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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91210379
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Atlas Brewing Company, LLC,)	
)	
Opposer,)	Opposition No. 91210379
v.)	Serial No. 85/642,549
)	
Atlas Brew Works LLC,)	Mark: ATLAS
)	
Applicant.)	

APPLICANT’S TRIAL BRIEF

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I. INTRODUCTION

On June 4, 2012, Applicant, Atlas Brew Works LLC, filed application Serial No. 85/642,549 to register ATLAS on the Principal Register under Section 1(b) for “beer” in International Class 032. On April 24, 2013 Opposer, Atlas Brewing Company, LLC filed its Notice of Opposition against Serial No. 85/642,549. Opposer has failed to meet its burden of proof on all three of its counts, (1) priority and likelihood of confusion, (2) primarily geographically descriptive, and (3) lack of bona fide intent to use.

Opposer has conceded that it did not begin using its ATLAS BREWING COMPANY mark before Applicant’s constructive use date of June 4, 2012. Opposer claims likelihood of confusion based on Opposer’s alleged prior analogous trademark use before June 4, 2012. However, Opposer did not meet its burden of proving prior analogous trademark use rights deserving of any protection. Opposer has failed to show that its pre-business activities, such as applying for government licenses, negotiating with suppliers, and activating social media accounts, were sufficient to create an association *in the minds of the purchasing public* between the ATLAS BREWING COMPANY mark and Opposer’s goods. Therefore, without prior rights, Opposer’s count based on likelihood of confusion must be dismissed.

Opposer has failed to prove that even one of the three required factors is met for Applicant’s mark to be rejected on the ground that it is primarily geographically descriptive of Applicant’s goods. First, the primary significance of ATLAS is a book of maps and the secondary significance is Titan Atlas from Greek mythology, therefore ATLAS has a well-known meaning independent from its geographical meaning and the first factor is not met. Second, Applicant’s goods do not originate from the area nicknamed “Atlas District” in Washington, D.C. Finally, Opposer has not offered evidence to support that purchasers would be

likely to believe that Applicant's goods or services originate in the "Atlas District" of Washington, D.C. Therefore, Opposer has failed to show that Applicant's mark is primarily geographically descriptive and this count should be dismissed.

Opposer failed to argue lack of bona fide intent to use in its Trail Brief, and therefore this count is deemed waived. However, even if it is not waived, Opposer cannot support this contention. Applicant has provided both testamentary and documentary evidence showing that Applicant had a bona fide intent to use the ATLAS mark before and after filing. Applicant applied for ATLAS after its application for its first choice VOLSTEAD was objected to by the USPTO. ATLAS was Applicant's only alternative mark, and soon after applying became Applicant's official brand name. Applicant's bona fide intent to use is well supported by the evidence in the file. Therefore, Opposer's count based on lack of bona fide intent should be dismissed.

II. STATEMENT OF ISSUES

1. Whether Opposer has met its burden of proving priority when its use of its ATLAS BREWING COMPANY mark before Applicant's constructive use date consisted of purchasing equipment, contracting with suppliers, and applying for government licenses and registrations.
2. Whether Opposer has satisfied its burden of proof that Applicant's ATLAS mark is primarily geographically descriptive even though Opposer has not offered any evidence that the *primary* significance of Applicant's mark is of a geographically descriptive nature.
3. Whether Applicant met the legal requirement for establishing that it had a bona fide intention to use the mark ATLAS in commerce given that ATLAS initially

was selected as Applicant's single alternative mark in case Applicant was unable to overcome objections to its first proposed mark (VOLSTEAD), and given that Applicant promptly moved forward with all the necessary steps to use the mark ATLAS in commerce and given that Applicant did in fact begin using the mark ATLAS in commerce.

III. DESCRIPTION OF RECORD

The file history for the opposed Application Serial No. 85/642,549 for Applicant's ATLAS mark is automatically of record by the rules of the Board ("Applicant's Application").

The evidence of record consists of:

- **Applicant's Evidence of Record**

- Applicant's Opposition to Opposer's Motion for Summary Judgment and related exhibits (Dkt#9, Joint Motion for Entry of Evidence, Dkt#31)
- Photographs relating to Atlas Brewing Company taken by independent investigator on August 19, 2014, Applicant's Ex. Nos. 36-49 (Ex. A to Stipulation, Dkt#28)
- Applicant's Notice of Taking Testimony, deposition transcript for Justin Cox and related exhibits: Opposer's Ex. Nos. 25-28 and Applicant's Ex. Nos. 6-34 (Dkt##32-33)
- Applicant's Notice of Reliance, including excerpts from: Opposer's Responses to Applicant's First Set of Interrogatories; Opposer's Responses to Applicant's First Set of Admission Requests; and Opposer's Responses to Applicant's Second Set of Admission Requests (Dkt#35)

- **Opposer's Evidence of Record¹**

- Opposer's Motion for Summary Judgment and related exhibits (Dkt#7, Joint Motion for Entry of Evidence, Dkt#31)
- Opposer's Reply in Support of Opposer's Motion for Summary Judgment (Dkt#12, Joint Motion for Entry of Evidence, Dkt#31)
- Opposer's Notice of Reliance and Exhibit A (Dkt#17)
- Opposer's Testimony, deposition transcript for John Saller and related exhibits: Opposer's Ex. Nos. 1-4 and Applicant's Ex. Nos. 1-2 (Dkt#18)
- Opposer's Testimony, deposition transcript for Dale Steven Soble and related exhibits: Opposer's Ex. Nos. 5-24 and Applicant's Ex. Nos. 3-5 (Dkt#19)

IV. RECITATION OF FACTS

1. Procedural Background

On June 4, 2012, Applicant filed application Serial No. 85/642,549 to register ATLAS on the Principal Register under Section 1(b) for "beer" in International Class 032. (Applicant's Application TSDR Record). The Examining Attorney did not raise the issues of geographic descriptiveness or lack of bona fide intent during examination. *Id.*

Applicant's ATLAS Application published on December 25, 2012. *Id.* Opposer initiated this Opposition to Applicant's ATLAS Application On April 24, 2013 based on alleged priority and likelihood of confusion. (Notice of Opposition, Dkt#1).

On February 12, 2014, Opposer filed its Amended Notice of Opposition and Motion for Summary Judgment. (Opposer's Combined Motion to Amend Opposition, Motion for Summary

¹ Opposer claims that its application Serial No. 85/762,603 to register ATLAS BREWING COMPANY is part of the evidence of record (P. 5 of Opposer's Trial Brief, Dkt#37), however, Opposer did not plead its application as a basis for its Notice of Opposition, nor has Opposer made its application part of the evidence of record.

Judgment & Motion to Suspend the Proceedings (“Opposer’s MSJ”), Dkt#7). Opposer’s Amended Notice of Opposition added Count II based on lack of bona-fide intent to use and Count III based on merely descriptive objection. *Id.* On June 18, 2014, Opposer’s Motion for Summary Judgment was denied. (Board’s Decision Denying Opposer’s MSJ, Dkt#13). Opposer filed a Petition to the Director seeking review of the denial of its Summary Judgment Motion and this petition was denied on October 27, 2014. (Opposer’s Petition to Director, Dkt#14; Decision of Director Denying Opposer’s Petition, Dkt#23).

2. Applicant’s Intent to Use and Use of the ATLAS Mark

Applicant’s CEO, Justin Cox (“Cox”), and Applicant’s head brewer, Will Durgin (“Durgin”), began discussions to develop a brewery in 2008. (Declaration of Justin Cox in Support of Applicant’s Opposition to Opposer’s MSJ (“Cox Dec”) at ¶2, Dkt#9). In October 2011, Cox began putting his plans to develop a brewery on paper and considering recipes, well in advance of the filing date of its application for ATLAS. (Cox Dec ¶3). Cox began securing investors from late 2011 through 2012. (Cox Dec ¶5). Applicant also filed an intent-to-use trademark application for its then mark, VOLSTEAD BEER WORKS on January 29, 2012. (Cox Dec ¶6).

On May 9, 2012, a potential likelihood of confusion rejection issued in the VOLSTEAD BEER WORKS trademark application citing an application for VOLSTEAD covering distilled spirits owned by House Spirits Distillery LLC. (Cox Dec ¶8). As this entity appeared to have superior rights to VOLSTEAD, Applicant reached out several times to its Chief Executive Officer to discuss a consent agreement. (Cox Dec ¶8; Deposition of Justin Cox (“Cox Depo”) at

14:13-17,² Dkt#32). Ultimately, Applicant was unsuccessful in obtaining a satisfactory consent from House Spirits Distillery LLC. (Cox Dec ¶8).

When it was unable to reach agreement with the owner of the VOLSTEAD mark, in late May 2012, Applicant began considering the mark ATLAS as an alternative trademark to VOLSTEAD BEER WORKS. (Cox Dec ¶¶9, 10). Applicant conducted a search of the trademark records of the United States Patent & Trademark Office and internet searches for ATLAS. (Cox Dec ¶10). As those searches did not reveal any obstacles, Applicant commissioned its designer to prepare preliminary sketches of a tap handle for the new mark. (Cox Dec ¶11). On June 4, 2012, Applicant filed its federal intent-to-use trademark application for ATLAS including a declaration signed by Applicant's CEO (Cox) that Applicant had a bona fide intent to use the ATLAS mark in commerce. (Cox Dec ¶13).

On June 5, 2012, Applicant sent correspondence to its investors outlining the trademark issue with "Volstead Beer Works" and indicating that "Atlas Beer Works" was to be the alterative name for the brewery. (Cox Dec ¶13; Opposer's MSJ at Ex. B, Dkt#7). In the same correspondence, Applicant sent the preliminary sketch of a tap handle showing Atlas from Greek mythology holding a hop that it had commissioned from its designer, which was dated June 4, 2012. (Cox Dec ¶11; Cox Dec at Ex. A-3). Applicant's designer continued to work on a stylized version of ATLAS and sent a preliminary sketch to Applicant on June 13, 2012. (Cox Dec ¶14; Cox Dec at Ex. A-6).

On June 15, 2012, Applicant sent correspondence to its investors advising that it had decided to officially change its name and email addresses to "Atlas Beer Works." (Cox Dec ¶16; Cox Ex. at A-7). Applicant changed its name from Volstead Beer Works LLC to Atlas Beer Works LLC with the Delaware Secretary of State on June 18, 2012. (Cox Dec ¶17; Cox Dec at

² Deposition citations consist of page and line numbers as follows: PP:LL-PP:LL or PP:LL-LL.

Ex. A-8). Subsequently, after encountering another company using the name “Beer Works,” the name was changed to Atlas Brew Works LLC. (Cox Dec ¶17; Cox Ex. A-8; Cox Depo 13:24-14:2 and 25:22-26:4).

At least as early as July 26, 2012, Applicant was actively purchasing brewing supplies and materials. (Cox Dec ¶19; Cox Dec at Ex. A-9). A location for the brewery was chosen and a lease was signed in December 2012. (Cox Dec ¶20; Cox Dec at Ex. A-10). Applicant issued its first press release regarding its brewing enterprise on December 10, 2012. (Cox Dec ¶21; Cox Dec at Ex. A-11). Shortly thereafter, on December 27, 2012, Applicant filed its Brewer’s Notice with the U.S. Department of Treasury’s Alcohol and Tobacco Tax and Trade Bureau (TTB). (Cox Dec ¶22; Cox Dec at Ex. A-12).

On February 23, 2013, Applicant signed an agreement with a branding company to help further develop and expand its brand. (Cox Dec ¶23; Cox Dec at Ex. A-13). Applicant entered into a distribution agreement on April 2, 2013. (Cox Dec ¶24; Cox Dec at Ex. A-14). Applicant received its license from the Alcoholic Beverage Regulation Administration to provide tastings to consumers on July 26, 2013. (Cox Dec ¶25; Cox Dec at Ex. A -15). Applicant received its TTB license on April 11, 2013. (Cox Dec at Ex. A-12). Applicant’s beer was first sold in the District of Columbia on September 2, 2013. (Cox Dec ¶26).

Throughout its development, Applicant has taken a conservative approach with respect to trademarks and has changed its name when another party appeared to have superior rights. (Cox Dec ¶16). However, in this case Applicant has done exactly what Congress intended and secured its rights in its ATLAS mark before actual use to put others, such as Opposer, on notice of its rights in the mark and allow for Applicant to move forward with developing its brand.

3. Opposer's Responses to Applicant's Second Set of Admission Requests

Pursuant to 37 C.F.R. §§ 2.120(j)(3)(i) & (j)(8), Applicant designated certain of Opposer's Responses to Applicant's Second Set of Requests for Admission as evidence in this proceeding. (Applicant's Notice of Reliance, Dkt#35). Opposer failed to timely respond to Applicant's Second Set of Requests for Admission, so pursuant to Fed. R. Civ. P. 36, all of Opposer's Responses to Applicant's Second Set of Requests for Admission are deemed admitted.³ In particular, Opposer is deemed to have admitted:

- Request No. 23: "June 22, 2012 was the opening night of Atlas Brewing Company."
- Request No. 24: "June 22, 2012, was the first day that food and/or drink was served to the public under the name Atlas Brewing Company."
- Request No. 30: "As of September 27, 2013, Atlas Brewing Company's ATLAS branded beers had only been distributed throughout the Chicago metropolitan area and throughout the state of Illinois."

(Applicant's Notice of Reliance at Ex. C).

4. Origin and Significance of Applicant's ATLAS Mark

The primary significance of the term ATLAS is not as a geographic term, and Applicant did not adopt it because of any alleged geographic significance. The first listed dictionary definition of the word ATLAS is a book of maps. (Applicant's Opposition to Opposer's MSJ at

³ Opposer's Responses to Applicant's Second Set of Requests for Admissions were due to be served 35 day after service of the Requests by Applicant. Fed. R. Civ. P. 36. Opposer did not serve its responses on Applicant until 41 days after Applicant's Second Set of Admission Requests were served by first-class mail. (Applicant's Notice of Reliance). The parties did not agree to an extension of the response time. *Id.* Opposer has never provided an explanation for the late service of its responses. *Id.* Opposer likewise did not object to Applicant's Notice of Reliance wherein it relied on the responses to the Admissions as being deemed admitted. As such, the Board should decline to give consideration to Opposer's late served responses and deem them admitted. See Fed. R. Civ. P. 36.

Ex. B, Dkt#9). The second listed dictionary definition of the word ATLAS is the Titan Atlas from Greek mythology. *Id.* Dale Soble, the managing member of Opposer, testified in his own deposition that ATLAS refers to “the brewery that used to be in Chicago, and then obviously the secondary meaning of the god, and then Atlas as a map...it sort of implies strength.” (Deposition of Dale Soble (“Soble Depo”) at 95:12-23, Dkt#19). Further, Applicant chose ATLAS to reference the mythical figure named ATLAS from Greek mythology. (Cox Dec ¶11). Like Opposer, Applicant also considered the additional meanings and connotations of ATLAS when it was deciding whether to use ATLAS as its name. (Cox Dec ¶12; Opposer’s MSJ at Ex. B). In an email to Applicant’s investors, Cox explained that ATLAS fit with the existing logo, was simple and strong, and the letters ABW would be useful in marketing efforts. *Id.* Cox also identified proximity to the Atlas District as a *factor* to Applicant’s investors. *Id.* However, the meaning and significance of ATLAS is also evident in the preliminary sketch of a tap handle commissioned by Applicant showing Atlas from Greek mythology bearing the weight of hops on his shoulders. (Cox Dec ¶11; Cox Dec at Ex. A-4). It was also referenced in a June 6, 2012, email from Cox to an investor in which he stated: “[w]e are also throwing around the idea of putting different stuff on Atlas’s back for different beers.” (Cox. Dec at Ex. A-3). Further, one of Applicant’s current logos is a book of maps. (Applicant’s Ex. 14, Dkt#32; Cox Depo 26:14-22). Finally, Applicant referenced this meaning in its CEO’s Affidavit in support of its response to the office action for the ATLAS application wherein he (Cox) stated, “...we will use the term ATLAS in reference to the titan, Atlas.” (Opposer’s MSJ at Ex. F).

“Atlas District” is only one of a few designations for the geographic area known as “H Street District,” “H Street Northeast,” “H Street Corridor,” or simply “H street.” (Opposer’s MSJ at Exs. H, I, J, K and M; see also Cox Dec ¶29). A recent publication, the Washington,

D.C., Economic Partnership's D.C. Neighborhood Profiles 2013, designates the neighborhood simply as "H Street." (Applicant's Opposition to Opposer's MSJ at Ex. D). Atlas District is a term used to refer to an "arts and entertainment" district. (Opposer's MSJ at Exs. H, I, J, K and M; see also Cox Dec ¶29). The Atlas District of Washington, D.C. is not known for beer. (Cox Dec ¶30).

Applicant's goods do not originate from the so-called "Atlas District." (Cox Dec ¶31). Opposer's evidence shows that Applicant is 1.3 miles from the Atlas District of Washington, D.C. (Opposer's MSJ at Ex. M). Applicant is located in the Ivy City neighborhood within the Northeast quadrant of Washington, D.C. (Cox Dec ¶28).

V. ARGUMENT

1. Opposer has not met its burden of proving priority

Opposer's likelihood of confusion claim must be denied because Opposer has failed to prove that it had a proprietary interest in ATLAS prior to that of Applicant. In order for Opposer to prevail on its likelihood of confusion claim, it must prove that it has a proprietary interest in the mark ATLAS and that its interest was obtained prior to either the filing date of Applicant's application for registration or Applicant's date of first use, whichever is earlier. *T.A.B. Sys. v. Pactel Teletrac*, 77 F.3d 1372, 1374, 37 U.S.P.Q.2d 1879, 1881 (Fed. Cir. 1996); *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 U.S.P.Q.2d 1711, 1714 (T.T.A.B. 1993).

Applicant has been accorded a constructive use date for its ATLAS mark as of the filing date of June 4, 2012. (Applicant's Application TSDR Record); See 15 U.S.C. § 1057. Therefore, Applicant has superior rights over anyone adopting a mark after June 4, 2012 and can prevent third parties from acquiring common law rights in the ATLAS mark after June 4, 2012. See *Zirco Corp. v. American Telephone and Telegraph Co.*, 21 U.S.P.Q.2d 1542, (T.T.A.B.

1991) (“[B]y according conditional rights to those who publicly disclose their marks, constructive use encourages the early filing of applications and the searching of trademark records prior to the adoption and investment in new marks.”) (citing Senate Judiciary Committee Report on S.1883, S. Rep. No. 100-515 (September 15, 1988)).

Opposer has the burden of proving priority over Applicant’s filing date. *Dyneer Corp. v. Automotive Prods. Plc*, 37 U.S.P.Q.2d 1251, 1257 (T.T.A.B. 1995). Opposer has not carried its burden. Opposer did not use its mark prior to Applicant’s constructive use date of June 4, 2012. (P. 5, Opposer’s Trial Brief, Dkt#37). “[T]he right to a particular mark grows out of its use, not its mere adoption...” *Couture v. Playdom, Inc.*, 778 F.3d 1379, 1381, 113 U.S.P.Q.2d 2042, 2044 (Fed. Cir. 2015) (citing *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918)). Further, Opposer has failed to prove that it made use of ATLAS in a manner analogous to trademark use before June 4, 2012.

A. Opposer’s actions before June 4, 2012 do not amount to analogous trademark use

Opposer relies on a barrage of unsupported statements, unpersuasive evidence, and misapplied cases to support its contention that it had proprietary rights in its ATLAS BREWING COMPANY and ATLAS GOLDEN ALE marks (hereinafter collectively referred to as “ATLAS BREWING COMPANY mark”⁴) through analogous use.

Before a prior use becomes an analogous use sufficient to create proprietary rights, the petitioner must show prior use sufficient to create an association *in the minds of the purchasing public* between the mark and the petitioner's goods. A showing of analogous use does not require direct proof of an association in the

⁴ Opposer refers to both its ATLAS BREWING COMPANY mark and its ATLAS GOLDEN ALE marks. However, there is no evidence of record supporting that the ATLAS GOLDEN ALE mark provides Opposer with any rights outside of the arguments Opposer has under the ATLAS BREWING COMPANY mark in support of Opposer’s claims. Applicant’s arguments with respect to Opposer’s ATLAS BREWING COMPANY mark are also effective against any rights Opposer later acquired in Opposer’s ATLAS GOLDEN ALE mark.

public mind. Nevertheless, the activities claimed to create such an association must reasonably be expected to have a *substantial impact on the purchasing public* before a later user acquires proprietary rights in a mark.

Herbko Intern., Inc. v. Kappa Books, Inc., 308 F.3d 1156, 1162, 64 U.S.P.Q.2d 1375, 1378 (Fed. Cir. 2002) (internal citations omitted) (emphasis added). Taken as a whole, Opposer's indirect evidence fails to support an inference that Opposer's actions created an association in the minds of the purchasing public between the Opposer's ATLAS BREWING COMPANY mark and confusingly similar goods or services as Applicant's goods and services.

Opposer's use of its name ATLAS BREWING COMPANY before June 4, 2012, does not amount to analogous use because Opposer's use was not directed at potential purchasers, but instead directed to potential investors, suppliers, and government agencies. See 3 McCarthy on Trademarks and Unfair Competition § 20:16 (4th ed.) (citing *Herbko Intern., Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 1162, 64 U.S.P.Q.2d 1375, 1378 (Fed. Cir. 2002); *Selfway, Inc. v. Travelers Petroleum, Inc.*, 579 F.2d 75, 198 U.S.P.Q. 271 (C.C.P.A. 1978)). Further, Opposer's actions prior to June 4, 2012, did not amount to analogues use, because Opposer (1) failed to reach more than a negligible share of potential consumers and (2) did not have a substantial impact on the purchasing public. See 3 McCarthy on Trademarks and Unfair Competition § 20:16 (4th ed.) (citing *T.A.B. Systems v. PacTel Teletrac*, 77 F.3d 1372, 37 U.S.P.Q.2d 1879, 1883 (Fed. Cir. 1995) ("For example, if the potential market for a given service were 10,000 persons, then advertising shown to have reached only 20 or 30 people as a matter of law could not suffice."); *Westrex Corporation v. New Sensor Corporation* (As Consolidated), 83 U.S.P.Q.2d 1215, 1219 (T.T.A.B. 2007) (Because "the critical factor is the actual number of prospective customers reached," only nine e-mails from potential customers over seven years and \$50–60 thousand in advertising over 11 years were not sufficient to prove the required

public identification with the designation.). Opposer’s advertising before June 4, 2012, was not of sufficient clarity and repetition to prove that the necessary association was created among more than an insubstantial number of potential customers. See 3 McCarthy on Trademarks and Unfair Competition § 20:16 (4th ed.) (citations omitted).

Opposer argues that the regulatory process for alcohol is similar to the regulatory process for the pharmaceutical industry. (Pp. 18-19 of Opposer’s Trial Brief). Opposer further argues that because drug companies have been found to have adequate use for priority during the Food and Drug Administration (FDA) approval process that Opposer should be found to have analogous use while its applications to the local, state, and federal agencies to brew and sell beer are pending. *Id.* Even assuming Opposer’s analogy is reasonable, the cases cited by Opposer do not support a finding that Opposer’s actions before June 4, 2012, constitute analogous use. Both pharmaceutical related cases cited by Opposer deal with actual use that occurred prior to FDA approval that constituted use in commerce for acquiring a federal trademark registration. See *Id.* (citing *G.D. Searle & Co. v. Nutrapharm, Inc.*, 98 CIV. 6890 TPG, 1999 WL 988533 at *4 (S.D.N.Y. Nov. 1, 1999)⁵ (interstate shipment of the goods bearing the mark was enough to overcome motion for summary judgment as it may qualify as actual use in the meaning of the trademark act to qualify for use based rights); *Automedx, Inc. v. Artivent Corp.*, 95 U.S.P.Q.2d 1976, 1985 (T.T.A.B. 2010) (sale of medical device to Military for non-human use was actual use of the mark in commerce and Board did not have to consider whether it was analogous use)). Unlike the *G.D. Searle* and *Automedx* cases, Opposer did not make *actual use* of its ATLAS BREWING COMPANY mark in connection with the sale or shipment of beer in interstate

⁵ Opposer’s citation of this case is incomplete and incorrect, however, Applicant assumes this is the case Opposer meant to cite to. (Pp. 17-19, 24 of Opposer’s Trial Brief) (citing case as: “*G.D. Searle & Co. v. Nutrapharm, Inc.*, No. 98-6890 (S.D.N.Y. Oct. 29, 1999)”).

commerce before Applicant's constructive use date of June 4, 2012. (P. 18 of Opposer's Trial Brief) ("Opposer was not permitted to sell its beer prior to TTB approval, nor did it do so").

In addition, any attempt by Opposer to advance its position by alleging adherence to regulatory procedures prior to Applicant's filing date is negated by Opposer's own violation of those very same regulations. Opposer did not receive its Federal Tax and Trade Bureau (TTB) license until July 19, 2012. (Applicant's Ex. 2, Dkt#18; Deposition of John Saller ("Saller Depo") at 55:18-57:2, Dkt#18). A TTB license is required to "commence the business of a brewer." 27 C.F.R. § 25.61. A brewer is defined as "any person who brews beer or produces beer for sale. Such term shall not include any person who produces only beer exempt from tax under section 5053(e)."⁶ See 26 U.S.C. § 5052; see also 27 C.F.R. § 25.11. Opposer admittedly brewed beer at least as early as April 2012, prior to receipt of its TTB license and during the period of time it is relying on to predate Applicant's filing date.⁷ (Soble Depo 86:16-88:1). Opposer's pre June 4, 2012, brewing activities *either* 1) violate Federal brewing laws and regulations, and therefore are not a lawful use of the ATLAS mark and cannot be relied on to show analogous use,⁸ *or* 2) must be exempt under 26 U.S.C. § 5053(e) because the beer is only for "personal or family use," in which case the use is not analogous to trademark use and also does not establish priority by Opposer. Indeed, even after Applicant's priority date, Opposer

⁶ 26 U.S.C. § 5053(e) states, in pertinent part, "(e) Subject to regulation prescribed by the Secretary, any adult may, without payment of tax, produce beer for personal or family use and not for sale."

⁷ See Saller Depo 17:19-22 ("[the stainless steel tanks] arrived April 23, 2012."); Soble Depo 86:18-19 ("We started brewing when we received our equipment.")

⁸ *Churchill Cellars, Inc. v. Brian Graham*, No. 91193930, 2012 WL 5493578 at *3 (T.T.A.B. Oct. 19, 2012) (not precedential) (use before TTB license illegal and not use that can lead to trademark rights); *Medtronic, Inc. v. Pacesetter Systems, Inc.*, 222 U.S.P.Q. 80, 82 (T.T.A.B. 1984).

continued its pattern of flaunting TTB regulations by again producing beer for sale prior to receipt of its TTB license.⁹

The next case Opposer relies on is *Martahus v. Video Duplication Services, Inc.* (3 F.3d 417, 27 U.S.P.Q.2d 1846 (Fed. Cir. 1993)). In *Martahus*, the petitioner proved prior rights in the trade name, VDS, by showing public use of its mark through advertising its services to the public under the VDS name and negotiating a contract *with a customer* under the VDS name. *Id.* at 422-23, 1851-52 (finding petitioner had analogous use in trade name before respondent's priority date). In this case, unlike *Martahus*, Opposer has not proved use of a trade name that constitutes analogous use because Opposer's use of its ATLAS BREWING COMPANY mark before June 4, 2012, was not directed at customers or the general public. See 15 U.S.C. § 1127; *Martahus*, 3 F.3d at 422, 27 U.S.P.Q.2d at 1851 (“[T]o establish trade name identification, an organization need only to have used a name or acronym in a manner that identifies the company by that name or acronym to the public...”).

