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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92042614
Party	Plaintiff Jackson/Charvel Manufacturing, Inc. Jackson/Charvel Manufacturing, Inc. ,
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Trademark Registration No. 2,772,766 For the Mark SAN DIMAS GUITARS THE CALIFORNIA GUITAR COMPANY (Design) Registration Date: October 7, 2003	)	
JACKSON/CHARVEL MANUFACTURING, INC., Petitioner,	)	Cancellation No. 92042614
v.	)	
PRINS, LLOYD A., Registrant-Respondent.	)	

REPLY MEMORANDUM IN SUPPORT OF
CANCELLATION OF REGISTRANT'S MARK

I. INTRODUCTION

Petitioner Jackson/Charvel Manufacturing, Inc. hereby submits this Reply Memorandum in Support of its Petition to Cancel Registration No. 2,772,766, SAN DIMAS GUITARS THE CALIFORNIA GUITAR COMPANY. In his Memorandum in Response to Petitioner's Trial Brief (the "Response"), Registrant Lloyd Prins admits that Petitioner used the trademark on point of sale displays prior to his own use; fails to meet his burden of demonstrating that Petitioner abandoned its trademark rights; and fails to refute the likelihood of confusion between the marks in question. On the basis of these admissions, the unrefuted evidence of petitioner's prior and continuous use of the subject mark and Registrant's failure to meet his burden on the issue of abandonment, the Petition to Cancel should be granted pursuant to Section 2(d) of the Lanham Act. 15 U.S.C. § 1052(d).

I. PETITIONER OWNS PRIOR RIGHTS IN THE SAN DIMAS MARK.

Based upon the factual admissions made in Registrant's Response, this court should find that Petitioner obtained rights in the trademark SAN DIMAS prior to Registrant's use

of the registered mark. Specifically, in his Response, Registrant admits that that Jackson/Charvel used the SAN DIMAS trademark in sales of electric guitars at least as early as 1995 and 1996.[1] *See Response*, p. 5 ("Jackson/Charvel continued the production and promotion of its Charvel San Dimas Series guitars into 1996. . . "). Registrant further admits that Jackson/Charvel used the mark on hang tags and point-of-sale displays. *Response*, p. 12. Moreover, Registrant fails to contest in any respect the detailed testimony of Donald Wade, evidencing Jackson/Charvel's, creation and use of its point-of-sale displays bearing the mark; the manner in which Jackson/Charvel's retail network used the displays; and the manner in which consumers would encounter the displays. *See* pp. 5-6 of Jackson/Charvel's Memorandum in Support of its Petition to Cancel Registration (the "Initial Brief"). Such displays constitute trademark use and are recognized as sufficient to give rise to trademark rights under both the common law and USPTO practice. *See e.g. In re Marriott Corp.*, 173 U.S.P.Q. 799, 459 F.2d 525, 527 (C.C.P.A. 1972); *Trademark Manual of Examination Procedures* ("TMEP") - 4th Edition, § 904.06 "Displays as Specimens for Trademarks". Based upon the foregoing displays and sales, Jackson/Charvel adopted and used the San Dimas trademark long before registrant began his current use of the mark.

Registrant attempts only to discredit Jackson/Charvel's evidence by attacking the consistency of Wade's testimony. Registrant's examples of such alleged inconsistencies however, are unavailing and inconsequential. Registrant attacks Wade, for example, for not being able to identify a precise date of first use during cross examination. *Response*, p. 3. In response to Registrant's questioning, however, Wade clearly testified that the roll-out and development of the San Dimas line began in 1993 -- testimony that was entirely consistent with his testimony on direct. See Wade Dep. II 66:7-13; *cf.* Wade Dep I, 15:5-6. Moreover, this

[1] Petitioner has proffered evidence that its first use was at least as early as 1993. Wade Dep. I, 15:5-6; Wade Dep. II 66:7-13.

attack on Wade's memory of Jackson/Charvel's first use in 1993 is of no consequence because Registrant admits in his Response that Jackson/Charvel used the mark in 1995 and 1996, and that Jackson Charvel used the mark in point of sale displays. *Response*, pp. 5, 12. Based upon these factual admissions, the Board should find that Jackson/Charvel used the SAN DIMAS trademark prior to Registrant's use in 2002.

