

This Opinion is Not a
Precedent of the TTAB

Mailed: July 6, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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In re Backbone Payments, Inc.

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Serial No. 88279535

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Morland C. Fischer of the Law Offices of Morland C. Fischer
for Backbone Payments, Inc.

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Before Bergsman, Lykos and Larkin,
Administrative Trademark Judges.

Opinion by Lykos, Administrative Trademark Judge:

Backbone Payments, Inc. (“Applicant”) seeks to register on the Principal Register the standard character mark BACKBONE PAYMENTS (PAYMENTS disclaimed) for services ultimately identified as “Design and development of computer software for accepting purchases from within mobile apps and software that perform non-purchasing functions, namely, designing and developing mobile applications for accepting digital payments; Merchant services provider, namely, application service provider featuring application programming interface (API) software for enabling a

mobile app to accept payments directly; Merchant services provider, namely, application service provider featuring application programming interface (API) software for integrating ecommerce, payments, and functionality into software platforms” in International Class 42.¹

Registration was refused under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), on the ground that Applicant’s applied-for mark so resembles the registered standard character mark RETAIL BACKBONE (RETAIL disclaimed) on the Principal Register for “Application service provider (ASP) featuring software used to manage and facilitate the online, electronic commerce and store operations and businesses of retailers” in International Class 42,² that it is likely to cause confusion or mistake or to deceive.

When the refusal was made final, Applicant appealed and filed a request for reconsideration which was denied. The appeal is now briefed. We affirm.

I. Evidentiary Issue

The Examining Attorney objects to Applicant’s submission with its appeal brief of excerpts from Registrant’s website which are not part of the record. The objection is sustained because the evidence is untimely. The record in an application should be complete prior to the filing of an appeal. Trademark Rule 2.142(d), 37 C.F.R. §

¹ Application Serial No. 88279535, filed January 28, 2019, under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), claiming a bona fide intent to use the mark in commerce.

Citations to the prosecution file refer to the USPTO’s Trademark Status & Document Retrieval (“TSDR”) system and identify documents by title and date. Specific citations are to the page number in the .pdf version of the TSDR records. References to the briefs and other materials in the appeal record refer to the Board’s TTABVUE docket system.

² Registration No. 3381121, registered February 12, 2008; renewed.

2.142(d). See *In re Inn at St. John's, LLC*, 126 USPQ2d 1742, 1744 (TTAB 2018), *aff'd mem.*, 777 F. App'x (Fed. Cir. 2019); *In re Fiat Grp. Mktg. & Corp. Commc'ns S.p.A*, 109 USPQ2d 1593, 1596 (TTAB 2014). We have given this evidence and Applicant's arguments based upon this evidence no consideration.

II. Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the probative evidence of record bearing on a likelihood of confusion. *In re E. I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973) ("*DuPont*"). See also *In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). We must consider each *DuPont* factor for which there is evidence and argument. See, e.g., *In re Guild Mortg. Co.*, 912 F.3d 1376, 129 USPQ2d 1160, 1162-63 (Fed. Cir. 2019). When analyzing these factors, the overriding concerns are not only to prevent buyer confusion as to the source of the services, but also to protect the registrant from adverse commercial impact due to use of a similar mark by a newcomer. See *In re Shell Oil Co.*, 992 F.2d 1204, 26 USPQ2d 1687, 1690 (Fed. Cir. 1993). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the services. See *In re Chatam Int'l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944, 1945-46 (Fed. Cir. 2004); *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (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.”). We discuss these factors and others below.

A. The Marks

This *DuPont* likelihood of confusion factor involves an analysis of the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005) (citing *DuPont*, 177 USPQ at 567). “Similarity in any one of these elements may be sufficient to find the marks confusingly similar.” *In re Inn at St. John’s*, 126 USPQ2d at 1746. *Accord Krim-Ko Corp. v. Coca-Cola Bottling Co.*, 390 F.2d 728, 156 USPQ 523, 526 (CCPA 1968) (“It is sufficient if the similarity in either form, spelling or sound alone is likely to cause confusion.”) (citation omitted).

“The proper test is not a side-by-side comparison of the marks, but instead ‘whether the marks are sufficiently similar in terms of their commercial impression’ such that persons who encounter the marks would be likely to assume a connection between the parties.” *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1721 (Fed. Cir. 2012). Because the similarity or dissimilarity of the marks is determined based on the marks in their entireties, the analysis cannot be predicated on dissecting the marks into their various components; that is, the decision must be based on the entire marks, not just part of the marks. *Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1161 (Fed. Cir. 2014); *In re Nat’l Data Corp.*, 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985). *See also Franklin Mint Corp. V. Master Mfg. Co.*, 667 F.2d 1005, 212 USPQ

233, 234 (CCPA 1981) (“It is axiomatic that a mark should not be dissected and considered piecemeal; rather, it must be considered as a whole in determining likelihood of confusion”). “On the other hand, 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. Indeed, this type of analysis appears to be unavoidable.” *In re Nat’l Data Corp.*, 224 USPQ at 751.

