

This Opinion is Not a
Precedent of the TTAB

Mailed: January 5, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

—
Trademark Trial and Appeal Board

—
In re SBE Licensing, LLC

—
Serial No. 86135841

—
Lee J. Eulgen and Andrew S. Fraker of Neal, Gerber & Eisenberg LLP
for SBE Licensing.

Roger T. McDorman, Trademark Examining Attorney, Law Office 109,
Michael Kazazian, Managing Attorney.

—
Before Adlin, Heasley and Lynch,
Administrative Trademark Judges.

Opinion by Adlin, Administrative Trademark Judge:

SBE Licensing, LLC (“Applicant”) seeks registration of the mark shown below



for “restaurant, café, coffee, tea, and juice bar services.”¹ The Examining Attorney refused registration under Section 2(d) of the Act on the ground that Applicant’s mark

¹ Application Serial No. 86135841, filed December 5, 2013 under Section 1(b) of the Trademark Act based on an alleged intent to use the mark in commerce. The application includes this description of the mark: “The mark consists of the stylized wording THE PERQ

so resembles the registered mark PERQS, in standard characters² and the form shown below



3

for “coffee supply services for offices,” that use of Applicant’s mark in connection with Applicant’s services is likely to cause confusion or mistake or to deceive. After the refusal became final, Applicant appealed and filed a request for reconsideration which was denied. Applicant and the Examining Attorney filed briefs.

Our determination under Section 2(d) is based on an analysis of all probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973); *see also In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the services. *See Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29

with an incomplete rectangle border surrounding the word PERQ and the incomplete border broken by the word THE.”

² Registration No. 4124184, issued April 10, 2012.

³ Registration No. 4117254, issued March 27, 2012. This registration includes disclaimers of QUALITY and COFFEE SERVICE and includes this description of the mark: “The mark consists of the word ‘perQs’, lower case ‘p’ ‘e’ ‘r’ and ‘s,’ with the upper-case word ‘QUALITY’ inside of the upper case ‘Q’ of ‘perQs’; the term ‘COFFEE SERVICE’ is under the word ‘perQs’; the word ‘perq’ followed by ‘p’ ‘upside down e’ ‘r’ and ‘k’ within parenthesis, followed by a semicolon and the word ‘benefit’ is located under the term ‘COFFEE SERVICE’.”

(CCPA 1976) (“The fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks.”).

