Hearing: Paper No. 32
November 17, 1998 JQ

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB OCT. 21, 99

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Mid-America Energy Resources, Inc.
v.
MidAmerican Energy Company

Opposition No. 103,197
to application Serial No. 74/563,990
filed on August 22, 1994

Clifford W. Browning of Woodward, Emhardt, Naughton, Moriarty & McNett for Mid-America Energy Resources, Inc.

H. Robert Henderson and Richard L. Fix of Henderson & Sturm for MidAmerican Energy Company.

Before Quinn, Hohein and Bucher, Administrative Trademark Judges.

Opinion by Quinn, Administrative Trademark Judge:

An application has been filed by MidAmerican Energy Company to register the mark MIDAMERICAN ENERGY for "public utility services in the nature of electricity and gas distribution."[1]

[1] Application Serial No. 74/563,990, filed August 22, 1994, alleging a bona fide intention to use the mark in commerce. The term "ENERGY" is disclaimed.

Registration has been opposed by Mid-America Energy Resources, Inc. under Section 2(d) of the Trademark Act on the ground that applicant's mark, if used in connection with applicant's services, would so resemble opposer's mark MID-AMERICA ENERGY RESOURCES, INC., previously used in connection with the sale of utility services, namely the distribution of chilled water used to air-condition buildings, as to be likely to cause confusion.

Applicant, in its answer, has denied the salient allegations of the notice of opposition.

The record consists of the pleadings; the file of the involved application; trial testimony, with related exhibits, taken by each party; certain of applicant's responses to opposer's requests for admissions and requests for production, and pages from applicant's World Wide Web Internet site, all made of record by way of opposer's notices of reliance; and portions of a discovery deposition, opposer's responses to applicant's requests for admissions and interrogatories, and opposer's pending application, all introduced in applicant's notice or reliance.[2] Opposer and

[2] Applicant submitted an incomplete copy of opposer's application. Opposer, in a rebuttal notice of reliance, introduced a complete copy of its application.
Applicant's notice of reliance also included a copy of an annual report. As pointed out in opposer's motion to strike same, such material is not proper subject matter for introduction by way of a notice or reliance. See *TBMP* §708. Thus, the motion to strike is granted, and we have not considered this material in reaching our decision.

applicant filed briefs on the case,[3] and both were represented by counsel at an oral hearing held before the Board.

Opposer is a subsidiary of Indianapolis Power and Light Company Enterprises, Inc. ("IPALCO"), a holding company for Indianapolis Power & Light Company ("IPL"), a regulated public utility that generates and sells electricity and steam to retail customers in Indianapolis, Indiana and surrounding areas. IPL operates the second largest district steam system (also known as a district heating system) in the country. Such systems involve the generation of steam at a central plant, and then piping the steam underground to customers who use the steam to heat their buildings in lieu of using their own units to generate heat. In October 1989, an in-house proposal was made to develop, construct and operate a district cooling system, and, in November 1989, opposer was incorporated to engage in the development and operation of district cooling systems. These systems

[3] Applicant made several objections during opposer's testimony, and applicant reiterated some of the objections in its brief. The ten objections are merely listed, with no remarks as to the substance of the objections.

Opposer, in its reply brief, has responded to the merits of the objections. Suffice it to say that we essentially share opposer's views on this matter and, therefore, applicant's objections are overruled. We hasten to add, however, that none of the objected-to testimony or exhibits is crucial to the outcome of this case. Even if all were excluded, we would reach the same result in this case. We also note that, except in one instance, opposer has not referred to any of the disputed testimony or exhibits in its briefs on the case.

essentially involve providing chilled water to air-condition buildings. According to the testimony of Joseph Gustin, opposer's president, a district cooling system chills water at a central plant to approximately 40 degrees Fahrenheit, and then the chilled water is transported underground via pipes to customers who use the chilled water to air-condition their buildings in lieu of their own stand-alone air-conditioning units. Mr. Gustin explained IPALCO's reasons for the decision to select district cooling as a business for opposer:

> First was its benefit to Indianapolis Power & Light Company. An IPL employee, since retired, first came up with the idea probably in '89 or '88. At the time he was manager of the steam system at IPL; and he thought that by creating a district cooling business in Indianapolis that would use steam-driven chillers, that that business would be a new customer for his steam operation off peak and would also provide a great benefit to the electric utility by cutting off summer air conditioning electric peak by using off peak steam. So there was a benefit to IPL of district cooling.
>
> Secondly, from our analysis, it looked to be an attractive business. We thought we could make some money selling chilled water to customers and, in turn, our shareholders.
>
> Also, at that time the United States had just entered into the Madrid protocol that required the phasing out of certain types of refrigerants that air conditioners used. All types of buildings across the country used old-styled air conditioning with this

> refrigerant; and we thought there might be a window of opportunity there to provide district cooling as an alternate source of air conditioning.
>
> Third, we thought by starting a district cooling business outside of regulation, it would give Mid-America Energy and IPL some experience at dealing in a competitive environment--nonregulated competitive environment.
>
> Then finally, of all the opportunities that we had looked at, here was one that was right in our own back yard. Those are always the most advantageous to start out with.

Opposer's district cooling system started commercial operations for its first customer (the Indiana State Office Building) in April 1991 in Indianapolis, Indiana. By the end of 1994, opposer had fourteen customers. In the years following, opposer continued to pursue opportunities to provide district cooling systems to other customers, including ones located outside of Indianapolis. The testimony of Mr. Gustin and Kevin Greisl, opposer's vice president of sales, presents a detailed chronology of opposer's efforts at expanding its district cooling business. Opposer appeared at trade shows, and conducted direct mailings to prospective customers (such as college and corporate campuses). Opposer's efforts resulted in its development of district cooling systems in Cleveland, Ohio, and for Eli Lilly Corporation. During this development phase, opposer entered into agreements with Carrier

Corporation and Baltimore Gas & Electric to jointly develop district cooling systems across the country.

Applicant, according to Beverly Wharton, applicant's senior vice president-energy delivery, is a regulated public utility providing electric service in Iowa, South Dakota and Illinois, and natural gas in Iowa, South Dakota, Illinois and Nebraska. Applicant generates electricity at its own power stations by utilizing coal, natural gas, fuel oil or nuclear power. The electricity is carried over high-voltage transmission systems, stepped down to lower-voltage distribution systems, and then is delivered to applicant's business and residential customers. As a regulated utility company, applicant does not "market" its electricity inasmuch as applicant's customers do not have a choice regarding their source of electricity, and applicant is not able to provide retail electric service outside of its authorized service territory. Applicant's involved application was filed in August 1994, and Ms. Wharton testified that applicant began use of its mark at least as early as the fall of 1995.

We first turn our attention to the issue of priority of use. Applicant, in its brief, expends considerable effort in attacking the nature of opposer's use of MID-AMERICA ENERGY RESOURCES, INC. More specifically, applicant contends that opposer has not proved a protectable interest in its corporate name, and that opposer has not proved priority of use. These arguments are clearly ill founded.[4]

As pointed out by opposer, a name may function, in appropriate circumstances, as both a trade name and as a service mark. The question of whether a name used as a trade name also performs the function of a service mark is one of fact and is determined from the manner in which the name is used and the probable impact thereof upon purchasers and prospective customers. In re Walker Process Equipment Inc., 233 F.2d 329, 110 USPQ 41, 43 (CCPA 1956); and In re Univar Corp., 20 USPQ2d 1865, 1866 (TTAB 1991).[5]

As to the nature of opposer's use, the record is replete with testimony and supporting exhibits showing

---

[4] In turning to consider priority, we note, at the outset, that a copy of opposer's application serial no. 74/692,619 is of record. A check of Office records shows that the application matured into Registration No. 2,145,592, issued March 24, 1998, for the mark MID-AMERICA ENERGY RESOURCES, INC. ("ENERGY RESOURCES, INC. disclaimed) for "utility services, namely distributing chilled water used to air condition buildings." The registration issued after the close of the testimony periods and, therefore, we presume that the late issuance explains why the registration was not added as part of opposer's claim. We also note that in spite of applicant's claim herein that opposer lacks priority, it has failed to file any petition to cancel the registration on this basis. Inasmuch as a status and title copy of opposer's registration is not of record, priority must be established by opposer through testimony or other evidence. Cf.: King Candy Co., Inc. v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974) [no issue with respect to priority when plaintiff proves its ownership of a valid and subsisting registration of a pleaded mark (as, for example, by submission of a status and title copy)].

