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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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| Trademark Application of PHNJ, LLC, Applicant-Appellant<br><br>Serial No.: 85690501<br><br>Filing Date: July 30, 2012<br><br>Mark: MEMORY CARE LIVING | BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD OF THE UNITED STATES PATENT & TRADEMARK OFFICE<br><br>Appeal of Refusal to Register Mark on the Principal Register |

# BRIEF IN SUPPORT OF APPLICANT-APPELLANT, PHNJ, LLC'S NOTICE OF APPEAL OF THE REFUSAL BY THE UNITED STATES PATENT AND TRADEMARK OFFICE EXAMINING ATTORNEY TO REGISTER APPLICANT-APPELLANT'S MARK "MEMORY CARE LIVING" ON THE PRINCIPAL REGISTER

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## PRELIMINARY STATEMENT

This firm represents Applicant-Appellant, PHNJ, LLC (hereinafter "PHNJ" or "Appellant"), in connection with its application to register its mark "MEMORY CARE LIVING" and the present appeal. Appellant, through its undersigned attorney, respectfully submits this Brief in Support of its Notice of Appeal filed with the Trademark Trial and Appeal Board (hereinafter "TTAB" or "Board") on December …., 2013.

Appellant hereby appeals from the final refusal by the United States Patent & Trademark Office (hereinafter "USPTO") Examining Attorney (hereinafter "Examiner") to register Appellant's mark "MEMORY CARE LIVING" with the Principal Register. Appellant respectfully submits that its mark is merely suggestive and should be permitted registration with the Principal Register, and that the Examiner's refusal to register the mark based on the grounds that it is merely descriptive is in error. Accordingly, the Board should reverse the Examiner's refusal and permit PHNJ to register its mark "MEMORY CARE LIVING" with the Principal Register.

## STATEMENT OF FACTS

PHNJ seeks registration on the Principal Register of its mark, "MEMORY CARE LIVING", under International Class 35 (management of health care clinics for others) and International Class 44 (geriatric health care management services; health care; health care services, namely disease management programs; managed health care services; nursing care; nursing homes; nursing services). As the determination of the mark's registrability under each International Class is closely intertwined with the services that PHNJ provides, and because it appears that that the Examiner may not have fully understood the scope of PHNJ's services, it is pertinent that brief descriptions of PHNJ and its services, as well as the procedural history of the mark's prosecution, be delineated herein.

**A. Description of PHNJ's Services**

PHNJ, a limited liability company, presently manages the operations of twelve (12) different real estate properties in New Jersey. PHNJ is licensed by the New Jersey Department of Community Affairs ("DCA") as the operator of each of these business-owned homes and holds valid Class "C" licenses, indicating that the homes are licensed as boarding homes only. The mark "MEMORY CARE LIVING" is prominently displayed on each of these properties.

The scope of PHNJ's services extends to two separate classes of clientele – (1) businesses and (2) consumers. To its business clients, PHNJ assists in the re-deploying of distressed and/or underutilized real estate into housing for seniors and other individuals with dementia. In this context, PHNJ is responsible for the business, asset, and operational management of these business-to-consumer real properties, which are re-deployed as boarding homes for seniors and individuals with dementia. PHNJ assumes regulatory compliance for licensure with the DCA to operate a boarding home at these properties and also markets the availability of the boarding homes to the public. The business-to-business services PHNJ provides is not regulated by any New Jersey state department or agency.

In the business-to-consumer aspect of PHNJ's services, PHNJ's direct customers are the individual residents of the boarding homes. The services PHNJ does provide to its consumers is regulated by the DCA. PHNJ is licensed with the DCA as the operator of the homes as Class "C" boarding homes. Class "C" licenses for boarding homes are valid for boarding homes in New Jersey. See N.J.A.C. 5:27-1.6. In this context, PHNJ provides supervision to the actual residents of boarding homes with activities of daily living but does not provide health care or assisted living services. For example, PHNJ's employees help the boarding home residents with

their daily routine by monitoring self-administered medication, preparing and serving food, and providing and arranging for entertainment and activities, among other services.

Furthermore, it is important to note that PHNJ is not licensed as a health care provider or assisted living facility, which are regulated by the New Jersey Department of Health. It does not provide medical treatment, nor does it provide rehabilitation, skilled nursing, or licensed healthcare services to the residents. In short, PHNJ does not provide assisted living services, in contrast to the other entities the Examiner had identified that use the words "memory care" or "living" in their registered marks.

