Oral Hearing:
March 30, 2006

Mailed:
February 15, 2007

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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Krause Publications, Inc.

v.

Chester L. Krause

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Opposition No. 91160072 to application Serial No. 76504857
filed on April 2, 2003

Brian G. Gilpin of Godfrey & Kahn, S.C. for Krause Publications, Inc.

John A. Clifford of Merchant & Gould P.C. for Chester L. Krause.

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Before Seeherman, Hairston and Zervas, Administrative Trademark Judges.

Opinion by Zervas, Administrative Trademark Judge:

Applicant, Chester L. Krause, seeks registration on the Principal Register of the mark KRAUSE (in standard character form) under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), for "museum services" in International Class 41.[1] The application contains an allegation of first use and

[1] Application Serial No. 76504857, filed April 2, 2003.

first use in commerce in 1959. Applicant has entered a claim of acquired distinctiveness under Section 2(f) of the Trademark Act, 15 U.S.C. § 1052(f), pursuant to a declaration dated October 30, 2003, which claims in relevant part "[t]hat the mark KRAUSE has become distinctive of the services herein through substantially exclusive and continuous use in commerce for at least the five years immediately before the date of this statement." Also, applicant has entered the following statement in the application: "The name 'KRAUSE' identifies a living individual, 'Chester L. Krause', the Applicant herein."

Opposer, Krause Publications, Inc. ("KPI"), filed a timely notice of opposition to registration of applicant's mark. In the notice of opposition, opposer has pleaded ownership of Registration No. 2573101[2] for the mark KRAUSE PUBLICATIONS (in typed or standard character form) for goods and services in four International Classes, and that Registration No. 2573101 was the subject of a cancellation proceeding, No. 92-041171, brought by applicant herein. Notice of opposition, ¶¶ 2 and 7. (On November 18, 2006, long after opposer filed the notice of opposition in this case, the Board ordered cancellation of the goods and services in three of the four International Classes in Registration No. 2573101; the International Class 41

[2] Registration No. 2573101 issued May 28, 2002.

services, namely, "entertainment services in the nature of competitions and awards in the field of cutlery," survived the cancellation proceeding.) Additionally, opposer has pleaded that it "has been using the mark KRAUSE PUBLICATIONS in commerce since at least as early as 1969 in connection with various publishing activities, including periodicals and books about antique automobiles, automobile restoration, and automobile collecting.".

In the notice of opposition, opposer claims as follows:

> 3. On information and belief, Applicant has never used, is not currently using, and has no plans to use the term "Krause" as a trademark in interstate commerce in connection with the Alleged Services [that is, "museum services"]. In a sworn deposition in Cancellation Action No. 92-041171, Applicant admitted that he has never used nor does he have plans to use the term "Krause" in connection with "museum services." Rather, Applicant stated he has a private collection of automobiles that is not open to the public and may be viewed on an invitation basis only. Applicant stated that he does not charge an admission fee to view his collection. Further, Applicant testified that he does not advertise and promote his private collection to the general public because he does not want the responsibility of operating a museum with staff, regular business hours, advertising ….
>
> 4. On information and belief, Applicant has fraudulently and falsely stated that he has used the term "Krause" as a trademark in interstate commerce and has fraudulently and falsely stated the dates of first use and first use in commerce in the above identified application. Namely, Applicant admitted in a sworn deposition in Cancellation Action No. 92-0411171 that his use of the term "Krause Auto Collection" is for a personal hobby

> activity of recent vintage and Applicant's use is not trademark use at all, much less trademark use of the term since 1959. Applicant's specimen of use in connection with the subject application is a picture of him standing next to a sign reading "Krause Auto Collection." According to his sworn deposition testimony: the sign was erected just four or five years ago; business cards identifying Applicant as the founder of the "Krause Auto Collection" were first printed after October 2002; and "Krause Auto Collection" letterhead has been used for around five years or so. These are not trademark uses, and more importantly, Applicant has never used the word "KRAUSE" to identify any goods or services sold in interstate commerce, particularly in connection with the Alleged Services."

Opposer further claims (i) that applicant fraudulently and falsely stated in his Section 2(f) declaration that applicant has used "Krause" since as early as 1959 and that "Krause" has become distinctive of applicant's services by virtue of applicant's substantially exclusive and continuous use of the term for at least five years; and (ii) that it "has been using the mark KRAUSE PUBLICATIONS in commerce since at least as early as 1969 in connection with various publishing activities, including periodicals and books about antique automobiles, automobile restoration, and automobile collecting"; and that "Applicant's use of the term for which he is seeking registration is therefore likely to cause confusion, or to cause mistake, or to deceive consumers familiar with KPI's prior use of a mark incorporating the

term 'Krause,' KRAUSE PUBLICATIONS." Notice of opposition, ¶¶ 7 and 9. Trademark Act Section 2(d), 15 U.S.C. §1052(d).

Applicant, in his answer, has admitted that opposer is the current owner of record of Registration No. 2573101. Applicant has also admitted that opposer has been using the mark KRAUSE PUBLICATIONS in commerce since at least as early as 1969 in connection with various publishing activities, including periodicals and books about antique automobiles, automobile restoration, and automobile collecting. Applicant has denied the remaining salient allegations of the notice of opposition.

