Hearing: February 15, 2007
Mailed: October 4, 2007

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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Airflite, Inc.
v.
Aycock Engineering, Inc.

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Cancellation No. 92032520

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David J. Kera of Oblon, Spivak, McClelland, Maier & Neustadt, P.C. for Airflite, Inc.

David D. Kalish and Anthony J. Biller of Coats & Bennett, P.L.L.C. for Aycock Engineering, Inc.

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Before Grendel, Walsh and Bergsman, Administrative Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

Airflite, Inc. seeks to cancel Registration No. 0983064, issued on the Supplemental Register, for the mark AIRFLITE, in standard character form (formerly a typed drawing), for "arranging for individual reservations for flights on airplanes." Petitioner pleaded the following grounds for cancellation:

1. Priority of use and likelihood of confusion;

2. Registrant's application for registration was void *ab initio* because the mark was not used in connection with the activities set forth in identification of services when the application was filed;

3. Multiple claims of fraud based on petitioner's allegation that registrant had never used the mark in connection with the services set forth in the registration when registrant filed its application, amendment to the Supplemental Register, affidavit of continued use, and first and second renewal applications;[1] and,

4. Abandonment.

Registrant denied the salient allegations in the petition for cancellation. Registrant also alleged laches as an affirmative defense, but because it did not refer to that affirmative defense in its brief, we have considered it waived.

The proceeding has been fully briefed, and an oral hearing was held. For the reasons set forth below, the petition for cancellation is granted.

The Record

By operation of the rules, the record includes the pleadings and the AIRFLITE registration file. The record also includes the following testimony and evidence introduced by the parties:

A. Petitioner's Evidence.

1. Testimony deposition of Peggy Zaun, petitioner's Customer and Aviation Relations Manager, with attached exhibits;

[1] Petitioner's motion to treat the pleadings as amended to conform to the evidence pursuant to Fed. R. Civ. P. 15(b) is granted. See Petitioner's Brief, p. 13, n.42.

2. Testimony deposition of Jeffrey Smith, former President of Purex Industries, Inc., petitioner's predecessor-in-interest, and custodian of documents for Purex Industries, with attached exhibits;

3. Notice of Reliance on a certified copy of the U.S. Patent and Trademark Office file for trademark Application Serial No. 75757405 owned by petitioner for the mark AIRFLITE, shown below, for the following services:

> Demonstrating, ordering and retailing aircraft; fixed based operations for aircraft, namely, managing aircraft for others, in Class 35;
>
> Brokerage services in the field of aircraft, in Class 36;
>
> Fixed base operations for aircraft, namely, storing aircraft for others; leasing aircraft for others, providing flight information to others, in Class 39; and,
>
> Providing weather information to others, in Class 42.

4. Notice of Reliance on Respondent's Responses To Petitioner's Requests for Admissions;

5. Notice of Reliance on portions of the discovery deposition of William L. Aycock, registrant's president, with attached exhibits (July 9, 2002); and,

6. Notice of Reliance on the discovery deposition of William L. Aycock as the Rule 30(b)(6) representative of registrant, with attached exhibits (October 22, 2004).

B. Registrant's Evidence.

Testimony deposition of William L. Aycock with attached exhibits.

Facts

A. Petitioner.

On July 23, 1999, petitioner filed an application to register the mark AIRFLITE and Design for the services identified *supra* (Application Serial No. 75757405). Registration was refused on the ground that petitioner's mark, when used in connection with the services set forth in the application, so resembles registrant's mark AIRFLITE for "arranging for individual reservations for flights on airplanes" (Registration No. 0983064 - the trademark registration that petitioner is seeking to cancel) as to be likely to cause confusion. Action on the application has been suspended pending the final determination of this cancellation proceeding.

