This decision is not a precedent of the Trademark Trial and Appeal Board.

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: March 18, 2016

Opposition No. 91216808

Auratone LLC

v.

MUSIC Group IP Ltd.

Before Quinn, Zervas, and Bergsman,
Administrative Trademark Judges.

By the Board:

MUSIC Group IP Ltd. ("Applicant") seeks to register the mark AURATONE for "Apparatus for recording, transmission, and reproduction of sound; apparatus for creating, processing, retrieval, and manipulation of sound, namely, speakers and loudspeakers; headphones" in International Class 9.[1]

Auratone LLC ("Opposer") has opposed registration of Applicant's mark on the ground of priority and likelihood of confusion with its previously used and formerly registered mark AURATONE for "High Fidelity Furniture and Parts Thereof—Namely, Loudspeaker Enclosures, Loudspeaker Wall Baffles, Extension Loudspeaker Enclosures, Loudspeaker Enclosure Grilles and Grille Boards, Loudspeaker Enclosure Speaker Port Covers, Loudspeaker Enclosure Tuning Ducts, Loudspeaker

[1] Application Serial No. 85647325, filed June 8, 2012, based on an assertion of a bona fide intent to use the mark in commerce under Trademark Act Section 1(b), 15 U.S.C. § 1051(b).

Enclosure Mounting Bracket Kits, Loudspeaker Adapter Boards, High Fidelity Component Equipment Cabinets, and Recording Changer Bases; Also, High Fidelity Loudspeaker Systems, Extension Loudspeakers, and Loudspeakers"[2] under Trademark Act Section 2(d), 15 U.S.C. § 1052(d).[3] Applicant, in its answer, denied the salient allegations of the notice of opposition and asserted affirmative defenses including that, "to the extent that [Opposer] may have rights from the heirs of Jack Wilson," Opposer "abandoned the AURATONE mark through non-use of the mark in commerce, and the abandonment continued at least until the filing of the application at issue in this opposition" and that "Opposer ... had no use in commerce of the AURATONE mark and no pending U.S. trademark application filed prior to the filing date of the application at issue in this opposition, and thus Opposer has no damages or reasonable belief in damage."

This case now comes up for consideration of Applicant's motion (filed September 18, 2015) for summary judgment in its favor on the issue of standing and priority in view of Opposer's alleged abandonment of the pleaded mark following the death of Jack Wilson in 2005. The motion has been fully briefed.

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[2] The record indicates that Opposer's pleaded mark had been subject of Registration No. 757789 for the mark AURATONE for the goods identified above in International Class 9, issued October 1, 1963 and that such registration was cancelled on July 3, 2004 (17 TTABVUE ; 25 TTABVUE 9-10, 33-35).

[3] Opposer states that it is the successor-in-interest "to the late John A. 'Jack' Wilson and his company" ("Wilson") (1 TTABVUE 2). Opposer alleges that Wilson, his heirs, and Opposer have used the AURATONE mark on the pleaded goods since "at least 1959" (1 TTABVUE 3); that "[a]fter Mr. Wilson passed in 2005, ... his family ... continued to market and sell inventory using the AURATONE Mark" (1 TTABVUE 4); and that his family ultimately formed Opposer, which "recently launched a new website to revitalize the classic" speakers. 1 TTABVUE 4-5.

As an initial matter, Applicant's reply brief consists of nine pages of text, a one-page table of contents, and a two-page table of authorities. A reply brief in support of a motion "shall not exceed ten pages in length in its entirety." Trademark Rule 2.127(a). Tables of contents and authorities are not required in motion briefs, but are part of the page count when they are included. *See Saint-Gobain Corp. v. Minnesota Mining and Mfg. Co.*, 66 USPQ2d 1220, 1221-22 (TTAB 2003). Applicant's twelve-page reply brief exceeds the ten-page limit for reply briefs in support of motions in Board proceedings and has therefore received no consideration. *See id.* We have, however, treated as rebuttal evidence the declaration of Applicant's attorney Eric A. Lindberg and the copy of Opposer's response to Applicant's interrogatory no. 13 that Applicant submitted as exhibits to that reply brief, and therefore considered them. *See Mattel Inc. v. Brainy Baby Co.*, 101 USPQ2d 1140, 1141-42 (TTAB 2011).

