

From: Powell, Linda

Sent: 7/14/2014 11:29:04 AM

To: TTAB E Filing

CC:

Subject: U.S. TRADEMARK APPLICATION NO. 77199918 - CHI - 13271-364 - SU - Request for  
Reconsideration Denied - Return to TTAB - Message 1 of 4

\*\*\*\*\*

Attachment Information:

Count: 14

Files: 020712 SOU specimens pg 1.jpg, 020712 SOU specimens pg 2.jpg, 020712 SOU specimens pg  
3.jpg, 020712 SOU specimens pg 4.jpg, 090712 SOU sub spec pg 1.jpg, 04052013 RR spec pg 1.jpg,  
04052013 RR spec pg 2.jpg, 04052013 RR spec pg 3.jpg, 04052013 RR spec pg 4.jpg, 04052013 RR spec  
pg 5.jpg, 04052013 RR spec pg 6.jpg, 04052013 RR spec pg 7.jpg, 04052013 RR spec pg 8.jpg,  
77199918.doc

**UNITED STATES PATENT AND TRADEMARK OFFICE (USPTO)  
OFFICE ACTION (OFFICIAL LETTER) ABOUT APPLICANT'S TRADEMARK APPLICATION**

**U.S. APPLICATION SERIAL NO.** 77199918

**MARK:** CHI



**CORRESPONDENT ADDRESS:**

TATYANA V GILLES

NORVELL IP LLC

1776 ASH STREET

NORTHFIELD, IL 60093

**GENERAL TRADEMARK INFORMATION:**

<http://www.uspto.gov/trademarks/index.jsp>

**APPLICANT:** CHICAGO MERCANTILE EXCHANGE INC.

**CORRESPONDENT'S REFERENCE/DOCKET NO:**

13271-364

**CORRESPONDENT E-MAIL ADDRESS:**

officeactions@norvellip.com

**REQUEST FOR RECONSIDERATION DENIED**

**ISSUE/MAILING DATE:** 7/14/2014

The trademark examining attorney has carefully reviewed applicant's 2<sup>nd</sup> request for reconsideration and is denying the request for the reasons stated below. See 37 C.F.R. §2.64(b); TMEP §§715.03(a)(2)(B), (a)(2)(E), 715.04(a). The refusal made final in the Office action dated October 5, 2012 and refused reconsideration on May 22, 2013 and is maintained and continued as FINAL. See TMEP §§715.03(a)(2)(B), (a)(2)(E), 715.04(a).

In the present case, applicant's 2<sup>nd</sup> request has not resolved all the outstanding issues, nor does it raise a new issue or provide any new or compelling evidence with regard to the outstanding issues in the final Office action. Accordingly, the request is denied.

Refusal issued and was made FINAL on October 5, 2012 because the specimens failed to function as a service mark *for the services recited in the application*. Trademark Act Sections 1, 2, 3, and 45, 15 U.S.C. §§1051-1053, 1127. Request for Reconsideration on May 22, 2013 was denied finding no compelling evidence to overcome the refusal. As noted in brief, the applicant has applied for and registered the same mark for "compiling, providing and updating a financial index measuring potential damage from a hurricane", U.S. Registration No. 4315763 (attached). In deference to the applicant's newly registered mark that registered several days after the applicant's initial request for reconsideration, the issue regarding a *process* was withdrawn, but the failure to function as a mark was and is still maintained and continued with respect to the services in the subject application.

#### **Evidence Untimely – Good Cause Not Shown**

The applicant's submission of additional evidence is untimely. There is no evidence that the materials provided were not previously available, there is no new attorney in this case, and there has been no agreement to have the case remanded. TBMP §1207.02.

On December 9, 2013, after submission of the Examiner's Brief, the applicant asked by telephone and by email for an extra examination of specimens with the agreement that, if found acceptable, the case would be returned to the Examiner in keeping with the overall goal of the Office to register marks. As the material was informally submitted, a response was only made by telephone. The examiner, finding the use of the mark ***buried*** in Chapters 423 and 427 and 428 of the applicant's CME Rulebook, explained to the applicant's attorney that the material appeared to be of a nature that did not constitute advertising for the services, and was not information of the kind believed to be used by consumers for the futures and options contracts in making a purchasing decision.

It is noted that on December 9, 2013 (same date) the applicant filed the request for suspension and remand, submitting the same materials. The applicant has not shown good cause for submitting these materials at this juncture.

### **Evidence Not Properly Submitted**

A. Even if the board decides to allow the additional materials as new evidence, these are not properly submitted specimens. The applicant's attorney has made statements regarding the consumers for the applicant's services and statements regarding how the substitute specimens are used by consumers. There is no actual proof to support these statements in the record, and there is no showing that the applicant's attorney has expertise in this field. *See In re U.S. Tsubaki, Inc.*, 2014 TTAB LEXIS 88 (Trademark Trial & App. Bd., Mar. 7, 2014).

B. Moreover, the specimens submitted with the request for remand are not supported by a declaration or affidavit supporting the statement regarding use of the specimens. 37 C.F.R. §2.20.