The parties dispute the probative value of the documentary evidence introduced to show the use of the AIRFLITE mark by petitioner's predecessor-in-interest. However, Peggy Zaun testified that she worked for petitioner since May 11, 1992,[2] and that petitioner has used AIRFLITE as a trade name and service mark, in connection with fixed

[2] Zaun Dep., p. 9.

based operations for aircraft and other related services since at least as early as 1992.[3] William Aycock, registrant's president, testified that sometime in the 1990's, he visited petitioner's offices at the Long Beach, California airport.[4]

> As far as I could tell, they were operating what was called a fixed base operation in which they served fuel or have maintenance personnel that can help visiting aircraft. They rent airplanes perhaps or rent hangar space. It's called fixed based operation. FBO.[5]

B. Registrant.

Shortly after World War II ended, William Aycock, registrant's president, realized that because air taxi operators were only offering chartered flights for entire airplanes, and not individual seats, they were not maximizing their potential business opportunities.[6] Accordingly, registrant devised an airplane reservation system utilizing a network of air taxi operators[7] to sell individual seats on airplanes, rather than chartering entire planes.[8] Registrant would be the communications link between the customers and the air taxi operators.[9] In other

[3] Zaun Dep., pp. 25 - 52; Exhibits 73-106 and 109-147
[4] Aycock Testimony Dep., pp. 52-54.
[5] *Id* at 54.
[6] Aycock Testimony Dep., p. 9
[7] Aycock Discovery Dep. (7-29-02), p. 10.
[8] Aycock Testimony Dep., p. 9.
[9] Aycock Testimony Dep., pp. 11, 12, 15, and 106.

words, travelers would contact registrant regarding their travel plans, and registrant would in turn contact its member air taxi operators to arrange flights.

Registrant estimates that it will take 300 air taxi operators to make the system viable.[10] Registrant does not have, and never has had, the necessary 300 air taxi operators.[11] Since the late 1940's, registrant, through its principal, William Aycock, has been working on enrolling the air taxi operators necessary to commence operations.[12] In other words, registrant has been "arranging the system."[13] It has never marketed the services to the general public,[14] communicated with persons seeking air travel,[15] or arranged for the transportation of any passengers.[16]

> I had never made a - - any arrangement, if you want to call it arrangement. I had never had a talk with the customer and then talked with the air taxi operator and reached any agreement on them carrying the customer.[17]

On August 10, 1970, registrant filed an application on the Principal Register for the mark AIRFLITE for "a

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[10] Aycock Testimony Dep., p. 10.
[11] Aycock Testimony Dep., p. 13; Registrant's Response to Petitioner's Request for Admission No. 12.
[12] Aycock Testimony Dep., p. 14.
[13] Aycock Discovery Dep. (7-9-02), p. 23.
[14] Aycock Testimony Dep., p. 86.
[15] Aycock Discovery Dep. (7-9-02), p. 13
[16] *Id.* Registrant has never taken or made an air travel reservation. Registrant's Responses To Petitioner's Request for Admissions No. 1 and 2.
[17] Aycock Discovery Dep. (7-9-02), p. 28. See also Aycock Discovery Dep. (7-9-02), p. 69 and Registrant's Response To Petitioner's Request For Admission No. 13.

communication service between persons desiring custom air travel and certified air taxi operators." Registrant claimed that the mark was first used in connection with the services at least as early as June 23, 1969, that it was first used in the sales or advertising of services rendered in interstate commerce at least as early as March 3, 1970, and that it was now in use in interstate commerce. Registrant submitted an advertising brochure as a specimen of use. The specimen was distributed to air taxi operators as part of registrant's efforts to enroll air taxi operators in its airplane reservation network.[18]

In the July 27, 1971 Office Action, the examining attorney recommended that the identification of services be amended to "airplane reservation services," if accurate. In its January 26, 1972 response, registrant amended the identification of services to "a communication service between persons desiring to charter aircraft and certified air taxi operators." In its "Remarks," registrant explained its services as follows:

> The statement of the services has been amended to more clearly state the business in connection with which Applicant is using the mark of the

[18] Registrant's Response to Petitioner's Second Set of Requests for Admission Nos. 3 and 4; Aycock Discovery Dep. (July 9, 2002), pp. 38-40 and Exhibit Nos. 1-48; Aycock Testimony Dep., pp. 18-21 and Exhibit No. 2. *See also* Registrant's Brief, p. 5 ("The specimen was a copy of an advertisement directed to air taxi operators, inviting them to form a network for offering individual flight reservations").

