

THIS DISPOSITION IS  
NOT CITABLE AS PRECEDENT  
OF THE TTAB

Hearing:  
August 12, 2003

Mailed: August 9, 2004

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re ER Marks, Inc.

Serial No. 76289638

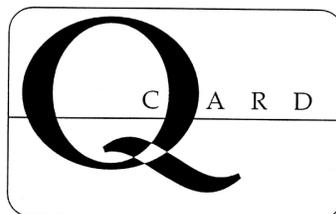
Manny D. Pokotilow of Caesar, Rivise, Bernstein, Cohen & Pokotilow, Ltd. for ER Marks, Inc.

Alex S. Keam, Trademark Examining Attorney, Law Office 114  
(K. Margaret Le, Managing Attorney).

Before Seeherman, Hairston and Chapman, Administrative  
Trademark Judges.

Opinion by Chapman, Administrative Trademark Judge:

On July 24, 2001, ER Marks, Inc. (a Delaware  
corporation) filed an application to register on the  
Principal Register the mark shown below



for "credit card services." Applicant disclaimed the word "card." The application is based on applicant's claimed date of first use and first use in commerce of June 27, 1994.

Registration has been refused under Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d), on the ground that applicant's mark, when used in connection with its identified services, so resembles the registered mark shown below



for "credit card services,"<sup>1</sup> as to be likely to cause confusion, mistake or deception.

When the refusal was made final, applicant appealed, and briefs have been filed. An oral hearing was held on August 12, 2003.<sup>2</sup>

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<sup>1</sup> Registration No. 2071555 issued June 17, 1997 on the Principal Register to Quarles Petroleum, Inc.; Section 8 affidavit accepted, Section 15 affidavit acknowledged. The word "card" is disclaimed. The claimed date of first use and first use in commerce is December 31, 1981.

<sup>2</sup> Action on this application was suspended immediately after the oral hearing in order to determine whether or not the cited registration would be cancelled under Section 8(a) of the Trademark Act, 15 U.S.C. §1058(a). The cited registration was not cancelled, and the Board therefore resumed proceedings herein.

Applicant contends that the design and style elements of applicant's applied-for mark and the cited registrant's mark are "of important significance, create different overall impressions and obviate any likelihood of confusion" (brief, pp. 7-8); and that the marks, "in their entirety, are sufficiently different to negate a likelihood of confusion" (request for reconsideration, p. 2).

The Examining Attorney argues that applicant's applied-for mark and the cited registrant's mark are highly similar; that the stylized letter "Q" is the dominant feature of each mark especially as the term "card" is disclaimed by both applicant and the cited registrant; that the marks are highly similar in sound and connotation, and are similar in overall commercial impression, particularly noting the recollection of the average purchaser; and that consumers are likely to be confused in this case where the marks are used in connection with identical services.

The question before the Board is whether applicant's mark is so similar to the cited registered mark that when used in connection with the same services it will be likely to cause confusion as to the source or origin of the services under Section 2(d) of the Trademark Act.

Our determination of likelihood of confusion is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. See *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods and/or services. See *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). See also, *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

Applicant's services are legally identical (credit card services) to the services in the cited registration. Applicant did not argue to the contrary. Likewise applicant did not argue, and we do not find, any differences in the channels of trade or purchasers. We must presume, given the identifications (neither of which is limited), that the services are offered through the same channels of trade to the same classes of purchasers. See *Canadian Imperial Bank of Commerce v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987).

"When marks would appear on virtually identical goods or services, the degree of similarity necessary to support a conclusion of likely confusion declines." Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992). Turning then to a consideration of the involved marks, it is well settled that marks must be considered in their entirety. However, our primary reviewing Court has held that in articulating reasons for reaching a conclusion on the question of likelihood of confusion, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature or portion of a mark. That is, one feature of a mark may have more significance than another. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1845 (Fed. Cir. 2000); *Sweats Fashions Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 4 USPQ2d 1793, 1798 (Fed. Cir. 1987); and *In re National Data Corporation*, 753 F.2d 1056, 224 USPQ 749, 752 (Fed. Cir. 1985).

Further, it is well settled that marks must be considered in their entirety because the commercial impression of a mark on an ordinary consumer is created by the mark as a whole, not by its component parts. This principle is based on the common sense observation that the

overall impression is created by the purchaser's cursory reaction to a mark in the marketplace, not from a meticulous comparison of it to others to assess possible legal differences or similarities. See 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, §23:41 (4th ed. 2001). See also, *Puma-Sportschuhfabriken Rudolf Dassler KG v. Roller Derby Skate Corporation*, 206 USPQ 255 (TTAB 1980). That is, the proper test in determining likelihood of confusion does not involve a side-by-side comparison of the marks, but rather must be based on the similarity of the general overall commercial impressions engendered by the involved marks. Stated another way, the test involves the recollection of the average purchaser, who normally retains a general rather than specific impression of the many trademarks encountered; that is, a purchaser's fallibility of memory over a period of time must also be kept in mind. See *Grandpa Pidgeon's of Missouri, Inc. v. Borgsmiller*, 477 F.2d 586, 177 USPQ 573 (CCPA 1973); and *Spoons Restaurants Inc. v. Morrison, Inc.*, 23 USPQ2d 1735 (TTAB 1991), aff'd unpub'd (Fed. Cir. June 5, 1992).

