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Subject: U.S. TRADEMARK APPLICATION NO. 85204813 - PPS PACESETTER PERSONNEL SERVICES - 1671.010 - EXAMINER BRIEF

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UNITED STATES PATENT AND TRADEMARK OFFICE (USPTO)

APPLICATION SERIAL NO. 85204813

MARK: PPS PACESETTER PERSONNEL SERVICES

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EXAMINING ATTORNEY'S APPEAL BRIEF

Statement of the Case

The applicant has appealed the examining attorney's refusal to register the mark PPS PACESETTER PERSONNEL SERVICES (& design) for use in connection with "administration of business payroll for others; Payroll preparation; Payroll processing services; Wage payroll preparation; Invoicing services; and Business management consulting and advisory services" (parent application Ser. No. 85/204813) and "Temporary help services, namely, furnishing of employees on a contract basis to persons or places of business requiring part-time or temporary help, namely, skilled and unskilled industrial and construction workers, office and factory workers, skilled technical personnel, general laborers and others; Consultancy of personnel recruitment; Human resources services, namely, personnel selection for others; Job and personnel placement; Personnel consultancy; Personnel placement and recruitment; Employment

hiring, recruiting, placement, staffing and career networking services" (child application Ser. No. 85/977047). The examining attorney refused registration of the child application Ser. No. 85/977047 based upon a likelihood of confusion with U.S. Reg. No. 1774392 for PPS used in connection with "pre-employment background screening services." The examining attorney refused registration of the parent application Ser. No. 85/204813 based upon a likelihood of confusion with U.S. Reg. No. 3765300 for PPS PREMIER PAYROLL SERVICES used in connection with "administration of a business payroll for others." Both likelihood of confusion refusals were made pursuant to Trademark Act Section 2(d), 15 U.S.C. §1052(d).

Statement of Facts

The original application in this case was filed on December 23, 2010, on the basis of use in commerce.

The examining attorney refused registration on March 23, 2011, on the ground of a likelihood of confusion with U.S. Reg. Nos. 3765330 and 1774392. The examining attorney also required an amended identification of services and disclaimer of "personnel services."

The applicant responded on Sept. 23, 2011, arguing against any likelihood of confusion, and agreeing to an amended identification of services and disclaimer.

On October 21, 2011, the examining attorney made final her refusal on the likelihood of confusion issues.

The applicant responded on April 17, 2012, with a request for reconsideration, a request to divide, and a notice of appeal.

The examining attorney denied reconsideration on June 4, 2012.

The application was divided on June 20, 2012. The examining attorney issued a subsequent final refusal on July 12, 2012, to confirm that a likelihood of confusion refusal applied to both the parent and the child applications. These appeals have been consolidated into a single action.

Issues

1. Is there a likelihood of confusion between PPS PACESETTER PERSONNEL SERVICES (& design) (Ser. No. 85/204813) for "Administration of business payroll for others; Payroll preparation; Payroll processing services; Wage payroll preparation; Invoicing services; and Business management consulting and advisory services" in International Class 35 and PPS PREMIER PAYROLL SERVICES (U.S. Reg. No. 3765330) for "administration of a business payroll for others" in International Class 35?
2. Is there a likelihood of confusion between PPS PACESETTER PERSONNEL SERVICES (& design) for "Temporary help services, namely, furnishing of employees on a contract basis to persons or places of business requiring part-time or temporary help, namely, skilled and unskilled industrial and construction workers, office and factory workers, skilled technical personnel, general laborers and others; Consultancy of personnel recruitment; Human resources services, namely, personnel selection for others; Job and personnel placement; Personnel consultancy; Personnel placement and recruitment; Employment hiring, recruiting, placement, staffing and career networking services" in International Class 35 and U.S. Reg. No. 1774392 for PPS for "pre-employment background screening services" in International Class 35?

