



United States Patent and Trademark Office

Office of the Commissioner for Trademarks

Hanscomb Limited

v.

Hanscomb Consulting, Inc.

Opposition No. 91216132
On Petition to the Director
Filed: September 14, 2015

Decision

On September 14, 2015, Hanscomb Consulting, Inc. (petitioner) petitioned the Director of the United States Patent and Trademark Office (Director) to waive Trademark Rule 2.76(a)(1), which prohibits petitioner now filing an amendment to allege use (AAU) in U.S. Application Serial No. 85968143, so that petitioner may amend its application to seek a concurrent use registration. The Director has the authority to waive Trademark Rule 2.76(a)(1).¹ See 37 C.F.R. §2.146(a)(5).

¹ The cases cited by petitioner as authority for exercise of the Director's supervisory authority to change a USPTO practice do not apply here. See *In re L.G. Lavorazioni Grafite S.r.l.*, 61 USPQ2d 1063 (Dir. USPTO 2001) (change to USPTO practice regarding applications with multiple depictions of the mark); *In re Slack*, 54 USPQ2d 1504 (Comm'r Pats. 2000) (change to USPTO practice regarding withdrawal of counsel); *In re Moisture Jamzz, Inc.*, 47 USPQ2d 1762 (Comm'r Pats. 1997) (change to USPTO practice regarding dismissal of petitions as moot for failing to file extension requests and fees); *In re No. 120 Corporate Ventures Ltd.*, 42 USPQ2d 1734 (Comm'r Pat. 1997) (change to USPTO practice treating rule as setting forth filing requirements and not registration requirements); *In re El Taurino Rest., Inc.*, 41 USPQ2d 1220 (Comm'r Pats. 1996) (change to USPTO practice regarding when showing of good cause for statement of use extension may be filed); *In re Monte Dei Maschi Di Siena*, 34 USPQ2d 1415 (Comm'r Pats. 1995) (change to USPTO practice regarding acceptance of post publication amendments adding or substituting new statutory bases for registration). The only relief sought by petitioner is the ability to file its AAU now, an action barred by Trademark Rule 2.76(a)(1), so that petitioner may amend to a concurrent use application. As explained in the decision, since the trademark rules do not prevent petitioner from filing the appropriate application seeking a concurrent use registration, there is no need to modify any USPTO practice pertaining to the filing of an AAU.

To the extent that petitioner cites *In re Little Caesar Enterprises Inc.*, 48 USPQ2d 1222 (Comm'r Pat. 1998), that case also is inapposite. While the Commissioner granted a petition seeking to waive the rule which prohibits filing a request to divide during a certain period, the request for waiver was filed with the

Because petitioner has not demonstrated that it is entitled to a waiver of Trademark Rule 2.76(a)(1), the petition is denied.

FACTS²

On June 24, 2013, petitioner filed U.S. Application Serial No. 85968143 seeking registration of the mark HANSCOMB CONSULTING (CONSULTING disclaimed) based on an allegation of a bona fide intent to use the mark in commerce under Trademark Act Section 1(b). 15 U.S.C. §1051(b). On November 26, 2013, the application published for opposition.

On April 29, 2014, Hanscomb Limited (opposer) filed a notice of opposition against U.S. Application Serial No. 85968143 which pleads priority of use and likelihood of confusion with its common law mark HANSCOMB. More specifically, opposer pleads that registration should be refused because opposer has used the mark HANSCOMB on related services “in commerce throughout the United States and abroad since at least as early as 2008.” Discovery closed on March 4, 2015.

On May 28, 2015, just before the scheduled opening of trial, petitioner filed a motion to amend its application to a concurrent use application, and opposer filed U.S. Application Serial No. 86644350 seeking registration of the mark HANSCOMB based on an allegation of first use anywhere and in commerce at least as early as January 1, 2000.

On September 9, 2015, the TTAB denied petitioner’s motion to amend U.S. Application Serial No. 85968143 to a concurrent use application because the application is based on Trademark Act Section 1(b). On the same day, the examining attorney assigned to opposer’s U.S. Application Serial No. 86644350 issued an Office action which, inter alia, noted that petitioner’s earlier-filed application was a potential bar to registration under Trademark Act Sec. 2(d). Opposer’s U.S. Application Serial No. 86644350 has been suspended pending the disposition of petitioner’s U.S. Application Serial No. 85968143.