### **Failure to Function**

While it is Office practice to identify why a mark fails to function as a mark, the compelling finding in this case is that the proposed mark for which the applicant seeks registration appears to be used as a source identifier for a *different* service. That service is captured in the applicant's attached U.S. Registration referenced above. The registration came to the attention of the examining attorney while reviewing the record for the preparation of the Examiner's Statement. While it is possible for a mark to be used in more than one manner, e.g., as a process and as a source identifier, the examiner found no such use in the specimens provided during the prosecution of this application other than the use for which the mark is now registered, and finding use in a unitary manner which may also refer to the applicant's indexing services. The examining attorney has attached copies of the evidence of record, annotating the uses of the applied for mark, CHI, and showing how the examiner believes the mark to be used by the applicant. The page numbers reference the pages in the TSDR (Trademark Status Document Retrieval) database.

It is noted that the applicant objects to learning, for the first time, an objection to use of the CHI-CAT-A-THE-BOX as a unitary mark; however, the examiner has spoken telephonically with the applicant each time specimens have been submitted for this application, in hopes of helping the applicant to find acceptable specimens of use, and has addressed this issue each time. The examiner apologizes for failing to specifically address this in written refusals.

It is further noted that, in applicant's incoming correspondence of April 5, 2013, the CHI-CAT-IN-A-BOX has been referenced as a geographic area within the Gulf of Mexico that is a region used in indexing hurricanes in a particular region of the Gulf Coast. See pages 1 and 7 (Specimens) of that correspondence. Note the diagram on page 1 (Specimens) of that correspondence that identifies the region. See also attached pages from the applicant's online brochure ("CME Group Weather Products") promoting and explaining the applicant's indexing services and the page that denotes the meaning of "CAT-IN-A-BOX," a hurricane region of particular importance because of the oil and gas platforms located in this region that are subject to hurricane damage. This is only provided to better define terms referenced in the applicant's specimen materials and in briefs.

For the foregoing reasons, refusal to register the mark is CONTINUED and MAINTAINED as FINAL because the specimens fail to function as a service mark *for the services recited in the application*. Trademark Act Sections 1, 2, 3, and 45, 15 U.S.C. §§1051-1053, 1127.

### ***Resumption of the Appeal***

The applicant has already filed a timely notice of appeal with the Board, and briefs have been filed. The Board will be notified to resume the appeal. See TMEP §715.04(a).

/Linda A. Powell/

Linda A. Powell

Examining Attorney

L.O. 106 United States Patent and Trademark Office

571-272-9327

[linda.powell@uspto.gov](mailto:linda.powell@uspto.gov)



WEATHER PRODUCTS

## CME Hurricane Index Futures and Options

Three types of contracts for Hurricane futures and options – covering specific regional locations and actual named hurricanes.

### Overview

Following the devastating 2005 hurricane season that caused an estimated \$79 billion in damage, it became apparent there was not unlimited capacity in the insurance industry to insure customer claims. CME Group listened to the marketplace and developed three types of contracts for Hurricane futures and options. The underlying indexes for Hurricane futures and options on futures are calculated by EQECAT, the leading authority on extreme-risk modeling.

### Market Participants

- Insurance and reinsurance companies
- Hedge funds
- Energy companies
- Pension funds
- State governments
- Utility companies

### Contract Types

- Hurricane futures and options
- Hurricane Seasonal futures and options
- Hurricane Seasonal Maximum futures and options

### Benefits

- An additional way to help insurers and others transfer risk to the capital markets
- Mitigate exposures for actual named hurricanes and specific regional locations
- Increase insurance capacity in order to insure customers or hedge businesses

References the indexing svc that is the subject of US Reg No 4315763

### About the Index

CME Hurricane Index™ (CHI™) determines a numerical measure of the potential for damage from a hurricane, using publicly available data from the National Hurricane Center of the National Weather Service. The CHI incorporates sustained wind speed and the radius of hurricane force winds and is a continuous measurement.

The commonly used Saffir-Simpson Hurricane Scale (SSH) classifies hurricanes in categories from 1 to 5; however there are a number of features which make the scale less than optimal for use by the insurance community and the public at large. For example, meteorologists have had to quantify SSHS categories as either 'strong' or 'weak' in order to make a proper distinction of a storm. As a case in point, Katrina was described as a weak category 4 storm at the time of its landfall but this did not provide a real estimate to the actual physical impact. And Hurricane Wilma in 2005 was at one point in its life the strongest storm on record. However, the CHI highlights that at its strongest, Hurricane Katrina had more potential for damage than Wilma, despite its lower wind speed, since Katrina was a far wider storm. The Saffir-Simpson scale would be unable to make this distinction clear.

Reference to the Index, not the financial

12:43:52 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caselid=sn77199918&docId=SPE20120208144746#docIndex=14&page=2

