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04-04-2003

U.S. Patent & TMOfc/TM Mail Rcpt Dt. #64

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPORTS MACHINE, INC., d/b/a/ Bike Source, Opposer,	:	Opposition No.: 122,948
v.	:	Application No. 76/035,008
MIDWEST MERCHANDISING, INC., Applicant.	:	

APPLICANT'S BRIEF IN REPLY UNDER TBMP 502.03 TO
OPPOSER'S ANSWER TO APPLICANT'S
MOTION TO RESUME PROCEEDINGS
AND ENTER JUDGEMENT UNDER TBMP 510.02(b)

Applicant, Midwest Merchandising, Inc., hereby replies under TBMP 502.03 to Opposer's Answer to Applicant's Motion to Resume Proceedings and Enter Judgement under TBMP 510.02(b) with the following Memorandum.

April 2, 2003
Date

Roger A. Gilcrest
STANDLEY & GILCREST LLP
Attorneys for Applicant
495 Metro Place South, Suite 210
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPORTS MACHINE, INC., d/b/a/ Bike Source,	:	
Opposer,	:	Opposition No.: 122,948
v.	:	Application No. 76/035,008
MIDWEST MERCHANDISING, INC.,	:	
Applicant.	:	

MEMORANDUM IN REPLY UNDER TBMP 502.03
TO OPPOSER'S ANSWER TO APPLICANT'S
MOTION TO RESUME PROCEEDINGS
AND ENTER JUDGEMENT UNDER TBMP 510.02(b)

In its Answer to the subject Motion, Opposer admits that the subject proceedings should be resumed, but advances several arguments in support of its position that this proceeding requires more evidence or argument. It does not.

<u>As to the Common Issues of Law and Fact</u>

Despite Opposer's protestations to the contrary, at bottom there is only a singular factual issue in the subject Opposition: whether the term BIKESOURCE is merely descriptive of the retail bicycle services for which registration is sought.

This is precisely the same issue that has already been decided in Cancellation No. 30,578. In that decision, the Board determined that the mark

was not merely descriptive of "retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling."

The Opposition involves only the issue of whether the mark BIKESOURCE (block letter) is merely descriptive of those same services.

Applicant responds to Opposer's Answer on a point-by-point basis as follows:

Opposer Clearly Took the Position that the Cancellation and Opposition Involved Common Issues of Law and Fact in Its Motion for Consolidation

In bringing its original motion for consolidation, Opposer stated that the Cancellation proceeding "shares common issues of law and fact with the present opposition proceeding . . ."[1] See Exhibit B, page 2. The Board stated that it was not persuaded by Applicant's argument that the two proceedings involve different issues of law and fact. See Exhibit B, page 2.

[1] Opposer alleges that Applicant misstated the record by referring to the Board's decision of November 14, 2001. In that decision, the Board referred to *applicant's* motion to consolidate the subject Opposition with Cancellation (when it was in fact it was Opposer's motion to consolidate; see Exhibit A, page 1, first paragraph), and later refers to *applicant* arguing identity of parties and the common issues of law and fact (when in fact this was Opposer's position; compare Exhibit A, page 1, second paragraph with Exhibit B, page 2, first full paragraph). The Board continued the error by referring to Opposer opposing consolidation, and pointing out that Opposer argued that the pleadings raised different issues and contained different factual allegations when in fact this was Applicant's position. See Exhibit A, page 2, first paragraph. This error in reference apparently was corrected beginning upon the bottom of page 2 of the Board's decision of November 14, 2001. However, it was unclear from the context whether the Board intended reference to Opposer's pleadings or Applicant's pleadings. In any event, the Board apparently agreed with the position, contained in Applicant's brief in opposition to the motion to suspend the proceedings, that the proceedings involved nearly identical legal and factual issues.

Indeed the only issue here is the alleged mere descriptiveness of the mark BIKESOURCE.

The Board thus *agreed with Opposer's position* that the proceedings share common issues of law and fact, but went on to decline to consolidate the proceedings due to the unnecessary delay and prejudice to Applicant, and to avoid the duplication of effort and inconsistent results. See Exhibit A, page 3.

Opposer's Own Position in the Cancellation can now be Directly Applied to the Subject Opposition

The Board need only look as far as Opposer's original allegations in the Cancellation to dispose of the issue of descriptiveness herein.

While seeking Cancellation of the registration of the mark BIKESOURCE (stylized):

BIKESOURCE

Opposer actually took the position that it was the owner of common law rights in the service mark "BIKE SOURCE." See Exhibit C, page 1, allegation paragraph 1.

As a service mark cannot exist without secondary meaning, Opposer's allegation essentially contains the inherent admission that "BIKE SOURCE" has secondary meaning and is thus not merely descriptive.

Opposer would have the Board Allow it to Relitigate the Factual Issue Already Decided in the Cancellation

In the Cancellation, Opposer has already placed in issue and adduced evidence on its factual allegations that (1) "[t]he words making up Registrant's mark, BIKESOURCE [i.e., "bike" and "source"], when used on or in connection with the services to which it is applied (retail stores for bicycles, etc.), are merely descriptive of the services, within the meaning of Section 2(e)(1) of the Trademark Act; and (2) [b]ecause the words making up BIKESOURCE [i.e., "bike" and "source"] are merely descriptive, Petitioner should be entitled to use the words "bike" and "source" in connection with its operation of its retail store outlets for bicycles, etc." See Exhibit C, page 2, allegation paragraphs 4 and 5.

These are ***precisely the same factual issues alleged in the Opposition***. Compare Exhibit D, page 3, allegation paragraphs 6 and 7 to Exhibit C, page 2, allegation paragraphs 4 and 5.

