

3/26/02

**THIS DISPOSITION  
IS CITABLE AS PRECEDENT  
OF THE T.T.A.B.**

Paper No. 11  
Bottorff

**UNITED STATES PATENT AND TRADEMARK OFFICE**

**Trademark Trial and Appeal Board**

In re **Alpha Analytics Investment Group, LLC**

Serial No. 75/829,220

**Willmore F. Holbrow III** of **Blakely Sokoloff Taylor & Zafman LLP** for **Alpha Analytics Investment Group, LLC**.

**Wendy B. Goodman**, Trademark Examining Attorney, Law Office 103 (**Michael Hamilton**, Managing Attorney).

Before **Hairston, Bottorff and Drost**, Administrative Trademark Judges.

Opinion by **Bottorff**, Administrative Trademark Judge:

Applicant seeks registration on the Principal Register of the mark ALPHA ANALYTICS DIGITAL FUTURE FUND (in typed form) for "financial services, namely, investment advisory services and mutual fund investment services."<sup>1</sup> Applicant has disclaimed FUND apart from the mark as shown.

<sup>1</sup> Serial No. 75/829,220, filed October 22, 1999. The application is based on intent-to-use under Trademark Act Section 1(b).

Applicant has appealed the Trademark Examining Attorney's final requirement that applicant disclaim ALPHA ANALYTICS apart from the mark as shown, and her final refusal to register the mark absent compliance with the disclaimer requirement. See Trademark Act Section 6, 15 U.S.C. 1056; see also TMEP §§1213 and 1213.01(b).

Applicant and the Trademark Examining Attorney filed main briefs, and applicant filed a reply brief. No oral hearing was requested.

Underlying the Trademark Examining Attorney's disclaimer requirement is her contention that ALPHA ANALYTICS is merely descriptive of applicant's recited services under Trademark Act Section 2(e)(1), 15 U.S.C. §1052(e)(1). Applicant disputes that contention, arguing that ALPHA ANALYTICS is, at most, suggestive of applicant's services, and that it therefore need not be disclaimed.

In support of her mere descriptiveness argument, the Trademark Examining Attorney has submitted various types of evidence which show, she contends, the merely descriptive significance of "alpha" and "analytics" as those terms are applied to applicant's services. With respect to "alpha," this evidence includes dictionary definitions, definitions from online financial glossaries, and articles from online publications addressed to the investing public in which

"alpha" is used descriptively. We shall discuss each of these types of evidence in turn.

The American Heritage Dictionary of the English Language (3d ed. 1992)(electronic version licensed by INSO) defines "alpha" as follows:

**alpha** *noun*

1. The first letter of the Greek alphabet.
2. The first one; the beginning.
3. *Chemistry*. The first position from a designated carbon atom in an organic molecule at which an atom or radical may be substituted.
4. *Astronomy*. The brightest or main star in a constellation.
5. The mathematical estimate of the return on a security when the return on the market as a whole is zero. Alpha is derived from ... [mathematical formula omitted].

*adjective*

1. First in order of importance.
2. *Chemistry*. Closest to the functional group of atoms in an organic molecule.
3. Alphabetical.

The Trademark Examining Attorney cites to the fifth-listed noun definition of "alpha," i.e., "the mathematical estimate of the return on a security when the return on the market as a whole is zero," as the definition which is most pertinent in this case. She also has made of record excerpts from various online glossaries of financial and investment terms, which provide similar definitions of

"alpha." For example, the online glossary provided by [washingtonpost.com](http://www.washingtonpost.com) has the following entry for "alpha":<sup>2</sup>

**Alpha** A measure of selection risk (also known as residual risk) of a mutual fund in relation to the market. A positive alpha is the extra return awarded to the investor for taking a risk, instead of accepting the market return. For example, an alpha of 0.4 means the fund outperformed the market-based return estimate by 0.4%. -0.6 means a fund's monthly return was 0.6% less than would have been predicted from the change in the market alone.