Reference to the Index, svcs in US Reg No. 4315763

CME HURRICANE INDEX FUTURES AND OPTIONS CONTRACTS

	HURRICANE INDEX FUTURES	OPTIONS ON HURRICANE INDEX FUTURES
Contract Size		\$1,000 times the respective CHI
Quotation		CHI Index Points
Tick Size		0.1 CHI Index Point
Tick Value		0.1 CHI Index Point = \$100 x 10 = 1 tick/\$1,000
Contracts Traded	At the beginning of each season storm names are used from a list, starting with A and ending with Z, maintained by the World Meteorological Organization. In the event that more than 21 named events occur in a season, additional storms will take names from the Greek alphabet: Alpha, Beta, Gamma, Delta, and so on	
Locations	Named hurricanes making landfall in the Eastern U.S. (Brownsville, TX to Eastport, ME)  Named hurricanes occurring within the CHI-Cat-In-A-Box - Galveston-Mobile (area bounded by 95°30'0"W on the West, 97°30'0"W on the East, 27°30'0"N on the South, and the corresponding segment of the U.S. coastline on the North)	
Ticker Symbols	Events begin with a one and ends with a zero (0 represents 10)  HX1-HX0 = CHI Hurricane Index storms beginning with the letters A-J HG1-HG0 = CHI Hurricane Index storms beginning with the letters K-V HF1-HF0 = CHI Hurricane Index storms beginning with the letters W-Iota  HP1-HP0 = CHI Cat-In-A-Box - Galveston-Mobile storms A-J HS1-HS0 = CHI Cat-In-A-Box - Galveston-Mobile storms K-V HN1-HN0 = CHI Cat-In-A-Box - Galveston-Mobile storms W-Iota	
Termination of Trading	Trading shall terminate at 9:00 a.m. Central Time (CT) on the first Exchange business day that is at least two calendar days following the last forecast advisory issued by the NHC for the named storm, but in no event shall trading terminate prior to the first Exchange business day that is at least two calendar days following the beginning of the hurricane season on January 1. If a particular named storm is unused (i.e., that storm has not formed), trading shall terminate at 9:00 a.m. CT on the first Exchange business day that is at least two calendar days following the end of the hurricane season on December 31.  Trading shall terminate at 9:00 a.m. CT on the first Exchange business day that is at least two calendar days following the dissipation or exit from the designated area of a named hurricane, but in no event shall trading terminate prior to the first Exchange business day that is at least two calendar days following the beginning of the hurricane season on January 1 or later than the first business day that is at least two calendar days following the end of the hurricane season on December 31. If a particular named storm is unused (i.e., that storm had not formed), trading shall terminate at 9:00 a.m. CT on the first Exchange business day that is at least two calendar days following the end of the hurricane season on December 31.	
Strike Price Interval	N/A	1 Index Point (e.g., 10, 11, 12, etc.)
Exercise	N/A	American-style (exercised any time up to and including last trading day (LTD))
Settlement	All futures contracts remaining open at the termination of trading shall be settled using the respective CHI final value reported by EQECAT for that named event  All futures contracts remaining open at the termination of trading shall be settled using the respective CHI Cat-In-A-Box final value reported by EQECAT for that named event, using the maximum calculated CHI value while the hurricane is within the designated area	
Position Limits	Position accountability for positions exceeding 10,000 contracts in any contract month	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month
Trading Hours	Offered exclusively on the CME Globex electronic trading platform on Sundays through Thursdays, 5:00 p.m. - 3:15 p.m. CT the following day (9:00 a.m. CT LTD)	Traded via open outcry in the NASDAQ-100 pit on Mondays through Fridays, 8:30 a.m. - 3:15 p.m. CT (9:00 a.m. CT LTD)

Unitary with Cat-In-A-Box

Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade.

All references to options refer to options on futures.

The information within this brochure has been compiled by CME Group for general purposes only. CME Group assumes no responsibility for any errors or omissions. Although every attempt has been made to ensure the accuracy of the information within this brochure, CME Group assumes no responsibility for any errors or omissions. Additionally, all examples in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience.

All matters pertaining to rules and specifications herein are made subject to and are superseded by official CME, CBOT and CME Group rules. Current rules should be consulted in all cases concerning contract specifications.

CME Group is a trademark of CME Group Inc. The Globe logo, CME, Chicago Mercantile Exchange and Globex are trademarks of Chicago Mercantile Exchange Inc. CBOT and Chicago Board of Trade are trademarks of the Board of Trade of the City of Chicago. NYMEX, New York Mercantile Exchange and ClearPort are trademarks of New York Mercantile Exchange Inc. COMEX is a trademark of Commodity Exchange Inc. All other trademarks are the property of their respective owners. Further information about CME Group and its products can be found at www.cme.com.

Copyright © 2009 CME Group Inc. All rights reserved.

12:51:28 PM 7/6/2014

<http://tsdr.uspto.gov/documentviewer?caselId=sn77199918&docId=SPE20120208144746#docIndex=14&page=3>