Accordingly, the same assertion of facts underlying Opposer's attack of Applicant's registration of the BIKESOURCE (stylized) is that which it now attempts to again apply to the subject application for registration of the mark BIKESOURCE (block letter).

Opposer's Selective Citation to the Board's Decision does not Change the Fact that the Only Factual Issue in this Opposition has been Decided

Opposer first states that the Board's decision referred only to the stylized form of the BIKESOURCE mark.

While the Board stated in its decision need only reach the issue of whether the mark

BIKESOURCE

was merely descriptive, as part of that determination, the Board addressed the underlying factual issue as to whether the words "bike" and "source" presented in that mark are merely descriptive. See decision of the Board, Exhibit E, pages 3 - 13. The Board's decision discussed every bit of evidence adduced by Opposer bearing on the issue of whether BIKESOURCE or BIKE SOURCE (*irrespective of stylization*) is merely descriptive of retail bicycle outlet services, etc., including:

1. Opposer's assumed name registrations for both BIKESOURCE and BIKE SOURCE. See Exhibit E, page 4, footnote 5;
2. The wide variety of forms of BIKESOURCE and BIKE SOURCE used by Opposer. See Exhibit E, page 4, footnote 6;
3. Mr. Garland's testimony that consumers would identify BIKE SOURCE with a large bicycle retailer that had advertised nationally. See Exhibit E, page 6;
4. Mr. Garland's testimony about other companies that had used BIKESOURCE or BIKE SOURCE in their names. See Exhibit E, pages 6 and 10;
5. Mr. Garland's testimony that "bike" and "source" are "quite descriptive" of "bicycle retail outlets and bicycle stores." See Exhibit E, page 6;
6. The Oxford American Dictionary definitions of "bike" and "source." See Exhibit E, page 9;

7. Mr. Garland's testimony that he believes that customers will perceive the mark BIKESOURCE as merely descriptive. See Exhibit E, page 10;
8. Third party registrations offered by Opposer. See Exhibit E, page 10; and
9. Applicant's specimens relating to use of the word "source." See Exhibit E, page 12.

It will be noted that Opposer's entire evidentiary assault outlined above was directed only at the issue of whether the mark BIKESOURCE (i.e., the term "bikesource" or constituent words "bike source") is merely descriptive. There was no evidence adduced by Opposer on the issue of whether the mark *as stylized* was merely descriptive. Opposer's case was directed only to the meaning of the constituent term or words.

Yet, after reviewing all of the evidence presented by Opposer in an attempt to convince the Board that BIKESOURCE was merely descriptive, the Board disagreed with Opposer's position and ruled accordingly.

Opposer only partially cites the Board's holding on page 4 of its Answer. The entire statement of the Board reads:

> While it is clear that "bike" is a shortened term for "bicycle" and "source" is a broad term relating to the place from which something comes, we are not persuaded on this record that the registered mark
>
> **BIKESOURCE**
>
> considered in its entirety is merely descriptive of respondent's retail stores.

It is clear that, as part of that determination, the Board considered and rejected all of Opposer's evidence bearing on the meaning of the term

BIKESOURCE, without regard to its stylization. Opposer simply seeks to relitigate an issue that has already been decided.

The Refusal of the Board to Require Disclaimer of the Term "Bikesource" from Applicant's Registration Clearly Puts the Issue of Descriptiveness to Rest

Any remaining question of whether the Board considers the term "bikesource" to be merely descriptive of retail bicycle stores is put to rest by the Board's decision on the issue of disclaimer.

Opposer sought to have the term "bikesource" disclaimed from Applicant's registration of BIKESOURCE (stylized). To do so, the Board would have to determine that the term "bikesource" was merely descriptive of the retail bicycle outlets for which it has been registered – ***precisely the same issue, and the only issue, to be decided in the subject Opposition***.

The Board declined even to require disclaimer of the term "bikesource." After reviewing all of the evidence presented by Opposer, the Board decided that the term "bikesource" (regardless whether appearing in one- or two-word form and without regard to stylization) was ***not merely descriptive of retail bicycle outlets***. The Board in this proceeding would simply reach the same result on the same evidence.

Accordingly, further proceedings on this issue would be duplicative of a determination already made by the Board, thus wasting the Board's time and resources, and unnecessarily delaying the benefits of registration to Applicant.

Opposer's Intent not to Register the BIKESOURCE mark Is Irrelevant

Opposer finally argues, without citation to precedent, that the Board knows that "not every service mark is entitled to registration on the Principal Register, yet can still function as a service mark." Applicant disagrees. A word service mark by definition is a word that symbolizes the good will of a business, and indicates the source or sponsorship of services. Inherent in that definition is that the word mark has secondary meaning and is thus not merely descriptive.

Opposer's statement is inaccurate and proves nothing.

Opposer's Intent not to Register the BIKESOURCE mark, and Its Desire not to have Applicant Obtain a Registration for Its mark are Irrelevant

Opposer finally argues that it is not seeking registration of the term BIKE SOURCE, but rather simply wishes to prevent Applicant from "acquiring *prima facie* ownership of the words bike and source, in connection with retail bicycle services."[2]

That Opposer itself does not intend to register any given mark is irrelevant to the Opposition. What is clear however is that Opposer intends to continue using a mark that is confusingly similar to both the registered mark BIKESOURCE (stylized), and the BIKESOURCE (block letter) mark that is the subject of the present action.

Further, the mere desire that Applicant not enjoy the benefits of registration, including the presumption that the registered mark is not merely

[2] Federal Registration does not grant the registrant, as Opposer suggests, "ownership" of "words." Rather, federal registration grants the registrant the legal benefits of registration pertaining to a mark in which rights have already been acquired through use *as a source-indicative mark.*

descriptive of the services associated therewith, is not in itself grounds for opposing registration.