**B. Procedural History of the Mark's Prosecution**

PHNJ first used the mark "MEMORY CARE LIVING" at least as early as December 16, 2011, and first used the mark in commerce at least as early as January 4, 2012. PHNJ currently uses the mark in commerce. PHNJ filed its application to register its mark with the Principal Register on July 30, 2012 under two separate classes: (i) International Class 35: Management of health care clinics for others; and (ii) International Class 44: Geriatric health care management services; Health care; Health care services, namely, disease management programs; Managed health care services; Nursing care; Nursing homes; Nursing services.

The Examiner issued her First Office Action dated November 14, 2012, refusing registration of the mark by requiring an amendment of the color claim and, more importantly, by issuing a general "merely descriptive" refusal pursuant to §2(e)(1) of the Trademark Act, 15 U.S.C. §1052(e)(1) (hereinafter "§2(e)(1)"), for both International Class 35 and International Class 44. On December 7, 2012, PHNJ filed a separate, concurrent application to register its mark with the Supplemental Register. PHNJ did not amend its original application to change its application for registration with the Principal Register to the Supplemental Register.

PHNJ subsequently responded to the Examiner's First Office Action by correspondence dated April 1, 2013 ("First Response"), attempting to overcome the Examiner's refusal for registration by asserting that the mark is suggestive rather than merely descriptive and therefore should be registered with the Principal Register. Moreover, PHNJ argued that the Examiner's First Office Action failed to evaluate the mark separately under International Class 35 and International Class 44, and that merely providing a general basis for refusal for registration of the mark with the Principal Register was an improper examination procedure. PHNJ also acknowledged that it was willing to accept the Examiner's requirement to add the term "blue" to the stated color claim.

The Examiner then issued her Second Office Action dated May 23, 2013, finding unpersuasive PHNJ's arguments in its First Response that the mark is suggestive rather than merely descriptive, and again refusing registration of the mark with the Principal Register. The Examiner concluded that PHNJ's co-pending application for registration of its mark on the Supplemental Register constituted proof that the mark is descriptive for the purposes of its application for registration with the Principal Register. Finally, the Examiner seemed to indicate that PHNJ's registration of the mark with the Supplemental Register rendered PHNJ's co-pending application with the Principal Register duplicative pursuant to the Trademark Manual of Examining Procedure ("TMEP") §703. The Examiner directed PHNJ to abandon either the current application for registration with the Principal Register or the co-pending application for registration with the Supplemental Register.

PHNJ subsequently replied to the Examiner's Second Office Action by correspondence dated July 26, 2013 ("Second Response"), providing additional reasoning and documentary support as to its contention that the mark is suggestive rather than merely descriptive and should

therefore be registered with the Principal Register. PHNJ once again raised the argument that the Examiner failed to evaluate the mark separately under International Class 35 and International Class 44. Additionally, PHNJ argued that the Examiner did not to follow proper examination procedure by failing to provide a specific reason for refusing registration of the mark in each separate International Class.

Furthermore, PHNJ specifically explained that its registration of the mark on the Supplemental Register does not constitute an automatic determination that the mark is descriptive. In addition, PHNJ argued that its mark should be permitted concurrent registration with the Principal Register and the Supplemental Register because they are not the same registers, and TMEP §703 only prohibits duplicative registration *on the same register*. Finally, PHNJ asserted that it was willing to make a disclaimer to the registration of "MEMORY CARE LIVING" with the Principal Register that PHNJ does not have any right to use the terms "memory care" or "living" apart from the mark as submitted in its application.

The Examiner issued her Final Office Action dated August 19, 2013, again finding unpersuasive PHNJ's arguments that the mark is suggestive rather than merely descriptive, and maintaining the refusal to permit registration of the mark with the Principal Register. Most of the arguments in the Final Office Action were merely verbatim recitations from the two previous Office Actions, and the Examiner's purported reasons for refusal were not specifically delineated as to each separate International Class. Moreover, the Final Office Action never addressed PHNJ's willingness to disclaim the terms "memory care" or "living" apart from the mark as submitted in its application should PHNJ be required to do so in order to register its mark with the Principal Register.

