

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant : Sephora USA, Inc.
Serial No. : 88/468,524
Filed : June 11, 2019
Mark: : INSIDER
Examining
Attorney : Jami Holland
Law Office : 122

RESPONSE TO OFFICE ACTION

This is submitted in response to the Office Action dated August 7, 2019 concerning Application No. 88/468,524 for the mark INSIDER (“Applicant’s Mark”) in which the Examining Attorney refused registration asserting (a) Section 2(d) citations to U.S. Reg. No. 4898815 for INSIDERS; U.S. Reg. No. 2121656 for INSIDERS; and U.S. Reg. No. 5610230 for INSIDER; and (b) Applicant’s Mark fails to function as a service mark on the submitted specimen.

Applicant respectfully requests that the Examining Attorney reconsider the refusals in light of the evidence and arguments submitted herein in establishing the registrability of Applicant’s Mark, i.e., that Applicant’s Mark is not likely to cause confusion with the cited registrations and that the Applicant’s Mark as used by Applicant functions as a service mark and is widely recognized as such by the relevant consuming public.

Applicant hereby addresses all issues raised in the Office Action by submitting arguments against the citations to the Cited Marks and by providing the Examining Attorney with arguments as to why the specimen of use shows use of the Applicant’s

Mark as a service mark. Applicant respectfully requests that the refusals be withdrawn and that the application be passed to publication.

Applicant’s Mark & Services

Applicant is a well-known, worldwide retailer of cosmetics, fragrances and beauty products and seeks to register its mark INSIDER, used as the name of a tier in its popular customer loyalty program, for the following services in Class 35:

“Retail store and online retail store services featuring perfumery, cosmetics, make-up, skincare and beauty products and accessories, bath and body products and accessories, and hair care products, preparations and accessories featuring a bonus incentive program for customers.”

Applicant already owns registrations for these or similar services for other marks used to promote its customer loyalty program, which started over a decade ago and has grown and developed and achieved substantial popularity over the years, as follows:

| Mark Details | Status / Dates | Services |
|--|---|---|
| <p>BEAUTY INSIDER</p> <p>RN: 3181800 SN: 78588445</p> | <p>Renewed December 5, 2016</p> <p>First Use February 10, 2006</p> | <p>(Int'l Class: 35) retail store services in the field of cosmetics, skin care, hair care, and perfumery featuring a bonus incentive program for customers</p> |
| <p>VERY IMPORTANT BEAUTY INSIDER</p> <p>RN: 3808377 SN: 77770866</p> | <p>Registered 8 & 15 July 25, 2015</p> <p>First Use July 22, 2009</p> | <p>(Int'l Class: 35) retail store services in the field of cosmetics, skin care, hair care, and perfumery featuring a bonus incentive program for customers</p> |
| <p>VIB</p> <p>RN: 3815632 SN: 77770869</p> | <p>Registered 8 & 15 July 30, 2015</p> <p>First Use</p> | <p>(Int'l Class: 35) retail store services in the field of cosmetics, skin care, hair care, and perfumery featuring a bonus incentive program for customers</p> |

| Mark Details | Status / Dates | Services |
|--|--|---|
| | July 22, 2009 | |
| VIB BEAUTY INSIDER RN: 3808376 SN: 77770865 | Registered 8 & 15 July 25, 2015 First Use July 22, 2009 | (Int'l Class: 35) retail store services in the field of cosmetics, skin care, hair care, and perfumery featuring a bonus incentive program for customers |
| VIB ROUGE RN: 4883799 SN: 86125033 | Registered January 12, 2016 First Use June 27, 2013 | (Int'l Class: 35) retail store and on-line retail store services featuring perfumery, cosmetics, make-up, skincare and beauty products and accessories, bath and body products and accessories, and hair care products, preparations and accessories featuring a bonus incentive program for customers |

Copies of these registration certificates are attached as **Exhibit A**. As noted by the chart, Applicant has used INSIDER (previously with the term BEAUTY) since as early as 2006, fourteen years ago, in connection with its loyalty program. Applicant's program and the merits of its ROUGE vs. INSIDER vs. VIB status levels are discussed extensively by consumers and the media, in magazines, blogs and on social networks, wherein it is obvious that all relevant consumers well understand that INSIDER is a mark associated with a particular status level in Applicant's popular program. Examples of articles noting the fame of Applicant and/or mentioning and discussing Applicant's loyalty program are submitted herewith as **Exhibit B**. These articles show without doubt that INSIDER is associated by the public as a mark used with Applicant's loyalty program.

