

**THIS DISPOSITION
IS NOT CITABLE AS PRECEDENT
OF THE T.T.A.B.**

Hearing:
May 25, 2000
11/14/00

Paper No. 17
Bottorff

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Regal Discount Securities, Inc.

Serial No. 75/329,304

Richard D. Harris of Dick and Harris for Regal Discount Securities, Inc.

Ronald E. Aikens, Trademark Examining Attorney, Law Office 103 (Michael Szoke, Managing Attorney)

Before Simms, Cissel and Bottorff, Administrative Trademark Judges.

Opinion by Bottorff, Administrative Trademark Judge:

Applicant seeks registration on the Principal Register of the mark E-OPTION, in typed form, for "stock brokerage services in securities, including the buying and selling of stocks, options and mutual funds."¹ Registration has been finally refused on the ground that applicant's mark is

¹ Serial No. 75/329,304, filed July 23, 1997. The application is based on intent-to-use, under Trademark Act Section 1(b).

merely descriptive of the recited services. See Trademark Act Section 2(e)(1), 15 U.S.C. §1052(e)(1).

Applicant has appealed the final refusal. Applicant and the Trademark Examining Attorney filed main briefs on appeal, and applicant filed a reply brief. An oral hearing was held at which applicant's counsel and the Trademark Examining Attorney were present. After careful consideration of the evidence of record and the arguments presented by applicant and the Trademark Examining Attorney, we reverse the refusal to register.

A term is merely descriptive of goods or services, within the meaning of Trademark Act Section 2(e)(1), if it forthwith conveys an immediate idea of an ingredient, quality, characteristic, feature, function, purpose or use of the goods or services. See, e.g., *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987), and *In re Abcor Development Corp.*, 588 F.2d 811, 200 USPQ 215, 217-18 (CCPA 1978). A term need not immediately convey an idea of each and every specific feature of the applicant's goods or services in order to be considered merely descriptive; it is enough that the term describes one significant attribute, function or property of the goods or services. *In re H.U.D.D.L.E.*, 216 USPQ 358 (TTAB 1982); *In re MBAssociates*, 180 USPQ 338 (TTAB 1973). Whether a term is

merely descriptive is determined not in the abstract, but in relation to the goods or services for which registration is sought, the context in which it is being used on or in connection with those goods or services, and the possible significance that the term would have to the average purchaser of the goods or services because of the manner of its use. *In re Bright-Crest, Ltd.*, 204 USPQ 591, 593 (TTAB 1979).

The Trademark Examining Attorney has presented evidence showing that the prefix "E-" is commonly understood to be an abbreviated form of the prefix "Electronic-." "When you see a technological term that starts with the letter 'e' and a hyphen, it most likely is an e-commerce-driven term. And nine times out of ten, the 'e' means electronic." (USA Today, July 8, 1998.) "[T]he 'e-dash' prefix may be attached to anything that has moved from paper to its electronic alternative, such as e-mail, e-cash, etc." (Freedman, Alan, The Computer Glossary, 131 (8th ed. 1998).) Applicant indeed has acknowledged that the "E-" in its mark is intended to suggest "electronic," and that E-OPTION "suggests an 'E-Commerce' mark." (Applicant's Brief at 6.)

The evidence of record also establishes that an "option" is "a security that represents the right to buy or

sell a specified amount of an underlying security stock, bond, futures contract, etc. at a specified price with a specified time."² We likewise take judicial notice that "option" is defined as "a contract that provides the right, but not the obligation, to buy or sell a specific amount of a specific security within a predetermined time period." R.J. Shook, Wall Street Dictionary 314 (The Career Press 1999). Applicant does not dispute that the "options" to which its recitation of services refers are financial instruments of the type identified in the foregoing definitions. Applicant also has acknowledged that its recited brokerage services will include the buying and selling of options by electronic means, i.e., the electronic trading of options.

