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

Proceeding	91210813
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE
TRADEMARK TRIAL AND APPEAL BOARD**

SATA GmbH & Co. KG,)	
)	
)	
Opposer and Petitioner,)	
	)	Consolidated
v.	)	Opposition No. 91210813
)	
Mike Ghorbani,	)	Opposition No. 91217915
)	
Applicant and Registrant.)	Cancellation No. 92059849

APPLICANT/ REGISTRANT MIKE GHORBANI'S TRIAL BRIEF

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I. INTRODUCTION

Mike Ghorbani (“Mr. Ghorbani” or the “Defendant”) is a businessman who started his business from scratch. He used to be an employee at a paint shop earning minimum wage, and then decided to pursue his American dream by starting his own business. He picked the name EURO after he saw a product in the paint store with that name, and he liked the simplicity of the name. The Defendant has been using the mark EURO for spray guns and related accessories since 2007. He has a registration on the standard character mark EURO (Reg. No. 3428295), and two pending trademark applications: one has the mark EURO with a blue background  (Appl. No. 85712789) and the other with Defendant’s initials and a blue background  (Appl. No. 86227768). Defendant’s trademark Reg. No. 3428295 has a filing date of October 5, 2005, and a first use in commerce date of October 1, 2007. Three different trademark examiners (one for each application) have approved Defendant’s mark to be registered on the Principal Register.

The Defendant’s goods are pneumatic spray guns and related accessories. These pneumatic spray guns are generally known as “HVLP guns” (High Volume Low Pressure). These spray guns are mandated for use by the EPA since they result in minimal amount of paint pollutants. They are powered by air, and need to be connected to a pressurized air line.

The typical users of HVLP guns are auto body shops that regularly paint cars with HVLP guns. These customers regularly purchase and use HVLP guns based on many performance criteria such as inlet and outlet pressures, atomization, and compliance with EPA regulation. These customers also typically obtain a sample of a spray gun before making a purchasing decision. Such sophisticated customers, who Plaintiff refers to as “professionals” in its

advertising, are unlikely to be deceived into believing that an HVLP gun bearing the mark EURO originates from Europe. In fact, since 2007, when the Defendant started using the mark EURO, there has not been a single allegation that a consumer was deceived into believing that Defendant's products are manufactured in Europe.

In 2012, seven years after Defendant's trademark filing, Plaintiff's executive saw Mr. Ghorbani's booth at a car accessory show in Las Vegas, and befriended Mr. Ghorbani at the show to obtain information from him. Plaintiff then sent a letter to Mr. Ghorbani alleging design patent infringement and inquiring about Defendant's pending trademark Appl. No 85712789, which at the time was about to be published for opposition. Afterwards, Plaintiff initiated this proceeding, taking the position that Defendant's mark EURO is geographically deceptively misdescriptive for spray guns and related goods. This is a case that arose not from actual deception of consumers as a result of Defendant's EURO branded goods, but rather from Plaintiff discovering the Defendant's booth at a trade show.

II. DESCRIPTION OF THE RECORD

The record consists of the files of the challenged applications and registration, the pleadings, SATA's Notice of Reliance and Exhibits 1-69 submitted therewith, Ghorbani's Notice of Reliance and, Ghorbani's Exhibits 1-34, as well as SATA's Rebuttal Notice of Reliance and related Exhibits R. Ex. 1-5, subject to the evidentiary objections made by the parties.

Pursuant to a Stipulation entered by the Board on November 19, 2015, the parties have agreed that documents produced by them during discovery pursuant to Fed. R. Civ. P. 34 are to be deemed genuine and authentic and that such may be made of record.

III. STATEMENT OF THE ISSUES

Whether Plaintiff has met its burden to prove that the registration of Defendant's EURO marks is geographically deceptive and primarily geographically deceptively misdescriptive pursuant to Sections 2(a) and 2(e)(3) of the Lanham Act, 15 U.S.C. § 1052(a), (e)(3); where (1) the primary significance of Defendant's EURO marks is a unit of currency; (2) Defendant's goods are manufactured in Taiwan; (3) no significant portion of the relevant consuming public is likely to believe that Defendant's Taiwanese goods originate from Europe; and (4) it is not likely that any alleged misrepresentation of Defendant's Taiwanese goods as European is a material factor in the purchasing decision of a significant portion of relevant consumers.

IV. APPLICABLE LAW

A mark registered on the Principal Register is presumed to be valid. 15 U.S.C. § 1057(b). Due to this presumption of validity, the burden of persuasion in a cancellation proceeding rests on the party seeking to cancel the registration. *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 1023–24, 13 USPQ2d 1307, 1309–10 (Fed.Cir.1989).

A mark is primarily geographically deceptively misdescriptive if: (1) the primary significance of the mark is a generally known geographic location; (2) the consuming public is likely to believe the place identified by the mark indicates the origin of the goods bearing the mark, when in fact the goods do not come from that place; and 3) the misrepresentation would be a material factor in a consumer's decision to purchase the goods. *In re Spirits International, N.V.*, 563 F.3d 1347, 1350–54, 90 USPQ2d 1489, 1490-95 (Fed. Cir. 2009); *In re Cal. Innovations Inc.*, 329 F.3d 1334, 66 USPQ2d 1853 (Fed. Cir. 2003).

Because a finding of geographic, deceptive misdescriptiveness results in “the harsh consequence of nonregistrability,” the Federal Circuit has required that we focus on the likelihood of “actual misleading of the public.” *In re California Innovations*, 66 USPQ2d at 1857 (Fed. Cir. 2003). The Federal Circuit has stated that the required finding of materiality under Section 2(e)(3) is essentially the same as the required finding of materiality in the context of a refusal on grounds of deceptiveness under Section 2(a), 15 U.S.C. § 1052(a). *In re Spirits International*, N.V. 90 USPQ2d at 1493 (“Since the NAFTA Act, the deceptiveness of the mark must be material under subsection (e)(3) just as it is under subsection (a).”) The materiality prong supports the statutory requirement of deception. *In re Les Halles De Paris J.V.*, 334 F.3d 1371, 67 USPQ2d 1539, 1542 (Fed. Cir. 2003); *In re California Innovations Inc.*, 66 USPQ2d at 1856.

The scope of the materiality requirement was discussed by the Federal Circuit in *In re Spirits Int’l*, which held that “subsection (e)(3) does incorporate such a requirement, and that the appropriate inquiry for materiality is whether a substantial portion of the relevant consumers is likely to be deceived, not whether any absolute number of a particular segment of the relevant consumers ... is likely to be deceived.” *In re Spirits Int’l N.V.*, 563 F.3d 1347, 1353. In reaching this holding, the Court examined the legislative history of the Lanham Act and determined that subsection (a), which includes the same materiality requirement as subsection (e)(3), “was designed to codify common law standards for trademark infringement in the context of the registrability of trademarks under federal law.” *Id.*, 563 F.3d at 1354, 90 USPQ2d at 1495.

Under the common law, deceptive trademarks fell within the doctrine of “unclean hands.” *Id.* Significantly, the Federal Circuit noted in *In Re Spirits Int’l N.V.* that:

[This] common law doctrine did not apply in situations where a relatively small number of consumers was misled, as was made clear by Justice Holmes' opinion in *Coca-Cola Co. v. Koke Co. of America*, 254 U.S. 143, 144-47 (1920). There the Supreme Court held that the trademark "Coca-Cola" was not deceptive, and thus did not give rise to a defense of unclean hands to trademark infringement. *Id.* The Court first described the historical formulation of the beverage involving substantial quantities of the extract of the coca leaf (cocaine) and the extract of the cola nut. *Id.* The Court noted that the formulation of the beverage had changed over the years, and no longer contained significant quantities of coca or cola. *Id.* On this basis the defendant asserted that the mark was now deceptive. The Court stated that "[o]f course a man is not to be protected in the use of a device the very purpose and effect of which is to swindle the public" but that this defense was not "a very broad" one and "should be scrutinized with a critical eye." *Id.* Although the Court noted that there may be some people "here and there" who would drink the beverage because they thought it contained cocaine, this was insufficient to invoke the unclean hands doctrine because the mark "conveyed little or nothing [about the contents of the drink] to most who saw it. *Id.*

In re Spirits Int'l N.V., 563 F.3d at 1354-55, 90 USPQ2d at 1495-96. Moreover, the Federal Circuit found that:

The same common law requirement continues to this day. For example, the Restatement (Third) of Unfair Competition § 32 cmt. b discusses unclean hands and states that "a designation used as a trademark [that] . . . misdescribes the goods . . . in a manner likely to influence the purchasing decisions of a significant number of prospective purchasers . . . is deceptive" (emphasis added). See also *id.* § 14 cmt.

