

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Examining Attorney: Bridgett G. Smith
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Applicant: ChalkTalk Sports, Inc.

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Mark: RUN LIKE A GIRL

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In an Office action dated July 3, 2019, the Examiner refused registration of the applied-for mark under Section 2(d) of the Trademark Act on the basis of a likelihood of confusion with a single registered mark (U.S. Registration No. 5794871) owned by TSDC LLC (“registrant”). Applicant respectfully disagrees with the conclusions that applicant’s mark and the registered mark create a likelihood of confusion and requests that Examiner reconsider her refusal based on the arguments provided herein.

DUPONT FACTORS ANALYSIS: NO LIKELIHOOD OF CONFUSION

Applicant does not believe that there is a likelihood of confusion between RUN LIKE A GIRL as applied to on-line retail store services and RUN LIKE A GIRL as applied to charitable services. Examiner argues that charitable races and retail stores selling merchandise related to running events, are services of a kind that may emanate from a single source under a single mark. In support of her position, Examiner cites In re I-Coat Co., 126 USPQ2d 1730, 1737 (TTAB 2018), along with its citing sources, for the proposition that evidence may be put forth to show goods may be of a kind that emanate from a single source. However, Examiner does not cite authority that supports consumer confusion between providers of charitable services that also provide on-line retail store services. Applicant’s review of the relevant case law shows that there is a distinct lack of precedent demonstrating the similarity between charitable services and on-line retail store services, due to the unique nature of providing charitable services that obviates any likelihood of confusion with the same or similar marks used to provide on-line retail store services. For the reasons set forth below, applicant asserts that there is no likelihood of confusion between registrant’s mark and applicant’s mark.

I. Nature of the Goods and Services

As a threshold issue, there is a significant distinction between the source of the goods and services offered by the registrant and applicant, as defined in the marks’ descriptions, that lower the risk of confusion to consumers. While some charitable organizations may engage in the on-line sale of merchandise, they do so as an ancillary service to their primary charitable mission, i.e., the on-line sale of goods is specifically designed to support their charitable cause. This is

evidenced by the use of the word “charitable” in the description of the services, making clear that the services are not for-profit. A review of the evidence provided by the Examiner shows that it would be inconceivable for any reasonable consumer to believe that the on-line purchase of goods from any of the charitable organizations cited by the Examiner was unrelated to their charitable purpose. Conversely, applicant’s on-line retail store services are provided in Class 035 for-profit and do not include, and are not classified as, charitable services in Class 041. The citation by the Examiner of for-profit on-line retail store service providers who also provide some element of charitable services is not relevant to the issue of likelihood of confusion with the applied-for mark because none are identical or confusingly similar to the applied-for mark. The registrant’s registration only covers “*Charitable fundraising services by means of running and walking events*” in Class 036 and does not include on-line retail store services. Thus, while a likelihood of confusion may arise when a for-profit provider of on-line retail store services also provides charitable services, such is not the conflict between the applied-for mark and the registrant’s registration.

II. Tax Implications

Applicant’s argument is further supported by the fact that charitable organizations are limited in the amount of merchandise they are permitted to sell before losing their tax-exempt status on such sales. Under 26 U.S.C.A. § 513, *unrelated* trade or business revenue is subject to taxation for tax-exempt organizations if it is not substantially related to the performance of tax-exempt functions. Business activities, such as on-line retail store services, will be subject to such taxation “if they manifest a frequency and continuity, and are pursued in a manner generally similar to comparable commercial activities of nonexempt organizations.” Reg. § 1.513-1(c)(1). Put in context, the Internal Revenue Service (“IRS”) has previously stated that the sale by a university bookstore of books, supplies and accessories is regarded as related activity, while the sale of items such as clothing and plants constitutes taxable activity. IRS Private Letter Ruling 8025222.

Thus, by definition, registrant cannot engage in any substantial on-line retail store services for the sale of goods that is unrelated to its charitable purpose, and any on-line sale of goods related to its charitable purpose is, by definition, distinguishable by any reasonable consumer from the services of applicant, notwithstanding the similarities of the respective marks. This negates any possibility that a reasonable consumer would conclude that registrant had expanded its use of the registered mark to include the on-line retail store services offered by applicant since such use would clearly jeopardize registrant’s tax-exempt status.

Charitable organizations have a substantial interest in remaining tax exempt to further their charitable mission. Being recognized as a charitable organization making substantial profits on the sale of merchandise, giving rise to the loss of their tax-exempt status, would greatly hinder a charitable organization’s public image and would be contrary to their charitable purpose. Charitable organizations therefore have a significant interest in limiting their retail sales and are not likely to behave like for-profit entities. A comparison of the websites of the applicant and registrant clearly demonstrates that the charitable nature of registrant’s services is unmistakable, and that applicant’s services are clearly for profit. See Exhibits 1-5 for applicant’s website and Exhibit 6 for registrant’s website. This is consistent with the evidence of other charitable organizations offered by Examiner showing charities offering on-line retail store services. In each

case, such services are clearly ancillary to the organization's charitable purpose and cannot reasonably be confused as to the source of the for-profit on-line retail store services offered by applicant.