Both opposer and applicant have filed briefs in this case. An oral hearing was held on March 30, 2006.

Evidentiary Issues

Several evidentiary issues require our attention before we address the merits of opposer's claims.

First, opposer, with its first notice of reliance, submitted excerpts from applicant's June 16 – 17, 2004 discovery deposition taken in the prior cancellation proceeding. This discovery deposition was not made of record in the prior proceeding. Because it is not an official document, and no other means are available to opposer to enter this discovery deposition into the record in the present proceeding by means of the notice of reliance procedure, it is not properly of record. See Trademark Rule

2.120(j), 37 C.F.R. § 2.120(j); TBMP § 704.09 (2d ed. rev. 2004). We therefore do not further consider the excerpts from applicant's June 16 – 17, 2004 deposition.

Second, opposer also submitted with its first notice of reliance excerpts from the January 6, 2005 discovery deposition of Roger A. Case, opposer's designated Fed. R. Civ. P. 36 witness in this proceeding.[3] Because the discovery deposition of a person designated under Fed. R. Civ. P. 30(b)(6) to testify on behalf of a party may only be offered in evidence by an adverse party, the excerpts from Mr. Case's deposition are not properly of record. See Trademark Rule 2.120(j); and TBMP § 704.09 (2d ed. rev. 2004). We hence do not further consider the excerpts from Mr. Case's deposition.

Third, opposer has moved to strike (under Fed. R. Evid. 702) the testimonial deposition of Dr. Lyndel I. King, Director and Chief Curator of the Weisman Art Museum at the University of Minnesota, who is applicant's designated expert on the definition of a "museum" and on whether applicant's institution qualifies as a "museum." Opposer maintains that Dr. King's testimony will not assist the Board in understanding or analyzing the evidence or in determining an issue of fact; and that her testimony was not

[3] In its notice of reliance, opposer states that the deposition was from the prior proceeding. However, the deposition itself bears the case caption for the present proceeding.

scientific, technical or otherwise based on specialized knowledge. Motion at p. 1. According to opposer, Dr. King's experience lies with tax-exempt, not-for-profit public art museums and in accrediting museums for the American Association of Museums, and not with museums of the type which applicant maintains he has, i.e., a museum which is *not* a tax-exempt, not-for-profit enterprise; that because Dr. King has relied on a common dictionary definition of "museum" in providing her testimony, the Board does not require her testimony; that there is no foundation for much of her testimony as required under Fed. R. Evid. 702 because she has never met or interviewed applicant, or visited his alleged museum, and did not know much about it, including its location, whether it was open to the public, and how long it had been in operation; and that in preparing for her testimony, she only reviewed two DVDs concerning applicant, an auction catalog and a draft pamphlet featuring fewer than two dozen Jeeps. Further, opposer maintains that Dr. King did not have the "factual foundation and the requisite professional experience" to conclude that applicant's collection of vehicles qualifies as an automobile museum because she admitted in her deposition that "automobile museums are not my specialty" and because she has visited only one automobile museum. Motion at pp. 2 - 4.

Applicant, in response, argues that Dr. King is qualified to provide an expert opinion on the definition of a "museum" and on whether applicant's institution qualifies as a "museum." Response to motion at p. 6. Further, applicant maintains that Dr. King's testimony will assist the Board in determining that applicant has been providing museum services, and that the materials reviewed by Dr. King – including applicant's notebooks and photographs - are sufficient to enable her to render an opinion. As to Dr. King's admission that "automobile museums are not my specialty," and her qualifications as an expert, applicant maintains that "particular facts regarding the nature of automobiles in [the] museum" are not the basis for her testimony – the basis is whether "applicant's establishment qualifies as a museum." Response to motion at p. 9.

Fed. R. Evid. 702 indeed provides that if "specialized knowledge" will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training or education may testify thereto under certain circumstances. Applicant has established that Dr. King has the necessary knowledge, experience and education, and the "specialized knowledge" that will assist us in determining what is encompassed in "museum services" and whether applicant has provided "museum services." She has a

doctorate in art history and a degree from the Museum Management Institute, and over twenty-five years of professional experience in the museum field. Dr. King has presented lectures on the subjects of art and museum studies, has authored various materials pertaining to museums, including articles in *Museum News* and *International Museum Journal* and a chapter for a museum studies textbook. Also, she has coordinated and directed numerous exhibitions and museum programs, is a member of several national and international museum societies, is a Board member of the American Association of Museums wherein she makes recommendations to a central committee regarding the accreditation of museums, and belongs to the Association of Art Museum Directors. King dep. pp. 5-8; response to motion at p. 4.

Further, we do not deem applicant's statement "automobile museums are not my specialty" inimical to Dr. King's qualifications to testify on the matters for which her testimony has been offered in this case. The definitions of "museum" discussed below do not distinguish between automobile and non-automobile museums, and opposer has not argued that automobile museums have any particular concerns that mandate consideration different from other museums. Also, Dr. King's failure to visit applicant's facilities or to know specific information such as whether

it has hours of operation does not require that we exclude her testimony. Thus, opposer's challenges to applicant's witness are not well taken and opposer's motion to strike is denied. We have, however, in considering Dr. King's testimony, given it the weight it is due in light of the concerns raised by opposer in its motion.