The online glossary at [Find a Fund](http://www.findafund.com) (which touts itself as "the most complete source of mutual fund information")<sup>3</sup> includes this entry for "alpha":

**Alpha** A measure of risk adjusted performance used to quantify the difference between the security's actual performance and the performance anticipated in light of the security's risk (beta) and the market's (relative market index) behavior. In short, alpha tells how much better, or worse, a security did relative to what it was expected to do based on its risk posture. A positive alpha indicates a security's return has been more than commensurate with its risk posture. Higher numbers are better than lower.

Similar entries for "alpha" are of record from the following online glossaries: [investorwords](http://www.investorwords.com) (which touts

---

<sup>2</sup> [http://www.washingtonpost.com/wp-srv/business/longterm/glossary/a\\_m/alpha.htm](http://www.washingtonpost.com/wp-srv/business/longterm/glossary/a_m/alpha.htm)

<sup>3</sup> <http://findafund.com/glossary.htm>

itself as "the biggest, best investing glossary on the web");<sup>4</sup> Wall Street Directory;<sup>5</sup> and Campbell R. Harvey's Hypertextual Finance Glossary.<sup>6</sup>

In addition to the online glossaries mentioned above, the record includes articles from various online publications which discuss "alpha." For example, an article from Morningstar.com entitled "How Alpha Works"<sup>7</sup> includes the following discussion:

However, mutual funds don't necessarily produce the returns predicted by their beta values. That's where alpha comes in. Essentially, alpha is the difference between the return you would expect from a fund, given its beta, and the return that it actually produced. If a fund returns more than its beta would predict, it has a positive alpha, and if it returns less than the amount predicted by beta, the fund has a negative alpha ... Morningstar calculates alpha based on a fund's monthly returns for the past 36 months ... Alpha is sometimes referred to as the "value added" by the portfolio manager ... Ideally, you'd like to see a positive alpha for all of the funds you own. This would indicate that your fund managers were all producing better-than-expected risk-adjusted returns.

---

<sup>4</sup> <http://www.investorwords.com/a3.htm>

<sup>5</sup> <http://www.wsdinc.com/glossary/g104.shtml>

<sup>6</sup> <http://www.duke.edu/%7echarvey/Classes/wpg/bfglosa.htm>

<sup>7</sup> <http://news.morningstar.com/news/ms/Investing101/GradeSeries/gradeseries2.html>

An article from PASCO Research entitled "Alpha Magic - Your LINK to Better Investment Returns"<sup>8</sup> includes the following discussion:

... Alpha is a measure of stock (or fund) performance independent of the market. In other words, funds with a positive alpha are invested in equities which are outperforming the general stock market or they may be invested in a sector of the market which is currently outperforming the market as a whole. ... Therefore, it is important to know which funds currently have a mix of stocks that have a positive alpha. Using conventional means of performance analysis this is not readily apparent as alpha can be masked by beta ... So how does a mutual fund investor know which funds currently have the most favorable alpha tendencies and are truly outperforming the market? We have developed a report which should make it fairly easy. Every day we calculate two alpha ratings: a Fast Alpha (A1) and a Slow Alpha (A2). These alphas are reported on our daily Mutual Fund Alpha Report. ...

Additional online articles of record discussing "alpha" are "Performance evaluation using conditional alphas and betas," from Northern Light Technology Inc.'s Journal of Portfolio Management;<sup>9</sup> "Navallier Tops with 'high-Alpha' Strategy," from Investor's Business Daily;<sup>10</sup> "The Alpha and

---

<sup>8</sup> <http://www.pasco-res.com/amallpha.htm>

<sup>9</sup> <http://library.northernlight.com/PN19991214130022544.html>

<sup>10</sup> <http://anasazi.ums1.edu/fin455/Anomaly/Alphas.htm>

Beta Connection," from [pickomo.com](http://pickomo.com);<sup>11</sup> and "Which Mutual Fund Risk Measures Really Matter," from [TheStreet.com](http://TheStreet.com).<sup>12</sup>

