

Mark: **GOLDBACK**  
Owner: North American Monetary Exchange Corporation  
Serial No: 88438907

**Response to refusal under Section 2(e)(1) as a merely descriptive mark**

The Examining Attorney has refused registration of Applicant's proposed mark pursuant to Section 2(e)(1) of the Trademark Act on the ground that the mark merely describes Applicant's goods and services. For the reasons set forth below, however, Applicant respectfully submits that its GOLDBACK mark is not "merely descriptive" of the goods and services under the applicable legal standards and requests that the Examining Attorney reconsider the statutory refusal and allow registration of Applicant's mark.

Although the Trademark Act prohibits the registration of marks which are "merely descriptive," it is well established that a registrable mark "does not have to be devoid of all meaning in relation to the goods and services" to which it is applied. *Trademark Manual of Examining Procedure* ("T.M.E.P.") § 1209.01(a). Courts have frequently stated that a trademark may be valid and registrable even though it is highly suggestive of such goods and services or their characteristics. *See, e.g., Continental Scale Corp. v. Weight Watchers International, Inc.*, 517 F.2d 1378, 1380, 186 U.S.P.Q. 321, 323 (C.C.P.A. 1975); *Application of Reynolds Metals Co.*, 480 F.2d 902, 904, 178 U.S.P.Q. 296, 297 (C.C.P.A. 1973). In this regard, the Court of Customs and Patent Appeals ("C.C.P.A.") reminded that "often the best trademarks are highly suggestive, and it is well settled that a valid trademark may be highly suggestive." *Minnesota Mining & Manufacturing Co. v. Johnson & Johnson*, 454 F.2d 1179, 1180, 172 U.S.P.Q. 491, 492 (C.C.P.A. 1972).

In distinguishing between trademarks which are permissibly suggestive and those which are "merely descriptive," courts have identified and considered several factors. For example, consistent with the underlying reason for the statutory prohibition against the registration of

“merely descriptive” marks, courts have considered whether others are likely to use the mark in describing similar goods or services. *See, e.g., Firestone Tire & Rubber Co. v. Goodyear Tire & Rubber Co.*, 189 U.S.P.Q. 348, 350 (C.C.P.A. 1976); *Application of Reynolds Metals Co.*, 480 F.2d 902, 904, 178 U.S.P.Q. 296, 297 (C.C.P.A. 1973); *Minnesota Mining & Manufacturing Co. v. Johnson & Johnson*, 454 F.2d 1179, 1180, 172 U.S.P.Q. 491, 492 (C.C.P.A. 1972); *Sperry Rand Corp. v. Sunbeam Corp.*, 442 F.2d 979, 980, 170 U.S.P.Q. 37, 38 (C.C.P.A. 1971). *See also, Ex Parte Heatube Corp.*, 109 U.S.P.Q. 423, 424 (Dec. Comm’r Pat. 1956).

Similarly, courts have inquired whether the mark in some way indicates the origin of the goods or services. As the C.C.P.A. pointed out, the statutory term “merely descriptive” is considered to mean “only” or “solely” descriptive. *See, Application of Quik-Print Copy Shops, Inc.*, 616 F.2d 523, 525 n.7, 205 U.S.P.Q. 505, 507 n.7 (C.C.P.A. 1980). Accordingly, the Court cautioned that “[a]lthough a mark may be generally descriptive, if it also functions as an indication of origin, it is not ‘merely descriptive.’” *Application of Abcor Development Corp.*, 588 F.2d 811, 813, 200 U.S.P.Q. 215, 218 (C.C.P.A. 1978). *See also, Astra Pharmaceutical Products, Inc. v. Pharmaton, S.A.*, 345 F.2d 189, 194, 145 U.S.P.Q. 461, 466 (C.C.P.A. 1965); *Ex parte Heatube Corp.*, 109 U.S.P.Q. 423, 424 (Dec. Comm’r Pat. 1956).

Further, courts have considered the amount of mental effort or imagination which is required, upon seeing or hearing the mark, in order to reach a conclusion as to the nature of the goods or services to which it is applied. *See, Application of Quik-Print Copy Shops, Inc.*, 616 F.2d 523, 525, 205 U.S.P.Q. 505, 507 (C.C.P.A. 1980); *Application of Abcor Development Corp.*, 588 F.2d 811, 814, 200 U.S.P.Q. 215, 218 (C.C.P.A. 1978). In this regard, the C.C.P.A. explained:

A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of the goods. A term is descriptive if it **forthwith conveys an immediate idea** of the ingredients, qualities or characteristics of the goods.

