This Opinion is Not a Precedent of the TTAB

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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Acacia Group LLC

Serial No. 87422774

John Zaccaria of Notaro Michalos & Zaccaria PC,
for Acacia Group LLC.

Karanendra S. Chhina, Trademark Examining Attorney, Law Office 114,
Laurie Kaufman, Managing Attorney.

Before Zervas, Mermelstein and Hudis,
Administrative Trademark Judges.

Opinion by Hudis, Administrative Trademark Judge:

Acacia Group LLC ("Applicant") seeks registration on the Principal Register of the mark REPOETF (Stylized) in the following format ("Applicant's Proposed Mark)":

for:

> Advertising; marketing services; business management; business administration; office functions in the nature of maintaining records of ownership of financial instruments, investment products and securities; compilation and provision of trade, business price and statistical information; advisory, consultancy and information services, all relating to the aforesaid, in International Class 35; and
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> Financial investment advisory services, investment brokerage, and mutual fund investment; issuance and provision of financial products and investment products in the nature of exchange traded funds and notes; creation, management, issuance and provision of securities portfolios; on-line trading of financial instruments, shares, options, and other financial securities; provision of information and data concerning financial instruments, shares, options, and other financial securities; and advisory, consultancy and information services, all relating to the aforesaid, in International Class 36.[1]

The Trademark Examining Attorney refused registration under Trademark Act Section 2(e)(1), 15 U.S.C. § 1052(e)(1), on the ground that Applicant's Proposed Mark, as applied to the services identified in the application, merely describes the services. After the Examining Attorney made the refusal final, Applicant appealed to this Board. Applicant and the Examining Attorney filed briefs. We affirm the refusal to register.

I. Applicable Law

In the absence of a showing of acquired distinctiveness, Trademark Act Section 2(e)(1) precludes registration of a mark on the Principal Register which, when used in connection with the applicant's services, is merely descriptive of them. A mark is "merely descriptive" within the meaning of Section 2(e)(1) "if it immediately conveys

[1] Application Serial No. 87422774 filed on April 24, 2017, under Trademark Act Section 1(b), 15 U.S.C. § 1051(b), based upon Applicant's allegation of a bona fide intention to use the mark in commerce. Color is not claimed as a feature of the mark. The application states that the proposed mark consists of the letters "Repo" with the letters "ETF" in superscript.

information concerning a feature, quality, or characteristic of the goods or services for which registration is sought." *In re N.C. Lottery*, 866 F.3d 1363, 123 USPQ2d 1707, 1709 (Fed. Cir. 2017) (citing *In re Bayer AG*, 488 F.3d 960, 82 USPQ2d 1828, 1831 (Fed. Cir. 2007)).

A novel spelling of a merely descriptive word or term is also merely descriptive if purchasers would perceive the different spelling as the equivalent of the descriptive word or term. *See In re Hercules Fasteners, Inc.*, 203 F.2d 753, 97 USPQ 355, 357 (CCPA 1953) ("FASTIE," phonetic spelling of "fast tie," found merely descriptive of tube sealing machines). Where a stylized mark is at issue, and the degree of stylization does not create a separate and inherently distinctive commercial impression apart from the unregistrable word components of the mark, the mark as a whole remains merely descriptive. *See In re Sadoru Grp., Ltd.*, 105 USPQ2d 1484, 1490 (TTAB 2012).

A word, term, or letters that are a recognized abbreviation for the goods or services in the application also is merely descriptive. *In re BetaBatt, Inc.*, 89 USPQ2d 1152, 1155 (TTAB 2008). However, not all abbreviations are necessarily merely descriptive.

> While each case must be decided on the basis of the particular facts involved, … as a general rule, initials cannot be considered descriptive unless they have become so generally understood as representing descriptive words as to be accepted as substantially synonymous therewith.

Modern Optics, Inc. v. Univis Lens Co., 234 F.2d 504, 110 USPQ 293, 295 (CCPA 1956).