On September 14, 2015, petitioner filed this petition requesting that the Director waive Trademark Rule 2.76(a)(1) so that petitioner may file an AAU, and amend U.S. Application Serial No. 85968143 filed July 24, 2013 to a concurrent use application listing opposer as an excepted user and alleging July 11, 2013 as its date of first use anywhere and in commerce. Petitioner included its AAU with the petition, and the required fee. On September 29, 2015, opposer filed a response to the petition.³

consent of the potential opposer and would result in a registration issuing more quickly, and could obviate the need for an opposition, all circumstances lacking in this case.

² This decision recites only the facts relevant to the issue on petition.

³ Trademark Rule 2.146(e)(2) only provides for one reply to be filed in response to a petition. Petitioner’s reply brief filed September 30, 2015 is not being considered. 37 C.F.R. §2.146(e)(2).

DISCUSSION

Only applications based on use in commerce are subject to concurrent use registration proceedings. *See* Trademark Act Sec. 2(d), 15 U.S.C. § 1052(d) (“concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce”). *See also In re Beatrice Foods Co.*, 429 F.2d 466, 166 USPQ 431, 436 (CCPA 1970) (“The first [condition precedent to the issuance of concurrent registrations is] that the parties be presently entitled to concurrently use the mark in commerce”). Thus, the use basis is a statutory requirement of concurrent use applications.

An AAU may be filed before approval for publication, and a statement of use may be filed after the notice of allowance issues, but neither may be filed during the blackout period during which oppositions take place. *See* Trademark Rule 2.76(a)(1), 37 C.F.R. §2.76(a)(1) (“An application under section 1(b) of the Act may be amended to allege use of the mark in commerce under section 1(c) of the Act at any time between the filing of the application and the date the examiner approves the mark for publication. Thereafter, an allegation of use may be submitted only as a statement of use under § 2.88 after the issuance of a notice of allowance under section 13(b)(2) of the Act. An amendment to allege use filed outside the time period specified in this paragraph will not be reviewed.”) and Trademark Rule 2.88, 37 C.F.R. § 2.88(a)(1) (“In an application under section 1(b) of the Act, a statement of use, required under section 1(d) of the Act, must be filed within six months after issuance of a notice of allowance under section 13(b)(2) of the Act, or within an extension of time granted under § 2.89. A statement of use filed prior to issuance of a notice of allowance is premature and will not be reviewed.”).

The blackout period has been integral to processing intent to use applications since implementation of the Trademark Law Revision Act of 1988. *See In re Sovran Fin. Corp.*, 25 USPQ2d 1537 (Comm’r Pats. 1991). In denying a petition seeking a waiver of the rules establishing the blackout period, the Commissioner noted:

In order for applications filed under Section 1(b) to be properly handled by the Office, it is necessary that there be some period of time during which no additional filings or amendments will be accepted. This is necessary in order to assure that these applications are published in the Official Gazette with the appropriate information and that there are not undue delays in sending these files to publication. Moreover, if the status of these applications is not carefully monitored it would be difficult, if not impossible, to determine whether a Notice of Allowance or a Certificate of Registration should issue following survival of the opposition period.

In re Sovran, 25 USPQ2d at 1538.

Petitioner requests that the Director waive Trademark Rule 2.76(a)(1) so that petitioner may file its AAU now and amend to a concurrent use application. The Director may waive any provision of the Trademark Rules when: (1) an extraordinary situation exists; (2) justice requires; and (3)

no other party is injured. 37 C.F.R. §§2.146(a)(5), 2.148; *see Trademark Manual of Examining Procedure* (TMEP) §1708. All three conditions must be satisfied to justify a rule waiver.⁴ *See id.* In this case, because none of the conditions have been met, the Director finds that a waiver of Rule 2.76(a)(1) is not appropriate.

a. No Extraordinary Situation Exists

In support of finding this an extraordinary situation, petitioner alleges that, absent waiver of the rules, the opposition will be sustained on the basis of opposer's priority of use. (Petition 2) ("During the course of discovery, Petitioner discovered that it appeared opposer would be able to substantiate sufficient prior use of its 'HANSCOMB' Service Mark that were the opposition proceeding to go to trial, it would be more likely than not that petitioner could not substantiate the exclusivity necessary to obtain an unfettered nationwide federal registration."). The prospect of an adverse decision in an *inter partes* proceeding is not an extraordinary situation.

Moreover, contrary to petitioner's contention, amending an application to seek a concurrent use registration because the applicant is not entitled to an unrestricted registration is not an extraordinary circumstance. There are established procedures for converting an opposition proceeding against a use-based application into a concurrent use proceeding. *See TTAB Manual of Examining Procedure* (TBMP) §1113. As petitioner was advised by the TTAB, the procedures are inapplicable here. A pending opposition against a Section 1(b) applicant does not allow the applicant to file an AAU and then amend to a concurrent use application. *See* TBMP §1105 ("Further, applicants may not file an amendment to allege use in an application under Trademark Act § 1(b) that is the subject of an opposition in an effort to qualify for concurrent use registration.").

