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

Proceeding	92047433
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE,
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

GADO S.R.L.

Petitioner,

-against-

JAY-Y ENTERPRISES CO., INC.

Respondent.

TTAB CANCELLATION NO.
92047433

**MEMORANDUM OF LAW IN OPPOSITION TO RESPONDENT'S MOTION
FOR LEAVE TO FILE AN AMENDED ANSWER AND COUNTERCLAIMS**

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Petitioner Gado S.R.L.¹ (“Gado”), by and through undersigned counsel, Satterlee Stephens Burke & Burke LLP, submits the following memorandum of law in opposition to the motion for leave to file a first amended Answer and Counterclaims brought by Respondent Jay-Y Enterprises Co. Inc. (“Jay-Y”).

PRELIMINARY STATEMENT

Over two years after Respondent filed its Answer and seven months after the discovery of the allegedly “new information” that was always in its possession, Respondent moves to amend its Answer and add a counterclaim based on alleged priority of use. In January of 2009, more than 18 months after it had originally answered the cancellation petition, while attempting to produce documents requested by Respondent over a year earlier, Jay-Y’s purchasing director, Ward Chen, consulted with his mother and “discovered” that the claimed December 1999 dates of first use set forth in Jay-Y’s trademark registrations were allegedly incorrect. Declaration Of Ward Chen Submitted In Support of Jay-Y’s Motion To Amend, dated August 25, 2009 (“Chen Decl.”), ¶ 5-7. The documents and information that revealed this information were within its possession and available to Jay-Y throughout the entire span of this proceeding. As a result, Respondent’s request is untimely and prejudicial, and should therefore be denied.

Respondent also seeks to add three counterclaims for cancellation based on alleged fraud by Gado on the United States Patent and Trademark Office (“USPTO”). However, Respondent fails to allege any intent to deceive or any specific facts supporting fraudulent intent on the part of Gado, and thus under Rule 9(b) of the Federal Rules of Civil Procedure (“FRCP”) its proposed amendment is legally insufficient. In the case of In re Bose Corporation, 2009 WL 2709312, *2 (C.A. Fed., 2009), the Court of Appeals recently made clear that a party cannot

¹ Petitioner changed its corporate name from Gado S.A.R.L. to Gado S.R.L. after the initiation of this proceeding.

prevail on a claim for fraud by relying on the mere submission of erroneous information to the USPTO without proving that the accused party acted with the requisite intent to deceive the USPTO. The amended pleading proposed by Respondent does not allege that Gado acted with the specific purpose of deceiving the USPTO, and does not include facts that could reasonably support such an allegation.

Jay-Y attempts to portray an innocent mistake by Gado as proof of a sinister attempt to deceive the USPTO. However, the Proposed Amended Complaint and Counterclaims is bereft of allegations supporting any inference of fraudulent intent on the part of Gado. Consequently, the Board should deny Jay-Y's attempt to add fraud counterclaims as they are not plead with the level of specificity required by the TTAB.

STATEMENT OF FACTS

The instant proceeding began on April 26, 2007, when Gado initiated a petition to cancel two marks registered by Respondent Jay-Y: Registration Nos. 2,582,314 and 3,108,433 (collectively, the "JY Marks"). Each of the JY Marks consists of the initials "DG." Gado filed a petition for cancellation because the JY Marks are confusingly similar to (if not identical to) three Marks registered by Gado: D&G (Registration No. 3,108,433), D&G DOLCE & GABBANA (Registration No. 2,096,500), DOLCE & GABBANA (Registration No. 1,742,622) and its unregistered DG mark (collectively, the "DG Marks"). See Declaration of Mark Lerner Submitted in Opposition to the Motion to Amend the Answer ("Lerner Decl."), Exh. A (Gado's Petition for Cancellation) (including claims based on likelihood of confusion and dilution). The DG Marks prominently feature the initials of the designers Domenico Dolce and Stefano Gabbana.

The applications to register the JY Marks claim December 1, 1999 as the date of first use for both Marks.² Jay-Y's Answer to the Petition admits that it first used the JY marks on that date. However, the instant motion alleges that in January 2009, as part of its attempt to gather responsive documents requested by Gado in October of 2007, months after it had filed its Answer, Jay-Y's Purchasing Director consulted with his mother and purportedly learned that "Jay-Y had been selling sunglasses under a DG mark since the early 1990's."³ Chen Decl. ¶ 5. This conversation spurred an internal search for sales documents, and thereafter Jay-Y purportedly "discovered" that it had been selling sunglasses bearing the JY Marks as early as 1993 and 1995, and that the registrations for the Jay-Y Marks mistakenly listed December 1999 as the first use date. Chen Decl. ¶ 5-7. The instant motion avers that the addition of an affirmative defense based on priority and a counterclaim based on likelihood of confusion are necessitated by the tardy discovery of this information concerning the dates of first use of the JY Marks. Respondent's Brief in Support of its Motion for Leave to Amend the Answer, pages 6-7.

On June 26, 2009, Gado responded to several discovery requests served by Jay-Y, including more than 123 Requests for Admission. By way of the response, Gado admitted that the DG Marks have not been used in connection with certain goods covered by the registrations that are not at issue in this proceeding, among others, face creams (Request No. 29), eye-liners (Request No. 30), essential oils (Request No. 23), face earth (Request No. 33), optical filters (Request No. 40), radios (Request No. 43), TV relay stations (Request No. 55), and modems (Request No. 69).⁴ In the instant motion Jay-Y avers that the admissions made in response to the

² Jay-Y's registration applications contained the requisite declarations stating that all information contained in the applications were true, and that all statements made on information and belief were believed to be true.

³ Mr. Chen's mother may have had this knowledge because Mr. Chen's father previously served as Jay-Y's president. Chen Decl. ¶ 2.

⁴ Jay-Y's motion does not adequately substantiate its allegations regarding Gado's admissions as the Responses to Respondent's Requests for Admission are not included in their motion papers.

Requests for Admission alone provide justification for the fraud counterclaims found in the Proposed Amended Answer. Respondent's Brief in Support of its Motion for Leave to Amend the Answer, pages 5-6.

ARGUMENT

Respondent Has Not Met The Required Standard For Amendment Of The Answer

Pleadings in Board proceedings may be amended in the same manner and to the same extent as in a civil action in a United States district court. 37 CFR §2.107. Fed. R. Civ. P. 15(a) provides, in relevant part, that "leave [to amend a pleading] shall be freely given when justice so requires." Consistent with FRCP 15(a), the Board will not grant leave to amend pleadings where entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. See Commodore Electronics Ltd. v. CBM Kabushiki Kaisha, 26 U.S.P.Q.2d 1503 (TTAB 1993); United States Olympic Committee v. O-M Bread Inc., 26 U.S.P.Q.2d 1221 (TTAB 1993); Media Online Inc. v. El Clasificado, Inc., 2008 WL 4419361, 2 (TTAB 2008) (A copy of this decision is attached hereto as part of Exhibit A). As set forth in TBMP Section 507.02(a), the timing of a motion for leave to amend under Fed. R. Civ. P. 15(a) plays a large role in the Board's determination of whether the adverse party would be prejudiced by allowance of the proposed amendment. Black & Decker Corp. v. Emerson Electric Co., 2007 WL 894416, 3 (TTAB 2007) (A copy of this decision is attached hereto as part of Exhibit B). "A motion for leave to amend should be filed as soon as any ground for such amendment, e.g., newly discovered evidence, becomes apparent." Media Online Inc., 2008 WL 4419361 at *2.

Further, "where the moving party seeks to add a new claim, and the proposed pleading thereof is legally insufficient, or would serve no useful purpose, the Board normally will deny the motion for leave to amend." See, e.g. Leatherwood Scopes International Inc. v. Leatherwood, 63 U.S.P.Q.2d 1699 (TTAB 2002).

I. The proposed amendments stemming from the alleged first use dates for Respondent's marks are untimely and prejudicial.

Jay-Y's proposed amendments to the Answer stemming from the dates of first use for the JY Marks are untimely and prejudicial to Gado. Jay-Y always possessed the sales information setting forth its 1993 and 1995 alleged first use dates for the JY Marks, so there is no "new" information at all. Chen Decl. ¶¶ 5-7. Jay-Y's papers admit that, in January of 2009, when it "started to gather the documents that were requested by Gado," Gado located samples, invoices, and sales documents supporting the allegedly "new" first use dates set forth in the Proposed Amended Answer. Chen Decl. ¶¶ 5-6. Mr. Chen found the documents supporting the allegedly new first use dates after consulting with his mother-- hardly an obscure or inaccessible source. Chen Decl. ¶ 5. These documents were always in Jay-Y's possession, and Mr. Chen could have recognized the purportedly mistaken first use dates at any time during the span of this proceeding. The information and documents in question existed at the time Respondent filed its applications (September 2000), at the time that Jay-Y answered the Petition for Cancellation (April 2007), and when Gado served the discovery requests which led to the "re-discovery" of the first use information (October 2007). Respondent cannot now be heard to claim that it has newly discovered information. Had it but made inquires when it first appeared in this case, it would have "discovered" the information underlying its newly asserted defense and counterclaims.

"Any party who delays filing a motion for leave to amend its pleading and, in so delaying, causes prejudice to its adversary, is acting contrary to the spirit of Rule 15(a) and risks denial of that motion." Media Online Inc., 2008 WL 4419361 at *2. As was the case in the recent Media Online cancellation proceeding, the claims submitted for amendment were known to the movant "at the time the petition to cancel was filed" and were thus untimely. Id. at *2-3.

In Media Online, the movant could have discovered the information underlying its new claims at the time of the filing of the cancellation petition but waited seven months before attempting to add the new claims. Id. The same can be said for the proposed amendments based on the first use dates for the JY Marks. Prior decisions have found delays of seven months or more to be untimely and prejudicial, and on that basis denied motions to amend pleadings. See Trek Bicycle Corporation v. StyleTrek Limited, 64 U.S.P.Q. 2d 1540 (TTAB 2001) (motion for leave to amend filed prior to close of discovery but based on facts known to opposer prior to institution of the case denied based on eight month delay); Floyd v. Mo. Dep't of Soc. Serv., 188 F.3d 932, 939 (8th Cir. 1999) (affirmed denial of motion for leave to amend based on undue delay because plaintiff had knowledge of the material information two years before seeking amendment); Svoboda v. Trane Co., 655 F.2d 898, 899-900 (8th Cir. 1981) (affirming denial of leave to amend where plaintiff knew the facts supporting new claim when original complaint was filed and defendants had already conducted extensive discovery). Even assuming the Board accepts Jay-Y's argument that it only "discovered" the first use dates in January of 2009, at a bare minimum it has delayed seven months. In fact, Respondent delayed more than two years since it always had the alleged first use information in its possession.

