

**UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

04-1525  
(Opposition No. 91/122,948)

**SPORTS MACHINE, INC. (doing business as Bike Source),**

**Appellant,**

**v.**

**MIDWEST MERCHANDISING, INC.**

**Appellee.**

**Appeal from the United States Patent and Trademark Office,  
Trademark Trial and Appeal Board.**

**Brief of Appellant, Sports Machine, Inc.**

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**October 7, 2004**

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SPORTS MACHINE V. MIDWEST MERCH

No. 04-1525

Certificate of Interest

Counsel for the appellant Sports Machine, Inc. certifies the following:

1. The full name of every party or amicus represented by me is:

Sports Machine, Inc., d/b/a Bike Source

2. The name of the real party in interest (if any) represented by me is:

None

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

None

4. X There is no such corporation as listed in paragraph 3.

5. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

Mary J. Gaskin, Annelin & Gaskin

Oct. 7, 2004

Date

Mary J. Gaskin

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## APPELLATE JURISDICTIONAL STATEMENT

Under 15 U.S.C. §1063(a), Opposer-Appellant, Sports Machine, Inc., d/b/a Bike Source, filed an opposition in the U.S. Patent & Trademark Office to oppose registration of the mark BIKESOURCE, filed by Applicant-Appellee, Midwest Merchandising, Inc., as application Serial No. 76/035,008, and an *inter partes* proceeding commenced.

Appellate jurisdiction is based on 15 U.S.C. §1071(a)(2) and 37 C.F.R. §2.145(a), as this is an appeal from a decision of the Trademark Trial & Appeal Board (hereinafter "TTAB") in an *inter partes* proceeding.

The decision granting Applicant's motion for summary judgment on the affirmative defense of *res judicata* was mailed on November 20, 2003 (AO1). The decision was based on the TTAB's previous decision in Cancellation No. 30,578 involving Registration 1,887,592, which had been mailed on December 31, 2002 (A08). On December 19, 2003, Opposer filed a request for reconsideration of the decision (A23). On May 13, 2004, the TTAB denied the motion and allowed entry of judgment against the Opposer to stand (A37).

Opposer gave written Notice of Appeal to the Commissioner in the United

States Patent & Trademark Office on July 9, 2004. A copy of the Notice of Appeal was filed with this Court on July 9, 2004. The case was docketed on August 9, 2004.

### STATEMENT OF THE ISSUES

1. Whether the TTAB erred in entering judgment against the Opposer based on *res judicata*, using the holding in a previously-decided cancellation proceeding involving a different mark.
2. Whether the TTAB erred in finding that the marks in the Opposition proceeding and the Cancellation proceeding are legal equivalents.
3. Whether the name BIKESOURCE, in typed form, is merely descriptive of the services with which it is used and, therefore, unregistrable.

### STATEMENT OF THE CASE

1. Nature of the Case

Under 15 U.S.C. §1063(a), Sports Machine, Inc. d/b/a/ Bike Source, Opposer-Appellant herein, filed its Opposition to registration of the mark BIKESOURCE (typed drawing) on the Principal Register, for which application was made by

Applicant-Appellee, Midwest Merchandising, Inc., under the provisions of 15 U.S.C. §1051(a).

2. Course of the Proceedings

When filing the Opposition, Opposer moved to consolidate the proceedings with the proceedings in Cancellation No. 30,578, which involved Registration No. 1,887,592, for BIKESOURCE (stylized) (A80). Applicant opposed the Motion to Consolidate the proceedings (A67). The TTAB denied the motion to consolidate the proceedings, but suspended the Opposition pending disposition of Cancellation No. 30,578 (A57).

After the TTAB entered judgment in Cancellation No. 30,578 (A08), Applicant filed a Motion to Resume the Opposition Proceedings and Enter Judgment Under TBMP §510.02(b) (A52). Opposer agreed with the motion to dissolve the suspension of the Opposition proceeding, but opposed the motion to have judgment entered in favor of Applicant (A46).

On November 20, 2003, the TTAB mailed its decision granting Applicant's Motion for Summary Judgment on the affirmative defense of *res judicata* (A01). The decision was based on the TTAB's decision in Cancellation No. 30,578 (A08). On December 19, 2003, Opposer filed a request for reconsideration of the decision

(A23). On May 13, 2004, the TTAB denied the motion and allowed the entry of the judgment to stand (A37).

Opposer then filed a timely Notice of Appeal seeking review of the TTAB's decisions in the Opposition proceeding.

### STATEMENT OF THE FACTS

Because the TTAB decided the Opposition proceeding on the basis of *res judicata*, the parties were not given an opportunity to develop facts by discovery or testimony. In order to facilitate use of the record from the Cancellation proceeding, on July 15, 2004, Opposer filed a petition to the Commissioner of Trademarks seeking to extend the time to commence judicial review of Cancellation proceeding No. 30,578, or, in the alternative, to include the record of the Cancellation proceeding in this Appeal from the judgment in the Opposition proceeding. No ruling on the petition has been received from the Commissioner.

Essentially, this case involves Applicant's trademark rights to the service mark BIKESOURCE (typed drawing), for which it filed Application Serial No. 76/035/008, on April 20, 2000 (A86). The specimen of use submitted with the application is an

advertisement showing part of a bicycle, with the words "THE SOURCE!" appearing above the bicycle, and the words "KANSAS CITY'S BEST SOURCE FOR BIKES, etc." below the bicycle. At the bottom of the ad is the word "BIKESOURCE", in special form (A88).

According to Opposer's Notice of Opposition (A82), Opposer has used the service mark Bike Source to identify its retail stores for bicycles and related equipment (A83) since March 1, 1994. In a letter dated February 28, 2000, Applicant demanded that Opposer immediately discontinue use of the trade name "Bike Source" or face legal action based on Applicant's Registration No. 1,887,592 (A83) for BIKESOURCE (stylized). On March 29, 2000, Opposer filed a Petition for Cancellation of Registration No. 1,887,592 (A83). Thereafter, on April 20, 2000, Applicant filed Application Serial No. 76/035,008 to register the mark BIKESOURCE, with a typed drawing (A83). On April 4, 2001, Applicant filed a Notice of Opposition, opposing registration of the mark BIKESOURCE (typed drawing) (A82). Opposer has alleged that the word BIKESOURCE, when used in connection with the services with which it is used (retail store outlets for bicycles, etc.) is merely descriptive of the services, within the meaning of the Trademark Act, 15 U.S.C. §1052(e)(1). Therefore, registration of the mark on the Principal Register

should be refused.

### SUMMARY OF THE ARGUMENT

The TTAB's orders entering judgment against the Opposer on the affirmative defense of *res judicata* and dismissing the Opposition are based upon errors and misapplications of law in applying the doctrine of *res judicata* and in evaluating the descriptiveness of the mark BIKESOURCE in typed form.

The TTAB improperly treated the Opposer's claim in the Opposition proceeding as the same claim in the previously decided Cancellation proceeding. The marks are not legal equivalents and, therefore, the doctrine of *res judicata* shall not have been applied in order to preemptorily terminate the Opposition proceeding.

The TTAB further erred in appearing to presume that Applicant was entitled to registration of the word mark BIKESOURCE by dint of its registration of a stylized version of the word BIKESOURCE. The TTAB failed to consider whether the mark BIKESOURCE in typed form was distinctive, and it therefore failed to consider whether it was merely descriptive without stylization.

Furthermore, had the TTAB considered whether the mark BIKESOURCE

(typed drawing) was distinctive, it would have found the mark to be merely descriptive. The specimen of use submitted by the Applicant clearly shows that the words BIKESOURCE readily inform consumers of the services with which the words are used, are not inherently distinctive, and are, hence, unregistrable.

The TTAB's orders should be reversed.

### ARGUMENT

#### 1. Standard of Review

As the TTAB noted, its judgment operated as a summary judgment in Applicant's favor based on *res judicata* (A05). A *de novo* standard of review is to be applied, and the issue is whether Applicant had established that no genuine issue of material fact existed and that it was entitled to judgment as a matter of law. *Copeland v. Wasserstein, Perella & Co., Inc.*, 278 F.3d 472 (5<sup>th</sup> Cir. La. 2002).

#### 2. The TTAB Erred in Entering Judgment Based on *Res Judicata* Because Opposer's Claim is Not Precluded Under the Restatement's Concept of a Claim.

In the present case, the judgment based on *res judicata* was granted under the doctrine of claim preclusion. The Court of Appeals for the Federal Circuit has stated

that it is guided by the analysis set forth in the Restatement (Second) of Judgment §24 (1982) in determining whether an opposer's claim is barred under the doctrine of claim preclusion. *Chromalloy American Corp. v. Kenneth Gordon, Ltd.* 736 F.2d 694, 222 USPQ 187 (Fed. Cir. 1984). Under §24 of the Restatement:

“(1) When a valid and final judgment rendered in an action extinguishes the plaintiff's claim pursuant to the rules of merger or bar (see §§ 18, 19), 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.”

In applying the analysis, the TTAB “has looked to whether the mark involved in the second proceeding is the same mark, in terms of commercial impression, as the mark involved in the first proceeding.” *Polaroid Corp. v. C&E Vision Services Inc.*,

52 USPQ 2d 1954, 1957 (TTAB 1999). In that case, Applicant had previously filed an application for the mark POLAREX in typed form, and had been refused registration in view of the POLAROID registration. Applicant then filed several applications for POLAREX in stylized form, including the following mark:



The Court properly held that the newly-filed marks had a different commercial impression than the word mark, and it concluded that opposer's present claims were not the same as the claim it had previously asserted.

Another case cited in the TTAB's decision comes to a similar conclusion. In *Metromedia Steakhouses, Inc. v. Pondco II, Inc.*, 28 USPQ 2d 1205 (TTAB 1993), Applicant applied for the mark RANCH STEAK & SEAFOOD in typed form. When it was opposed, Applicant abandoned the application, the opposition was sustained, and Applicant filed for the same words in stylized form. The Court held that the two marks were too different to be considered to be the same claim, and that the design elements helped create a commercial impression different from the one created by the typed words. *Id.* at 1208.

Both of those cases involved a registrant that was opposing registration of a mark it considered to be likely to be confused with its own mark. In both of those cases, the TTAB held that the Applicant was not foreclosed from trying to establish rights in a stylized mark that it did not have in a word mark. Conversely, the present case involves an opposer's attempt to keep a registrant from registering a mark in typed form.

