IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Applicant: Steelbuilding.com, Inc. :

Mark: STEELBUILDING.COM & Design :
Serial No. 76/280,389
Filing Date: July 3, 2001 :

Mark: STEELBUILDING.COM THE :
FUTURE OF METAL BUILDINGS
Serial No. 76/280,390 :
Filing Date: July 3, 2001 :

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APPLICANT'S MAIN BRIEF

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I. INTRODUCTION

On July 3, 2001 Steelbuilding.com, Inc. (applicant) filed a use based application for its STEELBUILDING.COM & Design mark and a use based application for its STEELBUILDING.COM THE FUTURE OF METAL BUILDINGS mark. The services in each application are identified as computerized on-line retail services in the field of pre-engineered steel buildings and roofing systems. Each application claims a date of first use of June 1, 2000 and a date of first use in commerce of September 29, 2000.

II. FACTS

In the first Office action for each application, the examining attorney required disclaimer of the STEELBUILDING.COM portion of each mark. In response, applicant asserted STEELBUILDING.COM had acquired distinctiveness and submitted evidence in the form of a declaration of Byron House III, the President of applicant corporation, showing the number of visitors and inquiries to applicant's website during the first five months of use of the mark, the $44,388.00 in advertisement dollars spend between December 2000 and February 2001 and the $128,462.00 budgeted through December 2001. The advertisements

were stated to be Internet based ads as well as print media in trade journals. The declaration included data regarding monthly sales between October 2000 through January 2001, copies of unsolicited electronic mail received from customers referencing the mark and discussing the services, an article published within an industry journal discussing applicant's online design and pricing system and data regarding the nature of quantity of customers during the period extending from September 2000 through February 2001 who designed a structure using the online services, obtained a price quote from the online services and generated a sales contract using the online services. Applicant offered to amend the application to seek registration under Section 2(f) of the Trademark Act.

The examining attorney then refused registration on the grounds STEELBUILDING.COM is the generic name for the services. Applicant requested reconsideration of the generic refusal and provided additional evidence in connection with its claim of acquired distinctiveness including a declaration of Tom Hockersmith, Marketing Director of applicant corporation. The Hockersmith Declaration describes the relevant purchasing public, provides the average number of visitors to appellant's website during each business day, provides the number of online

price quotes generated in reply to website visitor inquiries between May 2001 and October 2001, and for comparative purposes, provides the number of price quotes generated by a conventional (non-Internet) metal building manufacturer. The Hockersmith Declaration also includes evidence showing cumulative sales rose from a half million dollars through the first four months of operation to almost four and a half million dollars the next seven months of operation. The Hockersmith Declaration included the following additional evidence of acquired distinctiveness; articles from the October 2001 issue of *Metal Building Today* and the August 2001 issue of *Metalmag* which are industry trade journals and which discuss applicant's online business, online advertisement data of applicant during 2001-2002 in the form of banner ad campaign statistics identifying Click Through Rates tracked by Internet search engines such as Yahoo, AltaVista, America Online and Microsoft Network, an October 2001 invoice from Overture Services Inc. detailing search engine Click Through referrals to applicant's website, print ad campaign expenditures during November 2000 through November 2001 within industry trade journals including two full page ads for applicant's STEELBUILDING.COM mark within *Metal Construction News*, an ad page from the January 2001 product guide section of

Metal Construction News depicting applicant's STEELBUILDING.COM mark and logo and a description of applicant's product line adjacent the names and descriptions of ten other metal building manufacturers, an ad within the May 2001 issue of *Metal Construction News* showing applicant's STEELBUILDING.COM mark and logo together with contact information within a Website Directory of Industry Suppliers along side the company names and/or logos of eleven other metal building manufacturers, a half page ad within *Inside Self Storage* depicting applicant's mark and describing the services including information on purchasing metal building mini doors online along side the names of other mini door suppliers including US Door and Building Components and DCBI, an ad page from August 2001 issue of *RentSmart!* and an excerpt from a product line directory entitled Steel Buildings showing applicant's STEELBUILDING.COM mark and logo adjacent the ads of two other companies offering the same products, a description of applicant's exhibits and expenditures at the Metalcon trade shows during 2000 and 2001 and representative print ad fliers distributed to visitors at the trade shows depicting applicant's mark in association with a web browser logged on to applicant's website and showing the mark incorporated into fake money identified as a "dot com dollar",

