

THIS OPINION IS NOT A
PRECEDENT OF THE TTAB

Mailed: September 8, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

SATA GmbH & Co. KG

v.

Mike Ghorbani

Opposition No. 91210813
Opposition No. 91217915
Cancellation No. 92059849
(Consolidated Cases)

Thomas J. Vande Sande and Lucas T. Vande Sande
of Hall & Vande Sande, LLC for SATA GmbH & Co. KG.

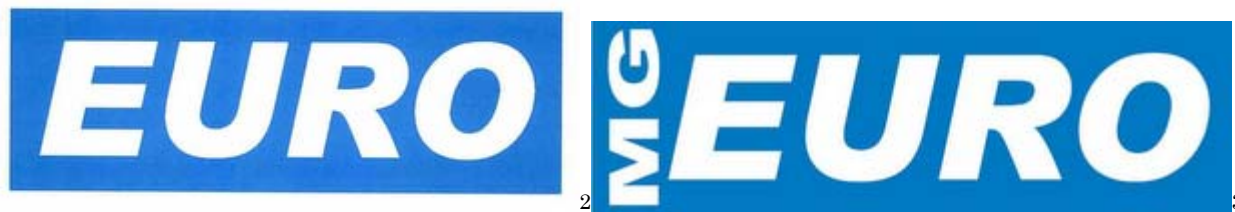
Payam Moradian of Keleti + Moradian LLP for Mike Ghorbani.

Before Quinn, Adlin and Lynch, Administrative Trademark Judges.

Opinion by Adlin, Administrative Trademark Judge:

These consolidated cases all present the same essential issue: is EURO for paint spray guns allegedly designed in Europe but manufactured in Taiwan geographically descriptive, primarily geographically deceptively misdescriptive or geographically deceptive?

Mike Ghorbani, the defendant in each proceeding, owns a registration for the mark EURO in standard characters,¹ as well as pending applications to register the marks shown below



for paint spray guns. In its notices of opposition and petition for cancellation, SATA GmbH & Co. KG (“SATA”) alleges that its “German engineered and manufactured paint spray guns” are sold in the United States, of high quality and subject to “attempts by vendors of inferior products to avail themselves of SATA’s reputation for superior German design, product quality and performance.” SATA specifically claims that Ghorbani’s goods are “less expensive and inferior in quality to SATA’s

¹ Registration No. 3428295, involved in the cancellation, issued May 13, 2008; Sections 8 and 15 affidavits accepted and acknowledged. In its entirety, the identification of goods is: “Powered and pneumatic tools for automotive finishing, namely, paint spray guns, replacement cups for spray guns, compressed air filters for paint spray guns, air filters for paint spray guns, accessories for spray guns in the nature of adaptors, cups, collars, lids, and liners; pneumatic ratchets, pneumatic sanders, pneumatic grinders, pneumatic air control units in the nature of air regulators for pneumatic tools, pneumatic drills for automotive purposes, pneumatic riveters in the nature of rivet hammers, rivet guns, and air pop riveters, and accessories for pneumatic tools used in automotive finishing in the nature of air reels and air regulators.”

² Application Serial No. 85712789, involved in Opposition No. 91210813, filed August 24, 2012, identifying the same goods as Registration No. 3428295. The application includes a color claim and this description of the mark: “the mark consists of the word ‘EURO’ in a white font from left to right (sic) in capital letters on a blue background.”

³ Application Serial No. 86227768, involved in Opposition No. 91217915, filed March 20, 2014, identifying “paint spray guns” only. The application includes a color claim and this description of the mark: “the mark consists of a blue background with ‘MG’ written in vertical fashion on left side in white and ‘EURO’ written in horizontal fashion to the right of ‘MG,’ also in white.”

goods,” and that Ghorbani’s EURO marks “would deceive potential SATA customers into thinking that [Ghorbani’s] paint spray guns are of European origin” when they are not. As grounds for opposition, SATA alleges that the marks in Ghorbani’s applications are geographically descriptive under Section 2(e)(2) of the Trademark Act in the event that his goods originate in Europe, or primarily geographically deceptively misdescriptive and geographically deceptive under Sections 2(e)(3) and 2(a) of the Act in the event they do not. As grounds for cancellation, SATA alleges only that the mark in Ghorbani’s registration (which was over five years old at the time the petition was filed) is geographically deceptive under Section 2(a) of the Act.

In his answers, Ghorbani admits that at “the present time” his goods are manufactured in Taiwan,⁴ but denies the remaining salient allegations in the notices and petition, and asserts a number of “Affirmative Defenses.” Many of Ghorbani’s “Affirmative Defenses” are in fact merely amplifications of his denials, and the others were not pursued at trial and are accordingly waived. *Miller v. Miller*, 105 USPQ2d 1615, 1616 n.3 (TTAB 2013); *Baroness Small Estates Inc. v. American Wine Trade Inc.*, 104 USPQ2d 1224, 1225 n.2 (TTAB 2012).

The Record and Evidentiary Objections

The record consists of the pleadings and, by operation of Trademark Rule 2.122(b), the files of Ghorbani’s involved applications and registration. Neither party took any testimony, both choosing instead to rely only on documents submitted via notices of

⁴ This admission is absent from Ghorbani’s answer in Opposition No. 91210813, apparently because in that case, which was the earliest of the three cases to be filed, SATA did not specifically allege that Ghorbani’s goods are manufactured in Taiwan.

reliance, and on stipulations. Their first stipulation, 28 TTABVue,⁵ is that “all documents exchanged by the parties under Rule 34 of the Federal Rules of Civil Procedure are authentic and genuine and may be made of record by either party through a Notice of Reliance alone.” *See also* 29 TTABVue 95. The second stipulation, 31 TTABVue, is that Ghorbani’s purported expert Michael Demarco’s report “will be used in lieu of oral testimony procured through direct examination,” although “SATA is neither acknowledging Mr. Demarco’s status or qualifications as an expert witness, nor agreeing to the facts, assertions and conclusions forming the basis of the report. SATA retains the right to object to the assertions submitted through” the report. The Board approved both stipulations. 32 TTABVue. The parties also rely on the following trial evidence:

SATA’s First Notice of Reliance (“SATA’s NOR”), 29 TTABVue, on certain of Ghorbani’s responses to SATA’s written discovery requests, Internet printouts, documents produced during discovery and dictionary definitions.

