IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: LSCU Service Corporation, Inc. Serial No.: 88/103,282 Mark: **LEVERAGE** Filed: September 4, 2018	Trademark Application Principal Register

RESPONSE TO OFFICE ACTION

Applicant, LSCU Service Corporation, Inc. ("Applicant") respectfully submits the following arguments in response to the Office Action issued on November 14, 2019 against Application Serial No. 88/10282, the "LEVERAGE" mark (the "Mark"). Specifically, Applicant submits that LEVERAGE is eligible for registration on the Principal Register because it is inherently distinctive. The argument is as follows:

I. ARGUMENT

Pursuant to 15 U.S.C. §1052(e)(1), the Examining Attorney has declined registration of LEVERAGE on the grounds that the Mark is allegedly descriptive of services that Applicant provides to its customers. Applicant respectfully submits that in making this contention the Examining Attorney has failed to meet his burden in establishing descriptiveness and further that the Mark is in fact suggestive, and thus is registerable.

A. The Examining Attorney Has Not Carried The Burden of Showing Descriptiveness

It is the Examining Attorney that bears the burden of showing that the term is merely descriptive of the identified services. *In re Box Solutions Corp*., 79 USPQ2D 1953 (TTAB 2006). By way of evidence, the Examiner has provided a weblink to INVERSTOPEDIA ®, where the

term leverage is described as the "result of using borrowed capital as a funding source when investing to expand the firm's asset base and generate returns on risk capital." The Examiner further relies on the alleged descriptive use of the term "leverage" in connection with business lending. Upon review, the submitted evidence is wholly insufficient to support a merely descriptiveness refusal as it is irrelevant to the critical inquiry: whether the term leverage is merely descriptive for the provision of financial lending services. Specifically, the evidence submitted refers to a potential result that may occur as a product of using financial lending services rather than being descriptive of the services themselves.

The INVESTOPDIA® description upon which the Examiner primarily relies explains "leverage" is a **result** of using borrowed capital. Similarly, "The Balance Small Business" link informs readers that "leverage involves **using capital** (assets) usually cash from loans **to fund growth and development**…" (emphasis added). The second cited link, https://www.53.com/content/fifth-third/en/business-banking/resource-center/Growing-Your-Business/leverage-your-business-loan-for-growth.html, leads to an instructive article on **how to leverage** a business loan for growth. Finally, the Wikipedia article cited, also references leverage as referring to a type of **investing process** in which borrowed funds rather than fresh equity is used in the **purchase of an asset**, with the expectation that profit will exceed borrowing costs. Notably the overwhelming theme under coursing each of the pieces of cited evidence is that leverage is a result that may be produced from receiving loaned funds but leverage is not the obtainment of the funds themselves, and it is the obtainment/ provision of funds which Applicant provides under its Mark.

As referenced in the instant Office Action, Applicant has applied for its Mark in relation to, "loan financing services; Small Business Administration ("SBA") lending programs, namely,

financing of small business loans". Applicant thus does not direct or specialize in the investment of said funds for the purposes of business growth or expansion, nor does it provide advisory services under its Mark for how those funds should be used. The applied for services are limited to the prospective disbursement of loan funds, namely with respect to loans for small businesses. Thus, the Examiner, has at best discounted, and at worst, disregarded, the myriad of purposes for which loan financing services are sought and used, which extend beyond purposes associated with the term leverage, such as refinancing a preexisting debt. Further, what a consumer of Applicant's services does with any funds issued is not a claimed service in the Application. Thus, the Examiner has engaged in an analysis that goes beyond the applied-for services, contravening the USPTO's instruction that determinations of mere descriptiveness be made in relation to the services to which the Mark is used in connection with. *See DuoProSS Meditech Corp. v. Inviro Med. Devices, Ltd.*, 695 F.3d 1247, 1254, 103 USPQ2d 1753, 1757 (Fed. Cir. 2012); *In re The Chamber of Commerce of the U.S.*, 675 F.3d 1297, 1300, 102 USPQ2d 1217, 1219 (Fed. Cir. 2012); TMEP §1209.01(b).

Applicant's Mark is seeking registration in connection with the provision of loan financing services, which the Examiner has failed to equate to the term "leverage" or establish is a descriptor for said services. Mere usage of the term descriptively in relation to financial lending services but not descriptive of said services, is insufficient to support a merely descriptive refusal and the Examiner has failed to cite to, and Applicant is unaware of any authority that would hold otherwise.

Applicant would additionally note that the prohibition against registration of merely descriptive designations is intended to prevent one party from precluding all others from fair use of descriptive terminology in connection with goods which are described thereby. TMEP § 1209; *In re American Fiber & Fishing, Inc*., Serial No. 75,315,876 (TTAB March 1, 2000) (non-

precedential). Nothing in the record suggests that others in the trade have used or would need to use the mark "LEVERAGE" to describe the provision of financial lending services.

Applicant thus submits that the evidence submitted is insufficient to establish a prima facie case for descriptiveness, rendering the evidentiary burden unmet. As such the refusal must be withdrawn and the Application permitted to move forward through the registration process.