In this case, Applicant had previously registered the mark BIKESOURCE in stylized form, which requires the registrant to display the mark in a stylized form with a distinctive graphic image: clean, *sans serif* letters, in italics (which suggests movement of a bicyclist), with letters that are much wider than ordinary typed letters, and with the B and the S taller than the remaining letters. It is reproduced here:

***BIKESOURCE***

The present opposition, however, concerns registration of the mark BIKESOURCE in typed form. If the mark is registered, Applicant will secure trademark rights to present the mark in any style it chooses. *Pfizer v. Cody John Cosmetics, Inc.*, 211 USPQ 64, 68 (TTAB 1981). Consequently, opposer's claim in the opposition

proceeding is very different than its claim was in the cancellation proceeding. Opposer should be given the opportunity to present evidence and argument to prevent registration of the word mark BIKESOURCE on the Principal Register.

3. Opposer is not Seeking Inconsistent Results by Pursuing the Opposition Proceeding. The Outcome of the Previously Described Cancellation Proceeding did not Dictate the Outcome of the Opposition Proceeding

At the outset of the opposition, Opposer moved to consolidate the opposition proceeding with the previously-filed cancellation proceeding (A80). Applicant opposed the motion, indicating that the two proceedings should pend separately (A67). The TTAB refused to consolidate the proceedings, but suspended the opposition pending disposition of the cancellation proceeding (A59).

In its opinion in response to opposer's motion for reconsideration, the TTAB opined that opposer should not have presumed that the opposition proceeding would be adjudicated separately, particularly in view of the suspension of the case in order "to avoid duplication of effort and inconsistent results" (A40).

Opposer is not attempting to relitigate registration of the stylized mark in the cancellation proceeding. It is attempting to assert its claim against registration of the typed word mark, which confers much broader rights to a registrant. The TTAB

stated that “by seeking to relitigate that claim herein, opposer appears to seek inconsistent results.” (A41). The TTAB appears to take the position that the ownership of rights in a stylized mark should confer on a registrant the right to register the mark with a typed drawing. Not only is this position illogical, it is also inconsistent with the TTAB’s own decisions, as well as court decisions in other cases. In giving short shrift to the present Opposition, the TTAB ignored the body of cases, which allow the registration of a mark in special form, but do not give exclusive rights to the owner to use the mark in any form. Such cases include:

- (1) *Gruner + Jahr USA Publishing v. Meredith Corp.*, 991 F.2d 1072, 26 USPQ 2d 1583, 1587 (2<sup>nd</sup> Cir. N.Y. 1993): “the actual trademark registration in this case protects not the name or the word “parents”, but rather the stylized logo of that name including the unusual form and shape of the letters comprising the word”;
- (2) *Time, Inc. v. Petersen Publishing Co.*, 976 F. Supp. 263, 44 USPQ 2d 1478, 1479 (S.D.N.Y. 1997): “the trademark is registered for the word “teen” in upper-case block letters, preceded by an apostrophe. Its ‘TEEN’ trademark in its distinctive style does not entitle Petersen to prevent a competitor from using the generic word “teen” as part of a different

trademark, to denote a magazine that is targeted to teenagers”;

(3) *In re Carolyn’s Candies, Inc.*, 206 USPQ 356, 361 (TTAB 1980):

Applicant entitled to registration for words “yogurt bar”, but its rights would be “extremely narrow” and would reside solely in the particular display of the words;

(4) *Sweats Fashions v. Pannill Knitting Co.*, 833 F.2d 1560, 4 USPQ 1793,

1798 (Fed. Cir. 1987): “on its face, Fashion’s registration for such goods protects only the particular manner in which it displays the word ‘sweats’”.

See also *Leejay, Inc. v. Bed Bath & Beyond, Inc.*, 942 F. Supp. 699, 40 USPQ 2d 1210 (D. Mass. 1996); *In re Clutter Control, Inc.*, 231 USPQ 588 (TTAB 1986); *In re K-T Zoe Furniture*, 16 F. 3d 390, 29 USPQ 2d 1787 (Fed. Cir. 1994).

These cases do not show “inconsistent results.” Instead, they show that the stylization of words can impart registerability to otherwise unregistrable word marks. They also demonstrate how much broader are the rights of a registrant of a word mark. If light of the holdings in these cases, the present Opposition should be sustained.

Indeed, when the TTAB refused to consolidate the two proceedings, it

suspended the opposition proceeding for a very good reason: if the mark BIKESOURCE (in stylized form) were removed from the Principal Register, the opposition proceeding would be rendered moot (the word mark would also be unregistrable). On the other hand, allowing the stylized mark to remain on the Register did not require that the TTAB allow Applicant to register the word mark, in typed form, thereby imparting a broader range of rights to Applicant.

The TTAB erred by refusing to consider the registrability of the word mark BIKESOURCE separately from the registrability of the stylized mark.

4. Without Stylization, the Mark BIKESOURCE is Clearly Merely Descriptive of the Retail Services With Which it is Used.

Even if a service mark is capable of distinguishing the retail services of one retailer from the retail services of another, it may not be registered on the Principal Register if it consists of a mark which, when used in connection with the retail services, is merely descriptive of the retail services. 15 U.S.C. §1052(e).

Neither Registrant nor the TTAB in its final decision in the Cancellation proceeding (A08) has ever advanced any meaning for significance the mark BIKESOURCE could have to a consumer other than a retail outlet for bicycles.

A term is merely descriptive of goods or services, within the meaning of

Trademark Act Section 2(e)(1), if it forthwith conveys an immediate idea of an ingredient, quality, characteristic, feature, function, purpose or use of the goods or services. See, e.g., *In re Gyulay*, 820 F.2d 1216, 3 UPSQ2d 1009 (Fed. Cir. 1987); *In re Abcor Development Corp.*, 588 F.2d 811, 200 USPQ 215, 217-18 (CCPA 1978). A term need not immediately convey an idea of each and every specific feature of the Applicant's goods or services in order to be considered merely descriptive; it is enough that the term describes one significant attribute, function or property of the goods or services. *In re H.U.D.D.L.E.*, 216 USPQ 358 (TTAB 1982); *In re MBAssociates*, 180 USPQ 338, 339 (TTAB 1973). Whether a term is merely descriptive is determined not in the abstract, but in relation to the goods or services for which registration is sought, the context in which it is being used on or in connection with those goods or services, and the possible significance that the term would have to the average purchaser of the goods, or user of the services because of the manner of its use. *In re Bright-Crest, Ltd.*, 204 USPQ 591, 593 (TTAB 1979). In other words, the test is not whether consumers could guess what the service is from consideration of the mark alone. *In re American Greetings Corp.*, 226 USPQ 365, 366 (TTAB 1985). For instance, in finding the term "security center" to be descriptive, the Fifth Circuit had "no hesitation in stating that only a modicum of

creativity was needed to arrive at 'security center' as a name for the business in question. The name is merely a coupling of two quite common English words, and the coupling itself exhibits little originality." *Security Center, Ltd. v. First National Security*, 750 F.2d 1295, 225 USPQ 373, 376 (5<sup>th</sup> Cir. La. 1985). See also *The Vision Center v. Opticks, Inc. et al*, 596 F.2d 111, 202 USPQ 333, 338 (5<sup>th</sup> Cir. 1979) in which the court held the following: "Used in combination, the words [Vision Center] imply a place where there is a concentration of requisite facilities relating to the power of seeing or the capacity for it. Because the name does not require 'imagination, thought and perception to reach a conclusion as to the nature of the goods' or services, it cannot be considered a suggestive term."

The mere combination of two terms into one to form a mark does not automatically elevate a descriptive mark to the status of a suggestive mark. *Computerland Corp. v. Microland Computer Corp.*, 586 F. Supp. 22, 224 USPQ 866, 868-869 (N.D. Cal. 1984). Neither is descriptiveness negated by the fact that the combination does not appear in the dictionary. *In re Orleans Wines, Ltd.* 196 USPQ 516 (TTAB 1977). A combination of merely descriptive terms may be registerable only if the juxtaposition of words is inventive, or evokes a unique commercial impression, or if the resulting combination has an incongruous meaning as applied to

the goods or services. *In re Colonial Stores, Inc.*, 394 F.2d 549, 157 USPQ 382 (CCPA 1968). In a recent case, a court found that the mark “Shoetique” (the combination of “shoe” and part of “boutique”) was not suggestive, but merely a creative combination of words that form a descriptive name. *McCain v. Designer Shoes Warehouse, LLC.*, 864 So.2d 784, 71 USPQ 2d 1317 (La. App. 5<sup>th</sup> Cir 2003).

Further, the TTAB has held that a “term which describes the provider of goods or services is also merely descriptive of those goods and services.” *In re E.I. Kane, Inc.*, 221 USPQ 1203, 1205 (TTAB 1984), in which the Board considered the term “Office Movers, Inc.”.

If a mark is considered to be descriptive, it may be registered only upon proof of substantially exclusive and continuous use of the mark by the Applicant in commerce for the five (5) years before the date on which the claim of distinctiveness is made. Trademark Act, 15 U.S.C. §1052(f).

The two words that comprise the mark BIKESOURCE, taken together, are merely descriptive of the services upon which Applicant uses the mark, that is, retail store outlets featuring bicycles. There is nothing particularly distinctive about the use of either “Bike” or “Source” for retail sales of bicycles. The average purchaser of bicycles, when viewing a retail store sign “BIKESOURCE” would immediately

recognize it as a retail outlet for bicycles. Such a purchaser would not be likely to believe the mark means anything other than a retail store for bikes. A prospective purchaser seeing an advertisement for BIKESOURCE would, similarly, understand that he could go to the outlet and purchase a bicycle.

The mark contains no fanciful or arbitrary elements. Even taken as a whole, the mark is not suggestive. No *double entendre* is suggested and no imagination or thought is required for a consumer to conclude the nature of the services provided: the mark “literally communicates the . . . services offered” by Applicant. *Computerland Corp. v. Microland Computer Corp.*, *supra*, 224 USPQ at 868, rejecting “Computerland” for retail computer stores, calling the mark descriptive, although perilously close to generic; see also *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 189 USPQ 759, 764-766 (2d Cir. 1976) holding “Safariland” unprotectible as generic when applied to a store selling safari clothes,. The Ninth Circuit found no case which holds “that the mere combination of words is sufficient in itself to make a mark registerable. “There is a clear distinction between the word ‘Startgrolay’ as applied to poultry feed and ‘Surgicenter’ which obviously means surgical center.” *Surgicenters of America, Inc. v. Medical Dental Surgeries, Co.*, 601 F.2d 1011, 202 USPQ 401, 407 (9<sup>th</sup> Cir. 1979). Movant likely chose the mark

BIKESOURCE because it so clearly describes the retail services offered to prospective customers.

