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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Discount Car & Truck Rentals Ltd.

Serial No. 75/177,779

Colleen F. Goss and James W. McKee of Fay, Sharpe, Beall,
Fagan, Minnich & McKee for applicant.

K. Margaret Le, Trademark Examining Attorney, Law Office
103 (Michael Szoke, Managing Attorney).

Before Quinn, Hairston and McLeod, Administrative Trademark
Judges.

Opinion by Quinn, Administrative Trademark Judge:

An application has been filed by Discount Car & Truck
Rentals Ltd. to register the mark DISCOUNT for "car and
truck rental services."¹ Applicant claims, pursuant to
Section 2(f) of the Trademark Act, that its mark has
acquired distinctiveness. Applicant also claims ownership
of Registration No. 1,234,132, issued on the Supplemental

¹ Application Serial No. 75/177,779, filed October 7, 1996,
alleging dates of first use of December 23, 1981.

Register, of the mark DISCOUNT RENT-A-CAR ("RENT-A-CAR" disclaimed) for "automobile rental services."

The Trademark Examining Attorney has refused registration under Section 2(e)(1) of the Act on the ground that DISCOUNT, when used in connection with car and truck rental services, is not just merely descriptive, but is generic and, thus, is incapable of functioning as a source identifying mark. The Examining Attorney further contends that, in view of the generic nature of the term DISCOUNT, the evidence of acquired distinctiveness submitted by applicant is insufficient to permit registration on the Principal Register.

When the refusal was made final, applicant appealed. Applicant and the Examining Attorney submitted briefs, and both appeared at an oral hearing.

The Examining Attorney's position is that the term DISCOUNT is generic for applicant's services. Further, the Examining Attorney maintains that if it is determined that the term is not generic, but rather merely descriptive, then the evidence of acquired distinctiveness is insufficient to support registration on the Principal Register. In the Examining Attorney's view, the term essentially names the category of applicant's services, namely discount car and truck rental services. The

Examining Attorney has relied upon a dictionary definition of "discount" and excerpts retrieved from the NEXIS database.

Applicant contends that the term sought to be registered is just suggestive, notwithstanding its claim that the term has acquired distinctiveness. In support of its Section 2(f) claim, applicant submitted the declaration of Allen Fridson, applicant's vice president, wherein he attests to use of the term DISCOUNT in connection with applicant's car and truck rental services since December 23, 1981.² In addition, applicant submitted third-party registrations of "comparable marks" (DOLLAR and THRIFTY) which, according to applicant, show that applicant's mark is registrable. Also of record are excerpts from applicant's web page.

The issues on appeal are whether the term DISCOUNT is merely descriptive or generic for applicant's services and, alternatively, if such term is not regarded as generic but rather as merely descriptive, whether it has acquired distinctiveness.

² Although applicant has set forth use dating back to December 23, 1981, nowhere in the application is the use referred to as "substantially exclusive and continuous."

We turn first to the issues of whether the term DISCOUNT is generic, and whether it is merely descriptive, as used in connection with car and truck rental services. A mark is merely descriptive if, as used in connection with the goods or services in question, it describes, i.e., immediately conveys information about, an ingredient, quality, characteristic, feature, etc. thereof, or if it directly conveys information regarding the nature, function, purpose, or use of the goods or services. See: In re Abcor Development Corp., 588 F.2d 811, 200 USPQ 215 (CCPA 1978); In re Eden Foods Inc., 24 USPQ2d 1757 (TTAB 1992); and In re American Screen Process Equipment Co., 175 USPQ 561 (TTAB 1972). Contrary to the gist of some of applicant's remarks, the issue is not determined in a vacuum, but rather the mere descriptiveness of the mark is analyzed as the mark is used in connection with the services. A mark is a generic name if it refers to the class or category of goods or services on or in connection with which it is used. H. Marvin Ginn Corp. v. International Association of Fire Chiefs, Inc., 782 F.2d 987, 228 USPQ 528 (Fed. Cir. 1986). The test for determining whether a mark is generic is its primary significance to the relevant public. Section 14(3) of the Act; Magic Wand Inc. v. RDB Inc., 940 F.2d 638, 19 USPQ2d

