MCI Communications Corporation has petitioned the Commissioner to restore jurisdiction of the subject application to the Examining Attorney to consider entering a disclaimer of the term "BUSINESS CARD" in the application. Trademark Rule 2.146(a)(3) provides authority for the requested review.

Facts

An application for AMERICA'S BUSINESS CARD, for "telecommunication services," was filed on August 29, 1989, by MCI Communications Corporation. In the application as filed, applicant had voluntarily inserted a disclaimer of exclusive right to use "CARD," apart from the mark as shown. The Examining Attorney approved the application as filed for publication in the Official Gazette; and the mark published for opposition on February 13, 1990. American Express Company filed successive timely requests to extend the time for filing an opposition, resulting in an extension until October 11, 1990.

On September 24, 1990, applicant filed an "Amendment after Publication" to change the disclaimer of record from "Card" to "Business Card." In a letter dated October 2, 1990, the Trademark Trial and Appeal Board (TTAB) noted the proposed amendment, but indicated that the amendment required consideration by the Examining Attorney in charge of the case. Potential opposer's time in which to file an opposition was suspended, and the application file was forwarded to the
Examiner for consideration of the proposed amendment.

An undated telephone record in the file indicates that the Examining Attorney informed applicant's attorney that the disclaimer could not be entered "because it is unnecessary to disclaim this phrase." This petition was filed on October 29, 1990. In a letter dated November 20, 1990, the TTAB acknowledged the decision of the Examining Attorney and notified applicant and the potential opposer that American Express Company was allowed until December 20, 1990, to file an opposition. [FN1]

Petitioner states that it engaged in negotiations with potential opposer "which culminated in an agreement that [potential opposer] would not institute an opposition proceeding if applicant disclaimed the phrase 'Business Card.' Pursuant to this agreement applicant filed an Amendment After Publication...."

Procedure for Amendments after Publication

A proffered amendment to disclaim an additional word is a matter for determination by the Examining Attorney. 15 U.S.C. § 1062(a). Trademark Rule 2.84(b) provides that after publication, an application which is not the subject of an inter partes proceeding before the TTAB may be amended if the amendment does not necessitate republication of the mark or issuance of an Office action. Proper procedure requires the file to be forwarded (through the Quality Review Clerk) to the Examining Attorney for consideration of the proposed amendment. The Examining Attorney will either approve the amendment for entry or telephone the applicant and explain why the amendment cannot be approved, and place a record of the telephone call in the file. In the present case, the TTAB, to which requests for extensions of time to oppose had been filed, and the Examining Attorney acted in accordance with established procedure.

Analysis of Current Office Disclaimer Practice

Section 6(a) of the Trademark Act states:

The Commissioner may require the applicant to disclaim an unregistrable component of a mark otherwise registrable. An applicant may voluntarily disclaim a component of a mark sought to be registered.

The Trademark Manual of Examining Procedure (TMEP) sets forth the current Office disclaimer practice. Section 904.01(c), entitled "Voluntary Disclaimer by Applicant," states:

The amendment of Section 6 of the statute in 1962 added the following sentence to the section. "An applicant may voluntarily disclaim a component of a mark sought to be registered."

Disclaimers volunteered by applicants should follow the same guidelines which are used by Examining Attorneys as set forth herein, for determining requirement for disclaimer. However, disclaimer of matter which is arbitrary or otherwise registrable may not be accepted. See TMEP section 904.08. Examining Attorneys should request that such disclaimers be cancelled.
Matter voluntarily disclaimed cannot be disregarded in evaluating likelihood of confusion between marks. See TMEP section 904.10.

TMEP Section 904.08, entitled "Registrable Matter May Not Be Disclaimed" further instructs:

- Matter which is registrable is not eligible for disclaimer. The Examining Attorney must have statements disclaiming such matter cancelled when they are placed in the record. Massey-Ferguson Ltd. v. Meadville Forging Co., 149 USPQ 895 (Comm'r Pats. 1966); In re Honeycomb, Inc., 162 USPQ 110 (TTAB 1969).