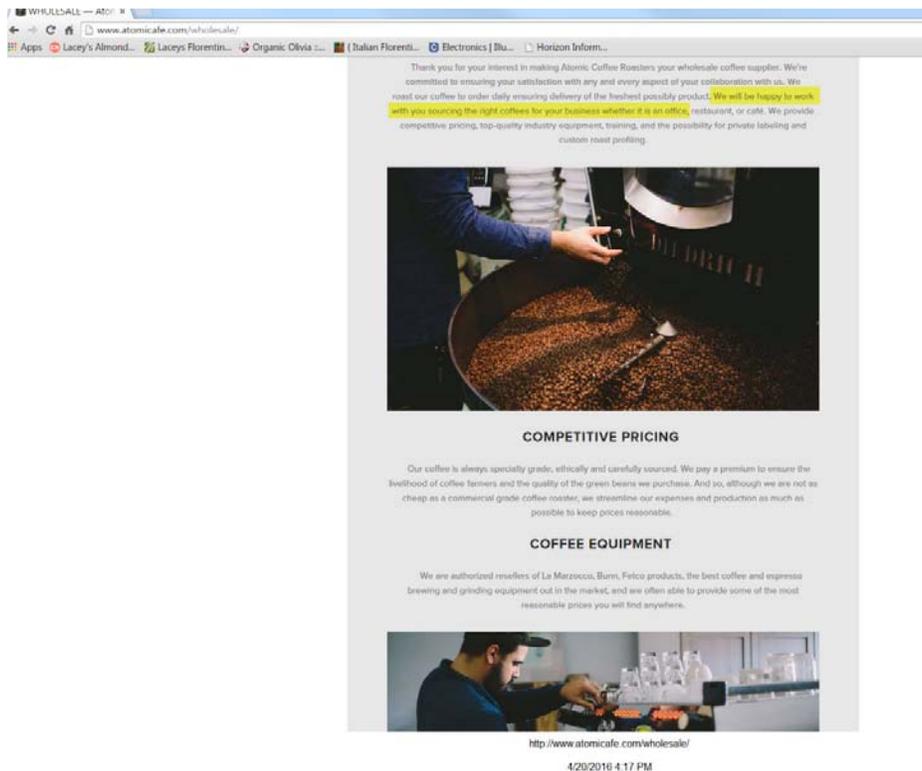
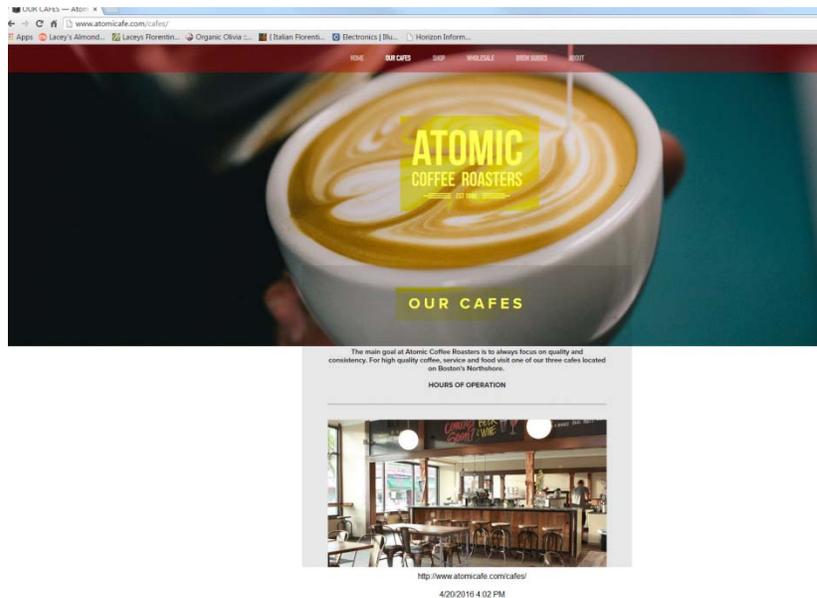
Here, the services are legally identical, because Applicant’s broadly identified “coffee services” encompass Registrant’s more narrowly identified “coffee supply services for offices.” *See In re Integrated Embedded*, 120 USPQ2d 1504, 1514 (TTAB 2016). This factor therefore weighs heavily in favor of a finding of likelihood of confusion.

Moreover, we must presume that the channels of trade and classes of purchasers for these legally identical services are the same. *See In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (even though there was no evidence regarding channels of trade and classes of consumers, the Board was entitled to rely on this legal presumption in determining likelihood of confusion); *In re Yawata Iron & Steel Co., Ltd.*, 403 F.2d 752, 159 USPQ 721, 723 (CCPA 1968) (where there are legally identical goods, the channels of trade and classes of purchasers are considered to be the same); *American Lebanese Syrian Associated Charities Inc. v. Child Health Research Institute*, 101 USPQ2d 1022, 1028 (TTAB 2011). This factor therefore also weighs heavily in favor of finding a likelihood of confusion.

Even if Applicant’s services did not encompass Registrant’s, the evidence establishes that the services are very closely related. For example, the Examining Attorney introduced website printouts establishing that Atomic Café, Café Kubal, Coastal Peaks Coffee, Gimme! Coffee, Grassroots Coffee, ink! Coffee, Parisi Artisan

