

**THIS OPINION IS NOT A  
PRECEDENT OF THE TTAB**

Mailed:  
October 24, 2007

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**Trademark Trial and Appeal Board**

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Compevo AB  
v.  
Taylor Associates Communications, Inc.

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Opposition No. 91161524  
to application Serial No. 78273015  
filed on July 11, 2003

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Kurt Nyström for Compevo AB.

Peter B. Kunin of Downs Rachlin Martin PLLC for Taylor  
Associates Communications, Inc.

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Before Quinn, Zervas and Bergsman, Administrative Trademark  
Judges.

Opinion by Bergsman, Administrative Trademark Judge:

Taylor Associates Communications, Inc. filed a use  
based application (Serial No. 78273015), on July 11, 2003,  
for the mark VISIGRAPH, in standard character form, for  
goods ultimately identified as an "eye movement recording  
system, comprised of goggles, operating software,  
application software in the field of appraisal of reading  
efficiency that processes and displays results collected by  
the recording system and assists in the management of  
students' use of the recording system, and educational

software for the use in the establishment of instructional classes using the recording system, a controller, and a power supply, all for use in appraisal of reading efficiency" (hereinafter "an eye movement recording device"). Applicant claimed first use of the mark in interstate commerce in 1985.

Compevo AB, a Swedish corporation, opposed the registration of VISIGRAPH on the ground that applicant is not the owner of the mark sought to be registered because applicant was merely opposer's distributor. Applicant denied the salient allegations of the Notice of Opposition.

#### The Record

By operation of Trademark Rule 2.122, 37 CFR §2.122, the record includes the pleadings and the application file for applicant's mark. The record also includes the following testimony and evidence:

##### A. Opposer's evidence.

1. Notice of reliance on a copy of the official records from the Federal Communications Commission ("FCC") for opposer's grant of equipment authorization for an eye movement measuring device identified as MPG-VISIGRAPH-3 dated February 15, 1996 certifying compliance with Part 15, Class B of the FCC Rules;

2. Notice of reliance on an article entitled "Eye Movements in Reading: Facts and Fallacies," by Stanford E. Taylor, published in the *American Educational Research Journal* (November 1965);

3. Notice of reliance on Applicant's Responses to Opposer's Interrogatories; and,

4. The testimony deposition on written questions of Kurt Nyström, an officer of opposer, with attached exhibits.<sup>1</sup>

B. Applicant's evidence.

1. Notice of reliance on Opposer's Responses to Applicant's First Set of Requests for Admission; and,

2. Testimony deposition of Stanford E. Taylor, applicant's president, with attached exhibits.

Facts

Applicant, through its predecessor-in-interest, began using the mark VISIGRAPH to identify an eye movement recording device in 1985.<sup>2</sup>

Through the recording and analysis of a subject's eye movements or oculo-motor activity, a teacher of reading or a

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<sup>1</sup> Opposer also filed a notice of reliance on the title page and copyright notice page of applicant's "MS-DOS Model II VISAGRAPH Eye-Movement Recording System" user manual. A user manual is not a printed publication or official record that may be made of record by a notice of reliance. Trademark Rule 2.122(e), 37 CFR §2.122(e). In view thereof, the title page of applicant's user manual is not in evidence and will not be considered in this decision.

<sup>2</sup> Taylor Dep., p. 10.

reading diagnostician can make direct objective evaluations concerning a reader's efficiency and indirect judgment about his/her effectiveness, and use this information in prescribing a program of reading fluency development to remedy or correct deficiencies in visual-functioning, perception, and cognition. And as a reading improvement program progresses, the findings of eye-movement recording can be used in conjunction with teacher evaluation and standardized tests to measure changes in both the efficiency and effectiveness of the total reading process. (Emphasis in the original).<sup>3</sup>

C F Electronics manufactured the first generation of VISIGRAPH eye movement recording devices to the order and specification of applicant. Applicant "provided the design specs for the outcome that would match and correspond generally with the reports that we had previously developed for the Reading Eye I, which is the first eye-movement recording device I had invented."<sup>4</sup> Applicant purchased 200 units from C F Electronics in 1985, and it exhausted that inventory by 1992 by selling 25 to 30 units annually between 1985 and 1992.<sup>5</sup>

When applicant exhausted its inventory of VISIGRAPH eye movement recording devices, it began to look for a new manufacturer. Accordingly, applicant's 1992-1993 and 1993 catalogs continued advertising the VISIGRAPH eye movement

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<sup>3</sup> Taylor Dep., Exhibit 1, p. 2.