Finally, Opposer states that it should be able to use BIKE SOURCE rather than simply Bike Store, Bike Outlet or Bike Dealer in connection with retail bicycle services. Whether Opposer has the right to use BIKE SOURCE as its service mark is outside the scope of the subject proceeding.

Clearly, Opposer seeks not to merely use a descriptive term such as Bike Store, Bike Outlet or Bike Dealer, but to continue to use its chosen *service mark* BIKE SOURCE or BIKE SOURCE[3] which it recognizes as such. See Exhibit E, page 4.

Conclusion

In conclusion, the issue of descriptiveness of the term "bikesource" has already been decided in the Cancellation. Additional delay occasioned by Opposer's baseless arguments would be pointless and would only serve to delay Applicant from enjoying the benefits of federal registration. In view of the foregoing, further proceedings in the Opposition are completely unwarranted, and Applicant respectfully requests that judgement in favor of Applicant now be entered in the subject Opposition.

[3] The record in the Cancellation will reflect that Opposer originally adopted and used the mark BIKESOURCE principally in its one-word form, changing only recently to the two-word form in an attempt to be seen as using, as its infringing service mark, what it now says are two merely "descriptive or possibly generic" words. The Board has already decided otherwise.

Respectfully submitted,

MIDWEST MERCHANDISNG, INC.

April 2, 2003
Date

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CERTIFICATE OF FIRST CLASS MAIL

I hereby certify that this correspondence is being sent via first class mail, postage prepaid this 2nd day of April, 2003 to Assistant Commissioner of Trademarks, BOX -- TTAB (NO FEE), 2900 Crystal Drive, Arlington, Virginia 22202-3513.

Meredith L. Wood

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing MEMORANDUM IN REPLY UNDER TBMP 502.03 TO OPPOSER'S ANSWER TO APPLICANT'S MOTION TO RESUME PROCEEDINGS AND ENTER JUDGEMENT UNDER TBMP 510.02(b) was sent U.S. Mail, postage pre-paid this 2nd day of April, 2003 to Mary J. Gaskin, Esq., Attorney for Opposer, Sports Machine, Inc., Annelin & Gaskin, 2170 Buckthorne Place, Suite 200, The Woodlands, Texas 77380.

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STANDLEY & GILCREST

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

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STANDLEY & GILCREST

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PAT. & T.M. OFFICE

Opposition No. 122,948

Sports Machine, Inc.

v.

Midwest American

This case now comes up for consideration of (1) applicant's motion (filed July 9, 2001) to consolidate this proceeding with Cancellation No. 30,578[1]; and (2) applicant's motion (filed on or about September 21, 2001) to suspend this proceeding pending the Board's decision on the motion to consolidate.

Turning first to the motion to consolidate, applicant argues that the proceedings should be consolidated because the parties to both proceedings are identical and the proceedings share common issues of law and fact.[2]

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[1] It is further noted that opposer, in its notice of opposition, filed May 31, 2001, requested consolidation of this proceeding with Cancellation No. 30,578. Applicant, the petitioner in Cancellation No. 30,578, objected to consolidation in its answer. However, inasmuch as the request was imbedded in the complaint, it was given no consideration.

[2] Although applicant incorrectly cites to TBMP § 1214 which relates to *ex parte* proceedings, the standard governing *inter partes* proceedings is the same. See generally, TBMP § 511.

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Date: 11/19

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Opposer has opposed consolidation, arguing that the timing of the motion is prejudicial to opposer, inasmuch as it was not brought until after the discovery period and applicant's testimony had closed. Opposer further argues that the pleadings in the opposition and cancellation raise different issues and allege different facts that may require resolution through discovery and testimony.[3]

Pursuant to Fed. R. Civ. Pro. 42(a), when actions involving a common question of law or fact are pending before the Board, it may order all the actions consolidated and it may make such orders concerning proceedings therein as may tend to avoid unnecessary costs and delays. The Board must also weigh the savings in the time, effort and expense that may be gained from consolidation against the prejudice or inconvenience caused by consolidation. TBMP Section 511.

After a review of the pleadings in both cases, and after careful consideration of the parties' arguments and applicant's submissions, for the reasons set forth below, the Board finds consolidation of the two referenced proceedings inappropriate. The Board is not persuaded by applicant's arguments that the two proceedings involve different issues of law and fact. Indeed, in its brief in opposition to opposer's

[3] Applicant also argues that the motion to be denied because it is not accompanied by a brief. The Board finds this argument unpersuasive because the brief is embodied in the motion. See Trademark Rule 2.127(a).

motion to suspend the proceeding pending the Board's decision on the motion to consolidate, applicant admits that the "co-pending Cancellation and Opposition do involve nearly identical legal and factual issues and thus have a bearing on one another."

However, and as pointed out by applicant, the procedural posture of the two proceedings is vastly different. The discovery and testimony periods have closed in the cancellation proceeding - the main brief being due, whereas this proceeding is in its early stage, with discovery still open. To consolidate the proceedings at this juncture would result in unnecessary delay to the disposition of the cancellation and prejudice applicant, the plaintiff in the earlier-filed proceeding.

In view thereof, opposer's motion to suspend is denied. Nonetheless, inasmuch as the two proceedings involve common issues of law and fact, it is judicially expeditious for the Board to suspend this case pending disposition of Cancellation No. 30,578 to avoid duplication of effort and inconsistent results.

The Board turns now to opposer's motion to suspend this proceeding pending decision on the motion to consolidate. While applicant's objections to suspension are noted, because the decision could have had a major bearing on the procedural

sufficient cause to warrant the requested suspension. Trademark Rule 2.117(c); *see also* TBMP § 510.02.

In view thereof, opposer's motion to suspend is granted and proceedings herein are considered to have been suspended since the filing date of the motion to consolidate. Proceedings herein remain suspended pending the disposition of Cancellation No. 30,578. Within twenty days after the final determination, the interested party should call up this case for appropriate action.