B. LEVERAGE does not immediately convey financial lending services and thus the mark is suggestive, rather than merely descriptive.

While the Examiner correctly points out, that whether consumers can guess what the product or service is based on the mark alone is not the proper test, consumer perception is still nevertheless the demarcating line between a merely descriptive and suggestive mark. In fact, how a mark is "understood by the purchasing public" determines whether the term is entitled to trademark status. *In re HOTELS.COM*, L.P., 91 U.S.P.Q.2d 1532 (Fed. Cir. 2009). Thus, in order for a mark to be deemed merely descriptive, the mark must **immediately** convey to the public an idea of the ingredients, qualities or characteristics of the identified goods. *See Stix Prods., Inc. v. United Merchs. & Mfrs., Inc*., 295 F.Supp. 479, 487-88 (S.D.N.Y. 1968) (emphasis added). Even more, "[t]he word 'merely' in the Act means that if the mark clearly does not tell the potential customer what the goods are, their function, characteristics, use or ingredients, then the mark is not 'merely descriptive.'" *See McCarthy on Trademark and Unfair Competition*, § 11:51 at 11-151 (4th ed. 2010) (citing *In re Colonial Stores, Inc*., 157 U.S.P.Q. 382 (C.C.P.A. 1968); *In re Quik-Print Copy Shops, Inc*., 205 U.S.P.Q. 505, n. 7 (C.C.P.A. 1980) ("merely" means "only"). Thus, a mark is not deemed merely descriptive if it is indirect or vague as applied to the identified goods. *See Id*. at 11-36 (4th ed. 2010). To be sure, if a term requires "imagination, thought and perception to reach a conclusion as to the nature of [the goods,]" the term is suggestive. *See Equine Technologies Inc. v. Equitechnology Inc*., 36 U.S.P.Q.2d 1659 (1st Cir. 1995).

Here, Applicant's Mark is inherently ambiguous and denotes more closely the service of providing advice on how to gain an advantage in the financial industry as opposed to the provision of loan services. Additionally, the use of the term leverage is not limited to the financial services industry, thus the public's perception of the Mark, LEVERAGE, would necessarily draw various connections that would fall outside the identified services offered under Applicant's Mark. To state plainly, the Mark in no way directly identifies or describes any cited definition/description the Examiner has offered for the term "leverage".

While Applicant acknowledges that its Mark may be logically related to financial services generally, the Mark in and of itself does not immediately imply the provision of financial loan services. *See Playtex Products, Inc. v. Georgia-Pacific Corp*., 73 U.S.P.Q.2d 1127, 1131 (2nd Cir. 2004) (holding that "WITE-OUT" was suggestive because "[t]he name WITE-OUT could be descriptive of correction products in that most of the WITE-OUT products are white in color and used to take 'out' a mistake…[but] although the name WITE-OUT is logically related to its use, the phrase without more does not imply a correction product."). Indeed, while the Mark may suggest what the Applicant's services are, imagination is required to connect the phrase LEVERAGE to financial loan services. *See Equine Technologies Inc*. at 1662 (citing *Union Nat'l Bank*, 909 F.2d 839, 844 (5th Cir. 1990), wherein the Court stated that the "term 'EQUINE TECHNOLOGIES' might reasonably be thought to suggest that the product to which it applies has to do with horses [and] the addition of the upturned 'u' might also suggest, to the perceptive consumer, that it has to do with hooves or horseshoes…[b]ut we think the mark clearly 'requires the consumer to exercise the imagination in order to draw a conclusion as to the nature of the goods and services." The same level of imagination, if not more, would be required here, rendering the applied-for Mark suggestive rather than merely descriptive. Based on the foregoing Applicant

respectfully requests that the Examiner withdraw the issued refusal and allow this Application to proceed forward through the registration process.

C. Doubt is Resolved In Favor of Applicant

Undeniably, "the determination of whether a particular term falls on the 'suggestive' or 'merely descriptive' side of the line is highly subjective in nature." *See In re Aid Laboratories*, Inc., 221 U.S.P.Q. 1215, 1216 (TTAB 1983). Thus, the line is thin and nebulous. *See In re Morton-Norwich Products, Inc*. at 791 (citing *In re The Gracious Lady Services, Inc*., 175 U.S.P.Q. 380 (TTAB, 1972) and *In re Gourmet Bakers*, 173 U.S.P.Q. 565 (TTAB, 1972. As such, where doubt exists as to whether a phrase is descriptive and must be disclaimed, such doubt should be resolved in favor of the applicant. *In re International Taste, Inc*., 53 USPQ2d 1604 (TTAB 2000). Accordingly, even if there is doubt as to the inherent distinctiveness of the mark LEVERAGE this doubt should be resolved in Applicant's favor and the descriptiveness refusal should be withdrawn.

II. CONCLUSION

Given the above arguments, Applicant respectfully requests that refusal be lifted, and the application proceed toward registration. In the event the Examiner has any further questions or concerns regarding the Applicant's Mark, or the subject matter addressed herein, the Applicant requests that the Examiner contact its attorney, Robert L. Wolter (407-926-7706).

Dated this 14th day of April 2020.

Respectfully submitted,

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