II. JACKSON/CHARVEL HAS USED THE MARK CONTINUOUSLY

A. Registrant continuously sold San Dimas product throughout the relevant time-period.

Although Registrant argues that Jackson/Charvel has abandoned its trademark rights, he nonetheless makes factual admissions from which the Board should determine that Jackson/Charvel continuously used the SAN DIMAS trademark in commerce throughout the time-period relevant to these proceedings. As discussed above, registrant concedes that Jackson/Charvel used the mark up through 1996.[2] *Supra*, at 2. Registrant then attempts to argue that Jackson/Charvel abandoned its rights through alleged non-use during the period 1997-2003 based upon the three-year presumption codified in 15 U.S.C. § 1127. *Response*, pp. 14, 16. However, Registrant bears the burden of proving the affirmative defense of abandonment. *Doeblers' Pa. Hybrids, Inc. v. Doebler*, 78 U.S.P.Q.2d 1509, 442 F.3d 812, 822 (3rd Cir. 2006) ("A party arguing for abandonment has a high burden of proof: . . . 'abandonment', being in the nature of a forfeiture, must be strictly proved"). Registrant has not met this strict burden because he did not an cannot point to any three-year period during which Jackson/Charvel discontinued the sale of its SAN DIMAS branded guitars and guitar parts.

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[2] In one portion of his Response, Registrant seems to imply that Jackson Charvel stopped making San Dimas guitars altogether at some time prior to 1996, based upon an advertisement saying: "Now, for the first time in 10 years, American made Charvel guitars are once again available." *Response*, p. 3. This implication is misleading for several reasons. First, the cited statement references the CHARVEL brand – not the SAN DIMAS brand. Second, the advertisement does not suggest that Jackson Charvel's guitars were out of production altogether – only that manufacture had stopped within the United States. Jackson/Charvel maintained manufacturing facilities in Canada (Wade Dep. I, 48:20-49:5) and other off-shore sites for sale of its product worldwide, including in the United States. Wade Dep I, 91:1-3.

Specifically, Registrant admits that, in 1997, Jackson/Charvel completed and sold twenty-six San Dimas guitars. *Response*, p. 8 ("From January through July 1997 twenty-six (26) already in process Charvel San Dimas series guitars were completed"). Indeed, the record reflects the uncontroverted testimony of Donald Wade that Registrant's Exhibit R1 is a log of serial numbers for production model guitars manufactured by Jackson Charvel (Wade Dep. II, 42:6); that Jackson/Charvel built and sold 32 SAN DIMAS guitars in 1997 (Wade Dep. II, 49:7-12); that each one of the models reflected in R-1 is a San Dimas brand guitar (Wade Dep. II, 50:20-23); and that during the relevant period, Jackson/Charvel distributed thousands of promotional materials detailing the SAN DIMAS brand and product line to consumers and dealers. Wade Dep. I, 26:19-27:2. Faced with these sales, Registrant speculates based upon informal references to the terms "strat" and "tele"[3] appearing in the column marked "STYLE" on the log that these 1997 sales were not sales of SAN DIMAS brand guitars. *Response*, p. 8. There is no testimony in the record supporting Registrant's conclusion that these guitars were sold to consumers under the brands STRAT or TELE instead of the SAN DIMAS brand. There is, however, uncontroverted evidence that such sales were San Dimas products. Wade Dep. II, 50:20-23. The fact Jackson/Charvel's manufacturing log contains references to the style of a competitor's products does not alter Wade's uncontroverted testimony that each of these guitars was indeed manufactured and sold within the San Dimas line.

Registrant also admits that Jackson/Charvel sold SAN DIMAS product in 1998 and 1999. *Response*, p. 9. *See also* Wade Dep. I, Exhibit 19 (JC0395-402) showing the sales orders and invoices for such sales, each one referencing the SAN DIMAS brand. Attempting to counter the effect of these admitted sales, Registrant makes the conclusory argument that such

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[3] STRAT and TELE are trademarks of Fender Musical Instruments Corporation ("FMIC"). Although FMIC is vigilant in policing its trademark rights, it finds from time to time that individuals mistakenly and without authorization use the terms "strat" and "tele" to describe a style of musical instrument rather than FMIC's proprietary brand names. See, e.g. *Blue Book of Electric Guitars*, cited at p. 4 of Registrant's Response, mistakenly and without authorization using the term "strat-style" to refer to a style of guitar.

