

TABLE OF CONTENTS

I. STATEMENT OF THE ISSUES 1

II. STATEMENT OF FACTS 1

III. ARGUMENT 6

 A. Galfer USA Has Proprietary Rights in the WAVE Mark That Predate
 Braking Italy's Alleged Use of the WAVE Mark..... 6

 B. Braking Italy's Later Use of the Identical WAVE Mark for Identical
 Goods Creates a Likelihood of Confusion. 9

IV. CONCLUSION 11

TABLE OF AUTHORITIES

CASES

In re Dixie Restaurants,
105 F.3d 1405 (Fed. Cir. 1997)..... 10

In re E. I. Du Pont de Nemours & Co.,
476 F.2d 1357 (C.C.P.A. 1973)..... 9, 10

Han Beauty, Inc. v. Alberto-Culver Co.,
236 F.3d 1333 (Fed. Cir. 2001)..... 10

Hydro-Dynamics, Inc. v. George Putnam & Co.,
811 F.2d 1470 (Fed. Cir. 1987)..... 7

Levi Strauss & Co. v. R. Josephs Sportswear, Inc.,
28 U.S.P.Q. 2d 1464 (T.T.A.B. 1993)..... 1

Malcolm Nicol & Co. v. Witco Corp.,
881 F.2d 1063 (Fed. Cir. 1989)..... 7, 11

Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772,
396 F.3d 1369 (Fed. Cir. 2005)..... 9

Ritchie v. Simpson,
170 F.3d 1092 (Fed. Cir. 1999)..... 2

In re Shell Oil Co.,
992 F.2d 1204 (Fed. Cir. 1993)..... 11

STATUTES

15 U.S.C. § 1052(d) 6, 7

EVIDENCE OF RECORD

Deposition of Alessandro Milesi, taken Feb. 3, 2005, filed March 4, 20052-6, 8-9

MISCELLANEOUS

1 McCarthy, *Trademarks and Unfair Competition* § 20:4 at 1023-26..... 7, 8

I. STATEMENT OF THE ISSUES

Two issues are presented in this proceeding:

(1) Whether Opposer's earlier and continuous use of the "WAVE" mark for brake rotors has established ownership and priority in the WAVE mark that overrides Applicant's later use of the identical mark for identical goods; and

(2) Whether Applicant's later use of the identical mark for identical goods presents a likelihood of confusion with Opposer's mark, such that Applicant's application for registration of the WAVE mark should be refused.

II. STATEMENT OF FACTS

Opposer, Giocar America, Inc., doing business as Galfer, Galfer USA and Galfer Braking Systems, (hereinafter "Galfer USA"), adopted the WAVE trademark for use with its novel brake rotors in early 1999, and has been using the WAVE mark extensively in the United States since that time. Applicant, Braking Italia S.R.I. (hereinafter "Braking Italy"), on the other hand, has attempted to misappropriate Galfer USA's rights in the WAVE mark by filing on September 16, 2002, the current application for registration of the WAVE mark for use with "brake discs for land vehicles" and claiming a first use date of October 31, 2000.¹ See Application No. 78/164,297. Galfer USA promptly responded by initiating this opposition and asserting its ownership and priority in the WAVE mark, and that Braking Italy's use of the identical mark with identical goods will create consumer confusion. See Notice of Opposition, No. 91159338 (May 13, 2003). Braking Italy admits both that the marks are identical and that the goods are identical. Applicant's Answer (Mar. 10, 2004) at ¶¶ 5, 6.

¹ Braking Italy should not be entitled to its alleged first use date because it has provided no evidence that supports that date. *Levi Strauss & Co. v. R. Josephs Sportswear, Inc.*, 28 U.S.P.Q.2D 1464 (T.T.A.B. 1993) (holding that "in the absence of proof of use, the filing date of the application, rather than the dates of use alleged in the application, is treated as the earliest use date on which the applicant may rely").

