

This Opinion Is Not a  
Precedent of the TTAB

Mailed:  
June 13, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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*In re Chicago Mercantile Exchange Inc.*  
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Serial No. 77199918  
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Joseph T. Kucala, Jr. and Tatyana V. Gilles of Norvell IP LLC,  
for Chicago Mercantile Exchange Inc.

Linda A. Powell, Trademark Examining Attorney, Law Office 106,  
Mary I. Sparrow, Managing Attorney.

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Before Rogers, Chief Administrative Trademark Judge, and Kuczma and Hightower,  
Administrative Trademark Judges.

Opinion by Hightower, Administrative Trademark Judge:

Chicago Mercantile Exchange Inc. (“Applicant”) seeks registration on the Principal Register of the mark CHI, in standard characters, for “Investment services, namely, providing futures, options contracts related to hurricanes for trading on an exchange,” in International Class 36.<sup>1</sup>

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<sup>1</sup> Application Serial No. 77199918 was filed on June 7, 2007, by Carvill America, Inc. under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), based on an allegation of a *bona fide* intention to use the mark in commerce. Its assignment to Applicant was recorded with the U.S. Patent and Trademark Office (“USPTO”) Assignment Recordation Branch on March 19, 2009 at Reel/Frame 3955/0875.

The Trademark Examining Attorney has refused registration of Applicant's mark under Trademark Act Sections 1, 2, 3 and 45, 15 U.S.C. §§ 1051-53 and 1127, on the ground that the proposed mark, as shown on the specimens of record, fails to function as a service mark for the recited services.

The application has a lengthy prosecution and appellate history. Applicant initially appealed a final refusal of registration under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), and requested reconsideration on April 28, 2011. The appeal was dismissed as moot after the application was published on June 21, 2011, and Applicant submitted a specimen and statement of use on February 7, 2012.

On March 8, 2012, registration was refused under Sections 1, 2, 3 and 45 of the Act. After the refusal was made final, Applicant once again appealed to this Board and requested reconsideration, and submitted a substitute specimen of use. Reconsideration was denied, and proceedings resumed on May 27, 2013. Subsequently, at Applicant's request, jurisdiction was twice restored to the Examining Attorney to consider additional evidence and specimens.

In an order of September 4, 2014, after Applicant's second request for remand, the Board directed the Examining Attorney, if she was not persuaded of the registrability of Applicant's mark, to file a supplemental brief addressing the newly submitted evidence and argument. Applicant was permitted to file a supplemental reply brief. The appeal thus is fully briefed, and an oral hearing was held on March 1, 2016.<sup>2</sup>

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<sup>2</sup> At the hearing, Applicant was represented by Joseph T. Kucala, Jr.; and Michael Baird, Managing Attorney, Law Office 121, appeared on behalf of the USPTO.

We reverse the refusal to register.

It has often been said that: “Before there can be registration, there must be a trademark.” *In re Aerospace Optics Inc.*, 78 USPQ2d 1861, 1862 (TTAB 2006) (quoting *In re Bose Corp.*, 546 F.2d 893, 192 USPQ 213, 215 (CCPA 1978)). The starting point for our analysis is Section 45 of the Trademark Act, 15 U.S.C. § 1127, where “trademark” is defined in relevant part as “any word, name, symbol, or device, or any combination thereof used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” As the Board stated in *American Velcro, Inc. v. Charles Mayer Studios, Inc.*, 177 USPQ 149, 154 (TTAB 1973):

It is settled that not every designation that is placed or used on or in connection with a product necessarily functions or is recognized as a trademark for said product; not every designation adopted with the intention that it performs a trademark function and even labeled as a trademark necessarily accomplishes that purpose; and there are certain designations that are inherently incapable of functioning as trademarks to identify and distinguish the source of the products in connection with which they are used.

The mere fact that a designation appears on the specimens of record does not make it a mark. *In re Safariland Hunting Corp.*, 24 USPQ2d 1380, 1381 (TTAB 1992). Subject matter that, due to its inherent nature or the manner in which it is used, does not function as a mark to identify and distinguish the applicant’s applied-for services cannot be registered. *In re HSB Solomon Assocs. LLC*, 102 USPQ2d 1269, 1270 (TTAB 2012). The key question is whether the asserted mark would be perceived as a source indicator. *See In re Brass-Craft Mfg. Co.*, 49 USPQ2d 1849, 1852 (TTAB

1998); *In re Volvo Cars of North America Inc.*, 46 USPQ2d 1455, 1459 (TTAB 1998).

