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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,	)	
	)	
v.	)	Consolidated
	)	Opposition No. 91210813
Mike Ghorbani,	)	
	)	Opposition No. 91217915
Applicant and Registrant.	)	
_____	)	Cancellation No. 92059849

OPPOSER/PETITIONER SATA GMBH & CO. KG'S REPLY BRIEF

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## I. INTRODUCTION

Defendant has failed to rebut Plaintiff's showing that EURO, under the facts of this case, is geographically deceptive and primarily geographically deceptively misdescriptive.

Consequently, the '768 and '789 applications should be refused registration and Defendant's '295 registration should be cancelled.

## II. NONE OF DEFENDANT'S ARGUMENTS OVERCOME THE INESCAPABLE CONCLUSION THAT HIS USE OF EURO IN CONNECTION WITH HIS TAIWANESE GOODS MUST BE RECOGNIZED AS BEING DECEPTIVE AND AS LIKELY BEING MATERIAL TO A SUBSTANTIAL PORTION OF CONSUMERS' PURCHASING DECISIONS

Defendant's arguments rely heavily on unsupportable assertions, allegations of various irrelevancies and, all too frequently, impermissible attorney argument. Merely representative of such is the baseless assertion that the involved goods "cannot be used by the ordinary consumer" (Def. Br. p. 25); the irrelevance of the "observation that SATA has not established 'actual confusion' between EURO branded and SATA branded spray guns" (Def. Br. p. 19); and the bold proclamation of Defendant's counsel that "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". (Def. Br. p. 31).

These and similar shortcomings evidence the weakness of Defendant's case and his failure to overcome the showings of the geographical and marketplace significance of EURO, the substantial deception involved in Defendant's use of EURO, and the inescapable conclusion that this deception is likely deemed material in a substantial portion of consumers' decisions to purchase Defendant's EURO marked Taiwanese paint spray equipment.

Plaintiff will not, and likely could not in this Reply Brief, include discussion of every misstatement and unsupported conclusion found in Defendant's brief. Accordingly, Plaintiff has elected to focus its attention on the specific issues addressed below.

**A. Defendant Is Incorrect Under The Facts Of This Case, And As A Matter Of Law, In Concluding That The Alleged Sophistication Of Purchasers And Consumers Of The Involved Goods Negates The Probability Of Deception**

Defendant attempts to escape the consequences of the deception involved in his use of EURO as a mark in connection with spray equipment. Defendant thus vigorously argues (1) that purchasers, consumers and users of paint spray equipment are sophisticated professionals and (2) that as sophisticated professionals they cannot be deceived. Each of these conclusions is flawed for several reasons.

Defendant's arguments asserting the conclusion that users of paint spray equipment are sophisticated professionals is a substantial overstatement. Defendant uses a single reference in a SATA advertisement referring to what "Professionals know" as the sole basis for his conclusion (repeated ad nauseam) that "Plaintiff refers to purchasers of spray guns as 'professionals'". (Def. Br. p. 13 referencing Def. Ex. 20 as reproduced at Def. Br. 14). Defendant is so adamant in his insistence that purchasers and users of paint spray equipment are exclusively sophisticated professionals that these assertions appear in his brief 28 times and on 16 of its 37 pages. Significantly, Defendant's assertion is not that purchasers, consumers and users of paint spray equipment *include* sophisticated professionals but instead that the universe of paint spray equipment purchasers, consumers and users is comprised entirely of highly sophisticated professionals. In fact, apparently feeling unfettered by a need for factual support, Defendant's counsel argues that "pneumatic spray guns cannot be used by the ordinary consumer since they rely on a pressurized air line to operate." (Def. Br. p. 25). (Emphasis added).

Defendant's unilateral exclusion of "the ordinary consumer" from the universe of those that can use a pneumatic spray gun, coupled with his conclusion that purchasers and users of these goods are thus professionals and so sophisticated as to be immune from deception, are the lynchpins of Defendant's argument. The facts support neither prong of his argument.

Specifically, the very exhibit relied upon by Defendant as his support for the broad assertion that Plaintiff has "admitted that the relevant consumer is a 'professional'" (Def. Br. p. 25 referencing Def.'s Ex. 20 as shown at Def. Br. 14) refers to spray gun equipment for use "in automotive refinish *or general use by the handyman.*" (Emphasis added). This single reference fully exposes the falsity of Defendant's allegations and the fallacy of the conclusions he would have the Board draw from his assertions.

