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**UNITED STATES PATENT AND TRADEMARK OFFICE**

**Trademark Trial and Appeal Board**

In re Norm Reeves, Inc.

Serial No. 76358351

William J. Brucker of Stetina Brunda Garred & Brucker for Norm Reeves, Inc.

David C. Reihner, Trademark Examining Attorney, Law Office 111 (Craig Taylor, Managing Attorney).

Before Seeherman, Chapman and Holtzman, Administrative Trademark Judges.

Opinion by Chapman, Administrative Trademark Judge:

On January 11, 2002, Norm Reeves, Inc. (a California corporation) filed an application, based on Section 1(a) of the Trademark Act, 15 U.S.C. §1051(a), to register the mark PRICE PROTECTION GUARANTEE on the Principal Register for services amended to read “automobile dealerships” in International Class 35. Applicant’s claimed dates of first use and first use in commerce are October 15, 1985 and July 1, 2000, respectively.

The Examining Attorney originally refused registration on the grounds that (i) the phrase PRICE PROTECTION GUARANTEE, when used in connection with applicant's identified services, is merely descriptive of those services under Section 2(e)(1) of the Trademark Act, 15 U.S.C. §1052(e)(1), and (ii) the phrase does not function as a service mark to identify applicant's automobile dealership services under Sections 1, 2, 3 and 45 of the Trademark Act, 15 U.S.C. §§1051, 1052, 1053 and 1127.

In response, applicant argued that the slogan is registrable as applicant's service mark, and it is not merely descriptive, but in the alternative, applicant offered a claim of acquired distinctiveness under Section 2(f) of the Trademark Act, 15 U.S.C. §1052(f), along with the declaration of Gary Lindman, president of Hendry Lindman Feltman and Associates Advertising (applicant's primary advertising agency).

The Examining Attorney withdrew the refusal under Section 2(e)(1), but continued the refusal to register based on failure to function as a service mark. He also found that the evidence was "inadequate to prove distinctiveness of the wording 'Price Protection Guarantee.'"

Applicant again argued the slogan functions as a service mark for applicant's services as an inherently distinctive mark, but in the alternative, applicant again referenced its claim under Section 2(f) and included additional evidence in the form of a supplemental declaration of Gary Lindman and the declaration of William J. Brucker, applicant's attorney.

The Examining Attorney made final the refusal to register on the basis that the phrase does not function as a service mark pursuant to Sections 2, 3 and 45 of the Trademark Act;[1] and he took the position that applicant's claim of acquired distinctiveness under Section 2(f) was "unnecessary, and has been marked surplusage" (Final Office action, unnumbered page 3) because the refusal of the mark as merely descriptive under Section 2(e)(1) of the Trademark Act had been withdrawn.[2]

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[1] Applicant's assertion that there was "no refusal based on Section 2" (brief, p. 4) is incorrect.

[2] Although the Examining Attorney characterized the evidence of acquired distinctiveness as unnecessary, it is clear that he considered the evidence but found it inadequate. (See e.g., February 24, 2003 second Office action.) It is equally clear that applicant was not deterred from submitting such evidence by the Examining Attorney's comments. Applicant submitted Section 2(f) evidence on two occasions. It argued that the phrase PRICE PROTECTION GUARANTEE functions as an inherently distinctive service mark but, if not, that its evidence establishes that consumers recognize the phrase as applicant's service mark.

Section 2(f) is an appropriate method of establishing that a mark functions as a trademark and/or service mark. To be clear about this record, we have considered all evidence, including applicant's Section 2(f) evidence, in determining this case. See

Applicant appealed to the Board. Both applicant and the Examining Attorney have filed briefs, but an oral hearing was not requested.