The appropriate course, as the TTAB advised and as set forth in the TBMP, is for petitioner to abandon the opposed application based on Trademark Act Sec. 1(b) and refile as a use-based concurrent use application. *Id.* An adverse decision in Opposition No. 91216132 regarding petitioner's right to an unrestricted registration would not preclude petitioner from filing a new application seeking a concurrent use registration. *See Chichi's, Inc. v. Chi-Chi's, Inc.*, 222 USPQ 831, 832 (Comr 1984); *U.S. Soil, Inc. v. Colovic*, 214 USPQ 471, 472-473 (TTAB 1982); *Home Federal Savings & Loan Assn. v. Home Federal Savings & Loan Assn. of Chicago*, 205 USPQ 467, 469 (TTAB 1979); *Cook's Pest Control, Inc. v. Sanitas Pest Control Corp.*, 197 USPQ 265, 271 n5 (TTAB 1977) and TBMP §1112. As shown below, petitioner's allegations of prejudice which would result from following this course are unfounded.

⁴ As petitioner points out, the rule has been waived. The conditions for waiver were met where the petitioner's planned transfer of its marks required the marks to be the subject of use-based applications, and there would be an adverse financial consequence to the petitioner if an arranged valuation could not take place as scheduled. The petition sought to file the AAU in the brief period after approval for publication but before actual publication. Since an opposition can only be filed in the thirty days following publication, the waiver affected no other party. Accordingly, the petition was granted, the rule was waived, and petitioner was allowed to file its AAU. *In re Circuit City Stores West Coast Inc.*, 40 USPQ2d 1536 (Comm'r Pat. 1996).

b. Justice Does Not Require a Rule Waiver

Petitioner argues that refiling as a use-based concurrent use application would “severely prejudice” petitioner because petitioner “would lose the nationwide reservation of rights accorded it by virtue of its current filing date, June 24, 2013”, because abandonment of its application “may materially impact the territories to which Petitioner is entitled given Opposer’s possible expansion of its territories of use subsequent to June 24, 2013”, and because opposer’s U.S. Application Serial No. 86644350 would issue as a registration, making petitioner’s new application “subservient in date.” (Petition 4, 9).

Petitioner’s continuing claim to nationwide rights as of June 24, 2013 is inconsistent with its recognition, as quoted above, that “opposer would be able to substantiate sufficient prior use” to defeat petitioner’s claim. By seeking to amend to a concurrent use application which lists opposer as an exception to its exclusive right to use, petitioner admits that it is not entitled to the nationwide rights claimed on the June 24, 2013 filing date of its application. *See Inland Oil & Transport Co. v. IOT Corporation*, 197 USPQ 562, 564 (TTAB 1977) (“applicant, by setting forth opposer as an exception to its exclusive right to use, has, in effect, admitted that it is not entitled to a territorially unrestricted registration.”). Petitioner’s reliance on the constructive use provided by its filing date is misplaced in a concurrent use proceeding which will make a determination based on actual prior use by the parties. *See Southwestern Mgmt., Inc. v. Ocinomled, Ltd.*, 115 USPQ2d 1007, 1024 (TTAB 2015) (“As for Section 7(c), even though we give provisional consideration in Board proceedings to the filing date of a pending application (as the applicant’s constructive date of first use), an applicant’s constructive use has little (if any) significance in a concurrent use proceeding, in which the applicant must demonstrate actual use of its mark ...”); and *CDS Inc. v. I.C.E.D. Management Inc.*, 80 USPQ2d 1572, 1580 n12 (TTAB 2006) (“Priority is not normally an issue in concurrent use proceedings. The question here is whether the concurrent use applicant has met the jurisdictional requirement (or ‘condition precedent’) of establishing use in commerce prior to the defendant’s application filing date.”).⁵

To the extent that petitioner argues that its constructive use date bars opposer submitting evidence of use after that date in a concurrent use proceeding, petitioner is mistaken. “[I]t is both necessary and proper for the Patent Office to determine the ‘conditions and limitations’ with which the marks are to be registered ‘on the basis of facts as they exist at the time when the issue