information regarding applicant's Private Label Program marketing campaign for reseller customers during September through November 2001, a declaration of Jennifer Key, Vice President for Operations of Heritage Building Systems, Inc. regarding sales information and advertisement expenditures and a comparative analysis of that information relative to the sale figures of applicant's company, unsolicited letters received from customers identifying the mark and discussing the associated services, declarations and affidavits from direct competitors concerning the recognition of applicant's mark in the industry and among consumers including an affidavit of Douglas M. Journey, the Vice President of Ceco Building Systems, a letter form Ray Napolitan, the General Manager of Nucor Building Systems Group which is one of the largest steel producers in the U.S., a declaration of Ron Holder, the national sales manager of Bay Insulation which is the largest producer and distributor of metal building insulation material in the U.S., and an affidavit from A.R. Ginn, the Chairman of the Board of NCI Building Systems, Inc. which is the largest producer and distributor of metal components in the U.S. and third largest producer of metal buildings in the U.S. An appeal from the examining attorney's final requirement for disclaimer was filed

in connection with each application; however, each appeal was suspended pending a decision from the Federal Circuit in a related appeal.

Applicant thereafter filed a request to remove suspension and remand to the examining attorney and also amended each application to seek registration under Section 2(f) of the Trademark Act based more than five years use of the mark. In support of the five years use, a Declaration of Todd R. Moore, the Vice President, General Counsel and Corporate Secretary of applicant corporation was provided. The examining attorney maintained the final requirement for disclaimer in both applications.

Applicant then submitted the following supplemental evidence in connection with its claim of acquired distinctiveness. In a second Declaration of Todd R. Moore, applicant provided information evidencing annual sales figures for 2002 amounted to $11,930,938.00, annual sales during 2003 amounted to $12,379,618, annual sales figures during 2004 amounted to $22,535,464.00 and annual sales figures during 2005 amounted to $21,472,368.00. In addition, applicant submitted information that showed promotion and marketing of the STEELBUILDING.COM mark nationally through print media and other

advertisements and tradeshows for the year 2002 amounted to $673,296.00, for the year 2003 the advertising expenditures amounted to $560,423.00, for the year 2004 the advertising expenditures amounted to $966,805.00 and for the year 2005 the advertising expenditures amounted to $981,040.00. Applicant also submitted evidence showing visitor traffic to applicant's STEELBUILDING.COM website during 2005 ranged between 50,000 visitors per month to over 100,000 visitors per month. The daily averages of website visitors during 2005 ranged between 1,600 visitors per day to over 3,000 visitors per day. Further, an exhibit attached to the Moore declaration showed visitor traffic to applicant's STEELBUILDING.COM website to be greater than that of any of its competitors. In particular, Internet traffic ranking compiled by alexa.com as of March 3, 2006 showed that applicant's website is currently ranked first in visitor traffic among various metal building providers. Notwithstanding the above, the examining attorney maintained the final requirement for disclaimer.

The appeal in each application was resumed. A request by applicant to consolidate for purposes of briefing, oral hearing and final decision was granted on July 13, 2006.

III. ISSUE

The issue in this appeal is whether the evidence establishes STEELBUILDING.COM has become distinctive among the relevant consumer class for the services.

IV. ARGUMENT

A. *STEELBUILDING.COM is now presumed to have acquired distinctiveness.*

The STEELBUILDING.COM portion of each of the mark has been in use more than five years. See Declaration of Todd R. Moore dated November 11, 2005 and Declaration of Todd R. Moore dated March 9, 2006. Five years use is *prima facie* evidence a mark has acquired distinctiveness. See 15 U.S.C. § 1052(f). See also TMEP § 1212.05.

The examining attorney states applicant's five year presumption is "a relatively short period of time given the nature of the mark". See Office action dated May 4, 2006 and Office action dated April 24, 2006. However, the examining attorney does not provide evidence that shows STEELBUILDING.COM is highly descriptive. The burden to prove applicant's mark is highly descriptive rests with the examining attorney. See In re Synergistics Research Corp., 218 USPQ 165 (TTAB 1983) (applicant's declaration of five years' use held sufficient to

support registrability under §2(f) of BALL DARTS for equipment sold as a unit for playing a target game, in view of the lack of evidence of any meaning of BALL DARTS and no evidence of use of the term by competitors or the public).

