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UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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Retail Royalty Company and  
American Eagle Outfitters, Inc.

v.

S.A.S.C.O. Trading Inc.

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Opposition No. 91173803  
to application Serial No. 76646177  
filed on September 5, 2006

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Sarah Otte Graber of Wood, Herron & Evans, L.L.P. for Retail  
Royalty Company and American Eagle Outfitters, Inc.

Ezra Sutton, Esq. of Ezra Sutton & Associates, P.A. for  
S.A.S.C.O. Trading, Inc.

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Before Quinn, Hairston and Kuhlke, Administrative Trademark  
Judges.

Opinion by Hairston, Administrative Trademark Judge:

S.A.S.C.O. Trading, Inc. (applicant) filed an  
application to register the design mark shown below,  
for "jackets, coats, pants, shirts, shorts, t-shirts, swim  
wear, underwear, sweat shirts, sweat pants, jogging suits,

and vests" in International Class 25.<sup>1</sup>



SASCO design mark

Registration has been opposed by Retail Royalty Company and American Eagle Outfitters, Inc. (opposers) under Section 2(d) of the Trademark Act. Opposers allege that American Eagle Outfitters (American Eagle) is the exclusive licensee in the United States of Retail Royalty Company (Retail Royalty) for the design mark shown below,



AE design mark

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<sup>1</sup> Serial No. 76646177, filed September 5, 2006, alleging dates of first use of February 28, 2005. The application includes the statements that "[t]he color red is claimed as a feature of the mark" and "[t]he color red appears in the stylized depiction of an eagle."

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that American Eagle's use of the mark inures to the benefit of Retail Royalty; that Retail Royalty is the owner of application Serial No. 78803194 for the mark for a variety of clothing, accessories, bags and retail services in the field of clothing, footwear and headwear, bags and packs, wallets, personal care products, sporting goods and jewelry; that since prior to the filing date of applicant's application American Eagle has used the mark in connection with clothing, accessories and retail store services; and that applicant's mark, when used in connection with applicant's goods, so resembles opposers' previously used mark as to be likely to cause confusion.

Applicant, in its answer, denied the salient allegations of the notice of opposition.<sup>2</sup>

The Record

The record consists of the pleadings and file of the involved application. Opposers submitted the testimony deposition (with exhibits) of Kathleen Eshleman, the senior

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<sup>2</sup> Applicant also asserted the affirmative defenses of laches, acquiescence, and estoppel. As discussed infra, applicant did not properly introduce any evidence of record pertaining to these affirmative defenses at trial and, therefore, we deem them waived. Applicant's other "affirmative defenses" that (1) the respective marks are different in appearance and commercial impression, (2) the parties' respective goods travel in different trade channels to different purchasers, and (3) applicant's first use of its mark predates opposers' first use of their mark are not true affirmative defenses, but mere affirmations of applicant's denials.

financial analyst of American Eagle; and notices of reliance on applicant's responses to opposers' first set of interrogatories, excerpts of articles from printed publications, and a certified copy of Retail Royalty's application Serial No. 78803194.

Applicant took no testimony and did not properly introduce any other evidence. Although applicant attached a large number of exhibits to its brief on the case, in an order issued June 16, 2009, the Board granted opposers' motion to strike these exhibits as untimely.<sup>3</sup>

The opposition has been fully briefed.

The Parties

Since 2003 American Eagle has continuously used the AE design mark in connection with the marketing and sale of men's and women's polo shirts and jeans, men's hooded sweat shirts, men's t-shirts, women's dresses, canvas shoulder bags, and other accessories. Eshelman Test. Dep. 35-36; Exhibit 8. The AE design mark is prominently displayed on

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<sup>3</sup> We should add that even if we had considered these exhibits, the result in this case would be the same. The exhibits consist of documents from a trial involving American Eagle and a third-party; and copies of third-party registrations for marks that consist of or include an eagle design for various goods and services. The litigation, however, has no bearing on the issues in this proceeding. Also, third-party registrations are not evidence of use of the marks shown therein; thus, they are not proof that consumers are familiar with such marks so as to be accustomed to the existence of the same or similar marks in the marketplace. *AMF Inc. v. American Leisure Products, Inc.*, 474 F.2d 1403, 177 USPQ 268 (CCPA 1973).

