

THIS DISPOSITION IS
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OF THE TTAB

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Hearing:
October 24, 2003

Paper No. 51
BAC

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Master Builders, Inc., ChemRex, Inc., and MBT Holding AG
v.
Polymerica, Inc.

Cancellation Nos. 92030319, 92030392, 92030394, 92030502 and
92030579

Joseph G. Curatolo and Laura J. Gentilcore of Renner,
Kenner, Greive, Bobak, Taylor & Weber for petitioners.

Lawrence E. Laubscher, Jr. of Laubscher & Laubscher for
respondent.

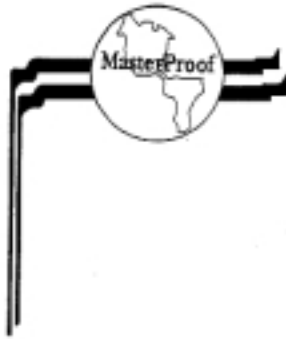
Before Sams, Chief Administrative Trademark Judge, and
Hohein and Chapman, Administrative Trademark Judges.

Opinion by Chapman, Administrative Trademark Judge:

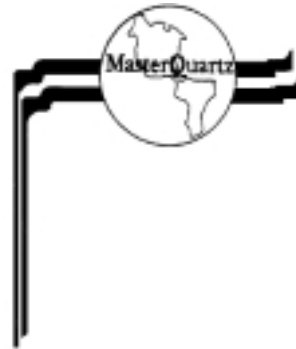
Master Builders, Inc. (a Delaware corporation with its
principal place of business in Cleveland, Ohio) (hereinafter
Master Builders), ChemRex, Inc. (a Delaware corporation with
its corporate headquarters in Shakopee, Minnesota)
(hereinafter ChemRex), and MBT Holding AG (a Switzerland
corporation with its principal place of business in Zurich)

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(hereinafter MBT Holding) jointly filed five separate petitions to cancel five registrations owned by Polymerica, Inc. (a Georgia corporation located in Carrollton, Georgia) (hereinafter Polymerica or respondent). Respondent's five registrations are for the marks shown below for the goods identified therein:



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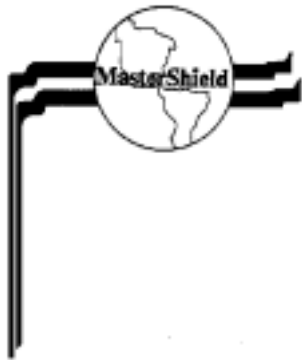


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¹ Registration No. 1,885,743, issued March 28, 1995 for "waterproofing compound for application to concrete floors and decks." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is September 14, 1990. This registration is the subject of Cancellation No. 92030319, which was filed by petitioners on March 27, 2000.

² Registration No. 1,885,741, issued March 28, 1995 for "epoxy compound applied as a surface coating to restore and protect concrete slabs and floors." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is July 12, 1990. This registration is the subject of Cancellation No. 92030502, which was filed by petitioners on March 27, 2000.

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³ Registration No. 1,889,531, issued April 18, 1995 for "epoxy compound applied as a surface coating to restore and protect concrete slabs." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is May 11, 1990. This registration is the subject of Cancellation No. 92030392, which was filed by petitioners on April 4, 2000.

⁴ Registration No. 1,889,532, issued April 18, 1995 for "epoxy material for bonding skid resistant materials to hardened concrete." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is October 15, 1993. This registration is the subject of Cancellation No. 92030394, which was filed by petitioners on April 4, 2000.

⁵ Registration No. 1,889,533, issued April 18, 1995 for "decorative thin-set epoxy surfacing compound." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is July 12, 1993. This registration is the subject of Cancellation No. 92030579, which was filed by petitioners on April 4, 2000.

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The Pleadings

Subsequent to petitioners' filing the five separate petitions to cancel, they filed separate first amended petitions to cancel in Cancellation Nos. 92030319 and 92030502 on March 31, 2000, and a first amended petition to cancel in Cancellation No. 92030392 on May 12, 2000. These amended pleadings were accepted by the Board in separate orders. Ultimately, all five petitions to cancel were consolidated by Board order dated August 2, 2000 granting petitioners' consented motion to consolidate. On July 2, 2001 petitioners filed a second amended pleading in the then-consolidated case; and on February 26, 2002, the Board granted petitioners' motion for leave to file the second amended pleading, and accepted petitioners' second amended pleading. Petitioners' allegations in their five separate original petitions to cancel, as well as the allegations in their three separate first amended petitions to cancel, are essentially the same with regard to their asserted family of MASTER marks;⁶ and in Cancellation No. 92030392, brought against respondent's registration for the mark "MasterShield

⁶ In some of the petitions and amended petitions to cancel, petitioners pleaded not only their family of marks, but also made specific reference to certain of those marks (i.e., MASTERSEAL in Cancellation No. 92030319; MASTER BUILDERS, MASTERSEAL and MASTERTOP in Cancellation No. 92030392; none separately pleaded in Cancellation No. 92030394; MASTERSEAL and MASTERTOP in Cancellation No. 92030502; and MASTER BUILDERS, MASTERSEAL, MASTERCRON, MASTERTOP, and MASTERPLATE in Cancellation No. 92030579).

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and design,"⁷ petitioners pled ChemRex's ownership and use of the registered mark SONOSHIELD for "protective coatings, namely, asphalt emulsion waterproofing and dampproofing compounds and mastics."⁸

In petitioners' second amended pleading referencing all five consolidated cancellation proceedings, petitioners referenced their asserted family of marks, and their only mark referenced separately is MASTERSEAL. Petitioners did not assert any rights of ChemRex in the mark SONOSHIELD in their second amended petition to cancel. Also, the only registration owned by respondent specifically set forth in the second amended consolidated petition to cancel is Registration No. 1,885,743 for its mark "MasterProof and design." Inasmuch as neither party questioned what was asserted as against each of the five registrations either in the separate pleadings or in the second amended consolidated petition to cancel, and because the record shows these matters were tried by the parties, the Board deems petitioners' second amended consolidated petition to cancel

⁷ In this decision, the Board will not reproduce respondent's registered marks each time they are discussed, but rather, for simplicity, we will utilize the word mark portion showing the two words through lower and upper case letters (e.g., "MasterShield and design"). But to be clear, all references to respondent's five involved marks are to the marks as registered in the specific design form shown above.

⁸ Registration No. 1,963,339, issued March 19, 1996; Section 8 affidavit accepted; Section 15 affidavit acknowledged. The claimed date of first use and first use in commerce is April 1, 1974.

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to assert each and all of their alleged family of MASTER marks against all five of respondent's involved registrations, and we deem that petitioners asserted ChemRex's rights in the mark SONOSHIELD against respondent's registration for the mark "MasterShield and design."

In the second amended consolidated petition to cancel, petitioners allege that Master Builders and ChemRex are subsidiaries of SKW Trostberg AG (a German corporation); that MBT Holding functions as the legal owner of certain intellectual property rights of SKW Trostberg AG and its subsidiaries; that MBT Holding is the owner of eleven registrations for various "MASTER" marks; that Master Builders and ChemRex are the current licensees of the marks in those registrations; that Master Builders has continuously used the marks in connection with the manufacture, advertising and sale of "cement, concrete, mortar, grout, and masonry related goods" (paragraph 7) prior to respondent's use of its marks; that Master Builders has used and ChemRex currently uses the mark MASTERSEAL in connection with the manufacture, advertising and sale of "waterproofing coatings for application to concrete slabs" (paragraph 8); that petitioners' eleven registered marks are "highly distinctive and are well known trademarks for the goods of Petitioner Master Builders, Inc." (paragraph 13); that registrant's marks "are similar as to appearance and

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commercial impression [to petitioners' MASTER marks], the dominant feature of each being the lead word MASTER" (paragraph 15); and that respondent's marks, when used in connection with its goods, so resemble petitioners' previously used and registered trademarks, as to be likely to cause confusion, mistake, or deception.⁹

MBT Holding's eleven pleaded registrations are the following:¹⁰

Registration No. 260,656 for the mark MASTERSEAL for "material to be applied to the surface of masonry to form a colorless surface waterproofing coating thereon," issued August 27, 1929; Section 8 affidavit accepted, Section 15 affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is August 1, 1927.

Registration No. 353,184 for the mark MASTERPLATE for "material to be used as an ingredient for concrete, mortar, and the like to improve the properties thereof, and particularly to improve the hardness, to increase resistance to wear and corrosion, and to lengthen the life of

⁹ Petitioners' second amended consolidated petition to cancel also included a claim of fraud in respondent's filings of Section 15 affidavits. The Board granted summary judgment on this issue in respondent's favor in an order dated February 26, 2002 (pages 6-7).

¹⁰ Petitioners have submitted proper status and title copies of fourteen registrations under a timely notice of reliance filed in August 2002. In this regard, when a registration owned by a party has been properly made of record in an inter partes case, and there are changes in the status of the registration between the time it was made of record and the time the case is decided, the Board will take judicial notice of, and rely upon, the current status of the registration as shown by the records of the United States Patent and Trademark Office. See TBMP §704.03(b)(1)(A) (2d ed. June 2003), and the cases cited therein. The Board hereby takes judicial notice of the current status of four of the fourteen registrations on which either an initial Section 8 affidavit of use or a Section 9 renewal became due during the interim time frame. Specifically, the status thereof is as follows: Registration Nos. 385,340 (third renewal); 1,571,939 (first renewal); 1,819,616 (Section 9 renewal and Section 8 affidavit filed January 2004); and 1,965,706 (Section 8 affidavit).

