

THIS OPINION IS NOT A
PRECEDENT OF THE TTAB

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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Bose Corporation
v.
Hexawave, Inc.

Opposition No. 91157315

Request for Reconsideration

Charles Hieken and Amy L. Brosius of Fish & Richardson P.C.
for Bose Corporation.

Morton J. Rosenberg of Rosenberg, Klein & Lee for Hexawave
Inc.

Before Hohein, Drost and Kuhlke, Administrative Trademark
Judges.

Opinion by Kuhlke, Administrative Trademark Judge:

On December 6, 2007, opposer filed a timely request for
reconsideration of the decision issued on November 6, 2007,
in which the Board among other things granted applicant's
counterclaim and ordered cancelled opposer's Registration

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No. 1633789 for the mark WAVE (stylized) based on applicant's claim of fraud.

Opposer argues that: 1) "the Board erred when it held that a trademark owner must 'own' the goods at the time it transports them in commerce in order to satisfy the Lanham Act's definition of 'use in commerce' set forth in 15 USC §1127 [and t]he Board also erred to the extent it held that the time between Bose applying the WAVE mark to the goods and Bose transporting the goods preclude[s] Bose from being in compliance with the statutory requirements of 15 USC §1127"; and 2) "[t]he Board erred when it found that 'it was not reasonable for [Bose] to believe that repair services constituted use of the mark in connection with the 'sale or transportation' of 'his or her [e.g., Bose's] goods.'"

Upon review of the evidence of record we find no error in the Board's conclusions.

In regard to the first argument, opposer contends that "[t]he statute simply requires that a mark be placed on goods and the goods be transported in commerce, actions which Bose undertook when it applied the Wave mark to the goods in question, and subsequently repaired and transported those goods in commerce to customers. The statute does not require that Bose have 'legal title' to the goods at the time it transports them." Opposer asserts that the Board misapplied the holding in *Standard Pressed Steel Co. v.*

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Midwest Chrome Process Co., 183 USPQ 758 (TTAB 1974) by concluding that opposer "was required to have 'ownership of the goods' at the time it transported the goods" and misread Karl Storz Endoscopy-America v. Surgical Technologies, Inc., 285 F.3d 848 (9th Cir. 2002) "as stating unequivocally that repair and return of trademarked goods to the entity who requested the repair can never result in a use in commerce."

As noted by opposer, we look to the plain language of the statute. If there is no definition we accord a term its ordinary meaning. Only if the meaning of a term is ambiguous do we look to legislative history for congressional intent. See U.S. v. Ron Pair Enterprises, Inc., 489 U.S. 235, 109 S. Ct. 1026, 1030 (1989); Moskal v. United States, 498 U.S. 103, 108, 111 S.Ct. 461 (1990).; Vectra Fitness, Inc. v. TMWK Corp., 162 F.3d 1379, 49 USPQ2d 1144, 1147 (Fed. Cir. 1998). Further, we must look to the entire statute and not to select portions. See Vectra Fitness, Inc. v. TMWK Corp., supra at 1147.

Pursuant to these strictures, it is appropriate and necessary to look concurrently at the definitions of "trademark" and "use" in making our determination. When viewed in its entirety, the statute does not support opposer's theory. To support a statement of continuing use, a trademark, "used by a person...to identify his or her goods" must be used "in the ordinary course of trade, and

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not made merely to reserve a right in a mark." Use is effected when "his or her" goods are sold or transported.

Opposer argues that ownership or title is not relevant and the fact that opposer was the original source of the goods is sufficient to continue trademark rights as to these goods indefinitely. This contention is not supported by the plain language of the statute. The definition of trademark provides as follows: "(1) used by a person...to identify his or her goods...from those manufactured or sold by others and to indicate the source of the goods." The goods must belong to the trademark owner *and* indicate source, not belong to the trademark owner *or* indicate source. As stated by applicant:

In the instant matter, Bose asserts that the Board has "misapprehended the distinction between having legal title to goods and being the source of the goods, classifying both concepts under the rubric of 'ownership.'" (Citations omitted) Again, this analysis is fundamentally flawed as the inquiry as to whether there is 'use in commerce' pursuant to 15 U.S.C. § 1127 does not direct itself to the 'source,' but rather to the owner of "his or her goods" from "the source of the goods," explicating that one may well use a trademark on "his or her" goods, "even if that source is unknown."