Opposer argues that its applications for licenses, tax authorization, and business names and registrations at the local, state, and federal level constitute analogous use. (P. 17 of Opposer's Trial Brief). None of these steps taken by Opposer create rights in the names and marks. *Blast Blow Dry Bar LLC v. Blown Away LLC d/b/a Blast Blow Dry Bar*, No. 91204769, 2014 WL 108522, at *7 (T.T.A.B. Jan. 2, 2014) (not precedential) (citing *Liqwacon Corp. v. Browning-Ferris Industries, Inc.*, 203 U.S.P.Q. 305, 309, 316 (T.T.A.B. 1979)) (“[W]hile prior

⁹ See Saller Depo 50:21-23 (“Q. ...the first beer you brewed was a Deep End Stout? A. Yes.”); *Id.* at 51:3-5 (“Q. ... How long does it take to make the Deep End Stout? A. Probably ten days.”); *Id.* at 52:22-24 (“Were you in fact serving your own beer on July 19, 2012? A. Yes.”); *Id.* at 56:20-21 (“what is the effective date of [the Federal TTB brewing license]? A. July 19, 2012.”). In order to have sold beer on July 19, 2012 (the same day Opposer received its Federal brewing license), Opposer would have had to begin brewing that beer on July 9, 2012, well before receipt of its Federal brewing license, and before knowing whether the Federal brewing license would even be approved.

use of a trade name may be sufficient to give rise to superior rights in a mark, the mere act of incorporation, in itself, does not establish such priority of use.”)). All of the applications deal directly with the government agency and are not directed to the purchasing public. Further, for the majority of the applications and registrations applied for by Opposer, it is irrelevant if the name of the business on the form is the mark under which the product will eventually be sold. (Applicant’s Ex. 2) (showing name of Lucky Strike Corporation and not Atlas Brewing Company on TTB brewers application). If Opposer wanted to secure its rights to its name during all of its pre-business activities, it should have filed an intent-to-use trademark application and acquired a constructive use date, as did Applicant. However, despite having been involved in trademark disputes in the past, Opposer chose not to do so. (Cox Depo 60:23-61:9).

The steps taken by Opposer prior to June 4, 2012, were not directed to customers or the general public and therefore do not constitute analogous use because they cannot create an association in the minds of the purchasing public between the marks and Opposer’s goods. See *Herbko Intern*, 308 F.3d at 1162, 64 U.S.P.Q.2d at 1378. Opposer claims that its purchase of goods and services, including brewing equipment, furniture, signs, graphic design, waste collectors, brand consulting, and bank services, from its suppliers constitutes commercial use. (Pp. 21-22 of Opposer’s Trial Brief). These actions do not qualify as use in commerce for trademark rights, because the marks are not being used in connection with the sale of the goods. Further, these actions do not even qualify as analogous use, because they do not have any effect on the purchasing public. See *Herbko Intern*, 308 F.3d at 1162, 64 U.S.P.Q.2d at 1378; *Blast Blow Dry Bar LLC*, No. 91204769, 2014 WL 108522, at *7 (“Opposer’s lease is a “private agreement” and does not constitute “public use” of the mark.”) (citing *Computer Food Stores Inc. v. Corner Store Franchises, Inc.*, 176 U.S.P.Q. 535, 539 (T.T.A.B. 1973)).

Opposer also mentions that it joined Twitter on April 30, 2012, and Facebook on May 14, 2012. Opposer has failed to provide evidence of what the social media pages looked like and data to show how many persons viewed or were exposed to the social media pages before June 4, 2012. As shown in Opposer's Exhibit 1 (Dkt#18; Saller Depo 20:10-20), the Twitter account shows only twelve entries before June 4, 2012. Further, the Facebook page, shown in Opposer's Exhibit 2 (Dkt#18; Saller Depo 20:15-21), was opened in May 2012, however, there was no other activity on the page until June 23, 2012, which is after Applicant's priority date. Creating social media pages does not by itself establish use analogous to trademark use. See *The PNC Financial Services Group, Inc. v. Keith Alexander Ashe dba Spendology and Spendology LLC*, No. 91207409, 2013 WL 5820850 at *3(T.T.A.B. Oct. 15, 2013) (not precedential) (citing *Brookfield Commc'ns, Inc.*, 174 F.3d 1036, 1051, 50 U.S.P.Q.2d 1545, 1556 (9th Cir. 1999) (registration of a domain name does not by itself constitute use for purposes of establishing priority of use)).

On May 22, 2012, Opposer entered into the agreement found at Opposer's Exhibit 9 (Dkt#19; Soble Depo 26:14-24), with Rewards Network Establishment Services, Inc. Opposer does not provide any proof that the agreement became binding before June 4, 2012, or that Rewards Network Establishment Services, Inc. (RNES) did any advertising under the ATLAS BREWING COMPANY mark. Indeed, the agreement with RNES on its face states that the agreement is not effective until payment is received by RNES from Opposer. (Opposer's Ex. 9 at ¶9(g)). Opposer's own bank statement in evidence confirms that no such payment was made. (Opposer's Exs. 23-24; Depo Soble 76:5-9 and 80:6-15) (Opposer did not make a June 2012 bank statement part of the record, only the April 2012 and May 2012 bank statements). Therefore, the agreement is simply another contract with a supplier of prospective services to

Opposer and provides no proof that Opposer used the mark in a manner that would expose it to the purchasing public prior to Applicant's filing date.

In this case, Opposer has offered insufficient proof that its efforts to publicize and attract business under ATLAS BREWING COMPANY created the necessary prior association or public identification with its goods. Opposer's acquisition of a business registration, fictitious name certificate, its purchase of a brewing equipment and furniture, initiation of Twitter and Facebook pages, and its contractual agreement for assistance with signs, graphic design, and advertising are activities in the nature of setting up a business. No potential customer was exposed to the designation ATLAS BREWING COMPANY in association with Opposer's goods. The only persons who were exposed to the ATLAS BREWING COMPANY mark were the appropriate local, state, and federal agencies issuing the proper credentials and the vendors supplying the necessary support and equipment. In addition, although Opposer has provided alleged proof that Opposer's social media pages were up and running before June 4, 2012, Opposer has offered no evidence or information regarding the impact Opposer's use of ATLAS BREWING COMPANY on its social media pages had on potential customers. Just because a Twitter account or Facebook page is available for viewing does not mean that it was actually viewed. Because the social media activity is de minimus, and also because there is no information whatsoever as to the number of views the social media sites received, use of ATLAS BREWING COMPANY on the site does not support the necessary inference of public association.

Opposer's indirect evidence fails to establish use analogous to trademark use as it does not support an inference of identification in the mind of the consuming public. Opposer has failed to meet its burden and prove actual or analogous trademark use before June 4, 2012,

Applicant's priority date. Therefore Opposer is not the prior user and the opposition must be dismissed.

B. "Similarity of the Marks" Factor

As described above, Opposer has failed to prove priority and therefore, Opposer's argument that there is a likelihood of confusion between Applicant's mark and Opposer's marks is immaterial. Even if one accepts that the marks are similar, such that confusion between Applicant's mark and Opposer's marks is likely, the issue is moot here because Opposer is not the senior user.¹⁰ Because Applicant is the party with senior rights, this Opposition should be dismissed and Applicant's mark should proceed to allowance. See *Corporate Document Services Inc. v. I.C.E.D. Management Inc.*, 48 U.S.P.Q.2d 1477, 1479 at n.4 (T.T.A.B. 1998)("[T]he opposition can be defeated by applicant's proof of prior use alone.").

2. Applicant's ATLAS mark is not primarily geographically descriptive

Although the "Atlas District" is a nickname that has been used to describe the H Street area in Washington, D.C.,¹¹ Opposer has failed to show that a significant portion of purchasers, would upon seeing ATLAS in connection with Applicant's beer, conclude that it was a place name and that the beer came from there, which it in fact does not. Thus, ATLAS is not primarily geographically descriptive of the goods.

Opposer alleges that Applicant's mark is primarily geographically descriptive because Applicant took inspiration for its mark from the name Atlas District and because Applicant opened its brewery and taproom, after the filing of its application, in the Ivy City neighborhood,

¹⁰ Applicant strongly objects to Opposer's characterization of its mark as the senior mark and Applicant's mark as the junior mark. Applicant will simply refer to the marks as Opposer's mark and Applicant's mark.

¹¹ "Atlas District" is only one of a few designations for the geographic area better known as "H Street District," "H Street Northeast," "H Street Corridor," or simply "H street." (Opposer's MSJ at Exs. H, I, J, K and M; see also Cox Dec ¶29).

which is near H Street, in Washington, D.C. (Pp. 29-31 of Opposer's Trial Brief). Opposer relies primarily on Applicant's emails and testimony to support its argument that Applicant's mark is primarily geographically descriptive. *Id.* As Opposer has done throughout this Opposition, in support of its argument Opposer misinterprets the evidence in this case and the state of the law.

TMEP § 1210.01(a) states the following factors that must be shown in order to establish a prima facie case for refusal to register a mark as primarily geographically descriptive:

- (1) the primary significance of the mark is a generally known geographic location;
- (2) the goods or services originate in the place identified in the mark; and
- (3) purchasers would be likely to believe that the goods or services originate in the geographic place identified in the mark. Contrary to Opposer's analysis, the factors do not call for a subjective analysis of the Applicant's reason for choosing the mark, but instead an objective analysis of the public's view. See TMEP § 1210.01(a)

In determining whether the primary significance of the mark is that of a geographic location, a mark generally is not considered "primarily" geographic if it has a well-known meaning independent from its geographical meaning. See *In re International Taste Inc.*, 53 U.S.P.Q.2d 1604, 1605-06 (T.T.A.B. 2000) (HOLLYWOOD, which can refer to a geographic location in California, is not primarily geographic because of other prominent, significant meaning referring to entertainment industry); *In re Societe Generale des Eaux Minerales de Vittel S.A.*, 824 F.2d 957, 3 U.S.P.Q.2d 1450 (Fed. Cir. 1987) (evidence insufficient to establish that public in United States would perceive VITTEL as the name of a place where cosmetic products originate; Vittel, France found to be obscure). TMEP § 1210.02(b)(i) explains that "if the most prominent meaning or significance of the mark is not geographic, or if the mark creates

a separate readily understood meaning that is not geographic, registration must not be refused under §2(e)(2), §2(e)(3), or §2(a).” See 15 U.S.C. §§ 1052(e)(2), 1052(e)(3) & 1052(a) Opposer has not proved that the geographical significance of ATLAS is its primary significance.

Contrary to Opposer’s unsupported argument, the primary significance of ATLAS is its first dictionary definition, a book of maps. (Applicant’s Opposition to Opposer’s MSJ at Ex. B, Dkt#9). The second definition of ATLAS in the dictionary is the Titan Atlas from Greek mythology. *Id.* Further, the nickname “Atlas District” is not generally known or well known in Washington, D.C. (See Cox Dec ¶129). As in *In re International Taste Inc.*, the record in this case does not establish the primary connotation of the mark is geographic. Like HOLLYWOOD, ATLAS has a popular significance apart from any geographical meaning; whereas HOLLYWOOD is associated with the general entertainment industry, ATLAS is associated with a book of maps, or secondarily, the Titan Atlas tasked with holding up the celestial spheres. *In re International Taste Inc.*, 53 U.S.P.Q.2d 1604, 1605-06 (T.T.A.B. 2000).

Applicant did identify proximity to the Atlas District as a factor to Applicant’s investors, however, in that same email Applicant’s CEO explained that ATLAS fit with the existing logo, was simple and strong, and the letters ABW would be useful in marketing efforts. (Cox Dec ¶12)

Contrary to Opposer’s argument, a showing that the geographic place is known to the public and could be the source of the goods is not always enough in itself to establish a goods/place association. See *In re Mankovitz*, 90 U.S.P.Q.2d 1246 (T.T.A.B. 2009) (THE MONTECITO DIET held not primarily geographically descriptive when evidence showed that the applicant lived in Montecito); *In re John Harvey & Sons Ltd.*, 32 U.S.P.Q.2d 1451 (T.T.A.B. 1994) (HARVEYS BRISTOL CREAM not primarily geographically descriptive of cakes

flavored with sherry wine, where applicant's headquarters were in Bristol, England and that applicant's sherry wine was once bottled there).

In addition to not being the primary significance, Opposer also has not provided evidence that the alleged geographic meaning of Atlas is "generally known." It simply asserts that Atlas District is generally known because it is the nickname for a geographic location. (P. 28 of Opposer's Trail Brief). In fact, Opposer's own evidence contradicts its assertion that the Atlas District is generally known because Exhibits H, I, J, K and M to Opposer's summary judgment motion show that "Atlas District" is only one of a few designations for the geographic area better known as "H Street District," "H Street Northeast," "H Street Corridor," or simply "H street." (See also Cox Dec ¶29). A recent publication, the Washington, D.C., Economic Partnership's D.C. Neighborhood Profiles 2013, designates the neighborhood simply as "H Street." (Applicant's Opposition to Opposer's MSJ at Ex. D).

Opposer attempts to bolster its geographic descriptiveness argument by asserting that because the Affidavit submitted to the PTO (Opposer's MSJ at Ex. F) indicated that Applicant's target audience is limited to Washington, D.C. beer drinkers, the mere fact that the Atlas District is in Washington, D.C., means that "...Applicant's purchasers would be intimately knowledgeable of the Atlas District in Washington, D.C." (P. 9 of Opposer's MSJ) Aside from the complete lack of evidence to support this assertion, as well as evidence to the contrary noted above, Opposer fails to show that the geographic location would be the *primary* significance of the mark, even for D.C. natives.

In order for a mark to be denied registration on the Principal Register, all three factors must be met. TMEP § 1210.01(a). Therefore, because the primary significance of ATLAS is not geographic, Opposer's ground for opposition under §2(e)(2) of the Trademark Act must fail and

Applicant's mark should proceed to allowance. See 15 U.S.C. §§ 1052(e)(2). Further, even if Opposer had met its burden with respect to the first factor, Opposer also fails to prove the second and third factors.

The second factor of the test, for whether a mark is primarily geographically descriptive, addresses whether the goods originate in the place identified in the mark. Applicant's goods do not originate from the Atlas District. (Cox Dec ¶31). Opposer's evidence shows that Applicant is 1.3 miles from the Atlas District of Washington, D.C. (Opposer's MSJ at Ex. M; P. 29 of Opposer's MSJ). In fact, Applicant is located in the Ivy City neighborhood of Northeast D.C. (Cox Dec ¶28). Opposer cannot support its contention that Applicant's place of business being near the Atlas District meets this factor requiring that the goods originate in the Atlas District. See *In re Gale Hayman Inc.*, 15 U.S.P.Q.2d 1478, 1479 (T.T.A.B. 1990) (SUNSET BOULEVARD held not to be primarily geographically descriptive for perfume, where principal office was in Century City near Sunset Boulevard and there was no evidence that the goods were manufactured or sold on Sunset Boulevard). Opposer's claim that the mark is primarily geographically descriptive must fail because the evidence of record demonstrates that the goods do not originate from nor are sold in the Atlas District.

Finally, to prove that a mark is primarily geographically descriptive, Opposer must show that purchasers would likely believe that the goods originate from the geographic place identified in the mark. The only evidence Opposer provided on this issue, Ex. H and I to its summary judgment motion, identify the Atlas District as an "arts and entertainment" district. Per Cox, who is familiar with the area, the Atlas District of Washington, D.C. is not known for beer. (Cox Dec ¶30). Opposer attempts to meet this element of the test by arguing that Applicant intended to target consumers from Washington, D.C., who are familiar with the Atlas District, and thus

would believe the goods originate from the District. However, Opposer once again overlooks that Applicant's logo is Atlas from Greek mythology and that most consumers would either think of a book of maps when hearing the term ATLAS, or alternatively, of the Titan Atlas. (Applicant's Opposition to Opposer's MSJ at Ex. B). Opposer provides no evidence that any of Applicant's consumers associate Applicant's mark with a geographic location, much less provides any cases to support its contention that the familiarity of one subset of a product's purchasers with a geographic location would overcome the fact that the primary significance of the mark is not geographic.

Opposer cites to four cases in support of its argument that ATLAS is primarily geographically descriptive. In the first case, *In re Nantucket, Inc.*, the court found that the mark NANTUCKET for men's shirts was not geographically deceptively misdescriptive, because there was no indication the purchasing public would expect the shirts to come from Nantucket. 677 F.2d 95, 101, 213 U.S.P.Q. 889, 891 (C.C.P.A. 1982). However, Opposer failed to note that the analysis of this case has been called into question due to the changes enacted in 1992 by the North American Free Trade Agreement. See *In re California Innovations, Inc.*, 329 F.3d 1334, 1338, 66 U.S.P.Q.2d 1853, 1855 (Fed. Cir. 2003) (noting that the court in *Nantucket* did not require a showing that the goods-place association was material to the consumer's decision before rejection under [15 U.S.C.] § 1052(e)"); North American Free Trade Agreement Implementation Act, Pub. L. No. 103-182, 107 Stat. 2057 (1993). Similar to *Nantucket*, Opposer has not provided evidence showing that the purchasing public would not expect Applicant's beer to come from the Atlas District.

The second case Opposer cites is *In Re Spirits of New Merced, LLC*, which Opposer fails to acknowledge is a non-precedential opinion of the Trademark Trial and Appeal Board. 85

U.S.P.Q.2d 1614 (T.T.A.B. 2007). Unlike in *In Re Spirits of New Merced*, where “[t]here [was] no real dispute, and the evidence submitted by applicant and the examining attorney show[ed], that Yosemite National Park is the name of a well-known, if not famous, geographic region that is clearly not obscure or remote,” the Atlas District is not well known even in Washington, D.C. and is obscure or remote. 85 U.S.P.Q.2d 1614, 1617 (T.T.A.B. 2007); (Cox Dec ¶29).

Thirdly, Opposer cites *In re Loew’s Theatres, Inc.*, in support of its statement that a place need not be “well-known or noted for the goods” so long as Applicant’s goal is to associate the goods with the location. (P. 30 of Opposer’s Trail Brief). However, in *In re Loew’s Theatres*, the PTO was able to show that the goods were produced and marketed in the relevant location. *In re Loew’s Theatres, Inc.*, 226 U.S.P.Q. 865, 868 (Fed.Cir. 1985). Opposer provides no such evidence that any beer is brewed in the Atlas District, including Applicant’s beer. In addition, the evidence of record shows that Applicant’s goal was to associate the goods with the Titan Atlas from Greek mythology. (Cox Dec ¶¶11, 14).

Finally, on page 30 of Opposer’s Trial Brief, Opposer includes the following “See *Id.* at ¶10 (citing *Singer Manufacturing Co. v. Birginal-Bigsby Corp.*, 319 F.2d 273, 275, 138 U.S.P.Q. 63, 65 (C.C.P.A. 1963).”¹² The *Singer Manufacturing* decision also came before NAFTA, and therefore does not consider all factors that are considered in geographically misdescriptive cases under current law. Further, unlike in *Singer Manufacturing*, where the term at issue was AMERICAN, the geographic term in this case, ATLAS, is not primarily geographically descriptive. See *Singer Manufacturing Co. v. Birginal-Bigsby Corp.*, 319 F.2d 274, 138 U.S.P.Q. at 65.

Opposer argues that because Applicant’s mark is primarily geographically descriptive, it cannot be registered on the Principal Register without proof of acquired distinctiveness. Opposer

¹² It is unclear what “*Id.* at ¶10” is referring to.

goes on to assert that because Applicant has not placed its mark in use in commerce, it cannot prove acquired distinctiveness, nor amend the application to the Supplemental Register. (P. 31 of Opposer's Trial Brief). However, Applicant's goods are in use in commerce. (Cox Dec ¶26). Moreover, Opposer's arguments that ATLAS is only suitable for the Supplemental Register are irrelevant, given that its mark is not primarily geographically descriptive. Opposer has failed to prove all three factors and therefore ATLAS is not primarily geographically descriptive of Applicant's goods.

3. Applicant's bona fide intent to use the ATLAS mark in commerce

Opposer fails to argue its second count for lack of bona fide intent. Therefore, Count II of Opposer's Amended Notice of Opposition is deemed waived. See *Central Garden and Pet Co. v. Doskocil Manufacturing Co.*, 108 U.S.P.Q.2d 1134, 1136 at n.4 (T.T.A.B. 2013) (pleaded claim not argued in brief deemed waived). However, if the Board determines that Opposer did not waive its claim that Applicant lacked a bona fide intent at the time of filing its application, Applicant still prevails on this count because the record clearly shows that Applicant did have a bona fide intent to use the mark.

In 1988, Congress amended the Lanham Act to allow intent to use applications ("ITU") under 15 U.S.C. § 1051(b) to provide a means of securing rights in a mark before use in commerce. See H.R. Rep. No. 100-1028 at 8-9 (1988). Congress also recognized that the new ITU regime presented an opportunity for abuse by applicants attempting to monopolize a vast number of potential marks on the basis of a mere statement of intent to use the mark in the future. S. Rep. No. 100-515 (1988). Therefore, the Lanham Act requires an ITU applicant to have "...a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce..." 15 U.S.C. § 1051(b). A determination of whether an applicant has a

bona fide intention to use the mark in commerce is an objective determination based on all the circumstances. *Lane Ltd. v. Jackson International Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (T.T.A.B. 1994).

Opposer's previous argument found in its Motion for Summary Judgment claimed that Applicant lacked a bona fide intention to use the mark in commerce at the time it filed its federal trademark application because it was still considering using VOLSTEAD BEER WORKS. (Pp. 11-13 of Opposer's MSJ). However, Applicant had a contingent bona fide intent to use each of the marks. (Cox Dec ¶15). "[An] applicant can have a bona fide intent to use each of several candidate marks if the intent is contingent on the occurrence of some external, objective "circumstances" such as...*obtaining a consent agreement with a prior user who arguably may have some superior rights.*" [emphasis added] 3 McCarthy on Trademarks and Unfair Competition § 19:17 (4th ed.) (2014); *see also Commodore Elec Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1505 (T.T.A.B. 1193) ("a bona fide intention to use a mark at the time the application for registration thereof is filed simply means an intention that is firm, even though it may be contingent upon the outcome of a future event such as market research or product testing"). That is precisely the situation that occurred here.

As Cox explained in his declaration, if Applicant was unable to obtain consent from the owner of the cited VOLSTEAD mark, it was determined to adopt and use the ATLAS mark. (Cox Dec.¶15). Applicant's decision to use ATLAS was contingent only upon objective external contingencies. (Cox Dec. ¶15). Applicant had the requisite bona fide intent to use the mark in commerce.

According to the relevant case law, bona fide intent can be demonstrated by actions such as preparing business plans,¹³ retaining investors,¹⁴ conducting trademark searches for the mark,¹⁵ performing preparatory graphic design work for the mark,¹⁶ obtaining the necessary regulatory permits,¹⁷ correspondence mentioning the planned use of the mark,¹⁸ efforts in looking for a place of business,¹⁹ consistent efforts to put its mark to use in commerce after the filing date²⁰ and using the mark in commerce with the applied for goods. As shown by the Cox Declaration (Cox Dec ¶¶10, 13-14, 18-25), Applicant did all of these things in connection with its ATLAS mark.

These actions, and documentation thereof, overwhelmingly support Applicant's bona fide intent to use the ATLAS mark before, at the time of, and after the filing date of its application.

Applicant had a bona fide contingent intent to use ATLAS prior to and on the day it filed its trademark application. Since the filing date, Applicant steadily continued to develop its business under the ATLAS mark, which has now culminated in use of the ATLAS mark in commerce for Applicant's goods. (Cox Dec. ¶26). Opposer cites no cases to support its claim

¹³ *Lane Ltd. v. Jackson International Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (T.T.A.B. 1994).

¹⁴ *Nautica Apparel, Inc. v. Crain*, No. 113893, 2001 WL 1182881, at *2 (T.T.A.B. Sept. 21, 2001) (not precedential)

¹⁵ *Speedway Superamerica LLC v. Renegade Tobacco Inc.*, No. 91124822, 2004 WL 2075108, at *7 (T.T.A.B. Sept. 2, 2004) (not precedential); *Discovery Comm., Inc. v. Cooper*, No. 109154, 2000 T.T.A.B. LEXIS 185, at *4 (T.T.A.B. Mar. 29, 2000) (not precedential)

¹⁶ *Speedway*, 2004 WL 2075108, at *7; *Kellogg Co. v. The Earthgrains Co.*, No. 91110121, 2003 WL 22273096, at *2 (T.T.A.B. Sept. 30, 2003) (not precedential); *Pixel Instruments Corp. v. Sweven Corp.*, No. 97136 1999 T.T.A.B. LEXIS 715, at *6 (T.T.A.B. Dec. 30, 1999) (not precedential)

¹⁷ *Nautica*, 2001 WL 1182881, at *2; *Vignette Corp. v. Marino*, No. 91158854, 2005 WL 1801611, at *2 (T.T.A.B. July 26, 2005) (not precedential)

¹⁸ *Lane Ltd. v. Jackson Int'l Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (T.T.A.B. 1994)

¹⁹ *Vignette*, 2005 WL 1801611, at *2

²⁰ *Lane Ltd. v. Jackson Int'l Trading Co.*, 33 U.S.P.Q.2d 1351 (T.T.A.B. 1994) (actions to use a trademark shortly after the filing date of the trademark application are relevant to show Applicant's bona fide intent to use the trademark).

that filing for two marks (with one being an alternate name in case the other one receives an objection or faces other difficulties) demonstrates lack of bona fide intent.²¹ As shown above, the opposite is true.

The evidence submitted herewith demonstrates, conclusively, that Applicant had a bona fide intention to use the mark ATLAS in commerce before its application was filed, at the time its application was filed, and continuously thereafter. Further, Opposer's failure to argue this count in its brief causes the claim to be deemed waived. Accordingly, the Opposition on this ground should be denied.

VI. CONCLUSION

Opposer has failed to meet its burden of proof to sustain the notice of opposition. Opposer has not proven prior rights deserving of any protection before Applicant's constructive use date of June 4, 2012, and therefore cannot prevail on its likelihood of confusion claim. Opposer's pre June 4, 2012, activities amount to nothing more than business preparation activities, which are insufficient to establish trademark use. If Opposer wanted to secure Federal trademark rights, Opposer should have done exactly what Applicant has done in this case—file an Intent-To-Use trademark application—but despite having been involved in trademark disputes in the past, chose not to.