Other merely representative examples of the debunking of Defendant's "highly sophisticated/professional" argument include the powertool-box.com promotion of SATA spray guns to a variety of types of users including "general use by the home hobby handyman" (Ex. 16, last text on page) and the spraygunworld.com reminder to consumers to "Remember you are spraying with the same guns professionals use." (Ex. 42). The same advertisement, in claiming that "We have also had people purchase guns and 'give them' to the painter who is painting their car", further evidences the fact that paint spray equipment is not marketed to only sophisticated and professional purchasers. Similarly, paintsprayersplus.com advertises Italian manufacturer Asturo's spray equipment with the claim that such are "the perfect choice for the home woodcrafter" (Ex. 48) and spraygunworld notes that various of its spray equipment offerings are good choices for both professionals and hobbyists. (Ex. 42). Finally, some of Defendant's own advertising notes that his "EURO -- Designed in Germany" guns are "easy to use" (Ex. 9) and advertisements discussing the attributes of SATA spray equipment refer to simplicity of use by

not only professionals but also “the do-it-yourselfer.” (Def. Ex. 42). Thus, contrary to the arguments of Defendant’s counsel, paint spray equipment is advertised to, and is used by, ordinary users as well as professionals, by handymen, and furniture restorers, by hobbyists and do-it-yourselfers. In sum, Defendant’s assertion of immunity from deception by virtue of limiting the relevant universe of consumers to professionals and highly sophisticated experts simply has no basis in fact.

Moreover, the pronouncement of Defendant’s counsel that “In today’s global economy, highly trained professionals are not deceived as to the origin of manufactured goods” (Def. Br. p. 31) is perhaps as wishful as it is unsupportable. In fact, it is entirely reasonable to conclude that professionals, aware of the favorable reputation of European paint spray equipment, and especially when exposed to Defendant’s advertisements claiming his goods are designed in Germany, or in possession of a paint spray gun bearing the EURO mark, said gun having emblazoned on it the “Design in Germany” claim, might quite reasonably be considered individuals susceptible to being deceived, having reasonably surmised under these circumstances that the involved EURO products originated in Europe.

Furthermore, the law has long recognized that even sophisticated consumers are not immune from confusion. *Cunningham v. Laser Golf Corp.*, 55 USPQ2d 1842, 1846 (Fed. Cir. 2000). Additionally,

Evidence of non-confusion of professionals will have little relevance to the issue of confusion for products sold to consumers as well. For example, in a case of the sale of auto parts to both professional auto repair shops and repair-it-yourself consumers, likelihood of confusion must be viewed from the perspective of the ordinary consumer, not the professional buyer. Thus defendant’s evidence that professional dealers were not confused by the marks ‘does little to prove (the lack of) confusion among the other members of the class and cannot be accorded much significance.’

4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:100

(4<sup>th</sup> ed. 2009) citing *Ford Motor Co. v. Summit Motor Products, Inc.*, 18 USPQ2d 1417 (3d Cir. 1991). Certainly, the same holds true with respect to geographically deceptive marks where the involved goods are advertised and marketed to the full spectrum of purchasers that includes everyone from handymen and hobbyists to professionals. Moreover, even if the classification of spray equipment users as professional and highly sophisticated individuals had been warranted, it could not have been reasonably concluded that confusion or deception would have been avoided.

Defendant's argument is further flawed as a result of his failure to prove what portion of potential purchasers possess such high levels of sophistication so as to render deception unlikely. Having failed to meet his burden in this regard, Defendant's related argument fails. *Corporacion Habanos, S.A. v. Guantanamera Cigars Company*, Serial No. 76256068 (TTAB 2012) Amendment at p. 41 of 102 USPQ2d 1085 (TTAB 2012).

Defendant's "global economy" proclamation, eliminating "highly trained professionals" from those who could be deceived, is immediately followed by the statement that "To the contrary, they would look for the 'made in' label to ascertain origin." (Def. Br. p. 31). This despite the long-standing and clearly established principle of trademark law that deceptiveness cannot be negated by labeling.

When applying for registration of a word mark determined to be primarily geographically deceptively misdescriptive, deceptiveness cannot be avoided by pointing to explanatory material on the label that truthfully discloses the geographic origin of the goods. This is because material on the label which is not part of the mark sought for registration cannot negate the geographic deceptiveness of the word mark itself. For example, OLD HAVANA for rum not from Havana, Cuba was found primarily geographically deceptively misdescriptive even though the label disclosed that the rum was 'product of the U.S.A.'

4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 14:33 (4<sup>th</sup> ed. 2009).