The record also includes a "profile" of an actual mutual fund, obtained from the website of [The Internet Closed-End Fund Investor](http://TheInternetClosed-EndFundInvestor.com).<sup>13</sup> Among the categories of data supplied in the profile is "Modern Portfolio Theory Statistics," which includes the fund's "Alpha Coefficient" and its "Alpha Overall %ile Rank." The record also includes an advertisement (from the web page of the [American Association of Individual Investors](http://AmericanAssociationofIndividualInvestors.com)<sup>14</sup>) for a "Portfolio Performance Calculator" software product available from Boston Investment Services, LLC. The advertisement states, inter alia, that the software enables its user to "track and measure investment performances of stock, bond, mutual fund, and 401(k) accounts and calculate risk measures such as beta, alpha, Sharpe ratio, R-squared, and standard deviation."

As evidence that "analytics" is merely descriptive of applicant's services, the Trademark Examining Attorney has made of record dictionary excerpts wherein the term is

---

<sup>11</sup> <http://www.pickomo.com/beta.htm>

<sup>12</sup> <http://www.wsaccess.com/theStreet/basics/schoolhouse/31848.html>

<sup>13</sup> [Http://www.icefi.com/icefi/info/profile.htm](http://www.icefi.com/icefi/info/profile.htm)

<sup>14</sup> <http://aaii.com/dloads/index.shtml>

defined as "the branch of logic dealing with analysis"<sup>15</sup> and as "the method of logical analysis."<sup>16</sup> She also has made of record printouts (from the Office's automated database) of nine third-party registrations which cover various financial and investment services and/or software products for use in the investment field and in which the word ANALYTICS appears. In each of those registrations, ANALYTICS was disclaimed, or the mark was registered on the Supplemental Register, or was registered on the Principal Register pursuant to the acquired distinctiveness provisions of Section 2(f).

Finally, the record includes excerpts from five articles the Trademark Examining Attorney obtained from the NEXIS automated database.<sup>17</sup> None of the five articles show use of "alpha analytics," per se. Four of the five articles appear to relate to fields other than the financial/investment field, and thus are of no probative value. However, in the one article pertaining to the

---

<sup>15</sup> The American Heritage Dictionary of the English Language (3d ed. 1992)(electronic version licensed by INSO).

<sup>16</sup> Merriam-Webster's Collegiate Dictionary (10<sup>th</sup> ed. 1998), at 42.

<sup>17</sup> The Trademark Examining Attorney's search request was "alpha w/10 analytics" in the ALLNWS file of the NEWS library. It appears that the search retrieved twenty-six stories, five of which were printed out in excerpted form by the Trademark Examining Attorney.

investment field (story no. 5, from the May 29, 2000 issue of Pensions and Investments), "alpha" and "analytics" are used as follows (emphasis added):

Money managers getting in bed with competitors. Portfolio managers lifting the veil of mystery cloaking their investment processes to enable even individual investors to perform sophisticated analytics on their portfolios. Equity managers managing embedded alpha as carefully as fixed-income managers in order to squeeze every quarter basis point of return. Planned obsolescence for the mutual fund vehicle for all but the least sophisticated tier of investors. Those are some of the seismic shifts of attitude and process that will be required of the successful money manager in the new century...

In determining whether this evidence suffices to establish that ALPHA ANALYTICS is merely descriptive of applicant's recited services, and therefore must be disclaimed, we apply the following legal principles. A term is deemed to be merely descriptive of goods or services, within the meaning of Trademark Act Section 2(e)(1), if it forthwith conveys an immediate idea of an ingredient, quality, characteristic, feature, function, purpose or use of the goods or services. *See, e.g., In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987), and *In re Abcor Development Corp.*, 588 F.2d 811, 200 USPQ 215, 217-18 (CCPA 1978). A term need not immediately convey an

