PTO Form 1960 (Rev 9/2007)
OMB No. 0651-0050 (Exp. 07/31/2017)

Request for Reconsideration after Final Action

The table below presents the data as entered.

Input Field	Entered
SERIAL NUMBER	86432771
LAW OFFICE ASSIGNED	LAW OFFICE 102
MARK SECTION	
MARK	http://tsdr.uspto.gov/img/86432771/large
LITERAL ELEMENT	ADVANCED SURGICAL BODYBUILDING
STANDARD CHARACTERS	YES
USPTO-GENERATED IMAGE	YES
MARK STATEMENT	The mark consists of standard characters, without claim to any particular font style, size or color.
OWNER SECTION (current)	
NAME	ADVANCED SURGICAL BODYBUILDING
STREET	9201 W SUNSET BLVD STE 406
CITY	LOS ANGELES
STATE	California
ZIP/POSTAL CODE	90069
COUNTRY	United States
PHONE	310-859-9052
EMAIL	DRMATLOCK@DRMATLOCK.COM
OWNER SECTION (proposed)	
NAME	Matlock, David L.
DBA/AKA/TA/Formerly	DBA ADVANCED SURGICAL BODYBUILDING
STREET	9201 W SUNSET BLVD STE 406
CITY	LOS ANGELES

STATE	California
ZIP/POSTAL CODE	90069
COUNTRY	United States
PHONE	310-859-9052
EMAIL	DRMATLOCK@DRMATLOCK.COM
LEGAL ENTITY SECTION (current)	
TYPE	individual
COUNTRY OF CITIZENSHIP	United States
LEGAL ENTITY SECTION (proposed)	
TYPE	individual
COUNTRY OF CITIZENSHIP	United States
ARGUMENT(S)	
Please see the actual argument text attached within the Evidence section.	
EVIDENCE SECTION	
EVIDENCE FILE NAME(S)	
ORIGINAL PDF FILE	evi_38751434-20150710151142304733_._ADVANCEDSURGICALBODYBUILDING_1_of_3.p
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DESCRIPTION OF EVIDENCE FILE	the Argument and Evidence consisting of the TSDR records on AIRBNB Reg. No. 4543713 and Reg. No. 44950760 and copies of all cited cases,
GOODS AND/OR SERVICES SECTION (current)	
INTERNATIONAL CLASS	044
DESCRIPTION	Cosmetic and plastic surgery
FILING BASIS	Section 1(a)
FIRST USE ANYWHERE DATE	At least as early as 02/27/2014
FIRST USE IN COMMERCE DATE	At least as early as 02/27/2014
GOODS AND/OR SERVICES SECTION (proposed)	
INTERNATIONAL	

CLASS	044
DESCRIPTION	Cosmetic and plastic surgery
FILING BASIS	Section 1(b)
ADDITIONAL STATEMENTS SECTION	
ACTIVE PRIOR REGISTRATION(S)	The applicant claims ownership of U.S. Registration Number(s) 4326116.
MISCELLANEOUS STATEMENT	Applicant notes that TMEP 1201.02(c)(1) states that it is a correctable error if the applicant identifies itself by a name under which it does business, which is not a leg entity, then amendment to state the applicant's correct legal name is permitted. Advanced Surgical Bodybuilding is not a legal entity but the name under which David L. Matlock does business. Hence, Applicant has amended its name to David Matlock dba Advanced Surgical Bodybuilding.
SIGNATURE SECTION	
DECLARATION SIGNATURE	The filing Attorney has elected not to submit the signed declaration, believing no supporting declaration is required under the *Trademark Rules of Practice.*
RESPONSE SIGNATURE	/klm/
SIGNATORY'S NAME	Katherine L. McDaniel
SIGNATORY'S POSITION	Attorney of record, CA bar member
SIGNATORY'S PHONE NUMBER	3102422689
DATE SIGNED	07/10/2015
AUTHORIZED SIGNATORY	YES
CONCURRENT APPEAL NOTICE FILED	YES
FILING INFORMATION SECTION	
SUBMIT DATE	Fri Jul 10 15:52:27 EDT 2015
TEAS STAMP	USPTO/RFR-38.75.14.34-201 50710155227484559-8643277 1-530716a599f54f3e7631b48 94797cc79f13a8cd8238c5d58 873288aabb41562e2de-N/A-N /A-20150710151142304733

PTO Form 1960 (Rev 9/2007)
OMB No. 0651-0050 (Exp. 07/31/2017)

Request for Reconsideration after Final Action

To the Commissioner for Trademarks:

Application serial no. **86432771** ADVANCED SURGICAL BODYBUILDING(Standard Characters, see http://tsdr.uspto.gov/img/86432771/large) has been amended as follows:

ARGUMENT(S)
In response to the substantive refusal(s), please note the following:

Please see the actual argument text attached within the Evidence section.

EVIDENCE
Evidence in the nature of the Argument and Evidence consisting of the TSDR records on AIRBNB Reg. No. 4543713 and Reg. No. 44950760 and copies of all cited cases, has been attached.
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CLASSIFICATION AND LISTING OF GOODS/SERVICES
Applicant proposes to amend the following class of goods/services in the application:
Current: Class 044 for Cosmetic and plastic surgery
Original Filing Basis:
Filing Basis: Section 1(a), Use in Commerce: The applicant is using the mark in commerce, or the applicant's related company or licensee is using the mark in commerce, on or in connection with the identified goods and/or services. 15 U.S.C. Section 1051(a), as amended. The mark was first used at least as early as 02/27/2014 and first used in commerce at least as early as 02/27/2014 , and is now in use in such commerce.

Proposed: Class 044 for Cosmetic and plastic surgery
Deleted Filing Basis: 1(a)
Filing Basis: Section 1(b), Intent to Use: ***For a trademark or service mark application:*** As of the application filing date, the applicant had a bona fide intention, and was entitled, to use the mark in commerce on or in connection with the identified goods/services in the application. ***For a collective trademark, collective service mark, or collective membership mark application:*** As of the application filing date, the applicant had a bona fide intention, and was entitled, to exercise legitimate control over the use of the mark in commerce by members on or in connection with the identified goods/services/collective membership organization. ***For a certification mark application:*** As of the application filing date, the

applicant had a bona fide intention, and was entitled, to exercise legitimate control over the use of the mark in commerce by authorized users in connection with the identified goods/services, and the applicant will not engage in the production or marketing of the goods/services to which the mark is applied, except to advertise or promote recognition of the certification program or of the goods/services that meet the certification standards of the applicant.

APPLICANT AND/OR ENTITY INFORMATION

Applicant proposes to amend the following:

Current: ADVANCED SURGICAL BODYBUILDING, a citizen of United States, having an address of

9201 W SUNSET BLVD STE 406
LOS ANGELES, California 90069
United States

DRMATLOCK@DRMATLOCK.COM
310-859-9052

Proposed: Matlock, David L., DBA ADVANCED SURGICAL BODYBUILDING, a citizen of United States, having an address of

9201 W SUNSET BLVD STE 406
LOS ANGELES, California 90069
United States
DRMATLOCK@DRMATLOCK.COM
310-859-9052

ADDITIONAL STATEMENTS

Claim of Active Prior Registration(s)

The applicant claims ownership of U.S. Registration Number(s) 4326116.

Miscellaneous Statement

Applicant notes that TMEP 1201.02(c)(1) states that it is a correctable error if the applicant identifies itself by a name under which it does business, which is not a legal entity, then amendment to state the applicant's correct legal name is permitted. Advanced Surgical Bodybuilding is not a legal entity but the name under which David L. Matlock does business. Hence, Applicant has amended its name to David L. Matlock dba Advanced Surgical Bodybuilding.

SIGNATURE(S)

Declaration Signature

I hereby elect to bypass the submission of a signed declaration, because I believe a declaration is not required by the rules of practice. I understand that the examining attorney could still, upon later review, require a signed declaration.

Request for Reconsideration Signature

Signature: /klm/ Date: 07/10/2015
Signatory's Name: Katherine L. McDaniel
Signatory's Position: Attorney of record, CA bar member

Signatory's Phone Number: 3102422689

The signatory has confirmed that he/she is an attorney who is a member in good standing of the bar of the highest court of a U.S. state, which includes the District of Columbia, Puerto Rico, and other federal

territories and possessions; and he/she is currently the applicant's attorney or an associate thereof; and to the best of his/her knowledge, if prior to his/her appointment another U.S. attorney or a Canadian attorney/agent not currently associated with his/her company/firm previously represented the applicant in this matter: (1) the applicant has filed or is concurrently filing a signed revocation of or substitute power of attorney with the USPTO; (2) the USPTO has granted the request of the prior representative to withdraw; (3) the applicant has filed a power of attorney appointing him/her in this matter; or (4) the applicant's appointed U.S. attorney or Canadian attorney/agent has filed a power of attorney appointing him/her as an associate attorney in this matter.

The applicant is filing a Notice of Appeal in conjunction with this Request for Reconsideration.

Serial Number: 86432771
Internet Transmission Date: Fri Jul 10 15:52:27 EDT 2015
TEAS Stamp: USPTO/RFR-38.75.14.34-20150710155227484559-86432771-530716a599f54f3e7631b4894797cc79f13a8cd8238c5d58873288aabb41562e2de-N/A-N/A-20150710151142304733

MERE DESCRIPTIVENESS REFUSAL

The Examining Attorney has refused registration on the basis that Applicant's Mark **ADVANCED SURGICAL BODYBUILDING** is merely descriptive of Applicant's products. Applicant respectfully submits that the wording "**ADVANCED SURGICAL BODYBUILDING**" is not merely descriptive of Applicant's products.

A. THE MARK SHOULD BE VIEWED IN ITS ENTIRETY AND NOT DISSECTED

As the U.S. Supreme Court stated, "The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety." Estate of P.D. Beckwith's, Inc. v. Commissioner of Patents, 252 U.S. 538, 545-546, 64 L.Ed. 705, 40 S.Ct. 414 (1920). From this arose the "anti-dissection" rule pursuant to which a composite mark is tested for its validity and distinctiveness by looking at it as a whole rather than dissecting it into its component parts.

Here, Applicant's Mark is **ADVANCED SURGICAL BODYBUILDING**, which should not be dissected into its components, but reviewed as a whole in considering whether it is merely descriptive of Applicant's products.

B. A DESCRIPTIVE MARK MUST GIVE DISTINCT KNOWLEDGE OF THE CHARACTERISTICS OF THE PRODUCT

McCarthy states that "[t]o be characterized as `descriptive,' a term must directly give some reasonably accurate or tolerably distinct knowledge of the characteristics of a product [omitting citations]. If information about the product or service given by the term used as a mark is indirect or vague, then this indicates that the term is being used in a `suggestive,' not descriptive manner [omitting citations]." J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition (Fourth Edition, 2006), Section 11:19.

C. NO DISTINCT KNOWLEDGE OF APPLICANT'S PRODUCT

Applicant respectfully submits that the wording "**ADVANCED SURGICAL BODYBUILDING**" is ambiguous and gives no distinct knowledge of the characteristics of Applicant's product, which consists of cosmetic and plastic surgery services. Applicant is not aware of any other provider of surgery services for the purpose of bodybuilding; in fact, Applicant introduced these procedures. A consumer unfamiliar with Applicant's products initially would be confused, likely only familiar with bodybuilding resulting from working out with weights, having good nutrition, taking extra vitamins, minerals, protein and other supplements, and perhaps being injected with steroids. The very idea that bodybuilding can be accomplished surgically is novel. Then, the consumer would wonder what these procedures might be, for example, whether they involve transplanting muscles. It is unlikely to occur to the consumer that Applicant's procedures involve injecting fat into the consumer's existing muscles. As a result, a consumer initially would have no "reasonably accurate or tolerably distinct knowledge" of the characteristics of Applicant's cosmetic and plastic surgery services.

D. DESCRIPTIVE TRADEMARKS IMMEDIATELY CONVEY INFORMATION WHILE SUGGESTIVE TRADEMARKS REQUIRE A MODICUM OF THOUGHT

Marks or terms are merely descriptive within the meaning of Section 2(e)(1) if they describe, i.e., immediately convey information about, an ingredient, quality, characteristic, function, purpose, use, feature, property or part of the goods in connection with which it is used. See, In re Nalco, 228 USPQ 972 (TTAB 1986), In re Abcor Development Corp., 200 USPQ 215 (CCPA 1978). A suggestive mark, however, is one that "suggests, rather than describes," Vision Center v. Opticks, Inc., 596 F.2d 111, 115, 202 USPQ 333, 338 (5th Cir. 1979), cert. denied, 444 U.S. 1016, 204 USPQ 696 (1980), and is protectable without evidence of secondary meaning. Whether a given mark is suggestive or merely descriptive depends on whether the mark "immediately conveys ... knowledge of the ingredients, qualities, or characteristics of the goods ... with which it is used," or whether "imagination, thought, or perception is required to reach a conclusion on the nature of the goods." In re Qwik-Print Copy Shops, Inc., 205 USPQ 505, 507. A suggestive mark requires thought or imagination to reach a conclusion as to the nature of the goods.

It is not required that a great deal of thought be involved but rather only a modicum of thought. Bell South Corp. v. Planum Technology Cor., 14 U.S.P.Q.2d 1555 (TTAB 1988) (**PHONE-FORWARD** suggestive). If a mark suggests a desired result of using a product or service rather than immediately informing the purchaser of a feature or attribute, it is not merely descriptive. In re Noble Co., 225 U.S.P.Q. 749 (TTAB 1985) (**NO-BURST** suggestive of liquid antifreeze for use in pipes); In re Pennwalt, 173 U.S.P.Q. 317 (TTAB 1972) (**DRI-FOOT** suggestive of an antiperspirant deodorant for feet). **ADVANCED SURGICAL BODYBUILDING** is at least as suggestive as **NO-BURST** for pipe antifreeze and **DRI-FOOT** for a foot antiperspirant deodorant. Given these precedents, **ADVANCED SURGICAL BODYBUILDING** is at worst a suggestive phrase that does not immediately and directly identify a quality or feature of Applicant's products, and therefore cannot be descriptive. Rather, it is a phrase which requires imagination or thought for a consumer to reach a conclusion as to the nature of Applicant's products. The phrase, taken as a whole, simply is suggestive of the nature and qualities of Applicant's products.

E. A NON-DESCRIPTIVE COMPOSITE MARK CAN INCLUDE DESCRIPTIVE TERMS

A composite mark can contain descriptive terms and still not be descriptive. In fact, a composite mark can be composed entirely of descriptive terms and still not be descriptive.

> "The combination of two or more admittedly descriptive elements as a composite mark may result in a composite which is non-descriptive. (citations omitted). That is, the commercial impression of a composite mark may be arbitrary or suggestive even though its separate parts are descriptive. The composite may be more than the sum of its parts...." J.

Thomas McCarthy, McCarthy on Trademarks and Unfair Competition (Fourth Edition, 2001) ("McCarthy"), § 11:26.

In discussing this principle, McCarthy cites cases that held the following composite marks to be not descriptive: **ELECTRO-MODULE** for electro-magnetic brakes, **SUPERWATERFINISH** for papers, **SKINVISIBLE** for transparent adhesive tape, **BIASTEEL** for steel belted bias tires, **FAMOUS FLOCKS** for woven wall coverings, **CONCURRENT TECHNOLOGIES CORPORATION** for electronic circuit boards, **OAG TRAVEL PLANNER** for a travel directory, and **ROACH MOTEL** for an insect trap, among others. Id.

It is well recognized that a combination of descriptive words may result in an unitary designation which is registrable. See, e.g., In re Ron Matusalem, Inc., 196 USPQ 458 (TTAB 1977) (**RONCOCO,** combination of Spanish words for "rum" and "coconut" was suggestive of coconut-flavored rum); In re Warner Electric Brake & Clutch Co., 154 USPQ 328 (TTAB 1967); In re Colonial Stores, Inc., 157 USPQ 382 (CCPA 1968); Food Fair Stores, Inc. v. Food Fair Stores, Inc., 83 USPQ 14 (1st Cir. 1949) (**FOOD FAIR** for supermarkets was suggestive); Q-Tips, Inc. v. Johnson & Johnson, 95 USPQ 264 (DC NJ, 1952) (**COTTON TIPS** not descriptive of cotton-tipped applicators). As the Board in Matusalem noted, one must look to the commercial impression created by the mark as a whole "rather than engage in a mental dissection and analysis of their separate components and then putting them together in a manner calculated to arrive at a descriptive meaning." In re Matusalem, 196 USPQ at 460.

Therefore, combinations of merely descriptive components are registrable if the juxtaposition of the words is inventive or evokes a distinctive or unique commercial impression. The descriptiveness of the components is lost if the combination or the composite is so incongruous or unusual that it possesses only suggestive significance. For example, the following trademarks have been held to be suggestive: **MARRIAGE PROPONENTS** held suggestive for prospective marriage partner services (In re Hunt, 132 USPQ 564 (TTAB, 1962)); **ENERGY PLACE** held suggestive for an Internet website giving information on energy resources (Public Service Co. of New Mexico v. Nexus Energy Software, Inc., 36 F.Supp.2d 436, 50 USPQ2d 1317 (D.Mass., 1999)); **MOVIEBUFF** held suggestive for a database of movie information (Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 50 USPQ2d 1545 (9th Cir., 1999) (the designation does not "describe either the software product or its purpose" and "it requires a mental leap from the mark to the product")); **WIRELESS NOW!** held suggestive for online information services (Malarkey-Taylor Assocs. v. Cellular Telecommunications Indus. Ass'n, 929 F.Supp. 473,40 USPQ2d 1136 (D.D.C., 1996)); **DRIVING FORCE** held suggestive for supplying truck drivers (Manpower, Inc. v. Driving Force, Inc., 212 USPQ 961 (TTAB, 1981); and **WE SMILE MORE** held suggestive for motel services (In re Marriott Corp., 517 F.2d 1364, 186 USPQ 218 (CCPA, 1975)). Certainly, Applicant's use of **ADVANCED SURGICAL BODYBUILDING** is inventive in

juxtaposing two terms, SURGICAL and BODYBUILDING, that are incongruous and unusual.

In addition, it is submitted that it is well-established that two or more words can be combined into a single term that is a registrable trademark. See In re Carl v Shutts, 217 USPQ 363 (TTAB, 1983) wherein the Trademark Trial and Appeal Board held that **SNOW-RAKE** was not merely descriptive of a long-handled tool used to scrape snow from surfaces, noting in part that, in determining the mere descriptiveness of a mark, doubts are to be resolved in favor of the Applicant. See also In re Application of ShopVac Corporation, 219 USPQ 470 (TTAB, 1983) wherein the Trademark Trial and Appeal Board held that **WET/DRY BROOM** for use in connection with electric vacuum cleaners primarily for domestic use was at most suggestive and not merely descriptive of the goods. Here, the combination of the words **ADVANCED, SURGICAL** and **BODYBUILDING** results in a composite that creates an incongruous and ambiguous commercial impression that is not merely descriptive of Applicant's products.

F. KNOWLEDGE ACQUIRED THROUGH EDUCATION AND MARKETING DOES NOT MAKE A SUGGESTIVE TRADEMARK DESCRIPTIVE

It often is the case that a distinctive trademark can appear to be descriptive once a consumer knows its meaning and significance as a result of education and marketing. However, knowledge acquired after education and marketing does not make a suggestive trademark descriptive.

For example, **AIRBNB** might appear to be descriptive once one becomes aware that "BNB" stands for "bed and breakfast" and "AIR" stands for "air bed" (because many of the early listings offered air beds in the renters' homes). Following this line of reasoning, AIRBNB would describe "air bed and breakfast" and be a descriptive trademark. However, this line of reasoning must be rejected because the information that would make AIRBNB descriptive would be acquired only after education and marketing. As evidence, Applicant submits the TSDR records for two AIRBNB registrations for its core services (Reg. No. 4543713 and Reg. No. 44950760), **both registered on the Principal Register without any 2(f) claims or disclaimers**. This evidence shows that AIRBNB was determined to be at least suggestive. Applicant asserts that his ADVANCED SURGICAL BODYBUILDING trademark is of the same nature as AIRBNB—at least suggestive until, through education and marketing, consumers become aware of potentially descriptive aspects of the trademark.

G. DOUBTS MUST RESOLVED IN FAVOR OF APPLICANT

There is often a thin line of demarcation between a suggestive term and a merely descriptive term, and the determination of the category into which a particular word falls is frequently a difficult determination, involving some subjective judgment. In re Grand Metropolitan Foodservice, Inc., 30 USPQ2d

1974, 1976 (TTAB 1994). However, it is well settled that in cases where there is any doubt as to whether a mark or term is merely descriptive, deceptively misdescriptive or suggestive, the determination must be resolved in favor of the applicant by allowing publication of the mark for opposition. See, e.g., In re Merrill Lynch, Pierce, Fenner, and Smith Inc., 4 USPQ2d 1141 (Fed. Cir. 1987), In re Morton-Norwich Products, 209 USPQ 791 (TTAB 1981), In re Gourmet Bakers, Inc., 173 USPQ 565 (TTAB 1972. Applicant believes that he has shown, at the very least, that there is some doubt as to the merely descriptive nature of the wording "**ADVANCED SURGICAL BODYBUILDING**" because of its ambiguous, incongruous, inventive and suggestive attributes. As a result, any doubts must be resolved in favor of Applicant.

*****

Based on the foregoing, Applicant respectfully submits Applicant's Mark is not merely descriptive as applied to Applicant's goods and services.

Attached are the TSDR reccords on AIRBNB Reg. No. 4543713 and Reg. No. 44950760 and copies of all cited cases.

ATTACHMENTS

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Mark: AIRBNB

AIRBNB

US Serial Number: 85023193 Application Filing Date: Apr. 26, 2010

US Registration Number: 4543713 Registration Date: Jun. 03, 2014

Register: Principal

Mark Type: Service Mark

Status: Registered. The registration date is used to determine when post-registration maintenance documents are due.

Status Date: Jun. 03, 2014

Publication Date: Apr. 05, 2011 Notice of Allowance Date: May 31, 2011

Mark Information

Mark Literal Elements: AIRBNB

Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.

Mark Drawing Type: 4 - STANDARD CHARACTER MARK

Color(s) Claimed: Color is not claimed as a feature of the mark.

Related Properties Information

Claimed Ownership of US Registrations: 85979407

Parent Of: 85979407

Goods and Services

Note:
The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks "..." identify additional (new) wording in the goods/services.

For: Preparation of custom or non-custom advertising for businesses for dissemination via the web; customer loyalty services and customer club services for commercial, promotional and advertising purposes; on-line trading services to facilitate the sale of goods and services by others via a computer network and providing evaluative feedback and ratings of sellers' goods and services, the value and prices of sellers' goods and services, buyers' and sellers' performance, delivery, and overall trading experience in connection therewith; computerized database management; classified listings for rentals of a wide-variety of consumer and business goods

International Class(es): 035 - Primary Class U.S Class(es): 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Mar. 04, 2009 Use in Commerce: Mar. 04, 2009

Basis Information (Case Level)

Filed Use:	No	Currently Use:	Yes	Amended Use:	No
Filed ITU:	Yes	Currently ITU:	No	Amended ITU:	No
Filed 44D:	No	Currently 44D:	No	Amended 44D:	No
Filed 44E:	No	Currently 44E:	No	Amended 44E:	No
Filed 66A:	No	Currently 66A:	No		
Filed No Basis:	No	Currently No Basis:	No		

Current Owner(s) Information

Owner Name: AIRBNB, INC.

Owner Address: 888 Brannan Street 4th Floor
San Francisco, CALIFORNIA 94103
UNITED STATES

Legal Entity Type: CORPORATION

State or Country Where Organized: DELAWARE

Attorney/Correspondence Information

Attorney of Record - None

Correspondent

Correspondent Name/Address: Airbnb, Inc.
888 Brannan Street 4th Floor
San Francisco, CALIFORNIA 94103
UNITED STATES

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Mar. 03, 2015	WITHDRAWAL OF ATTORNEY GRANTED	
Mar. 03, 2015	TEAS WITHDRAWAL OF ATTORNEY RECEIVED	
Feb. 27, 2015	ATTORNEY REVOKED AND/OR APPOINTED	
Feb. 27, 2015	TEAS REVOKE/APPOINT ATTORNEY RECEIVED	
Jun. 03, 2014	REGISTERED-PRINCIPAL REGISTER	
May 01, 2014	NOTICE OF ACCEPTANCE OF STATEMENT OF USE E-MAILED	
Apr. 30, 2014	LAW OFFICE REGISTRATION REVIEW COMPLETED	66213
Apr. 29, 2014	ALLOWED PRINCIPAL REGISTER - SOU ACCEPTED	
Apr. 10, 2014	STATEMENT OF USE PROCESSING COMPLETE	61813
Mar. 06, 2014	USE AMENDMENT FILED	61813
Mar. 06, 2014	TEAS STATEMENT OF USE RECEIVED	
Dec. 17, 2013	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Dec. 15, 2013	EXTENSION 5 GRANTED	61813
Nov. 21, 2013	EXTENSION 5 FILED	61813
Nov. 21, 2013	TEAS EXTENSION RECEIVED	
Aug. 21, 2013	APPLICANT/CORRESPONDENCE CHANGES (NON-RESPONSIVE) ENTERED	88888
Aug. 21, 2013	TEAS CHANGE OF OWNER ADDRESS RECEIVED	
Aug. 21, 2013	APPLICANT/CORRESPONDENCE CHANGES (NON-RESPONSIVE) ENTERED	61813
Aug. 21, 2013	TEAS WITHDRAWAL OF ATTORNEY RECEIVED-FIRM RETAINS	
Jun. 11, 2013	CORRECTED NOA E-MAILED	
Jun. 11, 2013	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Jun. 10, 2013	EXTENSION 4 GRANTED	61813
May 23, 2013	EXTENSION 4 FILED	61813
Jun. 10, 2013	DIVISIONAL PROCESSING COMPLETE	
May 23, 2013	DIVISIONAL REQUEST RECEIVED	
Jun. 07, 2013	CASE ASSIGNED TO INTENT TO USE PARALEGAL	61813
May 23, 2013	TEAS REQUEST TO DIVIDE RECEIVED	
May 23, 2013	TEAS EXTENSION RECEIVED	
Mar. 13, 2013	ASSIGNMENT OF OWNERSHIP NOT UPDATED AUTOMATICALLY	
Nov. 27, 2012	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Nov. 25, 2012	EXTENSION 3 GRANTED	76985
Nov. 20, 2012	EXTENSION 3 FILED	76985
Nov. 20, 2012	TEAS EXTENSION RECEIVED	
Jun. 13, 2012	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Jun. 12, 2012	EXTENSION 2 GRANTED	76985
May 16, 2012	EXTENSION 2 FILED	76985

Jun. 12, 2012	CASE ASSIGNED TO INTENT TO USE PARALEGAL	76985
May 16, 2012	TEAS EXTENSION RECEIVED	
Nov. 18, 2011	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Nov. 16, 2011	EXTENSION 1 GRANTED	98765
Nov. 16, 2011	EXTENSION 1 FILED	98765
Nov. 16, 2011	TEAS EXTENSION RECEIVED	
Nov. 09, 2011	AUTOMATIC UPDATE OF ASSIGNMENT OF OWNERSHIP	
May 31, 2011	NOA E-MAILED - SOU REQUIRED FROM APPLICANT	
Apr. 05, 2011	OFFICIAL GAZETTE PUBLICATION CONFIRMATION E-MAILED	
Apr. 05, 2011	PUBLISHED FOR OPPOSITION	
Mar. 02, 2011	LAW OFFICE PUBLICATION REVIEW COMPLETED	66213
Mar. 02, 2011	ASSIGNED TO LIE	66213
Feb. 02, 2011	APPROVED FOR PUB - PRINCIPAL REGISTER	
Feb. 02, 2011	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Feb. 02, 2011	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Feb. 02, 2011	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Aug. 10, 2010	NOTIFICATION OF NON-FINAL ACTION E-MAILED	6325
Aug. 10, 2010	NON-FINAL ACTION E-MAILED	6325
Aug. 10, 2010	NON-FINAL ACTION WRITTEN	76720
Aug. 04, 2010	ASSIGNED TO EXAMINER	76720
Apr. 30, 2010	NOTICE OF PSEUDO MARK MAILED	
Apr. 29, 2010	NEW APPLICATION OFFICE SUPPLIED DATA ENTERED IN TRAM	
Apr. 29, 2010	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: PUBLICATION AND ISSUE SECTION **Date in Location:** Apr. 30, 2014

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Mark: AIRBNB

AIRBNB

US Serial Number: 85023199 **Application Filing Date:** Apr. 26, 2010

US Registration Number: 4495076 **Registration Date:** Mar. 11, 2014

Register: Principal

Mark Type: Service Mark

Status: Registered. The registration date is used to determine when post-registration maintenance documents are due.

Status Date: Mar. 11, 2014

Publication Date: Sep. 28, 2010 **Notice of Allowance Date:** Nov. 23, 2010

Mark Information

Mark Literal Elements: AIRBNB

Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.

Mark Drawing Type: 4 - STANDARD CHARACTER MARK

Goods and Services

Note:
The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: providing online interactive bulletin board for transmission of messages among computer users concerning listing, rental and leasing of real estate; electronic mail service; providing online electronic bulletin boards for transmission of messages among computer users concerning rankings, ratings, reviews, referrals, and recommendations relating to business organizations and service providers; telecommunications services, namely, the electronic transmission of data and information; providing an online, interactive bulletin board for the transmission of messages among computer users concerning the sale of goods and services via a global communications network; providing on-line forums and discussion groups for transmission of messages among computer users; and electronic transmission of images

International Class(es): 038 - Primary Class **U.S Class(es):** 100, 101, 104

Class Status: ACTIVE

Basis: 1(a)

First Use: Mar. 04, 2009 **Use in Commerce:** Mar. 04, 2009

Basis Information (Case Level)

Filed Use:	No	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	Yes	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: AIRBNB, INC.

Owner Address: 888 Brannan Street 4th Floor
San Francisco, CALIFORNIA 94103
UNITED STATES

Legal Entity Type: CORPORATION **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record - None

Correspondent

Correspondent Name/Address: Airbnb, Inc.
888 Brannan Street 4th Floor
San Francisco, CALIFORNIA 94103
UNITED STATES

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Mar. 03, 2015	WITHDRAWAL OF ATTORNEY GRANTED	
Mar. 03, 2015	TEAS WITHDRAWAL OF ATTORNEY RECEIVED	
Feb. 27, 2015	ATTORNEY REVOKED AND/OR APPOINTED	
Feb. 27, 2015	TEAS REVOKE/APPOINT ATTORNEY RECEIVED	
Aug. 11, 2014	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Mar. 11, 2014	REGISTERED-PRINCIPAL REGISTER	
Feb. 06, 2014	NOTICE OF ACCEPTANCE OF STATEMENT OF USE E-MAILED	
Feb. 05, 2014	LAW OFFICE REGISTRATION REVIEW COMPLETED	76568
Jan. 29, 2014	ALLOWED PRINCIPAL REGISTER - SOU ACCEPTED	
Jan. 21, 2014	STATEMENT OF USE PROCESSING COMPLETE	70565
May 23, 2013	USE AMENDMENT FILED	70565
Oct. 07, 2013	APPLICANT/CORRESPONDENCE CHANGES (NON-RESPONSIVE) ENTERED	70565
Aug. 21, 2013	APPLICANT/CORRESPONDENCE CHANGES (NON-RESPONSIVE) ENTERED	88888
Aug. 21, 2013	TEAS CHANGE OF OWNER ADDRESS RECEIVED	
Aug. 21, 2013	TEAS WITHDRAWAL OF ATTORNEY RECEIVED-FIRM RETAINS	
Jun. 12, 2013	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Jun. 11, 2013	EXTENSION 5 GRANTED	70565
May 23, 2013	EXTENSION 5 FILED	70565
May 23, 2013	TEAS EXTENSION RECEIVED	
May 23, 2013	TEAS STATEMENT OF USE RECEIVED	
Mar. 13, 2013	ASSIGNMENT OF OWNERSHIP NOT UPDATED AUTOMATICALLY	
Nov. 24, 2012	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Nov. 23, 2012	EXTENSION 4 GRANTED	70565
Nov. 20, 2012	EXTENSION 4 FILED	70565
Nov. 20, 2012	TEAS EXTENSION RECEIVED	
May 22, 2012	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
May 18, 2012	EXTENSION 3 GRANTED	70565
May 16, 2012	EXTENSION 3 FILED	70565
May 16, 2012	TEAS EXTENSION RECEIVED	
Nov. 24, 2011	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Nov. 23, 2011	EXTENSION 2 GRANTED	70565
Nov. 16, 2011	EXTENSION 2 FILED	70565
Nov. 23, 2011	CASE ASSIGNED TO INTENT TO USE PARALEGAL	70565
Nov. 16, 2011	TEAS EXTENSION RECEIVED	
Nov. 09, 2011	AUTOMATIC UPDATE OF ASSIGNMENT OF OWNERSHIP	
Mar. 29, 2011	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Mar. 25, 2011	EXTENSION 1 GRANTED	98765
Mar. 25, 2011	EXTENSION 1 FILED	98765
Mar. 25, 2011	TEAS EXTENSION RECEIVED	
Nov. 23, 2010	NOA E-MAILED - SOU REQUIRED FROM APPLICANT	
Sep. 28, 2010	OFFICIAL GAZETTE PUBLICATION CONFIRMATION E-MAILED	

Sep. 28, 2010	PUBLISHED FOR OPPOSITION	
Aug. 23, 2010	LAW OFFICE PUBLICATION REVIEW COMPLETED	76568
Aug. 23, 2010	ASSIGNED TO LIE	76568
Aug. 05, 2010	APPROVED FOR PUB - PRINCIPAL REGISTER	
Aug. 05, 2010	EXAMINER'S AMENDMENT ENTERED	88888
Aug. 05, 2010	NOTIFICATION OF EXAMINERS AMENDMENT E-MAILED	6328
Aug. 05, 2010	EXAMINERS AMENDMENT E-MAILED	6328
Aug. 05, 2010	EXAMINERS AMENDMENT -WRITTEN	76720
Aug. 05, 2010	EXAMINER'S AMENDMENT ENTERED	88888
Aug. 05, 2010	NOTIFICATION OF EXAMINERS AMENDMENT E-MAILED	6328
Aug. 05, 2010	EXAMINERS AMENDMENT E-MAILED	6328
Aug. 05, 2010	EXAMINERS AMENDMENT -WRITTEN	76720
Aug. 04, 2010	ASSIGNED TO EXAMINER	76720
Apr. 30, 2010	NOTICE OF PSEUDO MARK MAILED	
Apr. 29, 2010	NEW APPLICATION OFFICE SUPPLIED DATA ENTERED IN TRAM	
Apr. 29, 2010	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: PUBLICATION AND ISSUE SECTION **Date in Location:** Feb. 05, 2014

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U.S. Supreme Court

P. D. BECKWITH'S, INC., ESTATE OF v. COMMISSIONER OF PATENTS , 252 U.S. 538 (1920)

252 U.S. 538

ESTATE OF P. D. BECKWITH, Inc.,
v.
COMMISSIONER OF PATENTS.
No. 178.

Argued and Submitted Jan. 23, 1920.
Decided April 19, 1920.

[252 U.S. 538, 539] Mr. Harry C. Howard, of Kalamazoo, Mich., for petitioner.

Mr. Assistant Attorney General Davis, for respondent.

Mr. Justice CLARKE delivered the opinion of the Court.

The petitioner, a corporation, filed an application in the Patent Office for the registration of a trade-mark, which is described as follows:

> 'A design like a seal, comprising the head of an Indian chief surmounting a scroll bearing his name, 'Doe-Wah-Jack' and surrounded by a circle, outside of which appeared the words 'Round Oak' and 'Moistair Heating System' in a circle, and the whole being surrounded by a wreath of oak leaves.'

It will be useful to reproduce the drawing filed with this application:

It was averred that the petitioner had used the mark for more than 18 months before the application [252 U.S. 538, 540] was made by applying it to 'hot-air and combined hot-air and hot-water heaters and furnaces by having the same cast into the metals of which the systems were constructed.'

The Commissioner found tha the mark did not conflict with any other that was registered, and that the petitioner was entitled to the exclusive use of it excepting the words 'Moistair Heating System.' It was ordered that the mark might be registered if the excepted words, objectionable because descriptive, were 'erased' or 'removed' from it, but that the filing of a disclaimer would not suffice to secure registration.

Not satisfied with this result, the petitioner appealed to the Court of Appeals for the District of Columbia, and its judgment affirming the decision of the Commissioner of Patents is before us for review.

The ground of both decisions is that the words 'Moistair Heating System' are merely descriptive of a claimed merit of the petitioner's system-that in the process of heating moisture is added to the air-and that one person may not lawfully monopolize the use of words in general use which might be used with equal

truthfulness to describe another system of heating. For this reason it was held that the case falls within the proviso of the Registration Act of 1905, declaring that no mark consisting merely in words or devices which are descriptive of the goods with which they are used or of the character or quality of such goods shall be registered under the terms of the act. Act Feb. 20, 1905, 5, 33 Stat. 725, amended by Act Jan. 8, 1913, 37 Stat. 649 (Comp. St. 9490).

No question of patent right, or of unfair competition, or that the design of the trade-mark is so simple as to be a mere device or contrivance to evade the law and secure the registration of non- registrable words, is involved. Nairn Linoleum Co. v. Ringwalt Linoleum Works, 46 App. D. C. 64, 69. [252 U.S. 538, 541] This statement makes it apparent that the question presented for decision is: Whether the applicant may lawfully register the words 'Moistair Heating System,' when combined with the words 'Round Oak,' as a part of its purely fanciful and arbitrary trade-mark design, as shown in the drawing filed, and when claim to exclusive use of the words apart from the mark shown in the drawing is disclaimed on the record.

An account of the process of decision, in the Patent Office and in the Court of Appeals, by which the result in this case was arrived at, as it appears in the brief of the Commissioner of Patents, is suggestive and useful. From this we learn that, when a mark has been presented for registration consisting merely (only) of descriptive words or devices, registration has been uniformly refused. When 'composite' marks-such as contain both registrable and nonregistrable matter-have been presented for registry with features in them which conflicted with earlier marks, registered by other than the applicant, the complete rejection, 'eradication,' of the conflicting portions has been uniformly required before registry was allowed. But where there was no such conflict, and the only objection was that descriptive words were used, the practice of the Patent Office prior to the decision, in 1909, of Johnson v. Brandau, 32 App. D. C. 348, was to permit the registration of marks containing such words, where they were associated with registrable words or were a part of an arbitrary or fanciful design or device; it being considered not necessary to delete the descriptive matter, even when it was an essential part of the composite trade-mark as it had been used by the applicant, provided it was clearly not susceptible of exclusive appropriation under the general rules of law. After the decision of Johnson v. Brandau, 32 App. D. C. 348, a practice grew up in the Patent Office, not provided for in the statute, of allowing an applicant to disclaim objectionable descriptive [252 U.S. 538, 542] words in cases where to require their actual removal would result in so changing the mark that it would not readily be recognized as that shown in the drawing or specimen filed with the application. The customary form of such disclaimer was a statement filed that no claim was made to the designated words, as, for example, 'Moistair Heating System,' apart from th mark shown in the drawing-this was interpreted as meaning that only when taken in connection with the remaining features of the mark did the applicant make claim to their exclusive use. Ex parte Illinois Seed Co., 219 O. G. 931.

Such disclaimer became a part of the applicant's statement in the record and necessarily formed a part of the certificate of registration as it would appear in the copies of it furnished to the applicant and the public, pursuant to section 11 of the act (Comp. St. 9496).

Then came the decisions in Fishbeck Soap Co. v. Kleeno Manufacturing Co., 44 App. D. C. 6, and Nairn Linoleum Co. v. Ringwalt Linoleum Works, 46 App. D. C. 64, which, says the Commissioner of Patents, were understood as disapproving the practice of disclaimer, and since they were rendered, registration of merely descriptive matter has not been allowed in any form, but its actual deletion from the trade-mark drawing has been required, with, however, an apparent exception in the Case of Rinsburger, 8 T. M. Repts. 567, 128 MS. Dec. 141. The judgment we are considering, requiring, as it does, the 'elimination' of the descriptive words, shows that the Commissioner correctly interpreted these two decisions of the Court of Appeals.

It is apparent from this rehearsal that the Commissioner of Patents has promptly and cordially accepted for his guidance the decisions of the Court of Appeals, and, although he avoids a controversial attitude in his

brief and gives a colorless history of the practice of his office, [252 U.S. 538, 543] still it is manifest that, in this case and in others, the court has very radically changed that practice with respect to permitting registry of composite trade-marks, and that its decisions have turned upon the construction of the second proviso, referred to, in the fifth section of the Registration Act, which is made the basis of the judgment we are reviewing.

The Registration Act of 1905 (33 Stat. 724), amended in 1906 (34 Stat. 168) and in 1909 (35 Stat. 627) and in 1913 (37 Stat. 649 [Comp. St. 9485 et seq.]), without changing the substantive law of trade-marks, provided, in the manner prescribed, for the registration of marks (subject to special exceptions) which, without the statute, would be entitled to legal and equitable protection, and the case before us calls chiefly for the construction of the provisions of section 5 of that act (Comp. St. 9490), which, so far as here involved, are as follows:

> 'No mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade-mark on account of the nature of such mark unless,' etc.
>
> 'Provided, that no mark which consists ... merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, ... shall be registered under the the terms of this act.'

It was settled long prior to the Trade-Mark Registration Act that the law would not secure to any person the exclusive use of a trade-mark consisting merely of words descriptive of the qualities, ingredients, or characteristics of an article of trade; this for the reason that the function of a trade-mark is to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied, and words merely descriptive of qualities, ingredients, or characteristics, when used alone, do not do this. Other like goods, equal to them in all respects, may be manufactured or [252 U.S. 538, 544] dealt in by others, who, with equal truth, may use, and must be left free to use, the same language of description in placing their goods before the public. Canal Co. v. Clark, 13 Wall. 311, 322, 323, 324; Manufacturing Co. v. Trainer, 101 U.S. 51 , 54; Manhattan Medicine Co. v. Wood, 108 U.S. 218, 222 , 2 S. Sup. Ct. 436; Goodyear India Rubber Glove Mfg. Co. v. Goodyear Rubber Co., 128 U.S. 598 , 9 Sup. Ct. 166 Lawrence Manufacturing Co. v. Tennessee Manufacturing Co., 138 U.S. 537, 547 , 11 S. Sup. Ct. 396; Brown Chemical Co. v. Meyer, 139 U.S. 540 , 11 Sup. Ct. 625; Elgin National Watch Co. v. Illinois Watch Case Co., 179 U.S. 665 , 21 Sup. Ct. 270; Standard Paint Co. v. Trinidad Asphalt Mfg. Co., 220 U.S. 446 , 31 Sup. Ct. 456.

Thus the proviso quoted, being simply an expression in statutory form of the prior general rule of law that words merely descriptive are not a proper subject for exclusive trade-mark appropriation, if the application in this case had been to register only the words 'Moistair Heating System,' plainly it would have fallen within the terms of the prohibition, for they are merely descriptive of a claimed property or quality of the petitioner's heating system-that by it moisture is imparted to the air in the process of heating. But the application was not to register these descriptive words 'merely,' alone and apart from the mark shown in the drawing, but in a described manner of association with other words, 'Round Oak,' which are not descriptive of any quality of applicant's heating system, and as a definitely positioned part of an entirely fanciful and arbitrary design or seal, to which the Commissioner found the applicant had the exclusive right.

Since the proviso prohibits the registration not of merely descriptive words but of a 'trade-mark which consists ... merely' (only) of such words-the distinction is substantial and plain-we think it sufficiently clear that such a composite mark as we have here does not fall within its terms. In this connection it must be noted that the requirement of the statute that [252 U.S. 538, 545] no trade-mark shall be refused registration, except in designated cases, is just as imperative as the prohibition of the proviso against registration in cases

specified.

While there is no specific provision for disclaimers in the trade- mark statute, the practice of using them is commended to our judgment by the statement of the Commissioner of Patents that, so far as known, no harm came to the public from the practice of distinguishing, without deleting, nonregistrable matter in the drawing of the mark as registered, when a statement, forming a part of the record, was required that the applicant was not making claim to an exclusive appropriation of such matter except in the precise relation and association in which it appeared in the drawing and description.

It seems obvious that no one could be deceived as to the scope of such a mark, and that the registrant would be precluded by his disclaimer from setting up in the future any exclusive right to the disclaimed part of it. It seems obvious, also, that to require the deletion of descriptive words must result often in so changing the trade-mark sought to be registered from the form in which it had been used in actual trade that it would not be recognized as the same mark as that shown in the drawing which the statute requires to be filed with the application, or in the specimens produced as actually used, and therefore registration would lose much, if not all, of its value. The required omission might so change the mark that in an infringement suit it could be successfully urged that the registered mark had not been used,-and user is the foundation of registry. Section 2 (Comp. St. 9487). Of this last the case before us furnishes an excellent example. To strike out 'Moistair Heating System' from the applicant's trade-mark would so change its appearance that its value must be largely lost as designating to prior purchasers or users the origin of the heating system to which it was applied.

The commercial impression of a trade-mark is derived [252 U.S. 538, 546] from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety (Johnson v. Brandau, supra), and to strike out any considerable part of it, certainly any conspicuous part of it, would be to greatlya ffect its value. Of course, refusal to register a mark does not prevent a former user from continuing its use; but it deprives him of the benefits of the statute, and this should not be done if it can be avoided by fair, even liberal, construction of the act, designed as it is to promote the domestic and foreign trade of our country.

Thus the case comes to this: That the Commissioner found that the trade-mark presented for registration dic not conflict with any theretofore registered, and there is no suggestion of unfair practice in the past or contemplated in the future; that it had been used for 18 months in the form proposed for registry; that the words ordered to be stricken out from the drawing are descriptive, but the mark does not consist 'merely' in such words, but is a composite of them with others, and with an arbitrary design which, without these words, both the Commissioner and the court found to be registrable; that the language of the statute, that no mark not within its prohibitions or provisos shall be denied registration, is just as imperative as the prohibitory words of the proviso; and, very certainly, that a disclaimer on the part of applicant that no claim is made to the use of the words 'Moistair Heating System' apart from the mark as shown in the drawing and as described, would preserve to all others the right to use these words in the future to truthfully describe a like property or result of another system, provided only that they be not used in a trade-mark which so nearly resembles that of the petitioner 'as to be likely to cause confusion in the mind of the public or to deceive purchasers' when applied 'to merchandise of the same descriptive properties.' Section 5. [252 U.S. 538 547] Such being the ultimate facts of this controversy, we cannot doubt that the Court of Appeals fell into error in ruling that the words 'Moistair Heating System' must be 'eliminated' from the trade-mark of the applicant as it had been theretofore used, and that the requirement of the act of Congress for the registration of trade-marks would be fully complied with if registration of it were permitted with an appropriate declaration on the part of the applicant that no claim is made to the right to the exclusive use of the descriptive words, except in the setting and relation in which they appear in the drawing, description, and samples of the trade-mark filed with the application.

It results that the judgment of the Court of Appeals must be

REVERSED.

Mr. Justice McREYNOLDS dissents.

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228 USPQ 972

In re Nalco Chemical Company

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided January 31, 1986

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership -- Descriptive -- Misdescriptive or not descriptive -- Particular marks (▶ 67.5078)

Marks and names subject to ownership -- Suggestive (▶ 67.528)

"Veri-Clean" for chemical anti-fouling additives for use in refineries is suggestive of desired end resulting from product's use, but does not serve to describe goods themselves.

Case History and Disposition

Appeal from Trademark Examining Attorney.

Application for registration of trademark of Nalco Chemical Co., application, Serial No. 479,346, filed May 7, 1984, from decision refusing registration, applicant appeals. Reversed.

Attorneys

Louis J. Aldini, John G. Premo, and Robert A. Miller, all of Oak Brook, Ill., for applicant.

Frederick Mandir, Trademark Examining Attorney, Law Office 7 (Lynne Beresford, Managing Attorney) for the Patent and Trademark Office.

Judge

Before Rice, Rooney, and Sams, Members.

Opinion Text

Opinion By:

Rice, Member.

An application has been filed by Nalco Chemical Company to register the mark "VERI-CLEAN" for chemical anti-fouling

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additives for use in refineries, [1] use since December 21, 1983 being asserted.

[1] Serial No. 479,346, filed May 7, 1984.

Registration has been refused under Section 2(e)(1) of the Trademark Act of 1946 on the ground that the mark "VERI-CLEAN", when applied to the goods of the applicant, is merely descriptive of them. It is essentially the position of the Examining Attorney that 'VERI-CLEAN" is a readily recognizable misspelling and phonetic equivalent of the words "very clean" and as such immediately informs purchasers that applicant's anti-fouling additives are used to produce very clean refinery process equipment. The Examining Attorney further maintains that "VERI-CLEAN" is laudatory in that it explains that the products are very effective.

It has been held that a term is merly descriptive within the meaning of Section 2(e)(1) if it describes, i.e., immediately conveys information about, an ingredient, quality, characteristic, function, purpose, use, feature, property, or part of the goods or services in connection with which it is used. See: In re *Abcor Development Corp.,* 616 F.2d 525, 200 USPQ (215 CCPA 1978); In re *American Screen Process Equipment Co.,* 175 USPQ 561 (TTAB 1972); and cases cited therein. Because Section 2(e)(1) prohibits the registration of a mark which is merely descriptive *when applied to the goods* (or services) of the applicant, the question of whether a term is merely descriptive must be determined not in the abstract, but rather by considering the significance it is likely to have (in the context in which it is used) to prospective purchasers when they encounter applicant's goods or services bearing the term in the marketplace. See: In re Abcor

Development Corp., supra; In re *Nibco Inc.,* 195 USPQ 180 (TTAB 1977); and cases cited therein.

In the present case, the evidentiary record includes a number of pieces of literature describing applicant's chemical anti-fouling additives for use in refineries. For example, a press release reads in part as follows:

> For most refineries, the fuel cost to heat process streams and produce steam is the single most expensive item, after the cost of the crude itself. Fouled exchangers and furnaces consume much more energy to maintain correct process temperature. In addition, fouling deposits limit equipment runlengths, reduce throughput rates and incur excessive cleaning costs.
>
> The VERI-CLEAN fouling control program includes components that are designed not only to inhibit the deposit of organic and inorganic foulants in preheat exchangers but also to retard coke formation in furnaces. Because VERI-CLEAN is a customized approach to solving fouling problems, product compositions vary according to individual situations. Components may include corrosion inhibitors or dispersants, anti-oxidants, coke suppressants, metal deactivators or anti-polymerants.

[1] Having carefully considered applicant's mark and goods, we think this case is very similar to the case of In re *C. J. Webb, Inc.,* 182 USPQ 63 (TTAB 1974), wherein the Board held that the term "BRAKLEEN", the phonetic equivalent of "brake clean", was not merely descriptive as applied to a chemical composition for cleaning and degreasing automotive brake parts. In so holding, the Board said:

> The fact that a term is capable of being analyzed does not render said term merely descriptive. [citation omitted]. Certainly, if a term necessitates "mature thought," then said term must be denominated suggestive rather than "merely descriptive." [citation omitted].
>
> The term "brake clean" is but a laconic means of saying -- this product will get your brake clean. . . . "brake clean" is suggestive of a desired result of a brake cleaner *a* nd therefore the asserted phonetic equivalent "Brakleen" must be considered to be suggestive rather than merely descriptive when applied to applicant's goods. [citation omitted].

Similarly, we are of the opinion that the term "VERI-CLEAN", as applied to applicant's chemical anti-fouling additives for use in refineries, is suggestive of the desired end result of the use of applicant's additives, but does not serve to describe the goods themselves.

Accordingly, we conclude that applicant's mark, when applied to its goods, is not merely descriptive of them within the meaning of Section 2(e)(1) of the Act. Cf. In re *Universal Water Systems, Inc.,* 209 USPQ 165 (TTAB 1980) ["PURITY" not merely descriptive as applied to water filtering units, water filter cartridges, and water softening units]; In re *Recovery, Inc.,* 196 USPQ 830 (TTAB 1977) ["RECOVERY" not merely descriptive of services of, inter alia, providing group therapy in the form of self-help aftercare to follow

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psychiatric or other professional counseling and/or treatment, and training lay leaders to provide such therapy]; In re *Frank J. Curran Co.,* 189 USPQ 560 (TTAB 1975) ["CLOTHES FRESH" not merely descriptive as applied to clothes and shoe spray deodorant]; In re *Pennwalt Corp.,* 173 USPQ 317 (TTAB 1972) ["DRI-FOOT" not merely descriptive as applied to anti-perspirant deodorant for feet]; and In re *Realistic Co.,* 440 F.2d 1393, 169 USPQ 610 (CCPA 1971) ["CURV" not merely descriptive as applied to permanent wave curling solutions].

Decision:

The refusal to register is *reversed.*

- End of Case -

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200 USPQ 215
In re Abcor Development Corporation
U.S. Court of Customs and Patent Appeals

No. 78-562

Decided December 14, 1978

588 F2d 811

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership -- Descriptive -- In general (▶ 67.5071)

Marks that are merely descriptive of goods or services are denied trademark protection to prevent owner of mark from inhibiting competition in sale of particular goods and to maintain freedom of public to use language involved.

[2] Marks and names subject to ownership -- Descriptive -- In general (▶ 67.5071)

Lanham Act Section 2(e)(1) incorporates common law proscription against merely descriptive marks.

[3] Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

Tests used in determining whether mark is merely descriptive include whether mark describes ingredients, qualities, or characteristics of goods, whether mark conveys information regarding function, or purpose, or use of goods, whether mark describes feature or part of goods, and whether mark conveys information about any properties of goods.

[4] Marks and names subject to ownership -- Descriptive -- Misdescriptive or not descriptive -- In general (▶ 67.5076)

Mark that is generally descriptive is not merely descriptive if it also functions as indication of origin.

[5] In general (▶ 67.01)

Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

Marks and names subject to ownership -- Service marks (▶ 67.525)

Implicit in test that term that immediately conveys immediate idea of ingredients, qualities, or characteristics of goods is merely descriptive, is requirement that descriptiveness

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of mark, when applied to goods or services involved, is to be determined from standpoint of average prospective purchaser; evidence of context in which mark is used on labels, packages, or in advertising material directed to goods is probative of reaction of prospective purchasers to mark; mark primarily functions to indicate single quality control source of goods or services.

[6] Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

Marks and names subject to ownership -- Descriptive -- Particular marks (▶ 67.5081)

"Gasbadge" is merely descriptive of device to determine and monitor personal exposure to gaseous pollutants, as immediately and unequivocally describing purpose and function of goods; speculation that at some future time public will inevitably regard term as name of goods will not be indulged in.

Case History and Disposition

Appeal from Patent and Trademark Office Trademark Trial and Appeal Board; 197 USPQ 547 .

Application for registration of trademark of Abcor Development Corporation, assignee of Abcor, Inc., Serial No. 69,925. From decision refusing registration, applicant appeals. Affirmed; Rich, Judge, with whom Markey, Chief Judge, joins, concurring, with opinion; Baldwin, Judge, concurring, with opinion.

Attorneys

Richard P. Crowley, Boston, Mass., for appellant.

Joseph F. Nakamura (Harry I. Moatz, of counsel) for Commissioner of Patents and Trademarks.

Judge

Before Markey, Chief Judge, Rich, Baldwin, and Miller, Associate Judges, and Ford, * Judge.

* The Honorable Morgan Ford of the United States Customs Court, sitting by designation.

Opinion Text

Opinion By:

Miller, Judge.

This is an appeal from the decision of the Patent and Trademark Office Trademark Trial and Appeal Board ("board"), [1] affirming the examiner's refusal to register appellant's trademark GASBADGE on the principal register as "merely descriptive" within the meaning of section 2(e)(1) of the Lanham Act. [2] We affirm.

[1] Reported at 197 USPQ 547 (1978).

[2] 15 USC 1052(e)(1).

Background

Appellant's application [3] states that the goods for which the mark has been adopted are "Device to determine and monitor personal exposure to gaseous pollutants."

[3] Serial No. 69,925, filed November 24, 1975.

In its opinion, the board, citing Ex parte International Spike, Inc., 190 USPQ 505, 506 (TTAB 1976), said that --

> whether or not a term is merely descriptive in a trademark sense must necessarily be considered in relation to the specific goods for which registration is sought, the context in which it is used on labels, packages, or advertising material directed to these goods, the possible significance of the term in relation to the goods, and the likely reaction thereto of the average purchaser as he encounters the goods in the marketplace.

The board considered appellant's advertising literature, describing the "Walden Gas Monitoring Badge Service" and the badge, [4] and the specimen labels ("Gas Badge" appears within a parallelogram preceeded by "Walden") filed with the application. It found that "[t]he purchasers and prospective purchasers of these goods are obviously aware of the function and characteristics of applicant's badges." After considering the nature of the goods and the context in which the mark was used (particularly the advertising literature), it concluded that GASBADGE "leaves nothing for speculation or conjecture" and that "[t]he term immediately and unequivocally describes the purpose and function of applicant's goods." It, therefore, held that GASBADGE is "merely descriptive" and not registrable.

[4] One item describes the badge as follows:

> The Walden Gas Monitoring Badge provides a means of determining personal exposure to certain gaseous pollutants. A specially-treated element in the badge collects the gas in proportion to the product concentration and time of exposure. By standardizing and recording exposure time, gaseous pollutant determinants can be related to the eight hour time weighted average (T.W.A.) concentration encountered during exposure as required by OSHA.

Citing Stix Products, Inc. v. United Merchants & Manufacturers, Inc., 295

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F.Supp. 479, 487, 160 USPQ 777, 784 (S.D.N.Y. 1968), appellant argues that the proper test for determining mere descriptiveness is whether the mark conveys forthwith an immediate idea of the ingredients, qualities, or characteristics of the goods "to the ultimate consumer, who has never seen the product and does not know what it is." It contends that GASBADGE does not satisfy this test, because: (1) the mark "does not convey any idea of the ingredients, qualities, or characteristics of the goods," i.e., the mark is not descriptive; and (2) the mark does not convey such an idea forthwith and immediately, and examination and study of appellant's literature is required to reach a conclusion regarding the

nature of appellant's goods. Alternatively, appellant contends that, assuming the mark describes the goods, the mark is not "merely descriptive," since considerable thought (over a period of time) is required to arrive at a conclusion regarding the nature of the goods. Appellant also argues that certain third-party registrations [5] were not given full consideration.

[5] The only one found by the board to be material was the service mark NUCLIBADGE for "determining the radiation dosages accumulated by persons exposed to X-rays and nuclear radiations and particles." The service mark GASBADGE for "analysis and reporting of the concentration of vapors and gases to which individuals are exposed" has not been made of record.

The solicitor agrees with the test used by the board and contends that determination of whether a mark is "merely descriptive" requires consideration of the mark as it is applied to the goods, and not in the abstract as proposed by appellant.

Opinion

[1] Marks which are "merely descriptive" of the goods or services have long been denied protection. The Supreme Court, in Beckwith v. Commissioner, 252 U.S. 538, 543 (1920), said that --

> the law would not secure to any person the exclusive use of a trade-mark consisting merely of words descriptive of the qualities, ingredients or characteristics of an article of trade. This for the reason that the function of a trademark is to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied, and words merely descriptive of qualities, ingredients or characteristics, when used alone, do not do this.

The major reasons for not protecting such marks are: (1) to prevent the owner of a mark from inhibiting competition in the sale of particular goods; and (2) to maintain freedom of the public to use the language involved, thus avoiding the possibility of harassing infringement suits by the registrant against others who use the mark when advertising or describing their own products. Armour & Co. v. Organon Inc., 44 CCPA 1010, 1014 and 1016, 245 F.2d 495, 498 and 500, 114 USPQ 334 , 337 and 338 (1957).

[2] The Lanham Act incorporates the common law proscription against "merely descriptive" marks in section 2(e)(1) [6] as follows:

[6] Andrew J. McPortland, Inc. v. Montgomery Ward & Co., 35 CCPA 802, 164 F.2d 603, 76 USPQ 97 (1947), *cert. denied*, 333 U.S. 875, 77 USPQ 676 (1948).

> No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it --
>
> (e) Consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them . . . .

[3] [4] Various tests have been used in determining whether a mark is "merely descriptive." [7] In early cases the Supreme Court [8] considered whether the mark describes the ingredients, qualities, or characteristics of the goods. This court has applied the same test. [9] It has also looked to whether the mark conveys information regarding a function, or purpose, or use of the goods. [10] Other considerations include whether the mark describes a feature or part

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of the goods [11] and whether it conveys information about any properties of the goods. [12] Although a mark may be generally descriptive, if it also functions as an indication of origin, it is not "merely descriptive." [13]

[7] This court has indicated that "merely" means "only." In re Colonial Stores, 55 CCPA 1049, 1053, 394 F.2d 549, 552, 157 USPQ 382, 385 (1968).

[8] For example, Warner & Co. v. Lilly & Co., 265 U.S. 526, 528 (1924); Beckwith v. Commissioner, supra.

[9] Andrew J. McPortland, Inc. v. Montgomery Ward & Co., supra.

[10] In re Reynolds Metals Co., 480 F.2d 902, 178 USPQ 296 (CCPA 1973); In re The Realistic Co., 58 CCPA 1204, 440 F.2d 1393, 169 USPQ 610 (1971); Modern Optics, Inc. v. The Univis Lens Co., 43 CCPA 970, 234 F.2d 504, 110 USPQ 293 (1956); In re W.A. Sheaffer Pen Co., 34 CCPA 771, 158 F.2d 390, 72 USPQ 129 (1946).

[11] Sylvania Elec. Prods., Inc. v. Dura Elec. Lamp Co., 247 F.2d 730, 114 USPQ 434 (CA 3 1957).

[12] See J. Gilson, Trademark Protection and Practice §2.03 at 2-31 (1977); E. Vandenburgh, Trademark Law and Procedure §4.30 (2d ed. 1968).

[13] E. Vandenburg, Trademark Law and Procedure, supra at 91-92.

