UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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In re Mistletoe Technologies, Inc.

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Serial No. 76547170

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Michael A. Cofield and Stephen S. Ford of Marger Johnson &
    McCollom, P.C. for Mistletoe Technologies, Inc.

Eli J. Hellman, Trademark Examining Attorney, Law Office
    112 (Janice O'Lear, Managing Attorney).

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Before Seeherman, Bucher and Kuhlke, Administrative
    Trademark Judges.

Opinion by Bucher, Administrative Trademark Judge:

   Mistletoe Technologies, Inc. seeks registration on the

Principal Register of the mark **FABLESS SOFTWARE COMPANY**

(in standard character format) for services recited in the

application, as amended, as follows:

> "computer software for use in operating and
> maintaining computer systems" in
> International Class 9; and

> "computer software development, and computer
> software design" in International Class 42.[1]

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[1]   Application Serial No. 76547170 was filed on September 26,
2003 based upon applicant's allegation of a _bona fide_ intention
to use the mark in commerce.

This case is now before the Board on appeal from the final refusal of the Trademark Examining Attorney to register this designation under Section 2(e)(1) of the Trademark Act based upon the ground that the mark is merely descriptive when considered in relation to applicant's identified goods, i.e., that the term "fabless software company" immediately informs potential purchasers about the nature of applicant's goods and services.[2]

Applicant and the Trademark Examining Attorney have fully briefed the issues involved in this appeal. We affirm the refusal to register.

A mark is merely descriptive, and therefore unregistrable pursuant to the provisions of Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1), if it immediately conveys information of a significant ingredient, quality, characteristic, feature, function, purpose or use of the goods or services with which it is used or is intended to be used. _In re Abcor Development_

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[2]   The current appeal involves a "parent" application in the two identified classes of goods and services. A "child" application (Serial No. 76978051) has been divided out of this application, and with the approval of the Trademark Examining Attorney, has recently been published for opposition. This child application included three classes of goods and services, as follows: "computers, computer hardware, and computer chips" in International Class 9; "custom manufacture of computer chips for others" in International Class 40; and "design of computer chips" in International Class 42.

Corp., 588 F.2d 811, 200 USPQ 215, 217 (CCPA 1978)

[GASBADGE merely descriptive of a "gas monitoring badge"].

See also In re MBNA America Bank N.A., 340 F.3d 1328, 67

USPQ2d 1778, 1780 (Fed. Cir. 2003) [MONTANA SERIES and

PHILADELPHIA CARD merely descriptive of "credit card

services." The Court found that a "mark is merely

descriptive if the ultimate consumers immediately associate

it with a quality or characteristic of the product or

service."]. Hence, the ultimate question before us is

whether the term FABLESS SOFTWARE COMPANY conveys

information about a significant feature or characteristic

of applicant's goods and services with the immediacy and

particularity required by the Trademark Act.

A mark is suggestive, and therefore registrable on the

Principal Register without a showing of acquired

distinctiveness, if imagination, thought or perception is

required to reach a conclusion on the nature of the goods

or services. *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009

(Fed. Cir. 1987) [APPLE PIE merely descriptive of potpourri

mixture: "Whether a given mark is suggestive or merely

descriptive depends on whether the mark 'immediately

conveys … knowledge of the ingredients, qualities, or

characteristics of the goods … with which it is used,' or

whether 'imagination, thought, or perception is required to reach a conclusion on the nature of the goods.'" (citation omitted)].

The question of whether a particular term is merely descriptive is not decided in the abstract. That is, when we analyze the evidence of record, we must keep in mind that the test is not whether prospective purchasers can guess what applicant's goods are after seeing applicant's mark alone. *In re Abcor*, *supra* at 218 ["Appellant's abstract test is deficient – not only in denying consideration of evidence of the advertising materials directed to its goods, but in failing to require consideration of its mark 'when applied to the goods' as required by statute"]; *In re Home Builders Association of Greenville*, 18 USPQ2d 1313 (TTAB 1990) [NEW HOME BUYER'S GUIDE merely descriptive of "real estate advertisement services"]; and *In re American Greetings Corp*., 226 USPQ 365, 366 (TTAB 1985) [APRICOT is merely descriptive of apricot-scented dolls]. Rather, the proper test in determining whether a term is merely descriptive is to consider the applied-for mark in relation to the goods or services for which registration is sought, the context in which the mark is used, and the significance that the mark