Also of significance is Defendant's having acknowledged that his paint spray equipment is offered through various means, including websites, advertisement offerings, direct mailings, and at trade shows. (Ex. 1 Int. 21, Exs. 57, 59). The arguments of Defendant's counsel that "Purchasers can still obtain a sample spray gun and try it first, before making a purchasing decision" (Def. Br. p. 35) even if spray guns are offered through websites, through advertisements, direct mailings, and at trade shows is not only not supported or even hinted at by the record, but is completely illogical.

Moreover, Mr. DeMarco's assertion that "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" (Def. Ex. 1, p. 5), is unavailing. There is no evidence, no claim, or even a suggestion by Mr. DeMarco, or Defendant, that Defendant's Taiwanese manufacturer "typically", or has ever, provided a sample spray gun to a consumer. It has not been established, nor even asserted, that Ghorbani's Taiwanese manufacturer, or Ghorbani himself, provides handymen, hobbyists, furniture restorers, professional and/or amateur automobile painters, or anyone else, sample goods, let alone under circumstances where those goods have been purchased by the consumer through websites, advertisements, direct mailing, or at trade shows, such comprising the means by which Defendant states that his goods are sold to consumers.

**B. Defendant's Assertion That Direct Evidence of Deception Is Required By Plaintiff To Prove Materiality Contradicts The Applicable Law**

Defendant has proffered the unsupported and unsubstantiated principle that materiality is required to be proven through direct evidence in a case concerning a primarily geographically deceptively misdescriptive mark. This contention is simply not accurate and is at odds with both Federal Circuit and Board precedent. With respect to a showing of materiality, the Federal

Circuit, in the case *In re Spirits Int'l, N.V.*, 90 USPQ2d 1489 (Fed. Cir. 2009), “did not say or suggest that the evidence must show that a substantial portion of the relevant public would actually be deceived, or that indirect evidence of consumer perception of the mark...would not be sufficient.” *In re Jonathan Drew*, 97 USPQ2d 1641, 1645 (TTAB 2011). In establishing that direct evidence of materiality was not required, the Board has remarked that “(I)t is well-settled that evidence of what the relevant public understands a term to mean may be shown not only by direct evidence, such as consumer testimony and surveys, but it may also be inferred from indirect or circumstantial evidence, such as...third party websites.” *Id* at 1645.

That online sources are probative of how a term would be perceived has been clearly established and accepted. *In re Bayer Aktiengesellschaft*, 82 USPQ2d 1828, 1832 (Fed. Cir. 2007). Per longstanding precedent, conclusions regarding materiality may be drawn from the evidence, serving as proof that a substantial portion of the relevant public will be deceived. *In re Jonathan Drew*, 97 USPQ2d 1641, 1645 (TTAB 2011). Plaintiff has provided an abundance of evidence of the type historically accepted by the Board to satisfy the materiality element, including third party website advertisements for paint spray guns, online postings from actual paint spray gun consumers and users, as well as Defendant’s own language appearing on his website, Defendant’s misleading marking of his products, Defendant’s dealings with his Taiwanese manufacturer, and Defendant’s marketing strategy.

Defendant’s misguided preoccupation with direct evidence as the sole means to prove materiality is puzzling in light of clear Board precedent acknowledging the inherent difficulties in collecting such evidence. Direct evidence such as surveys is not required to establish facts in any Board proceeding. *Schering-Plough HealthCare Prods., Inc. v. Ing-Jing Huang*, 84 USPQ2d 1323, 1328 (TTAB 2007). Furthermore, actual purchasers of Defendant’s goods need not be

deposed or questioned to determine whether the geographic significance of the mark was a material factor in the decision to purchase Defendant's products because the purchasing decisions of actual purchasers are not considered critical in determining the issue of materiality. *Corporacion Habanos, S.A. v. Guantanamera Cigars Company*, Serial No. 76256068 (TTAB 2012) Amendment at p. 28 of 102 USPQ2d 1085 (TTAB 2012).

What is important is the materiality of the misrepresentation of the mark to the intended group of purchasers, and indirect evidence may be used to establish this materiality. *Id.* at 28.

Additionally, while indirect evidence is sufficient in proving materiality, there is no requirement that the place identified in the mark must be "noted for" the goods in order for the mark to be deemed primarily geographically deceptively misdescriptive. See *In re Nantucket, Inc.*, 213 USPQ 889, 898 (CCPA 1982). The *Nantucket* decision contained an often cited concurring opinion stating, "Neither this case nor any other cited by appellant provides authority for the principle that a place must be 'noted for' goods before use of its name as a mark will be held 'primarily geographically deceptively misdescriptive.'" It was therefore held sufficient if the geographic connotation of the mark has significance for the goods, such that purchasers would expect the goods to have originated from the identified locality. *Corporacion Habanos, S.A. v. Guantanamera Cigars Company*, Serial No. 76256068 (TTAB 2012) Amendment at p. 31 of 102 USPQ2d 1085 (TTAB 2012).