"Allowing piecemeal prosecution of this case would unfairly prejudice [Gado] by increasing the time, effort, and money that [Gado] would be required to expend to defend against petitioner's challenge to its registration[s]." Media Online Inc., 2008 WL 4419361 at *3. Jay-Y was required to plead its counterclaim based on likelihood of confusion at the time when its Answer was filed. See 37 C.F.R. § 2.114(b)(2)(i). ("If grounds for a counterclaim are known to Respondent when the answer to the petition is filed, the counterclaim shall be pleaded with or as part of the answer.") Allowing Jay-Y to amend its Answer with allegations concerning priority

will severely prejudice Gado in that Petitioner will be forced to re-litigate the priority of use issue. Because Jay-Y knew, or at the very least should have known, of the 1993 and 1995 alleged first use dates for the JY Marks at the inception of this proceeding, the Board should deny Respondent's request to add an affirmative defense of priority and a counterclaim based on likelihood of confusion.

II. The proposed counterclaims for fraud are plead insufficiently and thus should not be allowed.

Where the moving party seeks to add a new claim or defense, and the proposed pleading is legally insufficient, the Board should deny the motion for leave to amend. See Octocom Systems Inc. v. Houston Computer Services Inc., 918 F.2d 937, 16 U.S.P.Q.2d 1783 (Fed. Cir. 1990). Further, when a pleading includes a claim "alleging fraud or mistake, a party must state with particularity the circumstances constituting [the] fraud or mistake." FRCP Rule 9(b). The proposed counterclaims for fraud which Jay-Y seeks to include in the instant action do not satisfy the particularity requirements of Rule 9(b) and as such are legally insufficient.

The issue of what is required in order to prevail on a fraud claim based on mistaken information included in a registration submitted to the USPTO was recently addressed by the Court of Appeals for the Federal Circuit in In re Bose Corporation 2009 WL 2709312 at *2 (A copy of the Bose case is attached hereto as Exhibit C). In that case, the Court of Appeals found that while a "third party may petition to cancel a registered trademark on the ground that the 'registration was obtained fraudulently', 'fraud in procuring a trademark registration or renewal [requires that] an applicant knowingly make false, material representations of fact in connection with his application.'" Id. (emphasis added) (citing 15 U.S.C. § 1064(3), Torres v. Cantine Torresella S.r.l., 808 F.2d 46, 48 (Fed. Cir. 1986)). "Absent the requisite intent to mislead the PTO, even a material misrepresentation would not qualify as fraud under the Lanham Act

warranting cancellation.” Id. (emphasis added) (citing King Automotive, Inc. v. Speedy Muffler King, 667 F.2d 1008, 1011 (Cust. & Pat. App., 1981)). Jay-Y must adequately allege that Gado “intended to procure a registration to which it was not entitled.” Intellimedia Sports Inc. v. Intellimedia Corp., 1997 WL 398344, *2 (TTAB 1997) (A copy of this decision is attached hereto as part of Exhibit D).

Thus, “a party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof.” Id. (citing W.D. Byron & Sons, Inc. v. Stein Bros. Mfg., 377 F.2d 1001, 1004 (CCPA 1967)). Because the Trademark Act only imposes the obligation that an applicant not make knowingly inaccurate or knowingly misleading statements in the verified declaration forming a part of the application for registration, a pleading articulating a claim based on fraud must “contain explicit rather than implied expression of the circumstances constituting fraud” in order to satisfy the requirements of Rule 9(b). See King Automotive, Inc. v. Speedy Muffler King, Inc., 667 F.2d 1008, 1010 (Cust. & Pat. App. 1981). Although “[m]alice, intent, knowledge, and other conditions of mind of a person's mind may be alleged generally”, “[i]n order to avoid abuse . . . plaintiffs are required to allege facts that give rise to a strong inference of fraudulent intent.” Campaniello Imports, Ltd. v. Saporiti Italia S.p.A., 117 F.3d 655, 663 (2d Cir. 1997) (internal quotation marks and citations omitted); Kuklachev v. Gelfman, 600 F. Supp. 2d 437, 455-456 (E.D.N.Y. 2009). “The standard for finding intent to deceive is stricter than the standard for negligence or gross negligence.” In re Bose Corp. 2009 WL 2709312 at *3.

Each of the fraud counterclaims includes only a conclusory allegation stating that Gado and its predecessor-in-interest “knew” that the DG Marks were not used on each of the goods reflected in the USPTO filings at the time that the USPTO filings were executed. Proposed

Amended Answer, Wilton Decl., Exh A, Counterclaim ¶¶ 11, 16, 27, 32, 41. The Counterclaims also include an allegation stating that Gado and its predecessor “intended” for the USPTO to rely on the materials submitted for filing. Wilton Decl., Exh A, Counterclaim ¶¶ 12, 17, 28, 33, 42. The Proposed Amended Answer does not bridge the gap between these two allegations and allege that Gado knowingly included false information in its filings in order to deceive the USPTO. Respondent’s allegations do not satisfy the particularity requirements of Rule 9(b). Again, although “knowledge” and “intent” may be averred generally, a pleading alleging fraud on the USPTO must include “sufficient allegations of underlying facts from which a court may reasonably infer that a specific individual (1) knew of the withheld material information or of the falsity of the material misrepresentation, and (2) withheld or misrepresented this information with a specific intent to deceive the PTO.” See Exergen Corp. v. Wal-Mart Stores, Inc., 2009 WL 2366535, *13 (C.A. Fed. 2009) (emphasis added) (Motion for leave to amend answer by adding affirmative defense and counterclaims of inequitable conduct before the USPTO were deficient under Rule 9(b) because allegations did not include requisite facts to “infer that a party acted with the requisite state of mind.”).

The Proposed Amended Complaint does not support any inference that Gado (or its predecessors) knowingly misreported information in USPTO filings in order to deceive the Trademark Office. At best, the proposed amendments merely allege that Gado provided incorrect information, without providing any background supporting the inference that this mistake was purposeful. “The Board had consistently and correctly acknowledged that there is ‘a material legal distinction between a ‘false’ representation and a ‘fraudulent’ one, the latter involving an intent to deceive, whereas the former may be occasioned by a misunderstanding, an inadvertence, a mere negligent omission.” In re Bose Corp., 2009 WL 2709312 at *2 (citing

Kemin Indus., Inc. v. Watkins Prods., Inc., 192 U.S.P.Q. 327, 329 (TTAB 1976)). The “deception must be willful to constitute fraud.” Id. The Proposed Amended Answer does not make any allegations suggesting that Gado willfully deceived the USPTO.

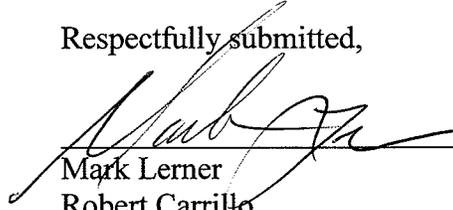
Given Jay-Y’s own admissions as to its own mistaken registration filings, it is surprising that Respondent now claims that incorrect filings on the part of Gado necessarily indicate fraud on the USPTO. Nonetheless, the bare-bone allegations found in the Proposed Amended Complaint do not allege Gado’s intent to defraud with the level of particularity required by Rule 9(b) of the FRCP. For that reason, the Board should deny Jay-Y’s motion to amend its Answer by adding three fraud counterclaims.

CONCLUSION

For all of the reasons stated above, the Court should deny Respondent's motion for leave to file the Proposed Amended Answer and Counterclaims, and should render such further and separate relief as it deems adequate.

Dated: September 15, 2009

Respectfully submitted,



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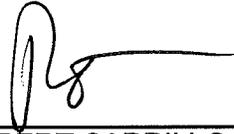
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Attorneys for Petitioner Gado S.A.R.L.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Memorandum of Law in Opposition to the Motion to Amend the Answer and the Accompanying Declaration of Mark Lerner in Opposition to the Motion to Amend the Answer** where served on this 15 day of Sept. 2009, by overnight mail, postage prepaid, addressed to Kenneth L. Wilton, Seyfarth Shaw LLP, 2029 Century Park East, Suite 3300, Los Angeles, California 20067-3063, Attorney for the Respondent.



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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE,
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GADO S.R.L.

Petitioner,

-against-

JAY-Y ENTERPRISES CO., INC.

Respondent.

TTAB CANCELLATION NO.
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**EXHIBITS TO
MEMORANDUM OF LAW IN OPPOSITION TO RESPONDENT'S MOTION
FOR LEAVE TO FILE AN AMENDED ANSWER AND COUNTERCLAIMS**

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EXHIBIT A

**THIS DISPOSITION
IS A PRECEDENT
OF THE T.T.A.B.**

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

Lykos

Mailed: September 29, 2008

Cancellation No. 92047294

Media Online Inc.

v.

El Clasificado, Inc.

Before Rogers, Cataldo and Bergsman, Administrative
Trademark Judges.

By the Board:

On March 21, 2007, petitioner filed a petition to
cancel respondent's registration for the mark EL CLASIFICADO
ONLINE for "placing advertisements of others on a website
via a global computer network" in International Class 35.¹
Petitioner seeks to cancel respondent's registration on the
ground that respondent's mark so resembles petitioner's
previously used CLASIFICADOSONLINE.COM and CLASIFICADOS
ONLINE marks for various Internet advertising and other
related services that it is likely to cause confusion,

¹ Registration No. 2779820, filed November 4, 1999 and issued on
November 4, 2003, alleging May 20, 2003 as the date of first use
anywhere and in commerce. The registration contains the
statement that the words "EL CLASIFICADO" translate in English to
"THE CLASSIFIEDS" as well as a disclaimer of the word ONLINE.

mistake, or deception of prospective consumers under Section 2(d) of the Lanham Act.² In the petition to cancel, petitioner asserts priority based on a date of first use of November 27, 1999. The allegations set forth in the petition to cancel are verified by Jose Martinez, Vice-President of petitioner.³

In its answer respondent denied the salient allegations of the petition, and asserted various affirmative defenses.

This case now comes before the Board for consideration of (1) respondent's motion for judgment on the pleadings on petitioner's claim of priority (filed September 24, 2007); and (2) petitioner's cross-motion to amend its pleading to add claims of descriptiveness and fraud (filed October 24, 2007). The motions are fully briefed.

I. Petitioner's Cross-Motion to Amend its Pleading

First, we will consider petitioner's cross-motion to amend its pleading to add claims of descriptiveness and fraud. Concurrently therewith, petitioner has submitted an

² In the petition to cancel, not all averments were made in numbered paragraphs as required by Fed. R. Civ. P. 10(b). Nonetheless, respondent formulated an answer in numbered paragraphs to correspond to the allegations contained in the petition to cancel.

³ Trademark Rule 2.111(b) provides that a petition for cancellation need not be verified but must be signed by either the petitioner or petitioner's attorney.

amended pleading. The relevant excerpts from the newly asserted claims are as follows:

Paragraph No. 13: Registration No. 2779820, sought to be cancelled, is for the trademark "El Clasificado Online". This service mark is translated in English to "the Classified". A classified is "an advertisement grouped with others according to subject", according to the Merriam-Webster Online Dictionary. As such, this trademark application was refused registration on descriptiveness grounds on April 19, 2000, because it clearly identified a characteristic of the services provided under the same. . . . In addition, Registration No. 2779820, sought to be cancelled, is, according to its Certificate of Registration, used for the same services as "Clasificados Online" and www.clasificadosonline.com. Nevertheless, when www.elclasificadoonline.com is accessed through the Internet, anyone can see that it does not offer the services its Certificate states. . . . As such, fraud was committed as to the services offered by Registrant in its application for registration.