The clearest evidence of the descriptiveness of the mark BIKESOURCE (typed word) appears in the specimen of use Applicant submitted when filing its application. Across the top of the advertisement the words "The SOURCE!" appears in bold, capital letters above a bicycle; underneath the bicycle, the legend begins, "KANSAS CITY'S BEST SOURCE FOR BIKES . . ." The BIKESOURCE mark appears near the bottom of the advertisement (A88). Such descriptive terminology lets the consumer know that a BIKESOURCE store is a retail outlet selling bicycles. The mark BIKESOURCE, as used by Applicant, could have no other meaning or significance to the relevant purchasing public than a retail outlet for bicycles. See *In re Taylor & Francis [Publishers] Inc.*, 55 USPQ 2d 1213, 1215 (TTAB 2000).

Use of the words BIKE and SOURCE should be available for all bicycle retailers to use. See, e.g., *B&B Hardware Inc. v. Hargis Industries Inc.*, 252 F.3d 1010, 59 USPQ 2d 1158 (8<sup>th</sup> Cir. Ark. 2001), in which a registration for SEALTIGHT (for self-sealing fasteners) was canceled as a result of a cancellation proceeding filed by Sealtite Building Fasteners, which had filed an application to register the mark SEALTITE (which was refused).

The opposition to registration of Serial No. 76/035,008 should be sustained.

CONCLUSION AND STATEMENT OF RELIEF SOUGHT

For all of the reasons stated herein, this Court should vacate and reverse the TTAB's entry of judgment against Opposer on the affirmative defense of *res judicata* and should direct the TTAB to sustain the Opposition because the mark BIKESOURCE (typed drawing) is descriptive and, hence, unregistrable.

Alternatively, this Court should vacate and reverse the TTAB's entry of judgment against Opposer on the affirmative defense of *res judicata* and should direct the TTAB to resume the Opposition proceedings.

Date: Oct. 7, 2004

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Brief and Appendix was served on the United States Court of Appeals for the Federal Circuit, this 7<sup>th</sup> day of October, 2004, by mailing an original and eleven (11) true copies thereof via First Class U.S. Express Mail, No. ER 256337307 US postage prepaid, addressed to Clerk of Court, United States Court of Appeals for the Federal Circuit, 717 Madison Place, NW, Washington, DC 20439.

By: Mary J. Gaskin  
Mary J. Gaskin

CERTIFICATE UNDER 37 CFR 1.8

I hereby certify that the foregoing Brief and Appendix was served on the United States Patent & Trademark Office, Solicitor's Office, this 7<sup>th</sup> day of October, 2004, by mailing two (2) true copies thereof via First Class U.S. Mail, postage prepaid, addressed to John M. Whealan, P.O. Box 15667, Arlington, VA 22215.

By: Mary J. Gaskin  
Mary J. Gaskin

CERTIFICATE OF SERVICE

I hereby certify that two (2) copies of the foregoing Brief and Appendix were served on counsel for Applicant, this 7<sup>th</sup> day of October, 2004, via First Class U.S. Mail, postage prepaid, addressed to Roger A. Gilcrest, Schottenstein, Zox & Dunn Co., L.P.A., P.O. Box 165020, Columbus, Ohio 43216-5020

By: Mary J. Gaskin  
Mary J. Gaskin

**UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

04-1525  
(Opposition No. 91/122,948)

**SPORTS MACHINE, INC. (doing business as Bike Source),**

**Appellant,**

**v.**

**MIDWEST MERCHANDISING, INC.**

**Appellee.**

**Appeal from the United States Patent and Trademark Office,  
Trademark Trial and Appeal Board.**

**Appendix of Appellant, Sports Machine, Inc.**

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**October 7, 2004**

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## Prosecution History Opposition No. 91/122,948

#	Date	History Text
<u>21</u>	08/02/2004	<u>DEF'S CHANGE OF ADDRESS</u>
<u>20</u>	07/09/2004	<u>APPEAL TO CAFC</u>
<u>19</u>	05/13/2004	TERMINATED
<u>18</u>	05/13/2004	<u>PL MOTFOR RECONSIDERATION DENIED, JUDGEMENT STANDS</u>
<u>17</u>	01/12/2004	<u>DEF'S MEMO IN OPP TO PLS MOT FOR RECONSIDERATION</u>
<u>16</u>	01/08/2004	TERMINATED
<u>15</u>	11/20/2003	<u>BD'S DECISION: DISMISSED W/O PREJUDICE</u>
<u>14</u>	12/22/2003	<u>OPPOSER'S REQUEST FOR RECONSIDERATIONOF THE BOARD'S FINAL DECISION</u>
<u>13</u>	11/20/2003	<u>DEF'S. MOT. FOR SUMMARY JUDGMENT GRANTED</u>
<u>12</u>	04/24/2003	<u>DEF'S REPLY TO MOT TO RESUME</u>
<u>11</u>	04/14/2003	<u>PL'S SURREPLY</u>
<u>10</u>	04/04/2003	<u>DEF'S REPLY TO MOT TO RESUME</u>
<u>9</u>	03/31/2003	<u>P'S RESPONSE TO D'S MOTION TO RESUME PROC &amp; ENTER JUDGMENT</u>
<u>8</u>	03/12/2003	<u>DEF MOT TO RESUME PROCEEDINGS</u>
<u>7</u>	11/14/2001	PLS' MOT. TO SUSP. GRATED; PROC. SUSP. PE ND. DISP. OF CANC. 30578
<u>6</u>	10/01/2001	DEF'S MEMO IN OPPOSITION TO OPP. MOTION
<u>5</u>	07/18/2001	DEF'S MEMO
<u>4</u>	07/09/2001	PL'S MOTION TO CONSOLIDATE
<u>3</u>	05/31/2001	PENDING, INSTITUTED
<u>2</u>	05/31/2001	NOTICE SENT; TRIAL DATES RESET; ANSWER DUE
<u>1</u>	04/04/2001	FILED AND FEE

RECEIVED NOV 24 2003

THIS OPINION IS NOT  
CITABLE  
AS PRECEDENT OF  
THE TTAB

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.<sup>1</sup>

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

<sup>1</sup> 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).<sup>2</sup> 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

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<sup>2</sup> 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.<sup>3</sup>

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

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<sup>3</sup> 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).

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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 UPSQ2d 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,<sup>4</sup> while the mark in Registration No. 1887592

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<sup>4</sup> 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.<sup>5</sup> The opposition is dismissed with prejudice, and judgment in applicant's favor is hereby entered.

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<sup>5</sup> Accordingly, applicant's motion to resume proceedings is moot.

THIS DISPOSITION IS  
NOT CITABLE AS PRECEDENT  
OF THE TTAB

RECEIVED 12/31/02

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.

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.<sup>1</sup>

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,

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<sup>1</sup> 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"<sup>2</sup>; 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<sup>3</sup>; (4) printouts from the USPTO's Trademark Electronic Search System (TESS) of numerous third-party applications and registrations; and (5)

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<sup>2</sup> Petitioner neither attended the depositions nor cross-examined either of respondent's two witnesses.

<sup>3</sup> 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.<sup>4</sup> 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<sup>5</sup>, 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,"<sup>6</sup> and the mark as shown above appears

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<sup>4</sup> 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.

<sup>5</sup> 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."

<sup>6</sup> 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.<sup>7</sup>

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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<sup>7</sup> 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.<sup>8</sup>

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

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<sup>8</sup> 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)

term "source" is viewed by the USPTO as a merely descriptive term with regard to retail services.<sup>10</sup>

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!"

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<sup>10</sup> 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.

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.<sup>11</sup> 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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<sup>11</sup> 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.

IN THE UNITED STATES PATENT AND 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. 122,948

Application No. 76/035,008

**MEMORANDUM IN SUPPORT OF OPPOSER'S REQUEST FOR  
RECONSIDERATION OF THE BOARD'S FINAL DECISION**

As the Board knows, Opposer in the present proceeding was Petitioner in Cancellation No. 30,578, which involved Applicant's registered mark, BIKESOURCE (in stylized form). While that case was still pending, Opposer moved to consolidate that proceeding with the present opposition proceeding. When the Board denied that motion, Opposer presumed that the issues decided in the cancellation proceeding would only concern the BIKESOURCE mark in stylized form, and that the issues concerning the later-filed application for the BIKESOURCE word mark would be adjudicated in the present proceeding. As a result of the Board's summary dismissal of the opposition, Opposer's interests and rights have been seriously impaired.

Applicant's registration for BIKESOURCE (stylized) gave it the right to use the mark only in that form. The special form in which the mark appears is itself distinctive and can change the overall commercial impression of a mark. TMEP §807.07(b)

The point is almost too obvious to state, but Applicant apparently knew of the limitations of its rights, because, prior to receiving the Petition for Cancellation (related to the previous proceeding), it felt the need to file a separate application for the BIKESOURCE mark, with a typed drawing. Registration of the word mark will give Applicant the right to use the mark in any special form or lettering. 37 C.F.R. §2.52(a)(1).

Opposer thereafter exercised his right under 15 U.S.C. § 1063(a) to oppose registration of the word mark BIKESOURCE. The Board's decision to dismiss its opposition, with prejudice, has denied Opposer his right to proceed with the opposition and requires appropriate correction.

The Board's decision does not follow from the relief originally requested by the Applicant. Applicant moved to resume the proceedings and enter judgment under TBMP §510.02(b), which permits a party to ask that judgment be entered in its behalf on one or more issues decided in another proceeding. Applicant never moved for summary judgment under TBMP §528.01. Nevertheless, the Board has chosen to treat Applicant's § 510.02(b) motion as a motion for summary judgment, on an issue that had not been pleaded, faulted Opposer for not objecting to the motion on the grounds that it was based on an unpleaded issue, deemed Applicant's answer to have been amended by agreement of the parties to allege an affirmative defense of res judicata, then applied the doctrine of res judicata to this proceeding, then proceeded to grant Applicant's "motion for summary judgment" (which had never been properly made or opposed!) on the affirmative defense of res judicata (which had never been properly pleaded!), and then dismissed the opposition with prejudice.

Generally, a motion for summary judgment requires a party to demonstrate the

absence of any genuine issue of material fact, and that it is entitled to judgment as a matter of law. TBMP §528.01. The non-moving party, which is entitled to present countering evidence, is entitled to be given the benefit of all reasonable doubt as to whether genuine issues of material fact exist.

In its decision, the Board apparently based its decision entirely on the record in the cancellation proceeding, since the record in the present opposition consists only of the original pleadings and the motion to consolidate. The Board has done so without giving Opposer an informed opportunity to make its case with respect to registration of the word mark BIKESOURCE, which would confer broader rights than the BIKESOURCE (stylized) registration.

