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## UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Line One Laboratories Inc. v. California Exotic Novelties LLC

Cancellation No. 92046155

Douglas H. Morseburg of Sheldon Mak Rose & Anderson, for Line One Laboratories Inc.

Jonathan W. Brown of Lipsitz Green Scime Cambria LLP, for California Exotic Novelties LLC.

Before Seeherman, Bucher and Ritchie, Administrative Trademark Judges.

Opinion by Ritchie, Administrative Trademark Judge:

Line One Laboratories Inc. ("petitioner") has petitioned to cancel Registration No. 2994527 for the mark IMPULSE, owned by California Exotic Novelties LLC ("respondent").<sup>1</sup> The registration issued on September 13, 2005 on the Principal Register. The goods are identified therein as "adult novelty items, namely, vibrators," in International Class 10.

<sup>&</sup>lt;sup>1</sup> Application Serial No. 78362869, which matured into the registration at issue, was filed on February 5, 2004, alleging dates of first use and first use in commerce on August 1, 2001.

In its petition for cancellation, petitioner asserts that since prior to respondent's first use of its mark, "[p]etitioner adopted the mark 'Impulse' . . . and used it in interstate commerce in connection with the sale of adult products, namely condoms."<sup>2</sup> Petitioner further asserts that it is the owner of Registration No. 3106889 for the mark IMPULSE for "condoms," in International Class 10."<sup>3</sup> Petitioner alleges that respondent's use of its mark is likely to cause confusion, mistake or deception in that people would believe that respondent's goods are petitioner's or that they are made, sponsored by or otherwise associated with petitioner.

Respondent's answer denies the salient allegations of the petition. In addition, respondent asserts the affirmative defenses of abandonment and laches.<sup>4</sup> Petitioner

<sup>&</sup>lt;sup>2</sup> Petition, Para. 2.

<sup>&</sup>lt;sup>3</sup> The application which matured into this registration, Serial No. 78673750, was filed on July 19, 2005 and alleged dates of first use and first use in commerce on September 1, 1997. <sup>4</sup> Answer, Paras. 10 and 14, respectively. Respondent also asserted "the law of the case" (Para. 11), referring to the prosecution of the application that matured into its registration and the fact that the examining attorney did not find a likelihood of confusion with petitioner's registration. However, we gather that the examining attorney dropped the Section 2(d) refusal based on the cancellation of petitioner's prior registration from the Principal Register (due to petitioner's failure to file a Section 8 affidavit) rather than on respondent's arguments that there is no likelihood of confusion. More importantly, it is well settled that the Board is not bound by prior Office actions. In re Nett Designs, Inc., 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001).

and respondent filed main briefs on the case, and petitioner filed a reply brief.

## The Record

The record in this case consists of the pleadings and the file of the involved registration. In addition, during its assigned testimony period, petitioner took the testimony deposition, with accompanying exhibits, of (1) Mr. Budiman Lee, petitioner's Senior Vice-President; as well as (2) Mr. Alan Bloom, respondent's Director of Marketing. In addition, petitioner submitted a notice of reliance upon (i) use-based, third-party registrations; (ii) printed publications and advertisements therein; and (iii) certain discovery responses from respondent, to show the relatedness of the parties' respective goods. Respondent did not submit any testimony or evidence into the record.

## Findings of Fact

Petitioner has been in the business of making condoms since 1990.<sup>5</sup> Petitioner manufactures, promotes and distributes condoms to wholesalers and distributors.<sup>6</sup> Petitioner's two main paths for distribution are on the one hand to government and nonprofit organizations, and on the other hand to adult shops.<sup>7</sup> For the latter market, petitioner distributes through an entity called "Top Cat

<sup>&</sup>lt;sup>5</sup> Lee Testimony at 6-7.

<sup>&</sup>lt;sup>6</sup> Id. at 10.

<sup>&</sup>lt;sup>7</sup> Id. at 11.