[5] Applicant presses the point that opposer, in the notice of opposition, alleges only service mark use, with no mention of trade name use. In view of the well settled dual functions of trade names/service marks, the allegations pertaining to service mark use clearly encompass opposer's trade name use.

opposer's use of its trade name MID-AMERICA ENERGY RESOURCES, INC. as a service mark to identify opposer's utility services, namely distributing chilled water used to air condition buildings. The testimony of Messrs. Gustin and Greisl, and exhibits such as Nos. 2, 5, 6, 13, 45 and 51 (to identify only a few) clearly establish use of MID-AMERICA ENERGY RESOURCES, INC. as a service mark in connection with its district chilling services.[6]

With respect to first use, again there is ample testimony and evidence to support opposer's service mark use of MID-AMERICA ENERGY RESOURCES, INC. prior to the earliest date upon which applicant can rely (in this case, August 22, 1994, which is the filing date of the involved application). Opposer has established that it has been providing district cooling services under its mark to commercial customers in Indianapolis since April 1991 (when opposer's district cooling system became operational), and that the use has been continuous since that time. This proof of prior and continuous use in intrastate commerce establishes opposer's priority. Laughner's Drive-in, Inc. v. Steer Inn Systems, Inc., 151 USPQ 650, 652 (TTAB 1966), *aff'd*, 405 F.2d 1401, 160 USPQ 626 (CCPA 1969). Further, the record establishes

[6] Exhibit No. 5, which Mr. Greisl identified as a "benefit sheet" used to summarize the beneficial features of opposer's services to prospective customers, was submitted as the specimen of actual use in commerce in connection with opposer's application serial

that opposer has been advertising its district cooling services to prospective customers in interstate commerce since March 1992. A representative example of opposer's prior use is shown below which is an advertisement run in the April 29, 1991 *Indianapolis Business Journal*.

We next turn our attention to the main controversy between the parties. Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. In re E. I du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In any likelihood of confusion analysis, two key considerations

---

no. 74/692,619 which, as noted above, matured into a are the similarities between the marks and the similarities between the services. We will first focus on these factors, and then will consider the remaining relevant du Pont factors.

Insofar as the marks are concerned, we have little trouble concluding that there are substantial similarities between opposer's MID-AMERICA ENERGY RESOURCES, INC. mark and applicant's MIDAMERICAN ENERGY mark. Contrary to applicant's arguments, we find the marks to be similar in terms of sound, appearance and meaning. In considering the marks, we recognize that the descriptive and disclaimed portions of the marks ("ENERGY RESOURCES, INC." in opposer's mark and "ENERGY" in applicant's mark) cannot be ignored. Giant Food, Inc. v. National Food Service, Inc., 710 F.2d 1565, 218 USPQ 390 (Fed. Cir. 1983). However, although we have considered the marks in their entireties, there is nothing improper in giving more weight, for rational reasons, to a particular feature of a mark. In re National Data Corp., 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985). In the present case, we have given more weight to the MID-AMERICA and MIDAMERICAN portions (both of which are followed by the identical word "ENERGY") of the respective marks because of the clearly descriptive nature of the disclaimed words. The specific differences between the marks are

---

registration.

clearly insufficient to distinguish them. And, to the extent that the marks are suggestive, the marks convey similar meanings. Notwithstanding this suggestiveness, we also would point out that the record is devoid of any evidence of third-party uses or registrations of the same or similar marks in the utilities field.[7]

With respect to a comparison of the services, we acknowledge that applicant's electric and gas utility services are specifically different from opposer's district cooling utility services. Nonetheless, the services need not be identical or even competitive to support a holding of likelihood of confusion. It is sufficient that the services are so related or that conditions surrounding their marketing are such that they are encountered by the same persons who, because of the relatedness of the services and the similarities between the marks, would believe mistakenly that the services originated from or are in some way associated with the same producer. Hercules Inc. v. National Starch and Chemical Corp., 223 USPQ 1244, 1247 (TTAB 1984).

[7] Applicant makes a weak argument that opposer's mark is merely descriptive and that, therefore, opposer must show secondary meaning. Applicant's answer makes no such allegations, and the attack on the distinctiveness of opposer's pleaded mark, raised for the first time in applicant's brief, is manifestly late. Accordingly, we have given no consideration to applicant's argument.

