the agreement, is not related to the cost of the bags, but the purchase of the bags is, in fact, the payment of a license fee. As noted above, Paragraph 6 of the License Agreement and Schedule B identify the payments for the bags as a license fee. Thus, the licensees are not likely to even regard themselves as purchasing the bags, let alone to regard the mark as used on the bag as the indicator of the source of the bag per se.

Moreover, it must be remembered that the product sold by the licensee under the marks is packaged ice, and that this ice is made by applicant's machines. The

retailers/licensees who sell the ice are furnishing only the water and electricity for applicant's ice-making and packaging machines. Although applicant may not technically be selling ice, but only leasing a system which manufactures ice, the retailers/licensees are likely to perceive applicant's equipment, and therefore applicant, as producing the ice. Accordingly, when the bags bearing applicant's mark emerge from the machine packed with ice, the retailers/licensees are likely to regard the mark as identifying the source of the ice, rather than as an indicator of the source of the bags. Reinforcing this view are the very words of the mark, which refer to packaged ice.

This case, thus, is very different from a situation in which a manufacturer sells containers to a food company for use as packaging for foods or beverages. Although the containers may be marked with the trademark of the container manufacturer and the product mark of the food company, the food producer which purchases the containers will clearly recognize that one mark identifies the source of the containers and that the other mark (the food company's own mark) identifies the source of the food product.

The dissent points out that the agreement between applicant and its licensees requires that the licensees agree to keep applicant's automatic ice making and bagging machines "filled with Packaged Ice plastic bags." The dissent contends that as a result of this use of the words "Packaged Ice" in the agreement, the licensees, upon seeing the applied-for logo, which also contains the words "Packaged Ice," will regard the logo as referring to the plastic bags. However, it must be remembered that Packaged Ice, Inc. is applicant's corporate and trade name and, in fact, throughout the agreement applicant is referred to as "Packaged Ice." For example, paragraph 1 of the agreement provides "Licensee hereby grants to Packaged Ice the exclusive right and privilege..."; paragraph 3 provides that "... Licensee shall use the System strictly in accordance with Packaged Ice's instructions..."; and paragraph 4 states that "Packaged Ice shall install the Systems at the Store..." Therefore, we believe that these licensees/purchasers are likely to regard the reference to "Packaged Ice" in the agreement as trade name use, and will not view the logo as a trademark for the bag simply because it contains the words "Packaged Ice."

The dissent also states that in applicant's specimens the applied-for logo appears in subordinate fashion, with

CRYSTAL CLEAR ICE in a more prominent fashion. As a result, the dissent contends that the logo would be perceived as a trademark for the bags, and that CRYSTAL CLEAR ICE would be perceived as the designation for the ice inside the bag. We disagree. Viewing the bags in their entirety, we note that the words CRYSTAL CLEAR ICE appear under a stylized ice cube design shown in a blue circle, which is in fact the most prominent feature on the bag. This same design, in a blue circle, forms the largest portion of the applied-for logo. It is also unclear to us that the words CRYSTAL CLEAR ICE would be perceived as a trademark at all, since it is at the very least descriptive of the contents of the bag. Thus, we believe that the licensees/purchasers of the bags will view the logo not as a separate trademark indicating the source of the bags, but rather as a trademark for the ice sold in those bags.

Finally, we note that applicant has relied on **Ex parte Commissary Corp.**, 117 USPQ 407 (Com'r Pats. 1958). Commissary was cited in both Kentucky Fried and Burger Family for the proposition that a mark may be used and registered for more than one type of merchandise and that, under particular circumstances, for both containers and the contents thereof. We certainly do not disagree with that proposition. However, the determination of whether a

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particular term or logo functions as a mark both for containers and their contents depends on the particular fact situation presented in each case. The Commissary case did not discuss the fact situation by which the term had been registered for containers for ice cream. The holding in that case was concerned solely with whether the applicant, which sought to register its mark for ice cream, could claim that the ice cream was sold or transported in interstate commerce. The opinion simply noted that the applicant owned a registration of the mark for containers for the products identified in the instant application.

Decision: The refusal of registration is affirmed.

E. J. Seeherman

P. T. Hairston  
Administrative Trademark Judges  
Trademark Trial and Appeal Board

Hanak, Administrative Trademark Judge, dissenting:

I disagree with the statement of the majority that applicant's "retailers/licensees [customers] are likely to regard the [applied-for] mark as identifying the source of the ice, rather than as an indicator of the source of the bags." The evidence of record indicates that applicant's customers -- primarily retail store owners and operators -- are likely to view the applied-for mark as indicating that the bags originate from applicant. Accordingly, the applied-for mark functions as a trademark for plastic bags, and it should be permitted to be registered as a mark for such bags.

Attached to the declaration of applicant's president (James F. Stuart) as exhibit A are pertinent portions of the standard contract between applicant and its retail store customers. Paragraph 3 of this standard contract states, in part, that applicant's retail store customers (licensees) agree to keep applicant's automatic ice making and bagging machines "filled with Packaged Ice plastic bags." Obviously, the applied-for mark includes the words PACKAGED ICE. Because applicant's customers signed a contract which specifically refers to the only bags which may be used in applicant's machines as "Packaged Ice plastic bags," I am of the view that upon seeing the

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applied-for mark (reproduced below), applicant's customers (i.e. the retail store owners and operators) would recognize said mark as referring to the plastic bags.

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Moreover, attached as exhibit B to the Stuart declaration is a typical invoice reflecting the sale of plastic bags from applicant to its retail store customers (licensees). The pertinent portion of exhibit B (approximately the top third) is reproduced below.