For the reasons explained below, petitioner's motion for leave to amend is denied.

Under Fed. R. Civ. P. 15(a), leave to amend pleadings shall be freely given when justice so requires. Consistent therewith, the Board liberally grants leave to amend pleadings at any stage of the proceeding when justice requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. See, for example, *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503

(TTAB 1993); and *United States Olympic Committee v. O-M Bread Inc.*, 26 USPQ2d 1221 (TTAB 1993).

The timing of the motion for leave to amend is a major factor in determining whether respondent would be prejudiced by allowance of the proposed amendment. See TBMP § 507.02 (2d ed. rev. 2004) and cases cited therein. A motion for leave to amend should be filed as soon as any ground for such amendment, e.g., newly discovered evidence, becomes apparent. A long delay in filing a motion for leave to amend may render the amendment untimely. See *International Finance Company v. Bravo Co.*, 64 USPQ2d 1597, 1604 (TTAB 2002). Any party who delays filing a motion for leave to amend its pleading and, in so delaying, causes prejudice to its adversary, is acting contrary to the spirit of Rule 15(a) and risks denial of that motion. See Wright, Miller and Kane, *Federal Practice and Procedure: Civil 2d*, Section 1488 (1990); Chapman, *Tips from the TTAB: Amending Pleadings: The Right Stuff*, 81 Trademark Reporter 302, 307 (1991).

In this instance, we find that petitioner unduly delayed in filing its motion. The new claims appear to be based on facts within petitioner's knowledge at the time the petition to cancel was filed. See *Trek Bicycle Corporation*

v. *StyleTrek Limited*, 64 USPQ2d 1540 (TTAB 2001) ("*Trek Bicycle*") (motion for leave to amend filed prior to close of discovery but based on facts known to opposer prior to institution of the case denied due to unexplained delay). Indeed, in support of its descriptiveness and fraud claims, petitioner appears to have consulted dictionary definitions and accessed respondent's web site, actions which could quite easily have been undertaken prior to filing of the petition to cancel, or by any prompt investigation conducted immediately thereafter. Petitioner waited over seven months, however, and until after respondent's motion for judgment before filing the motion for leave to amend its pleading to add the two additional claims. The only explanation petitioner offers for its delay is that the parties were engaged in settlement discussions, and that it was surprised by respondent's reliance on the "affirmative defense" of priority not pleaded in its answer but purportedly raised as an issue for the first time in this case in respondent's motion for judgment on the pleadings. However, the parties never filed a stipulation or consented motion to suspend proceedings to allow for additional time to pursue settlement talks. Thus, petitioner could not reasonably have concluded that it need not concurrently

shoulder its responsibility for moving the case forward and for preparing all possible claims for trial.

Contrary to petitioner's contention, it cannot claim to be unfairly surprised by the motion for judgment on the pleadings, so that amendment of the pleadings would then be appropriate. Priority is an issue in the case simply by virtue of petitioner's pleading of its Section 2(d) claim. As discussed more fully below, in this particular case, respondent relies solely on the filing date of its application in moving for judgment on the pleadings. It therefore logically follows that there can be no unfair surprise to petitioner with regard to respondent's motion for judgment on the issue of priority, as respondent's ability to rely on its filing date is settled law and the date itself is apparent from the face of respondent's registration.

The Board also finds that respondent would suffer prejudice if petitioner is permitted to add the claims at this juncture. In this particular instance, petitioner did not claim that it learned of these newly asserted claims through discovery or was otherwise unable to learn about these new claims prior to or shortly after filing its first complaint. Petitioner therefore had ample time to file a

motion for leave to amend its pleading at an earlier stage in the proceeding. It is incumbent upon petitioner to identify all claims promptly in order to provide respondent with proper notice. Otherwise, allowing piecemeal prosecution of this case would unfairly prejudice respondent by increasing the time, effort, and money that respondent would be required to expend to defend against petitioner's challenge to its registration.

Accordingly, we find that based on the record before us, petitioner unduly delayed seeking to add its descriptiveness and fraud claims, and has no basis for claiming unfair surprise because respondent now seeks judgment on the original claim.

Lastly, we note that petitioner's proposed fraud claim, as pleaded, is futile. Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration or a registrant in a declaration of use or renewal application knowingly makes false, material representations of fact in connection with an application to register or in a post-registration filing. See *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986); *Standard Knitting, Ltd. v. Toyota Jidosha*

Kabushiki Kaisha, 77 USPQ2d 1917 (TTAB 2006); *Medinol Ltd.*

v. Neuro Vasx Inc., 67 USPQ2d 1205 (TTAB 2003).

In addition, pursuant to Trademark Rule 2.116(a), the sufficiency of petitioner's pleading of its fraud claim in this case also is governed by Fed. R. Civ. P. 9(b), which provides as follows:

(b) Fraud, Mistake, Condition of the Mind. In all averments of fraud or mistake, the circumstances constituting fraud or mistake shall be stated with particularity. Malice, intent, knowledge, and other condition of mind of a person may be averred generally.

We find that petitioner has failed to state a claim for fraud because it has failed to plead particular facts sufficient to establish that respondent knowingly made false statements. As a threshold matter, petitioner's proposed pleading is devoid of any allegations with regard to respondent's scienter. Petitioner's proposed pleading also fails to set forth with particularity the allegedly false statement or statements that purportedly induced the Office to allow registration of respondent's EL CLASIFICADO ONLINE mark. The allegation that respondent currently does not offer the services identified in its registration is insufficient because it lacks details regarding which statement(s) made by respondent before the Office were

purportedly false at the time respondent filed its application.

Accordingly, petitioner's motion for leave to amend its complaint is denied.

II. Respondent's Motion for Judgment on the Pleadings

Respondent has moved for judgment on the pleadings on the issue of priority.⁴ For the reasons set forth below, respondent's motion is granted. A motion for judgment on the pleadings is a test solely of the undisputed facts appearing in all the pleadings, supplemented by any facts of which the Board may take judicial notice. For purposes of the motion, all well-pleaded factual allegations of the non-moving party must be accepted as true, while those allegations of the moving party which have been denied (or which are taken as denied, pursuant to Fed. R. Civ. P. 8(b)(6), because no responsive pleading thereto is required or permitted) are deemed false. Conclusions of law are not taken as admitted. *Baroid Drilling Fluids Inc. v. SunDrilling Products*, 24 USPQ2d 1048 (TTAB 1992). All reasonable inferences from the pleadings are drawn in favor

⁴ Petitioner's motion (filed October 3, 2007) to extend its time to file a responsive brief to respondent's motion for judgment on the pleadings is granted for good cause shown. See Fed. R. Civ. P. 6(b).

of the nonmoving party. *Id.* A judgment on the pleadings may be granted only where, on the facts as deemed admitted, there is no genuine issue of material fact to be resolved, and the moving party is entitled to judgment on the substantive merits of the controversy, as a matter of law. *Id.*

Based on the pleadings in this case, petitioner cannot prevail on its claim of priority as a matter of law. In its verified petition to cancel attesting to the truthfulness of the factual allegations made therein, petitioner alleges that its pleaded CLASIFICADOSONLINE.COM and CLASIFICADOS ONLINE marks were first used in commerce on November 27, 1999. While the Trademark Rules of Practice do not require verification of the allegations made in a petition to cancel, petitioner chose in this case to verify its claim of first use as of this date.

It is undisputed that respondent filed the application that matured into the registration at issue in this case on November 4, 1999, prior to petitioner's verified date of first use. The Lanham Act provides that respondent may rely on this filing date as its constructive date of first use. 15 U.S.C. Section 1057(c); *see e.g., Salacuse v. Ginger Spirits Inc.*, 44 USPQ2d 1415 (TTAB 1997) (petitioner may

rely on the filing date of his applications as his constructive date of first use). As explained by the Board in *Zirco Corp. v. American Telephone and Telegraph Co.*, 21 USPQ2d 1542, 1543-44 (TTAB 1991):

Section 7(c) was added to the Lanham Act by the Trademark Law Revision Act of 1988 in order to provide constructive use, dating from the filing date of an application for registration on the principal register, for a mark registered on that register. As a review of the legislative history shows, the provision is intended to fix a registrant's nationwide priority rights in its mark from the filing date of its application whether the application is based on use or intent-to-use. This right of priority is to have legal effect comparable to the earliest use of a mark at common law.

Thus, based on respondent's constructive date of first use, respondent has priority.

Petitioner's argument that respondent is precluded from moving for judgment on the pleadings because it failed to assert prior use as an affirmative defense is, as noted earlier, misplaced. There can be no unfair surprise to petitioner merely because respondent did not allege priority of use as an affirmative defense. Priority is a required element of petitioner's Section 2(d) claim. See 15 U.S.C. § 1052(d). Respondent is relying on nothing more than the filing date of the application that resulted in its registration, a date readily apparent to petitioner from the

commencement of the proceeding, indeed, even from the time respondent's registration was cited against petitioner's pending applications by the examining attorney. Insofar as petitioner lacks priority as a matter of law, petitioner cannot carry its burden of proof in this case.

In view of the foregoing, respondent's motion for judgment on the pleadings pursuant to Fed. R. Civ. P. 12(c) is granted. Judgment is hereby entered in favor of respondent and the petition to cancel is denied.⁵

⁵ In light of our determination, petitioner's combined motion to compel, deem its requests for admission as admitted, and extend the discovery and testimony periods in this case (filed October 3, 2007) is rendered moot.

EXHIBIT B

THIS OPINION IS A PRECEDENT OF THE TTAB
Trademark Trial and Appeal Board
Patent and Trademark Office (P.T.O.)

*1 THE BLACK & DECKER CORPORATION
v.
EMERSON ELECTRIC CO.

OPPOSITION 91158891 TO APPLICATION SERIAL 78183805 FILED ON NOVEMBER 11, 2002; 91158941 TO
APPLICATION SERIAL 78197342 FILED ON DECEMBER 23, 2002

March 23, 2007

William G. Peca and Rachel M. Marmer of Steptoe & Johnson LLP for The Black & Decker Corporation
Albert B. Deaver, Jr. of Locke Liddell & Sapp LLP for Emerson Electric Co.

