

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



07-12-2004

U.S. Patent & TMOfc/TM Mail Rcpt Dt. #66

Opposition No. 91122948

**NOTICE OF APPEAL TO UNITED STATES COURT OF
APPEALS FOR THE FEDERAL CIRCUIT**

Opposer, Sports Machine, Inc., d/b/a Bike Source, a Texas corporation, by its attorney, hereby appeals, pursuant to Trademark Rule 2.145(a), to the United States Court of Appeals for the Federal Circuit from the final decision dated November 20, 2003, granting applicant's motion for summary judgment on the affirmative defense of res judicata, and dismissing the opposition to registration of Serial No. 76/035,008, with prejudice, and from the final decision dated May 13, 2004, denying opposer's motion for reconsideration of the final decision dated November 20, 2003. In making the decision, the Trademark Trial and Appeal Board adopted the final decision dated December 31, 2002, in Cancellation No. 30,578, which denied the petition to cancel Registration No. 1,887,592. All three decisions are attached hereto.

Respectfully Submitted,

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



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Date: July 9, 2004

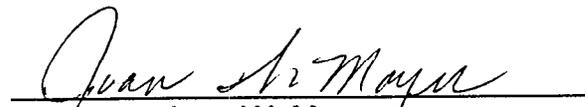
CERTIFICATE UNDER 37 CFR 1.8

The undersigned hereby certifies that this correspondence is being deposited in the United States Postal Service, as Express Mail, No. ER 071331164 US, in an envelope addressed to: Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3514, on July 9, 2004. A copy of this correspondence is being deposited in the same envelope, addressed to the Trademark Trial and Appeal Board.

By: 
Joan W. Moyer

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Notice of Appeal to United States Court of Appeals for the Federal Circuit was served on counsel for Applicant, this 9th day of July, 2004, 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 Applicant, 495 Metro Place South, Suite 210, Dublin, Ohio 43017-5319.


Joan W. Moyer

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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Baxley

Mailed: November 20, 2003

Opposition No. 91122948

SPORTS MACHINE, INC. d/b/a
BIKE SOURCE

v.

MIDWEST MERCHANDISING, INC.

Before Bucher, Bottorff and Holtzman,
Administrative Trademark Judges.

By the Board:

Midwest Merchandising, Inc ("applicant") seeks to register BIKESOURCE in typed form ("the involved mark") for "retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling" in International Class 35.¹

Registration has been opposed by Sports Machine, Inc. d/b/a Bike Source ("opposer") on the ground that the involved mark is merely descriptive of applicant's services under Trademark Act Section 2(e)(1), 15 U.S.C. Section 1052(e)(1).

On November 14, 2001, the Board issued an order wherein it suspended proceedings herein pending final disposition of

¹ Application Serial No. 76035008, filed April 20, 2000, alleging March 15, 1991 as the date of first use and first use in commerce.

Opposition No. 91122948

Cancellation No. 92030578 ("the cancellation proceeding") between the parties. In the cancellation proceeding, opposer sought to cancel applicant's Registration No. 1887592 for the mark BIKESOURCE in the following stylized form

BIKESOURCE

also for "retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling" on the ground that such mark is merely descriptive of applicant's services under Trademark Act Section 2(e)(1), 15 U.S.C. Section 1052(e)(1).² On December 31, 2002, the Board issued a final decision on the merits in the cancellation proceeding wherein it denied opposer's petition to cancel. In particular, the Board found that BIKESOURCE in the stylized form set forth *supra* is "suggestive rather than merely descriptive" of applicant's services. *Sports Machine, Inc., d/b/a BikeSource v. Midwest Merchandising, Inc.* at 15 (TTAB, Cancellation No. 92030578, December 31, 2002).

This case now comes up for consideration of applicant's combined motion (filed March 12, 2003) to resume proceedings

² Registration No. 1887592, issued April 4, 1995 and reciting March 15, 1991 as the date of first use and date of first use in commerce.