American Eagle clothing, and hang tags and packaging associated with the clothing. Eshelman Test. Dep. Exhibit 8. American Eagle advertises its clothing on television and in magazines such as Teen Vogue, Maxim, Seventeen, Rolling Stone, and Sports Illustrated, and by way of direct mailings, email blasts and through special events and grass-roots advertising. Eshelman Test. Dep. 16-19. American Eagle's advertising expenditures totaled \$30 million in 2004; \$41 million in 2005; \$43 million in 2006; and over \$50 million in 2007. Eshelman Test. Dep. 8-11. A majority of these advertising expenditures were for products that bear the AE design mark. Eshelman Test. Dep. 11-12. Although American Eagle sells its clothing and accessories to persons of all ages, it targets the "teen demographic." Eshelman Test. Dep. 37. American Eagle has over 800 retail stores located throughout the United States. Eshelman Test. Dep. 33. From 2004 to 2006 American Eagle's sales totaled approximately \$7 billion. Eshelman Test. Dep. Exhibit 13. An article in the May 23, 2003 edition of Financial News noted that American Eagle was one of the top five "hottest retailers" in a survey conducted by the International Council of Shopping Centers; and an article in the April 23, 2007 edition of the same publication noted that, in a survey conducted by Teenage Research Unlimited, American Eagle was

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ranked eighth among the retailers "most shopped by teenage girls." Notice of Reliance, Exhibits (c) and (f).

As previously noted, applicant took no testimony and failed to properly introduce any other evidence. Thus, the only information about applicant is contained in the application and applicant's responses to opposers' first set of interrogatories. Applicant has used the SASCO design mark on clothing, but has not yet engaged in any advertising. Applicant's Response to Interrogatory No. 9. Applicant's clothing is sold to "ultimate consumer[s] through retail stores." Applicant's Response to Interrogatory No. 8.

Standing and Priority

By virtue of Retail Royalty's ownership of application Serial No. 78803194 for the AE design mark for a variety of clothing and accessories and American Eagle's use of the AE design mark in connection with such goods, opposers have established a real interest in this proceeding and, therefore, their standing to challenge the registration of the involved application. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). In addition, the evidence establishes that American Eagle has used the AE design mark in connection with clothing and accessories since at least as early as 2003. Because applicant has not taken testimony or introduced any evidence

regarding its first use of the mark sought to be registered, the earliest date upon which applicant may rely is the filing date of its application (i.e., September 5, 2006). *Chicago Corp. v. North American Chicago Corp.*, 20 USPQ2d 1715 (TTAB 1991). In view thereof, opposers have proven that they have priority of use.

Likelihood of Confusion

Our likelihood of confusion determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the likelihood of confusion factors set forth in *In re E. I. duPont de Nemours and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In any likelihood of confusion analysis, however, two key considerations are the similarities between the marks and the similarities between the goods and/or services. *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976).

The Similarity or Dissimilarity of the Goods, Trade Channels and Purchasers

We turn first to a consideration of the goods. Applicant's goods are identified as "jackets, coats, pants, shirts, shorts, t-shirts, swim wear, underwear, sweat shirts, sweat pants, jogging suits, and vests." The record shows that American Eagle has made prior use of its AE design mark in connection with men's and women's polo shirts and jeans, men's hooded sweat shirts, men's t-shirts, women's dresses, and canvas shoulder bags. Therefore,

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applicant's and opposers' goods are not only related, they are in part identical. Furthermore, in the absence of any restrictions in applicant's identification of goods, it is presumed that the identified goods move in all channels of trade that would be normal for such goods, and that the goods would be purchased by all potential customers. See *Canadian Imperial Bank v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813, 1815 (Fed. Cir. 1987). In this regard, we also note that applicant has stated in response to opposers' interrogatories that its clothing is sold in retail stores to consumers. As previously indicated, American Eagle sells its goods at its retail stores to ordinary consumers, especially teenagers. We conclude that at the very least, the trade channels and purchasers of applicant's and opposers' goods are overlapping. The factors of the similarity of the goods, trade channels and purchasers favor a finding of likelihood of confusion.