Id., . The Federal Circuit also looked to the "analogous area of deceptive advertising under section 43(a) of the Lanham Act" and determined that "[a] similar requirement applies." *Id.*

In many instances a representation may be likely to deceive or mislead only some of the prospective purchasers to whom it is directed. A person is subject to liability under this Section only if the representation is likely to deceive or mislead a significant portion of the audience. Restatement (Third) of Unfair Competition § 2 cmt. d (emphasis added).

Id.

Following a thorough review of legislative history and case law, the Federal Circuit determined that “[u]nder the circumstances it is clear that section (e)(3) – like subsection (a), the false advertising provision of the Lanham Act, and the common law – requires that a significant portion of the relevant consuming public be deceived.” *Id.*, 63 F.3d at 1356, 90 USPQ2d at 1497.

V. RELEVANT FACTS

A. HVLP Spray Guns and Related Accessories

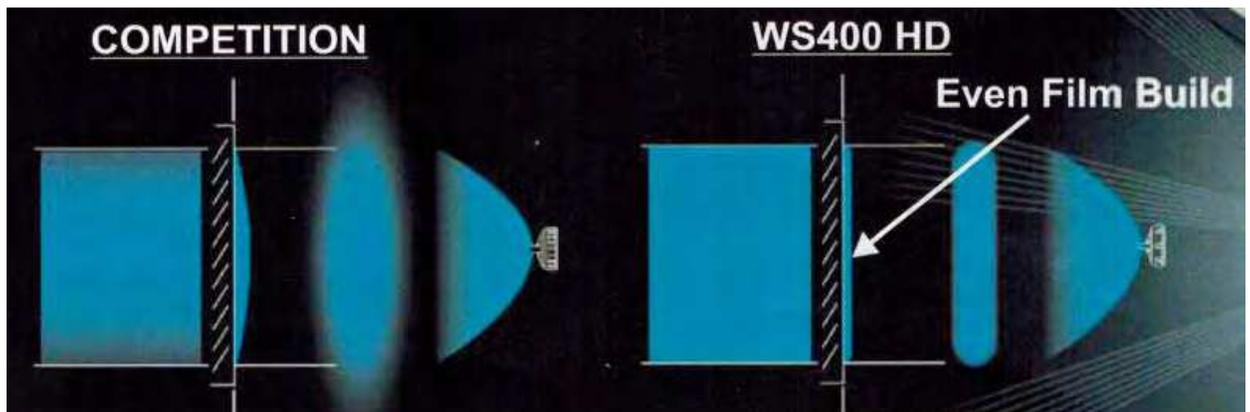
The Defendant markets and sells HVLP (High Volume Low Pressure) spray guns and related accessories:



HVLP spray guns are mandated to be used by the EPA in the automobile painting and other industries to minimize environmental contamination with paint. (Def’s. Ex. 33). These guns are pneumatic, meaning that they are powered by air pressure through a pressurized air line that is attached to the spray gun. A paint reservoir is also attached to the spray gun. Various knobs allow adjustment of the painting process (amount of air, amount of paint, etc.). Defendant also markets and sells related accessories that are pneumatic under the EURO name, including

pneumatic grinders, pneumatic air control units, pneumatic drills for automotive purposes, pneumatic riveters, and other goods.

One technical criteria that a purchaser is concerned about is the spray pattern. For example, the spray gun manufacturer Anest Iwata advertises a particular spray pattern that is different than that of Plaintiff or Defendant.



(Def's. Ex. 12). Testing carried out by Plaintiff demonstrate that both Plaintiff's and Defendant's spray guns have an oval shaped spray pattern that resembles that of the "Competition" as described in the above referenced advertisement. (Def's. Ex. 9). The spray pattern is an important technical criteria being advertised to purchasers.

B. Defendant's Advertising and Marketing of EURO Branded Products

Defendant advertises and sells spray guns and related equipment under the name EURO, for example as depicted in this advertising:

**EURO® 3200H SERIES
HIGH PERFORMANCE
GRAVITY FEED HVLP SPRAY GUN.**

EURO®

Fluid Output : 145 l/Min Pattern Width : 300mm
Air Consumption : 250 l/min Air Pressure : 15 – 28 PSI
Cup Capacity : 1000 c.c. Air Inlet : 1/4" NPS Fluid Inlet M16x1.5P

Model	Orifice	NOZZLE , NEEDLE KIT
EUR-3213H	1.3 mm	EUR-3213HN 1.3 mm Set
EUR-3214H	1.4 mm	EUR-3214HN 1.4 mm Set
EUR-3217H	1.7 mm	EUR-3217HN 1.7 mm Set
EUR-3219H	1.9 mm	EUR-3219HN 1.9 mm Set
EUR-3221H	2.1 mm	EUR-3221HN 2.1 mm Set
EUR-3225H	2.5 mm	EUR-3225HN 2.5 mm Set
★EUR-3201H REPAIR KIT		



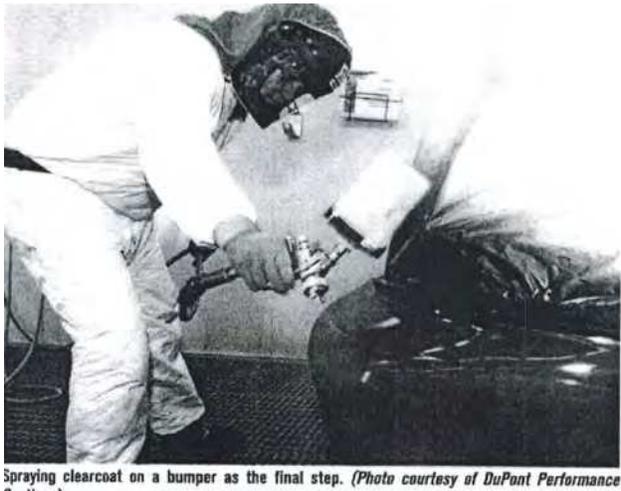
(Def’s. Ex. 25). Because many technical aspects are involved in the operation of a spray gun, Defendant advertises technical criteria, including but not limited to fluid output, pattern width, air pressure, and air consumption. Defendant’s advertising is primarily directed to automobile paint shops.

C. Purchaser of a EURO Branded Gun Customer.

Plaintiff has stated that “[t]he market and relevant consumers include those involved in auto refinishing, carpentry and various activities involving glazing, staining, and painting of wood.” (Def’s. Ex. 4, Interrog. 8). Plaintiff produced an article from a car magazine in which painting is done with various spray guns, including Plaintiff’s spray gun. This article illustrates a person using a spray gun to paint a car:



(Def's. Ex. 21). A page from another article produced by Plaintiff again shows the purchaser of the spray gun in action painting an automobile:



Spraying clearcoat on a bumper as the final step. (Photo courtesy of DuPont Performance)

(Def's. Ex. 31). The spray gun user painting the car has an air line attached to the spray gun, and is wearing special equipment and a mask. The purchaser as shown in this picture has done multiple steps of preparation before attempting to paint a car. In its advertisements, Plaintiff refers to purchasers of spray guns as “professionals,” and further advertises technical details of its guns:

SATAjet 100 B F HVLP

HVLP Primer/Filler or All Purpose Gravity Gun

*Use for high quality primer/filler/sealer coatings in automotive
refinish or general use by the handyman.*

Professionals know that a dedicated primer/filler gun is just as important as a topcoat gun. The SATAjet 100 B HVLP is perfect because of its great atomization, low investment cost and large selection of nozzle sizes. Control adjustments are easy, and it features even material distribution across the large fan. With a recommended inlet pressure of 29 psi, air consumption is only 12.4 cfm. The SATA 100 BF HVLP far exceeds the required transfer efficiency of 65%. Decreased overspray combined with fine atomization saves time and material resulting in less masking and sanding. The stainless steel needle and fluid tip makes it excellent for spraying waterborne, as well as solvent base products.