<sup>4</sup> Taylor Dep., pp. 12-13, 66.

<sup>5</sup> Taylor Dep., p. 13.

recording devices with the legend, "To be available again in 1992 [or 1993]. Check availability date."<sup>6</sup> Applicant intended to resume selling the VISIGRAPH eye movement recording device as soon as it could find a new supplier.<sup>7</sup>

In June 1993, applicant entered into an agreement with Permobil Meditech, a Swedish company, to adapt Permobil Meditech's eye movement recording device for applicant.<sup>8</sup> Permobil Meditech's product was named "Ober2," and the two companies initially used the name "Ober2: VISIGRAPH" for the products manufactured by Permobil Meditech and sold by applicant.<sup>9</sup> However, by August 1994, applicant was lobbying Permobil Meditech to change the name back to VISIGRAPH as a stand alone trademark.<sup>10</sup> Between March 1994 and August 1995, applicant sold approximately 37 "Ober2: VISIGRAPH" eye movement recording devices.<sup>11</sup>

In 1994, Permobil Meditech stopped supplying its eye movement recording device to applicant because of a legal dispute in Sweden between Permobil Meditech and opposer.<sup>12</sup> Accordingly, applicant again began searching for a new supplier, and, in 1994, entered negotiations with opposer for the sale of opposer's eye movement recording device in

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<sup>6</sup> Taylor Dep., pp. 24-27; Exhibits 7-9

<sup>7</sup> Taylor Dep., pp. 25-28.

<sup>8</sup> Taylor Dep., pp. 29-31; Exhibit 10.

<sup>9</sup> Taylor Dep., p. 31.

<sup>10</sup> Taylor Dep., pp. 31-33; Exhibits 11-12.

<sup>11</sup> Taylor Dep., p. 34; Exhibit 13; Opposer's Response to Admission Request No. 7.

the United States.<sup>13</sup> Opposer first shipped its eye movement recording devices to applicant on February 22, 1995.<sup>14</sup> The labels that opposer placed on the packaging of the VISIGRAPH eye movement recording devices shipped to applicant stated that the product was manufactured by opposer and distributed in the United States by applicant.<sup>15</sup>

Prior to its sales to applicant, opposer never used the mark VISIGRAPH to identify any products or services in any geographical location.<sup>16</sup> At applicant's request, opposer placed the VISIGRAPH trademark on eye movement recording devices manufactured by opposer.<sup>17</sup> Opposer's only sales of an eye movement recording device identified by the mark VISIGRAPH were to applicant.<sup>18</sup> Applicant purchased opposer's eye movement recording devices until July 2003.<sup>19</sup> Opposer has not sold any VISIGRAPH eye movement recording devices in the United States since applicant stopped purchasing opposer's products. However, opposer explains that the cessation of sales is based, at least in part, on

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<sup>12</sup> Taylor Dep., pp. 39-40.

<sup>13</sup> Nyström Dep., p. 3; Exhibit 14.

<sup>14</sup> Opposer's Response to Admission Request No. 14; Nyström Dep., p. 3; Exhibit 10.

<sup>15</sup> Applicant's Response to Interrogatories 3 and 4 and Exhibits 3 and 4.

<sup>16</sup> Opposer's Response to Admission Request No. 11.

<sup>17</sup> Taylor Dep., pp. 44-45, 71.

<sup>18</sup> Opposer's Response to Admission Request No. 10.