Opposer has failed to prove that even one of the three required factors is met for Applicant's mark to be rejected on the ground that it is primarily geographically descriptive of Applicant's goods. First, the primary significance of ATLAS is a book of maps and the

²¹ Opposer has repeatedly attempted to support its arguments in this case by pointing out that Applicant has failed to file a statement of use in connection with its pending application. (P. 31 of Opposer's Trial Brief). However, while this opposition is pending Applicant's application remains in the "Blackout Period" and Applicant is unable to file a statement of use or an amendment to allege. TMEP § 1104.03(b) (citing 37 C.F.R. § 2.76(a); 37 C.F.R. § 2.88(a)).

secondary significance is Titan Atlas from Greek mythology, therefore ATLAS has a well-known meaning independent from its geographical meaning

Opposer's count for lack of bona fide intent is deemed waived because Opposer failed to argue it in its Trial Brief, and even if it is not deemed waived Applicant has presented specific and uncontroverted evidence that proves that Applicant did have a bona fide intent to use the ATLAS mark at the time of application.

For the forgoing reasons, Opposer's opposition should be denied and Applicant respectfully requests that the Board dismiss Opposer's opposition to registration of application Serial No. 85/642,549 for ATLAS.

Respectfully submitted,

Date: May 7, 2015

By: /Maurine L. Knutsson/

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CERTIFICATE OF SERVICE

I hereby certify that on May 7, 2015, a copy of the foregoing APPLICANT'S TRIAL BRIEF was served on the following counsel of record for Opposer via first class mail, postage prepaid, addressed as follows:

Perry Gattegno
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/Maurine L. Knutsson/

CASES CITED IN APPLICANT'S TRIAL BRIEF NOT
PUBLISHED IN THE UNITED STATES PATENT
QUARTERLY

2014 WL 108522 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

BLAST BLOW DRY BAR LLC

v.

BLOWN AWAY LLC D/B/A BLAST BLOW DRY BAR

Opposition No. 91204769

to Application Serial No. 85492298

January 2, 2014

*1 Clark Richards and Paul Skeith of Richards Rodriguez & Skeith, LLP for Blast Blow Dry Bar LLC.
Kenneth L. Kunkle of Kunkle Law PLC for Blown Away LLC d/b/a Blast Blow Dry Bar.

Before Kuhlke, Wellington and Adlin

Administrative Trademark Judges

Opinion by Adlin

Administrative Trademark Judge:

On December 10, 2011 applicant Blown Away LLC d/b/a Blast Blow Dry Bar (“applicant”) filed an application to register the mark shown below



blast
BLOW DRY BAR

with BLOW DRY BAR disclaimed, for “Hair salon services; Hair styling; Providing on-site beauty services, namely, hair styling and make-up application services.”¹ In its amended notice of opposition, Blast Blow Dry Bar LLC (“opposer”) alleges use of BLAST BLOW DRY for identical services, and that prior to applicant’s filing date opposer acquired the domain name “blastblowdry.com,” organized as a limited liability company with the State of Texas, obtained a logo, business cards and fire permit and provided complimentary services for promotional purposes (collectively “Opposer’s Prior Activities”). Amended Notice of Opposition ¶¶ 2-10. Opposer also pleads ownership of a later-filed application to register BLAST BLOW DRY, in standard characters and with BLOW DRY disclaimed, for services identical to those identified in applicant’s involved application.² As grounds for opposition, opposer alleges that use of applicant’s mark would be likely to cause confusion with opposer’s mark.

In its answer, applicant denies the salient allegations in the amended notice of opposition and asserts, as an affirmative defense, that opposer’s claims “are barred under the doctrine of unclean hands” by virtue of opposer’s filing of its pleaded, subsequent application. Applicant also asserts, under the heading “Affirmative Defenses,” that to the extent that Opposer’s Prior Activities are sufficient to confer priority on opposer, applicant “has similar usage of [its] mark,” earlier than both the filing date of applicant’s involved application and most of Opposer’s Prior Activities.³

The Record

On May 22, 2013, the parties filed a Procedural Stipulation (TTABVue Docket # 11), pursuant to which they agreed, *inter alia*, to submit testimony by affidavit and to waive “[f]ormal or procedural objections” thereto (but reserved the right to object “based on relevancy, materiality, and, competency”). Also on May 22, 2013, the parties filed a Factual Stipulation (TTABVue Docket # 10), pursuant to which they stipulated to certain facts and authenticated and introduced into evidence certain documents.⁴ As a result of the parties' stipulations and filings, and by rule, the record consists of:

- the pleadings;
- the file of the involved application;
- applicant's notice of reliance (“NOR”) on opposer's pleaded application and opposer's responses to applicant's interrogatories (TTABVue Docket No. 9);
- documents submitted with the Factual Stipulation, including opposer's 2011 federal tax return, opposer's records of payments received for salon services in 2011, opposer's assumed name filing with the Texas Secretary of State and opposer's “craigslist.org” want ad seeking hair stylists;
- the Affidavit of Heidi Brownlee (“Brownlee Aff.”), applicant's co-owner, and document attached thereto (TTABVue No. 11); and
- the Affidavit of Venus Rouhani (“Rouhani Aff.”), opposer's co-owner, and documents attached thereto (TTABVue No. 12).

Both parties filed briefs.

Facts

Opposer is an Austin, Texas hair salon which provides “wash and blow dry services,” but not “hair cut or hair color services.” Rouhani Aff. ¶ 2. Opposer's Prior Activities undertaken in the summer and fall of 2011 include the following preparations to do business:

- opposer registered the domain name “blastblowdry.com” on August 30, 2011 (but its website and Facebook page were not publicly available until December 30, 2011 and opposer's initial blog posting was not until February 22, 2012); *id.* ¶¶ 3, 15; Factual Stipulation ¶ 1;
- opposer was formed as a limited liability company on August 31, 2011; Rouhani Aff. ¶ 4 and Ex. A;
- opposer entered into a lease agreement for its place of business on October 13, 2011 and on November 1, 2011 had business cards and postcards printed bearing the name BLAST BLOW DRY; *id.* ¶¶ 5, 7 and Exs. B, C;
- opposer placed a want ad seeking hair stylists on November 11, 2011, passed out business cards to City of Austin employees when obtaining a fire permit on November 21, 2011⁵ and trained employees during November 2011; *id.* ¶¶ 8, 9; Factual Stipulation Ex. S-4;
- on December 5, 2011, opposer placed a banner “on its retail store location” which stated “Blast Blow Dry, Opening December 15th;” Rouhani Aff. ¶ 11;

- opposer distributed promotional materials bearing the mark BLAST BLOW DRY door-to-door in Austin between December 10, 2011 and January 6, 2012; *id.* ¶ 14; and
- opposer sought an assumed name certificate for “Blast Blow Dry” which issued on January 30, 2012; Factual Stipulation ¶ 4 and Ex. S-3.

In addition, one of Opposer's Prior Activities was an agreement with Sikara Jewelry, pursuant to which opposer, on December 8, 2011, provided hair styling services at Sikara's holiday party. Specifically, opposer provided its services without charge to four of Sikara's customers,⁶ with opposer's stylists wearing clothing bearing the name BLAST BLOW DRY and distributing promotional materials during the event. Rouhani Aff. ¶¶ 10, 12.⁷ Opposer provided additional complimentary services at its place of business to prospective clients on December 28, 2011. *Id.* ¶ 17. Opposer did not receive payment for salon services until December 31, 2011. Factual Stipulation ¶ 3 and Ex. S-2.

*3 Applicant is a North Oaks, Minnesota hair salon which does business as BLAST BLOW DRY BAR, and provides “blow-dry and hair care services.” Brownlee Aff. ¶¶ 2, 4. Prior to the December 10, 2011 filing date of its involved application, applicant, like opposer, engaged in preparations to do business, as follows:

- applicant organized as a Minnesota limited liability company on November 4, 2011; *id.* Ex. D-1;
- Ms. Brownlee agreed to host a tennis program's annual holiday party and on December 8, 2011 applicant promoted its services at the event, which was attended by approximately 20 people not affiliated with applicant; during the event applicant demonstrated its “blow out” technique on one of applicant's co-owners, and applicant's “logo was on hand on a hard poster and on various promotional items distributed to attendees;” *id.* ¶¶ 7-8; and
- applicant registered the domain name “blastdrybar.com” on December 9, 2011 (but the site was not “first used” until February 13, 2012). Factual Stipulation ¶ 1.

Standing

Opposer has established that at the time it filed its original notice of opposition, it was using BLAST BLOW DRY for wash and blow dry services. Rouhani Aff. ¶¶ 2, 10, 12, 17; Factual Stipulation ¶ 3 and Ex. S-2. Accordingly, opposer has standing. *Automedx, Inc. v. Artivent Corp.*, 95 USPQ2d 1976, 1978 (TTAB 2010); *Giersch v. Scripps Networks, Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009) (“Petitioner has established his common-law rights in the mark DESIGNED2SELL, and has thereby established his standing to bring this proceeding.”); *Syngenta Crop Prot. Inc. v. Bio-Chek LLC*, 90 USPQ2d 1112, 1118 (TTAB 2009) (testimony that opposer uses its mark “is sufficient to support opposer's allegations of a reasonable belief that it would be damaged ...” where opposer alleged likelihood of confusion).

Likelihood of Confusion

This case is in essence a priority dispute. Indeed, there can be little doubt that there is a likelihood of confusion.

The parties' services are identical, at least in part. This not only weighs heavily in favor of a finding of likelihood of confusion, but also reduces the degree of similarity of the marks necessary to find a likelihood of confusion. *In re Vittera Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012); *In re Mighty Leaf Tea*, 601 F.3d 1342, 94 USPQ2d 1257, 1260 (Fed. Cir. 2010); *In re Max Capital Group Ltd.*, 93 USPQ2d 1243, 1248 (TTAB 2010).

*4 The parties' marks are highly similar in any event, with the only differences between them being that applicant's mark includes the descriptive and disclaimed word BAR and the diacritic circle above the “a” in BLAST, and is presented in a

stylized format. These minor distinctions are not enough to prevent confusion when the parties' marks are used on identical services. Descriptive and disclaimed words such as BAR are entitled to less weight in our analysis of the similarity of the parties' marks. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1846 (Fed. Cir. 2000) (“Regarding descriptive terms, this court has noted that the ‘descriptive component of a mark may be given little weight in reaching a conclusion on the likelihood of confusion.’”) (quoting *In re Nat'l Data*, 224 USPQ at 752); *In re Dixie Rests., Inc.*, 105 F.3d 1405, 41 USPQ2d 1531, 1533-34 (Fed. Cir. 1997); *In re Binion*, 93 USPQ2d 1531, 1534 (TTAB 2009) (BINION'S, not disclaimed word ROADHOUSE, is dominant element of BINION'S ROADHOUSE); *In re Code Consultants, Inc.*, 60 USPQ2d 1699, 1702 (TTAB 2001) (disclaimed matter is often “less significant in creating the mark's commercial impression”). The diacritic circle is nothing more than a minor feature of applicant's mark which does not meaningfully change its appearance, nor does it change the mark's likely pronunciation by English speaking American consumers or the mark's meaning. Furthermore, the first three words of the parties' marks are essentially identical, further increasing the likelihood of confusion. See *Presto Products Inc. v. Nice-Pak Products, Inc.*, 9 USPQ2d 1895, 1897 (TTAB 1988) (“[I]t is often the first part of a mark which is most likely to be impressed upon the mind of a purchaser and remembered”); see also *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005) (“Veuve” is the most prominent part of the mark VEUVE CLICQUOT because “veuve” is the first word in the mark and the first word to appear on the label); *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992) (upon encountering the marks, consumers will first notice the identical lead word).

In the absence of any evidence of record which weighs against a finding of likelihood of confusion, and given the identical services and highly similar marks, we have no difficulty finding that there is a likelihood of confusion between the parties' marks. The question, therefore, is whether opposer can establish priority.

Priority

*5 “To establish priority, [opposer] must show proprietary rights in the mark that produce a likelihood of confusion.... These proprietary rights may arise from a prior registration, prior trademark or service mark use, prior use as a trade name, prior use analogous to trademark or service mark use, or any other use sufficient to establish proprietary rights.” *Herbko International, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002) [internal citations omitted]; *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 1320, 209 USPQ 40, 43 (CCPA 1981).⁸ Here, applicant may rely on the filing date of its involved application, December 10, 2011, and we must therefore determine whether opposer can establish proprietary rights in its pleaded mark before that date. *Cent. Garden & Pet Co. v. Doskocil Mfg. Co.*, 108 USPQ2d 1134, 1140 (TTAB 2013) (“for when an application or registration is of record, the party may rely on the filing date of the application for registration, *i.e.*, its constructive use date”); *Syngenta*, 90 USPQ2d at 1119 (“applicant may rely without further proof upon the filing date of its application as a ‘constructive use’ date for purposes of priority”).

Opposer claims rights in the service mark BLAST BLOW DRY by virtue of use and use analogous to service mark use. Turning first to the claim of actual use, “[f]or service marks, the ‘use in commerce’ requirement is met when (1) a mark is ‘used or displayed in the sale or advertising of services’ and (2) either (i) the services are ‘rendered in commerce’ or (ii) the services are ‘rendered in more than one State or in the United States and a foreign country and the person rendering those services is engaged in commerce in connection with the services.’” *Aycock Engineering Inc. v. Airflite Inc.*, 560 F.3d 1350, 90 USPQ2d 1301, 1305 (Fed. Cir. 2009) (citing 15 U.S.C. § 1127).

Here, opposer used its mark on the “Blast Blow Dry, Opening December 15th” banner to advertise its services, starting on December 5, 2011, and opposer first *rendered hair styling services* on December 8, 2011, when it provided these services free of charge to four Sikara Jewelry customers. While applicant characterizes the Sikara services not as service mark use, but instead, at best, as use analogous to service mark use, we disagree. In fact, opposer provided hair styling services at the Sikara event and this, coupled with opposer's earlier and simultaneous advertising of its services under the mark, constitutes “use in commerce,” notwithstanding that the services were provided free of charge. *American Express Marketing & Development Corp. v. Gilad Development Corp.*, 94 USPQ2d 1294, 1298 n.3 (TTAB 2010) (“... use of marks in conjunction with the rendering of free

services still constitutes a ‘use in commerce’ under the Trademark Act. In other words, a for profit sale is not required.”); *Capital Speakers Inc. v. Capital Speakers Club of Washington D.C. Inc.*, 41 USPQ2d 1030, 1034 n.3 (TTAB 1996); *McDonald's Corp. v. McKinley*, 13 USPQ2d 1895, 1898 n. 6 (TTAB 1989) (finding that goods need not be sold “in order to come within the ambit of the statute”); *Tiberghien Freres S.A. v. Miguel Gil, S.A.*, 185 USPQ 183, 184 (TTAB 1974).

*6 While the services were rendered to only four customers, which in some cases, depending upon the circumstances, may be too limited to establish “use,” in this case we have taken into account the low cost and limited nature of the parties' hair styling services, and the local nature of the parties' businesses, which currently operate in single locations. We note also that only three weeks after opposer provided complimentary services at the Sikara event, it was paid for services rendered to a larger number of customers at opposer's place of business, and that opposer's use continued thereafter. Factual Stipulation ¶ 3 and Ex. S-2; Rouhani Aff. ¶ 17. *See E.I. du Pont de Nemours and Co. v. Big Bear Stores, Inc.*, 161 USPQ 50, 51 (TTAB 1969) (test marketing and a small volume of sales established use); *see also, E.I. du Pont de Nemours and Co. v. G.C. Murphy Co.*, 199 USPQ 807, 812 (TTAB 1978).⁹

As for opposer's claim of use analogous to service mark use, specifically raised for the first time in Opposer's Trial Brief at pages 6-7, applicant argues that it “is beyond the pleading in this case and [has] not been fully tried.” Applicant's Trial Brief at 8. Applicant is correct that claims of use analogous to service mark use must be pleaded, *Cent. Garden & Pet Co.*, 108 USPQ2d at 1142, and that opposer did not explicitly plead use analogous to service mark use in its amended notice of opposition. However, we find that the issue was tried by implied consent under Fed. R. Civ. P. 15(b)(2). The vast majority of opposer's amended notice of opposition is devoted to opposer's claim of priority, not based on claims of actual service mark use, but instead based on Opposer's Prior Activities most of which are in the nature of use analogous to service mark use rather than actual service mark use. And in its answer to the amended notice of opposition, applicant asserts, as an “affirmative defense,” that to the extent Opposer's Prior Activities confer priority on opposer, applicant has “similar usage of its mark,” *i.e.* its own use analogous to service mark use, and applicant goes on to specify those usages in its pleading, just as opposer did by specifying Opposer's Prior Activities in its pleading. More importantly, much of the evidence of Opposer's Prior Activities was introduced by way of the parties' Factual Stipulation, to which applicant obviously did not object.¹⁰ In other words, applicant was “fairly apprised that the evidence was being offered in support of the issue” by way of the amended notice of opposition and Factual Stipulation, and “raised no objection to the introduction of evidence on the issue,” instead stipulating thereto. TBMP § 507.03(b).¹¹

*7 “Of course, an applicant or registrant involved in an inter partes proceeding before the Board may himself rely upon use analogous to trademark or service mark use to the extent that he may tack such use on to his technical trademark or service mark use for purposes of determining priority.” *In re Cedar Point, Inc.*, 220 USPQ 533, 537 (TTAB 1983). Here, we find that applicant may also rely on its own claim of use analogous to service mark use for the same reasons that opposer is entitled to do so. Answer to Amended Notice of Opposition ¶ 15; Factual Stipulation ¶ 1.

As for whether either party can prove its claim of use analogous to service mark use, we must consider the extent to which their activities impacted the public.

Before a prior use becomes an analogous use sufficient to create proprietary rights, the petitioner must show prior use sufficient to create an association in the minds of the purchasing public between the mark and the petitioner's goods ... A showing of analogous use does not require direct proof of an association in the public mind ... Nevertheless, the activities claimed to create such an association must reasonably be expected to have a substantial impact on the purchasing public before a later user acquires proprietary rights in a mark

Herbko International, 308 F.3d at 1156, 64 USPQ2d at 1378; *T.A.B. Systems v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879 (Fed. Cir. 1996). In addition, we must weigh the evidence on use analogous to service mark use as a whole, rather than considering each piece of evidence in isolation. *West Florida Seafood Inc. v. Jet Restaurants Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1663 (Fed. Cir. 1994) (“However, whether a particular piece of evidence by itself establishes prior use is not necessarily dispositive as to whether a party has established prior use by a preponderance. Rather one should look at the evidence as a

whole, as if each piece of evidence were part of a puzzle which, when fitted together, establishes prior use.”). Under these standards, we find based on the record herein that neither party may rely on use analogous to service mark use because the evidence of record regarding the parties' earlier activities, considered as a whole, does not establish that those activities had a “substantial impact on the purchasing public.”

The parties' mere registration of their marks as domain names is not enough to establish service mark use or use analogous to service mark use where neither party operated an active website accessible through its domain name. *See Brookfield Communications Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036 50 USPQ2d 1545, 1555 (9th Cir. 1999). Nor was the mere formation of limited liability companies using the names BLAST BLOW DRY or BLAST BLOW DRY BAR sufficient; rather, only uses of the names or marks or uses analogous to service mark use “directed to customers or to potential customers” would be enough to confer prior rights. *See Liqwacon Corp. v. Browning-Ferris Industries, Inc.*, 203 USPQ 305, 309, 316 (TTAB 1979). Opposer's lease is a “private agreement” and does not constitute “public use” of the mark. *Computer Food Stores Inc. v. Corner Store Franchises, Inc.*, 176 USPQ 535, 539 (TTAB 1973). As for opposer's distribution of business cards and promotional materials, there is no evidence regarding how many customers or potential customers were reached via these efforts, and applicant's promotional efforts at the tennis program's small holiday party did not reach a sufficient number of people. As for opposer's banner, while it may very well have had the requisite impact on the purchasing public, we are not able to determine that from the record. The photograph of the banner included with the Rouhani Affidavit does not show how the banner appeared “on” opposer's retail store, as Ms. Rouhani testified, but instead merely shows an individual holding the banner, apparently inside rather than outside of opposer's place of business. Rouhani Aff. Ex. E. Moreover, opposer's address is “3800 North Lamar Boulevard, Suite 750,” suggesting that opposer's store may be on the 7th floor or otherwise not on street level, and there is simply no way for us to determine, even by inference, how many passersby were likely to view the banner when it was “on” opposer's store.

*8 Considered as a whole, the parties' evidence falls short for the same reason. That is, even where the parties made open use of their names or marks, such as through a banner “on” opposer's store or through promotional appearances at events, there is simply no evidence that these efforts reached a sufficient number of people, and we therefore cannot determine whether the parties' efforts had an impact, much less a “substantial impact,” on the purchasing public. *See, T.A.B. Systems*, 77 F.3d at 1372, 37 USPQ2d at 1882-84 (“Nor can there be any doubt that purchaser perception must involve more than an insubstantial number of potential customers. For example, if the potential market for a given service were 10,000 persons, then advertising shown to have reached only 20 or 30 people as a matter of law could not suffice.”); *Westrex Corp. v. New Sensor Corp.*, 83 USPQ2d 1215, 1219 (TTAB 2007). Accordingly, we find that neither party has established use analogous to service mark use.

That brings us back to opposer's actual rendering of hair styling services at the December 8, 2011 event. While applicant also participated in a promotional event on the same date, applicant did not couple its promotional efforts at the event with the actual rendering of the involved services to potential customers. By contrast, opposer both promoted its services and actually rendered them in commerce to potential customers. That distinction is sufficient, under the facts of this case, for us to find that opposer established actual trademark use on December 8, 2011, while applicant's purely promotional efforts before a small group of people were insufficient to establish either actual service mark use or use analogous to service mark use, leaving applicant to rely on the subsequent December 10, 2011 filing date of its involved application. Accordingly, opposer has established both priority of use and likelihood of confusion.¹²

Decision: The opposition is sustained and registration of applicant's mark is refused under Section 2(d) of the Trademark Act.

Footnotes

- 1 Application Serial No. 85492298, alleging an intent to use the mark in commerce under Section 1(b) of the Act. The application includes the following description of the mark: “The mark consists of the words ‘blåst blow dry bar’, the word blast includes the Swedish letter ‘a’ with a diacritic circle above it.” The application also includes the following translation statement: “The English translation of ‘blåst’ in the mark is ‘blown.’”

- 2 Application Serial No. 85510853, filed January 6, 2012, alleging first use dates of November 21, 2011.
- 3 This “defense” is in fact merely an amplification of applicant's denial of the priority allegations in the notice of opposition. *Compare*
- 4 *TBMP* § 311.02(b) (3d ed. rev.2 2013) *with* *TBMP* § 311.02(d).
- 5 The parties are commended for their stipulations, which greatly simplified the presentation of evidence and resulted in an appropriately
- 6 focused record.
- 7 Applicant's hearsay objection to Ms. Rouhani's testimony about the distribution of business cards to Austin employees is overruled.
- 8 The testimony does not include an out of court statement and in Paragraph 1 of her affidavit, Ms. Rouhani testifies that “[t]he facts
- 9 stated in this affidavit are within my personal knowledge,” which, coupled with the foundation laid about her role with opposer and
- 10 relationship to Jinous Rouhani is sufficient.
- 11 Sikara's owner and two of Sikara's employees were also present at the event.
- 12 Applicant's hearsay objection to the December 8, (not December 1) 2011 e-mail from Sikara's Mousemi Shaw, attached to the
- Rouhani Affidavit as Exhibit D, is sustained. The e-mail, as opposed to Ms. Rouhani's testimony about the event, has been given
- no consideration.
- To establish that it has proprietary rights in the mark, opposer must establish that BLAST BLOW DRY “is distinctive of its [services]
- either inherently or through the acquisition of secondary meaning.” *Hoover Co. v. Royal Appliance Manufacturing Co.*, 238 F.3d
- 1357, 57 USPQ2d 1720, 1721 (Fed. Cir. 2001); *Otto Roth & Co., Inc. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40,
- 44 (CCPA 1981) (discussing requirements of inherent distinctiveness). While it seems clear that BLOW DRY is merely descriptive
- under Section 2(e)(1) of the Act, and there is no evidence that it has acquired distinctiveness, by the same token there is no evidence
- that BLAST is anything other than inherently distinctive, and applicant, which has disclaimed all elements of its mark other than the
- word BLÅST, does not argue to the contrary. Accordingly, we find that BLAST BLOW DRY is as a whole inherently distinctive, even
- if BLOW DRY by itself is not. *See, e.g., Giersch*, 90 USPQ2d at 1023 (“Respondent has not raised an issue as to the distinctiveness
- of petitioner's mark or otherwise put petitioner on notice of this defense, and therefore we find that the mark is distinctive.”) (citing
- Wet Seal Inc v. FD Mgmt., Inc.*, 82 USPQ2d 1629, 1634 (TTAB 2007) (absent argument or evidence from applicant, opposer's
- mark deemed distinctive)); *Chicago Corp. v. N. Am. Chicago Corp.*, 20 USPQ2d 1715, 1717 n. 5 (TTAB 1991)(rejecting applicant's
- argument that opposer failed to prove that its mark was distinctive where applicant failed to plead the issue or introduce evidence
- of non-distinctiveness).
- The legislative history to the Trademark Law Revision Act of 1988 is also relevant here:
- The committee intends that the revised definition of “use in commerce” be interpreted to mean commercial use which is typical in
- a particular industry. Additionally, the definition should be interpreted with flexibility so as to encompass various genuine, but less
- traditional, trademark uses, such as those made in test markets, infrequent sales of large or expensive items, or ongoing shipments
- of a new drug to clinical investigators by a company awaiting FDA approval, and to preserve ownership rights in a mark if, absent
- an intent to abandon, use of a mark is interrupted due to special circumstances.
- S. Rep. No. 100-515, pp. 44-45 (Sept. 15, 1988).
- The Factual Stipulation also includes evidence of applicant's similar activities, as raised in the “affirmative defense” that applicant
- has “similar usage.” Factual Stipulation ¶ 1.
- While applicant objected to consideration of the issue for the first time in its brief, that was too late under the circumstances of
- this case, where the trial was effectively conducted by stipulation and opposer's evidence of use analogous to service mark use was
- introduced via the parties' Factual Stipulation. In other words, having agreed in the preamble of the Factual Stipulation to “not contest”
- the evidence introduced thereby, applicant could not fairly change its mind and object to that evidence after the trial was over and after
- opposer relied on applicant's agreement to not contest the evidence. We also note that whereas the parties reserved in the Procedural
- Stipulation the right to object on certain grounds to the affidavit testimony, they did not include any such reservation in the Factual
- Stipulation which contained much of the evidence relating to opposer's claim of use analogous to service mark use.
- Applicant argues in its brief that opposer has “unclean hands.” While the basis for this defense is not entirely clear, applicant's position
- appears to be that it was improper for opposer to file its own application after being informed, in January 2012, about applicant's
- involved application, because opposer's application asserted a first use date of November 21, 2011 and identified services identical to
- those identified in applicant's application. Applicant's Trial Brief at 12-13. We fail to see how this was improper or why it constitutes
- unclean hands. Moreover, while we do not find herein that opposer established use in commerce prior to December 8, 2011, that
- does not mean that opposer filed its application in anything other than good faith. In any event, our decision herein is not based on
- opposer's application or any information contained therein.

