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Paper No. 24
DEB

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Comark, Inc.

Serial Nos. 75/178,161 and 75/178,162

Samuel Fifer and Alison P. Schwartz of Sonenschein Nath & Rosenthal for Comark, Inc.

Steven R. Berk, Trademark Examining Attorney, Law Office 102 (Thomas Shaw, Managing Attorney).

Before Quinn, Wendel and Bucher, Administrative Trademark Judges.

Opinion by Bucher, Administrative Trademark Judge:

Comark, Inc. seeks to register on the Principal Register, the term PC WHOLESALE,[1] as well as a special form mark having a square appearing with the term PC WHOLESALE, as shown:

[2]

[1] Application Serial No. 75/178,162 was filed on October 7, 1996, based upon applicant's claim of use in commerce at least as early as October 1989.

[2] Application Serial No. 75/178,161 was also filed on October 7, 1996, also based upon applicant's claim of use in commerce at least as early as October 1989.

both used in conjunction with the following goods and services, as amended:

> "catalogs featuring personal computers and computer peripherals," in International Class 16,
>
> "telephone, mail and fax order services featuring computer hardware, software, and computer peripherals," in International Class 35, and
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> "computer hardware and peripherals installation," in International Class 37.

In each application, applicant amended the application papers to claim that the mark sought to be registered has acquired distinctiveness as provided by Section 2(f) of the Trademark Act of 1946, 15 U.S.C. §1052(f). In addition to its claim of five years of substantially exclusive and continuous use in commerce,[3] applicant attempts to support its claim of acquired distinctiveness in both applications through the declaration of David W. Keilman, applicant's vice president, attesting to the cumulative volume of advertising expenditures in connection with these two marks.

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[3] Although applicant claims to have used these marks since 1989, this is a reference to the language of applicant's declaration herein, tracking the statutory presumption of the statute, that a claim of substantially exclusive and continuous use for the five years before the date on which the claim of distinctiveness is made *may* be accepted as *prima facie* evidence that the mark has acquired distinctiveness as used with the applicant's goods and services in commerce. See 15 U.S.C. §1052(f) and 37 C.F.R. §2.41(b).

The Trademark Examining Attorney made final the refusal to register these marks on the grounds that the term PC WHOLESALE is the generic designation for these services and goods,[4] and furthermore, should PC WHOLESALE be deemed not to be generic, that applicant has failed to make a sufficient showing of acquired distinctiveness under Section 2(f) of the Act.

Applicant has appealed these refusals to register. The case has been fully briefed. Applicant did not request an oral hearing before the Board.

The issues before us are whether the term PC WHOLESALE (or the PC WHOLESALE portion of applicant's composite mark), when used in connection with the recited services and identified goods is generic,[5] or, if not generic, whether the term PC WHOLESALE has acquired distinctiveness under Section 2(f) of the Lanham Act.[6]

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[4] The above application for the typed drawing of PC WHOLESALE ('162) was refused for genericness, while in the application for the special form drawing of PC WHOLESALE ('161), the refusal is based on applicant's failure under Section 6 of the Trademark Act to disclaim the allegedly generic matter apart from the composite mark as shown.

[5] If generic, this term is considered incapable of indicating source and cannot attain trademark significance. *See In re Merrill Lynch, Pierce, Fenner, and Smith, Inc.*, 828 F.2d 1567, 4 USPQ2d 1141 (Fed. Cir. 1987).

[6] Because applicant amended its applications to assert a claim of acquired distinctiveness under Section 2(f) of the Act, in relation to the term PC WHOLESALE, applicant has conceded that this matter is merely descriptive. Thus, if not generic, the only question is whether it is registrable on the basis of

Genericness

First, we turn to the issue of genericness. The Trademark Examining Attorney argues that the identification of goods and the recitations of services, combined with the evidence made of record herein, clearly establish genericness. The Trademark Examining Attorney insists that inasmuch as "applicant's goods and services comprise the wholesale distribution of PC's," it is clear that "applicant has simply combined the generic name for the services, namely WHOLESALE with the type of goods sold and/or the subcategory of the wholesale services, namely PC." (Trademark Examining Attorney appeal brief, p. 5).

Arguing from the record, the Trademark Examining Attorney points out the connotations that one draws from the individual dictionary entries for each of these two words. "PC" is the equivalent of "computers." "WHOLESALE" refers to a critical portion of the distribution of goods in this country. He argues that after combining the individual words, the logical meaning of the combined terms is generic for computer wholesaling, based upon the excerpts of articles from the LEXIS/NEXIS database. The Trademark Examining Attorney concludes that "there are a

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acquired distinctiveness. *See In re Leatherman Tool Group Inc.*, 32 USPQ2d 1443 (TTAB 1994).

wide variety of goods and services where the term PC WHOLESALE is generic," including the listed services and goods, which the Trademark Examining Attorney finds to be "highly related" to the field of computer wholesaling. He argues that members of the relevant consuming public will clearly understand the term PC WHOLESALE primarily to refer to these classes of goods and services.