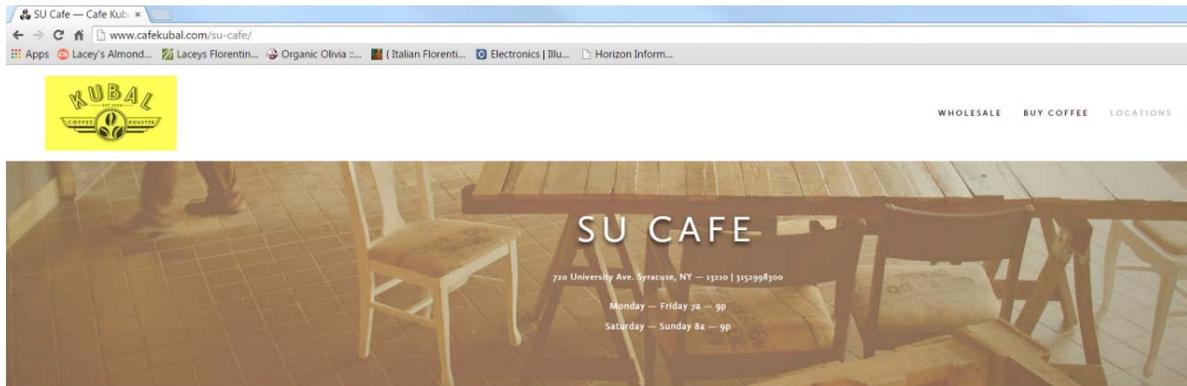
Serial No. 86135841

Coffee, Intelligentsia Coffee, Coffee Bar, Starbucks, Caribou Coffee, Peet's and Seattle's Best Coffee all operate cafés, which is included in Applicant's identification of services, and provide coffee to offices, which is Registrant's identification of services. The following examples are representative:



Serial No. 86135841

Similarly:



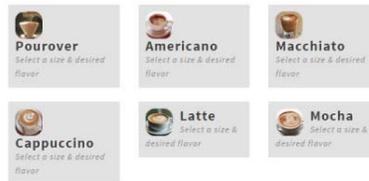
SU KUBAL QUICK PICKS

1. Choose one of these popular items here

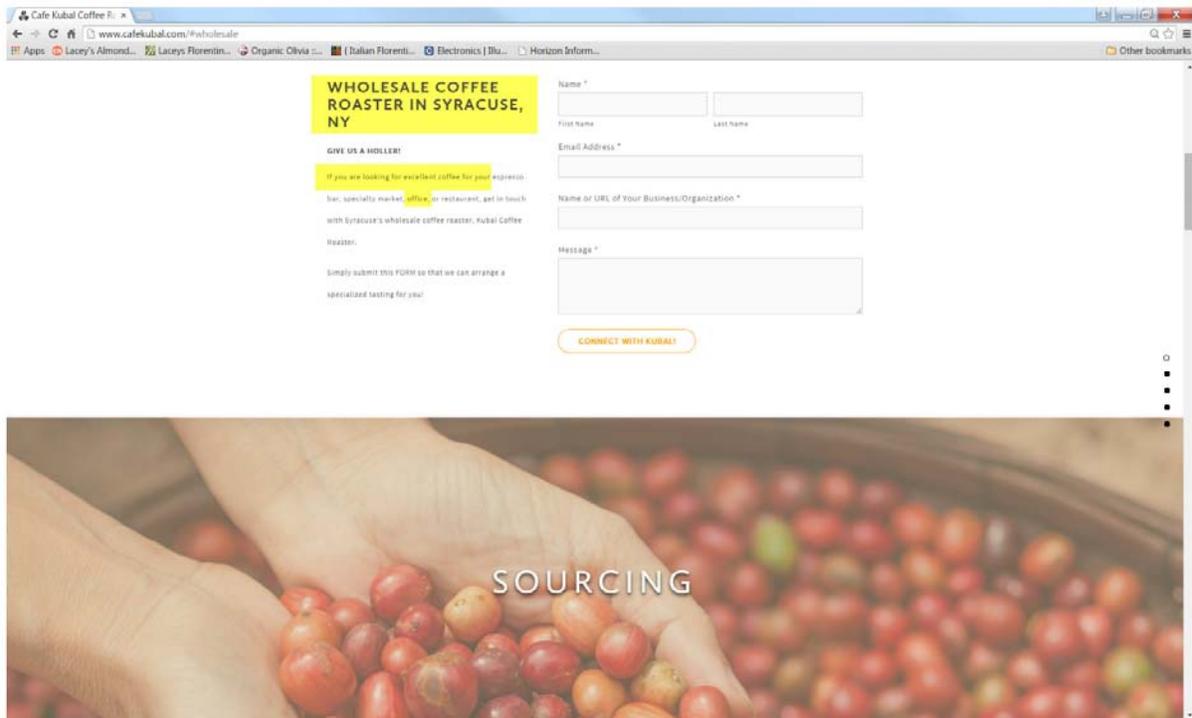
(or order from the complete menu below)