Before Seeherman, Hairston and Mermelstein
Administrative Trademark Judges
Opinion by Seeherman
Administrative Trademark Judge:

The Black & Decker Corporation has opposed the applications of Emerson Electric Co. to register DIRT HAWG^[FN1] and WATER HAWG^[FN2] for "vacuum cleaners, wet and dry vacuum cleaners, and replacement parts therefor." As grounds for opposition, opposer alleges that since prior to the filing date of applicant's applications, opposer has used HOG "as a trademark for a family of power operated outdoor equipment, including power operated blower-vacuums, electric lawn mowers, power operated grass trimmers, power operated chainsaws, and power operated edgers, and as the principal distinctive element of the trademarks for each of the many products belonging to the HOG family of products, namely, the marks HEDGE HOG, EDGE HOG, GRASS HOG, LAWN HOG, LEAF HOG, and LOG HOG, and for slogan marks for that HOG family, such as HOG POWER" ¶1; that since prior to the filing date of applicant's applications, opposer has used various two word marks incorporating the word HOG as trademarks for power operated outdoor products; that opposer has used a variety of slogan marks incorporating its HOG mark, including HOG POWER, GOING HOG WILD, and IS THERE A HOG IN YOUR YARD?; that the public has come to recognize opposer's HOG product marks as a family of marks for its products; that it owns registrations for a number of marks containing the word HOG; that applicant's marks so resembles each of opposer's HOG product marks--HEDGE HOG, EDGE HOG, GRASS HOG, LAWN HOG, LEAF HOG and LOG HOG--and opposer's family of HOG product marks and HOG slogan marks as to be likely, when applied to applicant's goods, to cause confusion and mistake and to deceive, in violation of Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d).

In its answers, applicant has admitted that the TESS database of the USPTO shows that opposer is the owner of its pleaded registrations, but otherwise has denied the salient allegations of the notices of oppositions.

After the filing of the answers, the parties filed a consented motion to consolidate the proceedings, which was granted. Accordingly, we will decide both oppositions in this single opinion.

The record consists of the pleadings; the files of both the DIRT HAWG and WATER HAWG applications; the testimony, with exhibits, of opposer's witness, Joseph Newland, one of opposer's group project managers, and of applicant's witness, Dave E. Beth, Vice President of Engineering for one of applicant's divisions. Opposer has also made of record, by notice of reliance, status and title copies of its pleaded registrations, as set forth *infra*; dictionary definitions; applicant's responses to certain of opposer's interrogatories and requests for admission; and printouts from the TTAB's TTABVUE website showing an opposition brought by opposer against a third party (an official record pursuant to Trademark Rule 2.122(e)). In addition, opposer has sought to make of record, by notice of reliance, printouts of certain web pages. Such matter is normally not acceptable for a notice of reliance as such web pages do not constitute printed publications under Trademark Rule 2.122(e). See Raccioppi v. Apogee Inc., 47 USPQ2d 1368 (TTAB 1998). However, at the testimony deposition of Joseph Newland applicant stipulated that it would not contest the authenticity of these web pages and, in addition, applicant has treated this material as being of record, setting forth in its brief that such materials are part of "opposer's evidence of record." Therefore, we consider applicant to have stipulated to the submission of this evidence, and have treated it as of record. The record also includes evidence submitted by applicant under a notice of reliance, consisting of printed publications, trademark registrations of opposer and of third parties,^[FN3] and opposer's responses to certain of applicant's interrogatories and requests for admission. Opposer and applicant have filed trial briefs, and opposer filed a reply brief.^[FN4]

Opposer's Motion to Amend the Pleadings

*2 On April 11, 2006, four days after the close of the trial period, opposer filed a motion to amend its notices of opposition to add an additional ground, namely, that applicant did not have a bona fide intent to use its marks on all of the goods identified in the applications at the time the applications were filed.^[FN5] Applicant filed a brief in opposition to this motion, and opposer filed a reply brief. Opposer did not request that proceedings be suspended pending a decision on its motion and, notwithstanding that the Board had not ruled on the motion, opposer filed its brief on the case without contacting the Board for a telephone hearing on a motion to suspend. Thus, both opposer and applicant have filed briefs on the case on the Section 2(d) ground of opposition, and opposer has filed a reply brief.

In its brief on the case, opposer has argued the merits of the ground that it seeks to add by its motion to amend. Thus, it appears that opposer believes that the motion to amend will not only be granted, but that no further discovery or testimony is required, and that no prejudice will result to applicant by our granting the motion and deciding the ground on the record that was adduced in connection with the Section 2(d) ground. To this extent, it would appear by opposer's filing of its main brief that it believes that the ground of no bona fide intent to use had been tried by the implied consent of the parties, and that we should deem the pleadings to be amended pursuant to Rule 15(b) of the Federal Rules of Civil Procedure. On the other hand, opposer has submitted an amended notice of opposition, and asserted in its motion to amend that its motion is timely, an argument that would typically be advanced in a motion to amend under Fed. R. Civ. P. 15(a).

To the extent that opposer intends its motion to be brought under Rule 15(b), the papers submitted by the parties do not persuade us that the parties knew that the issue of no bona fide intent was being tried. The subject matter of the testimony depositions essentially is concerned with evidence that relates to the du Pont factors and the ground of likelihood of confusion. In re E.I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Although opposer's attorney questioned applicant's witness about applicant's plans to use the marks, much of this discussion centered on the products for which the mark would be used, and in the general context of the deposition, many of these questions could be viewed as attempts to discover whether applicant's products had similarities to opposer's goods. We also note that many of the questions asked during cross-examination were free-ranging, and cross-examination had some of the nature of a discovery deposition. The only argument of opposer's that might be construed as an assertion that the issue of intent was tried is opposer's assertion, in its reply brief, that an applicant's intent to use goes to the heart of whether an application is valid, and therefore that intent-to-use is discoverable matter.^[FN6] We agree with opposer that information about an applicant's intent to use a mark is discoverable, but merely because a party has taken discovery on this issue does not mean that the issue has been tried.

*3 As for treating the motion as one under Fed. R. Civ. P. 15(a), this rule provides that once a responsive pleading is served, as is the case in this proceeding, "a party may amend the party's pleading only by leave of court or by written consent of the adverse party; and leave shall be freely given when justice so requires." However, the Board does not grant such leave when entry of the proposed amendment would be prejudicial to the right of the adverse party. See TBMP §507.02 (2d ed. rev. 2004). Applicant would be prejudiced if the ground of no bona fide intent to use were to be decided on the present record; applicant has had no opportunity to present evidence on this issue to refute or explain the testimony on which opposer relies in support of this ground.^[FN7] Thus, the only way the Board could avoid prejudice to applicant would be by reopening the trial phase of this proceeding so that applicant could submit evidence addressing this ground. However, by filing its brief on the case while its motion to amend was still pending, opposer caused the opposition to proceed to the next stage, that of briefing, as a result of which applicant filed its brief on the case. Therefore, applicant would be prejudiced whether or not the Board reopened proceedings, either by not being able to take testimony, or by having filed a main brief before the trial phase was over.

As set forth in TBMP Section 507.02(a), the timing of a motion for leave to amend under Fed. R. Civ. P. 15(a) plays a large role in the Board's determination of whether the adverse party would be prejudiced by allowance of the proposed amendment. Opposer states that it was not aware that applicant did not have a bona fide intent to use its marks on all of the goods identified in its applications until opposer cross-examined applicant's witness during applicant's testimony period. That occurred on February 27, 2006, and opposer filed its motion to amend on April 11, 2006, shortly after opposer received a copy of the transcript of that testimony deposition. However, the papers submitted in support of and in opposition to the motion to amend indicate that opposer did have information during the discovery period which should have led it to file a motion to amend, or at the very least to take further discovery to see if a "no bona fide intent" ground were tenable. Specifically, in response to Interrogatory No. 2, in which applicant was asked to identify each kind of product applicant intends to sell under the designations DIRT HAWG or WATER HAWG, applicant answered that "it currently intends to sell only wet/dry vacuums under the DIRT HAWG and WATER HAWG marks." This interrogatory response was received by opposer on August 12, 2004.

Thus, we cannot accept opposer's position that it was not apprised of a possible basis for its claim that applicant lacked the requisite intent to use until the deposition of applicant's witness, Dave E. Beth.^[FN8] Despite having

received the discovery response indicated above in August 2004, opposer failed to move to amend the pleadings at that time, or to take further discovery to determine whether or not it could make an additional claim. We find that opposer unduly delayed by waiting until April 11, 2006 to file its **motion**.

***4** Accordingly, opposer's **motion to amend the pleadings** is denied.

Findings of Fact

The record shows that opposer sells, inter alia, outdoor products and power tools used by homeowners. Opposer began using the mark HEDGE HOG in 1995 for a hedge trimmer; began using GRASS HOG for a string trimmer and HEDGE HOG XB for a hedge trimmer with an extended blade in 1997; began using EDGE HOG for a lawn edger and LEAF HOG for a blower in 1999; and began using LAWN HOG for an electric lawn mower and LOG HOG for an electric chainsaw in 2000. Opposer sells these goods at large home centers such as Lowe's and Home Depot, mass merchandiser stores such as Wal-Mart and K-mart, department stores such as Sears, hardware chain stores such as Tru Value and Ace, and "mom and pop" stores. Opposer's sales figures have been filed under seal, so we will not report them in this opinion; however, we will say that, for the period 1999-2004, those figures are substantial.

Opposer advertises its HOG-marked products through brochures, catalogs, signage and point-of-purchase displays, television, and the Internet. Opposer also provides press kits which result in newspapers and periodicals printing articles or editorials that discuss the efficacy of its products. In addition, retailers such as Home Depot advertise opposer's products on television, in print ads and through instore promotions. Opposer's advertising figures are also confidential, so we will not repeat them here.

Opposer is the owner of the following registrations:^[FN9]

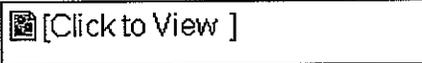


Image 1 (6.52" X 5.85") Available for Offline Print

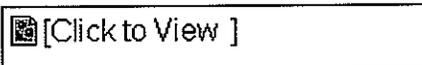


Image 2 (6.5" X 7.88") Available for Offline Print

MARK	GOODS
EDGE HOG with EDGE disclaimed	Power operated lawn and gardens tools, namely, edgers ^[FN10]
EDGE HOG with edge disclaimed	Power operated lawn and garden tools, namely, edgers ^[FN11]
GRASS HOG with GRASS disclaimed	String trimmers, namely, power-operated grass trimmers ^[FN12]
GRASS HOG with GRASS disclaimed	String trimmers, namely, powere operated grass trimmers ^[FN13]
HEDGE HOG	Power operated hedge trimmers ^[FN14]
HEDGE HOG 22 with 22 disclaimed	Power-operated hedge trimmers ^[FN15]
LEAF HOG with LEAF disclaimed	Power-operated lawn and garden equipment for residential maintenance, namely, lawn vacuums, blower-vacuums, leaf and grass blowers; power blowers for lawn debris, vacuums and replacement parts thereof for leave [sic] and other debris ^[FN25]
LOG HOG with LOG disclaimed	Power-operated tools, namely, chainsaws ^[FN26]

***5** Applicant manufactures, through its Emerson Tool Company division, wet/dry vacuum cleaners and humidifiers. It does not sell any lawn and garden equipment. It sells its wet/dry vacuum cleaners under various marks, including the RIDGID brand, which it makes for Home Depot, and the CRAFTSMAN brand, which it makes for Sears. Applicant has not yet used the mark WATER HAWG. It made some sales in the United States of wet/dry vacuum cleaners under the mark DIRT HAWG to a chain of automotive stores in 2004, although at the present time applicant's DIRT HAWG

wet/dry vacuum cleaner is sold only in Costco in Canada.