The SATAjet 100 B HVLP is easy to clean and built to last. Choose an aluminum or plastic cup. The 100 B may also be used with the SATA RPS cup. This low cost primer/filler gun has variable fan control, fluid adjustment and built-in air micrometer. The gun body has a smooth anodized finish, and the green air cap ring identifies it as HVLP.

Technical Data	Weight:	15.3 oz (without cup)
	Operating Pressure:	29 psi
	Air Consumption:	12.4 cfm @ 29 psi
	Finish:	Smooth anodized finish
	Spray Distance:	5 - 7 inches

(Def's. Ex. 20) (Emphasis added). In addition to advertising technical criteria of its spray guns, many of Plaintiff's advertisements further mention the spray guns being EPA (Environmental Protection Agency) approved and compliant:



(Def's. Ex. 29, pg. 4). There are so many EPA and NESHAP 6H regulations in this area (Def's. Ex. 33), that a website post states that "[a] HVLP spray gun can easily be out of compliance and

that the painters must take special care not to turn up the atomizing air pressure too high.” (Def’s Ex. 34). The use of spray guns is so technical that purchasers of spray guns take training classes. An advertisement from Dan-Am Company, Sata’s exclusive USA distributor, states that it “has trained thousands of painters” in various classes. (Def’s Ex. 32).

Correspondence with Defendant’s potential customers further demonstrates that a purchaser of spray guns is typically an auto paint shop, and that the purchaser is quite sophisticated and is familiar with performance and quality of a variety of spray guns:

Comment: just wanting to give you some info on how my euro 2214 hvlp gun works. i work for a major auto company in kentucky iam one of there repair painters ive sprayed over 5000 trucks or suv ive used every kind of brand name gun you can think of my work will buy us what ever guns we want sata, devillbiss, iwata, sharpe, binks, 3m and ive used every one of thim so i thought i would take my euro to work and give it a try i have to say it sprays as good or better than my 500/ 700 dollar guns thanks alot, robert

(Def’s Ex. 20).

Defendant’s expert, Michael DeMarco, also explained the factual circumstances of the sale of a spray gun to a customer. When spray guns are sold, typically a sample provided by the manufacturer is given to a consumer. The consumer takes the sample and paints an object (a car), and then decides whether the spray gun is suitable for his or her needs. Furthermore, according to Defendant’s expert, the customers of HVLP guns are typically auto body shops who regularly paint cars with HVLP guns. These customers regularly purchase and use HVLP guns and their accessories, and are intimately familiar with these spray guns. Painting an automobile requires a set-up, including pressurized air for the HVLP spray guns, air ventilation, multiple applications of a primer, sanding, cleaning, and masking. (Def’s Ex. 1).

In its brief, Plaintiff makes desperate nonsensical arguments to disprove that customers of spray guns are sophisticated:

It is respectfully submitted that the fact that thousands of painters required training might just as well support the conclusion that those individuals were not particularly sophisticated or knowledgeable.

(Pl's. Br., pg. 34). Plaintiff's argument is that people in a profession that requires training are unsophisticated since they had to be trained. If Plaintiff's logic is correct, then no lawyer, doctor or engineer can be considered sophisticated since they are all in professions that require training.

Plaintiff's other nonsensical argument is that advertisement for spray guns is directed to auto body shops, and not the purchasers:

Defendant characterizes his Ex. 33 as an article supporting his allegation that "the purchaser/user is a sophisticated purchaser who makes purchasing decisions based on government regulation." (Def.'s. NOR. at D. Ex. 33). In fact, the cited document is directed towards, and relates to, body shops and is not a document intended for, nor likely even available to, "a purchaser/user" let alone "a purchaser/user" "who makes purchasing decisions based on government regulation" as asserted by Defendant.

(Pl's. Br., pg. 35). Plaintiff basically seeks to distinguish the purchaser who purchases spray guns for an autobody shop from the autobody shop, so that the purchaser lives in a cocoon unaware of anything going on in the autobody shop.

Plaintiff cannot even rebut Defendant's showing that user's of spray guns must be sophisticated and know how to operate the spray guns:

Similarly, Defendant asserts that he has made a showing "That the spray gun industry is highly regulated, and that users of spray guns have intimate knowledge of their spray guns" through reliance upon a website warning painters that they "must take special care not to turn up the atomization air pressure too high." (D. Ex. 34 and description of same set forth in Def.'s NOR). The issuance of such a warning in no way supports a claim of sophistication.

Brief page 34. Plaintiff's rebuttal consists of a one sentence conclusory statement, "The issuance of such a warning in no way supports a claim of sophistication." Plaintiff simply has no substantive rebuttal to offer.

Plaintiff then argues that if the purchaser is indeed sophisticated, such sophistication would not diminish the impact of deceptiveness. (Pl's. Br., pg. 35). But this case is about deception - that is, whether a relevant consumer would be deceived as to the geographic origin of Defendant's goods. Such deception is unlikely when a purchaser is a "professional" and so intimately knowledgeable about every operational aspect of spray guns. Moreover, Plaintiff has failed to produce any evidence of deception occurring at any point during Defendant's nine years use of the EURO mark.

D. Europe and Its Association with Spray Guns, and Perceptions of Customers Thereof

Plaintiff admits that Europe consists of 51 countries (Germany being only one country in a group of over 51 countries). (Def's. Ex. 2, Admis. 23). Plaintiff admits that at least five countries in Europe are not perceived by consumers as a location for manufacture of paint spray guns (Def's. Ex. 2, Admis. 24)(second), including European countries such as Kosovo (Def'. Ex. 3, Admis. 17) and Belarus (*Id.*, Admis. 18).

Plaintiff has no advertising in which it claims its products to be "made in Europe," or "European engineered," and only advertises its products as "made in Germany" or "German Engineering." (Def's. Ex. 3, Admis. 12, 13).¹ Plaintiff does not mention Europe in any of its

¹ In response to Document Request 21, Defendant identifies documents S 0539 - S 0550 as having these terms. (Def's. Ex. 5, pg. 5). In fact, none of these documents use the term "European" anywhere. Defendant has submitted

advertising despite parts of its spray guns being made outside of Germany in other European countries. (Def's. Ex. 3, Admis. 19). The absence of any mention of Europe in its advertising or marketing strongly suggests that Plaintiff does not consider "Europe" to be an important identifier of its products or have a strong perception among purchasers. Plaintiff merely identifies itself with Germany:

SATAjet® 100 B™



(Def's. Ex. 6). During discovery, Plaintiff further admitted that Defendant's mark does not include "Germany." (Def's. Ex. 3, Admis. 6, 7, 8, and 9).

E. Meaning of the Term Euro

Euro is the single currency shared by (currently) 18 of the European Union's Member States, which together make up the euro area. (Def's. Ex. 16). The introduction of the euro in 1999 was a major step in European integration. It has also been one of its major successes: more than 333 million EU citizens now use it as their currency and enjoy its benefits, which will spread even more widely as other EU countries adopt the euro.

Euro being a unit of currency is corroborated by the dictionaries produced by Plaintiff. (Pl's. Ex. 21 and Pl's. Ex. 22). Furthermore, in its brief, Plaintiff does not dispute that Euro is a unit of currency.

these documents as an exhibit so that the Board can independently verify that none of these documents have the term "European" anywhere. (Def's. Ex. 6).

F. Lack of Deception Evidence

There is no evidence that a consumer was deceived into believing that Plaintiff's EURO branded guns originated from Europe. Plaintiff first became aware of the products offered by the Defendant as a result of Plaintiff visiting Defendant's booth at the SEMA Show 2012. (Def's. Ex. 4, Interrog. 1). Plaintiff became aware of the Defendant at a trade show, and not because of any report of deception on the part of a consumer. Furthermore, during discovery, Plaintiff failed to identify any documents showing a consumer believed that the Defendant's goods originated from Europe.² (Def's. Ex. 3, Admis. 4). In its brief, Plaintiff does not dispute the "observation that SATA has not established 'actual confusion' between EURO branded and SATA branded spray guns." (Pl's Br. pg. 33). Defendant's expert further testified that he has not come across a single case where a buyer believed that spray guns sold under the name EURO originated in Europe. (Def's. Ex. 1, pg. 6). Quite simply, there is no evidence whatsoever of confusion during the last nine years in which Defendant used the EURO mark.

VI. ARGUMENT – DEFENDANT'S EURO MARK IS NOT GEOGRAPHICALLY DECEPTIVELY MISDESCRIPTIVE

A. The Primary Significance of the Mark EURO is NOT a Generally Known Geographic Location

Euro primarily denotes a unit of currency. Euro (sign: €; code: EUR) is the official currency of member states of the European Union.