2014 WL 108522 (Trademark Tr. & App. Bd.)

2012 WL 5493578 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

CHURCHILL CELLARS, INC.

v.

BRIAN GRAHAM

Opposition No. 91193930 to application Serial No. 77787019

October 19, 2012

*1 Richard J. Coddling of Akin Gump Strauss Haure & Feld LLP for Churchill Cellars, Inc.
David P. Miranda of Heslin Rothenberg Farley & Mesiti PC for Brian Graham

Before Holtzman, Cataldo and Mermelstein

Administrative Trademark Judges

Opinion by Cataldo

Administrative Trademark Judge:

On July 22, 2009 applicant, Brian Graham, applied to register in standard characters on the Principal Register the mark PARLAY, based upon his allegation of February 13, 2009 as a date of first use of the mark anywhere and in commerce under Section 1(a) of the Trademark Act for “wine” in International Class 33.¹

Registration has been opposed by opposer, Churchill Cellars, Inc. The allegations in the notice of opposition are set forth below:

1. Churchill Cellars, Inc. (“Opposer”) distributes and sells wines under the trademark PARLAY.
2. The distribution and sale of wine is subject to a federal regulatory scheme. That scheme is set forth, in part, in Title 27 of the Code of Federal Regulations (“C.F.R.”), Chapter I, Part 4, Labeling and Advertising of Wine. 27 C.F.R. § 4.30 provides in pertinent part:
 - (a) Application. No person engaged in business as a producer, rectifier, blender, importer, or wholesaler, directly or indirectly or through an affiliate, shall sell or ship or deliver for sale or shipment, or otherwise introduce in interstate or foreign commerce, or receive therein, or remove from customs custody, any wine in containers unless such wine is packaged, and such packages are marked, branded, and labeled in conformity with this subpart.
3. 27 C.F.R. § 4.50 provides:
 - (a) No person shall bottle or pack wine, other than wine bottled or packed in U.S. customs custody, or remove such wine from the plant where bottled or packed, unless an approved certificate of label approval, TTB Form 5100.31 is issued by the appropriate TTB officer.
4. In accordance with the applicable regulatory requirements set forth above, on or about March 6, 2009, Owl Ridge Wine Services, Greg & Greg, Inc., on behalf of Opposer Churchill Cellars, Inc., filed an application with the Department of Treasury Alcohol and Tobacco Tax and Trade Bureau (“TTB”) for approval of the Churchill Cellars, Inc. PARLAY wine label.

*2 5. On or about March 10, 2009, the TTB issued its TTB Form 5100.31 certificate of label approval of Churchill Cellars, Inc.'s PARLAY wine label.

6. Following receipt of the required TTB approval of its PARLAY label, Churchill Cellars, Inc. began bottling, distributing and selling wine under the PARLAY trademark making its first shipment of wine on or about April 21, 2009. Since that time, Churchill Cellars Inc. has used the PARLAY mark continuously.

7. Applicant Brian Graham ("Applicant") seeks to register the mark PARLAY in international class 33 (Alcoholic beverages (except beers)) (former U.S. classes 47 (wines) and 49 (Distilled alcoholic liquors)).

8. Applicant filed its application for registration of its mark on July 22, 2009, well after Opposer obtained its TTB label approval on March 10, 2009 and well after Opposer began using the PARLAY mark in interstate commerce on April 21, 2009.

9. In its application for registration of its mark, Applicant has alleged February 13, 2009 as its first use of the mark and its first use of the mark in interstate commerce.

10. On its face, it appears that Applicant's alleged date of first use of February 13, 2009 precedes Opposer's date of first use on April 21, 2009. However, at the time of Applicant's alleged first use of the PARLAY mark, it had neither applied for nor obtained a TTB Form 5100.31 certificate of label approval. Applicant, through an affiliated entity, Ramian Estate, LLC., did not obtain a TTB Form 5100.31 certificate of label approval until July 9, 2009, well after Opposer obtained its TTB label approval and began using the mark in commerce.

11. Section 907, Compliance with Other Statutes, of the Trademark Manual of Examining Procedure provides that the use of a mark in commerce must be a lawful use to be the basis for federal registration of the mark.

12. 37 C.F.R. § 269, Compliance with other laws, provides:

When the sale or transportation of any product for which registration of a trademark is sought is regulated under an Act of Congress, the Patent and Trademark Office may make appropriate inquiry as to compliance with such Act for the sole purpose of determining lawfulness of the commerce recited in the application.

13. Here, as noted above, 27 C.F.R. § 4.50 provides that no person shall bottle or pack wine or remove such wine from the plant where bottled or packed unless an approved certificate of label approval, TTB Form 5100.31, has been issued by the appropriate TTB officer. Because Applicant did not receive its TTB Form 5100.31 certificate of label approval until July 9, 2009, any wine bearing the PARLAY mark sold or distributed by Applicant or pursuant to its authorization prior to July 9, 2009 was sold or distributed in violation of the explicit requirements of 27 C.F.R. § 4.50 and does not constitute a lawful use of the mark for the purpose of obtaining a federal registration of the mark based on that use.

*3 14. Because the requirement of 27 C.F.R. § 4.50 for an approved TTB Form 5100.31 certificate of label approval prior to the distribution of any bottled or packaged wine is clear and unambiguous and because it is equally clear that Applicant did not have the required certificate of label approval prior to its sales or shipments of wine bearing the PARLAY mark prior to July 9, 2009, the date it obtained its TTB certificate of approval, Applicant's distribution and/or sale of wine bearing the PARLAY mark prior to July 9, 2009 constitutes a per se violation of 27 C.F.R. § 4.50. Consequently, any such distributions and sales do not constitute lawful uses of the PARLAY mark and cannot be relied on as the basis for obtaining a trademark registration. *Kellogg Co. v. New Generation Foods Inc.*, 6 USPQ 2d 2045 (TTAB 1988); *Medtronic, Inc. v. Pacesetter Systems, Inc.*, 222 USPQ 80 (TTAB 1984).

15. This is not a case where there has been a technical violation of the requirements of the content of the label. Here, there is a clear statutory requirement for a label approved by the TTB and a clear and total failure to obtain the required label approval for the relevant period of time.

16. Because Applicant's alleged uses of the PARLAY mark prior to July 9, 2009 were not lawful and cannot be the basis for Applicant's registration of the mark, Opposer's lawful uses of the mark in commerce beginning on April 21, 2009 in compliance with the requirements of 27 C.F.R. § 4.50 are prior to any lawful uses of the mark in commerce by Applicant and Opposer has priority as to the use of the mark.

17. Applicant's PARLAY mark is identical to Opposer's PARLAY mark. Indeed, the stylized version of the mark used by Applicant on its bottles of wine is identical to the stylized version of the mark used by Opposer on its bottles of wine.

18. The fact that Applicant's mark is identical to Opposer's and that both marks are used on wines sold through the same or similar channels of distribution virtually assures that there will be confusion among potential customers as to the source or origin of Applicant's wine.

19. Applicant will unfairly benefit from the good will developed by Opposer through the distribution and sale of Opposer's wine.

20. Similarly, any defect in or objection to Applicant's wine will necessarily reflect adversely on Opposer and Opposer's wine and will damage the reputation that Opposer has developed with respect to its PARLAY wine. If Applicant were granted a registration for the PARLAY mark as requested, it would obtain at least a prima facie exclusive right to use the mark for Applicant's wines. Such registration would be a source of damage and injury to Opposer, as set forth above.

*4 Applicant's answer consists of a general denial of the allegations in the notice of opposition.²

The record in this case consists of the pleadings and the file of the involved application. *See* Trademark Rule 2.122(b); 37 C.F.R. § 2.122(b). In addition, opposer filed the testimony deposition, with accompanying exhibits, of Ms. Casey Coyle, a stockholder and employee of opposer. Opposer further submitted a notice of reliance.

Applicant submitted his testimony deposition with accompanying exhibits. Applicant further submitted a notice of reliance.

The parties filed briefs, including opposer's reply brief.

Opposer's Standing

Opposer, through its testimony and related exhibits, has established that it uses the mark PARLAY in connection with wine in the context of a plausible claim of priority and likelihood of confusion. *Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009) (common-law use sufficient to establish standing). Thus, opposer has demonstrated it possesses a real interest in this proceeding beyond that of a mere intermeddler, and a reasonable basis for its belief of damage. *See Ritchie v. Simpson*, 170 F.3d 1902, 50 USPQ2d 1023 (Fed. Cir. 1999). *See also Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

We find, therefore, that opposer has proven its standing to bring the instant opposition proceeding.

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 factors bearing on the likelihood of confusion issue. *See In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). *See also Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d

1369, 73 USPQ2d 1689 (Fed. Cir. 2005); *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); and *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

In this case, the parties are using virtually identical marks, *i.e.*, PARLAY, for identical goods, namely wine.³ Both applicant's wine and opposer's wine appear to be available to all classes of purchasers in all channels of trade that are customary therefor. Neither party has presented arguments or evidence to support a finding that any of the enumerated *du Pont* factors favor a finding that confusion is unlikely. Indeed, the parties have not addressed the *du Pont* factors touching on likelihood of confusion in their briefs. Therefore we find, and the parties appear to agree, that confusion is likely.

Priority

*5 Because opposer does not own a U.S. registration, in order to prevail on a claim under Trademark Act § 2(d), it bears the burden of demonstrating a proprietary interest acquired through use of its mark prior to either the filing date of applicant's application or applicant's proven date of first use, whichever is earlier. See *Herbko Int'l Inc. v. Kappa Books Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002); *Otto Roth & Co., Inc. v. Universal Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981); and *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1714 (TTAB 1993). Opposer's asserted common-law mark, PARLAY, must be "distinctive," in the sense that it is used as an indicator of source and has at least some inherent or acquired ability to fulfill that function. See *Otto Roth*, 209 USPQ at 44; *Towers v. Advent Software Inc.*, 913 F.2d 942, 16 USPQ2d 1039, 1041 (Fed. Cir. 1990). A plaintiff's common-law mark is deemed distinctive if it appears to be inherently distinctive on its face, at least in the absence of evidence to the contrary. In this case, applicant has neither argued nor introduced evidence that opposer's PARLAY mark is descriptive or otherwise lacks inherent distinctiveness for purposes of our determination herein. Nor does the mark, on its face, appear to be anything but distinctive. We thus find opposer's PARLAY mark to be inherently distinctive on the facts and record of this case. See *Otto Roth*, 209 USPQ at 44. See also, *e.g.*, *Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1023 (TTAB 2009).

We turn then to the evidence of record to determine whether opposer's first use of its PARLAY mark is prior to any date upon which applicant can rely. In that regard, the following facts are largely undisputed:

applicant first created its PARLAY wine labels in October 2008⁴ and first used PARLAY in connection with wine subsequently in 2008;⁵

applicant first used the PARLAY mark in connection with wine in interstate commerce as early as February 13, 2009;⁶

applicant filed an application for TTB approval of its PARLAY label for wine on June 1, 2009, and obtained such TTB approval on July 9, 2009;⁷

opposer selected PARLAY as a mark for its wine on or about March 5, 2009;⁸

opposer filed an application for TTB approval of its PARLAY label for wine on March 6, 2009, and obtained such approval on March 10, 2009;⁹ and

opposer made its first use of PARLAY in connection with wine on April 16, 2009, and made its first use of such mark in commerce in connection with wine on April 20, 2009.¹⁰

*6 Based upon the foregoing, we find that the testimony and evidence of record establishes that the earliest date upon which applicant may rely for purposes of priority is February 13, 2009. The earliest priority date upon which opposer may rely is April

20, 2009. Inasmuch as opposer did not make use of the PARLAY mark prior to applicant's earliest date of use, opposer cannot establish priority for purposes of our likelihood of confusion determination.

Opposer argues at length that applicant cannot rely on any use of the PARLAY mark prior to the July 9, 2009 grant of the Department of Treasury Alcohol and Tobacco Tax and Trade Bureau ("TTB") approval for its labels for wine bearing the PARLAY mark. Essentially, opposer asserts that TTB regulations require approval by the TTB of wine labels prior to sale; that a "nexus arises between use of the mark and the use's noncompliance when a product was shipped with the mark but without required government approval;"¹¹ and that applicant's non-compliance was a material, per se violation of the applicable TTB regulation. Opposer thus argues that applicant's use prior to July 9, 2009 was unlawful and did not result in the creation of trademark rights.

As a general rule, in order to establish trademark rights, one's use of a mark must be lawful use in commerce. Applicant's "wine," as well as opposer's for that matter, may be lawfully purchased, notwithstanding prohibition of its sale to minors. That is to say, there is nothing inherently unlawful about applicant's goods and opposer does not so allege. Rather, opposer alleges that applicant violated a TTB regulation requiring approval of the label bearing its PARLAY mark prior to sale.

The lawful use doctrine is based on the USPTO's own interpretation of the requirement that a mark be used in commerce, *Western Worldwide Enters. Group Inc. v. Qinqdao Brewery*, 17 USPQ2d 1137 (TTAB 1990). Application of this doctrine has resulted in a number of difficulties for this tribunal, leading us to observe that we have heard cases involving the lawfulness of use under such statutes as the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, the Federal Insecticide, Fungicide, and Rodenticide Act, and the Federal Clean Air Act. Due to a proliferation of federal regulatory acts in recent years, there is now an almost endless number of such acts which the Board might in the future be compelled to interpret in order to determine whether a particular use in commerce is lawful. Inasmuch as we have little or no familiarity with most of these acts, there is a serious question as to the advisability of our attempting to adjudicate whether a party's use in commerce is in compliance with the particular regulatory act or acts which may be applicable thereto.

Satinine Societa in Nome Collettivo di S.A. e M. Usellini v. P.A.B. Produits et Appareils de Beaute, 209 USPQ 958, 964 (TTAB 1981) (declining to find opposer's use invalid under the Trademark Act); see also *Id.* at 967 (Kera, concurring) (suggesting that "There must be some nexus between the use of the mark and the alleged violation before it can be said that the unlawfulness of the sale or shipment has resulted in the invalidity of an application or registration.").

*7 Subsequently, in *Kellogg Co. v. New Generation Foods, Inc.*, 6 USPQ2d 2045 (TTAB 1988), and *General Mills Inc. v. Health Valley Foods*, 24 USPQ2d 1270 (TTAB 1992), the Board again considered the unlawful use doctrine, and again declined to find the allegedly unlawful use to be invalid under the Trademark Act.

In *Kellog*, applicant alleged -- and opposer admitted -- that the specimens submitted by opposer with the application underlying its registration that was subject to applicant's counterclaim to cancel failed to comply with Food, Drug and Cosmetic Act labeling requirements. *Kellog*, 6 USPQ2d at 2046. Similarly, in *General Mills*, applicant alleged -- and opposer again admitted -- that the initial shipment upon which its date of first use was based did not comply with FDA labeling regulations. *General Mills*, 24 USPQ2d at 1273. In the latter case, the Board summarized an approach to the issue consistent with *Satinine*:

[T]he better practice in trying to determine whether use of a mark is lawful under one or more of the myriad regulatory acts is to hold a use in commerce unlawful only when the issue of compliance has previously been determined (with a finding of noncompliance) by a court or government agency having competent jurisdiction under the statute involved, or where there has been a *per se* violation of a statute regulating the sale of a party's goods. See *Satinine Societa v. P.A.B. Produits*, 209 USPQ 958 (TTAB 1981); *Kellogg Co. v. New Generation Foods, Inc.*, 6 USPQ2d 2045 (TTAB 1988).

...

Where, as here, a party seeks to show that use by the adverse party was unlawful by virtue of noncompliance with a labeling statutory provision, it is incumbent upon the party charging that the use was unlawful to demonstrate by clear and convincing evidence more than that the use in question was not in compliance with applicable law. Such party must prove also that the non-compliance was material, that is, was of such gravity and significance that the usage must be considered unlawful -- so tainted that, as a matter of law, it could create no trademark rights -- warranting cancellation of the registration of the mark involved.

General Mills, 24 USPQ2d at 1273-74.

In that case, applicant had presented no evidence of a final determination of noncompliance by any court or agency. Further, the Board found that applicant failed to show a “nexus between the use of the mark and the alleged violation [such that] the unlawfulness of a shipment can be said to result in the invalidity of a registration.” *General Mills*, 24 USPQ2d at 1274 (citing *Satinine*, 209 USPQ at 967 (Kera, concurring)). As a result, the Board found that applicant had not met its burden of proof, despite opposer's admission that it failed to comply with the applicable statute. The Board also made the following observation:

*8 Although opposer acknowledges its inadvertent failure to comply fully with these regulations, we agree with opposer that its technical noncompliance should not result in the Draconian result of cancellation of its registration.

General Mills, 24 USPQ2d at 1273.

More recently, in *Automedx Inc. v. Artivent Corp.*, 95 USPQ2d 1976 (TTAB 2010), applicant alleged that opposer's prior sales of its medical ventilators were unlawful because opposer had neither received approval from the FDA nor applied for an exemption from the regulation requiring such approval. Consistent with our narrow application of the illegal use doctrine in *Satinine*, *Kellogg*, and *General Mills*, the Board again denied applicant's counterclaim:

[W]e find that applicant failed to show that there was a *per se* violation of any law or FDA regulations. As previously indicated, we disagree with applicant's premise that the products sold by opposer to the military were required to be FDA approved before the sales of those products may constitute *bona fide* use of the mark in commerce.

Automedx, 95 USPQ2d at 1985.

In the present case, opposer has presented no evidence of a final determination of applicant's noncompliance by any court or agency having competent jurisdiction under the involved regulation. See *General Mills*, 24 USPQ2d at 1273-74. Applicant does not dispute that it sought TTB approval of the wine labels bearing its PARLAY mark approximately three and one half months after first using the mark in commerce, and obtained such approval approximately one month later. Thus, it appears that applicant may have been in technical violation of the applicable TTB regulation for a short time, although it is undisputed that it is now in compliance.

In arguing that applicant's asserted non-compliance is material, opposer argues that the “purpose of this requirement is to ensure that wine makers properly inform consumers about the wine's brand, geographic origin, grape type, age and any other relevant information.”¹² Opposer goes on to argue that “Applicant's shipment of bottles with non-approved labels is thus not ‘relatively harmless’ because it directly violates the public policy goal of the wine labeling regulations to prevent consumer deception.”¹³ However, there is no evidence of record that applicant's wine labels bearing its PARLAY mark were deceptive in any manner or otherwise failed to properly inform consumers about any information relevant to applicant's wine. The labels submitted by applicant were ultimately approved by the TTB and there is no evidence that they were found to be deceptive or deficient in any respect. As a result, there is no evidence that applicant's asserted non-compliance with the applicable TTB regulation is material and should result in denying registration of its mark. Certainly there is no evidence that applicant's submission of its

wine label for approval a few months after commencing use of its mark “was so tainted that, as a matter of law, it could create no trademark rights.” *General Mills*, 24 USPQ2d at 1274.

*9 The cases relied upon by opposer do not compel a different result. *CreAgri, Inc. v. Usana Health Sciences, Inc.*, 474 F.3d 626, 81 USPQ2d 1592 (9th Cir. 2007) involved several instances of inaccurate labeling of the concentration of an ingredient in dietary supplements. Such mislabeling was found, *inter alia*, to be a material violation of the applicable Food, Drug, and Cosmetic Act requirements. *Erva Pharmaceuticals, Inc. v. American Cyanamid Co.*, 755 F. Supp. 36, 19 USPQ2d 1460 (D. P.R. 1991) involved mislabeling of pharmaceuticals. Such mislabeling also was found to contravene Food, Drug and Cosmetic Act requirements. In the instant case, however, there is no evidence that applicant's wine labels contained inaccurate, incomplete, or deceptive information regarding applicant's wine. Rather, at worst, applicant's asserted non-compliance appears confined to seeking TTB approval of such labels after commencing use in commerce of the mark they display. As such, we disagree with opposer that applicant's actions are analogous to those discussed above. Simply put, there is no evidence that applicant's actions misled or otherwise deceived consumers.

Finally, in cases involving application of the lawful use doctrine, we are mindful of the draconian and potentially disproportionate result of denying trademark rights to a party; in this case, over three and one-half years after the asserted non-compliance.

Summary

In view of the foregoing, we find that opposer has established its standing to bring this proceeding; and that a likelihood of confusion exists between the parties' essentially identical marks as applied to identical goods that appear to move in all customary channels of trade and be available to all classes of consumers. However, opposer has failed to establish its priority of use, or that applicant's asserted non-compliance with applicable TTB labeling regulations should result in rendering unlawful applicant's prior use.

DECISION: The opposition is dismissed.

Footnotes

- 1 Application Serial No. 77787019.
- 2 In addition, applicant asserted certain matters as affirmative defenses but did not pursue them by motion or at trial. Accordingly, they are deemed waived.
- 3 As noted above, applicant seeks registration of its mark in standard characters. We observe nonetheless that evidence of record indicates that the parties are using the PARLAY mark in a nearly identical stylized form. While both parties have commented upon this high degree of similarity, neither has directly alleged or introduced evidence that the other copied its mark.
- 4 Graham testimony, p. 88; Exhibits D1-2.
- 5 *Id.* at 93; Exhibit P-2.
- 6 *Id.* at 92-4; Exhibits P5-10.
- 7 *Id.* at 92, 97; Exhibits P13-14.
- 8 Coyle testimony, p. 61-2; Exhibit P21.
- 9 *Id.* at 16-20; Exhibits 25-27.
- 10 *Id.* at 29-33; Exhibits 34-36.
- 11 Opposer's brief, p. 6.
- 12 *Id.* at 9.
- 13 *Id.* at 10.

2012 WL 5493578 (Trademark Tr. & App. Bd.)



Discovery Communications, Inc. v. Norton J. Cooper

Opposition No. 109,154

Trademark Trial and Appeal Board

2000 TTAB LEXIS 185

March 29, 2000, Decided

JUDGES: [*1]

Before Chapman, Wendel and Bucher, Administrative Trademark Judges.

OPINION:

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

Opinion by the Board:

Discovery Communications, Inc. has filed a notice of opposition opposing registration of application Serial No. 74/702,897 for the mark DISCOVER YOUR WORLD for "educational printed materials, namely, maps, books and magazines relating to science, history, geography, sports, banking and finance, computers, medicine and music" in class 16 and "jigsaw puzzles and educational toys, namely, toy model hobbycraft kits, toy building blocks, board games, card games, computer game software, handheld unit for playing electronic games, manipulative puzzles, magic tricks, video game software" in class 28. n1

n1 Application Serial No. 74/702,897 was filed on July 18, 1995 under Trademark Act Section 1(b) claiming a bona fide intention to use the mark in commerce.

As grounds for the opposition, opposer alleged a likelihood of confusion between applicant's proposed mark and opposer's registered and common law marks under Section 2(d) of the Trademark Act.

This case now comes up on the parties' respective motions for summary judgment [*2] and opposer's motion to amend the notice of opposition. The motions have been fully briefed.

As a preliminary matter, inasmuch as applicant has stated that he does not object to opposer's motion to amend the notice of opposition to add the claim of no bona fide intent to use the mark in commerce, the motion to amend is granted. Trademark Rule 2.107 and Fed. R. Civ. P. 15(a). In view thereof, applicant is allowed THIRTY DAYS to file an answer or otherwise respond to the amended notice of opposition.

Turning now to the parties' motions for summary judgment, applicant has moved for summary judgment on the issue of likelihood of confusion, arguing that no genuine issue of material fact exists as to the absence of a likelihood of

confusion. Opposer has moved for summary judgment on the issue of bona fide intent to use the mark in commerce, arguing that applicant has not submitted any evidence of a bona fide intent to use the mark in commerce. The parties have submitted affidavits and exhibits in support of and in response to the respective motions.

The party moving for summary judgment has the burden of establishing the absence of any genuine [*3] issues of material fact and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). All doubts as to whether any factual issues are genuinely in dispute must be resolved against the moving party and all inferences must be viewed in the light most favorable to the non-moving party. See *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

When the evidence is considered under the summary judgment guidelines set forth above, we cannot say that either the likelihood of confusion claim or the bona fide intent to use claim is proper for a summary disposition.

As to applicant's motion for summary judgment on the claim of likelihood of confusion, viewing the evidence in the light most favorable to opposer (the nonmovant), and drawing all factual inferences in favor of opposer, we find that, at a minimum, there are genuine issues of material fact regarding the strength of opposer's marks, opposer's prior use of the alleged composite mark, opposer's prior use of its registered marks in close association with each other, and the relatedness of the parties' respective goods and services. [*4] n2

n2 Applicant's objection to the consumer survey submitted by opposer in response to applicant's motion for summary judgment is not well taken. While the survey may not be admissible at trial without being properly introduced, the survey submitted as an exhibit to a declaration in opposition to a summary judgment motion may be sufficient to raise a genuine issue as to a material fact. Cf. *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993) and TBMP § 528.05(d). In addition, applicant's argument that opposer is estopped from "asserting that the presence of 'DISCOVERY' in both parties' marks is a sufficient basis for finding likelihood of confusion" because of opposer's prior statements made in connection with the prosecution of one of opposer's applications is also not well taken. While a prior inconsistent position on likely confusion may be admissible evidence, it is not binding. *Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151 (CCPA 1978). See also, *Bakery, Inc. v. Roland Industries, Inc.*, 216 USPQ 799 (TTAB 1982); *Dynamark v. Weed Eaters, Inc.*, 207 USPQ 1026 (TTAB 1980).

[*5]

With respect to opposer's motion for summary judgment on the issue of applicant's lack of a bona fide intent to use the mark in commerce, opposer states that "in response to opposer's discovery requests, applicant provided not a scintilla of evidence of intended use, produced not a single document, identified not a single event, and made not a single statement of any step taken with a view to establishing use." In support of its argument opposer submitted applicant's responses to opposer's discovery requests.

In opposition to the motion, applicant submitted an affidavit whereby he states that prior to filing the involved application he "conducted an informal analysis of the educational toy and educational printed materials markets" and "instructed [his] attorneys to perform a trademark availability search and trademark opinion on the mark" and has "spent many thousands of dollars in defending against this opposition."

The Federal Circuit and the Board have acknowledged that factual questions involving intent are particularly unsuited to disposition on summary judgment. *Copelands' Enterprises Inc. v. CNV Inc.*, 945 F.2d 1563, 20 USPQ2d 1295 (Fed. Cir. 1991). [*6]

We find that applicant's affidavit is sufficient to raise a genuine issue of material fact as to applicant's bona fide intent to use the mark in commerce at the time he filed his application.

In view of the above, the parties' respective motions for summary judgment are denied. n3

n3 To the extent applicant has cross-moved as to the issue of bona fide intent, the motion is denied for the reasons set forth above.

Proceedings herein are resumed, and discovery and testimony periods are reset as indicated below. n4 IN EACH INSTANCE, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party **WITHIN THIRTY DAYS** after completion of the taking of testimony. Trademark Rule 2.125.

n4 Applicant's consented motion, filed on May 20, 1998, to extend the discovery and trial periods is granted to the extent indicated above.