Applicant adopted the trademarks DIRT HAWG and WATER HAWG for its proposed products in tribute to the Arkansas Razorbacks, the division's vice president being an alumnus of that school. Its vice president was aware of opposer's HOG marks at the time it chose the DIRT HAWG and WATER HAWG marks.

Standing

Opposer's evidence of its HOG registrations and of its use of various marks containing the word HOG shows that opposer is not a mere intermeddler. Therefore, opposer has established its standing. Cunningham v. Laser Golf Corp., 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); Lipton Industries, Inc. v. Ralston Purina Co., 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

Priority

Because opposer's pleaded registrations are of record, priority is not in issue. King Candy Company v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Moreover, the evidence shows that opposer began using many of its HOG marks, including HEDGE HOG, EDGE HOG, LEAF HOG, GRASS HOG and LAWN HOG, prior to the filing date of applicant's intent-to-use applications in 2002, which are the earliest dates on which applicant can rely. [FN27]

Likelihood of Confusion

Our determination of the issue of likelihood of confusion is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in In re E. I. du Pont de Nemours & Co., supra. See also, In re Majestic Distilling Co., Inc., 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003).

We turn first to the du Pont factor of the similarity of the marks. Opposer claims a family of marks based on the surname HOG. [FN28]

A family of marks is a group of marks having a recognizable common characteristic, wherein the marks are composed and used in such a way that the public associates not only the individual marks, but the common characteristic of the family, with the trademark owner. Simply using a series of similar marks does not of itself establish the existence of a family. There must be a recognition among the purchasing public that the common characteristic is indicative of a common origin of the goods.

J & J Snack Foods Corp. v. McDonald's Corp., 932 F.2d 1460, 18 USPQ2d 1889, 1891 (Fed. Cir. 1991).

*6 Recognition of the family is achieved when the pattern of usage of the common element is sufficient to be indicative of the origin of the family. Id. In the present case, the evidence is very clear that opposer has created a family of marks consisting of the word HOG, preceded by a word that indicates or suggests the use of the product for which it is used, such that consumers will view marks following this pattern as having a common origin. Opposer advertises and promotes several of its "HOG" marks together. For example, applicant shows multiple products, bearing various HOG marks, in print advertisements (e.g., Newland ex. 96, inside cover of ACE "homeplace" magazine headed "Hog Powered Products" and featuring the marks GRASS HOG, LAWN HOG, HEDGE HOG and EDGE HOG), store take-away cards (e.g., Newland, ex. 4 showing HEDGE HOG XB and LOG HOG) and product brochures (e.g., Newland, ex. 24 showing LAWN HOG, HEDGE HOG, EDGE HOG, GRASS HOG and HOG POWER). The different HOG products are placed together in stores, including in end of aisle displays (e.g., Newland ex. 79, showing HEDGE HOG and GRASS HOG products). Moreover, the HOG element is emphasized in these stores by banners with slogans such as GOING HOG WILD, HOG POWER and HOG POWERED PRODUCTS. In addition, opposer sends out a "strike force" consisting of 25-30 bright orange Suburban vehicles displaying several of its HOG marks. These crews drive throughout the country and do product demonstrations in tents they set up in front of stores such as Home Depot. The various HOG products are displayed in these tents, along with signage that features all the HOG brands that opposer sells at that particular time. Opposer's press kits include information on its several HOG products, and this publicity effort has resulted in periodicals listing several of the HOG brands in the articles or editorials. See, for example, the May 2002 "Detroit News" article listing the marks HEDGE HOG, LEAF HOG and EDGE HOG (Newland, ex. 43). Some of the printed materials literally tell consumers that opposer has a HOG family of marks: A Home Depot advertisement has the caption "Black & Decker Hog Family" (Newland ex. 91) and an article in "USA Today" in July 2001 has the subhead "What Hogs!" and begins, "A family of hogs on the loose in your yard doesn't sound especially appealing, but you'll be awfully glad they're around once they get busy landscaping your property. The hog family we're speaking of is Black & Decker's line of lawn and garden products, especially the Edge Hog and Lawn Hog." (Newland ex. 48).

We are persuaded by the evidence of record that opposer has established a family of marks based on the common

element HOG. Applicant does not seriously dispute this; in fact, at page 21 of its brief applicant refers to opposer's "HOG family of marks."

In comparing opposer's marks with applicant's marks, then, the question is not whether each of applicant's marks is similar to opposer's individual marks, but whether applicant's marks would be likely to be viewed as members of opposer's HOG family of marks. In this respect, the pattern that applicant's marks follow, i.e., the word HAWG, preceded by a term that describes or suggests a characteristic or function of the product, is the same pattern that is used by opposer's family of marks. However, as applicant points out, the term in applicant's mark is spelled "HAWG," and the term in opposer's marks is spelled "HOG." It is applicant's position that this difference in spelling distinguishes applicant's marks from opposer's family, and that "based on appearance, sound and connotation, consumers would view HAWG as something completely different than and unrelated to HOG." Brief, p. 12.

***7** We are not persuaded by applicant's arguments. The dictionary definitions made of record by opposer show that "hawg" is defined as "hog." See, for example, the definition in Random House Webster's Unabridged Dictionary, 2d. ed. © 1998. This same dictionary shows that the words may be pronounced the same way. Even applicant's witness testified that "HAWG" is slang for "HOG," (Beth dep., p. 78), that "hog" can be spelled as "HOG" and "HAWG," (*id.*) and that, in terms of how people pronounce the words, "it would be hard to distinguish the difference in a lot of cases." *Id.* As for the appearance of the words, although "HAWG" contains an "AW" and "HOG" contains an "O", they both begin with an "H" and end with a "G." Under actual marketing conditions, consumers do not necessarily have the luxury of making side-by-side comparisons between marks, and must rely upon their imperfect recollections. Dassler KG v. Roller Derby Skate Corporation, 206 USPQ 255 (TTAB 1980). As a result, the slight difference in the middle letters is not sufficient to distinguish the marks in appearance, particularly because the marks are identical in pronunciation and connotation and commercial impression. That is, the similarities in the marks are so overwhelming that consumers are likely to misremember how HOG is spelled in opposer's family of marks and, on encountering the mark DIRT HAWG or WATER HAWG used on related goods, would think that these marks are part of opposer's family. Moreover, consumers who have only heard of opposer's family of marks, such as through word-of-mouth recommendations, would not be aware of this difference in spelling at all.

Applicant has argued that, as actually used in commerce, the packaging for opposer's products includes, in addition to a HOG mark, a design of a hog's head (shown in some of opposer's registered marks, as set forth *supra*), opposer's house mark, BLACK & DECKER, and an "identifiable" color. Brief, p. 12. It is apparently applicant's position that these additional elements distinguish opposer's products from applicant's marks, "which are strictly word marks and do not contain any picture elements." Brief, p. 13.^[FN29] We are not persuaded by this argument. Opposer has demonstrated a family of HOG marks separate and apart from the design of a hog's head, the trademark BLACK & DECKER, and the color of its packaging, and therefore it is appropriate for us to consider the issue of likelihood of confusion with respect to this family of marks. Opposer also owns numerous registrations for its HOG marks in standard character form, and therefore has the right to use the marks without additional marks or a particular trade dress.

The factor of the similarity of the marks favors a finding of likelihood of confusion.

***8** The next du Pont factor we consider is that of the relatedness of the goods. Applicant points out that its wet/dry vacuums are specifically different from the various goods opposer sells under its family of HOG marks.^[FN30] However, it is well established that the goods of the applicant and registrant need not be similar or competitive, or even move in the same channels of trade, to support a holding of likelihood of confusion. It is sufficient that the respective goods are related in some manner, and/or that the conditions and activities surrounding the marketing of the goods 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 producer. See In re International Telephone & Telegraph Corp., 197 USPQ 910 (TTAB 1978).

Although opposer does not sell wet/dry vacuum cleaners under a HOG mark, the record shows that opposer does sell such goods. Thus, products sold under the various HOG marks and wet/dry vacuum cleaners can and do emanate from a single source. Further, although the goods sold under opposer's HOG family of marks may generally be categorized as lawn and garden products, a wet/dry vacuum cleaner can be used to clean sidewalks, decks and patios. Beth dep. p. 85, Newland Ex. 99. Both opposer's HOG-marked goods and applicant's goods may be stored in a garage. "The majority [of HOG products] would probably be in a garage." Newland dep. p. 125; "Garages, basement and workshops. Ninety percent of them [wet/dry vacuums] are in those areas." Beth dep. p. 137). Moreover, opposer's LEAF HOG leaf blower and a wet/dry vacuum cleaner have characteristics or functions in common. Wet/dry vacuums often have a blowing feature that can be used to blow leaves, just as a leaf blower can. In fact, opposer's wet and dry vacuum with portable blower (sold under the Black & Decker trademark) is advertised as being used for "leaf and grass removal on hard surfaces" and to "blow decks and patio's [sic] clean." Newland ex. 99. In addition, an Internet promotion for the Ridgid wet/dry vacuum with detachable blower (a product that applicant makes as a private label brand for Home Depot) touts the product as being a substitute for a leaf blower: "Why Own a Separate Leaf Blower? Our Detachable Hand Held Blower Performance Meets or Exceeds that of Dedicated Lawn & Garden Leaf Blowers!!"

Applicant has gone into some detail in explaining the differences between a leaf blower and a wet/dry vacuum, specifically that these products operate differently, and that a leaf blower cannot generally do the same types of things that a wet/dry vacuum can do. We recognize that there are specific differences between a leaf blower and a wet/dry vacuum, as well as differences between opposer's other lawn and garden products sold under the HOG family of marks. However, as we stated previously, it is not necessary that the goods be identical in order to find a likelihood of confusion. Thus, the fact that "opposer has presented no survey evidence or any documentary evidence that would show that ultimate consumers view such wet/dry vacuums to be the same product as or in competition with dedicated leaf blowers," applicant's brief, p. 16, is of no moment. The question is not whether consumers would mistake the goods, but mistake the source of the goods.

***9** Applicant's wet/dry vacuums are related to opposer's line of lawn and garden products, in that they may be used by the same do-it-yourself consumers for maintenance and clean-up. The fact that opposer has a family of HOG marks, and uses these marks on a range of products, increases the likelihood that consumers will view a wet/dry vacuum sold under a similar mark as being an addition to opposer's group of products. This is particularly likely because of the similarity in function or purpose of a leaf blower and a wet/dry vacuum, and the fact that opposer sells wet/dry vacuums (under a different mark), thus showing that both wet/dry vacuums and lawn and garden products can emanate from a single source. As a result, consumers are likely to believe, upon seeing wet/dry vacuums bearing marks that appear to be part of opposer's family of HOG marks, that opposer has expanded its line of HOG products.

The factor of the relatedness of the goods favors opposer.

With respect to the channels of trade, both wet/dry vacuums and the products for which opposer uses its HOG-trademarks can be found in the same stores. In fact, applicant sells wet/dry vacuum cleaners (albeit under trademarks other than the ones at issue) at Home Depot, Sears and small hardware chains, and applicant further states that its goods can be sold through mass merchandisers such as Wal-Mart. Brief, p. 17. These are the same stores in which opposer sells its goods.