The Examining Attorney's position is essentially as follows (brief, unnumbered pp. 2-3):

> …the designation "Price Protection Guarantee" does not act as a source identifier, or service mark, for applicant's automobile dealerships. The designation is an informational commercial slogan indicating that a seller of goods will continue to offer his products at a price advantageous to purchasers even though the prices of the goods may fluctuate downward in the marketplace. Evidence showing use of the designation "Price Protection Guarantee" by automobile dealers, as well as retailers of non-automotive products, as wording representing a commercial promise made to their customers was submitted… . Applicant's commercial promise is that if, after the sale of a vehicle, the purchaser finds a similar vehicle sold by another automobile dealer at a lower sales price, applicant will either pay the purchaser the price difference between the vehicles or repurchase the vehicle from him. Because the designation "Price Protection Guarantee" identifies a sales inducement, in that it is a commercial promise for low-priced automobiles, it does not act as a source identifier for applicant's services.

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In re Owens-Corning Fiberglas Corp., 774 F.2d 116, 227 USPQ 417, 422 (Fed. Cir. 1985)("We see no reason in law or policy to prohibit OCF's attempted reliance on Section 2(f)….")

In support of his position, the Examining Attorney submitted printouts of pages from several excerpted stories retrieved from the Nexis database, and printouts from several websites, to show that "price protection guarantee" is a common commercial and informational phrase used in the retail industry. Examples of these uses of the phrase as a common merchandising slogan are reproduced below:

> Headline: Sun TV Is Bullish About Its Future
> …And on Friday, it extended new price-protection guarantees and other customer-service initiatives to its Cleveland-area stores. "We have a third-party company clip our national competitors' ads," May said. "If you bought a television for $100 at Sun and then we saw… . "The Plain Dealer," October 19, 1997;
>
> Headline: PE Makers Expected To Stand Firm On Increases
> …Several PE makers already have revoked 30- or 60-day price protection guarantees extended to some buyers, industry sources said. "Plastics News," January 29, 2001;
>
> Headline: Torch Bearers; National Sales and Marketing Awards
> …campaign to tackle buyers' fears with a "What's stopping you? We gochta [sic] covered!" theme. The plan offered consumers innovative assistance programs, such as price protection guarantees for buyers who had to sell their existing homes, firm base prices on standard floor plans, … "Builder," March 1, 2002;

Headline: The Old Pillars of New Retailing
…customers can return a bike within 30 days and exchange it for another) and a 90-day price protection guarantee (if a buyer finds the same bike in Connecticut at a lower price within 90 days, … "Harvard Business Review," April 2001;

Headline: Turning Philadelphia Into a Three-Chain Aftermarket; Royal Auto Supply
…Sunday, Royal runs a full page ad in the Philadelphia Enquirer which includes the "We're Sensitive" motto, and Royal's "Price Protection" guarantee.
The Price protection guarantee states that Royal "will not be undersold. We will meet any competitor's price on any item we carry." … "Home & Auto," August 1, 1985;

September 19, 2002 CarsDirect.com Keeps Consumers Up to Speed on Best Monthly Vehicle Bargains; Online Leader's Pricing Experts Help Shoppers Locate Top Bargains at Guaranteed Upfront Prices
…CarsDirect is the only multi-brand car buying website offering this level of real-world price precision.
"CarsDirect.com is committed to making the online car buying process easy, fast and convenient," said Bob Brisco, CEO, CarsDirect.com. "By keeping consumers current on every available rebate and program right on our website, we are eliminating what has historically been the most mysterious element of the buying process--pricing. Coupled with our unique Price Protection Guarantee, this benefit assures our customers that they are

getting the best possible price on the cars they buy."
www.wosfmagazine.com;

Technology Pipeline Inc. Catalog
Notebooks … Desktop Computers … Printers … Miscellaneous No price protection guarantee available.
www.futuretechdesigns.com;

Graffiti Audio-Video
Guarantee
Price Protection Guarantee
We GUARANTEE our prices for 100 Days within a 100 Mile Radius with a 100% Satisfaction Guarantee you'll have the lowest price in the area -- including prices from Best Buy®, Circuit City®, or any other so-called discount outlet!
www.graffitiaudio.com;