References to the Index svcs in US Reg No 4315763

CME HURRICANE INDEX SEASONAL FUTURES AND OPTIONS CONTRACTS

	HURRICANE SEASONAL FUTURES	OPTIONS ON HURRICANE SEASONAL FUTURES
Contract Size	\$1,000 times the seasonal total for the respective CHI	
Quotation	CHI Index Points	
Tick Size	0.1 CHI Index Point	
Tick Value	0.1 CHI Index Point = \$100	
Contracts Traded	Expressed in terms of the accumulated CHI for all hurricanes that occur within a specific location between January 1 and December 31 inclusive of a calendar year	Expressed in terms of the accumulated CHI-Cat-In-A-Box values for all hurricanes that occur within a specific geographic area between January 1 and December 31 inclusive of a calendar year
Locations		<ul style="list-style-type: none"> <li>Gulf Coast (Brownsville, TX to AL/FL Border)</li> <li>Florida (AL/FL Border to Fernandina Beach, FL)</li> <li>Southern Atlantic Coast (Fernandina Beach, FL to NC/VA Border)</li> <li>Northern Atlantic Coast (NC/VA Border to Eastport, ME)</li> <li>Eastern U.S. (Brownsville, TX to Eastport, ME)</li> <li>CHI-Cat-In-A-Box - Galveston-Mobile (area bounded by 95°30'0"W on the West, 87°30'0"W on the East, 27°30'0"N on the South, and the corresponding segment of the U.S. coastline on the North)</li> </ul>
Ticker Symbols		<ul style="list-style-type: none"> <li>HGA = Gulf Coast</li> <li>HFA = Florida</li> <li>HSA = Southern Atlantic Coast</li> <li>HNA = Northern Atlantic Coast</li> <li>HXA = Eastern U.S.</li> <li>HPA = CHI-Cat-In-A-Box - Galveston-Mobile</li> </ul>
Termination of Trading		Trading shall terminate at 9:00 a.m. CT on the first Exchange business day that is at least two calendar days following the end of the hurricane season on December 31
Strike Price Interval	N/A	1 Index Point (e.g., 10, 11, 12, etc.)
Exercise	N/A	American style (exercised any time up to and including LTD)
Settlement	All futures contracts remaining open at the termination of trading shall be settled using the respective CHI final value reported by EQECAT for that numbered event	N/A
	All futures contracts remaining open at the termination of trading shall be settled using the respective CHI-Cat-In-A-Box final value reported by EQECAT for that numbered event, using the maximum calculated CHI value while the hurricane is within the designated area	
Position Limits	Position accountability for positions exceeding 10,000 contracts in any contract month	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month
Trading Hours	Offered exclusively on the CME Globex electronic trading platform on Sundays through Thursdays, 5:00 p.m. - 3:15 p.m. CT the following day (9:00 a.m. CT LTD)	Traded via open outcry in the NASDAQ-100 pit on Mondays through Fridays, 8:30 a.m. - 3:15 p.m. CT (9:00 a.m. CT LTD)

Unitary with Cat-In-A-Box

For more information on CME Hurricane Index futures and options, visit [www.cmegroup.com/hurricane](http://www.cmegroup.com/hurricane).

For real-time prices on CME Hurricane Index futures, visit [www.cmegroup.com/weatherquotes](http://www.cmegroup.com/weatherquotes).

12:58:21 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caselId=sn77199918&docId=SPE20120208144746#docIndex=14&page=4

Reference to Index Svcs in US Reg No 4315763

CME HURRICANE INDEX SEASONAL MAXIMUM FUTURES AND OPTIONS CONTRACTS

	HURRICANE SEASONAL MAXIMUM FUTURES	OPTIONS ON HURRICANE SEASONAL MAXIMUM FUTURES
Contract Size		\$1,000 times the respective CHI
Quotation		CHI Index Points
Tick Size		0.1 CHI Index Point
Tick Value		0.1 CHI Index Point = \$100
Contracts Traded	Expressed in terms of the CHI for the largest hurricane to make landfall within a specific location between January 1 and December 31 inclusive of a calendar year	Expressed in terms of the largest CHI-Cat-In-A-Box value for all hurricanes that occur within a specific geographic area between January 1 and December 31 inclusive of a calendar year
Locations		<ul style="list-style-type: none"> <li>Gulf Coast (Brownsville, TX to AL/FL Border)</li> <li>Florida (AL/FL Border to Panama Beach, FL)</li> <li>Southern Atlantic Coast (Fernandina Beach, FL to NC/VA Border)</li> <li>Northern Atlantic Coast (NC/VA Border to Eastport, ME)</li> <li>Eastern U.S. (Brownsville, TX to Eastport, ME)</li> <li>CHI-Cat-In-A-Box - Galveston-Mobile (Area bounded by 95°30'0"W on the West, 87°30'0"W on the East, 27°30'0"N on the South, and the corresponding segment of the U.S. coastline on the North)</li> </ul>
Ticker Symbols		<ul style="list-style-type: none"> <li>HGM = Gulf Coast</li> <li>HFM = Florida</li> <li>HSS = Southern Atlantic Coast</li> <li>HNM = Northern Atlantic Coast</li> <li>HXM = Eastern U.S.</li> <li>HPM = CHI-Cat-In-A-Box - Galveston-Mobile</li> </ul>
Termination of Trading		Trading shall terminate at 9:00 a.m. CT on the first Exchange business day that is at least two calendar days following the end of the hurricane season on December 31
Strike Price Interval	N/A	1 Index Point (e.g. 10, 11, 12, etc.)
Exercise	N/A	American-style (exercised anytime up to and including LTD)
Settlement	All futures contracts remaining open at the termination of trading shall be settled using the respective CHI seasonal maximum final value reported by EQECAT	N/A
	All futures contracts remaining open at the termination of trading shall be settled using the respective CHI seasonal maximum Cat-In-A-Box final value reported by EQECAT	
Position Limits	Position accountability for positions exceeding 10,000 contracts in any contract month	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month
Trading Hours	Offered exclusively on the CME Globex electronic trading platform on Sundays through Thursdays, 5:00 p.m. - 3:15 p.m. CT the following day (9:00 a.m. CT LTD)	Traded via open outcry in the NASDAQ-100 pit on Mondays through Fridays, 8:30 a.m. - 3:15 p.m. CT the following day (9:00 a.m. CT LTD)

Unitary with Cat-In-A-Box

For more information on Weather futures and options, visit [www.cmegroup.com/weather](http://www.cmegroup.com/weather).