idea of each and every specific feature of the applicant's goods or services in order to be considered merely descriptive; it is enough that the term describes one significant attribute, function or property of the goods or services. See *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987); *Meehanite Metal Corp. v. International Nickel Co.*, 262 F.2d 806, 120 USPQ 293 (CCPA 1959); *In re H.U.D.D.L.E.*, 216 USPQ 358 (TTAB 1982); *In re MBAssociates*, 180 USPQ 338 (TTAB 1973). Whether a term is merely descriptive is determined not in the abstract, but in relation to the goods or services for which registration is sought, the context in which it is being used on or in connection with those goods or services, and the possible significance that the term would have to the average purchaser of the goods or services because of the manner of its use. *In re Bright-Crest, Ltd.*, 204 USPQ 591, 593 (TTAB 1979).

The Trademark Examining Attorney argues that the evidence of record establishes that ALPHA is a term of art in the investment industry in which applicant is rendering its services, and that this specific definition of the term therefore is the operative and most pertinent definition of the term for purposes of determining mere descriptiveness. She further argues that ANALYTICS, which is defined as "the

method of logical analysis" and as "the branch of logic dealing with analysis," and which is uniformly treated as being non-distinctive in the third-party registrations of record, merely describes applicant's investment and advisory services, which require and are based on applicant's analysis, or analytics, of pertinent investment factors. Finally, she argues that the composite term ALPHA ANALYTICS specifically and merely describes a salient feature or characteristic of applicant's investment advisory services and mutual fund investment services, in that it directly informs purchasers that applicant, in the course of rendering those services, will be performing "analytics" of the "alpha" of potential investment vehicles.

Applicant, for its part, notes that there is no evidence that any third party, in any field, has used the term ALPHA ANALYTICS, nor is there any evidence that the term as a whole has any recognized meaning in connection with services such as applicant's. Applicant contends that the "term of art" meaning of ALPHA relied upon by the Trademark Examining Attorney is an obscure meaning with which potential purchasers are unlikely to be familiar. Rather, applicant argues, purchasers viewing applicant's mark are likely to ascribe to ALPHA its more commonly-

understood dictionary meaning of "first" or "brightest," and that the existence of this arbitrary (or at most suggestive) significance of ALPHA as applied to applicant's services precludes a finding that the term is "merely" descriptive. Applicant further contends that even if purchasers are aware of the specialized meaning of "alpha" as it pertains to the investment field, they will view the term as descriptive only of the mathematical and statistical measure itself; a multi-stage reasoning process still would be required in order to understand the term's significance as applied to applicant's recited services. Applicant also argues that the Trademark Examining Attorney's refusal is based on an impermissible dissection of the term into its component parts, and that ALPHA ANALYTICS, when considered as a whole, is a unique, incongruous combination of terms which presents an inherently distinctive commercial impression as applied to applicant's services. At most, applicant contends, the term simply suggests to purchasers that applicant's fund may yield a positive return. Finally, applicant notes that any doubts as to whether ALPHA ANALYTICS is merely descriptive as applied to applicant's services must be resolved in favor of applicant in this ex parte proceeding.

We have carefully considered the evidence of record and the arguments made by applicant and by the Trademark Examining Attorney, and we conclude that ALPHA ANALYTICS is merely descriptive as applied to applicant's services, and that it therefore must be disclaimed. We find that each of the words ALPHA and ANALYTICS is merely descriptive of the services, and that the composite term ALPHA ANALYTICS likewise is merely descriptive, not inherently distinctive.

The evidence of record establishes that ANALYTICS merely describes a feature or characteristic of applicant's services, i.e., that applicant's services involve the performance of analysis or "analytics" with respect to investments. The dictionary definitions of "analytics" in the record support this conclusion, as does the above-quoted NEXIS excerpt from the Pensions and Investments article, which refers to investors who perform "sophisticated analytics on their portfolios." Additionally, the above-referenced third-party registrations for similar goods and services in which the registrants have either disclaimed ANALYTICS or sought to register it under Section 2(f) or on the Supplemental Register, although not conclusive evidence, are probative evidence of mere descriptiveness at least to the extent that they may suggest that ANALYTICS has been deemed and/or

acknowledged to be not inherently distinctive by the Office and/or by the prior registrants.