Applicant argues that, despite the fact that the parties' goods can be sold through the same channels of trade, this factor should not favor opposer because the goods are not sold in the same sections of the stores. The evidence shows that, at least for large home centers, the store buyers who handle power tools traditionally purchase the store's wet/dry vacuums, while the products for which opposer's HOG marks are used are purchased by the stores' garden equipment buyers. It is presumably for this reason that the goods are displayed in separate areas.

We point out, first of all, that large stores such as Home Depot and Wal-Mart are not the only stores that can sell wet/dry vacuums and lawn and garden equipment. These products can also be sold in smaller hardware stores, including mom-and-pop stores. In such stores, there may not be separate buyers for the equipment, or because of the size of the stores, the goods may be sold together or in close proximity. Opposer's witness testified that he has seen wet/dry vacuums sold near opposer's HOG products in retail stores that he has visited as part of his business duties.^[FN31] Even if we assume that the respective goods are sold in different areas of large home center stores, the areas may still be relatively close; applicant's witness testified that at a Home Depot store he visited, they were six-to-eight aisles apart, while at a Wal-Mart store they were four aisles apart. More importantly, the goods have some functions in common, in that wet/dry vacuums such as applicant's can be used for cleaning outdoor areas and for leaf blowing, and opposer's goods are used in outdoor areas, e.g., the EDGE HOG edger is used for areas around sidewalks and patios, and the LEAF HOG blower is used for leaf blowing; as a result, a consumer may encounter both types of products during a visit to a particular store, regardless of their location within the store.^[FN32]

***10** Accordingly, we find that the factor of the channels of trade favors a finding of likelihood of confusion.

With respect to the conditions under which the parties' goods are purchased, both goods are sold to do-it-yourselfers who are home owners and have yards to maintain. These customers are the public at large, and they have not been shown to have any particular sophistication or expertise with respect to these products. Further, the products are relatively inexpensive; applicant's two-gallon wet/dry vacuum costs between \$19 and \$24, while its sixteengallon vacuum costs \$100. Opposer's products range from \$49 for a GRASSHOG string trimmer to \$69 for a LEAFHOG blower to \$119-248 for the LAWNHOG mowers.

The purchase of these products is not likely to engender a great deal of deliberation. In fact, the two-gallon wet/dry vacuum might well be purchased on impulse. Thus, no more than ordinary care is likely to go into the decision to purchase these products, and this du Pont factor favors opposer.

The next du Pont factor is that of fame of opposer's family of HOG marks. Because the information regarding sales and advertising has been submitted as confidential, we are hampered in our discussion of the evidence that is relevant to this factor. We thus will say only that, although opposer has enjoyed considerable success with its sales of products bearing its HOG-family marks, we cannot find, based on this evidence, that opposer's HOG family is

famous. Nor has opposer argued that its marks are famous. At most, we find that opposer's HOG family of marks is strong.^[FN33]

Despite the strength of opposer's family of HOG marks, applicant argues that there are a large number of third parties who use HOG marks, and therefore opposer's mark is entitled to a more limited scope of protection. We note that much of applicant's evidence consists of search results that were obtained from USPTO records, and consist only of lists of third-party applications and registrations for marks that contain HOG or HAWG, including some marks that do not contain these words as separate elements, but only letter strings, e.g., ORTHOGLIDE. Submitting lists of third-party registrations and applications is not an acceptable way to make such registrations and applications of record. *In re Duofold Inc.*, 184 USPO 638 (TTAB 1974). Moreover, even copies of third-party applications have no evidentiary value other than to show that the applications were filed. Although third-party registrations may be used in the same manner as dictionary definitions, to show that a term has a significance for goods in a particular field, see *Mead Johnson & Company v. Peter Eckes*, 195 USPQ 187 (TTAB 1977), mere lists do not show what the particular goods are for which the marks have been registered. Thus, the search results submitted by applicant have no probative value.

***11** Applicant has, however, submitted copies of certain third-party registrations that were obtained from the USPTO's TESS database. These registrations are for BUSH HOG and design for power operated agricultural implements and machines, including rotary cutters, mowers, landscape, golf course and garden mowers, tillers, plows and grain augers,^[FN34] BUSH-HOG for rotary cutters for cutting stalks, stumps, stubble and the like,^[FN35] BUSH-HOG for light utility vehicles^[FN36] and TURF HOG for agricultural implements and machines, namely mowers and cutters, all of which appear to have been registered by the same company;^[FN37] FLOOR HOG for brooms and squeegees;^[FN38] RAZOR-BACK HOG for scraping and chopping hand tools, including ice scrapers, sidewalk scrapers, garden scrapers and grass trimmers;^[FN39] HOG WASH for all-purpose cleaning and degreasing preparations for automotive, interior auto, household, marine and outdoor use, including concrete, lawn mowers and patio areas;^[FN40] SAND HOG for sand measuring and dispensing tool for industrial and construction purposes;^[FN41] MUD HOG for concrete mixers;^[FN42] GROUND HOG for digging equipment, namely, trenching machines and earth drilling machines,^[FN43] and SKID HAWG for power-operated agricultural implement, namely, a rotary cutter for cutting and mulching.^[FN44]

We cannot conclude from these registrations that HOG or HAWG has a particular significance for goods of the nature of opposer's or applicant's products. We note that the marks RAZOR-BACK HOG, HOG WASH and SKID HAWG have a very different pattern and significance than do opposer's and applicant's marks, with RAZOR-BACK HOG referring only to the animal, while in HOG WASH the meaning of the word HOG alone is lost, and SKID in SKID HAWG does not appear to have any reference to a characteristic or property of the goods. The goods in the MUD HOG, GROUND HOG and BUSH-HOG for light utility vehicles registrations are so different from the goods at issue herein that they do not show that HOG has a significance for these products. The marks in the remaining registrations, for BUSH HOG, TURF HOG and FLOOR HOG, do appear to have a similar formation, but three registrations (two of which are for variations of the same mark) issued to a single entity and an additional registration issued to another third party are not sufficient to show that HOG is a suggestive term for the goods at issue or that opposer's marks are entitled to a limited scope of protection.

In addition to the third-party registrations, applicant has also submitted what purports to be evidence of third-party use of HOG marks. This evidence consists of web pages which applicant's witness obtained from Internet searches. The web pages include a listing of the specifications of the BUSH HOG powered rotary cutter and the BUSH HOG finishing mowers, with an indication that for pricing and availability one should contact an authorized Bush Hog dealer (www.bushhog.com); a listing for the Hog® Scraper/Chopper, noting that the products are available through distributors and retailers and providing a link and/or phone number for assistance in locating one (<http://uniontools.com>); a description of the POOL HOG in-ground automatic pool cleaner, including a way to order it (www.poolcenter.com); and the website for Landscaper Pro, from which one can order, inter alia, GRASS HAWG mulching blades for use on various brands of mowers.

***12** Applicant's witness had not seen any of the foregoing products actually for sale in retail stores, nor could he testify as to whether one could buy the products shown on the websites. Although the web pages provide some evidence that the marks are in use, we cannot determine to what extent the goods have been sold. Based on this limited evidence, as well as the limited number of third-party uses, we cannot say that the public has been so exposed to third-party uses of HOG marks that they would look to other elements of these marks, in applicant's case, the words DIRT and WATER, in order to distinguish among the various HOG marks. Simply put, the evidence that applicant has submitted with respect to third-party use of HOG marks does not outweigh the significant amount of sales of opposer's HOG products and the expenditures by opposer in advertising and promoting its HOG family of marks.

The next two du Pont factors, evidence of actual confusion or length of time without evidence of confusion, are

related. There is no evidence of instances of actual confusion. However, we do not consider this to be significant given that applicant has not used the mark WATER HAWG at all, and its sales of product under the mark DIRT HAWG have been very limited, with no sales in the United States at the present time. Accordingly, we treat both of these factors as neutral.

The only other du Pont factor on which we have evidence is that of the variety of goods on which opposer's mark is used. As noted, opposer has a family of HOG marks which it uses for a number of goods. As a result, consumers may well think, upon encountering WATER HAWG or DIRT HAWG for wet/dry vacuums, that opposer has expanded its line of HOG marks, particularly because of the similarities between a leaf blower, for which opposer uses the mark LEAF HOG, and a wet/dry vacuum.

Finally, with respect to whether applicant adopted its marks in good faith, we note that applicant was aware of opposer's prior use of its HOG marks. However, we find credible applicant's explanation that it chose DIRT HAWG and WATER HAWG because of the association of the word HAWG with the University of Arkansas. Thus, we have not based our decision herein in any degree on opposer's contention that applicant chose its marks in an attempt to trade on the reputation of opposer's marks.

After considering all of the relevant du Pont factors, we find that applicant's use of DIRT HAWG and WATER HAWG for "vacuum cleaners, wet and dry vacuum cleaners, and replacement parts therefor" is likely to cause confusion with opposer's family of HOG marks for its various products.

Decision: The oppositions are sustained.

FN1. Application Serial No. 78183805, filed November 11, 2002, based on an asserted bona fide intent to use the mark in commerce.

FN2. Application Serial No. 78197342, filed December 23, 2002, based on an asserted bona fide intent to use the mark in commerce.

FN3. The trademark registrations of opposer were previously made of record by opposer, as was acknowledged by applicant in its notice of reliance. Applicant has submitted copies of the registrations that were printed from the USPTO's electronic records, and which show, in addition to the registration information on the status and title copies submitted by opposer, the design search codes for opposer's non-standard-character-format marks.

FN4. In its brief applicant makes the comment that "it is appropriate for the Board to take notice of the number of applications and registrations in the name of [applicant]." p. 5. This is not an appropriate matter for judicial notice; the Board has stated in numerous decisions that it does not take judicial notice of registrations residing in the U.S. Patent and Trademark Office. See In re Duofold Inc., 184 USPQ 638 (TTAB 1974).

FN5. In the proposed amended notice of opposition to registration of the mark DIRT HAWG, opposer alleges that applicant did not have a bona fide intent to use the mark for vacuum cleaners when it filed its application, that it had an intent to use the mark for only wet and dry vacuums and replacement parts therefor. The proposed amended notice of opposition to registration of the mark WATER HAWG alleges that applicant did not have a bona fide intent to use the mark for the identified goods "vacuum cleaners, wet and dry vacuum cleaners, and replacement parts therefor" when it filed its application.

FN6. Opposer made this argument in response to applicant's claim that opposer's motion is not timely because opposer was put on notice by applicant two years earlier, during the discovery period, that discovery of applicant's intent to use its marks was outside the scope of this proceeding. Whether or not opposer was put on notice, by applicant's objections, that applicant did not consider its intent to be an issue, applicant's discovery responses do not show that applicant believed this issue was going to be tried.

FN7. During cross-examination applicant's witness testified that two vice presidents of marketing were primarily responsible for the intent to use the DIRT HAWG and WET HAWG trademarks, and that he did not know what plans applicant's president might have.