Subsequently, on September 24, 2013, PHNJ filed a Petition to the Director (the "Director") of the USPTO to invoke its supervisory authority under 37 C.F.R. §2.146(a)(3) to review all of the Examiner's Office Actions for clear procedural error and abuse of discretion, and to reverse the Examiner's refusal to register PHNJ's mark. PHNJ argued that: (i) the Examiner failed to properly and separately evaluate the application under the independent International Classes for which PHNJ sought registration of its mark – namely, International Class 35 and International Class 44; (ii) the Examiner plainly misapplied the law and rules regarding duplicative registration with the Principal Register and the Supplemental Register; (iii) the Examiner incorrectly concluded that registration of the mark with the Supplemental Register constituted an automatic determination that the mark is descriptive; and (iv) the Examiner failed to consider or address PHNJ's arguments for registration. The Director denied PHNJ's Petition on October 30, 2013 ("Director's Denial of Petition").

## ARGUMENTS

### I. PHNJ'S MARK "MEMORY CARE LIVING" SHOULD PROCEED TO PUBLICATION PURSUANT TO PHNJ'S REQUEST TO DIVIDE THE APPLICATION

PHNJ does not take exception with the Director's procedural position that the Examiner did not have "to repeat the same arguments for each class if the analysis supporting the refusal is the same and applies to each of the classes equally." See Director's Denial of Petition, p.5. However, PHNJ respectfully disagrees with the Director's findings that the Examiner provided a sufficient analysis of each individual International Class or that the Examiner issued a proper refusal for registration under each of the separate International Classes for which registration was sought.

The Examiner did not sufficiently explain her refusals for each separate class. For example, the Examiner never provided a reason to support her presumptive conclusion as to why the mark "MEMORY CARE LIVING" is merely descriptive when used in connection with the type of services PHNJ provides to other business under International Class 35. As set forth in greater detail below, the Examiner did not support her contention that "living" is a term commonly associated with the "management of healthcare clinics for others" as described in International Class 35. In fact, the Examiner did not provide any evidence that marks containing the term "living" has been registered under International Class 35.

Furthermore, the Examiner did not provide sufficient evidence to support her conclusion that "memory care" is a term commonly used to describe the management of healthcare clinics for others within the context of International Class 35. The Examiner provided only a printout of one mark that used the term "memory care" in its application for registration under International Class 35. See Examiner's Second Office Action dated May 23, 2013. This mark, however, was issued a Notice of Allowance, and its examining attorney apparently deemed the mark worthy for publication for opposition.

As explained in greater detail below, the combination of the words "memory care living", when considered in its entirety, provides no information about the quality, function, purpose, or characteristic of the business-to-business management services PHNJ provides with any degree of particularity. The Examiner provided no evidence that business real estate owners will immediately understand that PHNJ's services include the re-deploying of distressed and/or underutilized real estate into operational boarding homes for seniors and individuals with dementia. Thus, the Examiner's refusal for registration was substantively deficient and cannot be

construed as a proper final refusal. Simply put, refusal under each separate International Class required independent analysis as to the evaluation of the suggestiveness of the mark.

Nothing in the Final Office Action supports a finding that the Examiner issued a final refusal for both International Class 35 and International Class 44. Therefore, PHNJ requests to divide the application, and that its mark "MEMORY CARE LIVING" proceed to publication in the class for which there is no final refusal, whether it be with International Class 35 and/or International Class 44.

## II. PHNJ SHOULD BE PERMITTED TO REGISTER ITS MARK "MEMORY CARE LIVING" UNDER BOTH INTERNATIONAL CLASS 35 AND INTERNATIONAL CLASS 44 BECAUSE THE MARK IS SUGGESTIVE AND NOT MERELY DESCRIPTIVE

In Two Pesos, Inc. v. Taco Cabana, Inc., the Supreme Court discussed the categories of marks which are entitled to trademark protection:

> Marks are often classified in categories of generally increasing distinctiveness; following the classic formulation set out by Judge Friendly, they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful. See Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (CA2 1976). The latter three categories of marks, because their intrinsic nature serves to identify a particular source of a product, are deemed inherently distinctive and are entitled to protection.
>
> [Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768-769, 23 USPQ2d 1081 (1992).]