2. Customize your drink if desired

3. Place the order and pick up in-store in just 20 min!

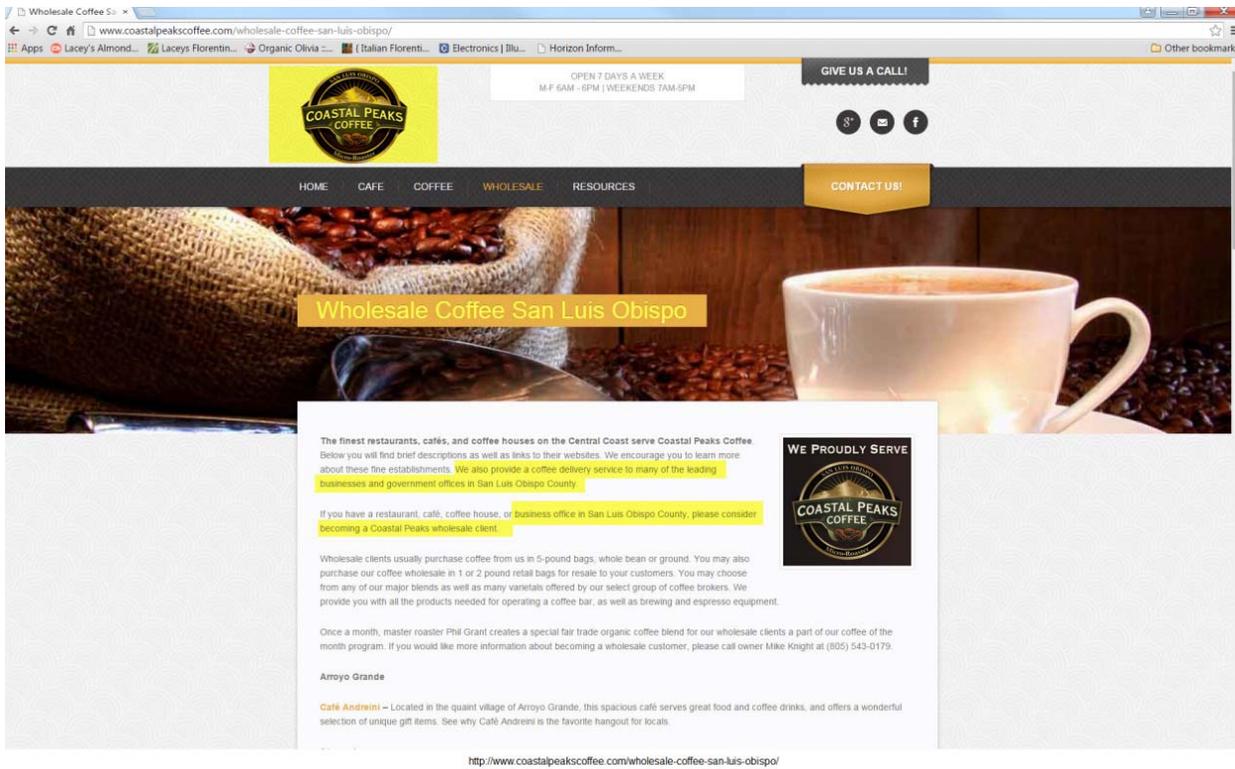
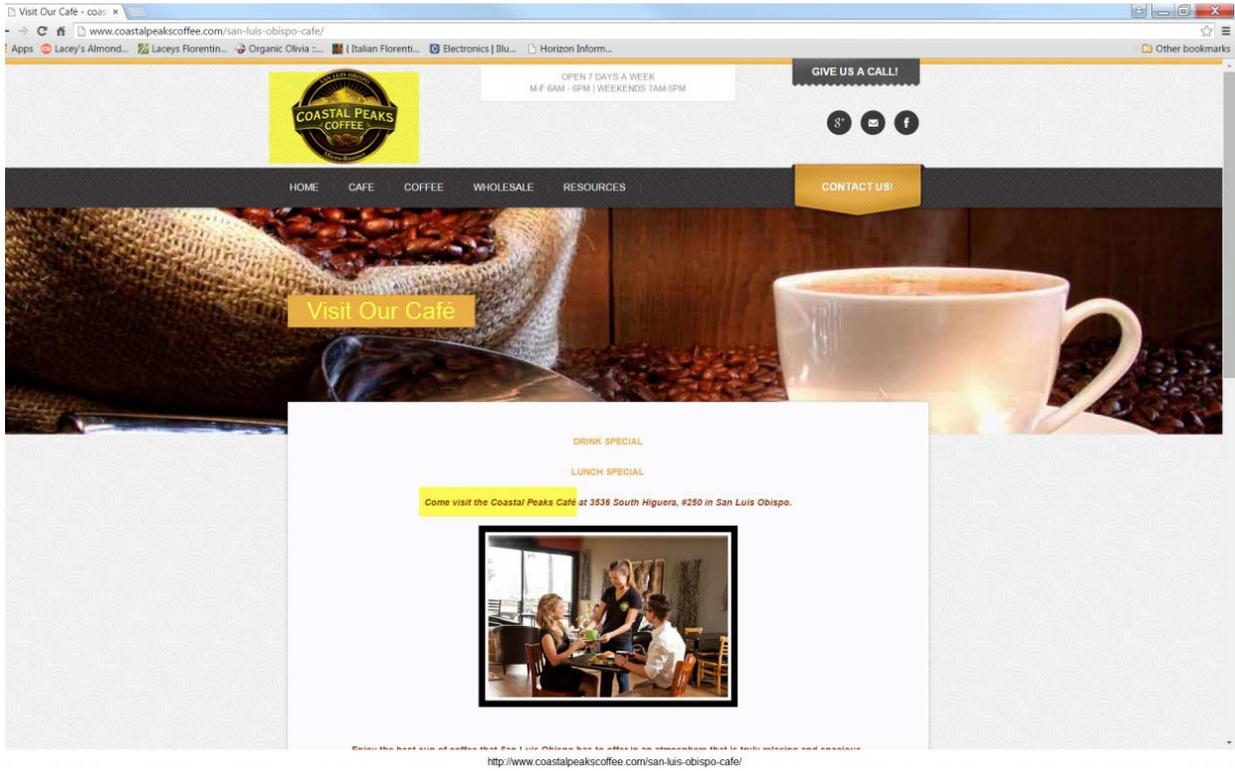


