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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Points.com Inc.

Serial No. 76/079,850

Thad N. Leach of Lewis, Rice & Fingersh, L.C. for
Points.com Inc.

Esther A. Belenker, Trademark Examining Attorney, Law
Office 111 (Craig Taylor, Managing Attorney).

Before Chapman, Bucher and Bottorff, Administrative
Trademark Judges.

Opinion by Chapman, Administrative Trademark Judge:

Points.com Inc. (a Canadian corporation) filed on June
28, 2000 an application to register on the Principal
Register the mark shown below

points
xchange

for services amended to read "providing a web site on the

global computer network for the tracking and exchange of customer loyalty rewards" in International Class 35. The application is based on applicant's assertion of a bona fide intention to use the mark in commerce.

The Examining Attorney refused registration on the ground that applicant's mark is merely descriptive of applicant's services under Section 2(e)(1) of the Trademark Act, 15 U.S.C. §1052(e)(1).

When the refusal was made final, applicant appealed to this Board. Both applicant and the Examining Attorney have filed briefs;¹ an oral hearing was not requested.

¹ Filed contemporaneously with applicant's brief on the case, was its proposed amendment to the drawing showing the word "xchange" in italic font and in light gray, and including a statement on the proposed drawing page that "the element 'xchange' is depicted in green." Applicant's alternative request to remand the application to the Examining Attorney was denied in a Board order dated November 22, 2002 because applicant had given no reason whatsoever for its delay in seeking to amend the drawing of its mark. However, the Board explained that the Examining Attorney could address this matter in her brief, but should not treat it as raising a new issue. In her brief (p. 7), the Examining Attorney rejected the proposed amendment to applicant's mark, explaining that it was submitted too late in the prosecution (i.e., after the appeal--Trademark Rule 2.142(d)); that it includes gray which is not allowed (drawings are to be in black and white--Trademark Rule 2.52(a)(2)(i)); and that, and in any event, it would not obviate the mere descriptiveness refusal.

Filed with applicant's reply brief were printouts of two applications and two registrations from the USPTO's Trademark Electronic Search System (TESS) to illustrate the marks shown therein. Material submitted for the first time with a reply brief is clearly untimely under Trademark Rule 2.142(d), and thus, the Board did not consider these printouts. In any event, each of the four marks was the subject of a published Board decision, and the marks are depicted in the Board decisions.

The Examining Attorney argues as follows:

[A]pplicant's mark identifies a points exchange, a place on the Internet where consumers can exchange any type of points accrued from any airline or other business, anywhere in the world, for gifts or rewards.

As a whole, the mark is merely descriptive of the nature of the applicant's services. ... The mark immediately names the exact nature and purpose of applicant's goods. (Brief, p. 6)

She also argues that the slight misspelling of the word "exchange" remains merely descriptive because purchasers would perceive the different spelling as the equivalent of the descriptive word; that the mark does not include distinctive stylization that creates a separate commercial impression sufficient to carry the mark, with the merely descriptive words disclaimed; and that the mark, as a whole, is merely descriptive of applicant's services.

In support of the descriptiveness refusal, the Examining Attorney has made of record the following definition from The American Heritage Dictionary (Third Edition 1992):

- (1) "exchange noun 3. a place where things are exchanged. ..."

The Examining Attorney also submitted (i) copies of numerous excerpted stories retrieved from the Nexis

database to show how applicant and others use the words "points" and "exchange" in the context of the type of service offered by applicant; and (ii) certain pages printed from applicant's website as evidence that applicant itself uses the term "points xchange" to tell consumers that applicant's service "lets you xchange your points between your loyalty program accounts or [exchange your points] into gift certificates," "unlimited pointsexchanges are only \$14.95 per year with a pointsplus account—your best value at points.com," and "Reach rewards faster than ever with •pointsexchange™ -- the world's first and only online loyalty program currency exchange."