CME GROUP HEADQUARTERS		CME GROUP GLOBAL OFFICES					
20 South Wacker Drive Chicago, Illinois 60606 cmegroup.com	info@cmegroup.com 800 331 3332 312 930 1000	Chicago	312 930 1000	New York	212 299 2000	Houston	713 658 9292
		Washington D.C.	202 638 3838	Hong Kong	+852 3101 7696	London	+44 20 7796 7100
		Singapore	+65 6322 8595	Sydney	+61 2 9231 7475	Tokyo	+81 3 5403 4828

WT106/30/0509

1:11:34 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caselId=sn77199918&docId=SPE20120208144746#docIndex=8&page=1

**CME Group** *How the world advances* # Feedback | Login Search CMEGroup.com

Products & Trading Clearing Market Regulation Market Data Education About Us Global

CME Group » Weather » CME Hurricane Index (CHI) Overview

### CME Hurricane Index (CHI) Overview

Mon Jul 25 20:44:00 2011 CT  
Related Keynotes, Webinars, Strategies & Techniques

The CME Hurricane Index (CHI) was developed to provide a quick and easy-to-calculate estimate of hurricane damage. This overview explains in detail how hurricanes are evaluated and the CHI Hurricane Index works.

The overview also includes:

- An explanation of how and why other popular measures of storm intensity are not highly correlated to hurricane damage
- A table of CHI values for all landfalling hurricanes from 1999 through 2010
- A graph of CHI values before and after landfall for Hurricanes Katrina, Rita and Wilma
- A link to the National Hurricane Center (NHC) Public Advisories, which provide updates on pre-landfall hurricanes
- A sample of an NHC Public Advisory

**Featured Information**

CME Hurricane Index (CHI) Overview  
# Provide feedback on this page

**Related Content**

**Market Fundamentals** | See All

- Commodity Weather Group - Midwest Dryness to Persist in September
- CrpCAST - Drought May Send Corn Yields to 17-year Low
- Outlook for the Weather Driven Grain Markets - Summer 2012 Webinar

**Product Information** | See All

- CrpCAST - Drought May Send Corn Yields to 17-year Low
- CME Group Leading Products - Most Traded Futures and Options Contracts 02-2012
- HighLower: Corn and Soybean Strategy Update

**Strategies and Techniques** | See All

- Options Market Maker Forum - CME Group
- Hurricanes and Commodities
- Weather Futures and Options Block Trading Step-by-Step Guide

**Tools and Analytics** | See All

- Options Market Maker Forum - CME Group
- Commodity Weather Group - Midwest Dryness to Persist in September
- Commodity Weather Group - Midwest

Explanation of the Index Svc and how it works. Subject of svcs in US Reg No. 4315763



References to the CHI as an indexing service, the subject of US Reg No. 4315763

WEATHER PRODUCTS

CME Hurricane Index Binary Options

Overview

Binary Hurricane options are the newest additions to the family of CME Hurricane Index™ futures and options products. They are similar in many respects to standard options on futures, with strike (exercise) prices on a wide range of CME Hurricane Index values, but with a number of important differences.

Binary hurricane contracts:

- Provide the option holder with a fixed dollar payout upon exercise. This is unlike standard options, which provide the option holder with a position in the underlying futures contract, and the value of that underlying futures contract may vary widely depending on market conditions.
- Are offered only as "calls" (options to buy), since "puts" (options to sell) would result in a payout on an event that failed to occur.

Based on the CME Hurricane Index

Like all of CME Group's hurricane offerings, binary hurricane options are based on the CME Hurricane Index (CHI™), a proprietary index that provides a numerical measure of the potential damage arising from a hurricane. Using publicly available data from the National Hurricane Center of the National Weather Service, the CHI calculates the potential for damage for each official storm by reference to its maximum wind velocity and size (radius). The CHI tracks storms in designated areas in the Gulf of Mexico and the eastern seaboard of the United States, from their origin until finality.

For more information about the CME Hurricane Index, visit [www.cmegroup.com/binaryhurricanes](http://www.cmegroup.com/binaryhurricanes).

Binaries can be used in the same way as the popular Industry Loss Warranties (ILWs). An ILW is an index-based reinsurance contract covering specific territories, attachment points, perils and

time periods. Unlike a traditional ultimate net loss catastrophe cover, an independent index determines whether a particular event triggers an ILW and whether a recovery can be made.

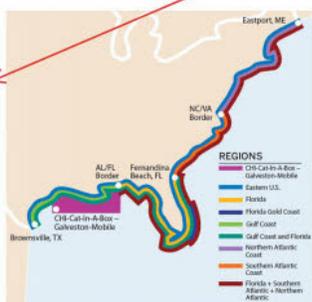
Binary hurricane options based on the CHI, however, provide more transparent pricing than ILWs, rapid payouts following a triggering event, and counterparty performance guaranteed by CME Clearing.

