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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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Applicant	Edward W. Vaughan dba Electronic Transactions Systems
Applied for Mark	ELECTRONIC TRANSACTION SYSTEMS
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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board

In re. Edward W. Vaughan, Applicant
Serial No. 86/363,382

Michael P. Fortkort
Attorneys for Applicant

**APPLICANT EDWARD W. VAUGHAN'S BRIEF IN SUPPORT OF APPEAL OF
EXAMINING ATTORNEY'S DENIAL OF REQUEST FOR RECONSIDERATION**

Applicant Edward W. Vaughan (“Vaughan”) formally requests reconsideration of the Final Office Action of Trademark Examining Attorney Gina Hayes, Law Office 103 (“Examining Attorney”), whereby the Examining Attorney refused registration of Vaughan’s mark ELECTRONIC TRANSACTION SYSTEMS (“Applicant’s Mark”) on the Supplemental Register on the grounds that Applicant’s Mark is generic and, therefore, not capable of registration. Vaughan submits that the Examining Attorney’s refusal was in error, and asks the Trademark Trial and Appeal Board to reconsider and reverse the Examining Attorney’s refusal and remand Vaughan’s application to the Examining Attorney with instructions to advance Applicant’s Mark to publication.

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PROCEDURAL HISTORY

Vaughan filed Application Serial No. 86/363,382 to register the mark ELECTRONIC TRANSACTION SYSTEMS on the Supplemental Register on August 11, 2014. The Examining Attorney issued an Initial Office Action on December 2, 2014, refusing registration of Applicant's Mark based on the Examining Attorney's finding that Applicant's Mark is generic as used in connection with Vaughan's services. Vaughan filed a response to the Initial Office Action on June 2, 2015, refuting the Examining Attorney's refusal. A Final Office Action issued on July 7, 2015. Vaughan filed a Request for Reconsideration and Notice of Appeal on January 7, 2016 and the Examining Attorney denied reconsideration on February 18, 2016. The Trademark Trial and Appeal Board resumed the instant proceedings on February 24, 2016.

STATEMENT OF THE ISSUES

The Examining Attorney contends that Applicant's Mark is generic and, therefore, ineligible for registration on the Supplemental Register. Vaughan contends that Applicant's Mark is at least descriptive and should be registered on the Supplemental Register.

ARGUMENT

I. Applicant's Mark is Descriptive, Not Generic.

The principal issue on appeal here is whether Applicant's Mark is generic or descriptive. Applicant submits its mark is descriptive and eligible for registration on the

Supplemental Register. The Examining Attorney contends and has maintained that Applicant's Mark is generic. "The existence and extent of trademark protection for a particular term depends on that term's inherent distinctiveness. Courts have identified four general categories of terms: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful." *Blinded Veterans Ass'n. v. Blinded Am. Veterans Found.*, 872 F.2d 1035, 1039 (D.C. Cir. 1989). "A generic or common descriptive term is one which is commonly used as the name or description of a kind of goods. It cannot become a trademark under any circumstances." *Induct-O-Matic Corp. v. Inductotherm Corp.*, 747 F.2d 358, 362 (6th Cir. 1984). "A merely descriptive term specifically describes a characteristic or ingredient of an article. It can, by acquiring a secondary meaning, i.e., becoming 'distinctive of the applicant's goods' ... become a valid trademark." *Id.*

Careful analysis of Applicant's Mark indicates that Applicant's Mark is descriptive and not generic. "The critical issue in genericness cases is whether members of the relevant public primarily use or understand the term sought to be protected to refer to the genus of goods or services in question." *H. Marvin Ginn Corp. v. Int'l Association of Fire Chiefs, Inc.*, 782 F.2d 987, 228 USPQ 528, 530 (Fed. Cir. 1986). "Determining whether a mark is generic therefore involves a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered or retained on the register understood by the relevant public primarily to refer to that genus of goods or services?" *Id.* Regarding the first prong of the analysis, the genus of the goods and/or services is defined by an applicant's identification of goods and/or services. *See In re Country Music Ass'n*, 100 USPQ2d 1824, 1827-28 (TTAB 2011) (*citing Magic Wand Inc. v. RDB Inc.*, 940 F.

2d 638, 640, 19 USPQ2d 1551, 1552 (Fed. Cir. 1991)). On the second prong, the question is how the relevant public would refer to Applicant's services, *Ginn*, 228 USPQ at 530, and the relevant public is the purchasing or consuming public for the identified goods and/or services. *Frito-Lay N. Am., Inc. v. Princeton Vanguard, LLC*, 109 USPQ2d 1949, 1952 (TTAB 2014) (*citing Magic Wand Inc. v. RDB Inc.*, 940 F.2d at 640, 19 USPQ2d at 1553).

A. The Genus of Applicant's Services Is Merchant Banking Services.

The identification of services for Applicant's Mark reads

Merchant accounts, namely, merchant banking services; credit and debit card processing or handling, authorization and clearing; merchant accounts in the field of finance, namely, provision of monthly financial statements online; financial services, namely, provision of merchant account interchange qualification reporting, chargeback and retrieval information, provision of daily deposit summaries for review, retrieval of requests for sales and credit slips and credit match verification; financial services, namely, processing all types of credit cards and debit cards

("Applicant's Services"), all in International Class 36, which encompasses insurance and financial services. The identification is composed of four clauses, some of which repeat services otherwise identified in a previous clause. Distilling the services in each clause down to their essences, Applicant's services can be concisely identified as "merchant banking services." Thus, Applicant submits that the genus of Applicant's services is merchant banking services.

B. The Relevant Public Would Refer to Applicant's Services As Merchant Banking or Financial Services.

Applicant's services are not consumer services; rather, they are marketed to and purchased by merchants who use Applicant's services in serving their own customers.