*Application of Abcor Development Corp.*, 588 F.2d 811, 814, 200 U.S.P.Q. 215, 218 (C.C.P.A. 1978) (Emphasis added). “[A] mark is suggestive if, when the goods or services are encountered under the mark, a multistage reasoning process, or the utilization of imagination, thought or perception, is required in order to determine what attributes of the goods or services the mark indicates.” *In re Affinity Gaming*, Serial No. 85909611 (TTAB, April 16, 2015) (non-precedential).

Importantly, in applying the foregoing principles, one must also keep in mind, as noted by the United States Supreme Court, that “[t]he commercial impression of a trade-mark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety . . . .” *Estate of P.D. Beckwith’s, Inc. v. Commissioner of Patents*, 252 U.S. 538, 545-46 (1920). *See also*, T.M.E.P. § 1209.01(b) at p. 1209-2 (stating that inventive “[c]ombinations of merely descriptive components” may be registrable). Further, a determination of descriptiveness cannot be made in the abstract. Rather, the “descriptiveness of a mark, when applied to the goods or services involved, is to be determined from the standpoint of **the average prospective purchaser.**” *Application of Abcor Development Corp.*, 588 F.2d 811, 814, 200 U.S.P.Q. 215, 218 (C.C.P.A. 1978) (Emphasis in original).

The application of these principles is illustrated by the following two examples. In *Ex parte Zip Abrasive Co.*, 99 U.S.P.Q. 16 (Dec. Comm’r Pat. 1953), the Commissioner reversed a decision of the Trademark Examiner and allowed registration of the mark SHORTSTOP as applied to a liquid moisture-repellent coating material for eliminating short circuiting due to moisture in the atmosphere. In so holding, the Commissioner stated: “Certainly, the word is not necessary to describe a product of this character -- and a competitor, in the ordinary course of business practice, would not use it to describe his product because it conveys no real meaning as a descriptive term

applied to a moisture-repellent protective coating.” *Ex parte Zip Abrasive Co.*, 99 U.S.P.Q. 16, 17 (Dec. Comm’r Pat. 1953).

Similarly, the C.C.P.A. held that the mark BROWN-IN-BAG for transparent plastic film bags was registrable, stating:

It is true, but not fatal, that appellant’s mark is informational. Because “bag” is obviously descriptive of the product and “brown” is descriptive of what can happen to some foods when the bag is used, the Commissioner’s brief insists that the mark **informs** the housewife-purchaser of a purpose to which the bag may be put and thus it is **merely descriptive** of a purpose and unregistrable. But one may be informed by suggestion as well as by description. Here appellant is not seeking to register the “information” that their bags may be used to brown foods and is not seeking to register a direction such as “brown foods in this bag.” Appellant seeks to register, as a unitary mark, the combination of words and hyphens which form the mark BROWN-IN-BAG.

....

The Commissioner’s brief reflects concern that registration here would “deprive appellant’s competitors of the use of common generic words which are in the public domain.” We think not. Competitors are deprived only of the use of the three words in such format as would be likely to confuse. Competitors remain perfectly free to inform purchasers that foods may be browned in their bags and to use “brown,” “in” and “bag” in whatever nontrademark manner they choose.

*Application of Reynolds Metals Co.*, 480 F.2d 902, 904, 178 U.S.P.Q. 296, 297 (C.C.P.A. 1973) (Emphasis in original).

Applying the foregoing principles to the present case, Applicant’s GOLDBACK mark is not “merely descriptive” because the elements GOLD and BACK are not used by others to refer to the goods and services offered by Applicant, and the arrangement and unusual nature of the words GOLD and BACK is such that the average prospective purchaser must use a multistage reasoning process to understand the nature of Applicant’s goods and services. Because a multistage reasoning process is needed, Applicant’s mark is more likely than not to be deemed by the average prospective purchaser to be an indication of origin—a source identifier—rather than a merely descriptive term.