Applicant acknowledges that both marks include the word BACKBONE. Nonetheless, Applicant contends that the marks differ significantly in sound and appearance due to the reversed positioning of the word BACKBONE in the respective BACKBONE PAYMENTS and RETAIL BACKBONE marks. In addition, Applicant argues that the marks project different meanings when considered in relation to the identified services. In Applicant’s view, BACKBONE PAYMENTS “implies providing the means of support for enabling businesses to receive payments (e.g., by means of credit cards) for their goods and services regardless of how the business is being operated,” whereas RETAIL BACKBONE “implies providing technical support to facilitate the retail sale of goods.”³

Applicant’s arguments are unconvincing. Both marks share the word BACKBONE which is arbitrary in relation to the services. The only distinction is the addition of the merely descriptive, if not generic, disclaimed designations PAYMENTS and

³ Applicant’s Brief, p. 3; 6 TTABVUE 4.

RETAIL in each mark. Disclaimed matter generally is not source-indicating and does not constitute the dominant part of a mark. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1846 (Fed. Cir. 2000) (quoting *In re Nat'l Data Corp.*, 224 USPQ at 752); *In re Dixie Rests. Inc.*, 105 F.3d 1405, 41 USPQ2d 1531, 1533-34 (Fed. Cir. 1997); *In re Code Consultants, Inc.*, 60 USPQ2d 1699, 1702 (TTAB 2001) (disclaimed matter is often “less significant in creating the mark’s commercial impression”). As noted above, the Board has the discretion to place more weight on a particular feature of a mark, provided the ultimate conclusion rests on a consideration of the marks in their entireties. *In re Nat'l Data*, 224 USPQ at 751. *See, e.g., In re Dixie Rests., Inc.*, 41 USPQ2d at 1533-34. Accordingly, we agree with the Examining Attorney’s finding that BACKBONE is the dominant portion of each mark and the difference between BACKBONE PAYMENTS and RETAIL BACKBONE does not change the commercial impression engendered by the marks (i.e., that the services provide infrastructure strength). *See In re Denisi*, 225 USPQ 624, 624 (TTAB 1985) (“[I]f the dominant portion of both marks is the same, then confusion may be likely notwithstanding peripheral differences.”). Consumers are likely to perceive Applicant’s mark BACKBONE PAYMENTS as a variation of the cited mark RETAIL BACKBONE. Thus, the differences between the marks fail to distinguish them.

Marks must be considered in their entireties. *See Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA v. New Millennium Sports, S.L.U.*, 797 F.3d 1363, 116 USPQ2d 1129, 1134 (Fed. Cir. 2015). The slight differences we have noted in the marks are outweighed by their similarities. Consumers do not focus on minutia but

rather overall impressions. *In re Cynosure, Inc.*, 90 USPQ2d 1644, 1645 (TTAB 2009) (citing *Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106, 108 (TTAB 1975)). Thus, when comparing the marks overall, they are similar in sight, sound, connotation and commercial impression. We find this *DuPont* factor weighs in favor of finding a likelihood of confusion.

B. The Services

Next we compare the services as they are identified in the involved application and cited registration. See *In re Detroit Athletic Co.*, 903 F.3d 1297, 128 USPQ2d 1047, 1052 (Fed. Cir. 2018); *Stone Lion*, 110 USPQ2d at 1161; *Octocom Sys., Inc. v. Hous. Comput. Servs. Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990); and *Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261, 62 USPQ2d 1001 (Fed. Cir. 2002). The services need not be identical or even competitive to find a likelihood of confusion. *On-line Careline Inc. v. Am. Online Inc.*, 229 F.3d 1080, 56 USPQ2d 1471, 1475 (Fed. Cir. 2000); *Recot, Inc. v. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1898 (Fed. Cir. 2000). They need only be “related in some manner and/or if the circumstances surrounding their marketing are such that they could give rise to the mistaken belief that [the services] emanate from the same source.” *Coach Servs., Inc. v. Triumph Learning LLC*, 101 USPQ2d at 1722 (quoting *7-Eleven Inc. v. Wechsler*, 83 USPQ2d 1715, 1724 (TTAB 2007)).

Evidence of relatedness may include news articles and/or evidence from computer databases showing that the relevant services are used together or used by the same purchasers; advertisements showing that the relevant services are advertised

together or sold by the same manufacturer or dealer; and/or copies of prior use-based registrations of the same mark for both applicant's services and the services listed in the cited registration. *See, e.g., In re Davia*, 110 USPQ2d 1810, 1817 (TTAB 2014) (finding pepper sauce and agave related where evidence showed both were used for the same purpose in the same recipes and thus consumers were likely to purchase the products at the same time and in the same stores).

Applicant, without offering any evidentiary support, argues that the parties' services are distinct due to differences in certification requirements. As Applicant maintains, a merchant service provider (MSP) such as itself must be affiliated with a bank to enable digital payments to be received and credited to the recipient. MSP's must be certified as an independent sales organization (ISO) so that the payment transactions of consumers can be processed. By contrast, ASPs such as the Registrant are under no bank affiliation requirements in order to process payments.

