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PRECEDENT OF THE T.T.A.B.**

Mailed: May 23, 2007

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Banana Republic (Apparel), LLC

Serial No. 78485048

Julie Gruber of GPS Services, Inc. for Banana Republic (Apparel), LLC.

Leigh A. Lowry, Trademark Examining Attorney, Law Office 104 (Chris Donninger, Managing Attorney).

Before Seeherman, Drost, and Bergsman, Administrative Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

Banana Republic (Apparel), LLC filed an intent-to-use application for the tortoise shell design shown below for the following goods and services, as amended:¹

Magnetic encoded cards and cards containing an integrated circuit chip, namely, smart cards containing programming used to purchase merchandise and services, in Class 9;

Administration of loyalty card incentive program to promote retail store services featuring apparel and fashion accessories, in Class 35; and,

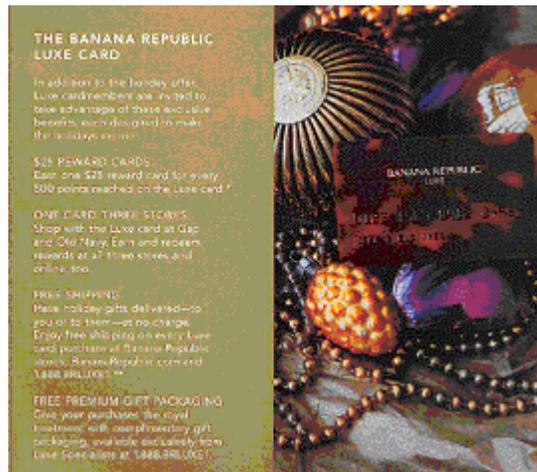
Credit card services, in Class 36.

¹ Application Serial No. 78485048, filed September 16, 2004.



The mark sought to be registered is "a credit card face with a translucent background consisting of the mottled colors orange, black and brown that represent a tortoise shell pattern."

During the prosecution of the application, applicant filed an amendment to allege use claiming October 11, 2004 as both the dates of first use anywhere and the first use in commerce for all three classes of goods and services. The specimen of use shown below is the same for all the classes of goods and services.²



² Although it is somewhat difficult to see in the reproduction in this opinion, a credit card featuring the tortoise shell design is presented in the middle of the right side of the advertisement.

Registration has been refused for two reasons:

1. The subject matter sought to be registered is merely ornamental and it does not function as a trademark (*i.e.*, the ornamentation refusal). Registration was therefore refused under Sections 1, 2, 3, and 45 of the Lanham Act, 15 U.S.C. §§ 1051, 1052, 1053, and 1127;³ and,
2. The specimen of use does not support the use of the tortoise shell design for the "administration of loyalty card incentive program to promote retail store services featuring apparel and fashion accessories," in Class 35.

The examining attorney contends that the tortoise shell design does not function as a trademark because it is a non-distinctive background design. To support the refusal, the examining attorney submitted web page

³ The examining attorney did not assert that applicant's tortoise shell design is a product design and that as such it could never be inherently distinctive, and this issue was not briefed. *Wal-Mart Stores, Inc. v. Samara Brothers Inc.*, 529 U.S. 205, 54 USPQ2d 1065, 1069 (2000). Thus, we have not addressed this issue. In any event, as part of our determination that applicant's mark is ornamental, we have found that the proposed mark is not inherently distinctive.

In addition, we note that the examining attorney never raised the question as to whether applicant's magnetic encoded cards and smart cards, in Class 9, are goods in trade, rather than simply a conduit through which applicant renders its loyalty card incentive award program services and credit card services. Accordingly, for purposes of rendering our decision herein, we have accepted that the magnetic encoded cards and smart cards are bona fide goods in trade in our analysis of the registrability of the mark. Cf. *Ex parte Bank of America National Trust and Savings Association*, 118 USPQ 165 (Comm'r Pats. 1958) (mark not registrable for passbooks, checks, and other printed forms, where forms are used only as necessary tools in the performance of banking services, and the applicant is not engaged in printing or selling forms as commodities in trade); *INB National Bank v. Metrohost Inc.*, 22 USPQ2d 1585, 1587 n.3 (TTAB 1992).

printouts from credit card companies offering consumers the opportunity to select background designs for their own credit cards.⁴

With respect to the specimen refusal, the examining attorney argues that although the specimens associate the proposed mark with a loyalty award program *per se*, they do not show use of the proposed mark in connection with a loyalty award program used to promote retail store services.