[5] We note that the Seventh Circuit, in Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 379, 188 USPQ 623,

635, *cert. denied*, 429 U.S. 830, 191 USPQ 416 (1976), quoted A. Seidel, S. Dalroff & E. Gonda, Trademark Law and Practice §406, at 77 (1963), for what it regarded as the best statement of the distinction between a descriptive and suggestive mark:

> "Generally speaking, if the mark imparts information directly, it is descriptive. If it stands for an idea which requires some operation of the imagination to connect it with the goods, it is suggestive."

This is similar to appellant's alternate proposed test. It is also similar to the test approved by the Second Circuit in Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 11, 189 USPQ 759, 765 (CA 2 1976), namely:

> A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of the goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods. [14]

[14] Although citing Stix Prods., Inc. v. United Merchants & Mfrs., Inc., supra at 488, 160 USPQ at 785, it is significant that the Second Circuit did not include the phrase "to one who has never seen it [the product] and does not know what it is," which appears on the preceding page of the Stix opinion and is the essence of appellant's abstract test.

In In re American Society of Clinical Pathologists, 58 CCPA 1240, 1243, 442 F.2d 1404, 1407, 169 USPQ 800, 801 (1971), this court impliedly approved this test by stating that the service mark involved was "merely descriptive," since it "would immediately convey to one seeing or hearing it the thought of appellant's services."

However, implicit in this test is the requirement that descriptiveness of a mark, when applied to the goods or services involved, is to be determined from the standpoint of *the average prospective purchaser.* [15] In re Andes Candies, Inc., 478 F.2d 1264, 178 USPQ 156 (CCPA 1973); In re Automatic Radio Manufacturing, 56 CCPA 817, 404 F.2d 1391, 160 USPQ 233 (1969); Blisscraft of Hollywood v. United Plastics Co., 294 F.2d 694, 699, 131 USPQ 55, 60 (CA 2 1961). See E. Vandenburg, Trademark Law and Procedure, supra note 12, at 92-93. Evidence of the context in which a mark is used on labels, packages, or in advertising material directed to the goods is probative of the reaction of prospective purchasers to the mark. In re American Society of Clinical Pathologists, supra. See In re Thunderbird Products Corp., 56 CCPA 969, 406 F.2d 1389 160 USPQ 730 (1969). To hold otherwise would be to separate the concept of the average prospective purchaser from the world of reality.

[15] The perception of the mark to nonprospective purchasers would be irrelevant, because a mark primarily functions to indicate a single quality control source of the goods or services involved, and this is meaningful only to prospective purchasers or patrons.

Appellant's proposed abstract test is deficient -- not only in denying consideration of evidence of the advertising materials directed to its goods, but in failing to require consideration of its mark "when applied to the goods" as required by the statute.

[6] Considering appellant's trademark GASBADGE when applied to appellant's goods and considering further the record evidence of appellant's advertising materials to which the average prospective purchaser is presumed to have been exposed, which clearly identify the gaseous pollutants collection function of appellant's device and its use in determining personal exposure to such pollutants, leaving nothing for the exercise of imagination when viewing the mark, [16] we agree with the board that the term GASBADGE immediately and unequivocally describes the purpose and function of appellant's goods. [17]

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[16] Conceivably, a "gas badge" could be designed to detect the danger of a gaseous explosion in an area unoccupied by personnel, but such a device is clearly excluded by appellant's advertising.

[17] We note that the board did not rest its decision on the ground that GASBADGE is the shortened form of the *name* GAS MONITORING BADGE. If the board believed that the term was the name for the goods, it would have so held. Also, it is not for this court to indulge in speculation that at some future time the public will inevitably so regard the term. See 15 USC 1064(c).

Accordingly, we hold that GASBADGE is "merely descriptive" for purposes of section 2(e)(1) of the Lanham Act.

The decision of the board is affirmed.

Affirmed.

Concurring Opinion Text

Concurrence By:

Rich, Judge, with whom Markey, Chief Judge, joins concurring.

For all the majority's extensive review and discussion of various "tests," propounded from time to time in various places, for determining §2(e)(1) descriptiveness, the opinion fails to state why I believe GASBADGE is "merely

descriptive" under the statute.

My reasoning is very simple and requires no application of an elusive test. The ultimate in descriptiveness is the *name* of a thing. Weiss Noodle Co. v. Golden Cracknel & Specialty Co., 48 CCPA 1004, 290 F.2d 845, 129 USPQ 411 (1961); In re Cooper, 45 CCPA 923, 254 F.2d 611, 177 USPQ 396 (1958). The description of the goods for which GASBADGE is sought to be registered, set forth as the single item of goods named in the application, is "chemically treated badge to determine and to monitor the amount of personal exposure of an individual to gaseous pollutants." This, of course, is a wordy explanation which does not qualify as a *name* in the usual sense of the word. So, what is the name of this article? Appellant's own descriptive literature of record in the PTO provides the answer. The name is "Gas Monitoring Badge." This may be regarded as the *full* name. However, the users of language have a universal habit of shortening full names -- from haste or laziness or just economy of words. Examples are: automobile to auto, telephone to phone, necktie to tie, gasoline service station to gas station. I regard it as *inevitable* that a gas monitoring badge will be called a gas badge as the name of the goods to the same extent as gas monitoring badge is the name and for that reason, and without application of some textwriter's "test," deduced from some case having dissimilar facts, I find it "merely descriptive."

Appellant's brief, I note, never comes to grips with this realistic analysis and seems pointedly to avoid discussion of the name of the object to which the mark is applied. The argument is devoted mostly to discussion of other cases which, we have repeatedly said, are of very little value in solving trademark registration problems.

Furthermore, nearly a half century of dealing with trademark problems persuades me that "descriptiveness," "mere" or otherwise, is a many-faceted question which must be decided on a case-by-case basis. I do not believe it is possible to devise any universally applicable test for determining the multifarious problems which arise under §2(e) and (f). I note particularly that there is a big difference between a case involving the name of a thing and a case involving a mark which describes or suggests some function, ingredient, quality, or characteristic of the thing. We have here a name problem and I see no point in discussing cases of other types, which are without value as precedents, or other unhelpful generalities. It is not the function of an opinion to write a treatise but to explain why an issue is decided as it is.

The majority does not appear to read the board opinion as I do. (See footnote 17.) While the board did not use the word "name" in its opinion, it used its equivalent -- "appellation." It noted that the specimen labels "display the notation 'WALDEN' and the notation 'GASBADGE'" and then it immediately pointed out that the labels contain "no generic appellation for the goods * * *." To me that is equivalent to saying that GASBADGE is the *only* "appellation" appearing on the labels, especially when taken with the balance of the opinion which points out that the article is a *badge* and that it monitors gas. I think it is not speculating to say that the present name of the article is "gasbadge" and I think I am not departing from the board's ground of refusal just because the board chose to say the mark is "merely descriptive." All names of articles are just that and always within the proscription of §2(e)(1).

The board also said in its conclusion, "'GASBADGE' leaves nothing for speculation or conjecture. The term immediately and unequivocally describes the purpose and function of appellant's goods." That is what *names* do. They tell you what the thing *is*. I am sure the board believed GASBADGE to be a name -- in fact, a "generic" name in the sense in which trademark lawyers use that term.

Concurring Opinion Text

Concurrence By:

Baldwin, Judge, concurring.

I agree with both the analysis and result reached in the majority opinion, and accordingly join therewith.

It appears to me that the mark for which registration is sought not only describes the purpose and function of appellant's goods, but *is* also the name of the goods.

- End of Case -

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202 USPQ 333
The Vision Center v. Opticks, Inc., et al.
U.S. Court of Appeals Fifth Circuit

No. 78-2867

Decided May 23, 1979

596 F2d 111

Headnotes

TRADEMARKS

[1] Evidence -- Weight and credibility (▶ 36.40)

Absent evidence to contrary, federal district court should have accepted accused infringer's assertion that all of its advertising in plaintiff's market area will employ words "Pearle Vision Center" and that it will not use plaintiff's trade name, "Vision Center," without identifying prefix.

UNFAIR COMPETITION

[2] Courts of Appeals -- Weight given findings of District Court -- Trademark and unfair competition cases (▶ 29.357)

Injunction -- Preliminary injunction (▶ 40.5)

Injunction -- Unfair competition (▶ 40.9)

Trade name infringement case does not require different standard for appellate review of granting of preliminary injunction.

TRADEMARKS

[3] Defenses -- Trademark cases (▶ 30.20)

Jurisdiction of courts -- Trademarks (▶ 43.55)

Pleading and practice in courts -- State law considered (▶ 53.73)

Infringement -- In general (▶ 67.431)

Fact that Lanham Act registration may be defense to state trade name infringement claim affords no basis for original federal question jurisdiction; federal registration is no defense as to prior user in its market area; Fifth Circuit employs relevant federal decisions in state trade name infringement action except where difference is discerned between local and general law on subject.

TRADEMARKS

[4] Pleading and practice in courts -- State law considered (▶ 53.73)

Cancellation -- In general (▶ 67.171)

Registration -- Foreign and state registration (▶ 67.749)

UNFAIR COMPETITION

Names -- Corporation and company name (▶ 68.707)

Louisiana law defines trade name as any word, name, symbol, device, or combination of them, used by person to identify his business, vocation, or occupation and distinguish it from those of others; mere registration of trade name does not grant registrant any substantive rights but confers only procedural advantages; although secretary

of state's decision regarding registerability or protectability of particular mark is persuasive, it is not binding on court; Louisiana trademark statute specifically authorizes courts to order cancellation of registered mark when they deem registration to have been improvidently granted.

UNFAIR COMPETITION

[5] Names -- Corporation and company name (▶ 68.707)

Threshold question in trade name infringement action is whether word or phrase was initially registerable or protectable; trade name is generally classified as being either generic, descriptive, suggestive, or arbitrary or fanciful.

TRADEMARKS

[6] Marks and names subject to ownership -- Descriptive -- In general (▶ 67.5071)

Marks and names subject to ownership -- Suggestive (▶ 67.528)

Generic term is name of particular genus or class of which individual article or service is but a member; descriptive term identifies characteristic or quality of article or service and may become valid trade name if it acquires secondary meaning; suggestive term suggests, rather than describes, characteristic of goods or services, requires consumers' imagination to be understood as descriptive, and needs no proof of secondary meaning to receive trade name protection; arbitrary or fanciful term bears no relationship to product or service and is protectable without proof of secondary meaning.

UNFAIR COMPETITION

[7] Names -- Descriptive (▶ 68.709)

Names -- Particular names (▶ 68.717)

"Vision Center" is descriptive of clinic providing optical goods and services.

TRADEMARKS

[8] Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

UNFAIR COMPETITION

Names -- Descriptive (▶ 68.709)

Concept of descriptiveness must be construed rather broadly; word or phrase that naturally attracts attention to qualities, characteristics, effect, or purpose of product or services, is descriptive and cannot be claimed as exclusive trade name.

UNFAIR COMPETITION

[9] Names -- In general (▶ 68.701)

Names -- Descriptive (▶ 68.709)

Names -- Particular names (▶ 68.717)

Common, ordinary words can be combined in novel or unique way and achieve degree of protection denied to words used separately; examining trade name's individual words entails risk that their distinctiveness in combination will be overlooked; "vision" and "center," whether examined together or separately, lack inventiveness and imagination characteristic of suggestive trade names.

TRADEMARKS

[10] Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

Extent to which particular name has been used in trade names of others offering similar services or product is another barometer of its descriptiveness; fact that "vision center" is not the only or most common name for optical goods store is not determinative, for there is no legal foundation that product has only one common

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descriptive name; absence of word or expression from dictionaries is not controlling on question of registerability; finding that trade name is descriptive is not precluded by fact that it is used only by one user in its market area.

[11] Marks and names subject to ownership -- Descriptive -- In general (▶ 67.5071)

Marks and names subject to ownership -- Secondary meaning (▶ 67.523)

Practical significance of distinction between descriptive and generic terms is that proof of secondary meaning will not elevate generic term to trademark status.

TRADEMARKS

[12] Injunction -- Trademarks (▶ 40.7)

UNFAIR COMPETITION

Injunction -- Unfair competition (▶ 40.9)

Under Louisiana law, mark's owner depending on secondary meaning of its mark must prove fraud or unfair competition by accused infringer, to obtain injunctive relief; this unorthodox construction results in practical elimination of generic/descriptive dichotomy, since owner of neither mark may rely solely on secondary meaning to obtain trade name protection.

TRADEMARKS

[13] Cancellation -- In general (▶ 67.171)

Cancellation -- Pleading and practice -- In general (▶ 67.1811)

Marks and names subject to ownership -- Descriptive -- Misdescriptive or not descriptive -- Particular marks (▶ 67.5078)

15 U.S.C. 1064 provides that mark may be cancelled at any time if it becomes common descriptive name of item, i.e., becomes generic, and court would not need registrant's permission to cancel its mark; "vision center" is not generic term.

TRADEMARKS

[14] Pleading and practice in courts -- Burden of proof -- Validity (▶ 53.138)

Marks and names subject to ownership -- Descriptive -- In general (▶ 67.5071)

Marks and names subject to ownership -- Secondary meaning (▶ 67.523)

UNFAIR COMPETITION

Names -- Descriptive (▶ 68.709)

Descriptive term must be refused trade name protection unless it has acquired secondary meaning; secondary meaning entitled to protection must have become primary meaning to consumers; to establish secondary meaning, mark's owner must show that primary significance of term in minds of consuming public is the producer and not the product; burden of proof rests at all times with mark's owner, and high degree of proof is necessary to establish secondary meaning for descriptive term.

UNFAIR COMPETITION

[15] Names -- Corporation and company name (▶ 68.707)

Use by accused infringer of identifying prefix "Pearle" in front of "Vision Center" is legally sufficient under Louisiana law to distinguish its business from that of prior user of "Vision Center," and necessary to prevent unfair competition.

TRADEMARKS

[16] Marks and names subject to ownership -- Secondary meaning (▶ 67.523)

Chief inquiry in assessing claim of secondary meaning is attitude of consumer toward mark, and whether it denotes to consumer single thing coming from single source; short of a survey, this is difficult of direct proof.

[17] Marks and names subject to ownership -- Secondary meaning (▶ 67.523)

Claims of secondary meaning cannot be predicated solely upon continued use of mark for many years.

[18] Registration -- Effect (▶ 67.747)

Statutory presumption of validity accorded marks registered under Lanham Act is rebuttable and may be overcome

by establishing generic or descriptive nature of mark.

Case History and Disposition

Appeal from District Court for Eastern District of Louisiana, Cassibry, J.; 202 USPQ 109 .

Action by The Vision Center, against Opticks, Inc., Will Ross, Inc., and G. D. Searle & Co., for trade name infringement and unfair competition. From order granting preliminary injunction, defendants appeal. Reversed.

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Attorneys

Harry S. Hardin, III, Ewell E. Eagan, Jr., and Jones, Walker, Weachter, Poitevent, Carrere & Denegre, all of New Orleans, La., for appellants.

William W. Messersmith, III, Lloyd N. Shields, and Deutsch, Kerrigan & Stiles, all of New Orleans, La., for appellee.

Judge

Before Thornberry, Ainsworth, and Morgan, Circuit Judges.

Opinion Text

Opinion By:

Morgan, Circuit Judge.

This is an expedited appeal from an order of the district court granting a preliminary injunction which prevents Opticks, Inc., [1] a Texas corporation, from using the trade name "Pearle Vision Center" in the New Orleans market area. The Vision Center, [2] a Louisiana partnership, claimed that Opticks' proposed use of the words "vision" and "center" constituted trade name infringement and unfair competition. The action was originally filed in state court and was removed to federal court on the basis of diversity jurisdiction. The district court [3] found that the name "vision center" was either suggestive of the partnership's services or, if descriptive, had acquired a secondary meaning. Moreover, the court concluded that Opticks' conduct was tantamount to fraud. Opticks insists that these findings are clearly erroneous and argues that the district court erred in granting a preliminary injunction affording trade name protection to the phrase "vision center." We agree and therefore reverse the district court.

[1] Both Opticks, Inc. and Will Ross, Inc. are subsidiaries of G. D. Searle & Co., a Delaware corporation with its principal place of business in Skokie, Illinois. Although all three corporate entities are appellants in this action, we will refer to them collectively as "Opticks."

[2] Because this appeal involves a construction of the words "vision center," we will, in an effort to forestall possible confusion, avoid calling plaintiff "The Vision Center" but will refer to it as the "partnership."

[3] The court's decision granting plaintiff's motion for a preliminary injunction is reported at 461 F.Supp. 835, 202 USPQ 109 .

I.

The phrase "vision center" was first used in the New Orleans area in 1955 when Dr. Ellis Pailet, a New Orleans optometrist, adopted it as the name of his sole proprietorship. Subsequently, Dr. Pailet hired additional optometrists and in 1967 formed a partnership which continued, without interruption, to use "The Vision Center" name. That partnership is the plaintiff in this action. The partnership has six locations in the New Orleans area, all operating under the name "The Vision Center."

Dr. Pailet first registered the trade name with the Secretary of State of Louisiana under the Louisiana Trademark Law on April 19, 1955. [4] That registration was renewed in March 1965 and again in February 1975. Over the years, the partnership engaged in the limited advertising permitted under the ethics of the optometric profession and, with a change in the law in 1978, began media advertising in newspapers, magazines, and on the radio.

[4] La.R.S. 51:211 et seq. At present, no one in the New Orleans market area uses the combination of words "vision" and "center." On three separate occasions the partnership persuaded other optical firms planning to use these words to change their trade names to some other name. No legal action was necessary on any of these occasions.

In 1969, Opticks acquired a New York Company which had dispensed optical goods and services since 1952 under the name "Vision Center." Opticks then began to operate similar stores using this name and, at present, operates a national chain of retail outlets for optical services and goods under the trade names "Vision Center," "Pearle Vision Center," "Rogers Vision Center," and "Hillman-Kohan Vision Center." On July 28, 1970, Will Ross, Inc. registered the words "vision center" as both a service mark and a trademark on the principal register of the U.S. Patent Office. Will Ross later assigned its rights in these marks to Opticks.

[1] During 1977 Opticks formulated a plan to open three outlets in the New Orleans area under the name "Pearle

Vision Center." [5] Opticks planned to identify its stores by a large green exterior sign showing the words "Pearle Vision Center" in large white letters, with "Pearle" being the largest word. In promoting its new stores, Opticks also planned to use its national advertising program and materials, including television and radio commercials, newspaper advertisements, and direct mail flyers. Although a percentage of Opticks' consumer-oriented advertising materials used in other parts of the country employs the words "Vision Center," without an identifying prefix, the advertising slated for use in New Orleans always used the words

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"Pearle Vision Center." [6] The partnership brought suit, and on August 25, 1978, the district court entered a preliminary injunction enjoining Opticks from using any combination of the words "vision" and "center" in the New Orleans area.

[5] Opticks was aware of the existence of "The Vision Center" and, at one point, initiated negotiations to purchase the partnership. The partners considered Opticks' offer but declined to sell.

[6] The district court found that Opticks had used the words "Vision Center" on certain of its eyeglass cases and had exhibited no intention to abandon such use. The record indicates, however, that the partnership obtained the eyeglass case introduced as an exhibit from Opticks' Biloxi, Mississippi store, and the partnership offered no proof that any materials without the identifying prefix "Pearle" would be used in New Orleans. Absent evidence to the contrary, the district court should have accepted Opticks' assertion that all of its New Orleans advertising will employ the words "Pearle Vision Center" and that it will not use the words "Vision Center" without the identifying prefix.

II.

[2] The granting or denying of a preliminary injunction rests in the sound discretion of the district court, and its decision will be overturned only for abuse. Johnson v. Radford, 449 F.2d 115 (5th Cir. 1971). A preliminary injunction is an extraordinary remedy, however, and the boundaries within which the district court must exercise its discretion are clearly marked. State of Texas v. Seatrain International, S.A., 518 F.2d 175 (5th Cir. 1975); Canal Authority v. Callaway, 489 F.2d 567 (5th Cir. 1974). The district court should issue the injunction only if the moving party clearly satisfies what we have recognized as the four prerequisites to such relief. [7] These are: (1) a substantial likelihood that the movant will ultimately prevail on the merits; (2) a showing that the movant will suffer irreparable injury unless the injunction issues; (3) proof that the threatened injury to the movant outweighs whatever damage the proposed injunction may cause the opposing party; and (4) a showing that the injunction, if issued, would not be adverse to the public interest. Seatrain, supra, 518 F.2d at 179, and cases cited therein. The remedy should not be granted unless the movant carries the burden of persuasion concerning all four of these criteria.

[7] The partnership contends that the standard for appellate review of the granting of a preliminary injunction recognized in our opinions is inapplicable in a trade name case. We disagree. In Compact Van Equipment Co. v. Leggett & Platt, Inc., 566 F.2d 952, 196 USPQ 721 (5th Cir. 1978), a patent infringement and unfair competition case, we examined the district court's granting of a preliminary injunction in the light of these four prerequisites. A trade name infringement case does not require a different standard. See, e.g., Scientific Applications, Inc. v. Energy Conservation Corp., 436 F.Supp. 354, 195 USPQ 379 (N.D. Ga.1977).

[3] Because removal to federal court was premised entirely upon diversity of citizenship, we look to state substantive law in assessing the merits of both the trade name infringement and unfair competition claims. The fact that Opticks' Lanham Act registration may be a defense to a state trade name infringement claim affords no basis for original federal question jurisdiction. [8] Gully v. First Nat'l Bank, 299 U.S. 109, (1936); La Chemise Lacoste v. Alligator Co., 506 F.2d 339, 184 USPQ 321 (3rd Cir. 1974). Although we apply Louisiana law, we note that both parties have relied on federal precedents as announcing generally accepted principles of substantive trademark law. Except where we discern a difference between local law and the general law on the subject, we will also employ relevant federal decisions. See Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 113 n. 1, 39 USPQ 296 , 297 n. 1 (1938).

[8] It is clear that Opticks' federal registration is not a defense in this case since, as the district court found, the partnership was a prior user of the term "Vision Center" in the New Orleans market area. See Burger King v. Hoots, 403 F.2d 904 (7th Cir. 1968).

III.

[4] [5] The threshold question in any trade name infringement action is whether the word or phrase was initially registerable or protectable. [9] American Heritage Life Ins. Co. v. Heritage Life Ins. Co., 494 F.2d 3, 10, 182 USPQ 77, 81-82 (5th Cir. 1974). To assist in making this determination, the

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courts have traditionally divided the universe of potential trade names into various categories of legal protectability. A trade name is generally classified as being either (1) generic, (2) descriptive, (3) suggestive, or (4) arbitrary or fanciful. [10] Miller Brewing Co. v. G. Heileman Brewing Co., 561 F.2d 75, 79, 195 USPQ 281, 284-285 (7th Cir. 1977), *cert denied*, 434 U.S. 1025, 196 USPQ 592 (1978); Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9, 189 USPQ 759, 764 (2d Cir. 1976); American Heritage, supra, 494 F.2d at 11, 182 USPQ at 82-83. Although these categories are meant to be mutually exclusive, they are spectrum-like and tend to merge imperceptibly from one to

another. For this reason, they are difficult to define and, quite frequently, difficult to apply. Miller Brewing Co. v. G. Heileman Brewing Co., supra, 561 F.2d at 79, 195 USPQ at 284-285.

[9] Louisiana law defines a trade name to be "a word, name, symbol, device or any combination thereof used by a person to identify his business, vocation or occupation and distinguish it from the business, vocation, or occupation of others." La.R.S. 51:211. The mere registration of a trade name does not grant the registrant any substantive rights but confers only procedural advantages. Buyers & Traders Service, Inc. v. Car Maintenance Specialists, 290 So.2d 753 (La.App.1974); Gallo v. Safeway Brake Shops, 140 So.2d 912 (La.App. 1962). Although the Secretary of State's decision regarding the registerability or protectability of a particular mark is persuasive, his determination is not conclusive or binding on this court. Couhig's Pestaway Co. v. Pestaway, Inc., 278 So.2d 519, 179 USPQ 112 (La.App.1973). The Louisiana trademark statute specifically authorizes the courts to order cancellation of a registered mark when they deem that registration to have been improvidently granted. La.R.S. 51:219.

[10] Although no Louisiana case has employed this precise classification scheme, both the district court below and the parties here utilized it in analyzing this case. For this reason, and because we do not think the Louisiana courts would question the usefulness of the categories or reject the parties' reliance on them, we adopt the classification scheme as an aid in measuring the legal protectability of the "vision center" name.

[6] A generic term is the name of a particular genus or class of which an individual article or service is but a member. Most courts hold that a generic term is incapable of achieving trade name protection. A descriptive term [11] identifies a characteristic or quality of an article or service and, though ordinarily not protectable, may become a valid trade name if it acquires a secondary meaning. A suggestive term suggests, rather than describes, a characteristic of the goods or services and requires an effort of the imagination by the consumer in order to be understood as descriptive. General Shoe Corp. v. Rosen, 111 F.2d 95, 98, 45 USPQ 196, 198-199 (4th Cir. 1940). A suggestive term requires no proof of secondary meaning in order to receive trade name protection. An arbitrary or fanciful term bears no relationship to the product or service and is also protectable without proof of secondary meaning.

[11] "The dictionary definition of the word is an appropriate and relevant indication of the ordinary significance and meaning of words' to the public." American Heritage Life Ins. Co. v. Heritage Life Ins. Co., supra, 494 F.2d at 11, 182 USPQ at 82-83.

[7] The partnership urges, and the district court found, that "The Vision Center" name is suggestive and therefore entitled to full trade name protection without proof of secondary meaning. We are convinced, however, that the trade name "Vision Center" is descriptive [12] of a clinic providing optical goods and services, and we hold that the partnership has failed to prove secondary meaning as required under Louisiana law. For these reasons, we reverse.

[12] We note that the word has been utilized in the trade name of another optical store in New Orleans, the Vision Plaza.

[8] We begin with the proposition that "[t]he concept of descriptiveness must be construed rather broadly" 3R. Callman, The Law of Unfair Competition, Trademarks and Monopolies, §70.2 (3d ed. 1969). Whenever a word or phrase naturally directs attention to the qualities, characteristics, effect, or purpose of the product or service, it is descriptive and cannot be claimed as an exclusive trade name. Id. at §71.1. Webster's Third New International Dictionary (1964) [13] defines the word "vision" as

[13] E. g., Royal Vision Center, Chicago Vision Center, Vision Center and Optical Clinic of Baton Rouge, Visition Center Opticians, Professional Vision Center, Vision Center of South Boston, Vision Center at Harvard Square, Plymouth Vision Center, Konrad Vision Center, Total Vision Center, Belmont Vision Center, Livonia-Mall Vision Center, V.I.P. Vision Center, American Vision Center, United Vision Center, 20/20 Vision Center, Plain Vision Center and Harvey Rubin Vision Center.

> the act or power of seeing; visual sensation or the capacity for it.

The word "center" means

> a concentration of requisite facilities for an activity, pursuit, or interest along with various adjunct conveniences [e. g. shopping center, medical center, amusement center].

Used in combination, the words imply a place where there is a concentration of requisite facilities relating to the power of seeing or the capacity for it. Because the name does not require "imagination, thought and perception to reach a conclusion as to the nature of the goods" or services, it cannot be considered a suggestive term. Stix Products, Inc. v. United Merchants & Mfrs., Inc., 295 F.Supp. 479, 488, 160 USPQ 777, 785 (S.D.N.Y.1968).

Another test used by the courts to distinguish between descriptive and suggestive marks is "whether competitors would be likely to need the terms used in the trademark in describing their products."

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Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366, 379, 188 USPQ 623, 635 (7th Cir. 1976). We agree with Opticks that the word "vision" is virtually indispensable to the vocabulary of the optical goods industry. [14] This word,

along with such common nouns as eye, sight, and optics, naturally occurs to one in thinking of the goods and services provided by the parties. Similarly, the word "center" is a common term found useful by a variety of commercial enterprises.

[14] The descriptive nature of this term is, of course, beyond peradventure.

[9] We are, of course, aware that common, ordinary words can be combined in a novel or unique way and thereby achieve a degree of protection denied to the words when used separately. Although examining a trade name's individual words in isolation entails the risk that the distinctiveness of the words in combination will be overlooked, we are not guilty of such an oversight here. Rather, whether the words "vision" and "center" are examined together or separately, we are convinced that they lack the quality of inventiveness and imaginativeness characteristic of suggestive trade names.

[10] Yet another barometer of the descriptiveness vel non of a particular name is the extent to which it has been used in the trade names of others offering a similar service or product. Shoe Corp. of America v. Juvenile Shoe Corp., 266 F.2d 793, 796, 121 USPQ 510, 512-513 (C.C.P.A.1959). As the record reveals, the name "vision center" has been adopted by a large number of optical stores in other parts of the nation. [15] That the partnership is the only one to use the term in New Orleans does not preclude us from finding that its name is descriptive.

[15] As evidence that its chosen trade name is distinctive and not generic or descriptive, the partnership points out that a patient in need of eye care is unlikely to say or think, "I am going to my vision center." This reasoning is unacceptable. Few consumers would call a grocery store a "food center" or a pharmacy a "drug center," yet these names have been held descriptive of the establishment's identity. Thus, the fact that "vision center" is not the only or most common name for an optical goods store is not determinative, for "there is no legal foundation that a product has only one common descriptive name." Roselux Chemical Co. v. Parsons Ammonia Co., 299 F.2d 855, 132 USPQ 627 (C.C.P.A.1962). Also, "the absence of a word or expression from dictionaries is not controlling on the question of registerability." In re Cooper, 196 USPQ 182 (1977).

A number of federal and state cases construing similar trade names are consistent with our decision. In Car Care, Inc. v. D. H. Holmes Co., 160 So.2d 272 (La.App.1964), a Louisiana case, plaintiff sought to enjoin the defendant's use of the name "D. H. Holmes Car Care Center" as an infringement of its name, "Car Care Center." The court concluded that the words "car care" were descriptive of the automobile maintenance business and therefore incapable of exclusive appropriation. In Surgicenters of America, Inc. v. Medical Dental Surgeries Co., 196 USPQ 121 (D.Or.1976), plaintiff claimed that the defendant's use of the name "Medical Dental Surgicenter" infringed its federally registered mark, "Surgicenter." The court disagreed and held that "Surgicenter" was a generic term which should not be given trade name protection. See also In re Executone Inc., 191 USPQ 57 (C.C.P.A.1976) ("Nerve Center"); Johnson & Johnson v. Saxton Adhesive Products, Inc., 185 USPQ 245 (C.C.P.A.1974) ("Tape Center"); Allens Drug Co. v. Henry B. Gilpen Co., 180 USPQ 327 (C.C.P.A.1973) (Drug Center"); Houston v. Berde, 211 Minn. 528, 2 N.W.2d 9, 52 USPQ 270 (1942) ("Food Center").

[11] [12] [13] The partnership questions the applicability of these cases and attempts to distinguish them on the ground that, unlike here, their identifying words describe the goods or services provided by their respective establishments. In order to more precisely identify the service provided by an optical store, the partnership's name should read "Vision Care Center." [16] While this may be regarded as the full name of such an

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establishment, to pretend that the abbreviated name "Vision Center" cannot substitute in its stead ignores our "universal habit of shortening full names -- from haste or laziness or just economy of words." Application of Abcor Development Corp., 588 F.2d 811, 200 USPQ 215 (C.C.P.A.1978) (Rich, J., concurring). It simply does not require an effort of the imagination to decide that a "vision center" is a place where one can get glasses. Consequently, we find either name to be descriptive of the service provided by a business that deals in optical goods. [17]

[16] Some courts see little difference between the generic and the descriptive categories and tend to meld the two concepts into one. American Heritage Life Ins. Co. v. Heritage Life Ins. Co., supra, 494 F.2d at 11, 182 USPQ at 82-83; but see Aloe Creme Laboratories, Inc. v. Milsan, 423 F.2d 845, 849, 165 USPQ 37, 40-41 (5th Cir.), *cert. denied*, 398 U.S. 928, 165 USPQ 609 (1970). As one commentator has noted, the distinction between descriptive and generic terms is necessarily one of degree.R. Callman, The Law of Unfair Competition, supra, §70.4. The practical significance of the distinction is seen in the courts' refusal to allow proof of secondary meaning to elevate generic, as opposed to descriptive, terms to trademark status. As noted below, however, under Louisiana law a plaintiff depending on the secondary meaning of his mark must prove fraud or unfair competition before the court will enjoin the defendant's use. This unorthodox construction results in the practical elimination of the generic/descriptive dichotomy, since neither the owner of the generic mark nor the owner of the descriptive mark may rely solely on secondary meaning to achieve trade name protection.

[17] We are unable to agree with Opticks that the phrase "vision center" is a generic term. Although the phrase is descriptive of a business that deals in optical goods, we do not think that it has become a common, recognized name of such establishments. In connection with this litigation, Opticks has offered to have its federal registrations cancelled if we will find that these words are generic. While this court is neither disposed nor authorized to bargain with legal rights, we note that in reality Opticks has provided us with no quid pro quo in this case. Under the Lanham

Act, if a registered mark becomes the "common descriptive name" of an item (i. e., becomes generic) it may be cancelled at any time. 15 U.S.C. §1064. Therefore, if we were to find that the phrase is generic we would not need Opticks' permission to cancel its mark.

IV.

[14] The case law uniformly requires that we refuse trade name protection to a descriptive term unless it has acquired a secondary meaning. [18] In order to establish secondary meaning the plaintiff "must show that the primary significance of the term in the minds of the consuming public is not the product but the producer." Kellogg Co. v. National Biscuit Co. 305 U.S. 111, 118, 39 USPQ 296, 299 (1938). The burden of proof rests at all times with the plaintiff, and "[a] high degree of proof is necessary to establish secondary meaning for a descriptive term."R. Callman, The Law of Unfair Competition, supra, §77.3 at 359; American Heritage, supra, 494 F.2d at 12, 182 USPQ at 83.

[18] "The terms, primary and secondary, may be somewhat misleading since a secondary meaning entitled to protection must have become the primary meaning to the consumer." Aloe Creme Laboratories, Inc. v. Milsan, Inc., supra, 423 F.2d at 848 n.9, 165 USPQ at 39 n.9.

Most courts hold that once the plaintiff establishes secondary meaning he need only show a likelihood of confusion in order to enjoin an infringing use. E. g., Aloe Creme Laboratories, Inc. v. Milsan, Inc., 423 F.2d 845, 165 USPQ 37 (5th Cir. 1970);R. Callman, The Law of Unfair Competition, supra, §77.1. The Louisiana courts, however, continue to hold that the plaintiff who depends on secondary meaning for his trade name cannot obtain injunctive relief unless he proves fraud or unfair competition on the part of the defendant. Home Beverage Service v. Baas, 210 La. 873, 28 So.2d 481, 484 (1946); Straus Frank Co. v. Brown, 246 La. 999, 169 So.2d 77, 144 USPQ 164 (1964); Couhig's Pestaway Co. v. Pestaway, Inc., 278 So.2d 519, 179 USPQ 112 (La.App.1973). Under this rule, the law of unfair competition effectively swallows up the secondary meaning doctrine. Although Callman expressly disapproves of the Louisiana case law and considers it erroneous, we are not at liberty to do so. [19]

[19] 19R. Callman, The Law of Unfair Competition, supra, §77.1. The Louisiana courts are not unaware of the controversy surrounding the requirement that the plaintiff who relies on secondary meaning prove fraud. See Straus Frank Co. v. Brown, 246 La. 999, 109 So.2d 77, 144 USPQ 164 (1964).

[15] The partnership, however, relies on the district court's finding that Opticks' conduct amounted to or was at least tantamount to fraud. The Louisiana courts have "always been reluctant to presume fraud." Straus Frank Co. v. Brown, supra, 169 So.2d at 80, 144 USPQ at 167. In the Straus Frank case the plaintiff, operating under the trade name "Lake Auto Parts," sued to enjoin the defendant from using the name "Lake Auto Supply." The court observed:

> One other charge leveled at defendant is that he knew of plaintiff's trade name and by adopting a similar one it may be inferred his motive was fraudulent. But we are not convinced of this. To the contrary, aside from the words "Auto Supply" which describes his business, we feel defendant was motivated by the geographical location in the selection of the name Lake Auto Supply, situated as the business is in the town of Lake Arthur which lies on the shores of Lake Arthur.

169 So.2d at 81, 144 USPQ at 167. Having used the "vision center" trade name for many years in connection with its network of similar stores and its national advertising campaign, Opticks has a significant investment in the name. It was predictable that Opticks would choose to use the name "Pearle Vision Center" in New Orleans. The emphasis placed on the word "Pearle" [20]

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further absolves Opticks from any charge of deception or unfair competition, and under Louisiana law the addition of this identifying prefix is legally sufficient to distinguish Opticks' business from the partnership's. [21] Home Beverage Service v. Baas, supra; Couhig's Pestaway Co. v. Pestaway, Inc., 278 So.2d 519, 179 USPQ 112 (La.App.1973). We are convinced that the district court's finding of fraud was incorrect.

[20] Although we hold that Opticks is free to use the words "vision center" in New Orleans, the corporation is obligated "to identify its product lest it be mistaken for that of the plaintiff." Kellogg Co. v. National Biscuit Co., 305 U.S. at 120, 39 USPQ at 297-298. Opticks, therefore, must honor its pledge to place the identifying prefix "Pearle" in front of the phase "Vision Center" on all its signs and advertisements in the New Orleans area.

[21] The prefix is not only legally sufficient but is legally necessary in order to distinguish Opticks' business and prevent unfair competition. For this reason, Opticks should desist from listing its establishment in the telephone directory under the heading "Vision Center Pearle -- See Pearle Vision Center." See Home Beverage Service v. Baas, supra, 28 So.2d at 486, where the court, in finding no likelihood of confusion between plaintiff's Home Beverage Service name and defendant's Victory Home Beverage Service name, noted that the defendant listed its name only under the letter "V" in the telephone directory and not under the letter "H."

As the above discussion indicates, even if we were to concede that the partnership's name had acquired a secondary meaning we could not prevent the fair use of the descriptive term "vision center." Home Beverage Service v. Baas,

supra. We are convinced, however, that the partnership failed to shoulder the substantial evidentiary burden necessary to establish the secondary meaning of this descriptive name.

[16] In assessing a claim of secondary meaning,

> the chief inquiry is the attitude of the consumer toward the mark; does it denote to him a, "single thing coming from a single source"? Short of a survey, this is difficult of direct proof.

Aloe Creme Laboratories, Inc. v. Milsan, Inc., supra, 423 F.2d at 849, 165 USPQ at 40-41. The partnership presented no evidence involving an objective survey of the public's perception of its name. Instead, the only evidence offered to show secondary meaning was the testimony of seven of the partnership's customers that "Vision Center" meant the partnership's business to them, testimony that the partnership had occasionally received mail addressed to other establishments that had "vision" in their name, and evidence that a customer of one of Opticks' stores in another city believed the partnership and Opticks were associated.

[17] We think this evidence falls short of establishing that in the minds of the consuming public the primary significance of the term "vision center" is "not the product but the producer." Additionally, the recognition of the partnership's long use of the term does not require a different result since the "courts have summarily rejected claims of secondary meaning predicated solely upon the continued use of the mark for many years." [22] R. Callman, The Law of Unfair Competition, supra §77.3.

[22] The partnership has used the "Vision Center" name in New Orleans for over 20 years. During most of this period, however, it was precluded by the ethics of the profession from engaging in media advertising. Although extensive advertising would not have assured the partnership's success, this circumstance no doubt significantly affected its efforts to develop a secondary meaning for its name.

V.

We now address, perhaps somewhat belatedly, the partnership's assertion that Opticks' federal registration of the words "vision center" is prima facie evidence that the name is distinctive and not generic or descriptive. The partnership finds itself in the unusual posture of asserting the validity of Opticks' federal registration, while Opticks, instead of seeking to defend its mark, challenges its initial registerability or protectability. Assuming arguendo that the prima facie evidence provision of the Lanham Act was designed to benefit the partnership in this case, we nevertheless adhere to our conclusion that the "vision center" name is merely descriptive.

[18] Although a statutory presumption of validity is accorded to marks registered under the Lanham Act, 15 U.S.C. §§1057(b), 1115(a), this presumption is rebuttable and may be overcome by establishing the generic or descriptive nature of the mark. Flexitized, Inc. v. National Flexitized Corp., 335 F.2d 774, 779, 142 USPQ 334 (2d Cir. 1964), *cert. denied*, 380 U.S. 913, 144 USPQ 780 (1965). The partnership maintains that Opticks failed to show that the name is descriptive. We disagree. Our previous discussion indicates that in this case Opticks has *argued* persuasively, not merely with equal force, that the partnership's name is a term descriptive of the products and services provided by an optical store. Aluminum Fabricating Co. v. Season-All Window Corp., 259 F.2d 314, 316, 119 USPQ 61 (2d Cir. 1958); Scientific Applications, Inc. v.

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Energy Conservation Corp., 436 F.Supp. 354, 360, 195 USPQ 379, 384-385 (N.D.Ga. 1977). The weight of these arguments is more than sufficient to rebut the prima facie presumption that the name is suggestive rather than merely descriptive.

VI.

Because the partnership has not shown a substantial likelihood that it would ultimately prevail on the merits, it is not entitled to the extraordinary relief of a preliminary injunction. We find it unnecessary to engage in a discussion of the other three criteria, except to note that the partnership has also not shown that the injury it will suffer by denying the injunction outweighs the damage that Opticks will suffer if the injunction is granted.

We reverse the district court and remand with instructions that the court dissolve the preliminary injunction and issue an order requiring Opticks to place the identifying prefix "Pearle" before the phrase "Vision Center" on all its signs and advertisements in the New Orleans area.

Reversed and Remanded.

- End of Case -

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205 USPQ 505
In re Quik-Print Copy Shop, Inc.
U.S. Court of Customs and Patent Appeals

No. 79-613

Decided March 13, 1980

616 F2d 523

Headnotes

TRADEMARKS

[1] Court of Customs and Patent Appeals -- Issues determined -- In general (▶ 28.201)

Concurrent use proceedings -- In general (▶ 67.231)

Affirmance of examiner's refusal to register service mark under Lanham Act Section 2(e)(1) on ground that mark as applied to stated services is merely descriptive of them, would moot concurrent use proceeding.

[2] Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

Marks and names subject to ownership -- Suggestive (▶ 67.528)

Registration -- In general (▶ 67.731)

Mark is merely descriptive if it immediately conveys to one seeing or hearing it knowledge of ingredients, qualities, or characteristics of goods or services with which it is used; mark is suggestive if imagination, thought, or perception is required to reach conclusion on nature of goods or services, registration will be denied if mark is merely descriptive of any of goods or services for which registration is sought.

[3] Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

Prior adjudication (▶ 67.70)

Each case involving trademark or service mark stands on its own facts, and prior decisions are of little value; whether or not others in trade use applicant's mark, or its equivalent, in service mark sense is not dispositive on issue of whether mark is merely descriptive.

[4] Marks and names subject to ownership -- Descriptive -- Particular marks (▶ 67.5081)

"Quik-Print" is merely descriptive of "same day" services of printing, photocopying, collating, binding, cutting, drilling, folding, padding, stapling, and perforating.

Case History and Disposition

Page 505

Appeal from Patent and Trademark Office Trademark Trial and Appeal Board; 203 USPQ 624 .

Application for registration of service mark of Quik-Print Copy Shop, Inc., Serial No. 41,964. From decision refusing registration, applicant appeals. Affirmed.

Attorneys

Arland T. Stein, Pittsburgh, Pa. (Frederick H. Colen and Frederick L. Tolhurst, both of Pittsburgh, Pa., of counsel) for appellant.

Joseph F. Nakamura (Jere W. Sears, of counsel) for Commissioner of Patents and Trademarks.

Judge

Before Markey, Chief Judge, Rich, Baldwin, and Miller, Associate Judges, and Ford, * Judge.

* The Honorable Morgan Ford of the United States Customs Court, sitting by designation.

Opinion Text

Opinion By:

Miller, Judge.

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This is an appeal from a decision of the Patent and Trademark Office ("PTO") Trademark Trial and Appeal Board ("board"), [1] affirming the examiner's refusal to register applicant-appellant's service mark QUIK-PRINT on the principal register as "merely descriptive" within the meaning of section 2(e)(1) of the Lanham Act. [2] We affirm.

[1] Reported at 203 USPQ 624 (1979).

[2] 15 USC 1052(e)(1) provides:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register account of its nature unless it --

* * *

(e) Consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them * * *.

Section 3 (15 USC 1053) provides for registration of service marks, subject to applicable provisions relating to the registration of trademarks.

Background

According to the application to register, [3] the mark is for the services of printing, photocopying, collating, binding, cutting, drilling, folding, padding, stapling, and perforating in the area comprising the District of Columbia and states of N.Y., Pa., N.J., Del., Md., Va., and W. Va. Two "exceptions" to applicant's right to exclusive use are set forth: (1) a mark consisting of a fanciful KP and the words KWIK PRINT for printing services, Registration No. 981,740, owned by Kwik Print, Inc., of Coral Gables, Florida; (2) a mark, QUIK PRINT and arrow design, for the services of reproducing documents and forms, Registration No. 997,747, [4] owned by Quik Print, of Wichita, Kansas. The application also states that applicant is "informed" of nineteen state registrations and "concomitant users" of the same or similar marks.

[3] Serial No. 41,964, filed January 17, 1975.

[4] The registration states that it is under section 2(f) (of the Lanham Act).

[1] The only issue before the board was the correctness of the examiner's refusal to register under section 2(e)(1) of the Lanham Act on the ground that the mark as applied to the stated services is merely descriptive thereof. [5] The board, in affirming the examiner, said (203 USPQ at 627):

[5] The examiner correctly pointed out that affirmance on this ground of refusal would moot a concurrent use proceeding.

In the instant case, applicant is claiming use of the mark "QUIK-PRINT" for printing and duplication, which falls within the general category of "printing" [See: "The Random House College Dictionary"]. Thus, the question is what meaning, if any, does the term "QUIK-PRINT" invoke as to these services. There is no doubt but that "QUIK-PRINT" is the equivalent of "QUICK-PRINT" and would be readily recognized as such, the word "QUICK" obviously would be equated with fast and promptly and when used with the word "PRINT" would immediately convey to customers that applicant's printing or duplication services will be rendered or completed in a short time or quickly. And since the "SAME-DAY SERVICE" offered by applicant through its advertising material emphasizes this quick service and attempts thereby to capitalize on it, it is obvious this is a desirable service and a desirable aspect of applicant's services that is conveyed to applicant's customers and potential customers by the term "QUIK-PRINT". Thus, "QUIK-PRINT" is equated with "FAST-PRINT" and therefore constitutes a term that others in the trade should be free to utilize in describing the speed in which they render their services. The aptness or desirability of the use of this term is demonstrated by the some twenty users of the same or a similar mark in connection with similar services noted by applicant in its application. Applicant has attempted to denigrate such use by urging that such use, as in its case, merely reflects a suggestive use of the term. However, it is believed that the widespread use of the term "QUIK-PRINT" throughout the United States by others including a number in the same state tends to establish that the term has lost whatever suggestiveness it may have possessed and has taken on and projects a descriptive significance of quick or fast printing

services to the general public. * * *

The board further said that a registration on the supplemental register of QUIK PRINT, [6] along with the other registrations of record, indicates that the practice of the PTO is to treat QUIK-PRINT as merely descriptive and to allow registration on the principal register only after a showing of secondary meaning under section 2(f) of the Lanham Act. It found "nothing in this

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record to establish that applicant has achieved a recognition or a secondary meaning in the mark 'QUIK-PRINT' in its marketing area." 203 USPQ at 627.

[6] Supplemental Registration No. 908,296, for QUIK PRINT and arrow design for the service of reproducing documents and forms, also owned by Quik Print, Inc., of Wichita, Kansas.

Opinion

[2] A mark is merely descriptive [7] if it immediately conveys to one seeing or hearing it knowledge of the ingredients, qualities, or characteristics of the goods or services with which it is used; whereas, a mark is suggestive if imagination, thought, or preception is required to reach a conclusion on the nature of the goods or services. In re Abcor Development Corp., 588 F.2d 811, 813-14, 200 USPQ 215, 217-18 (CCPA 1978). Registration will be denied if a mark is merely descriptive of *any* of the goods or services for which registration is sought. In re American Society of Clinical Pathologists, 58 CCPA 1240, 442 F.2d 1404, 169 USPQ 800 (1971). Therefore, the dispositive question is whether the mark QUIK-PRINT is merely descriptive of any of appellant's services.

[7] In this context, "merely" is considered to mean "only." In re Colonial Stores, 55 CCPA 1049, 1053, 394 F.2d 549, 552, 157 USPQ 382, 385 (1968).

[3] Appellant argues that although the words "quick" and "print" used individually are well-known, mundane words useful to the trade, the term QUIK-PRINT is a fanciful and distinctive term not ordinarily usable in the trade to describe any quality, characteristic, or ingredient of the service; that, at most, the mark suggests to the consumer, after perception and analysis, that appellant can perform printing services within a short period of time; and that the board's use of perception, logical analysis, and mental gymnastics to prove that QUIK-PRINT is merely descriptive actually demonstrates that the mark is suggestive. [8]

[8] Appellant relies heavily on In re Kopy Kat, Inc., 498 F.2d 1379, 182 USPQ 372 (CCPA 1974) (WE PRINT-IT IN A MIN-IT, held to be highly suggestive of printing services). However, it is well established that each case involving a trademark (or service mark) stands on its own facts, and prior decisions are of little value. Star Watch Case Co. v. Gebruder Junghans, A.G., 46 CCPA 929, 267 F.2d 950, 122 USPQ 370 (1959). Thus, contrary to appellant's argument, whether or not others in the trade use QUIK-PRINT or its equivalent in a service-mark sense is not dispositive.

[4] We do not agree. One of the services provided by appellant is printing. Clearly the term "QUIK" [9] describes one of the qualities or characteristics of this service, namely: the speed with which it is done. Such speed is emphasized in appellant's advertising brochure, which offers a "SAME-DAY SERVICE." Because this quality or characteristic of appellant's service comes immediately to mind, we are satisfied that the mark QUIK-PRINT is merely descriptive. The board, contrary to appellant's argument, did not make use of perception, logical analysis, and mental gymnastics to prove that QUIK-PRINT is merely descriptive. Rather, it set forth a reasonable explanation in support of its finding that QUIK-PRINT would immediately convey knowledge of the essential character of appellant's service.

[9] There is no legally significant difference here between "quik" and "quick."

The decision of the board is affirmed.

Affirmed.

- End of Case -

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14 USPQ2d 1555

BellSouth Corp. v. Planum Technology Corp.

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Opposition No. 71,740

Decided August 15, 1988

Headnotes

TRADEMARKS AND UNFAIR TRADE PRACTICES

[1] Types of marks - Suggestive - Particular marks (▶ 327.0403)

"Phone Forward" is suggestive of automatic telephone call diverters.

[2] Types of marks - Generic marks - Particular marks (▶ 327.0603)

"Call Forwarding" is generic name for telecommunications exchange services by which incoming telephone call is transferred from one telephone to another.

[3] Practice and procedure in U.S. Patent and Trademark Office - Interpartes PTO proceedings - Opposition and cancellation - Rules and rules practice (▶ 325.0305.05)

Opposition grounded upon alleged proprietary rights in term "call forwarding" must fail, since opposer has no protectible rights in term.

Case History and Disposition

Trademark opposition no. 71,740, by BellSouth Corp., against Planum Technology Corp., assignee by merger and change of name of Cynex Manufacturing Corp., application serial no. 459,417, filed Jan. 3, 1984. Opposition dismissed.

Attorneys

Jones, Askew & Lunsford, Atlanta, Ga., for BellSouth Corp.

Ann J. Lieb and Perry Teitelbaum, of Goodman, Teitelbaum & Lieb, Brooklyn, N.Y., for planum Technology Corp.

Judge

Before Sams, Rooney, and Simms, members.

Opinion Text

Opinion By:

Simms, member.

BellSouth Corporation, a Georgia corporation, has opposed the application of Planum Technology Corporation, the successor of Cynex Manufacturing Corp. by way of merger and change of name, to register the mark PHONE FORWARD for automatic telephone call diverters. [1] As grounds for opposition, opposer asserts that it is a regional company established as a result of the divestitute of American Telephone and Telegraph Company (AT&T); that it is the successor in interest to AT&T as the parent and holding company for two former operating companies, namely, Southern Bell Telephone and Telegraph Company and South Central Bell Telephone Company; that opposer and its predecessors have previously used the term "Call Forwarding" in interstate commerce for telecommunications services including the service whereby incoming telephone calls are automatically forwarded from one telephone to another; that applicant's mark PHONE FORWARD is merely descriptive because it immediately conveys the impression to a prospective customer that applicant's devices automatically forward phone calls and that registration to applicant will inhibit opposer and others who sell telephone call diverters or "offer telephone call forwarding services" (Notice of Opposition, ¶7) from using the term "forward" to describe their goods or services; that, alternatively, as a result of extensive promotion and advertising, opposer has acquired valuable goodwill in the mark Call Forwarding and the public has come to know and identify this term as a symbol identifying a telephone communications service originating from one of the companies that is the successor to AT&T; and that applicant's mark PHONE FORWARD so resembles that previously used mark as to be likely to cause confusion. In its answer, applicant has denied the essential allegations of the opposition.

[1] Application Serial No. 459,417, filed January 3, 1984, claiming use since November 21, 1983. In the application, applicant has disclaimed the word "PHONE" apart from the mark.

The record of this case consists of discovery responses of both parties submitted by way of notices of reliance; dictionary definitions relied upon by applicant's notice; stipulated testimonial affidavits of witnesses of both parties filed pursuant to Trademark Rule 2.123(b); and the application file.

The record shows that since 1968, Southern Bell and South Central Bell have continuously offered and sold a telecommunications service called Call Forwarding (whereby an incoming telephone call is automatically transferred from one telephone exchange number to another) with this service now being offered to approximately seventy percent of all of opposer's customers. Comprising one of opposer's Custom Calling services, [2] Call Forwarding services have been extensively advertised and promoted by Southern Bell and South Central Bell, with approximately $4 million spent on television advertising of these Custom Calling services in 1985 alone. Opposer's services are offered

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to all classes of telephone communication customers including residential and commercial users.

[2] The other telecommunications services are Call Waiting, Three Way Calling and Speed Calling.

Applicant manufactures and sells automatic telephone call diverters, which are devices which redirect incoming calls to a remote telephone number. Applicant's devices provide essentially the same function as opposer's Call Forwarding service. According to the testimony of one of applicant's employees, applicant was the first manufacturer to develop a consumer-oriented call diverter whose price was in the $100.00 range. Applicant sells its goods through mail order companies, retail stores, department stores and independent telephone companies to ultimate end users such as doctors, dentists, lawyers, answering services and sales persons. Applicant has realized sales in 1985 of approximately $400,000 and advertising expenditures per year are around $30,000, including trade shows expenses (but excluding cooperative advertising expenses).

With respect to the issue of mere descriptiveness, opposer has offered little other than argument that the term "PHONE" is descriptive and has been disclaimed by applicant and that the accompanying term "FORWARD" is descriptive of the diverter feature of applicant's goods.

> In the present context, the word "Phone" describes what is being operated on - a telephone call. The word "Forward", when used in association with an automatic call diverter, describes sending the telephone call ahead to the predesignated telephone number.

Opposer's brief, 11.

[1] While we agree with opposer that applicant in its promotional literature has used its trademark (perhaps unwisely) as a verb ("Why miss important calls when you can Phone Forward™ them!"), it seems to us that applicant's mark is a somewhat incongruous combination of words and requires a modicum of imagination or thought before one is able to determine the nature of applicant's product. That is to say, because there is no evidence that purchasers or users refer to applicant's devices as "phone forwards" or that the words "phone forward" are used, otherwise, in a descriptive sense by the trade or by customers, we believe that a multistage reasoning process (i.e., substituting the word "call" for the word "phone" used as a verb) is necessary in order to ascertain the nature or function of applicant's goods. At worst, applicant's mark is highly suggestive of a feature or function of the product. Moreover, according to the affidavit of one of applicant's employees, who is familiar with telephone systems and accessories of competitors, the most common name used in the industry for a product such as applicant's is "call diverter." This statement is supported by exhibits evidencing third-party use of this nomenclature. Contrary to opposer's argument, registration of applicant's mark will not deprive others of the right to inform their customers that their products or services forward telephone calls. See In re *Reynolds Metals Co.,* 480 F.2d 902, 178 USPQ 296, 297 (CCPA 1973).

Accordingly, because the meaning conveyed by applicant's mark is not immediate and direct and because there is no evidence of actual use by competitors or a need to use these words, we find that opposer has failed to prove this ground. See, for example, In re *The Noble Company,* 225 USPQ 749 (TTAB 1985) (NO BURST held suggestive of liquid antifreeze designed to prevent the bursting of pipes in hot water heating systems), In re *C.J. Webb, Inc.,* 182 USPQ 63 (TTAB 1974) (BRAKLEEN held suggestive for a brake cleaner) and In re *Pennwalt Corp.,* 173 USPQ 317 (TTAB 1972) (DRIFOOT held suggestive of anti-perspirant foot deodorant). [3]

[3] Applicant's argument, raised for the first time in its brief, that, even if its mark is merely descriptive, the mark has become distinctive was neither pleaded nor tried.

With respect to the remaining ground, that of likelihood of confusion, opposer's case must also fail. Opposer argues that if it is found that applicant's designation is a trademark, then the merely descriptive term "Call Forwarding", as a result of opposer's extensive use and advertising, has acquired a secondary meaning indicating origin in opposer, and that applicant's mark so closely resembles this designation that confusion is likely for these related goods and services.

[2] It is applicant's position, on the other hand, that the term "Call Forwarding" is the generic or common descriptive term of opposer's services and that therefore opposer's Section 2(d) claim must fail. We agree. There is persuasive evidence of record to demonstrate that the phrase "call forwarding" is the generic name for the telecommunications exchange services whereby an incoming telephone call is transferred from one telephone to another. For example, in a brochure of a competitor of applicant (Exhibit 10) promoting a call diverter, the product (MK-10) is described as follows:

> The MK-10 also includes a BRIDGE switch which permits manual call forwarding and 3-way conference calls.

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An advertisement for the Alphadial 200 telephone system in the Spring 1987 *Sync* catalog indicates that this telephone includes a "Call forward built in" An advertisement for the Teledial phone system indicates that it includes "features like call forwarding to a specific location." The user's guide for the Electra 16/48 made by NEC Telephones, Inc. indicates that one of the features of this telephone system is "CALL FORWARDING." The instructions describing the use of this feature add: "The HOLD LED will be steadily lit when call forwarding is set." A button on that telephone bears the designation "CALL FORWARD." Portions of a catalog from COMCOR reveal an advertisement for a product referred to as a "Call Forwarding Controller" "For Those Who Use The Phone Company To Forward Their Calls." Other evidence of record indicates generic use of the words "call forward" in reference to a feature of a telephone system. The stipulated testimonial affidavit of one of applicant's employees, who attests to familiarity with telephone systems and accessories of other companies and who has attended trade shows, conventions and regularly reads trade magazines and catalogs, indicates that, in his opinion, the term "call forward" or "call forwarding" is commonly used to describe a feature of large telephone systems such as the Private Branch Exchange Systems. Opposer's own promotional literature also helps demonstrate how this term will be perceived by customers. ("You can have your calls forwarded to another number where you can be reached." "[A]ll calls then will automatically be forwarded to the number you've designated.")

Finally, we take judicial notice that the term "call forwarding" is defined in *The Random House Dictionary of the English Language* (2d ed. Unabridged 1987) as:

> a telephone service feature whereby, when a customer chooses, all calls coming in to one number are automatically rerouted to another, designated number.

Similarly, *The Morrow Book of New Words,* N.H. and S.K. Mager (1982), defines these words as follows:

> system for relaying incoming telephone calls to another number for any period of time.

Opposer itself in its pleading and its main brief (p. 13) has referred to its services as "telephone call forwarding services."

[3] While opposer argues that the question of whether the term "call forwarding" is a service mark is "substantially irrelevant" (brief, 15) to the question of likelihood of confusion, we have held that if a party's alleged trade designation does not in fact identify source, then there is no basis upon which to predicate a finding of likelihood of confusion. *NASA v. Bully Hill Vineyards Inc.,* 3 USPQ2d 1671, 1676 (TTAB 1987). That is, a likelihood of confusion cannot be recognized where one claimed to be aggrieved by that confusion does not have a right superior to his opponent's. *Otto Roth & Co., Inc. v. Universal Foods Corp.,* 640 F.2d 1317, 209 USPQ 40, 43, 44, 45 (CCPA 1981). Because this record fully supports the conclusion that the term "call forwarding" is used and understood by the public and the trade as referring to a category of services (*H. Marvin Ginn Corp. v. International Association of Fire Chiefs, Inc.,* 782 F.2d 987, 228 USPQ 528 (Fed.Cir. 1986)), opposer has no protectible interest in that term. Accordingly, the opposition grounded upon alleged proprietary rights must fail.

Decision: The opposition is dismissed with prejudice.

- End of Case -

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225 USPQ 749

In re The Noble Company

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided February 11, 1985

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership -- Descriptive -- Misdescriptive or not descriptive -- Particular marks (▶ 67.5078)

"Noburst" for nontoxic liquid antifreeze and rust inhibitor for use in hot water heating systems that prevents bursting of pipes is suggestive, in that mark suggests desired result of using product rather than immediately informing purchasing public of characteristic, feature, function or attribute of product.

Case History and Disposition

Appeal from Trademark Examining Attorney.

Application for registration of trademark of The Noble Company, Serial No. 402,284. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Price, Heneveld, Huizenga & Cooper, Grand Rapids, Mich., for applicant.

F. Mandir, Trademark Examining Attorney, Law Office 7 (L. Beresford, Managing Attorney) for Patent and Trademark Office.

Judge

Before Rooney, Sams, and Krugman, Members.

Opinion Text

Opinion By:

Rooney, Member.

The Noble Company filed an application to register the term "NOBURST" for non

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toxic liquid antifreeze and rust inhibitor for use in hot water heating systems. Use since January 1982 was alleged.