International," which has the same owner, Mr. Budiman Lee.<sup>8</sup> Top Cat also makes and sells, along with condoms, adult novelty toys, such as vibrators.<sup>9</sup>

Petitioner first filed a trademark application for IMPULSE for "condoms" on November 4, 1996, asserting dates of first use and first use in commerce on September 1, 1997.<sup>10</sup> That application matured into a registration on May 19, 1998. However, it was cancelled six years later for petitioner's failure to file a Section 8 affidavit of use. On February 5, 2004, while that registration was still active, respondent filed the application that matured into the registration at issue in this cancellation proceeding. Initially, respondent received an Office action refusing registration on the ground of Section 2(d) likelihood of confusion with petitioner's registration. However, during the time period allowed for respondent to respond to the Office action, petitioner's registration lapsed and was removed from the Principal Register. Accordingly, as respondent pointed out to the examining attorney, the refusal was moot, and respondent's application was allowed to proceed to publication.

Mr. Lee testified that the failure to file a Section 8 affidavit of continued use for petitioner's Registration No.

<sup>&</sup>lt;sup>8</sup> Id. at 11-12.

<sup>&</sup>lt;sup>9</sup> Id. at 39.

<sup>&</sup>lt;sup>10</sup> Registration No. 2159677.

2159677 was an oversight occasioned by the untimely and unexpected passing away of his then-current trademark attorney.<sup>11</sup> Accordingly, as soon as he became aware of the cancellation of petitioner's Registration No. 2159677 and of the registration of respondent's Registration No. 2994527, petitioner filed the application that matured into Registration 3106889, effectively as a substitute for its prior registration.<sup>12</sup> Petitioner also filed this action.<sup>13</sup>

In his deposition, Mr. Lee testified that petitioner began selling its line of IMPULSE condoms "around 1994 or 1995."<sup>14</sup> When asked if he may have made a mistake on his trademark applications given that both registrations (that is, both cancelled Registration No. 2159677 and current Registration No. 3106889) list September 1, 1997 as the date of first use and first use in commerce, he responded "I don't recall it's a mistake. Either I make a mistake '94, '95, but should be around that year, because sometime don't remember. It's too long already. [sic]"<sup>15</sup> Exhibit 11 to Mr. Lee's deposition provides documentary evidence of sales of condoms by petitioner under the IMPULSE mark since at least 1998. The first invoice provided is dated October 5, 1998. Subsequent invoices are dated from 1999 through 2008.

<sup>&</sup>lt;sup>11</sup> Lee depo. at 19.

<sup>&</sup>lt;sup>12</sup> Id. at 19.

<sup>&</sup>lt;sup>13</sup> Id. at 46.

<sup>&</sup>lt;sup>14</sup> Id. at 8; also 23.

 $<sup>^{\</sup>rm 15}$  Id. at 77, and Exs. 9 and 10.

Mr. Lee testified that these invoices provide a sampling of the invoices for condoms sold by petitioner under the IMPULSE mark between 1998 and 2008.<sup>16</sup>

Respondent is a manufacturer and distributor of adult novelty items, including vibrators.<sup>17</sup> Respondent has been using the IMPULSE mark on its vibrators since the date alleged as the date of first use on its Registration No. 2994527, August 1, 2001.<sup>18</sup>

## Petitioner's Standing

Petitioner has pleaded and submitted a copy of its Registration No. 3106889 for IMPULSE, for "condoms," as an exhibit to the Lee deposition. Petitioner's witness testified that the registration is owned by petitioner and is current. Petitioner has also pleaded and submitted evidence regarding its common-law rights in IMPULSE for "condoms," predating respondent's first use in commerce of IMPULSE for "adult novelty items, namely, vibrators." We therefore find that the record provides a sufficient showing of petitioner's standing. See Lipton Industries, Inc. v. Ralston Purina Co., 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); Cerveceria Modelo S.A. de C.V. v. R.B. Marco & Sons Inc., 55

<sup>&</sup>lt;sup>16</sup> Id. at 24-25.

<sup>&</sup>lt;sup>17</sup> Bloom depo. at 11-12

Q: Is it fair to say that the genre of, what, sex toys or sex objects that people would use in connection with sex is referred to overall as novelties? A: Correct. *Id.* 

USPQ2d 1298 (TTAB 2000); and *Hartwell Co. v. Shane*, 17 USPQ2d 1569 (TTAB 1990).