FN8. We acknowledge that the discovery responses did not specifically provide notice to opposer that, as opposer now contends, applicant did not have a bona fide intention to use the mark WATER HAWG on any of the identified goods. However, we note that applicant did state, in its responses to opposer's document production request for "all documents relating to or [sic] Applicant's use or intent in

connection with the mark WATER HAWG designation" that "no non-privileged documents are known to exist at this time." Response to Request No. 2.

FN9. Opposer also submitted a status and title copy of a registration for GOING HOG WILD, Registration No. 2347483. However, after the registration was made of record it was cancelled for failure to file a Section 8 affidavit, so no probative weight has been given to this registration.

FN10. Registration No. 2385924, issued September 12, 2000; Section 8 & 15 affidavits accepted and acknowledged. The status and title copy was furnished by the USPTO on December 7, 2005, during opposer's testimony period and prior to the filing of the Section 8 and 15 affidavits. In accordance with Board policy, we have confirmed that Office records reflect the filing of these affidavits. See TBMP §704.03(b)(1)(A) (2d ed. rev. 2004) and cases cited at footnote 142.

FN11. Registration No. 2391846, issued October 3, 2000; Section 8 & 15 affidavits accepted and acknowledged. The status and title copy was furnished by the USPTO on December 7, 2005, prior to the filing of the Section 8 and 15 affidavits. We have confirmed that Office records reflect the filing of these affidavits.

FN12. Registration No. 2385919, issued September 12, 2000; Section 8 & 15 affidavits accepted and acknowledged. The status and title copy was furnished by the USPTO on December 7, 2005, prior to the filing of the Section 8 and 15 affidavits. We have confirmed that Office records reflect the filing of these affidavits.

FN13. Registration No. 2200572, issued October 27, 1998; Section 8 & 15 affidavits accepted and acknowledged.

FN14. Registration No. 1953766, issued January 30, 1996; Section 8 & 15 affidavits accepted and acknowledged; renewed. The status and title copy was furnished by the USPTO on December 8, 2005, prior to the renewal of the registration. We have confirmed that Office records reflect that the registration has been renewed.

FN15. Registration No. 2485495, issued September 4, 2001

FN16. Registration No. 2423635, issued January 23, 2001. The status and title copy was furnished by the USPTO on December 7, 2005, prior to the time that Section 8 and 15 affidavits could be filed. Although these affidavits could have been filed as of January 23, 2006, current Office records do not reflect their filing. However, because there is a six-month grace period, to July 23, 2007, to file the Section 8 affidavit, the registration is still valid and subsisting.

FN17. Registration No. 2388111, issued September 19, 2000. The status and title copy was furnished by the USPTO on December 7, 2005, prior to the time that Section 8 and 15 affidavits had to be filed. Current Office records do not reflect their filing. However, because there is a six-month grace period, to March 19, 2007, to file the Section 8 affidavit, the registration is still valid and subsisting.

FN18. Registration No. 1981685, issued June 18, 1996; Section 8 & 15 affidavits accepted and acknowledged; renewed.

FN19. Registration No. 2396416, issued October 17, 2000. The status and title copy was furnished by the USPTO on December 8, 2005, prior to the time that Section 8 and 15 affidavits had to be filed. Current Office records do not reflect their filing. However, because there is a six-month grace period, to April 17, 2007, to file the Section 8 affidavit, the registration is still valid and subsisting.

FN20. Registration No. 2666660, issued December 24, 2002.

FN21. Registration No. 2674692, issued January 14, 2003.

FN22. Registration No. 2652753, issued November 19, 2002.

FN23. Registration No. 2696240, issued March 11, 2003.

FN24. Registration No. 2696241, issued March 11, 2003.

FN25. Registration No. 2693688, issued March 4, 2003.

FN26. Registration No. 2452614, issued May 22, 2001.

FN27. As noted above, applicant did not begin using the DIRT HAWG mark until 2004, and it has not yet begun using the mark WATER HAWG.

FN28. Although opposer pleaded likelihood of confusion with respect to its individual marks as well as its family, its brief discusses likelihood of confusion only with respect to its family of marks, and we will therefore do the same. In addition, in its reply brief opposer asserts that it has common law rights in HOG per se. Opposer never pleaded this, nor was the issue of likelihood of confusion with respect to HOG per se tried by the parties. Accordingly, we have given this contention no consideration.

FN29. We find it interesting that applicant relies on additional elements used on opposer's packaging, but in response to opposer's assertion that applicant also uses a hog's head in connection with its product, applicant claims that the Board must consider only the word marks DIRT HAWG and WATER HAWG, which are the marks for which application has been made.

FN30. Although the identification of goods in the applications is for "vacuum cleaners, wet and dry vacuum cleaners, and replacement parts therefor," applicant has limited its comments to wet and dry vacuums (also referred to as wet/dry vacuums). Because we consider these goods to be closer to opposer's goods than vacuum cleaners in general, we have confined our analysis to these goods. See Tuxedo Monopoly, Inc. v. General Mills Fun Group, 648 F.2d 1335, 209 USPQ 986, 988 (CCPA 1981) (likelihood of confusion must be found if there is likely to be confusion with respect to any item that comes within the identification of goods in the application).

FN31. Newland dep., p. 135-36.

FN32. Applicant has submitted pages from various retailers' websites that show that products such as opposer's are classified under the categories "lawn and garden" or "outdoor equipment," while wet/dry vacuums are classified under such categories as "power tools" or "home." First, it is not necessary that goods are sold in all of the same channels of trade for this du Pont factor to favor a finding of likelihood of confusion. Second, the website evidence shows that both types of products—opposer's and applicant's—are sold through the same websites, so they are in the same channels of trade. And third, in some of the websites both types of goods may be found by following the same chain of links, although the ultimate page on which the respective products are found may be different. See, for example, Beth dep. Ex 33, showing the Wal-Mart website. On that website, one way to reach wet/dry vacuums is to go through the categories "Garden and Patio," then "Lawn & Garden Equipment" to reach "Wet/Dry & Shop Vacuums." Opposer's LEAF HOG blower and vacuum is found through the same route of "Garden and Patio" and "Lawn & Garden Equipment", with the final subcategory being "Blowers."

FN33. Applicant has asserted that opposer's advertising expenditures for its HOG marks must be apportioned between promotion of the house mark BLACK & DECKER that appears on the packaging for the products and the HOG marks themselves, and also argues that there is no evidence that the HOG marks have gained fame independent of the house mark. With respect to the first point, applicant has pointed to no case law, and we are not aware of any, that requires that advertising expenditures be apportioned among the various marks that appear in the advertising. As for applicant's second point, although, as noted above, we find that opposer's HOG marks are not famous, the evidence of opposer's sales and advertising, as adduced through the testimony and accompanying exhibits of Joseph Newland, is sufficient to prove that the family of marks is strong. In fact, it is because of the advertising promoting the HOG family of marks, and the manner in which the marks are used on the products and the products are displayed in stores, that the HOG family feature makes a strong commercial impression.

FN34. Registration No. 2351128.

FN35. Registration No. 595490.

FN36. Registration NO. 2944280.

FN37. Registration No. 1524174.

FN38. Registration No. 2993362.

FN39. Registration No. 2460075.

FN40. Registration No. 2837842.

FN41. Registration No. 2874792.

FN42. Registration No. 2607460.

FN43. Registration No. 2353108.

FN44. Registration No. 2642451.

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EXHIBIT C

--- F.3d ----, 2009 WL 2709312 (C.A.Fed.)

Briefs and Other Related Documents

Only the Westlaw citation is currently available.

United States Court of Appeals,
Federal Circuit.
In re BOSE CORPORATION, Appellant.

No. 2008-1448.
Aug. 31, 2009.

Background: Applicant for renewal of the trademark WAVE appealed order of the Trademark Trial and Appeal Board, 2007 WL 4135850, which cancelled the trademark registration in its entirety after finding that applicant committed fraud on the PTO.

Holding: The Court of Appeals, Michel, Chief Judge, held that there was no evidence that applicant intended to deceive the PTO.

Reversed and remanded.

West Headnotes

[1]  KeyCite Citing References for this Headnote

- ↔ 382T Trademarks
- ↔ 382TVII Registration
- ↔ 382TVII(B) Proceedings Concerning Federal Registration
- ↔ 382Tk1315 Judicial Review or Intervention
- ↔ 382Tk1322 k. Scope of Review. Most Cited Cases

The Court of Appeals for the Federal Circuit reviews the Trademark Trial and Appeal Board's legal conclusions de novo.

[2]  KeyCite Citing References for this Headnote

- ↔ 382T Trademarks
- ↔ 382TVII Registration
- ↔ 382TVII(B) Proceedings Concerning Federal Registration
- ↔ 382Tk1315 Judicial Review or Intervention
- ↔ 382Tk1322 k. Scope of Review. Most Cited Cases

The Court of Appeals for the Federal Circuit reviews the Trademark Trial and Appeal Board's factual findings for substantial evidence.

[3]  KeyCite Citing References for this Headnote

- ↔ 382T Trademarks
- ↔ 382TVII Registration
- ↔ 382TVII(D) Misuse of Federal Registration
- ↔ 382Tk1381 False or Fraudulent Registration in General
- ↔ 382Tk1382 k. In General. Most Cited Cases

Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application. Lanham Act, § 14(3), 15 U.S.C.A. § 1064(3).

[4]  KeyCite Citing References for this Headnote

- ↔ [382T Trademarks](#)
- ↔ [382TVII Registration](#)
- ↔ [382TVII\(D\) Misuse of Federal Registration](#)
- ↔ [382Tk1385 Cancellation for Misuse](#)
- ↔ [382Tk1389 k. Evidence. Most Cited Cases](#)

A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof; the very nature of the charge of fraud requires that it be proven "to the hilt" with clear and convincing evidence, and there is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party. Lanham Act, § 14(3), [15 U.S.C.A. § 1064\(3\)](#).

[5]  [KeyCite Citing References for this Headnote](#)

- ↔ [382T Trademarks](#)
- ↔ [382TVII Registration](#)
- ↔ [382TVII\(D\) Misuse of Federal Registration](#)
- ↔ [382Tk1381 False or Fraudulent Registration in General](#)
- ↔ [382Tk1382 k. In General. Most Cited Cases](#)

Deception must be willful to constitute fraud in procuring a trademark registration or renewal. Lanham Act, § 14(3), [15 U.S.C.A. § 1064\(3\)](#).

[6]  [KeyCite Citing References for this Headnote](#)

- ↔ [382T Trademarks](#)
- ↔ [382TVII Registration](#)
- ↔ [382TVII\(D\) Misuse of Federal Registration](#)
- ↔ [382Tk1381 False or Fraudulent Registration in General](#)
- ↔ [382Tk1382 k. In General. Most Cited Cases](#)

A trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the Patent and Trademark Office (PTO). Lanham Act, § 14(3), [15 U.S.C.A. § 1064\(3\)](#).