The Record

The record consists of the pleadings; the file of the involved application; the trial testimony, with related exhibits, of applicant taken on April 14, 2005; and the June 27, 2005 trial testimony, with related exhibits, of Dr. King. Also, pursuant to opposer's two notices of reliance, the record includes the following: applicant's answers to opposer's first set of interrogatories; portions of applicant's answers to opposer's requests for admissions; applicant's responses and objections to opposer's first document requests;[4] excerpts of applicant's March 17, 2004 discovery deposition testimony from the prior proceeding along with certain exhibits thereto, including a copy of Registration No. 2573101, which was asserted by opposer in

[4] Documents produced in response to a request for production of documents may not be made of record by notice of reliance. See Trademark Rule 2.120(j)(3)(ii). Opposer is not attempting to rely on any documents provided by applicant – the response states in part that applicant does not have documents responsive to certain requests and provides some limited information about applicant, e.g., that he has not accepted cash donations "from persons who have been provided 'museum services.'" Response to document request nos. 42 and 46.

its notice of opposition; applicant's August 24, 2004 trial deposition testimony from the prior proceeding; and various trial exhibits from the prior proceeding.[5]

Pursuant to applicant's notice of reliance, certain additional exhibits from the prior proceeding are in the record.

Background

Applicant began his professional career as a carpenter. Applicant was a coin collector, and, in 1952, began a monthly collector's newspaper named *Numismatic News*. In 1961, applicant began publishing a periodical named *Coins Magazine*. Three years later, in 1964, applicant formally incorporated his publishing operations under the name "Krause Publications, Inc.," which was located in Iola, Wisconsin. This company – KPI - is the opposer in the current proceeding. KPI grew and eventually became a major publisher of hobby magazines. For nearly fifty years, applicant was KPI's president and/or chairman of the Board. Between 1988 and 1995, applicant arranged for KPI and its Employee Stock Ownership Plan to acquire KPI in a series of stock transactions. After KPI had been acquired, applicant became an employee of KPI. In 2002, the KPI Employee Stock

[5] On September 1, 2005, opposer withdrew, with applicant's consent, its Exhibits 19 and 20 consisting of correspondence between applicant's and opposer's attorneys concerning discovery requests, filed with its second notice of reliance. Accordingly, we do not further consider Exhibits 19 and 20.

Ownership Plan sold its shares to F&W Publications, and applicant was terminated as a KPI employee.

Applicant has been the subject of numerous articles and books on collecting, and has coauthored *The Standard Catalog of World Coins*. Applicant received the Farran Zerbe Award of the American Numismatic Association ("ANA") in 1977, ANA's Numismatist of the Year award in 1999 and ANA's Lifetime Achievement Award. In connection with car collecting, applicant has received "The Friend of Automotive History Award" and, in 1995, the "Collector Car Hobby's Person of the Year" award, known as the "Meguiar's Award." Also, in 2004, the Society of Automotive Historians featured applicant and his vehicle collection in a film entitled "A Walk Through Automotive History With Chet Krause."

Further, in 1972 or 1973, in conjunction with the launch of a KPI publication called *Old Cars*, applicant founded the Iola (Wisconsin) Old Car Show. The show is an annual event that attracts approximately 140,000 people over four days. Applicant has displayed his vehicles in the show each year since the car show began.

Standing

As noted above, the record contains a copy of Registration No. 2573101 for the mark KRAUSE PUBLICATIONS, and applicant has admitted that opposer is the current owner of this registration. In view thereof, we find that opposer

has established its standing to oppose registration of applicant's mark. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

Non-Use

We turn now to opposer's allegation in paragraph 4 of the notice of opposition that applicant has not used KRAUSE in commerce in connection with "museum services."[6] An application is void ab initio if the applied-for mark was not in use in commerce at the time of the filing of the application. See Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a); *Intermed Communications, Inc. v. Chaney*, 197 USPQ 501 (TTAB 1977) (application void where the INTERMED mark had never been used in the United States on or prior to the filing date in association with the services described in the application); *Justin Industries, Inc. v. D.B. Rosenblatt, Inc.*, 213 USPQ 968 (TTAB 1981) (application void where application filed before first order or sale and delivery of goods under the mark occurred). However, because applicant's activities prior to the filing date of his application are relevant to whether he was providing museum services at the time he filed his application, we

[6] The parties' arguments in their respective briefs as to what facts are undisputed are noted and have been considered.

consider his activities beginning from the time he maintains he first used KRAUSE in connection with "museum services," i.e., in 1959. Applicant purchased his first vehicle for his vehicle collection – a 1924 Model T truck – in the spring of 1959.[7]

He restored the truck in the fall of 1959. After the restoration, "the truck had a sign on it identifying what it was and who owned it, and … 'Chet Krause,' was on the sign." Krause April 14, 2005 dep. p. 15. Applicant used this vehicle in parades "around the county … and [in] Stevens Point as well, which is out of the county." *Id*. When not in use, applicant often let the vehicle "sit outside" because applicant did not have "a proper cover for it," or he maintained the vehicle in a barn next to what was then his home. *Id*. at pp. 28 and 30.