Opposition No. 91122948

herein and to enter judgment against opposer on the affirmative defense of *res judicata*, i.e., claim preclusion. The motion has been fully briefed.³

In support of its motion, applicant contends that this proceeding should be resumed inasmuch as the Board issued a final decision wherein the Board denied opposer's petition to cancel in the cancellation proceeding and no appeal of that decision was filed; that this opposition proceeding involves the same issue as the cancellation proceeding; that the Board decided in the cancellation proceeding that the mark BIKESOURCE in the stylized form set forth *supra* is not merely descriptive under Trademark Act Section 2(e)(1), 15 U.S.C. Section 1052(e)(1); that, as part of its decision in the cancellation proceeding, the Board determined that BIKESOURCE, regardless of stylization, was not merely descriptive; and that, while the Board's decision in the cancellation proceeding involved the mark BIKESOURCE in stylized form, the analysis regarding whether BIKESOURCE in typed form is merely descriptive would produce the same result. Accordingly, applicant contends that opposer is

³ Applicant's reply brief is eleven pages in length. Inasmuch as it exceeds the ten-page limit for reply briefs on motions in Board *inter partes* proceedings, it has not been considered. See Trademark Rule 2.127(a); and *Saint-Gobain Corp. v. Minnesota Mining and Manufacturing Co.*, 66 USPQ2d 1220 (TTAB 2003). Further, Rule 2.127(a) expressly prohibits the filing of sur-reply briefs in connection with motions in Board *inter partes* proceedings. Accordingly, opposer's sur-reply brief and applicant's response thereto have received no consideration.

Opposition No. 91122948

precluded from pursuing a claim that BIKESOURCE is merely descriptive and, therefore, asks that judgment be entered in applicant's favor in the above-captioned proceeding. As exhibits in support of its motion, applicant included copies of the final decision in the cancellation proceeding, opposer's motion (filed July 9, 2001) to consolidate this proceeding and the cancellation proceeding, and the Board's November 14, 2001 order wherein it denied the motion to consolidate and suspended this proceeding pending final determination of the cancellation proceeding.

In response, opposer contends that it does not object to resumption of this proceeding. With regard to applicant's motion for judgment on the affirmative defense of *res judicata*, however, opposer contends that entry of judgment is premature because the Board's denial of its petition to cancel in the cancellation proceeding is not dispositive of this proceeding; and that the fact that the Board found in the cancellation proceeding that BIKESOURCE in the stylized form set forth *supra* was not merely descriptive does not necessarily mean that BIKESOURCE in typed form is not merely descriptive. Accordingly, opposer asks that the Board deny applicant's motion for judgment and resume proceedings herein. As an exhibit in support of its brief, opposer included a copy of its motion to consolidate this proceeding and the cancellation proceeding.

Opposition No. 91122948

Inasmuch as applicant's motion relies upon matters outside the pleadings, it is actually a motion for summary judgment, and will be treated accordingly. Cf. TBMP Sections 503.04 and 504.03.

We note initially that, inasmuch as the cancellation proceeding was not finally determined until shortly before applicant filed its motion for summary judgment, applicant could not allege as an affirmative defense of *res judicata* based on the Board's decision in the cancellation proceeding in its answer (filed July 11, 2001), and that applicant did not move for leave to amend its answer herein to allege such an affirmative defense after the final determination of the cancellation proceeding. A party may not obtain summary judgment on an issue that has not been pleaded. See Fed. R. Civ. P. 56(a) and 56(b); *S. Industries Inc. v. Lamb-Weston Inc.*, 45 USPQ2d 1293, 1297 (TTAB 1997). However, inasmuch as the parties, in briefing applicant's motion, have addressed the issue of *res judicata* on its merits, and opposer did not object to the motion on the ground that it is based on an unpleaded issue, the Board hereby deems applicant's answer to have been amended, by agreement of the parties, to allege an affirmative defense of *res judicata*. See *Paramount Pictures Corp. v. White*, 31 USPQ2d 1768, 1772 (TTAB 1994); TBMP Section 528.07(a).

Opposition No. 91122948

The "[a]pplication of *res judicata* [claim preclusion] requires a prior final judgment on the merits by a court or other tribunal of competent jurisdiction; identity of the parties or those in privity with the parties; and a subsequent action based on the same claims that were raised, or could have been raised, in the prior action."

International Nutrition Co. v. Horphag Research Ltd., 220 F.3d 1325, 1328, 55 USPQ2d 1492, 1494 (Fed. Cir. 2000).