Ghorbani’s Notice of Reliance (“Ghorbani’s NOR”), 33 TTABVue, on Mr. Demarco’s expert report, certain of SATA’s responses to Ghorbani’s written discovery requests, documents produced during discovery, Internet printouts and printed publications.

SATA’s Rebuttal Notice of Reliance (“SATA’s Rebuttal NOR”), TTABVue 37, on certain of Ghorbani’s responses to SATA’s written discovery requests.

⁵ Citations are to the record in Opposition No. 91210813, and reference TTABVue, the Board’s online docketing system. Specifically, the number preceding “TTABVue” corresponds to the docket entry number(s), and any number(s) following “TTABVue” refer to the page number(s) of the docket entry where the cited materials appear.

The parties each raise many evidentiary “objections” which in fact go to the weight, rather than the admissibility, of the evidence. Suffice it to say, the Board is able to: (1) determine whether a party has “misstated” the content of discovery responses or documents; (2) distinguish evidence of record from attorney argument; (3) consider Internet printouts and other materials introduced under a notice of reliance without supporting testimony only for what they show on their face rather than the truth of the matters asserted therein; *see Safer, Inc. v. OMS Investments, Inc.*, 94 USPQ2d 1031, 1039 (TTAB 2010); and (4) ascertain whether evidence supports a proposition or not. In short, “we simply accord the evidence whatever probative value it deserves, if any at all ... Ultimately, the Board is capable of weighing the relevance and strength or weakness of the objected-to testimony and evidence in this specific case, including any inherent limitations, and this precludes the need to strike the testimony and evidence.” *Hunt Control Systems Inc. v. Koninkijke Philips Electronics N.V.*, 98 USPQ2d 1558, 1564 (TTAB 2011).

The Parties and Their Paint Spray Guns

Ghorbani (apparently through MG Distributor, Inc., which he owns), imports, distributes and sells “paint Spray Gun, Air Brush, Air Regulator, Filter and related products” for use in connection with automobiles. 29 TTABVue 38, 42. Ghorbani claims that he chose the name and mark EURO for his paint spray guns and related products “spontaneously,” and “for its simplicity.” *Id.* at 35, 60. Ghorbani offers High Volume Low Pressure (“HLVP”) air spray guns under the mark EURO for \$195, and associated nozzle kits for \$70. *Id.* at 97.

Ghorbani's EURO goods are manufactured in Taiwan, but Ghorbani claims that "[t]he Taiwanese manufacturer of [Ghorbani's] spray guns has designed its spray guns in Germany." *Id.* at 44-45; 30 TTABVue 23. In fact, Ghorbani has marketed at least some of his EURO paint spray guns as "Designed in Germany." 29 TTABVue 100; 30 TTABVue 43. However, Ghorbani asserts that "[t]he design in Germany designation was intended to clarify the origin of the design of the spray guns, and was not intended to be beneficial in producing sales from potential customers." 30 TTABVue 31.

Ghorbani first became aware of SATA "as early as 2002 when he worked at a paint store," and both Ghorbani and SATA appeared at the same trade show in 2012, with Ghorbani listing SATA as one of MG Distributor's competitors. 29 TTABVue 39, 99. The confirmation e-mail from the trade show's organizer to MG Distributor includes the heading "SEMA SHOW CONFIRMATION: EURO SPRAY TECHNOLOGY," suggesting that MG Distributor may have identified itself not as MG Distributor but instead as "Euro Spray Technology." *Id.* at 215.

Ghorbani and his Taiwanese manufacturer began corresponding about a "new SATA type spray gun" that would bear the mark EURO at least as early as late 2010. 30 TTABVue 38. In a 2012 e-mail to his Taiwanese manufacturer, Ghorbani wrote "Please let me know that the new spray gun you have already sent me looks like which SATA series." 29 TTABVue 103. The manufacturer's apparent response was "Ous (sic) new SATA spray gun which looks like SATA 1000, NOT 3000 NOR 4000." *Id.* at 104. In 2013, MG Distributor's website included a page entitled "Affordable

HVLP Spray Guns” which promoted the benefits of HVLP spray guns generally, and specifically stated: “One brand in the market which dominates in the manufacturing of HVLP spray guns and that is SATA. SATA spray guns are high-performance spray guns ... So, if you want to have an affordable and quality HVLP spray gun, make sure it’s SATA.” *Id.* at 105. Also in 2013, a company e-mailed MG Distributor to express interest in distributing Ghorbani’s EURO paint spray guns, stating “we like the fact that it resembles the SATA guns.” 30 TTABVue 42. At his Taiwanese manufacturer’s request, in 2014, Ghorbani sent the manufacturer a “publicly available Sata brochure.” 30 TTABVue 34.

Ghorbani claims that a third party, Astro, Inc., uses EURO in connection with “painting related goods and services.” *Id.* at 42. Ghorbani admits that “SATA is recognized as an industry leader along with Devilbliss and Anest Iwata since these companies have the largest market share.” 29 TTABVue 95.

SATA also sells paint spray guns, which it markets to “those involved in auto refinishing and carpentry and various activities involving glazing, staining, and painting of wood.” It markets its paint spray guns through slogans such as “German Engineering – exceeding expectations,” and statements such as “SATA spray guns are exclusively developed and manufactured in Germany. Strict quality controls are in place to monitor each manufacturing process.” 33 TTABVue 42; 29 TTABVue 102. SATA’s paint spray guns are significantly more expensive than Ghorbani/MG Distributor’s. 29 TTABVue at 101. Third parties promote the quality and benefits of SATA paint spray guns. *Id.* at 107-108. Many of the parts comprising SATA’s spray

Opposition Nos. 91210813 and 91217915 and Cancellation No. 92059849

guns are manufactured in Germany, though the triggers are manufactured in Italy.