When evaluating the geographic significance of a mark it is helpful to consider advertisements, which the Board has stated are "the best evidence of materiality" because they reflect "features or elements" of goods that are emphasized, "or those associations they want consumers to make, in order to sell" goods. *Id.* at 33.

Advertisements may suggest a standard against which merchants of related goods manufactured from outside the geographic location identified in the mark compare their products, thereby demonstrating the intended association of products with a desirable geographic area. *Id.* at 35. Accepting the premise that goods are promoted with the intention of generating sales, characteristics highlighted in advertising must be perceived as existing based upon a belief that consumers value associations with the geographic location when making purchasing decisions. *Id.* at 37. An abundance of third party advertising featuring proclamations of European quality and design for paint spray equipment has been provided by Plaintiff in its Trial Brief (pp. 12-15) and for the Board's convenience will not be repeated here en masse.

**C. Plaintiff's Reply To Defendant's Comments Concerning His Alleged Expert**

Plaintiff will not repeat here the various infirmities noted in its opening brief with respect to Mr. DeMarco's Report and the opinions expressed therein. However, Plaintiff notes the following in response to Defendant's related assertions.

Contrary to Defendant's assertion, Plaintiff has not sought Mr. DeMarco's disqualification. The numerous infirmities in Mr. DeMarco's Report are noted for purposes of emphasizing the lack of probative value that can be afforded the opinions expressed in the Report.

For instance, Mr. DeMarco's Report (at ¶ 1), provides his opinion as to "the primary significance" of "EURO." It is not impermissible attorney argument to note that no attempt has been made to qualify Mr. DeMarco as an expert in linguistic sciences. Consequently, his "expert" opinion as to the meaning of EURO has no probative value.

As discussed above, while Mr. DeMarco has expressed the opinion that "typically" sample products are provided by manufacturers to consumers, he has not stated, or even hinted,

that Mr. Ghorbani's manufacturer (or Mr. Ghorbani for that matter) has ever provided sample products to consumers for evaluation or testing. Mr. DeMarco has acknowledged that he is "a buyer of HVLP spray guns and their accessories in volume for the company I work for ...." (Def. Ex. 1, p. 1, quoted at Def. Br. p. 34). Perhaps a practice of providing sample goods for testing "is typical" in the context of "volume" purchases but such certainly cannot be assumed to be the case (and neither Mr. Ghorbani nor Mr. DeMarco assert that it is the case) when sales are routinely made to consumers through the ordinary means of websites, advertisements, direct mailing, and at trade shows.

Similarly, Mr. DeMarco admits that he is not familiar with spray equipment being advertised as, or compared with, "European" equipment ("the products are sold as originating from a particular country, and not a region") (Def. Ex. 1 ¶ 3) ("I have only seen advertisement in relation to a country, and not a region.") (R. Ex. 3 at Int. 11). This admission clearly and severely limits the probative value of Mr. DeMarco's opinions as such relate to the reputation enjoyed by European spray equipment as well as that reputation's materiality in consumers' purchasing decisions.<sup>1</sup> Again, Plaintiff has not alleged that Mr. DeMarco needs to be disqualified but instead that the infirmities and lack of relevant knowledge displayed in his report is unquestionably relevant to the weight to be given the conclusions he has expressed.

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<sup>1</sup> Despite defendant's (and Mr. Demarco's) contentions that "Europe" is too indefinite and too inclusive to meaningfully serve as a geographical designation with a recognizable reputation in connection with spray equipment, even Mr. Demarco has acknowledged that such is not actually the case. Responding to an inquiry as to the relative reputations of various geographic sources of paint spray guns, Mr. Demarco responded that the "Reputation of Chinese manufactured paint spray guns is not on par with those manufactured in U.S., Japan, **Europe**, and Taiwan." (R. Ex. 3, Supp. Resp. to Int. 3 ). (Emphasis added).