Norris MotorSports
Experience The Norris Motor Sports Edge!
-Best Price Protection Guarantee on New and Used Motorcycles, ATVs, Jet Skis or Scooters …
www.norrismtrsports.com;

Yark Automotive Group
Customer Support
Lowest New Car Prices -- Guaranteed
Simply put, at Yark Automotive Group you'll save money. We guarantee it in writing. With our 110% Price Protection Guarantee you can buy with complete confidence, knowing that you paid the absolute lowest price for your new vehicle.
www.yarkauto.com;

Weston-on-the-Web
Rick Case Honda
Lowest Price Protection Guarantee
If you find some New Civic or Audi within 3 days of purchase, we will pay

> the difference or buy your car back…
> www.westononthe web.com;
>
> Whitaker Buick Jeep
> Why Buy From Whitaker Buick Jeep
> …
> 4. Price protection guarantee on new vehicles…
> www.whitakerauto.com;
>
> Senior Times Financial Forum
> Good Buying Tips for Everyone
> …Businesses set their own prices. It is your job to shop around and compare, not just complain later if you discover the product cheaper somewhere else. (Ask if the seller offers a "price protection guarantee." Not every store does.)
> www.theflashes.net; and
>
> Elco Chevrolet
> 110% Price Protection Guarantee
> Certain Restrictions Apply…
> www.elcochevy.com.

In addition, the Examining Attorney requested that the Board take judicial notice of Webster's Third New International Dictionary (1993) definition of "guarantee" as "3c. an expressed assurance of satisfaction with a definite promise of purchase money to be returned or goods to be replaced or other specified assurance." The request is granted. See TBMP §704.12 (2d ed. rev. 2004).

Applicant essentially contends that the proposed mark makes a commercial impression separate from the other elements in the material in which the mark is used, thereby creating the necessary nexus between the mark and the

services; that this mark is distinct from the car descriptions, assurances of quality and price quotes also found in the advertisements; that the phrase will be recognized by consumers as a source identifier; that applicant’s mark is not an informational slogan and, in any event, slogans are not per se unregistrable; that applicant’s mark, as used, stands independent of other textual or spoken material in both print and in broadcast advertisements; that the Examining Attorney’s evidence of use of the phrase “PRICE PROTECTION GUARANTEE” does not show wide and descriptive use in the automobile sales market (with only a few stories and websites relating to the automobile sales industry); that, in any event, applicant has taken action against other users of the phrase in the car sales industry in the form of cease and desist letters and obtaining a license agreement with a particular licensee; that applicant’s use is valid service mark use as a source identifier; that to the extent the mark is a “commercial promise,” it distinguishes applicant from other automobile dealerships as applicant assures the customer that applicant’s price will not exceed prices from other dealerships and, therefore, applicant has created a source identifying mark; that the mark is inherently distinctive, but if not, then it has acquired

distinctiveness as shown by applicant's evidence; and that the phrase "PRICE PROTECTION GUARANTEE" is not an informational slogan, but rather serves the source-identifying function of a service mark which has achieved an acquired distinctiveness for applicant's services.

Applicant submitted dictionary definitions of the words "price," "protect" and "guarantee"; and as we noted earlier, the declaration and supplemental declaration, each with exhibits, of Gary Lindman, president of Hendry Lindman Feltman and Associates Advertising, applicant's primary advertising agency; and the declaration, with exhibits, of William J. Brucker, applicant's attorney.

Applicant's specimen is reproduced below:

The asserted mark PRICE PROTECTION GUARANTEE appears in the circle in the center of the specimen advertisement. The wording in the black outer ring of the circle reads "See Us First · See Us Today · See Us First · See Us Today"; and the wording inside the circle below the words "Price Protection Guarantee" reads "If you can find the same Ford, Lincoln, Mercury or Isuzu for less within 3 days, Cerritos Ford, Lincoln, Mercury, Isuzu will pay you the difference or buy your vehicle back."