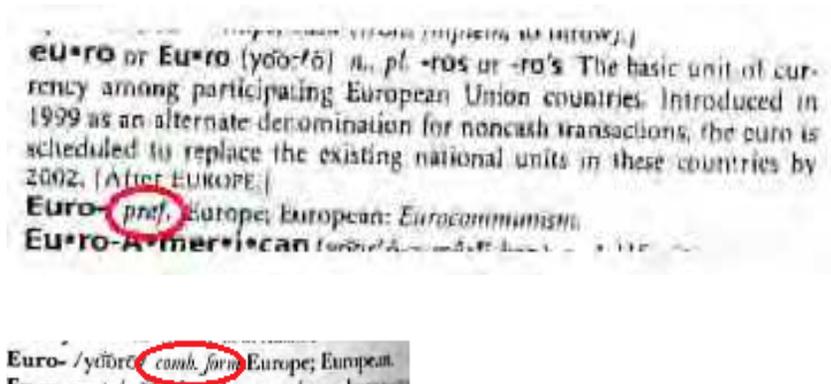
In its brief, Plaintiff does not dispute that Euro is a unit of currency, and states that Plaintiff's case is helped by the fact that Euro is the currency of European countries. (Pl's. Br., pg. 18). The Defendant disagrees. The fact that Euro is a currency associated with European

²The admission request specifically asked Plaintiff to identify documents by their Bates number, and Plaintiff failed to do so because it lacks any such document.

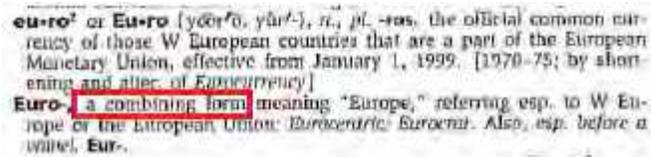
countries is too insubstantial and tenuous a basis to support the notion that the primary significance of Euro is Europe.

Plaintiff also provides several alleged examples in which Plaintiff claims that Euro is used to connote European: “EURO-VO”; “UEFA EURO 2016”; “EURO PM 2015.” (Pl’s Br., pg. 18). In all of these instances cited by Plaintiff, the word Euro is not used alone, but rather in combinatorial form with other terms.

For its Notice of Reliance, Plaintiff went on a dictionary shopping spree to find a dictionary that supports its position. Yet none of the three dictionaries relied upon by the Plaintiff support its contention that the term Euro by itself means Europe. All three dictionaries relied upon by Plaintiff confirm Defendant’s position that Euro by itself means a unit of currency, since in each of these dictionaries Euro denotes Europe **only** when used as a “preface” or a “combining form.”³



³ Plaintiff did not produce the pages from these dictionaries that define what a combining form or a preface is. It is requested that the Board take judicial notice that “[c]ombining form is used to denote an element that contributes to the particular sense of words (as with bio- and -graphy in biography), as distinct from a prefix or suffix that adjusts the sense of or determines the function of words.” <http://www.oxforddictionaries.com/us/definition/american_english/combining-form.>



(Pl's. Ex. 20 (Oxford), Pl's. Ex. 21 (Webster's), and Pl's. Ex. 22 (Heritage) respectively (emphasis added)). Consistent with these dictionary definitions, the term Euro connotes Europe only when used as a preface or a combining form, such as "VO" or "UEFA" or "PM2016. Indeed, Plaintiff admits that the term "Euro" is a combining form:

The Trademark Trial and Appeal Board has previously acknowledged that "the term 'EURO' is a combining form meaning 'European'" and that EURO is suggestive of the European origin of goods in connection with which EURO marks might be used. *Ariola – Eurodisc Gesellschaft v. Euratone Ltd.*, 175 USPQ 250, 251 (TTAB 1972). See also *In Re Rossi Group Holdings, Inc.*, Serial No. 77830691 p. 9, fn. 6 (TTAB September 20, 2011) evidencing the Board's recognition of the fact that the involved Examining Attorney had concluded that "the term 'EURO' is an adjective that means 'European'."

(Pl's. Br., pg. 10) (emphasis added).

The first TTAB case cited by Plaintiff, *Ariola – Eurodisc Gesellschaft v. Eurotone Ltd.*, 175 USPQ 250 (TTAB 1972) is inapposite inasmuch as it was decided before the introduction of the Euro in the 1990s. The second case (*In Re Rossi Group Holdings, Inc.*, Serial No. 77830691 (TTAB Sept. 20, 2011)) was a likelihood of confusion case involving registration of ANGELIQUE EURO CAFE in view of a registration on the Principal Register for EURO CAFÉ. In addition to both these marks using Euro in combination with other words, the EURO CAFÉ mark (Serial No. 75927023) has been registered on the Principal Register. There is no rule that Euro is descriptive of Europe and cannot be registered, and marks with the term Euro are registered on the Principal Register. Furthermore, in the above quote from Plaintiff's brief,

Plaintiff clearly states that “EURO is **suggestive** of the European origin of goods.” A suggestive mark is registrable on the Principal Register. *In re Quik-Print Shops, Inc.* 616 F.2d 523, 525, 205 U.S.P.Q. 505, 507 (C.C.P.A. 1980).

The manner in which the Defendant uses and has registered EURO is the term EURO alone.⁴



(Def’s. Ex. 65). For example, the Defendant does not use the term and has not registered the mark “EuroGun,” and is not stamping its guns “Eurogun.” Defendant’s goods are simply stamped with the term EURO alone. The term EURO by itself as used by Defendant primarily denotes a unit of currency, and not a geographic location.

In its brief, Plaintiff cites *In re Opryland USA Inc.*, 1 USPQ2d 1409, 1413 (TTAB 1986) for the proposition that “[w]hether the proposed mark possesses other meanings or usages other than as a geographic term does not alter its primary geographic significance.” (Pl’s. Br., pg. 18).

⁴ Defendant’s Appl. No. 86227768 is to MG Euro. MG is just the initials of the Defendant and does not somehow convey that Defendant is European.

In that case, THE NASHVILLE NETWORK was primarily geographical notwithstanding that Nashville "has other imagery than the city of Nashville, *e.g.*, education, *i.e.* the 'Athens of the South'; country music; Printer's Alley; a particular musical sound, *i.e.*, 'The Nashville Sound', etc." The facts of this case are distinguishable. In the *Opryland USA Inc.* case, the primary geographic meaning of the term Nashville was exactly the same as the term to be registered, "Nashville," where here even Plaintiff admits in its brief that the term EURO is merely a suggestive term.

Since the mark that is being registered – EURO - is exactly the same as the unit of currency, the primary significance of the mark is a unit of currency. A purchaser needs some imagination or thought to consider EURO to stand for Europe, making Europe at best a secondary suggestive denotation for EURO, particularly when EURO is being registered solely on its own and without acting as a combining phrase or a preface for another term. Even Plaintiff refers to EURO as a suggestive term, and the law is clear that a suggestive mark is registrable on the Principal Register. *In re Quik-Print Shops, Inc.* 616 F.2d 523, 525, 205 U.S.P.Q. 505, 507 (C.C.P.A. 1980).

B. The Consuming Public is NOT Likely to Believe the Place Identified by the Mark Indicates the Origin of the Goods Bearing the Mark, When in Fact the Goods do not Come From That Place

There is no goods/place association in this case. In its brief, Plaintiff could only reference three countries in Europe that manufacture spray guns. (Pl's.Br., pg. 11).⁵ Europe, however, is comprised of approximately 51 countries. Therefore, even in the best case scenario, only 3/51, or 6% of European countries are involved in the manufacture of spray guns.

⁵ Plaintiff desperately tries to add UK to the mix based on an abandoned UK operation of a third party manufacturer.

Manufacture of spray guns in 6% of European countries is insufficient for a goods/place association. Moreover, Plaintiff admits that at least five countries in Europe are not perceived by consumers as a location for manufacture of paint spray guns (Def's. Ex. 2, Admis. 24) and acknowledges "the fact that some European countries are not known for their paint spray gun equipment." (Pl's. Br., pg. 32). This suggests that the term "Europe" or "European" is at best ambiguous when it comes to the manufacture of spray guns and their advertisement and marketing in the stream of commerce.