Registration was refused under Section 2(e)(1) on the ground that the term "NOBURST" is merely descriptive as applied to applicant's goods insofar as it indicates that when used in the manner prescribed it would prevent bursting of the pipes of the water system in which it is used. Applicant has appealed.

The question of whether or not a term is merely descriptive must be determined in relation to the goods or services for which a registration is sought, the context in which the designation is being used on or in connection with the goods or services, and the possible significance that said designation would have to the average purchaser of the goods or services as a result of the manner in which it is being used. See In re *Bright-Crest, Ltd.,* 204 USPQ 591 (TTAB 1979). A term is considered to be merely descriptive if it describes an ingredient, quality, characteristic, feature or part of the goods, or if it immediately conveys information regarding a function, purpose, use or property of the goods. See In re *Abcor Development Corporation,* 200 USPQ 215 (CCPA 1979) and cases cited therein.

In making a determination as to whether or not a mark is merely descriptive or whether it is suggestive or arbitrary, the Examining Attorney must look to the evidence of record which in this case consists of the specimens submitted to support registration and certain descriptive literature which has been filed by the applicant. In this case, the Examining Attorney did just that. Despite applicant's contention to the contrary, this material was not used improperly by the Examining Attorney "to bridge the gap" between the mark and the goods by substituting this information for thought processes which consumers would be required to exercise in relating the mark to the product. Rather, it was considered to determine just what applicant intends to convey to purchasers by use of the mark in question. In order to determine

the effect of a mark on the consuming public, it is necessary to view it in relation to the goods on which it is used. A trademark does not exist in a vacuum and it is incorrect to make a judgment with regard thereto apart from the goods.

[1] Nonetheless, having read the informative literature, the board is of the opinion that the mark suggests a desired result of using the product rather than immediately informing the purchasing public of a characteristic, feature, function or attribute thereof. See *The Norwich Pharmacal Company v. Chas. Pfizer & Co., Inc.,* 165 USPQ 644 (TTAB 1970) [UNBURN for a medical preparation for minor skin irritations]; In re *Pennwalt Corporation,* 173 USPQ 317 (TTAB 1972) [DRI-FOOT for an antiperspirant deodorant for feet]; In re *C. J. Webb, Inc.,* 182 USPQ 63 (TTAB 1974) [BRAKLEEN for a chemical composition for cleaning and degreasing automotive brake parts]; and In re *Frank J. Curran Co.,* 189 USPQ 560 (TTAB 1975) [CLOTHES FRESH for a clothes and shoe spray deodorant], all of which were found to be suggestive rather than descriptive. There is admittedly a narrow line between terms which are descriptive and those which are suggestive and, in the final analysis the decision is a subjective one. We are, however, guided by certain fundamental precepts. A descriptive term immediately tells something about the product. If a term requires that one exercise imagination, thought or perception to reach a conclusion as to the product the term is suggestive. In our view, the term NOBURST does not perform as a descriptive term would. It is a shorthand way of suggesting that the product reduces the likelihood that pipes of a water system in which it is used will burst as a result of adverse conditions. We do not believe this conclusion is readily arrived at by merely observing the mark on the goods but that it requires interpretation by the viewer. We therefore, find the mark to be suggestive rather than merely descriptive of the goods. We note also that in cases where the question to be resolved is one of descriptiveness of a mark, all doubt is resolved in favor of publishing the mark for opposition.

Accordingly, the refusal to register is *reversed.*

- End of Case -

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173 USPQ 317

In re Pennwalt Corporation

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided March 29, 1972

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership - Descriptive - Misdescriptive or not descriptive - Particular marks (▶ 67.5078)

"Dri-Foot" is not merely descriptive of anti-perspirant deodorant for feet.

[2] Marks and names subject to ownership - Descriptive - How determined (▶ 67.5073)

Doubt as to whether mark is merely descriptive of goods should be resolved in applicant's behalf and mark published in accordance with section 12(a) for opposition purposes.

Case History and Disposition

Page 318

Appeal from Examiner of Trademarks.

Application for registration of trademark of Pennwalt Corporation, Serial No. 349,996. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Robert G. Danehower, King of Prussia, Pa., for applicant.

Judge

Before Leach, Waldstreicher, and Lefkowitz, Members.

Opinion Text

Opinion By:

Lefkowitz, Member.

An application has been filed by Pennwalt Corporation to register the notation "DRI-FOOT" on the Principal Register as a trademark for an anti-perspirant deodorant for feet, use of the mark since August 14, 1969 being alleged.

Registrant has been refused on the ground that "DRI-FOOT" is merely descriptive of applicant's goods with the meaning of Section 2(e)(1) of the Statute.

Applicant has appealed.

It is the examiner's position that:

> "Applicant has chosen two words for a mark that connote the result of use of the product. The meaning of the words is not obfuscated in combination. The meaning of the words is understood by purchasers and the words are commonly used in the trade to describe like products. The words [DRI-FOOT] 'merely describe' the result of use of the product and should not be registered on the Principal Register in the absence of a showing of secondary significance and acquired distinctiveness."

In support of his position, the examiner has relied on applicant's own label specimens and advertising material wherein reference is made to the "DRI-FOOT" product as a or the anti-perspirant deodorant for feet that "Helps keep feet dry". The examiner has also referred to competitive products that help keep feet dry.

Applicant, on the other hand, takes the position that "DRI-FOOT" is a combination of two ordinary words forming a unitary designation which suggests but does not necessarily merely describe the character of the goods; that applicant has used and promoted "DRI-FOOT" in a trademark sense and not in a descriptive manner to describe the product; and

the registration of "DRI-FOOT" will not preclude any other person from using the term "dry foot" or "dry feet" in its ordinary significance in describing the effect of a similarly designed product. Applicant has made of record an affidavit by an official of the Pharmacraft Consumer Products Division of applicant corporation and illustrative advertising material to show the manner and extent of use as well as the commercial success achieved by its "DRI-FOOT" product. In this affidavit, it is alleged that the "DRI-FOOT" foot spray has been sold through wholesale, chain stores, and retail distributors and is on sale in more than twenty-two thousand drug stores and ten thousand discount and food stores in forty-eight states of the United States; that more than four hundred and fifty thousand five-ounce aerosol cans of "DRI-FOOT" foot spray with a value in excess of four hundred thousand dollars were sold in 1970; and that over three hundred and fifty thousand dollars were expended by applicant, apart from any additional sums spent by distributors of the product, in advertising the "DRI-FOOT" product on television spot commercials, in consumer publications such as Reader's Digest, Playboy, Ebony, and Miss Black America, and in newspapers and Sunday supplements.

We have carefully considered the arguments presented, and we are not persuaded that "DRI-FOOT" is not registrable on the Principal Register because the notation "DRI-FOOT" or "dry-foot", in the singular, is obviously not the usual or normal manner in which the purpose of an anti-perspirant and deodorant for the feet would be described; although it is highly suggestive of applicant's goods, it possesses redeeming features which raise doubt as to the application of the "merely descriptive" appellation; it has been presented to the purchasing public in advertising material in a distinctive and prominent fashion and always in a trademark manner; and since the registration of "DRI-FOOT" could not preclude the use by competitors of the ordinary descriptive phrase "keeps feet dry" in connection with their products, it is believed that it comes within the rationale of the Court's decisions in The Fleetwood Company v. The Mitchum Company, 139 USPQ 281 (CCPA, 1963) ["FAYD" for skin cream]; In re Sunbeam Corporation, 152 USPQ 116 (CCPA, 1967) ["SPRAY MIST" for electric pressing irons]; In re Colgate-Palmolive Company, 160 USPQ 733 (CCPA, 1969) ["CHEW'N CLEAN" for dentifrice]; In re Colonial Stores Incorporated, 157 USPQ 382 (CCPA, 1968) ["SUGAR&SPICE" for bakery product]; In re Majestic Distilling Company, Inc., 164 USPQ 386 (CCPA, 1970) ["CHARRED KEG" for bourbon whiskey]; In re The Chesapeake Corporation of Virginia, 164 USPQ 395 (CCPA, 1970) ["SU

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PERWATERFINISH" for kraft paper]; and Pacific Industries, Inc. v. Minnesota Mining and Manufacturing Co., 165 USPQ 631 (CCPA, 1970) ["IMPACT" for carbonless transfer copy paper].

[1] It is therefore concluded that the mark "DRI-FOOT" is not merely descriptive of applicant's goods within the meaning of Section 2(e)(1). While this conclusion is not free from doubt, we believe in questions such as

[2] this that the doubt should be resolved in applicant's behalf and the mark published in accordance with Section 12 (a) for opposition purposes thereby enabling any person who believes that he would be damaged by the registration of said mark to present evidence to that effect not present herein.

Decision

The refusal of registration is *reversed*.

- End of Case -

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196 USPQ 458

In re Ron Matusalem, Inc.

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided July 18, 1977

Headnotes

TRADEMARKS

[1] Registration -- In general (▶ 67.731)

Question of registrability of mark depends in each case on specific mark involved, its interaction with goods for which registration is sought, and its impact on average purchaser of goods.

[2] Marks and names subject to ownership -- Descriptive -- In general (▶ 67.5071)

Combination of descriptive words may result in arbitrary unitary designation that may function as trademark; commercial impressions of mark are made in marketplace at first impact and if no significance or meaning is attributed to notation at that time it is reasonable to assume that it would be recognized and thereafter associated with goods as source indicator, unless proprietor utilizes term in consumer literature or labels in merely descriptive manner.

[3] Marks and names subject to ownership -- Descriptive -- Misdescriptive or not descriptive -- Particular marks (▶ 67.5078)

"Roncoco" is attractive unitary mark that average purchaser will recognize and utilize as source indicator for applicant's goods.

[4] Opposition -- In general (▶ 67.571)

Registration -- Effect (▶ 67.747)

Presumptions afforded registration under Lanham Act Section 7(b) pertain only to specific designation and cannot preclude fair use of its English descriptive components by others; registration of mark that is term of art can be precluded through Lanham Act Section 13 opposition practice.

Case History and Disposition

Page 458

Appeal from Examiner of Trademarks.

Application for registration of trademark of Ron Matusalem, Inc., Serial No. 41,169. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Beveridge, DeGrandi, Kline & Lunsford, Washington, D.C., for applicant.

Judge

Before Lefkowitz, Rice, and Fowler, Members.

Opinion Text

Opinion By:

Lefkowitz, Member.

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An application has been filed by Ron Matusalem, Inc. to register the notation "RONCOCO" on the Principal Register as a trademark for rum based liqueur, use of the mark since on or about December 20, 1974 being claimed.

Specimens filed with the application comprise labels that are attached to the containers for the goods, and they show the mark used as follows:

[Unavailable graphic material set at this point contains the text shown below. To view graphics, see text in hard copy or call BNA at 1-800-372-1033.]

Roncoco

Tabular, graphic, or textual material set at this point is not available. Please consult hard copy or call BNA at 1-800-372-1033.

Registration has been refused on the ground that the mark "RONCOCO" is merely descriptive of applicant's goods within the meaning of Section 2(e)(1) of the Statute.

Applicant has appealed.

It is the Examiner's contention that "RONCOCO" possesses no more than a merely descriptive significance because it immediately describes the flavoring ingredient [coconut] of applicant's rum based liqueur. In support of its holding, the Examiner argues that the words "RON" and "COCO" are defined as "rum" and "coconut" in Cassell's Spanish Dictionary (Funk and Wagnalls, New York, 1968); that although "RON" and "COCO" have been combined to form a single word, "RONCOCO", the meaning of the individual words have not been obfuscated in the combination; and that the term "RONCOCO" or its English equivalent "coconut rum", conveys a readily understood and descriptive meaning as applied to the goods, namely, a coconut flavored rum based liqueur. The Examiner additionally has introduced in evidence pages from the May 1975 issue of "Illinois Beverage Journal" to show that liqueurs are produced in various combined flavors such as "Chocolate Banana", "Chocolate Cherry", "Chocolate Mint", "Chocolate Rasberry", and "Cherry with Rum", and pages from the May 1976 issue of "Illinois Beverage Journal" wherein reference is made to rum cocktails containing rum and fruit.

Applicant's position is set out in part in its brief as follows:

> "That the term 'ron' and that the term 'coco' are descriptive designations that may be used to denote characteristics of alcoholic beverages may be apparent. It does not follow, however, that because the components of a compound mark are descriptive, that the mark in its entirety is descriptive. [This should be particularly true when such components are foreign words, at least one of which has a variety of meanings on translation into English, a number of which cannot be considered as descriptive of any characteristic of the goods involved, and in which a particular translation thereof is thus required in order to have any connotation of descriptiveness at all.]
>
> "Thus, applicant has so combined the two words 'ron' and 'coco' into a unitary term as to result in a mark which suggests rather than describes the character of an alcoholic beverage to which the same may be applied.
>
> "The grant of a registration to applicant of RONCOCO, for a rum based liqueur would not and could not deprive others of the right to use 'ron' or 'coco' in a proper descriptive manner. There is no indication in the record that any alcoholic beverages are or would be referred to as 'roncoco', notwithstanding that some such alcoholic beverages may comprise a coconut flavored rum."

Applicant supplemented its argument in its reply brief by asserting, in response to a "strawman" question "What would the usual purchasers of applicant's liqueur conclude as to the significance of the term RONCOCO on this label?" [reproduced above] that:

> "This unitary term does not have any meaning whatsoever in English or any other language, and such purchasers would thus immediately conclude that the only significance of the term RONCOCO was as a trademark which served to identify applicant's liqueur and to distinguish the same from liqueurs manufactured or sold by others. Such purchasers would

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> not have any inclination whatsoever to attempt to separate this unitary term into various component parts, nor would they be likely to have at hand a dictionary whereby to determine that the unitary term could be separated into foreign or English words and as to which they could refer in determining the meaning of the words so divided out of applicant's mark. Neither would such purchasers have any mental clearness of divisibility of the unitary term RONCOCO or as to exactly how the same might possibly be divided into separate words."

[1] Applicant has also referred to a number of third-party registrations to justify the registration sought herein, but the marks covered thereby are distinguishable from the mark "RONCOCO" and do not aid applicant's argument. This again demonstrates the well-known principle that the question of registrability of a mark must depend in each case on the specific mark involved, its interaction with the goods for which registration is sought, and its impact on the average purchaser of such goods.

[2] It is settled that a combination of descriptive words may result in an arbitrary unitary designation which may function as a trademark. See: Food Fair Stores, Inc., 83 USPQ 14 (CA 1, 1949) ["FOOD FAIR"]; Q-Tips, Inc. v. Johnson & Johnson, 95 USPQ 264 (DC NJ, 1952) ["COTTON TIPS"]; Ex parte Minneapolis-Honeywell Regulator Company, 99

USPQ 422 (Comr., 1953) ["PHOTO-ELECTRODE SYSTEM"]; Brinktun, Inc. v. Klauber Games, Inc., 143 USPQ 46 (TT&A Bd., 1964) ["RACK'N ROLL"]; and Ex parte Colvin, Mendelhall & Co., 98 USPQ 415 (Comr., 1953) ["THE TECHNICAL TREND"]. In each of these cases, the marks, although comprising individually descriptive words, were held in combination to be arbitrary terms or merely suggestive notations that the purchasing public would recognize and utilize as trademarks to identify the origin of the goods or services marketed thereunder rather than engage in a mental dissection and analysis of their separate components and then putting them together in a manner calculated to arrive at a descriptive meaning. It should be noted that commercial impressions of a mark are made in the marketplace at first impact; and if no significance or meaning is attributed to the notation at that time, it is reasonable to assume that it would be recognized and thereafter associated with the goods as a source indicator unless, of course, the proprietor thereof should utilize the term in consumer literature or labels in a merely descriptive manner.

[3] The mark "RONCOCO", in our opinion, falls within the rationale of these cases because while "RON" and "COCO", per se, indicate in the Spanish language "rum" and "coconut", respectively, the combination presents an attractive unitary mark that the average purchaser, whether familiar with Spanish or not, will not attempt to translate; they will recognize and utilize the term as the source indicator for applicant's goods for, as evidenced by applicant's specimens illustrated above, it is the only designation appearing thereon that would or could be used to call for the goods; and a request in the appropriate retail outlets for "RONCOCO" liqueur would result in a sale of applicant's product rather than an inquiry as to which brand of a coconut flavored rum the purchaser desired or the supplying of a differently branded bottle of liqueur.

[4] It is our opinion that, in the commercial realities of the marketplace, the term "RONCOCO", as used by applicant on its labels, serves and would be likely to serve as the source indicator for applicant's goods. It should be noted that the registration sought by applicant and the presumptions afforded the registration under Section 7(b) would pertain only to the specific designation "RONCOCO" and cannot serve to preclude fair use of the terms "rum" and "coconut" by others in the trade to describe the nature of their rum based drinks. And, if "RONCOCO" is a term of art, a fact not revealed by the Examiner's record, the trade can seek to preclude the registration through the opposition practice provided for in Section 13. See: Pacific Industries, Inc. v. Minnesota Mining and Manufacturing Co., 165 USPQ 631 (CCPA, 1970); and Exxon Corporation v. Fill-R-Up Systems, Inc., 182 USPQ 443 (TT&A Bd., 1974).

Decision

The refusal of registration is *reversed*.

- End of Case -

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154 USPQ 328

In re Warner Electric Brake & Clutch Company

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided July 10, 1967

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership-Descriptive-How determined (▶ 67.5073)

Marks and names subject to ownership - Descriptive-Misdescriptive or not descriptive-Particular marks (▶ 67.5078)

It does not follow as matter of law that, because component words of mark may be descriptive and therefore unregistrable, combination thereof or unitary mark must necessarily be descriptive; thus, fact that "Electro" and "Module" may be descriptive of electromagnetic friction clutches and brakes adapted for alternative motor or bracket mount does not militate against registration of "Electro-Module" since "Electro-Module" is not a term of art or description.

Case History and Disposition

Page 328

Appeal from Examiner of Trademarks.

Application for registration of trademark of Warner Electric Brake & Clutch Company, Serial No. 200,306. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Wolfe, Hubbard, Voit & Osann, Chicago, Ill., for applicant.

Judge

Before Leach, Waldstreicher, and Lefkowitz, Members.

Opinion Text

Opinion By:

Lefkowitz, Member.

An application has been filed by Warner Electric Brake & Clutch Company to register "ELECTRO-MODULE" on the Principal Register as a trademark for electromagnetic friction clutches and brakes adapted for alternative motor or bracket mount, use of the mark since June 30, 1964 being alleged.

Applicant is the record owner of Registration No. 717,829, issued July 4, 1961 on the Principal Register for the mark "ELECTRO-CAM" for electrically controlled multiple disk friction brakes and clutches; Registration No. 735,608, issued August 7, 1962 on the Principal Register for the mark "ELECTRO-SHEAVE" for electrically controlled combination clutch-pulley drives; Registration No. 738,515, issued October 2, 1962 on the Principal Register for the mark "ELECTRO-FLUID" for liquids whose viscosity increases when exposed to an electric field adapted to form a force couple in devices such as electrostatic nonmagnetic chucks, high-speed electric clutches and brakes, etc.; and Registration No. 741,888, issued December 11, 1962 on the Principal Register for the mark "ELECTRO-PACK" for combined electromagnetic clutches and power transmission couplings.

Specimens filed with the application are nameplates which are attached to the goods and show the mark as actually used.

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Registration on the Principal Register has been refused on the ground that the words "ELECTRO-MODULE" are highly

descriptive as applied to applicant's goods. In addition, the examiner has held that "ELECTRO-MODULE" is so highly descriptive as to be incapable of distinguishing the goods of applicant from like goods of others.

Applicant has appealed.

It is the examiner's position that

> "The word 'Electro' is merely a combining form meaning 'electric'. The word 'Module' is described in the Modern Dictionary of Electronics, by Graf, 1963, as 'A combination of components which are contained in one package or common to one mounting
>
> **Page 329**
>
> and provide a complete function'. The combination of these words is thus seen to form a natural product name for the goods."

The examiner has also made of record pages from the "Electronics Buyers Guide" for July 1965 which show use of "electro" and "module" by other manufacturers of electronic and electrical equipment including goods similar to applicant's, namely, magnetic clutches and brakes.

Applicant does not dispute that "Electro" suggests electrical characteristics and "Module" suggests a combination of components in a unitary arrangement; that both suggestions are applicable to the electromagnetic brakes and clutches with which the mark "ELECTRO-MODULE" is used; or that others in the trade have used the terms "Electro" and "Module", per se. Applicant does, however, urge that the mark formed by combining these terms is a novel trademark for brakes and clutches; that the mark "ELECTRO-MODULE" does not tell the purchaser what the goods are or what their function or use is, and only suggests that the goods have electrical and unitary characteristics; that "ELECTRO-MODULE" is not a term that would naturally or normally be used by those in the trade to describe electromagnetic friction clutches and brakes adapted for alternative motor or bracket mount merely because the products possesses electrical characteristics and/or because it is built in modular form; that, in fact, no one else in the trade has used the specific designation "ELECTRO-MODULE" to describe similar goods; and that when applicant's manner of use of "ELECTRO-MODULE" and the other similar registered marks of applicant are considered, there can be no question but that "ELECTRO-MODULE" serves as a trademark to identify and distinguish applicant's goods in commerce.

[1] There can be no question but that the examiner's position that the words "ELECTRO" and "MODULE" are descriptive terms that have been frequently used, per se, in connection with friction clutches and brakes and similar goods is supported by the dictionary definitions of these terms as well as by the record in this proceeding. However, as it has often been held by this and other tribunals, it does not follow as a matter of law that because the component words of a mark may be descriptive and therefore unregistrable, the combination thereof or unitary mark must necessarily be likewise descriptive and likewise incapable of functioning as a trademark. See: Food Fair Stores, Inc. v. Food Fair Inc.; Food Fair Inc. v. Food Fair Stores, Inc., 83 USPQ 14 (CA 1, 1949); Q-Tips, Inc. v. Johnson & Johnson, 95 USPQ 264 (DC NJ, 1952); Ex parte Minneapolis-Honeywell Regulator Company, 99 USPQ 422 (Comr., 1953); and Brinktun, Inc. v. Klauber Games, Inc., 143 USPQ 46 (TT&A Bd., 1964). That is, the fact that "ELECTRO-MODULE" is composed of two terms which separately have a descriptive significance does not militate against the registration of the unitary mark as a whole unless the combination, as applied to friction clutches and brakes, is a term of art or description. There is no reference to the term "ELECTRO-MODULE" in any of the unabridged dictionaries and technical dictionaries available to us or in the trade publication relied on by the examiner; nor are we persuaded on what has been made of record herein that the designation "ELECTRO-MODULE" is generally known and used in the trade by anyone other than applicant or that it has a readily understood significance in the field. There is nothing to support the examiner's statement that "ELECTRO-MODULE" is "a natural product name for the goods". While "ELECTRO-MODULE" suggests or even indicates that applicant's friction clutches and brakes possess electrical and modular characteristics, it does not with any degree of particularity describe the nature, character, function or use of the goods.

In view of the foregoing and considering that applicant is using the designation "ELECTRO-MODULE" as a trademark both on the nameplates for its goods and in the advertising material relating thereto, we are not convinced on the record before us that "ELECTRO-MODULE" is any different from the other marks registered by applicant and that it does not function as a trademark to identify and distinguish applicant's goods in commerce. It is therefore concluded that applicant's mark should be published in accordance with Section 12(a).

Decision

The refusal of registration is *reversed*.

- End of Case -

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157 USPQ 382
In re COLONIAL STORES INCORPORATED
U.S. Court of Customs and Patent Appeals

Appl. No. 7925

Decided April 25, 1968

394 F2d 549

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership — Descriptive — In general (▶ 67.5071)

Mark which merely denotes ingredients, quality, or composition of article is not capable of being exclusively adopted and used as trademark since, for policy reasons, descriptive words must be left free for public use; however, a legal distinction is drawn between terms that are not merely descriptive, but are only suggestive of goods. — In re Colonial Stores Inc. (CCPA) 157 USPQ 382.

[2] Marks and names subject to ownership—Descriptive—How determined (▶ 67.5073)

One test to determine whether mark is merely descriptive under 1946 Act is based upon what it would mean to potential consumer when applied to applicant's goods; to make test meaningful in instant case, it is necessary to consider established usages and associations which inhere in "sugar" and "spice" independently and then to compare them with associations of composite mark "Sugar & Spice" for which registration is sought.—In re Colonial Stores Inc. (CCPA) 157 USPQ 382.

[3] Marks and names subject to ownership—Descriptive — Misdescriptive or not descriptive — Particular marks (▶ 67.5078)

Although baked goods are sold in stores which also sell sugar and spices, and although "sugar" and "spice" used individually are well known and well understood by purchasing public, when combined ("Sugar & Spice") and used on bakery goods they may function as indication of more than a mere description of ingredients of goods; "Sugar & Spice" is not merely descriptive within meaning of section 2(e)(1) of 1946 Act.—In re Colonial Stores Inc. (CCPA) 157 USPQ 382.

Case History and Disposition

Appeal from Trademark Trial and Appeal Board of the Patent Office; 148 USPQ 768 .

Application for registration of trademark of Colonial Stores Incorporated, Serial No. 143,935, filed May 7, 1962. From decision refusing registration, applicant appeals. Reversed.

Attorneys

MATTHEW H. PATTON and KILPATRICK, CODY, ROGERS, MCCLATCHEY & REGENSTEIN, both of Atlanta, Ga., for appellant.

JOSEPH SCHIMMEL (S. WM. COCHRAN of counsel) for Commissioner of Patents.

Judge

Before WORLEY, Chief Judge, and RICH, SMITH, and ALMOND, Associate Judges.

Opinion Text

Opinion By:

SMITH, Judge.

The issue here presented is whether one who combines admittedly descriptive words, i.e., "sugar" and "spice," and uses the combined terms as a trademark, may properly be refused registration of the combined terms when applied to goods other than those which are directly described by such words and when an association of a concept foreign to the goods

is said to attach to the combined mark. On this record, it is clear that both sugar and spice may be present as ingredients in at least some of the bakery products to which the mark is applied. Resolution of this issue turns on whether such a mark is "merely descriptive" of those goods within the meaning of section 2(e)(1) of the Trademark Act of 1946, 15 U.S.C. 1052(e)(1). [1]

[1] The pertinent portion of that statute provides that:

> No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—
>
> (e) consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them * * *

Appellant's application, [2] as subsequently amended, asserts use of the mark "SUGAR & SPICE" for "Bakery products, in Class 46 namely, cakes, cookies, breads, rolls, donuts, pastries, crackers." The examiner considered the mark sought to be registered to be "merely descriptive" of the goods. He stated, in his final refusal to register, that:

[2] Serial No. 143,935, filed May 7, 1962.

> * * * When used on sweet bakery products, the wording "Sugar & Spice" is considered to clearly describe goods containing sugar and spice, notwithstanding the nursery rhyme "Sugar and Spice and Everything Nice, etc."
>
> The decision in the Fleetwood Co. v. The Mitchum Co., [51 CCPA 831, 323 F.2d 1015], 139 USPQ 281 [1963], cited by applicant, is not considered in point here for the reason such decision does not involve wording which constitutes the name of the *ingredients* of the skin cream involved. [Brackets added.]

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The board *affirmed* that rejection, [3] the result being reported at 148 USPQ 768 (TTAB 1965), stating:

[3] During the course of prosecution, it was the position of the examiner that when used on applicant's goods, the mark for which registration is sought was considered "* * * to clearly describe goods containing sugar and spice * * *." In his statement of the rejection to the board, he asserted:

> The specific ground of rejection is that the mark is merely descriptive (or deceptively misdescriptive) of applicant's goods, being indicative, in the examiner's opinion, that the bakery products contain sugar and spices.

His argument, however, was directed only to the issue of whether the mark is "merely descriptive" of applicant's goods. The board confined its discussion to that issue.

Moreover, the Patent Office did not cast its refusal to register on the basis that appellant's trademark could not serve to distinguish its goods from the goods of others under section 45 and the preamble to section 2 of the Trademark Act of 1946. We thus consider the issue raised as one solely arising under 2(e)(1) of that Act. See In re G. D. Searle & Co., 53 CCPA 1192, 360 F.2d 650, 149 USPQ 619 (1966).

> It is a matter of common knowledge that sugar and spices are used singly and in combination in making a wide variety of bakery products, including breakfast breads and rolls, donuts, cakes, cookies and the like. The use of the terms "sugar" and "spice" in combination is but a normal use of the English language to describe bakery products, containing sugar and spice as ingredients, and, on the record presented in this case, we are not persuaded that "SUGAR & SPICE" would have anything other than a descriptive significance to the purchasers of applicant's goods. * * *

We do not believe the rejection can stand on the basis stated. The often-cited principle embodied in section 2(e)(1) was stated some 67 years ago by the Supreme Court in Elgin National Watch Co. v. Illinois Watch Case Co., 179 U.S. 665, 673 (1901), that a trademark:

> * * * may consist in any symbol or in any form of words, but as its office is to point out distinctively the origin or ownership of the articles to which it is affixed, it follows that no sign or form of words can be appropriated as a valid trademark, which from the nature of the fact conveyed by its primary meaning, others may employ with equal truth, and with equal right, for the same purpose.

In Andrew J. McPartland, Inc. v. Montgomery Ward & Co., Inc., 35 CCPA 802, 164 F.2d 603, 76 USPQ 97 (1947), *cert. denied*, 333 U.S. 875, 77 USPQ 676 (1948), this court noted that it was not the purpose of Congress, by the language of section 2(e) of the Trademark Act of 1946, to provide for the registration of trademarks which are merely descriptive of the character or quality of the goods upon which they are used, [4] placing reliance on the statement of the Supreme Court in Beckwith v. Commissioner, 252 U.S. 538, 543 (1920):

[4] See also In re Hercules Fasteners, 40 CCPA 944, 203 F.2d 753, 97 USPQ 355 (1953). Section 5 of the Trademark Act of 1905 denied registration to marks which are "* * * merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods * * *." See Act of February 20, 1905, c.

592, § 5, 33 Stat. 725.

> It was settled long prior to the Trade Mark Registration Act [of 1905] that the law would not secure to any person the exclusive use of a trade mark consisting merely of words descriptive of the qualities, *ingredients* or characteristics of an article of trade. This for the reason that the function of a trade mark is to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied, and words *merely descriptive* of qualities, *ingredients* or characteristics, when used alone, do not do this. Other like goods, equal to them in all respects, may be manufactured or dealt in by others, who, with equal truth, may use, and must be left free to use, the same language of description in placing their goods before the public. [Citations omitted.] [Brackets and emphasis added.]

[1] Thus, a mark which merely denotes the ingredients, quality or composition of an article is not capable of being exclusively adopted and used as a trademark since, for policy reasons, *descriptive words* must be left free for public use. [5] On the other hand, a legal distinction, albeit often obscure, has been drawn between terms that are not

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merely descriptive, but rather are only suggestive of the goods. [6]

[5] See, e.g., Armstrong Co. v. Nu-Enamel Corp., 305 U.S. 315, 335-36, 39 USPQ 402, 409 (1938); Blisscraft of Hollywood v. United Plastics Co., 294 F.2d 694, 698, 131 USPQ 55, 59-60 (2d Cir. 1961); 3 Callmann, Unfair Competition and Trademarks § 71 (2d ed. 1950); Derenberg, Trademark Protection and Unfair Trading § 20 (1936); Vandenburgh, Trademark Law and Procedure § 4.30 (1959).

[6] As Judge Learned Hand stated in Franklin Knitting Mills, Inc. v. Fashionit Sweater Mills, Inc., 297 F. 247 (S.D. N.Y. 1923), *aff'd per curiam*, 4 F.2d 1018 (2d Cir. 1923), deciding whether "Fashionknit" on neckties or knitted cloths of fabrics was *merely* descriptive of those goods:

> It is quite impossible to get any rule out of the cases beyond this: That the validity of the mark ends where suggestion ends and description begins.

[2] One of the tests to determine whether a given mark is "merely descriptive" under the Act is based upon what it would mean to the potential consumer when applied to applicant's goods. To make this test meaningful, it is necessary, therefore, to consider the established usages and associations which inhere in the words "sugar" and "spice" independently and then to compare them with the associations of the composite mark "SUGAR & SPICE" for which registration is sought.

It is appellant's position that:

> The mark "SUGAR & SPICE" immediately and automatically recalls to mind "sugar and spice and everything nice" from the well known nursery rhyme. The second portion of that phrase follows the first as the night follows the day. The association is inescapable. The pleasant connotation of those words, familiar to most of us since early childhood, is the first and paramount impression evoked by this mark. Appellant employs this favorable suggestion in a distinctive trademark usage.

As above noted, the board decided that "The use of the terms 'sugar' and 'spice' in combination is but a normal use of the English language to describe bakery products * * *."

While appellant admits that the individual words "sugar" and "spice" are generic terms which have ordinary meanings which describe the commodities "sugar" and "spice," when used alone, appellant argues that the combination of two descriptive terms into an arbitrary or fanciful word or phrase may convert those words into a distinctive mark. See In re Ada Milling Co., 40 CCPA 1076, 205 F.2d 315, 98 USPQ 267 (1953); Henry Muhs Co. v. Farm Craft Foods Inc., 37 F.Supp. 1013, 49 USPQ 162 (E.D.N.Y. 1941). He adds that this may be true even in those cases where the words thus combined are, prior to combination, descriptive of an ingredient, component or function of the goods to which the mark is applied, citing Ex parte Barker, 92 USPQ 218 (Com. Pat. 1952), discussed later.

Whether a trademark is "reminiscent or suggestive" of something more than the character, quality or ingredients of the goods may also depend on factors considered in Blisscraft of Hollywood v. United Plastics Co., supra note 5, where the mark "POLY PITCHER" was held not to be "merely descriptive" of polyethylene pitchers. One of the reasons stated was:

> Moreover, "Poly Pitcher" is reminiscent or suggestive of Molly Pitcher of Revolutionary time. As used, it is an incongruous expression, and has the characteristics of a coined or fanciful mark.

In a similar vein is Ex parte Barker, supra, wherein the Assistant Commissioner considered a refusal to register on the Principal Register the mark "CHERRY-BERRY-BING" applied to "fruit and berry preserves." While the issue there considered was whether "CHERRY-BERRY-BING" was "capable of functioning as a trademark to distinguish applicant's goods in commerce," the words were considered by the examiner to be "generic and merely indicative of the principal ingredients of applicant's goods." There, it was held, 92 USPQ at 219that:

> While it may be true that each of the individual words in the present applicant's mark are generic and thus independently unregistrable, it seems to me that their unusual association or arrangement in the applicant's

> mark results in a unique and catchy expression which does not, *without some analysis* and rearrangement of its components suggest the contents of applicant's goods. I am constrained to disagree with the examiner's holding in the present case that the applicant's mark is incapable of functioning as a trade mark to distinguish the applicant's goods in commerce. [Emphasis added.]

The board in In re De-Raef Corp., 120 USPQ 318 (TTAB 1959), in considering the mark "CULTURED" for pancake mix made from a list of ingredients including "defatted cultured milk powder," *reversed* the examiner, and made the observation pertinent here that:

> Applicant, however, does not sell milk, cultured milk, or powdered cultured milk. It sells pancake mix, and the pancake mix has been neither exposed to nor treated by any bacillus culture of any kind. "CULTURED" is not merely descriptive of applicant's pancake mix. It is a term which may suggest to some purchasers that cultured milk is used as an ingredient of

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> the product, but it may not have any such suggestive significance to a substantial segment of the average purchasers of the product.

[3] We are cognizant of the usual practice of selling baked goods in stores which also sell sugar and spices as individual commodities. As appellant concedes, the terms "sugar" and "spice" used *individually* are well known and well understood by the purchasing public. However, when combined and used on bakery goods, we think they may function as an indication of more than a mere description of the ingredients of the goods on which the mark is used and, on the record made below, are not "merely descriptive" of such goods within the meaning of section 2. On the record below, the mark clearly does not tell the potential purchaser *only* what the goods are, their function, their characteristics or their use, or, of prime concern here, their ingredients.

The immediate impression evoked by the mark may well be to stimulate an association of "sugar and spice" with "everything nice." [7] As such, on the record below, the mark, along with the favorable suggestion which it may evoke, seems to us clearly to function in the trademark sense and not as a term *merely* descriptive of goods. To the extent that the nursery rhyme is familiar to one seeing or hearing the mark, his recall is undoubtedly stimulated to make the association with "everything nice" but this in no way defeats the distinctive nature of the composite word mark as applied to the listed products.

---

[7] See Dollcraft Co. v. Nancy Ann Storybook Dolls, Inc., 94 F.Supp. 1, 88 USPQ 18, 20 (S.D. Calif. 1950), *aff'd*, Nancy Ann Storybook Dolls, Inc. v. Dollcraft Co., 197 F.2d 293, 94 USPQ 290 (9th Cir. 1952), where the mark "Sugar and Spice" on dolls was considered to be capable of distinguishing appellant's goods from the goods of another and to function to identify origin of the goods. There the district court stated:

> "Sugar and Spice" is a phrase abstracted from an old, familiar nursery rhyme, possessing a meaning in its context, but none when used as the meaning of a doll. * * *

Nor do we find that the decisions cited by the solicitor as pertinent here require a different result. In each of the cited cases, General Baking Co. v. Grocers' Baking Co., 3 F.Supp. 146 (W.D. Ky. 1933); ("SUNSHINE VITAMIN D" applied to bread containing Vitamin D); Quaker Oats Co. v. General Mills, Inc., 45 F.Supp. 462, 53 USPQ 509 (N.D. Ill. 1942), *aff'd*, 134 F.2d 429, 56 USPQ 400 (7th Cir. 1943), ("OATIES" applied to oat cereal); Skinner Mfg. Co. v. General Foods Sales Co., 52 F.Supp. 432, 59 USPQ 118 (D. Neb. 1943), *aff'd*, Skinner Mfg. Co. v. Kellogg Sales Co., 143 F.2d 895, 62 USPQ 324 (8th Cir. 1944), *cert. denied*, Id. v. General Food & Sales Co., Inc., 323 U.S. 766, 63 USPQ 359 (1944), ("RAISIN BRAN" applied to cereal); William Wrigley, Jr., Co. v. Grove Co., 161 F. 885 (S.D.N.Y. 1908), *aff'd*, 183 F.2d 99 (2d Cir. 1910), ("SPEARMINT" applied to chewing gum); we think that the marks there in issue were devoid of the reminiscent, suggestive or associative connotation which we here find to be persuasive as presented on the record below.

Thus, *on the present record,* the decision of the Trademark Trial and Appeal Board must be *reversed*. [8]

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[8] The board refers in its opinion to "A matter of common knowledge" (without indicating a basis therefor). It has been noted in the widely used and well known "Good Housekeeping Cook Book," Edited by Dorothy B. Marsh, Copyright 1942, 1944, 1949 by Hearst Magazines, Inc., Second printing May 1955, Copyright by The Hearst Corp., Published by Good Housekeeping Book Division, 250 West 55th Street, New York, N. Y., Library of Congress Card Catalog No. 54-10951, the index contains three references to "Sugar and Spice" used in combination as the generic name of a particular type of bun, and on page 347, the following recipe is given for what is there called "Sugar-and-Spice Buns."

> "Bake Williamsburg Buns, above; dip tops and sides *at once* into 6 tablesp. melted butter or margarine; then roll in combined $^1/_2$cup granulated sugar and 1 teasp. cinnamon.

However, no rejection on this basis is of record; thus, this issue is not before us. 15 U.S.C. 1071(4).

WORLEY, Chief Judge, concurs in the result.

- End of Case -

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83 USPQ 14

FOOD FAIR STORES, INC. v. FOOD FAIR INC.; FOOD FAIR INC. v. FOOD FAIR STORES, INC.

U.S. Court of Appeals First Circuit

Nos. 4402-3

Decided September 21, 1949

177 F2d 177

Headnotes

UNFAIR COMPETITION

[1] Jurisdiction of courts and practice

In unfair competition action by chain of supermarkets against supermarket using same name in another state, only injury alleged in complaint is destruction of special significance, or secondary meaning, of name of plaintiff's stores; that such injury is not susceptible of exact valuation in money does not negative federal jurisdiction, nor is it fatal that complaint does not contain categorical affirmative allegations tending to support, directly or by inference, general allegation of injury in excess of jurisdictional amount, since there is no legal certainty from complaint that claim is really for less than jurisdictional amount; probability that plaintiff will suffer future harm (interference with intended expansion into defendant's state) from defendant's acts supports finding that jurisdictional amount exists; such finding could not be based upon mere possibility of future harm, but is adequately based upon present probability of such harm.

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[2] Jurisdiction of courts and practice

Defendant's answer traversing plaintiff's general allegation of amount in controversy raises issue of fact as to which plaintiff must carry burden of persuasion.

[3] Jurisdiction of courts and practice

Court may consider issue of presence of jurisdictional amount in preliminary proceedings or at trial on merits.

[4] Jurisdiction of courts and practice

State law governs unfair competition action in federal court.

[5] Jurisdiction of courts and practice

State statute providing for injunction against unfair competition applies although defendant was incorporated as Food Fair, Inc., prior to effective date of statute, since wrong complained of is not adoption of corporate name but use of Food Fair for its supermarket, which use did not commence until after statute had become effective.

[6] Jurisdiction of courts and practice

Federal court can construe state statute in advance of its construction by state courts, and need not decline to exercise jurisdiction thereunder in unfair competition case, since decision does not require federal court to shape state policy governing administrative agencies or entail interference with such agencies or with state courts, and there is no public policy which would be served by withholding from plaintiff the jurisdiction (diversity of citizenship) conferred upon federal courts.

TRADE MARKS

[7] Marks and names subject to ownership--Descriptive--Not descriptive

"Food Fair" is not generic as applied to supermarkets although both words are generic; mark is not to be resolved into its component parts, and each part analyzed separately.

[8] Appeals to Circuit Courts of Appeals--Weight given findings of District Court

Appellate court is loath to interfere with scope of injunctive relief afforded.

UNFAIR COMPETITION

[9] Names of companies, individuals and goods

Rehearing and reopening--In general

Although parties do not compete, defendant is enjoined under Mass. G.L. (Ter. Ed.) c. 110, s. 7A, from using plaintiff's name except with descriptive preface; should parties later come into direct competition because of plaintiff's expansion, plaintiff may seek modification of decree, since parties are not irrevocably bound by decree as it stands.

Case History and Disposition

Appeal from District Court for District of Massachusetts, Wyzanski, J.; 79 USPQ 114 .

Action by Food Fair Stores, Inc., against Food Fair Inc. for trade mark infringement and unfair competition. From judgment for plaintiff, both parties appeal. Affirmed.

Attorneys

ARTHUR L. SHERIN (NORWOOD COX, EDWARD W. LIDER, SHERIN & LODGEN, and STEIN & STEIN on the brief) all of Boston, Mass., for Food Fair Stores, Inc.

MAURICE TOBEY (WILLIAM L. BERGER and GABRIEL V. MOTTLA on the brief) all of Boston, Mass., for Food Fair Inc.

Judge

Before MAGRUDER, Chief Judge, WOODBURY, Circuit Judge, and LINDLEY, District Judge.

Opinion Text

Opinion By:

WOODBURY, Circuit Judge.

These are cross appeals from a final decree enjoining the defendant from using the words "Food Fair" in its business (that of operating a supermarket on Harvard Street in Brookline, Massachusetts) "unless such words are prefaced by a descriptive word or words such as Rodman's, Brookline or New England." The plaintiff on its appeal assigns the limited scope of the injunctive relief afforded as error. The defendant as appellant contends, first, that federal jurisdiction is lacking for want of a sufficient amount in controversy, and, second, that even if federal jurisdiction exists, the plaintiff is not entitled to any relief under the applicable law.

At the outset of its complaint the plaintiff alleges that it is a Pennsylvania corporation, that the defendant is a corporation existing under the laws of the Commonwealth of Massachusetts, and that the value of the matter in controversy, exclusive of interest and costs, is in excess of $3,000. Next the plaintiff alleges that it is, and for many years has been, engaged in the business of operating a chain of supermarkets in Maryland, Delaware, New York, New Jersey and Pennsylvania in which it sells at retail the products usually sold in grocery stores; that beginning in 1935 it adopted the practice of incorporating subsidiaries using the words "Food Fair" in their names to operate its markets; that in 1942 it merged these subsidiaries with itself at which time it changed its name from its original one of Union Premier Food Stores, Inc. to its present one of Food Fair Stores, Inc. by which it has since continuously been known; and then it alleges that beginning in 1935 it "adopted and used, and since that date

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has continuously to the present time used, the unique trade name Food Fair in connection with the conduct by it and by its subsidiary corporations of said retail food supermarkets."

Following this the plaintiff sets out its growth from a single store in 1935 to 95 stores having gross sales during the calendar year 1947 amounting to approximately $120,000,000, making it the eighth largest retail food chain in volume of national sales in the country and subjecting it to comment in magazines of national circulation; that in April, 1946, it caused a wholly owned corporate subsidiary known as Food Fair Stores Corporation to be registered and qualified to do business in Massachusetts as a foreign corporation; [1] that its advertising expense over the period of its expansion amounted to approximately $4,000,000, and that in its advertising it had long made prominent use of the unique phrase "The Food Department Store", which, it says, "is intended to and does build up and maintain the reputation, good-will and value of the name Food Fair." Then the complaint continues: "Because of the nature and extent of the business and advertising of plaintiff, the name Food Fair and the phrase The Food Department Store, as used in connection with the name Food Fair, have become known throughout the United States, including the area known in the Commonwealth of Massachusetts as Greater Boston, as referring to plaintiff and its stores, and both said unique name and said unique phrase, used singly or together, have acquired such a secondary meaning as to have become

associated by the public generally, including the public in said Greater Boston, with plaintiff and its retail supermarkets."

[1] In addition the plaintiff alleges that it and its associated companies, all of which have names containing the words Food Fair, are qualified to do business in 47 states of the United States.

Furthermore the plaintiff alleges that its stock is widely held throughout the United States, having had since 1937 approximately 500 stockholders in Massachusetts, particularly in Greater Boston; that its stock is listed on the New York Stock Exchange and its price quoted in the daily newspapers under the name Food Fair, and that such papers from time to time publish its financial statements and make comments concerning its business; and that its stockholders periodically receive its financial statements wherein "the trade name, nature, extent and volume" of its business are described in detail.

Then the complaint goes on to allege that when the defendant opened its supermarket in Brookline on December 18, 1947, it was well aware of the plaintiff's chain and the value of its unique name and its unique advertising phrase but nevertheless appropriated both, and, in addition, simulated the plaintiff's stores in architecture, style, color scheme, layout, design, and method of operation; prominently displayed the name Food Fair on signs affixed to the building both inside and outside and sold large quantities of food products bearing labels containing, among other things, the phrase Food Fair.

All this it is alleged was done by the defendant knowingly and "with the purpose of trading upon and appropriating for its own profit the reputation, good-will and value connected with plaintiff's said trade name and unique phrase, and with the purpose and intent of inducing the public to believe that defendant is connected with the plaintiff, that defendant's store is one of the stores owned and operated by plaintiff, and the quality of the merchandise and service offered the public by defendant is similar in kind and equal in quality to that offered the public by the plaintiff."

Wherefore, it is alleged "there is reasonable probability that the general public, investors in stocks and securities, and vendors of merchandise to the retail trade, will be deceived into believing that the defendant is affiliated with or connected with the plaintiff" and "The use by the defendant of said trade name, Food Fair and the unique phrase The Food Department Store, either singly or together, will result in injury to the plaintiff's business reputation, and will further result in dilution of the distinctive quality of the plaintiff's said trade name, Food Fair, and the plaintiff's said unique phrase The Food Department Store."

The defendant in its answer denied that the matter in controversy exceeds the sum of $3,000; said that it had no knowledge as to the truth of the plaintiff's allegations with respect to the growth of its business since 1935, the present scope thereof, and its use therein of its name and advertising slogan; denied that either was unique; admitted that it had adopted and was using the name Food Fair for its supermarket but denied its use of the advertising slogan "The Food Department Store"; denied that it had selected its name either with full knowledge of the plaintiff's existence or with any intention "to appropriate any rights or benefits belonging to the plaintiff"; denied that it ever intended to induce the public to believe that it was "connected with the plaintiff"; and further answering said "that the words Food Fair and the Food Department Store are in common use in the New England area

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and elsewhere to describe the sale of food generally, and that such words as so used are in the public domain and not subject to exclusive appropriation by anyone."

I. Jurisdiction

Since there is no suggestion of a federally registered trade mark, federal jurisdiction, if it exists, must rest upon the diversity of the citizenship of the parties, which is conceded, and an amount in controversy between them in excess of $3,000, which is not. 28 U.S.C. § 1332 (a) (1). Thus on the jurisdictional phase of the case the sole question is the value of the matter in dispute.

In considering this question we turn first to the plaintiff's complaint, for to litigate in a federal court a plaintiff "must allege in his pleading the facts essential to show jurisdiction. If he fails to make the necessary allegations he has no standing." McNutt v. General Motors Acceptance Corp., 298 U.S. 178, 189. In the complaint there is a clearly adequate formal allegation that the requisite jurisdictional amount is involved. And "Such a formal allegation is sufficient, unless the bill contains others which qualify or detract from it in such measure that when all are considered together it cannot fairly be said that jurisdiction appears on the face of the complaint, in which case the suit should be dismissed by the court sua sponte or upon the defendant's motion." KVOS, Inc. v. Associated Press, 299 U.S. 269, 277.

[1] Looking at the allegations in the complaint as a whole it would appear that the plaintiff is using, and for years has used, the name Food Fair in its business of operating a large and expanding chain of retail supermarkets in the Middle Atlantic States, each store no doubt doing an essentially local business, and that the defendant recently opened a similar market, also no doubt doing an equally local business, under the identical name in Brookline, Massachusetts. Thus it is made to appear that the parties are using the same name in the same line of business but not in the same locality. And there is no allegation that the defendant is diverting any customers away from the plaintiff. Indeed the present spheres of the parties' operations are so far apart geographically that considering the essentially local nature of the business involved, there is no immediate likelihood of the plaintiff losing any customers to the defendant. It cannot

be seriously suggested that any prospective customer of a retail supermarket in Brookline would for a moment consider the relative advantage of being served by such a market in his community as against being served by one as far distant as the plaintiff's nearest store in New York. Neither is it alleged that the defendant's goods or services are inferior to those offered by the plaintiff. Thus the injury alleged consists solely in the dilution, as it has come to be called, of the plaintiff's mark, i.e., the destruction of that mark's special signification, or secondary meaning, of the plaintiff's stores.

Naturally, such an injury as this is not susceptible of exact valuation in money. But this does not negative federal jurisdiction. Nor is it fatal that the complaint does not contain categorical affirmative allegations tending to support, either directly or by inference, the general allegation of injury in excess of the amount necessary for federal jurisdiction, for to justify dismissal when there is an adequate formal allegation of an amount in controversy sufficient to confer federal jurisdiction, it must appear to a legal certainty from the rest of the complaint that the claim is really for less than the jurisdictional amount. St. Paul Indemnity Co. v. Red Cab Co., 303 U.S. 283, 289. And this definitely does not appear. On the contrary the allegations of the plaintiff's complaint which we have summarized seem to us if anything to support the general allegation of jurisdictional amount. Certainly the complaint in the case at bar is as adequate for jurisdictional purposes as the complaint held adequate for that purpose in KVOS, Inc. v. Associated Press, supra.

[2] But this does not end the jurisdictional phase of the instant case. The defendant in its answer traversed the plaintiff's general allegation of amount in controversy thereby raising an issue of fact as to which the plaintiff must carry the burden of persuasion if it is to avoid having its complaint dismissed. McNutt v. General Motors Acceptance Corp., supra.

[3] The court below did not consider this issue in preliminary proceedings, as it might have done. Instead it postponed consideration thereof until trial on the merits. At the trial it took evidence on the issue of amount actually in controversy following which it found as a fact that [79 USPQ 114, 120] "the value of the object to be gained in this suit * * * could reasonably be thought to exceed $3,000", wherefore it concluded that federal jurisdiction existed. This finding and the conclusion based thereon are challenged by the defendant on its appeal.

In support of its ultimate finding of a genuine controversy over an amount adequate for federal jurisdiction the court below found that the plaintiff's origin and development were substantially as alleged, except that by the time of the trial it was operating 103 stores, had further expanded its business into

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the states of Florida and West Virginia, and was doing business at an annual rate of gross income approaching $150,000,000; that it had used the name Food Fair to the extent alleged and was still using it; that as a result of this use the name had acquired a secondary meaning signifying local retail supermarkets operated by the plaintiff which deserved protection as a trade name; and that its name was known in Massachusetts by [79 USPQ at 116] "investors and others in financial circles"; by operators of supermarkets, chain grocery stores, and like retail outlets; by wholesale suppliers of fish and other foods, and also, to a limited extent, by average customers of retail food stores.

The court then went on to find that the defendant corporation was organized in 1947 by one Benjamin B. Rodman, a market man with a score of years experience, who ever since had been its chief executive officer in charge of its operations and policy; that when Rodman adopted the name Food Fair for his supermarket he did so with knowledge of the plaintiff's earlier use of that name and knowledge of the expanding character of the plaintiff's chain, but that his intention in doing so [79 USPQ at 117] "was chiefly to get the benefit of a name which was inherently attractive because of its primary rather than its secondary meaning"; and that although the effect of the defendant's conduct had not been to deprive the plaintiff of any customers, or to affect its standing with investors or wholesalers, or to affect the worth of the name outside Massachusetts, where the name of the defendant's store had never reached, nevertheless the defendant had in the past and was likely in the future to confuse some average customers into believing that they are dealing with the plaintiff's chain, although so far as appeared such customers have so far not been given inferior goods or services, with the result that [79 USPQ at 118] "to date they have not been injured by their confusion nor has plaintiff's reputation been affected by being associated with inferior goods or services." Hence the court concluded that although the defendant had caused some persons in Massachusetts to be confused, since their trade had not been diverted and since the [79 USPQ at 120] "defendant's services have not been and are not likely to be inferior to plaintiff's, such damage was merely nominal."

But the court went on to say [79 USPQ at 118]:

> "One other effect of defendant's conduct demands special notice. Defendant to some extent diluted the value of plaintiff's trade name within Massachusetts. Prior to defendant's advent the name carried to some actual or potential Massachusetts customers, retailers, wholesalers and investors the meaning that all supermarkets operated under that name belonged to plaintiff. Defendant's conduct has adversely affected that exclusive secondary meaning. The extent of the adverse effect is a more subtle question to which reference will be made later."

The memorandum opinion of the court below, however, does not subsequently contain any specific estimate of the monetary value of the dilution suffered by the plaintiff, and apparently that court did not consider such an estimate necssary, for referring to the matter of the amount in controversy later in the opinion the court found another adequate ground for its ultimate conclusion that the controversy was over a sufficient amount to support federal jurisdiction. It

said [79 USPQ at 120-121]:

> "But there remains one other aspect of the amount in controversy. Defendant has interfered with plaintiff's opportunity to expand its chain by opening stores in Massachusetts free of competition with other local stores by the same name and has created a situation where, if it now prevails, it will probably be able even to enjoin plaintiff from effectuating its plans to operate stores in Greater Boston under the name Food Fair. This interference and forestalling, unlike that considered in United Drug Co. v. Rectanus Co., 248 U.S. 90, 101 and Hanover Milling Co. v. Metcalf, 240 U.S. 403, 420, has occurred after plaintiff had acquired a reputation in Massachusetts, had done business with wholesalers here, had acquired official permission for one of its subsidiaries to do business here and had negotiated for the acquisition of enterprises here. Before defendant opened its store plaintiff had something more than a mere hope of doing business in Massachusetts. Plaintiff had a right to regard Massachusetts as the 'territory from which he * * * with the probable expansion of his business may reasonably expect to receive custom * * *.' Restatement, Torts, § 732. Cf. Sweet Sixteen Co. v. Sweet '16' Shop, 15 F.2d 920 (C.C.A. 8). The right to protection in territories where one 'receives or with the probable expansion of his business may reasonably expect to receive custom' [Restatement, Torts, § 732] is protected by Mass. St. 1947, c. 307 from dilution. And thus (to use the language famil
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> **Page 19**
>
> iar in federal jurisdictional law) the value of the object to be gained in this suit is the right to operate supermarkets in Massachusetts under the name Food Fair without being faced with a competitor in Brookline who has the same name and who probably would seek to enjoin plaintiff's expansion. In view of the testimony that with 103 stores plaintiff earns at the rate of $2,700,000 annually, this right, it seems to me, could reasonably be thought to exceed $3,000. And I therefore conclude that this court has jurisdiction to give relief to plaintiff."

The defendant as appellant complains of the foregoing on two principal grounds: It says that the possibility of the plaintiff's expansion into Massachusetts is too remote to support a finding of a jurisdictional amount in controversy, and it says that a finding of such an amount in controversy cannot be based upon future or contingent damages.

The defendant's first argument can be readily answered. There is undisputed testimony in the record, and the court below made findings in accordance therewith, that in addition to causing a subsidiary corporation to obtain registration to do business in Massachusetts as a foreign corporation, the plaintiff had several times in recent years negotiated for the acquisition of stores in Massachusetts, and although those negotiations for one reason or another had proved abortive, expansion into Massachusetts remained in the active contemplation of the plaintiff's officers. The foregoing evidence and findings clearly distinguish the case at bar from Pure Oil Co. v. Puritan Oil Co., 39 F.Supp. 68 [49 USPQ 628] (*reversed* on grounds not here material 127 F.2d 6 [52 USPQ 600]), upon which the defendant heavily relies. For although that case is very similar to the one at bar, in it the court found that the plaintiff had given up its retail outlet in the state involved (Connecticut), was pursuing a program of territorial contraction, and had no present intention of resuming operations in Connecticut, wherefore the court found that the plaintiff's re-expansion into Connecticut was not [49 USPQ at 634] "probable enough to give any substantial value to its Connecticut good will", and in consequence concluded that the plaintiff had failed to sustain the burden of proof imposed upon it by the McNutt case, whereas in the case at bar the opposite is true.

And the foregoing disposes of the defendant's second contention also. It is not accurate to say that a finding of amount in controversy cannot be based upon future or contingent damages. It cannot be based upon a mere possibility of future harm, but it can be upon a present probability of such harm. The distinction to be observed is the familiar one between a probability and a possibility, not between present and future, or certain and contingent. This clearly appears in the opinion of Judge Clark, sitting as District Judge, in the Pure Oil case supra, with ample citation of authorities. Therefore the finding of a probability of future harm to the plaintiff from the acts of the defendant warrants the ultimate finding of an amount in controversy adequate for federal jurisdiction. [2]

[2] We pass consideration of the possibility of a narrower rule applicable to this aspect of the jurisdictional question in cases like Healy v. Ratta, 292 U.S. 263 and McNutt v. General Motors, 298 U.S. 178, in which an element of comity enters for the reason that the injunction sought is against action by a state official. See 1 Moore, Federal Practice 529 et seq.

II. Merits

[4] The parties agree, and it seems to us clear, as it seemed to the court below, that Massachusetts law governs. And we think that the applicable Massachusetts law is embodied in Mass. G. L. (Ter. Ed.) c. 110 § 7 A, inserted by Mass. St. 1947, c. 307, which provides: "Likelihood of injury to business reputation or of dilution of the distinctive quality of a trade name or trade mark shall be ground for injunctive relief in cases of trade mark infringement or unfair competition notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services."

[5] The defendant first contends that to apply the above statute in the case at bar would give it retroactive effect for the reason that it became effective by its terms on August 1, 1947, whereas the defendant was incorporated over three months earlier. The short answer to this contention is that the wrong complained of is not the adoption of the name Food Fair, Inc. by the defendant corporation, but the use by that corporation of the name Food Fair for its supermarket

in Brookline, and its use of that name did not occur until the defendant opened its market in December 1947, some three months after the effective date of the statute.

[6] Furthermore the defendant contends that federal courts ought not to attempt to construe the Massachusetts statute in advance of its construction by the Massachusetts courts, but should decline to exercise jurisdiction in ac

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cordance with the rule of Railroad Com. of Texas v. Pullman Co., 312 U.S. 496; Watson v. Buck, 313 U.S. 387 [49 USPQ 468]; Chicago v. Fieldcrest Dairies, Inc., 316 U.S. 168; Burford v. Sun Oil Co., 319 U.S. 315; A. F. of L. v. Watson, 327 U.S. 582. We do not agree. Since decision of the case at bar does not require this or any other federal court "to determine or shape state policy governing administrative agencies", or entail "interference with such agencies or with the state courts", and since we are unaware of any "public policy or interest which would be served" by our withholding from the plaintiff the jurisdiction conferred by Congress upon the federal courts, it seems to us clear that the rule of Meredith v. Winter Haven, 320 U.S. 228, applies instead of the rule of the cases cited by the defendant.

Moreover the defendant seems to contend that the above Massachusetts statute, in spite of the scope of its terms, gives the plaintiff no right to relief because in Greater Boston its name has acquired no secondary meaning signifying its stores and hence there cannot possibly be any confusion as to source with respect to the goods sold by the defendant, which, it says, is an essential element of any cause of action under the statute. This contention is obviously without merit for the reason that the court below categorically found on adequate evidence that [79 USPQ at 117] "As a result of plaintiff's use the combination Food Fair has now acquired a secondary meaning sufficient to deserve protection as a trade name. It signifies local retail super-markets operated by plaintiff", and further that "This identification is made not only by persons residing outside Massachusetts but by an appreciable number of persons within Massachusetts." In addition the statute under consideration provides that dilution of a trade mark or trade name is a ground for injunctive relief in cases of trade mark infringement or unfair competition "notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services."

[7] The defendant's further contention that the words Food Fair are not susceptible of appropriation because they are generic deserves only slightly more extended consideration. It is true that both words involved are generic. But, as we have had occasion to observe before, a trade mark is not to be resolved into its component parts, and each part analyzed separately in cases of this sort. Pro-phy-lac-tic Brush Co. v. Jordan Marsh Co., 165 F.2d 549, 552 [76 USPQ 146, 148-149]. Considered together the words involved may be relatively weak, but we do not think that they are by any means too weak to deserve the protection given them by the court below. This seems to us clear, and brings us to the question presented by the plaintiff's appeal, that is, whether the relief afforded is adequate.