In the declaration of Gary Lindman, he avers that he has been the active account manager for applicant's advertising since 1990; that since at least 1989 and continuously since that date, "PRICE PROTECTION GUARANTEE" has been a "key marketing platform" for applicant (paragraph 5); that in print and broadcast media the mark PRICE PROTECTION GUARANTEE is highlighted and made to stand out; that consumers encounter applicant's mark PRICE PROTECTION GUARANTEE in applicant's brochures and signage at its automobile dealerships; that one of applicant's dealerships, Norm Reeves Honda Superstore, is nationally known and was recognized by the Honda Corporation as the number one Honda dealership for the eleventh consecutive year in 2001; that applicant has obtained a California

state registration of PRICE PROTECTION GUARANTEE;[3] that applicant advertises through television, radio and newspapers; that applicant's Cerritos, California dealership alone spends about $1.25 million in advertisements annually, and two other locations (West Covina and Huntington) spend an additional $480,000 annually each in advertising; that the mark PRICE PROTECTION GUARANTEE is "featured, shown or mentioned in 95% of all ads of Norm Reeves, Inc." (paragraph 8); and that applicant has utilized the mark PRICE PROTECTION GUARANTEE independent of the verbiage as it appears on the specimen.

William J. Brucker avers in his declaration that "Applicant regularly polices its marks in the marketplace, and continually monitors the marketplace for infringing activity" (paragraph 3); that he has forwarded "numerous cease and desist demands to other dealerships in the marketplace on behalf of Applicant in relation to a number of its trademarks, including PRICE PROTECTION GUARANTEE" (paragraph 3);[4] and that applicant (as licensor) and D.H.H.,

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[3] A state registration is incompetent to establish that the mark shown therein has ever been used, or that the mark is entitled to Federal registration. See TBMP §704.03(b)(1)(A) (2d ed. rev. 2004), and the cases cited in footnote 151 therein.

[4] Mr. Brucker gave three specific examples, with one dealership writing to say it would refrain from using the term PRICE PROTECTION GUARANTEE, one denying applicant had exclusive rights

LLC, dba David Hobbs Honda (as licensee) executed a "Trademark and Copyright License Agreement" dated June 7, 2000, regarding use of the mark PRICE PROTECTION GUARANTEE for automobile sales and leasing services in Wisconsin, Illinois and Indiana.

Use of a designation to convey advertising information, rather than to identify and indicate the source of the services, is not service mark use. See TMEP §1301.02(a) (3d ed. 2002), and cases cited therein. The determination of whether an asserted mark functions as a service mark depends upon how it is used and how potential purchasers will perceive it. See In re Information Builders Inc., 213 USPQ 593 (TTAB 1982).

Merely because a term or phrase is used in advertising does not mean that consumers will perceive it as a trademark or service mark. As explained by our primary reviewing court in In re Bose Corp., 546 F.2d 893, 192 USPQ 213, 215 (CCPA 1976):

> The Trademark Act is not an act to register mere words, but rather to register trademarks. Before there can be registration, there must be a trademark [or service mark], and unless words have been so used they cannot qualify. In re Standard Oil Co., 47

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but electing to discontinue use for business reasons, and one not responding, but assertedly modifying its advertisements.

CCPA 829, 275 F.2d 945, 125 USPQ 227 (CCPA 1960).

Based on the record before us, we find that the phrase "Price Protection Guarantee" is used as an informational phrase in retail selling in general.[5] The evidence shows that the phrase is used by merchants as a way to assure consumers that they will get the best price on a product or a service. Thus, we find that applicant's applied-for phrase PRICE PROTECTION GUARANTEE is not inherently distinctive. The only remaining question is whether applicant's use of this common phrase has caused consumers to perceive it as a service mark for applicant's automobile dealerships.