Based on these facts, the Trademark Examining Attorney argues that

the average user who seeks to purchase stock options via a global communication information network or some other electronic means and encounters the mark "E-OPTION" in the marketplace, would perceive the applicant's mark as the apt descriptive name of the service of providing options electronically. That is, the mark 'E-OPTION' used in relation to the buying and selling of stock options would immediately convey to the purchaser the

² Invest-O-Rama [online] Glossary, printout attached to the Trademark Examining Attorney's June 7, 1999 office action denying applicant's request for reconsideration.

information that applicant sells or buys options via electronic means.

(Brief, at 6.)³

Applicant, in turn, argues that E-OPTION is not merely descriptive of the recited services. Applicant notes that there is no evidence in the record that the term E-OPTION has been used by others, descriptively or otherwise, and that the Office in the past has registered numerous "E-" prefix marks on the Principal Register, presumably because such marks were deemed to be inherently distinctive. Applicant contends that the "E-" prefix in its mark does not immediately inform purchasers that applicant's brokerage services may be rendered electronically, because "E-" could be viewed as an abbreviation for a multitude of words other than "electronic."

Applicant also argues that its mark is not merely descriptive because the presence of the word "option" in the mark creates a double entendre, as applied to applicant's services. Applicant contends that, in its E-OPTION mark, the word "option" might refer to the financial

³ Although the Trademark Examining Attorney, in the quoted excerpt from his brief, asserts that E-OPTION is the "apt descriptive name" for applicant's services, we note that the issue raised by the Trademark Examining Attorney's refusal in this case is whether applicant's mark is "merely descriptive" of the recited services.

securities known as "options," but it also refers to the fact that applicant offers its customers the "option" of utilizing applicant's brokerage services either by conventional means, i.e., by in-person visits or by telephone, or by electronic means, i.e., via the Internet or other online method. That is, the mark conveys the double meaning that applicant's customers who wish to trade in "options" (or other types of financial instruments) have the "option" of trading conventionally or electronically.

We agree with the Trademark Examining Attorney's contention that applicant's mark E-OPTION immediately informs customers that applicant's services are offered or rendered electronically (the prefix "E-") and that they involve the trading of financial securities known as options (the word OPTION). To this extent, and to the extent that applicant's services involve electronic option trading, E-OPTION has a merely descriptive significance. Applicant's arguments to the contrary are not persuasive.

However, we also agree with applicant's contention that E-OPTION has an additional meaning which is not merely descriptive of applicant's services. The word "option," in addition to the specific meaning it has in connection with applicant's services (as the name of a species of financial security in which applicant deals), also has a more

generalized meaning which suggests the concept of "choice." Likewise, E-OPTION suggests that applicant's customers are free to choose to trade by conventional means (by telephone or in-person contacts) or to trade by electronic means. Significantly, we note that applicant's customer need not even be trading in options to exercise his or her E-OPTION, or electronic option; the customer who trades only in stocks, mutual funds or other types of securities is free to exercise his or her "electronic option" when utilizing applicant's services.

In connection with applicant's services, this second meaning of E-OPTION would be understood by customers, but only after they had undertaken a multi-stage reasoning process. That is, the purchaser must recognize that "option" has a general meaning ("choice") in addition to its specific meaning in the financial securities field, that applicant renders its services via both electronic and conventional means, and that the customer has the option of choosing either of those means in his or her dealings with applicant. The necessity of this multi-stage reasoning process makes applicant's mark suggestive rather than merely descriptive.

In summary, we find that applicant's mark E-OPTION, when viewed in connection with applicant's services, has

two meanings, one of which is suggestive rather than merely descriptive of applicant's services. In view thereof, we find that the mark is not merely descriptive of the services. See *Henry Siegel Co. v. M&R International Mfg. Co.*, 4 USPQ2d 1154 (TTAB 1987); *In re Computer Business Systems Group*, 229 USPQ 859 (TTAB 1985); and *No Nonsense Fashions, Inc. v. Consolidated Foods Corp.*, 226 USPQ 502 (TTAB 1985). Any doubt as to this conclusion must be resolved in applicant's favor. *In re Atavio*, 25 USPQ2d 1363 (TTAB 1992).

Decision: The refusal to register is reversed.

R. L. Simms

R. F. Cissel

C. M. Bottorff

Administrative Trademark Judges
Trademark Trial and Appeal Board