“The critical inquiry in determining whether a designation functions as a mark is how the designation would be perceived by the relevant public. To make this determination we look to the specimens and other evidence of record showing how the designation is actually used in the marketplace.” *In re Eagle Crest Inc.*, 96 USPQ2d 1227, 1229 (TTAB 2010) (citations omitted). When appropriate, the Board has been fairly flexible in accepting service mark specimens. *See In re Ralph Mantia Inc.*, 54 USPQ2d 1284 (TTAB 2000).

Applicant owns a registration for CHI, the same mark it seeks to register here, for “compiling, providing and updating a financial index measuring potential damage from a hurricane,” in Class 35.<sup>3</sup> In a declaration, Matthew J. Kelly, managing director and chief intellectual property counsel for Applicant, explained the services for which Applicant now seeks to register the CHI mark, stating in relevant part that:

3. Applicant’s services offered under the CHI mark are part of its Alternative Investment Products, which include Applicant’s weather products. Applicant’s weather products consist of financial tools that provide means for customers to transfer risk to the capital markets associated with adverse weather events.
4. Applicant’s services offered under the CHI mark are based on its proprietary hurricane index, which provides a numerical measure of the destructive potential of a hurricane. The hurricane index calculates the potential for damage by reference to each storm’s maximum wind velocity and size (radius). The hurricane index uses publicly available data from the National Hurricane Center and the National Weather Service.

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<sup>3</sup> Registration No. 4315763, attached to the July 14, 2014 denial of request for reconsideration, 26 TTABVUE 16. The registration issued April 9, 2013.

5. Applicant's target customers for its CHI services include hedge funds, insurers and reinsurers, energy companies, utility companies, hotel corporations and other commercial enterprises that might be affected by hurricanes. Applicant's customers are highly sophisticated investors and organizations that are seeking Applicant's highly specialized investment products to hedge losses and mitigate exposure caused by hurricanes.<sup>4</sup>

We first examine how Applicant's proposed mark CHI is used on its specimens. Although Applicant submitted several different specimens, the arguments in its final brief center on the substitute specimens it attached as Exhibit 1 to its request to suspend the appeal and remand for further examination on December 9, 2013.<sup>5</sup> Therefore, we will focus our analysis on determining whether these substitute specimens are acceptable. Two of the seven pages submitted, all from Applicant's Chicago Mercantile Exchange (CME) Rulebook, are reproduced *infra*:<sup>6</sup>

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<sup>4</sup> Exhibit A to the April 28, 2011 Request for Reconsideration, 4 TTABVUE 35-37.

<sup>5</sup> 22 TTABVUE 9-17. On August 8, 2014, Applicant submitted with its subsequent request for remand a supporting declaration stating that the substitute specimens submitted with the earlier request for remand were in use in commerce before either the filing of the Amendment to Allege Use or expiration of the filing deadline for filing a Statement of Use. 31 TTABVUE 28-38 (Exhibit 4). The Board's order of September 4, 2014 noted that the subsequently submitted material forms part of the record. 34 TTABVUE.

<sup>6</sup> 22 TTABVUE 28, 30.

## Chapter 423 CME Hurricane Index Futures

### 42300. SCOPE OF CHAPTER

This chapter is limited in application to CME Hurricane Index™ ("CHI"™) futures. In addition to this chapter, CHI futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred herein shall refer to and indicate Chicago time.

### 42301. CONTRACT SPECIFICATIONS

CHI values will be calculated by MDA Information Systems, Inc., using the methods described in the CME Hurricane Index: "Scope and Definitions" document, for hurricanes making landfall in the following locations:

- Eastern US (Brownsville, TX to Eastport, ME)

Separate futures contracts will be listed for trading on named hurricanes that make landfall in a specific location (e.g., Eastern US 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 storms occur in a season, additional storms will take names from the Greek alphabet Alpha, Beta, Gamma, Delta, and so on.

### 42302. TRADING SPECIFICATIONS

#### 42302.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours in such months as may be determined by the Exchange.

#### 42302.B. Trading Unit

The size of the unit of trading shall be \$1,000 times the respective CHI.

#### 42302.C. Price Increments

The minimum price fluctuation on the respective CHI futures shall be 0.1 index point, and have a value of \$100.

#### 42302.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

#### 42302.E. [Reserved]

#### 42302.F. [Reserved]

#### 42302.G. Termination of Trading

Futures 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.