Accordingly, for an acronym to be merely descriptive of an applicant's goods or services, the Board has to find the following:

1. The acronym is generally understood to be an abbreviation for certain words in the relevant field;

2. The words represented by the acronym are merely descriptive of the goods or services listed in the application; and

3. A relevant consumer viewing the acronym in connection with the applicant's goods or services would recognize it as an abbreviation of the words in the relevant field.

In re Harco Corp., 220 USPQ 1075, 1076 (TTAB 1984).

"A mark need not recite each feature of the relevant goods or services in detail to be descriptive, it need only describe a single feature or attribute." *In re Chamber of Commerce of the U.S.*, 675 F.3d 1297, 102 USPQ2d 1217, 1219 (Fed. Cir. 2012) (citation and internal quotation omitted). *See also In re Oppedahl & Larson LLP*, 373 F.3d 1171, 71 USPQ2d 1370, 1371 (Fed. Cir. 2004) ("A mark may be merely descriptive even if it does not describe the 'full scope and extent' of the applicant's goods or services," (citing *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 57 USPQ2d 1807, 1812 (Fed. Cir. 2001)). Conversely, a mark is suggestive if it "requires imagination, thought, and perception to arrive at the qualities or characteristics of the goods or services." *In re Franklin Cty. Historical Soc'y*, 104 USPQ2d 1085, 1087 (TTAB 2012).

Whether a mark is merely descriptive is evaluated "in relation to the particular [services] … for which registration is sought, the context in which it is being used, and the possible significance that the term would have to the average purchaser of the goods because of the manner of its use or intended use." *In re Chamber of*

Commerce, 102 USPQ2d at 1219 (quoting *In re Bayer*, 82 USPQ2d at 1831) and "not in the abstract or on the basis of guesswork." *In re Fat Boys Water Sports LLC,* 118 USPQ2d 1511, 1513 (TTAB 2016) (citing *In re Abcor Dev. Corp.*, 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978)).

We ask "not whether someone presented with only the mark could guess what the goods or services are. Rather, the question is 'whether someone who knows what the goods and services are will understand the mark to convey information about them." *DuoProSS Meditech Corp. v. Inviro Med. Devices, Ltd.*, 695 F.3d 1247, 103 USPQ2d 1753, 1757 (Fed. Cir. 2012) (citation and internal quotation omitted). That a term has different meanings in different contexts is not controlling. *In re Bright-Crest Ltd.*, 204 USPQ 591, 593 (TTAB 1979).

"When two or more merely descriptive terms are combined, the determination of whether the composite also has a merely descriptive significance turns on the question of whether the combination of terms evokes a new and unique commercial impression." *In re Phoseon Tech., Inc.*, 103 USPQ2d 1822, 1823 (TTAB 2012). A mark comprising a combination of merely descriptive components is registrable if the combination creates an incongruous expression having the characteristics of a coined or fanciful mark, *see In re Colonial Stores Inc.*, 394 F.2d 549, 157 USPQ 382, 384 (CCPA 1968) (citing *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 131 U.S.P.Q. 55, 59-60 (2d Cir. 1961)), or "whose import would not be grasped without some measure of imagination and 'mental pause.'" *In re Shutts*, 217 USPQ 363, 364-65 (TTAB 1983).

However, if each component retains its merely descriptive significance in relation to the goods or services, the combination results in a composite that is itself merely descriptive. *See, e.g., In re Oppedahl & Larson*, 71 USPQ2d at 1374 (PATENTS.COM merely descriptive of computer software for managing a database of records that could include patents and for tracking the status of the records by means of the Internet); *see also In re Phoseon Tech.*, 103 USPQ2d at 1823 ("When two or more merely descriptive terms are combined, ... [i]f each component retains its merely descriptive significance in relation to the goods or services, the combination results in a composite that is itself merely descriptive."). Where the combination of the descriptive words creates no incongruity, **no** "imagination" is required to understand the nature of the goods or services, and the mark remains merely descriptive. *In re Copytele Inc.*, 31 USPQ2d 1540, 1542 (TTAB 1994).