Argument

I. Confusion is Likely Between Ser. No. 85/204813 and U.S. Reg. No. 3765330

In any likelihood of confusion determination, two key considerations are similarity of the marks and similarity or relatedness of the services. *See Federated Foods, Inc. v. Fort Howard Paper Co*., 544 F.2d 1098, 1103, 192 USPQ 24, 29 (C.C.P.A. 1976); TMEP §1207.01. That is, the marks are compared in their entireties for similarities in appearance, sound, connotation, and commercial impression. *In re Viterra Inc.*, 671 F.3d 1358, 1362, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (quoting *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 USPQ 563, 567 (C.C.P.A. 1973)); TMEP §1207.01(b)-(b)(v). Additionally, the services are compared to determine whether they are similar or commercially related or travel in the same trade channels. *See Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1369-71, 101 USPQ2d 1713, 1722-23 (Fed. Cir. 2012); TMEP §1207.01(a)(vi).

In the present case, confusion is likely between PPS PACESETTER PERSONNEL SERVICES (Ser. No. 85/204813) and PPS PREMIER PAYROLL SERVICE because (1) both marks have as their dominant portion the letters PPS, (2) the overall commercial impression for both marks is of the letters PPS followed by a laudatory word and then wording that names the services, and (3) the marks cover identical services.

A. The Parties' Services Are Identical

Where the services of an applicant and registrant are "similar in kind and/or closely related," the degree of similarity between the marks required to support a finding of likelihood of confusion is not as great as in the case of diverse services. *In re J.M.*

Originals Inc., 6 USPQ2d 1393, 1394 (TTAB 1987); TMEP §1207.01(b). In this case, U.S. Reg. No. 3765330 covers "administration of business payroll for others." The Ser. No. 85/204813 covers, "Administration of business payroll for others." When the parties' services are identified identically, it is assumed that the services will travel in the same channels of trade and reach the same class of purchasers. *Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261, 1267, 62 USPQ2d 1001, 1004 (Fed. Cir. 2002). The fact that the marks will be encountered by the same potential purchasers in the same types of places makes the likelihood of confusion that much greater. A consumer who already has purchased a particular type of service in a particular channel of trade will be likely to assume that identical services, found in the same channel of trade, come from the same source when the services are similarly named.

B. <u>The letters PPS are the Dominant Portion of Both Marks</u>

In both marks, the letters PPS are displayed in larger type than any other portion of the mark. These letters also appear first. Consumers are generally more inclined to focus on the first word, prefix or syllable in any trademark or service mark. *See Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F. 3d 1369, 1372, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005).

Beyond that, well-established case law has held that marks may be judged confusingly similar based upon a common first word or prefix alone. Thus, the Federal Circuit found a likelihood of confusion between KANGOL for golf shirts and KangaROOS for athletic shirts based upon the common prefix "Kang." *Kangol Ltd. v. KangaROOS U.S.A., Inc.*, 974 F.2d 161, 23 USPQ2d 1945 (Fed. Cir. 1992). Similarly, the Seventh Circuit found ARM & HAMMER confusingly similar to ARM IN ARM for

deodorant, despite the presence of very dissimilar distinctive wording following the common prefix. *Helene Curtis Indus., Inc. v. Church & Dwight Co., Inc.,* 195 USPQ 218, 560 F.2d 1325 (7th Cir. 1977), *cert. denied* 434 U.S. 1070 (1978).

Further, in the applicant's mark, "personnel services" has been disclaimed. In the registrant's mark, "premier payroll service" has been disclaimed. Although marks are compared in their entireties, one feature of a mark may be more significant or dominant in creating a commercial impression. *See In re Viterra Inc.*, 671 F.3d 1358, 1362, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012); TMEP §1207.01(b)(viii), (c)(ii). Disclaimed matter is typically less significant or less dominant when comparing marks. *See In re Dixie Rests., Inc.*, 105 F.3d 1405, 1407, 41 USPQ2d 1531, 1533-34 (Fed. Cir. 1997); TMEP §1207.01(b)(viii), (c)(ii).