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structures made therefrom," issued December 28, 1937; Section 8 affidavit accepted, Section 15 affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is July 12, 1937.

Registration No. 385,340 for the mark MASTERKURE for "materials for curing, hardening and improving concrete surfaces," issued February 25, 1941; Section 8 affidavit accepted, Section 15 affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is August 15, 1940.¹¹

Registration No. 823,891 for the mark MASTER BUILDERS for "cementitious compositions for producing high strength, non-shrink, wear and impact-resistant concretes, mortars, grouts and floor surfaces, and components of such compositions including mineral and metallic aggregates and colored cementitious compositions," issued February 14, 1967; Section 8 affidavit accepted, Section 15 affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is 1909.

Registration No. 823,864 for the mark MASTER BUILDERS for "compositions for improving the qualities of cements, concretes, mortars and grouts; and in addition, compositions for curings, sealing, hardening, and coloring concrete and mortar surfaces," issued February 14, 1967; Section 8 affidavit accepted, Section 15 affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is 1909.

Registration No. 833,176 for the mark MASTERCRON for "material to be applied to fresh concrete to improve the hardness thereof, to increase resistance to wear and corrosion and to color same," issued August 8, 1967; Section 8 affidavit accepted, Section 15 affidavit acknowledged; renewed. The claimed dates of first use and first use in commerce are June 18, 1965 and July 26, 1965, respectively.

Registration No. 1,050,681 for the mark MASTERFLOW for "dry packaged cement mixtures, concrete mixtures, grouts and mortars," issued October 19, 1976; Section 8 affidavit accepted, Section 15 affidavit acknowledged; renewed. The claimed dates of first use and first use in commerce are November 9, 1970 and November 18, 1970, respectively.

¹¹ The registration includes a disclaimer of the word "Kure" because the original registration was for the mark "MasterKure," but the registration was amended on August 14, 1973 to the mark "MASTERKURE."

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Registration No. 1,571,939 for the mark MASTERTOP for "screedable, metallic-aggregate topping for concrete," issued December 19, 1989; Section 8 affidavit accepted, Section 15 affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is June 23, 1986.

Registration No. 1,819,616 for the mark MASTERTOP for "coatings in the nature of polymer-based flooring compositions used for protecting and topping cementitious floors," issued February 8, 1994; Section 8 affidavit accepted, Section 15 affidavit acknowledged; Section 8 affidavit and Section 9 renewal filed with the USPTO January 29, 2004. The claimed date of first use and first use in commerce is January 14, 1988.

Registration No. 1,598,018 for the mark MASTERFILL for "epoxy or polymer-based joint compound used as a filler for a wide variety of home and industrial uses," issued May 29, 1990; Section 8 affidavit accepted, Section 15 affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is December 19, 1989.

Registration No. 1,965,706 for the mark MASTERPAVE for "chemical admixtures for use in improving the properties of cement, concrete and mortar," issued April 2, 1996; Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use and first use in commerce is January 13, 1994.

MBT Holding's two additional registrations made of record during trial are the following:¹²

Registration No. 2,239,537 for the mark MASTER TITE for "waterproofing chemical compositions for articles of wood, concrete, fiberglass, metal, brick, stucco and masonry," issued April 13, 1999. The claimed date of first use and first use in commerce is February 17, 1998.

Registration No. 2,510,468 for the mark MASTERPATCH for "repair concrete and mortar mixes," issued November 20,

¹² Petitioners pleaded only eleven registrations owned by MBT Holding. To whatever extent it may be necessary, the Board specifically holds that petitioners' second amended consolidated petition to cancel is hereby considered amended to conform to the evidence under Fed. R. Civ. P. 15(b), thus now including the thirteen registrations.

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2001. The claimed date of first use and first use in commerce is August 19, 1976.

In addition, ChemRex's registration pleaded in Cancellation No. 92030392 and made of record is the following:

Registration No. 1,963,339 for the mark SONOSHIELD for "protective coatings, namely, asphalt emulsion waterproofing and dampproofing compounds and mastics," issued March 19, 1996; Section 8 affidavit accepted, Section 9 affidavit acknowledged. The claimed date of first use and first use in commerce is April 1, 1974.¹³

Respondent filed separate answers to the petitions to cancel, in each of which it denied the salient allegations of the petition to cancel and raised the affirmative defenses of estoppel and acquiescence. In addition, in the previous Board order dated February 26, 2002 (p. 8), the Board deemed respondent's answers "to have been amended, by agreement of the parties, to include laches as an additional 'affirmative defense.'"

To summarize, the registrability issues in these proceedings are petitioners' claim of priority and

¹³ With regard to the SONOSHIELD mark, there is no stand-alone product sold under the mark SONOSHIELD; rather, ChemRex uses SONOSHIELD to identify a line of products and each product is co-branded with a second mark. (Abrahamson dep., pp. 39-40.)

The only element common to both respondent's mark "MasterShield and design" and petitioner ChemRex's mark SONOSHIELD, however, is the term "shield," which plainly is highly suggestive in the context of the involved goods. We find in view thereof that, when considered in their entirety, there is no likelihood of confusion as to the source of the goods sold under the marks "MasterShield and design" and SONOSHIELD. No further consideration therefore need be given to ChemRex's registration and asserted rights in the mark SONOSHIELD.

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likelihood of confusion and respondent's affirmative defenses of laches, estoppel and acquiescence.

The Record

The record consists of the second amended consolidated petition to cancel (as discussed above) and respondent's answers to the petitions to cancel; the files of respondent's five involved registrations; petitioners' notice of reliance under Trademark Rules 2.120 and 2.122 on various discovery materials, status and title copies of thirteen registrations owned by MBT Holding and one registration owned by ChemRex (the registration for the mark SONOSHIELD, as discussed above), and various printed publications and official USPTO records; and petitioners' testimony, with exhibits, of the following persons:

- (1) Paul Abrahamson, ChemRex's brand marketing manager for the MBT TNR line of products;
- (2) Dennis John Kelley, ChemRex's executive director of marketing;
- (3) Gary L. Culton, Master Builders' technical support person for the product marketing group;
- (4) Frederick Raymond Goodwin, a senior development scientist at Degussa Construction Chemicals (a sister corporation to Master Builders and ChemRex);

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(5) John Christian Furniss, founder of Horizon Paint, a distributor of ChemRex products;

(6) John Parke Boyer, Jr., Master Builders' vice president of marketing (taken on July 19, 2002); and

(7) Paul A. Sonderman, respondent's president and chief operating officer (taken by petitioners on August 19, 2002).

The record also includes respondent's notice of reliance on petitioners' responses to certain of respondent's interrogatories; the declaration testimony of Karen P. Severson, an attorney in the law firm of Laubscher & Laubscher;¹⁴ and the testimony, with exhibits, of Paul A. Sonderman, respondent's president and chief operating officer (taken by respondent on October 24, 2002). During their rebuttal trial period, petitioners submitted a "supplemental notice of reliance" under Trademark Rule 2.122(e) on "printed publications (more particularly, Internet web site pages)"; the rebuttal testimony, with exhibits, of John Parke Boyer, Jr., Master Builders' vice president of marketing (taken February 10, 2003); and the testimony of Peter A. Vinocur, currently an attorney at

¹⁴ On December 31, 2002, the parties submitted a written stipulation pursuant to Trademark Rule 2.123(b) allowing submission of the testimony of Karen Severson by way of declaration.

Degussa Corporation, and previously Master Builders' vice president and general counsel.¹⁵

Both parties filed briefs on the consolidated case, and both parties were represented at the oral hearing held before the Board on October 24, 2003.

Evidentiary Matters

In their reply brief, petitioners raised for the first time objections to the admission of (1) the declaration testimony of Karen P. Severson, and (2) the testimony of Paul A. Sonderman with respect to his October 24, 2002 deposition, page 75, line 10 through page 77, line 10, and page 80, line 14 through page 82, line 9, all on the basis of lack of personal knowledge under Fed. R. Evid. 602, hearsay under Fed. R. Evid. 802, and hearsay within hearsay under Fed. R. Evid. 805.

The Trademark Trial and Appeal Board Manual of Procedure (TBMP) explains that certain objections are not waived for failure to make them before or during the taking of the deposition, and may be presented for the first time in a party's brief on the case. See TBMP §707.03(c) (2d ed.

¹⁵ Portions of both of the testimony depositions of Paul A. Sonderman and of the first testimony deposition of John Parke Boyer, Jr., as well as exhibits related thereto, were filed under seal as confidential. The confidential testimony and exhibits from the Boyer deposition were utilized by petitioners in their briefs (see, e.g., pp. 7-8 of petitioners' opening brief), thereby waiving the confidentiality thereof.

June 2003). Clearly this policy contemplates raising the objection in the plaintiff's initial brief on the case or in the defendant's brief on the case, thereby according the adverse party an opportunity to respond thereto. These objections were untimely presented as petitioners did not raise the objections until their reply brief. Respondent then had no opportunity to respond in writing. See Trademark Rule 2.128(a)(1). Objecting for the first time in petitioners' reply brief constitutes unfair surprise to respondent in this consolidated case.