Although never explicitly stated, it is quite possible that the Board views the commercial impression and the "distinctiveness" of the BIKESOURCE mark to reside in the fact that the two generic words are represented as one word to form a unitary mark. However, should Applicant file yet another application to register the word mark BIKE SOURCE (as separate words), it would have a greater chance of success in securing the registration due to its ownership of the BIKESOURCE (stylized) and the BIKESOURCE word mark. Applicant could then attempt to prevent others from using the words BIKE SOURCE as all or part of their retail store names.

WHEREFORE, Opposer requests that the Board reconsider its decision of November 20, 2003, in which the Board dismissed this opposition, and that the Board set aside its order and reinstate the opposition proceeding, thereby allowing the Opposer to present its case.

IN THE UNITED STATES PATENT AND 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.: 122,948

Application No. 76/035,008

**APPLICANT'S MEMORANDUM IN OPPOSITION**  
**TO OPPOSER'S MOTION FOR RECONSIDERATION**  
**OF THE BOARD'S FINAL DECISION**

Applicant, Midwest Merchandising, Inc. hereby opposes Opposer's Motion for Reconsideration of The Board's Final Decision in the subject Opposition.

The Board had suspended the subject Opposition pending the outcome of the Cancellation No. 30,578 (the "Cancellation") on by order issued on November 14, 2001 rather than consolidate the two proceedings as Opposer had requested. The Legal Standard Governing Motions for Reconsideration under 37 C.F.R. 2.129(c)

Generally, the premise underlying a request for reconsideration under 37 C.F.R. 129(c) is that, based upon the evidence of record and the prevailing authorities, the Board erred in reaching the decision it issued. See TBMP 543.

A Motion for Reconsideration may not be used to introduce additional evidence, nor should it be devoted simply to a re-argument of the points presented in the requesting party's brief on the case. *Id.*

Opposer bears the burden of proving that reconsideration is required.

#### Opposer's Lack of Basis for Motion

Opposer has alleged no satisfactory basis for the subject Motion.

Opposer's Motion is apparently based on the following assertions and alleged grounds: (1) that, when consolidation was denied, Opposer "presumed" that the Cancellation would involve only the issue of whether the mark BIKESOURCE (stylized) was merely descriptive, and that it should now be able to have separately adjudicated the same issue regarding the BIKESOURCE (block letter) mark; (2) that Opposer was in some way prejudiced by not being given the opportunity to have "issues concerning the later filed application for the BIKESOURCE word mark" adjudicated in the present proceeding, and that "[a]s a result of the Board's dismissal of the opposition, Opposer's interests and rights have been seriously impaired;" (3) that the legal effect of the decision in the Cancellation is inconsistent with the final decision herein and/or that Applicant's earlier registration of BIKESOURCE (stylized) in some way makes the decision in this proceeding incorrect; and (4) that the Board in some way legally or procedurally erred in granting summary judgment in favor of Applicant.

Applicant addresses these issues in order below.

1. Opposer's Alleged Presumption Regarding the Scope of the Cancellation is Clearly Untrue and is Irrelevant

Opposer's alleged presumption that the issue of descriptiveness as applied to the BIKESOURCE (block letter) mark would (and now should) be separately litigated is clearly untrue as a review of the record in the Cancellation indicates.

From Opposer's first pleading in the Cancellation, Opposer placed the issue of descriptiveness of BIKESOURCE at issue.

Indeed, a review of the record reveals that Opposer presented *absolutely no evidence on the descriptiveness of BIKESOURCE in the specific stylized form:*

**BIKESOURCE**

Rather, all of Opposer's evidence was directed to the usage and meaning of BIKESOURCE (or BIKE SOURCE) without regard to its stylization. This evidence *included evidence and argument directed to the descriptiveness of the individual words "bike" and "source" as applied to the associated services.*

One needs look no further for evidence of the falsehood and bad faith accompanying Opposer's Motion than the record in both proceedings.

No sooner had the present proceeding been instituted<sup>1</sup> than Opposer moved for *consolidation*<sup>2</sup>, not suspension, based upon the allegation that the same issue was involved. Had Opposer's motion been granted, the Cancellation would have been placed on the same discovery and testimony schedule as the Opposition that had been filed *more than a year later*. However, the Board recognized the clear inefficiency that would be occasioned by Opposer's motion, suspended the present proceeding pending the outcome in the cancellation.

Furthermore, Opposer's motion to consolidate the two proceedings would have resulted in the trial of the descriptiveness of BIKESOURCE (stylized) and BIKESOURCE (block letter) *in the same proceeding*. Accordingly, Opposer cannot now truthfully allege that it presumed it would have another opportunity to present evidence and argue the issue of descriptiveness of BIKESOURCE (block letter) *when it clearly moved for precisely the opposite treatment*.

Opposer's presumption of the legal effect of consolidation and resumption is irrelevant.

After having a full and fair opportunity to present a factual record and legal argument on this issue, Opposer wants even more time to reargue the same issue on the same facts.

It is the burden of Opposer to show some factual or legal error. There is none.

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<sup>1</sup> The Opposition was instituted on May 31, 2001

<sup>2</sup> Opposer's Motion to Consolidate was filed on July 9, 2001

2. Opposer has had a Complete Opportunity to Present its Case on Alleged Mere Descriptiveness and is not Prejudiced by the Inability to Relitigate the same Issues in the Opposition

Opposer has already had ample opportunity to present all relevant evidence and argument regarding whether BIKESOURCE is merely descriptive of the services for which it has been registered.

Every fact recited in Opposer's Motion was already presented to the Board in the Cancellation including the fact that the subject application was filed after the Petition for Cancellation was filed.

Accordingly, Opposer is not prejudiced by being denied further opportunity to have "issues concerning the later filed application for the BIKESOURCE word mark" adjudicated in the present proceeding.

Opposer fails to cite any fact in the record or legal precedent in support of its position that the Board's entry of judgment in favor of Applicant was in error.

Applicant reminds the Board that indeed, when Opposer no doubt was attempting to delay the Cancellation by seeking its consolidation with the subject Opposition, it admitted that the issues in the Cancellation and the Opposition were the *same*, and this was the grounds upon which Opposer originally sought *consolidation* of the Cancellation and the Opposition. See Opposer's Motion to Consolidate Proceedings filed July 5<sup>th</sup>, 2001 herein.<sup>3</sup>

Opposer's own initial pleadings in the Cancellation even stated its position that the term BIKESOURCE (or BIKE SOURCE) was merely descriptive without

reference to the stylization. See Petition for Cancellation in Cancellation No. 30,578.

Now that final judgment has been entered herein and Opposer seeks further delay, Opposer now changes its position and suggests that there is something further that requires adjudication.

3. The Legal Effect of the Decision in the Opposition and Opposer Dissatisfaction with the Final Decision is not Grounds for Reconsideration and Applicant's Earlier Registration of BIKESOURCE (Stylized) does not Make the Final Decision in this Proceeding Incorrect

The legal effect of the current final decision and the fact that this decision may prejudice Opposer is irrelevant to the current Motion.

Opposer postulates that the Board viewed the mark BIKESOURCE as being distinctive only on the basis of its unitary nature. Applicant submits that the issue of descriptiveness is one of fact, and that issue has been decided.

Again, the evidence adduced by Opposer in the Cancellation included an attack directed from the standpoint of the respective meanings of the individual constituent words "bike" and "source" and was still found to be unpersuasive.

Opposer's suppositions regarding the Board's reasoning are just that and are not new facts or legal grounds.

Finally, Applicant's past or future intentions regarding the filing of applications for federal registration are irrelevant.

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<sup>3</sup> Cancellation No. 30,578 was filed on March 29, 2000 and the subject Opposition was not filed until April 4, 2001. Opposer did not file its Motion to Consolidate the Opposition

Opposer's dissatisfaction with the decision and its apprehension regarding Applicant's future actions are not grounds for reconsideration.

As to Applicant's earlier registration of BIKESOURCE (Stylized), Opposer already asserted that Applicant's original filing of an application for registration of the mark BIKESOURCE in stylized form was some form of recognition or admission, or otherwise gave rise to a legal interpretation or presumption, that the underlying word BIKESOURCE alone had no distinctiveness or secondary meaning.

The Board has now put that issue to rest by rejecting this argument as both a factual matter and as Opposer's asserted legal corollary (which simply does not exist). In its Motion, Opposer does nothing more than essentially repeat that same argument in the last paragraph on page 2 and the first paragraph of page 3 of its current Motion.<sup>4</sup>

The Board has now decided a purely factual matter by holding that the mark BIKESOURCE (stylized) is not merely descriptive as applied, *even in view of all of the evidence presented by Opposer concerning meaning and usage of the words "bike" and "source."*

Opposer even requested *disclaimer* of the term "bikesource" as an alternative to cancellation of the BIKESOURCE (stylized) registration, and the Board's denial of that request involved ***exactly the same factual issue Opposer raised*** in the Opposition, i.e., whether the word "bikesource" or "bike source" is merely descriptive of the associated services. Indeed, as the Board properly

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with the Cancellation until July 9, 2001.

recognized, “the evidence of descriptiveness [in both cases] would be identical.” See page 7 of the Final Decision Herein.

#### 4. The Board Did Not Err Legally or Procedurally in Granting Judgment in Favor of Applicant

Opposer’s Motion on page 3 suggests that the Board in some way erred in entering judgment in favor of Applicant after the same issue had been decided in the Cancellation.

Applicant submits that it followed precisely the procedure set forth in TBMP 510.02(b).

Attempting to have the Board place form over substance, Opposer now argues that it was necessary for the Board to treat Applicant’s Resumption and Judgment Entry Motion strictly as a motion based upon *res judicata* rather than one for summary judgment. Opposer also argues that Applicant never moved for summary judgment under TBMP 528.01.

However, Opposer cites no authority for the proposition that a motion brought in accordance with TBMP 510.02(b) cannot be treated as a motion for summary judgment or otherwise must be preceded by such a motion. Opposer’s brief treats *res judicata* and summary judgment as though they were separate legal bases. However, careful consideration of the Board’s decision reveals that the Board merely treated Applicant’s Resumption and Judgment Entry Motion as a motion for summary judgment, *and then* applied the doctrine of *res judicata* to

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<sup>4</sup> Opposer also makes presumptive allegations regarding Applicant’s motivation for filing the subject application, but cites no facts in the record in support of that allegation.

determine the there was no issue of material fact. This combined application of well-established standards of summary adjudication was properly made.

However, Opposer also has made no citation that would indicate that the tests for both *res judicata* and summary judgment<sup>5</sup> are not met by the record herein and in the Cancellation.<sup>6</sup>

In this regard, Applicant notes that the motion for Resumption and Entry was in fact a properly plead basis when made.