A mark shall not be refused registration pursuant to §2(e)(1) unless it is "merely descriptive" of the goods or services of the applicant. 15 U.S.C. §1052(e)(1). A term is merely descriptive "if it ***forthwith*** conveys an ***immediate*** idea of the ingredients, qualities or characteristics of the goods [or services]." In re Abcor Development Corp., 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978) (emphasis added). Moreover, the immediate idea must be conveyed forthwith with a "degree of particularity." In re TMS Corp of the Americas, 200 USPQ

57, 59 (TTAB 1978); In re Entenmann's Inc., 15 USPQ2d 1750, 1751 (TTAB 1990), aff'd, unpub'd (Fed. Cir. 1991). Whether the mark is merely descriptive is "determined from the viewpoint of the relevant purchasing public." In re Bed & Breakfast Registry, 791 F.2d 157, 160, 229 USPQ 818, 819 (Fed. Cir. 1986).

The determination of whether a 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.'" In re Gyulay, 820 F.2d 1216, 1217, 3 USPQ2d 1009 (Fed. Cir. 1987) (citing In re Quik-Print Copy Shops, Inc., 616 F.2d 523, 525, 205 USPQ 505, 507 (CCPA 1980)). See also, e.g., In re MBNA Am. Bank, N.A., 340 F.3d 1328, 1332, 67 USPQ2d 1778 (Fed. Cir. 2003); In re Nett Designs, Inc., 236 F.3d 1339, 1341, 57 USPQ2d 1564 (Fed. Cir. 2001).

The word "merely" in the Trademark Act has been interpreted as meaning "only," in that if "the mark clearly does not tell the potential purchaser ***only*** what the goods are, their function, their characteristics or their use," then the mark is not "merely descriptive". In re Colonial Stores, Inc., 394 F.2d 549, 552, 157 USPQ 382, 385 (CCPA 1968) (emphasis added); See also, In re Quik-Print Copy Shops, Inc., supra, 616 F.2d at 525, n.7.

On the other hand, a mark is suggestive if imagination, thought or perception is required to reach a conclusion as to the nature of the goods or services. In re Quik-Print Copy Shops, Inc., supra, 616 F.2d at 525. See also, In re Nett Designs, Inc., supra, 236 F.3d at 1341 ("[I]f a mark requires imagination, thought, and perception to arrive at the qualities or characteristics of the goods, then the mark is suggestive.").

The court in In re Nett Designs, Inc. recognized that "a term may possess elements of suggestiveness and descriptiveness at the same time[,]" and that "a term may slide along the continuum between suggestiveness and descriptiveness depending on usage, context, and other factors that affect the relevant public's perception of the term." In re Nett Designs, Inc., supra, 236 F.3d at 1341.

The Restatement (Third) of Unfair Competition discusses the distinction between merely descriptive and suggestive marks as follows:

> The classification of a designation as either suggestive or descriptive thus depends upon both the likelihood that prospective purchasers will perceive it as an indication of source and the potential effect on competitors of its appropriation as a trademark by a particular seller. Both factors are often evaluated indirectly by considering the degree of imagination required to extract from the designation information concerning the nature, qualities, or other characteristics of the product or business.
>
> [Restatement (Third) of Unfair Competition §14(b).]

Professor McCarthy articulates several "tests" many courts have used to distinguish between suggestive and descriptive trademarks. McCarthy on Trademarks and Unfair Competition, §11:66, et seq. (4th Ed.) (hereinafter "McCarthy on Trademarks"). These tests include: (A) Degree of Imagination Test; (B) Source of Origin Test; (C) Real and Unequivocal Idea of Some Feature of the Service; and (D) Competitor's Need Test. Courts have applied these tests to analyze the process of imagination, thought, or perception that is required of the relevant purchasing public in order to reach a conclusion on the nature of the goods or services. See, e.g., No Nonsense Fashions, Inc. v. Consolidated Foods Corp., 226 USPQ 502 (TTAB 1985) (the TTAB adopted a three part test used in McCarthy on Trademarks: degree of imagination; competitors' use; and competitors' need); Security Center, Ltd. v. First Nat'l Security Centers, 750 F.2d 1295, 225 USPQ 373 (5th Cir. 1985) (court described "two overarching questions" to

determine the descriptive/suggestive categorization: (1) the imagination test; and (2) whether competitors are likely to use or actually do use the term descriptively, citing McCarthy on Trademarks).