is likely to have on the average purchaser encountering the

goods or services in the marketplace. *See* _In_ _re_ _Omaha_

National _Corp.,_ 819 F.2d 1117,

2 USPQ2d 1859 (Fed. Cir. 1987)

[the term "first tier"

describes a class of banks]; _In_ _re_ _Intelligent_

Instrumentation _Inc_., 40 USPQ2d 1792 (TTAB 1996) [the term

VISUAL DESIGNER is merely descriptive of "computer programs

for controlling the acquisition of data from measurement

devices"]; _In_ _re_ _Pennzoil_ _Products_ _Co_., 20 USPQ2d 1753

(TTAB 1991) [MULTI-VIS is merely descriptive of "multiple

viscosity motor oil"]; _In_ _re_ _Engineering_ _Systems_ _Corp_.,

2 USPQ2d 1075 (TTAB 1986) [DESIGN GRAPHIX merely descriptive

of computer graphics programs]; and _In_ _re_ _Bright-Crest,_

Ltd., 204 USPQ 591 (TTAB 1979) [COASTER-CARDS merely

descriptive of a coaster suitable for direct mailing].

The term "Fabless"

The Trademark Examining Attorney takes the position

that the term "fabless" refers to a company that designs

but does not necessarily own or operate its own

semiconductor chip fabrication foundry, choosing instead to

outsource this manufacturing process. His support is drawn

from online glossaries and other websites, including the

following:

Fab - This is short for fabrication plant. …

Fabless - This term refers to a company that produces chips but doesn't own a fabrication plant, or fab. These companies are starting to become more and more successful at creating chips and renting out other companies' excess fab space to produce their chips. In fact, some fabrication plant owners specifically target such fabless companies to offer their fab space for rent.

Fabrication Plant - A fab is a factory that takes raw silicon wafers and creates chips with them. Often, fabs are categorized by what process they use. For example, the Intel Pentium chip with MMX was produced in a fab with a 0.35 micron process. Fabrication plants cost billions of dollars to build and are outdated within years. However, they can have a decent life producing volume products after they are no longer considered high-end.[3]

Fabless
A semiconductor company that does not own or operate its own silicon wafer fabrication foundries, but instead outsources manufacturing.[4]

FABLESS
Semiconductor manufacturers have two possible approaches to making their products. They can either build and run their own manufacturing plants, or restrict themselves to designing chips that are then made by others. The former was once the more usual method, involving the construction and operation of extremely expensive factories (called *silicon foundries* in the jargon) which are capable of the high standards of precision and cleanliness required to make these complex circuits. Many of these plants were sited in places, often in foreign countries where wage rates and other costs were low or grants were available and were usually restricted to manufacture of components with no research or design facilities. These became known in the business as *fabs*, short for "fabrication plants." More recently, some companies — especially the smaller ones — have begun to select the other route to manufacture, because they have discovered they can innovate more effectively and bring products to market more quickly if they contract out the production stages to a foundry. Such firms are said to be *fabless*. This group now has its own trade association, the *Fabless Semiconductor Association*.[5]

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[3]   http://www.geek.com/glossary/glossary_search.cgi?f
[4]   http://www.mathstar.com/Technology_Glossary_FGH.htm.   This definition was taken from a technology information page contained within the website of MathStar, a fabless semiconductor company.
[5]   http://www.quinion.com/words/turnsofphrase/tp-fab1.htm. Michael Quinion, on his "World Wide Words" website writes about International English from a British viewpoint.

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fabless

Refers to a company that does not manufacture its own silicon wafers and concentrates on the design and development of semiconductor chips. Manufacturers of semiconductors can either build and run their own manufacturing plants or design chips that are manufactured by someone else. A *fab* is a facility that produces its own silicon wafers. A *fabless* facility is one that outsources the production of silicon wafers. Fabless companies focus on the design and development of their products.[6]

A fabless semiconductor company is one that does not own and operate a silicon wafer fabrication facility (fab), but contracts with a foundry to manufacture its chips. This model originated in the 1980s and is adopted by companies wishing to eliminate or reduce the capital investment necessary to build a $1.5 billion fab and the resources necessary to keep the fab operating at the leading edge. The group's inherent value is derived from their design capability and intellectual property portfolios. In 1990, there were seven public fabless companies with a total market value of $1.6 billion. Today, there are over 40 public fabless companies, 31 of which are included in this composite, with a total market capitalization of $22.7 billion and over $6.3 billion in revenues, representing about five percent of the total semiconductor industry.