#### 42302.H. [Reserved]

#### 42302.I. [Reserved]

## Chapter 423A

### Options on CME Hurricane Index Futures

#### 423A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on CME Hurricane Index™ ("CHI"™) futures. In addition to this chapter, options on CHI futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred herein shall refer to and indicate Chicago time.

#### 423A01. OPTIONS CHARACTERISTICS

##### 423A01.A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Exchange.

##### 423A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one respective CHI futures contract as specified in Chapter 423.

##### 423A01.C. Minimum Fluctuations

The price of an option shall be quoted in terms of the respective CHI. Each index point represents \$1,000. For example, a quote of 2 index points represents \$2,000. The minimum fluctuation shall be 0.1 CHI (also known as one tick), equal to \$100.

##### 423A01.D. [Reserved]

##### 423A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CHI futures contract. Eligible exercise prices shall be at intervals of 1 index point (e.g., 10, 11, 12, etc.).

At the commencement of option trading in a contract month, the eligible put and call options are at intervals of 1 index point in a range of 0 to 30 index points. New options may be listed for trading up to and including the termination of trading.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

##### 423A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

##### 423A01.G. [Reserved]

##### 423A01.H. [Reserved]

##### 423A01.I. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

##### 423A01.J. [Reserved]

#### 423A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of CHI options.

##### 423A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any Business Day the option is traded. Exercise of an option is accomplished by the clearing member representing the buyer presenting an Exercise Notice to the Clearing House by 7:00 p.m. on the day of exercise.

The Examining Attorney does not dispute that a mark may be used in more than one manner,<sup>7</sup> for example, to identify both the indexing services recited in Applicant's existing registration and the investment services for which it now seeks registration. Rather, the Examining Attorney argues that CHI as used on the substitute specimens does not identify the source of Applicant's recited investment services. We construe the final refusal as based primarily on the rationale that the substitute specimens consist of pages from the rulebook for members of Applicant's Chicago Mercantile Exchange, but CME members are merely brokers and not end consumers of the identified services:

It is for this reason that the applicant's specimens from the CME Rulebook . . . are not viewed as acceptable to show use of the mark in advertising or marketing materials or other material that shows the mark used in the actual sale, rendering or advertising of the services in a manner that the consumers for the services would encounter the mark and understand the mark to identify the source of the applicant's services.<sup>8</sup>

Examining the substitute specimens, we find that both pages reproduced *supra* clearly demonstrate that CME is an initialism for Chicago Mercantile Exchange, and that Applicant's CME Hurricane Index is designated by the acronym CHI, in which the "C" stands for Applicant's name. The specimens also show use of Applicant's CHI mark in association with "CHI futures," "CHI futures contract[s]," and "CHI options."

We agree with Applicant that the substitute specimens show the mark CHI used in rendering the identified services. *See In re ICE Futures U.S. Inc.*, 85 USPQ2d 1664,

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<sup>7</sup> *See generally* Denial of Request for Reconsideration, July 14, 2014, 25 TTABVUE 4.

<sup>8</sup> Examiner's Statement submitted October 6, 2014, 35 TTABVUE 7.

1669 (TTAB 2008) (noting that use in the “rendition” of services is an element of the “sale” of services under Section 45 of the Trademark Act). The specimens detail the rules and regulations for trading these CHI futures and contracts on Applicant’s exchange. Whether the CME Rulebook is consulted by purchasers of Applicant’s futures and options contracts on the one hand or traders of those financial products on the other,<sup>9</sup> it constitutes material made available to customers in the course of rendering Applicant’s identified services, “namely, providing futures, options contracts related to hurricanes for trading on an exchange.” The substitute specimens therefore satisfy “[t]he minimum requirement [of] some direct association between the offer of *services* and the mark sought to be registered therefor.” *In re Universal Oil Prods. Co.*, 476 F.2d 653, 177 USPQ 456, 457 (C.C.P.A. 1973).

Considering all the record evidence, we find that the specimens of use are sufficient to show use of the CHI mark in connection with the identified investment services.

**Decision:** The refusal of registration is reversed.

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<sup>9</sup> The Examining Attorney submitted a definition of “Exchange Member,” which begins: “A person, normally a broker, who has membership on a stock exchange. This means that he/she is allowed to trade on the floor of that exchange.” *Id.*, 35 TTABVUE 18 (from <http://financial-dictionary.thefreedictionary.com/Exchange+Members>); also submitted with Applicant’s Supplemental Reply Brief, 36 TTABVUE 20.