In this case, any purported differences in certification requirements do not render the services commercially unrelated. From the identifications alone, we can conclude that Applicant's and Registrant's services may be used together and targeted to the same entities, namely merchants. Merchant retailers seeking "Application service provider (ASP) featuring software used to manage and facilitate the online, electronic commerce and store operations and businesses of retailers" are likely to also be looking for MSP software services which could potentially include Applicant's "Merchant services provider, namely, application service provider featuring application programming interface (API) software for enabling a mobile app to accept

payments directly; Merchant services provider, namely, application service provider featuring application programming interface (API) software for integrating ecommerce, payments, and functionality into software platforms.” Thus, on their face, the Applicant’s and Registrant’s services are complementary in nature.

In addition, to demonstrate that the services are commercially related, the Examining Attorney submitted the following excerpts from the websites of software development e-commerce firms advertising their API and MSP software services:

Stripe builds the most powerful and flexible tools for internet commerce. Whether you’re creating a subscription service, an on-demand marketplace, an e-commerce store, or crowdfunding platform, Stripe’s meticulously designed APIs and unmatched functionality help you create the best possible product for your users. ... We believe that payments is a problem rooted in code, not finance. ... We help power millions of businesses in 100+ countries across nearly every industry. ... Use SQL to explore your business’ payments and revenue data, build and run custom reports, get insights and more.⁴

Square helps you build and grow your business. ... We bring together payment, software and hardware tools that do it all. ... Accept all types of payments everywhere you sell. From easily swiping credit and debit cards on your phone to building out a custom solution on our payment platform, or even selling online – we’ve got you covered. ... Square has solutions that let you ring up items quickly in your store and on the go. ... Square can help you manage your cash flow and make important spending decisions.⁵

19 million merchants rely on Paypal to build, run, and grow their business. Get the tools, products, financing and support you need to help establish or grow your business – from processing payments and building a website to shipping and marketing. ... Get paid online or in-person.

⁴ April 17, 2019 Office Action, pp. 10-13.

⁵ *Id.* at 14-20.

Whether you need online invoicing, a customized checkout for your website, or a card reader for processing on-the-go transactions, we have a solution for your business.⁶

This evidence shows that it is not uncommon for the same entity to provide both of Applicant's and Registrant's computer software design services to merchant retailers under the same mark.

Insofar as the services are commercially related and complementary in nature, we find this *DuPont* factor supports a finding of a likelihood of confusion.

C. Trade Channels

Next we consider established, likely-to-continue channels of trade. Because the identifications in the application and cited registration for the mark have no restrictions on channels of trade, we must presume that the services travel in all channels of trade appropriate for such services, which the record as summarized above shows includes software development firms specializing in e-commerce and payments. *See In re Viterra Inc.*, 671 F.3d 1358, 1362, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (quoting *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 62 USPQ2d 1001, 1005 (Fed. Cir. 2002)). In addition, as indicated by both the identifications themselves and the record evidence, both Applicant's and Registrant's services may be encountered by the same prospective consumers, namely merchants and retailers of the respective services.

⁶ *Id.* at 20-23.

As such, the *DuPont* factor regarding the similarity or dissimilarity of established, likely to continue trade channels also favors a finding of likelihood of confusion.

D. Conditions of Purchase

Lastly, we consider the conditions under which the services are likely to be purchased, e.g., whether on impulse or after careful consideration, as well as the degree, if any, of sophistication of the consumers. Purchaser sophistication or degree of care may tend to minimize likelihood of confusion. Conversely, impulse purchases of inexpensive items may tend to have the opposite effect. *Palm Bay*, 73 USPQ2d at 1695. Applicant contends that the intended consumers, merchants, would have no difficulty distinguishing the marks.

Due to the intrinsic nature of the services, we can assume that the consumers will exercise a high degree of care when making purchasing decisions. We can also assume that the services, by their very nature, are relatively expensive. . This factor therefore weighs against finding a likelihood of confusion.

E. Balancing the Factors

We have carefully considered all of the evidence made of record, as well as all of the arguments related thereto. Customer care weighs against finding a likelihood of confusion. However, with highly similar marks and related, complementary services marketed in the same trade channels to the same category of consumers even a more careful, consumer is not likely to understand that the services emanate from different sources. *See, e.g., In re Johns-Manville Corp.*, 180 USPQ 661, 662 (TTAB 1973)

(“While the average purchaser of [building doors and asphalt shingles] may be skilled craftsmen, it does not necessarily follow therefrom that they are equally informed as to the source of the products that they use and are, unlike customers for other products, immune from the likelihood of confusion or deception that the statute is attempting to preclude.”). These findings lead us to the conclusion that prospective consumers are likely to confuse the source of the involved services.

Decision: The Section 2(d) refusal is affirmed.