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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Points.com Inc.

Serial No. 76/133,801

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
September 22, 2000 an application to register the mark
GLOBALPOINTSXCHANGE on the Principal Register 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, GLOBALPOINTSXCHANGE, 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; an oral hearing was not requested.

The Examining Attorney contends that "the mark immediately describes the exact nature and purpose of applicant's web site, namely, a complete, international, or global, exchange for customer loyalty points, such as frequent flyer points, car rental points, and the like" (first Office action February 16, 2001, p. 2); that applicant's misspelling of the word "xchange" does not obviate the merely descriptive nature of the entire mark because purchasers would readily perceive the term "xchange" as "exchange"; that the exchanging of earned points or rewards for goods and/or services is not new as evidenced by the numerous excerpted stories retrieved from the Nexis database; 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 definitions from The American Heritage Dictionary (Third Edition 1992):

- (1) "global adj. 2. of, relating to, or involving the entire earth; worldwide ... 3. comprehensive; total ...," and
- (2) "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 "pointsexchange" to tell consumers that applicant's service "lets you xchange your points between your loyalty program accounts or [exchange your points] into gift certificates" and that applicant is "the only place you can exchange points, miles or other currencies between your loyalty programs."

Applicant argues that "the element GLOBAL is not geographically descriptive nor descriptive of the Applicant's services, and is capable of distinguishing Applicant's services," and "a mark cannot be primarily

geographically descriptive simply because it includes the word 'global'" (brief, p. 2)¹; that applicant uses the mark in a suggestive manner whereby "'global' conveys a message and quality of international travel and sophistication that the Applicant desires to associate with its airline, travel, online and hotel customer loyalty reward management services" (brief, p. 3); that some imagination and thought is required to determine the nature of applicant's services; and that applicant's customers may enter into transactions with only the 25 businesses that have affiliated with applicant and thus, it is not "comprehensive" as to all companies offering points or rewards.

The test for determining whether a mark is merely descriptive is whether the term or phrase immediately conveys information concerning a significant quality, characteristic, function, ingredient, attribute or feature of the product or service in connection with which it is used or is intended to be used. 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*

¹ These arguments by applicant are somewhat puzzling to the Board because the Examining Attorney has not refused registration on the basis that (i) the mark, or any portion thereof, is primarily geographically descriptive, or (ii) the mark is incapable of distinguishing applicant's services.

Bright-Crest, Ltd., 204 USPQ 591 (TTAB 1979). Further, it is well-established that the determination of mere descriptiveness must be made not in the abstract or on the basis of guesswork, but in relation to the goods or services for which registration is sought, the context in which the term or phrase is being used or is intended to be used on or in connection with those goods or services, and the impact that it is likely to make on the average purchaser of such goods or services. See *In re Consolidated Cigar Co.*, 35 USPQ2d 1290 (TTAB 1995); and *In re Pennzoil Products Co.*, 20 USPQ2d 1753 (TTAB 1991). Consequently, "[w]hether consumers could guess what the product [or service] is from consideration of the mark alone is not the test." *In re American Greetings Corp.*, 226 USPQ 365, 366 (TTAB 1985). Rather, the question is whether someone who knows what the goods or services are will understand the term or phrase to convey information about them. See *In re Home Builders Association of Greenville*, 18 USPQ2d 1313 (TTAB 1990).

The issue before the Board is whether, applicant's mark, as a whole, is merely descriptive. Initially we note that applicant stated (brief, p. 3) that it "agrees with the Examiner that the novel spelling of the element 'XCHANGE' in the Mark would not obviate the descriptiveness

of the term should the term appropriately be deemed descriptive" and "if 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 §1213.05(a) (Third Edition 2002) explains USPTO policy that compound word marks are considered unitary marks and disclaimers of a nondistinctive component of a unitary mark should not be required.

Applicant also stated (brief, p. 4) that "even assuming that the element XCHANGE is descriptive of applicant's disservices, it is hard to assert that the element GLOBAL immediately brings to one's mind the Applicant's service of allowing an internet user to manage customer loyalty rewards online, without engaging in some exercise of imagination." The term "global" alone would not bring applicant's services to mind, but the question is whether the mark GLOBALPOINTSXCHANGE describes the nature and purpose of applicant's services. As discussed below, we find that the mark is merely descriptive.

We agree with the Examining Attorney that the mark, in its entirety, is merely descriptive of applicant's identified services. The dictionary meanings of "global" as "worldwide" and "comprehensive" are the readily

perceived meanings of the term. While applicant contends that it intends "global" to convey a meaning of international travel and sophistication, there is no evidence that the term would be so perceived.

The other portion of the mark, "pointsexchange," clearly refers 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.

When we consider the phrase GLOBALPOINTSXCHANGE as a whole, and in the context of applicant's services ["providing a web site on the global computer network for the tracking and exchange of customer loyalty rewards"], the phrase immediately informs consumers that applicant's services allow customers to exchange points, and that it is comprehensive in scope or is accessible anywhere in the world via the Internet. 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.

The combination of these words does not create an incongruous or creative or unique mark. Rather,

applicant's mark, GLOBALPOINTSXCHANGE, when used in connection with applicant's identified services, immediately describes, without need of conjecture or speculation, the nature and purpose of applicant's services, as discussed above. Nothing requires the exercise of imagination or mental processing or gathering of further information in order for purchasers of, and prospective customers for, applicant's services to readily perceive the merely descriptive significance of the phrase GLOBALPOINTSXCHANGE as it pertains to applicant's services. See *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987); *In re Omaha National Corporation*, 819 F.2d 1117, 2 USPQ2d 1859 (Fed. Cir. 1987); *In re Intelligent Instrumentation Inc.*, 40 USPQ2d 1792 (TTAB 1996); and *In re Time Solutions, Inc.*, 33 USPQ2d 1156 (TTAB 1994).

Finally, even if applicant became the first (and/or only) entity to use the phrase "GLOBALPOINTSXCHANGE" in relation to "providing a web site on the global computer network for the tracking and exchange of customer loyalty rewards," such is not dispositive where, as here, the term unquestionably projects a merely descriptive connotation. See *In re Tekdyne Inc.*, 33 USPQ2d 1949, 1953 (TTAB 1994), and cases cited therein. We believe that competitors would have a competitive need to use this term. See 2 J. Thomas

Ser. No. 76/133801

McCarthy, McCarthy on Trademarks and Unfair Competition,
§11:18 (4th ed. 2000).

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