Summary judgment is an appropriate method of disposing of cases in which there are no genuine disputes as to any material fact, thus leaving the case to be resolved as a matter of law. *See* Fed. R. Civ. P. 56(c). A party moving for summary judgment has the initial burden of demonstrating that there is no genuine dispute of material fact remaining for trial and that it is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317 (1987). In considering the propriety of summary judgment, all evidence must be viewed in a light most favorable to the nonmovant, and all justifiable inferences are to be drawn in the nonmovant's favor. The Board may not resolve issues of material fact; it may only ascertain whether such issues are present. *See Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d

766, 25 USPQ2d 2027 (Fed. Cir. 1993); *Opryland USA Inc. v. Great American Music Show Inc.,* 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

We will first consider Applicant's motion for summary judgment on the issue of standing. The record includes evidence which indicates that, since 2013, Opposer has manufactured, shipped in commerce, and sold "[s]ound cubes" under the mark AURATONE.[4] *See* Opposer's responses to interrogatory nos. 41-43 (17 TTABVUE 60-61). In view of this evidence, we find that there are genuine disputes as to whether Opposer has a real interest in this proceeding beyond that of a mere intermeddler, and as to whether Opposer has a reasonable basis for its belief of damage. *See Ritchie v. Simpson,* 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Lipton Industries, Inc. v. Ralston Purina Co.,* 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Conolty v. Conolty O'Connor NYC LLC*, 111 USPQ2d 1302, 1308 (TTAB 2014). Accordingly, Applicant's motion for summary judgment on the ground that Opposer lacks standing is denied.[5]

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[4] Applicant, relying on Trademark Act Section 10(a)(3), 15 U.S.C. § 1060(a)(3), asserts that, because there is no written instrument through which rights in the pleaded mark AURATONE were assigned from Wilson's heirs to Opposer, there is no genuine dispute that Opposer has not been assigned any rights in that mark. However, Section 10(a) expressly refers to the assignment of "[a] registered mark or a mark for which an application to register has been filed" and is therefore inapplicable to assignment of common law rights in a mark. Trademark Act Section 10(a)(1), 15 U.S.C. § 1060(a)(1). Rather,

> an assignment in writing is not necessary to pass common law rights to trademarks. That is, an assignment or transfer of interest in a trade designation may be established by clear and uncontradicted testimony by a person or persons in a position to have knowledge of the transactions affecting said designation and the common law rights in a mark will be presumed to have passed, absent contrary evidence, with the sale and transfer of the business with which the mark has been identified.

Airport Canteen Services, Inc. v. Farmer's Daughter, Inc., 184 USPQ 622, 627 (TTAB 1974).

[5] Opposer still has the burden of proving standing at trial as part of its case in chief.

We turn next to Applicant's motion for summary judgment on the Section 2(d) claim. To prevail on that claim, Opposer must establish that (1) it has standing to maintain this proceeding; (2) that it is the prior user of its pleaded mark AURATONE; and (3) that contemporaneous use of the parties' respective marks on their respective goods would be likely to cause confusion, mistake or to deceive consumers. *See Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1735 (TTAB 2001).

"Merely because a party has used a mark a long time ago and it could use the mark in the future is not enough to avoid abandonment." *General Motors Corp. v. Aristide & Co., Antiquaire de Marques*, 87 USPQ2d 1179, 1182 (TTAB 2008). Rather, Trademark Act Section 45, 15 U.S.C. § 1127, states in relevant part that

> [a] mark shall be deemed to be 'abandoned' ... [w]hen its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. 'Use' of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

The statutory presumption of abandonment applies "to a party's unregistered common-law mark." *Miller Brewing Company v. Oland's Breweries [1971] Limited*, 548 F.2d 349, 192 USPQ 266, 267 (CCPA 1976).

The statutory presumption of abandonment "eliminates the challenger's burden to establish the intent element of abandonment as an initial part of [his] case" and creates a rebuttable presumption that the trademark owner has abandoned the mark without intent to resume use. *On-line Careline Inc. v. America Online Inc.*, 229 F.3d 1080, 56 USPQ2d 1471, 1476 (Fed. Cir. 2000). Once the statutory presumption of

abandonment becomes operative, the burden shifts to the trademark owner to produce evidence that it either used the mark during the statutory period or intended to resume use. *See id.* "The burden of persuasion [at trial], however, always remains with the petitioner to prove abandonment by a preponderance of the evidence." *Id.*

Applicant's motion is based on its assertion that, because Opposer's predecessor abandoned the pleaded mark AURATONE following Wilson's death in 2005 and prior to Opposer's resumption of use of that mark in 2013, there is no genuine dispute that Opposer does not have priority and therefore cannot prevail on its Section 2(d) claim. We begin by looking at Applicant's priority date. Inasmuch as Applicant did not submit any evidence of actual use in commerce, Applicant's constructive priority date is its intent-to-use application filing date, i.e., June 8, 2012. *Zirco Corp. v. American Telephone and Telegraph Co.*, 21 USPQ2d 1542, 1544 (TTAB 1991). Because Opposer is not claiming ownership of a federal registration, Opposer must show that it has common law rights that precede Applicant's priority date. *Hydro-Dynamics Inc. v. George Putnam & Company Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987).