The following uses are representative of evidence drawn from the LEXIS/NEXIS database:

> More recently, slower growth in international markets has further pressured sales gains for ***PC wholesalers***. "Q1 Growth Slow for Distributors, Resellers," *Computer Reseller News*, April 12, 1999.
>
> Ziff-Davis is a unit of Japan's Softbank Corp., a ***wholesaler*** of ***PC*** software. "Deutsche Bank sets sights on Bankers Trust," *The Orange County Register*, October 20, 1998.
>
> With competition, technological advances and the rapid depreciation of computers, the roles of manufacturers, ***wholesalers*** and retailers in the ***PC*** business are shifting rapidly. "Is this the factory of the future?" *The New York Times*, July 26, 1998.
>
> Compaq was the first major vendor to move ***PC*** products through ***wholesale*** distributors and, ultimately, to open sourcing. "Ross Cooley: pcOrder.com," *Computer Reseller News*, November 10, 1997.
>
> Tech Data is a ***wholesale*** distributor of ***personal computers*** and software, ranked No. 2 in revenues in the United States. "Tech

> Data to complete Compaq computers," *The Tampa Tribune*, July 30, 1997.
>
> ***PC*** distributors (***wholesalers***) sell thousands of products from hundreds of vendors to tens of thousands of resellers… "Great Expectations," *Computer Reseller News*, July 8, 1996.
>
> The three multibillion-dollar behemoths control approximately 38 percent of the ***wholesale PC*** marketplace… "Industry Giants brace for share battle," *Computer Reseller News*, February 26, 1996.

By contrast, applicant contends that when the term "PC wholesale" is used as an adjective to describe a type of computer distributor, it may be merely descriptive of such services, but that it is not generic for the actual services provided by the distributor. Applicant concedes that if the mark were PC WHOLESALER, as seen in many of the LEXIS-NEXIS excerpts, the Trademark Examining Attorney might have a more compelling case. However, applicant argues that the definitions in the record for the word "wholesale" do not refer to a merchant itself, or to the services provided by the entrepreneur in the middle of this distribution chain. Furthermore, applicant did its own search of news articles located in the LEXIS-NEXIS database using the actual phrase "PC WHOLESALE." A substantial majority of these stories were references to applicant.

Applicant also argues that the Trademark Examining Attorney has answered both prongs of the *Marvin Ginn* test with conclusory statements without ever clearly setting out the relevant class of goods or services, and without demonstrating that the relevant public understands the term PC WHOLESALE to primarily refer to such a class of goods or services.

As our principal reviewing court has stated:

> …[D]etermining whether a mark is generic … involves a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered … understood by the relevant public primarily to refer to that genus of goods or services?

H. Marvin Ginn Corporation v. International Association of Fire Chiefs, Inc., 782 F.2d 987, 990, 228 USPQ 528, 530 (Fed. Cir. 1986). With respect to genericness, the Office has the burden of proving this refusal with "clear evidence" of genericness. *In re Merrill, Lynch, Pierce, Fenner & Smith, Inc.*, 828 F.2d 1567, 4 USPQ2d 1141, 1143 (Fed. Cir. 1987). Evidence of the relevant public's perception of a term may be acquired from any competent source, including newspapers, magazines, dictionaries, catalogs and other publications. *Leatherman Tool Group*, 32 USPQ2d at 1449 (TTAB 1994), citing *In re Northland Aluminum Products, Inc.*, 777 F.2d 1566, 227 USPQ 961, 963 (Fed. Cir.

1985). Of course, in this, as in all cases, the Office must be able to satisfy both elements of the test as set forth in the controlling precedent of *Marvin Ginn*, bearing in mind that "[a]ptness is insufficient to prove genericness." *See In re American Fertility Society*, 188 F.3d 1341, 51 USPQ2d 1832, 1836 (Fed. Cir. 1999).

While the applicant argues that the Trademark Examining Attorney is not very specific in setting out the class of goods or services under the first prong of *Marvin Ginn*, the earlier quote from the Trademark Examining Attorney's brief supports "computer wholesaling." That is similar to an entry from the USPTO's manual of acceptable recitals, namely "wholesale distributorships featuring PC's." Applicant suggests that the class of goods and services is named "computer-related goods and services sold at the wholesale level."

In any case, the critical question herein, drawn from the second prong of the *Marvin Ginn* test, is whether PC WHOLESALE is understood by the relevant public primarily to refer to that class of goods or services. We are mindful of the guidance of our principal reviewing court that we must conduct an "inquiry into the meaning of the disputed phrase as a whole." *American Fertility*, 51 USPQ2d at 1836. The evidence supports the conclusion that these constituent

elements, “PC” and “wholesale,” are generic or highly descriptive of applicant’s services and goods. However, we are constrained to find, under the strictures of *American Fertility*, that the exact phrase, PC WHOLESALE, has not been shown to be generic for these goods and services. *See In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 57 USPQ2d 1807, 1811 (Fed. Cir. 2001).