<http://www.cafekubal.com/su-cafe/>



<http://www.cafekubal.com/wholesale>

Finally:



Denial of Request for Reconsideration of April 28, 2016; Office Actions of March 20, 2014 and October 6, 2015.

Furthermore, the Examining Attorney introduced third-party registrations suggesting that third parties use a single mark to identify both Applicant's and Registrant's services, including:


Caffe Ladre (Reg. No. 3600959) is registered for "coffee services, namely, office coffee supply services featuring espresso; coffee services, namely, coffee shops featuring espresso."


(Reg. No. 3816353) is registered for "coffee bars; coffee shops; coffee supply services for offices; coffee-house and snack-bar services."


(Reg. No. 3847227) is registered for "hotel, restaurant, café, tea house, coffee house, catering, coffee shop, and office coffee supply services."

YOU DESERVE IT! in standard characters (Reg. No. 3525758) is registered for "coffee services, namely, coffee supply services, office coffee supply services; restaurants and restaurant services."

GROUNDS FOR A BETTER WORLD in standard characters (Reg. No. 4009199) is registered for "restaurant, café, cafeteria, snack bar, coffee bar and coffee house, carry out restaurant, and take out restaurant services; catering services; coffee supply services for offices."

PUSHCART COFFEE in standard characters (Supplemental Register Reg. No. 4310822) is registered for "coffee bars; coffee shops; coffee supply services for office;

restaurant and café services featuring coffee and pastries
....”

SANTA BARBARA ROASTING COMPANY in standard characters (Reg. No. 4282348) is registered for “café services; coffee bars; coffee shops; coffee supply services for offices”



(Reg. No. 4180905) is registered for “restaurant, café, cafeteria, snack bar, coffee bar and coffee house ... services ... coffee supply services for offices.”

Office Action of November 30, 2015. “Third-party registrations which cover a number of differing goods and/or services, and which are based on use in commerce, although not evidence that the marks shown therein are in use on a commercial scale or that the public is familiar with them, may nevertheless have some probative value to the extent that they may serve to suggest that such goods or services are of a type which may emanate from a single source.” *In re Mucky Duck Mustard Co., Inc.*, 6 USPQ2d 1467, 1470 n.6 (TTAB 1998); *see also In re Davey Prods. Pty. Ltd.*, 92 USPQ2d 1198, 1203 (TTAB 2009).