FABLSSM [NMS/FSA Fabless Stock] is comprised of public semiconductor companies that have fabless charters with market capitalizations in excess of $100 million.

"When the FSA was formed in 1994 to represent the fabless community, these companies did not garner much respect and credibility on Wall Street," stated Jodi Shelton, FSA executive director. "Today, this is a highly praised model and there are dozens of success stories. The success has really been a function of the simultaneous growth of the foundry model that is supporting this group with industry leading-edge technology. We believe that Wall Street will appreciate this type of distinction between the fabless community and the rest of the semiconductor industry," said Shelton.[7]

In responding to these entries, applicant makes the argument that the identified products and services "are *mainly* hardware." While applicant may well provide its software and related services via computerized discs and

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[6]   http://systems.webopedia.com/TERM/f/fabless.html. Wĕbopēdia describes itself as an online dictionary and search engine for definitions of terms in the field of computers and Internet technology.

[7]   http://www.fsa.org/news/article.asp?article=1998/0518

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other tangible media, we note that its identification and
recitation herein is for computer *software* and computer
software development and design.

In any case, applicant and the Trademark Examining
Attorney agree that in the relevant industry, the word
"fabless" is a descriptor for a class of semiconductor
firms. However, applicant asserts that its own goods and
services are in no way "_fab_rication_less_," and therefore,
applicant argues that the term "fabless" alone does not
have the immediacy required by Section 2(e)(1) of the
Trademark Act. On this point, however, we disagree.

While applicant's goods and services are not
technically fabless, there is no denying that fabless
semiconductor firms comprise a significant, and apparently,
growing portion of applicant's market. A term may be found
to be merely descriptive if it names a user of the relevant
goods and/or services. *See In re Hunter Publishing*, 204
USPQ 957 (TTAB 1979) [JOBBER AND WAREHOUSE EXECUTIVE]*; and In
re Camel Manufacturing Co*., 222 USPQ 1031 (TTAB 1984)
[MOUNTAIN CAMPER]. It is clear that fabless producers
would generally use the software of applicant (or from
applicant's competitors) in designing and developing their
computer chips.

Finally, while applicant does not deny that "fabless" producers may comprise a significant share of its market for the involved goods and services, applicant argues that it does not "intend to limit its products to such a market."

On this point, we also agree with the Trademark Examining Attorney that for purposes of a Section 2(e)(1) analysis, it is sufficient that the involved term describes only one attribute of the goods and/or services in order to be found merely descriptive. *See In re H.U.D.D.L.E.*, 216 USPQ 358 (TTAB 1982); and *In re MBAssociates*, 180 USPQ 338 (TTAB 1973). Therefore, that semiconductor vendors without in-house manufacturing facilities, or fabless chip producers, are among applicant's intended customers, is sufficient to find the term "Fabless" to be merely descriptive – making irrelevant the fact that applicant's customers may also include chip designers working for integrated device manufacturers. Moreover, the record shows that the number of companies embracing the fabless model has increased significantly over the course of the last decade, and is certain to shape the future of the semiconductor industry. Hence, "fabless" is a major characteristic of the semiconductor industry – the targeted customers for applicant's goods and services.

The term "Software"

As noted above, applicant's identification of goods includes the terminology "computer software" and its recitation of services includes the terms "computer software development, and computer software design." Accordingly, the term "software" alone is highly descriptive, if not generic, for the involved goods and services.

The combined term, "Fabless Software"

The following two Internet excerpts placed into the record by the Trademark Examining Attorney discuss software for fabless chip producers marketed by Genesis Fabless and Prolific, Inc., both of which are in the same business as is applicant, Mistletoe Technologies:

Genesis Fabless™
Turn-Key Yield Maximization ***Software for Fabless Production Environments***

The **Genesis Fabless™** Turnkey Yield Maximization Software platform offers the same powerful yield learning technologies featured in **Genesis Enterprise™**, gained from customers such as world leading microprocessor and memory manufacturers, foundries, and fabless producers; but specially engineered to also include the unique features needed to meet the challenges of today's fast moving fabless sector.