After careful review of the record we find that the doctrine of *res judicata* is applicable in this proceeding. Opposer does not dispute that a final determination was reached in the cancellation proceeding, and that the same parties were involved in the cancellation proceeding. Thus, the remaining issue is whether this proceeding is based on the same claim as the cancellation proceeding.

In evaluating the similarity of the claims, the Board looks to whether the mark involved in this subsequent proceeding is the same mark, in terms of commercial impression, as the mark in Registration No. 1887592, the mark in the cancellation proceeding. See *Polaroid Corp. v. C & E Vision Services Inc.*, 52 USPQ2d 1954, 1957 (TTAB 1999). The involved mark consists of the word BIKESOURCE in typed form,⁴ while the mark in Registration No. 1887592

⁴ Because the involved mark is in typed form, it is not restricted to any specific form of presentation. See *In re Fisher Tool Co., Inc.*, 224 USPQ 796 (TTAB 1984).

Opposition No. 91122948

consists of BIKESOURCE in minimally stylized block capital letters and includes no additional elements, such as a design or border. As such, the involved mark and the mark in Registration No. 1887592 are considered to have the same commercial impression. See *Squirtco v. Tomy Corporation*, 697 F.2d 1038, 1041, 216 USPQ 937, 939 (Fed. Cir. 1983).

Further, the involved application and Registration No. 1887592 contain identical recitations of services. Thus, the evidence of descriptiveness would be identical. Accordingly, we conclude that the claim that opposer is asserting herein is identical to the one that it asserted unsuccessfully in the cancellation proceeding and that opposer is not entitled to relitigate that claim.

In view thereof, applicant's motion for summary judgment on the affirmative defense of *res judicata* is hereby granted.⁵ The opposition is dismissed with prejudice, and judgment in applicant's favor is hereby entered.

⁵ Accordingly, applicant's motion to resume proceedings is moot.

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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Baxley

Mailed: May 13, 2004

Opposition No. 91122948

SPORTS MACHINE, INC. D/B/A
BIKE SOURCE

v.

MIDWEST MERCHANDISING, INC.

Before Bucher, Bottorff and Holtzman,
Administrative Trademark Judges.

By the Board:

Midwest Merchandising, Inc ("applicant") applied to register BIKESOURCE in typed form ("the involved mark") for "retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling" in International Class 35.¹ Sports Machine, Inc. d/b/a Bike Source ("opposer") opposed registration thereof on the ground that the involved mark is merely descriptive of applicant's services under Trademark Act Section 2(e)(1), 15 U.S.C. Section 1052(e)(1).

On November 14, 2001, the Board issued an order wherein it suspended proceedings herein pending final disposition of Cancellation No. 92030578 ("the cancellation proceeding")

¹ Application Serial No. 76035008, filed April 20, 2000, alleging March 15, 1991 as the date of first use and first use in commerce.

Opposition No. 91122948

between the parties.² In the cancellation proceeding, opposer sought to cancel applicant's Registration No. 1887592 for the mark BIKESOURCE in the following stylized form

BIKESOURCE

for identical services on the ground that such mark is merely descriptive of applicant's services under Trademark Act Section 2(e)(1), 15 U.S.C. Section 1052(e)(1).³ On December 31, 2002, the Board issued a final decision on the merits in the cancellation proceeding wherein it denied opposer's petition to cancel.⁴

On November 20, 2003, the Board issued a decision in the present proceeding wherein it granted applicant's motion (filed March 12, 2003) to enter judgment against opposer based on the doctrine of *res judicata*, i.e., claim preclusion, in view of the Board's decision in the

² In the November 14, 2001 order, the Board also denied opposer's motion to consolidate this proceeding and the cancellation proceeding. Although the Board indicated that the proceedings at issue involved common issues of law and fact, the Board declined to consolidate the proceedings because they were in different procedural phases.

³ Registration No. 1887592, issued April 4, 1995 and reciting March 15, 1991 as the date of first use and date of first use in commerce.

⁴ In particular, the Board found that BIKESOURCE in the stylized form at issue is "suggestive rather than merely descriptive" of applicant's services. *Sports Machine, Inc., d/b/a BikeSource v. Midwest Merchandising, Inc.* at 15 (TTAB, Cancellation No. 92030578, December 31, 2002).