The Examining Attorney has allegedly provided third-party evidence of use of the word GOLDBACK in reference to a currency that is “backed by gold” that is offered by a party located in Utah. Applicant affirms that this evidence is actually describing Applicant itself and its related entities. No other evidence was provided of any actual third party using the mark in any manner.

The Examining Attorney has provided a lengthy definition of the word “back.” The very length of this definition suggests that consumers will not immediately understand which definition is intended in the supposed “merely descriptive” sense of the mark as alleged by the Examining Attorney. Moreover, the many definitions of “back” highlight the significant difference between “back” and “backed” in this context. As the evidence shows, jewelry that is “backed” with gold is synonymous with jewelry that is “coated” with gold. But the word “back” is not used by the public in this manner in relation to jewelry. The word “backed” in relation to gold-coated jewelry is an adjective; yet no one ever refers to owning gold-backed jewelry—they say instead that they own solid gold jewelry, or 24-carat jewelry, or gold-plated jewelry. The fact that “gold-backed” can literally mean that the back of an object is coated with gold leaf must be viewed within the actual commercial context of how the words are used. And they are never used in this manner.

Moreover, the word GOLDBACK is likely to be viewed, because of its structure, as a noun. Hence, no clear mental connection exists with the idea of gold-coated jewelry.

Similarly, a currency that is “backed” by gold differs from a GOLDBACK. The word “back” used as a noun is very different in this context from the adjective “backed” used to describe such a currency.

Perhaps most importantly in this context is the understanding of likely prospective purchasers of Applicant’s goods and services. These consumers are, generally speaking, greatly concerned about the use of fiat money, that is, money or currency systems that have no intrinsic

value and are not linked to a recognized commodity having a market value, such as silver, gold, or platinum. *See* attached Wikipedia article on Fiat Money. These consumers believe that a national economy that relies on fiat money is at risk of manipulation by politicians in a manner that can undermine the stability of the economy and creates much greater risks of a bubble-and-recession cycle. These consumers are aware of the monetary history of the United States, and specifically regarding the decision of President Richard Nixon to decouple United States currency from its historical link to gold. *See* attached Wikipedia article on the Gold Standard.

In common parlance, one may think of the term “greenback” as merely referring to paper currency, which is green in color. However, the term actually referred historically to some of the earliest paper money that was issued by the United States government during the Civil War, and which was not redeemable for gold or silver. It was supported only by the credibility—the “full faith and credit”—of the United States government. At the time, the United States was on the gold standard, as it had been since its founding. Thus, the term “greenback” was a colloquialism used as a term of derision. It was then common to say that bank notes were “backed by gold,” yet in the case of this special paper money issued during the Civil War, the notes were “backed” by nothing—they were just green paper. Hence, they were called greenbacks. Over a period of many years, the word greenbacks came to be used for all paper money and to be separate and distinct from the idea of what was “backing” the currency. Indeed, the average American consumer likely has no idea that a currency can be “backed” by, or linked to, a commodity having a fixed market price such as gold or platinum. But these “average American consumers” are not the consumers who are purchasing Applicant’s goods and services.

Historically, greenbacks were an attempt to drive gold out of circulation by reliance on fiat paper money. Applicant's goods and services are an attempt to bring gold back into prominence as a medium of exchange.

With the historical context discussed above, which is familiar to Applicant's likely prospective purchasers, it is clear that Applicant's GOLDBACK mark is an ironic reference to the historical term "greenback" because Applicant is selling goods and services that are, in fact, "backed" by gold. Indeed, as to Applicant's goods in Class 14, these are not "backed" by gold in the sense of currency having a financial link to a supporting commodity as discussed above. Rather, Applicant's goods in Class 14 include an actual sheet of gold with printing on it. Thus, the term GOLDBACK is again suggestive of a piece of green paper comprising a unit of currency, but in this case, the sheet is actually made of gold. Hence the ironic and suggestive historical reference to greenbacks by the use of the term GOLDBACK.

Applicant is turning the historical derision of the term "greenback" on its head by once again offering a type of money that is truly a "piece of gold" or that is, in relation to Class 36 services, linked to or redeemable for a fixed quantity of gold. Yet, to briefly reiterate the comments above, there is a very significant difference between the words "back" as a noun within the unitary mark GOLDBACK and the word "backed" as an adjective within the phrase "gold-backed," because of the historical allusion contained within the term GOLDBACK. And to further reiterate, no one refers to objects made of gold as being "gold-backed"—they refer instead of objects being coated with gold, gold-plated, or made of solid gold. Hence, Applicant's mark is not merely descriptive in this sense of the word "back."