The Section 2(d) Refusal Should Be Withdrawn as Confusion is Not Likely

The Examining Attorney asserts that the Applicant's Mark is likely to be confused with the marks in three cited registrations. Without waiving any rights that Applicant may have should these arguments not be accepted, Applicant respectfully submits that confusion is not likely between the Applicant's Mark and the marks in the cited registrations.

First, the Examining Attorney refused registration alleging that Applicant's Mark is likely to cause confusion with the following prior registration:

- INSIDERS in Class 35, Reg. No. 4898815, issued in 2016 and owned by Strokin, LLC for:

“Customer loyalty services and incentive award programs to promote the sale of its products and services, for commercial, promotional and/or advertising purposes”

The cited mark is used on a Heartland America website for an “Insiders” program; see <https://www.heartlandamerica.com/value-club-america.html> and below:



In securing the registration, the registrant argued that “the term INSIDER is weak in this context, and no single trademark owner owns broad rights in the term within the realm

of loyalty services. The Registrants (sic) own limited rights in the term INSIDER as specifically used in their marks- no more and nor (sic) less.” The registrant even cited to Sephora’s prior registration for its BEAUTY INSIDER mark to support its argument that third parties use and register INSIDER marks and that it was entitled to a registration for its specific INSIDERS services. See response to office action filed by registrant and submitted herewith as **Exhibit C**. Moreover, the mark at issue differs – INSIDERS with an S – from the Applicant’s Mark. In addition, there is nothing in the description of the services in registrant’s registration to indicate that cosmetics or beauty products are involved. For these reasons, confusion is not likely and the citation should be withdrawn.

Second, the Examining Attorney refused registration alleging that Applicant’s Mark is likely to cause confusion with the following prior registration:

- INSIDE & Design in Class 35 (shown below with a significant design element), Reg. No. 5610230, issued in 2018 and owned by Insider Home LTD for:

“On-line retail store services featuring a wide variety of consumer goods of others; Retail furniture stores; Retail stores featuring new and vintage home goods, namely, furniture, home accessories, window treatments, fabric, carpet and related home decor items; Retail store services featuring a wide variety of items; Online retail store services featuring new and vintage home goods, namely, furniture, home accessories, window treatments, fabric, carpet and related home decor items”



Again, the registrant's mark is weak and different from Applicant's Mark, including a large design element wholly absent from Applicant's Mark. Further, the services in the cited registration all relate to home furnishings and not to cosmetics. Thus, confusion is not likely between the two marks and the citation should be withdrawn.

Third, and finally, the Examining Attorney refused registration alleging that Applicant's Mark is likely to cause confusion with the following prior registration:

- INSIDERS in Class 18, Reg. No. 2121656 owned by Glaser Designs, Inc. for: "Modular organizers for luggage, brief cases, and handbags"

Applicant notes that this registration was not renewed prior to the June 18, 2018 grace period deadline and should be listed as cancelled, not live. Accordingly, Applicant respectfully requests that the citation to this registration be withdrawn.

The Failure to Function Refusal Should Be Withdrawn as INSIDER Clearly as Functions as a Service Mark

The Examining Attorney refused registration contending that the specimen submitted with the application does not function as a service mark to identify and distinguish Applicant's services from those of others and to indicate the source of Applicant's services. The Examining Attorney argues that the Applicant's Mark does not function as a service mark because "Insider", "VIB", and "Rouge" are shown in the specimen referring to categories within Sephora's internal categorization system and not to Sephora's services.

Applicant respectfully submits (a) that the specimen does show a direct association between the mark and the services covered in the application and (b) requests the Examining Attorney reconsider the refusal in light of the information and arguments below and accept the previously submitted specimen.

The specimen submitted with the subject application was screen shot from the 2019 Beauty Insider Benefits page on the Applicant's Sephora.com website. The subject application covers the following services in Class 35:

Retail store and online retail store services featuring perfumery, cosmetics, make-up, skincare and beauty products and accessories, bath and body products and accessories, and hair care products, preparations and accessories **featuring a bonus incentive program for customers.**"

(Emphasis added to note that the services relate to Applicant's loyalty program).

"Insider" status is conferred to anyone who registers for the Beauty Insider program. As indicated by the articles submitted herewith as **Exhibit B**, consumers readily identify and recognize INSIDER as used by Applicant as a mark, with articles even copying what was used herein as a specimen. Applicant respectfully requests that the previously submitted specimen be accepted and the refusal to register be withdrawn.