Further, the fact that the Board properly treated it as a motion for summary judgment does not allow Opposer to raise the "unpleaded issue" rule because that rule, applied as Opposer would have it, would mean that any alternate consideration of a candidate motion could never be so considered as it would be "unpleaded" at the time of its alternative consideration.

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<sup>5</sup> In this regard, the standard for summary judgment is actually more favorable to Opposer, requiring it to show only that there is an issue of material fact that requires adjudication (it does not permit the Board to search for "reasonable doubt" in the evidence as Opposer claims); as opposed to the three-part "identity of parties - identity of issues - and final judgment" standard of *res judicata*. Accordingly, the treatment of the Board was actually more favorable to Opposer.

<sup>6</sup> As the Board noted on page 5 of its decision, it seems rather non-sensical to require a party to amend its pleading to assert an affirmative defense or affirmatively request judgment under the doctrine of *res judicata* as this doctrine can only be applied after final judgment and cannot earlier be anticipated by the parties (particularly parties in the position of defendants). It should be borne in mind that the issue upon which *res judicata* and/or summary judgment was raised is mere descriptiveness *vel non*, and that issue was most certainly treated in the pleadings. Finally, it also seems inconsistent with efficient summary adjudication practice to require a party to amend its answer, await a reply and then move for judgment entry based upon the "newly plead" issue of *res judicata*. Again, the "unpleaded issue" rule exists to prevent unfairness to the opposing

Conclusion

WHEREFORE, in view of the foregoing, Applicant respectfully requests that Opposer's motion be denied. Applicant earnestly and respectfully requests expeditious action on the present Motion as Applicant now awaits Opposer's frivolous appeal of a clearly and finally decided factual issue.

Respectfully submitted,

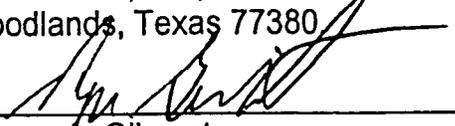
**MIDWEST MERCHANDISING, INC.**

January 8th 2004  
Date

  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing  
**APPLICANT'S MEMORANDUM IN OPPOSITION  
TO OPPOSER'S MOTION FOR RECONSIDERATION  
OF THE BOARD'S FINAL DECISION**  
was sent U.S. Mail, postage pre-paid this 8<sup>th</sup> day of January, 2004 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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party, and no unfairness is occasioned here as the Board has recognized, and as Opposer has failed to point out.

RECEIVED MAY 17 2004

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.<sup>1</sup> 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")

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

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between the parties.<sup>2</sup> 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).<sup>3</sup> 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.<sup>4</sup>

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

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<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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).

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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.<sup>5</sup>

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

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<sup>5</sup> 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.

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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.

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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.<sup>6</sup>

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).

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<sup>6</sup> 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).

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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

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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*

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*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*.

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

IN THE UNITED STATES PATENT AND 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.: 122,948

Application No.: 76/035,008

**OPPOSER'S ANSWER TO APPLICANT'S MOTION TO RESUME PROCEEDINGS  
AND ENTER JUDGMENT UNDER TBMP 510.02(b)**

Opposer, Sports Machine, Inc., by its attorney, hereby agrees with the motion to dissolve the suspension of the subject proceedings (the "Opposition"), but vigorously opposes Applicant's motion to have judgment entered in favor of Applicant.

A memorandum brief responding to Applicant's motion, as required by 37 C.F.R. 2.127(a), is attached.

Respectfully submitted:

Date:

3/26/03

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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

v.

MIDWEST MERCHANDISING, INC.

Applicant

Opposition No.: 122,948

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**MEMORANDUM BRIEF RESPONDING TO APPLICANT'S MOTION TO RESUME  
PROCEEDINGS AND ENTER JUDGMENT UNDER TBMP 510.02(b)**

Opposer has no objection to Applicant's motion to dissolve the suspension of the opposition proceedings and resume proceedings herein. As noted, in the Board's decision suspending the proceedings, the next step is resetting appropriate dates. Opposer requests the TTAB do so.

However, Opposer vigorously opposes Applicant's motion to enter judgment in Applicant's favor in light of the disposition of Cancellation No. 30,578.

Opposer in the present proceeding was Petitioner in Cancellation No. 30,578, which involved Applicant's registered mark, BIKESOURCE (in stylized form). Previously, Opposer had moved to consolidate the cancellation proceeding and the present opposition proceeding (see Exhibit A, Opposer's Motion to Consolidate Proceedings). The motion was presented so that Board could consider consolidation, and because the proceeding shared "common issues of law and fact." However, the Board denied the motion to

consolidate the proceedings.

Opposer would direct the Board's attention to this misstatement contained in Applicant's brief:

"The Board so ruled in its decision of November 14, 2001, agreeing with Opposer<sup>1</sup> that the 'co-pending Cancellation and Opposition do involve nearly identical legal and factual issues and thus have a bearing on one another."

Opposer never made such a statement. Indeed, as the Board correctly pointed out, such a statement was contained in Applicant's brief in opposition to Opposer's motion to suspend the opposition proceeding pending the Board's decision on the motion to consolidate (see Exhibit B, p. 3).

In any event, in its previous ruling in this proceeding, the Board indicated that "[w]ithin twenty days after the final determination [of the cancellation proceeding], the interested party should call up this case for appropriate action. If and when proceedings herein are resumed, appropriate dates will be reset."

Applicant's motion for entry in its favor is premature because the Board's decision in the cancellation proceeding is not dispositive of this opposition proceeding. If the Board had granted the petition to cancel the BIKESOURCE (in stylized form) mark, its decision likely would have been dispositive of the opposition proceeding, and the BIKESOURCE word mark would logically have been refused registration. However, the Board's refusal to cancel BIKESOURCE (in stylized form) mark does not necessarily mean the BIKESOURCE word mark is entitled to registration on the Principal Register.

The Board's decision in the cancellation proceeding referred only to the mark BIKESOURCE in stylized form, and therefore is not res judicata on the issue of

descriptiveness of the term BIKESOURCE. The Board considered the mark "in its entirety" in denying the petition to cancel the mark. Apparently, Registrant felt the stylization was important to the mark's commercial impression, since the mark had been filed with a special form drawing.

However, Applicant's present application to register the mark BIKESOURCE (no stylization) requires that the word create "a distinct commercial impression apart from any stylization in presentation." TMEP §807.09(a). Opposer would show in this proceeding that, unlike the stylized mark, the word mark is not registerable. In its decision in the cancellation proceeding, the Board noted that:

"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 . . ."

In previous court decisions, it has been held that the mere combination of two terms to form a mark does not automatically elevate a descriptive mark to the status of a suggestive mark. Computerland Corp. v. Microland Computer Corp., 224 USPQ 866, 868-869 (N.D. Calif. 1984). A combination of merely descriptive terms may be registerable only if the juxtaposition of words is inventive, or evokes a unique commercial impression, or if the resulting combination has incongruous meaning as applied to the goods or services. In re Colonial Stores Inc., 157 USPQ 382 (CCPA 1968). There is nothing particularly distinctive about the use of either "Bike" or "Source" for retail sales of bicycles, and the words retain their descriptive, even generic, significance when joined to form a compound word. The average purchaser of bicycles, when viewing a retail store sign "BIKESOURCE" would immediately recognize it as a retail outlet for bicycles. Such a purchaser would not be

likely to believe the mark means anything other than a retail store for bikes. A prospective purchaser seeing an advertisement for BIKESOURCE would, similarly, understand that he could go to the outlet and purchase a bicycle. The word mark BIKESOURCE contains no fanciful or arbitrary elements. Even taken as a whole, the mark is not suggestive. No double entendre is suggested and no imagination or thought is required for a consumer to conclude the nature of the services provided: the mark "literally communicates the . . . services offered" by Midwest Merchandising. Computerland Corp. v. Microland Computer Corp., supra, 224 USPQ at 868 rejecting "Computerland" for retail computer stores, calling the mark descriptive, although perilously close to generic; see also Abercrombie & Fitch Co. v. Hunting World, Inc., 189 USPQ 759, 764-766 (2d Cir. 1976) holding "Safariland" unprotectable as generic when applied to a store selling safari clothes.

As the Board knows, not every service mark is entitled to registration on the Principal Register, yet the mark can still function as a service mark. Opposer is not seeking registration of the term BIKE SOURCE for its retail services. Opposer is simply trying to prevent Applicant from acquiring prima facie ownership of the words bike and source, in connection with retail bicycle services. Opposer should be able to use Bike Source (descriptive or possibly generic words) rather than simply Bike Store, Bike Outlet, or Bike Dealer (all generic terms) in connection with its retail bicycle services. For that reason, Opposer is entitled to pursue its opposition to registration of Applicant's word mark BIKESOURCE.

WHEREFORE, Opposer requests the Board to resume the present opposition proceeding and to deny Applicant's motion for judgment in favor of Applicant.

Respectfully Submitted,

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

*Mary J. Gaskin*

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2170 Buckthorne Place, #220  
The Woodlands, Texas 77380  
Phone: (281)363-9121  
Fax: (281)363-4066

Date: March 26, 2003

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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 March 26, 2003.

By: *Mary J. Gaskin*  
Mary J. Gaskin

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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,

v.

MIDWEST MERCHANDISING, INC.,

Applicant.

Opposition No.: 122,948

Application No. 76/035,008

MEMORANDUM IN SUPPORT OF  
APPLICANT'S MOTION TO RESUME PROCEEDINGS AND ENTER  
JUDGEMENT UNDER TBMP 510.02(b)

Background

Cancellation No. 30,578 (the "Cancellation") involved the single issue of whether the Applicant's registered mark:

**BIKESOURCE**

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

The subject Opposition (the "Opposition") was suspended by order of the Board on November 14, 2001 in response to Opposer's request to consolidate the two proceedings. The Opposition involves precisely the same single issue as

applied to the mark BIKESOURCE in block letter form, for which registration is sought for the same services.

The Subject Opposition Should be Resumed

Basis of Motion

Applicant's Motion is governed by TBMP § 510.02(b), which provides:

When a proceeding before the Board has been suspended pending the outcome of another proceeding, and that other proceeding has been finally determined, the interested party should file a paper notifying the Board of the disposition of the other proceeding, and requesting that further appropriate action be taken in the Board proceeding (i.e., usually, the interested party requests, as a result of the decision in the other proceeding, that judgment be entered in its behalf on one or more issues in the Board proceeding). The paper should be accompanied by a copy of the decision in the other proceeding.