33 TTABVue 50. SATA and its U.S. distributor promote the German origin of SATA paint spray guns (“German Engineering,” “Made in Germany”), as shown below:



29 TTABVue 109-110, 164.

The Meaning of “EURO”

SATA relies on the following dictionary definitions of the term EURO:

euro or **Euro**—“The basic unit of currency among participating European Union countries ...”⁶

euro or **Euro**—“the official common currency of those W European countries that are a part of the European Monetary Union ...”⁷

Euro—“*pref.* Europe, European: *Eurocommunism*”⁸

⁶ The American Heritage Dictionary of the English Language Fourth Edition (2000).

⁷ Random House Webster’s College Dictionary (2001).

⁸ The American Heritage Dictionary of the English Language Fourth Edition (2000).

Euro—“*comb. form* Europe; European”⁹

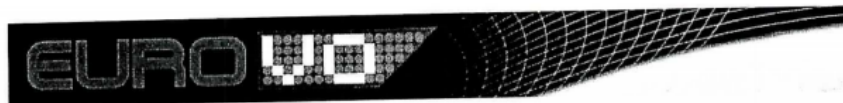
Euro—“a combining form meaning ‘Europe’ referring esp. to W Europe or the European Union: *Eurocentric*; *Eurocrat* ...”¹⁰

29 TTABVue 92, 113, 116. In addition, SATA introduced other evidence that the term “Euro” refers to people, things or events of European origin. For example:



⁹ Illustrated Oxford Dictionary (1998).

¹⁰ Random House Webster's College Dictionary (2001).



The EURO-VO current project: [EuroVO-CoSADIE](#) Past projects: [VOTECI](#) [EuroVO-DCA](#) [EuroVO-AIDA](#) [EuroVO-ICE](#)

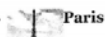
The European Virtual Observatory EURO-VO

The Virtual Observatory is an international astronomical community-based initiative. It aims to allow global electronic access to the available astronomical data archives of space and ground-based observatories and other sky survey databases. **EURO-VO** aims at deploying an operational VO in Europe. It supports the utilization of VO tools and services by the scientific community, technology take up and VO compliant resource provision, and building of the technical infrastructure.

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Key Dates for the Congress & Exhibition
option – to be confirmed by the end of the year (mid-2015)

Abstract Deadline: January 2015
TPC Meeting: March 2015
Manuscript Submission Deadline: 1 June 2015
Author Early Bird Registration Deadline: 14 August 2015

Euro PM2015 Congress & Exhibition

Europe's annual powder metallurgy congress and exhibition, organised and sponsored by the European Powder Metallurgy Association, will return to France in 2015, when Euro PM2015 will be held at Reims Congress Centre,



http://video.eurosport.com/football/premier-league/2015-2016/euro-papers-real-madrid-reject-karim-benzema-interested-in-signing-for-arsenal_vid381330/video.shtml

TRANSFERS

Ⓢ Euro Papers: Karim Benzema interested in signing for Arsenal
(http://video.eurosport.com/football/premier-league/2015-2016/euro-papers-real-madrid-reject-karim-benzema-interested-in-signing-for-arsenal_vid381330/video.shtml)

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PREMIER LEAGUE

PSG set to complete signing of Spurs midfielder Benjamin Stambouli (/football/premier-league/2015-2016/paris-saint-germain-set-to-complete-signing-of-spurs-midfielder-benjamin-stambouli_sto4827577/story.shtml)

By Desmond Kane (/desmond-kane_auth734/author.shtml) • 4 hours ago

29 TTABVue 120-151. This evidence reveals that there is a television show on the Bravo channel entitled “Euros of Hollywood,” that the European Virtual Observatory is also known as “Euro VO,” that a European soccer tournament is known as the “EURO (year of competition),” that a European conference is known as “Euro PM” and that a provider of sports news is known as “Eurosport.”

Significance of “European” in Connection with Paint Spray Guns

SATA claims that paint spray guns and related products of European origin are perceived to be of higher quality or more desirable than competitive non-European products. For example:

- The “spraygunworld.com” website’s page on the DeVilbiss UK Tekna Series includes this promotional banner:



and states “Tekna’s answer to Top German Spray Guns” and “Built to compete with German Spray Guns. The European Tekna by Devilbiss UK is a superior spray gun ...” *Id.* at 168.

- The site’s “Dream Guns” section compares certain types of paint spray guns to “the German Spray,” indicates that an Iwata product “Beats the Germans hands down!,” promotes another manufacturer’s products as “The best spray guns from Italy,” and indicates that the Optima gun is “Considered by many to be the Best European Spray Gun ... Wow! German engineering and production at its finest. German Spray’s competitor in Germany. It’s the BMW vs. Mercedes.” *Id.* at 178.

- A printout of a search result from the “europages.co.uk” website appears to reveal a number of companies which are apparently based in Western Europe and which apparently produce or sell paint spray guns. *Id.* at 182-193.
- The Sagola listing on “spraygunworld.com” states that the company’s spray guns “Beats German competition in performance and price,” and “Super Speed and Atomization with world class manufacturing – the best from Europe.” *Id.* at 194.
- The “spraygunworld.com” listing for the Optima Euro 900 Series claims it is “Europe’s Elite Spray Gun,” that it “beat its German competitors” and that it is “German Made.” *Id.* at 195-196.
- Asturo AOM’s listings on “spraygunworld.com” and “paintsprayersplus.com” bill the company as both “#1 Italian Spray Gun Company” and “#1 European Spray Gun Company” and state “top recommendation compares in finish quality to \$600 German and \$500 Japanese Guns.” *Id.* at 198-203.
- A spray gun listing on “machines4u.com” states “European Quality = Made in Italy.” *Id.* at 204.
- Zhejiang Ousen Machinery Co., Ltd. identifies one of its spray guns as “High Pressure Europe Style Spray Gun D-L4.” *Id.* at 207.
- Astro’s “top of the line” spray gun is sold under the mark EURO PRO, and a listing for it states “We have had many wood and auto workers claim it sprays as good as their \$600.00 European Spray guns.” A listing for another Astro model states “modeled after European spray guns, these guns bring you a professional quality finish at a lower price.” *Id.* at 211-213.