Not only does this evidence establish a close relationship between the services, but it also shows, in the third-party webpages, that a number of companies promote their cafes and coffees shops on the same websites as they promote their coffee supply services for offices. Moreover, purchasers or drinkers of office coffee may be inclined to purchase the same coffee in restaurants or cafes, or *vice versa*. Therefore, to the

extent the services are found not to be legally identical, they are at least closely related, and travel in the same channels of trade to the same classes of purchasers.⁴

As for the marks, they are similar “in their entirety as to appearance, sound, connotation and commercial impression.” *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1691 (Fed. Cir. 2005) (quoting *du Pont*, 177 USPQ at 567). Indeed, the dominant portion of both Applicant’s mark and Registrant’s marks is PERQ/PERQS. The cited standard character mark contains no other wording and can be presented in the same font as Applicant’s mark. *In re Viterra Inc.*, 101 USPQ2d at 1909-10. The “incomplete rectangle border surrounding the word PERQ” in Applicant’s mark is not distinctive, and merely serves to highlight the term PERQ. The term “the,” besides being significantly smaller than the term PERQ, merely modifies PERQ, and is not distinctive. *Cf. In re Thor Tech Inc.*, 90 USPQ2d 1634, 1635 (TTAB 2009) (finding WAVE and THE WAVE to be confusingly similar, stating “[t]he addition of the word ‘The’ at the beginning of the registered mark does not have any trademark significance. ‘The’ is a definite article. When used before a noun, it denotes a

⁴ Applicant’s argument that it intends to offer its services only “in a hotel casino” is not tenable, because this limitation is not reflected in Applicant’s identification of services. *See Stone Lion Capital Partners, L.P. v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1163 (Fed. Cir. 2014) (“Parties that choose to recite services in their trademark application that exceed their actual services will be held to the broader scope of the application.”); *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 62 USPQ2d 1001, 1004 (Fed. Cir. 2002); *Octocom Systems, Inc. v. Houston Computers Services, Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990); *In re Elbaum*, 211 USPQ 639, 640 (TTAB 1981).

particular person or thing.”); *In re Narwood Productions, Inc.*, 223 USPQ 1034 (TTAB 1984).

As for the cited stylized mark, the terms QUALITY and COFFEE SERVICE are descriptive, disclaimed and entitled to less weight in our analysis. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1846 (Fed. Cir. 2000) (“Regarding descriptive terms, this court has noted that the ‘descriptive component of a mark may be given little weight in reaching a conclusion on the likelihood of confusion.’”) (quoting *In re Nat’l Data*, 224 USPQ at 752); *In re Dixie Rests., Inc.*, 105 F.3d 1405, 41 USPQ2d 1531, 1533-34 (Fed. Cir. 1997); *In re Binion*, 93 USPQ2d 1531, 1534 (TTAB 2009) (BINION’S, not disclaimed word ROADHOUSE, is dominant element of BINION’S ROADHOUSE); *In re Code Consultants, Inc.*, 60 USPQ2d 1699, 1702 (TTAB 2001) (disclaimed matter is often “less significant in creating the mark’s commercial impression”). Furthermore, the inclusion of “perq (perk): benefit” in Registrant’s stylized mark only serves to highlight and thus enhance the dominance of the shared term PERQ/PERQS.

Some consumers may perceive different meanings from the two marks, because in Applicant’s PERQ stands alone, is undefined, and in the context of coffee could be interpreted as suggesting the term “perk” as in “perk up,” or, as Applicant argues, the “percolation process,” while in Registrant’s mark PERQ is explicitly defined as a “benefit.” However, other consumers could perceive the term PERQ in Applicant’s mark as also conveying that Applicant’s services, which are legally identical to Registrant’s, also provide a “benefit.” Indeed, this definition from Registrant’s mark

is derived from the complete word “perquisite,” so Applicant’s spelling of the term as PERQ is more in keeping with that definition than the definitions of “perk” or “percolation.” In any event, to the extent some consumers take different meanings from the marks, this is not enough to outweigh the close similarities in how the marks look and sound, given that they share the dominant term PERQ/PERQS. While Applicant and Registrant stylize their marks somewhat differently, neither stylization is particularly distinctive so as to meaningfully distinguish the marks from each other. In short, the marks’ similarities in sight and sound due to sharing forms of the same dominant term outweigh any perceived dissimilarities in meaning, and this factor also weighs in favor of finding a likelihood of confusion. This is especially so with respect to Registrant’s standard character mark.