A proceeding is considered to have been finally determined when a decision on the merits of the case (i.e., a dispositive ruling that ends litigation on the merits) has been rendered, and no appeal has been filed therefrom, or all appeals filed have been decided.

The Cancellation was dismissed by judgement of the Board entered on December 31, 2002, and the time period for filing a Notice of Appeal expired on March 1, 2003. A copy of the Board's decision in the Cancellation is attached hereto as Exhibit A.

Accordingly, the Cancellation has been fully and finally determined and no appeal has been filed. Resumption of the Opposition is therefore proper.

Judgement in Favor of Applicant Should Now be Entered and the Opposition

Dismissed

The Opposition involves precisely the same issue as applied to the mark BIKESOURCE in block letter form – whether the mark as applied to the "retail store outlets featuring bicycles, bicycle accessories and replacement parts, and

apparel relating to bicycling" is merely descriptive. The Board so ruled in its decision of November 14, 2001, agreeing with Opposer<sup>1</sup> that the "co-pending Cancellation and Opposition do involve nearly identical legal and factual issues and thus have a bearing on one another." See Board Decision of November 14, 2001, attached as Exhibit B.

Indeed, Opposer has admitted that the issues in the Cancellation and the Opposition are the same inasmuch as this was the grounds upon which Opposer originally sought consolidation of the Cancellation and the Opposition. See Opposer's Motion to Consolidate Proceedings filed July 5<sup>th</sup>, 2001 herein and attached as Exhibit C.

The Board has already decided that the mark BIKESOURCE (Stylized) is not merely descriptive of the services for which it has been registered.

As part of that decision, the Board clearly considered whether the term BIKESOURCE (regardless of stylization) was merely descriptive of the services for which it has been registered. The Board considered all of the evidence Opposer mustered relating to its charge that the term BIKESOURCE was merely descriptive of the services for which it had been registered, and yet the Board still ruled that the constituent words "bike" and "source" are not merely descriptive of retail bicycle services. See pages 9 - 14 of the Board's holding in the Cancellation relating to its analysis of the alleged mere descriptiveness of the words comprised by the mark BIKESOURCE, and the denial of Petitioner's request to require disclaimer of "BIKESOURCE," attached as Exhibit A.

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<sup>1</sup> A review of this decision reveals that the Board mistakenly reversed reference to the Applicant's position and Opposer's position.

Accordingly, even though the Board's decision was directed to whether the mark BIKESOURCE in stylized lettering is merely descriptive, the analysis of the alleged mere descriptiveness of the mark BIKESOURCE in block letter form would no doubt lead to the same result; i.e., that the term BIKESOURCE itself is not merely descriptive, and remains registrable without disclaimer as does its stylized script equivalent.

Accordingly, the issue of descriptiveness of the term BIKESOURCE is *res judicata*, and judgement in favor of Applicant may now be entered in the subject Opposition.

Relitigation of this same issue would be a waste of the Board's time and resources.

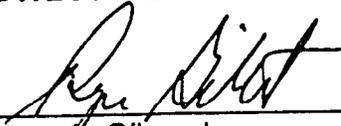
Conclusion

In view of the foregoing, Applicant respectfully requests that the Opposition be resumed, and that judgement in favor of Applicant may now be entered in the subject Opposition.

Respectfully submitted,

MIDWEST MERCHANDISING, INC.

March 10, 2003  
Date

  
\_\_\_\_\_  
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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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Taylor

**MAILED**  
NOV 14 2001  
**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<sup>1</sup>; 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.<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> 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.

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.<sup>3</sup>

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

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<sup>3</sup> 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

Opposition No. 112,948

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.

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

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

SPORTS MACHINE, INC.,  
d/b/a/ Bike Source,

Opposer,

v.

MIDWEST MERCHANDISING, INC.,

Applicant.

RECEIVED 08/01/2001

Opposition No.: 122,948

Application No. 76/035,008

**APPLICANT'S MEMORANDUM IN OPPOSITION**  
**TO OPPOSER'S MOTION TO SUSPEND PROCEEDINGS**

Applicant, Midwest Merchandising, Inc., hereby opposes Opposer's Motion to suspend the subject opposition proceedings (the "Opposition") pending a ruling on Petitioner's Motion to Consolidate the subject proceedings with those in Cancellation No.: 30,578 (the "Cancellation").

**Basis of Motion**

Opposer's Motion is based solely upon the grounds that its Motion filed July 5, 2001 to Consolidate the Opposition with the Cancellation has not been acted upon.

Opposer's Motion cites 37 C.F.R. § 2.117 that provides:

- (a) Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.

- (b) Whenever there is pending before the Board both a motion to suspend and a motion which is potentially dispositive of the case, the potentially dispositive motion may be decided before the question of suspension is considered regardless of the order in which the motions were filed.
- (c) Proceedings may also be suspended, for good cause, upon motion or a stipulation of the parties approved by the Board.

#### Opposer's Lack of Basis for Motion

Opposer has alleged no satisfactory basis for the subject Motion under any section of 37 C.F.R. § 2.117 as discussed below with respect to each paragraph.

Opposer bears the burden of proving that suspension is required.

#### No Potentially Dispositive Motion Pending

Paragraph (b) of 37 C.F.R. § 2.117 speaks to the order of decision between a motion for suspension and a potentially dispositive motion, and is not applicable here as there is no potentially dispositive motion pending in the Opposition.

However, this rule clearly evidences the Commissioner's intent that proceedings ripe for decision (as the Cancellation will be after the filing of briefs) should not be held up by pending the decision on suspension.

#### No Other Proceeding Bearing on Opposition that Requires Its Suspension

Opposer vaguely pleads that it requires suspension of the subject proceeding on the basis that consolidation is proper because:

- (1) the parties are identical;

- (2) the two proceedings "share common issues of law and fact;" and
- (3) consolidation of the proceedings "would affect actions taken in both proceedings."

Essentially, Opposer's argument is somewhat circular because it argues that suspension is required because consolidation is justified.

As to the first of Opposer's 3 specific allegations, the identity of the parties in each proceeding alone does not itself justify suspension under 37 C.F.R. § 2.117(a).

With respect to Opposer's second specific allegation, the co-pending Cancellation and Opposition do involve nearly identical legal and factual issues and thus have a bearing upon one another. However, there is no reason to stall the now well-advanced Cancellation (testimony having closed on August 30, 2001 and Petitioner's main brief is due 60 days thereafter) while the Board rules on the pending consolidation motion in the Opposition that has not advanced beyond discovery.

The basis of the Opposition is the same as its basis for the Cancellation -- that the mark BIKESOURCE in the Opposition (or BIKESOURCE in stylized script in the Cancellation) is alleged to be unregistrable because the term "bike source" is merely descriptive of the bicycle retail services for which registration has been sought (or, in the case of the Cancellation, for which registration has been granted).

Opposer, as Petitioner in the Cancellation, has had a full opportunity to adduce testimony on the only issue in the Cancellation (even having had the

benefit of 15 additional days to put on rebuttal testimony, only to put on no rebuttal testimony).

It is clear that if the Cancellation is decided in favor of Registrant -- that is, if Petitioner fails to carry its burden of proof that "bike source" is merely descriptive of retail bicycle services, then that same result would be *res judicata* in the subject Opposition (and *vice versa*). The Board would simply be informed of the result in the Cancellation, and that result would likewise obtain in the Opposition. Accordingly, there would be no waste of the Board's efforts should the two proceedings pend separately.

However, Opposer pleads as though the only way the two proceedings can be reconciled is through consolidation.

As described above, it is difficult to imagine what additional undue burden will be imposed on Opposer.

Indeed, Opposer, after filing the Opposition and a motion to consolidate it with the Cancellation, has failed to do anything in terms of taking additional discovery or filing substantive pleadings directed to the issues in the Opposition.

Furthermore, as described more completely in Applicant's Memorandum in Opposition to Opposer's Motion to Consolidate Proceedings (attached hereto as Exhibit A), the Notice of Opposition contains pleadings that appear to be directly factually inconsistent with Opposer's responses during discovery in the Cancellation. Opposer thus seeks to be able to leave in place (and unexplored by discovery or testimony) inconsistent pleadings, while consolidating both proceedings (thus calling a halt to discovery in the Opposition).

While first seeking to consolidate the two proceedings, Opposer now seeks to delay *both* proceedings through inconsistent and illogical procedural artifice, as well as to deny Applicant the ability to take additional discovery in the Opposition to elucidate the clear inconsistencies between the discovery and testimony in the Cancellation, and Opposer's pleading in its Notice of Opposition.

Applicant also notes with interest that 37 C.F.R. § 2.117(a) makes reference to suspension enduring "until termination of the civil action or the other Board proceeding." In the present case, Opposer has moved to suspend *both* proceedings such that there would be no ongoing proceeding against which to determine when the suspended proceeding(s) should be reinitiated. It is clear from a reading of 37 C.F.R. § 2.117(a) that the rule was not designed to allow a party to bring both proceedings to a halt. Rather, the clear intent of paragraphs (a) and (b) of the rule was to allow suspension of one action while awaiting the completion of another action (civil action or other Board proceeding).

Opposer's motion to suspend both proceedings is directly counter that intent.

By moving for suspension of the Cancellation, Opposer attempts to halt a dispositive proceeding on the brink of briefing while awaiting a decision on what to Opposer is clearly a meaningless procedural motion in an opposition that has not even advanced beyond discovery.

Finally, Petitioner provides no explanation regarding how consolidation (or suspension) "would affect actions taken in both proceedings" or how that bears on the subject motion.

### No Other Good Cause for Suspension of Opposition

Turning finally to 37 C.F.R. § 2.117(c), Opposer has shown no additional good cause why its Motion should be granted. Its motion is counter to the clear intent of 37 C.F.R. § 2.117 (i.e, to suspend proceedings only in deference to other dispositive proceedings or motions, or for other good cause), and is transparently imposed only to delay the briefing and final decision in the Cancellation.

Opposer brings its present Motion almost 3 months after making its original motion to consolidate the Opposition with the Cancellation, when it could have brought this motion at any time after filing the Notice of Opposition almost 6 months ago.

### Conclusion

In view of the foregoing, Applicant respectfully requests that Opposer's motion be denied as inconsistent with the policies upon which 37 C.F.R. § 2.117 is based, while being prejudicial to Applicant as both as untimely brought with respect to the progress of the Cancellation, and in light of the new legal and factual issues raised by the Opposition pleadings and the record in the Cancellation to date.

Should the Board suspend the present proceeding, Applicant requests that such suspension be effective only upon close of discovery so that Applicant may have the benefit of discovery it requires such as the discovery requests served prior to Opposer's motion (attached as Exhibit B).