SATA also relies on evidence which does not explicitly cite the “European” origin of paint spray guns as such, but instead refers more specifically to paint spray guns of “German” origin. For example:

- A page on the “spraygunworld.com” website states “As an alternative SGW has its own German type HVLP Spray gun made for the German Company Highpoint. 1.4 HLVP, Modeled after the \$500 German Spray guns. Many of our customers ... have compared it with the \$500 German HVLP 1.4 gun of which the gun is modeled after. If you are on a budget and need a low cost alternative this is it!” *Id.* at 152.
- Another page on the same site which promotes Anest Iwata products states “Iwata is Japan’s answer to German spray guns and USA CAT spray guns” and “Same or Superior Finish as German Guns ...” *Id.* at 165-166.

The packaging for the Astro product is displayed below:



33 TTABVue 98. As shown, while the product is sold under the mark EuroPro, the back of the product’s packaging indicates that it is “Made in Taiwan.” Ghorbani

concedes that third parties attempt to copy SATA's spray guns of European origin. 41 TTABVue 30-31.

Mr. Demarco's Expert Report/Testimony

Mr. DeMarco has "seventeen years of experience in purchasing, selling, and repairing" HVLP paint spray guns and their accessories. He has distributed and repaired both SATA's and Ghorbani's paint spray guns at issue in this case. 33 TTABVue 11.

Mr. Demarco testifies that HVLP spray guns and accessories "are sold as originating from a particular country, and not a region," and therefore consumers "would look for the 'made in' label on a package or even the spray gun itself to determine where the HVLP gun originated from." *Id.* at 14. He also testifies that consumers of HVLP guns and accessories are sophisticated, that they tend to try sample spray guns before purchasing them and that they would "readily" understand "the quality and the origin of the equipment that he or she is using." *Id.* at 15-16. The basis for this opinion is not explained, however. For example, while Mr. Demarco opines that someone capable of painting an automobile would on that basis be able to determine the geographic origin of a spray gun, he does not explain the basis for this conclusion. Nor does he account for the paint spray guns depicted in the record which do not appear to have a "'made in' label."

Mr. Demarco states that during the four years he has distributed Ghorbani's EURO paint spray guns, he has "not come across a single case where one of my buyers believed that the spray guns ... actually originated from Europe." *Id.* at 16. Finally,

he testifies that buyers of spray guns and accessories base their purchasing decisions on performance rather than “the location of manufacture,” pointing out that two well-known spray gun manufacturers, Anest Iwata and Devilbliss, are based in Japan and the United States, respectively. He opines that “there is no association in the mind of a consumer between HVLP guns (and related accessories) and Europe.” *Id.* at 16-17.

We find that Mr. Demarco has sufficient knowledge of and experience in buying, selling and repairing HVLP paint spray guns to assist us in understanding certain evidence and determining certain facts in issue. Specifically, he is familiar with the use and function of HVLP paint spray guns, and the marketplace therefor. Fed. R. Evid. 702(a). He may also testify as to facts about which he has personal knowledge, and we have accorded his fact testimony the probative value to which it is entitled. We accept that many purchasers of paint spray guns will exercise a heightened degree of care. Despite his acting as a distributor of Ghorbani’s paint spray guns (as well as SATA’s), and notwithstanding SATA’s objections, there is insufficient evidence of bias to disqualify him or his testimony on that basis.

However, Mr. Demarco’s opinions regarding whether the primary significance of EURO is a generally known geographic location and how consumers would perceive the term are not within the scope of his purported expertise. Furthermore, his testimony about the purchasing practices of HVLP paint spray gun consumers and their understanding of the origin of goods is not based on any specific facts or data discussed in or revealed by his testimony, and his “principles and methods”, if any, are unexplained. *See* Fed. R. Evid. 702(b)-(d). We have therefore not considered those

opinions. *See Alcatraz Media Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, (TTAB 2013), *aff'd*, 565 Fed.Appx. 900 (Fed. Cir. 2014) (declining to find travel writer and editor an expert “regarding actual consumer perception,” and stating that her opinion cannot “serve as a substitute for the Board’s judgment on the legal claims before us”); *Anheuser-Busch Inc. v. Holt*, 92 USPQ2d 1101, 1106 (TTAB 2009) (“the opinion offered by Professor Ward as to the descriptiveness of applicant’s ... marks, as opposed to any factual matters within his area of linguistic expertise or personal knowledge, is of virtually no probative value in this case”).

Where, as here, “[i]f the witness is relying solely or primarily on experience, then the witness must explain how that experience leads to the conclusion reached, why that experience is a sufficient basis for the opinion, and how that experience is reliably applied to the facts.” *Corporacion Habanos S.A. v. Guantanamera Cigars Co.*, 102 USPQ2d 1085, 1095 (TTAB 2012) (quoting *Karirkhwa v. Obama*, 793 F.Supp.2d 1, 10-11 (D.D.C. 2011), in turn quoting Advisory Committee Notes to Fed. R. Evid. 702)). In this case, as in *Guantanamera Cigars*, “[w]e do not discern any methodology applied by [Mr. Demarco] in arriving at his conclusions and [Ghorbani] has not indicated one.” *Guantanamera Cigars*, 102 USPQ2d at 1095-96.

In short, while we have considered Mr. Demarco’s testimony about HVLP paint spray guns and the sale thereof, we have not considered his testimony about the primary significance of the term EURO or consumers’ perception of the term. We have discounted and find of little probative value Mr. Demarco’s testimony about the relevant consumers’ beliefs about the geographic origin of HVLP paint spray guns.

Standing

SATA, like Ghorbani, sells paint spray guns, and SATA's paint spray guns originate in Europe, specifically Germany. The parties are competitors. Accordingly, SATA has a real interest in these proceedings, and standing. *See Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014); *Eastman Kodak Co. v. Bell & Howell Document Management Products Co.*, 23 USPQ2d 1878, 1879 (TTAB 1992), *aff'd* 994 F.3d 1569, 26 USPQ2d 1912 (Fed. Cir. 1993) (party alleging descriptiveness may establish standing by establishing its manufacture or sale of related goods); *Books on Tape, Inc. v. Booktape Corp.*, 836 F.2d 519, 5 USPQ2d 1301, 1302 (Fed. Cir. 1987) (competitor has standing to challenge registration); *Corporacion Habanos SA v. Rodriguez*, 99 USPQ2d 1873, 1876 (TTAB 2011) ("where, as here, the pleaded ground is that the mark sought to be cancelled is deceptive under Section 2(a), or primarily geographically deceptively misdescriptive under Section 2(e)(3), petitioners do not need to own a pending application for the mark, do not have to be using the term as a mark, or even use the term at all, in order to establish their standing"). *See also Consorzio del Prosciutto di Parma v. Parma Sausage*, 23 USPQ2d 1894, 1897 (TTAB 1992) (owner of certification mark for Parma ham and sausage has standing to petition to cancel registration of PARMA BRAND & Design for meat products based on an allegation of geographic deceptiveness).