⁵ If a third party has acquired conflicting trademark rights in the period between the filing dates for petitioner’s unrestricted application and any new concurrent use application filed by petitioner, petitioner may amend its concurrent use application to list the additional exception to its exclusive right to use, and the third party also would become party to the concurrent use proceeding. *See* TMEP §1207.04(e) (“The examining attorney must not issue a refusal under §2(d) as to any registration named by the applicant as an exception to its exclusive rights.”) and TBMP §1104 (“The parties to a concurrent use proceeding are the concurrent use applicant(s), (hereinafter ‘applicant’) and all of those persons listed in the concurrent use application(s) as exceptions to applicant’s claim of exclusive use (hereinafter ‘excepted users’)”).

of registrability is under consideration' ... [and in] the present type of proceeding this would apparently mean up to the close of the testimony period. We have considered the possible problems which might result from such practice, but find they are out-weighted by the interests involved." *In re Beatrice Foods Co.*, 166 USPQ at 438. (citations omitted). *Accord CDS Inc. v. I.C.E.D. Management Inc.*, 80 USPQ2d at 1581 (TTAB 2006) ("while we look to the filing date of ICED's application to determine whether there is jurisdiction for a concurrent use proceeding, we are not locked into that date for making our determinations on the appropriate territory for the parties and the likelihood of confusion question."). Accordingly, abandonment of petitioner's application and the constructive use provided by the filing date will not affect the TTAB's determination of the appropriate geographic restrictions in a concurrent use proceeding.

Finally, petitioner does not explain what "prejudice" results if the concurrent use proceeding that petitioner seeks involves opposer's registration instead of opposer's application. *See* TBMP §1104 ("The persons listed as excepted users [in a concurrent use application] may themselves own one or more federal applications (either for concurrent registration with applicant, or for an unrestricted registration) or federal registrations for a conflicting mark, or may simply be common law users of a conflicting mark."). Whether the excepted user is a common law user, an applicant, or a registrant, the concurrent use applicant has the same burden of proof to demonstrate its entitlement to a concurrent use registration. *See* 37 C.F.R. §2.99(e); and TBMP §1108 ("Each applicant for concurrent registration has the burden of proving its entitlement thereto as against every other party specified in its application as an exception to its claim of exclusive right to use.").

c. Injury to Opposer

In response to the petition, opposer argues that it filed a notice of opposition in 2014, participated in discovery, including serving petitioner with thousands of documents and producing a corporate officer for deposition, and successfully demonstrated its priority to petitioner. Opposer maintains that it has extensive use of its mark in the United States since long prior to petitioner's alleged first use, that opposer it is entitled to an unrestricted registration, and that petitioner's belated attempt to amend its application promises yet more delay to issuance of opposer's registration. (Response to Petition).

As opposer points out, petitioner made a business decision to file a Section 1(b) application, and the benefits of that decision accrue solely to petitioner. For example, by filing a Section 1(b) application, petitioner ensured that no use-based refusals or requirements would issue during examination. However, should the Director waive Trademark Rule 2.76(a)(1), the delay required by examination of the AAU, and resolution of any use-based refusals or requirements, would affect opposer as well as petitioner. In contrast, if petitioner follows the recommended practice,

noted by the TTAB in its order denying the amendment and set forth in TBMP §1105, petitioner will abandon its unrestricted application and refile a use-based concurrent use application.

The impact of this course of action on petitioner is minimal. Because petitioner admits that opposer would succeed on the merits should trial go forward, there is no injury to petitioner in the entry of judgment as to the unrestricted registration. *See* 37 C.F.R. §2.135. As set forth above, entry of judgment as to the unrestricted application does not preclude petitioner seeking a concurrent use registration.

If petitioner abandons its present application and files a use-based concurrent use application listing opposer's pending application (or registration, if it has issued,) as an exception to petitioner's exclusive right to use, following the opposition period the TTAB will institute the concurrent use proceeding which petitioner now seeks, with no waiver of the rules, no further delay to issuance of opposer's registration, and no change in petitioner's burden of proof. If petitioner is successful in carrying its burden of proof, opposer's application or registration then will be restricted. *See* TBMP §1108 ("The issue to be determined in a concurrent use proceeding is the entitlement of the concurrent use applicant(s) to the registration(s) sought, and the extent, if any, to which every other involved application or registration should be restricted as a result thereof.").

In sum, while Trademark Rule 2.76(a)(1) may be waived, petitioner has failed to show that waiver is appropriate here.

DECISION

The petition is denied. This decision will be forwarded to the TTAB for resumption of the opposition proceeding. The fee submitted with the AAU will be refunded in due course. *See* 37 C.F.R. §2.76(a)(1); TMEP §1104.03(c).

/Sharon R. Marsh/

Sharon R. Marsh
Deputy Commissioner
for Trademark Examination Policy

SRM:EAD

Date: June 29, 2016

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