IN THE UNITED STATES PATENT AND 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.: 122,948

Application No. 76/035,008

**APPLICANT'S MEMORANDUM IN OPPOSITION TO OPPOSER'S  
MOTION TO CONSOLIDATE PROCEEDINGS**

Applicant, Midwest Merchandising, Inc., hereby opposes Opposer's Motion to consolidate the subject proceedings (the "Opposition") with those in Cancellation No. 30,578 (the "Cancellation").

**Basis of Motion**

Opposer's Motion cites TBMP § 1214. However, this section only governs consolidation of *ex parte* appeals.

Consolidation of *inter partes* proceedings is governed by TBMP § 511 and Fed. R. Civ. P. 42(a). Section 511 provides:

In determining whether to consolidate proceedings, the Board will weigh the savings in time, effort, and expense which may be gained from consolidation, *against any prejudice or inconvenience which may be caused thereby.* (emphasis added).

Opposer's motion should also be denied, as it is not accompanied by a Brief as required by 3 C.F.R. 2.127(a).

Timing of Consolidation is Prejudicial to Applicant

Opposer's Motion is brought after Applicant's discovery and testimony periods have closed. The only testimony period remaining is Opposer's rebuttal period in the Cancellation (which closes August 15, 2001). Accordingly, Applicant will have no further opportunity to adduce testimony on the allegations and issues first introduced in the Notice of Opposition. In contrast, if this proceeding is consolidated with the pending Cancellation, only Opposer will have the opportunity to adduce testimony regarding the consolidated proceeding post-consolidation. See TBMP § 511; *Lever Brothers Co. v. Shaklee Corp.*, 214 USPQ 654 (TTAB 1982) (consolidation denied where one case was just in pleading stage, and testimony periods had expired in other).

As described below, Opposer's pleadings raise issues or allege facts that are different than those set forth in its Petition for Cancellation. Accordingly, allowing the Opposition to remain pending will permit Applicant to properly conduct discovery and adduce any necessary testimony on the new issues and allegations raised. See discussion below.

Opposer's Pleading in the Opposition and Cancellation Raise Different Issues and Allege Different Facts That May Require Resolution through Discovery or Testimony

As pointed out in Applicant's Answer, Opposer's pleadings in the subject Opposition are substantively different than those in the Cancellation, and have raised issues or alleged facts not raised or different than those in the Cancellation.

Although the Petition for Cancellation was brought based upon Lanham Act Section 2(e)(1) ((15 U.S.C. § 1052(e)(1)), Opposer plead 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 1994, to identify its retail stores its retail stores for bicycles and related equipment" (emphasis added; i.e., referring to the words BIKE SOURCE as a service mark without regard to form). See Exhibit A.

In contrast, Opposer's Notice of Opposition (also based on Section 2(e)(1)) pleads that Opposer 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 1994*, to identify its retail stores its retail stores for bicycles and related equipment" (emphasis added; i.e., referring to BIKE SOURCE as a service mark in an unidentified "special form"). However, that "special form" is not identified. See Exhibit B. However, to the intent understood, it appears that its stylized form of Opposer's two-word BIKE SOURCE mark was not used until some time just prior to July 31, 2000. See Exhibit C, Responses to Interrogatory 2d. and Interrogatory 6d. Accordingly, Applicant will require time to discover the basis of this apparently inconsistent allegation.

The former allegation would appear to be directly inconsistent with Opposer's position in the Cancellation, as the same words "bike" and "source" that are found in Applicant's mark and are alleged to be merely descriptive, are also precisely the same words forming Opposer's alleged service mark in which it claims common law rights. Indeed, this allegation appears to be dispositive of the Cancellation because to allege common law rights in a mark constitutes an

inherent admission that that mark has secondary meaning, which in turn is antithetical to a claim of mere descriptiveness.

The latter allegation appears to represent a substantive change in position by limiting the allegation of common law rights only to an unspecified special form of BIKE SOURCE. To the extent understood, this would appear to reference a stylized form of Opposer's mark that was recently changed from a one-word form to a two-word form.

Furthermore, Opposer's Motion contains a request that the Board consolidate the subject proceedings "for a determination of Applicant's/Registrant's rights to the service mark in *both the special and the word form.*" See Exhibit D.

Opposer's allegation that BIKESOURCE is Applicant's/Registrant's service mark in both "special" (i.e., apparently referencing a stylized script) and word form is first made in the Opposition. This allegation is directly inconsistent with the allegation of mere descriptiveness on which the Cancellation is based. Without an opportunity to fully discover the basis upon which this allegation is made, Applicant would be prejudiced.

Furthermore, this allegation, coupled with Opposer's allegation of its own common law rights, appears to raise issues of concurrent use not before the Board in the Cancellation. Discovery would be necessary to explore the basis of any claims not properly plead.

Opposer's Motion Comes during a Time when Opposer Continues to make Changes in the Use of the BIKESOURCE Mark

Opposer has continued to make changes in the form of its mark as reflected in the attached Supplemental Response to Applicants Interrogatories in the Cancellation. See Exhibit E.

This Supplemental Response was not served upon Applicant until June 12, 2001 (by mail) well after the close of Opposer's testimony period and well into Applicant's testimony period, even though at least one of the newly disclosed some of the newly disclosed documents existed for at least about six weeks prior to disclosure (see the change of fictitious name document that was created on May 4, 2001).

Without the possibility of additional discovery in the Opposition, Applicant will not be able to properly examine these newly produced items.

There Would be Little Harm, Burden or Prejudice in Allowing the Two Proceedings to Pend Separately

Even if the Cancellation and Opposition pend separately, there would be little additional harm, burden or prejudice to Opposer.

If the Cancellation is resolved in either parties' favor, it is likely that this would resolve the opposition in favor of that same party. Accordingly, because the Cancellation is in such advanced stage, there is effectively no difference in allowing the two actions to continue on parallel paths. That is, if the issue of mere descriptiveness is decided in the Cancellation, this will likely dispose of the Opposition as *res judicata* even if this issue is not formally heard in the consolidated Cancellation/Opposition. The Board need only be advised of the result.

Applicant notes however, that the registered mark in the Cancellation is in a stylized form while the mark in the Opposition is in a block letter form.

Opposer is apparently satisfied with the discovery and testimony it has obtained to date, although it still has the benefit of putting on additional testimony during its upcoming rebuttal testimony period. Accordingly, it would appear that there would be no burden on Opposer for having to conduct additional discovery or adduce additional testimony. In contrast, Applicant would be left with no opportunity to conduct discovery or adduce testimony regarding the new legal and factual issues raised by the Opposition pleadings and the changing factual environment. Accordingly, balancing the harm or prejudice to either side shows that consolidation would effectively prevent Applicant having the opportunity to explore any new issues raised in the Opposition pleadings.

By comparison, while there may be additional expense to both sides, Opposer brought the Opposition, and thus Opposer should expect that its allegations would be fairly challenged through additional discovery or testimony. The balance of expense or effort should therefore fall either equally on both parties, or disproportionately on Applicant who is now forced to respond to and defend the subject Opposition.

#### Conclusion

In view of the foregoing, Applicant respectfully requests that Opposer's motion be denied as prejudicial to Applicant as both as untimely brought with respect to the progress of the Cancellation, and in light of the new legal and factual issues raised by the pleadings and record to date.

Respectfully submitted,

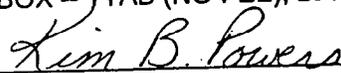
MIDWEST MERCHANDISING, INC.

July 16, 2001  
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 16<sup>th</sup> day of July, 2001 to Assistant Commissioner of Trademarks, BOX -- TTAB (NO FEE), 2900 Crystal Drive, Arlington, Virginia 22202-3513.

  
Kim B. Powers

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing APPLICANT'S MEMORANDUM IN OPPOSITION TO OPPOSER'S MOTION TO CONSOLIDATE PROCEEDINGS was sent U.S. Mail, postage prepaid this 16<sup>th</sup> day of July, 2001 to Mary J. Gaskin, Esq., Attorney for Opposer, Sports Machine, Inc., Annelin & Gaskin, 2170 Buckthorne Place, Suite 200, The Woodlands, Texas 77380.

  
Roger A. Gilcrest  
STANDLEY & GILCREST LLP  
Attorneys for Applicant  
495 Metro Place South, Suite 210  
Dublin, Ohio 43017-5319  
Telephone: (614) 792-5555

00 073

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

In re:

Application No. 76/035,008  
International Class: 035  
Application Date: April 20, 2000  
Mark: BIKESOURCE (Block Letter)

Opposition No.: 122,948

**SPORTS MACHINE, INC.,**  
a Texas Corporation  
d/b/a/ Bike Source,

**ANSWER OF APPLICANT**

Opposer,

v.

**MIDWEST MERCHANDISING, INC.,**  
a Delaware Corporation,

Applicant.

Midwest Merchandising, Inc. ("Applicant") organized under the laws of the State of Delaware and with places of business in Columbus, Ohio; Dublin, Ohio; Westerville, Ohio; Dayton, Ohio; Reynoldsburg, Ohio; Downers Grove, Illinois; Overland Park, Kansas; Lee's Summit, Missouri; Charlotte, North Carolina; and Denver, Colorado, sets forth the following answer.

1: Applicant denies the allegation of Paragraph 1 of the Notice of Opposition. To the extent reference to the "special form of the service mark Bike Source" refers to the design shown in Exhibit 1 hereto, Opposer did not adopt that form of Bike Source until after the filing date of the subject application, and Opposer has not used that form of Bike Source since March 1, 1994.

2: Applicant admits the allegations of Paragraph 2 of the Notice of Opposition.

3: Applicant admits that it sent to Opposer a letter dated February 28, 2000. Applicant denies the remainder of the allegations of Paragraph 3 of the Notice of Opposition.

4: Applicant admits the allegations of Paragraph 4 of the Notice of Opposition.

5: Applicant denies the allegations of Paragraph 5 of the Notice of Opposition.

6: Applicant denies the allegations of Paragraph 6 of the Notice of Opposition.

7: Applicant denies the allegations of Paragraph 7 of the Notice of Opposition.

8: Applicant denies the allegations of Paragraph 8 of the Notice of Opposition.

9: Applicant denies the allegations of Paragraph 9 of the Notice of Opposition.

10: Applicant denies the allegations of Paragraph 10 of the Notice of Opposition.

Applicant respectfully submits that the subject opposition should not be consolidated with Cancellation No. 30,578, as the testimony periods of Petitioner and Registrant therein have already been completed. *Lever Brothers Co. v. Shaklee Corp.*, 214 USPQ 654 (TTAB 1982) (consolidation denied where one case was just in pleading stage, and testimony periods had expired in other). Opposer's motion should also be denied as it is not accompanied by a Brief as required by 3 C.F.R. 2.127(a).