The Lexis-Nexis articles demonstrate that personal computers have been distributed through wholesale channels for more than a dozen years. Hence, it is instructive that when applicant did a Lexis-Nexis search for the exact phrase “PC WHOLESALE,” substantially all of the “hits” referred to applicant itself. Other than these direct references to applicant’s service marks and trade name, the only times these words appear together in this record are when “PC wholesale” is used as an adjective to describe a type of computer distributor. Accordingly, we cannot conclude, on this record, that PC WHOLESALE is generic for the above recited services and listed goods.

Acquired Distinctiveness

We turn next to the question of whether this term has been shown to have acquired distinctiveness as a source indicator for applicant. Applicant clearly has the burden of proof to establish a *prima facie* case of acquired

distinctiveness. *Yamaha International Corp. v. Hoshino Gakki Co., Ltd*., 840 F.2f 1572, 6 USPQ2d 1001, 1006 (Fed. Cir. 1988). The greater the degree of descriptiveness, the greater the evidentiary burden on the user to establish acquired distinctiveness. *Yamaha Int'l.*, *supra*; *In re Merrill Lynch, Pierce, Fenner & Smith, Inc*., *supra*; *Restatement (Third) of Unfair Competition* (1993), Section 13, comment e.

Given the highly descriptive nature of the PC WHOLESALE designation, applicant's *pro forma* claim under Trademark Rule 2.41(b) of five years of substantially exclusive and continuous use in commerce is clearly unacceptable to make out a *prima facie* case of acquired distinctiveness herein.[7]

The record also includes a declaration attesting to applicant's use of the term PC WHOLESALE in connection with its listed services and goods since October 1989. Moreover, we learn from Mr. Keilman's declaration that applicant has expended $5.5 million in promoting its services and products under the designations sought to be registered. However, inasmuch as applicant has adopted a highly descriptive term as its mark, we find that a

[7] See 15 U.S.C. §1052(f); 37 C.F.R. §2.41(b); and TMEP §1212.05.

declaration as to gross advertising expenditures is in no way determinative of the success of this advertising effort. *In re Pennzoil Products Co.*, 20 USPQ2d 1753 (TTAB 1991). This is true even if the relevant audience for such advertisements is not extended to the consuming public at large, but is limited, as applicant contends it should be, only to computer resellers. Given the highly descriptive nature of the designation for its services and goods, we would need to see direct evidence of the relevant consumers' perceptions of this term as a source-identifier in order to be convinced of the acquired distinctiveness of this term. Yet these files contain no direct evidence indicating that the relevant consumers of such services or goods have come to view the designations as applicant's source-identifying marks.

Accordingly, taking into consideration the entire record herein, we find that applicant has failed to make a sufficient showing of acquired distinctiveness under Section 2(f) of the Act to permit registration of these marks.

Decision: As to the application containing the typed drawing ('162), we reverse the refusal to register PC WHOLESALE as a generic designation for the recited services and goods, but affirm the refusal to register in light of

the failure of applicant to make out a *prima facie* case of acquired distinctiveness for this highly descriptive matter.[8]

On the other hand, as to the application for the composite mark ('161), a Section 6 disclaimer of the words PC WAREHOUSE apart from the composite mark as shown is still permissible. With such a disclaimer, we would reverse the Trademark Examining Attorney on his refusal to register this mark. Should applicant so desire, we conclude that consistent with Trademark Rule 2.142(g), this mark could be published for opposition. Provided that applicant within thirty days of the mailing date of this decision submits an appropriate disclaimer of the term "PC WHOLESALE,"[9] the refusal to register in application '161 will then be reversed.

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[8] In its reply brief, applicant has requested that we remand these cases to the Trademark Examining Attorney for issuance on the Supplemental Register in the event that we found the term not to be generic along with an insufficient showing of acquired distinctiveness. However, the Board cannot accept an amendment to the Supplemental Register after a case has been decided on appeal. *See In re S. D. Fabrics, Inc.*, 223 USPQ 56 (TTAB 1984); *In re Dodd International, Inc.*, 222 USPQ 268 (TTAB 1983); 37 CFR §2.142(g); TBMP §1218, and cases cited therein. Accordingly, if applicant still wants to pursue this possibility, it would need to file new applications on the Supplemental Register.

[9] *See In re Interco Inc.*, 29 USPQ2d 2037, 2039 (TTAB 1993). For the proper format for a disclaimer, attention is directed to TMEP §§1213.09(a)(i) and 1213.09(b). However, in the event that applicant chooses to disclaim this term, the Office should ensure that the resulting registration does not contain any reference to the earlier claim made under Section 2(f) of the Act.