Tellingly, Plaintiff does not even advertise its spray guns as "made in Europe" or "European." (Def's. Ex. 3, Admis. 12). A showing that the geographic place is known to the public and could be the source of the goods or services is not enough in itself to establish a goods/place or services/place association in all cases. *See In re Mankovitz*, 90 USPQ2d 1246 (TTAB 2009). In this case, spray guns are being manufactured in so few countries in Europe that it is not enough in itself to establish a goods/place association.

In its brief, the Plaintiff points to Defendant labeling one of its spray guns with "Designed in Germany." (Pl's. Br., pg. 21). Defendant had one line of spray guns which it labeled as "Designed in Germany." According to Defendant's manufacturer, that spray gun was designed in Germany, so Defendant labeled that particular gun based on the statement from its manufacturer as "Designed in Germany." Defendant's manufacturer was not part of this proceeding. It should be noted that Defendant no longer labels any spray gun in this manner and has no other products identified as "Designed in Germany." The Defendant's former "Designed in Germany" label on a single spray gun line does not somehow create a goods/place association. Germany is only 1/51 countries in Europe. In addition, Defendant's mark is not "Germ" or "German", it is EURO. Acknowledging that Europe is much more than Germany, Plaintiff

admitted during discovery that Defendant's mark does not include Germany. (Def's. Ex. 3, Admis. 6, 7, 8, and 9).

The case law relied upon by Plaintiff for goods/place association all relate to discrete locations, the biggest of which is a single country. Plaintiff cannot and does not have case law for goods/place association among consumers with respect to the association between manufactured goods and a large location – such as an entire continent – where quality and availability of manufactured goods can vastly vary from one country to another and where more countries are known **not** to produce spray guns than are known to do so.

C. The Alleged Misrepresentation is NOT a Material Factor in a Consumer's Decision to Purchase the Goods.

In order to establish materiality, there must be some indication that a substantial portion of the relevant consumers would be materially influenced in the decision to purchase the product or service by the geographic meaning of the mark. *In re Spirits Int'l, N.V.*, 90 USPQ2d 1489 (Fed. Cir. 2009). Plaintiff has failed to produce any admissible evidence that a substantial portion of the relevant consumers have been or could be materially influenced in their decisions to purchase EURO spray guns based upon the inference of a geographic meaning of the mark.

In this case, the relevant consumers are auto body shops and other “professionals” who engage in painting. These pneumatic spray guns cannot be used by the ordinary consumer since they rely on a pressurized air line to operate. Plaintiff has also admitted that the relevant consumer is a “professional,” mainly an auto body shop painter. Painting an automobile requires a set-up, including pressurized air for the HVLP spray guns, air ventilation, multiple applications of a primer, sanding, cleaning, and masking. A consumer who performs all these steps is unlikely to be a naive consumer who could be deceived as to a geographic location of a spray

gun. In fact, these consumers are so sophisticated that they: 1) make purchasing decisions based on technical criteria, such as pressure, atomization, nozzle size, and material distribution; 2) are intimately familiar with government regulations; 3) first try a sample of a spray gun before making a purchasing decision; and 4) take training courses. *See, e.g.*, Def's. Ex.1. This relevant consumer is simply too sophisticated and is concerned with many technical and regulatory factors to be materially influenced in the decision to purchase the product based upon an inferred geographic meaning of the mark. Significantly, Defendant's expert states clearly that "[a] consumer would look for the 'made in' label on a package or even the spray gun itself to determine where the HVLP gun originated from." (Def's. Ex. 1, pg. 4).

These consumers – who are so sophisticated that Plaintiff refers to them as “Professionals” – care so much about performance of the spray guns that they first obtain a sample before making a purchasing decision. The Defendant's expert has testified that the custom in the industry is that these “professionals” first obtain a sample and then purchase a spray gun after testing the sample:

When spray guns are sold, typically a sample provided by the manufacturer is given to a consumer. The consumer takes the sample and paints an object (a car), and then decides that the spray gun is suitable for his or her needs. The consumers like to try a sample and examine it carefully before making a purchase by putting the spray gun into action. In my opinion, the sophisticated consumer who first tries a spray gun and related accessories before making a purchase is unlikely to believe that the goods originate in the geographic place identified in the mark.

(Def's. Ex. 1, pgs. 5-6).

Plaintiff disputes that a purchaser first obtains a sample and tries it, but has produced no evidence or expert testimony to support its contention. Furthermore, this email from a purchaser

of Defendant's spray guns corroborates the testimony of Defendant's expert that a purchaser tries a spray gun to see how the spray gun performs:

Comment: just wanting to give you some info on how my euro 2214 hvlp gun works. i work for a major auto company in kentucky iam one of there repair painters ive sprayed over 5000 trucks or suv ive used every kind of brand name gun you can think of my work will buy us what ever guns we want sata, devilbiss, iwata, sharpe, binks, 3m and ive used every one of thim so i thought i would take my euro to work and give it a try i have to say it sprays as good or better than my 500/ 700 dollar guns thanks alot, robert

(Def's. Ex. 20). In addition to demonstrating the emphasis on trying a spray gun to see how it works, this email again illustrates the sophistication of the relevant consumer of spray guns.

In another email from a potential customer, the customer has received the Defendant's advertising materials and likes the fact that the advertised spray guns are cheaper and "resemble" Sata's spray gun:

We received your information in the mail on your Euro spray guns. It appears to be a good mid price spray gun. And we like the fact that it resembles the SATA guns. Please contact me at at your convenience to discuss our company becoming a distributor for your guns.

(Def's. Ex. 19). This customer is so sophisticated that he can immediately recognize similarity between the design of spray guns. He is in no way deceived as to the origin of Defendant's spray guns, and is focusing on the overall design and function of the spray guns. The customer is seeking a certain design of a spray gun, and not a European manufactured spray gun. Plaintiff mentions correspondence between Defendant and his manufacturer regarding a "sata-type" spray gun (Pl's. Br., pg. 33). The purpose of trademarks is not to act as a design patent. Defendant has the right to sell any spray gun, the design of which is in the public domain.

There is no actual evidence that any purchaser of spray guns was deceived as to the geographic origin of Defendant's spray guns. The Defendant's use of EURO on spray guns since 2007 without a single instance of actual deception is further evidence that a purchaser

would not be materially influenced in the decision to purchase the product or service by the geographic meaning of the mark. Plaintiff, in response to Defendant's discovery requests, did not produce a single document that evidenced a consumer purchasing Defendant's goods based on the belief that it was made in Europe. Moreover, Plaintiff has not disputed the statement by Defendant's expert that "[a] consumer would look for the 'made in' label on a package or even the spray gun itself to determine where the HVLP gun originated from." (Def's. Ex. 1, pg. 4).

Europe encompasses a multitude of countries. As the Defendant's expert has testified, a number of the countries in Europe are not regarded by consumers for their manufacturing.

In my opinion, the word Euro or Europe on a spray gun and related accessories by itself is not material to a consumer's decision to buy the goods. Europe encompasses a multitude of countries. A number of the countries in Europe are not regarded by consumers for their manufacturing. In my opinion, without identifying a specific country that a consumer would associate with the goods, any misrepresentation is not a material factor in the consumer's decision to buy the goods.

(*Id.*, pg. 7). Europe, for example, encompasses countries like Bulgaria, Kosovo, and Belarus which are not known for their manufacturing. A consumer's belief that a spray gun is made in Europe would not by itself be a material factor in the consumer's purchase because there is no "heightened" association between the goods and the geographic location. Plaintiff has even admitted that at least five countries in Europe are not known for manufacturing of spray guns.

Plaintiff's marketing of its spray guns further illustrates that even Plaintiff understands that a consumer's belief that a gun originates from Europe, without a specific country of origin, is not material to the purchase. Plaintiff has failed to introduce any evidence in which it advertised its goods as "Made in Europe" or "European Engineered." Plaintiff knows what is obvious: a consumer does not view engineering in Europe to be uniform from one country to

another, and does not purchase Defendant's goods just because they are believed to be made in Europe. If consumers were to find out that Plaintiff manufactures its spray guns in European countries outside of Germany, then consumers would not consider Plaintiff's spray guns to be made in Germany as advertised by Plaintiff. Plaintiff's position in this proceeding is that there is a heightened association by a consumer between a spray gun and Europe, while at the same time Plaintiff hides from consumers the origin of manufacturing and/or parts of its spray guns in European countries outside of Germany.