If and when proceedings herein are resumed, appropriate dates will be reset.

The Board should be notified of any address changes for the parties or their attorneys.

Judy Smith Taylor
Attorney, Trademark
Trial and Appeal Board
(703) 308-9330, Ext. 146

IN THE UNITED STATES PATENT & TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPORTS MACHINE, INC., d/b/a Bike Source, Opposer	Opposition No. 122,948
v.	Serial No. 76/035,008
MIDWEST MERCHANDISING, INC., Applicant	Mark: BIKESOURCE

OPPOSER'S MOTION TO CONSOLIDATE PROCEEDINGS

Opposer, Sports Machine, Inc., pursuant to TBMP §1214, herein moves the Board for an Order consolidating the proceedings in the above-captioned Opposition Action with the proceedings in Cancellation No. 30,578, Registration No. 1,887,592 (Mark: BIKESOURCE, Special Form).

In the Notice of Opposition previously filed, Opposer asked to have the opposition proceeding consolidated with Cancellation No. 30,578, for a determination of Applicant's/Registrant's rights to the service mark in both the special and the word form.

In Paper No. 2, received from the TTAB in response to the Notice of Opposition, the Legal Assistant indicated that, if the parties to this proceeding are also parties to other TTAB proceedings involving related marks, they should notify the TTAB so that the TTAB

EXHIBIT
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can consider consolidation of both proceedings.

The parties to both the opposition proceeding and the cancellation proceeding are identical. In addition, the pending cancellation proceeding related to the BIKESOURCE (Special Form) mark shares common issues of law and fact with the present opposition proceeding related to the BIKESOURCE mark.

WHEREFORE, Opposer requests that the TTAB order this proceeding be consolidated with Cancellation No. 30,578, for a determination of Applicant's/Registrant's rights to the service mark in special and/or word form.

Respectfully Submitted,

SPORTS MACHINE, INC., d/b/a Bike Source,
by its attorney

Mary J. Gaskin
Annelin & Gaskin
2170 Buckthorne Place, #220
The Woodlands, Texas 77380
Phone: (281)363-9121
Fax: (281)363-4066

Date: July 5, 2001

CERTIFICATE UNDER 37 CFR 1.8

The undersigned hereby certifies that this motion is being deposited in the United States Postal Service, as first class mail, in an envelope addressed to: Assistant Commissioner for Trademarks, BOX TTAB - NO FEE, 2900 Crystal Drive, Arlington, VA 22202-3513, on July 5, 2001.

By: Mary J. Gaskin

motconbk.trd

CERTIFICATE OF SERVICE

I hereby certify that the foregoing OPPOSER'S MOTION TO CONSOLIDATE PROCEEDINGS was served on counsel for Applicant, this 5th day of July, 2001, by mailing a true copy thereof via First Class U.S. Mail, postage prepaid, addressed to Roger A. Gilcrest, Standley & Gilcrest, L.L.P., Attorney for Registrant, 495 Metro Place South, Suite 210, Dublin, Ohio 43017-5319.

Mary J. Gaskin

Mary J. Gaskin

03-29-2000
U.S. Patent & TMOfc/TM Mail Rcpt Dt. #34

IN THE UNITED STATES PATENT & TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPORTS MACHINE, INC., d/b/a BikeSource, Petitioner v. MIDWEST MERCHANDISING, INC. Registrant	Cancellation No. 30,578

PETITION FOR CANCELLATION

Petitioner, Sports Machine, Inc., a Texas corporation with its registered address at 2002 Seven Oaks Dr., Kingwood, Texas 77339, believes it is being damaged by the registration of the service mark BIKESOURCE (Special Form), subject of Registration No. 1,887,592, Registered April 4, 1995, and hereby petitions to cancel the registration BIKESOURCE (Special Form).

As grounds for cancellation of the mark, petitioner alleges:

1. Petitioner, Sports Machine, Inc. d/b/a Bike Source, is the owner of common law rights in the service mark Bike Source, which it has used continuously in the State of Texas since March 1, 1994, to identify its retail stores for bicycles and related equipment.

2. On February 1, 1994, Registrant, Midwest Merchandising, Inc., filed Application Serial No. 74-485,134 to register BIKESOURCE (Special Form) as a service

EXHIBIT
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mark for retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling. The application claims the date of March 15, 1991, for both the first use of the mark and the first use of the mark in interstate commerce. The application issued into Registration No. 1,887,592 on April 4, 1995.

3. In a letter dated February 28, 2000, Registrant, referring to its ownership of the registration, demanded that Petitioner immediately discontinue use of the name "BikeSource" or face legal action.

4. The words making up Registrant's mark, BIKESOURCE, when used on or in connection with the services to which it is applied (retail stores for bicycles, etc.), are merely descriptive of the services, within the meaning of Section 2(e)(1) of the Trademark Act.

5. Because the words making up BIKESOURCE are merely descriptive, Petitioner should be entitled to use the words "bike" and "source" in connection with its operation of its retail store outlets for bicycles, etc.

6. The registration of Registrant's BIKESOURCE service mark is in derogation of Section 2(e) of the Trademark Act.

7. Petitioner will be damaged by the continuing presence of Registrant's registration BIKESOURCE on the Principal Register.

WHEREFORE, Petitioner requests that this petition be granted, and that Registration No. 1,887,592 be canceled.

This Petition for Cancellation is submitted in signed duplicates, along with the required filing fee of $300.00.

The Petitioner appoints Mary J. Gaskin, Reg. No. 30,381, of the law firm of Annelin & Gaskin, to represent it in connection with this proceeding and to transact all business in the United States Patent and Trademark Office with respect to this Petition for Cancellation. Please direct all correspondence to the attention of Mary J. Gaskin, Annelin & Gaskin, 2170 Buckthorne Place, Suite 220, The Woodlands, Texas 77380, telephone number (281) 363-9121.