[8] [9] Traditionally "The essence of equity jurisdiction has been the power of the Chancellor [i.e. the trial court] to do equity and to mould each decree to the necessities of the particular case." Hecht Co. v. Bowles, 321 U.S. 321, 329. Hence as an appellate tribunal we are loath to interfere with the scope of the injunctive relief afforded. Nor do we feel inclined to do so for the reason that at the moment the parties are not in direct competition and such relatively minor confusion as now exists, it seems to us, can be obviated by the expedients required by the decree as it stands. Perhaps this may not always be so. Should the plaintiff expand its chain into Massachusetts and the parties come into direct competition, then it may be that the relief granted would not give the plaintiff adequate protection. But it will be time enough to consider this question when it arises, for the parties are not irrevocably bound by the decree as it stands. If circumstances change the court below is open to the plaintiff to seek modification of the present decree under the principle enunciated in United States v. Swift & Co., 286 U.S. 106, 114, in which Mr. Justice Cardozo, speaking for the court, said that even when power to modify a decree of injunction has not been reserved therein, that power nevertheless exists "by force of principles inherent in the jurisdiction of the chancery. A continuing decree of injunction directed to events to come is subject always to adaptation as events may shape the need", and then, after citing cases, continued: "The distinction is between restraints that give protection to rights fully accrued upon facts so nearly permanent as to be substantially impervious to change, and those that involve the supervision of changing conduct or conditions and are thus provisional and tentative * * * a court does not abdicate its power to revoke or modify its mandate if satisfied that what it has been doing has been turned through changing circumstances into an instrument of wrong." See also S. C. Johnson & Son v. Johnson, 175 F.2d 176, 177 [81 USPQ 509, 511].

The decree of the District Court is *affirmed*.

- End of Case -

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95 USPQ 264
Q-Tips, Inc. v. Johnson & Johnson
U.S. District Court District of New Jersey

Nos. 10415, 284-49

Decided November 20, 1952

108 FSupp 845

Headnotes

PATENTS

[1] Patentability-Aggregation or combination-In general

Dispositive of question whether combination patent is mere aggregation is presence of invention; if combination shows invention, it is patentable; if it does not, it is unpatentable, i.e., is mere aggregation.

[2] Patentability-Aggregation or combination-In general

Patent having expired, public may employ ideas it embodies and may not be prevented from so doing by their being later patented along with improvements as a combination patent; combination claims incorporating such ideas virtually without change are invalid where later machine performs no new or different function by virtue of being united with prior mechanism.

[3] Patentability-Invention-In general

Far more than mere substitution of machine for human hands is accomplished where ingenious machine materially advances art, increases speed of operations, makes better product, and enables one operator to tend three machines instead of one.

[4] Patentability-Aggregation or combination-In general

Where patentee claims invention separately as well as in combination with old elements which perform no new function, court may allow separate claims and disallow combination claims.

[5] Construction of specification and claims-By specification and drawings-In general

Claims are not examined in vacuo, but are construed with specification in mind.

[6] Infringement-Tests of infringement

Only if accused machine performs substantially same function in substantially same way to obtain same result can it be held to infringe patent.

TRADE MARKS

[7] General principles

Trade mark is arbitrary or fanciful symbol, consisting of words or pictures, which is designed to indicate origin of product.

[8] Marks and names subject to ownership-Descriptive-In general

Device which is merely descriptive of article of trade cannot be afforded protection as trade mark.

[9] Marks and names subject to ownership-Descriptive-In general

Whether word is descriptive or has arbitrary significance must be decided, not in the abstract, but in relation to goods in question and context in which it is used; in determining whether mark is descriptive, court examines it as a whole.

[10] Marks and names subject to ownership-Descriptive-Not descriptive

"Q-Tips" is not descriptive, but is arbitrary symbol which has acquired meaning of a cotton tipped applicator made by plaintiff.

[11] Marks and names subject to ownership-Names of patented articles

Test for deciding whether arbitrary name has become generic title of patented product is what buyers understand by such name; if they understand by it only the kind of goods sold, it makes no difference whatever efforts plaintiff made to get them to understand more; name has not become generic title of product where it has not come to mean to consumer the product as distinguished from plaintiff's brand of product.

[12] Marks and names subject to ownership-Descriptive-In general

That plaintiff and others have used "cotton tips" descriptively does not settle question whether, when defendant uses "Cotton Tips" in large block letters on its packages, it is descriptive or whether it is used in manner of a trade mark.

[13] Marks and names subject to ownership-Descriptive-In general

Marks and names subject to ownership-Descriptive-Not descriptive

Despite fact that "cotton" is descriptive and that "tips" can be used descriptively, "Cotton Tips" is not merely descriptive of cotton tipped applicators.

[14] Marks and names subject to ownership-Descriptive-Not descriptive

That word may be suggestive of character of goods does not negative trade mark use.

[15] Infringement

"Cotton Tips" infringes "Q-Tips."

TRADE MARKS

[16] General principles

UNFAIR COMPETITION

General principles

Unfair competition, which includes trade mark infringement, differs from it in that it does not involve violation of exclusive right to use word, mark, or symbol, but involves any violation of right arising from operation of an established business.

UNFAIR COMPETITION

[17] Dress of goods and imitation of labels

That defendant's articles are same size as plaintiff's cannot of itself establish unfair competition, since plaintiff's patent has expired and anyone is free to make article in any size desired.

[18] Dress of goods and imitation of labels

Seller may place picture of his product on package provided picture is not so similar to that on rival's package as to cause confusion.

[19] Dress of goods and imitation of labels

Dimensions of package are considered when determining if defendant's packaging is confusingly similar to plaintiff's.

[20] Names of companies, individuals and goods

Doctrine of dilution of value and distinctiveness of plaintiff's mark through defendant's conduct has been applied where products of parties are dissimilar or their territories are different; doctrine does not apply where products are the same; such relief is not warranted by Massachusetts G.L. (Ter. Ed.) c. 110, s. 7A; statute does not enlarge substantive rights of trade mark owner.

TRADE MARKS

[21] Infringement

Protection is afforded to trade mark owner against use by others of imitations of mark on product similar enough to cause confusion in minds of customers as to source of goods; this protection is afforded through ordinary redress for infringement without resort to doctrine of dilution of distinctiveness of mark; thus, having found that defendant infringes plaintiff's mark "Q-Tips," plaintiff is entitled to injunction restraining defendant from using "tips" in any mark designating its similar goods.

[22] Accounting

Evidence as to costs of marketing defendant's product and testimony showing that there has been no decisive decline in plaintiff's business disposes court to believe that excursion into profits and damages would be fruitless; justice is satisfied by injunction without awarding accounting; 15 U.S.C. 1051 contemplates application of equitable considerations along this line.

UNFAIR COMPETITION

[23] Patents-In general

Plaintiff advertised in trade publication that it had received inquiries as to suit against defendant, that suit was for infringement of its machine, and that patent had been upheld against another infringer; statements were true and, if read carefully, not misleading; advertisement was legitimate response to questions concerning suit, even though court later held claims invalid or not infringed.

[24] Defenses

Notice and marking patented

Suit on machine patent is not barred by unclean hands although, after expiration of product patent, plaintiff continued to mark product "Patented U.S. Pat. Off."; nature and context of misrepresentations are important when court decides whether to withhold relief because of unclean hands; defense is scrutinized with critical eye; marking was continued through inadvertence without intent to deceive and was discontinued as soon as defendant's answer brought error to plaintiff's attention; prospective rivals were not deterred from entering field.

TRADE MARKS

[25] Fraud and misrepresentation

Injunction against trade mark infringement is not barred by unclean hands, since plaintiff ceased using objectionable circular prior to filing suit.

Particular Patents

Particular patents-Medical Swabs

1,921,604, Bunnell and Barnes. Apparatus for Manufacturing Medical Swabs, claims 1 to 8, 16, 22, and 23 invalid; claims 9, 10, and 21 valid but not infringed.

Case History and Disposition

Page 265

Two actions by Q-Tips, Inc., against Johnson & Johnson, one for patent infringement and one for trade mark infringement and unfair competition in which defendant counterclaims for unfair competition. Judgments for plaintiff in part and defendant in part.

See also 95 USPQ 258 .

Attorneys

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Kenneth Perry, New York, N. Y. (Stewart W. Richards, New York, N. Y., and Arnold S. Worfolk and H. E. Bailey, both of New Brunswick, N. J., of counsel) for defendant.

Opinion Text

Opinion By:

Forman, Chief Judge.

Plaintiff, Q-Tips, Inc., a New York corporation, instituted two suits against defendant, Johnson & Johnson, a New Jersey corporation. The complaint in Civil Action No. 10,415 alleged infringement of plaintiff's Patent No. 1,921,604 of August 8, 1933, [1] relating to a machine for manufacturing medical swabs (hereinafter referred to as cotton tipped applicators or applicators) by defendant's making, selling, and using a similar cotton tipped applicator machine. Plaintiff demanded an injunction and damages.

[1] The patent in suit is regarded as if in force at this writing although, in fact, it expired during this litigation.

Johnson & Johnson's answer denied infringement and urged invalidity of the patent in view of the prior art, lack of invention, non-compliance with the patent statutes with respect to describing and claiming the alleged improvement, and failure of the Patent Office to cite and properly apply the most relevant art. In addition, the answer alleged misuse of the patent and also certain grounds of unfair competition including false patent marking of the unpatented goods with respect to which the parties compete, interference with defendant's stick supply and advertising to the trade in such a manner as to cause defendant's customers to believe defendant was infringing a product patent. A counterclaim alleged that Q-Tips, Inc., had attempted unlawfully to restrain trade and commerce and to secure for itself an unlawful monopoly of the business of selling cotton tipped applicators. Defendant demanded that the complaint be dismissed, that Q-Tips, Inc.'s patent be adjudged invalid and not infringed and that an injunction issue restraining it from prosecuting any claim for infringement of the patent or from doing other enumerated acts involving Johnson & Johnson or its privies and that it pay treble damages.

Q-Tips, Inc., brought its second suit (Civil Action No. 284-49) under the United States trade mark laws, alleging as a first cause of action that since prior to January 1, 1926, it had engaged in the "manufacture and sale of swabs for use as medical applicators, in baby care, for cosmetic purposes and many other uses;" that the swabs consist of sanitary absorbent cotton attached to one or both ends of small sticks of wood and are packaged and sold under the trade mark "Q-Tips" for which a certificate of registration had been issued on July 9, 1934, under Serial No. 309256 and that Johnson & Johnson subsequent to November of 1948 has infringed upon its trade mark rights by using in commerce the name "Cotton Tips" in connection with the sale of applicators for the same purposes as those of Q-Tips, Inc., and in competition therewith.

For a second count Q-Tips, Inc., complained that Johnson & Johnson by its use of the name "Cotton Tips" and the appearance of its packages caused confusion upon the part of the buying public and unfairly competes with the Q-Tips product.

Q-Tips, Inc., prayed for an injunction to restrain Johnson & Johnson from using the name "Cotton Tips"; from infringing upon its trade mark "Q-Tips"; from unfairly competing with it in the use of the name "Cotton Tips" or in any other name having the dominant word "tips" in it or in using a package having the dress and appearance of its package and from continuing its campaign of "wilful and malicious dilution of the distinctiveness and value of plaintiff's trade mark by using and inducing others to use the word 'tips' as a term generically descriptive of swabs or applicators." It also sought an accounting.

Subsequent to the filing of the original complaint Q-Tips, Inc., filed an amended and supplementary complaint incorporating the first two counts as originally filed, and adding a third cause of action in which it alleged that Johnson & Johnson had formulated a plan or scheme, wilfully and maliciously, to destroy the value of the plaintiff's trade mark "Q-Tips" in furtherance of which it embarked upon a campaign to create for the word "tips" a new meaning which it had never theretofore had, namely, swab or applicator. It alleged that Johnson & Johnson designed to cause the word "tips" to become accepted as the principal generic term for the article described, thus diluting the value and distinctiveness of plaintiff's trade mark "Q-Tips". It prayed for damages (compensatory and punitive) on account of the infringement and a judgment that damages should be trebled.

Johnson & Johnson filed an answer to the amended and supplementary complaint in which it denied the validity and infringement of the trade mark "Q-Tips" or that by the use of the words "Cotton Tips" or the appearance of its packages it has unfairly competed with Q-Tips, Inc., and sought to create for the word "tips" a new meaning designed to dilute or destroy the value and distinctiveness of the trade mark of Q-Tips, Inc. It averred that its use of the words "cot

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ton" and "tips" individually or together in the form of "Cotton Tips" is a use other than as a trade mark, of a term or device which is descriptive of and used fairly and in good faith only to describe to users a product manufactured and sold by it which consisted "of a small stick of which one or both tips are provided with absorbent cotton."

The answer also alleged that the term "cotton tips" has been used by manufacturers for years to describe such goods without objection by plaintiff; that because of plaintiff's conduct the word "Tips" in "Q-Tips" has never had any significance as an indication of origin and that "tips" has been used by the trade and public to indicate such goods; that the term "Q-Tips" has become the common descriptive name of a product on which a product patent has expired; that as a result of plaintiff's abandonment of the alleged trade mark "Q-Tips", said mark has lost its significance as an indication of origin and has been used by the trade and public as the generic name of such product; that plaintiff has used the term "Q-Tips" exclusively in connection with this type of product so that the term now means to the public a

certain type of applicator that may be made by any manufacturer; that plaintiff has engaged in false patent marking and an attempt to secure a monopoly as noted in connection with the patent suit; and that when plaintiff adopted the mark "Q-Tips", the use of the word "tip" or "tips" by its predecessors and others had been such as to already have diluted any value or distinctiveness in said mark on cotton tipped applicators, and since then, and long before defendant began to use the term "Cotton Tips", plaintiff by acts of commission and omission continued to dilute and destroy any alleged value and distinctiveness of the mark.

A counterclaim was entered similar to that filed with the answer in the patent suit. The defendant sought judgment dismissing the complaint, adjudicating that the mark "Q-Tips" is invalid, that plaintiff's registration of "Q-Tips" be cancelled, that the plaintiff be enjoined from prosecuting the patent suit, that plaintiff be enjoined from engaging in restraint of trade and unfair competition with respect to defendant, and that the defendant be awarded treble damages, costs and attorneys' fees in consequence of plaintiff's monopolistic and unfair practices.

Defendant moved for summary judgment in the patent case grounded on the contention that plaintiff was barred from suing on its patent having misused it by licensing applicator making machinery embodying the alleged invention of Patent No. 1,921,604, in which licenses plaintiff limited either the use of the licensed machines to the manufacture of unpatented applicators having a cotton tip at one end of the stick only, or the number of the unpatented applicators that could be made by the licensee where the license permitted manufacture of applicators with cotton swabs at both ends of the stick. Defendant moved for summary judgment in the trade mark case on the ground that various of its defenses were supported by such an overwhelming assemblage of evidence that there was no issue as to any material fact and that visual comparison of plaintiff's packages with those of the defendant conclusively negated any inference of fraud or unfair competition. The motion was denied in each case for the reasons set forth in an opinion filed September 4, 1951 [95 USPQ 258].

At a pretrial conference held in both cases they were consolidated for trial.

The Patent Case (C-10,415)

Both plaintiff and defendant manufacture a product consisting of a stick one-tenth of an inch in diameter, [2] two and seven-eighths of an inch long, [3] and with a swab of cotton wrapped around each end of the stick. The primary use of these double tipped applicators is in the care of babies, where they are employed for such purposes as cleaning nostrils and ears. [4] It would appear that the first commercial producer of cotton tipped applicators was a Mrs. Forbis, who manufactured them in her home. [5] She also owned a patent on the article, numbered 1,652,108, dated December 6, 1927, and sold the product under the appellation Baby Nose-Gay. [6] In 1925 The Leo Gerstenzang Co., Inc. purchased an assignment of the product patent from Mrs. Forbis. [7]

[2] Transcript, pp. 105, 163.

[3] Transcript, p. 163.

[4] Transcript, pp. 196-246.

[5] Transcript, p. 16.

[6] Exhibit DHH 36.

[7] Exhibit DHH-DII.

Plaintiff, Q-Tips, Inc., was incorporated in New York on January 30, 1929, [8] and on February 6, 1929, The Leo Gerstenzang Co., Inc. transferred its business to plaintiff. [9] On January 2, 1937, plaintiff's president, Mr. Leo Gerstenzang, and his wife Mrs. Ziuta Gerstenzang formed a partnership and purchased from plaintiff "All merchandise, machinery and fixtures now contained in the premises-132 W. 36th Street and used by said Q-Tips, Inc., for the manufacture of Q-Tips or medicated swabs together with the accounts receivable of said Q-Tips, Inc." The contract recited that plaintiff was the owner

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of patents covering the manufacture of applicators. [10]

[8] Exhibit DHH-DII.

[9] Ex. DHH-56; Ex. DHH-DII.

[10] Exhibit DHH 58; Exhibit DHH-DII.

The partnership manufactured and sold the product until December 28, 1945, when by agreement it sold back to the plaintiff certain assets used in the manufacture and sale of its applicators. [11] Plaintiff then resumed the manufacture and sale of the product. On December 5, 1945, Q-Tips Sales Corporation was organized in New York, [12] and on December 29, 1945, the partnership sold the Sales Corporation and certain assets in exchange for stock. [13] During all this time Mr. and Mrs. Gerstenzang had been the principal owners of the business and in control of it. [14]

[11] Exhibit DHH 59; Exhibit DHH-DII.

[12] Exhibit DHH-DII.

[13] Exhibit DHH-DII.

[14] Exhibit DHH-DII.

Cotton-tipped applicators were originally manufactured by hand, [15] at which time the average worker could produce about 800 during an eight hour day. [16] Mr. Gerstenzang then developed a machine consisting of two wheels between which an applicator stick would be held by a fork device and by means of which the stick would be twirled. As the stick was twirled an operator would apply cotton to its ends. [17] Two operators were required to run this machine, one to insert the stick between the wheels and one to apply the cotton. [18] There resulted an increase in production to about 2,500 or 3,000 applicators per day per girl. [19]

[15] Transcript, p. 8.

[16] Transcript, p. 10.

[17] Transcript, p. 9.

[18] Transcript, p. 9.

[19] Transcript, p. 10.

Following this initial mechanization of the manufacturing process, Mr. Gerstenzang developed an apparatus for making applicators which is embodied in United States Patent 1,721,815, issued to the plaintiff July 23, 1929, and which must be described in some detail as it is so closely related to the plaintiff's subsequent machine which is in suit and to the accused machine owned by Johnson & Johnson.

This mechanism, which shall hereinafter be referred to as the Gerstenzang machine, was designed so that it could twirl applicator sticks, leaving their ends exposed in such a position that a single operator could apply a wad of cotton at each end of the twirling stick. The machine was provided with a hopper to supply untreated sticks. A roller drew these sticks from the hopper one at a time and introduced them into the so-called stick carrier, which consisted of two parallel discs mounted about two inches apart so that the ends of the two and seven-eighths wooden sticks protruded slightly to permit placing cotton wads thereon. In each of the discs was a series of grooves or notches into which the sticks fitted.

Between the discs of the stick carrier and mounted on the same axle was a revolving roller. Its radius was less than that of the discs; so that the sticks were not prevented from falling into the grooves. Another revolving roller was in place above the first one, constructed in such a manner that it could be moved away from the lower one to permit a stick to be brought between the two rollers. The upper roller could then be lowered into contact with the stick in order to twirl the stick rapidly.

Though the rollers moved constantly in a counter-clockwise direction, the stick carrier, between whose discs was mounted the lower roller, moved only intermittently. When the machine commenced operation, a stick would be fed from the hopper into the first set of stick carrier grooves. Next the stick carrier would step one position. The stick would be advanced to a spot between the rollers, the top one of which would be lowered in relation to the bottom roller so as to twirl the stick. The operator would apply a wad of cotton at each end of the twirling stick. Simultaneously another stick would be fed from the hopper into the second set of stick carrier grooves. At the next step of the stick carriers the second stick would reach the twirling position, the first would be carried beyond it, and a third would be fed into the third set of grooves of the stick carrier. Continued operation of the machine would result in the constant repetition of this process.

The stepping, or indexing, of the stick carrier of the Gerstenzang machine was accomplished by means of a rotating arm, which engaged a series of spaced pins protruding from the external surfaces of the stick carrier. As the arm rotated, it hit a pin, pushed it upward until the arm became disengaged. The upward motion of the pin advanced the stick carrier one step. The arm completed its circle while the stick carrier was held stationary by a spring detent provided for the purpose. As the arm came around once more to engage the next pin and push it upward, the stick carrier would step again. While the stick carrier was in repose, the stick twirling function was performed.

The Gerstenzang machine was used for about four years and resulted in a substantially increased output. [20] The next step was the elimination of the manual operations. About the year 1929 Mr. Gerstenzang approached Mr. Earl Bunnell and Mr. Leslie Barnes, designers of

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automatic machinery, to request that they effect this improvement, [21] which they undertook to do and which, after over one-half of a year's work, [22] resulted in the machine in suit, covered by United States Patent 1,921,604, which will hereinafter be referred to as the Bunnell machine.

[20] Transcript, pp. 11, 12.

[21] Transcript, pp. 119, 120.

[22] Transcript, p. 127.

What, in effect, the Bunnell machine accomplished was to add to the Gerstenzang machine a device to break off bits of cotton and provide mechanical fingers on arms to carry the cotton wads to the ends of the twirling stick and shape the swabs. In describing the operation of this machine it is convenient to categorize it as consisting of three mechanisms. The first is the stick carrying and stick twirling mechanism. This incorporates almost unchanged the entire Gerstenzang machine just described, including the method of stepping the stick carrier.

The second mechanism is the cotton feeding and cotton breaking mechanism, one of which is mounted on each side of the stick carrying and stick twirling mechanism. It consists of a cotton feed and two pairs of jaws located one behind the other. A strand of cotton is introduced into these jaws and is fed forward thereby. With both pairs of jaws in the forward position and with the continuous strand of cotton located between them, the rear jaws first and then the front jaws close to grip the strand. The rear jaws then move rearwardly while the front jaws remain stationary to break off a wad of cotton. Thereafter, the front jaws move rearwardly to feed the cotton strand ahead.

The third mechanism involves the transfer of the wad so broken off to the ends of the twirling stick, and, like the cotton feeding and breaking mechanism, one is mounted on each side of the stick carrier and stick twirling device. It consists of a pair of steel fingers which approaches to receive the wad of cotton broken off by the jaws. As the fingers approach a wad inserter arm moves laterally from the opposite side and tucks the wad between the fingers. The rear pair of cotton gripping jaws swings open to release the broken off wad of cotton as it is grasped by the fingers, and simultaneously therewith the front pair of jaws swings open too. Both pairs of jaws then move forwardly along the cotton strand to their initial positions ready to repeat the cycle. The fingers with the broken off cotton wad grasped between them move outwardly and rearwardly until located in axial alignment with the twirling stick in the stick carrier. The fingers move inwardly toward the end of the twirling stick to apply the wad thereto and to form it into a cotton swab in a manner closely simulating the actions of human fingers performing the same operation.

After forming the cotton swab on the end of the stick, the fingers move forwardly away from the stick and then forwardly and outwardly to their initial position ready to grasp the next wad of cotton in the next cycle.

All that is necessary to connect Bunnell's contribution to the Gerstenzang machine is to lengthen the drive shaft of the latter. [23] The proper timing of the many operations of the Bunnell machine and the advancing and retreating of its mechanisms is effected by means of numerous, varied shaped cams, located on the turning cam shaft, which act to move parts in one direction against spring tension. The spring tension returns a part after the cam finishes its action on that part. [24]

[23] Transcript, pp. 130, 131.

[24] Transcript, pp. 953, 954.

It appears that in about 1930 by use of the Bunnell machine the output of cotton tipped applicators was forty to fifty a minute per machine, [25] but that plaintiff, which is still utilizing this machine, by effecting improvements thereon, has increased its rate of output somewhat. [26]

[25] Transcript, p. 126.

[26] Transcript, pp. 126, 178.

In 1947 defendant began manufacturing cotton tipped applicators, using the machine which plaintiff alleges infringes the Bunnell patent, and which is itself patented in United States Patent 2,576,068. This machine also employs a stick carrier similar to that in the original Gerstenzang invention. It receives sticks from a hopper; the carrier contains eight notches in its circumference devised to hold the sticks. It operates intermittently, moving one-eighth of a revolution at a time. Cotton wads are picked up in a manner which will be described in more detail, and the stick twirling operation is performed. There are rubber tired rollers which twirl the sticks as they are introduced between them, but they are not located one above the stick carrier and one between the two discs forming the outer edges of the carrier as in the Gerstenzang machine. Instead, there is located on each side of the stick carrier, at an interval of four steps or five notches of the machine beyond the opening of the hopper, a pair of rubber tired rollers continuously rotating in the same direction. These normally are spaced so as to admit the oncoming stick between them. When a stick dwells in the twirling position, the rollers move in to engage opposite sides of the stick, inwardly from its ends, and twirl it rap

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idly. Appropriately shaped roll sections adjacent to and outside of the rubber-tired rollers reduce the cotton wads on the protruding stick ends into the desired swab form.

Intermittent motion of the stick carrier is effected by a somewhat different mechanism than that in the Gerstenzang machine and this different mechanism is described in the Ganz Patent 2,521,211. Instead of employing a rotating arm to contact and advance a pin on the stick carrier, the accused machine uses an arm which rocks and oscillates at one

end while the other end makes a circular movement. The intermediate part of the arm conveys a pin on the so-called indexing ring from one position to the next, causing the indexing movement. An eccentric, rotating disc at one end of the arm fits into a curved portion of the indexing ring, locking it in position and performing the same functions as the lock pin and spring detent in the Gerstenzang machine. [27] This locking arrangement, however, lacks the shock of engagement and release which is found in the Gerstenzang device and permits greater operating speed. [28]

[27] Transcript, pp. 1029-1033.

[28] Transcript, p. 1034.

The accused machine performs the cotton feeding and breaking functions by means of a series of five pairs of rollers rather than by means of opening and closing jaws as in the Bunnell device. A series of these pairs of rollers is located on each side of the stick carrier. A strand of cotton is fed into these rollers from a cotton supply. The first three pairs, called draw rollers, operate intermittently but all at the same time, each moving a little faster than the pair before it in order to draw out the cotton, thus performing the function of draw frames. The fourth and fifth pairs of rollers, the fourth known as break off rollers and the fifth as transfer rollers, operate continuously, the fifth moving slightly more rapidly than the fourth. A wad is broken off from the strand of cotton when the draw rollers stop while the break off and transfer rollers continue turning, tearing away the cotton wad located therein from the main portion of the cotton strand. [29]

[29] Transcript, pp. 748-750.

When a wad is torn off, the Bunnell machine would transfer it to the ends of the twirling stick by means of mechanical fingers and a wad inserter. This mechanism is not employed by the accused machine. After a cotton wad is broken off it moves between the transfer rollers onto cotton supports, which are shaped to provide a curved slot coinciding with the rim of the stick carrier. The outer discs of the stick carrier are at a lesser distance from each other than the length of the sticks, so that the stick ends project beyond the discs. The slot between the cotton supports is in line with the path of movement of the projecting ends and therefore a stick end will engage a cotton wad resting on the cotton supports midway of its length. Continued rotation of the stick causes the cotton to fold once around the stick in the form of a U before the stick is carried between the stick rotating and cotton forming rollers, whose operation has already been touched upon.

Thus it can be seen that the accused machine uses a stick carrier and stick twirling device very similar to that used by the Gerstenzang machine. Its intermittent motion is effected by a different type mechanism. The accused machine substitutes intermittent and continuous rollers for the moving jaws of the Bunnell machine to tear off pieces of cotton. The accused machine does not employ mechanical fingers and arms to transfer a wad to the end; instead it depends upon the stick ends themselves to pick up wads deposited by the transfer rollers upon cotton supports located in the path of the stick ends. With its machine defendant is able to produce three hundred applicators a minute, [30] a considerably greater rate of production than that of plaintiff.

[30] Transcript, p. 754.

I

Plaintiff relies upon claims 1 through 10, 16, 21, 22, and 23 of the patent in suit as those infringed by the accused machine. [31] Each claim covers some or

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all of the three mechanisms previously described which are employed by the Bunnell machine. The stick carrying and twirling mechanism is included along with either the cotton feeding and breaking mechanism or the wad transfer mechanism or both in every claim except 9, 10 and 21, for with the exception of those three, each claim includes language equivalent to that in claim 3, "means for successively supporting and twirling a plurality of sticks with exposed ends." That language must refer to the old Gerstenzang machine. Claim 9 describes only the cotton feeding and breaking mechanism.

[31] "1. In a machine for making swabs, means for supporting a stick with an exposed end, and means for grasping and applying a wad of cotton to the exposed end of the stick and means for *withdrawing* the stick from said supporting means with the wad thereabout."

"2. In a machine for making swabs, means for supporting a stick with an exposed end, and means for grasping and applying a wad of cotton to the exposed end of such stick, one of said means imparting a twirling motion to the material it holds for fixing said wad about said end, and means for removing the stick."

"3. In a machine for making swabs, means for successively supporting and twirling a plurality of sticks with exposed ends so that a wad of cotton applied to such ends will form a swab thereover, and means for grasping and applying a wad of cotton successively to the exposed ends of such sticks."

"4. In a machine for making swabs, means for supporting and twirling a stick intermediate its ends so that wads of cotton applied to said ends will form swabs thereover, and means for applying wads of cotton to said ends."

"5. In a machine for making swabs, means for supporting and twirling a stick intermediate its ends so that wads of cotton applied to said ends will form swabs thereover, and mechanism for forming wads of cotton from a supply and applying them to said ends."

"6. In a machine for making swabs, means for supporting and twirling a stick and means positioned adjacent an end of said stick for automatically applying a wad of cotton thereto during the twirling and means for conveying the stick with the swab thereover away from said application means."

"7. In a machine for making swabs, a traveling member having spaced stick supports, and means synchronized with said members for grasping and applying wads of cotton successively to the sticks in said supports."

"8. In a swab making machine having a stick support, a cotton holding member, and means for automatically forming wads of cotton and feeding them to the position of the stick support."

"9. In a swab making machine, a cotton wad forming mechanism including a plurality of means for grasping a strand of cotton at spaced points, and mechanism for moving said means relatively for tearing off a wad of cotton."

"10. In a swab making machine, a cotton wad forming mechanism including a plurality of means for grasping a strand of cotton at points, mechanism for moving said means relatively for tearing off a wad of cotton and means for conveying said wad to the point of application."

"16. In a swab making machine having a stick supporting device and a device for supporting a cotton wad in alignment with the end of said stick, means for moving the material supported by one of said devices toward and into overlapping relation with the other material and means for concurrently rotating one such material relative to the other."

"21. In a swab making machine, a receptacle for holding a strand of cotton, means for grasping and holding said strand,, mechanism for grasping and pulling said strand away from said means thereby separating a wad therefrom, and means for transferring the cotton wad from said last named mechanism to the point of application."

"22. In a swab making machine, means for supporting a stick on which a swab is to be formed, means for grasping a wad of cotton and conveying it to a position adjacent said stick, mechanism for bringing the wad and stick into engagement and means for applying the wad about the stick end by twirling one of said materials while they are in engagement."

"23. In combination, mechanism for supporting and twirling a stick, a receptacle for a strand of cotton, means for grasping the strand at spaced points, mechanism for causing said means to separate a wad of cotton from said strand, and means for picking up said wad and applying it on the twirling stick."

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[1] Claims 10 and 21 describe the cotton feeding and breaking mechanism and the wad transfer mechanism. The defendant asserts that these claims are no more than a non-patentable aggregation of four elements (Defendant treats the wad inserter as a fourth element rather than as a part of the wad transfer device.), each of which would operate as well whether or not the three others were present. Dispositive of the question whether a combination patent is a mere aggregation or not is the presence or lack of invention, for if the combination shows invention it is patentable; if it does not, it is unpatentable, or, in the language of many cases, it is a mere "aggregation." A. & P. Tea Co. v. Supermarket Corp., 340 U.S. 147 [87 USPQ 303] (1950).

In that case the Supreme Court emphasized that care should be exercised when examining combination patents, stating:

> "Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements. The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained when, on the contrary, their effect is to subtract from former resources freely available to skilled artisans. A patent for a combination which only unites old elements with no change in their respective functions, such as is presented here, obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men. * * *" 340 U.S. at pp. 152-153 [87 USPQ at 306].

Lincoln Co. v. Stewart-Warner Corp., 303 U.S. 545 [37 USPQ 1] (1938), concerned a patentee who invented an improved coupling member for a well known lubrication device consisting of a fitting member, a pump, a hose and a coupler, and who patented his improvement in combination with the old elements. The patentee sued the defendant for contributory infringement and was successful in the District Court and in the Court

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of Appeals. Reversing, the Supreme Court wrote:

> "Butler may have devised a patentable improvement in such a chuck in the respect that the multiple jaws in his device are closed over the nipple by the pressure of the grease, but we think he did no more than this. As we said of Gullborg in the Rogers case, having hit upon this improvement he did not patent it as such but attempted to claim it in combination with other old elements which performed no new function in his claimed combination. The patent is therefore void as claiming more than the applicant invented. The mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operation than that theretofore performed or produced by them, is not patentable invention. And the improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in the combination." 303 U.S. at pp. 549, 550 [37 USPQ at

3].

[2] The reasoning employed in the Lincoln Co. case renders invalid all those claims of the patent in suit which attempt to include within their scope the stick carrying and stick twirling mechanism covered by the Gerstenzang patent 1,721,815 which expired on July 23, 1946. The Bunnell machine incorporates the Gerstenzang machine virtually without change. The latter machine performs no new or different function or operation by virtue of being united with the cotton feeding and breaking mechanism and the wad transfer mechanism. Its patent having expired, the public may employ the ideas it embodies, and may not be prevented from so doing by its being patented along with improvements as a combination patent. Consequently, claims 1 through 8, inclusive, 16, 22 and 23 are invalid for claiming too much.

Turning to the remaining claims, 9, 10, and 21, it must be determined if the mechanisms they describe show invention. Claim 9 refers to the cotton feeding and breaking mechanism, which includes the two pairs of jaws on each side of the machine which have already been described. Claims 10 and 21 refer to the cotton feeding and breaking mechanism and also to the wad transfer mechanism, which has also been described.

[3] In my opinion these two mechanisms, combined, exhibit invention. Prior to their utilization an operator was needed in front of each applicator machine of the Gerstenzang type to apply cotton by hand to the stick ends. Using the improvements described in these claims the wad forming and applying operation was mechanized; one operator was able to tend three machines, [32] the speed of operations was increased; the resulting product was more sanitary. Far more than the mere substitution of a machine for human hands was accomplished. See Hildreth v. Mastoras, 257 U.S. 27 (1921). Examination of the mechanisms which achieved these results reveals an ingenious arrangement of cams, levers and springs which function

[32] Transcript, p. 1290.

[4] with precise timing. Where a patentee claims an invention separately as well as in combination with the old elements which perform no new function, a court may allow the separate claims and disallow the combination claims. Bassick Co. v. Hollingshead Co., 298 U.S. 415 [29 USPQ 311] (1936). Here the Bunnell improvement advanced materially the art of making cotton tipped applicators and his contribution was worthy of protection. Claims 10 and 21, which do not include the old Gerstenzang machine, were valid. Claim 9, directed solely to the cotton feeding and break off mechanism, adequately protected that part of the improvement which it describes.

II

The defendant maintains that the plaintiff cannot assert his invention as it has not been adequately claimed pursuant to 35 U.S.C. §33, [33] which provides that an inventor shall particularly point out and distinctly claim the part, improvement, or contribution which he asserts as his invention or discovery. Inasmuch as we are concerned only with claims 9, 10 and 21, there is no need to discuss

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defendant's objection to the others. Defendant objected to 10 and 21 on the grounds that they make their claims in terms of function instead of pointing out a patentable combination. Claim 10 was also objected to for the reason that it does not specifically include the wad inserter, without which the wad transfer mechanism will not function, and that, therefore, claim 10 is directed to an inoperative structure.

[33] "Before any inventor or discoverer shall receive a patent for his invention or discovery he shall make application therefor, in writing, to the Commissioner of Patents, and shall file in the Patent Office a written description of the same, and of the manner and process of making, constructing, compounding, and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound, and use the same; and in the case of a machine, he shall explain the principle thereof, and the best mode in which he has contemplated applying that principle, so as to distinguish it from other inventions; and he shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery. The specification and claim shall be signed by the inventor. No plant patent shall be declared invalid on the ground of noncompliance with this section if the description is made as complete as is reasonably possible." 35 U.S.C. § 33.

[5] Claims are not to be examined in vacuo; they are to be construed with the specifications in mind. The Court of Appeals, Third Circuit, has stated, "The claims of a patent must always be explained by and read in connection with the specifications and in the light of the definitions and admissions made by the applicant in the proceedings in the Patent Office." Westinghouse Electric Corp. v. Hanovia Chem. & Mfg. Co., 179 F.2d 293, 296-297 [84 USPQ 110, 113].

Read in connection with the specifications the phrase in claim 9 "a cotton wad forming mechanism including a plurality of means for grasping a strand of cotton at spaced points, and mechanism for moving said means relatively for tearing off a wad of cotton" clearly refers to the pairs of jaws located on each side of the machine which operate to tear off wads of cotton. The same device is adequately described in claim 10 by the phrase "a cotton wad forming mechanism including a plurality of means for grasping a strand of cotton at spaced points, mechanism for moving said means relatively for tearing off a wad of cotton" and in claim 21 by the words "a receptacle for holding a strand of cotton, means for grasping and holding said strand, mechanism for grasping and pulling said strand away from said means

thereby separating a wad therefrom." The mechanical arms and fingers, with which the wad inserter functions to push the cotton into the fingers, are described in great detail in the specifications, and the manner of their operation is similarly disclosed. There is no question but that they are included in claim 10 by the language "means for conveying said wad to the point of application" and in claim 21 by the language "means for transferring the cotton wad from said last named mechanism to the point of application."

Read in connection with the specifications it is my conclusion that these claims point out a patentable invention and that as the wad inserter is described in the specifications as functioning in conjunction with the arms, claim 10 is not directed to an inoperative structure.

III

The defendant contends that if the language of the Bunnell claims is broad enough to include within its scope the intermittent draw rollers, the continuous break off rollers, the continuous transfer rollers and the cotton supports of its machine, (Patent No. 2,576,068), the Bunnell claims are invalid because they were anticipated in the prior art. Defendant cites numerous devices which it asserts incorporate these ideas.

In the Johnson & Johnson sanitary napkin machine, in use more than two years prior to the filing date of the Bunnell patent, cotton is fed over a support through a pair of intermittent rollers and then through a pair of continuous rollers which break off the cotton and deliver the detached pieces onto a belt. The Sewall patent 1,434,917 of November 7, 1922, covers a machine for breaking a web of cotton batting into short pieces. The material first goes through a folding mechanism and then through intermittently operating rollers into continuously operating ones. The latter rollers are turned by a hand crank, and at a certain point a pin hits a lever causing the intermittent rollers to stop until the cotton web has cleared the continuous rollers. The Fortier patent 1,755,109 granted April 15, 1930, concerns a machine for making dental rolls which consist of a length of cotton rolled over itself tightly, impregnated and dried so as to form a round stick that can be cut into various lengths for use in medical or dental work. In this device also the cotton material first passes through intermittent rollers and then through continuous ones. The pieces thus broken off are passed out onto a belt for further processing.

Whether one narrowly confines the art to which the Bunnell machine relates to the making of cotton tipped applicators or whether one extends the art to which it relates to all handling of cotton, it is appropriate to consider these devices in determining whether the Bunnell machine exhibits novelty. In Miller v. Life Savers, 62 F.2d 513 [16 USPQ 361] (2d Cir. 1933), the court held that consideration of the bending of soft metal rods was appropriate in ruling upon the scope of protection to be allowed a patent relating to the bending of rods of candy. The court stated:

> "Miller's machine follows essentially the teachings of United States patent No. 819,543 to Hart. To be sure the Hart patent related to a shaping by bending or curling of a rod of metal soft enough to be bent without changing its cross section, but the operation in the case of a plastic rod of candy and a rod of soft metal is similar. * * * the validity of the Miller patent was assumed by the court below, and has hardly been questioned. We do

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> not say that it involved no invention over Hart, but only that the latter patent so narrowed the field of invention that Miller is not entitled to claim that the originated the process of curling a plastic substance of predetermined length and diameter about a post and of then compressing it to eliminate irregularities of form. * * * It is well established that, if a device of another art can be fitted by ordinary mechanical skill to perform the function of a patent under judicial consideration, it is a pertinent reference to determine the scope of the claims. * * *" 62 F.2d at p. 515 [16 USPQ at 363].

Intermittent and continuous rollers were used to break off wads of cotton when Bunnell's machine was patented. It would not require more than ordinary mechanical skill to adapt such rollers to a machine similar to Gerstenzang's. Bunnell's claims cannot extend as far as plaintiff contends without being invalid on the grounds of having been anticipated in the prior or analogous art and thus being void for lack of novelty.

I do not believe, however, that Bunnell's claims include a wad forming mechanism utilizing continuous and intermittent rollers. Claims 9, 10 and 21 refer to a mechanism for grasping a strand of cotton and a mechanism for grasping and pulling said strand away from the first mechanism and thereby pulling off a wad. From an inspection of the specification it can be seen that the mechanisms for grasping a strand of cotton at spaced points is the forward pair of jaws numbered 29 and 30 in the drawings. The mechanism for pulling the strand away from the first mechanism is in the rear pair of jaws numbered 29A and 30A in the drawings.

Plaintiff's contention that the claims should include rollers or gears as well as these reciprocating jaws is based upon the language starting on page 5, line 21, of the specification, which reads, "It is evident that various modifications of the present improvements may be made by those skilled in the art without departing from the scope and purview of the invention. For example, gears provided with suitable cooperating surfaces may be substituted for the jaws 29 and 30 without departing from the scope of the appended claims." Jaws 29 and 30 are the forward pairs of jaws only, and it would be reading too much into the specification to hold that this suggestion that gears could be substituted for them, also carries the idea that other gears could be substituted for jaws 29A and 30A and that one set of these gears would operate intermittently and one continuously to form wads. Bunnell's reference to the substitution of gears for jaws 29

and 30 alone, is conceivable, but action is produced by them different from rollers or gears and there is neither suggestion or auto suggestion of the kind of devices and their action that would be substituted for the operations that would follow that of jaws 29 and 30 and we are left in the dark as to substitutes for the employment of Bunnell's grasping and transfer mechanisms.

With this aspect of claims 9, 10 and 21 limited to a wad forming mechanism consisting of moving jaws, the Bunnell machine was not anticipated by the Johnson & Johnson sanitary napkin machine, by the Sewall patent 1,434,917, and by the Fortier patent 1,755,109 whose wad forming functions was performed by rollers.

Having found that plaintiff's claims are not so broad as to have been anticipated by devices using rollers to break off cotton wads, it is unnecessary to consider defendant's contention that plaintiff's patent is void because plaintiff failed to disclaim machines using rollers.

The defendant cited other machine patents as being a part of the prior art-Richmond 525,798 dated September 11, 1894, Trundle, 1,438,623 of December 12, 1922, De Felice 1,481,314 of January 22, 1924, and De Felice 1,700,584 of January 29, 1929. They need not be described in detail here, for their operation does not approach that of the Bunnell machine as closely as the machines just described, and consequently would not affect Bunnell's claim to a greater extent than those.

IV

[6] Related to the question of the scope of the Bunnell claims and the effect thereon of the prior art is the question whether the accused machine infringes the Bunnell patent. It has been held that the Bunnell claim must be limited to a wad forming, transferring and shaping mechanism whose functions are performed by pairs of moving jaws and by mechanical arms with steel fingers at their ends. Only if the accused machines performs substantially the same function in substantially the same way to obtain the same result can it be held to infringe the Bunnell patent, Graver Mfg. Co. v. Linde Co., 339 U.S. 605 [85 USPQ 328] (1950).

Plaintiff cites the case of Q-Tips, Inc. v. Glickston et al., 27 F.Supp 948 [41 USPQ 608] (1939), as controlling on the issue of infringement. In that case the defendant used a machine employing a stick carrier device which operated intermittently, a pair of intermittent rollers or gears which, in conjunction with a pair of continuously rotating gears, tore off wads of cotton prior to the swab

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forming operation. Q-Tips, Inc., sued defendant for infringement of both the Gerstenzang and Bunnell patents. The court held that neither of these patents was anticipated in the prior art and that both were infringed by defendants.

Two factors detract from the applicability of this opinion to the present case. In the first place, the Gerstenzang patent had not expired, and, assuming its validity, it was not available for the use of that defendant as it is for this defendant. Secondly, it does not appear that the court in that case was referred to the Johnson & Johnson sanitary napkin machine, the Sewall machine and the Fortier machine.

I am persuaded by examination of the machines in question here and of the patents and by testimony given at the trial that the wad forming, transferring and shaping device of the Bunnell patent, the only part which is patentable, is not infringed by the system of rollers of the defendant's machine, for the rollers perform in a substantially different manner.

The reciprocating action of the mechanical jaws of the Bunnell patent to tear off cotton wads has already been described. Use of intermittent and continuous rollers to perform this function is a difference of substance. Whereas the Bunnell device employed a fairly complex system of springs, cams and levers to activate the combination of reciprocating arms, mechanical fingers and wad inserter device the function of which was to transfer the wads of cotton to the stick ends and shape them thereon, the accused machine uses a much more simple mechanism to achieve that end. As has been indicated, the broken off wad is ejected from the transfer rollers onto the cotton supports, where the stick ends themselves pick up the wads, carrying them to the stick rotating and cotton forming rollers. Without deciding whether the accused machine exhibits invention over the prior art, it must be held that it does not infringe the Bunnell patent.

The Trade Mark Case (C 284-49)

Originally, when cotton tipped applicators were made by Mrs. Forbis, they were sold under the name of Baby Nose-Gays. [34] In 1925, after The Leo Gerstenzang Co., Inc. purchased an assignment of the product patent from Mrs. Forbis, the packages of applicators were labelled Baby-Gays. [35] In 1926 the legend was changed to read "Q-Tips Baby Gays", [36] and in 1927 application was made to register the mark "Q-Tips Baby Gays". [37] Sometime after 1926 the words "Baby Gays" were dropped and the concern began to develop "Q-Tips" as its identifying mark, applying for registration of it on September 14, 1933. [38] Packages were made up using blue paper with pictures of double tipped applicators upon them, [39] features which have been the basis for plaintiff's package design since that time. The design of the crossed applicators was made by dropping them and then photographing the resulting pattern. [40] The "Q" in Q-Tips was used so that the name in its entirety would sound like "cute tips" [41] when spoken. It would appear that when the mark "Q-Tips" was originated, the product to which it applied was known as a medical swab or a swab, [42] but that thereafter the term "applicator" or "cotton-tipped applicator" gained currency. [43]

[34] Exhibit DHH 36.

[35] Exhibit DHH-D II.

[36] Transcript, p. 8; Ex. DHH-DII.

[37] Exhibit P 7.

[38] Exhibit P 8.

[39] Transcript, pp. 20, 21.

[40] Transcript, p. 21.

[41] Transcript, p. 95.

[42] E.g., U.S. Pat. No. 1,721,815.

[43] E.g., U.S. Pat. No.2,576,068.

There has been some use by others of the word "tips" in their trade name for the product. Samuel and Irving Glickston manufactured double tipped applicators, calling them "Twin-Tips". In 1939 the United States District Court, Eastern District of New York, issued an injunction which, among others, restrained the Glickstons from using the name "Twin-Tips", Q-Tips, Inc. v. Glickston, supra. The Glickstons then sold the product under the name of "Twinetts". [44] Realmont Limited of Canada has, since 1939, produced and sold an applicator with a cotton swab on one end only under the name of Little Baby Cherub Tips. [45] About 1947 Q-Tips Sales Corporation started selling single tipped applicators to Realmont, [46] but after it started the trade mark suit it made rather weak objections to Realmont's name for the product, [47] which objections were without effect. [48]

[44] Transcript, p. 38.

[45] Exhibit DHH-DII.

[46] Exhibit DHH-DII.

[47] Exhibit DHH-DII.

[48] Exhibit DHH-DII.

In 1947 The Mennen Company released for distribution to the trade a product designated "Mennen Tips-for-Tots". [49] After some delay in spite of several opportunities to protest against this use of "tips", plaintiff objected to it shortly before starting the trade mark action. Mennen voluntarily abandoned the name.

[49] Exhibit DHH-DII.

Originally the defendant was the sole distributor of "Q-Tips" in the hospital

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field, [50] selling only single tipped applicators, which they bought from Q-Tips, Inc., in three inch and six inch sizes. [51] They called this product cotton tipped applicators. [52] About 1943 the defendant became dissatisfied with the arrangement and began to investigate alternative methods of procuring and marketing the product. [53] It decided to enter the retail trade by making and selling its own double tipped applicators. After considerable search for an appropriate name for the double tipped items it was decided to call them "Johnson's Cotton Tipped Applicators." [54]

[50] Transcript, p. 353.

[51] Transcript, p. 318.

[52] Transcript, p. 318.

[53] Transcript, pp. 352-354.

[54] Transcript, p. 300.

Johnson's Cotton Tipped Applicators were introduced to the trade in 1947, [55] packaged in a flat, light blue box which had a cover which could be lifted off completely. On the top of the box there were pictured six applicators lined up adjacent to each other in a vertical position; there was the legend which named the product, "Johnson's Cotton Tipped Applicators", which noted that the product was sterile and that the box contained a certain number of double tipped swabs. In addition there was a picture of four happy children romping in play. [56] The defendant continued selling its single tipped applicators in the hospital field under the name "Cotton Tipped Applicators".

[55] Transcript, p. 301.

[56] Exhibit P 32.

Almost immediately the defendant became dissatisfied with this "put-up". The cost of the package was excessive; it didn't display well on store shelves; its cover arrangement caused spilling of the contents when the box was kicked off a bathinette by a baby, or otherwise disturbed. [57] To remedy this situation, defendant adopted the packaging which plaintiff claims infringes its trade mark and constitutes unfair competition. Applicators were packaged in a dress similar to that of the defendant's baby items, which use boxes with a white (or occasionally another light color) background with an orange basket weave border along the top and bottom edges. The word "Johnson's" appeared in script and in larger block letters was written "Cotton Tips". Beneath the new name of the product was a picture of crossed applicators. [58] The boxes came in two sizes-54 applicators and 240 applicators, the same quantities as were packaged by the plaintiff. The applicators themselves were of the same dimensions and the boxes were about the same sizes as the plaintiff's. [59]

[57] Transcript, pp. 301, 302.

[58] Exhibit P 45.

[59] Exhibit DY; Exhibit P 71.

The defendant had searched for an appropriate name to replace "Cotton Tipped Applicators", before coming up with "Cotton Tips". When it decided upon that name for its double tipped applicators, it also decided to change the name of the hospital product, the single tipped applicators, from "cotton tipped applicators" to "Cotton Tips". [60] Apparently this caused confusion in the hospital market and the name for the single tipped item was changed back to "cotton tipped applicators". [61] A determined effort was made by the defendant to differentiate the terms "cotton tipped applicators" and "cotton tips" in its theory that the single tipped applicator should be known as a "cotton tipped applicator" for it was merely in hospital use for applying substances. It further theorized that the double tipped applicator was used for cleansing and sanitary purposes and therefore the defendant held that the term cotton tipped applicator was inappropriate and that these should be called "Cotton Tips". As to the double tipped product, it appears that the defendant attempted to use the "Cotton Tips" name consistently by eliminating from its publications and the speech of its agents and employees the names-swab and applicator. The defendant devoted a considerable amount of money to advertising the revamped packaging of the double tipped product and to publicize the name "Cotton Tips," its advertising budget being 98% of the total gross dollar receipts from the product in 1949, 81% in 1950 and 54% in 1951. [62]

[60] Transcript, pp. 323, 324.

[61] Transcript, pp. 369-372.

[62] Transcript, p. 406.

Discussion

I

A contention of defendant's which, if accepted would be dispositive of this aspect of the case, is that the term "Q-Tips" is not a valid trade mark and therefore cannot be infringed by "Cotton Tips". The reasons for this contention are that the word "tips" is descriptive and that the entire term "Q-Tips" has become the generic name for cotton tipped applicators with swabs on each end.

[7] A trade mark is an arbitrary or fanciful symbol, consisting either of words or pictures, which is designed to

[8] indicate the origin of a product. A device which is merely descriptive of an article of trade cannot be afforded legal protection as a trade mark. Warner & Co. v. Lilly Co., 265 U.S. 526 (1924).

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The defendant has introduced much evidence which it claims establishes that "tips" is descriptive. This evidence shows that plaintiff uses "tips" on its packages in phrases such as "100 Tips" and in its advertising blurbs such as "A tip for each ear." It shows that when plaintiff contemplated selling other products, it devised such names as "Q-Talc" and "Q-Soap", not "Q-Tip Talc" or "Q-Tip Soap", and that when it had products with cotton swabs at one end of the stick only, it used "tips" in such names as "Sani-Tips". The defendant's evidence also establishes that persons other than plaintiff have used the word "tips" in such a manner as, "* * * for economy, we recommend the 25¢size-136 tips, or 50¢size-272 tips."

[9] Whether a word is descriptive or has arbitrary significance must be decided, not in the abstract, but in relation to the goods in question and the context in which it is used. See Judson Dunaway Corporation v. Hygienic Products Co., 178 F.2d 461, 465 [84 USPQ 31, 35] (1st Cir. 1949), *cert. denied*, 339 U.S. 948 [85 USPQ 526] (1950). Restatement of the Law of Torts § 721, Comment a. The most appropriate definition of "tips" for the purpose of this controversy appears in Websters New International Dictionary of the English Language (1947) and reads, "The pointed or rounded

end or extremity of anything." In the drug trade, where cotton tipped applicators are sold, the word "tips" without more, conveys little meaning. Until the plaintiff popularized its product, the addition of "Q" to "tips" could hardly have rendered "tips" more meaningful to the trade.

In determining whether a mark is descriptive, the court examines it as a whole, W. G. Reardon Laboratories v. B. & B. Exterminators, 71 F.2d 515 [22 USPQ 22] (4th Cir. 1934). In the light of

[10] such an examination I am constrained to hold that the entire term "Q-Tips" is an arbitrary symbol which has acquired the meaning of a cotton tipped applicator made by plaintiff.

Undeniably the word "tips" has also been used by plaintiff and others descriptively to refer to the rounded, cotton covered ends of applicators. This is the use of the word in most, if not all, of the exhibits gathered by defendant. In this context "tips" is not used to refer to the product as a whole. For example, in such a sentence as, "When cleaning baby ears, moisten the tip with vaseline," "tip" must refer to the cotton end, not to the whole product.

Defendant also contends that even if "Q-Tips" were a valid trade mark at one time, it has since lost that status because it has become the generic name for the product, cotton tipped applicators. Defendant points out that plaintiff had a product patent which has expired and that prior to defendant's entry into the applicator field, plaintiff sold over 90% of the double tipped variety. In addition, it points out that "Q-Tips" has been used by plaintiff and others in a generic sense. For example, one of plaintiff's advertisements read, "Then he put a Q-Tip beside one of my shaggy, skinny swabs. Next, he took a Q-Tip and jabbed it against my finger." Certain layette lists of baby requirements prepared by stores for distribution to the public included the item "Q-Tips" along with admittedly generic product names.

The law on the question is stated in Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169 (1896):

> "The result, then, of the American, the English and the French doctrine universally upheld is this, that where, during the life of a monopoly created by a patent, a name, whether it be arbitrary or be that of the inventor, has become, by his consent, either express or tacit, the identifying and generic name of the thing patented, this name passes to the public with the cessation of the monopoly which the patent created. Where another avails himself of this public dedication to make the machine and use the generic designation, he can do so in all forms, with the fullest liberty, by affixing such name to the machines, by referring to it in advertisements and by other means, subject, however, to the condition that the name must be so used as not to deprive others of their rights or to deceive the public, and, therefore, that the name must be accompanied with such indications that the thing manufactured is the work of the one making it, as will unmistakably inform the public of that fact." at pp. 199, 200.

[11] It must now be determined whether the patentee's name "Q-Tips" has become by its consent the identifying and generic name of cotton tipped applicators. The test for deciding whether an arbitrary name has become the generic title of a product is "what the buyers understand by the word for whose use the parties are contending? If they understand by it only the kind of goods sold, then * * * it makes no difference whatever efforts the plaintiff has made to get them to understand more." Bayer Co. v. United Drug Co., 272 F. 505 (S.D.N.Y. 1921) at page 509. That case pointed out that to consumers the term "asperin" meant only a product, not a manufacturer, and therefore "asperin" could not be appropriated as a trade mark.

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The situation as regards "Q-Tips" is quite different from that in the Bayer case and that in Dupont Cellophane Co. v. Waxed Products Co., 85 F.2d 75 [30 USPQ 332] (2nd Cir. 1936), *cert. denied* 299 U.S. 601 (1936), which applies the same principle. Here, though plaintiff held a product patent and though he occupied a prominent role in the double tipped applicator field, the evidence indicates that the term "Q-Tips" has not come to mean to the consumer the product double tipped applicator as distinguished from a certain brand of applicator. There were competitors of plaintiff, each of which employed a trade mark of its own combined with a descriptive term such as applicator, swab or cotton tipped applicator. The evidence indicates that druggists treated "Q-Tips" as a brand name, not as a name for a product. Instances of use of the word "Q-Tips" in a generic sense, while evidentiary, do not of themselves necessarily establish that the buyers' understanding is that it is the name of a kind of goods sold. Use by the plaintiff itself of the name "Q-Tips" without including thereafter a generic name for the product is the type of practice which caused "asperin" and "cellophane" to become generic names rather than arbitrary ones indicating the source of the goods, for public acceptance of the words was so complete that there were no other words by which the products could be identified. In the present case, however, "Q-Tips" has not yet acquired such a hold on the minds of consumers of cotton tipped applicators.

I am led to the conclusion that plaintiff's trade mark "Q-Tips" has not become invalidated either by reason of descriptiveness or because it has become a generic term.

II

Having held that "Q-Tips" is a valid trade mark, it is necessary to determine if it is infringed by defendant's use of "Cotton Tips". The question turns upon whether defendant is using "tips" descriptively. The Supreme Court has stated:

> "A name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot

be appropriated as a trade mark and the exclusive use of it afforded legal protection. The use of a similar name by another to truthfully describe his own product does not constitute a legal or moral wrong, even if its effect be to cause the public to mistake the origin or ownership of the product." Warner Co. v. Lilly Co., supra, at page 528.

[12] Defendant has offered voluminous evidence which clearly demonstrates that "cotton tips" has been used descriptively by plaintiff and others. But that does not settle the question whether when defendant employs the term "Cotton Tips" in large block letters on its packages of applicators it is descriptive or whether it is used in the manner of a trade mark. The evidence indicates that defendant was well aware that its use of "Cotton Tips" as a product name might not go unchallenged by plaintiff and that defendant prepared to meet that challenge.

For many years plaintiff manufactured cotton tipped applicators for defendant to sell to the hospital trade. The defendant was familiar with plaintiff's position in the market as the chief supplier of this product. There can be no doubt from the evidence that defendant was determined that if it could not buy plaintiff out it intended to assert itself as a competitor of plaintiff in the cotton tipped applicator field. To this end it was in search of a name which would be the maximum aid in achieving the most successful competition. It tried "cotton tipped applicators" as heretofore mentioned but found the term wanting. Its advertising agent in this quest solicited suggestions for a name by conducting contests among its employees. Finally the defendant fixed upon the word "tips" with not only full knowledge of its use by the plaintiff but also in the light of the close relationship between the parties, with the anticipation that the plaintiff would resist the use of the word "tips" as the name or part of a name for any item competing with its product. From the outset of its decision to use the word "tips" as a part of its name for its applicators defendant trained its employees and endeavored to drill all others in the view that the double tipped applicators had always been known as "Cotton Tips", in the style of its mark. The evidence discloses that every department of the defendant, from its legal office to its production and sales ends, taught or were taught the use of this synthesis. Its campaign included large-scale advertising in addition to the thorough indoctrination of its own personnel in the new terminology.

It is interesting to note that in its application for a patent on its double tipped applicator machine, the defendant itself called it a "machine for making cotton tipped applicators", whereas after its decision to change the product name it religiously refrained from using the discarded title. The results of defendant's effort, however, has created only a synthetic name for this product and an arbitrary distinction between the nomenclature of the single and the double tipped

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items. Neither the name nor the distinction were familiar to the buying public. The only reason that can be given for this creation of a name and for the arbitrary classification of the product is that the defendant desired to utilize a term as similar to "Q-Tips" as it considered to be legally possible. It is my opinion that the defendant has gone too far.

[13] There is no question that "cotton" alone is descriptive and that "tips" can be used in such a way that it refers to the ends of the sticks. But from this observation it does not necessarily follow that the entire term "Cotton Tips" as used by defendant on his packages is merely descriptive. W. G. Reardon Laboratories v. B. & B. Exterminators, supra, concerned a plaintiff which sued to enjoin a defendant from infringing its trade marks "Mouse Seed" and "Rat Seed", names for rodent poison. In rejecting the defendant's contention that these terms were descriptive, the court stated:

> "* * * In considering this question it is plainly to be seen that the words used separately are descriptive. When one uses the word mouse there is no doubt as to what the word describes and there is nothing unique about it; its use brings at once to the mind the picture of a small rodent, a well known animal. Likewise the use of the word seed at once conveys to the mind something from which plants may be germinated, such as seed wheat or tobacco seed, or something to be used as food, such as bird seed. In the ordinary acceptance of the word "seed" it would never convey to the mind by its use alone anything poisonous. But when the two words are coupled together to make "Mouse Seed" there is no immediate meaning conveyed but a suggestion to the mind as to what the term could mean and the two words used in conjunction cease to be descriptive and become suggestive. Mature thought would probably lead to but one conclusion-that a mouse poison was indicated-but it requires thought to reach this conclusion. The words used together possess an element of incongruity which makes them unusual and unique and therefore, in our opinion, a valid trade mark * * *." 71 F.2d at p. 517 [22 USPQ at 23-24].