> present application. This service is a communication service between persons desiring to charter aircraft and certified air taxi operators in the locale in which the charter is desired to originate. This is not a travel agency arrangement nor is it a schedule airline reservation service.

In a supplemental amendment dated April 14, 1972, registrant amended the identification of services to "a communication service between persons desiring scheduled and unscheduled airplane reservation services and certified air taxi operators." The amendment more accurately reflects that registrant's services are related to reserving seats on an airplane, not chartering the entire craft.

> Applicant has pointed out to his Attorney that his services relate to obtaining of seat reservations on aircraft and not to the charter of the whole aircraft . . . Applicant's reservation for (sic) service is directed primarily to certified air taxi operators and not to scheduled airline services or travel agency type arrangements. Although Applicant's services does (sic) not refuse to obtain scheduled airline reservations nor the chartering of an aircraft, it is primarily directed to obtaining a seat on an aircraft that is going to the desired destination of the party concerned.

In the April 24, 1972 Office Action, the Examining Attorney explained that registrant's specimen demonstrates that registrant "arranges charter air flights," and required the identification of services to be amended accordingly.

On October 24, 1972, registrant filed a Notice of Appeal.

On December 4, 1972, registrant filed an amendment to the Supplemental Register. In addition, registrant again explained that it was not rendering an air charter service.

> It should again be emphasized that the service rendered by Applicant is not a service of arranging charter aircraft but rather is the arrangement of transportation on a per seat basis from one point to another, with the local aircraft operator, under his own trademark whatever it may be, to actually do the flying. (Emphasis in the original).

In its December 15, 1972 Order, the Board remanded the application to the Examining Attorney to consider the amendment to the Supplemental Register.

In the January 23, 1973 Office Action, the Examining Attorney required registrant to file a declaration that its mark has been in lawful use in commerce for at least a year prior to the filing of the amendment to the Supplemental Register. In addition, the Examining Attorney requested that the registrant amend the identification of services to read as follows: "Arranging for reservations for flights on airplanes."

In its April 27, 1973 response, registrant amended the identification of services to read as follows: "Arranging for individual reservations for flights on airplanes." In addition, it submitted an affidavit signed by William Aycock

attesting to the fact that "[t]he mark sought to be registered has been in lawful use in interstate commerce in connection with the goods (sic) for the year preceding the date of filing of this statement." The amendment was approved, the lawful use statement was accepted, and the AIRFLITE mark was registered on the Supplemental Register.

Standing

Petitioner, through its testimony and exhibits, has established that it has been using AIRFLITE as a trade name and service mark, in connection with fixed based operations for aircraft and other related services since at least as early as 1992, and therefore petitioner has shown that it is not a mere intermeddler. In addition, petitioner has shown that it filed an application to register its AIRFLITE service mark, and that registration was refused because of Registration No. 0983064. Thus, there is no issue with respect to petitioner having proven its standing to prosecute the petition for cancellation. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

Registrant's Use of the AIRFLITE Service Mark

The pertinent facts are not at issue:

1. The identification of services in registrant's AIRFLITE registration are "arranging for individual reservations for flights on airplanes";

2. Registrant has never marketed the services to air travelers, communicated with persons seeking air travel, arranged for the transportation of any passengers, nor taken or made an air travel reservation; and,

3. Registrant has been using the AIRFLITE service mark in connection with its efforts to enroll air taxi operators in a network of air taxi operators in order to have enough air taxi operators to commence the airplane reservation services.