The Conditions of Sale

As for the conditions of sale, the involved goods are general consumer goods, and the customers cannot be treated as particularly sophisticated or knowledgeable. Furthermore, several of the items can be relatively inexpensive, e.g. t-shirts and sweat shirts, and are likely to be purchased on impulse and without a great deal of care, which increases the likelihood of confusion. See *Recot Inc.*



v. M.C. Becton, 214 F.3d 1322, 54 USPQ2d 1894, 1899 (Fed. Cir. 2000) ["When products are relatively low-priced and subject to impulse buying, the risk of likelihood of confusion is increased because purchasers of such products are held to a lesser standard of purchasing care"] [citations omitted]. This du Pont factor therefore favors a finding of likelihood of confusion.

The Similarity or Dissimilarity of the Marks

We turn next to a consideration of the marks. Inasmuch as the respective marks are design marks which cannot be pronounced, the issue of likelihood of confusion must be decided primarily on the basis of the overall visual similarity of the marks. This essentially comes down to an "eyeball test" as explained at 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, §23.25 (4<sup>th</sup> ed. updated 2009) as follows (footnote omitted):

Because a picture is worth a thousand words, there is little in the way of guidelines to determine the visual similarity which will cause a likelihood of confusion of buyers. Obviously, for picture and design marks (as opposed to word marks), similarity of appearance is controlling. There is no point in launching into a long analysis of the judicial pros and cons regarding visual similarity of marks. Regarding visual similarity, all one can say is "I know it when I see it."

Thus, the similarity of design marks is determined by considering the overall impression created by the marks as a whole rather than by simply comparing individual features of

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the marks. Applicant's and opposers' design marks are reproduced below:



Applicant's SASCO  
design mark



Opposers' AE  
design mark

In comparing applicant's mark with opposers' mark, we are of the view that the overall commercial impression created by applicant's mark when compared with opposers' mark is highly similar. Both marks consist of flying eagle designs depicted in silhouette form. Also, in both marks the eagles are facing to the left, with outstretched wings, and with feet thrust forward as if landing.

While there are specific differences in the marks (e.g. in applicant's mark the eagle's head is more noticeable and its wings are spread further apart) these differences are not likely to be recalled by purchasers seeing the marks at different times. Under actual marketing conditions, consumers do not have the luxury of side-by-side comparison of the marks, and furthermore, we must consider the recollection of the average purchaser, who normally retains

a general, rather than a specific, impression of trademarks. Thus, the purchaser's fallibility of memory over a period of time must also be kept in mind. See *Grandpa Pidgeon's of Missouri, Inc. v. Borgsmiller*, 477 F.2d 586, 177 USPQ 573 (CCPA 1973). Viewing the involved marks in this light, it is obvious that there are marked resemblances in the overall design and commercial impression thereof. We find that the du Pont factor of the similarity of the marks favors a finding of likelihood of confusion.

Third-party Use of Similar Marks

Applicant maintains that there are numerous third-party eagle design marks in use in the clothing field, and that opposers' AE design mark is weak and therefore entitled to only a narrow scope of protection. However, there is no evidence in the record of any third-party use of eagle design marks.

In fact, not only has applicant failed to show that opposers' AE design mark is weak but, on the contrary, the evidence shows that the AE design mark is a strong mark. With advertising expenditures ranging from \$30 million in 2004 to over \$50 million in 2007, and sales of clothing and accessories totaling \$7 billion from 2004 to 2006, the AE design mark must be considered well-known in the field. At best for applicant, this du Pont factor is neutral.

Actual Confusion

Finally, applicant argues that there is no evidence of actual confusion, and this factor favors a finding of no likelihood of confusion. Opposers note that applicant submitted no evidence of use of its mark, and therefore, applicant has no basis to argue that the absence of evidence of actual confusion is a factor here.

Of course, our focus here is likelihood of confusion, not actual confusion. *HRL Associates Inc. v. Weiss Associates Inc.*, 12 USPQ2d 1819 (TTAB 1989), *aff'd*, 14 USPQ2d 1840 (Fed. Cir. 1990). Neither party offered testimony or other evidence as to whether there were or were not incidents of actual confusion. In the absence of probative evidence on this factor, we conclude that it is neutral.

Conclusion

In view of the identity of the goods, overlapping trade channels and purchasers, relatively inexpensive nature of some of the goods, and similarity of applicant's SASCO design mark and opposers' AE design mark, we find that confusion is likely to result from the contemporaneous use of the marks involved in this case.

**Decision:** The opposition is sustained.