Applicant acquired an additional vehicle in 1961, namely, a Model T Roadster. He did not acquire any additional vehicles until the mid-1970s when KPI, and not applicant in his individual capacity, began purchasing vehicles. Between 1974 and 1984, KPI acquired thirty-three vehicles, and sold all but five in 1985. KPI acquired more vehicles soon after the 1985 sale. Also, The Krause

[7] Opposer notes that applicant's testimony conflicts with the 1961 date on the title for the vehicle. The difference in dates does not affect our analysis of opposer's claim.

Foundation, established by applicant, acquired vehicles.[8] In 2002, KPI and the Krause Foundation owned approximately 55 vehicles. Through the 1990s, applicant purchased additional vehicles and engines, and in 2002, applicant purchased many of the vehicles owned by KPI.

In 2003, applicant began to sell portions of his collection. He sold about forty to fifty military vehicles to a museum in the Netherlands in 2003. On June 5, 2004, applicant auctioned approximately 155 cars, trucks, tractors and gasoline engines that were in his personal collection, and retained approximately six automobiles after the auction. Applicant received about $2 million for the vehicles that he sold in the auction. Currently, applicant's collection consists of "five or seven automobiles … four half and three-quarter ton Dodge items" and sixteen Jeeps. *Id.* at pp. 32, 92.

As noted above, applicant initially maintained his 1924 Model T truck in a barn adjacent to his home. In the 1970s, applicant moved the two vehicles in his collection to a steel building on KSI property located on East State Street in Iola, Wisconsin. The area where the vehicles were stored was not opened to the general public because it was also used in connection with the business operations of KPI. In

[8] According to applicant, the Krause Foundation currently owns one or two vehicles.

1996, applicant purchased five acres of land located on Aanstad Road in Iola, Wisconsin, and applicant built a warehouse on the land to store his vehicles. In 1997, approximately 30 vehicles owned both by KPI and applicant were moved into the new warehouse. Other buildings were built later on applicant's Aanstad Road property and additional vehicles were moved into the buildings. After the June 2004 auction, applicant sold the buildings but has leased one building back.

When he owned the Aanstad Road buildings, applicant allowed members of the general public into these buildings provided they obtained his permission or the permission of one of two of KPI's employees whose duties involved maintaining the collection of vehicles. One employee was a mechanic and the other was a "housekeeper who washed cars, kept the grease off the floor." *Id.* at p. 25. Applicant and KPI did not, and applicant does not, maintain regular hours for public viewing of applicant's and/or KPI's vehicles.

Further, applicant has testified that he did not advertise his collection. ("Let me say, we never placed paid advertising and mentioned the collection." *Id.* at p. 42.) No federal, state, county or local tourism agencies or chambers of commerce have listed, featured or advertised applicant's alleged museum at any point between 1959 and

2003, and currently do not do so. The auctioneers who conducted the June 2004 auction of applicant's vehicles did, however, mail a brochure advertising the auction to approximately 20,000 people.

Applicant did not have a dedicated space or a sign showing his collection until 1998. In 1997 or 1998, applicant erected a large sign with "Krause Auto Collection" on it in front of "a group of three buildings that housed the collection," on the Aanstad Road property. *Id.* at p. 16. Applicant installed the sign because "the [R]epublican [P]arty was having a big shindig out there [and applicant] did open it up for use for that kind of a meeting, and it was rather dark around there, and with no identification around, [applicant] put the sign up so they'd be sure to know where the event was taking place." *Id.* at pp. 18 – 19.

Applicant testified that "Krause Auto Collection" became a formal name in the "middle, late '90s"; and that he began using "Krause Auto Collection" on business cards in 2002, and later on letterhead. Krause March 17, 2004 dep. at pp. 137 and 139.[9] Applicant also used the phrase "Krause Auto Collection" on a brochure, which applicant created in

[9] Exhibit 114 to applicant's April 14, 2005 deposition is applicant's business card, showing "Krause Auto Collection" in prominent letters, with the designation "Chet Krause[,] Founder" appearing on the card.

2001 and made available to visitors to the vehicle collection.

Applicant further testified that people, including car clubs, have been continuously coming to see his automotive collection since he began collecting vehicles. Approximately one thousand persons have viewed applicant's collection on an annual basis prior to the 2004 auction. Applicant has not received any revenue in connection with his alleged museum; does not charge admission; and has only received spare vehicle parts and accessories as donations from visitors.

At the present time applicant leases one building for his collection. He does not have any employees, and to see his collection visitors must call his "retirement office" in Iola, Wisconsin to make an appointment - no regular viewing hours are maintained. Visitors must come to his office to get a key or arrange a meeting with applicant. In this building, applicant maintains four or five cars, sixteen Jeeps, two Iola fire trucks, a 1924 Model T, a 1938 REO Speedwagon, and a 1912 horse-drawn fire engine. Additionally, there are seven military vehicles, for a total of thirty vehicles. Applicant includes information on the vehicles located in his leased building that identifies the vehicle and provides some facts about the vehicle.