Benefits

- Simplified hedging process for anyone with hurricane exposure
- Substitute for creating complex call option spreads
- Convenient contract multiples and small pricing increment – precisely match dollar exposure to a specific number of binary contracts, in \$10,000 increments
- Greater pricing precision, since premiums can be traded in \$1 increments

Binary hurricane contracts are offered on Index (named storm), Seasonal (aggregate), Seasonal Max (largest storm of the season) and Second Event Seasonal Max Binary futures contracts:

- CHI-Cat-In-A-Box – Galveston-Mobile (area bounded by 95°30'0"W on the west, 87°30'0"W on the east, 27°30'0"N on the south, and the corresponding segment of the U.S. coastline on the north)
- Eastern U.S. (Brownsville, TX to Eastport, ME)
- Florida (AL/FL Border to Fernandina Beach, FL)
- Florida Gold Coast (Cape Sound Bridge, FL to Jupiter Inlet, FL)
- Gulf Coast (Brownsville, TX to AL/FL Border)
- Gulf Coast and Florida (Brownsville, TX to Fernandina Beach, FL)
- Northern Atlantic Coast (NC/VA Border to Eastport, ME)
- Southern Atlantic Coast (Fernandina Beach, FL to NC/VA Border)
- Florida + Southern Atlantic + Northern Atlantic (AL/FL Border to Eastport, ME)



Unitary use with Cat-In-A-Box  
Note that the thin red box and arrow were placed by the applicant in highlighting what the applicant believed to be good use.



2:23:23 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caselId=sn77199918&docId=SPE20120208144746#docIndex=4&page=2

CME HURRICANE INDEX BINARY CONTRACT

Contract Size	\$10,000
Quote	Points (percent of \$10,000)
Minimum Price Increment	0.01 point
Tick Value	0.01 point = \$1
Contracts Traded	Binary contract in which buyer receives \$10,000 if the respective CHI value is equal to or greater than strike price; buyer receives nothing if the respective CHI value is less than strike price. Separate binary contracts will be listed for trading on named hurricanes making landfall in a specific geographic location (e.g., Eastern U.S.) between January 1 and December 31 inclusive of a calendar year. At the beginning of each season storm names are used from a list, starting with A and ending with Z, maintained by the World Meteorological Organization. In the event that more than 21 named events occur in a season, additional storms will take names from the Greek alphabet: Alpha, Beta, Gamma, Delta, and so on.
Locations	Named hurricanes making landfall in the Eastern U.S. (Brownsville, TX to Eastport, ME) and named hurricanes occurring within the CHI-Cat-In-A-Box - Galveston-Mobile (area bounded by 95°30'0"W on the West, 87°30'0"W on the East, 27°30'0"N on the South and the corresponding segment of the U.S. coastline on the North)
Termination of Trading	Trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least five calendar days following the last forecast/advisory issued by the National Hurricane Center (NHC) for the named storm, provided that both the NHC and the Hydrometeorological Prediction Center have stopped issuing advisories for that named storm, but in no event shall trading terminate prior to the first Exchange business day that is at least five calendar days following January 1, or later than the first business day that is at least five calendar days following December 31. If a particular named storm is unused (i.e. that storm has not formed), trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least five calendar days following December 31.
Strike Price Interval	1 CHI Index Point (e.g., 10, 11, 12, etc.)
Exercise	American-style (exercised any time up to and including LTD)
Position Limits	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month.
Trading Hours	8:30 a.m. to 3:15 p.m. CT (9:00 a.m. on LTD)

Reference to the Index value, svcs in USReg No 4315763



Unitary



Reference to Index value, svcs in USReg No 4315763



For more information on CME Hurricane Index Binary options, visit [www.cmegroup.com/binaryhurricanes](http://www.cmegroup.com/binaryhurricanes).

2:24:23 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caselId=sn77199918&docId=SPE20120208144746#docIndex=4&page=3

### CME HURRICANE INDEX CAT-IN-A-BOX BINARY CONTRACT

Contract Size	\$10,000
Quote	Points (percent of \$10,000)
Minimum Price Increment	0.01 point
Tick Value	0.01 point = \$1
Contracts Traded	Binary contract in which buyer receives \$10,000 if the respective CHI Cat-In-A-Box value is equal to or greater than strike price; buyer receives nothing if the respective CHI Cat-In-A-Box value is less than strike price. Separate binary contracts will be listed for trading on named hurricanes entering a specific geographic area (e.g., Galveston-Mobile) between January 1 and December 31 inclusive of a calendar year. At the beginning of each season storm names are used from a list, starting with A and ending with Z, maintained by the World Meteorological Organization. In the event that more than 21 named events occur in a season, additional storms will take names from the Greek alphabet: Alpha, Beta, Gamma, Delta, and so on.
Locations	Galveston-Mobile (area bounded by 95°30'0"W on the west, 87°30'0"W on the east, 27°30'0"N on the south, and the corresponding segment of the U.S. coastline on the north)
Termination of Trading	Trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least five calendar days following the dissipation or exit from the designated area of a named storm, provided that both the NHC and the Hydrometeorological Prediction Center have stopped issuing advisories for that named storm, but in no event shall trading terminate prior to the first Exchange business day that is at least five calendar days following January 1, or later than the first business day that is at least five calendar days following December 31. If a particular named storm is unused (i.e. that storm has not formed), trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least five calendar days following December 31.
Strike Price Interval	1 CHI Index Point (e.g., 10, 11, 12, etc.)
Exercise	American-style (exercised any time up to and including LTD)
Position Limits	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month.
Trading Hours	8:30 a.m. to 3:15 p.m. CT (9:00 a.m. on LTD)

Unitary, but also references the index value



References Index services in USReg No 4315763



For more information on Weather futures and options, visit [www.cmegroup.com/weather](http://www.cmegroup.com/weather).