Opposition No. 91122948

cancellation proceeding. In that decision, the Board converted applicant's motion to one for summary judgment, deemed the pleadings amended by agreement of the parties to set forth an affirmative defense based on the doctrine of *res judicata*, and entered judgment against opposer on that basis.⁵

On December 19, 2003, opposer filed a request for reconsideration of that decision. Applicant filed a brief in opposition thereto.

In support of its request for reconsideration, opposer contends that, when the Board denied opposer's motion to consolidate the above-captioned opposition and the cancellation proceeding at issue, it presumed that the Board would separately adjudicate the issues in the respective proceedings; that, because the Board treated applicant's motion to enter judgment as one for summary judgment, the Board's decision to dismiss this case with prejudice goes beyond the relief requested by applicant; and that the Board, by dismissing this opposition, has denied opposer its right to pursue its Section 2(e)(1) claim herein.

In opposition to opposer's request for reconsideration, applicant contends that opposer's presumption that the respective proceedings would be adjudicated separately is

⁵ Applicant also requested resumption of proceedings herein. However, because the Board entered judgment in applicant's favor in the November 20, 2003 order, that request was deemed moot.

Opposition No. 91122948

without basis; that opposer has not been deprived of its right to pursue its claim because it already litigated that claim in the cancellation proceeding; that opposer's evidence in the cancellation proceeding dealt with the alleged descriptiveness of the mark BIKESOURCE and not with any stylization of that mark; that opposer admitted in its motion to consolidate the proceedings that the issues in the respective proceedings were the same; and that opposer's dissatisfaction with the Board's dismissal of its opposition and its apprehension regarding applicant's possible future actions do not warrant reconsideration of that dismissal. Accordingly, applicant asks that the Board deny opposer's request for reconsideration.

Motions for reconsideration, as provided in Trademark Rule 2.127(a), permit a party to point out any error the Board may have made in considering the matter initially. After reviewing the parties' arguments, we find that opposer has failed to persuade us that entry of judgment herein was in error.

The Board is puzzled as to the basis for opposer's presumption that the proceedings at issue would be adjudicated separately, particularly in view of the November 14, 2001 order, which stated that suspension of this case was appropriate to "avoid duplication of effort and inconsistent results." November 14, 2001 order at 3.

Opposition No. 91122948

Separate adjudication of this proceeding would clearly lead to repetition of effort by both the Board and the parties. Further, by seeking to relitigate that claim herein, opposer appears to seek inconsistent results.

However, in view of the fact that applicant sought entry of judgment under TBMP Section 510.02(b) against opposer based on the defense of *res judicata* in view of the final determination of the cancellation proceeding, opposer's motion for reconsideration is granted to the extent that we will deem applicant's motion as one for judgment pursuant to TBMP Section 510.02(b) on the ground that this opposition is barred by the doctrine of *res judicata*, and not as one for summary judgment under Fed. R. Civ. P. 56.⁶

Our primary reviewing court, the Court of Appeals for the Federal Circuit, has stated that it is guided by the analysis set forth in the Restatement (Second) of Judgments, Section 24 (1982) in determining whether a plaintiff's claim in a particular case is barred by the doctrine of *res judicata*. See *Chromalloy American Corp. v. Kenneth Gordon (New Orleans), Ltd.*, 222 USPQ 187, 189-90 (Fed. Cir. 1984).

⁶ We note, however, that parties commonly raise the doctrine of *res judicata* by way of a motion for summary judgment. See, e.g., *Metromedia Steakhouses Inc. v. Pondco II Inc.*, 28 USPQ2d 1205 (TTAB 1993).

Opposition No. 91122948

Section 24 of the Restatement describes the concept of a claim as follows:

(1) When a valid and final judgment rendered in an action extinguishes the plaintiff's claim pursuant to the rules of merger or bar ... the claim extinguished includes all rights of the plaintiff to remedies against the defendant with respect to all or any part of the transaction, or series of connected transactions, out of which the action arose.

(2) What factual grouping constitutes a "transaction", and what grouping constitutes a "series", are to be determined pragmatically, giving weight to such considerations as whether the facts are related in time, space, origin or motivation, whether they form a convenient trial unit, and whether their treatment as a unit conforms to the parties' expectations or business understanding or usage.