Accordingly, petitioners' objections are denied as untimely raised.¹⁶ Of course, all evidence of record is considered for whatever probative value, if any, it may have.

The Parties

Respondent, Polymerica, Inc., was founded in April 1990 by four partners -- John Masters, Paul Sonderman, Don Mills and John Del Proposto. It currently has about 25 employees total with about half at its administrative and research and development facility in Georgia and half at its factory in

¹⁶ We also note that petitioners cited the above-mentioned specific Federal Rules of Evidence, but did not offer any argument or other indication of how those evidentiary rules applied to the facts of the Severson declaration and the involved portions of the second Sonderman testimony in this particular consolidated case.

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Kentucky. Paul Sonderman describes Polymerica, Inc.'s business as follows (second Sonderman deposition, pp. 8-9):

We manufacture polymeric coatings, material for resurfacing concrete and wood. We make finishes for floors and walls. And they're based on epoxy compounds and other elements that go into making up either a decorative or a functional part of a floor surface.

We go on top of concrete in just the same way that carpet goes on top of concrete, tile goes on top of concrete, and wood floors go on top of concrete. And we go on walls just the same way as paint would go on walls, only that it's a more durable product.

Respondent's products are epoxy-based with a few minor exceptions, one being a polyurethane and another being a vinyl ester, the latter of which still has an epoxy backbone.

In its founding year of 1990, respondent began using its marks "MasterShield and design" for an epoxy compound applied as a surface coating to restore and protect concrete slabs, "MasterQuartz and design" for an epoxy compound applied as a surface coating to restore and protect concrete slabs and floors, and "MasterProof and design" for a waterproofing compound for application to concrete floors and decks. In 1993 it began using its marks "MasterPiece and design" for decorative thin-set epoxy surfacing compound and "MasterSpec and design" for epoxy material for bonding skid resistant materials to hardened concrete.

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The mark "MasterShield and design" was selected not only "to give John [Masters] some recognition, but because we wanted to denote the superior quality of our product line" and also use a term that "expresses some aspect of that product line." The globe design was used as it "left the impression of a shield, and it also gave an indication of Polymerica being a company that would service the western hemisphere." (Second Sonderman dep., pp. 25-26, 66.)

All of respondent's goods are sold through sales representatives directly to the end users--specialty contractors--generally in the industrial and commercial markets, not residential.

Respondent's involved goods are marketed under these marks throughout the United States, primarily through trade shows, trade journals and direct advertisements. Respondent advertises through magazines and journals (such as *Plant Services* (especially for industrial uses), *Design Build* (especially for commercial uses), *Journal of Protective Coatings and Linings*, *Aviation Maintenance*, and *Concrete Construction*); trade shows (such as World of Concrete, Design Build, National Business Aircraft Association, Concrete Specifiers Institute, and various regional trade shows); and television.

Polymerica, Inc. currently attends more national trade shows than regional trade shows. Paul Sonderman and Don

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Mills and various sales representatives have annually attended the World of Concrete trade show since 1990, when respondent had a hospitality room, but it began displaying at a booth at the show as of 1996. The annual World of Concrete trade show takes place at the convention center in Las Vegas and it occupies the entire center plus additional tents outside in the parking area to accommodate all the groups in the industry. The show is set up in different pavilions, e.g., repair, equipment, computer, and concrete. Respondent's display is in the repair pavilion.

Mr. Sonderman also testified regarding the Concrete Construction Buyers' Guide, which is published by Hanley-Wood to accompany the annual World of Concrete trade show. The buyers' guide includes product categories, manufacturers and trade names. Mr. Sonderman explained that the companies fill out a form listing the products they provide and the categories they fit under. And he pointed out that the categories Polymerica is listed under do not include those of Master Builders and vice versa. (Second Sonderman dep., pp. 77-80, and Exhibit No. 21.)

The coatings sold under respondent's "MasterShield and design," "MasterProof and design" and "MasterSpec and design" marks are particularly for industrial uses such as factories, warehouses, and tank linings, but with some commercial uses such as by retailers and supermarkets.

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These types of products involve approval not through an architect but more by the plant engineers and purchasing people. The product sold under the "MasterQuartz and design" mark is a semi-decorative product and fits into both the industrial and commercial categories. Respondent's design polymers offered under the mark "MasterPiece and design" are more for high-end or decorative commercial application of architectural finishes for floors for places such as offices, hotel lobbies, shopping malls, and restaurants.

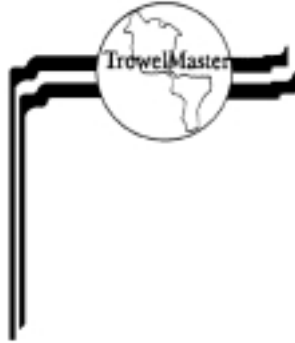
Respondent maintains a website which provides only a general overview of respondent's products without all the technical specifications and warnings as to the individual goods.

The purchasers of respondent's products are building owners, plant owners, contractors and architects, who must be knowledgeable about the products and the competition. Respondent considers its competitors to be mainly General Polymers, Stonehard, Dex-O-Tex, HP Fuller and Key Resins.

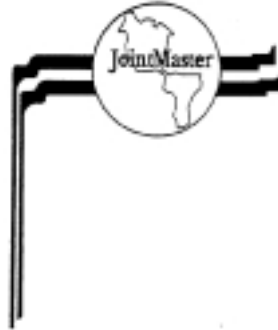
Mr. Sonderman established that respondent owns four other registrations (which are not the subject of any petition to cancel by petitioners). Those registrations are

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for the marks shown below for the goods identified therein:



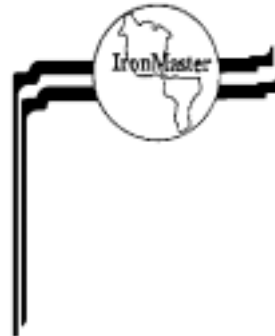
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Respondent's annual advertising costs and sales figures were submitted as confidential and thus will not be stated

¹⁷ Registration No. 1,879,441 for "chemical and heat resistant surfacing material for concrete," issued February 21, 1995; Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use and first use in commerce is May 23, 1990.

¹⁸ Registration No. 1,885,742 for "stress-relieving epoxy joint filler for concrete surfaces," issued March 28, 1995; Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use and first use in commerce is August 9, 1990.

¹⁹ Registration No. 1,885,744 for "epoxy surfacing compound for renovating and protecting concrete floors," issued March 28, 1995; Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use and first use in commerce is October 4, 1990.

²⁰ Registration No. 1,906,988 for "impact and wear resistant polymer surfacing compound for concrete floors and surfaces," issued July 25, 1995; Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use and first use in commerce is November 14, 1990.

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with specificity. However, suffice it to say that those numbers have grown steadily in the 10-year period from 1991 to 2001.

Respondent is not aware of any instances of actual confusion involving its and petitioners' marks. Mr. Sonderman testified that he understands petitioners' products sold under their "MASTER" marks to be "concrete additives, flow-control agents, shake additives that would be troweled into the concrete, but mostly additives for the concrete or hardeners and densifiers of the concrete that are added immediately while the concrete's being poured and then incorporated into the concrete itself." (Second Sonderman dep., p. 64.)

Mr. Sonderman was aware of Master Builders because, being in the epoxy compound business as it relates to floors, one has to know what one's product is going over and, if it is going over concrete, it has to stick to the concrete, so one needs to know what is in the concrete.

He also testified he knew of Master Builders because he received a February 1, 1994 letter sent to respondent (specifically addressed to "Mr. Paul Sanderman" [sic]) by an attorney (Mr. Barry Solomon, now deceased) at Sandoz Corporation (hereinafter Sandoz), then the parent company of Master Builders, in which the attorney referenced respondent's marks "MASTERSHIELD, TROWELMASTER,

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MASTERQUARTZ, LEVELMASTER & MASTERPROOF," stating that those marks would cause confusion with their marks incorporating the term MASTER, including MASTER BUILDERS, MASTERFILL, MASTERPREN, MASTERFLOW, MASTERTOP, MASTERPLATE and MASTERCRON; and demanding that respondent "cease and desist from further use of these infringing trademarks."

Respondent's attorney, in response, sent a letter dated March 1, 1994 setting forth the reasons respondent believed there was no likelihood of confusion; and on August 11, 1994 Sandoz's attorney sent a fax memo to respondent's attorney stating "it was nice speaking to you this morning regarding the trademark conflict involving 'MASTER' marks [used by respondent and Master Builders]"; and that he was bringing respondent's attention to their registration for the mark MASTERTOP for "coatings in the nature of polymer-based flooring compositions used for protecting and topping cementitious floors" (Registration No. 1,819,615); and closing with "I look forward to hearing from you."

Respondent did not respond thereto and heard nothing further from Master Builders or their parent or sister companies until the petitions to cancel were filed in 2000. (Second Sonderman dep., pp. 55-60, and Exhibit Nos. 7, 9 and 10.)

Petitioner Master Builders, Inc. was first established in 1909 by Mr. Fleishiem, a contractor, who developed a cement composition to replace wood block floors. According

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to Mr. John Parke Boyer, Jr., Master Builders' vice president of marketing, the founder, Mr. Fleishiem, left the contracting business and from the 1920s through the 1940s, the company developed a line of cement products, primarily floor products; and in the 1950s and 1960s the company began to sell the additive product separately from the bagged cement product. Flooring, grouting and concrete repair remained key parts of the business.