Respectfully Submitted,

SPORTS MACHINE, INC., d/b/a BikeSource,
by its attorney

Mary J. Gaskin

Mary J. Gaskin
Annelin & Gaskin
2170 Buckthorne Place, #220
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Phone: (281)363-9121
Fax: (281)363-4066

Date: March 29, 2000

CERTIFICATE UNDER 37 CFR 1.8

The undersigned hereby certifies that this correspondence is being deposited in the United States Postal Service, as Express Mail, No. EK227983405US, in an envelope addressed to: Assistant Commissioner for Trademarks, BOX TTAB - FEE, 2900 Crystal Drive, Arlington, VA 22202-3513 on March 29, 2000.

By: Joan W. Moyer
Joan W. Moyer

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IN THE UNITED STATES PATENT & TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPORTS MACHINE, INC., d/b/a Bike Source, Opposer v. MIDWEST MERCHANDISING, INC., Applicant	Opposition No. _____

NOTICE OF OPPOSITION

In the matter of Application Serial No. 76/035,008, filed on April 20, 2000, and published in the *Official Gazette* of March 13, 2001, page TM 310, in the name of Midwest Merchandising, Inc.

Sports Machine, Inc. ("Opposer"), a Texas corporation with its registered address at 2002 Seven Oaks Dr., Kingwood, Texas 77339, believes it will be damaged by the registration of the service mark BIKESOURCE, shown in United States Trademark Application Serial No. 76/035,008 and hereby opposes the registration of the mark BIKESOURCE pursuant to Sec. 13 of the Act of July 5, 1946, 15 U.S.C. §1063, as amended.

As grounds for opposition to registration of the mark, Opposer alleges:

EXHIBIT

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1. Opposer, Sports Machine, Inc. d/b/a Bike Source, is the owner of common law rights in a special form of the service mark Bike Source, which it has used continuously in the State of Texas since March 1, 1994, to identify its retail stores for bicycles and related equipment.

2. On February 1, 1994, Applicant, Midwest Merchandising, Inc., filed Application Serial No. 74-485,134 to register BIKESOURCE (Special Form) as a service mark for retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling. The application claims the date of March 15, 1991, for both the first use of the mark and the first use of the mark in interstate commerce. The application issued into Registration No. 1,887,592 on April 4, 1995.

3. In a letter dated February 28, 2000, Applicant, referring to its ownership of the registration, demanded that Opposer immediately discontinue use of the name "BikeSource" or face legal action.

4. On March 29, 2000, Opposer filed a Petition for Cancellation of Registration No. 1,887,592. The proceedings are pending before the Trademark Trial and Appeal Board as Cancellation No. 30,578.

5. On April 20, 2000, Applicant filed Application Serial No. 76/035,008 to register the word BIKESOURCE as a service mark for retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling. Like Registration No. 1,887,592, the application claims the date of March 15, 1991, for both the first use of the mark and the first use of the mark in interstate commerce.

6. The words making up Applicant's mark, BIKESOURCE, when used on or in

connection with the services to which it is applied (retail store outlets for bicycles, etc.), are merely descriptive of the services, within the meaning of Section 2(e)(1) of the Trademark Act.

7. Because the words making up BIKESOURCE are merely descriptive, Opposer should be entitled to use the words "bike" and "source" in connection with its operation of its retail store outlets for bicycles, etc.

8. For the reasons set forth in paragraphs 1 through 5 set forth above, Applicant is not entitled to a registration for the mark BIKESOURCE.

9. Opposer would be damaged by the registration sought by Applicant because such registration will support and assist Applicant in claiming the exclusive right to use the words "bike" and "source" in connection with the operation of retail store outlets for bicycles.

10. The issues in the pending cancellation proceeding related to the BIKESOURCE (Special Form) mark have a direct bearing on the present case and could well be dispositive of the present case.

WHEREFORE, Opposer wishes to have this proceeding consolidated with Cancellation No. 30,578, for a determination of Applicant's/Registrant's rights to the service mark in special and word form.

WHEREFORE, Opposer requests that the registration sought by Applicant in Application No. 76/035,008 be refused and that this Notice of Opposition be sustained.

This Notice of Opposition is submitted in signed duplicates, along with the required filing fee of $300.00.

Opposer appoints Mary J. Gaskin, Reg. No. 30,381, of the law firm of Annelin & Gaskin, to represent it in connection with this proceeding and to transact all business in the United States Patent and Trademark Office with respect to this Notice of Opposition. Please direct all correspondence to the attention of Mary J. Gaskin, Annelin & Gaskin, 2170 Buckthorne Place, Suite 220, The Woodlands, Texas 77380, telephone number (281) 363-9121.

Respectfully Submitted,

SPORTS MACHINE, INC., d/b/a Bike Source,
by its attorney

Mary J. Gaskin

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Date: April 4, 2001

CERTIFICATE UNDER 37 CFR 1.8

The undersigned hereby certifies that this correspondence is being deposited in the United States Postal Service, as Express Mail, No. EF402890478US, in an envelope addressed to: Assistant Commissioner for Trademarks, BOX TTAB - FEE, 2900 Crystal Drive, Arlington, VA 22202-3513 on April 4, 2001.

By: Joan W. Moyer

oppbksc.trd

THIS DISPOSITION IS
NOT CITABLE AS PRECEDENT
OF THE TTAB

Mailed: December 31, 2002
Paper No. 22
BAC

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Sports Machine, Inc., dba BikeSource
v.
Midwest Merchandising, Inc.

Cancellation No. 30,578

Mary J. Gaskin of Annelin & Gaskin for Sports Machine, Inc.