Whether the Cancellation is Time-Barred

Ghorbani at least implicitly argues that his involved registration is not subject to cancellation because it issued more than five years before the filing of SATA's petition to cancel. 29 TTABVue 32-33. Ghorbani is incorrect.

Under 15 U.S.C. § 1064(3), a petition to cancel a registration may be filed “[a]t any time” if the registration was obtained “contrary to the provisions” of 15 U.S.C. § 1052(a). That section in turn prohibits the registration of a mark which “[c]onsists of or comprises ... deceptive ... matter.” This includes marks which at the time of registration consist of or comprise geographically deceptive matter. *Consorzio del Prosciutto di Parma*, 23 USPQ2d at 1898 (“if a registration is more than five years old, it is only if the mark was geographically deceptive at the time the registration issued that the registration may be cancelled on the ground of geographic deceptiveness”); *see also*, *K-Swiss Inc. v. Swiss Army Brands Inc.*, 58 USPQ2d 1540, 1542 (TTAB 2001) (“We held in *Parma* that a registration over five years old may be cancelled on the ground of geographic deceptiveness, if, at the time the registration issued, the goods did not come from the place named in the mark.”).

Furthermore, even if the mark was not geographically deceptive at the time of registration, a registration more than five years old may still be subject to cancellation “if a registrant, through its own actions, causes its mark to become geographically deceptive subsequent to the issuance of the registration.” *K-Swiss*, 58 USPQ2d at 1543. Here, the evidence reveals that after his registration issued, and within the last five years, Ghorbani took steps which would enhance any geographic

deceptiveness of his marks, or, if the marks were not geographically deceptive before, to make them so now. 29 TTABVue 103-105, 215; 30 TTABVue 34, 38.

The Probative Value of the Evidence in the Cancellation

We recognize that much of SATA's evidence of geographic deceptiveness postdates the May 13, 2008 issuance of Ghorbani's involved registration for EURO in standard characters. Nevertheless, that evidence is still probative. *Hornby v. TJX Companies Inc.*, 87 USPQ2d 1411, 1416 (TTAB 2008) (evidence "after the date of issuance of respondent's registration may tell us something about the fame or reputation as of that date"); *Harjo v. Pro-Football Inc.*, 50 USPQ2d 1705, 1715 (TTAB 1999), *rev'd on other grounds*, 284 F.Supp.2d 96, 68 USPQ2d 1225 (D.D.C. 2003) ("Evidence concerning the significance of the word 'redskin(s)' before and after the relevant time periods may shed light on its significance during those time periods."); *see also Neapco Inc. v. Dana Corp.*, 12 USPQ2d 1746 (TTAB 1989) (addressing secondary meaning evidence which postdates registration date). Indeed, it is obvious, and we do not require evidence to know, that reputations do not form overnight. That is, advertisements, statements and other materials from the period 2009-2015¹¹ which address the prevalence, reputation or quality of European paint spray guns necessarily reflect facts which existed before the statement was made or the advertisement was distributed. For example, an e-mail to MG Distributor from one

¹¹ While some of SATA's evidence was *printed from the Internet* during these proceedings, i.e. after Ghorbani's registration date, it appears clear that much, and likely the overwhelming majority of it, in fact first appeared on the Internet prior, and oftentimes likely a good deal prior, to the date of printing.

of its customers in September 2011 compares Ghorbani's EURO paint spray gun to SATA and other competing European products. This necessarily reflects some facts and beliefs that existed prior, and likely years prior, to September 2011, because the referenced European products could not have been distributed to and earned a reputation among the consuming public in a period of months.

In any event, there is ample evidence which predates or is contemporaneous with the involved mark's registration date. Specifically, the dictionary definitions of EURO all predate the issuance of the registration, as do a number of Internet comments which reflect knowledge of SATA, European paint spray guns and their reputations. Ghorbani himself introduced SATA materials discussing "product piracy" of SATA's paint spray guns in 1999, including "forgery SATEX made by" a Turkish firm. 41 TTABVue 30; 33 TTABVue 92. Suffice it to say, the evidence which predates the issuance of the registration is corroborated by the evidence which postdates the issuance of the registration, and when considered as a whole, the record establishes the primary significance of EURO, the association between Europe and paint spray guns and the public's perception of European paint spray guns at the time Ghorbani's EURO mark was registered.

Geographic Descriptiveness

Although SATA asserts claims of geographic descriptiveness in the oppositions, it is clear, and there is no dispute, that this claim is untenable under the facts of record. Indeed, Ghorbani's paint spray guns¹² are manufactured in Taiwan, and always have

¹² While Ghorbani's involved registration and pending application Serial No. 85712789 both identify a number of parts or accessories for or goods related to paint spray guns, the

been. 30 TTABVue 23; 41 TTABVue 33 (“Defendant’s goods have always been manufactured in Taiwan.”). SATA’s claims of geographic descriptiveness are contingent on Ghorbani’s goods originating in Europe, 1 TTABVue 5, and because they do not, SATA did not pursue this claim at trial. 40 TTABVue. Accordingly, the issue is whether Ghorbani’s goods are primarily geographically deceptively misdescriptive or geographically deceptive.¹³

**Are Ghorbani’s Goods Primarily
Geographically Deceptively Misdescriptive/Geographically Deceptive?**

As explained in *In re California Innovations Inc.*, 329 F.3d 1334, 66 USPQ2d 1853, 1858 (Fed. Cir. 2003), “due to the NAFTA [North American Free Trade Agreement] changes in the Lanham Act,” the legal standard for finding a mark primarily geographically deceptively misdescriptive under Section 2(e)(3) of the Act is now

overwhelming majority of the evidence of record concerns paint spray guns specifically. The parties focused on paint spray guns at trial and in their briefs, and accordingly so do we in this decision.