An analysis of PHNJ's mark "MEMORY CARE LIVING" using the McCarthy on Trademarks tests clearly demonstrates that the mark is suggestive and not merely descriptive in both International Class 35 and International Class 44. Further, the analysis demonstrates that there is doubt as to whether PHNJ's mark is merely descriptive or suggestive. Such doubt must be resolved in favor of PHNJ to find that the mark is suggestive, and must be allowed publication for opposition with the Principal Register. See In re Merrill Lynch, Pierce, Fenner, & Smith, Inc., 828 F.2d 1567, 1571, 4 USPQ2d 1141 (Fed. Cir. 1987) ("It is incumbent on the Board to balance the evidence of public understanding of the mark against the degree of descriptiveness encumbering the mark, and to resolve reasonable doubt in favor of the applicant, in accordance with practice and precedent."); In re Aid Laboratories, Inc., 221 USPQ 1215, 1216 (TTAB 1983) (doubt is resolved in favor of applicant in holding the term merely suggestive); In re Gourmet Bakers, Inc., 173 USPQ 565 (TTAB 1972) (any doubt in determining the registrability of THE LONG ONE for bread is resolved in favor of applicant "on the theory that any person who believes that he would be damaged by the registration will have an opportunity ... to oppose the registration of the mark and to present evidence, usually not present in the ex parte application, to that effect.").

## III. "MEMORY CARE LIVING" IS MERELY SUGGESTIVE OF PHNJ'S SERVICES IN INTERNATIONAL CLASS 35

PHNJ's business-to-business services include the re-deploying of distressed and/or underutilized real estate into operational boarding homes for seniors and individuals with dementia. PHNJ is responsible for the business, asset, and operational management of these

properties, including regulatory compliance and marketing. When considered in its entirety, the combination of the words "memory care living" provides no information about the quality, function, purpose, or characteristic of the business-to-business management services PHNJ provides with any degree of particularity in the context of International Class 35, which is for "[a]dvertising; business management; business administration; office functions." 37 C.F.R. §6.1. The TMEP explains Class 35 to include

> mainly services rendered by persons or organizations principally with the object of (1) help in the working or management of a commercial undertaking, or (2) help in the management of the business affairs or commercial functions of an industrial or commercial enterprise, as well as services rendered by advertising establishments primarily undertaking communications to the public, declarations or announcements by all means of diffusion and concerning all kinds of goods or services.

[TMEP §1401.02(a).]

PHNJ applied for registration of its mark "MEMORY CARE LIVING" under International Class 35 for the "management of health care clinics for others." See Trademark/Service mark Application filed July 30, 2012. However, the Examiner may not have been aware of the full scope of PHNJ's business-to-business services and for this reason, failed to consider the suggestive nature of the mark "MEMORY CARE LIVING" as it pertains to PHNJ's services described in International Class 35. As set forth below, an analysis of the mark "MEMORY CARE LIVING" demonstrates that it is merely suggestive of PHNJ's service of managing health care clinics for others.

### A. *Degree of Imagination Test*

The first test used to distinguish between suggestive and descriptive trademarks is inquiring "how much imagination on the buyer's part is required in trying to cull a direct message from the mark about the quality, ingredients or characteristics of the product or

service." McCarthy on Trademarks, §11.71. "The more imagination that is required on the potential customer's part to get some direct description of the product from the designation, the more likely the designation is suggestive, not descriptive." Id. See also, A.J. Canfield Co. v. Honickman, 808 F.2d 291, 297, 1 USPQ2d 1364, 1369 (3d Cir. 1986) ("A term is suggestive if it requires imagination, thought or perception to reach a conclusion as to the nature of goods."); In re Nett Designs, Inc., supra, 236 F.3d at 1341, 57 USPQ2d 1564 ("[I]f a mark requires imagination, thought, and perception to arrive at the qualities or characteristics of the goods, then the mark is suggestive.").

If a potential customer "must exercise mature thought or follow a multi-stage reasoning process in order to determine what product or service characteristics the term indicates, the term is suggestive rather than merely descriptive." In re Phoseon Tech., Inc., 103 USPQ2d 1822, 1823 (TTAB 2012) (quoting In re Tennis in the Round, Inc., 199 USPQ 496, 498 (TTAB 1978). Accord, McCarthy on Trademarks, §11.67.