## Laches

Prior to our consideration of petitioner's pleaded claim of priority and likelihood of confusion, we must first address respondent's affirmative defense of laches to determine whether petitioner's claim is barred thereby.

It is settled that laches generally is available against a Section 2(d) claim of likelihood of confusion in a cancellation proceeding.<sup>19</sup> See National Cable Television Association Inc. v. American Cinema Editors Inc., 973 F.2d 1572, 19 USPQ2d 1424 (Fed. Cir. 1991) (defense of laches was considered in connection with a cancellation proceeding brought under Section 2(d)); and Christian Broadcasting Network Inc. v. ABS-CBN International, 84 USPQ2d 1560 (TTAB 2007) (because defense of laches found to apply, petition to cancel brought under Section 2(d) dismissed).

In order to prevail on the affirmative defense of laches, respondent must establish that there was undue or unreasonable delay by petitioner in asserting its rights, and that prejudice to respondent resulted from that delay.

<sup>&</sup>lt;sup>18</sup> Id.

<sup>&</sup>lt;sup>19</sup> The only exception is when confusion is inevitable, because any injury to respondent caused by petitioner's delay is outweighed by the public's interest in preventing confusion. *See Turner v. Hops Grill & Bar Inc.*, 52 USPQ2d 1310 (TTAB 1999).

See Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001) ("Mere delay in asserting a trademarkrelated right does not necessarily result in changed conditions sufficient to support the defense of laches. There must also have been some detriment due to the delay.") With regard to delay, the focus is on reasonableness and the Board must consider any excuse offered for the delay. See A. C. Aukerman Co. v. R. L. Chaides Construction Co., 960 F.2d 1020, 22 USPQ2d 1321, 1329 (Fed. Cir. 1992).

Respondent filed its trademark application on February 5, 2004, and a registration issued on September 13, 2005. The registration constitutes constructive notice to petitioner of respondent's registration. See Teledyne Technologies, Inc. v. Western Skyways, Inc., 78 USPQ2d 1203 (TTAB 2006), aff'd, 208 Fed. Appx. 886, unpublished Nos. 2006-1336, 2006-1367 (Fed. Cir. December 6, 2006). There is nothing in the record to indicate that petitioner had actual notice of respondent's use prior to the September 13, 2005 registration date. Petitioner initiated this cancellation proceeding less than 11 months from that date. Based on the record, there is no showing that there was an undue delay by petitioner after the registration issued, and respondent has not alleged or shown any detriment caused thereby.

Therefore, we conclude that respondent has failed to establish the laches defense.

## Priority of Use

To establish priority on a likelihood of confusion claim brought under Trademark Act §2(d), a party must prove that, vis-à-vis the other party, it owns "a mark or trade name previously used in the United States ... and not abandoned...." Trademark Act Section 2, 15 U.S.C. §1052. A party may establish its own prior proprietary rights in a mark through ownership of a prior registration, actual use or through use analogous to trademark use. *See* Trademark Act §§2(d) and 45, 15 U.S.C. §§1052(d) and 1127. *See also T.A.B. Systems v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879 (Fed. Cir. 1996), vacating *Pactel Teletrac v. T.A.B. Systems*, 32 USPQ2d 1668 (TTAB 1994).

In a cancellation proceeding where both parties have registrations, each can rely on the filing date of the application resulting in its registration. Brewski Beer Co. v Brewski Brothers Inc. 47 USPQ2d 1281, 1283-84 (TTAB 1998). Further, the parties may submit evidence of use earlier than that of the filing dates of their respective applications. Id. In this case, and as noted above, the application that matured into the registration at issue herein (Registration No. 2994527) was accorded a filing date of February 5, 2004. Moreover, Respondent's Director of Marketing, Mr. Bloom, has

testified that the date of first use claimed in that registration, August 1, 2001, was the date of respondent's first sale of vibrators under the IMPULSE mark.