App. Br. p. 6.

Further, to the extent the terms "use" and "transported" present an ambiguity, looking at the legislative history, we note the following passages:

S. 1883 confronts the problem posed by the volume of abandoned or inactive marks ("deadwood") on the Federal Register in three ways. First, it

decreases the terms of trademark registrations ... Second, S. 1883 imposes stricter requirements for maintaining a registration beyond its initial 6 years. Third, the bill's definition of use in commerce will have a dual effect on deadwood: It will preclude the issuance of registrations based on token use, thereby reducing the number of registered marks for which commercial use has not been made, and it will increase the use requirements both for maintaining registrations at the time section 8 affidavits and renewal applications are filed and for defending marks against a claim of abandonment.

...

The most significant change the legislation makes to the law governing applications based on use of a mark in commerce is the revised definition of 'use in commerce' found in Section 38(8) of the bill. The revised definition will increase the amount of use required for obtaining and maintaining trademark rights and is intended to eliminate the current practice of token use as a means for meeting the Act's preapplication use requirements. Consistent with this new definition of 'use in commerce,' and to preclude any inference that the Lanham Act contemplates different types of use, Section 3(7) of the bill strikes the word 'actually' from Section 1(a)(1)(C) of the Act, as redesignated.

...

[T]he definition should be interpreted with flexibility so as to encompass various genuine, but less traditional, trademark uses, such as those made in test markets, infrequent sales of large or expensive items, or ongoing shipments of a new drug to clinical investigators by a company awaiting FDA approval, and to preserve ownership rights in a mark if, absent an intent to abandon, use of a mark is interrupted due to special circumstances.

S. Rep. 100-515 100th Congress 2d Sess., reproduced at 7 J. Thomas McCarthy: McCarthy on Trademarks and Unfair Competition App. A5 (4th ed. 2008).

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Nowhere in the legislative history of this statute, that is designed to be more restrictive with the definition of use, is the exception of use in connection with repair services presented as an illustration that may fit under the term "transported." Thus, our application of Standard Pressed Steel, supra is in accord with the plain language of the statute.¹

Opposer's interpretation would permit a party to exclude others indefinitely from use of a term in connection with goods that they no longer manufacture, sell or keep in inventory. Put simply, this result is not the intention of the Lanham Act. Griffin v. Oceanic Contractors, Inc., 458 U.S. 564, 575, 102 S.Ct. 3245, 3252 (1982) ("Interpretations of a statute which would produce absurd results are to be avoided if alternative interpretations consistent with legislative purpose are available.")

Turning to opposer's second argument, opposer argues that its reliance on the "plain language" of the statute to support its belief that its use in connection with repair services was sufficient use was reasonable and the Board's rejection of that reliance was in error. However, the plain language of the statute does not support opposer's theory.

¹ We further note that we did not rely on Karl Storz, supra for our determination and we did not hold "unequivocally" that any repair and return of trademarked goods "can never result in use in commerce."

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Further, opposer argues that the Board was incorrect to "hold" that "it was not clear from the record that opposer inquired as to its use on the goods prior to signing the Section 8/9 renewal or investigated whether such a belief regarding the repair was warranted." Opposer points to various excerpts from the record in support of its position that Mr. Sullivan knew that the goods "were part of an on-going repair program, which involved transporting the goods to customers in commerce in boxes bearing the WAVE mark." Br. p. 9. While the testimony may show that he knew opposer shipped repaired equipment, that does not establish that it is reasonable to believe that such activity is use to support use in connection with goods.

Moreover, there was conflicting testimony with regard to any inquiries made prior to signing the Section 8/9 renewal. These inconsistencies combined with opposer's strained interpretation of the statute give support to applicant's contention that opposer was merely engaging in post-hoc rationalization.

The purpose of reconsideration is to point out errors made by the Board in reaching its decision. The bases for the findings that the statement in the Section 8/9 renewal was false, that opposer knew it had not manufactured or sold audio tape recorders and players, and opposer's belief that transporting the tape recorders and players back to their

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owners after completing repair services is sufficient to support use in connection with goods to maintain a registration was not reasonable are clearly articulated therein and we do not find any error in reaching those findings. In view thereof, opposer's request for reconsideration of the Board's decision is denied, and the decision of November 6, 2007 stands.

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