Applicant argues that Registrant’s mark is weak, relying on a number of third party registrations. However, the third party registrations of record do not support the argument, because the marks or goods and services, or both, are different than those in this case:

<u>Registration No.</u>	<u>Mark</u>	<u>Goods/Services</u>
1273782	PERC (typed)	food seasoning
2286891	KID PERKS (typed) ⁵	restaurant services
2664417	 ⁶	restaurant services
3375669	UNION PERKS (standard characters)	coffee shops; coffee-house and snack-bar services

⁵ This registration is owned by Perkins & Marie Callender’s Inc.

⁶ This registration is owned by Time Warner Entertainment Company, L.P.

3432402	UNION PERKS (standard characters) ⁷	coffee cups
4344087	DAILY PERK (standard characters)	Coffee
4400065	PERC COFFEE (standard characters)	coffee; coffee beans
4482136	PERQ (standard characters)	dietary and nutritional supplements; dietary supplements; nutritional supplements; pharmaceutical preparations for the treatment of bone, digestion, energy, pain, weight, endurance, sleep, stress, hair skin, and nail issues
4495729	PERC (standard characters)	alcoholic beverages, namely, distilled spirits
4495762		beverages, namely, coffee-based beverages

Office Action Response of July 23, 2014.⁸ As the Examining Attorney points out:

... the thing that makes the parties' marks visually distinguishable from similar-sounding PERC/K-formative marks – the use of the letter Q instead of C or K – is the precisely (sic) the reason the parties' marks are confusingly similar to each other in appearance. That is, while the use of the Q to spell the parties' marks enables consumers to distinguish the marks from phonetically equivalent PERC/K-formative marks, it also increases the likelihood of confusion, because spelling PERQ with a Q makes the marks highly similar to each other in appearance ... contrary to applicant's assertion, the field of confusingly similar marks, i.e., PERQ or PERQS, spelled with a Q, being used for goods or services that may be properly

⁷ The UNION PERKS registrations are commonly owned.

⁸ Applicant's reliance on lists of "live" and "dead" applications and registrations for additional marks which contain the term PERK, or in a relative few instances the term PERQ, for unspecified goods and services, is misplaced. Mere lists are not probative of commercial weakness. *In re Jump Designs, LLC*, 80 USPQ2d 1370, 1372 (TTAB 2006).

considered similar or closely related to those at issue, i.e., those involving coffee, is not crowded, but consists solely of the applicant's and registrant's PERQ-formative marks.

Examining Attorney's Appeal Brief, 9 TTABVue 10-11.⁹

Applicant also argues, without evidentiary support, that Registrant's customers are "supply purchasing managers for companies or office buildings. These consumers enter into carefully considered contractual agreements ... because such transactions are a business expense and are part of the purchasing managers' employment duties, these consumers can be expected to exercise a significant degree of care" Applicant's Appeal Brief, 7 TTABVue 12. We are not persuaded. Registrant's identification of services is not limited to "supply purchasing managers," and Registrant's customers could include workers with numerous, wide-ranging duties on behalf of small offices having only a few employees, with varying levels of experience and care in purchasing coffee. *See Stone Lion Capital Partners, L.P. v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1162-63 (Fed. Cir. 2014) ("Stone Lion effectively asks this court to disregard the broad scope of services recited in its application, and to instead rely on the parties' current investment practices ... the Board properly considered *all* potential investors for the recited services, including ordinary consumers seeking to invest in services with no minimum investment

⁹ Unfamiliar terms such as PERQ may be found distinguishable from familiar terms such as PERK. *Jacobs v. International Multifoods Corp.*, 668 F.2d 1234, 212 USPQ 641, 642 (CCPA 1982); *see also Oakville Hills Cellar, Inc. v. Georgallis Holdings, LLC*, 826 F.3d 1376, 119 USPQ2d 1286, 1290 (Fed. Cir. 2016) ("the Board correctly found that the unfamiliar MAYARI is distinguishable from the familiar MAYA, and that the marks, considered in their entirety, are dissimilar as to appearance, sound, meaning, and overall commercial impression.").

Serial No. 86135841

requirement.”) (emphasis in original). Furthermore, while 50 cents may no longer buy a cup of coffee in this age of baristas and lattes, even high-end coffees may be purchased or consumed on impulse by ordinary consumers at cafes or offices.

In short, because the services are legally identical or at least closely related, and move in the same channels of trade, and the marks are similar, confusion is likely.

Decision: The Section 2(d) refusal to register Applicant’s mark is affirmed.