The reasoning of the Reardon Laboratories case is persuasive here. "Cotton Tips" is not the name by which this product has been known. The term "Cotton Tips", as used by the defendant on its packages is not *merely* descriptive of

[14] the cotton tipped applicators. Because of years of advertising and selling of the "Q-Tips" brand, the word "tips" may be suggestive of the character of the goods sold by the defendant, but that will not negative a trade mark use. See Telechron, Inc. v. Telicon Corp., 198 F.2d 903, 906 [94 USPQ 363, 365-366] (3d Cir. 1952); Globe-Wernicke Co. v. Brown, 121 F. 185, 187 (W.D. Penna. 1903).

As defendant's use of "Cotton Tips" on its box covers is not descriptive of its product, it cannot avail itself of the defense embodied in 15 U.S.C. § 1115(b). [63]

[63] "(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the certificate shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on

or in connection with the goods or services specified in the certificate subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:"

"(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographical origin;"

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[15] I conclude that defendant has unfairly appropriated the word "tips", a prominent part of plaintiff's trade mark, and that the term "Cotton Tips", as used by the defendant, is so similar to plaintiff's mark that it will confuse the buying public. In this respect I follow the decision of the United States District Court, Eastern District of New York, in the case of Q-Tips, Inc. v. Glickston, supra, which held that the mark "Twin Tips" infringed "Q-Tips".

III

[16] Plaintiff's next cause of action in the trade mark case is based upon unfair competition. Unfair competition, which includes trade mark infringement, differs from it in that it does not involve the violation of an exclusive right to use a word, mark or symbol, but rather involves any violation of a right arising from the operation of an established business, House of Westmore v. Denney, 151 F.2d 261 [66 USPQ 373] (3d Cir. 1945). Here plaintiff asserts that not only has defendant adopted a name for its product which infringes upon plaintiff's trade mark, but also that defendant has adopted a dress for its packages that is so close to plaintiff's that the public will confuse the source of the product.

The factors which plaintiff cite as making for confusion are the identical dimensions of plaintiff's and defendant's applicators, the fact that defendant uses boxes which are almost exactly the same size as plaintiff's boxes and which contain the same number of applicators, use of the word "Tips" in its name for the product, and a picture of crossed applicators on the box.

The principle to be applied in this case has been well stated in Wirtz v. Eagle Bottling Co., 50 N.J. Eq. 164 (1892):

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"* * * The leading principle of the law on this subject is, that no man should be permitted to sell his goods on the reputation which another dealer has established in the market for his goods, and this principle applies with equal force to the case where the goods of such other dealer are known in the market by a label as it does to the case where they are known by a mark which is strictly a trade mark. No dealer can lawfully adopt the label of another dealer, or one so near like it as to lead the public to suppose that the article to which it is affixed was put upon the market by such other dealer. * * *" 50 N.J. Eq. at p. 166.

In the case at hand there is insufficient evidence to establish that the public has been confused by defendant's packaging; the issue must be resolved, therefore, by a comparison of the rival "put ups".

[17] The fact that defendant's applicators are of the same size as plaintiff's cannot of itself establish unfair competition. The Forbis patent had expired, and anyone was free to make applicators in any size he desired. Neither do I consider the pictures of the applicators on defendant's package to be unfair or mis-

[18] leading. It is well established that a seller may place a picture of his product on a package provided that the picture is not so similar to that used on a rival's package as to cause confusion. Judson Dunaway Corp. v. Hygienic Products Co., supra. Plaintiff pictures four applicators in a more or less upright position. Two lie across a third and the fourth does not touch the others. Defendant, on the other hand, portrays only two applicators. They are crossed, but lie in roughly a horizontal position. This representation is not confusingly similar to plaintiff's.

[19] The dimensions of the package are factors to be considered when determining if defendant's packaging is confusingly similar to plaintiff's. Here, however, the other differences are so great that the similarity of shape is not objectionable. Defendant's package indicates its source by the word "Johnson's" clearly printed on it. The defendant's package has a white background, a border of orange basket weave along the top and bottom edges and lettering in blue except for the word "sterile", which is in red. The general appearance is in conformity with the established packaging of defendant's baby products. The Q-Tips box has a light blue background, a dark blue streamer-like effect upon which some words appear in white letters and some in light blue letters, and some dark blue printing at the bottom of the box. No reasonably observant person is likely to be misled either by any single element of defendant's package, or by all the elements viewed together, with the exception of the word "Tips".

IV

In its amended and supplemental complaint the plaintiff advanced a third cause of action grounded on the theory of "dilution" of the value and distinctiveness of its mark "Q-Tips" through the defendant's deliberate and malicious use of the word "Tips" in its mark "Cotton Tips" in connection with its product as used in catalogs, price lists and other publications.

[20] The "dilution" theory has been applied where the products of the parties have been dissimilar or their territories are different as in the case of Alfred Dunhill of London, Inc. v. Dunhill Shirt Shop, Inc., 3 F.Supp. 487 (D.C.S.D.N.Y. 1929), where the use of "Dunhill" on shirts was ordered to be enjoined by the manufacturer of pipes and the case of

Stork Restaurant, Inc. v. Sahati, 166 F.2d 348 [76 USPQ 374] (9th Cir. 1948), where the use of the trade name "Stork Club" on a saloon in California was enjoined by the owners of a night club with the same mark in non-competing territory in New York City.

[21] Protection is afforded to the owner of a trade mark against the use by others of imitations of his mark on a product similar enough to cause confusion in the minds of the customers as to the source of the goods through the ordinary redress for infringement without resort to the doctrine of "dilution". See Pro-Phy-Lac-Tic Brush Co. v. Jordan Marsh Co., 165 F.2d 549 [76 USPQ 146] (1st Cir. 1948). In the instant case the products are the same and the doctrine of "dilution", as projected by the plaintiff, appears to have no application. The plaintiff goes a step further, however, and asserts that it is entitled to relief under this doctrine by reason of a statute of the State of Massachusetts as follows:

> "Likelihood of injury to business reputation or of dilution of the distinctive quality of a trade name or trade mark shall be a ground for injunctive relief in cases of trade mark infringement or unfair competition
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>
> notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services." Massachusetts General Laws (Ter. Ed.) c. 110, § 7A, approved May 2, 1947.

It has been suggested that the purpose of the statute was to permit injunctive relief in state courts in cases of trade mark infringement or unfair competition notwithstanding the absence of competition between the parties or of confusion as to the source of the goods or services. Sterling Brewing, Inc. v. Cold Spring Brewing Corp., 100 F.Supp. 412 [90 USPQ 242] (Mass. 1951). As interpreted, it would not appear that the statute has enlarged the substantive rights of a trade mark owner in that state. Sterling Brewing, Inc. v. Cold Spring Brewing Corp., supra; Mann v. Parkway Motor Sales, Inc., 324 Mass 210, 85 N.E.2d 210 [81 USPQ 264] (Supr. Jud. Ct. Mass. 1949). In any event, having found that defendant has infringed plaintiff's trade mark "Q-Tips", plaintiff is entitled to injunctive relief restraining defendant from the use of the word "tips" in any trade mark designating its cotton tipped applicators. I do not see that this local statute can in any way improve plaintiff's position even in Massachusetts.

[22] The evidence before us in regards to the costs of marketing the defendant's product under the trade mark "Cotton Tips" and the testimony of the plaintiff showing that there has been no decisive decline in its business [64] disposes me to believe that an excursion into profits and damages would be fruitless, and I am constrained therefore to hold that justice will be satisfied by an injunction restraining the defendant from use of the word "tips", without awarding an accounting for profits and damages.

[64] Transcript, pp. 155, 156.

> "* * * Under the Trade Mark Act of 1905, as under its predecessors, an accounting has been denied where an injunction will satisfy the equities of the case. (Cases cited.) The same is true in case of unfair competition. Straus v. Notaseme Co., 240 U.S. 179, 181-183. Here, as we have noted, there has been no showing of fraud or palming off. * * * Moreover, as stated by the Circuit Court of Appeals, the likelihood of damage to petitioner or profit to respondents due to any misrepresentation seems slight. In view of these various circumstances it seems to us that the injunction will satisfy the equities of the case." [65] 331 U.S. at pp. 131, 132 [73 USPQ 133, 136].

[65] Under the Trade Mark Act of July, 1946, 15 U.S.C. § 1051 et seq., application of equitable considerations along this line is contemplated. The statute reads: "When a violation of any right of the registrant of a mark is registered in the Patent Office shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1113(1) (b) 1of this title, *and subject to the principles of equity,* to recover (1) defendant's profits, (2) any damage sustained by the plaintiff, and (3) the costs of the action. * * *" (Italics supplied.)

1"So in original. Probably should read '1114(1) (b)'."

Affirmative Defense and Counterclaim

I

The final matter which must be disposed of is the question of defendant's affirmative defense of unclean hands and its counterclaim. It is conceded that prior to the defendant's entry into the cotton tipped applicator field, Q-Tips, Inc., sold at least 90% of the double tipped product distributed in the United States. Defendant contends that plaintiff engaged in various unlawful and unfair activities designed to create and foster a monopoly in the double tipped applicator field. It was alleged that plaintiff's course of conduct included, 1st, an attempt to force the trade that purchased applicators to buy only from plaintiff by advertising that defendant was a patent infringer; 2nd, false representations that plaintiff's product was patented; 3rd, cutting off defendant from supplies of wooden and paper sticks; 4th, granting licenses under its machine patents which limited the number of unpatented double tipped applicators that might be produced or restricted the use of such machines to the production of single tipped applicators; and 5th, bringing the patent suit with knowledge of the construction of the accused machine and therefore with knowledge that it had neither the structure nor the mode of operation of the Bunnell machine and bringing it in view of an offer made to defendant prior to its

commencement of a license at nominal fee under the Bunnell patent if defendant would stay out of the retail field and in view of an offer to defendant made subsequent to the bringing of suit of a license under the Bunnell patent to make only restricted quantities of the double tipped product.

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II

[23] Plaintiff's advertisement in a publication of the drug trade stated:

> "We have received numerous inquiries as to the suit which we have brought against the firm of Johnson & Johnson of New Brunswick, New Jersey. This suit is for infringement of the machine used by us in the manufacture of Q-Tips. This patent has already been upheld against another infringer by the United States District Court in Brooklyn."

Defendant emphasizes that though this advertisement is literally true, it appeared in a publication read largely by consumers of applicators, which were not patented, and would be construed by them to mean that defendant was accused of violating a product patent.

Defendant relies upon four cases to establish its contentions. Circle S. Products Co. v. Powell Products, 174 F.2d 562 [81 USPQ 328] (7th Cir. 1949); Maytag Co. v. Meadows Mfg. Co., 45 F.2d 299 [7 USPQ 254] (7th Cir. 1930), *cert. denied*, 281 U.S. 737 (1930); Panay Horizontal Show Jar Co. v. Aridor Co., 292 F. 858 (7th Cir. 1923); and Dehydro Inc. v. Tretolite Co., 53 F.2d 273 [11 USPQ 245] (N.D. Okla. 1931). In these cases not only were the patentees' statements false, but also their circulation was widespread. In the present case plaintiff's statements were true and, if read carefully, not misleading. I am not prepared to say that these advertisements were not a legitimate response to questions concerning plaintiff's suit. If plaintiff had had a cause of action for patent infringement, this behavior would not have been so unconscionable as to have required that it be barred from bringing its suit. See A. Hollander & Son, Inc. v. Imperial Fur Blending Corp., 2 N.J. 235, 245 [81 USPQ 415] (1949).

III

Defendant contends that plaintiff falsely indicated that it had a product patent and that this is a ground to deny it relief. Originally plaintiff's product was covered by the Forbis patent, granted in 1927, expiring in 1944, the claim of which is "As an article of manufacture, a flexible stem of substantially the same thickness throughout and having its ends provided with an antiseptic, and wisps of cotton treated with an antiseptic wrapped about the ends of the stem and firmly attached thereto." Prior to utilization of the Gerstenzang machine it was the practice of the girls who fashioned the cotton swabs of the applicators to dip the ends of the sticks in a boric acid solution and to saturate the swabs in the same solution. [66] After machine operations were begun, the ends of the sticks were no longer dipped in the solution but the solution was applied to the swabs in such a quantity that it might well have penetrated to the stick ends. [67] In about 1939 cessation of the use of "boric acid" in plaintiff's literature was ordered by the Food and Drug Administrator as the quantities applied to the swabs was not sufficient to permit such advertising. [68] The use of boric acid itself was continued until 1945. [69]

[66] Transcript, p. 55.

[67] Transcript, p. 1284.

[68] Transcript, pp. 56, 57.

[69] Transcript, p. 56.

On its trade marked package covers, dating roughly from 1927 until 1943, plaintiff employed the word "patent" or "patented." [70] From about 1940 until about 1947 there were written on plaintiff's package inserts the words "Patented U.S. Pat. Off." [71] Plaintiff contends that until 1944 it was entitled to claim patent protection for its product under the Forbis patent, and that the application of boric acid which penetrated to the stick satisfied the Forbis claim calling for application of an antiseptic to the cotton and to the stick ends.

[70] Transcript, pp. 47-49.

[71] Transcript, pp. 52, 53.

It is true that the Food and Drug Administration apparently decided that the amount of boric acid used by plaintiff was not sufficient to warrant the representations made by it in its literature. But plaintiff continued to use some boric acid until after the life of the patent and this would seem to have met the claim that the ends of the applicators were "provided with an antiseptic," at least to the extent that the weakness of the solution should not at this date be regarded as defeating the patent.

[24] As to the patent markings after 1944, plaintiff admits that they were erroneous, but asserts that their use was inadvertent and was stopped as soon as defendant's answer in the patent suit brought the error to its attention. The testimony indicates that Mr. Charles J. Gerard became associated with Q-Tips, Inc., in 1942 and took charge of the

business when Mr. Gerstenzang engaged in government service overseas during the war. [72] He testified that he was unfamiliar with the patent situation and as a result was unaware that the patent markings on the circulars should have been removed in 1944. [73] After defendant's answer in the patent case, and before commencement of the trade mark

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action, plaintiff, upon advice of counsel, ceased using the markings.

[72] Transcript pp. 1230, 1231.

[73] Transcript, pp. 1231-1234.

The question is whether this conduct bars plaintiff from suing. Defendant cites the case of Preservaline Mfg. Co. v. Heller Chemical Co., 118 F. 103 (N.D.Ill. 1902), which concerns a plaintiff suing to protect its trade name. The plaintiff's product patent had expired but it published trade circulars which set out that it was patented. Denying relief, the court stated:

> "* * * It is a well established rule of law that one invoking the aid of a court of equity must himself be free from fraud and misrepresentation with regard to the matter in which he seeks relief. Therefore, if it appears that complainant in this case, at and preceding the time of the acts sought herein to be enjoined, was itself guilty of fraud or fraudulent act calculated to impose upon the public in regard to the same transaction, then, no matter how impudent the act of defendant, a court of conscience will not lend itself to complainant's aid in securing to it the exclusive right to deceive the public." 118 F. at p. 104.

In this regard, see also M. B. Fahey Tobacco Co. v. Senior, 247 F. 809, 818-819 (E.D. Penna. 1917), *modified* 252 F. 579 (3d Cir. 1918).

The nature and context of the misrepresentations are important considerations when a court decides whether to withhold relief because a plaintiff has unclean hands; the defense is to be scrutinized with a critical eye. Coca-Cola Co. v. Koke Co., 254 U.S. 143 (1920). Here the misrepresentation was apparently inadvertent, without intent to deceive. It would not appear that prospective rivals were deterred from entering the cotton tipped applicator field. As soon as plaintiff became aware of its error, it ceased making the misrepresentation. With these considerations in mind, I do not believe that plaintiff would have been barred in the machine patent suit on this ground had it had a cause of action, even though the misrepresentations were being made at the commencement of that suit. This conclusion is suggested by Jacobs v. Beecham, 221 U.S. 263 (1911) which concerned a plaintiff suing to protect his trade name. He implied in his circulars that his product was made in England and that a Thomas Beecham owned the company, both representations being untrue. Sustaining circuit court affirmance of a decree for the plaintiff given by the trial court, Justice Holmes wrote:

> "* * * Both of these matters are small survivals from a time when they were literally true and are too insignificant when taken with the total character of the plaintiff's advertising to leave him a defenceless prey to the world." 221 U.S. at p. 273.

See also Ansehl v. Williams, 267 F. 9, 14 (8th Cir. 1920).

[25] It must be held that plaintiff is not prevented from recovering judgment in the trade mark suit by the doctrine of unclean hands, for plaintiff ceased using the objectionable circular prior to the commencement of that suit. That this is an important consideration is indicated by Justice Holmes' statement, "The plaintiff's position must be judged by the facts as they were when the suit was begun, not by the facts of a different condition and an earlier time." Coca-Cola v. Koke Co., supra, at page 147. See also Restatement of the Law of Torts § 749, Comment a.

IV

As a third ground for denying relief to plaintiff and as a basis for its counterclaim, defendant asserts that plaintiff engaged in a conspiracy to cut off defendant's stick supply. In the first part of 1947 defendant had been relying upon the B.F.D. Co. as a supplier of sticks. [74] A Mr. Hanafee was B.F.D. Co.'s sole distributor and as such he dealt with both plaintiff and defendant. In June, 1947, Mr. Hanafee informed the defendant that as B.F.D. Co.'s production schedule was filled and as there was a heavy demand for ice cream sticks, its stick order could not be filled. [75] Consequently the defendant was forced to obtain sticks elsewhere at a greater price and of inferior quality. [76]

[74] Transcript, pp. 427, 428.

[75] Transcript, pp. 433, 434.

[76] Transcript, pp. 438, 439.

Defendant rests heavily upon two facts to support its contention that Q-Tips conspired with B.F.D. Co. or with Mr. Hanafee to deprive it of sticks. In the first place, shipments of the 2 7/8 inch sticks to plaintiff showed a marked increase at approximately the time defendant's order was cancelled. Shipments were about 14 millions of sticks in January, 1947, 42 millions in February, 30 or 31 millions in March, 6.5 millions in April, 33 millions in May, 22 millions in June, 30 millions in July, 81 millions in August, none in September, and 73 millions in October. [77] Total shipments in

1947 were approximately 40 percent greater than the total in 1946. [78] Secondly, defendant points out that plaintiff had an arrangement with an outfit named Setter Brothers whereby the latter made paper sticks for plaintiff and agreed not to sell such sticks to other makers of

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applicators. [79] For a comparatively short period of time beginning during the war plaintiff, in its attempt to alleviate the shortage of wooden sticks, experimented under an agreement with Setter Brothers to have the latter manufacture paper sticks. As part of the agreement whereby plaintiff and Setter Brothers undertook the experimentation in the production of the paper sticks it was provided that they would be manufactured exclusively for the plaintiff, but this provision was effective only a relatively short period of time until wooden sticks were again obtainable. [80] Indeed the experiment proved unsuccessful and the use of paper sticks was entirely discontinued in 1948 for the trade would not accept them for applicator purposes. [81] Moreover the plaintiff at one time actually offered to sell paper sticks to the defendant. [82] In view of the fact that plaintiff's large stick orders were an attempt to overcome chronic stick shortages in the face of increasing sales, [83] and that Mr. Hanafee had been unable to supply plaintiff with all the sticks it needed prior to June, 1947, [84] there is not a sufficient basis to sustain the charge of a conspiracy by plaintiff to restrain trade in sticks with the defendant.

[77] Transcript, pp. 476-479.

[78] Transcript, p. 480.

[79] Transcript, p. 74.

[80] Transcript, p. 104.

[81] Transcript, p. 74.

[82] Transcript, pp. 1283, 1284.

[83] Transcript, p. 77, pp. 102-105.

[84] Transcript, p. 77, pp. 102-105.

V

Having failed to prove a combination of practices which, taken in their entirety, spells unlawful monopoly, defendant's objections to plaintiff's patent licensing agreements are answered in the opinion filed herein denying its motion for summary judgment. Nor do the plaintiff's offer of a license to defendant or its present suits against plaintiff add substance to the defendant's charges in this respect.

As the grounds for defendant's counterclaim are the same as those of its affirmative defense of unclean hands, the findings of fact and conclusions of law with respect to the defense necessarily preclude recovery on the counterclaim.

Summary

I hold that plaintiff cannot recover in the patent suit as defendant's machine does not infringe the Bunnell machine. Therefore defendant is entitled to judgment in its favor in that suit. In the trade mark suit I hold that defendant's use of the word "Tips" in "Cotton Tips" as the name of its product infringes plaintiff's trade mark "Q-Tips". Therefore plaintiff is entitled to an injunction restraining defendant from the use of the word "tips" as a trade mark or part of a trade mark for its cotton tipped applicators. Otherwise defendant's packaging of the said product does not constitute unfair competition. Plaintiff's cause of action for dilution is without merit. The defendant's charges of violation of the anti-trust laws and other unlawful activities upon the part of the plaintiff have failed both as defenses to the suits of the plaintiff and as counterclaims by the defendant, and plaintiff is entitled to judgment in its favor on the latter.

Since these cases were consolidated for trial and neither party has entirely prevailed, it would appear that each should bear its own costs.

The foregoing opinion shall constitute findings of fact and conclusions of law, as required by Rule 52.

An order for judgment in each case shall be settled in accordance with this opinion.

- End of Case -

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Intellectual Property Library

132 USPQ 564

In re HUNT, doing business as THE FONTAINE ORGANIZATION, MARRIAGE PROPONENTS

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided January 5, 1962

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership--Service marks (▶ 67.525)

Registration--Supplemental Register (▶ 67.765)

Even if applicant does not employ mark in the manner of a service mark, this would not constitute proper ground for refusing registration on Supplemental Register since only issue to be determined is whether mark is capable of functioning as a service mark.

[2] Marks and names subject to ownership--Descriptive--Misdescriptive or not descriptive--Particular marks (▶ 67.5078)

As applied to marriage arrangement services, "Marriage Proponents" is not descriptive but merely suggestive.

[3] Applications to register--Amendment (▶ 67.133)

Pleading and practice in Patent Office--In general (▶ 67.671)

Registration -- Principal Register (▶ 67.753)

Registration -- Supplemental Register (▶ 67.765)

Inasmuch as mark is not descriptive of applicant's services, it constitutes proper matter for registration on Principal Register and, as such, may not be registered on Supplemental Register; Trademark Trial and Appeal Board approves refusal of registration on Supplemental Register, but applicant is allowed 30 days to file amendment converting application to Principal Register.

Case History and Disposition

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Appeal from Examiner of Trademarks.

Application for registration of trademark of Mrs. Angeline F. Hunt, doing business as The Fontaine Organization, Marriage Proponents, Serial No. 50,896, filed May 2, 1958. From decision refusing registration, applicant appeals. Affirmed.

Attorneys

ROBERT W. BEACH, Seattle, Wash., for applicant.

Judge

Before LEACH, WALDSTREICHER, and LEFKOWITZ, Members.

Opinion Text

Opinion By:

LEACH, Member.

An application has been filed to register "MARRIAGE PROPONENTS" on the Supplemental Register for prospective marriage partner evaluation, selection, counseling and guidance services constituting marriage arrangement services.

Registration has been refused on the ground (1) that "MARRIAGE PROPONENTS" is not used by applicant, as a service

mark to identify applicant's services and distinguish them from similar services of others, and (2) that said mark in any event is so highly descriptive as to be incapable of performing such function.

[1] As to (1), contrary to examiner's contention, the record shows that applicant in its advertising material does in fact employ the mark in question in the manner of a service mark. But regardless thereof this would not in any event constitute a proper ground for refusing registration thereof since the only issue to be determined herein is whether or not the mark is capable of functioning as a service mark. See: In re Smith-Junior Company, Incorporated, 121 USPQ 634 (TT&A Bd., 1959).

As to (2), the examiner states that:

> "In Webster's New International Dictionary the term 'proponent' is defined as 'one who makes a proposal.' The expression 'MARRIAGE PROPONENTS' therefore clearly and immediately conveys the information that applicant is engaged in the service of handling marriage proposals."

[2] While the record shows that applicant's service is concerned primarily with arranging for marriages between interested persons, it is manifest that applicant itself does not make marriage proposals. The term "MARRIAGE PROPONENT" therefore is considered to be no more than suggestive of the nature of applicant's services.

[3] It is clear from the foregoing that applicant's mark constitutes proper matter for registration on the Principal Register, and, as such, it may not be registered on the Supplemental Register. See: Section 23 of the Trademark statute; and Daggett & Ramsdell, Inc. v. I. Posner, Inc., 115 USPQ 96 (Comr., 1957).

Decision

The refusal of registration on the Supplemental Register is approved, but for the reasons indicated; and applicant is allowed until 30 days from the date hereof to file an appropriate amendment to its application converting it to the Principal Register.

- End of Case -

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Source: USPQ, 2d Series (1986 - Present) > U.S. District Courts, Massachusetts > Public Service Co. of New Mexico v. Nexus Energy Software Inc., 50 USPQ2d 1317 (D. Mass. 1999)

50 USPQ2d 1317

Public Service Co. of New Mexico v. Nexus Energy Software Inc.

U.S. District Court District of Massachusetts

No. 98-12589-EFH

Decided February 24, 1999

36 FSupp2d 436

Headnotes

TRADEMARKS AND UNFAIR TRADE PRACTICES

[1] Types of marks -- Generic -- Particular marks (▶ 327.0603)

Plaintiff's "Energy Place" mark for energy information services is not generic, since mark is registered, thus entitling plaintiff to presumption of validity, and since defendant's evidence that many power companies include "Energy Place" in their mailing addresses and their names does not demonstrate that term is generic one used by consumers for sites where they can find information regarding energy information, products, and services.

[2] Types of marks -- Suggestive -- Particular marks (▶ 327.0403)

Plaintiff's "Energy Place" mark is suggestive, rather than descriptive, mark for energy information services, since mark suggests that it is place related to energy, but it does not convey immediate ideas of ingredients, qualities, or characteristics of services plaintiff offers, and since competitors are left with variety of other terms to describe their competing services.

[3] Infringement; conflicts between marks -- Likelihood of confusion -- Particular marks -- Confusion likely (▶ 335.0304.03)

Plaintiff is likely to succeed on merits of claim that defendant's " *e* NERGYplace" mark and its "energyplace.com" Internet domain name infringe plaintiff's "Energy Place" mark for energy information services, since parties' marks look virtually identical and sound identical, since both parties offer consumers information relating to energy services, since parties compete on Internet and are trying to lure same customers, since defendant knowingly continued to use its marks after becoming aware of plaintiff's mark, since there is evidence of actual confusion among Internet users, and since plaintiff's mark is sufficiently distinct to warrant protection.

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Case History and Disposition

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Action by Public Service Co. of New Mexico against Nexus Energy Software Inc. for trademark infringement. On plaintiff's motion for preliminary injunction. Granted.

Attorneys

Brian D. Anderson and Jonathan Hudis, of Oblon, Spivak, McClelland, Maier & Neustadt, Arlington, Va.; Douglas R. Wolf and Matthew B. Lowrie, of Wolf, Greenfield & Sacks, Boston, Mass., for plaintiff.

Daniel J. Gleason and Carl M. DeFranco Jr., of Nutter, McClennen & Fish, Boston, for defendant.

Opinion Text

Opinion By:

Harrington, J.

This trademark action is before the Court on the Plaintiff's Motion for a Preliminary Injunction. Plaintiff Public Service Company of New Mexico ["PNM"] has sued Nexus Energy Software, Inc. ["Nexus"] because of Nexus' use of the mark " *e* NERGYplace" and the domain name "energyplace. com." PNM claims that Nexus' use of these marks infringes its

service mark "Energy Place," Federal Registration No. 2,181,294.

PNM is public traded utility company operating in New Mexico. In 1996, PNM developed its Energy Place information service. This service is a consumer hotline that, among other things, directs customers to vendors who supply energy efficient products. PNM's registration of "Energy Place" states that the use of the mark is for:

> . . . providing information services regarding the most efficient and cost-effective use of energy resources; providing energy audits for industrial, commercial, and residential consumers; energy consulting services; managing energy consumption for industrial and commercial consumers; promoting public awareness for the need for more efficient and cost-effective use of energy resources . . .

Energy Place operates on the internet, where it has received inquiries from throughout the United States. In addition to its internet sites, *Energy Place* advertises through television, radio, and the mail.

Nexus is a Massachusetts company founded in 1997. In April, 1998, Nexus began operation of its internet site, which offers consumers various services to analyze their energy needs. Nexus uses the mark " *e* NERGYplace" in connection with its site. Shortly thereafter, Nexus sought trademark protection for its " *e* NERGYPlace" mark. In July, 1998, PNM notified Nexus of its own mark "Energy Place"; one month later the Patent and Trademark Office ["PTO"] denied Nexus trademark application citing the likelihood of confusion with PNM's mark. After settlement negotiations between the parties broke down, PNM filed this suit.

To obtain a preliminary injunction, PNM must establish four elements: (1) that it is likely to succeed on the merits at trial; (2) that it will suffer irreparable harm if the preliminary injunction is not granted; (3)

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that the balance of hardships favors PNM; and (4) that a preliminary injunction is in the public interest. *See Ross-Simons of Warwick, Inc. v. Baccarat, Inc.* , 102 F.3d 12, 15 (1st Cir. 1996). The gravamen of this motion, as with most trademark infringement preliminary injunctions, is whether PNM has shown a likelihood of success on the merits. To determine whether the plaintiff is likely to prevail on its claim of trademark infringement, the Court must determine: (1) whether the trademark is valid; and (2) whether Nexus has infringed the mark. The Court finds that PNM is likely to succeed on both points.

First, the Court finds that Nexus is unlikely to succeed on its claim that PNM's trademark is invalid because it is generic or descriptive and therefore rules that the trademark is valid. Terms eligible for trademark protection lie on a spectrum of distinctiveness: on one end of the spectrum are generic terms that are not eligible for trademark protection; in the middle of the spectrum are descriptive terms that can be protected only if they have acquired secondary meaning; at the far end of the spectrum are suggestive, arbitrary, or fanciful terms that are eligible for trademark without proof of secondary meaning. *See Boston Beer Co. v. Slesar Bros. Brewing Co.* , 9 F.3d 175, 180 [28 USPQ2d 1778] (1st Cir. 1998). Nexus argues that the term "Energy Place" is generic or, at most, descriptive.

[1] The Court's analysis begins with the fact that PNM's mark is registered, and, thus, it is entitled to a presumption of validity. *See* 15 U.S.C. Section 1057(b) ("A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark . . ."). This presumption "entitles the plaintiff to a presumption that its registered trademark is not merely descriptive or generic, or, if merely descriptive, is accorded secondary meaning." *Liquid Controls Corp. v. Liquid Control Corp.* , 802 F.2d 934, 936 [231 USPQ 579] (7th Cir. 1986). Nexus can rebut this presumption by coming forward with evidence showing that the term is a generic name for goods or services or that the term is descriptive and has not acquired secondary meaning.

Nexus has produced no evidence showing that "Energy Place" is a generic term for a consumer service relating to energy information, products, and services. The question of whether the term is generic is one of fact: do consumers associate the term with the product rather than the brand of a product? *Thomas & Betts Corp. v. Panduit Corp.* , 138 F.3d 277, 300, 301 [46 USPQ2d 1026] (7th Cir. 1998). Nexus' numerous exhibits indicate that many power companies have mailing addresses that include the term "Energy Place" and that some corporations have used energy place in their name, but this does not demonstrate that "Energy Place" is the generic term used by consumers for sites where they can find information regarding energy information, products, and services.

[2] Having found that the term "Energy Place" is not a generic name for sites where consumers can find information regarding energy information, products, and services, the Court must still address whether the term is merely "descriptive" of the product -- in which case the trademark would be invalid without a showing of secondary meaning -- or whether the term is suggestive -- in which case the trademark is valid without any showing of secondary meaning. The Court finds that the term "Energy Place" is "suggestive," and thus, that the trademark is valid.

"A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the good." *Equine Technologies, Inc. v. Equitechnology, Inc.* , 68 F.3d 542, 544 [36 USPQ2d 1659] (1st Cir. 1995) (citations omitted). Trademark law limits the protection accorded merely descriptive terms because they are a poor means of distinguishing between competing services and because descriptive terms are often necessary for a company to describe its services to consumers. *See id.* Given the wealth of synonyms in the English language, such concerns are reduced when the term is merely suggestive. *See Aluminum Fabricating Co. of Pittsburgh v. Season-All Window Corp.* ,

259 F.2d 314, 317 [119 USPQ 61] (2nd Cir. 1958).

Although the term "Energy Place" suggests that it is a place related to energy, it does not convey an immediate idea of the ingredients, qualities, or characteristics of the services PNM offers:

1. providing information services regarding the most efficient and cost-effective use of energy resources;

2. providing energy audits for industrial, commercial, and residential consumers;

3. energy consulting services; managing energy consumption for industrial and commercial consumers; and

4. promoting public awareness for the need for more efficient and cost-effective use of energy resources.

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Moreover, competitors are left with a variety of terms to describe their competing services, one example being energy information services. Consequently, the Court finds that the term "Energy Place" is not "merely descriptive," and that the trademark is valid.

[3] The Court also finds that Nexus' use of the mark, " *e* NERGYplace" and the domain name "energyplace.com" likely infringes PNM's trademark. The essential element of a trademark infringement claim is likelihood of confusion. In assessing likelihood of confusion, the following factors guide the Court: the similarity of the marks; the similarity of the goods; the relationship between the parties' channels of trade; the relationship between the parties' advertising; the classes of prospective purchasers; evidence or actual confusion; the defendant's intent in adopting its mark; and the strength of the plaintiff's mark. *See Volkswagenwerk Aktiengesellschaft v. Wheeler* , 814 F.2d 812, 817 [2 USPQ2d 1264] (1st Cir. 1987).

In analyzing the above factors the Court concludes that on balance they support a finding of likelihood of confusion:

1. Similarity of Marks: The two marks look virtually identical and sound identical.

2. Similarity of Services: Although there are some differences in the services offered, both parties offer consumers information relating to energy services.

3. Channels of Trade: Both parties compete on the internet. Both parties are trying to lure the same customers, although there are some differences in the services offered and in the geographical regions served -- PNM serves primarily New Mexico, while Nexus serves primarily customers in states that have deregulated their energy supplier (generally the Northeast).

4. Nexus' Intent in Adopting its Mark: Nexus apparently adopted its mark with no knowledge of PNM's mark; it has, however, knowingly continued to use PNM's mark since July of 1998.

5. Evidence of Actual Confusion: PNM demonstrated that consumers trying to reach PNM's "Energy Place" site on the internet are likely to be directed to a page that initially displays the term " *e* NERGYplace" that then fades to " *e* NERGYguide." Furthermore, information on this page tells consumers that the new name for " *e* NERGYplace" is " *e* ENERGYguide."

6. Strength of PNM's Mark: PNM's mark is sufficiently distinct to warrant protection -- it is registered, it has been used for over two years, and PNM has invested in various types of advertising of its mark, thus, creating some good will.

In balance, the Court finds that it is reasonably probable that PNM would succeed in proving a likelihood of confusion between its mark and Nexus' mark.

In addition to finding that PNM is likely to succeed on the merits of its trademark claim, the Court also finds that PNM satisfies the other conditions necessary for issuance of a preliminary injunction. Nexus' continuing use of PNM's mark will cause irreparable harm to the goodwill and reputation that PNM has developed in its mark. This harm to PNM outweighs any harm to Nexus, as is evidenced by the fact that PNM has voluntarily changed its " *e* NERGYplace" mark to " *e* NERGYguide." Finally, eliminating confusion in the marketplace and providing protection for an established mark furthers the public interest.

Accordingly, the Court grants Plaintiff's Motion for Preliminary Injunction and orders the defendant to cease using the terms "energy place" and "energyplace" -- including all variants of the terms that differ only in capitalization or italics -- and the domain name "energyplace.com" within thirty (30) days of this Order.

SO ORDERED.

- End of Case -

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50 USPQ2d 1545

Brookfield Communications Inc. v. West Coast Entertainment Corp.

U.S. Court of Appeals Ninth Circuit

No. 98-56918

Decided April 22, 1999

174 F3d 1036

Headnotes

TRADEMARKS AND UNFAIR TRADE PRACTICES

[1] Acquisition, assignment, and maintenance of marks -- Acquisition through use -- Priority of use (▶ 305.0503)

Defendant cannot "tack" its priority in mark "The Movie Buff's Movie Store" onto its "moviebuff.com" Internet domain name, since marks are very different, in that latter mark contains three fewer words, drops possessive, omits space, and includes ".com", and since defendant has not shown that consumers view terms as identical.

[2] Acquisition, assignment, and maintenance of marks -- Acquisition through use -- Priority of use (▶ 305.0503)

Plaintiff is senior user of "MovieBuff" mark, even though defendant has priority in mark "The Movie Buff's Movie Store," since priority depends upon which of two confusingly similar marks was used first, since plaintiff's "MovieBuff" mark is alleged to be confusingly similar to defendant's "moviebuff.com" Internet domain name but is not confusingly similar to "The Movie Buff's Movie Store," and since plaintiff marketed products under its "MovieBuff" mark well before defendant began using "moviebuff.com" in commerce.

[3] Infringement; conflicts between marks -- Likelihood of confusion -- Evidence of -- Actual confusion (▶ 335.0303.04)

Plaintiff's "MovieBuff" mark is not confusingly similar to defendant's mark "The Movie Buff's Movie Store," since defendant stated in pleadings that it does not allege actual confusion between marks, and since marks have been used simultaneously for five years without causing any instances of actual confusion.

[4] Acquisition, assignment, and maintenance of marks -- Acquisition through use -- Use in commerce (▶ 305.0505)

Registration of Internet domain name with intent to use it commercially is not sufficient to convey trademark rights in name, since trademark rights are not conveyed through mere intent to use mark commercially, or through mere preparation to use mark.

[5] Acquisition, assignment, and maintenance of marks -- Acquisition through use -- Use in commerce (▶ 305.0505)

Defendant did not obtain trademark rights in "moviebuff.com" Internet domain name when it began using name in e-mail correspondence with lawyers and customers, since defendant's use is similar to putting mark on office door sign, letterheads, architectural drawings, or prototype displayed to potential buyer, and is not sufficient to create association in public's mind between mark and defendant; defendant's first use of term, for purposes of Lanham Act, occurred when it first made widespread and public announcement about imminent launch of its World Wide Web site.

[6] Infringement; conflicts between marks -- Likelihood of confusion -- Particular marks -- Confusion likely (▶ 335.0304.03)

Defendant's "moviebuff.com" Internet domain name is essentially identical to plaintiff's "MovieBuff" mark, since differences in appearance of marks are inconsequential, since marks are pronounced in same way except for ".com" suffix, and since addition of ".com" is of diminished importance in distinguishing marks, in that many users of World Wide Web are likely to associate "moviebuff.com" with company that produces "MovieBuff" products and services.

[7] Infringement; conflicts between marks -- Likelihood of confusion -- Relatedness of goods or services -- Similar (▶ 335.0305.03)

Parties' products and services must be considered related for purpose of determining whether defendant's use of "moviebuff.com" Internet domain name is likely to cause confusion with plaintiff's "MovieBuff" mark, since both parties offer products and services relating to entertainment industry generally, and their principal lines of business both relate to motion pictures specifically, since competitive proximity of their products is quite high, in that both offer searchable databases with detailed information on films, and since parties compete for patronage of overlapping audience.

[8] Infringement; conflicts between marks -- Likelihood of confusion -- Particular marks -- Confusion likely (▶ 335.0304.03)

Many forms of consumer confusion are likely to result from defendant's use of "moviebuff.com"

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Internet domain name, given virtual identity of that name and plaintiff's "MovieBuff" mark, relatedness of parties' products and services, and parties' simultaneous use of World Wide Web as marketing and advertising tool; persons searching Web may confuse "MovieBuff" with entertainment database at "moviebuff.com" and assume they have reached plaintiff's Web site, or incorrectly believe that defendant licensed "MovieBuff" from plaintiff, that plaintiff otherwise sponsored defendant's database, that parties are related companies, or that database they were searching for has been replaced by defendant's entertainment database.

[9] Types of marks -- Suggestive -- Particular marks (▶ 327.0403)

Plaintiff's "MovieBuff" mark is suggestive, rather than descriptive, of computer software and services featuring information about entertainment industry, and therefore is strong enough to warrant trademark protection, since mark does not describe either software or its purpose, and instead requires mental leap from mark to product.

[10] Infringement; conflicts between marks -- Defenses -- Laches or limitations period (▶ 335.1005)

Claim that defendant's "moviebuff.com" Internet domain name infringes plaintiff's "MovieBuff" mark is not barred by laches, even though plaintiff waited more than two years before notifying defendant that its intended use of domain name would infringe, since defendant did not make use of domain name during that time, and since plaintiff filed suit on very day that defendant announced its intention to launch World Wide Web site at "moviebuff.com."

[11] Infringement; conflicts between marks -- Likelihood of confusion -- Particular marks -- Confusion likely (▶ 335.0304.03)

Defendant's use of plaintiff's "MovieBuff" mark or "moviebuf.com" in buried code or metatags on its World Wide Web site will result in initial interest confusion, since sizable number of consumers looking for plaintiff's "MovieBuff" products who are taken by search engine to defendant's Web site will simply decide to use defendant's offerings instead, and since defendant improperly benefits from goodwill plaintiff developed in "MovieBuff" by using mark in metatags to divert consumers to its Web site, even though there is no source confusion in sense that consumers know they are patronizing defendant rather than plaintiff.

[12] Infringement; conflicts between marks -- Likelihood of confusion -- Particular marks -- Confusion likely (▶ 335.0304.03)

Infringement; conflicts between marks -- Defenses -- Fair use (▶ 335.1003)

Lanham Act bars defendant from including any term confusingly similar to plaintiff's "MovieBuff" mark in metatags on defendant's World Wide Web site; defendant is not prohibited from using descriptive term "Movie Buff," which is routinely used to describe motion picture enthusiast, or from using "MovieBuff" to describe plaintiff's product, but defendant's use of mark in metatags to attract consumers to its Web site is prohibited.

Case History and Disposition

Appeal from the U.S. District Court for the Central District of California, Moreno, J.

Action by Brookfield Communications Inc. against West Coast Entertainment Corp. for trademark infringement, trademark dilution, and unfair competition in violation of Lanham Act and state law. Plaintiff appeals from denial of its motion for preliminary injunction. Reversed and *remanded*.

Attorneys

Richard L. Stone, Ronald S. Cohen, and Carlo F. Van den Bosch, of Sheppard, Mullin, Richter & Hampton, Los Angeles, Calif., for plaintiff-appellant.

Dennis G. Martin, Christina L. Johnson, and William F. Holbrow III, of Blakely, Sokoloff, Taylor, Siegel & Zafman, Los Angeles, for defendant-appellee.

Judge

Before Canby, O'Scannlain, and Wardlaw, circuit judges.

Opinion Text

Opinion By:

O'Scannlain, J.

We must venture into cyberspace to determine whether federal trademark and unfair competition laws prohibit a video rental store chain from using an entertainment-industry information provider's trademark in the domain name of its web site and in its web site's metatags.

I

Brookfield Communications, Inc. ("Brookfield") appeals the district court's denial of its motion for a preliminary injunction

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prohibiting West Coast Entertainment Corporation ("West Coast") from using in commerce terms confusingly similar to Brookfield's trademark, "MovieBuff. " Brookfield gathers and sells information about the entertainment industry. Founded in 1987 for the purpose of creating and marketing software and services for professionals in the entertainment industry, Brookfield initially offered software applications featuring information such as recent film submissions, industry credits, professional contacts, and future projects. These offerings targeted major Hollywood film studios, independent production companies, agents, actors, directors, and producers.

Brookfield expanded into the broader consumer market with computer software featuring a searchable database containing entertainment-industry related information marketed under the "MovieBuff" mark around December 1993. [1] Brookfield's "MovieBuff" software now targets smaller companies and individual consumers who are not interested in purchasing Brookfield's professional level alternative, The Studio System, and includes comprehensive, searchable, entertainment-industry databases and related software applications containing information such as movie credits, box office receipts, films in development, film release schedules, entertainment news, and listings of executives, agents, actors, and directors. This "MovieBuff" software comes in three versions -- (1) the MovieBuff Pro Bundle, (2) the MovieBuff Pro, and (3) MovieBuff -- and is sold through various retail stores, such as Borders, Virgin Megastores, Nobody Beats the Wiz, The Writer's Computer Store, Book City, and Samuel French Bookstores.

[1] The parties quibble over whether the exact date was in December 1993 or in January 1994, but this dispute is irrelevant.

Sometime in 1996, Brookfield attempted to register the World Wide Web ("the Web") domain name "moviebuff.com" with Network Solutions, Inc. ("Network Solutions"), [2] but was informed that the requested domain name had already been registered by West Coast. Brookfield subsequently registered "brookfieldcomm.com" in May 1996 and "moviebuffonline.com" in September 1996. [3] Sometime in 1996 or 1997, Brookfield began using its web sites to sell its "MovieBuff" computer software and to offer an Internet-based searchable database marketed under the "MovieBuff" mark. Brookfield sells its "MovieBuff" computer software through its "brookfieldcomm.com" and "moviebuffonline.com" web sites and offers subscribers online access to the MovieBuff database itself at its "inhollywood. com" web site.

[2] Pursuant to a contract with the National Science Foundation, Network Solutions was, at all relevant times, the exclusive registrar of certain domain names, including those ending in ".com" The intricacies of the Internet and the Web are explained in detail in Part II.

[3] It also registered "inhollywood.com," but exactly when it did so is unclear from the record.

On August 19, 1997, Brookfield applied to the Patent and Trademark Office (PTO) for federal registration of "MovieBuff" as a mark to designate both goods and services. Its trademark application describes its product as "computer software providing data and information in the field of the motion picture and television industries." Its service mark application describes its service as "providing multiple-user access to an on-line network database offering data and information in the field of the motion picture and television industries." Both federal trademark registrations issued on September 29, 1998. Brookfield had previously obtained a California state trademark registration for the mark "MovieBuff" covering "computer software" in 1994.

In October 1998, Brookfield learned that West Coast-one of the nation's largest video rental store chains with over 500 stores -- intended to launch a web site at "moviebuff. com" containing, *inter alia,* a searchable entertainment database similar to "MovieBuff." West Coast had registered "moviebuff.com" with Network Solutions on February 6, 1996 and claims that it chose the domain name because the term "Movie Buff" is part of its service mark, "The Movie Buff's Movie

Store," on which a federal registration issued in 1991 covering "retail store services featuring video cassettes and video game cartridges" and "rental of video cassettes and video game cartridges." West Coast notes further that, since at least 1988, it has also used various phrases including the term "Movie Buff" to promote goods and services available at its video stores in Massachusetts, including "The Movie Buff's Gift Guide"; "The Movie Buff's Gift Store"; "Calling All Movie Buffs!"; "Good News Movie Buffs!"; "Movie Buffs, Show Your Stuff!"; "the Perfect Stocking Stuffer for the Movie Buff!"; "A Movie Buff's Top Ten"; "The Movie Buff Discovery Program"; "Movie Buff Picks"; "Movie Buff Series";

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"Movie Buff Selection Program"; and "Movie Buff Film Series."

On November 10, Brookfield delivered to West Coast a cease-and-desist letter alleging that West Coast's planned use of the "moviebuff.com" would violate Brookfield's trademark rights; as a "courtesy" Brookfield attached a copy of a complaint that it threatened to file if West Coast did not desist.

The next day, West Coast issued a press release announcing the imminent launch of its web site full of "movie reviews, Hollywood news and gossip, provocative commentary, and coverage of the independent film scene and films in production." The press release declared that the site would feature "an extensive database, which aids consumers in making educated decisions about the rental and purchase of" movies and would also allow customers to purchase movies, accessories, and other entertainment-related merchandise on the web site.

Brookfield fired back immediately with a visit to the United States District Court for the Central District of California, and this lawsuit was born. In its first amended complaint filed on November 18, 1998, Brookfield alleged principally that West Coast's proposed offering of online services at "moviebuff.com" would constitute trademark infringement and unfair competition in violation of sections 32 and 43(a) of the Lanham Act, 15 U.S.C. Sections 1114, 1125(a). [4] Soon thereafter, Brookfield applied *ex parte* for a temporary restraining order ("TRO") enjoining West Coast " [f]rom using . . . in any manner . . . the mark MOVIEBUFF, or any other term or terms likely to cause confusion therewith, including *moviebuff.com* , as West Coast's domain name, . . . as the name of West Coast's website service, in buried code or metatags on their home page or web pages, or in connection with the retrieval of data or information on other goods or services."

[4] Brookfield also asserted a trademark dilution claim under 15 U.S.C. Section 1125(c) and California state law trademark and unfair competition claims.

On November 27, West Coast filed an opposition brief in which it *argued* first that Brookfield could not prevent West Coast from using "moviebuff.com" in commerce because West Coast was the senior user. West Coast claimed that it was the first user of "MovieBuff" because it had used its federally registered trademark, "The Movie Buff's Movie Store," [5] since 1986 in advertisements, promotions, and letterhead in connection with retail services featuring videocassettes and video game cartridges. Alternatively, West Coast claimed seniority on the basis that it had garnered common- law rights in the domain name by using "moviebuff.com" before Brookfield began offering its "MovieBuff" Internet-based searchable database on the Web. In addition to asserting seniority, West Coast contended that its planned use of "moviebuff.com" would not cause a likelihood of confusion with Brookfield's trademark "MovieBuff" and thus would not violate the Lanham Act.

[5] West Coast applied for a federal trademark registration for this term in 1989, which issued in 1991 and became incontestable in 1996. West Coast purports to have spent over $15,000,000 on advertisements and promotions featuring this mark.

The district court heard arguments on the TRO motion on November 30. Later that day, the district court issued an order construing Brookfield's TRO motion as a motion for a preliminary injunction and denying it. The district court concluded that West Coast was the senior user of the mark "MovieBuff" for both of the reasons asserted by West Coast. The court also determined that Brookfield had not established a likelihood of confusion.

Brookfield responded by filing a notice of appeal from the denial of preliminary injunction followed by a motion in the district court for injunction pending appeal, which motion the district court denied. On January 16, 1999, West Coast launched its web site at "moviebuff.com." Fearing that West Coast's fully operational web site would cause it irreparable injury, Brookfield filed an emergency motion for injunction pending appeal with this court a few days later. On February 24, we granted Brookfield's motion and entered an order enjoining West Coast "from using, or facilitating the use of, in any manner, including advertising and promotion, the mark MOVIEBUFF, or any other term or terms likely to cause confusion therewith, including (a) *moviebuff.com* or *moviebuff. com* , as the name of West Coast's web site service, in buried code or metatags on its home page or web pages, or in connection with the retrieval of data or information on other goods or services." The injunction was to take effect upon the posting of a $25,000 bond in the district court by Brookfield. We scheduled oral argument on an expedited basis for March 10.

West Coast thereupon filed a motion for *reconsideration* and modification -- seeking

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a stay of the injunction pending appeal and an increase in the bond requirement to $400,000 -- which we denied. After oral argument on March 10, we ordered that our previously issued injunction remain in effect pending the issuance of

this opinion.

II

To resolve the legal issues before us, we must first understand the basics of the Internet and the World Wide Web. Because we will be delving into technical corners of the Internet -- dealing with features such as domain names and metatags -- we explain in some detail what all these things are and provide a general overview of the relevant technology.

The Internet is a global network of interconnected computers which allows individuals and organizations around the world to communicate and to share information with one another. The Web, a collection of information resources contained in documents located on individual computers around the world, is the most widely used and fastest- growing part of the Internet except perhaps for electronic mail ("e-mail"). *See United States v. Microsoft* , 147 F.3d 935, 939 (D.C. Cir. 1998). With the Web becoming an important mechanism for commerce, *see Reno v. ACLU* , 117 S.Ct. 2329, 2334 (1997) (citing an estimate that over 200 million people will use the Internet in 1999), companies are racing to stake out their place in cyberspace. Prevalent on the Web are multimedia "web pages" -- computer data files written in Hypertext Markup Language ("HTML") -- which contain information such as text, pictures, sounds, audio and video recordings, and links to other web pages. *See id.* at 2335; *Panavision Int'l, L.P. v. Toeppen* , 141 F.3d 1316, 1318 [46 USPQ2d 1511] (9th Cir. 1998).

Each web page has a corresponding domain address, which is an identifier somewhat analogous to a telephone number or street address. Domain names consist of a second-level domain -- simply a term or series of terms (*e.g.* , westcoastvideo) -- followed by a top-level domain, many of which describe the nature of the enterprise. Top-level domains include ".com" (commercial), ".edu" (educational), ".org" (non-profit and miscellaneous organizations), ".gov" (government), ".net" (networking provider), and ".mil" (military). *See Panavision* , 141 F.3d at 1318. Commercial entities generally use the ".com" top-level domain, which also serves as a catchall top-level domain. *See id.* To obtain a domain name, an individual or entity files an application with Network Solutions listing the domain name the applicant wants. Because each web page must have an unique domain name, Network Solution checks to see whether the requested domain name has already been assigned to someone else. If so, the applicant must choose a different domain name. Other than requiring an applicant to make certain representations, Network Solutions does not make an independent determination about a registrant's right to use a particular domain name. *See id.* at 1318-19.

Using a Web browser, such as Netscape's Navigator or Microsoft's Internet Explorer, a cyber "surfer" may navigate the Web -- searching for, communicating with, and retrieving information from various web sites. *See id.* ; *Microsoft* , 147 F.3d at 939-40, 950. A specific web site is most easily located by using its domain name. *See Panavision* , 141 F.3d at 1327. Upon entering a domain name into the web browser, the corresponding web site will quickly appear on the computer screen. Sometimes, however, a Web surfer will not know the domain name of the site he is looking for, whereupon he has two principal options: trying to guess the domain name or seeking the assistance of an Internet "search engine."

Oftentimes, an Internet user will begin by hazarding a guess at the domain name, especially if there is an obvious domain name to try. Web users often assume, as a rule of thumb, that the domain name of a particular company will be the company name followed by ".com." *See id.; Playboy Enters. v. Universal Tel-a-Talk, Inc.* , No. 96-6961, 1998 WL 767440, at *2 (E.D. Pa. Nov. 3, 1998); *Cardservice Int'l, Inc. v. McGee* , 950 F.Supp. 737, 741 [42 USPQ2d 1850] (E.D. Va. 1997), *aff'd by* , 129 F.3d 1258 (4th Cir. 1997). For example, one looking for Kraft Foods, Inc. might try "kraftfoods.com," and indeed this web site contains information on Kraft's many food products. Sometimes, a trademark is better known than the company itself, in which case a Web surfer may assume that the domain address will be " 'trademark'.com." *See Panavision* , 141 F.3d at 1327; *Beverly v. Network Solutions, Inc.* , No. 98-0337, 1998 WL 320829, at *1 (N.D. Cal. June 12, 1998) ("Companies attempt to make the search for their web site as easy as possible. They do so by using a corporate name, trademark or service mark as their web site address."). One interested in today's news would do well visiting "usatoday.com," which features, as one would expect, breaking stories from Gannett's USA Today. Guessing domain names, however, is not a risk-free activity. The Web surfer who assumes

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that " 'X'.com" will always correspond to the web site of company X or trademark X will, however, sometimes be misled. One looking for the latest information on Panavision, International, L.P., would sensibly try "panavision.com." Until recently, that Web surfer would have instead found a web site owned by Dennis Toeppen featuring photographs of the City of Pana, Illinois. *See Panavision* , 141 F.3d at 1319. Having registered several domain names that logically would have corresponded to the web sites of major companies such as Panavision, Delta Airlines, Neiman Marcus, Lufthansa, Toeppen sought to sell "panavision.com" to Panavision, which gives one a taste of some of the trademark issues that have arisen in cyberspace. *See id.; see also, e.g., Cardservice* , 950 F.Supp. at 740-42.

A Web surfer's second option when he does not know the domain name is to utilize an Internet search engine, such as Yahoo, Altavista, or Lycos. *See ACLU v. Reno* , 31 F.Supp. 2d 473, 484 (E.D. Pa. 1999); *Washington Speakers Bureau, Inc. v. Leading Authorities, Inc.* , No. 98-634, 1999 WL 51869, at *9 [49 USPQ2d 1893] (E.D. Va. Feb. 2, 1999). When a keyword is entered, the search engine processes it through a self-created index of web sites to generate a (sometimes long) list relating to the entered keyword. Each search engine uses its own algorithm to arrange indexed materials in sequence, so the list of web sites that any particular set of keywords will bring up may differ depending on the search engine used. *See Niton Corp. v. Radiation Monitoring Devices, Inc.* , 27 F.Supp. 2d 102, 104 (D. Mass.

1998); *Intermatic Inc. v. Toeppen* , 947 F.Supp. 1227, 1231-32 [41 USPQ2d 1223] (N.D. Ill. 1996); *Shea v. Reno* , 930 F.Supp. 916, 929 (S.D.N.Y. 1996), *aff'd* , 117 S.Ct. 2501 (1997). Search engines look for keywords in places such as domain names, actual text on the web page, and metatags. Metatags are HTML code intended to describe the contents of the web site. There are different types of metatags, but those of principal concern to us are the "description" and "keyword" metatags. The description metatags are intended to describe the web site; the keyword metatags, at least in theory, contain keywords relating to the contents of the web site. The more often a term appears in the metatags and in the text of the web page, the more likely it is that the web page will be "hit" in a search for that keyword and the higher on the list of "hits" the web page will appear. *See Niton,* 27 F.Supp. 2d at 104.

With this basic understanding of the Internet and the Web, we may now analyze the legal issues before us.

III

We review the district court's denial of preliminary injunctive relief for an abuse of discretion. *See, e.g., Foti v. City of Menlo Park* , 146 F.3d 629, 634-35 (9th Cir. 1998). Under this standard, reversal is appropriate only if the district court based its decision on clearly erroneous findings of fact or erroneous legal principles. *See FDIC v. Garner* , 125 F.3d 1272, 1276 (9th Cir. 1997), *cert. denied* , 118 S.Ct. 1229 (1998). "A district court would necessarily abuse its discretion if it based its ruling on an erroneous view of the law," *Cooter & Gell v. Hartmarx Corp.* , 496 U.S. 384, 405 (1990), so we review the underlying legal issues injunction de novo, *see, e.g., Barahona-Gomez v. Reno* , No. 97-15952, 1999 WL 61709, at *4 (9th Cir. Feb. 11, 1999); *S.O.C., Inc. v. County of Clark* , 152 F.3d 1136, 1142 (9th Cir. 1998), *amended by* , 160 F.3d 541 (9th Cir. 1998); *Foti* , 146 F.3d at 635; *Garner* , 125 F.3d at 1276; *San Antonio Community Hosp. v. Southern Cal. Dist. Council of Carpenters* , 125 F.3d 1230, 1234 (9th Cir. 1997).

"A plaintiff is entitled to a preliminary injunction in a trademark case when he demonstrates either (1) a combination of probable success on the merits and the possibility of irreparable injury or (2) the existence of serious questions going to the merits and that the balance of hardships tips sharply in his favor." *Sardi's Restaurant Corp. v. Sardie* , 755 F.2d 719, 723 [226 USPQ 23] (9th Cir. 1985). To establish a trademark infringement claim under section 32 of the Lanham Act or an unfair competition claim under section 43(a) of the Lanham Act, Brookfield must establish that West Coast is using a mark confusingly similar to a valid, protectable trademark of Brookfield's. [6] *See AMF Inc. v. Sleekcraft Boats* ,

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599 F.2d 341, 348 [204 USPQ 808] (9th Cir. 1979). The district court denied Brookfield's motion for preliminary injunctive relief because it concluded that Brookfield had failed to establish that it was the senior user of the "MovieBuff" mark or that West Coast's use of the "moviebuff.com" domain name created a likelihood of confusion.

[6] Section 32(1) of the Lanham Act applies to federally registered marks and provides in pertinent part:

> Any person who shall, without the consent of the registrant--
>
> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive;
>
> . . .
>
> shall be liable in a civil action by the registrant for the remedies hereinafter provided.

U.S.C. Section 1114(1). The same standard is embodied in section 43(a)(1) of the Lanham Act, which applies to both registered and unregistered trademarks:

> Any person who, on or in connection with any goods or services, . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsor ship, or approval of his or her goods, services, or commercial activities by another person, . . .
>
> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

U.S.C. Section 1125(a)(1).

We review each of the district court's conclusions in turn. [7]

[7] Brookfield chose not to argue its trademark dilution claim or its state law causes of action in its opening brief. We accordingly deem those issues waived, *see All Pacific Trading, Inc. v. Vessel M/V Hanjin Yosu* , 7 F.3d 1427, 1434 (9th Cir. 1993), and limit our attention to Brookfield's trademark infringement and unfair competition claims.

IV

To resolve whether West Coast's use of "moviebuff.com" constitutes trademark infringement or unfair competition, [8] we must first determine whether Brookfield has a valid, protectable trademark interest in the "MovieBuff" mark.

Brookfield's registration of the mark on the Principal Register in the Patent and Trademark Office constitutes prima facie evidence of the validity of the registered mark and of Brookfield's exclusive right to use the mark on the goods and services specified in the registration. *See* 15 U.S.C. Sections 1057(b); 1115(a). Nevertheless, West Coast can rebut this presumption by showing that it used the mark in commerce first, since a fundamental tenet of trademark law is that ownership of an inherently distinctive mark such as "MovieBuff" [9] is governed by priority of use. *See Sengoku Words Ltd. v. RMC Int'l, Ltd.* , 96 F.3d 1217, 1219 [40 USPQ2d 1149] (9th Cir. 1996) ("It is axiomatic in trademark law that the standard test of ownership is priority of use. To acquire ownership of a trademark it is not enough to have invented the mark first or even to have registered it first; the party claiming ownership must have been the first to actually use the mark in the sale of goods or services."), cert. denied , 521 U.S. 1103 (1997). The first to use a mark is deemed the "senior" user and has the right to enjoin "junior" users from using confusingly similar marks in the same industry and market or within the senior user's natural zone of expansion. *See Union Nat'l Bank of Tex., Laredo, Tex. v. Union Nat'l Bank of Tex., Austin, Tex.* , 909 F.2d 839, 842-43 [16 USPQ2d 1129] (5th Cir. 1990); *Tally-Ho, Inc. v. Coast Community College Dist.* , 889 F.2d 1018, 1023 [13 USPQ2d 1133] (11th Cir. 1990); *New West Corp. v. NYM Co. of Cal.* , 595 F.2d 1194, 1200-01 [202 USPQ 643] (9th Cir. 1979).