In this matter, PHNJ's mark requires the relevant purchasing public to use much imagination to get some direct description of PHNJ's services through its use of its mark "MEMORY CARE LIVING." While the lack of a dictionary definition of a term is not controlling on the question of registrability, and despite some use of the phrase "memory care" and "living" within the relevant industry, a potential customer must nonetheless exercise mature thought and engage in a multi-stage mental process of his or her own in order to determine the characteristic indications of the mark "MEMORY CARE LIVING" in International Class 35.

Despite exercising mature thought or following a multi-stage reasoning, a potential customer would not forthwith ascertain from the words "memory care" or "living" that PHNJ provides business-to-business management services – namely, the re-deploying of distressed

and/or underutilized real estate into operational boarding homes for seniors and individuals with dementia. PHNJ is responsible for the business, asset, and operational management of these properties, including regulatory compliance and marketing. PHNJ The Examiner failed to demonstrate that the mark "MEMORY CARE LIVING" is associated with the business services that PHNJ provides under International Class 35.

Further, nothing in the evidence of record lends credence to the notion that the words "memory care" or "living" or the unitary term "memory care living" is associated with PHNJ's business services. None of the evidence submitted by the Examiner shows that "MEMORY CARE LIVING" immediately conveys information about the business-to-business services that PHNJ offers to business owners of real estate. Moreover, while International Class 35 is for "managing healthcare clinics for others," it must be noted that PHNJ is not licensed through the New Jersey Department of Health as healthcare clinics and instead is licensed as the operator of the homes with the New Jersey Department of Community Affairs as Class "C" boarding homes.

"Memory care" therefore is not a commonly used term in the context of International Class 35. The lack of registered marks using the term "memory care" in International Class 35 indicates that "memory care" is not indicative of the services classified under that class. One can reasonably conclude that the relevant purchasing public would not be able to imagine that the mark "memory care" describes the business services of re-deploying distressed and/or underutilized real estate into operational boarding homes for seniors and individuals with dementia, Alzheimer's disease, and other dementia. A potential business customer would not be able to ascertain from the mark "MEMORY CARE LIVING," despite exercising mature thought or following a multi-stage reasoning, that PHNJ offers business services. Thus, PHNJ's mark using the term "memory care" is merely suggestive in the context of International Class 35.

Furthermore, when the exercise of a multi-stage reasoning process results in varying depictions of "MEMORY CARE LIVING" or, in this case, even results in a customer not being able to cull from the mark a direct description about the quality or characteristics of PHNJ's business-to-business services, the mark is highly suggestive rather than merely descriptive. A potential customer must use an incredible amount of imagination, thought, and perception to attempt to ascertain the qualities or characteristics of PHNJ's services from its mark "MEMORY CARE LIVING," and even then may not at all even imagine that PHNJ provides a business-to-business service involving the management of business, assets, and real estate of individual property owners. As a result, the mark "MEMORY CARE LIVING" is merely suggestive and not merely descriptive, and should be permitted registration with the Principal Register under International Class 35.

**B. *Source of Origin test***

Another test in determining the suggestiveness of a mark involves inquiring whether a customer is "likely to regard the mark really as a symbol of origin, or merely as another form of self-laudatory advertising." McCarthy on Trademarks, §11.71. In addition to requiring a potential customer to use his or her imagination to cull a direct message from the mark about the characteristics of PHNJ's service, the customer will also have to engage in a mental process to determine whether such mark is simply self-laudatory of the services classified under International Class 35. After engaging in such a mental process, it is more likely that a potential customer would regard the mark as a symbol of origin for PHNJ's services in International Class 35, and therefore the mark is suggestive and not merely descriptive.

As previously mentioned, PHNJ re-deploys and manages, on behalf of business clients, twelve (12) different pieces of real estate throughout New Jersey licensed as boarding homes for

seniors and individuals with dementia, and the mark "MEMORY CARE LIVING" is prominently displayed on these properties. In this context, PHNJ's direct customers are the business clients who own the real estate properties.

A potential business client, who sees the mark "MEMORY CARE LIVING" would likely regard the mark as a symbol of origin for any one of PHNJ's twelve (12) facilities, and would require the customer to further use additional imagination to determine the specific characteristics of the service provided by PHNJ, namely, that PHNJ manages boarding homes owned by the individual real estate owners. Thus, as a mark that is likely to elicit a symbol of origin, "MEMORY CARE LIVING" is suggestive and not merely descriptive, and should be permitted registration on the Principal Register under International Class 35.