DISCOVERY TO CLOSE:	June 30, 2000
Testimony period for party in position of plaintiff to close (opening thirty days prior thereto)	September 28, 2000
Testimony period for party in position of defendant to close (opening thirty days prior thereto)	November 27, 2000
Rebuttal testimony period to close (opening fifteen days prior thereto) [*7]	January 11, 2001

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

B. A. Chapman

H. R. Wendel

D. E. Bucher

Administrative Trademark Judges, Trademark Trial and Appeal Board

Legal Topics:

For related research and practice materials, see the following legal topics:
 Trademark LawLikelihood of ConfusionGeneral OverviewTrademark LawProtection of RightsCommercial UseIntended UseTrademark LawU.S. Trademark Trial & Appeal Board ProceedingsOppositionsGrounds

1999 WL 988533

Only the Westlaw citation is currently available.

United States District Court, S.D. New York.

G.D. SEARLE & CO., Plaintiff,

v.

NUTRAPHARM, INC., Defendant.

No. 98 Civ. 6890 TPG. | Nov. 1, 1999.

OPINION

GRIESA, J.

*1 Plaintiff G.D. Searle & Co. (“Searle”) is suing defendant Nutrapharm, Inc. alleging trademark violation and other causes of action arising from Nutrapharm's use of the mark “Cerebra” which Searle alleges infringes its mark, “Celebra.”

Defendant Nutrapharm moves to dismiss the amended complaint on the ground that plaintiff does not own any trademark rights in the “Celebra” name because it has not made a bona fide use of the mark in the ordinary course of trade.

Because both parties have presented evidence beyond the pleadings, the court will construe the motion as one for summary judgment under the standards set forth in Rule 56. *See* Fed.R.Civ.P. 12(b).

Nutrapharm's motion is denied.

Facts

On December 22, 1997 Searle filed in the U.S. Patent and Trademark Office (“PTO”) an intent-to-use application for the Celebra mark. The amended complaint alleges that the mark was intended to be used to market a prescription strength drug with the generic name “celecoxib,” which is one of a class of anti-inflammatory analgesics referred to as COX-2 inhibitors. Searle also requested approval by the Food and Drug Administration (“FDA”) to market celecoxib under the name Celebra, although the record does not indicate when that request was made.

In January 1998 Searle published a notice of its adoption of the Celebra mark in the Trademark Bulletin of the Pharmaceutical Research and Manufacturers Association.

The amended complaint alleges that on February 4, 1998 Searle convened a meeting attended by hundreds of security analysts to announce its plans to adopt and market the new drug under the Celebra name. The amended complaint further alleges that following the meeting several analysts issued reports about the drug named Celebra, which were distributed to potential investors.

On February 18, 1998 Searle issued a press release announcing its plans to co-market celecoxib with Pfizer under the name Celebra. Three other press releases followed regarding Searle's marketing plans for celecoxib under the Celebra name.

Between February 1998 and May 1998 well over one hundred articles appeared in the general and pharmaceutical press, including articles in “The Wall Street Journal,” “The New York Times,” “Dow Jones Online” and “The New Yorker,”

mentioning Celebra in association with Searle. Moreover, following the announcement of the Celebra name, Searle received over five hundred telephone calls from physicians, pharmacists and other health care professionals inquiring about Celebra by name.

The amended complaint alleges that Searle sought and received permission from the FDA to conduct clinical trials of celecoxib, although when is unclear. What constituted these trials, and whether that information was provided to the FDA, also is unclear. Nonetheless, the amended complaint alleges that during these trials, Searle shipped celecoxib under the name Celebra in interstate commerce to an independent laboratory as early as April 6, 1998. The amended complaint states that "Searle has continued with the use of the name CELEBRA for its ongoing clinical trials of prescription strength celecoxib." On the issue of clinical testing, Winifred Begley, Searle's Director of Regulatory Affairs (Arthritis), submitted a declaration alleging that "Phase III" clinical trials for celecoxib, involving thousands of patients in a clinical setting approximating the environment in which the drug will be used, commenced in August.

*2 On or about April 16, 1998 an amended petition was filed with the PTO alleging use of the mark based on the April 6, 1998 shipment of Celebra.

On May 29, 1998 the PTO approved the mark for registration and set June 30, 1998 as the date on which the mark would be published for opposition.

On August 3, 1998 the FDA informed Searle that it would not approve the use of the name Celebra for prescription strength celecoxib due to a conflict with the name of a previously approved drug, even though the Celebra trademark application was filed before the application of that other drug's name. Searle agreed to change the brand name for the initial launch of the prescription strength celecoxib from Celebra to Celebrex, although it continued use of the name Celebra for its clinical trials. Searle further alleges in the amended complaint that it intends to use the name Celebra for other COX-2 inhibitors currently in development or for an over-the-counter version of celecoxib. No other information is provided regarding this assertion. Nothing in the record indicates whether the FDA has taken a position on how, if at all, and under what circumstances, Searle can continue using the Celebra name for clinical trials or can in the future use the name for other COX-2 inhibitors or an over-the-counter version of celecoxib.

On September 22, 1998 Searle's mark was issued a registration number on the assumption that no opposition had been filed. However, on October 16, 1998 the PTO sent Searle notice that a notice of opposition had been filed on August 24, 1998, so that the registration would be canceled and the application restored to a pendency status.

The declaration of Searle's Winifred Begley states that at least as early as October 6, 1998, Searle began using the CELEBRA mark on labels affixed to cartons of celecoxib during an "open label safety study" as part of its Phase III clinical program. Begley further states that to date Searle has shipped to selected clinical investigators and hospitals throughout the country approximately 1,400 cartons of celecoxib bearing the CELEBRA label, and continues to make shipments at an approximate rate of 300 cartons per month.

On or about January 25, 1999 Searle filed a motion to amend its trademark application to delete the claim of use and dates of use. Searle submitted an affidavit indicating that the reason for filing the motion to withdraw what it terms the "Amendment to Allege Use" was because it was challenged by the party that submitted the August 24, 1998 opposition, and Searle believed that it could have its mark registered based upon "its analogous use of Celebra in combination with the April shipment and subsequent clinical trials under the Celebra mark."

To date, the application for registration is still pending.

The amended complaint asserts the following causes of action resulting from Nutrapharm's use of the mark Cerebra: (1) infringement of Searle's rights in Celebra, an unregistered trademark, under section 43(a) of the Lanham Act; (2) common law

trademark infringement and unfair competition; (3) unfair and deceptive trade practices; (4) dilution under section 43(c) of the Lanham Act; and (5) injury to business reputation and dilution under New York Gen. Bus. Law § 360-L.

Discussion

*3 Nutrapharm claims that Searle does not own any trademark rights in the Celebra name because it has not made a bona fide use of the mark in the ordinary course of trade, and that because all of Searle's claims depend on the ownership of trademark rights in Celebra, they all must fail. Nutrapharm asserts that neither the shipments made for clinical testing nor the pre-sale advertising and promotional activity constitute a bona fide use of the mark in commerce.

It is undisputed that the Celebra mark is not registered. Nonetheless, section 43(a) of the Lanham Act provides a cause of action against any party who “in connection with any goods ... or any container for goods, uses in commerce any word, term, symbol, or device, or any combination thereof ... which ... is likely to cause confusion, or to cause mistake, or to deceive ... as to the origin, sponsorship or approval of his or her goods ... by another person.”¹⁵ U.S.C. § 1125(a).

In order for an alleged owner of an unregistered trademark to avail himself of the above remedy, he must only demonstrate that he possesses a reasonable interest to be protected. *Fashion Television Assoc., L.P. v. Spiegel, Inc.*, 849 F.Supp. 19, 21 (S.D.N.Y.1994); *Windows User, Inc. v. Reed Business Publishing Ltd.*, 795 F.Supp. 103, 106 (S.D.N.Y.1992). This showing is made by proof of (1) an intent to adopt the mark as a trademark; and (2) first “bona fide” use of the mark in commerce. *Fashion Television*, 849 F.Supp. at 21; *Windows User*, 795 F.Supp. at 106; *See also Housing & Services, Inc. v. Minton*, 1997 WL 349949, at * 3 (S.D.N.Y. June 24, 1997).

While not specifically addressing the requirement of “use in commerce” to *show a protectable interest*, section 45 of the Lanham Act provides generally that for purposes of the chapter on trademarks, the term “use in commerce” means

the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be used in commerce-

(1) on goods when-

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such a placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce....

15 U.S.C. § 1127. At least one court has used this definition of “use in commerce” for the purpose of determining whether a plaintiff possessed a protectable interest. *Windows User*, 795 F.Supp. at 108.

Searle relies at least in part on the shipments for clinical testing. Nutrapharm argues that such shipments did not meet the requirement of bona fide use because the testing laboratories were not purchasing or otherwise acquiring the drug as consumers, and laboratory testing did not create in a significant segment of the purchasing public any association between the mark and the product.

*4 In the legislative history discussing the 1989 Amendment to the Lanham Act, the Senate Judiciary Committee Report and the House Report cite as an example of sufficient use in commerce a pharmaceutical company's shipment to clinical investigators during the FDA approval process. S.Rep. No. 100-515, at 44-45 (1998), reprinted in 1998 U.S.C.C.A.N. 5577, 5607; H.R. No. 100-1028, at 15 (1998), reproduced in J. Thomas McCarthy, *McCarthy on Trademarks* app. A6, at 21 (4th ed.1998).

Of course, the prime authority is the statute itself. Section 45 of the Lanham Act, in defining when a mark shall be deemed to be “used in commerce” states that this occurs when the goods bearing the mark are sold *or transported* in commerce.

When the statute and the interpreting authorities are considered in conjunction with the facts of this case, it must be concluded that Nutrapharm has not shown, beyond any triable issue of fact, that Searle failed to use the drug in commerce and that Searle lacks a protectable interest.

Treating Nutrapharm's motion to dismiss as a motion for summary judgment, the motion is denied.

2003 WL 22273096 (Trademark Tr. & App. Bd.)

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

KELLOGG COMPANY

v.

THE EARTHGRAINS COMPANY

Opposition No. 91110121 to application Serial Nos. 75213336; 75213338; and 75213340 filed on December 16, 1996
September 30, 2003

*1 Jeffrey H. Kaufman and Jonathan Hudis of Oblon, Spivak, McClelland, Maier & Neustadt, P.C. for Kellogg Company
Bryan K. Wheelock of Harness, Dickey & Pierce, P.L.C. for The Earthgrains Company

Before Simms, Hairston and Bucher

Administrative Trademark Judges

Opinion by Hairston

Administrative Trademark Judge:

On December 16, 1996 The Earthgrains Company filed the following intent-to-use applications: Serial No. 75213336 for the mark MORNING GOODS (“GOODS” is disclaimed) for “refrigerated bakery products, namely, biscuits, cookies, english muffins, dinner rolls, pie crust, breadsticks, pizza crust, frozen garlic bread, cinnamon rolls, danish and toaster pastries”; and Serial No. 75213340 for the mark MORNING GOODS (“GOODS” is disclaimed) and Serial No. 75213338 for the mark MORNING GOODNESS, both for “bread, muffins, buns, rolls, croissants, danish, cakes, snack cakes, donuts, bagels and bakery products.”

Registration of each application has been opposed by the Kellogg Company. As grounds for opposition, opposer alleges that since prior to the filing date of applicant's application, opposer has been engaged in the manufacture, distribution, sale, advertising and promotion of food products, including food products typically consumed in the morning; that opposer has a business interest in using the words “morning,” “goods,” and/or “goodness”; that “MORNING GOODS” and “MORNING GOODNESS” are merely descriptive of the goods recited in applicant's respective applications; and that “[u]pon information and belief, the *bona fides* of Applicant's intent-to-use the alleged MORNING GOODS and MORNING GOODNESS trademarks in commerce is not apparent from the materials of record in the subject applications, and Opposer therefore challenges same and leaves the Applicant to its proofs with regard to the nature and sufficiency of its intent-to-use its alleged marks in commerce at the time of filing [its applications].”

Applicant, in its answer, denied the salient allegations of the notice of opposition.

The record consists of the pleadings; the file of the involved application; and the testimony (with exhibits) of opposer's witnesses Andrew Weinstein, Beth Ann Zalner, and David Herdman.¹ In addition, opposer submitted a notice of reliance on dictionary definitions of the words “good,” “goodness,” and “morning”; copies of articles from the NEXIS database; and certain of applicant's responses to opposer's interrogatories and requests for admission.

Applicant did not take testimony, but it submitted a notice of reliance on copies of third-party registrations of marks that include the words “morning,” or “goodness;” and copies of registrations owned by opposer of marks that include the words “morning” or “good.”

***2** Briefs have been filed, but an oral hearing was not requested.

At the outset, we note that it is clear from the record that opposer is a competitor in the field of breakfast foods. Thus, opposer has established its standing in this proceeding.

We consider first opposer's claim that applicant does not have a bona fide intent to use the marks in commerce on the identified goods. Opposer argues that applicant's failure, during trial, to produce documentary evidence regarding applicant's actual or planned use of the marks proves that applicant lacks a bona fide intent to use the marks in commerce. In support of its position, opposer relies on *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503 (TTAB 1993).

Applicant, in its brief on the case, argues that it does have a bona fide intent to use the marks in commerce, but has delayed going forward with its plans because of the opposition.

In *Commodore*, at page 1507, the Board stated:

... in evaluating an applicant's bona fide intent to use a mark in commerce on the basis of a myriad of objective factors, certain circumstances may support or confirm the bona fide nature of an applicant's intent while others may cast doubt thereon or even completely disprove it. Although admittedly a close question, we hold that absent other facts which adequately explain or outweigh the failure of an applicant to have any documents supportive of or bearing upon its claimed intent to use its mark in commerce, the absence of any documentary evidence on the part of an applicant regarding such intent is sufficient to prove that the applicant lacks a bona fide intention to use the mark in commerce as required by Section 1(b).

The evidence of record regarding applicant's intent, apart from the declaration in applicant's application, consists of applicant's responses to opposer's interrogatories. Among its responses, applicant indicated that it had not prepared any advertising or promotional materials; that it had not prepared any sales or budget projections; that it had not conducted any market research; and that it had not entered into any licensing agreements. However, we note that in response to opposer's interrogatory no. 3, applicant stated that "applicant has prepared labels for use during test marketing for the product" and in response to interrogatory no. 7, applicant stated that "applicant has used the mark MORNING GOODNESS in conjunction with the EARTHGRAINS mark on packaging for test marketing the product." Opposer did not request applicant to produce these materials.

Under the circumstances, we cannot say that applicant failed to have any documentary or other evidence supportive of or bearing on its intent to use the applied-for marks in commerce. We should add that it is certainly not unreasonable for applicant no delay its plans until the opposition has been decided. In view of the foregoing, we find that opposer has not proven its claim that applicant does not have a bona fide intent to use the marks in commerce.

***3** We consider next the issue of whether MORNING GOODS and MORNING GOODNESS, when applied to the identified goods, are merely descriptive thereof.

A mark is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods. In re *Abcor Development Corp.*, 616 F.2d 525, 200 USPQ 215 (CCPA 1978). See also: *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 189 USPQ 759, 765 (2d Cir. 1976). Moreover, in order to be descriptive, the mark must immediately convey information as to the ingredients, qualities or characteristics of the goods with a "degree of particularity." *Plus Products v. Medical Modalities Associates, Inc.*, 211 USPQ 1199, 1204-1205 (TTAB 1981). Whether a term is merely descriptive' is determined not in the abstract, but rather in relation to the goods for which registration is sought, the context in which it is being used in connection with those goods and the possible significance that the term would have to the average purchaser of the goods because of the manner of its use. In re *Bright-Crest, Ltd.*, 204 USPQ 591 (TTAB 1979).

Opposer's evidence

Opposer took the testimony of its paralegal/licensing coordinator Beth Ann Zalner. Ms. Zalner testified that opposer is in the business of producing and marketing ready-to-eat cereals, cereal-based food products, snack bars, waffles and pancakes. Opposer promotes its products through television, radio, and print advertising. Opposer also uses “end cap displays” and “shelf talkers” in grocery stores. Ms. Zalner testified that, based on her experience, the term “morning goods” is used in the food industry to describe a category of products purchased by consumers for consumption at breakfast or the early part of the day. Mr. Zalner identified examples of opposer's and third-parties' use of the words “morning,” “good(s),” and “goodness” in advertising, including television commercials, and on product packaging. For example, opposer has used the phrase “Kellogg's Crispix Cereals for Good Mornings” on its cereal cartons. Third parties have used the phrases “Breakfast with Post® Grape Nuts: Helps keep you going strong all morning long” and “Great Tasting Wholesome Goodness From Quaker®” on cereal cartons.

In addition, opposer took the testimony of its corporate counsel David Herdman who testified that the term “morning goods” is used in the food industry to describe the category of products purchased by consumers for consumption at breakfast or the early part of the day.

Opposer also took the testimony of Andrew Weinstein, a legal assistant with the law firm representing opposer. Mr. Weinstein canvassed several grocery stores in the Washington, D.C. area to locate third-party breakfast-style products with packaging containing the words “morning,” “good” and/or “goodness.” Among those identified by Mr. Weinstein testimony include: “Enjoy the goodness of the Grape-Nuts® family of cereals”; “The whole grain goodness of Cheerios is food for your whole family”; and “With the taste inspired by Fresh Baked Cinnamon Raisin Bread, every spoonful of delicious Post Cinna-Cluster Raisin Bran gets the whole family crunching on the morning goodness they need.”

*4 Further, opposer submitted with its notice of reliance the following excerpts from Merriam Webster's Collegiate Dictionary (10th ed. 1996):

good: plural: something manufactured or produced for sale: wares, merchandise.

goodness: the quality or state of being good; the nutritious, flavorful, or beneficial part of something.

morning: the time from sunrise to noon.

Lastly, opposer submitted with its notice of reliance, twenty articles from the NEXIS database that show use of the term “morning goods” in the food industry to describe bakery products. The following are representative excerpts:
Country oven organic improver, is an all purpose improver in powdered form, formulated for production of organic bread, rolls and *morning goods*.

(Food Manufacture, February 2000);

The bread sector dominates the scene, accounting for almost 82% of global volume sales (at 88.3 million tons) and 61% of value (US\$ 109 billion). Breakfast (or *morning goods*) were listed as the most dynamic sector, growing by 18% to exceed...

(Quick Frozen Foods International, October 1, 1999);

Morning goods (such as croissants, brioches and muffins), cakes and pastries have benefited from the snacking trend, according to Euromonitor,

(Food Engineering International, April 1, 1997);

All types of retail bakers benefit from the higher visibility these products command. Where specialty shops haven't gained a foothold, retailers find that there's increased demand for bagels. Not only are they making inroads as *morning goods*, but they're also gaining popularity as a sandwich roll.

(Bakery Production and Marketing, June 24, 1994);

Instead, the entire range of other products normally offered in bakeries is up, with the exception of Danish and sweet goods. While these *morning goods* contributed 11% to overall sales in 1988, the most recent ...

(Bakery Production and Marketing, November 24, 1993);

Of course, no one can accurately predict just how many customers will come in each day, although the Ortmeires keep careful records to hold their daily projections. They try to make sure all *morning goods* sell out each day. However, Sandra, Susanne and Kathleen alert the bakers when *morning goods* start running low too early.

(Bakery Production and Marketing, April 24, 1993);

The recent launch of the Pillsbury Hotbake range is a fascinating example of positioning a food brand as a total experience, rather than just a product. Hotbake is a chilled, ready-to-bake dough for Danish Whirls, bread twists etc and a wide range of *morning goods* to bake at home.

(Marketing, April 2, 1992); and

The store's self-service areas include 1) packaged bread case; 2) *morning goods* and sweets case; 3) bagel case; ...

(Bakery Production and Marketing, May 24, 1989).

Applicant's evidence

*5 As indicated, applicant did not take testimony. However, applicant did submit copies of over forty third-party registrations of marks that include the words "morning," or "goodness" for food products and copies of four registrations owned by opposer that include the words "morning" or "good." The words at issue are not disclaimed in any of these registrations.

Arguments & Analysis

With respect to the mark MORNING GOODS, it is opposer's position that such mark merely conveys that the identified goods are products that are for consumption by consumers during the earliest part of the day. Opposer argues that, as evidenced by the NEXIS excerpts, the term is already in use in the food industry to describe this category of products.

Applicant, on the other hand, argues that the mark MORNING GOODS has no established meaning and that it is not merely descriptive of the identified goods.

As previously noted, in determining whether a mark is merely descriptive, we must consider the significance that the term would have to the average purchaser of the goods. In re Bright-Crest, Ltd. supra. See also In re Nett Designs, Inc., 57 USPQ2d 1564, 1566 (Fed. Cir. 2001) ["The perception of the relevant purchasing public sets the standard for determining descriptiveness"]. In this case, there are no restrictions as to the purchasers of applicant's goods. In other words, applicant has not restricted its goods to persons in the food industry such as wholesalers and distributors. In the absence of any restrictions, we must assume that applicant's goods will be purchased by all the normal purchasers of these types of goods which would include

ordinary consumers. Indeed, it is ordinary consumers who are the relevant purchasing public or “average purchasers” of these types of goods. Because ordinary consumers will not have been exposed to the use of the term “morning goods” in food industry publications, the NEXIS excerpts submitted by opposer are of little probative value in determining the issue of mere descriptiveness. We note also that the twenty NEXIS excerpts are spread out over a period of ten years, and seven of the excerpts were taken from the same publication, albeit different issues. This hardly evidences widespread use of the term “morning goods” even in the food industry. Moreover, the testimony of opposer's witnesses that the term is used in the food industry to describe a category of products is entitled to little weight because there is no evidence that ordinary consumers have been exposed to such use.

Further, notwithstanding the admittedly descriptive nature of the word “goods,” we are not persuaded that the combined mark MORNING GOODS is merely descriptive when applied to applicant's goods. No information about any quality or characteristic of the goods is conveyed with a degree of particularity. Some, albeit minimal, thought or perception would be required on the part of prospective purchasers in order to perceive the significance of the mark MORNING GOODS as it relates to applicant's goods.

*6 Turning then to the mark MORNING GOODNESS, opposer argues that this mark merely conveys that applicant's goods are of good quality and may be consumed during the earliest part of the day.

Applicant, on the other hand, again argues that the mark MORNING GOODNESS has no established meaning and that it is not merely descriptive of the identified goods.

It is well settled that terms which are laudatory are also regarded as being merely descriptive because these laudatory terms are viewed as a form of describing the quality of the goods. See J. Thomas McCarthy, Vol. 2, Trademarks and Unfair Competition, Section 11:17 (4th ed. 1998), and cases cited therein.

We find that the mark MORNING GOODNESS, when applied to applicant's goods, is suggestive and not merely descriptive. There is a certain ambiguity about the mark, and again no information about any quality or characteristic of the goods is conveyed with a degree of particularity. To some purchasers the mark may suggest that applicant's goods will add “goodness” to their morning; to others it may suggest that applicant's goods are of a desirable quality. That quality, however, is not defined. Compare *In re Dos Padres Inc.*, 49 USPQ2d 1860 (TTAB 1998) [The mark QUESO QUESADILLA SUPREME is merely descriptive of applicant's goods because it immediately conveys to purchasers that applicant's cheese is of high quality].

Decision: The opposition is dismissed as to each of the involved applications.

Footnotes

- 1 Applicant's motion to strike exhibits 2, 3, and 4 introduced during the testimonial deposition of opposer's witness Mr. Weinstein and the testimony relating thereto is denied. The exhibits and testimony at issue concern third-party uses of the words “morning,” “good,” and/or “goodness.” Applicant maintains that during discovery, it requested that opposer produce all documents relating to third-party uses of these words; that after the close of discovery opposer obtained additional materials relating to third-party uses; that opposer was under a duty to supplement its responses; and that opposer did not supplement its responses by producing the materials which are the subject of opposer's exhibits 2, 3, and 4. Fed. R. Civ. P. 26(e)(2) provides that a party who has responded to a request for discovery has a duty to supplement its response to include information thereafter acquired “if the party learns that the response is in some material respect incomplete or incorrect and if the additional or corrective information has not otherwise been made known to the other part[y] during the discovery process or in writing.” The record shows that opposer did produce a number of documents relating to third-party uses in response to applicant's request for production of documents. Although opposer obtained additional materials, opposer's response was not incorrect or incomplete in any material respect.

2003 WL 22273096 (Trademark Tr. & App. Bd.)

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2001 WL 1182881 (Trademark Tr. & App. Bd.)

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

NAUTICA APPAREL, INC.

v.

KEVIN CRAIN.

Opposition No. 113,893

to application Serial No. 75/328,137 filed July 21, 1997

September 21, 2001

*1 Carol A. Witschel of White & Case LLP for Nautica Apparel, Inc.
Kevin Crain, pro se.

Before Hanak, Chapman, and Drost
Administrative Trademark Judges
Opinion by Drost
Administrative Trademark Judge

Kevin Crain (applicant) filed an application to register the mark NAUTI BODY (typed drawing) for goods ultimately identified as “men's and women's clothing, namely, T-shirts, swimwear, sweatshirts, elastic tops and bottoms, tank tops, hats, and caps”¹ In International Class 25.²

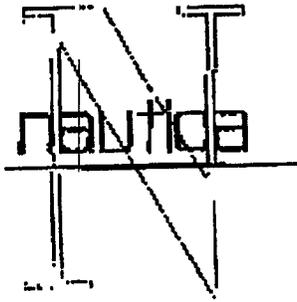
On February 16, 1999, Nautica Apparel, Inc. (opposer) filed a notice of opposition to the registration of applicant's mark alleging that applicant's mark was confusingly similar to various trademark registrations it owned under Section 2(d) of the Trademark Act. 15 U.S.C. § 1052(d). Opposer ultimately based its opposition on its ownership of the following nine registrations.

Opposer's first registration is for the mark NAUTICA for “footwear” in International Class 25.³ Opposer also relies on registrations for the mark shown below for the following goods:



“umbrellas, luggage, trunks, duffle bags, garment bags for traveling, travel kits and leather boxes in the nature of jewelry boxes” and “notebooks, desk top organizers, calendars, and phonebook covers made of leather or imitation leather” and “belts and suspenders” in International Classes 16, 18, and 25.⁴ Opposer's third registration is for the same mark for “hosiery, shoes, undershirts, undershorts, shirts, blouses, trousers, jackets, pants, coats, suits, bathing suits, bathrobes, slippers and shorts” in International Class 25.⁵ Opposer's fourth registration is for the same mark for “ties, neckware [sic], scarfs, socks, hats and caps, foul weather clothing” in International Class 25.⁶

Opposer's fifth registration is for the following mark:



for “caps and hats, robes, loungewear, T-shirts and knit shirts, jackets, sweaters, ties, hosiery, sport jackets and slacks” in International Class 25.⁷ Opposer's sixth registration is for the same mark for “men's suits” in International Class 25.⁸

Opposer's seventh registration is for the mark:



for “men[’s], women[’s] and children's wearing apparel, namely, hosiery, shoes, sneakers, boots, moccasins, undershirts, undershorts, shirts, blouses, trousers, pants, jackets, coats, suits, bathing suits, bathrobes, slippers, shorts, ties, neckware [sic], scarfs, socks, hats and caps, gloves and mufflers, and all weather (foul weather) gear, belts and suspenders” in International Class 25.⁹

*2 Opposer's eighth registration is for the mark:



“fabric for use in the manufacture of wearing apparel, namely, shirts, vests, jackets, coats, and outerwear” and “clothing, namely, shirts and vests and outerwear, namely, jackets, coats, and anoraks” in International Classes 24 and 25.¹⁰

Opposer's ninth registration is for the mark:



for “clothing, namely, jackets, vests, pants and woven and knit shirts” in International Class 25.¹¹

Applicant denied that its marks and opposer's marks are confusingly similar.