**D. Defendant's Remaining Arguments Do Not Support His Assertion That He Is Entitled To Registration**

**1. Attorney Argument Is Not A Substitute For Evidence**

Counsel's habitually insisting that Plaintiff refers to or admits that all consumers and users of spray gun equipment are "Professionals" (See for instance Def. Br. p 5, 13, 17, 25, 26, 29, 30, 31, 33, 37 as examples) does not establish that Plaintiff "refers to" or "admits" that purchasers or users of spray equipment are highly sophisticated or professional, and certainly does not establish that purchasers and/or users of such equipment are in fact highly sophisticated or professional. The arguments of Defendant's counsel concerning the conclusions to be gleaned from spray pattern testing are likewise inadmissible attorney argument. (Def. Br. p. 11). As noted above, the proclamation of Defendant's counsel that "These pneumatic spray guns cannot be used by the ordinary consumer" (Def. Br. p. 25) is both attorney argument and blatantly false. The pronouncement that "In today's global economy, highly trained professionals are not deceived as to the origin of manufactured goods" (Def. Br. p. 31) expresses an opinion perhaps held only by Defendant's counsel. Similarly puzzling, and equally without support, is counsel's conclusory statement that "purchasers can still obtain a sample spray gun and try it first, before making a purchasing decision" (Def. Br. p. 35) even if spray guns are offered through websites, direct mailing, and at trade shows as acknowledged by Defendant (Ex. 1 Int. 21) and through advertisements. See for example (Exs. 57, 59).

**2. Defendant's Spurious Claims That His Goods Are Designed In Germany**

Defendant is understandably quite defensive when held to account for the claims found in his advertisements, at his website, and on his actual products that his Taiwanese goods were "Designed in Germany." Defendant's counsel admits that Defendant's products have been so

marked. (Def. Br. p. 24). However, Defendant's counsel asserts, (without support) that this deception was practiced only with respect to one line of Defendant's goods and that this deception has been discontinued. Defendant then blames his Taiwanese manufacturer for the deception and simply notes that "Defendant's mark is not 'Germ'." (Def. Br. p. 24).<sup>2</sup>

No evidence has been offered by Defendant indicating that the "Designed -- In Germany" claims are limited to a single line of goods, or that the practice has been discontinued.<sup>3</sup> Lamely seeking to minimize the devastating and deceptive effects of his bogus claims of German design, Defendant's counsel opines that Ghorbani's use of "Designed in Germany" did not "create a goods/place association." (Def. Br. p. 24). Defendant cannot, of course, assert that the "Design in Germany" claims on his goods, at his website and in his advertising do not render all the more deceptive his use of "EURO" as the mark used in connection with spray gun equipment.

The duty must fall upon Defendant, the EURO mark owner and disseminator of EURO paint spray equipment, to convey onto American consumers accurate representations in the marketing, advertising and labeling of his products. The law cannot abet an individual's carelessly providing unsupportable claims, false information and misrepresentations to American purchasers who may be incapable of uncovering such deceit and who, moreover, should not be required to shoulder the burden of establishing which claims concerning a product are truths and which are not. Vendors must be held accountable for passing onto consumers as truth that which

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<sup>2</sup> Defendant's half-hearted attempt to shift responsibility for his "Designed In Germany" claims to his unnamed Taiwanese manufacturer is particularly unconvincing given that Defendant has acknowledged that **he** is responsible for what appears on his goods (Ex. 3 Int. 40, Exs. 12,13); that **he** and not the manufacturer promotes these goods to the U.S. market; that Defendant has provided **no** support for having any basis for investigating or believing in the accuracy of any such statement, and that Defendant has not offered a shred of evidence supporting the assertion that any such statement was ever even made by the anonymous Taiwanese manufacturer.

<sup>3</sup> While the record is, of course, closed, Defendant's counsel might wish to view his client's website which, at least as of May 4, 2016, still displays a photograph of a EURO gun emblazed with the "Design in Germany" legend.

may have simply been overheard from further up the supply chain, especially when no efforts have been made by the vendor to confirm such claims. Any decision to the contrary would throw consumer protection back a century. In sum, after exerting total control over the marking and marketing of these goods, Defendant cannot now dodge responsibility for the inclusion of claims that have not only appeared on his products, at his website, but also in his advertising, all of which he has directed to American consumers.

**3. Defendant Has Failed To Overcome Either Basis Providing For The Cancellation Of The '295 Registration**

Two separate bases exist permitting and warranting the cancellation of Defendant's '295 registration. Defendant has ignored the first and failed in his attempt to distinguish the second.

Specifically, Defendant has ignored the fact that cancellation under Section 2(a) may be asserted at any time (15 U.S.C. § 1052(a)) and that cancellation is warranted where shown, as Plaintiff has, that the mark in question was geographically deceptive at the time of its registration.

