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Precedent of the TTAB

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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Vanguard Trademark Holdings USA LLC

Serial No. 85945488

Ann K. Ford and David M. Kramer of DLA Piper LLC US,
for Vanguard Trademark Holdings USA LLC.

Gretta Yao, Trademark Examining Attorney, Law Office 118,
Thomas G. Howell, Managing Attorney.

Before Kuhlke, Greenbaum and Masiello,
Administrative Trademark Judges.

Opinion by Greenbaum, Administrative Trademark Judge:

Vanguard Trademark Holdings USA LLC ("Applicant") seeks registration on the Principal Register of the mark EMERALD CLUB (in standard characters) for

> "Reservation services for the rental and leasing of vehicles" in International Class 39.[1]

[1] Application Serial No. 85945488 was filed on May 25, 2013, based on Applicant's claim of first use anywhere and use in commerce since at least as early as March 17, 1987. The application includes a claim of ownership of Registration No. 1482719 for the mark EMERALD CLUB for "automobile rental services" in International Class 39, which issued in 1988 and does not include a disclaimer of the word CLUB.

The Trademark Examining Attorney has refused registration of Applicant's mark under Section 6(a) of the Trademark Act, 15 U.S.C. § 1056(a), based on Applicant's failure to comply with the requirement to disclaim the word CLUB on the ground that the term is merely descriptive of Applicant's services within the meaning of Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1).

When the refusal was made final, Applicant appealed and requested reconsideration. After the Examining Attorney denied the request for reconsideration, the appeal was resumed. We affirm the refusal to register absent a disclaimer.

I. Applicable Law

The Director of the USPTO "may require the applicant to disclaim an unregistrable component of a mark otherwise registrable." Trademark Act Section 6(a). Merely descriptive terms are unregistrable under Trademark Act Section 2(e)(1), and, therefore, are subject to disclaimer if the mark is otherwise registrable. Failure to comply with a disclaimer requirement is grounds for refusal of registration. *See In re Slokevage*, 441 F.3d 957, 78 USPQ2d 1395 (Fed. Cir. 2006); *In re Stereotaxis Inc.*, 429 F.3d 1039, 77 USPQ2d 1087 (Fed. Cir. 2005); *In re Omaha National Corp.*, 819 F.2d 1117, 2 USPQ2d 1859 (Fed. Cir. 1987); *In re Richardson Ink Co.*, 511 F.2d 559, 185 USPQ 46 (CCPA 1975); *In re National Presto Industries, Inc.*, 197 USPQ 188 (TTAB 1977); and *In re Pendleton Tool Industries, Inc.*, 157 USPQ 114 (TTAB 1968).

"A mark is merely descriptive if it 'consist[s] merely of words descriptive of the qualities, ingredients or characteristics of' the goods or services related to the mark." *In re Oppedahl & Larson LLP*, 373 F.3d 1171, 71 USPQ2d 1370, 1371 (Fed. Cir. 2004), *quoting Estate of P.D. Beckwith, Inc. v. Comm'r*, 252 U.S. 538, 543 (1920). *See also In re MBNA America Bank N.A.*, 340 F.3d 1328, 67 USPQ2d 1778, 1780 (Fed. Cir. 2003). The determination of whether a mark is merely descriptive must be made in relation to the goods or services for which registration is sought. *In re Chamber of Commerce of the U.S.*, 675 F.3d 1297, 102 USPQ2d 1217, 1219 (Fed. Cir. 2012); *In re Abcor Development Corp.*, 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978) (determination of mere descriptiveness must be made not in the abstract, but in relation to the goods or services for which registration is sought, the context in which the mark is used, and the impact that it is likely to make on the average purchaser of such goods or services).

The test for determining whether a term is merely descriptive is whether it immediately conveys information concerning a significant quality, characteristic, function, ingredient, attribute or feature of the product or service in connection with which it is used, or intended to be used. *In re Engineering Systems Corp.*, 2 USPQ2d 1075 (TTAB 1986); *In re Bright-Crest, Ltd.*, 204 USPQ 591 (TTAB 1979). It is not necessary, in order to find a term merely descriptive, that the term describe each feature of the goods or services, only that it describe a single, significant ingredient, quality, characteristic, function, feature, purpose or use of the goods or services. *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987).

"Club" is defined as "an organization that offers its subscribers certain benefits, as discounts, bonuses, or interest, in return for regular purchases or payments: a book club; a record club; a Christmas club."[2]

We agree with the Examining Attorney that the term CLUB is merely descriptive of the "reservation services for the rental and leasing of vehicles" identified in the application and therefore must be disclaimed. The record shows that the term CLUB, as used in Applicant's mark and in the context of the identified services, immediately informs consumers of a significant feature or characteristic of such services, namely, that the reservation services are provided as a benefit to members of a consumer loyalty program for vehicle rentals.

Applicant argues in its brief that the word CLUB is suggestive, rather than descriptive of the identified services, because "[t]hese specific services are in no way 'club services' or in any way related to a 'club' when that term is defined as set forth above."[3] However, Applicant's website, which Applicant submitted as a specimen, confirms that Applicant offers the identified reservation services as a benefit to members of Applicant's "Emerald Club": "as an Emerald Club member, you also enjoy an A-list of other benefits" which include the ability to "make online reservations with just a few clicks at nationalcar.com."

The record includes evidence that other rental car companies offer similar consumer loyalty programs with similar membership benefits. In particular,

[2] Dictionary.com Unabridged derived from Random House Dictionary (2015), attached to September 16, 2013 Office Action.