The Board may remember the automobile Yugo which was imported to the U.S. from former Yugoslavia. The automobile was so bad that a book was written about it entitled: "The Yugo: The Rise and Fall of the Worst Car in History." (Def's Ex. 23). No consumer, particularly the professional consumer involved here, would buy a car just because it is said to be made in Europe. A consumer could end up with a Mercedes or a Yugo. In fact, fake spray guns are being manufactured in Europe, so a consumer who buys a gun just because it is made in Europe can end up with a forged Sata spray gun:



1999

Market launch of the SATAjet 2000 HVLP. SATA contends with increasing product piracy. SATA forgery SATEX made by Turkish firm Mersin is presented with the 1999 Plagiarus gnome award, a "negative award" for one of the most brazen forgeries.

1999

Year

(D. Ex. 7). No consumer would purchase a good just because it is made in Europe without determining at least where in Europe the good was manufactured.⁶ Many European manufactured products have failed in the USA, and the consumer does not purchase a manufactured product just because it is made in Europe. (D. Ex. 22, 24).

Europe is not uniform when it comes to manufacturing. Even in its brief, Plaintiff admits “the fact that some European countries are not known for their paint spray gun equipment . . .” (Pl’s. Br., pg. 32). To downplay this fact which the Plaintiff accepts, Plaintiff states that based on the Defendant’s reasoning, “Maine cannot be recognized for its lobsters, Georgia for its peaches, France for its perfumes, nor Switzerland for its watches, upon a showing that there exist geographic subdivisions within each of these geographic locations that are not known or highly regarded as a source of the goods as to which the larger geographic units are known.” *Id.* Plaintiff misses the point. Europe is comprised of 51 countries each having different history, economies, languages, and different manufacturing quality and reputation. Europe, as a vast continent with 51 countries, is substantially different and more complex than Maine, Georgia, Switzerland, and France. In addition, the goods discussed by Plaintiff are all simple consumer goods, and not manufactured products that need a specialized air line and are intended to be used by highly trained “professionals.”

⁶ The fact that a consumer’s belief that a spray gun is made in Europe is not a material factor is further evidenced by one of the large manufacturers of spray guns moving its manufacturing from the UK to the US. It is believed that Plaintiff, Devilbliss and Anest Iwata have the largest market shares for spray guns in the United States. The fact that one of the three large manufacturers moved its manufacturing to the US from the UK illustrated that a consumer’s awareness that a spray gun is made in Europe is not a material factor in a purchasing decision. No company would make such a decision to move the manufacture of its goods outside of Europe if there was a material preference for European manufactured goods.

The case law cited by Plaintiff, *In re BrandMark LLC*, Serial No. 78726602 (TTAB Feb. 13, 2007), involves rejection of a pending trademark application regarding a mark for oranges. (Pl's. Br., pg. 23). The case is readily distinguishable. First, at least with Reg. No. 3428295, the burden of persuasion in a cancellation proceeding rests on Plaintiff. Second, in this case we are dealing with sale of manufactured goods to highly trained professionals, and not oranges to a simple, ordinary consumer. Third, the geographic location in that case was a discrete region of Spain, not the entire continent of Europe with more 51 countries.

The present dispute deals with the sale of manufactured goods to highly trained professionals. In today's global economy, highly trained professionals are not deceived as to the origin of manufactured goods. To the contrary, they would look for the 'made in' label to ascertain origin. *See* Def's. Ex. 1, pg. 4. It should be noted that there is even another spray gun that is made in Taiwan and sold by a third party under the name Euro-Pro. (Def's. Ex. 10). Plaintiff has not alleged any deception in the market place as to geographic location resulting from the sale of the Euro-Pro spray gun.

Plaintiff argues that Defendant's registration should be cancelled since "[a] registration more than five years old can be cancelled on the ground of geographic deceptiveness if a registrant, through its own actions, causes the mark to become geographically deceptive subsequent to the issuance of the registration." Pl's. Br. pg. 26, quoting *K-Swiss, Inc. v. Swiss Army Brands, Inc.*, 58 USPQ2d 1540, 1542-1543 (TTAB 2001). Plaintiff's argument is incorrect. In the case law relied on by plaintiff, the Board found that the trademark "K-Swiss" may be subject to cancellation for geographic descriptiveness if registrant moved its place of manufacture of its goods out of Switzerland. There is no allegation or fact in this case that establishes that at the time of filing its registration, Defendant manufactured its goods in Europe

and then subsequently moved its manufacturing to Taiwan. Defendant's goods have always been manufactured in Taiwan. Plaintiff's reliance on *K-Swiss, Inc.* is therefore misplaced.

Plaintiff summarizes a number of its exhibits on pages 12 to 16 of its brief to "demonstrate the cache of the European reputation and the value of such in advertising to potential purchasers." (Pl's. Br., pg. 12). These exhibits, however, paint a different picture. First, many of the exhibits relate to Germany, and mention Sata or Germany specifically. One example is Exhibit 32, in which a consumer allegedly claimed that "[t]o me SATA is the only way to go." Even if Sata is "the crème de la crème of the spray gun world" as claimed in Exhibit 30, this has nothing to do with Defendant's mark, which is EURO. None of these exhibits show or even hint at deception.

In a similar vein, a number of exhibits relate to an association between Sata and Germany or relate to Germany alone. For example, Exhibit 30 identifies Sata as a German company, Exhibit 29 addresses a "German type" spray gun, and Exhibits 42 and 54 likewise mention German spray guns.

Plaintiff also summarizes a number of exhibits that somehow relate to Europe, whether in a website that claims its spray guns are "[u]sed exclusively in the premier body shops of Europe," (Pl's. Ex. 42) or in promotional material concerning items "claimed to be of 'European Style'." (Pl's. Ex. 53). Significantly, none of these exhibits contain the term "EURO" which, as used by Defendant, denotes a currency. Furthermore, use or sale of spray guns to European customers is not relevant to preference of an American purchaser.

Many of the exhibits Plaintiff relied on include those of Italian manufacturers. (Pl's. Ex. 49, 50, and 51). One of these exhibits defines European quality to be defined as made in Italy:

EUROPEAN QUALITY = MADE IN ITALY

(Pl's. Ex. 51). This advertisement implies that the consumer associates quality of spray guns from Europe differently based on the country in which they are manufactured. The Spanish manufacturer Sagola compares the quality of its spray guns to German spray guns and assures buyers that they have the same quality. (Pl's. Ex. 44). The only reason that Sagola does this comparison must be that the buyers consider the quality of spray guns from Germany and Spain to be different, and need assurance to believe that they have the same quality. Plaintiff even relies on advertisements from Deveilbliss, which has abandoned its operations from the UK and has moved them to the US. (Pl's. Br. 11). The snippets from these exhibits that Plaintiff relies on are insufficient to demonstrate that seeing EURO on a spray gun would make a substantial portion of the relevant consumers, who are sophisticated "professionals," become materially influenced in the decision to purchase the product or service by the geographic meaning of the mark.

In fact, these exhibits that Plaintiff relies on further confirm Defendant's position that purchasers of spray guns are highly sophisticated. For example, Plaintiff's brief quotes one of these exhibits in which a user is discussing the training class that he is taking: "I'm currently in my last quarter of a collision repair program at a community college and my instructor who has been in the business for 30 years likes Sata first." (Pl's. Br., pg. 13). As another example, on top of the Sagola advertising, the purchaser is assured that the spray guns are compliant with government regulations ("Rule 6H Rule 40 EPA and State Spray Gun Compliance Rules and Regulations HVLP"). (Pl's Ex. 44).

VII. REBUTTAL OF ADDITIONAL POINTS RAISED BY PLAINTIFF

A. Expert Report

The Plaintiff tries to disqualify and discredit Defendant’s expert in its brief. Plaintiff could have introduced its own expert testimony, but did not do so. Not having retained any expert, Plaintiff is resorting to attorney argument to rebut Defendant’s expert. Defendant’s expert has significant experience in this field – 17 years of sale in the field of spray guns and sale/repair of both Sata and Euro branded spray guns:

I have seventeen years of experience in purchasing, selling, and repairing HVLP (High Volume Low Pressure) paint spray guns and their accessories. I am a buyer of HVLP spray guns and their accessories in volume for the company I work for and then I sell them to retail customers. Among the brands that I have distributed include HVLP spray guns and related accessories sold under the names Sata and Euro. I have also repaired HVLP spray guns and related accessories sold under the names Sata and Euro, and other brands.