2:25:07 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caselId=sn77199918&docId=SPE20120208144746#docIndex=4&page=4

### CME HURRICANE INDEX SEASONAL BINARY OPTIONS

Contract Size	\$10,000
Quote	Points (percent of \$10,000)
Minimum Price Increment	0.01 point
Tick Value	0.01 point = \$1
Contracts Traded	Binary contract in which buyer receives \$10,000 if the respective <b>CHI seasonal value is equal to or greater than strike price</b> ; buyer receives nothing if the respective <b>CHI seasonal value is less than strike price</b> . Separate binary contracts will be listed for trading on the accumulated <b>CHI final settlement values</b> for all hurricanes that make landfall in a specific location (e.g., Gulf Coast) between January 1 and December 31 inclusive of a calendar year
Locations	<ul style="list-style-type: none"><li>• Gulf Coast (Brownsville, TX to AL/FL Border)</li><li>• Florida (AL/FL Border to Fernandina Beach, FL)</li><li>• Gulf Coast and Florida (Brownsville, TX to Fernandina Beach, FL)</li><li>• Florida Gold Coast (Gulf Sound Bridge, FL to Jupiter Inlet, FL)</li><li>• Southern Atlantic Coast (Fernandina Beach, FL to NC/VA Border)</li><li>• Northern Atlantic Coast (NC/VA Border to Eastport, ME)</li><li>• Eastern U.S. (Brownsville, TX to Eastport, ME)</li><li>• Florida + Southern Atlantic + Northern Atlantic (AL/FL Border to Eastport, ME)</li></ul>
Termination of Trading	Trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least five calendar days following December 31.
Strike Price Interval	<b>1 CHI Index Point</b> (e.g., 10, 11, 12, etc.)
Exercise	American-style (exercised any time up to and including LTD)
Position Limits	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month.
Trading Hours	8:30 a.m. to 3:15 p.m. CT (9:00 a.m. on LTD)

References to the Index svs, subject of USReg No. 4315763

For more information on CME Hurricane Index Binary options, visit [www.cmegroup.com/binaryhurricanes](http://www.cmegroup.com/binaryhurricanes).

2:26:38 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caselid=sn77199918&docId=SPE20120208144746#docIndex=4&page=5

### CME HURRICANE INDEX SEASONAL CAT-IN-A-BOX BINARY OPTIONS

CME HURRICANE INDEX SEASONAL CAT-IN-A-BOX BINARY OPTIONS	
Contract Size	\$10,000
Quote	Points (percent of \$10,000)
Minimum Price Increment	0.01 point
Tick Value	0.01 point = \$1
Contracts Traded	Binary contract in which buyer receives \$10,000 if the respective CHI seasonal Cat-In-A-Box value is equal to or greater than strike price; buyer receives nothing if the respective CHI seasonal Cat-In-A-Box value is less than strike price. Separate binary contracts will be listed for trading on the accumulated CHI Cat-In-A-Box final settlement values for all hurricanes that enter a specific geographic area (e.g., Galveston-Mobile) between January 1 and December 31 inclusive of a calendar year.
Locations	Galveston-Mobile (area bounded by 95°30'0"W on the west, 87°30'0"W on the east, 27°30'0"N on the south, and the corresponding segment of the U.S. coastline on the north)
Termination of Trading	Trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least five calendar days following December 31.
Strike Price Interval	1 CHI Index Point (e.g., 10, 11, 12, etc.)
Exercise	American-style (exercised any time up to and including LTD)
Position Limits	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month.
Trading Hours	8:30 a.m. to 3:15 p.m. CT (9:00 a.m. on LTD)

Reference to Index values, the subject of USReg No 4315763  
Note that the Cat-In-A-Box is a value for a specific geographic area (Galveston-Mobile)

For more information on Weather futures and options, visit [www.cmegroup.com/weather](http://www.cmegroup.com/weather).

2:27:45 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caselId=sn77199918&docId=SPE20120208144746#docIndex=4&page=6