¹³ We acknowledge Ghorbani’s claim that some of his EURO-branded goods were “Designed in Germany,” and that “in appropriate circumstances” that *may* have been enough to justify a finding that the goods originated in Germany. *In re Miracle Tuesday LLC*, 695 F.2d 1339, 104 USPQ2d 1330, 1333 (Fed. Cir. 2012). However, Ghorbani’s claim that certain goods were in fact designed in Germany is at best half-hearted, and unsupported by any evidence whatsoever. In fact, in response to SATA’s discovery requests about this claim, Ghorbani indicated that his “manufacturer sent a designer to Germany to design the spray gun,” but that the “manufacturer refused to cooperate in this proceeding and is not furnishing the name of the designer or documents regarding the design being done in Germany. The Applicant does not possess relevant documents or know the name of the designer.” 30 TTABVue 23; 29 TTABVue 82. In his brief, Ghorbani claims (without supporting evidence) that he had only “one line of spray guns” labeled “Designed in Germany,” but “no longer labels any spray gun in this manner.” 41 TTABVue 25. Under these circumstances, we cannot find that Ghorbani’s goods were designed in Germany, or, even if the goods’ designer was “sent” to Germany by the Taiwanese manufacturer, that the goods would therefore have originated in Germany.

“identical” to the legal standard for geographic deceptiveness under Section 2(a) of the Act. Under that standard

[a] mark is primarily geographically deceptively misdescriptive [and geographically deceptive], and thus barred from registration, 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 was a material factor in the consumer’s decision” to purchase the goods.

In re Miracle Tuesday, 104 USPQ2d at 1332 (quoting *California Innovations*, 66 USPQ2d at 1858).

Primary Significance of the Mark

The evidence is clear that the primary significance of the term EURO in Ghorbani’s marks is “Europe.” Dictionaries define the term as a prefix or combining form meaning “Europe” or “European.”

While dictionaries also define the term as meaning the common currency used by participating European countries, this does not detract from, and in fact enhances, the term’s connotation of Europe. *See generally, In re Premiere Distillery LLC*, 103 USPQ2d 1483, 1484 (TTAB 2012) (finding REAL RUSSIAN primarily geographically deceptively misdescriptive for vodka, and stating “that the word RUSSIAN may have other meanings in other contexts does not alter its geographic significance in the context of the relevant goods ... the other meanings, a language or ethnic group, ultimately relate back to the geographic location, Russia”); *In re Compania de Licores Internacionales S.A.*, 102 USPQ2d 1841, 1845 (TTAB 2012) (“that the proposed mark

has meaning or usage other than as a geographic term does not necessarily alter its primary geographic significance”). Indeed, there is no evidence that paint spray guns are associated with currency, but, as discussed below, there is ample evidence that paint spray guns are associated with their place of origin, and that Europe generally and certain European countries specifically are well known, and considered important, sources of paint spray guns. In the context of the parties’ goods, EURO will be much more likely to convey Europe than the currency used by some European countries.

The remaining, non-dictionary evidence of record corroborates the dictionary evidence that EURO conveys Europe. Indeed, EURO is used in the name of a television show about Europeans, a European observatory, a European soccer tournament, a conference that takes place in Europe and a media outlet focused on European sports events. In other words, SATA has established that EURO signifies Europe when used in connection with a wide range of goods and services, and it is used by at least Ghorbani, Astro Pneumatic Tool Company and MotorGuard Corp. (discussed below) for paint spray guns specifically. By contrast, there is no evidence that EURO conveys currency when used for any goods or services, much less paint spray guns or related goods. Furthermore, while each case must be decided on its own record and merits, it is noteworthy that in another context we found that “the term ‘Euro’ is a combining form meaning ‘European’” *Ariola-Eurodisc Gesellschaft MIT Beschränkter Haftung v. Eurotone International Ltd.*, 175 USPQ 250, 251 (TTAB 1972).

While “Europe” or “European” would likely be more indicative of the continent than the abbreviation/prefix/nickname EURO, that does detract from the primary significance of the term EURO in this context, which the evidence reveals to be Europe. *In re Spirits of New Merced LLC*, 85 USPQ2d 1614, 1617-18 (TTAB 2007) (finding that “‘Yosemite’ is a well recognized and frequently used shorthand reference to Yosemite National Park and the Yosemite region in general” and stating “a recognized nickname or other informal name for a geographic location is considered the equivalent of the official or formal name for purposes of determining registrability of the geographic term”); *In re Carolina Apparel*, 48 USPQ2d 1542, 1543 (TTAB 1998) (finding CAROLINA APPAREL primarily geographically descriptive of retail clothing store services, stating “the evidence of record shows that ‘Carolina’, in addition to being the name of an American colony, also is used to indicate either the state of North Carolina or the state of South Carolina”); *In re Charles S. Loeb Pipes, Inc.*, 190 USPQ 238, 246 (TTAB 1975) (finding OLD DOMINION primarily geographically descriptive of pipe tobacco because it is a nickname for Virginia). Similarly, while EURO connotes a continent or region rather than a particular country, that does not detract from its geographic significance, especially where, as discussed below, that continent has been shown to be an important source for the relevant goods. *In re Pan-O-Gold Baking Co.*, 20 USPQ2d 1761 (TTAB 1991) (finding NEW ENGLAND primarily geographically deceptively misdescriptive of freshly baked bread and bread rolls).

In short, the primary significance of EURO in the context of Applicant's goods is Europe, a generally known geographic location.

Goods/Place Association and Materiality

There is no dispute that Ghorbani's goods originate in Taiwan. 26 TTABVue 4 (Answer in Cancellation No. 92059849 ¶ 9); 27 TTABVue 4 (Answer in Opposition No. 91217915 ¶ 14); 41 TTABVue 8, 33 ("Defendant's goods have always been manufactured in Taiwan."). The question is whether the consuming public is likely to believe that they nevertheless originate in Europe.