We may consider the significance of each element separately in the course of evaluating the mark as a whole. *See DuoProSS Meditech,* 103 USPQ2d at 1756-57 (noting that "[t]he Board to be sure, can ascertain the meaning and weight of each of the components that makes up the mark.").

Evidence that a term is merely descriptive to the relevant purchasing public may be obtained from any competent source, *In re Nett Designs Inc.*, 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001), such as dictionaries, newspapers, or surveys, *In re Bayer*, 82 USPQ2d at 1831, as well as "labels, packages, or in advertising material directed to the goods." *In re Abcor*, 200 USPQ at 218. It also may be obtained from websites and publications, and an applicant's own specimen of use and any

explanatory text included therein. *In re N.C. Lottery*, 123 USPQ2d at 1710. On the other hand, "the [US]PTO has satisfied its evidentiary burden if … it produces evidence including dictionary definitions that the separate words joined to form a compound have a meaning identical to the meaning common usage would ascribe to those words as a compound." *In re Gould Paper Corp.*, 834 F.2d 1017, 1018, 5 USPQ2d 1110, 1111-12 (Fed. Cir. 1987).

The fact that an applicant may be the "first and only user" of a merely descriptive designation does not justify registration where the evidence shows that the relevant purchasing public perceives the term as describing the goods or services. *In re Acuson*, 225 USPQ 790, 792 (TTAB 1985) (COMPUTED SONOGRAPHY descriptive of ultrasonic imaging instruments). The underlying concern is whether businesses and competitors will have the freedom to use descriptive language when merely describing their own goods or services to the public in advertising and marketing materials. *In re Abcor*, 200 USPQ at 217; *In re Styleclick.com Inc.*, 58 USPQ2d 1523, 1527 (TTAB 2001); *In re Styleclick.com Inc.*, 57 USPQ2d 1445, 1448 (TTAB 2000).

Once the Examining Attorney establishes a prima facie case of mere descriptiveness, the burden of rebuttal shifts to Applicant. *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009, 1010 (Fed. Cir. 1987). The Board resolves doubts as to the mere descriptiveness of a proposed mark in favor of the applicant. *In re Fat Boys,* 118 USPQ2d at 1513.

II. Evidence and Argument

A. The Examining Attorney's Evidence and Arguments

The Examining Attorney submitted the following evidence:

- Online investor dictionary definition of REPO – REPURCHASE AGREEMENT: A form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back the following day. For the party selling the security (and agreeing to repurchase it in the future) it is a repo; for the party on the other end of the transaction, (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement.[2]
- Online investor glossary definition of ETF – EXCHANGE TRADED FUND: A fund that tracks an index, but can be traded like a stock. ETFs always bundle together the securities that are in an index; they never track actively managed mutual fund portfolios (because most actively managed funds only disclose their holdings a few times a year, so the ETF would not know when to adjust its holdings most of the time).[3]
- Online article titled "NASDAQ OMX Starts Trading in Two New Fixed Income ETFs from XACT Fonder" (http://ir.nasdaq.com/releasedetail.cfm?releaseid=560941; Article dated March 23, 2011; Accessed May 9, 2018).
  "The XACT **Repo ETF** follows the Swedish Central Bank's main interest rate, the so called repo rate. An ETF is a security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange."[4]
- Online article entitled "Esma Consults on **REPO for ETFs** and Ucits" https://www.globalinvestorgroup.com/articles/3066137/esma-consults-on-repo-for-etfs-and-ucits; Article dated July 25, 20112 Accessed May 9, 2018).
  "The European Securities and Markets Authority (Esma) has launched a consultation on **repo and reverse repo arrangements** in the context of the guidelines for index-tracking Ucits funds **including exchange traded funds (ETFs)**. The market regulator announced the consultation today as it published its final guidelines for ETFs and other Ucits issues which include rules for securities lending arrangements. In the consultation. Esma proposes a distinct regime for repos and reverse repos which would 'allow a proportion of the Ucits to be non-recallable at any lime at the initiative of the Ucits'"[5]

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[2] Office Action of June 15, 2017, TSDR 8. Page references to the application record refer to the online database of the USPTO's Trademark Status & Document Retrieval ("TSDR") system. All citations to documents contained in the TSDR database are to the downloadable .pdf versions of the documents in the USPTO TSDR Case Viewer. References to the briefs on appeal refer to the Board's TTABVUE docket system. The docket entry number comes before the designation TTABVUE and page references, if applicable, come after this designation.

