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PRECEDENT OF THE TTAB**

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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re SBH, Inc.

Serial No. 77111272

David H. Chervitz of Riezman Berger, PC for SBH, Inc.

Zhaleh Delany, Trademark Examining Attorney, Law Office 116
(Michael W. Baird, Managing Attorney).

Before Rogers, Bergsman and Ritchie de Larena,
Administrative Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

SBH, Inc. filed a use-based application for the mark
SECURITIES INSURANCE, in standard character format, for
"investment advice," in Class 36.

The Examining Attorney refused registration on the
ground that the mark is merely descriptive pursuant to
Section 2(e)(1) of the Trademark Act of 1946, 15 U.S.C.
§1052(e)(1). The Examining Attorney also refused
registration based on applicant's failure to comply with
the requirement to submit an acceptable specimen showing
use of the mark.

A. Whether applicant's mark is merely descriptive?

A term is merely descriptive if it immediately conveys knowledge of a significant quality, characteristic, function, feature or purpose of the services it identifies. *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009, 1009 (Fed. Cir. 1987). Whether a particular term is merely descriptive is determined in relation to the services for which registration is sought and the context in which the term is used, not in the abstract or on the basis of guesswork. *In re Abcor Development Corp.*, 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978); *In re Remacle*, 66 USPQ2d 1222, 1224 (TTAB 2002). In other words, the question is not whether someone presented only with the mark could guess what the services are. Rather, the question is whether someone who knows what the services are will understand the mark to convey information about them. *In re Tower Tech, Inc.*, 64 USPQ2d 1314, 1316-1317 (TTAB 2002); *In re Patent & Trademark Services Inc.*, 49 USPQ2d 1537, 1539 (TTAB 1998); *In re Home Builders Association of Greenville*, 18 USPQ2d 1313, 1317 (TTAB 1990); *In re American Greetings Corp.*, 226 USPQ 365, 366 (TTAB 1985).

"On the other hand, if one must exercise mature thought or follow a multi-stage reasoning process in order to determine what product or service characteristics the

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term indicates, the term is suggestive rather than merely descriptive." *In re Tennis in the Round, Inc.*, 199 USPQ 496, 497 (TTAB 1978). See also, *In re Shutts*, 217 USPQ 363, 364-365 (TTAB 1983); *In re Universal Water Systems, Inc.*, 209 USPQ 165, 166 (TTAB 1980).

Even where individual terms are descriptive, combining them together may evoke a new and unique commercial impression. However, if each component retains its merely descriptive significance in relation to the services, without the combination of terms creating a unique or incongruous meaning, then the resulting combination is also merely descriptive. *In re Tower Tech., Inc.*, 64 USPQ2d 1314, 1317-1318 (TTAB 2002). Any doubt as to whether a mark is descriptive or suggestive is resolved in favor of publication of the mark for opposition. *In re Conductive Systems, Inc.*, 220 USPQ 84, 86 (TTAB 1983); *In re Morton-Norwich Prods., Inc.*, 209 USPQ 791 (TTAB 1981).

The Examining Attorney contends that SECURITIES INSURANCE is merely descriptive because it is the combination of two descriptive terms that retain their descriptive significance when used in connection with investment advice.¹

¹ In her appeal brief, the Examining Attorney included a definition of "security" as a "document indicating ownership or

Where, as in this case, the combination of the descriptive words SECURITIES and INSURANCE creates no incongruity, and no imagination is required to understand the nature of the services, the mark is merely descriptive. It will take no leap of the imagination on the part of the consumer to determine that the Applicant's "investment advice" services include advice on how to protect securities investments from loss, fraud or other damage via insurance or *securities insurance*. This is especially true in that *securities insurance*, or insurance for securities, represents a particular category of insurance services designed to protect the insured against securities loss, fraud or other claims.² (Emphasis in the original).

creditorship; a stock certificate or bond" and "insurance" as "coverage by a contract binding a party to indemnify another against a specific loss in return for premiums paid." The Examining Attorney cited The American Heritage Dictionary of the English Language (4th ed. 2000) obtained from an online source, and requested that we take judicial notice of the dictionary definitions. In its Reply Brief, the applicant objected to the dictionary definitions on the ground that "the Board will not take judicial notice of definitions found only in on-line dictionaries and not available in printed format. The Trademark Examining Attorney has provided no evidence that the on-line dictionary definitions attached to the brief are available in printed format." Applicant's objection is not well taken. First, The American Heritage Dictionary of the English Language is a well-known dictionary that exists in printed format. Second, in any event, we would have referenced a print version of a dictionary to determine the meaning of "securities" and "insurance." In view of the foregoing, applicant's objection to the dictionary definitions is overruled.

² The Examining Attorney's Appeal Brief, p. 2.