Opposition No. 91159338

Galfer USA has proper standing to bring this opposition because Galfer USA has a real interest in the proceedings and reasonably anticipates damage if Braking Italy's application is granted. *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999) (stating that "an opposer must meet two judicially-created requirements in order to have standing -- the opposer must have a 'real interest' in the proceedings and must have a 'reasonable' basis for his belief of damage"). Galfer USA's real interest in the proceeding is established by its longstanding use of the WAVE mark and the goodwill, reputation, advertising, and loyal customer base associated with that mark. Galfer USA can reasonably expect significant damages if Braking Italy's application is granted because consumers will be confused by Braking Italy's contemporaneous registration of the WAVE mark with braking rotors. Therefore, Galfer USA has established standing.

Braking Italy has not submitted any evidence in this proceeding and, therefore, the only evidence before the Board is the file history for Braking Italy's application and the evidence submitted by Galfer USA. The evidence on record submitted by Galfer USA consists of the deposition of Alessandro Milesi, the general manager of Galfer USA, and each of the exhibits attached thereto. Deposition of Alessandro Milesi, taken on Feb. 3, 2005, filed on Mar. 4, 2005, at 8:3 [hereinafter "Milesi Depo"]. Mr. Milesi has been the general manager of Galfer USA since 1992, and provided sworn testimony based on his personal knowledge of Galfer USA's use of the WAVE mark since early 1999. Milesi Depo at 8:2-8:19, 11:10-11:14, 78:9-79:7. Braking Italy did not attend this deposition, despite receiving notice thereof. Milesi Depo at 2:21, 6:12-7:4.

The identical goods at issue in this case are brake rotors used primarily with motorcycles, having an irregular outer surface. Milesi Depo at 11:15-11:22. The curved outer surface gives these rotors advantages over traditional round rotors. Milesi Depo at 69:21-70:3, Exhibit 22 at

Opposition No. 91159338

pages G00231-233.). Galfer USA purchased these rotors from Galfer Industrias S.A. (hereinafter "Galfer Spain"), which is a company located in Spain and is the parent company of Galfer USA. Milesi Depo at 9:20-25. Galfer Spain is a family company owned by three brothers - the "Milesi brothers" - each having an equal one third interest, and Galfer USA, on the other hand, is owned entirely by one of the Milesi brothers, the father of Alessandro Milesi. Milesi Depo at 9:22-10:12. Galfer USA generally uses the same products as Galfer Spain, but is not under the control of Galfer Spain. Milesi Depo at 10:10-21. With respect to the "WAVE" rotors, Galfer USA purchased the rotors from Galfer Spain in late 1998, and at that time Galfer USA became the first entity in the United States to refer to those rotors as "WAVE" rotors. Milesi Depo at 13:3-17.

Galfer USA first began promoting the sale of the new WAVE rotors in the United States at the beginning of 1999. Milesi Depo at 15:23-16:2. Galfer USA was eager to publicize its WAVE rotors in early 1999 because the most important trade show of the year would take place in Indianapolis in February 1999. Milesi Depo at 17:18-18:4, 76:19-76:20. From Galfer USA's perspective, the best way to introduce a new product in the motorcycle industry is to promote it at the annual Indianapolis show. Milesi Depo at 18:2-18:4. Accordingly, prior to February 1999, Galfer USA updated its website to include the WAVE mark and contacted its existing customers to encourage them to attend the Indianapolis show to see Galfer USA's new WAVE rotor. Milesi Depo at 17:2-17:5, 17:18-18:9, 21:6-21:9; Exhibit 2. Throughout this preliminary promotional work, Galfer USA consistently used the WAVE mark to describe its new rotors. Milesi Depo at 18:19-19:2.

At the trade show in Indianapolis in February 1999, Galfer USA displayed the WAVE rotor, and distributed promotional literature identifying Galfer USA's new product as the WAVE

Opposition No. 91159338

rotor. Milesi Depo at 19:21, 21:3, 47:9. Braking Italy's United States group attended the same trade show and did not promote a rotor bearing the WAVE mark. Milesi Depo at 22:8-22:14.