Through its patented **Yield Mine DFM**® (Design for Manufacturability) automated decision making technology, Genesis Fabless has dramatically reduced the analysis time to find root causes of design for manufacturability issues in foundry production data.

The **Yield Base**® and **Metadata™** technologies embedded within the **Genesis Fabless** platform assure seamless data integration between the fabless company and its foundries, test houses, and contract assembly locations. Data is automatically integrated into a data core allowing the specialized **Genesis Fabless** analysis tools to quickly highlight excursions compared to vendor designs.

The available turnkey option provides the customer with a pre-configured database, pre-loaded software for rapid uptime, at an affordable price. Data analysts, engineers, and managers can quickly begin to utilize the scalable platform in managing multiple data sets from outsourced operations around the world.

Genesis Fabless™ empowers fabless producers with a complete platform, with data acquisition, integration and analysis specifically engineered for the fabless sector. Some of its many powerful features include: a development environment through work flow and scripting, parameter sensitivity analysis, test/marginal parameters analysis, test sequence correlation analysis, parameter trending and excursion analysis, guard banding, visualization through wafer map overlay, interactive graphics with drill down, web publishing and web interface capability (Genesis Web), and specialized analysis algorithms to comprehensively assess the impact of the design on the "manufacturability" of the resulting chip.[8]

Prolific Improves Timing at 2004 FSA Suppliers Expo; Offers Fabless Companies Free Trial of Its ProTiming Optimization Software

NEWARK, Calif. -- Prolific Inc., the leading provider of design optimization and automated standard cell creation software, today announced that it will be offering free trials of its ProTiming™ design optimization software at the Fabless Semiconductor Association's (FSA) 2004 FSA Suppliers Expo in San Jose. Free download and evaluation of the software, which is integrated with Synopsys' PrimeTime® software, will be offered to qualified PrimeTime users attending the Expo.

"Designers use a variety of tools, long hours, and a great deal of manual effort to improve timing," said Michael Miller, director of marketing at Prolific. "Even after the designer and the other tools are exhausted, ProTiming can improve the results."

ProTiming's integration with PrimeTime makes it an easy to use, no-risk solution for final-pass timing closure. The software starts optimization after other tools are finished, makes use of cells already existing in the library, and can result in up to a 20% improvement in performance and power without modifying RTL or adding complex cells to the design. ProTiming is currently available on Linux, HP-UX, and Solaris.[9]

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[8]   http://www.ydyn.com/products/genesis_fabless.htm. According to this website, Yield Dynamics, Inc. (or YDI) supplies software that is used to monitor, maintain and adjust equipment operational performance.

[9]   http://www.electronics-express.com/showPressRelease. jhtml?articleID=243425. According to this website, Prolific, Inc. is based in Silicon Valley, provides software (e.g., industry leading tools having marks like ProTiming, ProTime and ProPower) to enable the design of the most demanding, leading-edge integrated circuits, optimizing quality and performance (e.g., timing, power, area and yield) while significantly reducing development time and costs. ProTiming is used by the

According to the Trademark Examining Attorney:

> It follows then, that this prospective
> consumer of the applicant's goods and
> services would not be the average Joe
> consumer out to purchase a computer at the
> local retailer; but rather would be one of
> some sophistication in the relative [sic]
> silicon wafer/semiconductor chip industry,
> especially one in the fabless chip
> production industry. This consumer would
> also know that there is industry software to
> aid such fabless chip producers in the
> process of production and design
> optimization, for example.

Trademark Examining Attorney's final refusal of November 24,

2004, unnumbered p. 2.

By contrast, applicant cites to *In re TMS Corp*., 200

USPQ 57, 59 (TTAB 1978) [THE MONEY SERVICE is suggestive of

applicant's financial services] in support of its argument

that, absent sufficient particularity, an actual or

prospective customer would need to use thought or

imagination to discover the vital purpose, characteristic

or quality of applicant's services.