B. *Neither the Federal Circuit nor the Board considers STEELBUILDING.COM to be highly descriptive.*

The degree of descriptiveness of applicant's mark was considered by the Trademark Trial and Appeal Board in their In re DNI Holdings Ltd. decision, 77 USPQ2d 1435 (TTAB 2005). In that decision, the Board states the following regarding the Federal Circuit's analysis of the STEELBUILDING.COM mark in In re Steelbuilding.com, 75 USPQ2d 1420 (Fed. Cir. 2005):

> The Court in *Steelbuilding.com* also found that joinder of the separate words 'steel' and 'building' with the TLD '.com' created a 'formulation' that, in context, could be perceived by the relevant public as meaning either 'steel buildings' available via the Internet or 'the building of steel structures' via an Internet website. While not using the term 'double entendre', the Court's reasoning in *Steelbuilding.com* suggest a non-descriptive connotation. Specifically, given the interactive design features of the applicant's goods and services, the Court concluded that STEELBUILDING could also refer to 'the building of steel structures.'

Id. at 1430 (emphasis added).

In view of the above, the examining attorney is at odds with both the Trademark Trial and Appeal Board and the

Federal Circuit. The STEELBUILDING portion of applicant's mark has two meanings and therefore cannot be highly descriptive.

The examining attorney asserts DNI Holdings and Steelbuilding.com "were on the issue of genericness not mere descriptiveness" and therefore these decisions are irrelevant to the present case. See Office action dated April 24, 2006. This reasoning is misplaced. With regard to trademark significance, terms are categorized along a continuum, from highly distinctive at one end to generic at the other. See TMEP § 1209.01. Genericness and descriptiveness are founded in the same statutory basis. See 35 U.S.C. § 1052. Generic designations are often described as "the ultimate in descriptiveness". See Imported Auto Parts Corp. v. R.B. Shaller & Sons, Inc., 202 USPQ 235 (Minn. 1977). The Boards analysis of the STEELBUILDING.COM mark in DNI Holdings is directly relevant to the issue in this appeal; namely, whether STEELBUILDING.COM is merely descriptive or highly descriptive.

C. *The record evidence does not support a finding that STEELBUILDING.COM is highly descriptive.*

While the examining attorney provides evidence in the form of a Dialog search and dictionary definitions showing 'steel building' is a generic term for a building, the record is devoid of evidence showing descriptive use of the *composite* term

STEELBUILDING. No dictionary definitions or other sources are provided that might indicate joining of the separate words 'steel' and 'building' create a compound word that in context renders the overall mark highly descriptive.

The examining attorney has introduced the results of a Google Internet search for the separate words "steel building com". See Office action dated May 4, 2006 and April 24, 2006. That search, conducted on the most comprehensive Internet search engine available, yielded a mere five addresses and in each case the address uses hyphens to separate the words in the address. The following addresses were developed: metal-buildings.best-steel-building.com; curvco-steel-building.com; premier-steel-building.com; surplus-steel-building.com; and steel-building.net/directory/steel-buildings-clearance.html.

Five addresses cannot evidence STEELBUILDING.COM is highly descriptive of applicant's computerized services. Further, none of the addresses provide descriptive use of the *composite* term 'STEELBUILDING' which, as noted by the Court in the Steelbuilding.com decision, means the 'building of steel structures'. See In re Steelbuilding.com at 1423. The hyphens in each address preclude the alternative meaning found in applicant's composite mark. The evidence only shows that when

customers and competitors refer to a steel building they use the phrase 'steel building' and that phrase may be found in a couple of website address with hyphens separating the words. None of the evidence relied upon by the examining attorney shows widespread use of applicant's composite term to describe 'building of steel structures'. Accordingly, the evidence cannot support a finding that the mark is highly descriptive of the services.

D. ***The evidence shows the relevant buyer class associates the STEELBUILDING.COM mark with applicant's services.***

In addition to the Todd R. Moore Declaration concerning five years use, the record contains supplemental evidence in connection with applicant's claim of acquired distinctiveness including customer data, sales data, website data, comparative evidence within the industry as to sales and website rankings, publicity in the trade press, customer letters referencing the mark, declarations and letters from direct competitors referencing the mark, information regarding the nature and extent of applicant's advertising activities, promotional campaigns and advertising expenditures in the print media, online media and at industry trade shows. In each instance, the examining attorney either ignores the evidence or discounts it without providing an adequate explanation.