Defendant has also failed in his attempt to escape the separate basis for cancellation articulated by the Board in *K-Swiss, Inc. v. Swiss Army Brand, Inc.*, 58 USPQ2d 1540 (TTAB 2001). The rule of *K-Swiss* is that a registration more than five years old is subject to cancellation as being geographically deceptive where the registrant engages in activities in using the mark subsequent to its registration so as to misrepresent the source of the goods. Defendant simply concludes that as he has never moved his manufacturing operation, and thus has not engaged in the example of deceptive activity involved in *K-Swiss*, he has avoided the rule of *K-Swiss*. This is Defendant's contention in spite of the clear evidence exhibiting his use of the EURO mark, subsequent to its registration, "so as to misrepresent the source" of his goods by engaging in activities (for instance the use of EURO in combination with claims of European

design) which can only reasonably be seen as the use of the EURO mark by Defendant so as to misrepresent the source of his goods.

Defendant's '295 registration is clearly properly subject to cancellation under either, or both, of the stated grounds notwithstanding Defendant's silence as the first of those grounds and his failure to distinguish his activities from the rule of K-SWISS in establishing the second and separate basis for cancellation.

#### **4. Mr. Ghorbani's Trade Show Visitor**

Defendant's counsel, once again unencumbered by a need for supporting evidence, alleges that in 2012 "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." (Def. Br. p. 6). There is no evidence of record supporting these assertions.

#### **5. Defendant's Contention That The Mark EURO Primarily Signifies A European Currency, Rather Than The Commonly Known Geographic Location Of Europe, Is Illogical And Without Merit In Light Of Readily Accessible Dictionary Definitions, Board Precedent, Everyday Usage And Common Sense**

Plaintiff stands by the unambiguous evidence offered with respect to the primary significance of EURO. Defendant's semantics notwithstanding, it is inescapable to conclude, as the Board has previously recognized, that the primary significance of EURO is Europe and a designation of European origin. Defendant erroneously asserts that Plaintiff undertook a "dictionary shopping spree" (Def. Br. p. 20) in order to find geographic definitions of Euro, and concludes that "A purchaser needs some imagination or thought to consider EURO to stand for Europe." (Def. Br. p. 23). Defendant thus attempts to create the impression that EURO is infrequently used in a geographic sense and that understanding EURO to identify a geographic location requires a mental leap which purchasers are incapable of making. Defendant's

presumptions are incorrect and his conclusions are contradicted by the evidence. Not only is the primary significance of EURO that of a geographic location, but in the context of goods, especially under the facts of this case, it is implausible to think that a purchaser would associate the mark EURO with a unit of currency rather than as a designation of geographic origin.

**6. Defendant Has Ignored The Indisputable Showing Of The Established Reputation for Quality And Craftsmanship Enjoyed By European Paint Spray Equipment**

Plaintiff has unequivocally demonstrated the high esteem and fine reputation enjoyed by European paint spray equipment. The representative advertisements, trade publication articles and user comments introduced by Plaintiff individually and collectively establish and illustrate that European paint spray equipment is highly regarded in the U.S. Not only has Plaintiff presented advertisements featuring boasts of European origin, such as an Italian manufacturer's paint spray guns being offered as "European Hi-End Spray Equipment" (Ex. 50), but materials are offered demonstrating manufacturers and vendors of non-European paint spray guns favorably compared to European spray equipment, such as "Modeled after European spray guns." (Ex. 56). Defendant is left unable to controvert the well-established reputation of European paint spray products, a significantly relevant finding in proving that the mark EURO is geographically deceptive and primarily geographically deceptively misdescriptive when used in connection with those goods.

Defendant's argument that the reputation of European paint spray equipment is somehow dampened, or that the showing of a goods-place association between Europe and paint spray equipment is somehow minimized, because Europe is comprised of 51 countries and not every European country is recognized as a producer of revered paint spray equipment, is fatally flawed and irrational. The arguments proffered by Defendant simply do not overcome the evidentiary

showing made with respect to the esteem in which related European products are regarded. If Defendant's position in this regard was accurate, it would have been impossible to locate the various exhibits offered by Plaintiff that support this conclusion.