The record makes clear that Europe is a major source of the goods. 29 TTABVue 168-214. Therefore, the consuming public is likely to incorrectly believe that Ghorbani's EURO-branded goods originate in Europe. Indeed, a "goods/place association" is established where, as here, the geographic location identified in a mark is a known source for the goods for which the mark is used.¹⁴ See e.g., *In re Les Halles De Paris J.V.*, 334 F.3d 1371, 1374, 67 USPQ2d 1539, 1541 (Fed. Cir. 2003) ("the goods-place association often requires little more than a showing that the consumer identifies the place as a known source of the product"); *In re Wada*, 194 F.3d 1297, 52 USPQ2d 1539, 1541 (Fed. Cir. 1999) (goods/place association found

¹⁴ Of course, there is no requirement that the place identified by the mark be famous for the goods, and registration is often refused when there is no such showing. *In re Compagnie Generale Maritime*, 993 F.2d 841, 26 USPQ2d 1652 (Fed. Cir. 1993) ("the Board did not clearly err in finding that 'France, a major manufacturing and commercial nation, would be perceived as the source of the numerous goods and services listed in the applications if the mark is primarily geographical'"); *In re Loew's Theatres, Inc.*, 769 F.2d 764, 226 USPQ 865, 868 (Fed. Cir. 1985); *In re Broyhill Furniture Industries Inc.*, 60 USPQ2d 1511, 1518 (TTAB 2001) ("While Tuscany is apparently not famous or otherwise noted for its furniture, such is not a requirement in order for consumers to mistakenly believe that a goods/place association exists.").

because NEW YORK is known for leather goods); *In re Consolidated Specialty Restaurants Inc.*, 71 USPQ2d 1921, 1927 (TTAB 2004) (goods/place association found based on evidence showing “that the state of Colorado is known for its steaks. The Internet and Nexis references show that ‘Colorado steaks’ are featured food items in restaurants not only within the state of Colorado but outside the state as well”); *Broyhill Furniture*, 60 USPQ2d at 1518 (“Clearly, furniture is a product which is made in Tuscany, as it is in numerous geographic locales throughout the world, and members of the general public interested in purchasing furniture which comes from Tuscany would, during the course of an Internet search, find advertisements of the kinds which have been made of record. This evidence is sufficient to establish a *prima facie* showing that the purchasing public would reasonably believe that furniture bearing the mark ‘TOSCANA’ is manufactured or otherwise originates in Tuscany”); *Pan-O-Gold*, 20 USPQ2d at 1764-65 (NEW ENGLAND “known for” brown bread).

Those consumers who encountered Ghorbani’s spray guns bearing the mark EURO and labeled “Designed in Germany” would certainly believe that the goods originated in Europe. Similarly, any consumers who encountered Ghorbani or his products at the 2012 SEMA show, where MG Distributor was apparently identified as “Euro Spray Technology,” would believe that the goods originated in Europe. And consumers familiar with SATA’s paint spray guns and their origin, upon encountering Ghorbani’s lookalike gun(s), bearing the mark EURO and perhaps also labeled “Designed in Germany,” would assume that the goods originate in Europe.

Consumers who encounter only Ghorbani's paint spray guns sold under the EURO mark, without the label "Designed in Germany" or other indicia of European origin, would also be likely to believe the goods originated in Europe. The evidence establishes that European paint spray guns generally, and SATA paint spray guns specifically, are highly regarded, so much so that manufacturers and distributors of spray guns originating elsewhere compare their guns to those of European origin, including SATA's. For example:

Sagola claims it provides "the best from Europe." *Id.* at 194.

Italian manufacturers advertise themselves as "#1 European Spray Gun Company" and their paint spray guns as offering "European quality." *Id.* at 198-204.

Zhejiang Ousen Machinery offers a "high pressure Europe style spray gun." *Id.* at 207.

In addition, it is common for manufacturers and distributors to compare their guns to those made in Germany and other European countries specifically. For example:

Tekna highlights that its guns are "made in Europe," and "built to compete with German spray guns." *Id.* at 168.

A "German type HVLP spray gun" is "modeled after the \$500 German spray guns" and compared therewith. *Id.* TTABVue 152.

Anest Iwata promotes its guns as providing "same or superior finish as German guns." *Id.* at 165-166.

While the term in question is EURO rather than Germany, these promotional claims nevertheless evidence an association between paint spray guns and Europe. Obviously, Germany is part of Europe, and it is one of if not the major source of

European paint spray guns. Furthermore, manufacturers from other Western European countries, like Spain's Sagola and Italy's Asturo, also tout their paint spray guns by promoting their European origin. *Id.* at 194, 198-203. As a result, paint spray gun consumers have been exposed to claims of European superiority or desirability from multiple sources in Western European countries, such that all of these claims together, including those focused on Germany specifically, mutually reinforce the broader propositions that a number of different paint spray guns originate in Europe, and that those that do are superior.¹⁵

Furthermore, and turning back to the term in question, others use the exact term at issue here – EURO – to identify their guns. Specifically, the Optima Euro 900 Series of spray guns is “backed by a top USA company MotorGuard Corp.,” but claims it is “the German ‘BMW’ of spray equipment.” *Id.* at 195-196. Similarly, one of Astro's paint spray guns is made in Taiwan but nevertheless bears the mark EuroPro and is advertised as being “modeled after European spray guns.” *Id.* at 211-213; 33 TTABVue 98. We recognize that “Made in Taiwan” appears on the back of the packaging for Astro's EuroPro paint spray gun, in small print, but “when making a Section 2(e)(3) determination, evidence other than the mark on the label or matter found on a specimen providing further information as to source cannot negate the geographic deceptive misdescriptiveness that may be conveyed by the mark itself.” *In*

¹⁵ The evidence which refers to Europe explicitly is sufficient in and of itself to support our decision in this case. The corroborating evidence which refers only to Germany or other particular European countries, without explicitly citing “Europe,” bolsters this evidence and provides further support for our decision.

re Compania de Licores Internacionales S.A., 102 USPQ2d at 1849 (citing *In re Budge Mfg. Co. Inc.*, 857 F.2d 773, 8 USPQ2d 1259 (Fed. Cir. 1988) for proposition that “we must discount ‘explanatory statements in advertising or on labels which purchasers may or may not note and which may or may not always be provided’”).