<sup>19</sup> Applicant's Response to Interrogatory No. 7(e).

applicant's threat to sue anyone using the VISIGRAPH trademark.<sup>20</sup>

Applicant inspected opposer's products before shipping them to customers. Specifically, applicant randomly tested opposer's products to ensure that the device and the software conformed to the test results applicant expected.<sup>21</sup> However, applicant did not possess the technical expertise or technical documentation, such as circuit drawings or component specifications, necessary to manufacture the VISIGRAPH eye movement recording device itself.<sup>22</sup>

On the other hand, applicant prepared the user manual, test booklets, and a program disc containing reading selections and analysis procedures used in connection with the VISIGRAPH eye movement recording device.<sup>23</sup> The cover and title pages of the VISIGRAPH user manual prominently display applicant's trade name logo.<sup>24</sup> There is no mention of opposer. The user manual features sections on the history and significance of eye movement in reading, including a description of applicant's first VISIGRAPH system (on page 20) and a description of the then current

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<sup>20</sup> Opposer's Response to Admission Request No. 12. Opposer claims that its first sales of a VISIGRAPH eye movement recording device other than to applicant occurred in November 2003. Nyström Dep., p. 3. However, opposer did not indicate whether that sale or subsequent sales occurred in the United States.

<sup>21</sup> Taylor Dep., pp. 46-47, 71-72.

<sup>22</sup> Applicant's Response to Interrogatories 1(c) and 2.

<sup>23</sup> Taylor Dep., pp. 45; Exhibits 17, 18, and 20.

<sup>24</sup> Taylor Dep., Exhibit 17.

VISIGRAPH system on the next page. The only reference to opposer is in the warranty information that explains that applicant is the distributor of the system and opposer is the manufacturer.

The VISIGRAPH Test Booklet used in connection with the VISIGRAPH eye movement recording device also prominently displays applicant's trade name.<sup>25</sup> The title page includes a legend that "Visigraph is a trademark of Taylor Associates/Communications, Inc."

The VISIGRAPH diskettes that were shipped along with the VISAGRAPH eye movement recording system contain software, text selections, and analysis procedures for the VISIGRAPH II eye movement recording system.<sup>26</sup> Again, applicant's trade name was prominently displayed along the top of the label. However, the copyright notice at the bottom of the label included both applicant and opposer, albeit in a much smaller font than the other text on the label.

Mr. Taylor testified that applicant became concerned with opposer as its supplier for the VISIGRAPH eye movement recording devices because opposer was unable to deliver the units required by applicant, opposer took too long to repair units under warranty, and opposer submitted a new model that

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<sup>25</sup> Taylor Dep., Exhibit 18.

<sup>26</sup> Taylor Dep., Exhibit 20.



did not operate to applicant's satisfaction.<sup>27</sup> As the relationship between opposer and applicant worsened, applicant sent opposer an email dated October 16, 2003 informing opposer that applicant decided to find a domestic manufacturer for the VISIGRAPH eye movement recording devices, but invited opposer to join in this project by providing technical research and development information in exchange for a royalty.<sup>28</sup>

In a responsive email dated November 2, 2003, opposer set forth its position. With respect to the use of the VISIGRAPH name, opposer stated the following:

We have been using the name Visigraph on our product since 1995-02-22.<sup>29</sup> We have sold the product worldwide with your knowledge . . . You have allowed us to use the name Visigraph since 1995. It is not as (sic) part of an agreement, since we have not signed any agreement. By letting us do so, you have lost all exclusive rights to the name. We may choose to use the name Visigraph in the future. But, I can tell you, we are not overly exited (sic) by the name Visigraph. We may choose another name.<sup>30</sup>

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<sup>27</sup> Taylor Dep., pp. 56-57.

<sup>28</sup> Nyström Dep., Exhibit 15.

<sup>29</sup> The date opposer first shipped product to applicant.