(Def’s. Ex. 1, pg. 1). Defendant’s expert, based on his training and experience qualifies as an expert under Federal Rule of Evidence §702.

Plaintiff seeks to disqualify Defendant’s expert for being a vendor of EURO branded guns. However, Plaintiff’s expert is also a vendor of Sata and other branded spray guns. Disqualification of an expert is a drastic measure. *See Lacroix v. BIC Corp.*, 339 F. Supp. 2d 196, 199 (D. Mass. 2004) (stating that courts are generally reluctant to disqualify expert witnesses). Plaintiff has failed to show that Defendant’s expert has a vested interest in the outcome of this case. Defendant’s expert sells many types of spray guns, and it is hard to fathom a financial interest in case the Board cancels Defendant’s trademark registration.

Plaintiff then attempts to rebut the Defendant's expert on his opinions on the meaning of the term EURO, the sophistication of purchasers of spray guns, and that a purchaser of spray guns typically obtains a sample to try before ordering additional spray guns. As stated in previous sections of this brief, there is sufficient evidence that corroborates and supports the opinions of Defendant's expert on each of these points. Purchasers can still obtain a sample spray gun and try it first, before making a purchasing decision, "even if spray guns are offered through websites, through advertisements, direct mailing, trade publications, and at trade shows" as Plaintiff alleges. (Pl's. Br., pg. 29).

Lastly Plaintiff attacks Defendant's expert's testimony as to lack of actual deception in the marketplace by stating that "Mr. DeMarco has no basis upon which to determine what purchasers of EURO guns 'believed.'" (Pl's. Br., pg. 30). Mr. Demarco, as a retailer of spray guns for 17 years, continuously came in contact with customers, who are typically repeat buyers, and is opining based upon his relationship and communication with customers over a span of 17 years, and not just some personal belief.

B. Defendant's Alleged Preoccupation with Sata

In its brief, Plaintiff states that Defendant's preoccupation with Sata on these four points do not help Defendant's case:

. . . Defendant has sought to direct the Board's attention to sunglasses bearing the SATA mark (D. Ex. 18); the labeling of SAT A products (D. Exs. 3, 27, etc.); the observation that SATA has not established "actual confusion between EURO branded and SATA branded spray guns" (D. Ex. 5); the fact that SATA's U.S. distributor provides training for painters (D. Ex. 32); and the fact that "fake SATA spray guns" have been manufactured in Turkey. (D. Ex. 7).

(Pl's. Br., pg 33). With respect to the first exhibit regarding sunglasses, Plaintiff kept on accusing the Defendant throughout this dispute of mislabeling its products with the "CE" symbol to somehow deceive consumers. After Defendant discovered that Plaintiff labels its Taiwanese goods with CE, Plaintiff apparently has dropped that theory of deception altogether from its brief. Defendant's Exhibit 18 is offered in response to this allegation made by Plaintiff.

Regarding the observation that SATA has not established "actual confusion between EURO branded and SATA branded spray guns," Plaintiff bears the burden to cancel a registration, and while lack of actual deception is not dispositive by itself, its absence undermines Plaintiff's case. Regarding the "fact that SATA's U.S. distributor provides training for painters," the fact that painters are trained is relevant in determining who the substantial portion of the relevant consumers are. In fact, Plaintiff dedicates 3 pages to nonsensical, desperate arguments in its brief to somehow prove that these relevant consumers are not sophisticated and are clueless. (Pl's Br. Pgs. 34-36). Regarding "the fact that 'fake SATA spray guns' have been manufactured in Turkey," it is highly relevant because if a purchaser were to purchase a spray gun because it is made in Europe, the purchaser can end up with a forged spray gun.

After stating the focus should not be on Sata's activities, Plaintiff states that the focus should be on Defendant's mark and the manner in which Defendant uses his mark. (Pl's Br., pg. 33). Nowhere in its brief does Plaintiff focus on the fact that Defendant does not use his EURO mark as a preface or in a combinatorial way, and nowhere does the Defendant use "Europe" or "European" on its products.

VIII. CONCLUSION

This case is like *Coca-Cola Co. v. Koke Co. of America*, 254 U.S. 143, 144-47 (1920), in which Justice Holmes correctly stated that “[o]f course a man is not to be protected in the use of a device the very purpose and effect of which is to swindle the public” but that this defense was not “a very broad” one and “should be scrutinized with a critical eye.” *Id.* Although the Court noted that there may be some people “here and there” who would drink the beverage because they thought it contained cocaine, this was insufficient to invoke the unclean hands doctrine because the mark “conveyed little or nothing [about the contents of the drink]”.

In this case Defendant has been using mark EURO since 2007 in an open and conspicuous manner without a single incident of consumer confusion or claim of deception. The mark EURO does not convey much to a purchaser about origin of the goods, particularly in this case where EURO is a unit of currency and Defendant does not use its mark in a combinatorial manner, spray guns are manufactured in 6% of European countries, and the relevant purchaser is a sophisticated professional who is intimately familiar with the technical operation and design of spray guns. It cannot be that after use of EURO for so long without a single claim of deception as to the origin of EURO goods, Plaintiff spots a small business competitor at a trade show and then asserts a defense that is “not very broad” and “should be scrutinized with a critical” eye to cancel the trademark registration of a small business eleven years after its filing date.

Lastly, at least with Reg. No. 3428295, Plaintiff has the burden of persuasion in a cancellation proceeding and this burden has simply not been met.

By:



A handwritten signature in blue ink, appearing to read 'Payam Moradian', is written over a horizontal line.

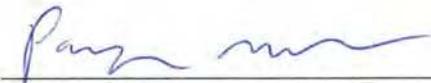
Date: April 26, 2016

Payam Moradian, Esquire
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing "DEFENDANT/ REGISTRANT MIKE GHORBANI'S TRIAL BRIEF" and Appendix thereto has been on April 26, 2016 duly served by depositing such copy with the US Postal Service, in an envelope addressed to:

Thomas J. Vande Sande
Hall & Vande Sande, LLC
10220 River Road, Suite 200
Potomac, Maryland 20854
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By: 

Date: April 26, 2016

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Attorneys for Defendant

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

SATA GmbH & Co. KG,)	
)	
)	
Opposer and Petitioner,)	
)	
v.	)	Consolidated
	)	Opposition No. 91210813
)	
Mike Ghorbani,	)	Opposition No. 91217915
)	
Defendant and Registrant.	)	Cancellation No. 92059849

APPENDIX I

**DEFENDANT’S RESPONSE TO PLAINTIFF’S STATEMENT OF EVIDENTIARY
OBJECTIONS**

Defendant's NOR Exhibit 2, Admission 23 (First): In response to the admission request, Plaintiff states:

Opposer objects to this request because it has no idea what Applicant's reference to "tools" is intended to encompass nor what consumers are likely to believe concerning "tools" made in Belarus. Moreover, Applicant's mark includes neither "Germany" nor "Belarus."

This admission is admissible. That Applicant’s mark does not include Germany is a major admission on the part of Plaintiff. Defendant’s position is that Europe encompasses 51 countries, of which Germany is only one. Plaintiff at most has shown that only 3 countries in Europe manufacture spray guns, and not Europe as a whole. Since Defendant’s mark does not include Germany, Plaintiff cannot just rely on Germany to show a goods/place association as required.

Defendant's NOR Exhibit 4; Defendant's NOR Exhibit 5, Document Request 12; Defendant's NOR Exhibit 9:

Documents produced by Plaintiff (S0480-S0481) during discovery that show a comparison between the performance of Sata and Euro branded spray guns are admissible. These documents show an oval shaped spray pattern that can be easily compared to one another. These documents are relevant to show performance of the spray guns in their spray pattern, relative to each other, and rebut Plaintiff's position that Euro branded guns are inferior. Furthermore, Defendant could not include these documents in its expert report because Plaintiff delayed producing a legible copy of these documents.¹ Defendant still showed the exhibit to its expert and informed Plaintiff in its discovery response (Pl's. Ex. 1, pg. 14).

Defendant's NOR Exhibit 5, Document Request 9: Document Request 12: Defendant's NOR Exhibit 5, Document Request 16: Defendant's NOR Exhibit 9.