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Before Walters, Chapman, and Bucher, Administrative Trademark Judges.

Opinion by Chapman, Administrative Trademark Judge:

Sports Machine, Inc., dba BikeSource (a Texas corporation) has filed a petition to cancel a registration on the Principal Register issued to Midwest Merchandising, Inc. (a Delaware corporation), for the mark shown below

BIKESOURCE

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EXHIBIT
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for "retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycles" in International Class 42.[1]

Petitioner asserts as grounds for cancellation that it "is the owner of common law rights in the service mark Bike Source, which it has used continuously in the State of Texas since March 1, 1994, to identify its retail stores and related equipment" (Paragraph 1); that respondent wrote to petitioner on February 28, 2000 demanding that petitioner "immediately discontinue use of the name 'BikeSource' or face legal action" (Paragraph 3); that the words making up respondent's mark are merely descriptive of the services in connection with which the mark is used; that because the words "BIKESOURCE are merely descriptive, Petitioner should be entitled to use the words 'bike' and 'source' in connection with its operation of its retail store outlets for bicycles, etc." (Paragraph 5); and that registration of respondent's service mark violates Section 2(e)(1) of the Trademark Act.

In its answer, respondent denied the salient allegations of the petition to cancel, and raised the affirmative defenses of laches (asserting petitioner had knowledge of respondent's use and registration of its mark,

[1] Registration No. 1,887,592, issued April 4, 1995, Section 8 affidavit accepted. The claimed date of first use and first use in commerce is March 15, 1991.

but unreasonably delayed in bringing action), and estoppel (asserting petitioner uses the mark BIKESOURCE as a source-indicative mark for retail stores featuring bicycles, and is therefore estopped from claiming the term functions merely to describe the registered services).

The record consists of the pleadings; the file of respondent's registration; petitioner's testimony, with exhibits, of Leonard Garland, petitioner's president and owner; respondent's testimony, with exhibits, of (i) Van Shuff, respondent's operations manager, and (ii) Karl Rosengarth, an employee of A.K.A. Productions, Inc., publisher of "Dirt Rag Magazine"[2]; and notices of reliance filed by both parties on various items such as: (1) the discovery deposition transcript, with exhibits, of Leonard Garland, petitioner's president and owner; (2) certain discovery responses to interrogatories and/or requests for admissions; (3) a photocopy of respondent's pending application Serial No. 76/035,008[3]; (4) printouts from the USPTO's Trademark Electronic Search System (TESS) of numerous third-party applications and registrations; and (5)

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[2] Petitioner neither attended the depositions nor cross-examined either of respondent's two witnesses.

[3] Application Serial No. 76/035,008 was filed April 20, 2000 for the mark BIKESOURCE (typed drawing) for the same services as those in respondent's involved registration. (These services are now classified by the USPTO in International Class 35.)

photocopies of dictionary definitions of the words "bike" and "source."

Both parties filed briefs on the case.[4] Neither party requested an oral hearing.

Petitioner, Sports Machine, Inc., was incorporated in Texas in April 1991, and it is 100% owned by Leonard Garland, who serves as president of the corporation, with his wife serving as corporate secretary. Petitioner operates two BikeSource stores[5], one in Kingwood, Texas and the other in The Woodlands, Texas (both being in the Houston area). The Kingwood store opened in April 1994 and The Woodlands store opened in May 1996. Petitioner has continuously operated these stores since 1994 and 1996 respectively. The signs on petitioner's stores appear as shown below.

BikeSource

There are also neon signs in the windows showing "BikeSource,"[6] and the mark as shown above appears

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[4] On pages 11-12 of its reply brief, petitioner objects to the "tone of" respondent's brief and "inaccuracies and misstatements" therein. Petitioner's objections to respondent's brief on the case are overruled. See TBMP §540.

[5] In March 1994 petitioner applied for a certificate of doing business under an "Assumed Name" for "BIKE SOURCE" and in October 1995 did the same for "BikeSource."

[6] The record shows that petitioner uses "Bike Source" in various formats, including in all capital letters or with only two letters capitalized, and with and without the half wheel design, and with and without a space between the words.

prominently on petitioner's website.[7]

When petitioner first started the business as "Sports Machine, Inc.," it carried sports machines such as treadmills, steppers, stationary bicycles, as well as bicycles and related accessories. Petitioner now sells bicycles, bicycle apparel, bicycling accessories, and parts and accessories for bicycles.

Petitioner does not engage in any mail order or Internet sales, with all sales made to the customers on-site in the stores. Petitioner's website ("thebikesource.com") is used only as a store locator and as a bridge from bicycle manufacturers' sites to local bicycle dealers in the inquirer's area.

In September 1998 an employee of respondent (Mark Eisenberg) approached Mr. Garland at the Trek company's booth at a trade show and advised Mr. Garland that respondent owned the mark "BIKE SOURCE." Subsequently, in a letter dated February 28, 2000, respondent formally requested that petitioner cease use of "BikeSource." And in late March 2000, petitioner filed this petition to cancel.

Mr. Garland testified that he is aware of a large California bicycle retailer whose website is "bikesource.com"; and he explained, "This is the large bike

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Petitioner includes the following statement on its website: "Bike Source is not affiliated with any other Bike Source outside the State of Texas."

source in the United States. This would be primarily one that a customer, if they thought of Bike Source, they would normally think of this one because this is the one that has done the most national advertising [full-page advertisements appearing in magazines such as Mountain Bike Action and Velo News]." (Dep., pp. 13-14.)