Petitioner's Senior Vice-President, Mr. Budiman Lee, testified that "since around 1994 or 1995," petitioner has used IMPULSE on and in connection with its manufacture and distribution of condoms. Mr. Lee testified to increasing sales over the years, in the millions of dollars, for its IMPULSE brand of condoms,<sup>20</sup> and to petitioner's continuous use of the mark on condoms since it began in the 1990s. Exhibit 11 to Mr. Lee's deposition provides documentary evidence of sales of petitioner's condoms under the IMPULSE marks since at least 1998. Accordingly, whether, as Mr. Lee pointed out later in his deposition, he may have erred in stating the "'94 or '95" timeline and the 1997 date was in fact the correct one, the evidence clearly shows that petitioner began use of the IMPULSE mark on "condoms" no later than 1998. This date is prior to respondent's first use date of the IMPULSE mark for "vibrators," of August 1, 2001 by several years.

Accordingly, we deem petitioner to have priority of use of the IMPULSE mark. This does not appear to be truly disputed by respondent. Rather, respondent claims that petitioner abandoned the mark by allowing its original

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 $<sup>^{\</sup>rm 20}$  Lee depo. at 16 and 27 and Ex. 12.

Registration No. 2159677 to lapse. This is a misinterpretation of the law. Although the registration was cancelled for failure to file a Section 8 affidavit, the mark itself was not abandoned. Mr. Lee testified that the lapse was unintentional. He further testified that petitioner has used the IMPULSE mark in commerce on "condoms" continuously since its first use date in the 1990s. Accordingly, we conclude that petitioner has not abandoned its IMPULSE mark, and that it has used the mark continuously since at least 1998.

Since petitioner has established that petitioner has priority of use over respondent for the IMPULSE mark for condoms, we proceed with an analysis of the likelihood of confusion factors.

## Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the relevant factors in evidence. See In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005); In re Majestic Distilling Company, Inc., 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); and In re Dixie Restaurants Inc., 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997). In any likelihood of confusion analysis, two key considerations are the

similarities between the marks and the similarities between the goods. See Federated Foods, Inc. v. Fort Howard Co., 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks").

## The Marks

We turn to the first *du Pont* factor, i.e., whether respondent's and petitioner's marks are similar or dissimilar when viewed in their entireties in terms of appearance, sound, connotation and overall commercial impression. *See Palm Bay Imports, Inc. v. Veuve Clicquot, supra.* The marks are identical in all respects. Accordingly, this weighs heavily in favor of petitioner.

## The Goods and Channels of Trade

With respect to the goods, it is well-established that the goods or services of the parties need not be similar or competitive, or even offered through the same channels of trade, to support a holding of likelihood of confusion. It is sufficient that the respective goods or services of the parties are related in some manner, and/or that the conditions and activities surrounding the marketing of the goods or services are such that they would or could be encountered by the same persons under circumstances that could, because of the similarity of the marks, give rise to

the mistaken belief that they originate from the same source. See Hilson Research, Inc. v. Society for Human Resource Management, 27 USPQ2d 1423 (TTAB 1993); and In re International Telephone & Telephone Corp., 197 USPQ 910, 911 (TTAB 1978). The issue, of course, is not whether purchasers would confuse the goods or services, but rather whether there is a likelihood of confusion as to the source thereof. In re Rexel Inc., 223 USPQ 830 (TTAB 1984). This is particularly true where the marks are identical. In re Shell Oil Co., 992 F.2d 1204, 26 USPQ2d 1687, 1688-1689 (Fed. Cir. 1993); In re Opus One Inc., 60 USPQ2d 1812 (TTAB 2001).

Petitioner has introduced three types of evidence to show the relatedness of its IMPULSE "condoms" to respondent's IMPULSE "adult novelty items, namely, vibrators." The three types of evidence consist of thirdparty trademark registrations, trade magazines, and testimony. We consider each.

First, petitioner submitted over half a dozen usebased, third-party trademark registrations that identify both "condoms" and "vibrators." These include Registration Nos. 2806119 (FRENCH SILK); 2515464 (SOFTWARE FOR YOUR HARDWARE); 2563763 (BIOGLIDE); 2679026 (SWEET EXTASY); 2780722 (MY PLEASURE); 2858090 (MALE ATTITUDES) AND 2856832

(INFINITY).<sup>21</sup> These use-based, third-party registrations serve to suggest that the goods are of a type which may emanate from a single source. *See In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783 (TTAB 1993).