In support of the refusal, the Examining Attorney submitted excerpts from the following websites:³

1. Finasrådet website⁴

The Guarantee Fund for Depositors and Investors

* * *

Insurance for securities

If a bank is unable to return securities to an investor, the Fund covers investor losses of up EUR 20,000 after deduction of the debt of the investor vis-à-vis the bank.

Securities (securities deposits) are not usually affected by compulsory winding-up or suspension of payments of a financial institution. The owners of such deposits will typically be secured creditors and thereby have their securities (deposits) returned independently of the insolvent estate.

³ Although the excerpts from the Finasrådet website, a Danish website, and the Padamsey website, an Indian website, are from foreign websites, they have some probative value in this case. Information originating on foreign websites that are accessible to the United States public may be relevant to discern the commercial impression engendered by a term. *In re Bayer Atktiengesellschaft*, 488 F.3d 960, 82 USPQ2d 1828, 1835 (Fed. Cir. 2007). Particularly, in this case, involving investment advice, it is reasonable to consider a relevant article regarding "securities insurance" because that investment vehicle is likely to be of interest worldwide regardless of its country of origin. See *In re Remacle*, 66 USPQ2d 1222, 1224 n.5 (TTAB 2002) ("it is reasonable to assume that professionals in medicine, engineering, computers, telecommunication and many other fields are likely to utilize all available resources, regardless of country of origin or medium").

⁴ www.finansraadet.dk

2. Padamsey Website⁵

Securities

Typical Claim Requirements -

Securities Insurance

Insurance for securities is a recent product in India, and has become quite popular for the financial services sector. Stock Exchanges, Stock Brokers, Securities Custodians, Electronic Securities Depository and their Participants, event Registrars and Transfer Agents have opted for insurances to help protect their business. Insurance Policies covering this sector generally are liability policies and provide cover for several different perils, under different insurance sections and broadly comprise of:

- Employee Infidelity or Dishonesty
- Physical Loss of Securities
- Loss due to Counterfeit Securities
- Computer Crime
- Third party Liability Claims due to Errors and Negligence

2. Hoovers Website⁶

Subsidiary Financial Security Assurance provides guaranty insurance on municipal bonds and asset-backed obligations. The company insures new issues and those already trading in the secondary market; it also writes portfolio insurance for securities held by investment funds. The company is licensed as a guaranty insurer in the U.S.

⁵ www.padamsey.com. This does not appear to be a website directed to investors in the United States as indicated by the introduction that "[i]nsurance for securities is a recent product in India." Accordingly, we give this website very little consideration.

⁶ www.hoovers.com

3. The District of Columbia website⁷

Insurance, Securities and Banking

Getting Help With Your Investments

* * *

SIPC provides insurance for securities accounts of up to \$500,000 per customer, with a limit of \$100,000 per customer on cash being held by the firm. Many brokerages purchase additional coverage, often up to a couple of million dollars. It's important to know that the SIPC coverage applies only in the case of financial insolvency. It doesn't cover you in case of broker theft or fraud; you must turn to the courts for redress in such cases.

Finally, applicant's substitute specimen references the "Current Need In Marketplace" by identifying such investor exposure as "No product available to protect a portfolio of securities."

Applicant contends that the mark is not merely descriptive because it does not directly describe "investment advice."

If you ask a prospective purchaser what SECURITIES INSURANCE is, the prospective purchaser cannot, without further clues, immediately conclude what Applicant's services are.⁸

* * *

⁷ www.disr.washingtondc.gov

⁸ Applicant's Brief, p. 3.

In essence, the consumer's mind would not jump instinctively from a contemplation of the mark to knowledge of a quality or characteristic of the services being offered by the Applicant. Rather, imagination, reflection, or a mental pause is required to deduce a quality or characteristic of the services. When viewing Applicant's mark SECURITIES INSURANCE, a customer would not immediately know that the services being offered are investment advice.⁹

The term "Securities Insurance" means indemnification for stocks or bonds. As such, it is the subject of investment advice, and therefore merely descriptive. See *In re Pencils Inc.*, 9 USPQ2d 1410, 1411 (TTAB 1988) ("the term 'pencils' is merely descriptive of an item that is sold in stationery and office supply stores"); *Brewski Beer Co. v. Brewski Brothers Inc.*, 47 USPQ2d 1281, 1287 (TTAB 1998) (the words "beer" and "brewski" as applied to bar services are highly descriptive). See also *In re Lens.com, Inc.*, 83 USPQ2d 1444 (TTAB 2007) (LENS generic for "retail store services featuring contact eyewear products rendered via a global computer network"); *In re Eddie Z's Blinds and Drapery, Inc.*, 74 USPQ2d 1037 (TTAB 2005) (BLINDSANDDRAPERY.COM generic for retail store services featuring blinds, draperies and other wall coverings, conducted via the Internet); *In re Candy Bouquet*

⁹ Applicant's Brief, p. 5.