sales were "blow outs of discontinued guitars that had languished in the warehouse for over a year and a half". *Response*, p. 9. However, Registrant cites to no testimony whatsoever in support of his conclusion that the line had been discontinued.[4] Indeed, the fact that these sales occurred -- which Registrant does not contest -- clearly negates Registrant's argument that Jackson/Charvel discontinued the line. Although the number of sales of SAN DIMAS product had admittedly decreased in comparison with past calendar years, they were bona fide sales nonetheless, supporting Jackson/Charvel's continuing trademark rights. *See Person's Co. Ltd. v. Christman*, 900 F.2d 1565, 1571 (Fed. Cir. 1990) (no abandonment found in light of trademark owner's decreased but continued use of the mark). Even if a trademark owner's sales have been intermittent over the course of four years, and its inventory levels have been small over the same period, such facts do not amount to abandonment. Id. ("There is . . . no rule of law that the owner of a trademark must reach a particular level of success, measured either by the size of the market or by its own level of sales, to avoid abandoning a mark"). *See also Bishop v. Equinox Int'l Corp.*, 47 U.S.P.Q.2d 1949, 154 F.3d 1220, 1222 (10th Cir. 1998) (mark holder did not abandon mark, even though sales were as low as 98 bottles from 1990 until 1996); *Cumulus Media, Inc. v. Clear Channel Commc'ns, Inc.*, 64 U.S.P.Q.2d 1353, 304 F.3d 1167, 1175 (11th Cir. 2002) (low level sales of mark constituted sufficient use to prevent finding of abandonment). Registrant does not contest the black-letter rule expressed in the cases cited by Jackson/Charvel: "even a single instance of use is sufficient against a claim of abandonment". *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 167 U.S.P.Q. 713, 434 F.2d 794, 804 (9th Cir.

[4] Registrant purports to rely upon the hearsay statements contained in two secondary sources for the proposition that Jackson/Charvel discontinued the SAN DIMAS trademark. Review of Registrant's references, however, demonstrate that they are inapposite to these proceedings. *The Blue Book of Electric Guitars*, referenced on p. 4 of the Response, states only that "[d]uring 1999, instruments with the Charvel trademark had ceased production", saying nothing of the use of the SAN DIMAS line. Similarly, Registrant cites the *Electric Guitars Illustrated Encyclopedia* for the proposition that "by 1998, all CHARVEL electric guitars were gone." *Response*, p. 7. The continued use or discontinuance of the CHARVEL brand is irrelevant to the question of whether Akai Musical Instruments Corporation continued to market the SAN DIMAS line after its acquisition of Jackson/Charvel in 1997. As the instant discussion demonstrates, it clearly did continue the SAN DIMAS line.

1970); *Electro Source, LLC v. Brandess-Kalt-Aetna Group*, 80 U.S.P.Q.2d 1161, 458 F.3d 931, 938 (9th Cir. 2006) (the *Carter-Wallace* "single use" test is an enforceable bright-line rule).

Registrant also argues that Jackson/Charvel's sales were not conducted "in the normal course of business". *Response*, p. 9. That standard, however, is found nowhere in the relevant legal authorities and is entirely irrelevant to these proceedings. Rather, in order to qualify as bona fide sales, Jackson/Charvel's sales need only be made in the "ordinary course of trade", i.e. "not made merely to reserve a right in a mark". TMEP § 901.02. Registrant offers no evidence whatsoever that Jackson/Charvel's sales were "made merely to reserve a right in a mark". To the contrary, Registrant acknowledges that these guitars were "made to order" for a customer. *Response*, p. 9. Moreover, the term "'the ordinary course of trade' varies from industry to industry. Thus, for example, it might be in the ordinary course of trade for an industry that sells expensive . . . products to make infrequent sales." TMEP § 901.02 (citing H.R. Rep. No. 1028, 100th Cong. 2d Sess. 15 (1988); *cf. Paramount Pictures Corporation v. James E. White dba R.I. Productions*, 31 U.S.P.Q.2d 1768 (T.T.A.B. 1994) (claimant's use of trademark on a "game" was not in the ordinary course of trade where claimant's product had no function as a game, included no packaging, was distributed solely for the purpose of promoting a performing group, was either given away or sold at cost, depending upon applicant's mood and where applicant had no business office or employees). Although Jackson/Charvel's sales of its San Dimas line of guitars diminished during certain years, the evidence clearly reveals that all of those sales were bone fide and made in the ordinary course of its trade.