### CME HURRICANE INDEX SEASONAL MAXIMUM BINARY OPTIONS

Contract Size	\$10,000
Quote	Points (percent of \$10,000)
Minimum Price Increment	0.01 point
Tick Value	0.01 point = \$1
Contracts Traded	Binary contract in which buyer receives \$10,000 if the respective <b>CHI seasonal maximum value is equal to or greater than strike price</b> ; buyer receives nothing if the respective <b>CHI seasonal maximum value is less than strike price</b> . Separate binary contracts will be listed for trading on the accumulated <b>CHI final settlement values</b> for all hurricanes that make landfall in a specific location (e.g., Gulf Coast) between January 1 and December 31 inclusive of a calendar year.
Locations	<ul style="list-style-type: none"><li>• Gulf Coast (Brownsville, TX to AL/FL Border)</li><li>• Gulf Coast and Florida (Brownsville, TX to Fernandina Beach, FL)</li><li>• Florida (AL/FL Border to Fernandina Beach, FL)</li><li>• Florida Gold Coast (Cape Sound Bridge, FL to Jupiter Inlet, FL)</li><li>• Southern Atlantic Coast (Fernandina Beach, FL to NC/VA Border)</li><li>• Northern Atlantic Coast (NC/VA Border to Eastport, ME)</li><li>• Eastern U.S. (Brownsville, TX to Eastport, ME)</li><li>• Florida + Southern Atlantic + Northern Atlantic (AL/FL Border to Eastport, ME)</li></ul>
Termination of Trading	Trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least five calendar days following December 31.
Strike Price Interval	<b>1 CHI Index Point</b> (e.g., 10, 11, 12, etc.)
Exercise	American-style (exercised any time up to and including LTD)
Position Limits	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month.
Trading Hours	8:30 a.m. to 3:15 p.m. CT (9:00 a.m. on LTD)

Reference to Indexing svcs,  
the subject of USReg No  
4315763

For more information on CME Hurricane Index Binary options, visit [www.cmegroup.com/binaryhurricanes](http://www.cmegroup.com/binaryhurricanes).

2:28:40 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caselId=sn77199918&docId=SPE20120208144746#docIndex=4&page=7

CME HURRICANE INDEX SEASONAL MAXIMUM  
CAT-IN-A-BOX BINARY OPTIONS

Contract Size	\$10,000
Quote	Points (percent of \$10,000)
Minimum Price Increment	0.01 point
Tick Value	0.01 point = \$1
Contracts Traded	Binary contract in which buyer receives \$10,000 if the respective <b>CHI seasonal maximum Cat-In-A-Box value is equal to or greater than strike price</b> , but receives nothing if the <b>respective CHI seasonal maximum Cat-In-A-Box value is less than strike price</b> . Separate binary contracts will be listed for trading on the accumulated <b>CHI Cat-In-A-Box final settlement</b> values for all hurricanes that enter a specific geographic area (e.g., Galveston-Mobile) between January 1 and December 31 inclusive of a calendar year.
Locations	Galveston-Mobile (area bounded by 95°30'0"W on the west, 87°30'0"W on the east, 27°30'0"N on the south, and the corresponding segment of the U.S. coastline on the north)
Termination of Trading	Trading shall terminate at 9:30 A.M. on the first Exchange business day that is at least five calendar days following December 31.
Strike Price Interval	<b>1 CHI Index Point</b> (e.g., 10, 11, 12, etc.)
Exercise	American-style (exercised any time up to and including LTD)
Position Limits	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month.
Trading Hours	8:30 a.m. to 3:15 p.m. CT (9:00 a.m. on LTD)

Reference to Index svcs,  
subject of USReg No.  
4315763

Unitary

For more information on Weather futures and options, visit [www.cmegroup.com/weather](http://www.cmegroup.com/weather).

2:29:48 PM 7/6/2014

http://tsdr.uspto.gov/documentviewer?caseId=sn77199918&docId=SPE20120208144746#docIndex=4&page=8

### CME HURRICANE INDEX SECOND EVENT SEASONAL MAXIMUM BINARY OPTIONS

Contract Size	\$10,000
Quote	Points (percent of \$10,000)
Minimum Price Increment	0.01 point
Tick Value	0.01 point = \$1
Contracts Traded	Binary contract in which buyer receives \$10,000 if the respective CHI seasonal maximum value is equal to or greater than strike price; buyer receives nothing if the respective CHI seasonal maximum value is less than strike price. Separate binary contracts will be listed for trading on the second hurricane to make landfall in a specific location (e.g., Gulf Coast) between January 1 and December 31 inclusive of a calendar year with a particular maximum CHI value.
Locations	<ul style="list-style-type: none"><li>• Gulf Coast (Brownsville, TX to AL/FL Border)</li><li>• Gulf Coast and Florida (Brownsville, TX to Fernandina Beach, FL)</li><li>• Florida (AL/FL Border to Fernandina Beach, FL)</li><li>• Florida Gold Coast (Cape Sound Bridge, FL to Jupiter Inlet, FL)</li><li>• Southern Atlantic Coast (Fernandina Beach, FL to NC/VA Border)</li><li>• Northern Atlantic Coast (NC/VA Border to Eastport, ME)</li><li>• Eastern U.S. (Brownsville, TX to Eastport, ME)</li><li>• Florida + Southern Atlantic + Northern Atlantic (AL/FL Border to Eastport, ME)</li></ul>
Termination of Trading	Trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least five calendar days following December 31.
Strike Price Interval	1 CHI Index Point (e.g., 10, 11, 12, etc.)
Exercise	American-style (exercised any time up to and including LTD)
Position Limits	Position accountability for positions exceeding 10,000 futures-equivalent contracts net on the same side of the market in any contract month.
Trading Hours	8:30 a.m. to 3:15 p.m. CT (9:00 a.m. on LTD)

Use with Index svcs,  
subject of USReg No. 4315763

For more information on CME Hurricane Index Binary options,  
visit [www.cmegroup.com/binaryhurricanes](http://www.cmegroup.com/binaryhurricanes).