[3] *Id.*, at 13.

[4] Final Office Action of May 9, 2018, TSDR 26.

[5] *Id.*, at 27.

- U.S. Patent Application No. US20140279351A1 titled "**Repo EFT** system, and Method."
  The Abstract, in part, provides: "In one embodiment, a method for electronically trading shares of an **exchange-traded fund** over a network including one or more processors, the fund being a counterparty to one or more repurchasing parties in a **repurchase agreement**, [and] includes receiving order data from one or more investors relating to a trade of shares of the fund."

  The Description of the Invention, in the Background Section, in part, provides: "This application is directed to a system and method useful for trading and processing **repurchase agreements**—for example, electronic trading of tri-party **repurchase agreements** in the form of an **exchange-traded fund**. A **repurchase agreement** is a form of short-term borrowing for dealers in securities. The dealer sells the securities to investors, on an overnight or term basis, and buys them back either the following day or at the term of the agreement. For the party selling the securities (and agreeing to repurchase them in the future), it is a **repurchase agreement**; for the party buying the securities (and agreeing to sell them in the future), it is a **reverse repurchase agreement**. **Repurchase agreement**s are classified as money-market instruments. Their most common use is raising short-term capital. An **exchange-traded fund** is a security that tracks an index, a commodity, or a basket of assets like an index fund, but trades like a stock on an exchange. An **exchange-traded fund** experiences price changes throughout the day as it is bought and sold. Because it trades like a stock, an exchange-traded fund generally has its net asset value calculated daily, similar to a mutual fund."[6]

The Examining Attorney argues that "Applicant applied to register [Applicant's Proposed Mark] … for various financial services, as well as providing record/information compilation, advertising, marketing, etc. services (and advisory/etc. services regarding both) without limitation as to field, but with one financial service [in Class 36] limited to the field of 'exchange traded funds.'"[7] Citing to the above definitions of REPO and ETF, the Examining Attorney further contends:

> [T]hese terms refer to the quality, characteristic or feature of the applicant's services, and are therefore merely descriptive. As stated in the identification, applicant intends to provide various financial

[6] *Id.*, at 29-31.

[7] Examining Attorney's Brief, 14 TTABVUE 7.

> services, as well as, provide record/information compilation, advertising, marketing, etc. (and advisory/etc. services regarding both), where all such services could theoretically [because this is an intent-to-use application] be in the fields of exchange traded funds *(*with one indeed limited to such field*)*, notes, or products of repurchase agreement contracts. That is, applicant intends to provide various financial services, which could [again because this is an intent-to-use application], for example, include applicant brokering/issuing ETFs that are indexed/based on REPOs (i.e., the REPOs are bundled together to form an ETF security, which is then traded like a stock) and offering related business services.[8]

Additionally, "Applicant … 'confirmed' [in its December 14, 2017 Office Action Response that its intended] … services do indeed deal with both repurchase agreements (REPOs) and exchange traded funds (ETFs), that is, at minimum, sufficient to establish mere descriptiveness even if applicant eventually establishes use of this mark in differing ways than proffered by the [Examining Attorney] … for its REPOs and ETFs (i.e., perhaps offering them jointly to customers or the like)."[9]

As to the stylization of Applicant's Proposed Mark, the Examining Attorney states: "the degree of stylization in this case is not sufficiently striking, unique, or distinctive so as to create a commercial impression separate and apart from the unregistrable components of the mark. That is, it is reasonable to assume that an average consumer will not assign it such a 'mathematical meaning' [as in '**REPO to the power of ETF**'] but rather simply read it as REPO ETF."[10]

The Examining Attorney concludes:

> Applicant is merely combining two descriptive terms REPO and ETF for its business/financial services (which, as confirmed by the applicant, are

[8] *Id.*, at 8, 11-12.