Second, petitioner submitted evidence of trade magazines to show that condoms are advertised in the same magazines as vibrators. In fact, Exhibit 13 to the Lee deposition shows condoms being advertised on the same page as vibrators in AVN magazine ("Adult Video News"). Similarly, Exhibit 2 to the Bloom deposition offers consumers of the same magazine a review of condoms on the same page as a review of vibrators.<sup>22</sup>

Finally, petitioner offered the testimony of both its witnesses to show that condoms are sold and promoted alongside vibrators. While the testimony of Mr. Lee might seem self-serving, it is telling that Mr. Bloom's testimony confirms this. Mr. Bloom acknowledged that in his prior line of work, as "the president and part owner of a distribution company . . . M&M Sales,"<sup>23</sup> he had sold both condoms and vibrators in the same store.

<sup>&</sup>lt;sup>21</sup> We note that Registration No. 2854832 characterizes both petitioner's "condoms" and respondent's "vibrators" in the same category, as "Adult sexual aids, namely, vibrators and . . . condoms . . . "

<sup>&</sup>lt;sup>22</sup> Q: And immediately to the left of the product review for the Impulse Ultra 7 Bullet there is a review of the Hustler condoms, true? A: True.

<sup>(</sup>Bloom Depo. at 21 and Exhibit 2).  $^{\rm 23}$  Id. at 36

Q: My point, though, was that stores that sell novelties typically also sell condoms, right?

A: Since I've been a retailer in the past, I'll answer yes.  $^{\rm 24}$ 

Indeed, he acknowledged that in his former retailer capacity, he had specifically carried the IMPULSE condoms from petitioner while also carrying the adult toys from respondent.

Q: At M&M Sales, did you sell any California Exotic Novelties products?
A: It was our - it was our biggest line, yes.
Q: Okay. Did you sell any Impulse products from CEN?
A: Yes.
Q: Okay. In your condom line, did you sell any condoms from Line One?
A: I believe yes, we did carry them.
Q: Okay. Did you sell any of their Impulse condoms?
A: To my best recollection, I think that was the only thing they had.<sup>25</sup>

Further regarding the channels of trade, both witnesses testified to attending the same trade shows. Both have exhibited their respective wares at the AVN Adult Entertainment Expo at the same time.<sup>26</sup> Both also regularly attend and promote their wares at the International Lingerie

<sup>25</sup> Id. at 36.

<sup>&</sup>lt;sup>24</sup> Id. at 18.

<sup>&</sup>lt;sup>26</sup> Lee depo. at 62; Bloom depo. at 16.

Show in Las Vegas (or in the case of respondent, in a nearby suite).<sup>27</sup>

With this evidence and testimony, it is clear that the goods are related and are likely to be sold through similar and overlapping channels of trade. Accordingly, these *du Pont* factors favor petitioner.

## Actual Confusion

The final du Pont factor discussed by the parties is the lack of verifiable instances of actual confusion despite a number of years of use by the parties of their respective IMPULSE marks. Respondent asserts that the absence of actual confusion suggests no likelihood of confusion. However, it is not necessary to show actual confusion in order to establish likelihood of confusion. See Weiss Associates Inc. v. HRL Associates Inc. 902 F.2d 1546, 223 USPQ 1025 (Fed. Cir. 1990). Thus, while evidence of actual confusion strongly supports a finding of likelihood of confusion, the absence thereof does not necessarily overcome a finding of likelihood of confusion.

Accordingly, this *du Pont* factor must be considered to be neutral or to slightly favor respondent.

## Conclusion

We have carefully considered all of the testimony and evidence pertaining to priority of use and the relevant

 $<sup>^{\</sup>rm 27}$  Lee depo. at 60; Bloom depo. at 18.

*du Pont* factors, as well as all of the parties' arguments with respect thereto.

We conclude that petitioner has established priority of use on an identical mark. We find that the evidence shows the goods are related and move through similar and overlapping channels of trade. Finally, the lack of verifiable instances of actual confusion is not probative in this case. In sum, we find a likelihood of confusion between petitioner's mark IMPULSE for "condoms" and respondent's mark IMPULSE for "adult novelty items, namely, vibrators."

DECISION: The petition to cancel is granted, and Registration No. 2994527 will be cancelled in due course.