C. **The Marks Create Similar Commercial Impressions**

The overall commercial impression created by each of the marks is of the letters PPS followed by a laudatory "p" word and the generic name of the services. It is as if the marks each create a sentence – "the PPS firm is a PACESETTER[1] for personnel services!" or "the PPS firm is the PREMIER provider of payroll services!" Overall, the common use of PPS, followed by a laudatory "p" word and wording that states the name of the services is more similar than different, despite the use of "pacesetter" versus "premier."

When comparing marks, the test is not whether the marks can be distinguished in a side-by-side comparison, but rather whether the marks are sufficiently similar in their

[1] The applicant has included a definition of "pacesetter" as "a model to be imitated." (Br. at 11 and Exhibit A). This definition strongly suggests that "pacesetter" is a laudatory term deserving of a narrow scope of protection. *See In re Nett Designs, Inc.*, 236 F.3d 1339, 1342, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001) (holding THE ULTIMATE BIKE RACK merely laudatory and descriptive of applicant's bicycle racks being of superior quality).

entireties that confusion as to the source of the services offered under applicant's and registrant's marks is likely to result. *Midwestern Pet Foods, Inc. v. Societe des Produits Nestle S.A.*, 685 F.3d 1046, 1053, 103 USPQ2d 1435, 1440 (Fed. Cir. 2012); TMEP §1207.01(b). The focus is on the recollection of the average purchaser, who normally retains a general rather than specific impression of trademarks. *L'Oreal S.A. v. Marcon*, 102 USPQ2d 1434, 1438 (TTAB 2012); TMEP §1207.01(b).

To recognize that the similarities between the marks outweigh their differences is not to violate the anti-dissection rule. "In articulating reasons for reaching a conclusion on the issue of confusion, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on consideration of the marks in their entireties." *In re Nat'l Data Corp.*, 753 F.3d 1056, 224 USPQ 749 (Fed. Cir. 1985). In this regard, it should be noted that all of the wording other than the letters PPS has been disclaimed from the cited registration. Disclaimed matter is typically less significant or less dominant when comparing marks. *See In re Dixie Rests., Inc.*, 105 F.3d 1405, 1407, 41 USPQ2d 1531, 1533-34 (Fed. Cir. 1997); TMEP §1207.01(b)(viii), (c)(ii). This is because a disclaimer covers matter that is either descriptive or generic. Such wording cannot function as an indicator of source. *See* TMEP §1213.03(a). The TMEP states that consumers are "more likely to perceive a fanciful or arbitrary term, rather than a descriptive or generic term, as the source-identifying feature of the mark." TMEP §1207.01(b)(viii)(*citing In re Nat'l Data Corp.*, 753 F.2d 1056, 1058, 224 USPQ 749, 750-51 (Fed. Cir. 1985).

In this context, the applicant's argument that the letters PPS are weak or descriptive must be addressed. In the cited registration, they are the registrable portion of the mark – all other wording has been disclaimed. While the applicant has presented some evidence that, in certain contexts, the letters PPS may stand for wording that has a descriptive meaning, the letters PPS are not descriptive here. The applicant's evidence shows that in some instances, the letters PPS may stand for "payroll and personnel solutions." Elsewhere in its brief, the applicant states that these letters stand for "payroll personnel systems." (Br. at 18-19). Thus, even the applicant concedes that the letters have no one descriptive meaning.

As used in the cited registration, the letters clearly are intended to stand for "premier payroll service," while in the instant application they clearly represent, in context, "pacesetter personnel services." Again, this shows the letters have no single descriptive meaning. Put another way, if the examining attorney chooses to produce a jewelry line using her initials – DLC -- the important thing is that, in context, those letters stand for "Doritt Lee Carroll." It is irrelevant that, in a completely different context, they might also stand for Democratic Leadership Council or Department of Liquor Control.