[9] *Id.*, at 9, 12-13.

[10] *Id.*, at 16.

> indeed in the fields of repurchase agreements and exchange traded funds), where the minimal stylization does not alter the overall descriptive meaning of the mark. It is also noted that, contrary to applicant's assertions, it appears REPO ETF (one word or two, as used in context) is/are also beginning to be used in relation to financial services.[11]

In other words:

> REPO is short for '**repurchase agreement'** and ETF is short for '**exchange traded fund**'. Applicant's identification of services clearly states that applicant intends to provide various financial services, as well as, providing record/information compilation, advertising, marketing, etc. services (and advisory/etc. services regarding both) '**without'** limitation as to financial/business field, but with one financial service [in Class 36] … limited to the field of **'exchange traded funds**.' The dictionary definitions and marketplace evidence [made of record] also support the descriptiveness of the mark. Applicant, further, **admits** that its services do indeed deal with REPOs and ETFs. Applicant's main arguments that, while REPO and ETF are indeed individually descriptive, the 'combined' REPOETF is not (especially, given the minimal stylization), and that the '**exchange traded funds**' (i.e., ETFs) of '**repurchase agreement**' contracts (i.e., REPO) services are not within the scope of the applicant's broad financial/business services (while explicitly being listed, in part, therein) are not convincing ….[12]

B. Applicant's Arguments

Applicant did not submit any of its own evidence. Rather, Applicant argued:

- Applicant's Proposed Mark is a combination of **Repo** and **ETF** with the latter stylistically imposed over the former as a superscript (i.e., **Repo**$^{\text{ETF}}$). The identified services are rendered in the field of services related to financial products.[13]
- The record does not include a definition of "REPOETF." The Office relies upon the [above-quoted] … definitions of "REPO" and "ETF" …[14]
- Applicant's Proposed Mark does not **immediately** inform consumers that repurchase agreements may be bundled and traded like stocks. To conclude

[11] *Id*., at 18.

[12] *Id*., at 19-20.

[13] Applicant's Brief, 12 TTABVUE 7.

[14] *Id*.

that this is what conveys, one must exercise some degree of imagination, thought, or perception in reasoning that (1) "repo" refers to a government security (and not just an agreement regarding a government security), (2) an index tracks such government securities, and (3) such securities may be traded in a fund that tracks that index. … Even assuming that the Office's definitions of *Repo* and *ETF* are accurate, the combination of these two terms is not merely descriptive of Applicant's services.[15]

- The NASDAQ article uses **repo** to refer to the Swedish Central Bank's main interest rate and **XACT Repo ETF** is based on a fund designed to track that interest rate and not repurchase contracts per se.[16]
- The Global Investor Group article refers to repurchase contracts for the loan of underlying securities held as the underlying assets upon which the EFT is based. Although ETFs may rely on securities lending to increase revenues, the underlying fund assets remain securities and not repurchase agreements. Consequently, this article as well does not support the Office's conclusion that Applicant's proposed mark describes "ETFs that are indexed/based on repos (i.e., the repos are bundled together to form an ETF security, which is then traded like a stock)."[17]
- The patent application was assigned to Acacia Capital, Inc., which is related to and shares a common owner with Applicant and therefore is not evidence of third-party use of Repo ETF.[18]
- The Office's evidence allows for at least three different interpretations of Applicant's Proposed Mark. Where a term is open to multiple interpretations as to its precise meaning, it does not describe the identified services with the degree of particularity required Trademark Act Section 2(e)(1). Therefore, the mark is at least suggestive.[19]
- The stylization of Applicant's Proposed Mark enhances the suggestive character of the proposed mark. Applicant's use of superscript to set **ETF** apart from **Repo** creates an ambiguity in the interpretation of Applicant's designation. Consumers encountering Applicant's designation will add the words "to the power of" between **Repo** and **ETF**. Thus, the proposed mark's stylization makes Applicant's proposed mark suggestive.[20]

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[15] *Id.*, at 8.