The Record

The record consists of the file of the involved application; the trial testimony deposition, with accompanying exhibits, of Shira Berger, opposer's legal counsel; and the trial testimony deposition, with accompanying exhibits, of applicant.

Both parties have filed briefs, but no oral hearing was requested.

Priority

Priority is not an issue here in view of opposer's ownership of nine registrations for marks containing the word NAUTICA or similar terms. See King Candy Co. v. Eunice King's Kitchen, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).¹²

Bona Fide Intention to Use the Mark

Opposer alleges that applicant lacked a bona fide intention to use the mark in commerce because he has not produced any objective evidence to support his claim of a bona fide intention to use the mark as indicated in the application. “[A]bsent other facts which adequately explain or outweigh the failure of an applicant to have any documents supportive of or bearing upon its claimed intent to use its mark in commerce, the absence of documentary evidence on the part of an applicant regarding such intent is sufficient to prove that the applicant lacks a bona fide intention to use its mark in commerce.” Commodore Electronics Ltd. v. CBM Kabushiki Kaisha, 26 USPQ2d 1503, 1507 (TTAB 1993).

In this case, the application was filed on July 21, 1997, and opposer first requested an extension of time to oppose on January 21, 1999. We are concerned with this period because it would be expected that an applicant would be less likely to expend resources developing a mark that is being litigated. Applicant testified that he is not currently in the clothing business. Crain test. dep., pp. 12-13. He is an independent contractor doing appraisals after automotive collisions. Crain test. dep., p. 8. This is applicant's first trademark application. Crain test. dep., pp. 13-14. Applicant testified that he obtained a sales permit from the State Board of Equalization to sell used goods and clothing throughout Southern California, that he obtained domain names for “nautibody.com,” “nautibody.net” and “nautibody.org,” and that he educated himself about the apparel business. Crain test. dep. pp. 18, 19, 23, and 24. Applicant also contacted individuals and companies who might be able to help him in setting up his business. Crain test. dep., pp. 31-47. While applicant's activities regarding attempting to begin using his mark are minimal and not documented, we are not convinced that these activities demonstrate a lack of intention to use the mark. We take into consideration applicant's lack of experience in the apparel business and his presumably reasonable belief that when “his name is lawfully released,” he would begin more extensive activities involving the mark. Crain test. dep., pp. 42 and 68.

*3 There is also no evidence that applicant has in any way abused the intent to use process by filing multiple applications for the same mark for many goods, filing many marks for the same goods, reserving many descriptive terms, filing an excessive number of applications, or filing applications lacking in specificity. 3 McCarthy on Trademarks and Unfair Competition § 19:15 (4th ed.). Considering applicant's circumstances and the fact that this is his first trademark application, we do not find that applicant lacks a bona fide intent to use the mark in commerce. While we consider opposer's unpled ground that applicant lacked a bona fide intention to use the mark in commerce as tried by the implied consent of the parties (TBMP § 507.03(b)), we find that opposer is not entitled to relief on this ground.

Likelihood of Confusion

We now turn to the issue of likelihood of confusion. We analyze this issue in light of the factors set forth in In re E.I. du Pont de Nemours & Co., 476 F.2d 1357, 1361, 177 USPQ 563, 567 (CCPA 1973).

The first factor we will consider is the fame of opposer's mark because "a mark with extensive public recognition and renown deserves and receives more legal protection than an obscure or weak mark." Kenner Parker Toys v. Rose Art Industries, 963 F.2d 350, 353, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992). Applicant testified that he was unaware of opposer's marks prior to filing his trademark application. Crain test. dep., p. 50. Interestingly, applicant now admits that after the opposition was filed "I see them [ads for Nautica clothing] everywhere now." Crain test. dep., p. 50. Applicant also acknowledges that "everyone seems to have heard of Nautica, except for me. So, my friends are pretty well informed about Nautica. It seems that everyone that I talked to is familiar with the company." Crain test. dep., p. 52.

The record indicates that in years 1998-2000 opposer spent between approximately \$20 and \$26 million advertising and promoting its products. Berger test. dep., p. 30. Opposer advertises on radio, television, and billboards and in magazines. Berger test. dep., p. 29. These magazines include *Esquire*, *Details*, *GQ*, *Elle*, *Glamour*, *Vanity Fair*, *Harper's Bazaar*, *Sports Illustrated*, *Rolling Stone*, *House Beautiful*, *Travel & Leisure*, and *In Style*. Id. Also, in 1998, it had sales of almost one half billion dollars and, by 2000, opposer's sales reached \$621 million. Berger test. dep., p. 38.

The Federal Circuit "has acknowledged that fame of the prior mark, another du Pont factor, 'plays a dominant role in cases featuring a famous or strong mark.'" Century 21, 23 USPQ2d at 1701, quoting, Kenner Parker Toys, 22 USPQ2d at 1456. "Famous marks thus enjoy a wide latitude of legal protection." Recot, Inc. v. Becton, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000) (FIDO LAY for "natural agricultural products, namely, edible dog treats" confusingly similar to FRITO-LAY for snack foods). Here, the opposer's evidence shows that it has now reached the one half billion dollar mark in sales combined with a multimillion dollar advertising budget. The fame of opposer's mark is further supported by applicant's own admission that his friends and nearly everyone he talked to was familiar with the NAUTICA mark. The fame of opposer's NAUTICA mark is a factor, therefore, that strongly favors opposer.

*4 We further note that many of the other du Pont factors favor opposer. Applicant seeks registration for goods that are identical (hats, caps, t-shirts) or virtually identical (swimwear vs. bathing suits) to opposer's goods. We must compare the goods as described in the application and the registration(s) to determine if there is a likelihood of confusion. Canadian Imperial Bank v. Wells Fargo Bank, 811 F.2d 1490, 1493, 1 USPQ2d 1813, 1815 (Fed. Cir. 1987). Because the marks are used on identical clothing items, there is a greater likelihood that when similar marks are used in this situation, confusion would be likely. Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 23 USPQ2d 1698, 1701 (Fed. Cir. 1992) ("When marks would appear on virtually identical goods or services, the degree of similarity necessary to support a conclusion of likely confusion declines").

In addition, we must assume that identical goods would be marketed in similar trade channels and that clothing items would often be purchased on impulse by all types of purchasers. There is no evidence of any third-party uses of similar marks so this factor also favors opposer. In addition, opposer has testified that it uses its mark on a wide variety of goods and services.

Berger test. dep., pp. 6-28. Furthermore, factors concerning actual confusion and use of the marks are not pertinent because applicant has not used its mark.

Another important consideration in any likelihood of confusion case is the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation, and commercial impression. Opposer argues that applicant's mark NAUTI BODY "is virtually identical to opposer's NAUTICA marks." Opposer's Br., p. 5. Applicant argues that:

Nautica's name(s) and associated product lines, implies water related or boating clothes, with a seafaring theme to their items.... Applicant's proposed mark of NAUTI BODY implies sensual, naughty, or sexy garments. "NAUTI" is a homonym for "Naughty." Naughty means "bad, disobedient, mildly indecent." Clearly, Applicant's mark implies slightly indecent clothes to [[be] worn out in public, rather than in the bedroom. There is nothing in the name that remotely suggests that it is related to Nautica.

Applicant's Br., p. 7 (reference omitted).

We cannot agree with opposer's position that the marks are "virtually identical." Also, applicant's argument is not without merit that the marks may have different meanings. The deletion of the letters "ca" from opposer's mark and the addition of the word "body" can create the meaning of "naughty body." However, there are similarities between the marks. Both begin with the same five letters "NAUTI." Applicant chose to use a misspelling of the word "naughty," and that misspelling obviously makes the appearance of the marks more similar.¹³ A famous mark "casts a long shadow which competitors must avoid." Recot, 54 USPQ2d at 1897, quoting, Kenner Parker Toys, 22 USPQ2d at 1457. This spelling also dilutes the meaning applicant claims he was trying to create of "naughty body." If the correct spelling of the word "naughty" was used the meaning that applicant was trying to create would be more readily apparent to purchasers. By misspelling the word, applicant's mark, at first glance, suggests a connection with the word "nautical" and then requires the potential purchaser to reevaluate the word in light of the incongruous word "body." Only then would many prospective purchasers appreciate the meaning that applicant is suggesting.

*5 Also, differences in type styles between opposer's mark and applicant's stylized mark are not significant here because applicant's mark and one of opposer's marks are in typed form and, thus, not limited to any special form. Squirtco v. Tomy Corp., 697 F.2d 1038, 1041, 216 USPQ 937, 939 (Fed. Cir. 1983); Cunningham v. Laser Golf Corp., 222 F.3d 943, 55 USPQ2d 1842, 1847-48 (Fed. Cir. 2000).

In addition, opposer's registrations show that it is using more than just the mark NAUTICA. Opposer also uses the mark NAUTECH for clothing items as well as N NAUTICA and NAUTICA COMPETITION. Thus, potential purchasers would more likely believe that applicant's term NAUTI BODY is in some way related to, or sponsored by, opposer.

While it is improper to dissect a mark and marks must be viewed in their entireties, In re Shell Oil Co., 992 F.2d 1204, 1206, 26 USPQ2d 1687, 1688 (Fed. Cir. 1993), more or less weight may be given to a particular feature of a mark for rational reasons. In re National Data Corp., 753 F.2d 1056, 1058, 224 USPQ 749, 751 (Fed. Cir. 1985).

Based on the above, we conclude that the marks have significant similarities in sound and appearance and their commercial impressions would likewise have significant similarities. National Data, 753 F.2d at 1060, 224 USPQ at 749.

Analysis of Likelihood of Confusion Factors

When we analyze the issue of likelihood of confusion under the du Pont factors, it is apparent that this is a close case. Likelihood of confusion is decided upon the facts of each case. Dixie Restaurants, 105 F.3d 1405, 1406, 41 USPQ 1531, 1533 (Fed. Cir. 1997); Shell Oil, 992 F.2d at 1206, 26 USPQ at 1688. The various factors may play more or less weighty roles in any particular determination of likelihood of confusion. Shell Oil, 992 F.2d at 1206, 26 USPQ2d 1688; du Pont, 476 F.2d at 1361, 177 USPQ at 567.

Applicant's argument that his mark would have a different meaning than opposer's is a significant factor. However, merely because applicant's mark may have a different meaning from opposer's mark does not mean that there is no likelihood of confusion. Recot, 54 USPQ2d at 1899 (Board erred by considering that the different connotations of FRITO LAY and FIDO LAY avoided confusion). See also TBC Corp. v. Holsa Inc., 126 F.3d 1470, 44 USPQ2d 1315, 1318 (Fed. Cir. 1997) (GRAND SLAM confusingly similar to GRAND AM); Crown Radio Corp. v. Soundsciber Corp., 506 F.2d 1392, 184 USPQ 221 (CCPA 1974) (CROWNSCRIBER confusingly similar to SOUNDSCRIBER).

*6 In addition, when we consider the fame of opposer's mark, the identical nature of the goods, the strength of opposer's mark, the fact that applicant choose the misspelling of his mark making it appear even more similar to opposer's mark, the number of variations of opposer's marks, and the wide variety of goods on which opposer uses its marks, we hold that the balance tips in opposer's favor.

Finally, while our determination that confusion is likely is not free from doubt, we must resolve doubts about confusion against the newcomer, which we do here. Kenner Parker Toys, 963 F.2d at 355, 22 USPQ2d at 1458.

Decision: The opposition is sustained and registration to applicant of his mark NAUTI BODY is refused.

Footnotes

- 1 Opposer incorrectly refers to the application's original identification of goods in its discussion of likelihood of confusion. The identification of goods was amended during the prosecution of the application as indicated above.
- 2 Serial No. 75/328,137 filed on Jul 21, 1997, and based on an allegation of a bona fide intent to use the mark in commerce.
- 3 Registration No. 1,862,585 issued November 15, 1994. Section 8 and 15 affidavits have been accepted and acknowledged, respectively.
- 4 Registration No. 1,580,007 issued January 30, 1990. Renewed.
- 5 Registration No. 1,464,663 issued November 10, 1987. Section 8 and 15 affidavits have been accepted and acknowledged, respectively.
- 6 Registration No. 1,687,919 issued May 19, 1992. Sections 8 and 15 affidavits have been accepted and acknowledged, respectively.
- 7 Registration No. 2,043,895 issued March 11, 1997.
- 8 Registration No. 1,988,708 issued July 23, 1996.
- 9 Registration No. 2,104,034 issued October 7, 1997.
- 10 Registration No. 2,028,278 issued January 7, 1997.
- 11 Registration No. 2,110,027 issued October 28, 1997.
- 12 Opposer has not introduced current status and title copies of the nine registrations discussed above. However, applicant has discussed these registrations on the merits in his Answer and his Brief. Therefore, inasmuch as applicant has treated the registrations as being of record, they are "deemed by the Board to be of record in the proceeding." TBMP § 703.02. See also Tiffany and Company v. Columbia Industries, 455 F.2d 582, 173 USPQ 6, 8 (CCPA 1972) ("Since appellee had fair notice of the case it had to meet, it would work an injustice on appellant to deprive it of the right to rely on the statutory presumptions flowing from [the] registration" that was not properly submitted.); Crown Radio Corp. v. Soundsciber Corp., 506 F.2d 1392, 184 USPQ 221, 222 (CCPA 1974) ("Appellee did not submit copies of its aforementioned registrations with the verified petition for cancellation...We agree with the Board that appellant has admitted the existence of appellee's registrations. Therefore, we agree with the board that the sole issue to be determined in this proceeding is whether there is a likelihood of confusion"). Nonetheless, we will not consider Registration Nos. 1,765,287, 1,802,504, and 2,117,012, which have been cancelled. In addition, we will not consider Registration No. 1,523,565, a copy of which was attached for the first time to opposer's appeal brief.
- 13 Applicant testified that "naughty in a different language meant childish." Crain test. dep., p. 49.

2001 WL 1182881 (Trademark Tr. & App. Bd.)



Pixel Instruments Corporation v. Sweven Corporation

Opposition No. 97,136

Trademark Trial and Appeal Board

1999 TTAB LEXIS 715

December 30, 1999, Decided

JUDGES: [*1]

Before Simms, Quinn and McLeod, Administrative Trademark Judge.

OPINION:

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

By the Board:

An application has been filed by Sweven Corporation to register the mark PIXEL DUST PRODUCTIONS and design for "computer consulting services, featuring design and graphics creation services" in Class 42. n1

n1 Application No. 74/460,274, filed on November 18, 1993, claiming a bona fide intent to use the mark in commerce. On May 1, 1996, applicant filed a motion to amend its recitation of services to "designing and producing artistic digital format graphics and creating multimedia content and consulting services thereof, not including engineering services or engineering consulting services." The Board, in an order dated August 29, 1996, deferred decision on applicant's motion to amend pending the final decision in this case.

Registration has been opposed by Pixel Instruments Corporation on various grounds including an allegation that applicant is not entitled to a registration of its mark for the services identified in its application because applicant lacked the requisite bona fide intention to use the applied-for mark [*2] in commerce as of the application filing date.

Applicant filed an answer denying the salient allegations in the amended notice of opposition.

This case now comes up on opposer's motion for summary judgment solely on the ground that applicant lacked a bona fide intent to use its mark in commerce. The motion has been fully briefed. n2

n2 The Board has considered opposer's reply brief on the motion for summary judgment. *See* Trademark Rule 2.127 (e)(1), as amended, Notice of Final Rulemaking, published in the *Federal Register* on September 9, 1998 at 63 *FR* 48081; *see also* *Zirco Corp. v. American Telephone and Telegraph Co.*, 21 *USPQ2d* 1542 (*TTAB* 1991); *Avon Products, Inc. v. MarCon, Ltd.*, 225 *USPQ* 977 (*TTAB* 1985).

Opposer argues that no objective evidence exists which demonstrates a bona fide intent by applicant to use its proposed service mark in commerce. Because of this alleged absence of objective evidence, opposer contends that it is entitled to judgment in its favor as a matter of law.

In support of its motion, opposer has submitted excerpts from the discovery depositions of applicant's vice president, John Heitman, [*3] Jr., speaking personally and on behalf of the corporation, as well as two other principals, Mr. Michael Scotko and Mr. Thomas Dolby. Opposer maintains that applicant's deposition testimony reveals that applicant lacks evidence sufficient to establish that it had a bona fide intention to use its proposed mark in commerce. In particular, opposer contends that the discovery deposition testimony indicates that from the time the mark was first conceived by applicant until the filing date of the application, no document trail or document production had been made to evidence any objective intention to use the mark in commerce. Opposer claims that the first document created by applicant involving the service mark showing use of the mark or an intent to use the mark, namely, an advertising brochure for an upcoming trade show, was not prepared until two months after the filing date of the application. Opposer concludes therefore that the absence of any documentary evidence prepared, created or produced prior to the filing date of the application demonstrates applicant's lack of the requisite bona fide intent at the time of filing.

Applicant contends, on the other hand, that it can and will [*4] rebut any showing of lack of bona fide intent by presenting other evidence concerning its intent. Applicant maintains that the mark was used in conjunction with a job in January 1994 and the first promotional material was distributed in March 1994. According to applicant, these actual uses of the mark are sufficiently contemporaneous to the filing date of the application to corroborate applicant's bona fide intent to use the mark in commerce. While applicant has not submitted any affidavits or documentary evidence in support of its position, the uses of the mark relied upon by applicant are described in the depositions which accompanied opposer's motion.

As a general rule, the factual question of intent is particularly unsuited to disposition on summary judgment. *See Copelands' Enterprises, Inc. v. CNV, Inc.*, 945 F.2d 1563, 20 USPQ2d 1295 (Fed. Cir. 1991). The Board has held, however, that the absence of any documentary evidence regarding an applicant's bona fide intention to use a mark in commerce is sufficient to prove that an applicant lacks such intention as required by Section 1(b) of the Trademark Act, unless other facts are presented which adequately explain [*5] or outweigh applicant's failure to provide such documentary evidence. *See Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1507 (TTAB 1993).

In determining the sufficiency of documentary evidence demonstrating bona fide intent, the Board has held that the Trademark Act does not expressly impose "any specific requirement as to the contemporaneousness of an applicant's documentary evidence corroborating its claim of bona fide intention. Rather, the focus is on the entirety of the record." *Lane Ltd. v. Jackson International Trading Co.*, 33 USPQ2d 1351, 1356 (TTAB 1994). In *Lane Ltd.*, *supra*, the Board found that a correspondence drafted by applicant in which it sought to license its mark and which was dated **ten months** after the filing of applicant's application served to corroborate applicant's bona fide intention to use its mark. *Id.* (emphasis added).

After careful review of the record, we find that opposer has not met its burden of establishing the absence of any genuine issues of material fact that applicant lacked the required bona fide intent upon filing its application. Although applicant provided [*6] no evidence to rebut opposer's contention that applicant lacked a bona fide intent upon filing its application, the Board must consider all evidence of record including evidence provided by opposer. Opposer has proffered evidence which demonstrates that, aside from the initial inception of the mark, applicant took steps in creating a graphic design/logo for the mark prior to the filing of its application and prepared a brochure approximately two months after the filing for a trade show in which it used its mark in connection with its services. *See Scotko Deposition* pp. 11-15 and Heitman Deposition pp. 62-65 contained in Exhibit D of opposer's second motion for summary judgment. We find that applicant's graphic design efforts and the creation of the brochure constitute actions and uses which are sufficiently contemporaneous to the application filing date to serve as corroboration of applicant's declaration in the application of a bona fide intention to use the mark in commerce. *See Lane Ltd.*, *supra*.

Accordingly, since there are no genuine issues of material fact as to the circumstances surrounding applicant's claimed bona fide intention to use the mark in commerce, [*7] and because the evidence of record as to those circumstances establishes applicant's bona fide intention as a matter of law, opposer's motion for summary judgment is denied, and summary judgment is granted in favor of applicant as to the issue of bona fide intent. *See Visa International Service Ass'n v. Life-Code Systems, Inc.*, 220 USPQ 740 (TTAB 1983); TBMP Section 528.08.

Proceedings are hereby resumed on the remaining claims of prior use and likelihood of confusion and the parties are allowed **thirty days** from the mailing date of this order in which to serve responses to any outstanding discovery requests.

Trial dates, including the time for discovery, are hereby reset as follows:

THE PERIOD FOR DISCOVERY TO CLOSE: February 28, 2000

Testimony period for party in
position of plaintiff to close: May 28, 2000
(opening thirty days prior thereto)

Testimony period for party in
position of defendant to close: July 27, 2000
(opening thirty days prior thereto)

Rebuttal testimony period to close September 10, 2000
(opening fifteen days prior thereto)

In each instance, a copy of the transcript of testimony together with copies of [*8] documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b).

An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

R. L. Simms

T. J. Quinn

L. K. McLeod

Administrative Trademark Judges Trademark Trial and Appeal Board

Legal Topics:

For related research and practice materials, see the following legal topics:
 Trademark LawProtection of RightsCommercial UseIntended UseTrademark LawSpecial MarksService MarksGeneral
 OverviewTrademark LawU.S. Trademark Trial & Appeal Board ProceedingsOppositionsGrounds

2013 WL 5820850 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

THE PNC FINANCIAL SERVICES GROUP, INC.

v.

KEITH ALEXANDER ASHE DBA SPENDOLOGY AND SPENDOLOGY LLC JOINED AS PARTY DEFENDANT

Opposition No. 91207409

October 15, 2013

*1 Before Quinn, Cataldo and Masiello
Administrative Trademark Judges

By the Board:

Spendology LLC (hereinafter “applicant”)¹ seeks to register in standard character form the mark SPENDOLOGY for the following services in International Class 36: “Web-based personal finance tools, namely, providing a website featuring non-downloadable instructional videos in the field of finance, online financial calculators, and online information in the field of finance.”² The PNC Financial Services Group, Inc., (hereinafter “opposer”) has opposed registration on the grounds of priority and likelihood of confusion. Opposer alleges ownership of an application for the mark SPENDOLOGY for Class 36: “an online money management tool that allows account holders to track balances, budgets, and expenses, by category and time period.”³ Opposer also relies on its common-law rights through use of the mark SPENDOLOGY.

Applicant, in its answer, has denied the salient allegations of the notice of opposition and asserted affirmative defenses.⁴

Now before the Board are the parties' cross-motions for summary judgment on the priority and Section 2(d) ground, filed May 14, 2013, (applicant) and June 18, 2013, (opposer), respectively. In essence, each party argues that it has priority based on either actual trademark use or use analogous to trademark use. Although applicant did not respond to opposer's cross-motion for summary judgment, due to the dispositive nature of the motion, we exercise our discretion and will consider both cross-motions on their merits. *SFW Licensing Corp. v. Di Pardo Packing Ltd.*, 60 USPQ2d 1372, 1375 (TTAB 2001).

A party is entitled to summary judgment when it has demonstrated that there is no genuine dispute as to any material fact and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). In reviewing a motion for summary judgment, the evidentiary record and all reasonable inferences to be drawn from the undisputed facts must be viewed in the light most favorable to the nonmoving party. *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). The Board may not resolve issues of material fact; it may only ascertain whether such issues are present. *See Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993). When cross-motions for summary judgment are presented, the Board evaluates each motion on its own merits and resolves all doubts and inferences against the party whose motion is being considered. *Mingus Constructors, Inc. v. United States*, 812 F.2d 1387, 1390-91 (Fed. Cir. 1987)).

*2 Opposer's motion for summary judgment is supported by the declaration of Bryan L. Mackrell, Product Manager of Payments & eBusiness, PNC Financial Group, Inc. (Mackrell declaration), and accompanying exhibit; and applicant's interrogatory responses.

Applicant's motion for summary judgment is supported by exhibits and applicant's and opposer's discovery responses.⁵

Standing

Before we consider the merits of the cross-motions for summary judgment, we must first consider whether opposer has demonstrated that there is no genuine dispute of material fact as to its standing to bring this opposition proceeding. Standing is a threshold issue that must be proven by a plaintiff in every inter partes case. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

The Mackrell declaration states that opposer has been offering SPENDOLOGY money management tools to the general public since August 26, 2010. The Mackrell declaration, which declares opposer's use of SPENDOLOGY in connection with online money management tools, is sufficient to establish opposer's standing to bring this opposition proceeding. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000) (direct commercial interest satisfies the "real interest" test). Moreover, applicant does not contend otherwise. Accordingly, we find no genuine dispute of material fact exists regarding opposer's standing.

Likelihood of confusion

In determining likelihood of confusion, we are guided by the factors set out in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

For purposes of their motions, the parties are essentially in agreement that likelihood of confusion is not in dispute in this case because the parties' marks are identical and the services are related. Opposer's notice of opposition, paragraph 10; opposer's response to applicant's interrogatory no. 6; applicant's response to opposer's interrogatory no. 8. Applicant's summary judgment brief, p. 3; Opposer's summary judgment response and brief p. 10. *Apple Computer v. TVNET.net Inc.*, 90 USPQ2d 1393, 1395 (TTAB 2007) (considering certain facts undisputed based on discovery responses and on concessions made in the brief in response to a motion for summary judgment).

Accordingly, we find there is no genuine dispute of material fact that the parties' contemporaneous use of the mark at issue is likely to cause confusion.

Priority

To establish priority on a likelihood of confusion claim brought under Trademark Act Section 2(d), a party must prove that, vis-à-vis the other party, it owns "a mark or trade name previously used in the United States ... and not abandoned...." Trademark Act § 2, 15 U.S.C. § 1052. Opposer does not own an existing registration upon which it can rely for purposes of priority. *King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). In addition, opposer cannot rely on the filing date of its pleaded application as a constructive use date for purposes of priority because its pleaded application has a later filing date (June 13, 2012) than applicant's Section 1(b) application, which has a filing and constructive use date of October 25, 2011.

*3 Therefore, in order for opposer to prevail on its priority claim, opposer must prove that it has a proprietary interest in the mark SPENDOLOGY and that the interest was obtained prior to the filing date of applicant's application, October 25, 2011, or prior to any date of use on which applicant may rely, including any use analogous to trademark use. *Herbko International Inc. v. Kappa Books Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002); *Otto Roth & Co., Inc. v. Universal Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981); *L. & J.G. Stickley Inc. v. Cosser*, 81 USPQ2d 1956, 1966 (TTAB 2007); *Dyneer Corp. v. Automotive Products plc*, 37 USPQ2d 1251, 1254 (TTAB 1995).

In support of its motion, applicant has submitted evidence so as to establish an earlier priority date than its constructive use date of October 25, 2011, based on use analogous to trademark use. Applicant does not claim, nor does any evidence support any other use, e.g., trade name use,⁶ that might give it priority.