The Board, in applying the Restatement's analysis, has stated that such application "requires a prior final judgment on the merits by a court or other tribunal of competent jurisdiction; identity of the parties or those in privity with the parties; and a subsequent action based on the same claims that were raised, or could have been raised, in the prior action." *Polaroid Corp. v. C & E Vision Services Inc.*, 52 USPQ2d 1954, 1957 (TTAB 1999).

Opposer has not disputed that a final determination on the merits was reached in the cancellation proceeding, and that the same parties were involved in the cancellation proceeding. However, opposer contends that the marks in the respective proceedings are not the same because the mark in

Opposition No. 91122948

this proceeding is in typed form, while the mark in the cancellation proceeding was stylized.

The Board disagrees. Applicant's typed mark as presented herein must be accorded "all reasonable manners in which it could be depicted," and is thus presumed to include the stylized form in which it appears in the registration that was involved in the cancellation proceeding. *INB National Bank v. Metrohost*, 22 USPQ2d 1585, 1588 (TTAB 1992); *In re Fisher Tool Co., Inc.*, 224 USPQ 796 (TTAB 1984). In view of the minimal stylization and lack of any additional elements of applicant's registered mark, such as a design or background, the marks at issue are legal equivalents in that the wording BIKESOURCE, whether represented in typed form or stylized lettering, creates the commercial impression of both marks. See *S & L Acquisition Co. v. Helene Arpels Inc.*, 9 USPQ2d 1221 (TTAB 1987). As such, the proceedings at issue are considered part of a single transaction or a series of transactions within the Restatement's concept of a claim.

Although the Board found in *Polaroid Corp. v. C & E Vision Services Inc.*, 52 USPQ2d 1954, 1957 (TTAB 1999) and *Metromedia Steakhouses Inc. v. Pondco II Inc.*, 28 USPQ2d 1205 (TTAB 1993), that defendants' marks in typed form were sufficiently different from their stylized presentations of those marks to render inapplicable the doctrine of *res*

Opposition No. 91122948

judicata, the stylizations at issue in those cases included additional significant design and/or background elements. However, no such additional elements are present in applicant's stylized presentation of its mark. The minimally stylized font in which applicant's registered mark is depicted does not add to or change the commercial impression of the typed form mark; the two are legal equivalents.

Further, given the legal equivalence of the two marks, the evidence of descriptiveness in the respective proceedings would be essentially identical, a fact which further supports the application of the doctrine of *res judicata*. See *Miller Brewing Company v. Coy International Corporation*, 230 USPQ 675 (TTAB 1986). Indeed, a review of the decision in the cancellation proceeding indicates that opposer's evidence in support of its Section 2(e)(1) claim therein pertained solely to the wording BIKESOURCE, and that the Board's analysis and decision likewise were based on the wording alone. It was not the stylization of the mark that served as the basis for the Board's finding that the mark is not merely descriptive, but rather the non-descriptiveness of the wording itself. For the foregoing reasons, opposer's opposition is barred by the doctrine of *res judicata*.

Opposition No. 91122948

In view thereof, opposer's motion for reconsideration is otherwise denied. The entry of judgment against opposer herein stands.

THIS DISPOSITION IS
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Mailed: December 31, 2002
Paper No. 22
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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.

Roger A. Gilcrest of Standley & Gilcrest LLP for Midwest
Merchandising, Inc.

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

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. 76/035,008³; (4) printouts from the USPTO's Trademark Electronic Search System (TESS) of numerous third-party applications and registrations; and (5)

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 stores⁵, 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.



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

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

⁷ 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

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 be 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!"

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

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.

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June 9, 2003

Commissioner for Trademarks
2900 Crystal Dr.
Arlington, VA 22202-3514



07-12-2004

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #66

Re: Notice of Appeal

Dear Sir:

Serial No: 76035008

Enclosed an original and a copy of a Notice of Appeal of the decision in Opposition No. 91122948. The original is for the Director and the copy for the Trademark Trial and Appeal Board.

Three copies of the Notice of Appeal, along with the \$250.00 filing fee, have been mailed to the United States Court of Appeals for the Federal Circuit.

Sincerely,


Mary J. Gaskin

MJG:j

enclosures

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