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International, Inc., 73 USPQ2d 1883 (TTAB 2004) (CANDY BOUQUET generic for "retail, mail, and computer order services in the field of gift packages of candy").

The problem with applicant's analysis is that it starts with the mark SECURITIES INSURANCE and asks whether the purchaser can conclude what applicant's services are. As indicated above, the proper analysis should start with the services "investment advice" and inquire whether the term SECURITIES INSURANCE describes a significant feature or subject of the "investment advice." The evidence shows that SECURITIES INSURANCE may be the subject of investment advice. Thus, the mark directly describes a subject of applicant's services.¹⁰

Moreover, in the composite mark SECURITIES INSURANCE, the words "securities" and "insurance" retain their ordinary meanings and do not form a unique or incongruous meaning.

In view of the foregoing, we find that applicant's mark SECURITIES INSURANCE in connection with "investment advice" is merely descriptive.

¹⁰ Even if applicant's analysis were correct, all applicant has provided is argument in regard to what a prospective purchaser would conclude when confronted with applicant's mark. We have been provided with no evidence to support the argument.

B. Acceptability of specimens.

Applicant's original specimen is the cover sheet of a brochure displaying applicant's name and the mark. The Examining Attorney required a new specimen because the brochure cover purportedly did not show use of the mark in connection with investment advice.

Applicant submitted a substitute specimen comprising the cover of a brochure displaying the mark and a second page displaying the following information:

**Current Need
In Marketplace**

Investor is exposed in the following ways:

1. No product available to protect a portfolio of securities
2. No protection available to \$6 Trillion in U.S. non-indexed mutual funds
3. Investors are not satisfied with the current alternative products offered
4. A flexible and customized solution to meet the investors specific needs.

According to the Examining Attorney the substitute specimen is unacceptable because "the specimens of record fail to make the requisite association between the applied-for mark and the services identified in the application.

. . . In other words, the advertising must show use of the applied-for mark in a manner that would be perceived by purchasers as identifying the source for the Applicant's services."¹¹ Essentially, the Examining Attorney is requiring that the specimens expressly state "investment advice," or some synonymous term.

The page on which the applied-for mark SECURITIES INSURANCE appears makes absolutely no reference to the "investment advice" services identified in the application, and, is therefore, unacceptable. The other unnumbered page of a brochure submitted, even if *assumed* to be from the same brochure including the page displaying the applied-for mark SECURITIES INSURANCE, is also unacceptable because it makes no association between the applied-for mark and the "investment advice" services identified in the application. That is, even if it were assumed that the two unnumbered specimen pages of record originate from the same brochure, one page displaying the mark, and one page describing the services, the page submitted to describe the services does not make clear that the services are necessarily "investment advice" services. It simply implies that the services are in some way related to *securities insurance*, but it is not readily apparent that the services are "investment advice" services. (Emphasis in the original).¹²

¹¹ Examining Attorney's Appeal Brief, p. 4.

¹² Examining Attorney's Appeal Brief, p. 4. The declaration supporting applicant's substitute specimen states that "[t]he substitute specimen" was in use since the filing date of the application. We interpret that to mean that both pages are from one document. Also, we agree with applicant that if the Examining Attorney had some doubt regarding the authenticity or

A service mark specimen must show the mark used in the sale or advertising of the services recited in the application. Trademark Rule 2.56(b)(2), 37 CFR §2.56(b)(2). Where a mark is used in advertising the services, the specimen must show an association between the mark and the service for which registration is sought. TMEP §1301.04(b) (5th ed. 2007). However, to create an association between the mark and the services, the specimen does not have to spell out the specific nature and type of services. A general reference to the industry may be acceptable. See TMEP §1301.04(c) (5th ed. 2007). See also *In re Ralph Mantia Inc.*, 54 USPQ2d 1284, 1286 (TTAB 2000); *In re Southwest Petro-Chem, Inc.*, 183 USPQ 371, 372 (TTAB 1974). In this case, the section of the brochure explaining the need in the marketplace for "securities insurance" by identifying the investor exposure creates the required association between the mark and the services because it shows the investor why he/she/it needs applicant's SECURITIES INSURANCE investment advice services.

genuineness of the substitute specimen, she should have raised that as an issue prior to the appeal.

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In view of the foregoing, we find that that applicant's substitute specimen shows the mark SECURITIES INSURANCE used in connection with "investment advice."

Decision: The refusal to register is affirmed.

The requirement to submit an acceptable specimen is reversed.

Accordingly, registration to applicant is refused.