Relevant purchasers in applicants' market comprise two groups; 'end users' (ranchers, farmers, and small business owners) and 'resellers' (building manufacturers, dealers, and contractors). These purchasers are a distinct if not sophisticated market. See Hockersmith Declaration at ¶¶ 2, 4. Applicant's market is confined to simpler and smaller buildings of about 900 square feet to about 30,000 square feet in area. See Hockersmith Declaration at ¶ 2. The buildings have an average sale price of about $7,500.00 as evidenced by the sales during one three month period. See Hockersmith Declaration at ¶ 24.

Cumulative sales rose from $500,000.00 through the first four months of operation to almost $4,500,000.00 over the next seven months (2001). See Hockersmith Declaration at ¶ 24. This compares favorably with a long established company operating in the same market thereby suggesting consumers have associated the mark with applicant's services. See Hockersmith Declaration at ¶¶ 22-24, 29 and the Jennifer Key Declaration. Annual sales during the second year of operation (2002) amounted to $11,930,938.00. Annual sales during 2003 amounted to $12,379,618.00. Annual sales during 2004 amounted to $22,535,464.00. Annual sales during 2005 amounted to

$21,472,368.00. See Declarations of Todd R. Moore dated March 9, 2006 at ¶¶ 2. Notwithstanding the yearly sales volume and favorable comparisons to that of a competitor and the average sale price in the Hockersmith Declaration, the examining attorney concludes this evidence is "difficult to analyze" and therefore insufficient. No reasonable explanation is provided for why the marked increase in annual sales (a doubling in growth every two years) is insufficient to show distinctiveness among consumers.

Applicant has made of record several Declarations from its competitors regarding how the mark is viewed in the industry generally and among consumers. For example, attention is directed to the Declaration of Douglas M. Jurney, Vice President of Ceco Building Systems a company offering the same product and services as that of applicant. Mr. Jurney states that he became aware of the STEELBUILDING.COM portion of applicant's mark through industry contacts and through the media, he also states that he associates the mark with applicant's services as distinct from other competitors and that STEELBUILDING.COM is a known force with the marketplace. Similar competitors Declarations are provided by Ron Holder of Bay Insulation and A.R. Ginn of NCI Building Systems, the single largest producer

and distributor of metal components for the construction industry and the third largest producer of pre-engineered metal building systems in the United States. A letter from Ray Napolitan of Nucor Building Systems Group is also provided in connection with the recognition of applicant's mark in the industry.

With respect to the above, the examining attorney concludes the number of declarations is too small. In support of this determination, the examining attorney cites every case listed in TMEP §1212.06(c) yet not one of these decisions provides the examining attorney with authority to determine distinctiveness based upon the *number* of declarations submitted. Further, none of the decisions relied upon by the examining attorney address the issue of a declaration from a competitor. It is well established that the value of an affidavit or declaration depends on the *statement made and the identity of the affiant or declarant*. See In re Chemical Dynamics Inc., 5 USPQ2d 1828 (Fed. Cir. 1988). The affidavit and declarations submitted by applicant are highly relevant to the issue of distinctiveness due to the identity of the affiant or declarant and the statements made therein.

Promotion and marketing of the STEELBUILDING.COM mark

nationally through online media, print media and advertisements at trade shows for the year 2001 averaged between about $15,000.00 to about $20,000.00 per month, for 2002 amount to $673,296.00 annually, for 2003 amounted to $560,423.00 annually, for 2004 amounted to $966,805.00 annually and for 2005 amounted to $981,040.00 annually. Promotion of the mark among end users and resellers is through the Internet whereas print ads in the industry related media and displays at trade shows is essentially targeted toward resellers. Various examples of the print media advertisements are of record. See Declarations of Todd R. Moore dated March 9, 2006 at ¶ 4 and Declaration of Hockersmith at ¶¶ 4-10, 14, 20.