ChemRex is a sister company to Master Builders. As explained by Dennis John Kelley, ChemRex's executive director of marketing, SKW (a German held company) purchased Master Builders and ChemRex, both of which license the "Master line" from MBT Holding, a company which holds title to and maintains various intellectual property rights. Around 1999 or 2000 when SKW purchased Master Builders, they already owned ChemRex. According to Mr. Boyer, Master Builders' "main brand was Master Builders" and ChemRex's "main brand" was "Sonneborn." (First Boyer dep., pp. 84-85.)

Mr. Boyer's understanding of the history of how Master Builders came to use "MASTER" as a formative in its trademarks is that it began with the original founder of Master Builders, Mr. Fleisheim, "using the name the master built method of flooring systems and [he] finally took the name for his company." The "first products were just called

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Master Builder Concrete Floor or Filler, Master Builder Grout, and there was no real effort at trademarking, but just using the same descriptive sort of thing." The first efforts to trademark were under the name EMBCO (phonetic letter "m," the letter "b" and "co" for company). Then in the 1920s, when the product range began to widen, "it became necessary to have more than the simple descriptive names"; thus, he began to "introduce product names using Master." (First Boyer dep., pp. 27-28.)

He acknowledged on cross-examination that he was not sure of the name of the company when it began in 1909, and he was not sure of why Mr. Fleisheim chose the name "Master Builders." Mr. Boyer also testified that his understanding of terms such as "master electrician" and "master carpenter" is that it indicates the person using that name has mastered the application area, and that it is so recognized conventionally today. This witness explained that his conjecture would be that Mr. Fleisheim selected the name Master Builders because it indicates that if you hired him, he has mastered building the flooring systems he offered. (First Boyer dep., pp. 95-96.)

Mr. Boyer's testimony evidences (see, e.g., Exhibit No. 13) use of petitioners' various "MASTER" marks, such as MASTER BUILDERS by at least 1913; MASTERMIX, MASTERSEAL and MASTERTEX by at least 1933; MASTERPLATE by at least 1968;

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and MASTERTOP by at least 1998. Petitioners' witnesses Boyer and Kelley essentially testified that the marks shown in the registrations relied on by petitioners in this case have been in continuous use as of the dates set forth in the respective registrations. (Petitioners' brief, p. 7.)

The Board notes, however, a few exceptions to the above were the following: First, Mr. Kelley testified that he believed the mark MASTER TITE (Registration No. 2,239,537) is not currently being used (dep., p. 13). Second, Mr. Boyer testified the first use date for the mark MASTERSEAL was in 1927-- as set forth in Registration No. 260,656, and for the two MASTERTOP registrations the first use dates were those set forth in the registrations, specifically, June 23, 1986 for the goods in Registration No. 1,571,939, and January 14, 1988 for the goods in Registration No. 1,819,616 (first Boyer dep., pp. 21-23), but, in his rebuttal deposition he testified that Master Builders first made an "epoxy-based flooring, coating product line" in 1983 or 1984 under the marks MASTERTOP and MASTERSEAL, and that he did not "quite know how to understand that date [the date of first use set forth in Registration No. 1,819,616 for the mark MASTERTOP]" (second Boyer dep., pp. 6, 19 and 24). Finally, Mr. Boyer mistakenly testified to the date of the Trademark Act of February 20, 1905 (Master Builders being founded in 1909) rather than the use date of August 15, 1940

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for the mark MASTERKURE in Registration No. 385,340 (first Boyer dep., pp. 23-24).

As part of Exhibit No. 24 (first Boyer deposition), a "Master Builders Product Handbook" (Bates 002271) explains that "the overall mission of Master Builders is to **improve** new concrete, **protect** existing concrete and **repair** deteriorating concrete." (Emphasis in original.) Mr. Boyer testified that the business of Master Builders is in four segments -- add mixtures, flooring, grout and repair products. He explains add mixtures as chemicals added to a cement mix intended to modify the resultant concrete product.²¹ Petitioners' products in this segment are those sold under marks such as MASTERPAVE and MASTERMIX.

Their flooring product is a surfacing (either cement based or polymer based) which can be placed over unhardened or hardened concrete to protect against wear (impact resistance), environmental damage, or chemical damage. These "MASTER" branded products include those sold under the marks MASTERCRON, MASTERPLATE and MASTERTOP, the first two of which are dry mixtures that are troweled into the surface of unhardened concrete, so that they become an integral part of the concrete, and the latter is a sealer or topping placed over the surface of hardened concrete. The flooring

²¹ These are liquid chemicals according to Peter Vinocur. (Dep., p. 8.)

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product segment also includes petitioners' MASTERSEAL product.

In the involved industry, grouting refers to "material placed into a confined space using ... the flowability of the product. ... [I]t's intended to go under a piece of industrial machine or under a foundation to support that weight that's above it..." (First Boyer dep., p. 92.) This product is sold under the mark MASTERFLOW.

Petitioners' repair products segment relates to concrete repair such as repairing a damaged floor or balcony generally by filling cracks or repairing spalls or replacing an entire section of concrete. Such products are offered under the mark MASTERPATCH.

As further explained by Mr. Boyer, the Master Builders' "MASTER" line of products have been divided (since 1999 or 2000) and "the Master Builders protection and repair product lines are now marketed by ChemRex" and the add mixtures are marketed by Master Builders. (First Boyer dep., pp. 85 and 104.) That is, the add mixtures are the full responsibility of Master Builders, while the flooring, grout and repair products are the full responsibility of ChemRex. None of petitioners' various "MASTER" products are sold by both Master Builders and ChemRex. Master Builders is now a wholly owned-subsiary of Degussa Corporation.

Master Builders' Mr. Boyer considers respondent to be a competitor to Master Builders or ChemRex with regard to their floor surfacing materials, which provide "concrete protection." (First Boyer dep., p. 111.) Mr. Abrahamson, ChemRex's brand marketing manager, also finds the "biggest conflict" in the parties' markets is "protection of any substrate that is in need of an abrasion resistant coating, a chemical resistant." (Abrahamson dep., p. 33.)

Petitioners view their customers as being the entities that literally purchase petitioners' products, and those customers are petitioners' distributors. But petitioners market their products not only to their distributors (direct customers), but also to the end users such as contractors, building owners, engineers and architects. Mr. Abrahamson (of ChemRex) explained that ChemRex also sells its products to its distributors, and the end users (e.g., contractors) buy from the distributors.

Mr. Abrahamson testified that the end users of petitioners' products are the applicators that apply the product, such as, water-proofers for MASTERSEAL products, grouting contractors for the MASTERFLOW products, and repair contractors for the MASTERPATCH products.

As explained previously herein, the confidentiality of Master Builders' sales and advertising figures has been waived by petitioners. Petitioners' advertising and

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promotional costs for a five year period (1996-2000) were approximately \$1 to \$1.5 million annually; and the sales of its MASTER branded products exceeded \$40 million over that same period. (Exhibit Nos. 25 and 26).

Petitioners advertise through trade journals, trade shows, and through their own distributor network, including specific promotional pieces highlighting specific products.

Petitioners answered respondent's interrogatory No. 26 regarding any instances of actual confusion as "None determined to date...."

However, Gary Culton, Master Builders' technical support person for its product marketing group, testified that he works with a group of four to six people answering calls about its products, how to use them, what types should be used in different situations, and the like. He has been in his job for about ten years. The group answers a total of about 150 calls per day. In late 1999 or early 2000, Mr. Culton received a phone call from one of Master Builders' sales representatives, explaining that one of his distributors was looking for a product called MASTERSHIELD, and could Gary help him out. He did not recall any other inquiries regarding any Polymerica product in the ten years he has been answering such calls; and he did not recall if he notified the "communications group," although he would

usually "pass stuff like that along to them." (Culton dep., p. 11.)

Petitioners' witnesses generally testified that they did not become aware of respondent until around 1997 to 1998 or later. For example, Mr. Boyer testified he first became aware of Polymerica at a World of Concrete trade show and he first learned that Polymerica used trademarks that include the word "MASTER" in 1999 or 2000 because it was brought to his attention by someone, although he could not remember whom; Paul Abrahamson first became aware of Polymerica when he was notified in 2002 by his legal department that proceedings herein were moving forward, and apart from discussion with the legal department, he had no previous knowledge of respondent's involved marks and if he did see any of Polymerica's "Master" name products at the World of Concrete trade show, he "didn't pay any particular mind to it." (Abrahamson dep., p. 49); and John Furniss, founder of a paint company which is one of ChemRex's distributors, had never heard of respondent before he talked to petitioners' attorney.

Mr. Peter Vinocur was general counsel for Master Builders from 1992-1999, and he is now chief legal officer of Degussa Corporation. He testified that at Master Builders there was great concern if a third-party used a mark with "MASTER" especially if it was used in a

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competitive market; and that the cease and desist letter from Master Builders' then-parent company Sandoz Corporation to respondent would have been as a result of discussions between Mr. Vinocur and Sandoz's in-house attorney, Mr. Barry Solomon. He did not recall any other steps to be taken against respondent in 1994 other than the cease and desist letter; and Mr. Vinocur took no further action. He was not aware of any further action taken by Sandoz following the two correspondences of 1994. Also, he had no further discussions with the Master Builders' business people between 1994 and 2000 when the petitions to cancel were filed.