Immediately following the trade show, Galfer USA made its first sale in the United States of a WAVE rotor on February 17, 1999. Milesi Depo at 28:2-28:3, Exhibit 3. The record also includes six additional invoices recording United States sales of the WAVE rotor in early 1999. Exhibit 4 of Milesi Depo. For each of the sales, Galfer USA referred to the rotors as WAVE rotors. Since February 1999, Galfer USA has continuously used the WAVE mark in the United States in connection with sales of its WAVE rotors. Milesi Depo at 28:2-28:9, 77:3, 78:17-78:24, Exhibit 4.

In addition to continuous sales since early 1999, Galfer USA has extensively promoted its WAVE mark, which has afforded Galfer USA tremendous consumer recognition as being the source of the WAVE rotors. These promotional efforts include: print advertisements, Milesi Depo at 67:2-67:3, 67:18-67:19, 68:11-68:12, 71:7-71:17, Exhibits 22 (pages G00214, 216, 217, 219) and 23; trade shows, Milesi Depo at 76:17-77:7; exhibition books distributed at trade shows, Milesi Depo at 64:23-65:8, 66:6-66:18, Exhibit 22 (pages 210, 212); product packaging, Milesi Depo at 28:25-29:1, 30:21-30:23, Exhibits 5, 6; catalogs, Milesi Depo at 47:20-47:22, 51:16-51:19, 54:8-54:12, 72:24, Exhibits 13, 15, 16, 24; flyers, Milesi Depo at 46:16-47:6, 58:7-58:12, 60:4-60:22, Exhibits 12, 18, 19; calendars, Milesi Depo at 65:18-65:22, Exhibit 22 at (page G00211); displays on its website, Milesi Depo at 16:11-17:5, 57:2-57:19, Exhibits 2 and 17; and promotional literature explaining to dealers how to promote the WAVE rotors, Milesi Depo at 69:21-70:12, Exhibit 22 at (pages G00231 - 233). Galfer USA has prepared and distributed thousands of catalogs and brochures to existing and potential customers to promote

Opposition No. 91159338

its WAVE rotors. Milesi Depo at 52:11-52:12, 53:2, 59:10, 60:15-60:16, 60:25-61:2, 75:19-75:23.

Third parties recognize Galfer USA as the source of WAVE rotors. For example, Galfer USA's distributors used the WAVE mark in their advertisements for retail sale of Galfer USA's WAVE rotors. Milesi Depo at 44:13-45:1, 61:19-62:3, 63:3-63:14, Exhibits 11, 20, 21. One such ad was placed by Starting Line Products in December of 1999. Milesi Depo at 44:13-44:20, 45:4-45:7, Exhibit 11. Galfer USA has also policed its distributors to verify their proper promotion of the WAVE rotors in advertisements. Milesi Depo at 62:9-62:15, 63:20, 69:21-70:12, Exhibit 22 at (pages G00231 - 233). Several news magazines have also used the WAVE mark in publications describing Galfer USA's rotors. Milesi Depo at 31:23-31:25, 66:20-67:1, 67:7-67:14, 67:23-68:9, 68:13-68:14, 68:17-68:19, 68:24-69:3, 69:13-69:20, Exhibits 7, 22 (pages G00213, 215, 218, 220, 221, 222, 225, 226, 228). For example, a description of Galfer USA's new WAVE rotor appears in the July 1999 issue of *Dealernews* magazine; Milesi Depo at 31:23-31:25, Exhibit 7; the July 2003 issue of *Dealernews* has a full-page article about Galfer USA's WAVE rotors, Milesi Depo at 67:23-68:9, Exhibit 22 (page 218); and Galfer USA's WAVE rotors are discussed in the February 2004 issue of *Dirt Wheels* magazine, Milesi Depo at 69:13-69:20, Exhibit 22 (page 228).