**C. *Real and Unequivocal Idea of Some Feature of the Service***

Another relevant inquiry is whether the mark directly conveys a real and unequivocal idea of some characteristic, function, or quality of the service to a reasonably informed potential buyer. McCarthy on Trademarks, §11.71. A mark is suggestive if "some reflection or multi-stage reasoning process is necessary to cull some direct information" about the service from the term used as a mark. Id. After engaging in such a mental process, it is very possible that potential customers will perceive the characteristics conveyed by the mark "MEMORY CARE LIVING" differently from one other.

As previously outlined under the Degree of Imagination analysis, *supra*, after the exercise of a multi-stage reasoning process to ascertain the characteristics of PHNJ's services from the mark "MEMORY CARE LIVING," depictions of the mark will vary from customer to customer, and some customers may never even ascertain based on the mark that PHNJ provides a business-to business service.

As a result, the mark "MEMORY CARE LIVING" does not unequivocably convey an immediate depiction of some feature of the services classified in International Class 35, namely, the management of healthcare clinics for others. Because the mark "MEMORY CARE LIVING" does not convey a real and unequivocal idea of some characteristic, function, or quality of PHNJ's service, it is a suggestive mark that should be permitted registration on the Principal Register under International Class 35.

**D. *Competitor's Need Test***

This factor inquires whether the mark "so closely tell[s] something about the product or service that other sellers of like products would be likely to want to use the term in connection with their goods[.]" McCarthy on Trademarks, §11.71. While others presently may use, and future competitors may subsequently want to use, the terms "memory care" or "living" in International Class 35, the registration of the mark "MEMORY CARE LIVING" will not preclude these competitors from using the terms "memory care" or "living" separately to describe their respective services. Competitors would be free to use either term in conjunction with their services in International Class 35, so long as they do not use the exact combination of the terms in the particular order of "MEMORY CARE LIVING."

However, as identified in the Examiner's Office Action, only one mark other than PHNJ's mark uses the term "memory care" in the Principal Register under International Class 35. See Exhibits to the Examiner's Second Office Action. Watermark Retirement Communities, Inc. was issued a Notice of Allowance under International Class 35 for its application to register its mark "Hacienda Memory Care" (Serial No. 85562707) with the Principal Register. Id. The lack of registered marks in International Class 35 that use the term "memory care" indicates that competitors are not likely to use the term in connection with their goods or services.

Additionally, nothing in the record even suggests that the term "living" is commonly used in connection with business-to-business management services – in fact, none of the pending and registered marks attached by the Examiner in her Office Action used "living" in their marks registered under International Class 35. See Exhibits to the Examiner's Second Office Action dated May 23, 2013. The Examiner failed to provide evidence to support her presumptive contention that "living" is a commonly used term used to describe the management of health care clinics under International Class 35.

Consequently, the Examiner has not proven that the term "memory care" is commonly used as a registered mark under International Class 35. Similarly, the Examiner has not provided any evidence that the term "living" is used at all under International Class 35. Notwithstanding the Examiner's failure to prove that the mark "MEMORY CARE LIVING" is descriptive, PHNJ is nonetheless willing to disclaim any exclusive right to use "memory care" or "living" apart from the mark as shown should it be required to do so in order to be permitted registration on the Principal Register under International Class 35. See 15 U.S.C. §1056 (2012); In re Nett Designs, Inc., supra, 236 F.3d 1339, 1341 (Fed. Cir. 2001) (During examination, the USPTO "may require the applicant to disclaim an unregisterable component of a mark otherwise registrable.").

This is consistent with marks in the Principal Register identified by the Examiner that have been permitted registration conditioned upon disclaiming the exclusive right to use the terms "memory care" or "living" apart from their respective marks as shown. See Examiner's Second Office Action dated May 23, 2013. Although these other entities are in fact providing assisted living to their respective customers who suffer from memory disorders, the USPTO nonetheless approved for registration or issued a Notice of Allowance for these marks with the Principal Register. As previously identified above, an examining attorney issued a Notice of

Allowance to Watermark Retirement Communities, Inc. for its application to register its mark "Hacienda Memory Care" (Serial No. 85562707) under International Class 35 of the Principal Register after Watermark disclaimed the term "memory care" from its mark.

PHNJ's mark "MEMORY CARE LIVING" satisfies the Competitor's Need test and is therefore a merely suggestive mark that should be permitted registration with the Principal Register under International Class 35.