Likewise, we find that ALPHA is merely descriptive of applicant's services. It is clear from the evidence of record that "alpha" is a term of art in the investment field. It is the name of a statistical measure which would be used by the investor, and by applicant as the investor's professional advisor, in determining the desirability of a particular investment vehicle. Given this specific meaning of "alpha" which is directly relevant to applicant's services, we are not persuaded by applicant's contention that purchasers encountering applicant's mark are more likely to understand "alpha" in its more general sense of "first" (or in its astronomical sense of "brightest"). We must determine whether the term is merely descriptive as it is used in connection with the recited services, not in the abstract. *In re Bright-Crest Ltd., supra.* Moreover, the mark's use of the word ANALYTICS immediately after ALPHA increases the probability that purchasers will understand ALPHA in its specialized financial sense, rather than in any more generalized sense. As the mark is constructed, ANALYTICS clearly refers to and is modified by ALPHA. Because "analytics" could readily be performed as to the statistical measure "alpha," but not as to the generalized

concept of "first," it is the former meaning that purchasers are more likely to ascribe to ALPHA in applicant's mark.

Nor are we persuaded by applicant's contention that this relevant specialized meaning of "alpha" in the investment field is so obscure or arcane that potential purchasers, i.e., general, non-professional investors, would be unaware of it or unlikely to understand its significance as applied to applicant's services. *Cf. In re Omaha National Corp.*, 819 F.2d 1117, 2 USPQ2d 1859 (Fed. Cir. 1987). Not only is this definition of the term included in a standard dictionary, but the financial glossaries and publications in the record which use and discuss the term "alpha" in its specialized sense are directed to and read by such investor/purchasers. The evidence does not support applicant's (implicit) contention that only professionals in the investment field would be aware of this significance of "alpha."

Finally, we are not persuaded by applicant's contention that the Trademark Examining Attorney's mere descriptiveness finding is based on an impermissible dissection of ALPHA ANALYTICS. We find, instead, that the composite of these merely descriptive words is likewise merely descriptive as applied to applicant's services.

Applicant asserts summarily that ALPHA ANALYTICS is an incongruous composite term, but does not explain or show wherein such incongruity lies. We perceive no incongruity; applicant's services involve the performance of analytics as to the alpha of potential investments. As for the asserted "uniqueness" of the designation ALPHA ANALYTICS, it is well settled that the fact that an applicant may be the first or only user of a term does not justify registration of the term where the only significance projected by the term is merely descriptive, as we find to be the case here. See *In re National Shooting Sports Foundation, Inc.*, 219 USPQ 1018 (TTAB 1983).

In summary, we find that ALPHA ANALYTICS directly and immediately informs the investor/purchaser of applicant's investment advisory and mutual fund investment services that a salient feature or characteristic of those services is that applicant, in determining the desirability of a potential investment for the investor/purchaser and in order to maximize the investor/purchaser's return on investment, performs "analytics" of the "alpha" of the potential investment. We find, therefore, that ALPHA ANALYTICS is merely descriptive of applicant's services, and that the Trademark Examining Attorney's disclaimer

requirement is proper. See Trademark Act Sections 2(e)(1) and 6(a).

**Decision:** The requirement for a disclaimer of ALPHA ANALYTICS, and the refusal of registration based on applicant's failure to submit such disclaimer, are AFFIRMED. However, in the event that applicant submits the required disclaimer<sup>18</sup> within thirty days from the date stamped on this decision, the refusal to register will be set aside, the disclaimer will be entered, and the application will proceed to publication.

---

<sup>18</sup> The proper format for the disclaimer is: "No claim is made to the exclusive right to use ALPHA ANALYTICS or FUND apart from the mark as shown."