The case law strongly supports the view that, even where the underlying wording may be descriptive, the initialism resulting from that wording may function as a distinctive mark. *See Modern Optics, Inc. v. The Univis Lens Co.*, 110 USPQ 293, 234 F.l2d 504 (CCPA 1956) (initials that stand for combinations of descriptive words may be registrable, distinctive marks). As the Board explained in *Baroness Small Estates, Inc. v. Am. Wine Trade, Inc.*, 104 USPQ2d 1224 (TTAB 2012), even when initials are derived from generic wording, and consumers are able to understand from context that this is

true, the initials themselves may not descriptive. In fact, the fact that consumers in that case had to reason backwards to realize that the letters CMS stood for a wine composed of cabernet, merlot, and syrah, actually was evidence that the letters CMS were suggestive, since thought and analysis were required to make sense of their meaning. The same is true in the present case. Consumers confronted with the letters PPS, displayed in a large and prominent fashion, will first see these letters as the dominant portion of the trademark. Next, they may reach the conclusion that the letters are an acronym for "pacesetter personnel services" or "premier payroll services." The evidence, however, simply does not support the conclusion that the letters have a single descriptive meaning, or that any possible descriptive meaning is known to consumers.

Because the marks have an identical dominant portion, create similar commercial impressions, and cover identical services, the refusal to register Ser. No. 85/204813 should be affirmed.

II. **Confusion is Likely Between Ser. No. 85/977047 and U.S. Reg. No. 1774392**

Confusion is likely between the child application, Ser. No. 85/977047 and U.S. Reg. No. 1774392 because both marks have in common their dominant feature and because the examining attorney has demonstrated that the services are related.

A. **The Letters PPS are the Dominant Portion of Both Marks**

The cited registration is comprised exclusively of the letters PPS. There can be no question that they are the dominant portion of this mark.

The letters PPS also are the dominant portion of the applicant's mark. They are displayed in larger type and appear first. Consumers are generally more inclined to focus on the first word, prefix or syllable in any trademark or service mark. *See Palm Bay Imps.*,

Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772, 396 F. 3d 1369, 1372, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005).

The applicant correctly has agreed to disclaim "personnel services." Disclaimed matter is typically less significant or less dominant when comparing marks. *See In re Dixie Rests., Inc*., 105 F.3d 1405, 1407, 41 USPQ2d 1531, 1533-34 (Fed. Cir. 1997); TMEP §1207.01(b)(viii), (c)(ii).

The applicant simply has added material to the existing mark. The mere addition of a term to a registered mark generally does not obviate the similarity between the marks nor does it overcome a likelihood of confusion under Trademark Act Section 2(d). *See In re Chatam Int'l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944 (Fed. Cir. 2004) (GASPAR'S ALE and JOSE GASPAR GOLD); TMEP §1207.01(b)(iii). As explained in the case of *In re Toshiba Med. Sys. Corp.*, 91 USPQ 2d 1266, 1272 (TTAB 2009), the impact of the applicant's additional wording may actually increase confusion, by identifying to consumers the "previously anonymous source" of the PPS services – PACESETTER. For this reason, the applicant's addition of wording to the existing registration for PPS does not avoid a likelihood of confusion.

B. **The Evidence Shows that the Parties' Services are Closely Related**

Where the services of an applicant and registrant are "similar in kind and/or closely related," the degree of similarity between the marks required to support a finding of likelihood of confusion is not as great as in the case of diverse services. *In re J.M. Originals Inc.*, 6 USPQ2d 1393, 1394 (TTAB 1987); TMEP §1207.01(b).