III. Consumer Sophistication and Degree of Care

Consumer sophistication is a relevant factor in determining whether there is a likelihood of consumer confusion. In general, the more sophisticated the consumers, the less likely they are to be misled by similarity in marks. See LaTouraine Coffee Co., Inc. v. Lorraine Coffee Co., Inc., 157 F.2d 115, 124 (2d Cir. 1946); TCPIP Holding Co., Inc. v. Haar Comm. Inc., 244 F.3d 88, 102 (2d Cir. 2001). Consumer "sophistication is important and often dispositive because sophisticated consumers may be expected to exercise greater care." Electronic Design & Sales v. Electronic Data Systems, 954 F.2d 713, 21 USPQ2d 1388, 1392 (Fed. Cir. 1992). Certain economic decisions involve a higher degree of research and care by consumers. Primrose Ret. Cmtys., LLC v. Edward Rose Senior Living, LLC, 122 USPQ2d 1030, 1039 (TTAB 2016) ("a decision as important as choosing a senior living community will be made with some thought and research, even when made hastily"). Here, charitable donors are sophisticated in that they exercise a high degree of care in choosing to donate to a charity that benefits a cause that they personally support, which, in the case of registrant, focuses on financial and other support for woman battling cancer and other serious illnesses.

Potential donors look at a wide array of factors in determining which charitable organization to contribute to: for example, such factors include but are not limited to tax-exempt status, revenue, length of operations, location, public support, fundraising expenses, administrative expenses, allocation of funds, and mission. See Exhibits 7-17. A potential donor seeks to benefit a specific cause and donors pay very close attention to the recipient of their funds. Americans support charities vigorously, giving \$410 billion in 2017. See Exhibit 18. Seventy percent (70%) of this amount comes directly from individuals. *Id.* Charitable giving occurs across all U.S. demographics with 84% of Millennials giving to charity, 55% of Gen Xers, 72% of Boomers and 88% of the Greatest Gen. See Exhibits 19 and 32. These donations are spread over more than 1.5 million charities in the United States alone, Exhibit 20, which support a wide range of causes. The top charitable causes include religion, education, human services, health, public-society benefits, and arts, culture and humanities. See Exhibit 21. With so many charities to choose from, donors support services that help them sift through the options, such as Charity Navigator, which is just one of many charity evaluators to help donors evaluate the performance of select charities. See Exhibit 22. With so many options, it is clear that charities face tremendous competition for donors. Thus, donors can and are highly selective as to where they contribute their funds.

Charitable giving is not an impulse activity and involves careful consideration of the charity's performance criteria. Charity Navigator reports that "Last year alone, we had more than eleven million visits by donors who used the site that has received praise from TIME Magazine, Forbes, Reader's Digest, PC World, BusinessWeek, and Kiplinger's Financial Magazine." *Id.* Valor Magazine said of CharityWatch, another charity evaluation service, "CharityWatch differs from other evaluators because of their exhaustive grading criterion. Due to their tough standards, CharityWatch is occasionally sneered by non-profits, but appreciated by donors." Exhibit 23. A Google search for "How to evaluate a charity" returns dozens of articles and tools to help donors

make effective charitable contributions. Exhibit 24. Charity evaluators, and all of the surrounding tools, would not exist if donors were not sophisticated in their charitable spending, taking the time to make informed and effective choices.

The charitable services of registrant fall into both the health and direct human services causes. Cancer has a major impact on society, with an estimated 15,500,000 cancer survivors as of 2016. Exhibit 25 at p. 1. Charitable donations to health organizations make up a significant percentage of national charitable donations. The American Cancer Society *alone* received over \$658 million in donations in 2017, with donations being allocated to causes such as research, patient support, prevention and detection. See Exhibit 26. Consumers of charitable services are not known to carelessly rush charitable donations and even a donor exercising below average care in making a donation would, at a minimum, distinguish between a charitable organization and a for-profit retail organization. Given the prevalence and impact of cancer on our society and the plethora of charitable causes that registrant vies with for donor dollars, it is apparent that the reasonable consumer utilizing registrant's charitable fundraising services would not believe that applicant's for-profit on-line retail store services emanate from registrant.

Nor does applicant believe that the reasonable consumer of applicant's for-profit on-line retail store services would believe that applicant suddenly became a tax-exempt, not-for-profit charitable service provider offering fundraising services for cancer victims. The evidence submitted by the Examiner clearly shows that charitable services have an entire infrastructure built around them, which is conspicuously absent on applicant's website. See Exhibit 27-31. Moreover, applicant's services do not include charitable services and any use of the applied-for mark with charitable services is outside the scope of this application.

IV. Conclusion

There is a clear distinction between applicant's for-profit retail store services and registrant's charitable event organizational services, the nature of which is obvious to the reasonable consumer. Equally, consumers of registrant's services are sophisticated and pay close attention to the source of the services that they are purchasing. Moreover, legal restrictions placed on charitable organizations prevent them from behaving as for-profit entities. The above factors combined nullify any likelihood of confusion between applicant and registrant's marks.

For the foregoing reasons, applicant believes that the applied-for mark is entitled to registration on the Principal Register and respectfully requests passage of the mark to publication.