He also testified regarding a listing of Trek bicycle company accounts in which the words "Bike Source" or "BikeSource" appear. These accounts consist of petitioner's stores and respondent's stores, as well as two others—the BikeSource in Irvine, California which is the large bicycle dealer on the Internet mentioned previously, and a store in Chandler, Arizona. Mr. Garland testified about petitioner's answer to respondent's interrogatory No. 11, asking for all uses of "BIKESOURCE" by anyone other than petitioner or respondent. The list consists of one store each in Anchorage, Alaska; Chandler, Arizona; Monroe, Louisiana; and Austin, Texas; as well as three websites, including the large company in Irvine, California; one in Berkeley, California; and one identified only as "bikesource.co.uk."

Mr. Garland testified that he believes "the two words together, bike and source, are quite descriptive to [sic?-of] bicycle retail outlets and bicycle stores." (Dep., p. 22.) Further, he explained that he uses the term "source" to mean the place from which something comes, and that the

primary reason he chose the assumed name "BikeSource" was so that people would come by the store and see that it is a retail outlet for bikes. (Dep., p. 24.)

Respondent first adopted the mark "BIKESOURCE" in March 1991, and respondent currently operates ten bicycle stores under the mark "BIKESOURCE," with four in the Columbus, Ohio area; one in Dayton, Ohio; two in the Kansas City area; one in Charlotte, North Carolina; one in Downers Grove, Illinois; and one in Denver, Colorado. Some of these stores were opened as "BIKESOURCE" stores, while others had been operating under other names and were later converted to "BIKESOURCE" stores.

Respondent engages in advertising on radio and television, in print media, through direct mail and on the Internet. Respondent has sponsored bicycle racers; and it uses the mark BIKESOURCE on various promotional products such as jersey shirts and water bottles. Its sales have been nationwide through telephone call orders and Internet sales.

Mr. Shuff, respondent's operations manager, testified that customers recognize BIKESOURCE as identifying respondent's stores; and that no customer has used "BIKESOURCE" to refer to bicycle stores in general. The terms used to refer to any bicycle store include bicycle dealer, bike shop, bike store, etc.

He also testified that respondent has sent cease and desist letters to several businesses operating under the name "BIKESOURCE" (with or without a space between the words), including bicycle stores in Chandler, Arizona, Pittsburgh, Pennsylvania, Rocky River, Ohio, and Irvine, California. These companies generally complied or worked out a resolution with respondent, but none of the companies asserted that "BIKESOURCE" is not a mark. With regard to the three websites testified to by petitioner (petitioner's answer to respondent's interrogatory No. 11), one is a bicycle registry, one is a motorcycle informational site, and one sells bikes retail, which is the large company in Irvine, California who clearly uses "BIKE SOURCE" as a mark, not in a merely descriptive manner.

The record shows that petitioner operates two bicycle stores; and that respondent has written to petitioner requesting that petitioner cease using BIKE SOURCE as the name of its stores. Thus, petitioner's standing to bring this petition to cancel is established.[8]

The only issue remaining before the Board is whether the registered mark (BIKESOURCE in the form appearing in the

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[8] Respondent's specific request in its brief (p. 24) that the Board find petitioner does not have standing is denied.
Respondent further requested that the Board find petitioner filed the petition to cancel in bad faith in violation of Fed. R. Civ. P. 11. The record herein does not warrant such a finding and respondent's request is denied.

registration) is merely descriptive of "retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycles."

A term is considered merely descriptive, and therefore unregistrable pursuant to Section 2(e)(1), if it immediately conveys knowledge or information about the qualities, characteristics, or features of the goods or services on or in connection with which it is used. On the other hand a term which is suggestive is registerable. A suggestive term is one which suggests, rather than describes, such that imagination, thought or perception is required to reach a conclusion on the nature of the goods or services. See In re Gyulay, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987).

Petitioner bears the burden of proving, by a preponderance of the evidence, its asserted ground of mere descriptiveness. See Cerveceria Centroamericana, S.A. v. Cerveceria India Inc., 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989); and Cerveceria Modelo S.A. de C.V. v. R.B. Marco & Sons Inc., 55 USPQ2d 1298, 1300 (TTAB 2000).

The Oxford American Dictionary (1980) definitions submitted by petitioner are set forth below:

> **bike** *n.* (informal) a bicycle or motorcycle. *v.* (biked, biking) (informal) to travel on either of these; and
>
> **source** *n.* 1. the place from which something comes or is obtained....

In addition, petitioner offered the testimony of its owner that he personally believes customers will perceive the mark BIKESOURCE as merely descriptive of retail bicycle stores. However, on cross examination (p. 44), Mr. Garland was asked "Q. Do you have any evidence that customers ever referred to one of your competitors by the name Bike Source in common parlance?" and he answered "A. No."

Mr. Garland also testified regarding several uses of BIKESOURCE by others. However, these uses, including the use on the Internet by the company located in Irvine, California, are trademark/service mark uses of the term "BIKESOURCE." That is, the third-party entities are not using the mark in a merely descriptive manner, but rather as a trademark/service mark. Moreover, respondent has established that it has challenged (generally successfully) the use of BIKESOURCE by most of the entities listed on the Trek bicycle company account listing customers with BIKESOURCE as part of their name, as well as those listed in petitioner's answers to respondent's interrogatories. Petitioner has essentially made no showing of existing, unchallenged merely descriptive uses by others of the term "BIKESOURCE."

While petitioner urges that its own use is merely descriptive in nature, the record clearly shows that petitioner, in fact, uses BIKESOURCE (and the wheel design)

as a service mark to identify its stores. (See e.g., Garland discovery deposition, exhibits 25-27, 30, 31 and 34.)