The widespread use of slogans and claims such as “made in Europe,” “European quality” and “Europe style,” efforts to copy SATA’s spray guns of European origin, including by Ghorbani, the use of EURO trademarks for paint spray guns by non-European companies, including Ghorbani’s MG Distributor, and the other evidence of record all establish not only that paint spray guns often originate in Europe, but also that spray guns of European origin are coveted and sometimes copied.

As for whether the mistaken belief that Ghorbani’s EURO-branded goods originate in Europe is likely to be material, i.e. to deceive consumers into buying those goods, “the appropriate inquiry for materiality purposes is whether a substantial portion of the relevant consumers is likely to be deceived” *In re Spirits International N.V.*, 563 F.3d 1347, 90 USPQ2d 1489, 1493 (Fed. Cir. 2009). The “relevant consuming public” is “often the entire U.S. population interested in purchasing the product or service.” *Id.* at 1495. In an *inter partes* proceeding such as this, “[i]ndirect evidence may be used to establish materiality,” including “website evidence.” *Guantanamera Cigars*, 102 USPQ2d at 1099.

Where, as here, “there is evidence that goods like applicant’s or goods related to applicant’s are a principal product of the geographical area named by the mark, then the deception will most likely be found material and the mark, therefore deceptive.”

California Innovations, 66 USPQ2d at 1857 (quoting *In re House of Windsor*, 221 USPQ 53, 57 (TTAB 1983)). *See also*, *Miracle Tuesday*, 104 USPQ2d at 1335 (“the fact that Paris is famous for fashion and design gives rise to an inference that a substantial portion of relevant customers would be deceived into thinking the goods identified come from Paris”); *Loew’s Theatres*, 226 USPQ at 868 n.6; *Premiere Distillery*, 103 USPQ2d at 1487; *In re Jonathan Drew Inc.*, 97 USPQ2d 1640, 1644-46 (TTAB 2011) *Compania de Licores*, 102 USPQ2d at 1850; *Consolidated Specialty Restaurants*, 71 USPQ2d at 1928-29 (finding the materiality prong met where the evidence established “that Colorado is known for its steaks and that the public is aware of the connection of Colorado with high quality steak (or beef)”). Because Europe (and specific European countries) are well-known for paint spray guns the misrepresentation resulting from Ghorbani’s EURO mark is material.

In *Guantanamera Cigars*, Cuba was shown to be well-known for cigars, just as Europe has been shown to be well-known for paint spray guns in this case. Furthermore, in *Guantanamera Cigars* we found that the advertisements of record were “the best evidence of materiality in the record because they reflect those features or elements of cigars that cigar merchants emphasize, or those associations they want consumers to make, in order to sell their cigars.” *Id.* at 1100-01. Our finding in *Guantanamera Cigars* with respect to those advertisements is directly applicable here:

The advertisements suggest that Cuban cigar products are the standard against which certain merchants of non-Cuban cigars compare their products, and that these merchants seek to associate their products with Cuba in

order to sell their products. Mr. Armenteros, applicant's expert, agreed that those in the U.S. cigar industry try to connect their product with Cuba in some way because they think it will enhance the potential of their product in the market if consumers believe there is some association between their product and Cuba ... Even if cigar merchants feature Cuban tobacco and Cuban connections to identify their heritage (as Cuban exiles) or to otherwise honor cigar-making history, ultimately they are promoting their goods to make a sale, and consequently are highlighting characteristics of their cigars which will assist them in selling their cigars. The Cuban references in the branding and marketing of their products are not simply for informational purposes or for reasons of pride.

Id. at 1101-02. Ultimately, after weighing the record as a whole, we found “that opposer has established that sellers of cigars in the United States market non-Cuban cigars through branding and marketing associations with Cuba because they believe that consumers value associations with Cuba in making purchasing decisions.” *Id.* at 1103-04. As there, so here – the record as a whole in this case establishes that sellers of paint spray guns market non-European paint spray guns (such as Ghorbani's, Astro's and MotorGuard Corp.'s EURO-branded paint spray guns) through branding and marketing associations with Europe generally and certain European countries specifically because they believe that consumers value associations with Europe in making paint spray gun purchasing decisions. This evidence establishes that a substantial portion of United States paint spray gun consumers would be materially influenced in the decision to purchase paint spray guns by the geographic meaning of Ghorbani's EURO marks.

Ghorbani's vigorous argument that paint spray gun consumers are too “sophisticated” to be deceived is not well taken. First, the identifications of goods in

the involved applications and registration contain no limitations as to price or type of consumer, and we must therefore presume that Ghorbani's goods will be offered to both sophisticated professionals and unsophisticated consumers. *See Stone Lion Capital Partners, L.P. v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1162-63 (Fed. Cir. 2014) ("Stone Lion effectively asks this court to disregard the broad scope of services recited in its application, and to instead rely on the parties' current investment practices ... the Board properly considered *all* potential investors for the recited services, including ordinary consumers seeking to invest in services with no minimum investment requirement.") (emphasis in original). Second, even if we assumed, despite the lack of any supporting evidence, that all paint spray gun purchasers were sophisticated, that would not negate the fact that "consumers would regard the term [EURO] as geographical and would simply assume that the [paint spray gun] they are interested in purchasing is made in or otherwise has its origin in [Europe], when in fact such is not the case." *Broyhill Furniture*, 60 USPQ2d at 1518. Finally, even if some sophisticated consumers would not be confused by the EURO trademark, "there is no evidence as to what portion of potential purchasers has this level of sophistication," and the evidence makes clear that a substantial portion of the consuming public would be deceived. *Guantanamera Cigars*, 102 USPQ2d at 1104.

Conclusion

The record establishes that the primary significance of Ghorbani's EURO marks is Europe, that purchasers will believe that this is where Ghorbani's Taiwanese paint

Opposition Nos. 91210813 and 91217915 and Cancellation No. 92059849

spray guns originate and that this misrepresentation will deceive a substantial portion of buyers into purchasing Ghorbani's goods.

Decision: The oppositions are sustained under Section 2(e)(3) of the Act and the petition to cancel is granted under Section 2(a) of the Act. Registration No. 3428295 will be cancelled in due course.