Applicant argues that even though its mark may be a

combination of commonly-used words, as applied to its

identified goods and services, the combination of the words

FABLESS and SOFTWARE creates an incongruity such that its

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top semiconductor companies around the world, including library
and chip designers at semiconductor manufacturers and fabless
design houses, working on high performance and/or low power
designs.

prospective customers "would have to extrapolate to make a connection between the chips and software products offered by the Applicant and the mark FABLESS SOFTWARE COMPANY." That is, applicant contends that the significance of this incongruous combination "would not be grasped without some measure of imagination and 'mental pause'," citing to *In re Shutt*s, 217 USPQ 363, 364-365 (TTAB 1983) [SNO-RAKE is not merely descriptive of a snow removal hand tool, the head of which is solid uninterrupted construction without prongs]. In addition, applicant argues that the Trademark Examining Attorney has failed to establish the descriptiveness of the combined term, "Fabless Software," while applicant asserts it has shown that this is not a term of art in the EDA (electronic design automation) industry, specifically noting that the record only shows uses of "wordy" constructs like " ... a suite of software applications for fabless semiconductor companies" (Applicant's reply brief, p. 3). Applicant contends that inasmuch as the term "Fabless Software" does not have an obvious meaning in relation to its goods and services, the fact that no third party has used this combination further corroborates applicant's contention that the mark is not merely descriptive, citing to *In re TBG, Inc*., 229 USPQ 759, 760 (TTAB 1986) [SHOWROOM ONLINE is not merely descriptive of services

recited as "leasing computer databases and video disks in
the field of interior furnishings and related products of
others"].

However, the fact that applicant may be the first and
only user of a descriptive designation does not justify
registration if the only significance conveyed by the term
is merely descriptive. *See In re National Shooting Sports
Foundatin, Inc*., 219 USPQ 1018 (TTAB 1983) [SHOOTING,
HUNTING, OUTDOOR TRADE SHOW AND CONFERENCE is descriptive
for conducting and arranging trade shows in hunting,
shooting, and outdoor sports products field]. Thus, the
failure of the Trademark Examining Attorney to uncover
examples of that specific combination does not detract from
the fact the two words, when combined, would be perceived
as merely descriptive by those in the semiconductor
industry when used in connection with software for
designing and developing computer chips. Also, as
contended by the Trademark Examining Attorney, we must
consider that the relevant population of prospective
purchasers herein will include purchasing agents for
fabless semiconductor firms. These sophisticated consumers
would know immediately that the combined term, "fabless
software," has a singular reference to a suite of software

intended solely for their industry.[10] Given applicant's

quite broad identification of goods / recital of services,

they must be read as inclusive of all types of actual

software and software development services directed to

designers working for fabless enterprises, including

software for logic design, debugging, optimization, blue

print verification, exchanges of layout data, physical

verification, etc.

The word "Company"

The fact that applicant's mark also includes the

entity designator "Company" does not detract from the

merely descriptive nature of the mark. *See In re Energy*

Products of Idaho, 13 USPQ2d 2049 (TTAB 1989) [the phrase

THE WASTE TO ENERGY COMPANY is merely descriptive of

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[10]   The record shows that the complexity of the design and
development software tools used in the EDA industry matches the
highly-complex chips to be produced. According to the technical
details contained in this record (*see e.g.*, Genesis and Prolific
software entries, pp. 10 – 11, *supra*), semiconductor design
software platforms/suites/applications combine in a variety of
ways the following components and/or characteristics:
- Embedded software solutions, turn-key applications,
  etc.
- High level logical specification design
- Functional verification of the high level logical
  specification (e.g., debuggers)
- Tools for the exchange of layout data between systems
- Physical synthesis and verification
- Software ensuring fast time-to-market
- Optimization tools for performance acceleration and
  design productivity

"engineering consulting services in developing, designing, manufacturing, installing, starting up and operating low pollution fluid bed equipment"]. We have repeatedly held that "a mark which names the type of commercial establishment from which particular goods come is merely descriptive of those goods." *In re The Phone Company, Inc*., 218 USPQ 1027, 1028 (TTAB 1983) [THE PHONE COMPANY is no more registrable for goods such as telephones and telephone accessories than it is for retail store services featuring such goods].

Rather, viewing the mark in its entirety, consumers would immediately recognize that it describes a company that vends software to, *inter alia*, fabless enterprises.

Conclusion:

Accordingly, we find the term "Fabless Software Company" to be merely descriptive for the listed goods and services.

Decision: The refusal to register the term **FABLESS SOFTWARE COMPANY** on the Principal Register on the ground that it is merely descriptive of the identified goods and services under Section 2(e)(1) of the Lanham Act is hereby affirmed.