In this case, both applicant's mark and registrant's mark include a stylized letter "Q," followed by the identical word "CARD." Obviously, there are differences in

the stylization of the letter "Q" in the two marks, and applicant's mark includes a rectangular outline with a line bisecting the rectangle. However, these design elements do not serve to distinguish the marks. The outside rectangle in applicant's mark has little, if any, trademark significance. Generally, backgrounds consisting of common geometric shapes such as a rectangle are not accorded trademark significance because they are viewed as mere "carriers" of the mark. See *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 196 USPQ 289 (CCPA 1977); and *Guess? Inc. v. Nationwide Time Inc.*, 16 USPQ2d 1804 (TTAB 1990). To the extent that consumers would view the rectangle and horizontal line in applicant's mark as indicating a credit card, they would regard the design as descriptive of applicant's credit card services.

As for the different depictions of the letter "Q" in both marks, in the marketplace consumers are not going to undertake an extensive analysis as to whether the two versions of the letter "Q" in the two Q CARD marks indicate different sources. Rather, anyone who is familiar with the registrant's Q CARD mark for credit card services is likely to assume, upon seeing applicant's mark used in connection with the same services, that the latter mark is another

version or variation of the former, with both identifying services emanating from a single source.

When spoken the marks are identical. It has been held that similarity in sound alone may be sufficient to support a finding of likelihood of confusion. See *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 218 USPQ 390, 395 (Fed. Cir. 1983); and *Krim-Ko Corp. v. Coca-Cola Co.*, 390 F.2d 728, 156 USPQ 523, 526 (CCPA 1968).

Both marks are also identical as to connotation. They both consist of the term "Q CARD." The design element in applicant's mark does not change the connotation of the mark; to the extent it is noted at all, it reinforces that the services are credit card services.

We find that applicant's mark and the cited registrant's mark are identical in sound and connotation, and similar in appearance. We further find that they create a highly similar commercial impression. See *In re Sunmarks Inc.*, 32 USPQ2d 1470 (TTAB 1994); and *Ametek, Inc. v. Acorn Structures, Inc.*, 167 USPQ 185, 191 (TTAB 1970).<sup>3</sup>

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<sup>3</sup> Applicant argues that the marks are "sufficiently different" to negate a likelihood of confusion, relying on the case of *In re Hearst Corp.*, 982 F.2d 493, 25 USPQ2d 1238 (Fed. Cir. 1992). However, in that case the word marks -- VARGA GIRL and VARGAS -- were different; here, the verbalized portions of the marks are identical.

Having reached these findings on the various du Pont factors, we would normally conclude that confusion is likely. However, this case presents another matter we must address -- the effect, if any, of applicant's ownership of a prior registration. Applicant makes a number of arguments in support of its position in this regard. In particular, applicant argues that "there would be no likelihood of confusion between the Applicant's mark and the registered mark because the similarity between the marks is the word portion QCARD in which Applicant owns an incontestable registration" (request for reconsideration, p. 2);<sup>4</sup> that applicant's "previously-registered QCARD mark and [its Q CARD and design] mark are legal equivalents - the same mark for the same services" (brief, p. 6); that the cited registrant's mark covers only the mark as it appears in special form; that applicant's addition of a design "to Applicant's previously registered mark QCARD, for the same services, will not create a likelihood of confusion, where none previously existed" especially because "the use by Applicant of Q CARD and design is the

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<sup>4</sup> Registration No. 1995906 issued August 20, 1996 to QVC, Inc. (subsequently assigned to applicant, ER Marks, Inc.) on the Principal Register for the mark QCARD for "credit card services"; Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use and first use in commerce is June 27, 1994.

legal equivalent of the use by Applicant of the mark QCARD, for the same services" (request for reconsideration, p. 4); that applicant's ownership of an incontestable registration for the typed mark QCARD "constitutes conclusive evidence of Applicant's exclusive right to use QCARD in commerce in connection with credit card services, which, in turn, means the right to exclude others from using QCARD or any other mark whose use, on [credit card] services, would be likely to cause confusion, mistake, or deception" (brief, p. 5); and that because Applicant's QCARD mark is incontestable and is unrestricted as to stylization, "its exclusive right to use the QCARD mark in connection with the credit card services listed [in its registration] extends to the ... style and design set forth in [applicant's current application]" (brief, p. 6).