Standing

Standing requires only that a party seeking cancellation of a registration have a good faith belief that it is likely to be damaged by the registration. See Section 14 of the Trademark Act, 15 U.S.C. §1064. See also, 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, §20:46 (4th ed. 2001). The belief in damage can be shown by establishing a direct commercial interest. In the consolidated case now before us we find that petitioner MBT Holding's ownership of and Master Builders' and ChemRex's licensed use of the registered marks for the registered goods suffice to establish each petitioner's

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direct commercial interest and its standing to petition to cancel. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000).

Priority

MBT Holding owns thirteen registrations, all for various "MASTER" marks. Nonetheless, priority must be proven in a cancellation proceeding. See *Brewski Beer Co. v. Brewski Brothers Inc.*, 47 USPQ2d 1281, at 1283-1284 (TTAB 1998). In this consolidated case, petitioners have established continuous use in the United States of several of the various registered "MASTER" marks for the goods identified in those registrations (such as petitioners' registrations for the marks MASTER BUILDERS, MASTERSEAL, MASTERPLATE, MASTERTOP, MASTERKURE, MASTERCRON, MASTERFILL, MASTERFLOW and MASTERPATCH), the earliest being around 1909 and the latest (but still prior to respondent's first use of some of its marks in 1990) being 1989. Petitioners have not established priority with respect to two of their registered marks, MASTERPAVE and MASTER TITE. Petitioners' proven first use of MASTERPAVE was in 1994 and of MASTER TITE in 1998, both being subsequent to respondent's first use of each of its five registered marks (three in 1990 and two in 1993). Moreover, with regard to petitioners' MASTER TITE mark, one of petitioners' witnesses, Mr. Kelley, testified

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that that mark was no longer in use. Thus, petitioners have established priority as to all but two of their registered marks. Respondent, in any event, did not contest petitioners' priority.

Likelihood of Confusion

Before we turn to consider the merits of these petitions to cancel under the du Pont factors, we note that the registrations petitioners seek to cancel are prima facie evidence under Section 7(b) of the Trademark Act, 15 U.S.C. §1057(b), of the validity of the registrations, of respondent's ownership of the registered marks, and of respondent's right to exclusive use of the marks in commerce in connection with the identified goods. Petitioners thus have the burden of establishing evidence to rebut these presumptions. Cancellation of trademark or service mark registrations around which a large and valuable business has been created over the years should be granted only with due caution. See *Era Corp. v. Electronic Realty Associates, Inc.*, 211 USPQ 734, 746 (TTAB 1981), citing to several CCPA cases, including *Sleepmaster Products Co. v. American Auto-Felt Corp.*, 241 F.2d 738, 113 USPQ 63 (CCPA 1957); and

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Rockwood Chocolate Co., Inc. v. Hoffman Candy Co., 372 F.2d 552, 152 USPQ 599 (CCPA 1967).²²

Our determination of likelihood of confusion is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, In re Majestic Distilling Company, Inc., 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003).

The first du Pont factor we consider is the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. Initially, we note that petitioners' marks are registered in typed form, and respondent's marks are composite marks with each consisting of a word portion and a design portion (as reproduced earlier). Although petitioners contend, and have shown, that respondent sometimes uses the word portions of its marks without the design features,²³ we emphasize that we must consider respondent's marks as registered, and that the overall question before the Board is whether

²² Of course, a plaintiff's burden of proof is not greater in a cancellation proceeding than in an opposition proceeding. See *Cunningham v. Laser Golf Corp.*, 55 USPQ2d at 1848; and *Cerveceria Centroamericana, S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ2d 1307, 1309 (Fed. Cir. 1989).

²³ There is also evidence showing respondent's use of its marks in the design form shown in its registrations. (See e.g., respondent's Exhibit Nos. 30-34, labels used on the containers in which the products are shipped and sold.)

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respondent's registrations for its composite marks should be cancelled.

Respondent argues that the only common element of the respective marks of all parties is the descriptive word "MASTER"; that the suffix portions of each party's marks are different, the presentation of respondent's marks is different with respondent's in lower and upper case, and the design portions of respondent's marks create completely different marks from petitioners' marks; that the suffixes of all of the marks, as well as the design portion of respondent's marks, are the dominant features of these marks; that marks with a descriptive element are entitled to a narrow scope of protection; and that the marks of the respective parties are dissimilar in sound, appearance, connotation and commercial impression.

Petitioners, on the other hand, assert that they have a family of "MASTER" marks; that the word "MASTER" is the dominant portion of respondent's composite marks and is also the dominant portion of each of petitioners' word marks as the suffixes of respondent's and petitioners' marks each suggest properties or uses associated with concrete or cement; that consumers are most likely to remember the word portion of respondent's marks; and that, when properly analyzed, the parties' marks, although having "some differences in appearance and sound, ... in their entireties

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are similar in appearance, sound, and particularly in connotation and commercial impression." (Brief, pp. 14-15.)

Clearly each of the involved marks of the parties includes the word "MASTER," but that is the only common element. All of respondent's various "MASTER" marks end in words different from the various suffix words used by petitioners in their various "MASTER" marks. In addition, each of respondent's registered marks includes a globe and banner or multiple line design, whereas petitioners' marks are registered in typed form.

Regarding petitioners' asserted family of "MASTER" marks, it is well settled that mere adoption, use and registration of a number of marks having a common feature for similar or related goods or services does not in and of itself establish a family of marks. Rather, in order to establish a family of marks, it must be demonstrated that the marks asserted to comprise the "family," or a number of them, have been used and advertised in promotional material or used in everyday sales activities in such a manner as to create common exposure and thereafter recognition of common ownership based upon a feature common to each mark. See *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889 (Fed. Cir. 1991); *Witco Chemical Co. v. Whitfield Chemical Co.*, 418 F.2d 403, 164 USPQ 43 (CCPA

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1969); and *Dan River, Inc. v. Apparel Unlimited, Inc.* 226 USPQ 186 (TTAB 1985).

While the record reveals that petitioners use and advertise many of their "MASTER" marks together and create common exposure of the marks to the consumers (see, e.g., petitioners' Exhibit Nos. 14 and 24), the problem with petitioners' argument is that the "family of marks" doctrine is based on the theory that the party asserting the "family" has an exclusive proprietary interest in the "surname" element which is common to the "family." That is, the "family" feature must be distinctive, not descriptive or highly suggestive or so commonly used in the trade that it cannot function as the "surname" of the "family." See *Land-O-Nod Co. v. Paulison*, 220 USPQ 61, 65-66 (TTAB 1983). As stated by Professor McCarthy, "in effect, the family 'surname' or distinguishing element is recognized by customers as an identifying trademark in and of itself when it appears in a composite." 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, §23:61 (4th ed. 2001). Thus, the question becomes whether the "family" feature or "surname" is distinctive enough to trigger recognition in and of itself. See *Spraying Systems Co. v. Delavan Inc.*, 975 F.2d 387, 24 USPQ2d 1181, 1187 (7th Cir. 1992); and *Hester Industries v. Tyson Foods*, 2 USPQ2d 1646, 1647 (TTAB 1987).

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Petitioners' witness Frederick Raymond Goodwin, a senior development scientist with Degussa Construction Chemicals (a successor-in-interest to Master Builders), testified that in his position he develops new products and supports and maintains existing products; that he provides technical assistance to other parts of his company (such as knowing how products are used and their applications); and that in 2001 he was asked by his boss to obtain information on respondent. What he learned was that respondent used the prefix "MASTER" with a "suffix word describing some type of the application in a manner similar to what Master Builders or Degussa" does with their marks; that "sometimes the descriptor name would precede the word 'master,' sometimes it would follow the word 'master,' and as always there were some exceptions to the rule..."; and that neither respondent nor petitioners were one hundred percent consistent in the make up of their marks for their "MASTER" products. (Goodwin dep., p. 11.)

In this consolidated case, it is apparent that the term "MASTER" is, at best, highly suggestive in relation to petitioners' goods. We take judicial notice of the Random House Dictionary of the English Language (2d ed. 1987) definition of "master" as "... 8. a worker qualified to teach apprentices and to carry on a trade independently." In addition, one of petitioners' own witnesses stated that he

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"would conjecture" that it was in that context that the name "Master Builders" was selected, i.e., the founder had mastered building the flooring system. (First Boyer dep., pp. 95-96.) Thus, the term "MASTER" is intended to relate to a level of superiority in the trade. Also, there are of record several third-party uses of the term "MASTER" for goods in the same or related industries, which will be discussed more fully later herein.

Nonetheless, petitioners' argue that their "MASTER" marks are "distinctive" and "not merely descriptive"; and that their evidence on the nature and extent of the sales and advertising of their goods offered under their "MASTER" marks proves "the secondary meaning attained by Petitioners' MASTER marks." (Reply brief, pp. 7-8).

Despite respondent's assertion that petitioners' marks are merely descriptive, this record does not establish that as fact. However, the highly suggestive nature of the term "master" in relation to the goods involved in this consolidated case, coupled with numerous third-party uses, establishes that such term is not a distinguishing element which could function as the "surname" of a "family" of marks. Moreover, petitioners have not promoted the term "MASTER" as the "family surname."