With respect to the time period covering 2000 to 2002, Registrant argues that none of Jackson/Charvel price lists, order forms, catalogs or website materials could have qualified as a specimen of use under TMEP Section 904. *Response*, pp. 9-10. Registrant's argument ignores Petitioner's uncontroverted testimony that Jackson/Charvel manufactured and

sold SAN DIMAS guitars and guitar parts during that period. Mr. Wade, the Vice President and Marketing Manager for the Jackson Charvel and the San Dimas line, testified that Jackson/Charvel manufactured production model SAN DIMAS guitars in each of the years 2000, 2001, and 2002. Wade Dep. II p. 50:2-9. Mr. Wade also testified that Jackson/Charvel in fact sold each one of those electric guitars to a retailer for re-sale to the public. Wade Dep. I, 39:16-20; 49:15-20. Mr. Wade also substantiated such sales with documentation, such as order forms and invoices. For example, Wade testified regarding an invoice and order form showing the sale of a SAN DIMAS brand guitar in April 2000 (Wade Dep. I, Exhibit 21 (JC0392-3)); as well as documentation showing the transfer of Stock of SAN DIMAS guitars for each year from 1997 through 2001 (Wade Dep. I 54:22-57:2).[5] In light of these continued, documented sales of its SAN DIMAS guitars and necks, Petitioner does not rely solely upon the use of the SAN DIMAS trademark in its price lists and website as Registrant implies. Registrant's focus on whether Jackson/Charvel's pricelists and order forms would qualify as the "specimens" necessary for submitting an application for registration is misplaced.

Finally, Registrant concedes that Jackson/Charvel marketed and sold product under the SAN DIMAS mark in 2003. *Response*, p. 11. Registrant appears to attack Jackson/Charvel's current usage of the SAN DIMAS trademark by pointing out that the specific graphic presentation of the mark currently in use and submitted as a specimen in connection with Jackson/Charvel's pending trademark application does not match the graphical treatment used by Jackson/Charvel throughout the years. *Response*, p. 15. Jackson/Charvel's current artwork is irrelevant to these proceedings. Petitioner has maintained throughout this Cancellation that its rights are based upon its use of the SAN DIMAS word-mark, not any particular logo-treatment.

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[5] Registrant implies that Petitioner failed to produce documents supporting its sales during the discovery phase of this cancellation. *Response*, p. 6. That is not simply true. Petitioner produces responsive sales documents, all of which are marked with bates numbers, and provided them in this litigation in a timely fashion. See attached Exhibit A. Subsequent to that production, Registrant made no further requests for documentation of any category.

A trademark owner's rights in a word mark extend "regardless of type styles, proportions, or other possible variations." *See SquirtCo v. Tomy Corp.*, 697 F.2d 1038, 1041 (Fed. Cir. 1983).

As the party urging the Board to find that Jackson/Charvel abandoned its trademark rights, Registrant bears the high burden of proving that Jackson Charvel completely discontinued use of the mark. *Doeblers' Pa. Hybrids, Inc.*, 442 F.3d at 822; see also *On-Line Careline, Inc. v. America Online, Inc.*, 229 F.3d 1080 (Fed. Cir. 2000) (the burden of persuasion always remains with the party seeking abandonment to prove the defense). Instead of meeting this requirement of strict proofs, Registrant instead raises irrelevant arguments in an attempt to refute Jackson/Charvel's documents and testimony showing that it sold product in the San Dimas line in each of the years in question. Jackson/Charvel continuously used the San Dimas trademark[6] and, contrary to Registrant's wishes, has at no time abandoned its valid trademark rights.

B. Registrant fails to address Petitioner's argument that Jackson/Charvel continuously used the Mark in a manner analogous to trademark use.

Throughout the time-periods relevant to this Cancellation, Jackson/Charvel used the SAN DIMAS mark in a manner analogous to trademark use – use that creates priority over Registrant's subsequent use. *Int'l. Telephone and Telegraph Corp. v. General Instrument Corp.*, 152 U.S.P.Q. 821 (T.T.A.B. 1967) ("It is well settled that prior use of a notation in a manner analogous to trademark use, i.e. use . . . in connection with the sale or advertising of goods, or use of a notation in advertising or other promotional activities . . . is sufficient to vest rights to a designation in the user or owner which are superior to any rights that a subsequent user may acquire"). *See also Initial Brief*, pp. 8-10. In his Response, Registrant cites no authority to

[6] Because Registrant has failed to demonstrate that Petitioner discontinued use of the SAN DIMAS trademark, his arguments regarding Jackson/Charvel's intent in using the mark is irrelevant. *Response*, pp. 16-18.

counter Jackson/Charvel's assertion of use analogous to trademark use, and, in fact, fails even to mention this fully independent basis for Jackson Charvel's priority over the registered mark.