**7. The Materials Relied Upon By Plaintiff In Establishing The Favorable Reputation Of European Paint Spray Equipment Are Obviously Directed At, And Accessible To, U.S. Consumers**

In his attempt to downplay the significance of the numerous exhibits cited by Plaintiff evidencing the favorable reputation of European spray equipment Defendant notes that “[u]se or sale of spray guns to European customers is not relevant to preference (sic) of an American purchaser.” (Def. Br. p. 32). Ignored by Defendant is the fact that the various items of evidence proffered by Plaintiff to establish this point are all obviously not only available to American consumers but are in fact directed to American consumers. For instance, numerous of those exhibits, as readily ascertainable from viewing their URL's, emanate from American spray gun vendors. See, for instance, Exs. 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 42, 44, 45, 46, 47, 48, 49, 50, 52, 54, 55, 56, and 69. Certainly comments from bloggers in Kansas City (Ex. 32), Pocono Mountains, Pennsylvania (Ex. 32), and Oregon (Ex. 32); advertisements from a dealer in Culver City, California (Ex. 33), and the numerous advertisements appearing at California's spraygunworld.com (Ex. 36, 37, 38, 39, 42, 44, 45, 46, 47, 50, 54, 55 and 56) all evidence the acknowledged and well-promoted fine reputation of European spray equipment in the U.S. Equally obvious is the fact that American consumers are the intended target for advertisements claiming that particular spray gun equipment is “Made in Europe for North America's Best Automotive Painters.” (Ex. 37, 38, 39) and Sagola's announcing its U.S. location to website viewers along with its assertion that it has sales agents and dealers throughout North America. (Ex. 44). Likewise, the intended U.S. audience is obvious from advertising stating with respect

to Optima Equipment “Top German Spray Gun Backed by a top USA Company Motor-Guard Corp.” (Ex. 45). The same may, of course, be concluded in connection with the offerings of pontiaczone.com in noting “For all you painters out there, here is a great source of new spray guns made in USA – also high end made in Europe guns – and you can’t beat the prices.” (Ex. 69).

In sum, the evidence clearly demonstrates that American consumers are the intended audience of substantial advertising and trade press recognizing the quality of European spray equipment. As noted above, and throughout Plaintiff’s opening brief, it is also to be concluded that such recognition and promotion can only be expected to have a material effect upon the decisions made by a substantial portion of those American consumers.<sup>4</sup>

**8. Defendant’s Assertion That Plaintiff Withheld Legible Materials From Defendant And Its Expert Until April 2016 Is Simply False**

Defendant has alleged a falsehood at footnote 1 found at page 2 of his Response to Plaintiff’s Statement of Evidentiary Objections. While Plaintiff is not in the least interested in engaging in ad hominem exchanges, Defendant’s misstatements must be addressed. In seeking to cast blame on Plaintiff for the fact that certain documents were not identified as having been relied upon in Defendant’s Expert Report, Defendant refers the Board to his footnote 1 stating “On April 21, 2016 Defendant’s (sic) counsel finally provided legible copies of this Exhibit...” This assertion is absolutely false. Nothing has been provided by Plaintiff’s counsel to Defendant

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<sup>4</sup> Defendant’s conclusion that “None of these exhibits show or even hint at deception” (Def. Br. p. 32) obviously misses the point. These exhibits, of course, are not offered as examples of deception but of the recognition and fine reputation afforded European spray equipment. As to exhibits which show or hint at deception, Defendant’s attention is drawn to, as but two examples, Exhibits 57 and 59 consisting of Defendant’s website photograph of his EURO gun bearing both the EURO mark and the legend Design in Germany (Ex. 57) and his email advertisement including the verbiage “EURO – Designed in Germany” above a photograph of his Taiwanese products.

at any point in 2016 other than the substitute copies of Plaintiff's Exhibits 9 and 57 which were provided to the Board and Defendant's counsel on February 11, 2016 and Plaintiff's Trial Brief and related Appendix 1 which were served on Defendant's counsel on March 28, 2016.

Issues concerning the proper interpretation of the spray pattern created by the parties' respective spray guns are hardly of significance in this proceeding. Plaintiff's point in its opening brief was simply that it is not appropriate for Defendant's counsel to present his interpretation of what is shown by the spray pattern comparison as evidence in this case. Finally, in recognition of the fact that the Board is loath to receive new exhibits in conjunction with a Reply brief Plaintiff has refrained from submitting herewith a copy of the April 21, 2014 email quoted from by Defendant in his erroneous footnote 1, misidentified as having a date of April 21, 2016. However, such will promptly be provided to the Board should it seek simple and immediate confirmation of the fact that the two pages in question were actually sent to Defendant's counsel more than two years ago.

### **III. Evidentiary Issues**

#### **A. Defendant's Responses To Plaintiff's Evidentiary Objections**

Plaintiff stands by each of the specific objections it raised in response to specifically identified exhibits identified in Defendant's Notice of Reliance as Plaintiff's objections appear in the Appendix which accompanied its opening brief.