The current Office disclaimer practice restricting disclaimer to unregistrable subject matter is grounded in Massey-Ferguson and Honeycomb, supra. In Massey-Ferguson, a petition was taken to the Commissioner to overrule the following decision of the TTAB:

- The motion for dismissal submitted by applicant with opposer's consent, contingent upon acceptance of the moving party's proposed disclaimer of the letters "MF" apart from the mark as shown, is denied because the letters are arbitrary as applied to applicant's goods, and hence not subject to a disclaimer. See: Section 6(a), Trademark Act of 1946.

In view of the foregoing, the joint motion to dismiss is denied....Massey v. Ferguson, 149 USPQ 895, 896 (TTAB 1966).

The Commissioner denied the petition, reasoning that:

- The decision in question involves a matter of judgment and would not be disturbed on petition in the absence of manifest error. Careful consideration of the matter in the light of the present petition fails to disclose any such error. On the contrary, the decision of the Board would appear to be correct in view of such decisions as Fischbeck Soap Company v. Kleeno Manufacturing Company, 216 O.G. 663; In re Scholl Manufacturing Company, 1920 C.D. 206, 276 O.G. 599, 267 F. 348; E. McIlhenny's Son v. Trappey, 1922 C.D. 98, 299 O.G. 461, 51 App.D.C. 273; and In re American Steel and Wire Company, 28 USPQ 348. While those decisions were rendered prior to 1946, the principles upon which they are based are still considered to be valid. [FN2] *3 Massey v. Ferguson, 149 USPQ 895, 896 (Comm'r Pats. 1966).

In In re Honeycomb, Inc., supra, the TTAB had before it an appeal from the decision of the Examining Attorney involving the issue of likelihood of confusion between "HONEYCOMB BEE COMES YOU" with design and "HONEYCOMB" for similar goods. The decision explains that "[a]fter the filing of appeal, applicant proposed an amendment to its application whereby the term "HONEYCOMB" would be disclaimed apart from the entire mark." Honeycomb, 162 USPQ at 111. Citing Massey-Ferguson, the TTAB stated that "[t]he proffered amendment was not entered, and rightfully so, for the reason that 'HONEYCOMB' being arbitrary is not subject to disclaimer." Id.

Massey-Ferguson Is Distinguishable from pre-1946 Decisions

A discussion of the pre-1946 decisions cited in Massey-Ferguson, supra is necessary at this point. In Fischbeck, supra, decided on May 28, 1915, an appeal was taken to the Court of Appeals for the District
of Columbia from a decision of an Assistant Commissioner of Patents dismissing an opposition upon the ground that applicant had disclaimed the word "KLEENO." The Assistant Commissioner ruled the goods of the parties were different. The Court of Appeals reversed, finding the goods had the same descriptive properties and indicating that the filing of the disclaimer by the applicant was "of no consequence." 216 O.G. 663, 664. Citing Carmel Wine Co. v. California Winery, 38 App.D.C. 1; 174 O.G. 586; 1912 C.D. 428, the court noted that "one has no right to incorporate the mark of another as an essential feature of his mark. Such a practice would lead to no end of confusion and deprive the owner of a mark of the just protection which the law accords him."

In Scholl, supra, decided June 2, 1920, the Court of Appeals for the District of Columbia affirmed the Examiner of Trademarks' refusal to register on the ground that the mark was descriptive. The disclaimer of the descriptive matter did not help the applicant because the whole mark was descriptive and registration of descriptive matter was forbidden by the statute. In McIlhenny's, supra, decided February 6, 1922, the registrant attempted to avoid cancellation of its trademark registration by disclaiming the geographic and descriptive feature of the mark. The Court of Appeals for the District of Columbia affirmed the decision to cancel the registration.

Finally, in American Steel, supra, the Court of Customs and Patent Appeals, in January 1936, upheld the decision of the Commissioner of Patents to refuse registration notwithstanding applicant's attempt to disclaim all but the first letter of its mark in an effort to render it non-geographically descriptive.

The common thread in these cases is that the request to disclaim matter was a unilateral one proffered by the applicant/registrant which was perceived as an attempt to evade the statutory requirements.