In response to the specimen refusal, applicant submitted a brochure/pamphlet showing use of the tortoise shell design in connection with the administration of a loyalty program.⁵ Representative pages from the substitute specimen are shown below:

⁴ The examining attorney submitted web pages from CapitalOne, FirstUSA, MBNA, First National Bank of Omaha, Discover Card, and AIMS Advantage American Express credit cards. The web pages displayed credit cards with different background designs.

⁵ The use of the brochure/pamphlet as of the filing date of the amendment to allege use was not supported by a declaration or affidavit. Therefore, although it can be used as further evidence of how the proposed mark is perceived, it is not acceptable as a specimen.



THE BANANA REPUBLIC LUXE CARD IS NOW WELCOME AT GAP AND OLD NAVY, TOO.

10% SAVINGS

Get off to a great start with the new Banana Republic Luxe card. Enjoy 10% savings on first store and online card purchases at Banana Republic, Gap and Old Navy.¹

\$25 REWARDS

With every card purchase at Banana Republic, Gap and Old Navy, earn points toward \$25 rewards—redeemable at all three stores and online. Get 1 point for every dollar spent on the card. 500 points = \$25 reward card.²

FREE ONLINE SHIPPING

Receive free shipping with every order at BananaRepublic.com, gap.com and oldnavy.com. Simply enter promotion code LUXE during checkout.³

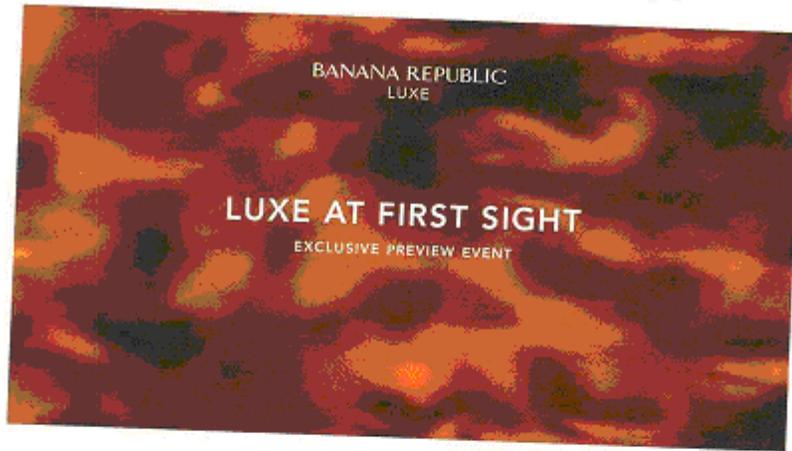
FREE ALTERATIONS

Enjoy free basic alterations on all card purchases, including sale items, at select Banana Republic stores and BananaRepublic.com.⁴

150 FREE POINTS

Sign up for email updates at BananaRepublic.com/luxe and earn 150 points when registering for the first time. Also, get a heads-up on the latest trends, newest arrivals and upcoming sales at Banana Republic.⁵

With respect to the ornamentation refusal, applicant argues that its proposed mark is not merely ornamental, and that "It primarily functions as an indication of source." (Applicant's Brief, p. 4). Applicant contends that through extensive promotion, such as direct mailings, invitations to store events, and coupons, it has drawn attention to the tortoise shell design as a trademark. Attached below are representative samples of those materials.



LUXE AT FIRST SIGHT
THE LUXE EXCLUSIVE PREVIEW EVENT
SUMMER 2006

Join us for an evening usually reserved for Luxe cardmembers to shop the best of summer and qualify for Luxe status. Spend \$200 on your Banana Republic card and we'll upgrade you to Luxe card membership.

REFRESHMENTS WILL BE SERVED

THURSDAY, MARCH 30, 2006 8-10PM	RSVP
New York 626 5th Avenue (Rockefeller Center)	R.S.V.P. to www.LuxeRSVP.com by March 28.
New Jersey 281 Garden State Plaza 5F L1-2	Your spontaneous attendance also warmly welcomed.
Washington DC 7937 Tyson's Corner	For any questions, please call the Luxe Priority Line at
Detroit 2800 W Big Beaver Road (Somerset)	888-BRLUXE1 (9 am-11 pm, EST; 6 am-8 pm, PST).
Atlanta 3393 Peachtree Road (Lenox Square)	

LIVE. LOVE. LUXE.