## IV. "MEMORY CARE LIVING" IS MERELY SUGGESTIVE OF PHNJ'S SERVICES IN INTERNATIONAL CLASS 44

PHNJ applied for registration of its mark "MEMORY CARE LIVING" under International Class 44 for the "Geriatric health care management services; Health care; Health care services, namely, disease management programs; Managed health care services; Nursing care; Nursing homes; Nursing services." See Trademark/Service Mark Application filed July 30, 2012.

Similar to International Class 35, the combination of the words "memory care living", when considered in its entirety, provides no information about the quality, function, purpose, or characteristic of the services PHNJ provides with any degree of particularity in the context of International Class 44, which is for "[m]edical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services." 37 C.F.R. §6.1. The TMEP explains Class 44 to include "mainly medical care, hygienic and beauty care given by persons or establishments to human beings and animals[.]" TMEP §1401.02(a).

As set forth below, an analysis of the mark "MEMORY CARE LIVING" demonstrates that it is merely suggestive of PHNJ's services as described under International Class 44.

### A. *Degree of Imagination Test*

In the context of International Class 44, to a potential customer using his/her imagination, the mark "MEMORY CARE LIVING" could easily be construed as some medicinal or nutritional

supplement manufactured to combat or to provide preventive care for mental diseases affecting memory. In fact, such goods are sold by Bodyonics, Ltd., which had registered the mark "MEMORY CARE" with the Principal Register. To another, the mark could primarily evoke the idea of treatment provided by a doctor or medical professional for Alzheimer's disease or dementia.

A prospective customer engaging in a mental process would not necessarily conclude that the mark "MEMORY CARE LIVING" particularly pertains to services provided by PHNJ to boarding homes for seniors and individuals with dementia. Much thought and imagination is required in trying to cull a direct link between the mark and the quality or characteristics of PHNJ's services. Even after exercising some mature thought or following a multi-stage reasoning process to determine the attributes of PHNJ's services, a potential customer would not readily identify from the mark the services classified under International Class 44, specifically, geriatric health care management services, health care services such as disease management programs, managed health care services, or nursing care.

Thus, when using the Degree of Imagination Test, PHNJ's mark "MEMORY CARE LIVING" is suggestive and not merely descriptive, and therefore should be permitted registration under International Class 44.

**B. *Source of Origin Test***

The business-to-consumer aspect of PHNJ's services includes providing assistance to the residents of the boarding homes. For example, PHNJ employees help the boarding home residents with their daily routine by reminding them of their medication schedules and assisting with medication administration, preparing and serving their food, and providing and arranging for entertainment and activities, among other services.

A potential customer who by chance sees "MEMORY CARE LIVING" would likely regard the mark as a symbol of origin for any one of PHNJ's twelve (12) facilities, and would require the customer to use additional imagination to determine such specific characteristics of the services provided by PHNJ as previously described above. In fact, a search of "memory care living" using search engines Google, Yahoo, and Bing display the link to PHNJ's website as the **first** accessible link after the advertisement-paid websites. See Exhibit A to PHNJ's Second Response dated July 26, 2013.

As a mark that is likely to elicit a symbol of origin within the classification of International Class 44, "MEMORY CARE LIVING" is suggestive and not merely descriptive, and should be permitted registration on the Principal Register under International Class 44.

## V. PHNJ'S REGISTRATION OF ITS MARK ON THE SUPPLEMENTAL REGISTER IS NOT PROOF THAT ITS MARK IS MERELY DESCRIPTIVE

The Examiner proposed that the registration of PHNJ's mark "MEMORY CARE LIVING" with the Supplemental Register is proof that the mark is descriptive for the purposes of the Principal Register. See Examiner's Final Office Action dated August 19, 2013. However, the Examiner failed to provide any authority to support this proposition. PHNJ sought registration with the Supplemental Register as an alternative to its application for registration on the Principal Register, but at no time has PHNJ conceded to the Examiner or made any admissions that its mark lacks distinctiveness and is merely descriptive.

## CONCLUSION

For the foregoing reasons, Applicant-Appellant, PHNJ, LLC, respectfully requests that the Trademark Trial and Appeal Board reverse the Examiner's refusal and permit PHNJ to register its mark "MEMORY CARE LIVING" with the Principal Register under both International Class 35 and International Class 44.

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