In addition, Braking Italy itself recognized Galfer USA's prior use of the mark. Milesi Depo at 37:9-38:20, Exhibits 8, 9. In a fax dated July 21, 1999, Mr. Bruno Greppi, then-president of Braking Italy, acknowledged that Galfer USA was the first to introduce the WAVE rotors in the United States. Milesi Depo at 34:13-34:20, 37:9-38:20, Exhibits 8, 9. Mr. Greppi's faxed statement includes the line "You wanted to be the first one!!" Milesi Depo at 38:2-38:10, Exhibits 8, 9 (emphasis in original). Mr. Greppi wrote this fax after seeing the July 1999 issue of

Opposition No. 91159338

Dealernews describing Galfer USA's new WAVE rotor. Milesi Depo at 38:14-38:20, Exhibits 8, 9. Mr. Greppi's fax makes clear his disappointment that Galfer USA beat Braking Italy to the market. Milesi Depo at 38:14-38:20, Exhibit 8, 9.

Galfer USA, a United States company, has always maintained complete control over its use of its WAVE mark in the United States. Milesi Depo at 38:21-39:8. In fact, Braking Italy worked under the direction of Galfer Spain by manufacturing braking rotors for Galfer Spain, which were later called the "WAVE" rotors. Galfer Spain then sold the braking rotors - without the WAVE mark thereon - to Galfer USA. Milesi Depo at 13:9-13:17, 15:11-15:19, 29:12-30:6. Galfer USA is not owned in any part by Braking Italy and has never operated under a license from Braking Italy. Milesi Depo at 10:11, 39:9-39:16. Galfer USA alone provided technical support and customer service for the WAVE rotors that Galfer USA sold in the United States. Milesi Depo at 39:22-40:6. As a result, Galfer USA has created valuable trademark rights in its WAVE mark, and consumers recognize Galfer USA as the source of WAVE rotors. Milesi Depo at 40:19-41:1, 44:13-44:20, 66:20-67:17.

Based on Galfer USA's use and rights in its WAVE mark since 1999, Galfer USA has filed an application with the USPTO for registration of its WAVE mark. Galfer USA's application has been stayed as a result of this opposition proceeding. (Application No. 76/517,881, filed May 29, 2003).

III. ARGUMENT

A. Galfer USA Has Proprietary Rights in the WAVE Mark That Predate Braking Italy's Alleged Use of the WAVE Mark.

In an opposition based on § 1052(d),² the "opposer must prove that it has proprietary

² Trademark applications are properly rejected if the mark sought to be registered "so resembles.

Opposition No. 91159338

rights in the term it relies upon to prove likelihood of confusion." *Malcolm Nicol & Co. v. Witco Corp.*, 881 F.2d 1063, 1065, (Fed. Cir. 1989)(citing to 1 McCarthy, *Trademarks and Unfair Competition* § 20:4 at 1023-26). The opposer can establish rights in the term by showing "ownership of a registration, prior use of an unregistered mark, prior use in advertising, or as a trade name, or any other type of use which has resulted in establishing a trade identity." *Id.* As indicated by this list, any of a wide variety of prior uses suffices to establish priority. Prior use of the term in a strict trademark sense is not necessary to succeed in an opposition. *Malcolm Nicol & Co. v. Witco Corp.*, 881 F.2d 1063, 1065, (Fed. Cir. 1989).

Thus, Galfer USA must establish, first, that its use of WAVE predates Braking Italy's use, and, second, that Galfer USA's use of WAVE established a trade identity. In making this showing, Galfer USA need only meet the low threshold of a preponderance of the evidence. *Hydro-Dynamics, Inc. v. George Putnam & Co.*, 811 F.2d 1470, 1472 (Fed. Cir. 1987). Braking Italy enjoys no special presumptions of priority or validity as a result of its trademark application. *Hydro-Dynamics, Inc. v. George Putnam & Co.*, 811 F.2d 1470, 1472 (Fed. Cir. 1987) (explaining that "the act of filing a trademark application is accompanied by no legal presumption whatsoever" and that "trademark ownership [is] accorded to the first bona fide user").