*4 One other decision worth noting is Phillips Petroleum Company v. L.P.G. Equipment Corporation, 78 USPQ 212 (Comm'r Pats.1948), which involved an issue under Section 2(e) of the Act. In this case, an opposition was filed based on the contention that the letters L.P.G. on an oval background were descriptive as an abbreviation of the name of a particular gas. This allegation was denied by the applicant. During the proceedings, however, opposer indicated that it had no objection to allowing applicant to disclaim the letters and offered to withdraw the opposition contingent upon the disclaimer of the letters referred to. However, the Commissioner determined that the letters comprised the only portion of the mark which could be considered subject matter for registration and if disclaimed there would be nothing left to register. Citing the Supreme Court case of Beckwith v. Commissioner of Patents, 252 U.S. 538 (1920), the Commissioner noted that "a disclaimer may not be used as a device or contrivance to evade the law and secure the registration of nonregistrable subject matter." Phillips Petroleum, 78 USPQ at 213.

Although, as the Commissioner noted in Massey-Ferguson, the principles upon which the pre-1946 decisions were based were still considered to be valid, the facts in Massey-Ferguson were, in fact, distinguishable from those prior decisions. As noted above, in Massey-Ferguson, both the opposer and applicant had agreed to disclaimer of the arbitrary matter, "MF." Unlike the facts in the pre-1946 decisions,
the disclaimer was not a unilateral request by the applicant. In addition, unlike the situation in Phillips, supra, there was no indication that disclaimer of "MF" would amount to a disclaimer of the whole mark.

Disclaimer of Registrable Matter

As shown above, with respect to Section 2(e) of the Act, disclaimers of descriptive matter will be entered only when such entry would not render the whole mark disclaimed. The situation with respect to confusing similarity under Section 2(d) is slightly different. Various applicants have tried to overcome refusals made by Examining Attorneys under Section 2(d) of the Act by requesting a disclaimer of a registrable component which may be considered confusingly similar to the cited mark. There is established case law, however, which provides that a mark must be regarded as a whole, including the disclaimed matter, in determining whether, pursuant to Section 2(d) of the Act, a mark is confusingly similar to a registered or pending mark. Schwarzkopf v. John H. Breck, Inc., 144 USPQ 433 (CCPA 1965). Further, the Court of Appeals for the Federal Circuit has stated: "The technicality of a disclaimer in [an] application to register [a] mark has no legal effect on the issue of likelihood of confusion." In re National Data Corporation, 224 USPQ 749, 751 (Fed.Cir.1985). Therefore, disclaimer of matter will never serve to obviate the issue of likelihood of confusion. And, as with disclaimers under Section 2(e), disclaimer of the entire mark will not be allowed.

*5 The purpose of a disclaimer is to show that the applicant is not making claim to the exclusive appropriation of such matter except in the precise relation and association in which it appears in the drawing and description. In re Franklin Press, Inc., 201 USPQ 662 (CCPA 1979). In Franklin Press, the Court of Customs and Patent Appeals reversed the decision of the TTAB refusing to allow a disclaimer, as opposed to deletion, of "informational matter," that is, the phrase "Employees Represented by ITU, IPPU & GCU, & GAIU." The Court said: "[A]ppellant has properly exercised its rights as provided by the second sentence of section 6(a) of the Lanham Act, 15 USC 1056(a), by voluntarily disclaiming, in its registration application, the subject phrase and other descriptive portions of its composite mark." Id. at 665. The Court went on to say that "[a]nother fact worthy of note is contained in a letter from the PTO examiner to the appellant stating, in part, the following: 'A search of the Office records fails to show that the mark, when applied to applicant's goods and/or services, so resembles any registered mark as to be likely to cause confusion, or to cause mistake, or to deceive.' " Id. The Court further stated that: "[T]he PTO has not shown what harm, if any, will be done to the proprietary rights of these organizations if appellant is permitted to register its mark with the subject phrase disclaimed. The parties that can best supply the answers to these questions are the labor organizations, and until they appear and oppose, there is no reason to require deletion of the phrase from the composite mark." Id. at 666.

Analysis of Present Petition
Trademark Rule 2.146(a)(3) permits the Commissioner to invoke supervisory authority in appropriate circumstances. However, the Commissioner will reverse the action of an Examiner or the TTAB in a case such as this only where there has been a clear error or abuse of discretion. In re Richards-Wilcox Manufacturing Co., 181 USPQ 735 (Comm'r Pats.1974); Ex parte Peerless Confection Company, 142 USPQ 278 (Comm'r Pats.1964). Riko Enterprises, Inc. v. Lindley, 198 USPQ 480 (Comm'r Pats.1977).