[8] As is often done, Brookfield frames its claims under sections 32 and 43(a) of the Lanham Act in terms of trademark infringement and unfair competition, respectively. Whereas section 32 provides protection only to registered marks, section 43(a) protects against infringement of unregistered marks and trade dress as well as registered marks, *see, e.g., Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery* , 150 F.3d 1042, 1046 [47 USPQ2d 1332] (9th Cir. 1998), and protects against a wider range of practices such as false advertising and product disparagement, *see* 15 U.S.C. Section 1125(a)(1)(B); *Two Pesos, Inc. v. Taco Cabana* , 505 U.S. 763, 768 [23 USPQ2d 1081] (1992). Despite these differences, the analysis under the two provisions is oftentimes identical. Because we find this to be the case here, we use, for simplicity's sake, the term "infringement" to refer to Brookfield's claims under both sections 32 and 43(a) throughout the remainder of the opinion.

[9] Both parties agree that "MovieBuff" is a suggestive mark, which falls within the category of inherently distinctive marks. The issue of inherent distinctiveness is discussed in further detail in Part V-A, *infra* .

It is uncontested that Brookfield began selling "MovieBuff" software in 1993 and that West Coast did not use "moviebuff.com" until 1996. According to West Coast, however, the fact that it has used "The Movie Buff's Movie Store" as a trademark since 1986 makes it the first user for purposes of trademark priority. In the alternative, West Coast claims priority on the basis that it used "moviebuff.com" in commerce before Brookfield began offering its "MovieBuff" searchable database on the Internet. We analyze these contentions in turn.

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A

Conceding that the first time that it *actually* used "moviebuff.com" was in 1996, West Coast argues that its earlier use of "The Movie Buff's Movie Store" constitutes use of "moviebuff.com." [10] West Coast has not provided any Ninth Circuit precedent approving of this constructive use theory, but neither has Brookfield pointed us to any case law rejecting it. We are not without guidance, however, as our sister circuits have explicitly recognized the ability of a trademark owner to claim priority in a mark based on the first use date of a similar, but technically distinct, mark -- but only in the exceptionally narrow instance where "the previously used mark is 'the legal equivalent of the mark in question or indistinguishable therefrom' such that consumers 'consider both as the same mark.' " *Data Concepts, Inc. v. Digital Consulting, Inc.* , 150 F.3d 620, 623 [47 USPQ2d 1672] (6th Cir. 1998) (*quoting Van Dyne-Crotty, Inc. v. Wear-Guard Corp.* , 926 F.2d 1156, 1159 [17 USPQ2d 1866] (Fed.Cir. 1991)); *accord Van Dyne-Crotty* , 926 F.2d at 1159. This constructive use theory is known as "tacking," as the trademark holder essentially seeks to "tack" his first use date in the earlier mark onto the subsequent mark. *See generally* 2 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* Section 17:25-27 (4th ed. 1998) [hereafter "McCarthy"].

[10] West Coast's federally registered trademark "The Movie Buff's Movie Store" is now incontestable, meaning that its validity and legal protectability, as well as West Coast's ownership therein, are all conclusively presumed (subject to certain defenses not relevant here). *See* 15 U.S.C. Sections 1065, 1115(b); *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.* , 469 U.S. 189, 196 [224 USPQ 327] (1985).

We agree that tacking should be allowed if two marks are so similar that consumers generally would regard them as essentially the same. Where such is the case, the new mark serves the same identificatory function as the old mark. Giving the trademark owner the same rights in the new mark as he has in the old helps to protect source-identifying trademarks from appropriation by competitors and thus furthers the trademark law's objective of reducing the costs that customers incur in shopping and making purchasing decisions. *See Qualitex Co. v Jacobson Prods. Co.* , 514 U.S. 159, 163-64 [34 USPQ2d 1161] (1995); *Falcon Rice Mill, Inc. v. Community Rice Mill, Inc.* , 725 F.2d 336, 348 [222 USPQ 197] (5th Cir. 1984).

Without tacking, a trademark owner's priority in his mark would be reduced each time he made the slightest alteration to the mark, which would discourage him from altering the mark in response to changing consumer preferences, evolving aesthetic developments, or new advertising and marketing styles. In *Hess's of Allentown, Inc. v. National Bellas Hess, Inc.* , for example, a department store ("Allentown") with trademark rights in the terms "Hess Brothers"

and "Hess" dating from 1899 began promoting itself in 1952 instead as "Hess's," largely because customers and employees commonly referred to the store as "Hess's" rather than "Hess Brothers" or "Hess." *See* 169 U.S.P.Q. 673, 674-75 (T.T.A.B. 1971). Another department store ("Bellas") first used "Hess" in its mark around 1932. In light of the fact that Allentown first used "Hess's" after Bellas commenced using "Hess," Bellas would have priority on the basis of the actual first use dates of those two marks. Even though Allentown had acquired over a half-century's worth of goodwill in the essentially identical marks "Hess" and "Hess Brothers," Allentown no longer had trademark rights in those terms because it had ceased using those marks when it adopted "Hess's." Nevertheless, the Trademark Board allowed the owner of "Hess's" to tack his first use date of "Hess Brothers" and "Hess" onto "Hess's" since those terms were viewed as identical by the public. *See id.* at 677.

The standard for "tacking," however, is exceedingly strict: "The marks must create the *same , continuing commercial impression* , and the later mark should not materially differ from or alter the character of the mark attempted to be tacked." *Van Dyne- Crotty* , 926 F.2d at 1159 (emphasis added) (citations and quotation marks omitted). In other words, "the previously used mark must be the *legal equivalent* of the mark in question or indistinguishable therefrom, and the consumer should consider both as the same mark." *Id.* (emphasis added); *see also Data Concepts* , 150 F.3d at 623 (adopting the *Van Dyne-Crotty* test). This standard is considerably higher than the standard for "likelihood of confusion," which we discuss *infra* .

The Federal Circuit, for example, concluded that priority in "CLOTHES THAT WORK. FOR THE WORK YOU DO" could not be tacked onto "CLOTHES THAT WORK." *See Van Dyne-Crotty* , 926 F.2d at 1160 (holding that the shorter phrase was not the legal equivalent of the longer mark). The Sixth Circuit held that "DCI" and "dci" were too dissimilar to support tacking. *See Data Concepts* , 150 F.3d at

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623-24. And the Trademark Board has rejected tacking in a case involving "American Mobilphone" with a star and stripe design and "American Mobilphone Paging" with the identical design, *see American Paging, Inc. v. American Mobilphone, Inc.* , 13 U.S.P.Q.2d 2036 (T.T.A.B. 1989), aff'd , 17 U.S.P.Q.2d 1726 (Fed.Cir. 1990), as well as in a case involving "PRO-CUTS" and "PRO-KUT," *see Pro-Cuts v. Schilz-Price Enters.* , 27 U.S.P.Q.2d 1224, 1227 (T.T. A.B. 1993).

[1] In contrast to cases such as *Van Dyne- Crotty* and *American Paging* , which were close questions, the present case is clear cut: "The Movie Buff's Movie Store" and "moviebuff.com" are very different, in that the latter contains three fewer words, drops the possessive, omits a space, and adds ".com" to the end. Because West Coast failed to make the slightest showing that consumers view these terms as identical, we must conclude that West Coast cannot tack its priority in "The Movie Buff's Movie Store" onto "moviebuff.com." As the Federal Circuit explained, "it would be clearly contrary to well-established principles of trademark law to sanction the tacking of a mark with a narrow commercial impression onto one with a broader commercial impression." *Van Dyne-Crotty* , 926 F.2d at 1160 (noting that prior use of "SHAPE UP" could not be tacked onto "EGO," that prior use of "ALTER EGO" could not be tacked onto "EGO," and that prior use of "Marco Polo could not be tacked onto "Polo").

[2] Since tacking does not apply, we must therefore conclude that Brookfield is the senior user because it marketed "MovieBuff" products well before West Coast began using "moviebuff.com" in commerce: West Coast's use of "The Movie Buff's Movie Store" is simply irrelevant. Our priority determination is consistent with the decisions of our sister circuits in *Lone Star Steakhouse & Saloon, Inc. v. Longhorn Steaks, Inc.* , 106 F.3d 355, 362-63 [41 USPQ2d 1896] (11th Cir. 1997), *modified by* , 122 F.3d 1379 [44 USPQ2d 1217] (11th Cir. 1997) (per curiam), and *J. Wiss & Sons Co. v. W.E. Bassett Co.* , 462 F.2d 567, 568-69 [174 USPQ 331] (C.C.P.A. 1972). Like the present case, *J. Wiss & Sons* is a three-competing-trademark situation in which one company owned a single mark with a first use date in between the first use dates of the two marks owned by the other company. In that case, the intervening mark ("Trim") was found to be confusingly similar with the later mark ("Trim-Line"), but not with the earlier mark ("Quick-Trim"); similarly here, the intervening mark ("MovieBuff") is purported to be confusingly similar with the later mark "moviebuff.com," *see infra* Part V, but is not confusingly similar with the earlier used mark "The Movie Buff's Movie Store," *see infra* pp. 3739. The Court of Customs and Patent Appeals (now the Court of Appeals for the Federal Circuit) concluded that priority depended upon which of the two confusingly similar marks was used first -- disregarding the first use date of the earlier used mark since it was not confusingly similar with the others. It thus awarded priority to the holder of the intervening mark, as we do similarly here. *Longhorn Steaks* , involving the same basic three-competing-trademark situation, is particularly instructive. The defendant owned the mark "Lone Star Steaks" with a first use date between the plaintiff's earlier used mark "Lone Star Cafe" and its later used mark "Lone Star Steakhouse & Saloon." In its initial opinion, the Eleventh Circuit awarded priority to the holder of "Lone Star Steaks" on the basis that "Lone Star Steaks" was used before "Lone Star Steakhouse & Saloon." *See Longhorn Steaks* , 106 F.3d at 362-63. The Eleventh Circuit, however, later *modified* its opinion, stating that the conclusion reached in its initial opinion would be correct only if defendant's "Lone Star Steaks" was not confusingly similar to plaintiff's earlier used mark, "Lone Star Cafe." *See Longhorn Steaks* , 122 F.3d 1379 [44 USPQ2d 1217] (11th Cir. 1997). [11]

[11] The court then *remanded* the case to the district court to make a determination on this question. *See id.* at 1382.

[3] West Coast makes a half-hearted claim that "MovieBuff" is confusingly similar to its earlier used mark "The Movie Buff's Movie Store." If this were so, West Coast would undoubtedly be the senior user. *See id.* "Of course, if the symbol or device is already in general use, employed in such a manner that its adoption as an index of source or origin would

only produce confusion and mislead the public, it is not susceptible of adoption as a trademark." *Hanover Star Milling Co. v. Metcalf* , 240 U.S. 403, 415 (1916). West Coast, however, essentially conceded that "MovieBuff" and "The Movie Buff's Movie Store" are not confusingly similar when it stated in its pre-argument papers that it does not allege actual confusion between "MovieBuff" and West Coast's federally registered mark. We cannot think of more persuasive evidence that there is no *likelihood* of confusion between

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these two marks than the fact that they have been simultaneously used for five years without causing any consumers to be confused as to who makes what. *See Libman Co. v. Vining Indus., Inc.* , 69 F.3d 1360, 1361 [36 USPQ2d 1751] (7th Cir. 1995) ("Vining sold several hundred thousand of the allegedly infringing brooms, yet there is no evidence that any consumer ever made such an error; if confusion were likely, one would expect at least one person out of this vast multitude to be confused. . . ."). The failure to *prove* instances of actual confusion is *not* dispositive against a trademark plaintiff, because actual confusion is hard to prove; difficulties in gathering evidence of actual confusion make its absence generally unnoteworthy. *See Eclipse Assocs. Ltd. v. Data Gen. Corp.* , 894 F.2d 1114, 1118-19 [13 USPQ2d 1885] (9th Cir. 1990); *Sleekcraft* , 599 F.2d at 353. West Coast, however, did not state that it could not prove actual confusion; rather, it conceded that there has been none. This is a crucial difference. Although there may be the rare case in which a likelihood of future confusion is possible even where it is conceded that two marks have been used simultaneously for years with no resulting confusion, West Coast has not shown this to be such a case.

Our conclusion comports with the position of the PTO, which effectively announced its finding of no likelihood of confusion between "The Movie Buff's Movie Store " and "MovieBuff" when it placed the latter on the principal register despite West Coast's prior registration of "The Movie Buff's Movie Store." Priority is accordingly to be determined on the basis of whether Brookfield used "MovieBuff" or West Coast used "moviebuff.com" first. [12]

[12] The present case differs from the Fourth Circuit's *Lone Star* case (yet another involving the same three-trademark setup) for exactly the same reason that it differs from the Eleventh Circuit's *Lone Star* case. *See Lone Star Steakhouse & Saloon, Inc. v. Alpha of Virginia, Inc.* , 43 F.3d 922 [33 USPQ2d 1481] (4th Cir. 1995). The Fourth Circuit awarded priority to the company owning the earlier and later trademarks over the company owning the intervening mark, because the intervening mark ("Lone Star Grill") was found to be confusingly similar with the *earlier* of the other two marks ("Lone Star Cafe") as well as with the later mark ("Lone Star Steakhouse & Saloon"). *See id.* at 931-32.

B

West Coast argues that we are mixing apples and oranges when we compare its first use date of "moviebuff.com" with the first sale date of "MovieBuff" *software* . West Coast reminds us that Brookfield uses the "MovieBuff " mark with both computer software and the provision of an Internet database; according to West Coast, its use of "moviebuff.com" can cause confusion only with respect to the latter. West Coast asserts that we should accordingly determine seniority by comparing West Coast's first use date of "moviebuff.com" not with when Brookfield first sold software, but with when it first offered its database online.

As an initial matter, we note that West Coast's argument is premised on the assumption that its use of "moviebuff.com" does not cause confusion between its web site and Brookfield's "MovieBuff" software products. Even though Brookfield's computer software and West Coast's offerings on its web site are not identical products, likelihood of confusion can still result where, for example, there is a likelihood of expansion in product lines. *See Official Airline Guides, Inc. v. Goss* , 6 F.3d 1385, 1394 [28 USPQ2d 1641] (9th Cir. 1993). As the leading trademark commentator explains: "When a senior user of a mark on product line A expands later into product line B and finds an intervening user, priority in product line B is determined by whether the expansion is 'natural' in that customers would have been confused as to source or affiliation at the time of the intervening user's appearance." 2 McCarthySection 16:5. We need not, however, decide whether the Web was within Brookfield's natural zone of expansion, because we conclude that Brookfield's use of "MovieBuff" as a service mark preceded West Coast's use.

Brookfield first used "MovieBuff" on its Internet-based products and services in August 1997, [13] so West Coast can prevail only

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if it establishes first use earlier than that. In the literal sense of the word, West Coast "used" the term "moviebuff.com" when it registered that domain address in February 1996. Registration with Network Solutions, however, does not in itself constitute "use" for purposes of acquiring trademark priority. *See Panavision* , 141 F.3d at 1324-25. The Lanham Act grants trademark protection only to marks that are used to identify and to distinguish goods or services in commerce -- which typically occurs when a mark is used in conjunction with the actual sale of goods or services. The purpose of a trademark is to help consumers identify the source, but a mark cannot serve a source-identifying function if the public has never seen the mark and thus is not meritorious of trademark protection until it is used in public in a manner that creates an association among consumers between the mark and the mark's owner.

[13] The exact date that Brookfield began offering "MovieBuff" products over the Web is the subject of bitter dispute. In its opening brief, Brookfield specifically averred: "In January of 1996, Brookfield also launched a web site that made the MOVIEBUFF software and database available via the Internet." West Coast questions the veracity of

Brookfield's claims, pointing out that Brookfield did not even register a domain name with Network Solutions until May 1996. Having reviewed the evidence before us, we too find it a mystery how Brookfield could have "launched a web site" in January 1996 when it did not have a domain address at which it could operate a web site until May 1996. *See infra* Part II. Accordingly, we conclude that Brookfield failed to produce evidence establishing its claim that it began using the "MovieBuff" in conjunction with its Internet database in January 1996. Because "MovieBuff" is a federally registered trademark, however, Brookfield is entitled to a presumptive first used date equivalent to the filing date of its trademark registration application, which was August 1997. *See Rolley, Inc. v. Younghusband* , 204 F.2d 209, 210 [97 USPQ 252] (9th Cir. 1953).

Such use requirement is firmly established in the case law, *see, e.g., Armstrong Paint & Varnish Works v. Nu-Enamel Corp.* , 305 U.S. 315, 334 [39 USPQ 402] (1938); *New West* , 595 F.2d at 1198-99, and, moreover, is embodied in the Lanham Act itself. *See* 15 U.S.C. Section 1127 ("The term 'trademark' includes any word, name, symbol, or device, or any combination thereof . . . *used by a person* . . . *to identify and distinguish* his or her goods.") (emphasis added); *id.* ("The term 'service mark' means any word, name, symbol, or device, or any combination thereof . . . *used by a person* . . . *to identify and distinguish* the services of one person) (emphasis added). In fact, Congress amended the Lanham Act in 1988 to strengthen this "use in commerce" requirement, making clear that trademark rights can be conveyed only through "the bona fide use of a mark in the ordinary course of trade, and not [use] made merely to reserve a mark." 15 U.S.C. Section 1127. Congress provided more specifically:

For purposes of this chapter, a mark shall be deemed to be in use in commerce--

(1) on goods when--

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

Id.

[4] The district court, while recognizing that mere registration of a domain name was not sufficient to constitute commercial use for purposes of the Lanham Act, nevertheless held that registration of a domain name with the intent to use it commercially was sufficient to convey trademark rights. This analysis, however, contradicts both the express statutory language and the case law which firmly establishes that trademark rights are not conveyed through mere intent to use a mark commercially, *see, e.g., Allard Enters. v. Advanced Programming Resources, Inc.* , 146 F.3d 350, 356 [46 USPQ2d 1865] (6th Cir. 1998); *Zazu Designs v. L'Oreal, S.A.* , 979 F.2d 499, 504 [24 USPQ2d 1828] (7th Cir. 1992) (" [A]n intent to use a mark creates no rights a competitor is bound to respect."), nor through mere preparation to use a term as a trademark, *see, e.g., Hydro-Dynamics, Inc. v. George Putnam & Co.* , 811 F.2d 1470, 1473-74 [1 USPQ2d 1772] (Fed.Cir. 1987); *Computer Food Stores, Inc. v. Corner Store Franchises* , 176 U.S.P.Q. 535, 538 (T.T.A.B. 1973).

West Coast no longer disputes that its use -- for purposes of the Lanham Act -- of "moviebuff.com " did not commence until after February 1996. It instead relies on the alternate argument that its rights vested when it began using "moviebuff.com" in e- mail correspondence with lawyers and customers sometime in mid-1996. West Coast's argument is not without support in our case law -- we have indeed held that trademark rights can vest even before any goods or services are actually sold if "the totality of [one's] prior actions, taken together, [can] establish a right to use the trademark." *New West* , 595 F.2d at 1200. Under *New West* , however, West Coast must establish that its e-mail correspondence constituted " ' [u]se in a way sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of the adopter of the mark.' " *Id.* (quoting *New England Duplicating Co. v. Mendes* ,

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190 F.2d 415, 418 [90 USPQ 151] (1st Cir. 1951)); *see also Marvel Comics Ltd. v. Defiant* , 837 F.Supp. 546, 550 [28 USPQ2d 1794] (S.D.N.Y. 1993) (" [T]he talismanic test is whether or not the use was sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of the adopter of the mark.") (quotation marks and citation omitted).

[5] West Coast fails to meet this standard. Its purported "use" is akin to putting one's mark "on a business office door sign, letterheads, architectural drawings, etc." or on a prototype displayed to a potential buyer, both of which have been held to be insufficient to establish trademark rights. *See Steer Inn Sys., Inc. v. Laughner's Drive-In, Inc.* , 405 F.2d 1401, 1402 [160 USPQ 626] (C.C. P.A. 1969); *Walt Disney Prods. v. Kusan, Inc.* , 204 U.S.P.Q. 284, 288 (C.D. Cal. 1979). Although widespread publicity of a company's mark, such as Marvel Comics's announcement to 13 million comic book readers that "Plasma" would be the title of a new comic book, *see Marvel Comics* , 837 F.Supp. at 550, or the mailing of 430,000 solicitation letters with one's mark to potential subscribers of a magazine, *see New West* , 595 F.2d at 1200, may be sufficient to create an association among the public between the mark and West Coast, mere use

in limited e-mail correspondence with lawyers and a few customers is not.

West Coast first announced its web site at "moviebuff.com" in a public and widespread manner in a press release of November 11, 1998, and thus it is not until at least that date that it first used the "moviebuff.com" mark for purposes of the Lanham Act. [14] Accordingly, West Coast's argument that it has seniority because it used "moviebuff.com" before Brookfield used "MovieBuff" as a service mark fails on its own terms. West Coast's first use date was *neither* February 1996 when it registered its domain name with Network Solutions as the district court had concluded, *nor* April 1996 when it first used "moviebuff.com" in e-mail communications, but *rather* November 1998 when it first made a widespread and public announcement about the imminent launch of its web site. Thus, West Coast's first use of "moviebuff.com" was preceded by Brookfield's first use of "MovieBuff" in conjunction with its online database, making Brookfield the senior user.

[14] Brookfield is willing to grant West Coast a first use date of November 11, 1998. Thus, we need not decide here whether the issuance of the press release was indeed sufficient to constitute use in commerce under the Lanham Act. *See* 15 U.S.C. Section 1127.

For the foregoing reasons, we conclude that the district court erred in concluding that Brookfield failed to establish a likelihood of success on its claim of being the senior user.

V

Establishing seniority, however, is only half the battle. Brookfield must also show that the public is likely to be somehow confused about the source or sponsorship of West Coast's "moviebuff.com" web site -- and somehow to associate that site with Brookfield. *See* 15 U.S.C. Sections 1114(1); 1125 (a). [15] The Supreme Court has described "the basic objectives of trademark law" as follows: "trademark law, by preventing others from copying a source-identifying mark, 'reduce [s] the customer's costs of shopping and making purchasing decisions,' for it quickly and easily assures a potential customer that this item -- the item with this mark -- is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product." *Qualitex* , 514 U.S. at 163-64 (internal citations omitted). Where two companies each use a different mark and the simultaneous use of those marks does not cause the consuming public to be confused as to who makes what, granting one company exclusive rights over both marks does nothing to further the objectives of the trademark laws; in fact, prohibiting the use of a mark that the public has come to associate with a company would actually contravene the intended purposes of the trademark law by making it *more* difficult to identify and to distinguish between different brands of goods.

[15] More precisely, because we are at the preliminary injunction stage, Brookfield must establish that it is likely to be able to show such a likelihood of confusion. *See Sardi's Restaurant* , 755 F.2d at 723.

"The core element of trademark infringement is the likelihood of confusion, i.e., whether the similarity of the marks is likely to confuse customers about the source of the products." *Official Airline Guides* , 6 F.3d at 1391 (quoting *E. & J. Gallo Winery v. Gallo Cattle Co.* , 967 F.2d 1280, 1290

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[21 USPQ2d 1824] (9th Cir. 1992)) (quotation marks omitted); *accord International Jensen, Inc. v. Metrosound U.S.A., Inc.* , 4 F.3d 819, 825 [28 USPQ2d 1287] (9th Cir. 1993); *Metro Publ'g, Ltd. v. San Jose Mercury News* , 987 F.2d 637, 640 [25 USPQ2d 2049] (9th Cir. 1993). We look to the following factors for guidance in determining the likelihood of confusion: similarity of the conflicting designations; relatedness or proximity of the two companies' products or services; strength of Brookfield's mark; marketing channels used; degree of care likely to be exercised by purchasers in selecting goods; West Coast's intent in selecting its mark; evidence of actual confusion; and likelihood of expansion in product lines. *See Dr. Seuss Enters. v. Penguin Books USA, Inc.* , 109 F.3d 1394, 1404 [42 USPQ2d 1184] (9th Cir. 1997), *petition for cert. dismissed by* , 118 S.Ct. 27 (1997); *Sleekcraft* , 599 F.2d at 348-49; *see also* Restatement (Third) of Unfair Competition Sections 20-23 (1995). These eight factors are often referred to as the Sleekcraft factors.

A word of caution: this eight-factor test for likelihood of confusion is pliant. Some factors are much more important than others, and the relative importance of each individual factor will be case-specific. Although some factors -- such as the similarity of the marks and whether the two companies are direct competitors -- will always be important, it is often possible to reach a conclusion with respect to likelihood of confusion after considering only a subset of the factors. *See Dreamwerks Prod. Group v. SKG Studio,* 142 F.3d 1127, 1130-32 [46 USPQ2d 1561] (9th Cir. 1998). Moreover, the foregoing list does not purport to be exhaustive, and non- listed variables may often be quite important. We must be acutely aware of excessive rigidity when applying the law in the Internet context; emerging technologies require a flexible approach.

A

We begin by comparing the allegedly infringing mark to the federally registered mark. [16] The similarity of the marks will always be an important factor. Where the two marks are entirely dissimilar, there is no likelihood of confusion. "Pepsi"

does not infringe Coca-Cola's "Coke." Nothing further need be said. Even where there is precise identity of a complainant's and an alleged infringer's mark, there may be no consumer confusion -- and thus no trademark infringement -- if the alleged infringer is in a different geographic area or in a wholly different industry. *See Weiner King, Inc. v. Wiener King Corp.* , 615 F.2d 512, 515-16, 521-22 [204 USPQ 820] (C.C.P.A. 1980) (permitting concurrent use of "Weiner King" as a mark for restaurants featuring hot dogs in New Jersey and "Wiener King" as a mark for restaurants in North Carolina); *Pinocchio's Pizza Inc. v. Sandra Inc.* , 11 U.S.P.Q.2d 1227, 1228 (T.T.A.B. 1989) (permitting concurrent use of "PINOCCHIO'S" as a service mark for restaurants in Maryland and "PINOCCHIOS" as a service mark for restaurants elsewhere in the country). Nevertheless, the more similar the marks in terms of appearance, sound, and meaning, the greater the likelihood of confusion. *See, e.g., Dreamwerks,* 142 F.3d at 1131; *Goss* , 6 F.3d at 1392 ("The court assesses the similarity of the marks in terms of their sight, sound, and meaning."). In analyzing this factor, " [t]he marks must be considered in their entirety and as they appear in the marketplace," *Goss* , 6 F.3d at 1392 (citing *Nutri/System, Inc. v. Con-Stan Indus., Inc.* , 809 F.2d 601, 605-06 [1 USPQ2d 1809] (9th Cir. 1987)), with similarities weighed more heavily than differences, *see id.* (citing *Rodeo Collection Ltd. v. West Seventh* , 812 F.2d 1215, 1219 [2 USPQ2d 1204] (9th Cir. 1987)).

[16] Many cases begin the likelihood of confusion analysis by considering the strength of the allegedly infringed mark. Heeding our repeated warnings against simply launching into a mechanical application of the eight-factor *Sleekcraft* test, *see, e.g., Dreamwerks* , 142 F.3d at 1129; *Dr. Seuss,* 109 F.3d at 1404, and rather than automatically adopting the ordering of *Sleekcraft* and *Dr. Seuss* , we consider the *Sleekcraft* factors (roughly) in order of their importance in this particular case. *See, e.g., Dreamwerks,* 142 F.3d at 1130-31 (considering the eight *Sleekcraft* factors "out of order"). Although the Ninth Circuit has yet to apply the likelihood of confusion analysis in the Internet context, a district court applying Ninth Circuit law based its finding of likelihood of confusion on (1) the virtual identity of marks, (2) the relatedness of plaintiff's and defendant's goods, and (3) the simultaneous use of the Web as a marketing channel. *See Comp Examiner Agency, Inc. v. Juris, Inc.* , No. 96-0213, 1996 WL 376600, at *1 (C.D. Cal. Apr. 26, 1996). Consistently with *Comp Examiner* , we conclude that these three *Sleekcraft* factors are the most important in this case and accordingly commence our analysis by examining these factors first.

[6] In the present case, the district court found West Coast's domain name "moviebuff.com" to be quite different than Brookfield's domain name "moviebuffonline.com." Comparison of domain names,

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however, is irrelevant as a matter of law, since the Lanham Act requires that the allegedly infringing mark be compared with the claimant's *trademark, see* 15 U.S.C. Sections 1114(1), 1125(a), which here is "MovieBuff," not "moviebuffonline.com." Properly framed, it is readily apparent that West Coast's allegedly infringing mark is essentially identical to Brookfield's mark "MovieBuff." In terms of appearance, there are differences in capitalization and the addition of ".com" in West Coast's complete domain name, but these differences are inconsequential in light of the fact that Web addresses are not capssensitive and that the ".com" top-level domain signifies the site's commercial nature.

Looks aren't everything, so we consider the similarity of sound and meaning. The two marks are pronounced the same way, except that one would say "dot com" at the end of West Coast's mark. Because many companies use domain names comprised of ".com" as the top-level domain with their corporate name or trademark as the second- level domain, *see Beverly,* 1998 WL 320829, at *1, the addition of".com" is of diminished importance in distinguishing the mark. The irrelevance of the ".com" becomes further apparent once we consider similarity in meaning. The domain name is more than a mere address: like trademarks, second-level domain names communicate information as to source. As we explained in Part II, many Web users are likely to associate "moviebuff. com" with the trademark "MovieBuff," thinking that it is operated by the company that makes "MovieBuff" products and services. [17] Courts, in fact, have routinely concluded that marks were essentially identical in similar contexts. *See, e.g., Public Serv. Co. v. Nexus Energy Software, Inc.* , No. 98-12589, 1999 WL 98973, at *3 (D. Mass. Feb. 24, 1999) (finding "energyplace.com" and "Energy Place" to be virtually identical); *Minnesota Mining & Mfg. Co. v. Taylor,* 21 F.Supp. 2d 1003, 1005 [48 USPQ2d 1701] (D. Minn. 1998) (finding "postit.com" and "Post-It" to be the same); *Interstellar Starship Servs. Ltd. v. Epix, Inc.* , 983 F.Supp. 1331, 1335 [45 USPQ2d 1304] (D. Or. 1997) ("In the context of Internet use, ['epix.com'] is the same mark as ['EPIX']."); *Planned Parenthood Federation of America, Inc. v. Bucci,* No. 97-0629, 1997 WL 133313, at *8 [42 USPQ2d 1430] (S.D.N.Y. Mar. 24, 1997) (concluding that "plannedparenthood.com" and "Planned Parenthood" were essentially identical), aff'd by, 152 F.3d 920 (2d Cir. 1998), *cert. denied,* 119 S.Ct. 90 (1998). As "MovieBuff" and "moviebuff.com" are, for all intents and purposes, identical in terms of sight, sound, and meaning, we conclude that the similarity factor weighs heavily in favor of Brookfield. [18]

[17] In an analogous context, courts have granted trademark protection to phone numbers that spell out a corporation's name, trademark, or slogan. *See Dial-A-Mattress Franchise Corp. v. Page* , 880 F.2d 675, 677-78 [11 USPQ2d 1644] (2d Cir. 1989) (granting trademark protection to "(area code)-MATTRES"); *American Airlines, Inc. v. A 1-800-A-M-E-R-I-C-A-N Corp.* , 622 F.Supp. 673, 683-84 [228 USPQ 225] (N.D. Ill. 1985); *see also Dranoff-Perlstein Assocs. v. Sklar* , 967 F.2d 852, 856-58 [23 USPQ2d 1174] (3d Cir. 1992). *But see Holiday Inns, Inc. v. 800 Reservation, Inc.* , 86 F.3d 619, 622 [39 USPQ2d 1181] (6th Cir. 1996).

[18] The fact that West Coast's second-level domain is *exactly* the same as Brookfield's mark is particularly important since potential customers of "MovieBuff" will go to "moviebuff.com," and not, for example, "moviebuffs.com." Had West Coast used the latter mark, the similarity factor would have favored Brookfield to a lesser extent.

The similarity of marks alone, as we have explained, does not necessarily lead to consumer confusion. Accordingly, we must proceed to consider the relatedness of the products and services offered. Related goods are generally more likely than unrelated goods to confuse the public as to the producers of the goods. *See Official Airline Guides,* 6 F.3d at 1392 (citing *Sleekcraft,* 599 F.2d at 350). In light of the virtual identity of marks, if they were used with identical products or services likelihood of confusion would follow as a matter of course. *See Lindy Pen Co. v. Bic Pen Corp.* , 796 F.2d 254, 256-57 [230 USPQ 791] (9th Cir. 1986) (reversing a district court's finding of no likelihood of confusion even though the six other likelihood of confusion factors all weighed against a finding of likelihood of confusion); *Interpace Corp. v. Lapp, Inc.* , 721 F.2d 460, 462 (3d Cir. 1983). If, on the other hand, Brookfield and West Coast did not compete to any extent whatsoever, the likelihood of confusion would probably be remote. A Web surfer who accessed "moviebuff.com " and reached a web site advertising the services of Schlumberger Ltd. (a large oil drilling company) would be unlikely to think that Brookfield had entered the oil drilling business or was sponsoring the oil driller. *See, e.g., Toys "R" Us, Inc. v. Feinberg,* 26 F.Supp. 2d 639, 643 (S.D.N.Y. 1998) (no likelihood of confusion between "gunsrus.com" firearms web site and "Toys 'R' Us" trademark); *Interstellar Starship,* 983 F.Supp. at 1336 (finding no likelihood

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of confusion between use of "epix.com" to advertise the Rocky Horror Picture Show and "Epix" trademark registered for use with computer circuit boards). At the least, Brookfield would bear the heavy burden of demonstrating (through other relevant factors) that consumers were likely to be confused as to source or affiliation in such a circumstance.

[7] The district court classified West Coast and Brookfield as non-competitors largely on the basis that Brookfield is primarily an information provider while West Coast primarily rents and sells videotapes. It noted that West Coast's web site is used more by the somewhat curious video consumer who wants general movie information, while entertainment industry professionals, aspiring entertainment executives and professionals, and highly focused moviegoers are more likely to need or to want the more detailed information provided by "MovieBuff." This analysis, however, overemphasizes differences in principal lines of business, as we have previously instructed that "the relatedness of each company's prime directive isn't relevant." *Dreamwerks,* 142 F.3d at 1131. Instead, the focus is on whether the consuming public is likely somehow to associate West Coast's products with Brookfield. *See id.* Here, both companies offer products and services relating to the entertainment industry generally, and their principal lines of business both relate to movies specifically and are not as different as guns and toys, *see Toys "R" Us,* 26 F.Supp. 2d at 643, or computer circuit boards and the Rocky Horror Picture Show, *see Interstellar Starship,* 983 F.Supp. at 1336. Thus, Brookfield and West Coast are not properly characterized as non-competitors. *See American Int'l Group, Inc. v. American Int'l Bank,* 926 F.2d 829, 832 [17 USPQ2d 1907] (9th Cir. 1991) (concluding that although the parties were not direct competitors, they both provided financial services and that customer confusion could result in light of the similarities between the companies' services).

Not only are they not non-competitors, the competitive proximity of their products is actually quite high. Just as Brookfield's "MovieBuff" is a searchable database with detailed information on films, West Coast's web site features a similar searchable database, which Brookfield points out is licensed from a direct competitor of Brookfield. Undeniably then, the products are used for similar purposes." [T]he rights of the owner of a registered trademark . . . extend to any goods related in the minds of consumers," *E. Remy Martin & Co. v. Shaw-Ross Int'l Imports, Inc.* , 756 F.2d 1525, 1530 [225 USPQ 1131] (11th Cir. 1985), and Brookfield's and West Coast's products are certainly so related to some extent. The relatedness is further evidenced by the fact that the two companies compete for the patronage of an overlapping audience. The use of similar marks to offer similar products accordingly weighs heavily in favor of likelihood of confusion. *See Sleekcraft* , 599 F.2d at 348 (concluding that high-speed waterskiing racing boats are sufficiently related to family-oriented recreational boats that the public is likely to be confused as to the source of the boats); *Fleischmann Distilling Corp. v. Maier Brewing Co.* , 314 F.2d 149, 153-55 [136 USPQ 508] (9th Cir. 1963) (concluding that beer and whiskey are sufficiently similar to create a likelihood of confusion regarding the source of origin when sold under the same trade name); *see also Champions Golf Club, Inc. v. Champions Golf Club, Inc.* , 78 F.3d 1111, 1118 [38 USPQ2d 1161] (6th Cir. 1996).

In addition to the relatedness of products, West Coast and Brookfield both utilize the Web as a marketing and advertising facility, a factor that courts have consistently recognized as exacerbating the likelihood of confusion. *See, e.g., Public Serv. Co.* , 1999 WL 98973, at *3; *Washington Speakers Bureau, Inc. v. Leading Auths., Inc.* , No. 98-634, 1999 WL 51869, at *9 [49 USPQ2d 1893] (E.D. Va. Feb. 2, 1999); *Jews for Jesus v. Brodsky* , 993 F.Supp. 282, 304-05 [46 USPQ2d 1652] (D.N.J. 1998), *aff'd,* 159 F.3d 1351 (3d Cir. 1998); *Interstellar Starship Servs.* , 983 F.Supp. at 1336; *Planned Parenthood Fed'n of America* , 1997 WL 133313, at *8. Both companies, apparently recognizing the rapidly growing importance of Web commerce, are maneuvering to attract customers via the Web. Not only do they compete for the patronage of an overlapping audience on the Web, both "MovieBuff" and "moviebuff. com" are utilized in conjunction with Web- based products.

[8] Given the virtual identity of "moviebuff.com" and "MovieBuff," the relatedness of the products and services accompanied by those marks, and the companies' simultaneous use of the Web as a marketing and advertising tool, many forms of consumer confusion are likely to result. People surfing the Web for information on "MovieBuff" may confuse "MovieBuff" with the searchable entertainment database at "moviebuff.com" and simply assume that they have reached Brookfield's web site. *See, e.g., Cardservice Int'l,* 950 F.Supp. at 741. In the Internet context, in particular, entering a web site takes little effort -- usually one click from a linked site or a search engine's

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list; thus, Web surfers are more likely to be confused as to the ownership of a web site than traditional patrons of a brick-and-mortar store would be of a store's ownership. Alternatively, they may incorrectly believe that West Coast licensed "MovieBuff" from Brookfield, *see, e.g., Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club Ltd.* , 34 F.3d 410, 415-16 [31 USPQ2d 1811] (7th Cir. 1994), or that Brookfield otherwise sponsored West Coast's database, *see E. Remy Martin* , 756 F.2d at 1530; *Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha* , 754 F.2d 591, 596 [225 USPQ 540] (5th Cir. 1985). Other consumers may simply believe that West Coast bought out Brookfield or that they are related companies.

Yet other forms of confusion are likely to ensue. Consumers may wrongly assume that the "MovieBuff" database they were searching for is no longer offered, having been replaced by West Coast's entertainment database, and thus simply use the services at West Coast's web site. *See, e.g., Cardservice Int'l,* 950 F.Supp. at 741. And even where people realize, immediately upon accessing "moviebuff.com," that they have reached a site operated by West Coast and wholly unrelated to Brookfield, West Coast will still have gained a customer by appropriating the goodwill that Brookfield has developed in its "MovieBuff" mark. A consumer who was originally looking for Brookfield's products or services may be perfectly content with West Coast's database (especially as it is offered free of charge); but he reached West Coast's site because of its use of Brookfield's mark as its second-level domain name, which is a misappropriation of Brookfield's goodwill by West Coast. *See infra* Part V.B.

The district court apparently assumed that likelihood of confusion exists only when consumers are confused as to the source of a product they actually purchase. It is, however, well established that the Lanham Act protects against the many other forms of confusion that we have outlined. *See Pebble Beach* , 155 F.3d at 544; *Indianapolis Colts,* 34 F.3d at 415-16; *Fuji Photo Film* , 754 F.2d at 596; *HMH Publ'g Co. v. Brincat* , 504 F.2d 713, 716-17 & n.7 [183 USPQ 141] (9th Cir. 1974); *Fleischmann Distilling* , 314 F.2d at 155.

The factors that we have considered so far -- the similarity of marks, the relatedness of product offerings, and the overlap in marketing and advertising channels -- lead us to the tentative conclusion that Brookfield has made a strong showing of likelihood of confusion. Because it is possible that the remaining factors will tip the scale back the other way if they weigh strongly enough in West Coast's favor, we consider the remaining likelihood of confusion factors, beginning with the strength of Brookfield's mark. The stronger a mark -- meaning the more likely it is to be remembered and associated in the public mind with the mark's owner -- the greater the protection it is accorded by the trademark laws. *See Kenner Parker Toys Inc. v. Rose Art Indus., Inc.* , 963 F.2d 350, 353 [22 USPQ2d 1453] (Fed.Cir. 1992); *Nutri/System* , 809 F.2d at 605. Marks can be conceptually classified along a spectrum of generally increasing inherent distinctiveness as generic, descriptive, suggestive, arbitrary, or fanciful. [19] *See Two Pesos* , 505 U.S. at 768. West Coast asserts that Brookfield's mark is "not terribly distinctive," by which it apparently means suggestive, but only weakly so. Although Brookfield does not seriously dispute that its mark is only suggestive, it does defend its (mark's) muscularity.

[19] Generic terms are those used by the public to refer generally to the product rather than a particular brand of the product. *See, e.g., Blinded Veterans Assoc. v. Blinded American Veterans Found.* , 872 F.2d 1035, 1041 [10 USPQ2d 1432] (D.C. Cir. 1989) ("Blinded Veterans"); *Miller Brewing Co. v. G. Heileman Brewing Co.* , 561 F.2d 75 [195 USPQ 281] (7th Cir. 1977) ("Light Beer" or "Lite Beer"). Descriptive terms directly describe the quality or features of the product. *See, e.g., Application of Keebler Co.* , 479 F.2d 1405 [178 USPQ 155] (C.C.P.A. 1973) ("Rich 'N Chips" chocolate chip cookies). A suggestive mark conveys an impression of a good but requires the exercise of some imagination and perception to reach a conclusion as to the product's nature. *See, e.g., American Home Prods. Corp. v. Johnson Chem. Co.* , 589 F.2d 103 [200 USPQ 417] (2d Cir. 1978) ("Roach Motel" insect trap). Arbitrary and fanciful marks have no intrinsic connection to the product with which the mark is used; the former consists of words commonly used in the English language, *see, e.g., Fleischmann Distilling Corp. v. Maier Brewing Co.* , 314 F.2d 149 [136 USPQ 508] ("Black & White" scotch whiskey), whereas the latter are wholly made-up terms, *see, e.g., Clorox Chem. Co. v. Chlorit Mfg. Corp.* , 25 F.Supp. 702 [39 USPQ 430] (E.D.N.Y. 1938) ("Clorox" bleach).

[9] We have recognized that, unlike arbitrary or fanciful marks which are typically strong, suggestive marks are presumptively weak. *See, e.g., Nutri/Systems* , 809 F.2d at 605. As the district court recognized, placement within the conceptual distinctiveness spectrum is not the only determinant of a mark's strength, as advertising expenditures can transform a suggestive mark into a strong mark, *see id.* , where, for example, that mark has achieved actual marketplace

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recognition, *see Streetwise Maps, Inc. v. Vandam, Inc.* , 159 F.3d 739, 743-44 [48 USPQ2d 1503] (2d Cir. 1998). Brookfield, however, has not come forth with substantial evidence establishing the widespread recognition of its mark; although it argues that its strength is established from its use of "MovieBuff" for over five years, its federal and California state registrations, and its expenditure of $100,000 in advertising its mark, the district court did not clearly err in classifying "MovieBuff" as weak. Some weak marks are weaker than others, and although "MovieBuff" falls within the weak side of the strength spectrum, the mark is not so flabby as to compel a finding of no likelihood of confusion in light of the other factors that we have considered. Importantly, Brookfield's trademark is not descriptive because it does not describe either the software product or its purpose. Instead, it is suggestive -- and thus strong enough to warrant trademark protection -- because it requires a mental leap from the mark to the product. *See Self-Realization Fellowship Church v. Ananda Church of Self-Realization* , 59 F.3d 902, 910-11 [35 USPQ2d 1342] (9th Cir. 1995). Because the products involved are closely related and West Coast's domain name is nearly identical to Brookfield's trademark, the

strength of the mark is of diminished importance in the likelihood of confusion analysis. *See McCarthy* Section 11:76 ("Whether a mark is weak or not is of little importance where the conflicting mark is identical and the goods are closely related.").

We thus turn to intent. "The law has long been established that if an infringer 'adopts his designation with the intent of deriving benefit from the reputation of the trade- mark or trade name, its intent may be sufficient to justify the inference that there are confusing similarities.' " *Pacific Telesis v. International Telesis Comms.* , 994 F.2d 1364, 1369 [26 USPQ2d 1786] (9th Cir. 1993) (quoting Restatement of Torts, Section 729, Comment on Clause (b)f (1938)). An inference of confusion has similarly been deemed appropriate where a mark is adopted with the intent to deceive the public. *See Gallo,* 967 F.2d at 1293 (citing *Sleekcraft* , 599 F.2d at 354). The district court found that the intent factor favored West Coast because it did not adopt the "moviebuff.com" mark with the specific purpose of infringing Brookfield's trademark. The intent prong, however, is not so narrowly confined.

This factor favors the plaintiff where the alleged infringer adopted his mark with knowledge, actual or constructive, that it was another's trademark. *See Official Airline Guides* , 6 F.3d at 1394 ("When an alleged infringer knowingly adopts a mark similar to another's, courts will presume an intent to deceive the public."); *Fleischmann Distilling* , 314 F.2d 149 at 157. In the Internet context, in particular, courts have appropriately recognized that the intentional registration of a domain name knowing that the second-level domain is another company's valuable trademark weighs in favor of likelihood of confusion. *See, e.g., Washington Speakers* , 1999 WL 51869, at *10. There is, however, no evidence in the record that West Coast registered "moviebuff.com" with the principal intent of confusing consumers. [20] Brookfield correctly points out that, by the time West Coast launched its web site, it *did* know of Brookfield's claim to rights in the trademark "MovieBuff." But when it registered the domain name with Network Solutions, West Coast did not know of Brookfield's rights in "MovieBuff" (at least Brookfield has not established that it did). Although Brookfield asserts that West Coast could easily have launched its web site at its alternate domain address, "westcoastvideo.com," thereby avoiding the infringement problem, West Coast claims that it had already invested considerable sums in developing its "moviebuff.com" web site by the time that Brookfield informed it of its rights in the trademark. Considered as a whole, this factor appears indeterminate.

[20] Nor did West Coast register its domain name for the specific purpose of subsequently selling the domain name to the trademark owner. *See, e.g., Minnesota Mining* , 21 F.Supp. 2d at 1005; *Intermatic* , 947 F.Supp. at 1229 (involving the infamous cyber squatter Dennis Toeppen who registered domain names including "aircanada. com," "deltaairlines.com," "eddiebauer.com," and "neiman-marcus.com " and has been the subject of many lawsuits).

Importantly, an intent to confuse consumers is not required for a finding of trademark infringement. *See Dreamwerks* , 142 F.3d at 1132 n.12 ("Absence of malice is no defense to trademark infringement"); *Daddy's Junky Music Stores* , 109 F.3d at 287 ("As noted, the presence of intent can constitute strong evidence of confusion. The converse of this proposition, however, is not true: the lack of intent by a defendant is largely irrelevant in determining if consumers likely will be confused as to source.") (internal quotation marks and citations omitted); *Fleischmann Distilling* , 314 F.2d at 157. Instead, this factor is only relevant to the extent that it bears upon the likelihood that consumers

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will be confused by the alleged infringer's mark (or to the extent that a court wishes to consider it as an equitable consideration). *See Sleekcraft Boats* , 599 F.2d at 348 n.10. Here, West Coast's intent does not appear to bear upon the likelihood of confusion because it did not act with such an intent from which it is appropriate to infer consumer confusion.

The final three *Sleekcraft* factors -- evidence of actual confusion, likelihood of expansion in product lines, and purchaser care -- do not affect our ultimate conclusion regarding the likelihood of confusion. The first two factors do not merit extensive comment. Actual confusion is not relevant because Brookfield filed suit before West Coast began actively using the "moviebuff.com" mark and thus never had the opportunity to collect information on actual confusion. The likelihood of expansion in product lines factor is relatively unimportant where two companies already compete to a significant extent. *See Official Airline Guides* , 6 F.3d at 1394. In any case, it is neither exceedingly likely nor unlikely that West Coast will enter more directly into Brookfield's principal market, or vice versa.

Although the district court did not discuss the degree of care likely to be exercised by purchasers of the products in question, we think that this issue deserves some consideration. Likelihood of confusion is determined on the basis of a "reasonably prudent consumer." *Dreamwerks* , 142 F.3d at 1129; *Sleekcraft* , 599 F.2d at 353. What is expected of this reasonably prudent consumer depends on the circumstances. We expect him to be more discerning -- and less easily confused -- when he is purchasing expensive items, *see, e.g., Official Airline Guides* , 6 F.3d at 1393 (noting that confusion was unlikely among advertisers when the products in question cost from $2,400 to $16,000), and when the products being sold are marketed primarily to expert buyers, *see, e.g., Accuride Int'l, Inc. v. Accuride Corp.* , 871 F.2d 1531, 1537 [10 USPQ2d 1589] (9th Cir. 1989). We recognize, however, that confusion may often be likely even in the case of expensive goods sold to discerning customers. *See Sleekcraft* , 599 F.3d at 353; *see also, e.g., Daddy's Junky Music Stores* , 109 F.3d at 286; *Banff, Ltd. v. Federated Dep't Stores, Inc.* , 841 F.2d 486, 492 [6 USPQ2d 1187] (2d Cir. 1988). On the other hand, when dealing with inexpensive products, customers are likely to exercise less care, thus making confusion more likely. *See, e.g., Gallo* , 967 F.2d at 1293 (wine and cheese).

The complexity in this case arises because we must consider both entertainment professionals, who probably will take

the time and effort to find the specific product they want, and movie devotees, who will be more easily confused as to the source of the database offered at West Coast's web site. In addition, West Coast's site is likely to be visited by many casual movie watchers. The entertainment professional, movie devotee, and casual watcher are likely to exercise high, little, and very little care, respectively. Who is the reasonably prudent consumer? Although we have not addressed the issue of purchaser care in mixed buyer classes, another circuit has held that "the standard of care to be exercised by the reasonably prudent purchaser will be equal to that of the least sophisticated consumer." *Ford Motor Co. v. Summit Motor Prods., Inc.* , 930 F.2d 277, 283 [18 USPQ2d 1417] (3d Cir. 1991); *see also Omega Importing Corp. v. Petri-Kine Camera Co.* , 451 F.2d 1190, 1200 [171 USPQ 769] (2d Cir. 1971) (instructing that, where a product is targeted both to discriminating and casual buyers, a court must consider the likelihood of confusion on the part of the relatively unknowledgeable buyers as well as of the former group); 3 McCarthy Section 23:100 (advocating this approach). This is not the only approach available to us, as we could alternatively use a weighted average of the different levels of purchaser care in determining how the reasonably prudent consumer would act. We need not, however, decide this question now because the purchaser confusion factor, even considered in the light most favorable to West Coast, is not sufficient to overcome the likelihood of confusion strongly established by the other factors we have analyzed.

[10] West Coast makes one last ditch argument -- that, even if there is a likelihood of confusion, Brookfield should be estopped from asserting its trademark rights because it waited too long to file suit. Although we have applied laches to bar trademark infringement claims, we have done so only where the trademark holder knowingly allowed the infringing mark to be used without objection for a lengthy period of time. *See E-Systems, Inc. v. Monitek, Inc.* , 720 F.2d 604, 607 [222 USPQ 115] (9th Cir. 1983). In *E-Systems* , for example, we estopped a claimant who did not file suit until after the allegedly infringing mark had been used for eight years where the claimant had known of the infringing use for at least six years. *See id.; see also Carter- Wallace, Inc. v. Procter & Gamble Co.* , 434 F.2d 794, 803 [167 USPQ 713] (9th Cir. 1970). We specifically cautioned, however, that "had defendant's

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encroachment been minimal, or its growth slow and steady, there would be no laches." *E-Systems* , 720 F.2d at 607; *accord Carter-Wallace* , 434 F.2d at 803 n.4. Here, although Brookfield waited over two years before notifying West Coast that its intended use of "moviebuff.com" would infringe on Brookfield's trademark, West Coast did not do anything with its domain address during that time, and Brookfield filed suit the very day that West Coast publicly announced its intention to launch a web site at "moviebuff.com." Accordingly, we conclude that Brookfield's delay was not such that it should be estopped from pursuing an otherwise meritorious claim. *See generally American Int'l Group* , 926 F.2d at 831 (outlining six-factor test for determining whether laches operates to bar a claim of trademark infringement). [21]

[21] We note, however, that Brookfield should have suspected that West Coast would eventually open a web site at the domain name it had registered, and that the present dispute might have been more easily resolved at an earlier time had Brookfield acted in a more prompt manner.

In light of the foregoing analysis, we conclude that Brookfield has demonstrated a likelihood of success on its claim that West Coast's use of "moviebuff.com" violates the Lanham Act. We are fully aware that although the question of " [w] hether confusion is likely is a factual determination woven into the law," we nevertheless must review only for clear error the district court's conclusion that the evidence of likelihood of confusion in this case was slim. *See Levi Strauss & Co. v. Blue Bell, Inc.* , 778 F.2d 1352, 1356 [228 USPQ 346] (9th Cir. 1985) (*en banc*). Here, however, we are "left with the definite and firm conviction that a mistake has been made." *Pacific Telesis Group v. International Telesis Comms.* , 994 F.2d 1364, 1367 [26 USPQ2d 1786] (9th Cir. 1993). [22]

[22] Although there are no other circuit opinions addressing the issue of trademark infringement via domain name use, our holding comports with the decisions of many district courts. *See, e.g., Public Serv. Co.* , 1999 WL 98973, at *2-*3; ("energyplace.com" and "Energy Place"); *Washington Speakers Bureau* , 1999 WL 51869, at *8 ("washingtonspeakers.com" and "Washington Speakers Bureau"); *Minnesota Mining* , 21 F.Supp. 2d at 1004-05 ("post-it.com" and "Post- it"); *Cardservice Int'l* , 950 F.Supp. at 741-42 ("cardservice.com" and "Card Service"); *Green Prods.* , 992 F.Supp. at 1079 ("greenproducts.com" and "Green Products"); *Comp Examiner Agency* , 1996 WL 376600, at *1 ("juris.com" and "Juris"). *Compare Toys "R" Us* , 26 F.Supp. 2d at 643-44 (no likelihood of confusion between "gunsrus.com" and "Toys 'R' Us"); *CD Solutions, Inc. v. Tooker* , 15 F.Supp. 2d 986, 989 [47 USPQ2d 1755] (D. Or. 1998) (no likelihood of confusion between "cds.com" and "CDS" as latter is a generic term).

B

So far we have considered only West Coast's use of the domain name "moviebuff.com." Because Brookfield requested that we also preliminarily enjoin West Coast from using marks confusingly similar to "MovieBuff" in metatags and buried code, we must also decide whether West Coast can, consistently with the trademark and unfair competition laws, use "MovieBuff" or "moviebuff.com" in its HTML code. [23]

[23] As we explained in Part II, metatags are HTML code not visible to Web users but used by search engines in determining which sites correspond to the keywords entered by a Web user. Although Brookfield never explained what it meant by "buried code," the leading trademark treatise explains that "buried code" is another term for the HTML code that is used by search engines but that is not visible to users. *See* 3 McCarthy, supra,at Section 25:69 n.

1. We will use the term metatags as encompassing HTML code generally.

At first glance, our resolution of the infringement issues in the domain name context would appear to dictate a similar conclusion of likelihood of confusion with respect to West Coast's use of "moviebuff.com" in its metatags. Indeed, all eight likelihood of confusion factors outlined in Part V-A -- with the possible exception of purchaser care, which we discuss below -- apply here as they did in our analysis of domain names; we are, after all, dealing with the same marks, the same products and services, the same consumers, etc. Disposing of the issue so readily, however, would ignore the fact that the likelihood of confusion in the domain name context resulted largely from the associational confusion between West Coast's domain name "moviebuff.com" and Brookfield's trademark "MovieBuff." The question in the metatags context is quite different. Here, we must determine whether West Coast can use "MovieBuff" or "moviebuff.com" in the metatags of its web site at "westcoastvideo.com" or at any other domain address *other than* "moviebuff.com" (which we have determined that West Coast may not use).

Although entering "MovieBuff" into a search engine is likely to bring up a list including "westcoastvideo.com" if West Coast has included that term in its metatags, the resulting confusion is not as great as where West Coast uses the "moviebuff.com" domain name. First, when the user inputs "MovieBuff" into an Internet search engine,

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the list produced by the search engine is likely to include both West Coast's and Brookfield's web sites. Thus, in scanning such list, the Web user will often be able to find the particular web site he is seeking. Moreover, even if the Web user chooses the web site belonging to West Coast, he will see that the domain name of the web site he selected is "westcoastvideo.com." Since there is no confusion resulting from the domain address, and since West Coast's initial web page prominently displays its own name, it is difficult to say that a consumer is likely to be confused about whose site he has reached or to think that Brookfield somehow sponsors West Coast's web site.

[11] Nevertheless, West Coast's use of "moviebuff.com" in metatags will still result in what is known as initial interest confusion. Web surfers looking for Brookfield's "MovieBuff" products who are taken by a search engine to "westcoastvideo.com" will find a database similar enough to "MovieBuff" such that a sizeable number of consumers who were originally looking for Brookfield's product will simply decide to utilize West Coast's offerings instead. Although there is no source confusion in the sense that consumers know they are patronizing West Coast rather than Brookfield, there is nevertheless initial interest confusion in the sense that, by using "moviebuff.com" or "MovieBuff" to divert people looking for "MovieBuff" to its web site, West Coast improperly benefits from the goodwill that Brookfield developed in its mark. Recently in *Dr. Seuss* , we explicitly recognized that the use of another's trademark in a manner calculated "to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion, may be still an infringement." *Dr. Seuss* , 109 F.3d at 1405 (citing *Mobil Oil Corp. v. Pegasus Petroleum Corp.* , 818 F.2d 254, 257-58 [2 USPQ2d 1677] (2d Cir. 1987)). [24]

[24] The *Dr. Seuss* court discussed initial interest confusion within its purchaser care analysis. As a district court within our circuit recognized in a recent case involving a claim of trademark infringement via metatags usage, " [t]his case . . . is not a standard trademark case and does not lend itself to the systematic application of the eight factors." *Playboy Enters. v. Welles* , 7 F.Supp. 2d 1098 [47 USPQ2d 1186] (S.D. Cal. 1998). Because we agree that the traditional eight-factor test is not well-suited for analyzing the metatags issue, we do not attempt to fit our discussion into one of the *Sleekcraft* factors.

The *Dr. Seuss* court, in recognizing that the diversion of consumers' initial interest is a form of confusion against which the Lanham Act protects, relied upon *Mobil Oil* . In that case, Mobil Oil Corporation ("Mobil") asserted a federal trademark infringement claim against Pegasus Petroleum, alleging that Pegasus Petroleum's use of "Pegasus" was likely to cause confusion with Mobil's trademark, a flying horse symbol in the form of the Greek mythological Pegasus. Mobil established that "potential purchasers would be misled into an initial interest in Pegasus Petroleum" because they thought that Pegasus Petroleum was associated with Mobil. *Id.* at 260. But these potential customers would generally learn that Pegasus Petroleum was unrelated to Mobil well before any actual sale was consummated. *See id.* Nevertheless, the Second Circuit held that " [s]uch initial confusion works a sufficient trademark injury." *Id. Mobil Oil* relied upon its earlier opinion in *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons* , 523 F.2d 1331, 1341-42 [186 USPQ 436] (2d Cir. 1975). Analyzing the plaintiff's claim that the defendant, through its use of the "GrotrianSteinweg" mark, attracted people really interested in plaintiff's "Steinway" pianos, the Second Circuit explained:

> We decline to hold, however, that actual or potential confusion at the time of purchase necessarily must be demonstrated to establish trademark infringement under the circumstances of this case.
>
> The issue here is not the possibility that a purchaser would buy a Grotrian-Steinweg thinking it was actually a Steinway or that Grotrian had some connection with Steinway and Sons. The harm to Steinway, rather, is the likelihood that a consumer, hearing the "Grotrian-Steinweg" name and thinking it had some connection with "Steinway," would con sider it on that basis. The "Grotrian-Steinweg" name therefore would attract potential customers based on the reputation built up by Steinway in this country for many years.

Grotrian , 523 F.2d at 1342.