AT EAST 1006

THE BANANA REPUBLIC CARD

HOUSTON, WE HAVE LIT OFF

The Banana Republic Luxe card just got a whole lot hotter. That's because a new program for members in the Houston area will allow you to use the Luxe card at most Gap and OLN restaurants, too.

When the refusals were made final, applicant appealed. Applicant and the examining attorney filed briefs. We affirm the ornamentation refusal and reverse the specimen refusal.

A. Ornamentation Refusal

A decorative design may be both ornamental and a trademark when the design serves to advise the purchaser that the products or services identified by the design emanate from a single source. *In re E. J. Brach & Sons*, 256 F.2d 325, 118 USPQ 308, 309 (CCPA 1958) (if a design is inherently distinctive, and not mere background material, it may be registered without evidence of secondary meaning). *See In re Paramount Pictures Corp.*, 213 USPQ 1111, 1113 (TTAB 1982). Whether a design is merely ornamental or functions as a trademark is a matter of public perception. 1 McCarthy On Trademarks and Unfair Competition §7:24 (4th ed. 2006) ("If customers perceive a design only as pleasing ornamentation, then the design is not a trademark. If customers perceive a design as not only attractive, but as an indicator of source, then it is a trademark"). *See also, Tone Brothers Inc. v. Sysco Corp.*, 28 F.3d 1192, 31 USPQ2d 1321, 1331 (Fed. Cir. 1994) ("Thus, the focus of the inquiry is whether or not the

trade dress is of such a design that a buyer will immediately rely on it to differentiate the product from those of competing manufacturers; if so, it is inherently distinctive").

We believe that applicant's tortoise shell design is not inherently distinctive. We agree with the examining attorney that the tortoise shell design "serves only to enhance how the magnetically encoded cards and smart cards look, not to indicate source. Because consumers and the purchasing public can readily acquire such cards in a variety of background designs, consumers will not associate any particular source with a single background design."

(Examining Attorney's Brief, unnumbered page 6). In reaching this conclusion, we note that the proper test for determining whether the tortoise shell design is inherently distinctive involves consideration of such factors as whether the design is (i) a common basic shape or design; (ii) unique or unusual in the field; (iii) a mere refinement of a commonly-adopted and well-known form of ornamentation for particular goods or services viewed simply as decoration for the goods and services; or (iv) capable of creating a commercial impression distinct from the accompanying words. *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 196 USPQ 289, 291 (CCPA 1977).

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See also, In re File, 48 USPQ2d 1363, 1365 (TTAB 1998) (tubular lights running lengthwise down a bowling alley lane are merely decorative interior lighting and would not be perceived as a trademark); *In re F.C.F. Inc.*, 30 USPQ2d 1825, 1827 (TTAB 1994) (rose design packaging for cosmetics not inherently distinctive because it is simply a refinement of a basic, common, and well-known form of decoration or ornamentation for cosmetic packaging).

The record shows that a number of credit card issuers permit card holders to select background designs for their credit cards, and that background designs are varied and commonplace. The designs include, but are not limited to, animals, personal photographs and scenery, as well as geometric shapes such as angles, curves, and swirls.⁶ Thus, it is neither unique nor unusual for credit cards to feature ornamental background designs.

Applicant's tortoise shell design covers the entire card just like the designs displayed on the third-party credit cards. As so used, purchasers and prospective purchasers are not likely to regard the tortoise shell design as identifying and distinguishing applicant's goods

⁶ We note that in the web page featuring the AIMS Advantage American Express credit cards attached to the July 27, 2006 Trademark Office Action, one of the credit cards features a "marbling" design that is somewhat similar to applicant's tortoise shell design.

and services. *In re F.C.F. Inc., supra; In re Soccer Sport Supply Co., Inc.*, 507 F.2d 1400, 184 USPQ 345, 347 (CCPA 1975) (pentagon-shaped repetitive design applied to the entire surface of a soccer ball is not inherently distinctive). Moreover, because the use of background designs on credit cards appears to be widespread, and because the tortoise shell design is clearly decorative in nature, the public will perceive the tortoise shell design as a version or a refinement of a commonly used form of decoration for credit cards, not as a trademark.