<sup>30</sup> Nyström' Dep., Exhibit 14. The content of the November 2, 2003 e-mail (Exhibit 14) is consistent with Mr. Taylor's testimony in that applicant licensed the use of the VISIGRAPH mark to opposer outside of the United States. (Taylor Dep., p. 46). See also, Exhibit 16, the June 21, 1995 "Statement of Intent" in which applicant proposed to permit opposer to use the VISIGRAPH trademark so long as the working relationship between the parties was in effect.

Opposer currently sells its eye movement recording device in the United States using the mark READALYZER.<sup>31</sup>

In 2004, applicant began purchasing eye movement recording devices from Integrated Control Corporation ("ICC"). Between 2004 and 2006, applicant purchased approximately 800 units from ICC.<sup>32</sup> The ICC eye movement recording devices were labeled with the VISIGRAPH trademark, and applicant is currently selling the ICC units that are identified by the VISIGRAPH trademark.<sup>33</sup>

#### Ownership of the VISIGRAPH Trademark

The only issue in this case is which party is the owner of the VISIGRAPH trademark. Opposer, as plaintiff, has the burden of proving that it is the owner of the VISIGRAPH trademark; opposer's theory of the case is that applicant is merely its principal customer in the United States. *Lutz Superdyne, Inc. v. Arthur Brown & Bro., Inc.*, 221 UPSQ 354, 362 (TTAB 1984). On the record before us, we conclude that opposer has failed to prove its claim.

The ownership of a mark as between the manufacturer of the product to which the mark is applied and the exclusive distributor of the product is a matter of agreement between them, and in the absence of an agreement, there is a legal

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<sup>31</sup> Opposer's Response to Admission Request No. 13.

<sup>32</sup> Taylor Dep., p. 57.

<sup>33</sup> Taylor Dep., p. 58; Exhibits 21-27.

presumption that the manufacturer is the owner of the mark. *Lutz Superdyne, Inc. v. Arthur Brown & Bro., Inc., supra*; *Audioson Vertreibs-GmbH v. Kirksaeter Audiosonics, Inc.*, 196 USPQ 453, 456 (TTAB 1977). However, that principle of law is not applicable in cases where the exclusive distributor had pre-existing rights in the mark (*Lutz Superdyne, Inc. v. Arthur Brown & Bro., Inc., supra*), or where the manufacturer was placing the mark on the product pursuant to the distributor's instructions (*In re Bee Pollen from England Ltd.*, 219 USPQ 163, 166 (TTAB 1983)). Moreover, it has also been held that a party need not be a manufacturer of goods in order to own and register a trademark. As stated by the Board in *In re Expo '74*, 189 USPQ 48, 49 (1975),

There is no question that a party is not required to manufacture products to own and register a trademark. In fact, any person in the normal channels of distribution including a manufacturer, a contract purchaser who has goods manufactured for him, and a retailer or merchant as well as any nonprofit organizations or institution can be the owner of a trademark "in commerce" if he applies or has someone in his behalf apply his own trademark to goods to which he has acquired ownership and title and sells or merely transports such goods in commerce as his own product with the mark, as applied thereto, serving to identify the particular product as emanating from the shipper or seller in his own capacity.

*See also, Amica Mutual Insurance Company v. R.H. Cosmetics Corp.*, 204 USPQ 155, 161-162 (TTAB 1979) (the owner of a

mark need only apply the mark to products sold or transported in commerce so that the recipient of the goods identifies the supplier of the goods as the source); *Lasek & Miller Associates v. Rubin*, 201 UPSQ 831, 833 (TTAB 1978) (it is sufficient for the purported owner of a mark to give the products the benefit of its representation or name and business style).