1551 (Fed. Cir. 1991); and H. Marvin Ginn Corp. v. International Association of Fire Chiefs, Inc., supra. The Patent and Trademark Office has the burden of establishing that a mark is generic and thus unregistrable. In re Merrill Lynch, Pierce, Fenner and Smith, Inc., 828 F.2d 1567, 4 USPQ2d 1141 (Fed. Cir. 1987). Evidence of the relevant public's understanding of a term may be obtained from any competent source, including testimony, surveys, dictionaries, trade journals, newspapers, and other publications. In re Northland Aluminum Products, Inc., 777 F.2d 1556, 227 USPQ 961 (Fed. Cir. 1985).

In support of the refusal to register, the Examining Attorney refers to the dictionary definition of the term "discount" as "a reduction made from a regular list price."³

The Examining Attorney also introduced numerous excerpts retrieved from the NEXIS database wherein the term "discount" is used as a generic adjective in connection with car rental services. Although we agree with certain of applicant's criticisms leveled at portions of the NEXIS evidence, the following examples are representative of the probative articles bearing on genericness:

³ While the Examining Attorney did not submit a copy of the dictionary listing, but rather only referred to the definition, applicant has not disputed the meaning of the term. In any event, the Board may take judicial notice of such matter.

A drop-off charge is an extra fee imposed by rental-car companies when you rent a car one way. The smaller discount rental firms will indeed save you money, but some do not allow one-way rentals at any price.

The San Diego Union-Tribune (April 12, 1998)

...five players drove discount rental cars...

Fort Lauderdale Sun-Sentinel (December 23, 1994)

...on a map distributed by the discount rental-car company Auto Europe.

The Seattle Times (June 1, 1993)

...he was paying for a discount rental car at a hotel desk in Arizona...

Chicago Tribune (May 31, 1993)

After two consecutive warm ski seasons in the Northeast, resorts are pulling out all stops to grab business: discount rental cars, discount lift tickets...

Newsday (December 15, 1991)

National railpasses, discount rental-car plans, bare-bones tour programs...

Chicago Tribune (March 24, 1991)

...a Los Angeles-based discount rental-car franchiser that buys its fleet from used-car dealers.

The Washington Post (October 22, 1990)

Claiming in the trade press that it couldn't compete with so-called discount rental companies, Hertz attempted in late 1987...

The Record (January 15, 1989)

In the VIP parking area of the airport, a car awaits him, a faded maroon tuna-

boat of a station wagon from a discount rental agency.

Los Angeles Times (February 1, 1987)

...providing free or discount rental cars to...

Chicago Tribune (June 13, 1986)

...where the players can rent rooms for under \$200 a month and are arranging deals for discount car rentals and restaurant meals.

The New York Times (November 18, 1983)

Actually, discount car rentals and hotel rates are sometimes offered to airlines' frequent fliers...

The New York Times (June 18, 1995)

After acquiring the Florida discount car rental company...

Business Travel News (May 5, 1997)

Last week's column mentioned a discount car-rental company called Connex.

Newsday (May 24, 1992)

...profit margins have been squeezed in recent years by growing competition by discount car rental companies such as National and Budget...

Los Angeles Times (June 18, 1985)

After reviewing the entirety of the record, we conclude that the term DISCOUNT is a generic term for the type or category of applicant's services, namely car and truck rental services. That is to say, the term "discount" is generic for car and truck rental services offered at a discount and, thus, it is not capable of registration. It is a term that should be freely available for use by others

in the industry. See: In re Boston Beer Co. L.P., 198 F.3d 1370, 53 USPQ2d 1056 (Fed. Cir. 1999); In re Central Sprinkler Co., 49 USPQ2d 1194 (TTAB 1998); and In re Half Price Books, Records, Magazines, Inc., 225 USPQ 219 (TTAB 1984).