As evidence of the descriptive nature of respondent's registered mark, petitioner also submitted copies of several third-party registrations and third-party applications, all incorporating the word "SOURCE," some with disclaimers of the word and some without, some registered under Section 2(f) of the Trademark Act; and some on the Supplemental Register. Petitioner contends that these third-party registrations/applications "are relevant to show that a disclaimer of the word or words 'BIKESOURCE' may have been appropriate in the present situation. However, under trademark practice, even in the absence of a disclaimer, Registrant should have, at most, prima facie ownership only of the compound term BIKESOURCE as shown in the special form drawing." Petitioner went on to request that the registration "should be cancelled unless the word BIKESOURCE is disclaimed." (Brief, pp. 20-21.)[9]

In defending against the petitioner's claim, respondent also submitted copies of several third-party registrations and third-party applications, all relating to whether the

[9] We construe petitioner's statement as an alternative request that the Board require such a disclaimer. Petitioner's alternative request is denied.

term "source" is viewed by the USPTO as a merely descriptive term with regard to retail services.[10]

Of course, third-party applications are not evidence of anything except that the applications were filed on particular dates. With regard to the third-party registrations (those including and those not including disclaimers), we note that each case must decided on its own merits. We are not privy to the records of the third-party registration files, and the determination of registrability of those particular marks by the Trademark Examining Attorneys cannot control the merits in the case now before us. See In re Nett Designs Inc., 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001). See also, TMEP §1213.01(a) regarding USPTO disclaimer policy.

Petitioner contends that respondent's own use as shown on the specimen in the registration shows the registered mark is merely descriptive because the advertisement which is the specimen states "The Source!" and "Kansas City's Best Source for Bikes, Rollerblades, Clothing & Accessories!"

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[10] Despite the fact that respondent submitted copies under a notice of reliance, it nonetheless requested in its notice of reliance that the Board take judicial notice of these third-party applications and registrations. Besides being an unnecessary request in this case, the Board does not take judicial notice of registrations or applications in the USPTO. See Wright Line Inc. v. Data Safe Services Corporation, 229 USPQ 769, footnote 5 (TTAB 1985); In re Lar Mor International, Inc., 221 USPQ 180, 183 (TTAB 1983); and In re Duofold Inc., 184 USPQ 638, 640 (TTAB 1974). While we have considered the material because it was submitted with a notice of reliance, respondent's request that the Board take judicial notice of USPTO records is denied.

thereon. We disagree that respondent's use of the word "source" in advertisements for its retail bicycle stores transforms the word "source" and/or the entire mark into a merely descriptive term for the involved services. On the contrary, we find the registered mark (BIKESOURCE in stylized lettering) requires some exercise of mental gymnastics to perceive a descriptive significance thereof.

While it is clear that "bike" is a shortened term for "bicycle" and "source" is a broad term relating to the place from which something comes, we are not persuaded on this record that the registered mark

BIKESOURCE

considered in its entirety, is merely descriptive of respondent's retail stores. See Bose Corp. v. International Jensen Inc., 963 F.2d 1517, 22 USPQ2d 1704 (Fed. Cir. 1992)(Court affirmed Board's finding ACOUSTIC RESEARCH not merely descriptive of speaker units and turntables for phonographs); In re Wells Fargo & Company, 231 USPQ 117 (TTAB 1986)(EXPRESS SAVINGS not merely descriptive of banking services); In re Crocker National Bank, 223 USPQ 152 (TTAB 1984)(WORKING CAPITAL ACCOUNT not merely descriptive of banking services, with disclaimer of "account"; Plus Products v. Pharmative Pharmaceutical Corporation, 221 USPQ 256, 259 (TTAB 1984)(counterclaim petition denied as PLUS not merely descriptive of various food fortifiers and food

supplements); In re The House Store, Ltd., 221 USPQ 92 (TTAB 1983)(THE HOUSE STORE not merely descriptive of retail store services in the field of furniture and housewares, with "store" disclaimed; and In re TMS Corporation of the Americas, 200 USPQ 57 (TTAB 1978)(THE MONEY SERVICE not merely descriptive of financial services. See also, The Money Store v. Harriscorp. Finance, Inc. 689 F.2d 666, 216 USPQ 11, 17-18 (7th Cir. 1982).

The record does not establish that the registered mark BIKESOURCE (shown in a special form drawing) is merely descriptive under Section 2(e)(1) of the Trademark Act. The mark is certainly suggestive of the services for which it is registered, but this characteristic relates to the strength of the mark and is not fatal to its registrability. Even if it had been clearly established that the registered BIKESOURCE mark is a weak mark (which has not been established), weak marks remain entitled to protection against registration by a subsequent user of the same or similar mark for the same or related goods or services.[11] See Hollister Incorporated v. Ident A Pet, Inc., 193 USPQ 439 (TTAB 1976).

Our primary reviewing court, the Court of Appeals for the Federal Circuit, has made clear that descriptiveness

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[11] We specifically note that respondent's mark is registered on the Principal Register with no disclaimer and no claim of acquired distinctiveness under Section 2(f) of the Trademark Act.

issues generally cannot be determined on the basis of analogies drawn from terms other than the term that is registered or sought to be registered. See In re Seats, Inc., 757 F.2d 274, 225 USPQ 364 (Fed. Cir. 1985). See also, Levi Strauss & Co. v. R. Josephs Sportswear, Inc., 28 USPQ2d 1464 (TTAB 1993); and Fuji Jyukogyo Kabushiki Kaisha v. Toyota Jidosha Kabushiki Kaisha, 228 USPQ 672 (TTAB 1985). That is, the issue before us is whether the term "BIKESOURCE" (in stylized lettering), not "bike store" or "bike outlet" or "bike dealer," is merely descriptive of the involved services. We cannot focus on the related terms, rather, we must focus on the registered mark itself.

Based on the record before us, we find that petitioner has not met its burden of proof; and we conclude that the registered mark BIKESOURCE (in stylized lettering) is suggestive rather than merely descriptive of respondent's services.

Decision: The petition to cancel is denied.