Registrant argues that arranging for the network of air taxi operators necessary to start the airplane reservation services falls within the penumbra of "arranging for individual reservations for flights on airplanes." In other words, "arranging" means developing the whole system.[19]

> The word "arranging" is broad in its meaning. As such, the description of services in the registration incorporates a broad range of activities. One such activity is the arrangement of a network of air taxi operators for the purpose of reserving individual seats on air taxi airplanes. To reserve individual seats on air taxi aircraft according to Mr. Aycock's plan, the air taxi operators must necessarily be arranged into a network. Mr. Aycock's arranging for the air taxi operators to take individual

[19] Aycock Testimony Dep., p. 99.

> reservations is, thus, part and parcel of "arranging for individual reservations for flights on airplanes."[20]

Moreover, registrant asserts that AIRFLITE is a service rendered to air taxi operators.[21]

Registrant further argued that because the Examining Attorney reviewed the specimen showing use of the mark and went through several iterations of the description of services before settling on "arranging for individual reservations for flights on airplanes," the approval of the identification of services by the Examining Attorney demonstrates the propriety and accuracy of that description.

A. Establishing the infrastructure to render a service is not a registrable service.

Even if we were to accept registrant's argument that "arranging for individual reservations for flights on airplanes" encompasses arranging for, or the establishment of, the network of air taxi operators necessary to begin the airplane reservation services, setting up the infrastructure or means of rendering the services is not a registrable service. While the definition of a service mark in the statute does not define what is meant by services, and the term is susceptible to many different meanings and interpretations, each situation involving what constitutes a

[20] Registrant's Brief, p. 10.
[21] Aycock Discovery Dep. (July 9, 2002), p. 22.

service must be considered upon its own facts giving proper regard to judicial precedent. *In re Television Digest, Inc.*, 169 UPSQ 505, 507 (TTAB 1971); *In re Landmark Communications, Inc.*, 204 UPSQ 692, 694-695 (TTAB 1979).

"The following criteria have evolved for determining what constitutes a service: (1) a service must be a real activity; (2) a service must be performed to the order or, or for the benefit of, someone other than the applicant; and (3) the activity must be qualitatively different from anything necessarily done in connection with the sale of applicant's goods or the performance of another service." TMEP §1301.01(a). *See also, In re Canadian Pacific Limited,* 754 F.2d 992, 224 USPQ 971, 973 (Fed. Cir. 1985) (a service must be performed for the benefit of others); *In re Betz Paperchem, Inc.*, 222 USPQ 89, 90 (TTAB 1984); *In re Landmark Communications, Inc., supra* at 695 ("to be separately recognizable, as services, an applicant's activities must be qualitatively different from anything necessarily done in connection with the sale of goods").

Thus, promoting the sale and use of one's own products is not a separate service. *In re Radio Corporation of America,* 205 F.2d 180, 98 USPQ 157, 158 (CCPA 1953); *In re Restonic Corporation,* 189 USPQ 248 (TTAB 1975); *In re Reichhold Chemicals, Inc.*, 167 USPQ 376, 377 (TTAB 1970). The operations of a manufacturer or merchant involved in the

designing, production, sales, sales promotion and use, advertising or building up of good will of a product is not a separate service. *In re Television Digest, Inc., supra.* Guaranteeing to repair or replace defective merchandise is not a separate service. *In re Orion Research Incorporated,* 187 USPQ 485 (CCPA 1975). Syndicating an investment partnership where applicant's wholly owned subsidiary is the managing partner is not a separate service because it is merely an attempt to attract investors to become limited partners in the partnership. In that situation, the applicant is not in the business of syndicating multiple investment partnerships, rather it is syndicating one partnership for which it will render various services. In effect, syndicating the one partnership is an activity that primarily benefits applicant. *In re Integrated Resources, Inc.,* 218 USPQ 829, 831 (TTAB 1983).