[3] 7 TTABVUE 8.

members of the Hertz#1 Club "will enjoy privileges and benefits designed to make every rental a bit more special." These benefits include "faster reservations and rentals" and, at certain membership levels, "dedicated reservation and customer service agents" and the ability to "specify make and model at the biggest airports in the US."

The record also includes several other articles/posts from third parties that discuss the benefits of joining car rental consumer loyalty programs. For example, Travel Inn hotels posted the following on its Facebook page: "Joining car-rental clubs is important, especially if you travel frequently. You don't have to wait in long lines or fill-out forms each time you rent a car!"[4] In addition, the Wild About Travel webpage from the Boarding Area website includes a post from "Martin J. Cowling" listing membership benefits such as better rates when booking reservations, skipping lines and avoiding filing forms "every time you rent," and names of "major clubs" including Alamo, Avis and Hertz. In a comment to this post, "Natasha Chalumeau" observes: "If you're at most airports and have prebooked your car, membership of the Hertz Gold Plus Rewards will allow you to go straight to your car …."[5] This evidence demonstrates that car rental companies use the term CLUB in a descriptive manner, to inform consumers that reservation services are among the membership benefits provided through consumer loyalty programs.

[4] <facebook.com> attached to May 16, 2015 Office Action, 5 TTABVUE 4.

[5] <wildabouttravel.boardingarea.com> attached to May 16, 2015 Office Action, 5 TTABVUE 5.

As mentioned above, Applicant claims ownership of the mark EMERALD CLUB for "automobile rental services" in Class 39. During prosecution, Applicant stated that it also is the owner of the mark EMERALD CLUB AISLE SERVICE (SERVICE disclaimed) for "automobile rental and reservation services" in Class 39.[6] The registrations issued in 1988 and 1997, respectively, and neither includes a disclaimer of CLUB. Applicant refers to these two registrations as "Companion Registrations," and argues that pursuant to TMEP § 702.03(a)(iii) (July 2015), it would be inconsistent to treat the present application differently by requiring a disclaimer of CLUB. However, a "companion registration" is one that issued from an application that was filed during the pendency of another application. *See* TMEP § 702.03(a). Clearly, that is not the case here.

Moreover, to the extent Applicant urges consistency, it does so to its own detriment. Applicant and the Examining Attorney both refer to four other registrations owned by Applicant for EMERALD CLUB-inclusive marks. The four registrations issued in 2006 or 2007 for "promoting the goods and services of others through a membership benefit program which entitles members to receive discounts on renting and leasing services" in Class 35, and "vehicle rental and reservation services; vehicle leasing services" in Class 39, and all disclaim the word CLUB. Applicant simply argues that it is appropriate for the four registrations to include a disclaimer of CLUB because the registrations identify Class 35 services. Nowhere in the record or brief does Applicant address the Examining Attorney's argument that

[6] We note that the application has not been formally amended to include this claim of ownership.

the four registrations also cover Class 39 services, and that the disclaimer applies equally to them.

Our primary reviewing court instructs that "[t]rademark rights are not static, and eligibility for registration must be determined on the basis of the facts and evidence of record that exist at the time registration is sought." *In re Chippendales USA, Inc.*, 622 F.3d 1346, 1354, 96 USPQ2d 1681, 1686 (Fed. Cir. 2010) (citations omitted). That CLUB is disclaimed in the more recently issued registrations, but not in the registrations that issued approximately 20 and 30 years ago for highly similar services, reflects recognition that consumer loyalty programs have evolved over the past few decades, including the rise of rental car clubs that offer many membership benefits, such as easier and quicker rental car reservations. Thus, to the extent CLUB was considered arbitrary or suggestive for car rental and reservation services in 1988 and 1997 such that a disclaimer of that term was not required, the disclaimer of CLUB in Applicant's four more recent registrations for services that include "vehicle rental and reservation services" supports a finding that CLUB has since lost its "distinguishing and origin denoting characteristics" with respect to those services, and that "the relevant section of the purchasing public" now considers CLUB "as nothing more than a descriptive designation describing rather than identifying the [services in connection with] which it has been used." *In re Digital Research Inc.*, 4 USPQ2d 1242, 1243 (TTAB 1987) (*quoting In re Int'l Spike, Inc.*, 190 USPQ 505, 507 (TTAB 1976), *citing DeWalt, Inc. v. Magna Power Tool Corp.*, 129 USPQ 275 (CCPA 1961)).

In sum, the record supports a finding that the word CLUB is merely descriptive when used in connection with Applicant's "reservation services for the rental and leasing of vehicles." The record demonstrates that the word CLUB clearly and unambiguously describes a significant feature or characteristic of the services, namely, that Applicant provides the identified reservation services as a benefit to members of Applicant's consumer loyalty program. Applicant's arguments that the word CLUB is suggestive because it "is not the name of the services in question,"[7] and that a disclaimer should not be required here because it was not required in two prior registrations that issued many years ago, are unpersuasive.

Decision: The refusal to register Applicant's mark EMERALD CLUB based on the requirement, made under Trademark Act § 6(a), for a disclaimer of CLUB is affirmed. However, this decision will be set aside if Applicant submits the required disclaimer to the Board within thirty days from the date of this decision.[8] Trademark Rule 2.142(g), 37 CFR § 2.142(g).

[7] App. Br., 7 TTABVUE 9.

[8] The standardized printing format for the required disclaimer text is as follows: "No claim is made to the exclusive right to use CLUB apart from the mark as shown." TMEP § 1213.08(a)(i).