[16] *Id.*, at 9-10.

[17] *Id.*, at 10.

[18] *Id.*

[19] *Id.*, at 10-11.

[20] *Id.*, at 11.

III. Discussion and Analysis

In determining whether the Examining Attorney properly refused registration of the Applicant's Proposed Mark on mere descriptiveness grounds, we begin by considering the significance of each element of the proposed mark separately in the course of evaluating the mark as a whole. *See DuoProSS Meditech,* 103 USPQ2d at 1756-57.

Under the three-part analysis of *Harco*, 220 USPQ at 1076, we find that, based on the evidence of record, REPO is a generally understood abbreviation for Repurchase Agreement and ETF is a generally understood abbreviation for Exchange Traded Fund in the investing and finance fields; and that relevant consumers (i.e., investors) would recognize them as such. Therefore, each acronym is merely descriptive of Applicant's services.

The NASDAQ and Global Investor Group articles made of record by the Examining Attorney also demonstrate that REPO ETF (one word or two, as used in context) is used descriptively in relation to investing and financial services. Applicant's attempt to discredit these articles is not well taken. Though the exact usage in the cited articles may be different, they are both within the financial field and refer to Repurchase Agreements and Exchange Traded Funds in their usual and customary vernacular in the areas of investing and finance.

Applicant's arguments regarding the patent application titled "Repo EFT system, and Method," which describes Applicant's services, are not persuasive. This published patent application is evidence of the descriptive use of REPO ETF by an entity related to Applicant. "[P]roof of mere descriptiveness may originate from Applicant's own

descriptive use of its proposed mark, or portions thereof, in U.S. patents obtained or patent applications filed by Applicant; and such proof also many be found in U.S. patents or patent applications of third parties." *In re Omniome, Inc.*, 2020 USPQ2d 3222, *4 (TTAB 2020).

Thus, each component of Applicant's Proposed Mark retains its merely descriptive significance in relation to Applicant's services; and their combination results in a composite that is itself merely descriptive. Evaluating Applicant's Proposed Mark in relation to the Applicant's services, Applicant intends to provide various financial services, as well as record maintenance and information compilation, advertising, marketing, and related services in Class 35 (as well as advisory and other described services regarding same in Class 36), where all such services could be in the fields of exchange traded funds (with one service in Class 36 indeed limited to this field), notes, and products of repurchase agreement contracts.

That is, according to the recitation of services in its Application, Applicant intends to provide various financial services, which could include Applicant brokering or issuing ETFs that are indexed based on REPOs (that is, REPOs bundled together to form an ETF security, which is then traded like a stock) or, at minimum, services concerning other financial products dealing with REPOs and ETFs, along with related business services. No imagination, thought or perception is required to arrive at the qualities or characteristics of Applicant's services.

Further, the stylization of Applicant's Proposed Mark does not create a separate and inherently distinctive commercial impression apart from the unregistrable word

components of the mark, such that the proposed mark as a whole remains merely descriptive. *Sadoru Grp.,* 105 USPQ2d at 1490. The degree of stylization of Applicant's Proposed Mark is not sufficiently striking, unique, or distinctive so as to create a commercial impression separate and apart from the unregistrable components of the mark. There is no evidence of record that REPO or ETF are or are parts of mathematical expressions, or would be perceived as such by Applicant's customers – even with the manner of stylization of the proposed mark as shown on the drawing page of the Application. To the contrary, the terms REPO and ETF have well-recognized non-mathematical meanings in the context of the identified services. Thus, it is reasonable to assume that an average consumer (investor) will not assign a "mathematical meaning" to Applicant's Proposed Mark as it asserts (that is, "REPO to the power of ETF"), but rather simply read it as REPO ETF.

IV. Decision

The refusal to register Applicant's Proposed Mark Repo^{ETF} on the ground that it is merely descriptive of the services in International Classes 35 and 36 is affirmed.