In the case *sub judice,* registrant's activities related to enrolling air taxi operators in its airplane reservation network is not an activity performed for the benefit of one other than the registrant. Also, it is an activity that is a necessary element of "arranging for individual reservations for flights on airplanes." First, enrolling air taxi operators in registrant's airplane reservation network is an activity for registrant's benefit. The air taxi operators benefit from flying passengers obtained

through registrant's airplane reservation network, not by merely enrolling in the network. Second, enrolling air taxi operators in registrant's network so that registrant can book air flight reservations is nothing more than an activity that is preparatory to and essential to starting its business. Stated differently, setting up the network of air taxi operators is merely support and background for the airplane reservation service and it does not constitute a registrable service. Accordingly, enrolling air taxi operators in registrant's airplane reservation system is not an activity that we recognize as a separate and registrable service. Those efforts, therefore, do not constitute use of the mark in connection with "arranging for individual reservations for flights on airplanes."

B. The meaning of "arranging for individual reservations for flights on airplanes."

Contrary to registrant's argument, the meaning of the identification of services in Registration No. 0983064, "arranging for individual reservations for flights on airplanes," is limited to regulating, coordinating, operating, or administering a system for individuals to book flights on airplanes. As indicated *supra,* registrant devised an airplane reservation service system utilizing a network of air taxi operators. The purpose of the service is to sell individual seats on airplanes, rather than chartering full planes. Registrant would be the

communications link between the customers and the air taxi operators. According the registrant, travelers would contact registrant regarding their travel plans, and registrant would in turn contact its member air taxi operators to arrange flights. Accordingly, the services identified in the registration are, in essence, a airplane flight reservation service.

C. Registrant has not rendered its services.

It is clear that registrant had not rendered airplane flight reservation services when it filed its application to register the AIRFLITE service mark. In fact, registrant has never marketed the services to air travelers, communicated with persons seeking air travel, arranged for the transportation of any passengers, or taken or made an air travel reservation. Consequently, registrant's application was void when filed and could not lead to a registration. *Intermed Communications, Inc. v. Chaney,* 197 USPQ 501, 507 (TTAB 1977) ("Mere adoption (selection) of a mark accompanied by preparations to begin its use are insufficient as a matter of law as a foundation for claiming ownership of an applying to register the mark"). *See also, Gay Toys, Inc. v. McDonald's Corporation,* 585 F.2d 1067, 199 USPQ 722 (CCPA 1978) (because applicant did not use the mark in commerce in association with the goods at the time it filed the application, its application was void); *In re*

Cedar Point, Inc., 220 USPQ 533, 535 (TTAB 1983) (rights in mark arise through its use in connection with existing services); *Greyhound Corp. v. Armour Life Insurance Co.*, 214 UPSQ 473, 474 (TTAB 1982) (application was void because at the time it was filed the mark had not been used in the sale or advertising of existing services).

In addition, because registrant has not made use of the AIRFLITE mark in connection with "arranging for individual reservations for flights on airplanes," it could not properly amend its application to the Supplemental Register. Prior to November 16, 1989, one year of lawful use of the mark in commerce was required to apply for registration on the Supplemental Register. TMEP §816.02. The Trademark Law Revision Act of 1988 eliminated the requirement that one seeking registration on the Supplemental Register claim exclusive use of the term for one year preceding the filing date or the amendment to the Supplemental Register. Because registrant had not, and has not, used the AIRFLITE mark in commerce in connection with the services set forth in its registration, its amendment to the Supplemental Register was void.

For the preceding reasons, we conclude that registrant's mark AIRFLITE was not in use in commerce in connection with "arranging for individual reservations for flights on airplanes" at the time registrant filed its

application or at the time registrant amended it to the Supplemental Register, and that the registration is therefore void *ab initio*. Having determined that registrant's registration is void because registrant has never used the AIRFLITE mark in connection with the services set forth in the registration, we need not decide priority of use and likelihood of confusion, fraud, or abandonment.

Decision: The petition for cancellation is granted.