In *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, a similar issue as presented by Applicant's mark was addressed by the Federal Circuit. 961 F.2d 200 (Fed. Cir. 1992). Defendant Roundy's

sought cancellation of plaintiff Olde Tyme Foods' YE OLDE TYME word mark on the grounds that it so resembled Roundy's OLD TIME word mark as to be likely to cause confusion. Although the TTAB had granted summary judgment to Roundy's, the Federal Circuit reversed and remanded, finding that the TTAB had drawn erroneous factual inferences in favor of Roundy's. The Court noted that the TTAB had "apparently discounted the significance of the differences in spelling," even though it was true that "a reasonable fact finder would find the marks to be phonetically similar." *Id.* at 203. The Court concluded that the marks had not been shown as a matter of law to be similar in their entireties as to appearance, connotation, and commercial impression, noting that "phonetic similarity alone is insufficient in this case to establish as a matter of law that the uses of the respective marks are likely to cause confusion." *Id.* (emphasis added). *Accord Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 673 (Fed. Cir. 1984) ("Of paramount interest is not the descriptive nature of SPICE, but the overall commercial impression derived by viewing the marks in their entireties"); *AFP Imaging Corp. v. Women & Infants Hosp. of Rhode Island*, 5 F.3d 1507 (Fed. Cir. 1993) ("[t]he similarities in sound and appearance ... are simply outweighed by the differences in connection and commercial impression that result from the use of such term [sic] in connection with significantly disparate services and goods."); *James B. Beam Distilling Co. v. Beamish & Crawford Ltd.*, 868 F.2d 1277 (Fed. Cir. 1989) ("although the marks must be regarded in their entireties, it is proper to give greater force and effect to a mark's dominant feature.").

Here, Applicant's GOLDBACK mark is similar in sound and structure to the adjective "gold-backed" which may be regarded as a descriptive term in relation to both gold-coated jewelry in Class 14 (though no one actually uses this phrase) and to "gold-backed" currency-related



services in Class 36. However, the historically significant link to the term “greenback,” which is widely understood among Applicant’s likely prospective customers renders the difference between GOLDBACK and “gold-backed” (in both meanings of the words) highly significant. Applicant’s GOLDBACK mark is a unitary mark with an ironic, somewhat tongue-in-cheek nod to the history of the United States monetary system and the fact that, once again, consumers can acquire currencies that are truly based on the gold standard.

Accordingly, the present case is analogous to the SHORTSTOP and BROWN-IN-BAG cases, in which two or three words are used together in a manner that “conveys no real meaning as a descriptive term.” *Ex parte Zip Abrasive Co.*, 99 U.S.P.Q. 16, 17. The Examining Attorney has in the refusal even assumed two different meanings of the word “back”—one meaning “coated with” and one meaning “financially supported by or redeemable for.” The incongruity in Applicant’s use of GOLD and BACK together likewise ensures that a competitor would not use the word GOLDBACK in the ordinary course of business. *Id.*

Furthermore, due to the many varied possible meanings of the word “back,” consumers are necessarily required to use greater imagination in determining the attributes of the underlying goods or services when they see the word “back” used in connection with “gold.” That is to say, consumers must engage in the “multistage reasoning process” described in *In re Affinity Gaming* above.

Where any doubts remain about whether a mark is “merely descriptive” under Section 2(e), these doubts are to be resolved in favor of Applicant. Here, the points raised above show that the nature of Applicant’s mark creates incongruous impressions in the minds of consumers ensuring that the mark does not immediately convey the nature of Applicant’s goods and services. Accordingly, where strong doubts exist as to whether Applicant’s mark could reasonably be

considered to be “merely descriptive,” these must be resolved in favor of Applicant and the refusal withdrawn so that the mark can be passed for publication. *In re Shutts*, 217 U.S.P.Q. 363 (T.T.A.B. Feb. 25, 1983); *In re Pennwalt Corp.*, 173 USPQ 317 (TTAB 1972); *In re Ray J. McDermott and Co, Inc*, 170 USPQ 524 (TTAB 1971).