An opposer can show that its prior use established a trade identity by showing "use of a nature and extent such as to create an association of the term with the user's goods." *Malcolm Nicol & Co. v. Witco Corp.*, 881 F.2d 1063, 1065, (Fed. Cir. 1989)(citing to 1 McCarthy,

. . . a mark or trade name previously used in the United States by another . . . as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1052(d).

Opposition No. 91159338

Trademarks and Unfair Competition § 20:4 at 1023-26). Examples of such use include use of the mark "in advertising brochures, in catalogues and newspapers, and in press releases and trade publications." *Id.*

Galfer USA has proven that it has used the WAVE mark extensively in commerce as a trademark, and that it has priority rights in the mark. Galfer USA's use of the mark in the United States clearly predates Braking Italy's alleged use. Galfer USA's use of the mark began in early 1999, prior to the February 1999 trade show in Indianapolis. Milesi Depo at 78:13. Mr. Milesi, Galfer USA's general manager, testified to the efforts Galfer USA made to promote the WAVE rotor before and during the Indianapolis show, including contacting customers, advertising the rotors on the Galfer USA website, and preparing displays and promotional literature. Milesi Depo at 17:18-21:9. Immediately following the successful introduction of the WAVE rotor at the show, Galfer USA made its first sale of the WAVE rotor in the United States on February 17, 1999. Milesi Depo at 28:2-28:3. Galfer USA has been continuously selling, advertising, and promoting the WAVE rotor in the United States ever since. Milesi Depo at 79:6-79:7.

In Braking Italy's current application for registration, it alleges a date of first use of the WAVE mark in commerce of October 31, 2000, which is nearly two years after Galfer USA's first use in commerce.

Galfer USA's use of its WAVE mark established an association in the minds of the purchasing public between the WAVE mark and Galfer USA's brake rotors. Third party newspapers and news magazines have used Galfer USA's WAVE mark in articles and press releases describing the new rotors. Milesi Depo at 31:23-31:25, 66:20-67:1, 67:7-67:14, 67:23-68:9, 68:13-68:14, 68:17-68:19, 68:24-69:3, 69:13-69:20, Exhibits 7, 22 (pages G00213, 215, 218, 220, 221, 222, 225, 226, 228). Galfer USA's customers have used the mark in print

Opposition No. 91159338

advertisements and webpages to promote the rotor to their customers. Milesi Depo at 44:13-45:1, 61:19-62:3, 63:3-63:14, Exhibits 11, 20, 21. Galfer USA has consistently used the WAVE mark to describe these rotors since Galfer USA first introduced them in 1999. Milesi Depo at 15:23-16:2, 78:17-78:24. Galfer USA's catalogs, flyers, and brochures are evidence of its use of the WAVE mark to market the rotors directly to customers. Galfer USA's consistent and extensive advertising campaign and use of the mark, including uses by third parties to identify Galfer USA's rotors, are evidence that the public identifies the WAVE mark with Galfer USA's rotors.

Because Galfer USA's use of the WAVE mark predates Braking Italy's alleged use and has established consumer recognition in the term, Galfer USA has priority rights in the WAVE mark.

B. Braking Italy's Later Use of the Identical WAVE Mark for Identical Goods Creates a Likelihood of Confusion.

The Federal Circuit has adopted the thirteen DuPont factors as the relevant test for determining likelihood of confusion. *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 1371 (Fed. Cir. 2005), citing *In re E. I. Du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973).³ In considering this thirteen factor test,

³ The thirteen DuPont factors are:

- (1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.
- (2) The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.
- (3) The similarity or dissimilarity of established, likely-to-continue trade channels.
- (4) The conditions under which and buyers to whom sales are made, i.e. "impulse" vs. careful, sophisticated purchasing.