In order to demonstrate that use analogous to trademark use has given rise to proprietary rights, a party must show that such prior use was sufficient to create an association in the minds of the purchasing public between the mark and the goods. *Malcolm Nicol & Co. v. Witco Corp.*, 881 F.2d 1063, 11 USPQ2d 1638, 1639 (Fed. Cir. 1989). We may infer the fact of identification of the mark with the party on the basis of indirect evidence regarding the party's use of the word or phrase in advertising brochures, catalogs, newspaper ads, articles in newspapers, trade publications and Internet websites which create a public awareness of the designation as a trademark identifying the party as a source. *T.A.B. Systems v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879, 1882 (Fed. Cir. 1996) vacating *Pactel Teletrac v. T.A.B. Systems*, 32 USPQ2d 1668 (TTAB 1994); *Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1023 (TTAB 2009).

We find that taken as a whole, applicant's exhibits do not establish proprietary rights arising before its October 25, 2011 constructive use date. *West Florida Seafood, Inc. v. Jet Restaurants*, 31 F.3d 1122, 31 USPQ2d 1660, 1663 (Fed. Cir. 1994).

The personal budgeting survey created on June 15, 2010, and an undated budget presentation are not evidence of use analogous to trademark use as neither document references the mark SPENDOLOGY.⁷

Applicant's securing of the spendology.net web domain from hostgator.com on July 24, 2010 does not by itself establish use analogous to trademark use in connection with the services. *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 50 USPQ2d 1545, 1556 (9th Cir. 1999) (registration of a domain name does not by itself constitute use for purposes of establishing priority of use).

*4 With regard to the SPENDOLOGY website itself, applicant has provided two SPENDOLOGY "beta" website pages which are not self-authenticating as they do not include the date and URL on the printout, although one page includes a copyright notice dated 2010. Neither page references the services identified in the involved application.⁸ We note that even if the pages had been authenticated, they could only be considered for what they show on their face and not for the truth of matters asserted therein, as no declaration testimony has been provided regarding how many persons viewed or were exposed to the website. Therefore, the website evidence fails to establish use analogous to trademark use in connection with applicant's services.

As to applicant's use of social media, the act of joining Twitter on April 25, 2011, or Facebook on May 21, 2011, (applicant's interrogatory response no. 7) does not by itself establish use analogous to trademark use. Cf. *Brookfield Commc'ns, Inc.*, 50 USPQ2d at 1556 (registration of domain name does not by itself constitute use for purposes of priority). With regard to the social media evidence, which includes URL and dates of publication, there is no declaration testimony as to consumer exposure to applicant's blog posts, twitter page, tweets, or Facebook page. None of this evidence shows use in connection with applicant's identified services. In particular, the blog postings at spendology.wordpress.com, "a discussion at the intersection of behavior economics, innovation, and personal finance" published on July 21, 2010, July 26, 2010, August 3, 2010, and August 25, 2010, do not reference applicant's services. Although the "About" page on the blog identifies SPENDOLOGY as "a software company that is making budgeting super easy" this reference does not relate to the services as identified in the involved application. Applicant's printout of its SPENDOLOGY TWITTER page shows a "tweet" asking "Are you a smart spender?" on April 25, 2011, which makes no reference to opposer's services. The SPENDOLOGY Facebook cover page makes no reference to applicant's services, and the June 2, 2011 Facebook posting shares links to articles by NPR and Vanguard, but provides no information in connection with applicant's services. Thus, this evidence fails to establish use analogous to trademark use.

With regard to the remaining exhibits, the e-mail reminder dated August 31, 2010, for the "Spendology kickoff" on September 1, 2010, is not in the nature of advertising and does not reference the services identified in the application. The June 27, 2011 press release does not show use in connection with the identified services as it discusses Spendology in connection with a web application for budgeting. Applicant's receipt, dated October 18, 2011, evidencing its attendance at the Bloomberg Empowered

Entrepreneur conference under the company name of “Spendology” is not evidence of services being offered to the public. Applicant also has submitted evidence dated after applicant's constructive use date of October 25, 2011: Google Adwords campaigns for the dates of November 1, 2011-December 31, 2011 and May 1, 2012-June 2012, which do not identify the Adwords purchased,⁹ a January 2, 2012 press release regarding the Spendology Budgetizer which web application relates to services other than those identified in the involved application, and an e-mail for an event on March 15, 2012, regarding “How the Ideas Economy are Fueling the Global Economy” with a bcc: to keithashe@spendology.net, but otherwise containing no reference to applicant or its services.

***5** We find that applicant's indirect evidence fails to establish use analogous to trademark use as it does not support an inference of identification in the mind of the consuming public. See *T.A.B. Systems*, 37 USPQ2d at 1881 (analogous use must be “of such a nature and extent as to create public identification of the target term with the . . . product or service”).

Accordingly, we find that the earliest date upon which applicant is entitled to rely for priority purposes is the filing date of its application, October 25, 2011, contingent upon its registration.

Opposer, in its cross-motion, is relying on its common law rights to prove its priority and a use date of August 26, 2010. Opposer has submitted, as evidence of its prior rights, the Mackrell declaration in which Mr. Mackrell declares that opposer's first use of SPENDODOLOGY in the United States was August 26, 2010, in connection with money management tools for tracking and managing expenses located at the website www.pncvirtualwallet.com. Mr. Mackrell further declares that opposer has used the SPENDODOLOGY mark continuously in commerce since that time. To corroborate this statement in his declaration, Mr. Mackrell has included website printouts showing use of the mark in connection with the services. Mr. Mackrell declares that opposer used the mark in “substantially the same” form in 2010 as its current use, as reflected on the website printout. The website printout exhibit on the first page states: “Spending Zones SpendologySM tools provide a simple way to see exactly what you're spending your money on each month . . . Broken down into categories . . . it allows you to set a budget for each.” The second page of the exhibit shows a user's budget graph and expenses with “SpendologySM Tools” and “Track Budget” displayed in the upper left hand corner of the page.

We find therefore, that based on the Mackrell declaration and accompanying exhibit, the earliest date on which opposer is entitled to rely for purposes of priority is August 26, 2010. See *National Bank Book Co. v. Leather Crafted Products, Inc.*, 218 USPQ 826, 828 (TTAB 1983) (oral testimony may be sufficient to prove the first use of a party's mark when it is based on personal knowledge, it is clear and convincing, and it has not be contradicted); *Liqwacon Corp. v. Browning-Ferris Industries, Inc.*, 203 USPQ 305, 316 (TTAB 1979) (oral testimony may be sufficient to establish both prior use and continuous use when the testimony is proffered by a witness with knowledge of the facts and the testimony is clear, convincing, consistent, and sufficiently circumstantial to convince the Board of its probative value); *GAF Corp. v. Anatox Analytical Services, Inc.*, 192 USPQ 576, 577 (TTAB 1976) (oral testimony may establish prior use when the testimony is clear, consistent, convincing, and uncontradicted).

***6** As we stated supra, applicant failed to respond to opposer's cross-motion. The documents attached to applicant's brief in support of applicant's motion for summary judgment do not reveal the existence of any genuine dispute of material fact with regard to priority.

Inasmuch as opposer is entitled to rely on August 26, 2010, as its priority date which is a date earlier than applicant's October 25, 2011 constructive use date, we find there is no genuine dispute of material fact that opposer has established its prior use of the mark SPENDODOLOGY for an “online money management tool that allows account holders to track balances, budgets, and expenses, by category and time period” over applicant.

Decision

We find, based on the record herein and the applicable law, that there is no genuine dispute of material fact that opposer has established its standing, priority, and likelihood of confusion as a matter of law. Opposer's motion for summary judgment is granted and applicant's motion for summary judgment is denied.

The opposition is sustained, and registration to applicant is refused.

Footnotes

- 1 Although Keith Alexander Ashe remains joined to this proceeding, see Board's order of April 17, 2013, the involved application was assigned to Spendology LLC as of January 30, 2013, and recorded in the Office's Assignment Branch at Reel 4950, Frame 0611.
- 2 Application Serial No. 85456136, filed October 25, 2011, under Section 1(a), amended to Section 1(b) by response to Office Action, April 9, 2012.
- 3 Application Serial No. 85650817, filed June 13, 2012, under Section 1(a), claiming a date of first use and first use in commerce of August 2010.
- 4 Applicant's affirmative defenses nos. 1-3 and 5-8 are not true affirmative defenses but amplifications of its denial to opposer's priority and likelihood of confusion claim. Applicant's affirmative defense no. 4 which asserts "res judicata" based on the examining attorney's Office action is insufficient. It is well-settled that actions by examining attorneys are not binding on the Board and have no precedential value. *See In re Medical Disposables Co.*, 25 USPQ2d 1801, 1805 (TTAB 1992).
- 5 Applicant's exhibits are not accompanied by any authenticating affidavit or declaration. However, the 2010 amendments to Fed. R. Civ. P. 56(c)(2), "'eliminated the unequivocal requirement that documents submitted in support of a summary judgment motion must be authenticated.'" *Akers v. Beal Bank*, 845 F.Supp.2d 238, 243 (D.D.C. 2012)). The lack of authentication is now grounds for objection, but only on the basis that the evidence *cannot* be admissible. Rule 56(c)(2); *Foreword Magazine, Inc. v. Overdrive, Inc.*, No. 1:10-cv-1144, 2011 WL 5169384, at *2 (W.D. Mich. Oct. 31, 2011). Here, opposer has not raised any objection to applicant's exhibits. Accordingly, the exhibits will be considered as being what they purport to be. *See e.g., Slate v. Byrd*, No. 1:09CV852, 2013 WL 1103275, at * 2 (M.D.N.C. 2013) ("Because [defendant] has not filed an objection contending that the cited material 'cannot be presented in a form that would be admissible in evidence,' no basis exists for the Court to decline consideration of the material at issue.>").
- 6 Prior use of a trade name in connection with the sale or advertising of goods or services, if of such a nature and extent to create an association by the purchasing public of the goods or services with the user, is sufficient to establish priority in an inter partes dispute. *TuTorTape Laboratories, Inc. v. Halvorson*, 155 USPQ 268, 270 (TTAB 1967).
- 7 The survey was sent to six individuals; the presentation was not sent to any customers. Applicant's interrogatory responses, 5 and 6.
- 8 The page www.spendology.net/archiveindex.php states that "Spendology is a web app that combines event planning and budgeting to help you plan and prioritize your expenses." Applicant has submitted the web pages under a confidential filing. If applicant regards the beta website as a secret, it implies that applicant has not yet made the website public.
- 9 Applicant's interrogatory response no. 7 also indicates a Google Adword campaign for the dates of June 14, 2011-June 19, 2011, which is not supported by an exhibit. While purchase or use of keywords to trigger pop-up or banner advertisements may amount to use in commerce, these purchases are not supported by declaration testimony as to the nature of the "Adwords" purchased and, as noted above, two of the Adword campaigns are subsequent to applicant's filing date. *See, e.g., Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123, 130 (2d Cir. 2009) (holding that use of trademarks as keywords constitutes use in commerce); *Hearts on Fire Co., LLC v. Blue Nile, Inc.*, 603 F. Supp.2d 274, 282 (D.Mass. 2009) (finding the purchase of trademarks to trigger pop-up or banner advertisements is use in commerce).

2013 WL 5820850 (Trademark Tr. & App. Bd.)

2004 WL 2075108 (Trademark Tr. & App. Bd.)

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

SPEEDWAY SUPERAMERICA LLC

v.

RENEGADE TOBACCO INC.

Opposition No. 91124822 to application Serial No. 76156512 filed October 31, 2000

September 2, 2004

Hearing: June 10, 2004

*1 Henry W. Leeds, Nancy R. Frandsen, Jennifer L. Dean and Christen M. English of Drinker Biddle & Reath LLP for Speedway SuperAmerica LLC
Jay S. Horowitz for Renegade Tobacco Inc.

Before Simms, Hanak and Rogers

Administrative Trademark Judges

Opinion by Simms

Administrative Trademark Judge:

Speedway SuperAmerica LLC (“opposer”), a Delaware corporation, has opposed the application of Renegade Tobacco Inc. (“applicant”), a North Carolina corporation, to register the mark SPEEDWAY for cigarettes.¹

In the amended notice of opposition, opposer alleges that, through predecessors, it has used the mark SPEEDWAY since May 27, 1935, in connection with gasoline and lubricating oil; that opposer has used and registered this mark for these goods as well as for automobile and truck service station services; that since 1975, opposer has operated retail grocery stores in connection with its service stations under the mark SPEEDWAY; that opposer now operates over 2,200 automobile and truck service stations and convenience stores; that opposer sells many national brands of cigarettes and, since May 27, 1988, has sold its own private label brand cigarette called TOURNEY; that opposer uses the SPEEDWAY mark in connection with the advertising and promotion of TOURNEY cigarettes (for example, free gas for the purchase of a carton of TOURNEY cigarettes); that opposer owns numerous registrations which include the mark SPEEDWAY; and that applicant's mark so resembles opposer's marks as to be likely to cause confusion, to cause mistake or to deceive. Opposer also alleges that applicant's application is void because applicant did not have a bona fide intention to use its mark in commerce, in the ordinary course of trade, when it filed the application, and that applicant does not have a present bona fide intention to use the SPEEDWAY mark in commerce. Applicant denied the pertinent allegations of the amended opposition and asserted, as an affirmative defense, that this opposition is barred by laches, acquiescence and estoppel.²

The record consists of testimony taken of opposer's corporate manager of advertising, and related exhibits; status and title copies of its pleaded registrations, discovery responses and a discovery deposition of applicant's president, relied upon by opposer's notices of reliance; and the application file. The parties have filed briefs and an oral hearing was held.

The Record

According to Douglas Bond, opposer's corporate manager of advertising, opposer is a chain of gasoline and convenience store outlets located in 13 states in the Southeast and Midwest. Opposer now operates over 1,900 such outlets under the mark SPEEDWAY.

*2 In addition to the sale of gasoline and diesel, opposer's convenience stores sell general merchandise including about 50 brands of cigarettes, health and beauty aids, soft drinks, beer and wine, snacks, candy, motor oil, antifreeze, lubricants, and food service products. In 2002, opposer's total gasoline revenue was around \$5 billion while general merchandise sales were over \$2 billion, of which cigarette sales were about \$1.3 billion, about 55 percent of general merchandise sales. Opposer's market share is about 2 percent of total national cigarette sales, and opposer is the tobacco industry's third largest customer. Mr. Bond testified that opposer averages over 2.2 million customers per day, over one fourth of whom purchase cigarettes. According to Bond Exhibit 1, opposer sells over 1 million cigarette packs per day, and in the states in which opposer operates, opposer sells one out of every 20 packs. Bond dep., 21. Over half of opposer's customers purchase only merchandise (no gasoline). Bond dep., 81-82.

Since 1989, opposer has sold its own private label cigarette called TOURNEY. These cigarettes are sold only through opposer's convenience stores and through opposer's Smokes For Less stores. These tobacco stores sell only cigarettes and tobacco products, and about 20 percent of them are located in or adjacent to opposer's convenience stores. About 15 to 20 percent of opposer's total cigarette sales are of the TOURNEY cigarettes. Opposer's SPEEDWAY convenience stores garnered over \$100 million from the TOURNEY cigarettes in 2002. The SPEEDWAY mark does not itself appear on the TOURNEY cigarette package.

In 2002, opposer spent about \$18 million in advertising and promotion (radio and television, print media, billboards, direct mail and point-of-sale materials). Mr. Bond also testified that various promotions offer free gasoline when a purchaser buys 25 packs of TOURNEY cigarettes. Opposer advertises and promotes its TOURNEY cigarettes more than it promotes the major brands which it also sells. For example, with a carton of TOURNEY cigarettes, a purchaser may obtain a free prepaid SPEEDWAY phone card. Cigarettes in general are heavily promoted at opposer's many locations, both at the pumps, in the convenience store windows and inside the stores themselves.

Opposer's record also includes status and title copies of its pleaded registrations, including Registration No. 816,870, issued October 18, 1966, renewed, for the mark SPEEDWAY, for gasoline and lubricating oil; Registration No. 1,168,689, issued September 8, 1981, renewed, for SPEEDWAY and design, for gasoline station services; Registration No. 1,592,374, issued April 17, 1990, Section 8 affidavit accepted, for the mark SPEEDWAY, for automobile and truck service station services; Registration No. 1,867,322, issued December 13, 1994, Section 8 affidavit accepted, for the mark THE CONVENIENCE STORES OF SPEEDWAY, for retail grocery store services; and Registration No. 1,528,551, issued March 7, 1989, Section 8 affidavit accepted, for the mark TOURNEY, for cigarettes.

*3 According to the discovery deposition of Calvin Phelps, applicant's owner and president, applicant is a distributor of cigarettes. Applicant distributes cigarettes in 14 states, mostly located in the Southeast. In 2001, applicant's affiliated company Alternative Brands made about 200 million TUCSON cigarettes (Phelps, 87), which applicant has distributed since that year.

According to Mr. Phelps, he has adopted three marks, one of which is the TUCSON mark, which identifies a low-cost cigarette with a Western theme. The other marks he conceived were SPEEDWAY, a mark which applicant wanted to conjure up a racing theme, designed to be used on a higher-priced cigarette, and the mark NIRVANA, intended to be used for herbal, non-tobacco cigarettes. These names were submitted to an attorney in early 1999 for a trademark search. Mr. Phelps testified that, after distributing the lower-cost TUCSON cigarette, it was his intention to then develop and distribute the other brands. That process includes the development of packaging as well as the selection of a blend for the new product. Phelps, 47. Graphic work, including initial designing of packages, had been done by two artists for both the NIRVANA and the SPEEDWAY brands (Phelps, 55, 96) but this work was not deemed suitable by Mr. Phelps. At trade shows, Mr. Phelps had conversations concerning applicant's three cigarette brands, including SPEEDWAY. Phelps, 110, 124, 125. Also, as noted, a trademark availability search was conducted in April 1999. According to Mr. Phelps, applicant is not "ready to promote two brands at the moment." Phelps,

97. He further testified that the TUCSON brand is “laying the groundwork to sell our higher-priced cigarette, if that were Speedway.” Phelps, 118. He also noted that major cigarette companies may have many trademarks, “not all of them active.” *Id.* One of the purposes of doing that is that in the event that a customer wants their own individual brand of cigarettes, they have the name trademarked already they can offer to them; that is always an option with us, also, until we actually get to the point where we intend to go to market.

Id. When asked at the conclusion of his deposition if “any intent to use or develop [the SPEEDWAY cigarette] is currently on hold,” Mr. Phelps said that “I guess you could say that... It is there when we decide to use it, but we are not actively using it. So, I guess you could say yes, it is on hold.” Phelps, 147. He stated that applicant has no documents concerning the development of this mark.

Mr. Phelps also stated that he was not aware of opposer's SPEEDWAY gasoline stations and convenience stores until this opposition was brought.

Discovery responses also indicate that Vicki Meechum of Winston Printing did design work for several of applicant's labels, including SPEEDWAY, between 1999 and 2000. In 2000-2001, Ron Cook also did design work for several of these labels including the SPEEDWAY mark. See Response to Interrogatory 7(a).

Arguments of the Parties

*4 Briefly, it is opposer's position that confusion is likely because of opposer's use and registration of the identical mark SPEEDWAY in connection with its convenience stores and gasoline station outlets, which heavily promote the sale of cigarettes. Because the respective marks are identical, the relationship between the goods and services need not be as great, opposer contends. Opposer argues that its mark is well-known, in use since 1935 on gasoline and lubricating oil, and since 1938 in connection with retail stores and automobile and truck service station services. This mark is entitled to a broad scope of protection, opposer maintains. Opposer's nearly 2,000 stores had revenue in a recent year approaching \$5 billion, mostly from the sale of gasoline and cigarettes, the latter of which is the second biggest-selling product which opposer offers. Over 500,000 customers per day buy cigarettes at opposer's locations. Because cigarettes are heavily advertised at opposer's convenience stores and gas station outlets as well as through various promotions, opposer argues that the public associates the SPEEDWAY mark with the sale of cigarettes. Opposer contends that it has conditioned consumers to associate the SPEEDWAY mark with both the retail sale of gasoline and the retail sale of cigarettes, and that consumers recognize opposer as the source of cigarettes. Opposer contends that confusion is particularly likely if applicant's SPEEDWAY cigarettes were to be sold at opposer's convenience stores. Reply brief, 2. Opposer also contends that purchasers of cigarettes are “non-discerning” ordinary consumers who may not spend much time or thought in the purchasing decision. Any doubt should be resolved in its favor as the registrant and prior user, opposer argues.

With respect to the issue of applicant's bona fide intent to use its mark, opposer maintains that applicant's discovery deposition indicates that applicant wants to reserve this mark for some indefinite time in the future. Opposer points to the lack of documentation concerning applicant's intention to use the mark.

Applicant, on the other hand, maintains that its cigarettes are not related to opposer's goods and services and that consumers will not believe that opposer's gasoline stations and convenience stores would be manufacturers of cigarettes. Applicant points to the fact that there is no evidence that gasoline stations use their names as the names of cigarettes, and that opposer has cited no case finding likelihood of confusion involving cigarettes and gasoline station and convenience store services.

Finally, with respect to its bona fide intention to use the mark, applicant points to the fact that it has only three marks (and applications), one of which it has now begun using. Applicant maintains that its intention to use its mark is further demonstrated by the trademark availability search, and the fact that applicant hired counsel both to prepare trademark applications and to

defend this opposition. Applicant also cites the discovery responses showing that design work has been done in three recent years by two different people, and the testimony of Mr. Phelps concerning his plans to use the SPEEDWAY mark.

Discussion and Analysis

*5 Opposer, as plaintiff in this case, has the burden of proof to show, by a preponderance of the evidence, priority and likelihood of confusion. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1848 (Fed. Cir. 2000).

With respect to priority, that is not an issue here because opposer relies on its ownership of valid and subsisting registrations. See *King Candy Co. v. Eunice King's Kitchen*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Moreover, the record demonstrates opposer's prior use of the mark SPEEDWAY in connection with its gasoline service station and convenience store services.

Turning then to the issue of likelihood of confusion, our determination of the issue of likelihood of confusion is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods and/or services. See *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). See also *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

As to the marks, opposer owns the registered mark SPEEDWAY, both alone and with design elements, for service station services. It also owns a registration of the mark THE CONVENIENCE STORES OF SPEEDWAY for retail grocery store services in plain letters. However, even in opposer's registrations with design elements, it is the literal portion of the mark, or the portion utilized in calling for the services, in this case the term SPEEDWAY, that is the part most likely to be impressed in the purchaser's memory and to serve as the indication of origin. See *Inter-State Oil Co., Inc. v. Questor Corp.*, 209 USPQ 583 (TTAB 1980). See also *In re National Data Corporation*, 753 F.2d 1056, 224 USPQ 749, 752 (Fed. Cir. 1985).

Applicant's mark SPEEDWAY is identical to opposer's mark SPEEDWAY and very similar to opposer's word and design marks that, if these marks were used on closely related goods or services, confusion would be likely. The identity of the marks also "weighs heavily against applicant." *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289, 1290 (Fed. Cir. 1984).

Turning, therefore, to a consideration of opposer's gasoline service station services and convenience store services versus applicant's cigarettes, we note that it is not necessary that the respective goods and services be similar or competitive, or even that they move in the same channels of trade to support a holding of likelihood of confusion. Rather, it is sufficient that the respective goods and services are related in some manner, and/or that the conditions and activities surrounding the marketing of the goods and services are such that they would or could be encountered by the same persons under circumstances that could, because of the similarity of the marks, give rise to the mistaken belief that they originate from the same producer. *In re International Telephone & Telegraph Corp.*, 197 USPQ 910, 911 (TTAB 1978).

*6 Here, there is no question that cigarettes and other tobacco products are sold in many service stations and convenience stores, including opposer's. Cigarettes are the second biggest-selling item at opposer's service stations and convenience stores. However, there is simply no evidence that gas stations/convenience stores use their names as brands of cigarettes. In fact, the evidence is to the contrary--opposer uses a different mark (TOURNEY) as its private label cigarette brand.

We also observe that the word "speedway" is an ordinary English word found in the dictionary. In other words, it is not a word coined by opposer which applicant has appropriated.

Further, opposer's argument that, if applicant's SPEEDWAY cigarettes were to be offered in opposer's stores, there would be confusion is without merit. Opposer, who here contends that confusion is likely, is unlikely to sell such cigarettes in its service

stations and convenience stores if doing so would lead to confusion as to the source or origin of those cigarettes. Applicant's cigarettes more likely would be sold in other outlets where cigarettes are available--supermarkets, drugstores, convenience stores, and other gas stations.

We agree with opposer that gas stations and convenience stores are typical and well-known outlets for the sale of cigarettes. However, we also agree with applicant's argument that consumers have simply not been accustomed, at least according to this record, to seeing the same mark used in connection with convenience stores and gas stations and on cigarettes. We believe that there must be shown more than a mere theoretical possibility of confusion. There must be demonstrated a probability or likelihood of confusion. See, for example, *Witco Chemical Co. v. Whitfield Chemical Co.*, 418 F.2d 1403, 164 USPQ 43, 44-45 (CCPA 1969): "We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with de minimis situations but with the practicalities of the commercial world, with which the trademark laws deal." See also *Triumph Machinery Company v. Kentmaster Manufacturing Company Inc.*, 1 USPQ2d 1826 (TTAB 1987). Here, even considering the regional renown of opposer's mark used in connection with gasoline service stations and convenience stores, we believe that any possibility of confusion does not rise to the level necessary to show that confusion is in fact likely.

We turn, therefore, to the second issue--whether applicant had a bona fide intention to use the mark in commerce at the time of filing the application, and whether it continues to have such an intent. First, it is clear that the alleged lack of such an intent is a ground for opposition. See *Lane Ltd. v. Jackson International Trading Co.*, 33 USPQ2d 1351, 1352 (TTAB 1994); and *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1504 (TTAB 1993).

*7 After review of the testimony and evidence as well as the arguments on this issue, we find that the evidence demonstrates that applicant did indeed have a bona fide intention to use the mark SPEEDWAY in commerce when it filed the application. Although applicant does not have documents to show the development of this brand, there is testimony and there are discovery responses showing that applicant had a trademark availability search conducted with respect to this brand (as well as two others) in the year preceding the filing of the application, that graphic work was performed on the SPEEDWAY package in the year of the filing of the application as well as the year immediately following the filing, and that applicant wanted to introduce the lower-priced TUCSON brand, which it has now done, before introducing the higher-priced SPEEDWAY brand into the market. Suffice it to say that opposer has not shown by a preponderance of the evidence that applicant lacked the necessary bona fide intention to use the mark in commerce at the time of the filing of the application. *Cf. Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, *supra* (the absence of documents may be sufficient to show the lack of a bona fide intent to use, but the Board noted in a footnote that this prima facie case could be rebutted by other evidence of intent to use). Moreover, we do not interpret the statements made by applicant's witness in his discovery deposition as showing that applicant no longer has such an intent.

Decision: Because we hold that applicant's mark for cigarettes is not likely to cause confusion with opposer's mark for its services, and because opposer has not established that applicant lacked a bona fide intention to use the mark as of the filing date, or now lacks such an intention, the opposition is dismissed.