Finally, in its reply brief, applicant argues that it is "highly prejudicial to the Applicant" (p. 1) to cite any mark under Section 2(d) against applicant in view of its ownership of an incontestable registration for the mark QCARD; and that any suggestion of a "likelihood of confusion as to the words QCARD for credit card services is effectively a collateral attack on an incontestable registration" (p. 2).

The Examining Attorney points out that as to applicant's ownership of a prior registration, the cited Registration No. 2071555 is entitled to the presumptions of Section 7(b) of the Trademark Act; and that whether that mark was properly registered over applicant's prior registration (No. 1995906) is not relevant as that question is not before the Board.

We consider first applicant's argument that because it owns a registration for the mark QCARD in typed form it has the right to exclusive use (and registration) of the mark in the design form presented herein, essentially premised on the theory that applicant's typed mark and the new composite mark are legal equivalents. First, we do not agree with applicant that its registered mark QCARD and the mark it now seeks to register as shown below



are legal equivalents. Although applicant's current mark includes the elements "Q" and "CARD," the overall presentation of the mark, with its design element and separate appearance and stylization of the letter "Q," is

sufficiently different from "QCARD" (in typed format) that they are not legal equivalents.

Applicant's reliance on the majority opinion in the inter partes case of American Security Bank v. American Security and Trust Co., 571 F.2d 564, 197 USPQ 65 (CCPA 1978) is not persuasive of a different result herein. In that case, the applicant used the mark AMERICAN SECURITY for banking services beginning in 1900, and used the mark AMERICAN SECURITY BANK as of 1973, while the opposer used the mark AMERICAN SECURITY BANK as of 1935. In dismissing the opposition, the Board found that applicant's marks were legal equivalents, giving applicant the right to tack on its first use in 1900. The majority opinion of the Court, in affirming the Board, found the marks to be legal equivalents, and the Court explained that their decision rested "on the ground that, weighing all the circumstances, [applicant's] rights are superior to those of [opposer]." 197 USPQ at 67.

In contrast thereto, in the ex parte case now before us, applicant seeks to add not a generic word but a design, and priority of use is not an issue in an ex parte case. See *In re Wilson*, 57 USPQ2d 1863, footnote 9 (TTAB 2001). That is, here the issue is not priority, rather it is the statutory bar under Section 2(d) to registration of

applicant's mark. See *American Paging Inc. v. American Mobilphone Inc.*, 13 USPQ2d 2036 (TTAB 1989)(AMERICAN MOBILPHONE PAGING and design and AMERICAN MOBILPHONE and design held not legal equivalents); aff'd by majority opinion, unpub'd but appearing at 923 F.2d 869, 17 USPQ2d 1726 (Fed. Cir. 1990).

Second, the fact that applicant has registered the mark QCARD in typed form simply means that applicant is not claiming rights in any particular style of lettering for that mark. That is, the protection accorded to the registration is not limited to a particular type of script. See Trademark Rule 2.52(a). Applicant asserts that its typed form registration of QCARD gives it the right to use the mark in a variety of styles and, in essence, that it has the right to register the mark in all such styles as well. We do not agree with applicant's position. Under this logic, applicant, because of its ownership of a typed form mark, would be entitled to register the mark in any special form, even one which is likely to cause confusion with another's registered mark. Although applicant's registration of QCARD in typed form does not limit applicant's protection to a specific style of lettering, it does not follow that applicant may register unlimited forms of the mark QCARD (or Q CARD) regardless of the

registrability questions that may be raised thereby. See *Phillips Petroleum Co. v. C.J. Webb, Inc.*, 442 F.2d 1376, 170 USPQ 35 (CCPA 1971).

We turn then to applicant's point that its prior registration is incontestable, and this incontestability constitutes conclusive evidence of applicant's right to use QCARD in commerce with credit card services.<sup>5</sup> The mere fact that a registration owned by the applicant is incontestable pursuant to Section 15 of the Trademark Act, 15 U.S.C. §1065, has no effect on the question of registrability (as distinguished from use) of a mark. See *In re Save Venice New York Inc.*, 259 F.3d 1346, 59 USPQ2d 1778, 1782 (Fed. Cir. 2001); and *In re Best Software Inc.*, 63 USPQ2d 1109, 1112 (TTAB 2002).