The following facts clearly establish that applicant is the owner of the VISIGRAPH trademark:

1. Applicant had preexisting rights to the VISIGRAPH mark before it contracted with opposer to purchase opposer's eye movement recording device. Thus, applicant had established goodwill in the VISIGRAPH trademark before purchasing products from opposer;
2. Opposer affixed the VISIGRAPH mark to the eye movement recording device at the request of applicant;
3. Opposer sold the VISIGRAPH eye movement recording device in the United States solely to applicant; and,
4. Applicant markets the VISIGRAPH eye movement recording device under its own trademark as applicant's VISIGRAPH eye movement recording device. Thus, the relevant consumers associate

the VISIGRAPH eye movement recording device with applicant. The statement on the packaging that identify opposer as the manufacturer and applicant as the distributor does not overcome applicant's marketing efforts to identify applicant as the source of the VISIGRAPH eye movement recording device.

Although there is no written agreement between the parties regarding the ownership of the VISIGRAPH trademark, the testimony of Stanford Taylor regarding the relationship between applicant and opposer, and opposer's November 2, 2003 e-mail ("You have allowed us to use the name Visigraph since 1995"), convince us that the parties were operating with the understanding that applicant was the owner of the VISIGRAPH trademark.

In view of the foregoing, we are in full agreement with applicant that it is, and has been, the owner of the VISIGRAPH trademark.

#### Other Issues Raised By Opposer

As indicated above, the only issue pleaded in the notice of opposition was that applicant is not the owner of the VISIGRAPH trademark because applicant is merely the distributor of opposer's products. In the May 23, 2005 order denying applicant's motion to dismiss the notice of

opposition for failure to state a claim upon which relief can be granted, the Board specifically advised opposer that if it wished to pursue any grounds other than applicant's nonownership of the mark sought to be registered, it must file an amended notice of opposition specifically pleading the additional grounds.

Although the notice of opposition implies other potential grounds for opposing registration of applicant's involved mark, e.g., a claim under Trademark Act Section 2(d), 15 U.S.C. §1052(d), we construe it as setting forth a ground of nonownership only. If opposer wishes to pursue other grounds of opposition, it must file an amended notice of opposition that clearly asserts any additional claims. See Fed. R. Civ. P. 15(a); TMBP Section 507.02 (2d ed. rev. 2004).<sup>34</sup>

In addition, the Board advised opposer that a person who is not familiar with the procedural and substantive law of Board proceedings is well advised to secure the services of an attorney who is familiar with such matters.<sup>35</sup> Opposer neither amended its notice of opposition, nor obtained the services of a trademark practitioner familiar with Board practice and procedure.

Nevertheless, in its brief, opposer argued that if applicant is found to be the owner of the VISIGRAPH trademark, applicant abandoned the mark because of naked

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<sup>34</sup> May 23, 2005 Order, p. 7 n.9.

<sup>35</sup> May 23, 2005 Order, p. 8.

licensing and that applicant was not using the mark in lawful commerce. Applicant objected to opposer's raising these issues on the ground that they were not properly pleaded. Moreover, we note that during discovery, testimony, and briefing, applicant objected to opposer's inquiries and arguments about these subjects.

Because opposer may not rely on an unpleaded claim, its notice of opposition must be amended or be deemed amended pursuant to Fed. R. Civ. P. 15(a) or (b) to assert abandonment or that applicant was not using the mark in lawful commerce. TBMP §314 (2d ed., rev. March 12, 2004). Because opposer did not file a motion to amend the notice of opposition, we must determine whether abandonment and whether applicant was using its mark in lawful commerce were tried by implied consent.

Implied consent to the trial of an unpleaded issue can be found only where the nonoffering party (1) raised no objection to the introduction of evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the issue. (Emphasis added).

TBMP §507.03(b). See also *Long John Silver's Inc. v. Lou Scharf Inc.*, 213 UPSQ 263, 266 n.6 (TTAB 1982) (applicant's objection to the introduction of evidence regarding an unpled issue obviated the need to determine whether the issue had been tried by implied consent); *Boise Cascade Corp. v. Cascade Coach Co.*, 168 UPSQ 795, 797 (TTAB 1970)

("Generally speaking, there is an implied consent to contest an issue if there is no objection to the introduction of evidence on the unpleaded issue, as long as the adverse party was fairly informed that the evidence went to the unpleaded issue").