The examining attorney has made of record substantial evidence that the pre-employment background screening services offered by the registrant are related to the

personnel placement and recruitment services of the applicant, and in fact relate to all of the services listed in the child application, Ser. No. 85/977047. The examining attorney's evidence includes the following screen captures, taken from the web sites of entities that provide both services under a single mark:

1. Screen capture from Careerlab.com, offering both background screening and testing and interviewing of potential job candidates. (attachment to office action dated 10/21/11 pp. 2-5)
2. Screen capture from Ceridian.com touting "recruitment [and] screening" services. (attachment to office action dated 10/21/11 pp. 6-8)
3. Screen capture from jci-inc.net offering both the "recruitment of leaders and top tier executives" and "candidate research, screening and background checks" (attachment to office action dated 10/21/11 pp. 9-10)
4. Screen capture from murrayresources.com offering "recruiting," "screening" and "testing" of potential hires(attachment to office action dated 10/21/11 pp. 11-13)
5. Screen capture from accurateplacement.com stating that the firm offers "hiring, recruiting, screening, testing and temporary staffing needs." (attachment to office action dated 10/21/11 p. 14)
6. Screen capture from luxyachts.com offering yacht crew placement services and background screening of potential crew members (attachment to office action dated 6/4/12 p. 2)
7. Screen capture from theophanystaffing.com offering employment referral and candidate screening services (attachment to office action dated 6/4/12 p. 3-4)
8. Screen capture from dentaldynamicstaffing stating, "We can help you with full time placement, temporary staff, payroll services and pre-hire background screening and licensure." (attachment to office action dated 6/4/12 pp. 5-7)
9. Screen capture from executive-placement.com stating, "In addition to our nationwide Executive Recruitment services, we also offer our clients a variety of employee screening services." (attachment to office action dated 6/4/12 pp. 8-9)

This evidence demonstrates that the applicant's and the registrant's services are closely related, by showing that a large number of companies offer both services under a single mark. A reasonable consumer therefore easily could believe that a single entity was responsible for both the PPS background screening service and the PPS PACESETTER

recruitment services,

and that the addition of "pacesetter" simply clarified the origin of the services previously known only as PPS. The examining incorporates herein by reference arguments stated in connection with the parent application, to the effect that the letters PPS are neither descriptive nor generic, and in fact constitute a strong mark.

III. **The Applicant's Evidence Does Not Demonstrate that the Relevant Consumers are Sophisticated About Trademarks**

The applicant has made of record certain exhibits that discuss the use of outside payroll and recruitment firms. These articles advise employers to investigate carefully before selecting a contractor to perform such services. The articles, however, say nothing about the purchasers' sophistication about trademarks. A case presenting similar facts was *Weiss Assoc., Inc. v. HRL Assoc., Inc.*, 14 USPQ 1840 (Fed. Cir. 1990). In that case, the court assessed the likelihood of confusion between the mark TMM and the marks TMS and TMS TOTAL MAINTENANCE SYSTEM, both for software for use by professionals in property management. The Board held, and the Federal Circuit affirmed that, even though the professional purchasers of these products were knowledgeable and chose them carefully, they nonetheless were susceptible to confusion due to the similarities of the marks on their faces. The Federal Circuit noted that such confusion was particularly likely where combinations of letters were involved.

The same could be said here. The marks share a distinctive combination of letters. The applicant simply has added material to an existing mark. Moreover, the evidence demonstrates that potential purchasers, even those sophisticated in the market for these types of services, would expect to see such services offered together by a single company. For this reason, the common use of the letters PPS in connection with the

closely related services of personnel recruitment and background screening creates a likelihood of confusion.

In the case of the parent application, where the parties' services are identical, the likelihood of confusion is even greater.

Conclusion

The marks covered by Ser. No. 85/204813 and U.S. Reg. No. 3765330 are confusingly similar because they cover identical services, possess an identical dominant portion, and create similar overall commercial impressions.

The marks covered by Ser. No. 85/977047 and U.S. Reg. No. 1774392 are confusingly similar because they share an identical dominant feature and because the parties' services are related. **Accordingly:**

1. The refusal to register Ser. No. 85/204813 on the ground of a likelihood of confusion with U.S. Reg. No. 3765330 should be *affirmed.*
2. The refusal to register Ser. No. 85/977047 on the ground of a likelihood of confusion with U.S. Reg. No. 1774392 should be *affirmed.*

Respectfully submitted,

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