Applicant also testified that he has collected items in addition to vehicles, and that he has a collection of U.S. and foreign coins;[10] Wisconsin bank notes from 1836 - 1865, scrip (which applicant states is a substitute for currency issued by a private individual as opposed to a government); bank notes issued by national banks (beginning in 1862); political tokens; copper mining shares of stock; and stamps. He has over 20,000 pieces of world paper money and nearly 3,000 pieces of depression era scrip, and "a specimen of every United States stamp there is baring probably two or three dozen of the very earliest ones." Krause April 14, 2005 dep. at p. 128, 131. Coins in his collection have been used as photographic subjects for articles in applicant's publications.

Applicant testified that his coins, as well as coins owned by opposer, were kept in safety deposit boxes in a bank, and that "we made extra effort to project the image that we didn't own large collections of coins or stamps because those are always subject to being stolen. And so we didn't want to let that out … when somebody wanted one of an especially high value, I would go get it and bring it to them." Krause August 24, 2004 dep. p. 472 – 473.

[10] Applicant stated that his foreign coins "aren't that valuable. As a lot, they're valuable, but individual pieces, it takes thousands of them to make some money." Krause April 14, 2005 dep. p. 72.

Currently, applicant's numismatic collection is stored in a vault and in safety boxes at a bank; the public can call applicant and arrange a time to see the collection.

In contending that the foregoing activities by applicant do not constitute "museum services," opposer relies on two definitions of "museum." First, opposer cites the definition set forth in 20 U.S.C. § 9172[11] which is "a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or aesthetic purposes, that utilizes a professional staff, owns or utilizes tangible objects, cares for the tangible objects, and exhibits the tangible objects to the public on a regular basis." Second, opposer cites the definition in 40 C.F.R. § 1180.3,[12] which requires that a "museum" be organized on a permanent basis and use a professional staff, and that:

> 1. An institution which exhibits objects to the general public for at least 120 days a year shall be deemed to meet this requirement; and
>
> 2. An institution which exhibits objects by appointment may meet this requirement if it can establish, in light of the facts under all the relevant circumstances, that this method of exhibition does not unreasonably restrict the accessibility of the institution's exhibits to the general public.

[11] 20 U.S.C. § 9721 pertains to the Institute of Museum and Library Services, formed within the National Foundation on the Arts and the Humanities, which provides, inter alia. Financial assistance.

[12] 40 C.F.R. § 1180.3 pertains to the Institute of Museum and Library Services.

Applicant challenges opposer's definitions, and maintains that opposer's definitions are limited to tax-exempt entities. Applicant relies on a definition of "museum" from *Merriam-Webster Online Dictionary*, accessed from www.webster.com, as "an institution devoted to the procurement, care, study, and display of objects of lasting interest or value." Brief at p. 23; Exhibit 125 to King dep. Dr. King testified that the *Merriam-Webster* definition is an accurate definition.

We do not apply the restrictive definitions of "museum" proposed by opposer, which include requirements such that the "institution" be a non-profit entity, that there be a "professional staff," or, in the case of Section 1180.3, that the institution be open a particular amount of time per year. The definitions of "museum" in 20 U.S.C. § 9172 and 40 C.F.R. § 1180.3 specify those qualifications an entity must possess to gain the specific benefits described in related statutory sections. Rather, we are guided by the less restrictive definition of "museum" from *Merriam-Webster Online Dictionary,* submitted by applicant.[13]

[13] Dr. King has defined a "museum" as "an institution or organization that collects, preserves and interprets objects of cultural artistic significance." King dep. at p. 9. Of note is her requirement that the "objects" in the institution be of "artistic significance." We find her definition to be unnecessarily restrictive as well.

Because most of the parties' briefs and the evidence of record concern applicant's vehicle collection, we first address applicant's contentions regarding his vehicle collection. The evidence of record shows that applicant has been a long time collector of vehicles, individually and through his company, KPI, and was willing, as are most collectors, to share his interests in vehicles and to show his vehicles to those who were interested in such vehicles. When his activities are considered as a whole, we find, however, that applicant was not providing museum services at the time he filed his application on April 2, 2003.

For the first fifteen years during which applicant maintains he offered "museum services," applicant owned a total of two vehicles. He maintained these vehicles initially on his private property and later on KPI's property, and showed them to individuals who asked to see them. Applicant occasionally participated in parades with his vehicles, and provided ownership and identifying information about his vehicles through signs placed on the vehicles.

In the mid 1970s, applicant's company, KPI, rather than applicant himself, began acquiring vehicles. Applicant and KPI maintained their vehicles in a building owned by KPI, but not one dedicated to the collection; they were maintained in a KPI facility where other critical company

operations were ongoing, namely, packaging and shipping. It was not until 1997 that applicant purchased a parcel of property and constructed a building to house his collection.

From 1998 until the time that applicant filed his application in 2003, applicant and opposer owned numerous vehicles that were eventually maintained in three buildings on property owned by applicant. Members of the public were welcome to visit the collection, and did visit the collection, but to view the collection they had to make an appointment with applicant or one of the two individuals who took care of the collection. Both of these individuals were in KPI's employment, not applicant's employment, and applicant has described their positions as a mechanic and a "housekeeper who washed cars, kept the grease off the floor." Krause April 14, 2005 dep. p. 25. In view of their limited duties, we do not consider these two KPI employees to be the equivalent of museum curators. Also, there is no indication in the record as to whether these individuals, or any other individuals other than applicant himself, provided tours of the collection.