Applicant urges reversal of the refusal arguing as follows:

In this case, Applicant does not deny that the words comprising the Mark may be descriptive. However, Applicant is confident that the stylization of the Mark distinguishes the mark in its entirety.... (Brief, p. 4)

[Applicant's mark] (stylized) is capable of creating a commercial impression separate and apart from the words it is comprised of because (1) it is at least descriptive, (2) it is displayed in an aesthetic manner, and (3) it pertains to a unique service. (Brief, p. 5.)

Applicant asserts that the Mark, consisting of the distinctive display of the disclaimed word 'POINTS,' is

registerable upon the Principal Register as the aesthetics, appearance and arrangement of the display serve to distinguish the Mark in its entirety. (Brief, p. 6.)

Ultimately, applicant contends as follows in its reply brief:

The law in this case is undisputed: A distinctive display of unregistrable portions of a mark are registrable upon the principal register so long as the unregistrable elements are disclaimed. (Citations omitted) Accordingly, the issue in this appeal is simple: Is the stylization of the Applicant's mark POINTSXCHANGE (stylized) (the 'Mark') a sufficient distinctive display so as to permit the Mark to be registered (even assuming that the Mark is merely descriptive)?

As a preliminary matter, we must clarify the status of applicant's offer of a disclaimer of the word "points" in a December 18, 2001 letter to the Examining Attorney. Although the Examining Attorney did not formally accept or reject applicant's disclaimer, it was offered clearly and without condition. Thus, pursuant to Section 6(a) of the Trademark Act (whereby an applicant may voluntarily disclaim a component of a mark), the disclaimer has been entered.

We also note applicant stated (reply brief, p. 5) that although the Examining Attorney never required any disclaimer, "should the same be necessary, the Applicant

may be willing to disclaim those individual elements of the mark that the Trademark Trial and Appeal Board determines are needed in order to permit registration of the Mark." However, TMEP §1213.06 (Third Edition 2002) explains USPTO policy that an entire mark may not be disclaimed, and "if a mark is not registrable as a whole, a disclaimer will not make it registrable." The TMEP Section goes on: "There must be something in the combination of elements in the mark, or something of sufficient substance or distinctiveness over and above the matter being disclaimed, which would make the composite registrable after the import of the disclaimer is taken into account."

The issue before the Board is whether applicant's mark is merely descriptive, and if so, whether the stylization of the words is sufficient to carry the mark with the words disclaimed. As discussed below, we find that the mark is merely descriptive, and the stylization is not distinctive.

Applicant has acknowledged that the words "may be descriptive," and applicant argued the case essentially on the issue of "distinctive display" of the words. However, because applicant did not specifically admit the words are merely descriptive, and applicant offered a disclaimer of only one of the two words, we will first determine whether the Examining Attorney has made a prima facie showing that

the words "points xchange" are merely descriptive under Section 2(e)(1).

As has been stated repeatedly, "a term is merely descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods [or services]." In re Abcor Development Corp., 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978); Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 189 USPQ 759, 765 (2nd Cir. 1976). Moreover, it should be noted that the descriptiveness of a term is not decided in the abstract, but rather is decided in relationship to the goods or services for which registration is sought. See Abcor Development, supra; In re Consolidated Cigar Co., 35 USPQ2d 1290 (TTAB 1995); and In re Eden Foods Inc. 24 USPQ2d 1757 (TTAB 1992). Finally, it should be noted that a word or phrase can be "descriptive though it merely describes one of the qualities or properties of the goods [or services]." In re Gyulay, 820 F.2d 1216, 3 USPQ2d 1009, 1010 (Fed. Cir. 1987).