Applicant argues that it has "strongly encouraged buyers to view the tortoise shell design as a source indicator by inundating customers with direct mailings, invitations to store events, coupons and other materials featuring the TORTOISE SHELL Design." (Applicant's Brief, p. 4). However, the tortoise shell design does not create a distinct commercial impression separate and apart from any writing that appears on the cards, and there is no evidence that applicant ever promoted or drew attention to the tortoise shell design so as to encourage consumers to view it as a trademark. See *In re Villeroy & Boch S.A.R.L.*, 5 USPQ2d 1451, 1454 (TTAB 1987).

Finally, applicant argues that its tortoise shell design is different from the third-party background designs

because applicant is the only credit card issuer that uses a tortoise shell design and because applicant's customers do not have a choice of backgrounds. Therefore, while applicant accepts that third-party credit card backgrounds are decorative because they represent the personal preference of users, applicant contends that its unique, mandatory, tortoise shell design identifies a single source. (Applicant's Brief, pp. 5-6).

The circumstances of applicant being the "one and only" user of a tortoise shell design for its goods and services is not the test for determining whether a mark is inherently distinctive.

If the concept of inherent distinctiveness was defined as meaning simply "one and only," then one could obtain a registration for a design which, while "unique" in this sense, differed only slightly from the designs of other competing products and/or containers. There would be no need that the applied for design have an "original, distinctive and peculiar appearance".

In re E S Robbins Corp., 30 USPQ2d 1540, 1542 (TTAB 1992), citing *In re McIlhenny Co.*, 278 F.2d 953, 126 USPQ 138, 140 (CCPA 1960) and *Ex parte Haig & Haig, Ltd.*, 118 USPQ 229, 230 (Ass't Comm'r 1958). See also, *In re File, supra*. In this case, not only is there no evidence that the tortoise shell background design has ever been promoted as a

trademark or service mark, but the evidence of record demonstrates that many credit card companies issue credit cards with decorative backgrounds. Therefore, applicant's use of a background design on its cards is not unique or unusual in the field, it is simply a refinement of an already existing practice.

We also note that this case presents a somewhat unusual situation because the ornamentation is being used in connection with services in addition to goods, and services normally cannot be "ornamented" because they are not tangible items. However, the mark at issue is the tortoise shell design on the face of a credit card/loyalty card, and the card is the means by which customers access applicant's services. Thus, the card is the physical embodiment of the services. Because, as previously discussed, the tortoise shell design on the credit cards does not function as a service mark because it is simply a decorative design, it will not be perceived as a mark for the identified services.

On the basis of the record before us, we conclude that applicant's tortoise shell design is not inherently distinctive and does not function as a trademark or service mark because (i) it is not unique or unusual in the field;

(ii) it is a mere refinement of the common practice of using background designs on credit cards; and, (iii) it does not create a commercial impression distinct from the written matter that appears on the cards.

B. The Specimen Refusal

The original specimen of record noted above is an advertisement appearing in a catalog promoting applicant's "Luxe" card. It features a photograph of the card displaying the tortoise shell design. The text accompanying the advertisement reads as follows, so far as pertinent:

THE BANANA REPUBLIC
LUXE CARD

In addition to the holiday offer,
Luxe cardmembers are invited to
take advantage of these exclusive
benefits, each designed to make
the holidays merrier.

* * * *

ONE CARD. THREE STORES.
Shop with the Luxe card at Gap
and Old Navy. Earn and redeem
rewards at all three stores and
online, too.

Contrary to the examining attorney's arguments, the original specimen of record clearly shows the proposed mark used in association with a loyalty card incentive program

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to promote retail store services. The advertisement states that the user may use the Luxe card at Banana Republic, Gap, and Old Navy stores to earn and redeem rewards. In view of the foregoing, the refusal to register the proposed mark in connection with the Class 35 services is reversed.

Decision: The refusal to register the proposed mark for the services in Class 35 on the ground that the specimen of record does not show use of the mark in connection with those services is reversed.

The refusal to register the tortoise shell design in Classes 9, 35, and 36 on the ground that the proposed mark does not function as a trademark pursuant to Sections 1, 2, 3 and 45 of the Lanham Act is affirmed.