With respect to the Internet advertisements, applicant purchases keyword Internet banner ads (ads that appear as links on a search engine after a user has searched a keyword) and "pay-per-performance" ads, which allow a company to garner top ranking on a user's returned-search-result list. See Hockersmith Declaration ¶¶ 15-20. Success of Internet ads is often measured by the "click-through rate." During 2000 and 2001, applicant's banner ads appeared 75,000 times per month and enjoyed a click-through rate as high as 8% on search terms such as "metal building". A click-through rate of only 4% would

yield roughly 3,000 visits the applicant's website per month. See Hockersmith Declaration, exhibit 14. Applicant has presented evidence that every day of 2001, an average of 200 new users and 200 repeat users logged on to the STEELBUILDING.COM website to request price quotes. The daily averages during 2005 ranged between 1,600 visitors per day to over 3,000 visitors per day resulting in an eight to fifteen fold increase in daily traffic since 2001. Thus, the visitor traffic to applicant's STEELBUILDING.COM website ranged between 50,000 visitors per month to over 100,000 visitors per month during 2005. See Declaration of Todd R. Moore at ¶ 5. See also Michael Korybut, Online Auctions of Repossessed Collateral Under Article 9, 31 Rutgers L.J. 29, 54 (1999)("By targeting the specific market segment and continuous delivery over the Internet, online advertising can efficiently reach the appropriate audience, in sharp contrast to traditional mass marketing where the target audience is constantly exposed to advertisements in which they have no interest."). The examining attorney does not comment on why the volume of customers and visitors to applicant's website is insufficient to show distinctiveness of the mark among consumers nor does the examining attorney offer any evidence tending to show applicant's figures are not substantial.

The examining attorneys reliance on cases such as In re Redkin Laboratories, Inc., 170 USPQ 526 (TTAB 1971) and In re E.I Kane Inc., 221 USPQ 1203 (TTAB 1984) in discounting applicant's advertising expenditures is misplaced. The Redkin and Kane decisions were decided long before Internet advertising became a cost effective alternative to traditional advertising media, and their relevance to the facts of the present case is questionable.

The examining attorney also fails to comment on applicant's evidence regarding the Internet ranking of the STEELBUILDING.COM website as compared to its direct competitors. See Declarations of Todd R. Moore dated March 9, 2006, exhibit A. As can be seen, as of March 3, 2006 visitor traffic to the STEELBUILDING.COM website is greater than that of any of its competitors and among its competitors is currently ranked first in visitor traffic. The Yahoo.com website ranking is provided for purposes of comparison. Alexa.com is a source for comparative ranking of websites based upon Internet traffic data to the sites.

Applicant has also been prominently featured in the trade press for its innovative services. Applicant was featured in the October 2001 issue of *Metal Building Today*, the official

publication of the Associated Builders and Contractors having a circulation of 22,000 among contractors (resellers) who make up its membership. See Hockersmith Declaration at ¶ 8 and exhibit 8. The article discusses the unique nature of applicant's computerized engineering and pricing features. The article goes on to discuss the various reasons for success of the company and the relevant buyer class. Applicant was also the subject of a November 2000 cover article in *Metal Construction News*. See Hockersmith Declaration, exhibit 9. This article discusses the features of the website and the suitability of the services for resellers. Finally, the August 2001 issue of *Metalmag* discusses the expansion of applicant's product line and expansion into the mini storage building area. See Hockersmith Declaration, exhibit 10. Unsolicited critical acclaim is considered to be important evidence of secondary meaning. See American Ass'n for Advancement of Science v. Hearst Corp., 206 USPQ 605 (D.D.C. 1980). The record also includes numerous unsolicited customer emails received during 2000 and 2001 that are competent to show the relevant purchasing public understands the STEELBUILDING.COM mark identifies applicant's services as being separate from others. See Exhibit F. The examining attorney does not provide any comment regarding applicant's ranking relative to other

online providers, the unsolicited trade press articles or the unsolicited letters from customers.

Taken as a whole, the evidence submitted by applicant establishes STEELBUILDING.COM has acquired distinctiveness among the relevant consumer class.

V. CONCLUSION

Based upon the evidence of record, the Trademark Act, the decisions interpreting the same, and the reasons presented herein, applicant submits its STEELBUILDING.COM & Design and STEELBUILDING.COM THE FUTURE OF METAL BUILDINGS trademarks have acquired distinctiveness and are registrable on the Principal Register without the need for disclaimer. The final refusal should be reversed.

Respectfully submitted,

Date: *September 11, 2006*

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