#### **B. Defendant's Objections to Plaintiff's Exhibits**

The lack of detail and the carelessness exhibited in Defendant's evidentiary objections is consistent with their lack of merit and perhaps suggests Defendant's inclusion of these objections as a mere make weight.

Ironically, the objections begin with a verbatim copying of language from Plaintiff's Objections and thus refer to the objections being raised by Plaintiff and not Defendant. More significantly, Defendant's objections do not provide either Plaintiff or the Board with the specificity required in order to make the objections meaningful. For instance, Defendant's first objection consists of a general broadside attack on 46 of the 69 exhibits which accompanied Plaintiff's opening brief. No discussion of any individual exhibit is provided by Defendant and no attempt has been made by Defendant to explain any basis for any hearsay objection to any of these exhibits.

At other junctures Defendant appears to object to the interrogatory answers he provided during discovery and, without explanation, Defendant objects to the clearly admissible dictionary definitions provided by Plaintiff as Exs. 20-22 on various unsustainable grounds, such as the Best Evidence Rule.

In essence, Defendant has, rather inartfully, asserted either nonspecific or unsustainable objections to Plaintiff's evidence and left to the Board and Plaintiff the task of ferreting out the exact nature and any possible application of Defendant's contentions. Neither the Board nor Plaintiff should be left with the task of articulating this portion of Defendant's case.

The Board is well versed in the Federal Rules of Evidence. For Defendant's benefit, it is noted that none of the 46 Exhibits numbered in his objection No. 1 is hearsay because none have been offered in an effort to prove the truth of the matters asserted in the exhibits. For example, the relied upon statement from Ex. 36 that "Iwata is Japan's answer to German spray guns" has not been offered to prove that Iwata is Japan's answer to German spray guns. Such would admittedly constitute hearsay. Instead, the statement is offered for its value in establishing the fact that German spray guns possess a favorable reputation within the industry and a reputation

by which others look to compare themselves. Similarly, the claim made in Ex. 39 that TEKNA spray guns are “Made in Europe for North America’s Best Automotive Painters” is not offered for the purpose of proving that TEKNA guns are made in Europe for North America’s best automotive painters, but instead for the statement’s value in establishing that references to spray equipment being manufactured in Europe are seen as a positive attribute which is extolled in advertising directed to American consumers of these goods. Similarly, spraygunworld.com’s conveying to American consumers that German Optima spray equipment is advertised as “Europe’s Top of the Line” (Ex. 45) is not offered to prove that Optima is in fact Europe’s “top of the line” but again is offered as evidencing the favorable reputation possessed by European spray gun equipment and the use of that reputation in attempts to garner sales of these goods from U.S. consumers. While Defendant has made no effort to articulate any of his possible hearsay objections, it is abundantly clear that those exhibits (29, 30, 32, 33, 34, 36, 37, 42, 44, 45, 47, 48, 49, 50, 51, 52, 53, 54, 56 and 69), all offered not to prove the truth of the matters asserted, but rather to evidence the reputation of European spray equipment and the use of that reputation in the marketing of these goods to U.S. consumers are not, by any means, objectionable hearsay.

#### **IV. CONCLUSION**

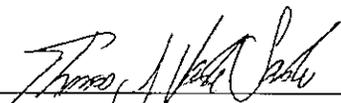
Defendant’s use of EURO is, and has been from the outset, geographically deceptive, and primarily geographically deceptively misdescriptive. The facts of this case evidence that this deception is likely material to a substantial portion of American consumers. Such marks are clearly not entitled to the imprimatur of federal trademark registration as the provision of 15 U.S.C. §§ 1052(a) and 1052(e)(3) make abundantly clear.

The interests of the American consumer and legitimate competitors, as well as the applicable law, require the cancellation of Defendant's '295 registration and the refusal to register the marks of the '789 and '768 applications.

Respectfully submitted,

HALL & VANDE SANDE, LLC

Date: 5/13/16

  
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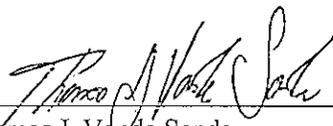
CERTIFICATE OF SERVICE

The undersigned, Thomas J. Vande Sande, attorney for Opposer/Petitioner hereby certifies that one (1) copy of the foregoing "OPPOSER/PETITIONER SATA GMBH & CO. KG'S REPLY BRIEF" was this day served on Applicant/Registrant by mailing same, first class mail, to:

Payam Moradian, Esquire  
Keleti + Moradian LLP  
10880 Wilshire Blvd., Suite 1101  
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Date:

5/13/16



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