Significantly, it was not until 1998 that applicant installed a sign to identify the location of the collection. The sign, placed in front of the buildings housing the collection, only bore the words KRAUSE AUTO COLLECTION. It did not indicate that the collection was open to the general

public or the time when the collection could be viewed, it did not invite the public in to view the collection, and it did not indicate that KRAUSE AUTO COLLECTION was a museum. There is no indication in the record that either KPI or applicant installed any other signs identifying or promoting the collection or directing persons to the location of the collection. Further, applicant has testified that the reason the sign was installed was so that those persons who were attending a "shindig" would know where the event was taking place. *Id.* at pp. 18 – 19.

In the forty-seven years that applicant has maintained his collection, he never once advertised his collection and, of course, never advertised it as a museum. Hence, no information was made available to the public regarding any hours when the collection could be viewed, how to arrange to view the collection or even that the general public could view the collection. Also, applicant has not pointed to any of the many articles that he entered into evidence – which discuss applicant's personal accomplishments at length - that also mention applicant's vehicle collection or that he operates a vehicle museum. Applicant only had one brochure, which was created in 2001, and which was handed to persons visiting the collection. The brochure has KRAUSE AUTO COLLECTION written on it in prominent letters and identifies the vehicles that were in the collection, but did not

identify the collection as part of a "museum. There is no testimony that applicant used the brochure in connection with any promotional efforts.

The record contains other evidence which suggests that applicant maintained a personal collection rather than a museum. Dr. King acknowledged that applicant's collection of vehicles is not included on the list of accredited museums in Wisconsin listed by the American Association of Museums; and that applicant is not a member of the Association of Art Museum Directors. See Exhibit 126 to King's dep.; King Dep. pp. 18 – 19, 30. Applicant stated that he did not charge for admission and was not given monetary donations.[14] Also, applicant testified that the collection "wasn't meant to make money … it was a great big loss." Krause April 14, 2005 dep. p. 40. This "big loss" suggests that applicant's accumulation of vehicles was due to a passion for collecting, and not an activity of an institution devoted to the procurement, care, study, and display of objects of lasting interest or value.

Most telling, however, is the fact that there is no evidence in the record that applicant ever identified his facility as a museum or indicated that his collection was part of a museum collection.

[14] In response to opposer's interrogatory no. 27, applicant states that he only received vehicle parts as donations.

The testimony of Dr. King, applicant's designated expert on the topic of what constitutes a museum, has only limited probative value on the issue of whether applicant was providing museum services at the time applicant filed his application. She never visited applicant's collection and hence could not speak firsthand about the collection, particularly as it existed in 2003. Also, there are no copies of, and no testimony regarding, the specific "documents, photographs, materials related to the Krause collection … in Iola, Wisconsin" she viewed prior to her deposition so that we can determine precisely on what she based her opinion. *Id*. at p. 22. She did not know when the photographs she viewed had been taken, although she stated it was her understanding that they were taken in the year prior to her deposition, which would have been in 2004, not in 2003, when applicant filed his application. *Id*. As noted above, the ultimate question in connection with opposer's claim of non-use is whether applicant had used the mark in connection with museum services in 2003 when he filed his application. Dr. King simply did not have sufficient knowledge of applicant's collection in 2003.

Further, we do not find Dr. King's testimony regarding the differences between a personal collection and a museum collection persuasive. Dr. King testified that she, in connection with her personal collection of Navajo rugs

located in her home, does not provide museum services because her collection does not have an educational purpose. She explained that her collection does not "have labels beside the things that are in my home saying this is a Navaho rug that came from this reservation and was – was made at such-and-such a time"; and that "they're purely for my private pleasure and they ha – and they don't have any educational function." *Id.* at 34. She explained that "in the last 50 years I think the educational part of museums in this country, at least, has become equal to the preserving and the collecting"; that "traditionally museums were about preserving and collecting and not so much about education"; and that "[i]n the last 50 years I would say that making sure that – that a museum does have some interpretation available … has become more and more important." *Id.* at 35. It follows from Dr. King's comments that if she had placed informative material next to the items in her collection of Navajo rugs, she too would be providing museum services. There can be no dispute that by doing so she still would not be providing museum services. Clearly, something more is needed to constitute the rendering of such services.

In view of the foregoing, we conclude that applicant was not providing museum services in connection with his vehicle collection when he filed his application in 2003.

We now address applicant's contentions regarding his numismatic and stamp collections. The record shows that while they were shown to the public on request, they were not advertised and were maintained in a vault. In fact, applicant stated that "we made extra effort to project the image that we didn't own large collections of coins or stamps because those are always subject to being stolen." Krause August 24, 2004 dep. at pp. 472 – 473. Thus, applicant's collection was not "devoted to the care, study and display of objects of lasting interest or value." We find that applicant's activities with respect to his stamp and coin collections never constituted museum services, and therefore applicant was not providing museum services in connection with his stamp and numismatic collections at the time he filed his application.

Because applicant was not providing museum services at the time he filed his application, applicant's application is void ab initio, and the opposition is sustained on the ground of nonuse.