In support of its motion, Applicant has produced, among other things, Opposer's interrogatory responses which indicate that, between 2006 and 2011, Opposer's predecessors did not manufacture any "AURATONE branded products" (17 TTABVUE 60), and that, between 2007 and 2012, Opposer's predecessors had no sales or shipments in commerce of "AURATONE branded products" (17 TTABVUE

60-61). In view of such responses, we find that, for purposes of this motion only, the statutory presumption of abandonment is applicable herein.

However, the record also indicates that, following Wilson's death in 2005, his daughter, Marlaine Annette Hysell ("Hysell"), moved Wilson's remaining inventory and assets from California to Georgia and maintained the inventory and assets at her home (25 TTABVUE 109-115, 137-39); that Hysell and her son Brian, in 2006, developed and commenced operation of a website, www.auratoneproaudio.com, which includes listings and photographs of Wilson's remaining inventory and which provides an e-mail address, "Auratone {AT) bellsouth [dot] net" (sic), through which customers could contact Hysell by e-mail to inquire about inventory items (17 TTABVUE 39-41; 25 TTABVUE 140-43); that such website remains active, but has changed "very little" since then (17 TTABVUE 41-42); that Hysell posted similar listings on the website www.hysellstuff.com (25 TTABVUE 67-71); that Hysell received an inquiry regarding an AURATONE tweeter in 2009 (25 TTABVUE 81); that Hysell posted a link to the website "on a few discussion boards" (17 TTABVUE 47); that Hysell and her sister Michelle Jacobsen ("Michelle") and their spouses had agreed "around 2010" that Michelle's son Alex ("Alex") "would just take ... over" (17 TTABVUE 34, 37) Wilson's business regarding the mark AURATONE; that, "[i]n or about 2012, ... [Alex] began plans to reinvigorate the brand and sell not only existing inventory of the classic speakers but also have a new version developed (17 TTABVUE 55-56); and that, in 2013, Alex "formed Auratone LLC, and launched a

new Auratone website at auratonesoundcubes.com, announcing his plans for reinvigoration of the brand" (17 TTABVUE 55-56).

In view of Hysell's transportation of Wilson's remaining inventory and assets from California to Hysell's home in Georgia, the subsequent preservation of that inventory, the development and ongoing operation of the www.auratoneproaudio.com website through which potential purchasers could inquire about said inventory, and the eventual resumption of use of the mark AURATONE by Wilson's grandson Alex in 2013, we find that, at minimum, there are genuine disputes as to whether Opposer's predecessors intended to resume use of the mark AURATONE following the discontinuation of use of that mark in the aftermath of Wilson's death and, thus, as to Opposer's priority.[6]

In view thereof, Applicant's motion for summary judgment is denied. Proceedings are resumed. Remaining dates are reset as follows.

Expert Disclosures Due	**5/22/2016**
Discovery Closes	**6/21/2016**
Plaintiff's Pretrial Disclosures Due	**8/5/2016**
Plaintiff's 30-day Trial Period Ends	**9/19/2016**
Defendant's Pretrial Disclosures Due	**10/4/2016**
Defendant's 30-day Trial Period Ends	**11/18/2016**
Plaintiff's Rebuttal Disclosures Due	**12/3/2016**

[6] As a general rule, the factual question of intent is particularly unsuited to disposition on summary judgment. *See Copelands' Enterprises, Inc. v. CNV, Inc.*, 945 F.2d 1563, 20 USPQ2d 1295 (Fed. Cir. 1991). The Board will not entertain any further motions for summary judgment on this issue of Opposer's alleged abandonment of the pleaded mark AURATONE. Although we have mentioned only these genuine disputes, the parties should not infer that they are the only disputes remaining for trial. Further, evidence submitted in connection with the motion for summary judgment is of record only for consideration of that motion. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. *See Levi Strauss & Co. v. R. Josephs Sportswear Inc.,* 28 USPQ2d 1464 (TTAB 1993); *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB 1983); *Am. Meat Inst. v. Horace W. Longacre, Inc.*, 211 USPQ 712 (TTAB 1981).

Plaintiff's 15-day Rebuttal Period Ends **1/2/2017**

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125. Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129. If either of the parties or their attorneys should have a change of address, the Board should be so informed promptly.