Applicant also objects on the grounds that Opposer's pleadings in the subject opposition and the cancellation proceeding appear to be substantively different.

Compare paragraph 1 of the subject Notice of Opposition to paragraph 1 of the Petition for Cancellation in Cancellation No. 30,578. See Exhibit A.

Applicant also objects on the grounds that Opposer even since the filing of the subject Opposition continues to make changes to its BIKESOURCE mark, just recently adopting BIKE SOURCE as its mark, and removing some appearances of BIKESOURCE as its mark.

Applicant also objects on the grounds that the subject Notice of Opposition was not produced to Applicant in Cancellation Proceeding No. 30,578, yet Opposer's president testified regarding that notice.

### DEFENSES

#### Estoppel/Collateral Estoppel

11. Up until sometime after May 2000 and except for unintentional typographical variations, Opposer has principally used the mark BIKESOURCE as a source-indicative mark (such as on its principal signage and yellow pages listings, and often without regard to any specific stylization of the mark's appearance in telephone directories) for retail stores featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling, and has associated the good will of its retail bicycle services therewith (even in unstylized form).
12. Opposer, at all times relevant including use over a period of years, has otherwise used the mark BIKESOURCE (or its equivalent mark BIKE SOURCE) as a source-indicative mark (including uses without any specific stylization of the mark's appearance, such as in telephone directories, handbills and/or coupons) for retail

stores featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling, and has associated the good will of its retail bicycle services therewith (even in unstylized form). This use also includes word-of-mouth and radio advertisements where both the spelling and stylization of the mark cannot be determined.

13. The dominant portion of Opposer's BIKESOURCE mark (or equivalent BIKE SOURCE mark) is the term "BIKESOURCE" (or the equivalent "BIKE SOURCE" mark) without regard to its stylization.
14. Opposer is therefore estopped to assert or prove that the mark "BIKESOURCE" (or its equivalent mark "BIKE SOURCE") does not have secondary meaning, or otherwise to assert or prove that it functions merely to describe those same services listed in the subject Application (i.e., retail stores featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling).
15. Opposer has alleged in Cancellation No. 30,578, that it has common law rights in the mark BIKE SOURCE (without reference to the stylized form of the mark), and is therefore estopped to assert or prove that the mark "BIKESOURCE" (or its equivalent mark "BIKE SOURCE") does not have secondary meaning, or otherwise to assert or prove that it functions merely to describe those same services listed in the subject Application (i.e., retail stores featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling), which are the same as those listed in U.S. trademark registration No. 1,887,592. See Exhibit A.

Lack of Standing of Opposer

16. Applicant has used its BIKESOURCE mark in Texas is prior to Opposer's first use of the mark BIKESOURCE (or its equivalent BIKE SOURCE) in Texas. Opposer has used its mark BIKESOURCE (or its equivalent BIKE SOURCE) outside Texas. Accordingly, Opposer's use of the mark BIKESOURCE (or its equivalent BIKE SOURCE) as a source-indicative mark for retail stores featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling constitutes an infringement of Applicant's earlier established common law rights both within and outside the State of Texas, and therefore Opposer has no common law rights as a result of that infringement, as alleged in Paragraph 1. To the extent this allegation forms the basis for standing in the subject Opposition, Applicant respectfully submits Opposer has no standing.
17. Opposer's adoption of BIKE SOURCE in a "special form" (to the extent referred to as the stylized form of BIKE SOURCE shown in Exhibit A hereto) was adopted only after the filing date of the subject application and, accordingly, Opposer has no common law rights upon which to base standing in the subject Opposition. To the extent this allegation forms the basis for standing in the subject Opposition, Applicant respectfully submits Opposer has no standing.
18. The dominant portion of Opposer's BIKESOURCE mark (or equivalent BIKE SOURCE mark) is the term "BIKESOURCE" (or the equivalent "BIKE SOURCE" mark) without regard to its stylization.

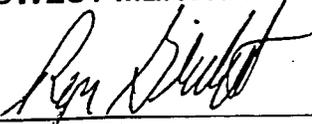
19. Accordingly, Opposer's allegation of harm is based only on facts that amount to nothing more than the complaint of an infringer known to be second in priority. To the extent this allegation forms the basis for standing in the subject Opposition, Applicant respectfully submits Opposer has no standing.

WHEREFORE, Applicant prays that the subject Opposition be dismissed.

Respectfully submitted,

MIDWEST MERCHANDISING, INC.

July 9<sup>th</sup>, 2001  
Date

  
Roger A. Gilcrest  
STANDLEY & GILCREST LLP  
Attorneys for Applicant  
495 Metro Place South, Suite 210  
Dublin, Ohio 43017-5319  
Telephone: (614) 792-5555  
Facsimile: (614) 792-5536

**CERTIFICATE OF FIRST CLASS MAIL**

I hereby certify that this correspondence is being sent via first class mail, postage prepaid this 9<sup>th</sup> day of July, 2001 to Assistant Commissioner of Trademarks, BOX - TTAB (NO FEE), 2900 Crystal Drive, Arlington, Virginia 22202-3513.

  
Kim B. Powers

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing ANSWER OF APPLICANT was sent U.S. Mail, postage pre-paid this 9<sup>th</sup> day of July, 2001 to Mary J. Gaskin, Esq., Attorney for Opposer, Sports Machine, Inc., Annelin & Gaskin, 2170 Buckthorne Place, Suite 200, The Woodlands, Texas 77380.

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. 122,948

Serial No. 76/035,008

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

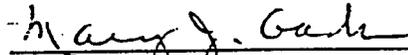
can consider consolidation of both proceedings.

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



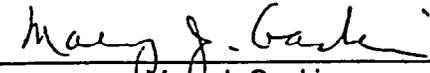
Mary J. Gaskin  
Annelin & Gaskin  
2170 Buckthorne Place, #220  
The Woodlands, Texas 77380  
Phone: (281)363-9121  
Fax: (281)363-4066

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

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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:

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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.

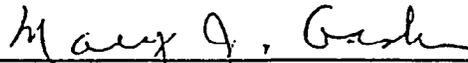
WHEREFORE, Opposer requests that the registration sought by Applicant in Application No. 76/035,008 be refused and that this Notice of Opposition be sustained.

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



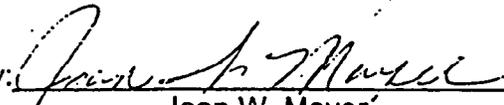
Mary J. Gaskin  
Annelin & Gaskin  
2170 Buckthorne Place, #220  
The Woodlands, Texas 77380  
Phone: (281)363-9121  
Fax: (281)363-4066

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

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PTO Form 1473 (Rev 9/95)  
OMB No. 0651-0009 (Exp 05/31/01)

**\* Trademark/Service Mark Application \***

**\* To the Assistant Commissioner for Trademarks \***

<DOCUMENT INFORMATION>  
<TRADEMARK/SERVICEMARK APPLICATION>  
<VERSION 1.2>

<APPLICANT INFORMATION>

<NAME> Midwest Merchandising, Inc.  
<STREET> 680 N. Lakeshore Drive Suite 1214  
<CITY> Chicago  
<STATE> IL  
<COUNTRY> USA  
<ZIP/POSTAL CODE> 60611  
<TELEPHONE NUMBER> (614) 267-1387  
<FAX NUMBER> (614) 267-1651  
<E-MAIL ADDRESS> vshuff@biggear.com

<APPLICANT ENTITY INFORMATION>

<CORPORATION: STATE/COUNTRY OF INCORPORATION> Delaware

<TRADEMARK/SERVICEMARK INFORMATION>

<MARK> BIKESOURCE  
<TYPED FORM> Yes

~ Applicant requests registration of the above-identified trademark/service mark in the United States Patent and Trademark Office on the Principal Register established by the Act of July 5, 1946 (15 U.S.C. &sect;1051 et seq., as amended). ~

<BASIS FOR FILING AND GOODS/SERVICES INFORMATION>

<USE IN COMMERCE: SECTION 1(a)> Yes

~ Applicant is using the mark in commerce on or in connection with the below-identified goods/services. (15 U.S.C. &sect;1051(a), as amended.). Applicant attaches one SPECIMEN for each class showing the mark as used in commerce on or in connection with any item in the class of listed goods and/or services. ~

<SPECIMEN DESCRIPTION> advertising literature

<INTERNATIONAL CLASS NUMBER> 042

<LISTING OF GOODS AND/OR SERVICES> retail store outlets featuring bicycles, bicycle accessories and replacement parts, and apparel relating to bicycling.

<FIRST USE ANYWHERE DATE> 03/15/1991

<FIRST USE IN COMMERCE DATE> 03/15/1991

<OPTIONAL INFORMATION>

<PRIOR REGISTRATION(S)> "Applicant claims ownership of U.S. Registration Number(s) 1,887,592 resigtered 04/04/95 for BIKESOURCE (Stylized)."

<ATTORNEY INFORMATION>

<NAME> Roger A. Gilcrest  
<STREET> 495 Metro Place S., Suite 210  
<CITY> Dublin  
<STATE> OH  
<COUNTRY> USA  
<ZIP/POSTAL CODE> 43017-5319  
<E-MAIL ADDRESS> rgilcrest@standleyandgilcrest.com  
<FIRM NAME> Standley & Gilcrest LLP  
<TELEPHONE NUMBER> (614) 792-5555  
<FAX NUMBER> (614) 792-5536  
<ATTORNEY DOCKET NUMBER> Bike 1569-004  
<OTHER APPOINTED ATTORNEY(S)> Gail L. Morrissey

<FEE INFORMATION>

<TOTAL FEES PAID> 325  
<NUMBER OF CLASSES> 1

<SIGNATURE AND OTHER INFORMATION>

~ **PTO-Application Declaration:** The undersigned, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. &sect;1001, and that such willful false statements may jeopardize the validity of the application or any resulting registration, declares that he/she is properly authorized to execute this application on behalf of the applicant; he/she believes the applicant to be the owner of the trademark/service mark sought to be registered, or, if the application is being filed under 15 U.S.C. &sect;1051(b), he/she believes applicant to be entitled to use such mark in commerce; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive; and that all statements made of his/her own knowledge are true; and that all statements made on information and belief are believed to be true. ~

<SIGNATURE>  \_\_\_\_\_ \* please sign here\*

<DATE> 4/20/00.

<NAME> Van A. Shuff

SPECIMEN:

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816-525-6000

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