Because applicant objected to discovery, testimony, and argument regarding the issues of abandonment and lawful use in commerce, those issues were not tried by implied consent. In view thereof, the notice of opposition is not deemed to be amended, it does not include the issues of abandonment and whether applicant was using its mark in lawful commerce, and therefore the facts and arguments regarding those issues will be given no consideration.

Even if the issues of abandonment and lawful use in commerce had been properly pleaded, opposer failed to meet its burden of proof. Opposer argues that applicant has abandoned its mark because a trademark owner "must have control over the manufacturing process so that you can provide the market with a product with a consistent quality," that applicant abandoned its mark through "naked licensing," and that applicant did not exercise quality control over the eye movement recording devices it sold under the VISIGRAPH trademark.<sup>36</sup> First, as explained above, the trademark owner does not need to be a manufacturer or

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<sup>36</sup> Opposer's Brief, pp. 25-26.



control the manufacturing process. It is sufficient that the trademark owner applies its mark to the products and that consumers associate those products with the trademark owner. Second, there is no evidence that applicant licensed its mark in the United States. The evidence shows that applicant was the only entity that used the mark VISIGRAPH in the United States. Therefore, applicant did not abandon its mark through naked licensing. Finally, the evidence shows that applicant did, in fact, exercise quality over the products identified by the VISIGRAPH trademark by testing them to make sure that they worked and that they produced the results that applicant anticipated.

With respect to whether applicant was using its mark in lawful commerce, opposer argued that it believes that applicant failed to obtain proper FCC and FDA approval.<sup>37</sup>

It is unclear if VISIGRAPH III complies with FCC regulations. In the answers to Opposer's interrogatories, Applicant refused to present any documentation about compliance with FCC. This refusal suggests that the device is not compliant.

From the answers during deposition (see Taylor deposition page 109, line 13), it is completely clear that the VISAGRAPH III is not compliant with FDA regulations for light emitting devices. One of the demands is that such devices are tested, classified and that the classification is clearly indicated in the product's manual.<sup>38</sup>

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<sup>37</sup> Opposer's Brief, p. 26.

<sup>38</sup> Opposer's Brief, p. 26.

The Board will determine whether use of a mark is lawful under one or more regulatory acts when: (1) a court or the responsible federal agency has issued a finding of noncompliance under the relevant statute; or (2) there has been a clear per se violation of the relevant statute. *General Mills Inc. v. Health Valley Foods*, 24 UPSQ2d 1270, 1273 (TTAB 1992); *Kellogg Co. v. New Generation Foods*, 6 USPQ2d 2045, 2047 (TTAB 1988). In this case, there has not been a final determination of noncompliance by any competent court or agency regarding applicant's compliance with FCC or FDA regulations. Opposer has not contended that such a determination has been made. Rather, opposer has attempted to show that the product is not in compliance with FCC and FDA rules.

Opposer has not met its burden of proof relating to this portion of its unpleaded claims. Opposer has admitted that "it is unclear if the VISIGRAPH III complies with FCC regulations." Since that is the extent of opposer's showing regarding applicant's compliance with FCC regulations, opposer failed to prove that applicant's products are subject to FCC approval, and, if they are subject to FCC approval, whether they failed to comply with those requirements. With respect to the FDA regulations, while applicant admitted that its product did not have FDA approval, applicant also testified that it did not know that

it needed FDA approval.<sup>39</sup> In this regard, opposer did not introduce any evidence or testimony to establish that an eye movement recording device requires FDA approval. In fact, applicant did not prove that applicant's product is a light emitting device covered by FDA regulations.<sup>40</sup>

In view of the foregoing, we find that opposer has failed to prove its case, and that applicant is entitled to the registration that it seeks.

Decision: The opposition is dismissed.

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<sup>39</sup> Taylor Dep., p. 109.

<sup>40</sup> While we have tried to be flexible with opposer because it was litigating the opposition *pro se*, we cannot take notice of facts that have not been introduced into evidence.