As is readily apparent, the only logo which appears on this invoice reflecting the sale of plastic bags from applicant to its customers is the applied-for mark, which appears in the upper left hand corner of the invoice. In addition, the words "Packaged Ice Bags" appear under the heading "Item No./Serial No." It must be remembered that the only products which applicant sells to its customers are plastic bags. Applicant does not sell its machines. Applicant does not sell ice. These standard invoices -- which bear applicant's mark in the upper left hand corner and which deal solely with the sale of plastic bags (and not machines or ice) -- would cause applicant's customers to associate the applied-for mark with the plastic bags, assuming for the sake of argument that this association was not made from the very beginning when applicant's customers signed the aforementioned standard contract.

The majority has simply not identified evidence to support its contention that applicant's "retailers/licensees [customers] are likely to regard the [applied-for] mark as identifying the source of the ice, rather than as an indicator of a source of the bags." On the other hand, applicant has supplied evidence -- namely, exhibits A and B discussed above -- which demonstrate that applicant's retail store customers (licensees) would

associate the applied-for mark with plastic bags, and not with ice or applicant's machines.

Finally, it should be noted that in support of its position, the majority has placed a great deal of reliance on the Kentucky Fried Chicken and Burger Family cases. Indeed, the majority states that this "Board has previously been confronted with an analogous factual situation in In re Kentucky Fried Chicken Corp., 170 USPQ 51 (1971)." However, in both of those cases, the applicants were attempting to register for bags the identical marks for which they had previously obtained registrations "for restaurant services" (Kentucky Fried Chicken, 170 USPQ at 53) or "for the contents of the bags, namely, hamburger sandwiches" (Burger Family, 141 USPQ at 140).

In striking contrast, the present applicant has not registered and is not attempting to register its applied-for mark for ice, machines or any other product besides plastic bags. More importantly, unlike the applicants in Kentucky Fried Chicken and Burger Family who sold both bags and food items, applicant here sells only bags. Applicant does not sell ice. Thus, the present applicant is not using or attempting to use the same mark for both its bags and their contents (ice).

In Kentucky Fried Chicken, this Board stated as follows: "There is, furthermore, no question but that a mark may be used and registered for more than one type of merchandise and that, again under special circumstances, for both containers and the contents thereof." 170 USPQ at 53 (emphasis added). Similar language appears in Burger Family, 141 USPQ at 140. In point of fact, the Board has found such "special circumstances" in only one reported case, namely, In re Colgate-Palmolive Co., 154 USPQ 622 (TTAB 1967).<sup>2</sup>

Here we need not be concerned whether such "special circumstances" exist because applicant is simply not using or seeking to register the applied-for mark for the contents of its plastic bags, namely, ice.<sup>3</sup> In reviewing applicant's specimen in its entirety, it is obvious that the most prominent wording is CRYSTAL CLEAR ICE.

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<sup>2</sup> For a more complete discussion of the very limited number of cases dealing with attempts by applicants to register the identical mark for both containers and their contents, see In re Polo Ralph Lauren Corp., 12 USPQ2d 1155 (TTAB 1989).

<sup>3</sup> The majority correctly notes that "consumers are generally unaware of what resides on the register," apparently as justification for their reliance on the Kentucky Fried Chicken and Burger Family cases. However, the primary focus of the Board in these two cases was not on the fact that the applicants were attempting to register the same marks for both containers and the contents thereof, but rather upon what the specimens of use did or did not reflect, namely, whether the designations sought to be registered, in addition to functioning as trademarks for the contents, also functioned as trademarks for the containers. Kentucky Fried Chicken, 170 USPQ at 53; Burger Family, 141 USPQ at 140.

Applicant's customers (the retail store owners and operators) as well as the ultimate purchasers of the bagged ice would most likely refer to the bagged ice as CRYSTAL CLEAR ICE. The wording CRYSTAL CLEAR ICE is far more prominent on the bag than is the applied-for mark. Indeed, the applied-for mark is depicted in such subordinate fashion that the ultimate purchasers of the bagged ice are unlikely to even notice it.

Thus, contrary to the statement by the majority, the fact situation here is quite similar to that of "a manufacturer [who] sells containers to a food company for use as packaging for foods or beverages." The trademark of the container manufacturer, if it appears on the final product at all, appears in subordinate fashion. In a far more prominent fashion would appear the trademark identifying the particular brand of food or beverage inside the container. In similar fashion, the mark identifying applicant's plastic bags appears in subordinate fashion, whereas the designation for the ice inside the bag (CRYSTAL CLEAR ICE) appears in a far more prominent fashion.

One final comment is in order. In recent years this Board has adopted a policy of resolving doubts in applicant's favor in ex parte cases involving various legal issues. See In re Benthin Management, 37 USPQ2d 1332, 1334

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(TTAB 1995) (surname marks); In re Hines, 32 USPQ2d 1376, 1377 (TTAB 1994) (disparaging marks); In re In Over Our Heads Inc., 16 USPQ2d 1653, 1654-55 (TTAB 1990) (scandalous and disparaging marks); In re Gourmet Bakers Inc., 173 USPQ 565 (TTAB 1972) (descriptive marks).

Indeed, our primary reviewing Court has commended the Board for this very practice of resolving doubts in applicant's favor. In re Mavety Media Group Ltd., 33 F.3d 1367, 31 USPQ2d 1923, 1928 (Fed. Cir. 1994).

While I believe that the applied-for mark identifies and distinguishes applicant's plastic bags, to the extent that there may be doubts regarding the issue, said doubts should be resolved in applicant's favor.

E. W. Hanak  
Administrative Trademark Judge  
Trademark Trial and Appeal Board