Fraud

We next consider opposer's fraud claims. Opposer has alleged that applicant has committed fraud on the Office in connection with both his application and his Section 2(f) declaration. In the application, opposer asserts that applicant fraudulently and falsely stated (i) that he has

used KRAUSE as a trademark in interstate commerce, and (ii) the dates of first use and first use in commerce. In his Section 2(f) declaration, opposer asserts that applicant fraudulently and falsely stated that (i) he has used KRAUSE in connection with "museum services" since at least as early as 1959, and (ii) KRAUSE has become distinctive of applicant's services by virtue of applicant's substantially exclusive and continuous use of the term for at least five years, i.e., since October 30, 1998.

Fraud in obtaining a trademark registration occurs "when an applicant knowingly makes false, material representations of fact in connection with his application." *Torres v. Cantine Torresella S.r.l*, 808 F.2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986); *Mister Leonard Inc. v. Jacques Leonard Couture Inc.*, 23 USPQ2d 1064, 1065 (TTAB 1992) ("Thus, according to Torres, to constitute fraud on the PTO, the statement must be (1) false, (2) a material representation and (3) made knowingly."). The false material representation of fact may be one the applicant made knowingly or one which it should have known to be false. See *Medinol Ltd. v. Neuro Vasx Inc.*, 67 USPQ2d 1205 (TTAB 2003) ("A trademark applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration which it knows or should know to be false.").

Fraud must be proven with clear and convincing evidence, and any doubt must be resolved against a finding of fraud. See *Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 USPQ 955 (TTAB 1986) and cases cited therein. Furthermore, fraud will not lie if it can be proven that the statement, though false, was made with a reasonable and honest belief that it was true. See *Woodstock's Enterprises Inc. (California) v. Woodstock's Enterprises Inc. (Oregon)*, 43 USPQ2d 1440 (TTAB 1997).

We turn first to opposer's claim that applicant fraudulently and falsely stated the dates of first use and first use in commerce in the application. If a mark was in use at the time an application is filed, a claim of first use, even if false, is not fraud. See *Western Worldwide Enterprises Group Inc. v. Qingdao Brewery*, 17 USPQ2d 1137, 1141 (TTAB 1990) ("The Board repeatedly has held that the fact that a party has set forth an erroneous date of first use does not constitute fraud unless, inter alia, there was no valid use of the mark until after the filing of the [Section 1(a)] application."); *Colt Industries Operating Corp. v. Olivetti Controllo Numerico S.p.A.*, 221 USPQ 73, 76 (TTAB 1983) ("The Examining Attorney gives no consideration to alleged dates of first use in determining whether conflicting marks should be published for opposition."). Thus, because fraud cannot lie based on false claimed dates

of first use, opposer's claim of fraud regarding the dates of first use and first use in commerce set forth in the application is legally insufficient.

We now turn to opposer's claims that applicant fraudulently and falsely stated (i) in his application that he has used KRAUSE as a trademark in interstate commerce; (ii) in his Section 2(f) declaration that he has used KRAUSE in connection with "museum services" since at least as early as 1959; and (iii) in his Section 2(f) declaration that KRAUSE has become distinctive of applicant's services by virtue of applicant's substantially exclusive and continuous use of the term for at least five years. We have already found that applicant was not using KRAUSE as a mark for "museum services" at the time applicant filed his application, i.e., on April 2, 2003. Thus, applicant's statements in his application that he has used KRAUSE as a trademark in interstate commerce, and in his Section 2(f) declaration that (i) KRAUSE has become distinctive of applicant's services by virtue of applicant's substantially exclusive and continuous use of KRAUSE for a five year period, beginning on October 30, 2003, and (ii) applicant has used KRAUSE in connection with museum services since at least as early as 1959, are false. Also, all three statements are material to the registration of the mark. If the examining attorney had known that the mark was not in

use in interstate commerce at the time the application was filed, the application would have been refused as void ab initio; if the examining attorney had known that the mark was not in use since 1959 and for the five years preceding the filing of the Section 2(f) declaration, and because applicant had not submitted any other evidence of acquired distinctiveness, the examining attorney would not have accepted the Section 2(f) claim. Thus, but for the false statements of use of the mark, the examining attorney would not have allowed the application. See *American Hygienic Laboratories, Inc. v. Tiffany & Co.*, 12 USPQ2d 1979 (TTAB 1989); McCarthy, J. Thomas, *McCarthy on Trademarks*, § 31:67 (4th ed. 2004).

We therefore consider whether applicant knew or should have known that his statements regarding use of KRAUSE as a trademark in the application and declaration were false or misleading. In reaching our decision, we consider applicant's intent – an intent to deceive must be "willful." "If it can be shown that the statement was a 'false misrepresentation' occasioned by an 'honest' misunderstanding, inadvertence, negligent omission or the like rather than one made with a willful intent to deceive, fraud will not be found. Fraud, moreover, will not lie if it can be proven that the statement, though false, was made with a reasonable and honest belief that it was true …."

First International Services Corp. v. Chuckles Inc., 5 USPQ2d 1628, 1634 (TTAB 1988), citing *Smith International, Inc. v. Olin Corp.*, 209 USPQ 1033, 1043-44 (TTAB 1981).