Opposer’s roots are in the public utility services field, with opposer’s being conceived by IPL, an Indiana regulated public utility, to benefit IPL. As Mr. Gustin explained, when an IPL customer air-conditions its building with chilled water supplied by opposer, the customer uses less electricity than would have been required to air-condition the building with its own air-conditioning unit. Mr. Gustin pointed out that this translated into a “significant demand side management tool” for IPL because it lowered the peak demand, which occurs in the hottest months of the year, for IPL electricity to run air-conditioning units.

As further evidence of the relationship between the parties’ services, we note Mr. Gustin's testimony that articles concerning opposer and its district cooling services have appeared in trade publications circulated in the electric utility industry. Mr. Gustin specifically referred to articles in *Electric Utility Week*, *Electric Light & Power* and *Electric Utility Week’s Demand-Side Report*.

Opposer also has highlighted two instances when opposer has submitted joint proposals to develop district cooling systems with public utilities (Atlantic Energy, and Baltimore Gas & Electric). Mr. Gustin testified that when opposer contacts a potential customer for its district cooling services, “the first thing they hear is our name and the fact that we’re associated with IPALCO and Indianapolis Power & Light Company.” According to Mr. Gustin, this ensures that potential customers understand that opposer’s district cooling services are in some way affiliated with an established electric utility.

The parties’ respective services would be purchased by the same classes of customers, namely commercial and business entities. Mr. Greisl testified that “the decision makers which [opposer] were seeking with respect to district cooling systems in Indianapolis were also the decision makers to purchase electricity in general” about 95 percent of the time. Although applicant’s services are regulated and, thus, for the time being, are geographically restricted in use (a fact, however, which is not reflected in the involved application, which seeks a geographically unrestricted registration), there is still an overlap in customers. We tend to agree with applicant, however, that the overlap comprises sophisticated customers. Indeed, given the nature and cost of opposer’s services, there is a good bit of negotiation and education involved before a deal is struck between opposer and a customer. Nonetheless, even sophisticated purchasers are not immune from source confusion, and we find that especially to be the case where, as here, the marks are very similar and the services are closely related. Carlisle Chemical Works, Inc. v. Hardman & Holden, Ltd., 168 USPQ 110 (CCPA 1970); and HRL Associates, Inc. v. Weiss Associates, Inc., 12 USPQ2d 1819 (TTAB 1989), *aff'd*, 14 USPQ2d 1840 (Fed. Cir. 1990).

One final argument of opposer's merits mention. Opposer posits that "[i]mpending regulation of the electric industry means that the regulated, monopolistic electric utility markets of the past will be replaced with unregulated, competitive markets in the not-too-distant future" and that "[a] competitive market will mean that the captive electricity customer of today will have competitive choices among electricity providers."[8] Opposer goes on to assert that impending deregulation of the electric industry means that applicant will be free to offer its public utility services outside of its present regulated market. In making this assertion, opposer points to Ms. Wharton's testimony that should deregulation take place, applicant could be selling its services in the Indianapolis area, and even to opposer's present district cooling customers.

We also note Mr. Greisl's testimony that opposer's long range plan in 1992 was to start district cooling systems in 30 targeted cities so that, when deregulation of the electric industry occurred, opposer would be a known entity

---

[8] Applicant also recognizes the impending deregulation of the electric industry, informing its shareholders of "the increasingly competitive environment ahead."

and be well positioned to sell electic power to customers in those cities. In this connection, Mr. Gustin added that opposer likely will secure some new retail customers for IPL after deregulation occurs due to its existing relationships which have been established through its district cooling services.

We need not base our conclusion on speculative, future events, but rather have reached our decision based on the regulated situation that exists today. Nevertheless, the evidence of record, some coming from applicant, suggests that the electric industry is heading toward deregulation, a situation which would only increase the likelihood of confusion between the parties' marks. The absence of proof of actual confusion undoubtedly can be attributed, at least in part, to the regulated nature of applicant's business. In any event, the test here is not actual confusion, but rather likelihood of confusion. Thus, the lack of evidence of actual confusion does not compel a different result here.

Lastly, to the extent that any of applicant's arguments raise a doubt about likelihood of confusion, such doubt must be resolved against the newcomer and in favor of the prior user. San Fernando Electric Mfg. Co. v. JFD Electronics Components Corp., 565 F.2d 683, 196 USPQ 1, 2 (CCPA 1977).

Decision: The opposition is sustained and registration to applicant is refused.

T. J. Quinn

G. D. Hohein

D. E. Bucher
Administrative Trademark
Judges, Trademark Trial
and Appeal Board