Defendant's response is admissible as to what it states. Whether no document actually exists or whether Plaintiff has no knowledge of any document makes no difference as to admissibility. Plaintiff has the burden of proof to show deception in this case, and lack of such documents (or knowledge thereof) is highly relevant to Plaintiff meeting its burden of proof. Defendant can certainly rely on this response to show that Plaintiff had no responsive documents.

¹ On April 21, 2016, Defendant's counsel finally provided legible copies of this exhibit, stating: "Attached please find better copies of the Spray Pattern Comparisons. Please note that they are not Bates numbered, however, Bates numbers S480 and S481 (which were assigned the original copies) will still apply." Expert testimony period was closed by then. *See* Board Paper 10.

Defendant's NOR Exhibit 5, Document Request 15:

Since there is additional discovery on this point, Defendant will not rely on the response to the Document Request.

Defendant's NOR Exhibit 7:

Exhibit 7 is admissible since it shows that spray guns manufactured in Europe can be forged, low-quality spray guns. Exhibit 7 is not hearsay inasmuch as it goes towards showing consumer perceptions, and it is also an admission by Sata. To the extent it may be considered hearsay, it falls within the residual exception of Federal Rule of Evidence § 807 and is therefore admissible.

Defendant's NOR Exhibit 11:

Exhibit 11 is admissible since it shows that spray guns are labeled with Japan and Taiwan made-in-labels. Exhibit 11 is not hearsay since it is being offered as a depiction of how spray guns are labeled. To the extent it may be considered hearsay, it falls within the residual exception of Rule 807.

Defendant's NOR Exhibit 12:

Exhibit 12 is admissible since it shows the advertising of spray guns with technical criteria, which is relevant in showing that the purchasers of spray guns are sophisticated.

Defendant's NOR Exhibit 13, Exhibit 16:

Exhibit 13 and 16 are admissible since they provide generally known facts about Europe and Euro. Exhibit 13 and 16 are not hearsay, and to the extent they may be considered hearsay, they

fall within the residual exception of Rule 807. These exhibits are also corroborated by the dictionaries provided by Plaintiff and/or Defendant's expert testimony.

Defendant's NOR Exhibits 14, 15, 17:

Exhibits 14, 15 and 17 are admissible. Plaintiff has opened the door by arguing that Taiwan and China are the same country, and have low quality goods. Exhibits 14, 15, and 17 are not hearsay since they are being offered for consumer perception of Taiwanese-made quality. To the extent they may be considered hearsay, they fall within the residual exception of Rule 807. Furthermore, Defendant's expert has testified as to the points raised in these exhibits.

Defendant's NOR Exhibit 18:

Exhibit 18 is relevant to rebut Plaintiff's position during this proceeding that Defendant's marking of its Taiwan made spray guns with "CE" was deceptive.

Defendant's NOR Exhibit 19:

For the reason stated in Defendant's brief at page 27, this exhibit is admissible.

Defendant's NOR Exhibit 20:

For the reason stated in Defendant's brief at pages 26-27, this exhibit is admissible.

Defendant's NOR Exhibit 21:

For the reason's stated in Defendant's brief at page 12-13, this exhibit is admissible. Furthermore, Defendant's expert opined as to the sophistication of the purchaser and the necessary steps taken to pain with a spray gun.

Defendant's NOR Exhibits 22, 23, 24:

There exhibits are offered to show consumer perception of European products, many of which have failed in the US. These exhibits are not hearsay, and to the extent they may be considered hearsay, they fall within the residual exception of Rule 807.

Defendant's NOR Exhibit 26:

Exhibit 26 consists of documents relied on by Defendant's expert. Defendant has no objection to exclusion of MGD000026 and 27 if the Board believes that they should be excluded.

Defendant's NOR Exhibits 27, 28:

Plaintiff's response to the interrogatories at issue states what it states. Plaintiff has the opportunity to argue why its response is not clear on its face, but that does not mean Plaintiff's discovery responses should be excluded as evidence.

Defendant's NOR Exhibits 33 and 34:

These exhibits regarding government regulations are highly relevant to the sophisticated nature of a spray gun purchaser. These exhibits are admissible for the reasons stated on pages 10, 14-15 of the Defendant's brief.

By:



Date: April 26, 2016

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

SATA GmbH & Co. KG,)	
)	
)	
Opposer and Petitioner,)	
)	
v.	)	Consolidated
	)	Opposition No. 91210813
)	
Mike Ghorbani,	)	Opposition No. 91217915
)	
Applicant and Registrant.	)	Cancellation No. 92059849

APPENDIX II

DEFENDANT'S STATEMENT OF EVIDENTIARY OBJECTIONS

Pursuant to TBMP § 801.03, Plaintiff objects to certain of the exhibits offered through Defendant's Notice of Reliance (NOR). Plaintiff's objections are incorporated by reference into Plaintiff's main brief, and are set forth solely for ease of reference. Nothing stated herein, or in not opposing the admissibility of certain of Defendant's exhibits, is a concession or acceptance of any of the arguments, assertions, characterizations, or statements that Defendant contends via its Notice of Reliance, and Plaintiff reserves all rights with respect to same.

Materials are inadmissible if not relevant under Fed. R. Evid. 402 or if hearsay within the meaning of Fed. R. Evid. 802, or if otherwise excluded under Board precedent.

I. Exhibits 10, 14, 15, 16, 17, 18, 19, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 63, 64, 65, 66, 67, 68, and 69.

Defendant objects to each of these exhibits as hearsay to the extent Plaintiff seeks introduction of these documents for the truth of the matters stated. Each of these exhibits is an internet post or a newsletter.

II. Exhibit 3

Interrog. 32: Defendant objects to the mischaracterization of Defendant's response. Subsequent to the response, Defendant produced a document identifying the "Sata-type" spray gun.

Interrog. 35: Defendant objects that this response is irrelevant. Defendant sought to be away from other sellers of spray guns at the trade show. The Defendant's desire for distance from other sellers of spray guns is not relevant to any issue.

Interrog. 39: Defendant objects to the mischaracterization of Defendant's response. Defendant's spray guns are designed and manufactured by its manufacturer. Defendant has the right to rely on its manufacturer's statement that a particular gun was designed in Germany.

III. Exhibit 4

Interrog. 66: Defendant objects to this interrogatory for the same reasons as Ex. 3, Interrog. 35.

IV. Exhibit 5

Defendant objects to admission 1 for the reasons stated for Exhibits 20-22.

V. Exhibit 8

Defendant objects to this exhibit for the same reasons as Ex. 3, Interrog. 35.

VI. Exhibits 11 and 12

These exhibits include correspondence regarding a new Sata spray gun. Defendant objects to this exhibit to the extent this exhibit is used to make a connection between the mark Euro and

this new Sata spray gun. This Sata spray gun has not been sold under the name Euro. Therefore, these exhibits are immaterial and irrelevant to the use of Euro branded spray guns.

VII. Exhibit 13

Defendant objects to the mischaracterization of this exhibit. While Defendant can select the mark to be stamped on the spray gun, Defendant does not have control over the design of the spray gun.

VIII. Dictionary Exhibits 20-22

Defendant objects to these exhibits as incomplete. Plaintiff did not produce the parts of the dictionary that describe what is meant by a preface or a combinatorial word. Defendant further objects to these dictionaries for relevance to the extent they were published before the introduction of the currency Euro. Defendant also objects to these exhibits based on the Best Evidence Rule, to the extent Plaintiff seeks to introduce testimony as to what these dictionary definitions mean or mischaracterized them.

IX. Exhibit 35.

Defendant objects to this exhibit as hearsay to the extent Plaintiff seeks introduction of these documents for the truth of the matters stated. This exhibit is a label for Plaintiff's spray gun. Plaintiff further objects to this exhibit as lacking relevance since "Europe" is nowhere on the exhibit.

X. Exhibit 57, 59, 60, and 61.

Defendant objects to the mischaracterization of these exhibits to the extent any comment about Germany is construed to be Europe.

XI. Exhibits 63, 64, 65, 66, 67, 68, and 69

Defendant objects to Exhibit 63 as irrelevant. What the Chinese government thinks about Taiwan is irrelevant as to the perception of the U.S. consumer. Defendant further objects to all these exhibits based on relevance to the extent that they deal with China. Defendant's goods are manufactured in Taiwan, and not China.

By:  _____

Date: April 26, 2016

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