Here the Examining Attorney has established that the mark is merely descriptive of applicant's identified services. The words in applicant's mark, "points xchange," clearly refer to an exchange of points and would be so understood by the consuming public. The Nexis evidence,

examples of which are reproduced below, demonstrates that these words immediately convey information about the nature and purpose of applicant's services (emphasis added):

Headline: Vision: The rewards of Digital Payment

...Universal reward operators are beginning to strengthen their market position further by setting up points exchanges with private label and consortia programs in a bid to provide members with increasingly enticing redemption options. For private and consortia programs, these point exchanges enable members to earn their points or miles more rapidly. "New Media Age," January 24, 2002;

Headline: Amtrak, Continental Enter Into Partnership

...Members of the OnePass program and Amtrak's Guest Rewards program will be able to exchange points and miles. ... "The Record (Bergen County, NJ)," January 18, 2002;

Headline: Airline Merger Might Shock Frequent Fliers

...US Airways members would become customers of an airline that is part of the Star Alliance, which would let them rack up frequent-flier points and exchange them for trips on 12 global carriers, including Air Canada, All Nippon, Lufthansa and Singapore Airlines. ..., "The Washington Post," May 2, 2001; and

Headline: Business Digest

...American Airlines' frequent flier program will become a participant in Points.com, a new Internet-based company that touts itself as the world's first loyalty program currency exchange. AAdvantage members will be able to

exchange their points in other loyalty programs for AAdvantage mileage points or convert AAdvantage mileage points into other loyalty programs' points. . . ., "Fort Worth Star Telegram," March 31, 2001.

The words POINTS XCHANGE, as applied to "providing a web site on the global computer network for the tracking and exchange of customer loyalty rewards," immediately informs consumers that applicant's services will allow consumers to exchange points in various loyalty rewards programs. That is, the purchasing public would immediately understand the nature and purpose of the services, knowing that applicant's services involve this exchange of points. No thought or imagination is required on the part of a consumer of applicant's services to come to this conclusion.

We find the words POINTS XCHANGE are merely descriptive of the involved services; and the combination of these words does not create an incongruous or creative or unique mark. See *In re Gyulay*, supra; and *In re Omaha National Corporation*, 819 F.2d 1117, 2 USPQ2d 1859 (Fed. Cir. 1987).

We must then consider whether the stylized lettering and arrangement of the words comprises a "distinctive display" sufficient to carry the mark. Again we agree with

the Examining Attorney that the stylization of the words in this case is not sufficient to create a separate commercial impression and thus does not obviate the refusal under Section 2(e)(1). The style of lettering and arrangement of the words is not unique or fanciful but rather is ordinary and nondistinctive. Here, the words are displayed in plain lettering with no design feature, such as in the sense of a monogram as in the case (relied on heavily by applicant) of *In re Jackson Hole Ski Corporation*, 190 USPQ 175 (TTAB 1976). Specifically, in the case now before the Board, the mark appears in lower case lettering in plain font type, with the words appearing one over the other flush with a right margin, and the word "points" in slightly larger plain type. There is no distinctive arrangement of the words, or aesthetics or design involved. These are simply two words in lower case, one over the other, right justified. See *In re American Academy of Facial Plastic and Reconstructive Surgery*, 64 USPQ2d 1648 (TTAB 2002), and cases cited therein. See also, 2 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, §11:30 (4th ed. 2001). We find this mark involves very minimal stylization which does not create a separate commercial impression apart from the words "points xchange."

As noted earlier, we acknowledge that the word "xchange" in applicant's mark is a misspelling of the English word "exchange." However, applicant did not argue that this misspelling constitutes anything unique or distinctive about its mark. Moreover, we have no doubt that this slight and common misspelling of the word "exchange" is not unique or distinctive and would not be so perceived by the purchasing public. Instead, the purchasing public would readily and immediately understand it to refer simply to "exchange." Thus, the misspelled word "xchange" does not create a separate and distinct commercial impression.

Applicant also relies heavily on the case of *In re Clutter Control Inc.*, 231 USPQ 588 (TTAB 1986). There the Board found the words to be merely descriptive, but the design format of the words made a "striking commercial impression, separate and apart from the word portion of applicant's mark" (*supra* at 589-590).² That is simply not the case in the mark now before the Board.

² The initial letter "C" in each word, "construct" and "closet," was elongated both above and below the remaining letters in the word in a manner such that the "C" encompassed all the other letters of that word.

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Decision: The refusal to register on the ground that the mark is merely descriptive under Section 2(e)(1) is affirmed.