Therefore, we disagree with petitioners' assertion that they have established a "family" of "MASTER" marks, nor

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could petitioners establish a "family" of "MASTER" marks due to the nature of the "surname."

We have considered the similarities and dissimilarities of petitioners' various "MASTER" marks individually vis-a-vis respondent's various "Master___ and design" marks, as registered. We find that respondent's marks are somewhat similar in sound and connotation to petitioners' "MASTER" marks, i.e., the word portions each consist of the first word "MASTER" with a suffix word (generally relating to the nature of the application of that particular product), and the connotation of "master" is similar for the parties' respective goods. However, the parties' respective marks are very dissimilar in appearance and overall commercial impression, specifically in view of the rather conspicuous and prominent globe and banner or line design, as well as the upper and lower case lettering, in respondent's marks.

"It has frequently been held that trademarks, comprising two words or a compound word, are not confusingly similar even though they have in common one word or part which is descriptive or suggestive of the nature of the goods to which the marks are applied, or of the use to which such goods are to be put." *Smith v. Tobacco By-Products & Chemical Corp.*, 243 F.2d 188, 113 USPQ 339, 340 (CCPA 1957) (BLACK LEAF and GREEN LEAF not confusingly similar for the same goods). That is, the fact that the marks share a

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common word or common initial letters does not necessarily mean that the marks as a whole project the same image or impression. See *Olay Company, Inc. v. Avon Products, Inc.*, 178 USPQ 502 (TTAB 1973)(OLAND and OLAY not confusingly similar for closely related goods).

We find that the dissimilarities in the appearance and overall commercial impressions of the parties' "MASTER" and "Master___ and design" marks is a factor that favors respondent. In this consolidated case, the dissimilarities between the marks, especially when considered on balance with the other du Pont factors discussed *infra*, are significant. See *Champagne Louis Roederer S.A. v. Delicato Vineyards*, 148 F.3d 1373, 47 USPQ2d 1459 (Fed. Cir. 1998). That is, the factor of the dissimilarities of the parties' marks weighs heavily in favor of respondent.

Petitioners contend that their "MASTER" marks are strong because they have extensively advertised their "MASTER" marks for over 75 years; they have spent about \$1.5 million dollars annually on advertising and promotion over the last five years; and one of petitioners' distributors testified that if he saw "master" on a product he would "call the ChemRex guy and ask him if I could quote a Master Builders product." (Furniss dep., pp. 15-16.) They also specifically contend that their "MASTER" marks are famous

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based on their sales and advertising figures, and their length of use.

Respondent argues that petitioners' marks are weak and are not famous because they are formed of the descriptive word "MASTER" and a descriptive suffix relating to the particular product; and because there is extensive third-party use of the term "MASTER" in connection with construction products and services.

Petitioner Master Builders has clearly been in business for many decades, and it is clear that Master Builders and ChemRex together spend significant amounts of money as licensees to advertise and promote their "MASTER" products with the result of significant sales figures for those goods. While this evidence establishes the success of the products at some level, it does not prove the degree of renown of petitioners' "MASTER" marks in petitioners' product field. There is no direct evidence of consumers' perceptions of petitioners' "MASTER" marks. The testimony of one of ChemRex's distributors (Furniss) that, if he saw "master" in a specification, he would call ChemRex and ask if it was a Master Builders' product, is extremely limited evidence of fame. As explained above, we find that petitioners' "MASTER" marks are highly suggestive marks. As petitioners have acknowledged, their marks are a combination of the word "master" and a suffix word to help the customer

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understand the general application of the product (e.g., MASTERPATCH is for repairs, MASTERFLOW is for flowable grout). (First Boyer dep., p. 53.)

The highly suggestive nature of such marks is also demonstrated by the several third-party uses of "MASTER" on and in connection with similar and related goods. Respondent has introduced evidence showing several other "MASTER" branded products and the use thereof in the same or related fields. In her declaration, Karen Severson, averred that she searched the USPTO's Trademark Electronic Search System (TESS), locating some third-party registrations for marks including the term "MASTER" for the same or related products, and that she found various corresponding Internet web sites showing use of the third-party registered marks, as well as other Internet web sites showing uses of other third-party marks. The third-party registrations and third-party uses to which she averred consist of the following:

(1) printouts of pages from the www.custombuildingproducts.com web site showing "MASTERBLEND" used for "Thin-Set Mortar[,]" an "all-purpose thin-set for walls and floors. Contractor preferred for its easy troweling and extended working time..." The products' "Areas of Use-...concrete, mortar beds, masonry";

(2) printouts of pages from the www.kcmaster.com web site showing "MASTER MUDJACKERS" used for "Mudjacking,"

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which is "a proven, cost-effective method of permanently leveling misaligned, unlevel concrete slabs. By injecting mudjacking material under a lower level concrete slab, two uneven slabs can be repaired to their original condition" and this "innovative mudjacking pumping system [was] designed especially for residential and commercial slabs";

(3) printouts of pages from the www.masterterrazzo.com web site of "Master Terrazzo Technologies LLC" showing "MASTERFLEX" used for a "100% solids, flexible epoxy membrane" "ideal for crack detailing or full slab underlayments to mitigate reflective cracking";

(4) Registration No. 1,454,779 for the mark MASTER BOND for "coatings for use on piping, process, equipment, floors, roofs, tanks,..." and "adhesives and sealants, namely epoxies... for all-purpose industrial use," as well as printouts of pages from the www.masterbond.com web site showing MASTER BOND used for epoxy systems including "curable polymer systems for high performance coatings, adhesives, sealants... They vary in thicknesses, hardness, chemical resistance, clarity..." ;

(5) Registration No. 2,240,731 for the mark MASTER WHOLESale for "retail store services specializing in tile and stoneworking tools and supplies," as well as printouts of pages from the www.masterwholesale.net web site showing use of "MASTER WHOLESale Brand Products" including "Master

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Wholesale Super Set Thinset," which is a premium grade polymer modified thinset mortar consisting of Portland cement, sand, and powdered acrylic polymer additives...," and "Rapid Floor Regular," which is a "fast setting, high strength dry polymer modified mortar that is designed to be mixed with water, no other liquid additive is needed. This product is a cement based multi-purpose floor repair and leveling compound. ...";²⁴

(6) Registration No. 2,019,330 for the mark MASTERCHEM for various paint products and "coatings in the nature of wood sealers and protectors,"²⁵ as well as printouts of pages from the www.masterchem.com web site showing use of "MASTERCHEM Manufacturing Excellence in Architectural Specialty Coatings" and clearly indicating its uses include use on masonry and brick; and

(7) Registration No. 2,633,999 (issued to Conklin Company, Inc.) for the mark MASTER GUARD for "coatings in the nature of wood sealers and protectors" and "petroleum-based asphalt coatings, asphalt primers, asphalt fillers and asphalt patch," as well as printouts of pages from the www.crsystemsinc.com web site showing use of such "Conklin

²⁴ We note that petitioners submitted evidence that an application for the mark MASTER WHOLESale was abandoned. (Petitioners' notice of reliance, attachment 4.)

²⁵ We are aware that the petitioners' and respondent's goods relate generally to concrete. The record does show that respondent also provides its goods for wood, metal, tile and fiberglass floors. (First Sonderman dep., p. 69.)

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Building Products" as "MASTER GUARD® Asphalt Sealer," "MASTER GUARD® Pourable Crack Filler," "MASTER GUARD® Trowelable Crack Filler," and "MASTER GUARD® Asphalt Patch."

In addition, respondent's president and chief operating officer, Paul Sonderman, testified to an advertisement for "StampMaster Concrete Texturing Mats by Tabco" which appeared in a trade magazine (*Concrete Construction*) and which he contends shows use in connection with concrete finishing products. (Second Sonderman dep., pp. 76-77, and Exhibit No. 20.)²⁶

Petitioners' witness John Furniss (founder of the Horizon Paint manufacturing facility in Salt Lake City, Utah and one of ChemRex's distributors), when asked if he was aware of any "MASTER" branded products that were not petitioners' products, answered that one of the companies he once worked for had a product called "MasterDecorator" for paint. (Furniss dep., p. 22.) Petitioners' witness John Boyer testified that he had heard of the mark "MASTERBLEND" but did "not know the situation of MasterBlend" (second Boyer dep., pp. 82-83); and that he had heard of the mark

²⁶ The other two documents comprising Exhibit No. 20 are not probative of relevant third-party uses because the other advertisement is for a company in Australia, which is not evidence of perceptions in the Untied States; and the photograph was taken in an airport by another employee of respondent at a

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"Masterflex" but he was not aware of any action with regard to that mark by petitioners. (Second Boyer dep., pp. 103-104.)

Respondent's witness Paul Sonderman testified that he is aware of a company called Master Terrazzo; that he believes Master Builders bought McNaughton-Brooks, a supplier to the terrazzo contractor business, in the late 1980s; and that Master Builders spun off a company called Master Terrazzo selling the McNaughton-Brooks terrazzo products (and brands) to Master Terrazzo. (Second Sonderman dep., pp. 34-37.)

Respondent also pointed out that the *Concrete Construction* publication includes (i) in the "Company Directory" portion several names with the word "Master" therein, including Mastercrete Construction Products, Master Level, and Masterset Fastening Systems Inc.; and (ii) in the "Trade Name Directory" portion several trade names with the word "Master" therein, including "Master" for both Arrow-Master Inc. and DESA International Inc., "Master Craft" for Master Craft Industrial, "Master Mix," "MasterSeal" and "MasterTurf" for Seal Master Industries Inc., and "Mastercrete System 2000" for Mastercrete. Respondent did not further investigate these particular uses, however.

time the witness does not remember, and relating to a use of "Master Builder" which he was only speculating about.