The application, in this case, was approved for publication by the Examining Attorney without amendment. Implicit in that approval is that the Examining Attorney found no confusing similarity between the subject mark and any registered or pending marks.

When the application was published for opposition, American Express Company requested an extension of time in which to file a notice of opposition. After negotiating a possible cooperative dispute resolution, American Express Company believed that it would not be harmed by the registration of the subject mark only if the mark registered with a disclaimer of "BUSINESS CARD." The parties agreed to this disclaimer, which would not have resulted in disclaimer of the entire mark. However, the Examining Attorney, in accordance with established Office practice, refused to enter the disclaimer because it contained registrable matter.

The language of the second sentence in Section 6(a) is unambiguous. The applicant "may voluntarily disclaim a component of a mark sought to be registered." There is no express prohibition against allowing applicant to voluntarily disclaim registrable matter. Indeed, when the second sentence of Section 6(a) is read in conjunction with the first sentence, which provides that "[t]he Commissioner may require the applicant to disclaim an unregistrable component of a mark otherwise registrable," the argument is compelling that the statute authorizes an applicant to voluntarily disclaim registrable matter. By expressly referring to "unregistrable" matter in the first sentence of the statute, Congress recognized the distinction between registrable and unregistrable matter. If Congress wanted to limit what an applicant could voluntarily disclaim to unregistrable matter only, it clearly could have done so. The fact that it chose not to do so supports the conclusion that an applicant may voluntarily disclaim registrable matter.

In the instant case, the disclaimer reflects an agreement by the applicant and potential opposer in an effort to avoid an opposition proceeding. [FN3] In addition, the Examining Attorney has found no confusingly similar registered or pending marks and the disclaimer would not result in disclaimer of the entire mark.

It is emphasized that there is no danger that disclaimers of this type could be used for evading Sections 2(e) and 2(d) of the Act in light of the prohibition against disclaiming an entire mark and the case law requiring that a mark must be viewed as a whole, including...
disclaimed matter, and that disclaimers have no legal effect for purposes of determining likelihood of confusion.

Sections 904.01(c) and 904.08 of the TMEP do not reflect the clear meaning of the statute, and they should be revised. This decision does not, however, affect the following sentences in TMEP Sections 904.01(c) and 904.10, which provide, respectively:

"Matter voluntarily disclaimed cannot be disregarded in evaluating likelihood of confusion between marks."

"A disclaimer does not remove the disclaimed matter from the mark. The mark must still be regarded as a whole, including the disclaimed matter, in evaluating similarity to other marks." (Citations omitted).

Therefore, Examining Attorneys will continue to consider the question of likelihood of confusion, under Section 2(d) of the statute, in relation to the marks as a whole, including any voluntarily disclaimed matter.

Decision

The petition is granted to the extent that the application file will be forwarded to the Examining Attorney for entry of the proposed amendment to the disclaimer. Because republication of the mark for opposition is unnecessary, inasmuch as the addition to the disclaimer does not broaden applicant's rights in the mark, restoring jurisdiction to the Examining Attorney is not required. Massey-Ferguson Ltd. v. Meadville Forging Co., 149 USPQ 895 (Comm'r Pats.1966), and any other Commissioner or TTAB decision suggesting that registrable matter may not be voluntarily disclaimed under Section 6(a) of the Trademark Act, are hereby overruled. In addition, portions of TMEP Sections 904.01(c) and 904.08 should be revised insofar as they are inconsistent with this opinion.

FN1. Apparently, the TTAB was not aware that the subject petition was filed because it made no reference to it in the November 20th letter.

FN2. Section 6, as initially included in the Lanham Act in 1946 provided:

The Commissioner shall require unregistrable matter to be disclaimed, but such disclaimer shall not prejudice or affect the applicant's or owner's rights then existing or thereafter arising in the disclaimed matter, nor shall such disclaimer prejudice or affect the applicant's or owner's rights or registration on another application of later date if the disclaimed matter has become distinctive of the applicant's or owner's goods or services.

FN3. In trademark cases involving agreements reflecting parties' views concerning perceptions in the marketplace, the Court of Appeals for the Federal Circuit has said that the parties are in a much better position to know the real life situation than bureaucrats or judges and, therefore, such agreements may carry much weight. Cf. Bongrain International v. Delice de France, 1 U.S.P.Q.2d 1775, 1778
(Fed.Cir.1987).

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