Both *Dr. Seuss* and the Second Circuit hold that initial interest confusion is actionable under the Lanham Act, which holdings are bolstered by the decisions of many other courts which have similarly recognized that the federal trademark and unfair competition laws do protect against this form of consumer confusion. *See Green Prods.* , 992 F.Supp. 1070, 1076 (N.D. Iowa 1997) ("In essence, ICBP is capitalizing on the strong similarity between Green Products' trademark and ICBP's domain name to lure customers onto its web page."); *Securacomm Consulting, Inc. v. Securacomm Inc.* , 984

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F. Supp. 286, 298 [45 USPQ2d 1576] (D.N.J. 1997) (" 'Infringement can be based upon confusion that creates initial customer interest, even though no actual sale is finally completed as a result of the confusion.' ") (citing 3 McCarthy Section 23:6), rev'd on other grounds , 166 F.3d 182, 186 [49 USPQ2d 1444] (3d Cir. 1999) ("In this appeal, [appellant] does not challenge the district court's finding of infringement or order of injunctive relief."); *Kompan A.S. v. Park Structures, Inc.* , 890 F.Supp. 1167, 1180 (N.D.N.Y. 1995) ("Kompan argues correctly that it can prevail by showing that confusion between the Kompan and Karavan lines and names will mistakenly lead the consumer to believe there is some connection between the two and therefore develop an interest in the Karavan line that it would not otherwise have had."); *Blockbuster Entertainment Group v. Laylco, Inc.* , 869 F.Supp. 505, 513 [33 USPQ2d 1581] (E.D. Mich. 1994) ("Because the names are so similar and the products sold are identical, some unwitting customers might enter a Video Busters store thinking it is somehow connected to Blockbuster. Those customers probably will realize shortly that Video Busters is not related to Blockbuster, but under [*Ferraria S.P.A. Esercizio v. Roberts* , 944 F.2d 1235 [20 USPQ2d 1001] (6th Cir. 1991)] and *Grotrian* that is irrelevant."); *Jordache Enters., Inc. v. Levi Strauss & Co.,* 841 F.Supp. 506, 514-15 [30 USPQ2d 1721] (S.D.N.Y. 1993) ("Types of confusion that constitute trademark infringement include where . . . potential consumers initially are attracted to the junior user's mark by virtue of its similarity to the senior user's mark, even though these consumers are not actually confused at the time of purchase."); *Sara Lee Corp. v. Kayser-Roth Corp.* , No. 9200460, 1992 WL 436279, at *24 (W.D.N.C. Dec. 1, 1992) ("That situation offers an opportunity for sale not otherwise available by enabling defendant to interest prospective customers by confusion with the plaintiff's product."); *Television Enter. Network, Inc. v. Entertainment Network, Inc.* , 630 F.Supp. 244, 247 [229 USPQ 47] (D.N.J. 1986) ("Even if the confusion is cured at some intermediate point before the deal is completed, the initial confusion may be damaging and wrongful."); *Koppers Co. v. Krupp-Koppers GmbH* , 517 F.Supp. 836, 844 [210 USPQ 711] (W.D. Pa. 1981) (" [S]ecuring the initial business contact by the defendant because of an assumed association between the parties is wrongful even though the mistake is later rectified."). *See also Forum Corp. of North America v. Forum, Ltd.* , 903 F.2d 434, 442 n.2 [14 USPQ2d 1950] (7th Cir. 1990) ("We point out that the fact that confusion as to the source of a product or service is eventually dispelled does not eliminate the trademark infringement which has already occurred."). *But see Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc.* , 718 F.2d 1201, 1206-08 [220 USPQ 786] (1st Cir. 1983) (suggesting that only confusion that affects "the ultimate decision of a purchaser whether to buy a particular product" is actionable); *Teletech Customer Care Mgmt. (Cal.), Inc. v. Tele-Tech Co.* , 977 F.Supp. 1407, 1410, 1414 [42 USPQ2d 1913] (C.D. Cal. 1997) (finding likelihood of initial interest confusion but concluding that such "brief confusion is not cognizable under the trademark laws").

Using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store. Suppose West Coast's competitor (let's call it "Blockbuster") puts up a billboard on a highway reading -- "West Coast Video: 2 miles ahead at Exit 7" -- where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right there. Customers are not confused in the narrow sense: they are fully aware that they are purchasing from Blockbuster and they have no reason to believe that Blockbuster is related to, or in any way sponsored by, West Coast. Nevertheless, the fact that there is only initial consumer confusion does not alter the fact that Blockbuster would be misappropriating West Coast's acquired goodwill. *See Blockbuster* , 869 F.Supp. at 513 (finding trademark infringement where the defendant, a video rental store, attracted customers' initial interest by using a sign confusingly to its competitor's even though confusion would end long before the point of sale or rental); *see also Dr. Seuss* , 109 F.3d at 1405; *Mobil Oil* , 818 F.2d at 260; *Green Prods.* , 992 F.Supp. at 1076.

The few courts to consider whether the use of another's trademark in one's metatags constitutes trademark infringement have ruled in the affirmative. For example, in a case in which Playboy Enterprises, Inc. ("Playboy") sued AsiaFocus International, Inc. ("AsiaFocus") for trademark infringement resulting from AsiaFocus's use of the federally registered trademarks "Playboy"

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and "Playmate" in its HTML code, a district court granted judgment in Playboy's favor, reasoning that AsiaFocus intentionally misled viewers into believing that its Web site was connected with, or sponsored by, Playboy. *See Playboy Enters. v. AsiaFocus Int'l, Inc.* , No. 97-734, 1998 WL 724000, at *3, *6-*7 (E.D. Va. Apr. 10, 1998).

In a similar case also involving Playboy, a district court in California concluded that Playboy had established a likelihood of success on the merits of its claim that defendants' repeated use of "Playboy" within "machine readable code in Defendants' Internet Web pages, so that the PLAYBOY trademark [was] accessible to individuals or Internet search engines which attempt [ed] to access Plaintiff under Plaintiff's PLAYBOY registered trademark" constituted trademark infringement. *See Playboy Enters. v. Calvin Designer Label* , 985 F.Supp. 1220, 1221 [44 USPQ2d 1156] (N.D. Cal.

1997). The court accordingly enjoined the defendants from using Playboy's marks in buried code or metatags. *See id.* at 1221-22.

In a metatags case with an interesting twist, a district court in Massachusetts also enjoined the use of metatags in a manner that resulted in initial interest confusion. *See Niton* , 27 F.Supp. 2d at 102-05. In that case, the defendant Radiation Monitoring Devices ("RMD") did not simply use Niton Corporation's ("Niton") trademark in its metatags. Instead, RMD's web site directly copied Niton's web site's metatags and HTML code. As a result, whenever a search performed on an Internet search engine listed Niton's web site, it also listed RMD's site. Although the opinion did not speak in terms of initial consumer confusion, the court made clear that its issuance of preliminary injunctive relief was based on the fact that RMD was purposefully diverting people looking for Niton to its web site. *See id.* at 104-05.

[12] Consistently with *Dr. Seuss* , the Second Circuit, and the cases which have addressed trademark infringement through metatags use, we conclude that the Lanham Act bars West Coast from including in its metatags any term confusingly similar with Brookfield's mark. West Coast argues that our holding conflicts with *Holiday Inns* , in which the Sixth Circuit held that there was no trademark infringement where an alleged infringer merely took advantage of a situation in which confusion was likely to exist and did not affirmatively act to create consumer confusion. *See Holiday Inns* , 86 F.3d at 622 (holding that the use of "1-800-405-4329" -- which is equivalent to "1-800-H [zero]LIDAY" -- did not infringe Holiday Inn's trademark, "1-800-HOLIDAY"). Unlike the defendant in *Holiday Inns* , however, West Coast was not a passive figure; instead, it acted affirmatively in placing Brookfield's trademark in the metatags of its web site, thereby *creating* the initial interest confusion. Accordingly, our conclusion comports with *Holiday Inns* .

C

Contrary to West Coast's contentions, we are not in any way restricting West Coast's right to use terms in a manner which would constitute fair use under the Lanham Act. *See New Kids on the Block v. News Amer. Publ'g, Inc.* , 971 F.2d 302, 306-09 [23 USPQ2d 1534] (9th Cir. 1992); *see also August Storck K.G. v. Nabisco, Inc.* , 59 F.3d 616, 617-18 [35 USPQ2d 1211] (7th Cir. 1995). It is well established that the Lanham Act does not prevent one from using a competitor's mark truthfully to identify the competitor's goods, *see, e.g., Smith v. Chanel, Inc.* , 402 F.2d 562, 563 [159 USPQ 388] (9th Cir. 1968) (stating that a copyist may use the originator's mark to identify the product that it has copied), or in comparative advertisements, *see New Kids on the Block* , 971 F.2d at 306-09. This fair use doctrine applies in cyberspace as it does in the real world. *See Radio Channel Networks, Inc. v. Broadcast. Com, Inc.* , No. 98-4799, 1999 WL 124455, at *5-*6 (S.D.N.Y. Mar. 8, 1999); *Bally Total Fitness Holding Corp. v. Faber* , 29 F.Supp. 2d 1161 (C.D. Cal. 1998); *Welles* , *7* F. Supp. 2d at 1103-04; *Patmont Motor Werks, Inc. v. Gateway Marine, Inc.* , No. 96-2703, 1997 WL 811770, at *3-*4 & n.6 (N.D. Cal. Dec. 18, 1997); *see also Universal Tel-A- Talk* , 1998 WL 767440, at *9.

In *Welles* , the case most on point, Playboy sought to enjoin former Playmate of the Year Terri Welles ("Welles") from using "Playmate" or "Playboy" on her web site featuring photographs of herself. *See* 7 F.Supp. 2d at 1100. Welles's web site advertised the fact that she was a former Playmate of the Year, but minimized the use of Playboy's marks; it also contained numerous disclaimers stating that her site was neither endorsed by nor affiliated with Playboy. The district court found that Welles was using "Playboy" and "Playmate" not as trademarks, but rather as descriptive terms fairly and accurately describing her web page, and that her use of "Playboy" and "Playmate" in her web site's metatags was a permissible, good faith attempt to index the content of her web site. It accordingly concluded that her use was permissible under the trademark laws. *See id.* at 1103-04.

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We agree that West Coast can legitimately use an appropriate descriptive term in its metatags. But "MovieBuff" is not such a descriptive term. Even though it differs from "Movie Buff" by only a single space, that difference is pivotal. The term "Movie Buff" is a descriptive term, which is routinely used in the English language to describe a movie devotee. "MovieBuff" is not. The term "MovieBuff" is not in the dictionary. *See Merriam-Webster's Collegiate Dictionary* 762 (10th ed. 1998); *American Heritage College Dictionary* 893 (3d ed. 1997); *Webster's New World College Dictionary* 889 (3d ed. 1997); *Webster's Third New Int'l Dictionary* 1480 (unabridged 1993). Nor has that term been used in any published federal or state court opinion. In light of the fact that it is not a word in the English language, when the term "MovieBuff" *is* employed, it is used to refer to Brookfield's products and services, rather than to mean "motion picture enthusiast." The proper term for the "motion picture enthusiast" is "Movie Buff," which West Coast certainly *can* use. It cannot, however, omit the space.

Moreover, West Coast is not absolutely barred from using the term "MovieBuff." As we explained above, that term can be legitimately used to describe Brookfield's product. For example, its web page might well include an advertisement banner such as "Why pay for MovieBuff when you can get the same thing here for FREE?" which clearly employs "MovieBuff" to refer to Brookfield's products. West Coast, however, presently uses Brookfield's trademark not to reference Brookfield's products, but instead to describe its own product (in the case of the domain name) and to attract people to its web site (in the case of the metatags). That is not fair use.

VI

Having concluded that Brookfield has established a likelihood of success on the merits of its trademark infringement claim, we analyze the other requirement for preliminary injunctive relief inquiry, irreparable injury. Although the district court did not address this issue, irreparable injury may be presumed from a showing of likelihood of success on the

merits of a trademark infringement claim. *See Metro Publ'g, Ltd. v. San Jose Mercury News* , 987 F.2d 637, 640 [25 USPQ2d 2049] (9th Cir. 1993) ("Once the plaintiff has demonstrated a likelihood of confusion, it is ordinarily presumed that the plaintiff will suffer irreparable harm if injunctive relief is not granted."). Preliminary injunctive relief is appropriate here to prevent irreparable injury to Brookfield's interests in its trademark "MovieBuff" and to promote the public interest in protecting trademarks generally as well.

VII

As we have seen, registration of a domain name for a Web site does not trump long-established principles of trademark law. When a firm uses a competitor's trademark in the domain name of its web site, users are likely to be confused as to its source or sponsorship. Similarly, using a competitor's trademark in the metatags of such web site is likely to cause what we have described as initial interest confusion. These forms of confusion are exactly what the trademark laws are designed to prevent.

Accordingly, we reverse and remand this case to the district court with instructions to enter a preliminary injunction in favor of Brookfield in accordance with this opinion.

REVERSED and REMANDED.

- End of Case -

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ource: USPQ, 2d Series (1986 - Present) > U.S. District Courts, District of Columbia > Malarkey-Taylor Associates Inc. v. ellular Telecommunications Industry Association, 40 USPQ2d 1136 (D.D.C. 1996)

40 USPQ2d 1136

Malarkey-Taylor Associates Inc. v. Cellular Telecommunications Industry Association

U.S. District Court District of Columbia

No. 96-1231

Decided June 21, 1996

929 FSupp 473

Headnotes

TRADEMARKS AND UNFAIR TRADE PRACTICES

[1] Infringement; conflicts between marks -- Likelihood of confusion -- Evidence of -- In general (▶ 335.0303.01)

Classification of goods for which marks are registered with Patent and Trademark Office is for internal administration within PTO, and class to which particular product is assigned does not limit or extend registrant's rights and has no bearing on likelihood of confusion.

[2] Types of marks -- Suggestive -- Particular marks (▶ 327.0403)

Infringement plaintiffs are likely to succeed in showing that their mark "WirelessNOW," for on-line information service, is distinctive, since plaintiffs' valid registration is prima facie evidence of plaintiffs' exclusive right to use mark for services described in registration statement and that mark is distinctive of plaintiffs' service in commerce, since combination of words in "WirelessNOW" is unusual and distinctive, and since plaintiffs have made strong showing that mark is suggestive of their service, and that combination of words in mark does not have non-trademark meaning that could lessen mark's distinctiveness.

[3] Infringement; conflicts between marks -- Likelihood of confusion -- Particular marks -- Confusion likely (▶ 335.0304.03)

Plaintiffs are likely to succeed on merits of claim that their mark "WirelessNOW," for on-line information service, is infringed by defendant's "Go Wireless Now!" mark, for similar service, since plaintiffs' mark is strong, since there are several confusing similarities between parties' marks, since plaintiffs have made strong showing that markets each party wishes to serve overlap and soon may become coterminous, since plaintiffs have presented evidence of actual confusion, and since defendant's adoption of "Go Wireless Now!" mark was not completely innocent, inasmuch as defendant was aware that "WirelessNOW" was information service provided by plaintiffs.

REMEDIES

[4] Non-monetary and injunctive -- Equitable relief -- Preliminary injunctions -- Trademarks and unfair trade practices (▶ 505.0707.09)

Defendant has failed to rebut presumption of irreparable harm raised by finding that plaintiffs are likely to succeed on merits of claim for trademark infringement, since defendant's continued use of "Go Wireless Now!" mark could lead to dilution of distinctiveness of plaintiffs' "WirelessNOW" mark and plaintiffs' loss of control over their reputations, which are harms not compensable in monetary damages; balance of harms and public interest favor granting preliminary injunction against defendant's use of its mark, since defendant will not suffer great financial injury if injunction issues, since balance of harms cannot favor defendant whose injury results from knowing infringement, and since it is in public interest to prevent confusion over origin of services.

Case History and Disposition

Page 1136

Action by Malarkey-Taylor Associates Inc. and CommunicationsNOW Inc. against Cellular Telecommunications Industry Association for trademark infringement and unfair competition in violation of 15 USC

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1114 and 1125. On plaintiffs' motion for preliminary injunction prohibiting defendant from using "Go Wireless Now!" as

trademark. Granted.

Attorneys

Roger A. Klein and Robert L. Green Jr., of Howrey & Simon, Washington, D.C., for plaintiffs.

Theodore Case Whitehouse, of Willkie, Farr & Gallagher, Washington, for defendant.

Opinion Text

Opinion By:

Friedman, J.

Malarkey-Taylor Associates, Inc. brought this action for trademark infringement to its mark "WirelessNOW" and, along with CommunicationsNOW, for unfair competition, pursuant to the Lanham Act, 15 U.S.C. Sections 1114, 1125. It seeks a preliminary injunction against the Cellular Telecommunication Industry Association's use of the mark "Go Wireless Now!" The Court heard oral argument on plaintiff's application for a preliminary injunction on June 11, 1996.

For the reasons stated in this Memorandum Opinion, the Court grants Malarkey-Taylor's application and enjoins the Cellular Telecommunication Industry Association from (1) using MTA's trademark; WirelessNOW; (2) using the term Go Wireless Now! in any form, including, but not limited to, use connected to on-line information services relating in whole, or in part, to the wireless telecommunications industry; and (3) offering for sale, selling, or advertising the sale of or offering to provide access, providing access or advertising access to, on-line information services that use or incorporate the term Go Wireless Now!

BACKGROUND

Plaintiff Malarkey-Taylor Associates, Inc., ("MTA") is a consulting firm for the wireless, cable television and satellite industries. Plaintiff CommunicationsNOW is a subsidiary of MTA that provides on-line information through its WirelessNOW service. Starting in April, 1995, plaintiffs offered subscribers to the WirelessNOW service access to an electronic bulletin board containing wireless industry news, data and information. MTA has promoted WirelessNOW by distributing brochures containing the WirelessNOW mark. It has experienced a fourfold increase in subscribers, up to approximately 1000 individuals, since the service was introduced in April, 1995. On May 10, 1995, MTA filed a trademark application for the "WirelessNOW" mark with the United States Patent and Trademark Office ("PTO"). The PTO issued Trademark Registration No. 1,965,680 on April 2, 1996.

The Cellular Telecommunications Industry Association ("CTIA") is a trade organization for professionals in the cellular communications industry. MTA is a member of CTIA. On March 25-27, 1996, CTIA sponsored the Wireless '96 trade show in Dallas, Texas. MTA had a booth at the trade show at which it displayed the WirelessNOW information service and distributed promotional materials. During a speech at the trade show, the President of CTIA, Thomas F. Wheeler, announced WOW-COM, CTIA's new Internet site. Mr. Wheeler explained that an on-line information service called "Go Wireless Now!" would be available at the WOW-COM site. After Mr. Wheeler's announcement, several individuals approached the MTA booth and inquired whether CTIA was a sponsor of WirelessNOW or if WirelessNOW was the service being offered by CTIA. In addition, MTA subsequently received telephone and e-mail inquires from others who expressed some confusion about whether CTIA and MTA are affiliated.

After the trade show, MTA contacted counsel for CTIA, Michael Altshul, and informed him that WirelessNOW was a registered trademark of MTA and that the WirelessNOW service had been in operation since April, 1995. On April 18, 1996, MTA wrote a letter to Mr. Altshul, describing the confusion that had arisen as a result of the introduction of Go WirelessNOW! On May 1, 1996, MTA sent a "cease and desist" letter to CTIA, demanding that CTIA cease using the Go Wireless Now! mark. This lawsuit was filed on May 31, 1996, the eve of the launching of CTIA's Go Wireless Now! service.

DISCUSSION

In determining whether a preliminary injunction should be granted, the moving party must demonstrate that it is likely to prevail on the merits, that it will suffer irreparable injury absent the grant of injunctive relief, that the issuance of an injunction will not cause substantial harm to other persons interested in the proceedings, and that the issuance of an injunction is in the public interest (or at least is not adverse to the public interest). *Washington Metropolitan Area Transit Comm'n v. Holiday Tours, Inc.* , 559 F.2d 841, 843 (D.C. Cir. 1977); *Express One Int'l. Inc. v. U.S. Postal Service* , 814 F.Supp. 87, 88 (D.D.C. 1992).

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A. *Likelihood of Success*

In order to prevail in a trademark infringement case, the plaintiff must show (1) that it owns a valid trademark, (2) that its trademark is distinctive or has acquired a secondary meaning, and (3) that there is a substantial likelihood of confusion between the plaintiff's mark and the alleged infringer's mark. *Sears, Roebuck and Co. v. Sears Financial Network* , 576 F.Supp. 857, 861 [221 USPQ 581] (D.D.C. 1983) (citation omitted). Thus, on a motion for a preliminary injunction, the Court must assess the plaintiff's likelihood of demonstrating that it meets the three part *Sears, Roebuck*

test.

[1] There does not appear to be any dispute between the parties that MTA owns a valid registered trademark for "WirelessNOW." CTIA argues that MTA's mark falls into a different registration classification from the classification under which CTIA seeks to register Go Wireless Now! CTIA points out that WirelessNOW was originally designed as a subscription bulletin board system which could not be accessed directly from the Internet, while Go Wireless Now! was designed to be accessible through the World Wide Web to anyone with Internet access. [1] The sole purpose of a classification of goods, however, is for internal administration within the PTO. The class to which a product may be assigned does not limit or extend the registrant's rights and has no bearing on likelihood of confusion. *Mobil Oil Corp. v. Walter Kidde & Co.* , 167 U.S.P.Q. 478 (T.T.A.B. 1970); *National Football League v. Jasper Alliance Corp.* , 16 U.S.P.Q.2d 1212 n.5 (T.T.A.B. 1990).

[1] The Internet is a giant network which interconnects innumerable smaller groups of linked computer networks. Bulletin board services are dial-in computer services which may or may not be linked to the Internet. The World Wide Web is a method for communicating over the Internet that permits the user to locate a document by its address and then jump to other documents that are linked to the first document. Many organizations have "home pages" on the Web. These are documents that provide a set of links designed to represent the organization, and through links from the home page, guide the user directly or indirectly to relevant information. *See American Civil Liberties Union v. Reno* , 1996 WL 311865, *6, *9, *11 (E.D. Pa. June 11, 1996). WOW-COM is CTIA's home page and Go Wireless Now! is a link.

[2] As for the second prong of the *Sears, Roebuck* test, registration of a trademark is *prima facie* evidence of the plaintiff's exclusive right to use the mark for the services described in the registration statement and that the "mark is distinctive of [the plaintiff's] products in commerce." *American Ass'n for Advancement of Science v. Hearst Corp.* , 498 F.Supp. 244, 254 [206 USPQ 605] (D.D.C. 1980). "The general rule regarding distinctiveness is clear: an identifying mark is distinctive and capable of being protected if it either (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning." *Two Pesos, Inc. v. Taco Cabana, Inc.* , 505 U.S. 763, 769 [23 USPQ2d 1081] (1992). Generic and descriptive terms receive little or no trademark protection, while suggestive, arbitrary or fanciful marks are viewed as inherently distinctive and entitled to varying degrees of protection. *Id.* at 768.

Although the term "wireless" on its own may be a commonly used industry term, the combination of words that forms "WirelessNOW" is unusual and distinctive. Plaintiff has made a strong showing that the mark is suggestive of the service offered by MTA and CommunicationsNOW and that the combination of words that makes up the MTA mark does not have a non-trademark meaning that could lessen the distinctiveness of the mark. MTA's argument that the mark has *acquired* distinctiveness as a result of widespread marketing and the fourfold growth of MTA's subscriber base is not persuasive as to the entire market of Internet users sought by CTIA but does bolster MTA's distinctiveness argument with respect to the portion of the market comprised of computer professionals. Having made a strong showing that its mark is suggestive of the service it offers and is distinctive, MTA need not demonstrate that WirelessNOW has acquired a secondary meaning. *West & Co., Inc. v. Arica Institute, Inc.* , 557 F.2d 338, 342 [195 USPQ 456] (2d Cir. 1977).

The third prong of the *Sears, Roebuck* test concerns the basic issue in a trademark case, *i.e.* , whether the relevant purchasing public is likely to be confused by the use of the defendant's mark. It is plaintiff's burden to prove that "an appreciable number of ordinary prudent consumers are likely to be misled, or simply confused, as to the source of the goods in question." *Sears, Roebuck & Co. v. Sears Financial Network* , 576 F.Supp. at 861 (citations omitted). In assessing likelihood of confusion, the Court must consider a number of factors, including:

> (a) the strength of the plaintiff's mark; (b) the degree of similarity between the two marks; (c) the proximity of the products; (d) the likelihood that the prior owner will bridge the gap between its market or business and the second owner's market or business; (e) evidence of actual confusion; (f) the defendant's purpose or reciprocal of good faith in adopting its own mark; (g) the quality of defendant's product; and (h) the sophistication of the buyers.

Polaroid Corp. v. Polarad Elec. Corp. , 287 F.2d 492, 495 [128 USPQ 411] (2d Cir.), *cert. denied* , 368 U.S. 820 [131 USPQ 499] (1961).

[3] Evaluation of the strength of MTA's mark is similar to evaluation of the distinctiveness of the mark or its acquisition of a secondary meaning. The Court, having found MTA likely to succeed in its claim that WirelessNOW is distinctive, also finds that MTA is likely to demonstrate that WirelessNOW is a strong mark.

In comparing the two marks, the focus is on whether a similarity exists that is likely to cause confusion. *Sears, Roebuck & Co. v. Sears Financial Network* , 576 F.Supp. at 862. Where the goods and services are competitive, the degree of similarity required to prove a likelihood of confusion is less than in the case of dissimilar products. *AMF, Inc. v. Sleekcraft Boats* , 599 F.2d 341, 349 [204 USPQ 808] (9th Cir. 1979).

The Court finds several confusing similarities between WirelessNOW and Go Wireless Now! Both marks contain the words "wireless" and "now" in sequence and thus are phonetically similar. Defendant precedes those words with "Go" and completes its mark with an exclamation point, but each of these additions can easily be read as flourishes added to encourage people to use a product with a name composed of "wireless" and "now" in conjunction with each other. Defendant points out that the marks appear in different typefaces and are accompanied by different graphics, but even

the logo design of Go Wireless Now! separates the word "Go" from Wireless Now!" in a manner that might suggest that "Go" is not part of the mark, but a verb directing the consumer to "go to" or "use" a service called "Wireless Now"; the exclamation point only serves to enhance that impression. [2] Moreover, by pointing out that the Go Wireless Now! web page designer titled the screen and bookmark for that service "Wireless Now," plaintiff has made a strong showing that the two marks may stimulate a similar mental reaction. [3]

[2] CTIA's home page urges: "Need a phone? Need a service provider? Need information? Go Wireless Now!"

[3] Every web page has a title that usually appears at the top of the page and is used to identify the content of the page. A bookmark is used to help users return quickly to web pages that he or she visits often.

Turning to the proximity or similarity of the products and the likelihood that MTA will bridge the gap between its own and CTIA's market, the Court finds that MTA has made a strong showing that the markets that each party wishes to serve overlap and soon may become coterminous. Both target their services to the same sophistication industry professionals and, while WirelessNOW has until now only been accessible through a bulletin board, beginning this month some subscribers will be able to access WirelessNOW through an Internet web site like CTIA's.

Evidence of actual confusion is not necessary to prove likelihood of confusion, but actual confusion is substantial proof of the existence of the likelihood of confusion. *Sears, Roebuck & Co. v. Sears Financial Network* , 576 F.Supp. at 861. In this case, plaintiff has presented evidence of inquiries from customers and potential customers concerning the relationship between CTIA and MTA and/or between Go Wireless Now! and WirelessNOW. The Court accords some weight to this evidence, but does not find it determinative of likelihood of confusion because it is difficult at this stage in the proceedings to evaluate whether the evidence presented by plaintiff is evidence of confusion or mere inquiries by industry members into the relationship between the parties. *Compare Susan's, Inc. v. Thomas* , 1993 WL 93333, 26 U.S.P.Q.2d 1804 (D. Kan. 1993) *with Gruner & Jahr USA Publishing v. Meredith Corp.* , 991 F.2d 1072 [26 USPQ2d 1583] (2d Cir. 1993). Moreover, the questions received by MTA might only be evidence of consumer error not related to name confusion. *See Lang v. Retirement Living Publishing Co., Inc.* , 949 F.2d 576 [21 USPQ2d 1041] (2d Cir. 1991).

Plaintiff has also sought to prove that defendant adopted Go Wireless Now! with the intent of deriving benefit from plaintiff's reputation and advertising. Such intent is relevant to the likelihood of confusion. In this case the Court concludes that the decision by CTIA to use the mark "Go Wireless Now!" was not completely innocent. Certainly by March 1996, CTIA was aware that WirelessNOW was an information service provided by CommunicationsNOW.

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Furthermore, while CTIA may have planned for introduction of its service before the trade show in late March 1996, the service was not announced and made available until then and the trademark for "Go Wireless Now!" was not applied for until after MTA had informed CTIA that "Wireless Now" was the registered trademark of MTA and that there was already some confusion in the marketplace. CTIA proceeded at its own risk. *See National Rural Electric Cooperative Association v. National Agricultural Chemical Association* , 1992 WL 477020, *4 [26 USPQ2d 1294] (D.D.C. Nov. 25, 1992).

Based upon an assessment of the relevant factors, the Court concludes that plaintiff has demonstrated a likelihood of success on the merits.

B. *Irreparable Injury*

[4] Trademark infringement raises a presumption of irreparable harm. *See Crime Control, Inc. v. Crime Control, Inc.* , 624 F.Supp. 579, 581 [223 USPQ 972] (D.D.C. 1984); *Sears, Roebuck & Co. v. Sears Financial Network* , 576 F.Supp. at 864. MTA argues that it will suffer irreparable injury to the goodwill and reputation associated with its trademark by virtue of the fact that it has no control over the quality of Go Wireless Now!, but will become associated with Go Wireless Now! as a result of consumer confusion. CTIA attempts to rebut the presumption of harm by arguing that claims of likely harm are speculative and by pointing out that MTA has previously sought out association with CTIA. These arguments are unpersuasive in light of the fact that continued use of the GO wireless Now! mark could lead to dilution of the distinctiveness of the Wireless NOW trademark and loss of control over its reputation, harms not compensable in money damages.

C. *Balance of Harms*

Defendant contends that it has invested substantial sums in its Go Wireless Now! service and that it will suffer serious financial injury if a preliminary injunction is issued. The Court is not persuaded that the injury to CTIA is as great as forecast by its attorneys. The issuance of a preliminary injunction against use of the mark Go Wireless Now! would not prevent CTIA from continuing to provide the service. It would merely require CTIA to find another way to identify the service. Moreover, the balance of harms cannot favor a defendant whose injury results from the knowing infringement on the plaintiff's trademark. Otherwise, every infringer who invested large sums of money in the unlawful activity could shield its wrongdoing. The Court concludes that the balance of the harms favors the granting of a preliminary injunction.

D. *Public Interest*

Defendant argues that it is in the public interest that the services made available at its WOW-COM Internet site,

including Go Wireless Now!, continue to be available to the public. On the other hand, plaintiff argues that it is in the public interest for the Court to prevent public confusion over the source or origin of products provided to the public. The Court agrees with plaintiff, particularly because the issuance of a preliminary injunction would not force CTIA to stop providing the services currently available under the Go Wireless Now! mark. It would merely require CTIA to differently identify the service provided. *See Sears, Roebuck & Co. v. Sears Financial Network* , 576 F.Supp. at 865.

For the foregoing reasons, MTA's application for preliminary injunction is GRANTED. CTIA is enjoined from

(1) Using MTA's trademark, WirelessNOW; (2) Using the term Go Wireless Now! in any form, including, but not limited to, use connected to on-line information services relating in whole, or in part, to the wireless telecommunications industry; and

(3) Offering for sale, selling, or advertising the sale of or offering to provide access, providing access or advertising access to, on-line information services that use or incorporate the term Go Wireless Now!

SO ORDERED.

- End of Case -

ource: USPQ, 2d Series (1986 - Present) > U.S. Patent and Trademark Office, Trademark Trial and Appeal Board > In re ears, Roebuck and Co., 2 USPQ2d 1312 (TTAB 1987)

2 USPQ2d 1312

In re Sears, Roebuck and Co.

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided February 27, 1987

Headnotes

TRADEMARKS AND UNFAIR COMPETITION

[1] Conflicts between marks -- Evidence of -- In general (▶ 335.0303.01)

Even though applicant's brassieres and registrant's ladies' sportswear are related goods, and parties' "Cross-over" and "Crossover" marks are identical, except for legally irrelevant hyphen, confusion is unlikely in light of competitive distance between parties' goods, in light of consent agreement between parties providing for marks' contemporaneous use, and in light of different meanings of marks as applied to parties' respective goods.

Case History and Disposition

Application for trademark of Sears, Roebuck and Co., Serial No. 502,919, filed October 9, 1984. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Catherine Simmons-Gill, Mary E. Wotek, Lonathan D. Hurse, and Nims Howes, Collison & Isner, all of New York, N.Y., for applicant.

Robert Clark, trademark examining attorney, Law Office 5 (Paul Fahrenkopf, managing attorney).

Judge

Before Sams, Rice and Rooney, Members.

Opinion Text

Opinion By:

Rice, Member.

An application has been filed by Sears, Roebuck and Co. to register the mark "CROSS-OVER" for bras, use since 1971 being asserted. [1]

[1] Serial No. 502,919, filed October 9, 1984.

Registration has been refused under Section 2(d) of the Trademark Act of 1946, 15 U.S.C. 1052(d), on the ground that applicant's mark, as applied to its goods, so resembles the mark "CROSSOVER", previously registered to another for ladies' sportswear, namely, tops, shorts, and pants, [2] as to be likely to cause confusion, mistake, or deception.

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[2] Reg. No. 1,262,476, issued December 27, 1983.

In support of its right to registration, applicant has submitted a copy of a consent agreement and two affidavits. In the consent agreement (characterized in its first paragraph as an "agreement . . . whereby each party shall be permitted to use and register" its trademark for certain merchandise), the parties agree that applicant has used the mark "CROSS-OVER" in connection with women's undergarments since 1971; that registrant has used the mark "CROSS-OVER" in connection with ladies' sportswear, namely, tops, shorts, and pants since April 13, 1982; and that the parties believe there is no likelihood of confusion with regard to the source or origin of their respective goods "since said goods are not related and have different intended customer uses." The agreement further provides that applicant may continue to use the mark "CROSS-OVER" in connection with women's lingerie and undergarments, but will not use either "CROSS-OVER" or "CROSSOVER" in connection with the goods recited in registrant's registration; that registrant may continue to use the mark "CROSSOVER" in connection with the goods recited in its registration, but will not use either mark in connection with women's lingerie and undergarments; and that should it become necessary, each party will provide the other with written consent to register the other's mark in accordance with the terms specified in the agreement. [3]

[3] The record shows that the consent agreement was originally executed in 1983, in order to settle a potential opposition by the applicant here to the application which thereafter matured into registrant's cited registration. Because the Examining Attorney in this case found fault with the original agreement (which did not specifically provide that neither party would use its mark in connection with the goods of the other), the parties executed a new agreement in December of 1985 (but made effective, nunc pro tunc, as of December 9, 1983) containing the provisions described above.

As to the two affidavits, there is one by a representative of applicant and one by a representative of registrant. Each official (a "Buyer of Brassieres -- Women's Intimate Apparel and Hosiery Department" for applicant, and a corporate secretary for registrant) attests to his/her company's use of its mark in connection with its respective goods since a particular date (1971 for applicant, and April 1982 for registrant), and then states, in effect, that he/she is not aware of any instances of actual confusion arising from applicant's use of the mark "CROSSOVER" for women's sportswear, including tops, shorts, and pants.

Turning first to the goods, applicant's brassieres and registrant's ladies' sportswear, namely, tops, shorts, and pants, are clearly related in that they are all clothing items that may be sold through the same outlets to the same classes of purchasers, and may well be purchased during the same shopping trip, quite possibly to be worn together. [4]

[4] In this regard, we note that it is common knowledge that some brassieres are designed specifically for use during exercise or sports activities.

Moreover, applicant's mark "CROSS-OVER" and registrant's mark "CROSSOVER" are identical in sound, and are also identical in appearance but for the inclusion in applicant's mark of a hyphen, which, for purposes herein, is of no legal significance. Cf. *Harvey Hubbell, Inc. v. Red Rope Industries, Inc.,* 191 USPQ 119 (TTAB 1976).

The relationship of the goods and the similarity of the marks in this case are factors which, if considered in and of themselves, without regard to any other relevant factors revealed by the record, would be indicative of a finding of likelihood of confusion. However, each case must be determined on the basis of all of the relevant facts and circumstances presented therein. As we stated in *Harry Fischer Corp. v. Keneth Knits, Inc.,* 207 USPQ 1019 (TTAB 1980), at pages 1024-1025:

> There is no question but that all types of men's and women's apparel are related and that there have been decisions by various tribunals holding that the marketing of different items of wearing apparel, even intended for the different sexes, under the same or similar marks, is likely to cause confusion in trade. See: In re *Sydel Lingerie Co., Inc.,* 197 USPQ 629 (TTAB 1977) and the cases cited therein. This has been predicated on common trade channels; common purchasers; and, in the case of certain garments for men, the known fact that women purchase apparel for their husbands and male children. This, however, cannot be stated as a matter of law disregarding the competitive distance between different items of apparel considered in light of the particular facts disclosed in each case concerning the conditions and circumstances surrounding the sale of the goods in the normal outlets for the garments, the possible differences in the likely impact of the marks upon purchasers and prospective purchasers, and the track record of the market interplay

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> between the parties over a measurable period of time in light of common purchasers and trade channels.

[1] In the instant case, although applicant's brassieres and registrant's ladies' sportswear, namely, tops, shorts, and pants, are undeniably related goods, nevertheless there is a competitive distance between them. [5] That is, they are different types of clothing, having different uses, and are normally sold in different sections of department stores. This competitive distance must be considered in light of two additional factors which are present in this case. The first additional factor is the consent agreement, with supporting affidavits. It is true, as noted by the Examining Attorney, that the consent agreement here differs from the consent agreement which was found persuasive in the case of In re E.I. duPont de *Nemours & Co.,* 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). However, an agreement, or letter of consent, need not necessarily have provisions similar to those in the agreement in the *duPont* case in order to play a significant role in the determination of a particular issue of likelihood of confusion. See: In re *N.A.D. Inc.,* 754 F.2d 996,

224 USPQ 969 (CAFC 1985). As indicated in footnote (3) above, the agreement here was originally executed well prior to the filing of applicant's involved application, in order to settle a potential opposition by applicant against the application which thereafter matured into registrant's registration. The consent agreement contains, inter alia, not only consent to use provisions but also the parties' expressed belief that there is no likelihood of confusion because of the differences in their respective goods, and (in the amended agreement) provisions specifically barring each party from using its mark on the type of goods sold under the other party's mark. The agreement is supported by recent affidavits attesting, on behalf of each party, to an absence of knowledge of instances of actual confusion despite continuous, contemporaneous use of the respective marks of the parties since registrant's first use in April of 1982. It appears to us that here, as in the *N.A.D* . case, the parties have "thought out their commercial interests with care." In short, while this agreement is not like the agreement in the *duPont* case, it is not a mere "naked" consent, and we believe that it is entitled to consideration as a factor to be taken into account in our determination of the issue of likelihood of confusion. [6]

[5] In an Office action mailed April 16, 1986, the Examining Attorney stated that "it is common for producers of sportswear to sell undergarments and sell them under the same mark." However, the Examining Attorney offered no evidence in support of this assertion and it's not a matter of which we can take judicial notice. That is, even if the statement is true (and we do not know whether it is or not), it is certainly not a matter of common knowledge.

[6] The Examining Attorney, citing the agreement provision that "should it become necessary, both Sears and Tultex shall provide each other with written consent enabling each party to register" its mark, argues that no actual letter of consent has been furnished by registrant. We believe that no separate letter of consent is necessary, because registrant's consent to the registration sought by applicant herein is evidenced by the agreement itself, including the preamble thereof, which specifically states that the purpose of the agreement is to set forth "mutually satisfactory conditions whereby each party shall be permitted to use and register" its mark for its goods.

The second additional factor to be considered is the different meanings which the involved marks project when they are applied to the differing goods of applicant and registrant. We agree with applicant that its mark "CROSS-OVER", when applied to brassieres, is suggestive of the construction of the brassieres. Registrant's mark "CROSSOVER", on the other hand, conveys no such meaning when applied to ladies' sportswear, namely, tops, shorts, and pants. Rather, it appears to us that registrant's mark is likely to be perceived by purchasers either as an entirely arbitrary designation, or as being suggestive of sportswear which "crosses over" the line between informal and more formal wear (i.e., is appropriate for either use), or the line between two seasons. As a result of their different meanings when applied to the goods of applicant and registrant, the two marks create different commercial impressions, notwithstanding the fact that they are legally identical in sound and appearance.

In connection with the foregoing, we note that in other close cases of this nature, where either one of the two additional factors described above (i.e., a consent agreement having probative value, or marks which, while perhaps even identical in appearance, nevertheless project different meanings as applied to the respective goods involved) has been present, such factor has played an important role in this Board's conclusion of no likelihood of confusion. See, for example: In re Palm Beach Inc., supra ("ADLER" for pants versus "ADLER" for knitted socks --

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two letters of consent, of probative value, submitted); In re *Sydel Lingerie Co., Inc.,* 197 USPQ 629 (TTAB 1977) ("BOTTOMS UP" for ladies' and children's underwear versus "BOTTOMS UP" for men's suits, coats, and trousers -- marks found to project different meanings as applied to the respective goods); and In re *British Bulldog, Ltd.,* 224 USPQ 854 (TTAB 1984) ("PLAYERS" for men's underwear versus "PLAYERS" for shoes -- marks found to project different meanings as applied to the respective goods). Here, both factors are present.

Having considered all of the factors in this case, we conclude that there is no likelihood of confusion.

Decision:

The refusal to register is *reversed*.

- End of Case -

224 USPQ 854

In re British Bulldog, Ltd.

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided November 1, 1984

Headnotes

TRADEMARKS

[1] Class of goods -- Particular cases -- Not similar (▶ 67.2071)

Use of "Players" for shoes and for men's underwear is not likely to cause confusion.

Case History and Disposition

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Appeal from Trademark Examining Attorney.

Application for registration of trademark of British Bulldog, Ltd., Serial No. 354,851. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Oblon, Fisher, Spivak, McClelland & Maier, P.C., and David J. Kera, both of Arlington, Va., for British Bulldog, Ltd.

Judge

Before Rice, Allen, and Cissel, Members.

Opinion Text

Opinion By:

Rice, Member.

An application has been filed by British Bulldog, Ltd. to register the mark "PLAYERS", in the form shown below,

[Unavailable graphic material set at this point contains the text shown below. To view graphics, see text in hard copy or call BNA at 1-800-372-1033.]

PLAYERS

for men's underwear, [1] use since October 1, 1981 being asserted.

[1] Serial No. 354,851, filed March 15, 1982.

Registration has been refused under Section 2(d) of the Trademark Act of 1946 [15 U.S.C. § 1052(d)] on the ground that applicant's mark as applied to its goods so resembles the mark "PLAYERS", previously registered to another for shoes, [2] as to the likely to cause confusion, mistake, or deception.

[2] Reg. No. 675,622, issued March 17, 1959 and renewed, affidavit Section 15 received.

Applicant has made of record copies of two third-party registrations, both now expired. One, which was in existence at the time when the cited registration issued, was for the mark "THE PLAYERS" for men's shirts. The other, issued to another third party while both the cited registration and the registration of the mark "THE PLAYERS" were subsisting, was for the mark "LADY PLAYER" for, inter alia, sport shirts. The record contains no other evidence.

It is clear that the marks of applicant and registrant are substantially similar, and applicant does not contend otherwise. Thus the question to be determined in this case is whether men's underwear, on the one hand, and shoes, on the other, are so related that their contemporaneous sale by different parties under these similar marks would be likely to cause confusion as to source.

Likelihood of confusion has been found in a number of cases where the same or similar marks were used by different parties in connection with shoes and with items of clothing. See: In re *Keller, Heumann & Thompson Co., Inc.*, 81 F.2d 399, 28 USPQ 221 (CCPA 1936) ["TIMELY" for boots and shoes made wholly or in part of leather, fabric, or

combinations thereof versus "TIMELY" for men's suits and topcoats -- Court noted that although clothing and shoes might generally be sold in separate stores in cities, it was common knowledge that both were sold in country stores throughout the nation]; *General Shoe Corp. v. Lerner Bros. Mfg. Co.,* 254 F.2d 154, 117 USPQ 281 (CCPA 1958) ["HOLIDAY" for rubber and rubber-soled boots and shoes versus "HOLIDAY" for men's outer shirts -- Court takes judicial notice both of the sale of men's shoes and shirts to the same customers in the same stores and of the common use of rubber boots and rubber-soled canvas shoes by men who would be wearing sport shirts]; *General Shoe Corp. v. Hollywood-Maxwell Co.,* 277 F.2d 169, 125 USPQ 443 (CCPA 1960) ["INGENUE" for shoes and hosiery versus "INGENUE" for brassieres -- Court relied on reasoning from In re Keller, Heumann & Thompson Co., Inc., supra]; *Cambridge Rubber Co. v. Cluett, Peabody & Co., Inc.,* 286 F.2d 623, 128 USPQ 549 (CCPA 1961) ["WINTER CARNIVAL" for women's boots versus "WINTER CARNIVAL" for men's and boys's underwear -- Court noted that since it is common knowledge that women, as mothers, purchase their children's clothes, there was a reasonable likelihood that the same customers would purchase these goods]; Shoe Corp. of *America v. Petite Miss Co.,* 133 USPQ 215 (TTAB 1962) ["POLAR BEAR" and design for shoes and "POLAR BOOTS" for rubber boots versus "POLAR BEAR" for shaggy wool cloth made up into ladies' and misses' coats -- Board stated that these were products "which would normally be sold in the same stores to the same class of purchasers and are otherwise so related that purchasers would be likely to attribute a common origin thereto were they to be sold under the same or confusingly similar marks"]; and *B. Rich's Sons, Inc. v. Frieda Originals, Inc.,* 176 USPQ 284 (TTAB 1972) ["RICH'S CHEVY CHASERS" for shoes versus "FRIEDA'S CHEVY CHASE ORIGINALS" for women's knitwear -- Board states that "shoes and women's wearing apparel are closely related goods which could be purchased in the same retail outlets by the same classes of purchasers and often during the same shopping excursion to complete an ensemble"]. Indeed, it seems clear that at one time there existed what might be called a "per se" rule to the effect that the use of the same or similar marks on different items of wearing apparel was likely to cause

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confusion. For example, in the case of In re *Sox Unlimited, Inc.,* 169 USPQ 682 (TTAB 1971), the Board said, at page 683:

> But in any event, the "weak" mark doctrine has no application in view of the long line of decisions by this and other tribunals holding that the application of the identical or substantially identical marks to items of wearing apparel, no matter how different they may be, is likely to cause confusion as to source. That is, when confusingly similar marks are involved, no distinction for purposes herein, can be made between items of wearing apparel.

Among the thirteen cases cited in support of the foregoing statements were three of the above-cited "shoe" decisions of the Court of Customs and Patent Appeals.

In more recent years, however, the Board and its reviewing tribunal, the Court of Customs and Patent Appeals (now merged into the Court of Appeals for the Federal Circuit), have backed away from the application of such "per se" rules, emphasizing instead that each case must be decided on its own particular facts and circumstances. See, for example: *Interstate Brands Corp. v. Celestial Seasonings, Inc.,* 196 USPQ 321 (TTAB 1977), *affirmed* 576 F.2d 926, 198 USPQ 151 (CCPA 1978); In re E. I. du Pont de *Nemours & Co.,* 476 F.2d 1357, 177 USPQ 563 (CCPA 1973); *Harry Fischer Corp. v. Keneth Knits, Inc.,* 207 USPQ 1019 (TTAB 1980); and In re *Sydel Lingerie Co., Ltd.,* 197 USPQ 629 (TTAB 1977). As the Board stated in the last-cited case, at page 630:

> This Board and its appellate tribunal, the Court of Customs and Patent Appeals, have, on numerous occasions, held that the sale of different items of wearing apparel, even intended for the different sexes, under the same or similar marks is likely to cause confusion in trade. This has been based essentially on common trade channels; common purchasers and, in particular, the likelihood of women purchasing apparel for their husbands and male children; and the function of a trademark as a single source indicator. [citations omitted] There is no question but that a universal observance of these decisions would make the task of a trier of fact a simple one; but trademark law must necessarily be flexible responding to particular circumstances disclosed by particular fact circumstances, thereby making a hard and fast rule in these cases anathema to its application. That is, this would be contrary to the principle of trademark law that each case must be decided on the basis of the relevant facts, which include the nature and impact of the marks as well as the marketing environment in which a purchaser normally encounters them.

In that case, where registration of the mark "BOTTOMS UP" had been refused by the Examining Attorney on the basis of a registration of the same mark for men's suits, coats, and trousers, the Board *reversed* the refusal to register, pointing to the distinct differences between women's underwear and men's suits and coats together with the differences in the possible connotation of the mark as applied to such goods.

In the present case, it is true that the goods in question, namely, men's underwear and shoes, are items of wearing apparel to be sold in the same stores to the same classes of purchasers. However, they are distinctly different in when sold in the same stores, e.g., department stores, nature; they would ordinarily be displayed in different sections thereof; they are not complementary or companion items, as are coats and boots, or athletic shoes and athletic clothing; and men's underwear is in the nature of a self-service, "off the shelf" item, whereas shoes are purchased with care, usually with the assistance of a salesman. Moreover, we agree with applicant's argument, quoted below, to the effect that the mark "PLAYERS" has somewhat different connotations when applied to these different goods, namely:

"PLAYERS" for shoes implies a fit, style, color, and durability adapted to outdoor activities. "PLAYERS" for men's underwear implies something else, primarily indoors in nature.

[1] This is a close case. However, for the foregoing reasons, we are not persuaded, on the basis of the record before us, that the facts and circumstances in this case are conductive to a likelihood of purchaser confusion. [3]

[3] We do not rely, in support of our decision, on the third-party registrations submitted by applicant, both because those registrations, in and of themselves, are not evidence that the marks shown therein are in use or that the public is familiar with them, and because Section 20 of the Statute gives us the responsibility of determining the issue presented herein, "which duty cannot and should not be delegated by the adoption of conclusions reached by Examiners on the" registrability of third-party marks not involved in the instant application". See: In re *Samuel Moore & Co.,* 195 USPQ 237 (TTAB 1977).

Decision

The refusal to register is *reversed*.

- End of Case -

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ource: USPQ, 1st Series (1929 - 1986) > U.S. Patent and Trademark Office, Trademark Trial and Appeal Board > Manpower, nc. v. The Driving Force, Inc., 212 USPQ 961 (TTAB 1981)

212 USPQ 961

Manpower, Inc. v. The Driving Force, Inc.

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided December 28, 1981

Headnotes

TRADEMARKS

[1] Opposition -- Issues determined (▶ 67.581)

Whether opposer's use of mark it relies upon as basis for its opposition injures applicant is subject matter that lies wholly outside jurisdiction of Trademark Trial and Appeal Board.

[2] Opposition -- Pleading and practice (▶ 67.589)

Proffered publications are considered part of record by Trademark Trial and Appeal Board even though notice of reliance did not indicate their relevance as required by Trademark Rule 122(c), when their alleged relevance is clear from opposer's brief and applicant did not object to their being admitted.

[3] Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

For term to be considered merely descriptive under Trademark Act Section 2(e)(1), it must immediately convey to one seeing or hearing it knowledge of ingredients, qualities, or other characteristics of goods or services in connection with which it is used; if imagination or perception is required for one to reach conclusion about nature of goods or services, mark may be suggestive, but it is not descriptive.

[4] Marks and names subject to ownership -- Descriptive -- Misdescriptive or not descriptive -- Particular marks (▶ 67.5078)

"The Driving Force" is suggestive of service of supplying leased drivers and goods-handling personnel to business and industry, not descriptive.

[5] Marks and names subject to ownership -- Secondary meaning (▶ 67.523)

Non-descriptive mark is protected under 1946 Trademark Act without necessity of proving secondary meaning.

[6] Acquisition of marks -- Character and extent of use -- In general (▶ 67.0731)

Extensiveness and duration of use of nondescriptive mark are not relevant factors in determination of when ownership rights commenced; as to such marks, rights are acquired by adoption and use and, generally speaking, first to use is owner.

[7] Opposition -- Damage to opposer (▶ 67.575)

Opposer that has not proved superior rights in mark cannot be damaged by registration of mark to applicant.

Case History and Disposition

Trademark opposition No. 61,159 by Manpower, Inc., against The Driving Force, Inc., application, Serial No. 108,096, filed Nov. 30, 1976. Opposition dismissed.

Attorneys

Allan W. Leiser and Thad F. Kryshak, both of Milwaukee, Wis., for Manpower, Inc.

Nelson E. Kimmelman, Philadelphia, Pa. for The Driving Force, Inc.

Judge

Before Allen, Simms, and Sams, Members.

Opinion Text

Opinion By:

Allen, Member.

The Driving Force, Inc. has filed an application for registration of the term

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"THE DRIVING FORCE" as a service mark in respect of "supplying leased drivers and goods -- handling personnel to business and industry". Use of the mark since December 28, 1974 has been claimed in the application.

[1] Manpower, Inc. has opposed registration, alleging that it has previously used the identical term for services which it describes as temporary help services, namely providing transport personnel on a contract basis; that the use and registration of "THE DRIVING FORCE" by applicant is likely to result in confusion, mistake or deception as to the source of applicant's services; that use of the term "THE DRIVING FORCE" by applicant "has failed to create a 'secondary meaning' for the term so as to identify the applicant as the source of the described services; whereas the opposer's extensive use of the term has resulted in the creation of a 'secondary meaning' and the term serves to identify opposer as the sole source of the services." In its answer, applicant admits that its mark is identical to the mark allegedly used by opposer and that their contemporaneous use in commerce is likely to cause confusion, mistake or deception, but it denies all other allegations of opposer and pleads instead that opposer's continued use of "THE DRIVING FORCE" will injure applicant. [1]

[1] The latter pleading is superfluous and will be ignored. The single question for our determination is the right of the applicant to register the mark for which it has made application. Whether opposer's *use* of the mark it relies upon as the basis for its opposition injures applicant is subject matter which lies wholly outside our jurisdiction.

After the period for discovery in this proceeding had closed, applicant herein instituted a civil action for trademark infringement seeking injunctive relief against opposer's use of "THE DRIVING FORCE". [2] Opposer counterclaimed in that action seeking similar relief. On a preliminary hearing of cross motions for preliminary injunction, the District Court (Eastern District of Pennsylvania) denied both motions and stayed proceedings pending a final decision in the instant opposition. [3] Applicant's appeal from the stay (by petition for writ of mandamus) was denied, [4] whereupon we accelerated the trial, briefing and hearing schedule. This final decision has also been accorded expedited handling.

[2] Driving Force, Inc. v. Manpower, Inc. et al., 498 F.Supp. 21, 211 USPQ 60 (E.D. Pa., 1980).

[3] Id at 26, 211 USPQ at 64.

[4] Id, No. 80-2587 (3rd Cir., Nov. 14, 1980).

Both of the parties filed briefs. Both were represented at an oral hearing of arguments.

[2] The record consists of the file of the opposed application; certain printed publications submitted with opposer's notice of reliance; [5] and the entire record which was before the District Court. [6]

[5] The notice of reliance did not indicate the relevance of the proffered publications, as the rule requires. Trademark Rule 2.122(c), 37 CFR §2.122(c). However, since their alleged relevance is clear from opposer's brief and since applicant has not objected to their being admitted, they will be considered part of the record.

[6] This record includes, inter alia, discovery depositions taken by opposer of applicant's principals in the instant opposition. Opposer objected to admission of the discovery depositions since under our rules of practice such depositions can only be used as evidence to the extent that they are relied upon by the party which took them. Here, the depositions were proffered by *applicant.* However, we ruled that the depositions were admissible in this case pursuant to Trademark Rule 2.122(d), 37 CFR §2.122(d) as "testimony taken in a suit between the same parties" since by stipulation of the parties, they had been treated as having the same effect as trial testimony in the civil action. (Paper #45, March 16, 1981.) Opposer also was given -- but did not avail itself of -- the opportunity to recall the concerned witnesses for additional interrogation and/or to take testimony in rebuttal thereof.

The facts are as summarized in the report of the decision by the District Court on the cross motions and stay. [7] On this record, the theory of opposer's case, as it has evolved, is that "THE DRIVING FORCE" is merely descriptive of applicant's services, that applicant has failed to create any secondary meaning for it, that opposer *has* created a secondary meaning for it and, through this mechanism, has acquired prior and superior rights in the term "THE DRIVING FORCE" which would suffer damage by registration of the identical term to applicant.

[7] Driving Force, Inc. v. Manpower, Inc. et al., 498 F.Supp. 21, 23, 211 USPQ 60, 61-62.

[3] Since the thesis that "THE DRIVING FORCE" is merely descriptive is pivotal to opposer's case, we first deal with this question. For a term to be considered merely descriptive under Section 2(e)(1) of the Trademark Act of 1946, as

amended, 15 U.S.C. §1052(e)(1) (1976), it must immediately convey to one seeing or hearing it knowledge of the ingredients, qualities or other characteristics of the goods or services

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in connection with which it is used. If imagination or perception is required for one to reach a conclusion about the nature of the goods or services, the mark may be suggestive, but it is not descriptive. In re American Society of Clinical Pathologists, 169 USPQ 800 (CCPA 1971); In re Abcor Development Corp., 200 USPQ 215 (CCPA 1978); In re Quik-Print Copy Shop, Inc. 205 USPQ 505 (CCPA 1980); Florists' Transworld Delivery Ass'n v. Teleflora Inc., 208 USPQ 859 (TTAB 1980); 1 McCARTHY, TRADEMARKS AND UNFAIR COMPETITION §11:6, esp. at fns. 9 and 10.

On the record before us, "THE DRIVING FORCE" clearly does not satisfy these criteria of descriptiveness. Perhaps the best evidence that it does not is found in the reactions to the term by the witnesses. Although one might fairly have presumed that the persons having the most intimate knowledge of the term's origins and use of the term by opposer and applicant would have the most uniform understanding of its impact, the number of variations of meanings and connotations suggested by the witnesses herein is almost equal to the number of witnesses who were interrogated on the subject.

John Lincoln, associate of the advertising firm which allegedly created the term for opposer, testified that the words not only described what opposer was but also indicated that opposer was a leader in the industry. Gerald L. Ricketts, an officer of opposer, testified in July, 1979 that "THE DRIVING FORCE" was a trademark and he treated it as such, securing a trademark search and opinion as to its availability for use from counsel, issuing instructions as to its presentation in copy, etc. In February Ricketts added to this that the term conveyed the meaning of a leader in the field of driver leasing. Michael Fromstein, opposer's president, testified that the term meant a force of people available to drive your trucks, but added that it had a "secondary sort of double entente [presumably, 'entendre'] -- that is, a driving force generically, something that had a lot of velocity to it. * * *" [8] James J. Lyons, opposer's area sales manager, testified that the term meant a force of drivers. Kenneth Treger, Buyer for Rohm & Haas, one of opposer's few clients in the Philadelphia area, testified that "THE DRIVING FORCE" is a means by which Rohm & Haas can operate its vehicles and also "a philosophy that doing business with [opposer], that I see from their management and the people that they make available to us as a professional driver to operate our vehicles." [9] Treger was not aware of the customary meaning of the term in the industry or whether this meaning differed from his own interpretation. He supposed that whether it did or not would depend on the individual. David J. Lord, Administrative Manager for opposer, testified that the customary meaning of "THE DRIVING FORCE" is that opposer has a force of drivers to lease out to people who would want to utilize its services. Arthur M. Lobel, secretary of applicant, who coined the name for applicant, testified that "THE DRIVING FORCE" was a great name because "the name told the story." [10] During a subsequent deposition, under pressing interrogation by counsel for opposer (defendant in the civil action), Lobel indicated that one connotation of the name might be like the one in the sentence, "Mrs. Jones is the driving force behind her husband." Another might be that it describes a force of persons who are drivers. [11]

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[8] Fromstein deposition, 15.

[9] Treger deposition, 8.

[10] Lobel April 9, 1979 deposition, 6.

[11] We do not give much weight to these latter reactions of Mr. Lobel because they were the result of interrogation which was flagrantly leading. (Lobel March 6, 1980 deposition, 31-33).

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[4] If such a diversity of reactions emerges from the testimony of persons so close to applicant's and opposer's operations, we see no possibility whatever that "THE DRIVING FORCE" could immediately convey the characteristics of applicant's services to potential customers. To reach such a conclusion would require a great deal of imagination, indeed. For example, a salient characteristic of applicant's services is that they concern truck drivers. How does the term "THE DRIVING FORCE" immediately convey the notion of *truck* drivers, rather than, for example, personal chauffeurs, limousine drivers, bus drivers, taxicab drivers, etc.? Another characteristic is that the drivers are supplied to clients pursuant to a lease contract. How is that conveyed by the term "THE DRIVING FORCE", rather than for example, that the services are employment services whereby qualified drivers are found for direct employment by the client company? Another is that the help is temporary help, available at any time. How is that conveyed?

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Since we can find no answers to these questions in the record before us, we conclude that "THE DRIVING FORCE" is suggestive, not descriptive, and that it is a valid and registrable service mark as applied to the services of applicant.

[5] [6] Having decided that "THE DRIVING FORCE" is not merely descriptive of applicant's services, the question whether such term has acquired secondary meaning for either party is moot and need not be considered. A non-descriptive mark is protected under the Trademark Act of 1946, supra, without the necessity of proving secondary meaning. 1 McCARTHY, TRADEMARKS AND UNFAIR COMPETITION §11:20(A) and cases cited therein at fn. 18. Neither are the extensiveness or duration of use of a non-descriptive mark relevant factors in the determination of when ownership rights commenced. Drexel Enterprises, Inc. v. Richardson et al., 136 USPQ 25 (10th Cir. 1962). As to such marks, rights are acquired by adoption and use and, generally speaking, the first to use is the owner. Hanover Star

Milling Co. v. Metcalf, 240 U.S. 403 (1916).

Applicant has clearly established priority of its rights in the term "THE DRIVING FORCE" vis-a-vis this opposer. Actually, applicant's first use of the term appears to be trade name use, as part of its (at that time, proposed) corporate name, "The Driving Force, Inc." The term was so used in its first contract to supply drivers and helpers to "THE PEP BOYS" entered into by exchange of letters on December 28, 1974, Although applicant's use of "THE DRIVING FORCE" in this contract appears to be trade name rather than service mark use, [12] this use, which occurred more than a year prior to opposer's first use of the term, is deemed to be sufficient to establish applicant's prior rights. Lever Bros. Co. v. Nobio Products, Inc., 41 USPQ 677 (CCPA 1939); Alfred Electronics v. Alford Mfg. Co., 142 USPQ 168 (CCPA 1964); Dynamet Technology, Inc. v. Dynamet Inc., 201 USPQ 129 (CCPA 1979).