There is evidence from applicant's primary advertising agency that PRICE PROTECTION GUARANTEE has been used by applicant since 1989 in advertisements in newspapers, and on the radio and television; and that applicant expended significant amounts of money on those advertisements. However, upon review of such advertisements (including applicant's specimen), we find

[5] We note applicant's contention that the Examining Attorney's evidence of uses of "price protection guarantee" in relation to any goods or services other than automobile dealerships is irrelevant. We disagree; and we have considered all of the evidence submitted by the Examining Attorney because the uses of "price protection guarantee" in relation to other goods and services are relevant to ascertain how consumers perceive the phrase.

that these uses do not convey to the purchasing public that PRICE PROTECTION GUARANTEE is a service mark identifying applicant's automobile dealerships. The wording PRICE PROTECTION GUARANTEE in the newspaper advertisements almost always appears as NORM REEVES PRICE PROTECTION GUARANTEE in the same type size and font and on a single line. Even if it appears on multiple lines, it is the same font and size. As a result, the words PRICE PROTECTION GUARANTEE do not stand out as a separate service mark, but would be perceived by consumers only as a benefit offered by the Norm Reeves dealerships.

In applicant's signage and the posters at its dealerships, the phrase PRICE PROTECTION GUARANTEE also appears in the same type font and size as NORM REEVES, but with an inconsistent pattern of separations of the words. (For example, NORM REEVES PRICE PROTECTION GUARANTEE all on one line; line 1 NORM REEVES HONDA, line 2 PRICE PROTECTION, line 3 GUARANTEE; line 1 NORM REEVES PRICE, line 2 PROTECTION GUARANTEE.) Again, consumers viewing these uses would not recognize PRICE PROTECTION GUARANTEE as a separate service mark.

Applicant's advertising agent's examples of television and radio advertisements likewise show use of the phrase PRICE PROTECTION GUARANTEE in a merely informational

manner. For example, one script includes the audio statements “Your special low price is backed by the superstores’s exclusive price protection guarantee!” and “Plus you’ll get a low price guaranteed,” while graphics on screen show “PRICE PROTECTION GUARANTEE” with the explanation thereof in smaller print below. (Lindman declaration, Exhibit 3.) Another television script has the following: SFX: Cars racing by -- “The lowest interest rates in years! And the Norm Reeves price protection guarantee!”; and a radio script has: SFX: Another big crowd cheer/cars racing by – “And don’t forget the Norm Reeves price protection guarantee!” (Lindman supplemental declaration, Exhibits 6-8.)

These uses show that the phrase PRICE PROTECTION GUARANTEE is informational in nature and would be so perceived by consumers. We particularly note that many of the uses of record herein include NORM REEVES with the applied-for phrase PRICE PROTECTION GUARANTEE, and it is the former that would be perceived as a service mark. We are mindful that applicant’s advertising agent has averred to applicant’s significant advertising expenditures, but expenditures alone do not prove recognition by the public of the phrase as a service mark for applicant’s automobile dealerships. Given the manner in which the phrase PRICE

PROTECTION GUARANTEE is used in applicant's advertising, as exemplified by the exhibits submitted with Mr. Lindman's declarations, even significant exposures of such advertising to the public would not result in consumers' viewing PRICE PROTECTION GUARANTEE as a mark for applicant's automobile dealership services. See In re Volvo Cars of North America Inc., 46 USPQ2d 1455 (TTAB 1998)(DRIVE SAFELY for automobiles and structural parts therefor held not to serve to indicate origin of the goods); In re Manco Inc., 24 USPQ2d 1938 (TTAB 1992)(THINK GREEN and design for various paper products and weatherstripping products held not to serve to indicate origin of the goods); and In re Wakefern Food Corp., 222 USPQ 76 (TTAB 1984)(WHY PAY MORE! for supermarket services found not merely descriptive, but held not to indicate origin of the services).

**Decision:** The refusal to register under Sections 2, 3 and 45 of the Trademark Act on the basis that the mark does not function as a service mark is affirmed.