Merchants are sophisticated consumers who investigate the goods and services they purchase far more than average retail consumers. Accordingly, the relevant public for Applicant's services is merchants.

As Applicant's services perform essential functions in the businesses and livelihoods of Applicant's merchant consumers, Applicant's consumers are more likely to exercise care in choosing and using Applicant's services. In particular, Applicant's services assist merchants in converting credit and debit card payments to funds the merchants may deposit in their bank accounts and allow merchants to keep track of such funds. As such, Applicant's consumers are likely to broadly refer to Applicant's services as financial services, or more specifically as merchant banking services.

C. Applicant's Mark Is Not Generic, But Descriptive of Applicant's Services.

Applying the *Ginn* analysis to the foregoing facts, Applicant's Mark is not generic as applied to Applicant's Services. Applicant's Mark is ELECTRONIC TRANSACTION SYSTEMS. Applicant's consumers do not use Applicant's Mark to refer to or as shorthand for merchant banking services, the genus of Applicant's Services, nor do Applicant's consumers understand Applicant's Mark to refer to merchant banking services. Rather, Applicant's consumers perceive Applicant's Mark to represent a source of merchant banking services. Indeed, without improperly dissecting Applicant's Mark and perceiving it in its entirety, Applicant's Mark could not possibly refer to the genus of Applicant's Services, or any type of services for that matter. For that reason,

ELECTRONIC TRANSACTION SYSTEMS cannot be generic as applied to Applicant's Services.

Instead, Applicant's Mark is descriptive of Applicant's Services. Applicant's Mark describes Applicant's merchant banking services, employing ELECTRONIC TRANSACTION SYSTEMS (goods) to provide those services to its consumers. Applicant's Mark may even be suggestive of Applicant's Services, but Applicant's Mark is, at a minimum, descriptive. Accordingly, Applicant respectfully requests that the Trademark Trial and Appeal Board finds that Applicant's Mark is descriptive and remands the application to the Examining Attorney with instructions to advance the application to publication.

II. The Examining Attorney's Analysis Was Entirely In Error.

The analysis of the Examining Attorney was flawed from inception and throughout, leading to the erroneous conclusion that Applicant's Mark is generic and ineligible for registration of the Supplemental Register. The Examining Attorney began with the profoundly inaccurate finding that "the identification, and thus the genus [of Applicant's Mark], is financial services provided through electronic transaction systems." Not only is this finding wrong, but it betrays a misunderstanding of what a genus is. "Financial services" are services, while "electronic transaction systems" are goods. To identify the "genus" of Applicant's Services as services provided by means of goods not only fails to support a finding of genericness, it actually supports a finding in favor of the descriptiveness (or suggestiveness) of Applicant's Mark insofar as it describes the means by

which Applicant's does or could provide its services to its consumers. But the Examining Attorney went on to compound this error.

The burden of establishing that a mark is generic lies with the Patent and Trademark Office. *In re Merrill Lynch*, 828 F.2d 1567, 4 USPQ2d 1141, 1143 (Fed. Cir. 1987), and an Examining Attorney must make a "substantial showing" that a mark is generic based on "clear evidence" that the mark is used generically. *Id.* at 1143. Absent the requisite showing and evidence, doubts on the issue of genericness must be resolved in favor of Applicant. *In re Waverly Inc.*, 27 USPQ2d 1620, 1624 (TTAB 1993). When, as with Applicant's Mark, the analysis concerns a compound term, the Examining Attorney should analyze and apply the evidence to the mark as a whole, instead of analyzing individual components of the mark. TMEP §1209.01(c)(i); *In re Am. Fertility Soc'y*, 188 F.3d 1341, 1348-49, 51 USPQ2d 1832, 1836 (Fed. Cir. 1999)(finding that the PTO failed to provide any evidence that the phrase as a whole, SOCIETY FOR REPRODUCTIVE MEDICINE, has acquired no additional meaning to the relevant public than terms have individually).

Rather than bear the burden of proving Applicant's Mark to be generic at the initial office action stage, the Examining Attorney erroneously began with a presumption that Applicant's Mark was generic. Having already incorrectly identified the genus of Applicant's Services, the Examining Attorney piled up item after item of irrelevant evidence on top of the improper presumption of genericness. Then, the Examining Attorney improperly dissected Applicant's Mark and applied the irrelevant evidence to the dissected mark, effectively making the erroneous presumption of genericness

irrebuttable. The Examining Attorney's errors were exacerbated with the final office action when additional items of irrelevant and misapplied evidence were piled on.

The Examining Attorney committed not one, not two, not three, but four analytical errors, each one compounded by the next, on the way to a finding of genericness. First, the Examining Attorney incorrectly identified the genus of Applicant's Services. Next, the Examining Attorney presumed Applicant's Mark to be generic on its face, in opposition to the burden of the Patent and Trademark Office to prove genericness. Third, the Examining Attorney compiled an array of random and irrelevant blurbs and other references from the Internet in a misplaced effort to prove the genericness of Applicant's Mark. Finally, the Examining Attorney impermissibly dissected Applicant's Mark in an effort to make the Internet evidence better fit. In a word, the Examining Attorney got it wrong, and Vaughan asks the Trademark Trial and Appeal Board to reverse the Examining Attorney's error, find Applicant's Mark to be descriptive of Applicant's Services, and remand the application to the Examining Attorney with instructions to advance the application to publication.

CONCLUSION

Vaughan requests that the Trademark Trial and Appeal Board finds that Applicant's Mark is descriptive and eligible for registration on the Supplemental Register and remand the application to the Examining Attorney with instructions to advance the application to publication pursuant to such registration.

Date: April 25, 2016

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