[12] See: In re Brand Advertising, Inc., 175 USPQ 720 (TTAB 1972). The first service mark use appears to have occurred sometime later than the date of the contract with "THE PEP BOYS" but prior to Feb. 1, 1975. This was by stencilling "THE DRIVING FORCE" on T-shirts which were distributed to and worn by applicant's drivers. (Lobel April 9, 1979 deposition 29, 72) This use as a service mark was also long prior to opposer's first use of the term and was prior to the filing date of applicant's application for registration of "THE DRIVING FORCE". However, since this record raises a presumption that the date of first use of the service mark claimed in the application is incorrect, should the applicant ultimately prevail in this proceeding, we recommend pursuant to Trademark Rule 2.131, 37 CFR 2.131, that registration be withheld pending amendment of the claimed dates of first use consistent with the evidence herein.

[7] Since opposer has not proved superior rights in the mark "THE DRIVING FORCE", it cannot be damaged by registration of this mark to applicant. Joseph & Feiss Co. v. Jos. Kanner Hat Co., 143 USPQ 297 (CCPA 1964); Cudahy Packing Co. v. Queen's Shortening and Refining Corp., 123 USPQ 237 (TTAB 1961); American Novawood Corp. v. U.S. Plywood-Champion Papers, Inc., 165 USPQ 613 (CCPA 1970); West Point-Pepperell, Inc. v. Borland Industries, Inc., 191 USPQ 53 (TTAB 1976); Otto Roth & Co. v. Universal Foods Corp., 209 USPQ 40 (CCPA 1981).

Decision

The opposition is dismissed.

- End of Case -

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186 USPQ 218
In re Marriott Corporation
U.S. Court of Customs and Patent Appeals

No. 75-538

Decided June 30, 1975

517 F2d 1364

Headnotes

TRADEMARKS

[1] Opposition — Mark and use of opposer — In general (▶ 67.5831)

Issue in opposition is applicant's right to register mark and not opposer's right to exclusive use.

[2] Prior adjudication (▶ 67.70)

Registration — In general (▶ 67.731)

State court decision holding that mark was not unique and that words comprising mark were descriptive words that did not apply to any particular entity is not determinative of applicant's right to registration under federal trademark law.

[3] Marks and names subject to ownership — Slogans (▶ 67.527)

Uniqueness is not necessary characteristic of slogan serving as trademark; capability of identifying and distinguishing source of goods or services is all that is required to support registration.

[4] Registration — In general (▶ 67.731)

Fact that second user's use of mark caused no actual confusion is not determinative of first user's right to registration.

[5] Marks and names subject to ownership — Descriptive — How determined (▶ 67.5073)

Marks and names subject to ownership — Descriptive — Misdescriptive or not descriptive — Particular marks (▶ 67.5078)

Individual words comprising "We smile more" are common and descriptive; however, slogan considered in its entirety suggests at most facial expressions of those performing services rather than services themselves and is not merely descriptive of hotel, restaurant, or convention services.

[6] Marks and names subject to ownership — In general (▶ 67.501)

Marks and names subject to ownership — Service marks (▶ 67.525)

Registration — Trade names (▶ 67.767)

Words serving as trademarks or service marks need not apply to any particular entity, in fact, such marks are more likely to be unregistrable trade names.

[7] Marks and names subject to ownership — Service marks (▶ 67.525)

Function of service mark is to indicate continuity of quality of services, that is, to indicate that quality of services rendered in connection with mark is controlled by single entity.

[8] Registration — In general (▶ 67.731)

First user of trademark in interstate commerce is entitled to federal registration, although registration may be territorially limited.

[9] Prior adjudication (▶ 67.70)

Registration — In general (▶ 67.731)

Litigation concerning right to use mark may be predicated on cause of action different from that concerning right to register.

[10] Jurisdiction of courts — Trademarks (▶ 43.55)

Prior adjudication (▶ 67.70)

Registration — In general (▶ 67.731)

Fact that state court refused to enjoin mark's use by second user cannot of itself bar federal registration to first user in interstate commerce; no state court has jurisdiction to determine right to federal registration under Lanham Act.

[11] Pleading and practice in Patent Office — In general (▶ 67.671)

Patent and Trademark Office tribunals must exercise their judgments in applying Lanham Act provisions relating to registration independently of state court decisions concerning intrastate use; while facts established in such state litigation may be considered, they must be applied in light of federal law.

[12] Opposition — Mark and use of opposer — In general (▶ 67.5831)

Subsequent use of mark by opposer cannot be successfully asserted against application for registration.

[13] Applications to register — In general (▶ 67.131)

Registration should follow use as nearly as possible.

[14] Marks and names subject to ownership — Service marks (▶ 67.525)

"We smile more" is not inherently incapable of identifying source of services.

Case History and Disposition

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Appeal from Trademark Trial and Appeal Board; 184 USPQ 53 .

Application for registration of trademark of Marriott Corporation, Serial No. 297,144, filed May 2, 1968. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Browne, Beveridge & DeGrandi, Washington, D. C. (Francis C. Browne, Joseph A. DeGrandi, and Richard G.

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Kline, all of Washington, D. C., of counsel) for appellant.

Joseph F. Nakamura (John W. Dewhirst, of counsel) for Commissioner of Patents and Trademarks.

Judge

Before Markey, Chief Judge, and Rich, Baldwin, Lane, and Miller, Associate Judges.

Opinion Text

Opinion By:

Markey, Chief Judge.

This appeal is from a decision of the Trademark Trial and Appeal Board, 184 USPQ 53 (1974), affirming the examiner's refusal to register WE SMILE MORE because it did not serve "as a mark of origin." We reverse.

Use of the Mark

In November 1964 Marriott's predecessor in title, Camelback Inn Company, adopted and first used in commerce WE

SMILE MORE as an advertising and promotional phrase to distinguish its "hotel, restaurant, and convention services." The mark was displayed on lapel buttons pinned to uniforms worn by Camelback Inn employees. Similar lapel buttons were supplied nationwide to customers and potential customers of Camelback's services.

In June 1966, Ramada Inns, Inc., began use of WE SMILE MORE on a circular background in printed advertisements for "hotel and inn services."

PTO Proceedings

On January 18, 1967, Ramada applied for registration of WE SMILE MORE on the Principal Register. [1] The mark was published for opposition on December 19, 1967.

[1] Application serial No. 262,808.

During the pendency of Ramada's application, Marriott acquired the Camelback Inn Company and all its assets. As successor in interest to Camelback's right in WE SMILE MORE, Marriott filed a notice of opposition [2] to the Ramada application and proceedings were instituted on April 9, 1968.

[2] Opposition No. 48,345.

On May 2, 1968, Marriott filed its own application [3] to register WE SMILE MORE. That application, the subject of the instant appeal, was initially rejected because the mark was so presented in the specimens that it "would be looked upon by the public as nothing more than a slogan of an advertising nature, and not as a mark to indicate the origin of applicant's services."

[3] Application serial No. 297,144.

Later in May 1968, Marriott instituted an action in Arizona to enjoin Ramada's use of WE SMILE MORE. Because the mark had become involved in that litigation, the PTO suspended Marriott's opposition on April 17, 1969. Eight months later, ex parte prosecution of Marriott's application was suspended pending termination of the opposition. Simultaneously, the examiner's final rejection, the basis of which was that of the initial rejection, was *withdrawn* in view of the "similar factual situation" presented by the examiner's allowance of the Ramada application.

Arizona Proceedings

The trial of the action in Arizona, [4] based on Marriott's prior common law rights, ended with a decision dated March 11, 1970, in Marriott's favor. On appeal to the Court of Appeals of the State of Arizona, the trial court decision was *reversed*. Ramada Inns, Inc. v. Marriott Corp., 16 Ariz. App. 459, 494 P.2d 64, 173 USPQ 443 (1972). The appellate court summarized its opinion as follows:

[4] Superior Court of the State of Arizona in and for the County of Maricopa (Phoenix, Arizona) Civil Action No. C-212222.

> We fail to see that the words "we smile more" are of such uniqueness so as to permit either plaintiffs or defendant to have their exclusive use. The record is devoid of any evidence that the phrase "we smile more" as used by Ramada confused the general public into believing that it denoted Camelback Inn. We concure with defendant's statement that no one can have the exclusive right to the use of these three words because they are common, ordinary, descriptive words and do not apply to any particular person or organization.

A Petition for Review was denied in a split decision of the Arizona Supreme Court.

Further PTO Proceedings

[1] The Arizona appellate decision was followed by resumption of the opposition in the PTO. Ramada proposed that both parties withdraw their applications and the opposition be dismissed in view of the Arizona determination. Marriott suggested that the opposition should be sustained and leave granted to convert its pending application to one for a concurrent use registration. The board dismissed the opposition and *remanded* Ramada's application to the examiner for *reconsideration* in light of the Arizona ruling, upon which it commented:

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> Where, as in this instance, a court of competent jurisdiction has adversely decided opposer's claim of exclusive use of the phrase "WE SMILE MORE", this issue should not be retried by the Board. See: Midland International Corporation v. Midland Cooperatives, Inc., 168 USPQ 107 (CCPA, 1970).

Marriott Corp. v. Ramada Inns, Inc., 175 USPQ 767, 768 (TTAB 1972). Though the issue in an opposition is the applicant's right to register and not opposer's right to exclusive use, neither party appealed that board decision. We are told that Ramada's application, like Marriott's, is still pending.

Upon resumption of ex parte prosecution of Marriott's application, the examiner cited the Arizona decision and, although

his view was that it was not binding, he refused registration because WE SMILE MORE "is not a mark of origin, and is incapable of exclusive use or appropriation." In rebuttal, Marriott cited a number of registered slogan marks of others which begin with the common word "we," e.g., WE TRY HARDER, WE SIT BETTER, WE MOVE THE EARTH, etc. The examiner considered the citations irrelevant. The examiner's final rejection maintained his previous position and additionally noted that the mark "simply does not meet the statutory definition of a service mark in Section 45."

Board

Emphasizing the Arizona appellate opinion, the board stated that "a court of competent jurisdiction" decided that the mark is incapable of exclusive appropriation. Quoting the first and third sentences of the penultimate paragraph of the Arizona appellate opinion quoted above, and the last few words thereof regarding application to "any particular person or organization," [5] the board concluded that the effect of the Arizona ruling was that others, including Ramada, had rights in WE SMILE MORE equal to those of Marriott. Accordingly, the board upheld the denial of registration because the mark "did not and could not distinguish the services rendered in behalf of Marriott Corporation from the services of others." citing Sections 2 and 45 of the Lanham Act. [6]

[5] In its second quote the board stated that the Arizona court "further decided that such *term* [WE SMILE MORE] *does* not 'apply to any particular person or organization.' " [Emphasis added.] Of course the Arizona court did not so decide, but stated that the individual "words * * * do not apply * * *."

[6] The board cited In re Shenango Ceramics, Inc., 53 CCPA 1268, 362 F.2d 287, 150 USPQ 115 (1966), as sanctioning the ground of rejection, i.e., that the mark did not serve to indicate origin. That case, however, involved an effort to register a functional design feature of a dish.

Opinion

The board erred in finding that WE SMILE MORE fails to meet the criterion for a mark set forth in Sections 2 and 45. There is no evidence of record to support the proposition that WE SMILE MORE "did not and could not distinguish" Marriott's services from those of others.

[2] the great persuasiveness the board saw in the Arizona appellate decision is not apparent to us. The state court, relying on Arizona cases holding that words descriptive of a business may not be exclusively appropriated, concluded that Ramada should not be enjoined from using WE SMILE MORE because (1) the mark is not unique, (2) there is no evidence of actual confusion, (3) the words comprising the mark are common descriptive words, and (4) the words do not apply to any particular person or organization.

Whatever may have been the effect of those considerations under Arizona law, they cannot in this case preclude registration under federal trademark law.

[3] Uniqueness is not a necessary characteristic of a slogan serving as a trademark. See The Trademark Cases, 100 U.S. 82 (1879). So far as the nature of the mark is concerned, a capability of identifying and distinguishing the source of goods or services is all that is required to support registration. In re The E. Kahn's Sons Co., 52 CCPA 1201, 343 F.2d 475, 145 USPQ 215 (1965).

[4] Similarly, Section 2(d) (15 USC 1052(d)) speaks of the *likelihood* of confusion. That the second user's employment of the mark *had* not actually caused the public to be confused would not be determinative in the application of federal law. Coca-Cola Co. v. Clay, 51 CCPA 777, 324 F.2d 198, 139 USPQ 308 (1963); Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 136 USPQ 508 (9th Cir.), *cert. denied*, 374 U.S. 830, 137 USPQ 913 (1963); Metropolitan Life Insurance Co. v. Metropolitan Insurance Co., 277 F.2d 896, 125 USPQ 427 (7th Cir. 1960). That factor, if true, is totally irrelevant to the question of the first user's right to registration.

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[5] Nor do we view the slogan WE SMILE MORE as descriptive of hotel, restaurant, or convention services. That the individual words are common and ordinary is undeniable. That each is descriptive of something is clear. But marks must be considered in their entireties. The Magnavox Co. v. Multivox Corp. of America, 52 CCPA 1025, 341 F.2d 139, 144 USPQ 501 (1965). So considered, the slogan mark before us would at most suggest the facial expression of persons performing the services. It does not describe the services themselves.

[6] [7] It is not, of course, required of words serving as trademarks or service marks that they shall, in the board's words, "apply to any particular person or organization." On the contrary, such words are more likely to be unregistrable trade names. The function of a service mark is to indicate continuity of quality of services, i.e., that the quality of services rendered in connection with a particular mark is controlled by a single entity. The name of the "particular person or organization" comprising that entity may be of little or no interest to purchasers and is irrelevant to consideration of the origin-indicating capability of the mark.

[8] [9] [10] [11] [12] The first user of a trademark in interstate commerce is entitled to federal registration of that mark. [7] Litigation concerning rights to use may be predicated on a cause of action different from that concerning rights to registration. See Aloe Creme Laboratories v. Aloe 99, Inc., 485 F.2d 1241, 179 USPQ 491 (CCPA 1973); Alfred Dunhill of London, Inc. v. Dunhill Tailored Clothes, Inc., 49 CCPA 730, 293 F.2d 685, 130 USPQ 412 (1961). That a

state court has refused, correctly or incorrectly, to enjoin use of a mark by a subsequent user within that state, because it considered the mark unavailable for exclusive use, or for other reasons, cannot of itself bar federal registration of the mark to the first user in interstate commerce. [8] When presented with an application for registration, PTO tribunals must exercise their judgment in applying the Lanham Act provisions relating to registration independently of state court decisions concerning intrastate use. Facts that may be established in such state litigation may be considered, but such facts must be applied in the light of federal law. In determining the right to registration herein, the threshold consideration is that of first use in interstate commerce. When, as here, the evidence is clear that Ramada began use well after Marriott's first use in commerce, such latecomer use by Ramada is irrelevant to Marriott's right to register. Ramada could not succeed, for example, in opposing Marriott's application on the basis of such late use. Hollowform, Inc. v. Delma Aeh, _____ F.2d _____. 185 USPQ 790 (CCPA 1975). The oath filed with Marriott's application states the belief that no one else has the right to use the mark in commerce. Neither the court decision applicable only in Arizona, nor any evidence of record, contravenes the accuracy of that belief or indicates in any manner that Ramada or anyone other than Marriott has a right to use the mark in commerce.

[7] The registration to which the first user is entitled may, of course, be territorially limited. 15 USC 1052(d); 15 USC 1071.

[8] Though the board referred to the Arizona court as one "of competent jurisdiction" with respect to use in the state, no state court has jurisdiction to determine the right to federal registration under the Lanham Act. § 21 (15 USC 1071); and see 2 J. McCarthy, Trademarks and Unfair Competition §§ 21:4, 21:6, and 32.2D; E. Vandenburgh, Trademark Law and Procedure §§ 10.60 - 10.62 (2d ed. 1968). The board which considered the opposition and the examiner in the present case specifically recognized that a state court decision could not bind the tribunals of the PTO with respect to federal registration.

[13] We note that Marriott has attempted to convert its application to one for a registration effective in 49 states, in the apparent belief that Ramada has an established right to use the mark in Arizona. Though registration should follow use "as nearly as possible," In re E. I. duPont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973), the issue of concurrent, registration is not before us and we will not comment on its propriety.

[14] The Arizona appellate decision is an inadequate substitute for evidence to support the board's conclusion that the mark "did not and could not distinguish" Marriott's services from those of others. Indeed, WE TRY HARDER, WE SIT BETTER, and the many other previously registered marks cited by Marriott, along with the passage to publication of Ramada's application to register WE SMILE MORE, would suggest the contrary. Though prior mistakes cannot justify their perpetuation, there is no evidence that such prior registrations were in any manner improper. The slogan WE SMILE MORE is not inherently incapable of identifying a source of services. Marriott's evidence of use, though minimal, is adequate to indicate that purchasers of its services recognize the

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slogan mark WE SMILE MORE as indicative of a single source of those services.

Accordingly, the decision of the Trademark Trial and Appeal Board is *reversed*.

- End of Case -

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Intellectual Property Library

217 USPQ 363

In re Shutts

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided February 25, 1983

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership — Descriptive — In general (▶ 67.5071)

Concept of mere descriptiveness must relate to general and readily recognizable word formulations and meanings, either in popular or technical usage context, and should not penalize coinage of hitherto unused and somewhat incongrous word combinations whose import would not be grasped without some measure of imagination and mental pause; incongruity is one of accepted guideposts in evolved set of legal principles for discriminating suggestive from descriptive mark.

[2] Marks and names subject to ownership — Descriptive — How determined (▶ 67.5073)

Marks and names subject to ownership — Suggestive (▶ 67.528)

Fact that there is no competitive need to use term in describing goods is relevant indicator of suggestive as opposed to descriptive mark.

[3] Marks and names subject to ownership — Suggestive (▶ 67.528)

Suggestive/descriptive dichotomy can require drawing of fine lines and often involves good measure of subjective judgment.

[4] Marks and names subject to ownership — Descriptive — How determined (▶ 67.5073)

Doubts about "merely descriptive" character of mark are to be resolved in favor of applicants.

[5] Marks and names subject to ownership — Descriptive — Misdescriptive or not descriptive — Particular marks (▶ 67.5078)

"Sno-Rake" is not merely descriptive of a snow removal hand tool, head of which is solid uninterrupted construction without prongs.

Case History and Disposition

Appeal from Trademark Examining Attorney.

Application for registration of trademark of Carl V. Shutts, Serial No. 245,440, filed Jan. 8, 1980. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Schwartz, Jeffery, Schwaab, Mack, Blumenthal & Koch, Alexandria, Va., for applicant.

Judge

Before Skoler, Fruge, and Krugman, Members.

Opinion Text

Opinion By:

Skoler, Member.

Carl V. Shutts, doing business as Shutts Co., has filed an application to register the mark "SNO-RAKE" for "a snow removal hand tool having a handle with a snow-removing head at one end, the head being of solid uninterrupted construction without prongs." [1]

[1] Serial No. 245,540 filed January 8, 1980.

The Trademark Examining Attorney has refused registration on the ground that the mark is merely descriptive of applicant's goods within the meaning of Section 2(e) of the Trademark Act, U.S.C. § 1052(d).

It is the Examining Attorney's contention that the mark describes the purpose for which applicant's product is intended (i.e., "raking" snow from automobile windshields and similar surfaces) [2] and that dictionary definitions

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of applicant's own citation [3] make it clear that the term rake applies not only to the common image of a garden tool having teeth or projecting prongs but also refers, as a noun, to implements "resembling a rake or hoe" and, as a verb, to the acts of removing or scraping of materials or substances. Accordingly, the Examining Attorney asserts that the mark here is clearly revelatory of the product's function and must be adjudged merely descriptive in accordance with established trademark law and precedent [citing In re The Realistic Co., 159 USPQ 445 (TTAB 1968) and In re Tweco Products, 175 USPQ 64 (TTAB 1972)].

[2] While the Examining Attorney's conclusion as to the intended use of applicant's implement is plausible, it is not clear from the record what kinds of snow removal and snow removal surfaces this tool may be applied to. There is no promotional literature or labelling matter which elaborates beyond the applicant's description of goods. The submitted specimens consist of a photograph showing the "SNO-RAKE" mark on the top surface of the tool head.

[3] Webster's Third New International Dictionary of the English Language (unabridged, 1976) at p. 1877.

Applicant, on the other hand, argues that the commonly understood meaning of "rake," whether in noun or verb form, relates to hand tools with teeth used for gathering, loosening, smoothing and sifting materials on the ground or similar tools which perform this function on other surfaces or objects; that the idea of a "rake" or "raking action" applied to snow removal is somewhat ludicrous, fanciful or at least suggestive since it is hardly feasible to rake something like snow to any meaningful purpose and most individuals would recognize this; that the Examining Attorney relies on obscure and incomplete dictionary definitions which would escape the knowledge and impressions of the average purchaser about "rakes" or "raking" and thus exaggerates the mark's descriptive significance; that, in fact, defining the noun "rake" to encompass applicant's hand tool or the verb "to rake" to connote scraping or removal is inaccurate and not supported by relevant dictionary definitions of record; and that the incongruity of applying the mark to a snow removal implement invests it with a suggestive rather than a descriptive character which is supported by relevant case law [citing Union Carbide Corp. v. Ever-Ready, Inc., 188 USPQ 623, 635 (7th Cir. 1976)]. While the case is a close one, the Board agrees with these contentions.

In our view, the term "rake" or "raking," as applied to applicant's tool, does not readily and immediately evoke an impression and understanding of applicant's implement as a snow removal device; nor does the term "rake," even technically viewed, connote, as the Examining Attorney maintains, simply "to remove" or "to scrape off" (Office Paper No. 7 denying *reconsideration*, Sept. 28, 1982). The full definitions from Webster's Third International Dictionary (cited by applicant and apparently relied upon as well by the Examining Attorney who cited no others) read, to the extent relevant to this case's context:

(a) Noun: "A hand tool consisting usually of a bar with projecting prongs that is set transversely at the end of a long handle and used for gathering grass, leaves or other material or for loosening or smoothing the surface of a ground" (defin. No. 1); "any of various implements resembling a rake or a hoe (as for mixing plaster or scraping hides)" (defin. No. 2).

(b) Verb: "To collect, gather or separate with or as if with a rake (raked the grass from the lawn after mowing)" (defin. No. 1a); "to remove obstructing excrement from the rectum (of a costive horse) with the hand" (defin. No. 4); "to scrape or scratch as if with a rake" (defin. No. 6a).

No doubt variations can be found in other dictionaries using the "removal" or "scraping" notions in somewhat more general fashion (but invariably including the "as if with a rake" concept rather than a general synonym identification). [4] These, however, cannot alter our conclusion that the idea of a "rake" or "raking" does indeed sit strange in terms of application to snow and, at best, is suggestive of a capacity for gathering up snow with an implement or using an action that hardly fits any of the common conceptions of "rake" or "raking". In so doing we need not take issue with the Examining Attorney's contention that a rake or raking instrument need not always have prongs or teeth (although this would certainly be the common image or impression); and we would have difficulty readily recognizing applicant's tool, as per the specimen photo, as a form of "hoe" (which was also alluded to in the dictionary definition).

[4] See, e.g., "rake" definitions in Random House College Dictionary at p. 1092 (rev. 1975) and American Heritage Dictionary at p. 1078 (New College Ed., 1976).

[1] [2] We believe that it would be rare (indeed, close to non-existent) in contemporary usage to request someone to "rake snow" from either a large or small surface or to refer to any long or short-handled snow removal tool (e.g., an auto windshield scraper) as a "rake" and evoke an understanding of this as a natural language usage. The concept of

mere descriptiveness, it seems to us, must relate to general and readily recognizable word formulations and meanings, either in a popular or technical usage context, and should not penalize coinage of hitherto unused and somewhat incongruous word combinations whose import would not be grasped without some measure of imagination and

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"mental pause". In the Board's view, that is the situation before us and, of course, incongruity is one of the accepted guideposts in the evolved set of legal principles for discriminating the suggestive from the descriptive mark. See In re Tennis in the Round Inc., 199 USPQ 496, 498 (TTAB 1978). Moreover, applicant appears to have applied a suggestive and imaginative twist to a product name that rises above the level of mere descriptiveness and whose use would hardly remove a desired or apt descriptive characterization from the trade repertoire of other makers and sellers of snow removal tools. It is difficult to perceive any competitive need to use "SNORAKE" or "snow rake" or "snow raking" or even "raking" in describing goods of the type before us, and that too is a relevant indicator of the suggestive as opposed to the descriptive mark. See T.J. McCarthy, Trademarks and Unfair Competition, § 11.21 (1973); Sperry Rand Corp. v. Sunbeam Corp., 170 USPQ 37 (CCPA 1971).

[3] [4] We recognize that the suggestive/descriptive dichotomy can require the drawing of fine lines and often involves a good measure of subjective judgment. Indeed, this case may well present such a challenge in making the necessary classification. At the very least, however, we have doubts about the "merely descriptive" character of the mark before us and, unlike the situation in determining likelihood of confusion under Section 2(d) of the Trademark Act, it is clear that such doubts are to be resolved in favor of applicants. In re Pennwalt Corp., 173 USPQ 317 (TTAB 1972) ("DRI-FOOT" for anti-perspirant foot deodorant); In re Ray J. McDermott and Co., Inc., 170 USPQ 524 (TTAB 1971) ("SWIVEL-TOP" for fuel transfer mooring buoys).

Decision

[5] The refusal to register is *reversed* and applicant's mark shall be published for opposition.

- End of Case -

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Source: USPQ, 1st Series (1929 - 1986) > U.S. Patent and Trademark Office > Trademark Trial and Appeal Board In re Shop-Vac Corporation, 219 USPQ 470 (PTO 1983)

219 USPQ 470

Trademark Trial and Appeal Board In re Shop-Vac Corporation

U.S. Patent and Trademark Office

Decided June 30, 1983

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

Descriptive usages and references in applicant's sales literature can properly be relied on to corroborate descriptive character of mark.

[2] Marks and names subject to ownership -- Descriptive -- Misdescriptive or not descriptive -- Particular marks (▶ 67.5078)

"Wet/Dry Broom" is not merely descriptive of electric vacuum cleaners primarily for domestic use.

Case History and Disposition

Appeal from Trademark Examining Attorney.

Application for registration of trademark of Shop-Vac Corporation, Serial No. 321,398. From decision refusing registration, applicant appeals. Reversed.

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Attorneys

Ostrolenk, Faber, Gerb & Soffen, New York, N.Y., for applicant.

Judge

Before Skoler, Allen, and Fruge, Members.

Opinion Text

Opinion By:

Skoler, Member.

Shop-Vac Corporation has filed an application to register the mark "WET/DRY BROOM" for "electric vacuum cleaners primarily for domestic use" (Serial No. 321,398 filed July 30, 1981).

The Trademark Examining Attorney has refused registration on the ground that the mark is merely descriptive of applicant's goods within the meaning of Section 2(e) of the Trademark Act, 15 U.S.C. §1052(2) and, in the absence of a showing of acquired distinctiveness under Section 2(f) of the Act (which applicant has chosen not to undertake), is not entitled to registration on the Principal Register.

Applicant has appealed, contending that its mark, viewed in its entirety, [1] is at most suggestive and not "merely descriptive". The Board, on the record before us, is constrained to agree.

[1] Applicant disclaimed the terms "WET/DRY" apart from the mark as shown in response to an early Examining Attorney action (May 6, 1982) which disclaimer remains in force even though, on further consideration, the Examining Attorney later determined that the mark as a whole was "merely descriptive" (June 15, 1982).

The Examining Attorney argues that "WET/DRY BROOM", viewed in relation to applicant's electric vacuum cleaners, is clearly and immediately descriptive of the character and function of this product as an "electrically-operated dust and dirt-collecting broom compact, or simply an electric broom" (Examiner's statement, p.3), the disclaimed words "WET/DRY" being concededly descriptive and connoting the ability of the vacuum cleaner to pick up and remove from a floor or other surface both dry and liquid dirt, soil or spills and the term "BROOM", alone or combined with "WET/DRY", being equally descriptive or non-distinctive. In so doing, the Examining Attorney has concluded that "broom" is a

version of "electric broom", a term which has allegedly become generic, or, at the least, is clearly descriptive of small vacuum cleaners of applicant's type. It is this determination, however, which the Board is unable to accept since there is no record evidence of that kind of generic or common meaning for the term "electric broom" or "broom" and, indeed, the record indicates otherwise. The Examining Attorney has himself made of record a valid, subsisting registration on the Principal Register of the mark "ELECTRIKBROOM" [2] suggesting just the opposite of his conclusion as to genericness; nor does the dictionary definition of "broom" cited by applicant or the definition in any unabridged or more compact dictionary available to us suggest a common meaning or trade meaning of "broom" or "electric broom" to denote a vacuum cleaner or an electric cleaning appliance of similar appearance. [3] All of these dictionaries define a broom, in the factual context before us, in much the same way, i.e., as "natural or artificial fibers bound tightly together on a long handle and used for sweeping and brushing" (Webster's Third New International Dictionary, unabridged 1976 at p. 283) or "an implement for sweeping, consisting of a brush of straw or similar material bound to a long handle" (Random House College Dictionary. rev. ed. 1982 at p. 172) with the following picture shown in the former source:

[2] Reg. No. 611, 747 issued Sept. 6, 1955, renewed. The Examining Attorney continued to speculate, in successive actions, that the "ELECTRIKBROOM" mark was registered pursuant to Section 2(f) on the basis of acquired distinctiveness, a conclusion not at all justified by the record or the copy of the registration itself (which contained no Section 2(f) notation).

[3] The Examining Attorney stresses the declarations in applicant's commercial literature (a color photo catalog submitted at the Examiner's request) that its product is radically different than an ordinary vacuum cleaner, even though applicant describes its goods as comprising vacuum cleaners. We think this distinction is irrelevant for purposes of Section 2(d) analysis and assume that these asserted differences were meant to show the superiority of applicant's product rather than take it out of the product genus known as "vacuum cleaners".

Tabular, graphic, or textual material set at this point is not available. Please consult hard copy or call BNA at 1-800-372-1033.

There is no hint in any of these noun definitions (or their complementary verb definitions) that the term can be taken to mean an electric vacuum cleaner or comparable electric appliance. Indeed, while the dictionaries (using Webster's Third New International Dictionary as a model) include definitions for such compound words as "electric knife", "electric hammer", "electric clock" and "elec

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tric pan", one looks in vain for the "electric broom", either here or in the "new word dictionaries" that are often harbingers of new generic terminology (e.g., The Morrow Book of New Words, 1982); nor has the Examining Attorney introduced any trade literature to substantiate his opinion that "electric broom has been used generically within commercial advertising by several parties to date" although that would have been highly relevant to his position.

[1] In this last regard, the Examining Attorney has sought to rely on descriptive usages in the applicant's own commercial literature (i.e., the "Consumer Products Catalog 99" which it furnished in response to the Examiner's request) in which, in a group of 16 notations of major product features positioned around a picture of applicant's "WET/DRY BROOM" appliance, there were two non-trademark references to "stick broom" reading as follows:

> "Same type of powerful motor as in Shop-Vac Wet/Dry Vacs -- much more powerful than the leading stick broom"
>
> "Offers more than three times the dry capacity of the leading stick broom, plus the wet pick-up feature"

Presumably, the mention of "stick brooms" of competitors is a reference to light-weight non-bulky vacuum cleaners such as applicant's (although this is not clear on the face of the document) and, of course, descriptive usages and references in an applicant's sales literature can properly be relied on to corroborate the descriptive character of a mark. In re Harvestal Industries, Inc., 185 USPQ 187 (TTAB 1974). The problem, however, is that the reference here is to a "stick broom" and applicant has not applied for registration of "DRY/WET STICK BROOM", nor is it sufficient in our view, to accept isolated and somewhat oblique references of this kind as establishing a mark's descriptive cast where other supporting evidence is so acutely lacking.

[2] In the Board's judgment, applicant's product, whether a true vacuum cleaner or not, neither looks like a broom nor operates like a broom as that term is normally understood. Therefore, we believe that the word "broom" can, at best, be considered only suggestive of the product's cleaning function and features (-- and hardly optimally so since mops rather than brooms are used or recognized as instruments to be used for cleaning up liquid or wet soil). Moreover, as part of the full mark "WET/DRY BROOM", with its disclaimed material, we think that this suggestive character persists and, thus, conclude that the mark is not "merely descriptive" within the meaning of Section 2(e) and is entitled to be passed for publication and opposition. For a comparable case with rather analogous facts, see the Board's opinion in In re Carl V. Shutts, 217 USPQ 363 (TTAB 1983) ("SNOW-RAKE" not merely descriptive of a long-handled tool used to scrape snow from surfaces) where, in its concluding observations, the Board noted:

> We recognize that the suggestive/descriptive dichotomy can require the drawing of fine lines and often involves a good measure of subjective judgment. Indeed, this case may well present such a challenge in making the necessary classification. At the very least, however, we have doubts about the "merely descriptive character of

the mark before us and, unlike the situation in determining likelihood of confusion under Section 2(d) of the Trademark Act, it is clear that such doubts are to be resolved in favor of applicants. In re Pennwalt Corp., 173 USPQ 317 (TTAB 1972) ("DRI-FOOT" for anti-perspirant foot deodorant); In re Ray J. McDermott and Co., Inc. 170 USPQ 524 (TTAB 1971) ("SWIVEL-TOP" for fuel transfer mooring buoys).

Decision

The refusal to register is *reversed* and applicant's mark will be passed for publication and opposition.

- End of Case -

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30 USPQ2d 1974

In re Grand Metropolitan Foodservice Inc.

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Serial No. 74/073,517

Decided April 4, 1994

Headnotes

TRADEMARKS AND UNFAIR TRADE PRACTICES

[1] Registration and its effects -- Federal registration -- Procedure, form, and content -- Disclaimer (▶ 315.0303.10)

Registration and its effects -- Non-registrable subject matter -- Descriptive; deceptively misdescriptive (▶ 315.0407)

Refusal to register "MufFuns," in stylized script, for mini-muffins is *reversed*, since mark, which suggests both muffins and "fun" aspect of applicant's food product, will be perceived as more than simple misspelling of generic term "muffins" and is therefore not merely descriptive, since any doubt as to descriptiveness issue should be resolved in applicant's favor, and since applicant's disclaimer makes clear that registration will not preclude third parties from using generic term "muffins."

Case History and Disposition

Page 1974

Appeal from final refusal to register trademark (Darlene D. Bullock, trademark examining attorney; R. Ellsworth Williams, managing attorney).

Application of Grand Metropolitan Foodservice Inc. to register trademark "MufFuns,"

Page 1975

in stylized script, for baked mini muffins sold frozen or fresh (serial no. 74/073,517, filed June 28, 1990). From final refusal of registration, applicant appeals. Reversed.

Judge

Before Simms, Seeherman, and Quinn, administrative trademark judges.

Opinion Text

Opinion By:

Simms, administrative trademark judge.

Grand Metropolitan Foodservice, Inc. (applicant), by change of name from McGlynn Bakeries, Inc., has appealed from the final refusal of the Examining Attorney to register the mark shown below

for baked mini muffins sold frozen or fresh. [1] The Examining Attorney has refused registration under Section 2(e)(1) of the Act, 15 USC 1052(e)(1), arguing that the term sought to be registered is the phonetic equivalent or corrupt spelling of the generic term "muffins." As such, the term is unregistrable, according to the Examining Attorney. Alternatively, the Examining Attorney has held that, if the mark is not considered generic, registration is nevertheless improper because applicant has not established acquired distinctiveness under Section 2(f) of the Act, 15 USC 1052

(f).

[1] Application Serial No. 74/073,517, filed June 28, 1990, under Section 1(b) of the Act, 15 USC 1051(b), based upon applicant's bona fide intention to use the mark in commerce. During the course of prosecution of this case, applicant filed an amendment to allege use reciting use of the mark since January 28, 1991. With that amendment to allege use, applicant filed an amendment to the mark to show it in the form shown above. Originally applicant sought registration of the mark in typed letters.

It is applicant's position that the stylized mark presented for registration is "an inventive double entendre" which incorporates the suffix "Funs," such that applicant's mark is suggestive of "fun," as well as being suggestive of its muffins. Applicant argues that the incongruous suffix used in its mark, with a capital "F," is pronounced differently from the suffix "fins" appearing at the end of the generic term "muffins." Applicant's mark has a different appearance from the generic term, therefore, as well as a different connotation or commercial impression, applicant maintains. Applicant argues that its mark, therefore, is distinctive, has a double entendre and would not be perceived by consumers as simply the generic term or the exact phonetic equivalent of the generic term "muffins." Moreover, applicant emphasizes in its promotion of its goods the "fun" or festive nature of its muffins. Finally, applicant argues that even if the Board does not consider applicant's mark to be inherently distinctive, applicant's evidence of acquired distinctiveness should lead to registration. This evidence consists of a declaration of applicant's president setting forth the dollar volume of sales of the goods (over $650,000), the amount of money spent in advertising and promoting its products (approximately $46,000), and a statement of applicant that its mark has become distinctive of its goods by reason of this evidence. The declaration also states:

> Further, the mark MUFFUNS is distinctive by reason of the portion of the mark FUN, which is emphasized in Applicant's promotional materials in relation to the "fun" or cute nature of Applicant's products.

Finally, applicant contends that a disclaimer offered in this case will ensure that third parties will not be precluded from use of the generic term "muffins." [2]

[2] The disclaimer offered by applicant, which apparently has not been formally entered into the application, states:

> No claim is made to the exclusive right to use the word "muffins", which is somewhat phonetically similar to Applicant's mark, apart from the mark as shown.

Inasmuch as the Examining Attorney has not objected to the entry of this disclaimer, we believe that it should be entered. However, disclaimers for marks published for opposition are printed in a standardized form regardless of the text submitted. See TMEP Section 1213.09(a)(i) and notice at 1022 TMOG 44 (September 28, 1982). The use of the standardized form is solely for purposes of printing and is not a limitation of registrant's rights.

[1] After careful consideration of the arguments of the attorneys, we believe that this case involves more than simply a misspelling of a descriptive or generic word. That is to say, the mark presented for registration will be perceived, we believe, as not just a misspelled word. As applicant has pointed out, its mark does project a dual meaning or suggestiveness -- that of muffins and of the "fun" aspect of applicant's food product. This aspect of applicant's product is emphasized in its promotion ("What's MufFun than one?"). We have a situation, therefore, where applicant's mark has a different commercial

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impression or connotation from that conveyed by a misspelled generic or descriptive term. We also recognize, of course, that there is often a thin line of demarcation between a suggestive term and a merely descriptive term, and that the determination of the category into which a particular word falls is frequently a difficult determination, involving some subjective judgment. Also, any doubt with respect to the issue of descriptiveness should be resolved in applicant's behalf. In re *George Weston Ltd.,* 228 USPQ 57 (TTAB 1985) and In re *Gourmet Bakers, Inc.,* 173 USPQ 565 (TTAB 1972). Moreover, applicant's disclaimer makes clear that third parties will not be precluded by this registration from using the generic term "muffins."

In view of the nature of applicant's inventive and somewhat stylized mark, being an obvious play on the word "muffin" and the word "fun," we believe that the meaning or commercial impression of applicant's mark will be more than that simply of the word "muffins." Therefore, applicant's mark is

not *merely* descriptive. See, for example, In re *Colonial Stores, Inc.,* 394 F.2d 549, 157 USPQ 382 (CCPA 1968) (SUGAR & SPICE held not merely descriptive for various bakery products). In view of this decision, we need not consider the evidence of acquired distinctiveness.

Decision: The refusal of registration is *reversed.*

- End of Case -

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4 USPQ2d 1141

In re Merrill Lynch, Pierce, Fenner, and Smith Inc.

U.S. Court of Appeals Federal Circuit

No. 86-1080

Decided September 17, 1987

828 F2d 1567

Headnotes

TRADEMARKS AND UNFAIR COMPETITION

[1] Registration and its effects -- Federal registration -- Incontestability -- In general (▶ 315.0309.01)

Trademark holder's incontestable registration of term "Cash Management Account" for specific services involving credit cards does not automatically entitle it to registration for broader financial services.

[2] Types of marks -- Descriptive -- Particular marks (▶ 327.0303)

Evidence showing recognition, in substantial number of publications, that trademark applicant was source of term "Cash Management Account" is not sufficient to clearly place such mark in category of generic or common descriptive term, and thus Trademark Trial and Appeal Board's finding that such term is generic for brokerage services is clearly erroneous, in view of lack of any showing that term immediately and unequivocally describes purpose and function of goods, and term must be considered as merely descriptive, requiring board to take cognizance of evidence of term's secondary meaning.

Case History and Disposition

Appeal from Patent and Trademark Office Trademark Trial and Appeal Board; 230 USPQ 128.

Application for trademark of Merrill Lynch, Pierce, Fenner, and Smith Inc. From decision affirming examiner's refusal to register, applicant appeals. Reversed and *remanded*.

Attorneys

Steven H. Hartman, and Milgrim, Thomajan, Jacobs & Lee, New York, N.Y., for appellant.

Joseph F. Nakamura, solicitor, Fred E. McKelvey, deputy solicitor, and Nancy C. Slutter, assistant solicitor, for Patent and Trademark Office.

Judge

Before Smith and Newman, Circuit Judges, and Cowen, Senior Circuit Judge.

Opinion Text

Opinion By:

Newman, Circuit Judge.

The Commissioner of Patents and Trademarks, acting through the Trademark Trial and Appeal Board (Board), refused registration of the term CASH MANAGEMENT ACCOUNT on the Principal Register as a service mark for "stock brokerage services, administration of money market fund services, and providing loans against securities services", Application Serial No. 254,808. *In re Merrill Lynch, Pierce, Fenner & Smith, Inc* ., 230 USPQ 128 (TTAB 1986).

The Board held that CASH MANAGEMENT ACCOUNT is a common descriptive or generic name for these financial services, such that acquired distinctiveness or secondary meaning can not provide a right to registration, as a matter of law. The Board thus refused registration under 15 U.S.C. §1052(f). We reverse and remand.

Incontestability

Appellant already has a registration No. 1,118,929 on the Principal Register, granted May 22, 1979 for the term CASH MANAGEMENT ACCOUNT as a service mark for "financial services involving the use of plastic credit cards by the cardholders for loans to card holders from their brokerage equity account." This registration is incontestable, in

accordance with 15 U.S.C. §§1065 and 1115(b). Taking the position that these services are substantially the same as the services for which registration is now sought, appellant argues that "the Board erred as a matter of law in refusing to order registration on the Principal Register of a service mark as to which Appellant owns incontestable rights". Appellant argues that its incontestable right to use the term CASH MANAGEMENT ACCOUNT for the services for which it is registered "perforce includes the right to register that term for these same services in a subsequent application". Appellant asserts that to hold otherwise would deny it title to the mark for the services for which the mark is already registered, citing *Park 'N Fly Inc. v. Dollar Park and Fly Inc* ., 469 U.S. 189 [224 USPQ 327] (1985).

The benefits of incontestability are no more than that "the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce". 15 U.S.C. §1115(b). The only thing that becomes incontestable is the right of the registrant to use the mark for the goods or services for which it is registered. Even that right is subject to the defenses enumerated in 15 U.S.C. §1115(b) and to the grounds for cancellation set forth at 15 U.S.C. §1064(c) and (e). *Holiday Inn v. Holiday Inns, Inc* ., 534 F.2d 312, 320, 189 USPQ 630, 636 (CCPA 1976).

In *Park 'N Fly, Inc* . the Supreme Court held that an action for infringement of a

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registered mark that has become incontestable can not be defended on the ground that the mark is "merely descriptive". 469 U.S. at 205. This holding is not pertinent to appellant's argument concerning registration of the same mark for a broadened class of goods. The appellant does not explain how its existing registration for services that require the use of plastic credit cards is substantially the same as the services for which registration is now sought, as those are set forth in the subject application for registration and as quoted by the Board in its opinion at page 130 of 230 USPQ.

While "ownership of one or more prior registrations on the Principal Register . . . of the same mark may be accepted as prima facie evidence of distinctiveness," 37 C.F.R. 2.41(b), ownership of a registration does not of itself authorize the grant of another registration for different goods. Each application for registration must be considered on its own merits. *In re Loew's Theatres, Inc* ., 769 F.2d 764, 769, 226 USPQ 865, 869 (Fed.Cir. 1985). Appellant's argument that refusal of a broader registration is comparable to an attack on an existing registration is unsupported by law or precedent.

[1] The Board correctly held that appellant's incontestable registration for specific services involving credit cards does not automatically entitle appellant to a registration for broader financial services.

Descriptiveness

The Board *affirmed* the examiner's determination that the term CASH MANAGEMENT ACCOUNT is generic for the services described in the application. The Board considered first whether the term is a common descriptive or generic name for the described services.

Appellant argues that its incontestable registration of the mark for similar services is persuasive evidence of distinctiveness, and also argues that there is no direct evidence that CASH MANAGEMENT ACCOUNT is generic for the services for which registration is sought. From the examiner's evidence of usage in newspapers and financial publications, the Board concluded that "[w]hile there are references to applicant as a pioneer in this type of account", as well as first user of the term to identify such an account, "it appears that said term has been adopted by a major segment of financial business as a name to designate services such as applicant offers." *In re Merrill Lynch* , 230 USPQ at 130.

The four classic categories -- generic ("common" descriptive), descriptive ("merely" descriptive), suggestive, or arbitrary -- have been described as "central tones in a spectrum", that "tend to merge at their edges and are frequently difficult to apply." *Soweco, Inc. v. Shell Oil Co* ., 617 F.2d 1178, 1183, 207 USPQ 278, 282 (5th Cir. 1980), cert. denied , 450 U.S. 981 [210 USPQ 776] (1981). Nonetheless, the distinctions are critical to the availability and the evidentiary requirements of registration.

Generic terms, by definition incapable of indicating sources, are the antithesis of trademarks, and can never attain trademark status. *Dan Robbins & Associates, Inc. v. Questor Corp* ., 599 F.2d 1009, 1014, 202 USPQ 100, 105 (CCPA 1979). The reason is plain:

> To allow trademark protection for generic terms, i.e., names which describe the genus of goods being sold, even when these have become identified with a first user, would grant the owner of the mark a monopoly, since a competitor could not describe his goods as what they are.

CES Publishing Corp. v. St. Regis Publications, Inc ., 531 F.2d 11, 13, 188 USPQ 612, 615 (2d Cir. 1975). In contrast, "merely descriptive" terms are capable of acquiring, in the view of the consuming public, an association with the source of the goods or services; that is, a secondary meaning in accord with 15 U.S.C. §1052(f). *See Roselux Chemical Co. v. Parsons Ammonia Co* ., 299 F.2d 855, 862, 132 USPQ 627, 633 (CCPA 1962) ("Distinctiveness means that the *primary* meaning of the word . . . is as a designation of source rather than of a characteristic of the product.") (emphasis in original).

Whether a term is classified as "generic" or as "merely descriptive" is not easy to discern when the term sits at the fuzzy boundary between these classifications. *See Zatarains, Inc. v. Oak Grove Smokehouse, Inc* ., 698 F.2d 786, 790, 217 USPQ 988, 993 (5th Cir. 1983) ("[t]he labels are more advisory than definitional, more like guidelines than

pigeonholes"). It is basic to the inquiry to determine whether members of the relevant public primarily use or understand the term to refer to the genus of goods or services. *H. Marvin Ginn Corp. v. International Association of Fire Chiefs Inc* . 782 F.2d 987, 989-90, 228 USPQ 528, 530 (Fed.Cir. 1986). As the court said in *In re Automatic Radio Manufacturing Co* ., 404 F.2d 1391, 1396, 160 USPQ 233, 237 (CCPA 1969):

> It seems elementary that one must find out how people in the trade and the purchasers use the terms with respect to the involved goods in order to determine whether or not they are descriptive.

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The Board found that the term CASH MANAGEMENT ACCOUNT is generic or commonly descriptive, not "merely descriptive". This finding of fact is reviewed for clear error. *See In re Bed & Breakfast Registry* , 791 F.2d 157, 160, 229 USPQ 818, 819 (Fed.Cir. 1986); *In re Northland Aluminum Products, Inc* ., 777 F.2d 1556, 1559, 227 USPQ 961, 963 (Fed.Cir. 1985).

Evidence of the public's understanding of the term may be obtained from any competent source, such as purchaser testimony, consumer surveys, listings in dictionaries, trade journals, newspapers, and other publications. *In re Northland Aluminum Products* , 777 F.2d at 1559, 227 USPQ at 963; *Dan Robbins & Associates, Inc. v. Questor Corp* ., 599 F.2d at 1014, 202 USPQ at 105; *In re Thunderbird Products Corp* ., 406 F.2d 1389, 1390-91, 160 USPQ 730, 731-32 (CCPA 1969).

Before the Board was voluminous evidence of usage in financial publications of the term, following Merrill Lynch's introduction of the financial system, from which the Board concluded "that said term has been adopted by a major segment of financial business as a name to designate services such as applicant offers." *In re Merrill Lynch* , 230 USPQ at 130. The following is representative:

> American Banker, November 9, 1983: "Banks have also stated that brokerage firms, through cash management accounts, have held an unfair advantage over the banking industry. Nonetheless, with the ability to offer discount brokerage services, banks can offer a cash management account that is every bit equal to that offered by the brokerage firms."
>
> The Christian Science Monitor, February 17, 1984: "It isn't possible, for example, to talk simply about 'savings' and 'checking' as alternate forms of cash management when a wide variety of multipurpose accounts now exists. It's almost impossible to differentiate between stockbrokers and bankers when they are equally willing to offer you a checking account. . . ."
>
> United Press International, July 21, 1982: "Although it is a first step toward one-stop investment services, it differs from cash management accounts offered by Merrill Lynch and other brokerages in that Chemical will only execute orders."
>
> The Bond Buyer, July 22, 1982: "[O]ther products . . . serve the same full-financial services needs that led to this latest service. The bank is working on a cash management account-type of product which will enfold into it the parts already in motion from the discount broker operation."
>
> Newsweek, July 19, 1982: "The Cash-Management Account (CMA) pioneered by Merrill Lynch and offered by half a dozen brokers, isn't yet particularly profitable."
>
> Business Week, December 26, 1983/ January 2, 1984: "[D]rawing boards at Vanguard is a central asset management account, a program that -- pioneered by Merrill Lynch's Cash Management Account and copied throughout the industry -- has become a linchpin of the 'financial supermarket' concept."
>
> American Banker, November 4, 1983: "The bank also offers customers an asset management account, dubbed Focus, that competes with the highly successful Cash Management Account pioneered by Merrill Lynch & Co."

Appellant points out that no publication or usage of the term cited by the Board or the Examiner appeared before Merrill Lynch's introduction of the term for use with specific brokerage services, and argues that those publications that appear to use the term in a descriptive sense do not describe the precise services for which registration is sought. The Board held that the absence of descriptive details was not controlling "since there is no question that they refer to financial services of the same general nature as [appellant's]." *In re Merrill Lynch* , 230 USPQ at 130-31. The issue, however, is how the consuming public views the mark.

The burden of showing that a proposed trademark is generic remains with the Patent and Trademark Office. The Trademark Manual of Examining Procedure 1305.04 (1974, rev. 1983) requires that the "substantial showing by the Examining Attorney that the matter is in fact generic . . . must be based on clear evidence of generic use". The mixture of usages unearthed by the NEXIS computerized retrieval service [1] does not show, by clear evidence, that the financial community views and uses the term CASH MANAGEMENT ACCOUNT as a generic, common descriptive term for the brokerage services to which Merrill Lynch first applied the term.

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[1] As observed in *In re Societe Generale Des Eaux Minerales De Vittel S.A* ., ___ F.2d ___, ___, 3 USPQ2d 1450, 1451 (Fed.Cir. 1987), "[i]t is indeed remarkable to see the thoroughness with which NEXIS can regurgitate a [term] casually mentioned in the news."

[2] The evidence before the Board showed recognition in a substantial number of publications that the source of the CASH MANAGEMENT ACCOUNT was the appellant.

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This evidence does not clearly place appellant's mark in the category of a generic or common descriptive term. As Judge Rich explained in *In re Abcor Development Corp* ., 588 F.2d 811, 816, 200 USPQ 215, 219 (CCPA 1978) (Rich, J., concurring) (emphasis in original), a term that immediately and unequivocally describes the purpose and function of appellant's goods is a name for those goods, for "[t]hat is what *names* do. They tell you what the thing *is* ." The term CASH MANAGEMENT ACCOUNT was not shown to meet this standard. Accordingly, because the Patent and Trademark Office failed to sustain its burden of showing that appellant's proposed trademark is generic, we hold that the factual determination by the Board, finding that the term CASH MANAGEMENT ACCOUNT as used by appellant is generic, is clearly erroneous.

The term thus must be considered in the category of "merely descriptive". A "merely descriptive" term requires the Board to take cognizance of appellant's evidence of secondary meaning. "[E]very mark sought to be registered by taking advantage of §2(f) involves descriptiveness to some degree." *In re Ideal Industries, Inc* ., 508 F.2d 1336, 1339, 184 USPQ 487, 489 (CCPA 1975). 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. *See In re Aid Laboratories, Inc* ., 221 USPQ 1215, 1216 (TTAB 1983) (in deciding whether PEST PRUF for animal shampoo with insecticide is suggestive or merely descriptive, doubt is resolved in favor of applicant in holding the term merely suggestive of a possible end result of the use of applicant's goods); *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.")

On this basis, we reverse the Board's decision that the term CASH MANAGEMENT ACCOUNT is generic. Although the Board stated that "there is no question that applicant has gathered a substantial and comprehensive showing of evidence of distinctiveness", *In re Merrill Lynch* , 230 USPQ at 131, the Board offered no conclusion on the adequacy of the showing under section 2(f). We remand for this purpose.

REVERSED AND REMANDED

- End of Case -

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209 USPQ 791

In re Morton-Norwich Products, Inc.

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided January 23, 1981

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership -- Descriptive -- How determined (▶ 67.5073)

Marks and names subject to ownership -- Suggestive (▶ 67.528)

Pleading and practice in Patent Office -- In general (▶ 67.671)

Question of whether or not particular designation is merely descriptive must be determined, not in abstract, but in relation to goods or services for which registration is sought, context in which designation is being used on or in connection with such goods or services, and possible significance that it would have, because of such manner of use, to average purchaser of goods or services; term is merely descriptive within meaning of Section 2(e)(1) if it conveys immediate idea of ingredient, quality, characteristic, function, or feature of product in connection with which it is used; there is thin line between suggestive and merely descriptive designation, and where reasonable men may differ, it is Trademark Trial and Appeal Board's practice to resolve doubt in applicant's favor and publish mark for opposition.

[2] Marks and names subject to ownership -- Descriptive -- Misdescriptive or not descriptive -- Particular marks (▶ 67.5078)

"Color Care" intimates or suggests characteristic of laundry bleach rather than being merely descriptive of it.

Case History and Disposition

Page 791

Appeal from Examiner of Trademarks.

Application for registration of trademark of Morton-Norwich Products, Inc., Serial No. 140,946, filed Sept. 12, 1977. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Richard J. Egan, Greenville, S.C., for applicant.

Judge

Before Lefkowitz and Rice, Members, and Fruge', Acting Member.

Opinion Text

Opinion By:

Fruge', Acting Member.

An application was filed by Morton-Norwich Products, Inc. to register the mark "COLOR CARE" for laundry bleach. Use since August 2, 1977 was alleged. [1]

[1] SN 140,946, filed Sept. 12, 1977.

Registration was refused under Section 2(e)(1) of the Trademark Act of 1946 on the ground that "COLOR CARE", when applied to applicant's goods, is merely descriptive thereof.

Applicant has appealed.

[1] The question of whether or not a particular designation is merely descriptive must be determined, not in the abstract, as applicant suggests, but in relation to the goods or services for which registration is sought, the context in which the designation is being used on or in connection with said goods or services, and the possible significance that it would have, because of such manner of use, to the average purchaser of the goods or services. See: Q-Tips, Inc. v. Johnson & Johnson, 95 USPQ 264 (DC NJ, 1952); and Roselux Chemical Co., Inc. et al. v. Parsons Ammonia Company, Inc., 132 USPQ 627 (CCPA, 1962). A term is merely descriptive within the meaning of Section 2(e)(1) if it conveys an immediate idea of an ingredient, quality, characteristic, function or feature of the product in connection with which it is used. See: Stix Products, Inc. v. United Merchants and Manufacturing, 160 USPQ 777 (DC NY, 1968); In re American Screen Process Equipment Company, 175 USPQ 561 (TTAB, 1976); and cases cited therein. However, there is a thin line between a suggestive and a merely descriptive designation, and where reasonable men may differ, it is the Board's practice to resolve the doubt in the applicant's favor and publish the mark for opposition. See: In re The Gracious Lady Service, Inc., 175 USPQ 380 (TTAB, 1972) and In re Gourmet Bakers, 173 USPQ 565 (TTAB, 1972).

In the instant case the applicant maintains that at most the mark is suggestive while the Trademark Attorney contends that in the marketplace the term "COLOR CARE" immediately describes to a prospective purchaser that the laundry bleach carrying that term is a bleach designed to

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care for colored and synthetic fabrics. In support of that contention, the Trademark Attorney has submitted photoprints of the labelling taken from the containers of several brands of laundry bleach allegedly showing that the manufacturers thereof "advertise their 'color care' bleaches as being safe for colored fabrics upon which one should not use a whitening chlorine bleach."

Two of the products were, in fact bleaches, the other a detergent booster con taining a bleach. All indicated the absence of chlorine in the product and some recommendations on the labels were, for use on "all colorfast garments" "all washable fabrics", "all washable colors and fabrics" or, may be used "when dyes are color-fast and designed for repeated laundering". Each of the product labels contains instructions for testing the fabric for washability and colorfastness prior to its use.

[2] The foregoing tells us that today's laundry bleaches, having eliminated chlorine from their formulas, may be used on colored garments which have been tested for colorfastness or which have been labelled colorfast by their manufacturers. Thus, a precise meaning attributable to the term "COLOR CARE" as used on a laundry bleach is somewhat nebulous. That is, none of the evidence indicates that these laundry bleaches will do anything for colored garments or linens that they will not do for noncolored or white. It therefor appears that the mark in question intimates or suggests a characteristic of the product rather than being merely descriptive thereof.

Accordingly, the refusal to register is *reversed*.

- End of Case -

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173 USPQ 565

In re Gourmet Bakers, Inc.

U.S. Patent and Trademark Office, Trademark Trial and Appeal Board

Decided April 28, 1972

Headnotes

TRADEMARKS

[1] Marks and names subject to ownership - Descriptive - How determined (▶ 67.5073)

There is no easy applicable objective test to determine whether a particular mark, as applied to specific goods, is merely descriptive or merely suggestive; distinction between marks which are "merely descriptive" and marks which are "suggestive" is so nebulous that more often than not it is determined largely on a subjective basis with any doubt being resolved in applicant's behalf on theory that registration may be opposed under section 13.

[2] Marks and names subject to ownership - Descriptive - Misdescriptive or not descriptive - Particular marks (▶ 67.5078)

"The Long One" is not merely descriptive as applied to bread.

Case History and Disposition

Page 565

Appeal from Examiner of Trademarks.

Application for registration of trademark of Gourmet Bakers, Inc., Serial No. 339,179. From decision refusing registration, applicant appeals. Reversed.

Attorneys

Popper, Bain, Bobis, Gilfillan & Rhodes, Newark, N. J., for applicant.

Judge

Before Leach, Waldstreicher, and Lefkowitz, Members.

Opinion Text

Opinion By:

Lefkowitz, Member.

An application has been filed by Gourmet Bakers, Inc. to register the notation "THE LONG ONE" on the Principal Register as a trademark for bread, use of the mark since May 12, 1969 has been alleged.

Registration has been refused on the ground that the notation "THE LONG ONE" is merely descriptive of applicant's goods within the meaning of Section 2(e)(1) in that it describes a physical characteristic of a loaf of applicant's bread.

Applicant has appealed.

It is, in effect, the examiner's position that, inasmuch as applicant's bread as revealed by the wrapper specimens of record is a twenty-four ounce loaf of thirty-six slices as distinguished from the average sixteen ounce loaf, it is and will be regarded as a long one and that, as applied to a bread longer in length than the average, the notation "THE LONG ONE" engenders an immediate descriptive significance to the average purchaser.

Applicant, on the other hand, argues that the mere use of the word "long" cannot identify in the minds of the consuming public a particular length of bread loaf because while there are a variety of lengths available for bread today, there is no standard in the trade or among the consuming public for determining when a loaf of bread is "long". In view thereof, and the substitution of the word "ONE" for "LOAF", applicant urges that:

> "* * * the applicant's mark 'THE LONG ONE' is merely suggestive of a rather elongated loaf of bread longer than some but undoubtedly shorter than others and indicating the applicant as its source of origin."

[1] It has been recognized by this and other tribunals that there is no easy applicable objective test to determine whether or not a particular mark, as applied to specific goods, is merely descriptive or merely suggestive. The distinction between marks which are "merely descriptive" and marks which are "suggestive" is so nebulous that more often than not it is determined largely on a subjective basis with any doubt in the matter being resolved in applicant's behalf on the theory that any person who believes that he would be damaged by the registration will have an opportunity under Section 13 to oppose the registration of the mark and to present evidence, usually not present in the ex parte application, to that effect.

[2] It is believed that a borderline situation exists herein in determining whether or not "THE LONG ONE" is merely descriptive of just suggestive of the nature and character of applicant's bread. But, since it has not been shown that the notation "THE LONG ONE", as distinguished from "the long loaf" or "the longer bread", has been commonly used or is necessary to be used in the bakery trade; the term "THE LONG ONE" does not with any degree of particularity describe the nature of applicant's bread even as to length; the term "THE LONG ONE" is being used on applicant's wrappers as the trademark for its goods; and the registration sought by applicant will not inhibit anyone in the trade from properly describing the length of its bread loaf, it is concluded that the mark should be published in accordance with Section 12 (a) for opposition purposes.

Decision

The refusal of registration is *reversed*.

- End of Case -

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