Moreover, Registrant admits that Jackson/Charvel used the mark in advertising, price sheets and other materials that constitute use analogous to trademark use. See e.g. *Response*, p. 9 ("San Dimas reference exists in the price sheet sections"). In his Response, Registrant does not dispute the many instances of use analogous to trademark use in Jackson/Charvel's materials. See *Initial Brief*, pp. 8-10, including evidence of such use in throughout 1997-2002. In response to Jackson/Charvel's assertion that it continuously used the SAN DIMAS mark in a manner analogous to trademark use, Registrant has admitted the facts and failed to dispute the legal authority supporting Jackson Charvel's assertion.

III. PETITIONER IS NOT REQUIRED TO PROVE SECONDARY MEANING

Because Registrant's mark is registered on the Supplemental Register and is not supported by distinctiveness, Jackson/Charvel need not demonstrate the distinctiveness of its own mark in order to prevail in this Cancellation. See *Books on Tape, Inc. v. Booktape Corp.*, 5 U.S.P.Q.2d 1301, 836 F.2d 519, 520 (Fed. Cir. 1987); *Initial Brief*, pp. 14-15.

In his Response, Registrant fails to distinguish, challenge, or even discuss the binding and directly relevant authority cited by Jackson/Charvel. Instead, Registrant cites the irrelevant and uncontroversial rule that the owner of trade dress rights in product configuration must offer evidence of secondary meaning in its putative configuration in order to enjoy protection under the Lanham Act. *Response*, p. 13. Jackson/Charvel does not base its petition upon any trade dress right, nor any product configuration. Rather, Jackson/Charvel simply asserts, based upon binding Federal Circuit precedent, that its prior use of the SAN DIMAS mark alone is sufficient grounds for cancellation of Registrant's Supplemental registration without proof of distinctiveness.

III. LIKELIHOOD OF CONFUSION

In his Response, Registrant offers no facts or authorities to contest Jackson/Charvel's position that there is a likelihood of confusion between the registered mark and Jackson/Charvel's SAN DIMAS trademark. The Board should find that a likelihood of confusion exists and cancel the Registration pursuant to Section 2(d) of the Lanham Act.

IV. CONCLUSION

For all the foregoing reasons, Respondent's Registration No. 2,772,766 should be cancelled.

DATED: December 12, 2006

Respectfully submitted,

JACKSON/CHARVEL MANUFACTURING, INC.

By /s/ Oscar L. Alcantara
One of Its Attorneys

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EXHIBIT A

July 13, 2005

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VIA FEDERAL EXPRESS

Lloyd A. Prins
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Re: ***Jackson/Charvel Manufacturing, Inc. v. Lloyd A. Prins*, Cancellation No. 92042614**

Dear Mr. Prins:

Enclosed please find documents Bates labeled JC00073 - JC01476. In our previous production dated October 28, 2004, the cover letter stated we produced documents JC00001 - JC00071 when, in fact, JC00072 was on the reverse side of JC00071. Accordingly, given the enclosed documents, you now have received documents Bates labeled JC00001 - JC01476 from Jackson/Charvel Manufacturing, Inc.

Please contact us if you have any questions concerning the foregoing.

Very truly yours,

Henry E. Gonzales
Legal Assistant

/heg
Enclosures

cc: Oscar L. Alcantara, Esq.
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MERITAS LAW FIRMS WORLDWIDE

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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JACKSON/CHARVEL MANUFACTURING, INC., Petitioner,	)	Cancellation No. 92042614
v.	)	
PRINS, LLOYD A., Registrant-Respondent.	)	

CERTIFICATE OF SERVICE

The undersigned, an attorney, certifies that on December 12, 2006, she caused a copy of the **REPLY MEMORANDUM IN SUPPORT OF CANCELLATION OF REGISTRANT'S MARK** to be served by U.S. Express Mail # 873825575 upon the following:

The U.S. Patent and Trademark Office
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By /s/ Mary E. Anderson
One of Its Attorneys