Footnotes

- 1 Serial No. 76156512, filed October 31, 2000, based upon applicant's allegation of a bona fide intention to use the mark in commerce.
- 2 Essentially, applicant asserts that an affiliated company had earlier filed an application to register the mark SPEEDWAY for cigarettes. That mark was apparently published for opposition, but opposer did not oppose that mark. However, the application became abandoned when no statement of use was filed, applicant alleges. Applicant has offered no evidence or argument on these affirmative defenses and we shall not further consider them.

2004 WL 2075108 (Trademark Tr. & App. Bd.)

39 S.Ct. 48
Supreme Court of the United States

UNITED DRUG CO.
v.
THEODORE RECTANUS CO.

No. 27. | Argued March 12 and 13, 1918. | Decided Dec. 9, 1918.

On Writ of Certiorari to and Appeal from the United States Circuit Court of Appeals for the Sixth Circuit.

Suit by the United Drug Company against Theodore Rectanus Company. From a decree of the District Court for plaintiff (206 Fed. 570), defendant appealed to the Circuit Court of Appeals, which reversed and remanded the cause, with directions to dismiss the bill (226 Fed. 545, 141 C. C. A. 301), and plaintiff appeals and brings certiorari. Decree affirmed.

Attorneys and Law Firms

****49** Messrs. Lawrence A. Janney, of Chicago, Ill., and Frederick L. Emery, of Boston, Mass., for petitioner and appellant.

***93** Mr. Clayton B. Blakey, of Louisville, Ky., for respondent and appellee.

Opinion

Mr. Justice PITNEY delivered the opinion of the Court.

This was a suit in equity brought September 24, 1912, in the United States District Court for the Western District of Kentucky by the present petitioner, a Massachusetts corporation, against the respondent, a Kentucky corporation, together with certain individual citizens of the latter state, to restrain infringement of trade-mark and unfair competition.

[1] The District Court granted an injunction against the corporation defendant pursuant to the prayer of the bill. 206 Fed. 570. The Circuit Court of Appeals reversed the decree and remanded the cause with directions to dismiss the bill. 226 Fed. 545, 141 C. C. A. 301. An appeal was allowed by one of the judges of that court, and afterwards we allowed a writ of certiorari. Pursuant to a stipulation, the transcript of the record filed for the purposes of the appeal was treated as a return to the writ. Under section 128, Judicial Code (Act March 3, 1911, c. 231, 36 Stat. 1133), as amended by Act of January 28, 1915 (38 Stat. 803, c. 22, § 2; Comp. St. 1916, § 1120), the appeal must be dismissed, and the cause will be determined on the writ of certiorari. ***94**

The essential facts are as follows: About the year 1877 Ellen M. Regis, a resident of Haverhill, Mass., began to compound and distribute in a small way a preparation for medicinal use in cases of dyspepsia and some other ailments, to which she applied as a distinguishing name the word 'Rex'—derived from her surname. The word was put upon the boxes and packages in which the medicine was placed upon the market, after the usual manner of a trade-mark. At first alone, and afterwards in partnership with her son under the firm name of 'E. M. Regis & Co.,' she continued the business on a modest scale; in 1898 she recorded the word 'Rex' as a trade-mark under the laws of Massachusetts (Acts 1895, p. 519, c. 462, § 1); in 1900 the firm procured its registration in the United States Patent Office under the Act of March 3, 1881 (21 Stat. 502, c. 138); in 1904 the Supreme Judicial Court of Massachusetts sustained their trade-mark right under the state law as against a concern that was selling medicinal preparations of the present petitioner under the designation of 'Rexall Remedies' (Regis v. Jaynes, 185 Mass. 458, 70 N. E. 480); afterwards the firm established priority in the mark as against petitioner in a contested proceeding in the Patent Office; and subsequently, in the year 1911, petitioner purchased the business with the trade-mark right, and has carried it on in connection with its other business, which consists in the manufacture of medicinal preparations, and their distribution and sale through retail drug stores, known as 'Rexall stores,' situate in the different states of the Union, four of them being in Louisville, Ky.

Meanwhile, about the year 1883, Theodore Rectanus, a druggist in Louisville, familiarly known as 'Rex,' employed this word as a trade-mark for a medicinal preparation known as a 'blood purifier.' He continued this use to a considerable extent in Louisville **50 and vicinity, spending money in advertising and building up a trade, so that— *95 except for whatever effect might flow from Mrs. Regis' prior adoption of the word in Massachusetts, of which he was entirely ignorant—he was entitled to use the word as his trade-mark. In the year 1906 he sold his business, including the right to the use of the word, to respondent; and the use of the mark by him and afterwards by respondent was continuous from about the year 1883 until the filing of the bill in the year 1912.

Petitioner's first use of the word 'Rex' in connection with the sale of drugs in Louisville or vicinity was in April, 1912, when two shipments of 'Rex Dyspepsia Tablets,' aggregating 150 boxes and valued at \$22.50, were sent to one of the 'Rexall' stores in that city. Shortly after this the remedy was mentioned by name in local newspaper advertisements published by those stores. In the previous September, petitioner shipped a trifling amount—5 boxes—to a drug store in Franklin, Ky., approximately 120 miles distant from Louisville. There is nothing to show that before this any customer in or near Kentucky had heard of the Regis remedy, with or without the description 'Rex,' or that this word ever possessed any meaning to the purchasing public in that state, except as pointing to Rectanus and the Rectanus Company and their 'blood purifier.' That it did and does convey the latter meaning in Louisville and vicinity is proved without dispute. Months before petitioner's first shipment of its remedy to Kentucky, petitioner was distinctly notified (in June, 1911) by one of its Louisville distributors, that respondent was using the word 'Rex' to designate its medicinal preparations, and that such use had been commenced by Mr. Rectanus as much as 16 or 17 years before that time.

There was nothing to sustain the allegation of unfair competition, aside from the question of trade-mark infringement. As to this, both courts found, in substance, that the use of the same mark upon different but somewhat *96 related preparations was carried on by the parties and their respective predecessors contemporaneously, but in widely separated localities, during the period in question—between 25 and 30 years—in perfect good faith; neither side having any knowledge or notice of what was being done by the other. The District Court held that, because the adoption of the mark by Mrs. Regis antedated its adoption by Rectanus, petitioner's right to the exclusive use of the word in connection with medicinal preparations intended for dyspepsia and kindred diseases of the stomach and digestive organs must be sustained, but without accounting for profits or assessment of damages for unfair trade, citing *McLean v. Fleming*, 96 U. S. 245, 24 L. Ed. 828; *Menendez v. Holt*, 128 U. S. 514, 9 Sup. Ct. 143, 32 L. Ed. 526; *Saxlehner v. Eisner & Mendelson Co.*, 179 U. S. 19, 39, 21 Sup. Ct. 7, 45 L. Ed. 60; *Saxlehner v. Siegel-Cooper Co.*, 179 U. S. 42, 21 Sup. Ct. 16, 45 L. Ed. 77. The Circuit Court of Appeals held that in view of the fact that Rectanus had used the mark for a long period of years in entire ignorance of Mrs. Regis' remedy or of her trade-mark, had expended money in making his mark well known, and had established a considerable though local business under it in Louisville and vicinity, while on the other hand during the same long period Mrs. Regis had done nothing, either by sales agencies or by advertising, to make her medicine or its mark known outside of the New England States, saving sporadic sales in territory adjacent to those states, and had made no effort whatever to extend the trade to Kentucky, she and her successors were bound to know that, misled by their silence and inaction, others might act, as Rectanus and his successors did act, upon the assumption that the field was open, and therefore were estopped to ask for an injunction against the continued use of the mark in Louisville and vicinity by the Rectanus Company.

The entire argument for the petitioner is summed up in the contention that whenever the first user of a trade-mark has been reasonably diligent in extending the *97 territory of his trade, and as a result of such extension has in good faith come into competition with a later user of the same mark who in equal good faith has extended his trade locally before invasion of his field by the first user, so that finally it comes to pass that the rival traders are offering competitive merchandise in a common market under the same trade-mark, the later user should be enjoined at the suit of the prior adopter, even though the latter be the last to enter the competitive field and the former have already established a trade there. Its application to the case is based upon the hypothesis that the record shows that Mrs. Regis and her firm, during the entire period of limited and local trade in her medicine under the Rex mark, were making efforts to extend their trade so far as they were able to do with the means at their disposal. There is little in the record to support this hypothesis; but, waiving this, we will pass upon the principal contention.

[2] The asserted doctrine is based upon the fundamental error of supposing that a trade-mark right is a right in gross or at large, like a statutory copyright or a patent for an invention, to either of which, in truth, it has little or no analogy. *Canal Co. v. Clark*, 13 Wall. 311, 322, 20 L. Ed. 581; *McLean v. Fleming*, 96 U. S. 245, 254, 24 L. Ed. 828. There is no such thing as property in a trade-mark except as a right appurtenant to an established business or trade in connection with which the mark is employed. The law of trade-marks is but a part of the broader law of unfair competition; the ****51** right to a particular mark grows out of its use, not its mere adoption; its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his; and it is not the subject of property except in connection with an existing business. *Hanover Milling Co. v. Metcalf*, 240 U. S. 403, 412–414, 36 Sup. Ct. 357, 60 L. Ed. 713.

The owner of a trade-mark may not, like the proprietor ***98** of a patented invention, make a negative and merely prohibitive use of it as a monopoly. See *United States v. Bell Telephone Co.*, 167 U. S. 224, 250, 17 Sup. Ct. 809, 42 L. Ed. 144; *Bement v. National Harrow Co.*, 186 U. S. 70, 90, 22 Sup. Ct. 747, 46 L. Ed. 1058; *Paper Bag Patent Case*, 210 U. S. 405, 424, 28 Sup. Ct. 748, 52 L. Ed. 1122.

In truth, a trade-mark confers no monopoly whatever in a proper sense, but is merely a convenient means for facilitating the protection of one's good-will in trade by placing a distinguishing mark or symbol—a commercial signature—upon the merchandise or the package in which it is sold.

[3] It results that the adoption of a trade-mark does not, at least in the absence of some valid legislation enacted for the purpose, project the right of protection in advance of the extension of the trade, or operate as a claim of territorial rights over areas into which it thereafter may be deemed desirable to extend the trade. And the expression, sometimes met with, that a trade-mark right is not limited in its enjoyment by territorial bounds, is true only in the sense that wherever the trade goes, attended by the use of the mark, the right of the trader to be protected against the sale by others of their wares in the place of his wares will be sustained.

[4] Property in trade-marks and the right to their exclusive use rest upon the laws of the several states, and depend upon them for security and protection; the power of Congress to legislate on the subject being only such as arises from the authority to regulate commerce with foreign nations and among the several states and with the Indian tribes. *Trade-Mark Cases*, 100 U. S. 82, 93, 25 L. Ed. 550.

[5] Conceding everything that is claimed in behalf of the petitioner, the entire business conducted by Mrs. Regis and her firm prior to April, 1911, when petitioner acquired it, was confined to the New England States, with inconsiderable sales in New York, New Jersey, Canada, and Nova Scotia. There was nothing in all of this to give her ***99** any rights in Kentucky, where the principles of the common law obtain. *Hunt v. Warnicke's Heirs*, 3 Ky. (Hardin) 61, 62; *Lathrop v. Commercial Bank*, 38 Ky. (8 Dana) 114, 121, 33 Am. Dec. 481; *Ray v. Sweeney*, 77 Ky. (14 Bush) 1, 9, 29 Am. Rep. 388; *AEtna Ins. Co. v. Commonwealth*, 106 Ky. 864, 881, 51 S. W. 624, 45 L. R. A. 355; *Nider v. Commonwealth*, 140 Ky. 684, 687, 131 S. W. 1024, Ann. Cas. 1913E, 1246. We are referred to no decision by the courts of that state, and have found none that lays down any peculiar doctrine upon the subject of trade-mark law. There is some meager legislation, but none that affects this case (*Kentucky Stats.* § 2572c, subsec. 7; sections 4749–4755). There was nothing to prevent the state of Kentucky (saving, of course, what Congress might do within the range of its authority) from conferring affirmative rights upon Rectanus, exclusive in that commonwealth as against others whose use of the trade-mark there began at a later time than his; but whether he had such rights, or respondent now has them, is a question not presented by the record; there being no prayer for an injunction to restrain petitioner from using the mark in the competitive field.

[6] It is not contended, nor is there ground for the contention, that registration of the Regis trade-mark under either the Massachusetts statute or the act of Congress, or both, had the effect of enlarging the rights of Mrs. Regis or of petitioner beyond what they would be under common-law principles. Manifestly the Massachusetts statute (*Acts 1985*, p. 519, c. 462) could have no extraterritorial effect. And the Act of Congress of March 3, 1881 (*21 Stat.* 502, c. 138), applied only to commerce with foreign nations or the Indian tribes, with either of which this case has nothing to do. See *Ryder v. Holt*, 128 U. S. 525, 9 Sup. Ct. 145, 32 L. Ed. 529. Nor is there any provision making registration equivalent to notice of rights claimed thereunder. The Act of February 20, 1905 (*33 Stat.* 724, c. 592 [*Comp. St.* 1916, § 9485 et seq.]), which took the place of the 1881 act, while

extending protection to trade-marks used in interstate commerce, does not enlarge *100 the effect of previous registrations, unless renewed under the provisions of its twelfth section, which has not been done in this case; hence we need not consider whether anything in this act would aid the petitioner's case.

[7] Undoubtedly, the general rule is that, as between conflicting claimants to the right to use the same mark, priority of appropriation determines the question. See *Canal Co. v. Clark*, 13 Wall. 311, 323, 20 L. Ed. 581; *McLean v. Fleming*, 96 U. S. 245, 251, 24 L. Ed. 828; *Manufacturing Co. v. Trainer*, 101 U. S. 51, 53, 25 L. Ed. 993; *Columbia Mill Co. v. Alcorn*, 150 U. S. 460, 463, 14 Sup. Ct. 151, 37 L. Ed. 1144. But the reason is that purchasers have come to understand the mark as indicating the origin of the wares, so that its use by a second producer amounts to an attempt to sell his goods as those of his competitor. The reason for the rule does not extend to a case where the same trade-mark **52 happens to be employed simultaneously by two manufacturers in different markets separate and remote from each other, so that the mark means one thing in one market, an entirely different thing in another. It would be a perversion of the rule of priority to give it such an application in our broadly extended country that an innocent party who had in good faith employed a trade-mark in one state, and by the use of it had built up a trade there, being the first appropriator in that jurisdiction, might afterwards be prevented from using it, with consequent injury to his trade and good will, at the instance of one who theretofore had employed the same mark, but only in other and remote jurisdictions, upon the ground that its first employment happened to antedate that of the first-mentioned trader.

In several cases federal courts have held that a prior use of a trade-mark in a foreign country did not entitle its owner to claim exclusive trade-mark rights in the United States as against one who in good faith had adopted a like trade-mark here prior to the entry of the foreigner into this market. *101 *Richter v. Anchor Remedy Co.* (C. C.) 52 Fed. 455, 458; *Richter v. Reynolds*, 59 Fed. 577, 579, 8 C. C. A. 220; *Walter Baker & Co. v. Delapenha* (C. C.) 160 Fed. 746, 748; *Gorham Mfg. Co. v. Weintraub* (D. C.) 196 Fed. 957, 961.

The same point was involved in *Hanover Milling Co. v. Metcalf*, 240 U. S. 403, 415, 36 Sup. Ct. 357, 361 (60 L. Ed. 713), where we said:

‘In the ordinary case of parties competing under the same mark in the same market, it is correct to say that prior appropriation settles the question. But where two parties independently are employing the same mark upon goods of the same class, but in separate markets wholly remote the one from the other, the question of prior appropriation is legally insignificant, unless at least it appear that the second adopter has selected the mark with some design inimical to the interests of the first user, such as to take the benefit of the reputation of his goods, to forestall the extension of his trade, or the like.’

In this case, as already remarked, there is no suggestion of a sinister purpose on the part of Rectanus or the Rectanus Company; hence the passage quoted correctly defines the status of the parties prior to the time when they came into competition in the Kentucky market. And it results, as a necessary inference from what we have said, that petitioner, being the newcomer in that market, must enter it subject to whatever rights had previously been acquired there in good faith by the Rectanus Company and its predecessor. To hold otherwise—to require Rectanus to retire from the field upon the entry of Mrs. Regis' successor—would be to establish the right of the latter as a right in gross, and to extend it to territory wholly remote from the furthest reach of the trade to which it was annexed, with the effect not merely of depriving Rectanus of the benefit of the good will resulting from his long-continued use of the mark in Louisville and vicinity, and his substantial expenditures in building up his trade, but of enabling petitioner to reap substantial benefit from the publicity that Rectanus *102 has thus given to the mark in that locality, and of confusing if not misleading the public as to the origin of goods thereafter sold in Louisville under the Rex mark, for, in that market, until petitioner entered it, ‘Rex’ meant the Rectanus product, not that of Regis.

[8] In support of its contention petitioner cites the same cases that were relied upon by the District Court, namely, *McLean v. Fleming*, 96 U. S. 245, 24 L. Ed. 828; *Menendez v. Holt*, 128 U. S. 514, 9 Sup. Ct. 143, 32 L. Ed. 526; *Saxlehner v. Eisner & Mendelson Co.*, 179 U. S. 19, 39, 21 Sup. Ct. 7, 45 L. Ed. 60; and *Saxlehner v. Siegel-Cooper Co.*, 179 U. S. 42, 21 Sup. Ct. 16, 45 L. Ed. 77. They exemplify the rule that, where the proof of infringement is clear, a court of equity will not ordinarily refuse an injunction for the future protection of the proprietor of a trade-mark right, even where his acquiescence and laches have been

such as to disentitle him to an accounting for the past profits of the infringer. The rule finds appropriate application in cases of conscious infringement or fraudulent imitation, as is apparent from a reading of the opinions in those cases; but it has no pertinency to such a state of facts as we are now dealing with. In *McLean v. Fleming*, the only question raised in this court that affected the right of the appellee to an injunction was whether the Circuit Court had erred in finding that defendant's labels 'Dr. McLean's Universal Pills,' etc., infringed complainant's label 'Dr. C. McLane's Celebrated Liver Pills,' and this turned upon whether the similarity was sufficient to deceive ordinarily careful purchasers. The evidence showed without dispute that from the beginning of his use of the offending labels the defendant (McLean) had known of the McLane liver pills, and raised at least a serious question whether he did not adopt his labels for the purpose of palming off his goods as those of complainant. What he controverted was that his labels amounted to an infringement of complainant's, and when this was decided against him the propriety of the injunction was clear. In *Menendez v. Holt*, likewise, defendants (Menendez) admitted the existence of the brand in question—the words 'La Favorita' as applied to flour—and admitted using it, but denied that Holt & Co. were the owners, alleging that one Rider was a former member of that firm and entitled to use the brand, and that under him defendants had sold their flour branded 'La Favorita, S. O. Rider,' There was However, no question but that defendants adopted the brand knowing it to be already in use by others. In the *Saxlehner Cases*, the facts were peculiar, and need not be rehearsed; injunctions were allowed to **53 restrain the sale of certain waters in bottles and under labels in which those of complainant were intentionally imitated. In all four cases the distinguishing features of the present case were absent.

Here the essential facts are so closely parallel to those that furnished the basis of decision in the *Allen & Wheeler Case*, reported sub nom. *Hanover Milling Co. v. Metcalf*, 240 U. S. 403, 419–420, 39 Sup. Ct. 357, 60 L. Ed. 713, as to render further discussion unnecessary. Mrs. Regis and her firm, having during a long period of years confined their use of the 'Rex' mark to a limited territory wholly remote from that in controversy, must be held to have taken the risk that some innocent party might in the meantime hit upon the same mark, apply it to goods of similar character, and expend money and effort in building up a trade under it; and since it appears that Rectanus in good faith, and without notice of any prior use by others, selected and used the 'Rex' mark, and by the expenditure of money and effort succeeded in building up a local but valuable trade under it in Louisville and vicinity before petitioner entered that field, so that 'Rex' had come to be recognized there as the 'trade signature' of Rectanus and of respondent as his successor, petitioner is estopped to set up their continued use of the mark in that territory as an infringement of the Regis trade-mark. Whatever confusion may have *104 arisen from conflicting use of the mark is attributable to petitioner's entry into the field with notice of the situation; and petitioner cannot complain of this. As already stated, respondent is not complaining of it.

Decree affirmed.

Parallel Citations

39 S.Ct. 48, 63 L.Ed. 141

2005 WL 1801611 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

VIGNETTE CORPORATION

v.

STEVEN MARINO

Opposition No. 91158854

July 26, 2005

*1 Before Seeherman, Quinn and Walters
Administrative Trademark Judges

By the Board:

Vignette Corporation opposed registration of the mark VIGNETTE EDITORIAL (“EDITORIAL” disclaimed) for “video post-production services, namely, editing of music videos, television commercials and motion pictures”¹ on the grounds of priority and likelihood of confusion.

With discovery closed and opposer's testimony period yet to open, this case now comes up on opposer's combined motion (filed March 3, 2005) to amend its notice of opposition and for summary judgment. The combined motion has been fully briefed by the parties.

We turn first to opposer's motion to amend, which was accompanied by a signed copy of the amended notice of opposition, in which opposer seeks to add the claim: “11. Alternatively, Applicant did not have a *bona fide* intention to use the mark in commerce on the specified services when it [sic] filed its application for VIGNETTE EDITORIAL (Ser. No. 76/481,237).”

In response, applicant argues that the amendment should be denied as futile in light of the substantial evidence, submitted with his response to opposer's combined motion, of applicant's activities in attempting to commercialize his mark.

The Board liberally grants motions to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party. See Fed. R. Civ. P. 15(a) and authorities cited in TBMP § 507 (2d ed. rev. 2004).

We disagree with applicant that the amendment is futile. However, there is a problem with opposer's motion to amend, in that the allegation sought to be added does not state a claim upon which relief can be granted. It fails to set forth any facts which would give applicant fair notice of why opposer believes that applicant lacked the *bona fide* intent required by Section 1(b) to use the involved mark when he filed the involved application.

However, opposer has provided with its proposed amendment the declaration of its counsel, in which she stated that “[b]ased on my review of the documents produced by Applicant and served on [counsel], I did not identify any documents that support Applicant's *bona fide* intent to use the VIGNETTE EDITORIAL mark for the services specified in the application.” When we consider this declaration in conjunction with the amended notice of opposition, we find that it is sufficient to set forth facts that give applicant fair notice of why opposer believes that applicant lacked the *bona fide* intent required by Section 1(b) to

use his mark when he filed the involved application. See *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503 (TTAB 1993).

*2 Accordingly, opposer's motion to amend its notice of opposition herein is granted to the extent that the amended notice of opposition is deemed to be amended so as to set forth (in paragraph 11 thereof) the following claim:

11. Alternatively, Applicant did not have a *bona fide* intention to use the mark in commerce on the specified services when he filed his application for VIGNETTE EDITORIAL (Ser. No. 76/481,237) because Applicant does not have a single document to establish a bona fide intention to use VIGNETTE EDITORIAL on the services covered by the involved application.

Because entry of the rewritten amendment does not violate settled law and because applicant would not require discovery on the issue of his own bona fide intent to use the involved mark in commerce, applicant will not be prejudiced by entry of the proposed amendment. The amended notice of opposition, with paragraph 11 rewritten as set out above, is now the operative pleading.

Turning to opposer's motion for summary judgment, the granting of a motion for summary judgment is appropriate where there exists no genuine dispute as to any material fact and where the moving party is entitled to judgment as a matter of law. See FRCP 56(c); and *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986). The evidence must be viewed in a light favorable to the nonmoving party, and all justifiable inferences are to be drawn in the nonmovant's favor. *Opryland USA Inc. v. The Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

In support of its motion, opposer relies on applicant's responses to opposer's discovery requests, and applicant's supplemental responses that were provided after the Board compelled applicant to indicate whether he has responsive documents (and not merely indicate that responsive documents would be produced to the extent they exist). Applicant supplemented his responses by responding to all but one of opposer's twenty requests for documents and things that "[t]here are no responsive, non-privileged documents in Applicant's possession, custody or control, as of the date of these supplemental responses. Applicant will produce such documents if an [sic] when they come into his possession, custody or control."²

In opposing the motion for summary judgment, applicant has provided a declaration in which he declares that he has engaged in the following activities in an effort to commercialize VIGNETTE EDITORIAL (EDITORIAL disclaimed) for "video post-production services, namely, editing of music videos, television commercials and motion pictures": directing and producing a music video for a band, the editorial portion of which will be done under the involved mark; arranging to direct and produce another music video; completing commercial space, after which he will be in a position to hire editors; setting up a website; and speaking with potential customers. Applicant further declares that since the filing date of the application, "I have intended, and continue to intend, to use the mark in connection with the identified services."

*3 In reply, opposer maintains that applicant's declaration asserts new facts, not disclosed during discovery and for which applicant has provided no documentary proof; and that applicant's failure to produce documents referenced in his "self-serving" declaration only serves to confirm that documents do not exist to support a bona fide intent to use the mark.

As a general rule, the factual question of intent is particularly unsuited to disposition by summary judgment. See *Copelands' Enterprises, Inc. v. CNV, Inc.*, 945 F.2d 1563, 20 USPQ2d 1295 (Fed. Cir. 1991).

After a careful review of the parties' arguments, and drawing all reasonable inferences in favor of applicant as the non-moving party, we find that disposition of the issue of applicant's bona fide intention to use the mark in commerce by summary judgment is inappropriate. Here, applicant's declaration is sufficient to raise a genuine issue as to his bona fide intention to use the mark in commerce in the context of opposer's motion for summary judgment.³ In view of the foregoing, opposer's motion for summary judgment is denied.⁴

Accordingly, proceedings herein are resumed. Applicant is allowed until **thirty days** from the date of this order to file an answer to the amended notice of opposition. Trial dates are reset as follows:

THE PERIOD FOR DISCOVERY TO CLOSE: **CLOSED**⁵

30-day testimony period for party in position of plaintiff to close: November 1, 2005

30-day testimony period for party in position of defendant to close: December 31, 2005

15-day rebuttal testimony period to close: February 14, 2006

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

Footnotes

- 1 Application Serial No. 76481237 was filed by Steven Marino on January 8, 2003 under Trademark Act Section 1(b) based on applicant's assertion of a bona fide intention to use the mark in commerce.
- 2 The one request for which applicant agreed to produce documents was: "All documents that relate to any application to register Applicant's Mark in the United States, including but not limited to, all Communications by and between Applicant and the United States Patent and Trademark Office."
- 3 We hasten to add that a party will be precluded at trial from relying on evidence which was not produced in response to a proper discovery request. *See Presto Products, Inc. v. Nice Pak Products, Inc.* 9 USPQ2d 1895, at footnote 5 (TTAB 1988).
- 4 The parties should note that evidence submitted in support of or in opposition to a motion for summary judgment is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced in evidence during the appropriate trial period. See, for example, *Levi Strauss & Co. v. R. Joseph Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993).
- 5 Opposer has not requested additional discovery on its claim that applicant did not have a bona fide intent to use the mark in commerce.

2005 WL 1801611 (Trademark Tr. & App. Bd.)

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