Opposition No. 91159338

"the [Trademark Trial and Appeals] Board need not discuss every factor, but may focus its analysis on dispositive factors, such as similarity of the marks and relatedness of the goods." *Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 1338 (Fed. Cir. 2001); *In re Dixie Restaurants*, 105 F.3d 1405, 1407 (Fed. Cir. 1997) (explaining that "any one of the [DuPont] factors may control a particular case" and holding that "[b]ecause the dominant portion of [Appellant's mark] and design is identical to the [Appellee's] mark, and because the two marks are for identical services, the two marks are likely to cause confusion").

In this case, the first and second DuPont factors, concerning evidence of identical marks and identical goods, are dispositive on the issue of likelihood of confusion. The remaining DuPont factors also support this conclusion, particularly the third, fifth, and twelfth factors, concerning, respectively, the similarity of channels of trade, the extent of the prior user's sales

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- (5) The fame of the prior mark (sales, advertising, length of use).
 - (6) The number and nature of similar marks in use on similar goods.
 - (7) The nature and extent of any actual confusion.
 - (8) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.
 - (9) The variety of goods on which a mark is or is not used (house mark, "family" mark, product mark).
 - (10) The market interface between applicant and the owner of a prior mark: (a) a mere "consent" to register or use, (b) agreement provisions designed to preclude confusion, i.e. limitations on continued use of the marks by each party, (c) assignment of mark, application, registration and good will of the related business, (d) laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.
 - (11) The extent to which applicant has a right to exclude others from use of its mark on its goods.
 - (12) The extent of potential confusion, i.e., whether de minimis or substantial.
 - (13) Any other established fact probative of the effect of use.

In re E. I. Du Pont de Nemours & Co., 476 F.2d 1357, 1361 (C.C.P.A. 1973).

Opposition No. 91159338

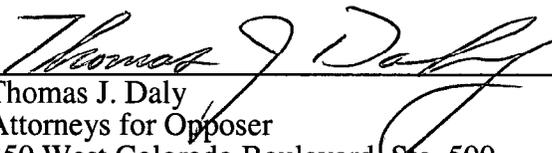
and advertising, and the extent of potential confusion. Braking Italy has admitted that its mark and goods are identical to Galfer USA's mark and goods. See Applicant's Answer at ¶¶ 5, 6. Likelihood of confusion cannot be contested when the goods and marks are identical. See *Malcolm Nicol & Co. v. Witco Corp.*, 881 F.2d 1063, 1064 n.2, (Fed. Cir. 1989) ("The TTAB also determined that confusion is likely from the parties' contemporaneous use of the same mark on the same goods -- a view that we share."). Identity of the marks alone can be enough to make confusion likely. See *In re Shell Oil Co.*, 992 F.2d 1204, 1207 (Fed. Cir. 1993) (noting that "even when goods or services are not competitive or intrinsically related, the use of identical marks can lead to the assumption that there is a common source"). Therefore, the identical marks and identical goods in this case demand a finding of likelihood of confusion.

IV. CONCLUSION

Galfer USA has established that it has priority rights in the WAVE trademark in connection with brake rotors, and that Braking Italy's application for the identical mark in connection with identical goods presents a likelihood of confusion with Galfer USA's mark. Therefore, Braking Italy's application for registration should be denied.

Respectfully submitted,
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Date: July 21, 2005



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Opposition No. 91159338

Docket No. 110.2*1/TJD/G480

CERTIFICATE OF MAILING AND SERVICE

I certify that on July 21, 2005, the foregoing **BRIEF FOR OPPOSER** is being deposited with the United States Postal Service by first-class mail addressed to:

Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451

I further certify that on July 21, 2005, the foregoing **BRIEF FOR OPPOSER** is being deposited with the United States Postal Service by first-class mail addressed to:

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