Applicant makes much of the fact that the recitation of services reads "car and truck rental services" and not "discount car and truck rental services." (brief, p. 7: "While the applicant may, in some instances, provide car and truck rental services of a lower price than others, discounted car and truck rental services are not the services for which the mark is to be registered nor does this fact alone render the word DISCOUNT 'merely' descriptive of the services." (emphasis in original)) In fact, applicant makes the following concession: "Applicant would most certainly concede that the mark is merely descriptive and not registrable if the services were identified as 'discount car and truck rental services.'" (reply brief, p. 2)

Although the broad category of services involved here is car and truck rental services, the services also fall within the narrower category of "discount" car and rental services. Id. at 1197. Moreover, the broad recitation "car and truck rental services" clearly encompasses the

narrower recitation "discount car and truck rental services." See, e.g., *In re Allen Electric and Equipment Co.*, 458 F.2d 1404, 173 USPQ 689 (CCPA 1972)[Since the goods are described merely as "antennas" and that term is broad enough to encompass "scanning antennas," the term "SCANNER" as applied to the goods is merely descriptive.] We find that the term "discount" would be understood by the relevant public as referring to the category of car and truck rental services offered at a discount.

In finding that the term DISCOUNT is incapable of being a source identifier for applicant's car and truck rental services, we have considered the evidence of acquired distinctiveness. *In re Paint Products Co.*, 8 USPQ2d 1863 (TTAB 1988). As to acquired distinctiveness, applicant has the burden of proof to establish a prima facie case of acquired distinctiveness. *Yamaha International Corp. v. Hoshino Gakki Co., Ltd.*, 840 F.2d 1572, 6 USPQ2d 1001, 1006 (Fed. Cir. 1988).

The only evidence of acquired distinctiveness relied upon by applicant is its use of DISCOUNT in connection with its services dating back to December 23, 1981.

The almost nineteen years of use is clearly outweighed by the other evidence of record. For us, the dictionary definition and the NEXIS excerpts persuade us of the

unambiguous and commonly understood meaning of the term "discount."

Accordingly, even if the term DISCOUNT were found to be not generic, but merely descriptive, given the highly descriptive nature of the term DISCOUNT, we would need to see a great deal more evidence than applicant's simple claim of nineteen years of use in order to find that the term has become distinctive of applicant's services. That is to say, the greater the degree of descriptiveness, the greater the evidentiary burden on the user to establish acquired distinctiveness. *Yamaha Int'l. Corp. v. Hoshino Gakki Co.*, supra; and *In re Merrill Lynch, Pierce, Fenner & Smith, Inc.*, supra. See also: *Restatement (Third) of Unfair Competition* (1993), Section 13, comment e:

The sufficiency of the evidence offered to prove secondary meaning should be evaluated in light of the nature of the designation. Highly descriptive terms, for example, are less likely to be perceived as trademarks and more likely to be useful to competing sellers than are less descriptive terms. More substantial evidence of secondary meaning thus will ordinarily be required to establish their distinctiveness. Indeed, some designations may be incapable of acquiring distinctiveness.

Applicant's ownership of a Supplemental Register registration of a similar mark does not compel a

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different result in the present case.⁴ As often stated, each case must be decided on its own set of facts, and the Board is not bound by the prior determination of an Examining Attorney.

Decision: The refusal to register is affirmed.

T. J. Quinn

P. T. Hairston

L. K. McLeod
Administrative Trademark
Judge, Trademark Trial
and Appeal Board

⁴ We recognize that Section 27 of the Trademark Act provides, in part, that registration of a mark on the Supplemental Register shall not constitute an admission that the mark has not acquired distinctiveness. See: *TMEP*, § 1114.05.

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