Opposer maintains, in relevant part, that applicant's "intent to misrepresent the services" can be determined from "surrounding circumstances and related statements." Brief at p. 25. Opposer points to applicant's March 17, 2004 deposition, in which he stated:

> … to organize as a museum, you then must spend 5 percent of your assessed valuation … every year, and that could be in hiring docents or advertising, … whatever. And so, also, you must maintain certain hours that you're open and all that sort of thing and advertise it. And I didn't want that kind of – I wanted a collection. It was a private collection, and if I wanted to show it to somebody, I'd show it to them. So it was organized as a collection ….

Subsequently, in his April 14, 2005 deposition, when asked what museum services he provided in 1959, applicant replied:

> Well, I had a collection of automobiles, and certainly I had a – not a substantial collection of coins like I have today or have had, but those cars were there to see and to use for parade purposes.
>
> And a collection, if we can just get 'auto collection' and 'museum services' as synonymous, in my case, they were certainly there for visitors to see, and the locals all knew they were there. They would come by. I remember the former postmaster was kind of a self-appointed tour guide of our institution. He would bring his friends by and show them all this stuff. They certainly were there to look at. Krause April 14, 2005 dep. at pp. 29 – 30.

From applicant's testimony, opposer maintains that prior to the filing of the application, "Applicant did not believe his collection was a museum service; he believed that his collection was simply a private collection available for viewing upon specific request." Brief at p. 26.

Opposer implies that applicant knew that he was not providing museum services, and that applicant filed his application simply out of spite. Specifically, opposer asserts that applicant desired "to punish or damage KPI for the sale of the company by the ESOP to F&W." *Id.* According to opposer, applicant was "quite upset" over the sale; "expressed that he felt as if his name was 'stolen' from him"; and that the filing of the present application "with a priority date just prior to that held by KPI would likely allow applicant to file infringement claims against [opposer], and allow him to 'get back' at the company for the sale undesired by him." Brief at p. 27.

We find that opposer has not met its "heavy burden of proof" in showing fraud. *W.D. Byron & Sons, Inc. v. Stein Bros, Mfg. Co.*, 377 F.2d 1001, 153 USPQ 749 (CCPA 1967). There is no proof in the record that applicant did not personally believe that he was not providing museum services when he filed his application or when he signed his declaration under Section 2.41(b). We construe applicant's statement in his March 17, 2004 deposition that he "wanted a collection …

[i]t was a private collection, and if I wanted to show it to somebody, I'd show it to them. So it was organized as a collection …" as meaning that he did not want to operate a "formal" museum such as a not-for-profit museum, in light of the operating parameters that are needed to gain such a status. Further, his subsequent comment that "if we can just get 'auto collection' and 'museum services' as synonymous" is simply a statement of his belief that his exhibition of his auto collection to those in the general public who ask to see the collection, along with providing information regarding the items in the collection, qualifies as museum services.[15] Because opposer had a good faith belief that his activities constituted the rendering of museum services, the element of intent that is necessary to prove fraud is missing. See *Bart Schwartz Int'l Textiles Ltd. v. Federal Trade Comm'n*, 289 F.2d 665, 129 USPQ 258,

[15] When asked what the difference is between having a collection and providing museum services, applicant testified;

> "Museum services" is merely a word out of a catalog that exists where you apply for a mark. It's under that. This, I think shouldn't be confused here as a museum that's a 501(c)(3). You can organize a museum under 501(c)(3) whereby they dictate lots of things that you should do in order to do that. I prefer to be a private collector, and if you want to substitute "museum" for "collection," you can. I prefer not to use the term 'museum' because I believe, in the general public, museums are a collection of art, art museums, if you will. That's always specified. Although there are many kinds of museums, and the private museums far outnumber the 501(c)(3) museums, and those rules do not apply to a private museum.

260 (CCPA 1961) ("[T]he obligation which the Lanham Act imposes on an applicant is that he will not make *knowingly* inaccurate or *knowingly* misleading statements in the verified declaration forming a part of the application for registration."); *Maids to Order of Ohio, Inc. v. Maid-to-Order, Inc.*, 78 USPQ2d 1899, 1907 (TTAB 2006)("[W]e find that Ms. Kern had a reasonable basis for her belief that MTO had used/was using the mark MAID TO ORDER in interstate commerce for cleaning services at the time of filing the application, the Section 8 declaration, and the application for renewal. It was not unreasonable for Ms. Kern, as a layperson, to believe that the above activities constituted use of the MAID TO ORDER mark in interstate commerce."). Further, the fact that we have found that applicant did not use his mark for museum services as of the filing date of his application has no effect on our finding on this issue. While opposer has shown that applicant was not using his mark in interstate commerce for museum services as of the filing of his application, opposer has not proved the element of intent, and therefore its claims of fraud concerning applicant's statements regarding use of KRAUSE as a trademark in the application and declaration must fail.

Thus, for the reasons set forth in the preceding paragraphs, opposer's claims of fraud are dismissed.

Krause April 14, 2005 dep. p. 23.

Likelihood of Confusion

In view of our finding that applicant was not using KRAUSE in connection with "museum services" at the time he filed his application, we need not reach the question of likelihood of confusion.

DECISION: The opposition is sustained on the ground of non-use and dismissed on the ground of fraud. Registration to applicant is refused.