Finally, we consider applicant's argument that the Examining Attorney's refusal to register applicant's mark based on Section 2(d) of the Trademark Act constitutes a collateral attack on applicant's prior registration. In support of this argument applicant cites *In re American Sail Training Association*, 230 USPQ 879 (TTAB 1986). In the cited case, the applicant owned a registration on the Principal Register for the mark TALL SHIPS for "organizing,

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<sup>5</sup> We note that the cited registration is also incontestable.

arranging and sponsoring sailing races," and it then applied to register the mark RETURN OF THE TALL SHIPS for identical services. The Examining Attorney required a disclaimer of the words "TALL SHIPS" on the basis that those words were merely descriptive of applicant's services. The Board held that because the prior registration for the mark TALL SHIPS could not be challenged on the ground that it is merely descriptive, the Examining Attorney could not require a disclaimer of "TALL SHIPS" on the same basis.

We view the circumstances of the case cited by applicant, *In re American Sail*, supra, as unique and limited. In other cases, the Board has affirmed refusals to register based on mere descriptiveness (or other refusals under Section 2(e) of the Trademark Act) despite applicant's ownership of a prior registration. See *In re Best Software Inc.*, 63 USPQ2d 1109 (TTAB 2002); *In re Best Software Inc.*, 58 USPQ2d 1314 (TTAB 2001); *In re BankAmerica Corporation*, 231 USPQ 873 (TTAB 1986); and *In re Merrill Lynch*, 230 USPQ 128 (TTAB 1986), reversed and remanded on other grounds, 828 F.2d 1567, 4 USPQ2d 1141 (Fed. Cir. 1987).

In the *Merrill Lynch* case, 4 USPQ2d at 1142, the Court of Appeals for the Federal Circuit stated the following:

Appellant's argument that refusal of a broader registration is comparable to an attack on an existing registration is unsupported by law or precedent. The Board correctly held that appellant's incontestable registration for specific services involving credit cards does not automatically entitle appellant to a registration for broader financial services.

In the case now before us, although the services in applicant's prior registration are identical to those in applicant's present application, the mark in the prior registration and the composite mark which applicant now seeks to register are not identical and are not legal equivalents.

We do not regard the refusal to register the application now before us as an attack on applicant's prior Registration No. 1995906. The Examining Attorney has refused registration under Section 2(d) of the Trademark Act. He has not taken the position that applicant's applied-for mark, in whole or in part, is merely descriptive or misdescriptive, nor has he suggested in any way that applicant's prior registration issued improperly.<sup>6</sup>

It is the Examining Attorney's duty to examine each pending application before him or her and to determine

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<sup>6</sup> Regardless of the outcome of this appeal, applicant's prior registration will remain on the register.

whether the applied-for mark is registrable under the Trademark Act. See *In re Dixie Restaurants*, 41 USPQ2d at 1535. Here, the Examining Attorney, in reviewing existing registrations, refused registration to applicant pursuant to Section 2(d) of the Trademark Act based on the cited registration.

To the extent applicant is arguing that the USPTO should not have allowed the registration for the cited Q CARD and design mark to issue in view of the existence of applicant's registration for QCARD in typed form, we can make no comment on the Office's actions in that matter, because the registrability of the cited registration is not before us. We must therefore accord the presumptions of Section 7(b) to the cited registration.<sup>7</sup>

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<sup>7</sup> Informationally, it is interesting to note that during the ex parte prosecution of the subject application, applicant petitioned to cancel the cited registration (Cancellation No. 92040925), but applicant (as petitioner) withdrew the petition to cancel prior to answer being filed by respondent therein. Applicant may have taken this action because it recognized that the ground of priority and likelihood of confusion -- upon which the petition was based -- was not available, as the cited registration was more than five years old. See Section 14(1) of the Trademark Act, 15 U.S.C. §1064(1). Or applicant may have noted that the claimed date of first use in the cited registration (December 31, 1981) was prior to the claimed date of first use in applicant's registration (June 27, 1994). While dates of first use require proof, applicant may have concluded that it could not have established priority. Thus, the fact that the cited registration has earlier claimed dates of first use can lead to speculation as to what might have happened if the Office had cited applicant's registration against the registrant's application during the examination stage for the latter. For example, the registrant might have brought a cancellation action

In any event, the question of likelihood of confusion of the marks shown in applicant's registration vis-a-vis the cited registrant's registration is a different issue from the likelihood of confusion of the marks presented in applicant's application vis-a-vis the cited registrant's registration. See *In re Nett Designs Inc.*, 236 F.3d 1339, 57 USPQ2d 1564 (Fed. Cir. 2001).

In balancing all probative facts in evidence under the guidance of the du Pont case, we find that there is a likelihood of confusion between applicant's applied-for mark and the cited registered mark, both used on identical services.

**Decision:** The refusal to register under Section 2(d) of the Trademark Act is affirmed.

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at that point against applicant's registration, asserting registrant's priority over applicant.