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Petitioners filed with their rebuttal notice of reliance printouts of web pages to show that the involved parties' goods are related, and (although not stated therein) presumably to show that at least some of the third-party companies were in businesses which petitioners assert are unrelated to petitioners' and respondent's goods, such as the manufacture and sale of concrete finishing and breaking equipment (Arrow), and pavement maintenance products (SealMasters).

We are aware that Mr. Boyer explained that petitioner Master Builders "and its affiliates'" attorneys routinely bring marks to the attention of the appropriate people (including Mr. Boyer) for internal discussion. In particular, he testified that he personally recalled opposing a mark "MASTERCASE," resulting in an abandonment of the mark; opposing, then purchasing the mark MASTER TITE and licensing it back to the former owner; perhaps opposing the mark "MASTER WHOLESALE"; and opposing the mark MASTERCRETE." (First Boyer dep., pp. 81-82.) In addition, petitioners filed in their first notice of reliance (attachment 4) copies of a few official USPTO records, such as a photocopy of an assignment document for Registration 2,239,537 to MBT Holding for the mark MASTER TITE; a photocopy of an August 16, 2001 Board decision granting plaintiffs' summary judgment motion as conceded in Opp. No. 112,438 (Master

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Builders, Inc. and MBT Holding AG v. Blue Circle Industries, Inc., involving the mark MASTERCRETE); and an express abandonment of an application for the mark MASTER WHOLESALE (mentioned above).

The Board has in the past given weight to credible and probative evidence of significant and unrestrained use by third parties of marks containing elements in common with the mark which is the subject of the proceeding on the ground of likelihood of confusion to demonstrate that confusion is not, in fact, likely. See *Hilson Research Inc. v. Society For Human Resource Management*, 27 USPQ2d 1423, 1431 (TTAB 1993), citing *Miles Laboratories Inc. v. Naturally Vitamin Supplements Inc.*, 1 USPQ2d 1445, 1462 (TTAB 1986, amended 1987).

Respondent's evidence of third-party uses establishes that the word "MASTER" is hardly a unique term for goods that are the same or related to the goods involved herein. Therefore, it becomes reasonable to infer that purchasers have become conditioned to expect different sources even when the goods and services are sufficiently related to be attributable to one source. See *National Cable Television Association Inc. v. American Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1430 (Fed. Cir. 1991). The basis for such an inference has been established by the evidence of significant use by third-parties of marks which include the

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term "MASTER" as part of their company names and also as trademarks for various products pertaining to concrete additives, flooring, toppings and other related construction products. The relevant purchasers will not assume that all concrete add mixtures, flooring, grout, sealants, toppings, repair mixtures and other related construction products which include the word "master" as part of the trademark under which they are sold are invariably part of petitioners' line of concrete additive products.

We therefore find that petitioners' "MASTER" marks, while perhaps somewhat well known, are not strong marks entitled to a broad scope of protection and are not famous marks within the meaning of the du Pont factor relating thereto. Such finding thus favors respondent.

Turning to the issue of the relatedness of the goods, rather than addressing each separate identification of goods in respondent's five involved registrations and determining the relatedness thereof separately as to each of the identified goods in all of petitioners' registrations, we shall address this factor in more general terms.

Respondent essentially argues that petitioners' products are primarily concrete additives while respondent's products are primarily concrete coatings, and more specifically epoxy coatings and waterproofing compounds that can be applied over concrete, wood, metal, tile and

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fiberglass, and that some of respondent's goods, as identified, include all of those uses.

Petitioners essentially contend that four of respondent's five identifications of goods (excluding the goods in the "MasterPiece and design" registration) and twelve of thirteen of petitioners' identifications of goods (excluding the goods in the MASTERFILL registration) all recite that the goods are to be used with concrete; that the parties' respective goods are closely related; and that the closest overlap with respondent's goods is with petitioners' coatings in the nature of polymer-based flooring compositions for protecting and topping cementitious floors sold under the mark MASTERTOP and their waterproofing coatings sold under the mark MASTERSEAL. (Petitioners' brief, p. 18, Abrahamson dep., pp. 31-35.)

It is well settled that goods (or services) need not be identical or even competitive to support a finding of likelihood of confusion; it being sufficient that the goods (or services) are related in some manner or that the circumstances surrounding their marketing are such that they would likely be encountered by the same persons under circumstances that could give rise to the mistaken belief that they emanate from or are associated with the same source. See *In re Peebles Inc.*, 23 USPQ2d 1795, 1796 (TTAB

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1992); and In re International Telephone and Telegraph Corporation, 197 USPQ 910 (TTAB 1978).

It has been repeatedly held that, when evaluating the issue of likelihood of confusion in Board proceedings regarding the registrability of marks, the Board is constrained to compare the goods (or services) as identified in the involved registration(s) (or application(s)). See Octocom Systems Inc. v. Houston Computer Services Inc., 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990); and Canadian Imperial Bank of Commerce, N. A. v. Wells Fargo Bank, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987).

In this case, respondent's goods are primarily epoxy coating materials which can be applied to concrete slabs and concrete floors and petitioners' goods are primarily additives for concrete mix. One of respondent's identifications of goods, "decorative thin-set epoxy surfacing compound," is not limited to concrete at all; and two of its other identifications of goods refer to protecting "concrete slabs and floors" and "application to concrete floors and decks" Respondent reasonably contends that the latter two identifications could refer, respectively, to floors and decks made of any product such as wood or tile.

Nonetheless, it is clear that respondent's identified goods either specifically relate to concrete applications or

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at least include concrete applications (e.g., "epoxy compound applied as a surface coating to restore and protect concrete slabs"). One of petitioners' registrations covers goods identified as "material to be applied to the surface of masonry to form a colorless surface waterproofing coating thereon."

In reviewing all of the identified goods of the parties, we find that they are sufficiently related that this factor favors petitioners.

We turn then to the du Pont factors involving the purchasers of these goods, their sophistication, and the channels of trade. The record shows that respondent sells its goods directly to specialty contractors (such as plant engineers and architects) through manufacturers' sales representatives, while petitioners sell their "MASTER" branded products to their own distributors. Petitioners' witness John Boyer testified that, as noted earlier, he considers their customers to be the entity that takes ownership of their products in return for which Master Builders receives money, and that is the distributor. He explained that the clients they market to include not only their direct customers (i.e., their distributors), but also people who may be instrumental in determining what product will be used (e.g., engineers, architects). (First Boyer dep., p. 83.)

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Generally, respondent provides its catalog and product brochures to its sales representatives who in turn provide them to the specialty contractors. Respondent also markets, as indicated previously, through trade shows and magazine advertisements, and it maintains a web site. Petitioners market and advertise their goods (as divided between Master Builders and ChemRex) through trade shows, technical specification guides, magazine advertisements and direct mail. They also have web sites.

We thus find that the trade channels of the involved goods are similar or at least overlap, and that this factor favors petitioners.

However, key du Pont factors in this case, and which favor respondent, are the sophistication of the purchasers and the conditions of sale of the goods. Petitioners must show not that there is a likelihood of confusion in the general construction field, but rather that there is a likelihood of confusion among the customers or purchasers for the parties' respective goods. See *Electronic Design & Sales v. Electronic Data Systems*, 954 F.2d 713, 21 USPQ2d 1388, 1391 (Fed. Cir. 1992). As the Court stated in the *Electronic Design & Sales* case, 21 USPQ2d at 1392: "Where the purchasers are the same, their sophistication is important and often dispositive because '[s]ophisticated consumers may be expected to exercise greater care.'"

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The purchasers and the ultimate consumers (e.g., plant engineers, contractors, architects) are sophisticated. The products are selected by professionals and specifications for some particular use which must be met by the product. In many instances, the selection involves specifications in a contract or an architectural requirement. The parties' respective goods are sold with labels explaining uses and setting forth various warnings, and there are technical data guides or specification materials on how to properly utilize the products. Even petitioners' witness Paul Abrahamson testified that for some of petitioners' products special training is required to install or use them (Abrahamson dep., 43); and their witness John Furniss (one of petitioners' distributors) testified that his customers vary from an unsophisticated house painter "who may never buy an epoxy," to "the other aspect to that [which] is the commercial end, the end that industrial floor coatings is very likely to be used in, ... [and which involves] a very sophisticated buyer." (Furniss dep., p. 12.)

Even though the parties attend and display at some of the same trade shows (e.g., World of Concrete) and belong to some of the same professional organizations, the purchasers who attend those trade shows and belong to those professional organizations are highly sophisticated and discriminating purchasers of the involved products. In

fact, it is clear from the publication *Concrete Construction*, put out in connection with the World of Concrete trade show, that the parties are not listed under the same product categories (and it is the parties themselves who pick the categories under which they are to be listed). Thus, in actual practice, the parties do not regard their products as being in the same trade categories.

We find the dissimilarities of the marks, the sophistication of the purchasers and ultimate consumers, the technical nature of the respective goods and the conditions of sale to be key factors in this case. These factors, along with the evidence of third-party uses of "MASTER" marks, perhaps explain the lack of actual confusion of the involved marks, which we discuss next.

With regard to the du Pont factor relating to actual confusion, the parties have co-existed since 1990 and petitioners' sales of its "MASTER" brand products from 1996-2000 have exceeded \$40 million. Yet petitioners' interrogatory answers indicated petitioners were aware of no instances of actual confusion. Subsequent to that response petitioners asserted one instance of actual confusion, through the testimony of Gary Culton, a technical support employee of Master Builders, who received a telephone call in early 2000 from one of Master Builders' sales representatives stating he was looking for a product his

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distributor had inquired about--MASTERSHIELD. Mr. Culton testified he would normally route information about another company using "MASTER" to the appropriate staff, but he could not remember if he had done so in this case.

This testimony is insufficient to demonstrate actual confusion by purchasers or potential purchasers as to the source of respondent's and petitioners' "MASTER" branded products in the marketplace. Mr. Culton simply answered a call from one of petitioners' sales representatives who inquired because his distributor asked him about the "MasterShield" product. There is no indication that the distributor was confused as to the source of the goods. The distributor (and the sales representative) may have been aware that the "MasterShield" product was not petitioners' product. This asserted evidence of actual confusion is of limited weight. Moreover, considering the length of contemporaneous use and the relative success of the parties' sales of their respective goods sold under their respective marks, it is noteworthy that there have been no other reported instances of actual confusion involving potential purchasers, purchasers or end-users of the involved products. We are not convinced on this record, as petitioners argue, that respondent has only relatively recently achieved success in markets closer to petitioners' markets.

Although proof of actual confusion is not required to prove likelihood of confusion, in the circumstances of this consolidated case, we find that the lack of instances of actual confusion favors respondent.

Finally, we consider the du Pont factor on the extent of potential confusion, i.e., whether *de minimis* or substantial. The record before us shows that there is at most a *de minimis* chance that consumers would confuse the source of petitioner's goods and respondent's goods.

There must be shown more than a mere possibility of confusion; instead, there must be demonstrated a probability or likelihood of confusion. See *Electronic Design & Sales Inc. v. Electronic Data Systems Corp.*, 21 USPQ2d at 1391, quoting from *Witco Chemical Company, Inc. v. Whitfield Chemical Company, Inc.*, supra, as follows: "We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with *de minimis* situations but with the practicalities of the commercial world, with which the trademark laws deal." See also, *Triumph Machinery Company v. Kentmaster Manufacturing Company Inc.*, 1 USPQ2d 1826 (TTAB 1987). The Trademark Act does not speak in terms of remote possibilities of confusion, but rather, the likelihood of such confusion occurring in the marketplace. In this consolidated case, we find that the possibility or likelihood of confusion is remote.

Upon balancing all of the relevant du Pont factors in this consolidated case, and giving each relevant factor the appropriate weight, we hold that confusion is unlikely.

Affirmative Defenses

Although we have found no likelihood of confusion, in the interest of a complete decision, we will now rule on respondent's affirmative defenses. The burden of proof for the affirmative defenses is, of course, on respondent.

Laches

The specific elements required to establish the affirmative defense of laches are (1) unreasonable delay in assertion of one's rights against another, and (2) material prejudice to the latter attributable to the delay. See *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701 (Fed. Cir. 1992). "Laches is 'principally a question of the inequity of permitting the claim to be enforced--an inequity founded upon some change in the condition or relations of the property or the parties.'" *Bridgestone/Firestone v. Automobile Club de l'Ouest*, 245 F.3d 1359, 58 USPQ2d 1460, 1463 (Fed. Cir. 2001). There must be not only unreasonable delay but some detriment due to the delay. (Reliance is not a requirement of laches.)

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Simply put, we find that petitioner Master Builders' and its then-parent company (Sandoz) clearly had notice of respondent's use of its "Master____ and design" marks as of at least February 1, 1994 when the then-parent company sent a letter demanding that respondent cease and desist use of the marks "MasterShield, TrowelMaster, MasterQuartz, LevelMaster and MasterProof" (three of which are involved herein). Petitioners' delay from February 1994 to late March and early April 2000 when the five petitions to cancel were filed constitutes an unreasonable delay. It was Master Builders' then-parent company's in-house attorney, following discussions with Master Builders' then in-house counsel (Peter Vinocur), who contacted respondent demanding that it cease and desist use of its "Master" marks as infringing trademarks. Respondent's attorney responded within one month explaining the various reasons respondent believed there was no likelihood of confusion. This was followed several months later by a memo of August 1994 to respondent's attorney wherein the then-parent company's attorney simply stated that it "was nice speaking with you this morning regarding the trademark conflict"; specifically asserting the parent company's ownership of another registration, for the mark MASTERTOP for coatings in the nature of polymer-based flooring compositions used for protecting and topping cementitious floors; and stating that

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he "looked forward to hearing from you." (Respondent's Exhibit No. 10.) Petitioners made no additional contacts and took no other action until the filing of the petitions to cancel in 2000. Petitioners complain that respondent did not follow up as requested in the parent company's August 1994 memo; and that respondent did not advise the parent company or petitioners of the filing of its trademark applications in 1994, all of which were published for opposition in 1995.²⁷ Petitioners' complaints of inaction by respondent ring hollow.²⁸ Petitioners offer no explanation as to why at least Master Builders did not take some further action if it believed there was a trademark infringement of its "MASTER" marks. In light of the February 1, 1994 cease and desist letter from Master Builders' parent company to respondent, it is apparent that Master Builders was aware of respondent at least since sometime prior to the date of the cease and desist letter which was sent only after discussion with Master Builders' in-house attorney.

Respondent believed that the "trademark conflict" was resolved, particularly after it heard nothing further after

²⁷ No party filed either an extension of time to oppose or a notice of opposition against any of respondent's five marks involved herein.

²⁸ The burden was not on respondent to follow up on Master Builders' parent company's trademark infringement concerns, but rather action thereon would clearly be up to petitioner Master Builders or its parent company or any other interested party (e.g., sister companies).

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the 1994 letter and memo, and its marks were published and not opposed; and that petitioner Master Builders' and its parent company had no further interest in the situation. Respondent had commenced use of all five of its involved marks (in 1990 and 1993) by the date of the cease and desist letter in 1994, which referred to only three of respondent's five registrations petitioners now seek to cancel.²⁹ The record is clear that respondent actively developed its business and its products, growing from six sales representatives in 1990 to fourteen in 2002; and concomitantly increasing advertising and sales. Respondent has shown material prejudice attributable to petitioners' delay.

Accordingly, we find that petitioners' petitions to cancel are barred by the equitable defense of laches.

Petitioners alternatively argue that the Board should deny respondent's laches claim based on the "doctrine of progressive encroachment," citing the case of *SCI Systems Inc. v. Solidstate Controls Inc.*, 748 F.Supp. 1257, 15 USPQ2d 1299 (S.D. Ohio 1990), as well as a 1917 Sixth Circuit case cited therein. (Brief, pp. 37-38.) The facts of the *SCI Systems* case involving trademark infringement and

²⁹ Even when petitioners filed their five petitions to cancel, they did not seek to cancel respondent's four registered marks which use the term "Master" as the suffix instead of the prefix in the word portion of each mark, and utilize the same design format.

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unfair competition are completely different from the facts involved herein. Moreover, we are not convinced that the "doctrine of progressive encroachment" should even apply in a cancellation proceeding involving delay by a party in seeking to cancel a registration before the Board. (For example, in Board administrative proceedings, we look only to the mark(s) as registered (or applied for) and to the goods or services as identified. See *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990).)

Estoppel

The elements required to establish the defense of equitable estoppel are (1) misleading conduct (including not only statements and action, but also silence and inaction) which leads another to reasonably infer that rights will not be asserted against it, (2) reliance upon this conduct, and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted. See *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, supra.

We find the silence and inaction of Master Builders' parent company after the 1994 letter and 1994 memo to respondent, as well as each of the current petitioners' complete silence and inaction, to be misleading conduct. From the testimony of petitioners' own witnesses, it is

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clear that once most of these individuals became aware of respondent (including one with first-hand knowledge from the World of Concrete trade show), they nonetheless did nothing to take any action against respondent's involved five registrations prior to the filing of the petitions to cancel in 2000.

As discussed above, it is clear that respondent's business grew steadily during the years of petitioners' inaction due at least in part to respondent's reliance thereon. The material prejudice to respondent is as explained above in our discussion of the laches defense.

Accordingly, we find that petitioners' claim is barred by equitable estoppel.

Acquiescence

Respondent acknowledges that the defense of acquiescence requires as one of its elements that a plaintiff actively represented that a right or claim would not be asserted; and that "to the extent that acquiescence requires such an overt act, then the acquiescence defense is withdrawn." (Brief, p. 30.) Therefore, the Board considers this affirmative defense withdrawn. See *Coach House Restaurant Inc. v. Coach and Six Restaurants Inc.*, 934 F.2d 1551, 19 USPQ2d 1401 (11th Cir. 1991). Respondent contended that the Board could interpret "active representation"

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broadly to include silence and tacit acceptance. But we decline to so broadly interpret this element of acquiescence, particularly in view of the fact that the last statement received by respondent was one which "looked forward to hearing from you."

Decision: Petitioners' consolidated petition to cancel is denied on the merits and is barred by laches and equitable estoppel.