[7]  [KeyCite Citing References for this Headnote](#)

- ↔ [382T Trademarks](#)
- ↔ [382TVII Registration](#)
- ↔ [382TVII\(D\) Misuse of Federal Registration](#)
- ↔ [382Tk1381 False or Fraudulent Registration in General](#)
- ↔ [382Tk1382 k. In General. Most Cited Cases](#)

↔ [382T Trademarks](#)  [KeyCite Citing References for this Headnote](#)

- ↔ [382TVII Registration](#)
- ↔ [382TVII\(D\) Misuse of Federal Registration](#)
- ↔ [382Tk1381 False or Fraudulent Registration in General](#)
- ↔ [382Tk1384 k. Evidence. Most Cited Cases](#)

Subjective intent to deceive the Patent and Trademark Office (PTO), however difficult it may be to prove, is an indispensable element in the analysis of whether a trademark has been obtained fraudulently under the Lanham Act; because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence, but such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement. Lanham Act, § 14(3), [15 U.S.C.A. § 1064\(3\)](#).

[8]  [KeyCite Citing References for this Headnote](#)

- ↔ [382T Trademarks](#)
- ↔ [382TVII Registration](#)
- ↔ [382TVII\(D\) Misuse of Federal Registration](#)
- ↔ [382Tk1381 False or Fraudulent Registration in General](#)
- ↔ [382Tk1384 k. Evidence. Most Cited Cases](#)

When drawing an inference of intent to deceive the Patent and Trademark Office (PTO), in analyzing whether a trademark has been obtained fraudulently under the Lanham Act, the involved conduct, viewed in light of all the evidence must indicate sufficient culpability to require a finding of intent to deceive. Lanham Act, § 14(3), 15 U.S.C.A. § 1064(3).

[9]  KeyCite Citing References for this Headnote

- ↔ 382T Trademarks
- ↔ 382TVII Registration
- ↔ 382TVII(D) Misuse of Federal Registration
- ↔ 382Tk1381 False or Fraudulent Registration in General
- ↔ 382Tk1384 k. Evidence. Most Cited Cases

There was no evidence that applicant for renewal of a trademark intended to deceive the Patent and Trademark Office (PTO) in making material misrepresentation to the PTO that the mark was in use in commerce on all goods, including audio tape recorders and players, as required to establish fraud under the Lanham Act; applicant's general counsel explained that, in his belief, applicant's repairing of damaged, previously-sold audio tape recorders and players and returning the repaired goods to the customers met the "use in commerce" requirement for the renewal of the trademark, and testified under oath that he believed the statement was true at the time he signed the renewal application. Lanham Act, § 14(3), 15 U.S.C.A. § 1064(3).

[10]  KeyCite Citing References for this Headnote

- ↔ 382T Trademarks
- ↔ 382TVII Registration
- ↔ 382TVII(D) Misuse of Federal Registration
- ↔ 382Tk1381 False or Fraudulent Registration in General
- ↔ 382Tk1382 k. In General. Most Cited Cases

There is no fraud in procuring a trademark registration or renewal under the Lanham Act if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. Lanham Act, § 14(3), 15 U.S.C.A. § 1064(3).

[11]  KeyCite Citing References for this Headnote

- ↔ 382T Trademarks
- ↔ 382TVII Registration
- ↔ 382TVII(D) Misuse of Federal Registration
- ↔ 382Tk1385 Cancellation for Misuse
- ↔ 382Tk1389 k. Evidence. Most Cited Cases

Unless the party seeking cancellation of a trademark registration for fraudulent procurement can point to evidence to support an inference of deceptive intent, it has failed to satisfy the clear and convincing evidence standard required to establish a fraud claim under the Lanham Act. Lanham Act, § 14(3), 15 U.S.C.A. § 1064(3).

[12]  KeyCite Citing References for this Headnote

- ↔ 382T Trademarks
- ↔ 382TVII Registration
- ↔ 382TVII(A) In General
- ↔ 382Tk1252 Duration of Registration
- ↔ 382Tk1254 k. Reregistration and Renewal of Registration. Most Cited Cases

The purpose of requiring trademark renewal is to remove from the register automatically marks which are no longer in use. Lanham Trade-Mark Act of 1946, § 8, 15 U.S.C.A. § 1058; Lanham Trade-Mark Act, § 9, 15 U.S.C.A. § 1059.

[13]  KeyCite Citing References for this Headnote

- ↔ 382T Trademarks
- ↔ 382TVII Registration

- ↻ [382TVII\(D\)](#) Misuse of Federal Registration
- ↻ [382Tk1385](#) Cancellation for Misuse
- ↻ [382Tk1386](#) k. In General. [Most Cited Cases](#)

When a trademark registrant fulfills the obligation to refrain from knowingly making material misrepresentations in procuring a trademark renewal, it is in the public interest to maintain registrations of technically good trademarks on the register so long as they are still in use; because practically all of the user's substantive trademark rights derive from continuing use, when a trademark is still in use, nothing is to be gained from and no public purpose is served by canceling the registration of the trademark. Lanham Trade-Mark Act of 1946, § 8, [15 U.S.C.A. § 1058](#); Lanham Trade-Mark Act, § 9, [15 U.S.C.A. § 1059](#).

 [KeyCite Citing References for this Headnote](#)

- ↻ [382T](#) Trademarks
- ↻ [382TXI](#) Trademarks and Trade Names Adjudicated
- ↻ [382Tk1800](#) k. Alphabetical Listing. [Most Cited Cases](#)

WAVE.

Appeal from the United States Patent and Trademark Office, Trademark Trial and Appeal Board. [Charles Hieken](#), Fish & Richardson P.C., of Boston, Massachusetts, argued for appellants. With him on the brief was [Amy L. Brosius](#).

[Raymond T. Chen](#), Solicitor, Office of the Solicitor, United States Patent and Trademark Office, of Arlington, Virginia, argued for the Director of the United States Patent and Trademark Office. With him on the brief were [Thomas V. Shaw](#) and [Christina J. Hieber](#), Associate Solicitors.

[Susan J. Hightower](#), Pirkey Barber LLP, of Austin, Texas, argued for amicus curiae, American Intellectual Property Law Association. With her on the brief was [William G. Barber](#). Of counsel on the brief was [James H. Pooley](#), American Intellectual Property Law Association, of Arlington, Virginia.

Before [MICHEL](#), Chief Judge, [DYK](#), and [MOORE](#), Circuit Judges.

[MICHEL](#), Chief Judge.

*1 The Trademark Trial and Appeal Board ("Board") found that Bose Corporation ("Bose") committed fraud on the United States Patent and Trademark Office ("PTO") in renewing Registration No. 1,633,789 for the trademark WAVE. [Bose Corp. v. Hexawave, Inc.](#), 88 USPQ2d 1332, 1338 (T.T.A.B.2007). Bose appeals the Board's order cancelling the registration in its entirety. Because there is no substantial evidence that Bose intended to deceive the PTO in the renewal process, we reverse and remand.

I. BACKGROUND

Bose initiated an opposition against the HEXAWAVE trademark application by Hexawave, Inc. ("Hexawave"), alleging, *inter alia*, likelihood of confusion with Bose's prior registered trademarks, including WAVE. [Bose](#), 88 USPQ2d at 1333. Hexawave counterclaimed for cancellation of Bose's WAVE mark, asserting that Bose committed fraud in its registration renewal application when it claimed use on all goods in the registration while knowing that it had stopped manufacturing and selling certain goods. *Id.*

The fraud alleged by Hexawave involves Bose's combined Section 8 affidavit of continued use and Section 9 renewal application ("Section 8/9 renewal"), ^{FN1} signed by Bose's general counsel, Mark E. Sullivan, and filed on January 8, 2001. [Bose](#), 88 USPQ2d at 1335. In the renewal, Bose stated that the WAVE mark was still in use in commerce on various goods, including audio tape recorders and players. *Id.* at 1333. The Board found that (1) Bose stopped manufacturing and selling audio tape recorders and players sometime between 1996 and 1997; and (2) Mr. Sullivan knew that Bose discontinued those products when he signed the Section 8/9 renewal. *Id.* at 1334-35.

At the time Mr. Sullivan signed the Section 8/9 renewal, Bose continued to repair previously sold audio tape recorders and players, some of which were still under warranty. [Bose](#), 88 USPQ2d at 1335. Mr. Sullivan testified that in his belief, the WAVE mark was used in commerce because "in the process of repairs, the product was being transported back to customers." *Id.* The Board concluded that the repairing and shipping back did not constitute sufficient use to maintain a trademark registration for goods. *Id.* at 1337. It further found Mr. Sullivan's belief that transporting repaired goods constituted use was not reasonable. *Id.* at 1338. Finally, the Board found that the use statement in the Section 8/9 renewal was material. *Id.* As a result, the Board ruled that Bose committed fraud on the PTO in maintaining the WAVE mark registration and ordered the cancellation of Bose's WAVE mark registration in its

entirety. *Id.* Later, the same panel denied Bose's Request for Reconsideration. *Bose Corp. v. Hexawave, Inc.*, Opposition No. 91157315, 2008 WL 1741913 (T.T.A.B. Apr. 9, 2008).

Bose appealed. Because the original appellee Hexawave did not appear, the PTO moved, and the court granted leave to the Director, to participate as the appellee. We have jurisdiction pursuant to 15 U.S.C. § 1071(a) and 28 U.S.C. § 1295(a)(4)(B).

II. DISCUSSION

*2 [1] [2] This court reviews the Board's legal conclusions de novo. *In re Int'l Flavors & Fragrances Inc.*, 183 F.3d 1361, 1365 (Fed.Cir.1999). We review the Board's factual findings for substantial evidence. *Recot, Inc. v. Becton*, 214 F.3d 1322, 1327 (Fed.Cir.2000).

[3] [4] A third party may petition to cancel a registered trademark on the ground that the "registration was obtained fraudulently." 15 U.S.C. § 1064(3). "Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application." *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 48 (Fed.Cir.1986). A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 54 C.C.P.A. 1442, 377 F.2d 1001, 1004 (CCPA 1967). Indeed, "the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party." *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (T.T.A.B.1981).

The Court of Customs and Patent Appeals ("CCPA"), our predecessor whose decisions are binding on this court, explained that, before the PTO, "[a]ny 'duty' owed by an applicant for trademark registration must arise out of the statutory requirements of the Lanham Act," which prohibit an applicant from making "knowingly inaccurate or knowingly misleading statements." *Bart Schwartz Int'l Textiles, Ltd. v. Fed. Trade Comm'n*, 48 C.C.P.A. 933, 289 F.2d 665, 669 (CCPA 1961). Therefore, the court stated that, absent the requisite intent to mislead the PTO, even a material misrepresentation would not qualify as fraud under the Lanham Act warranting cancellation. *King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 1011 n. 4 (CCPA 1981).

[5] Mandated by the statute and caselaw, the Board had consistently and correctly acknowledged that there is "a material legal distinction between a 'false' representation and a 'fraudulent' one, the latter involving an intent to deceive, whereas the former may be occasioned by a misunderstanding, an inadvertence, a mere negligent omission, or the like." *Kemin Indus., Inc. v. Watkins Prods., Inc.*, 192 USPQ 327, 329 (T.T.A.B.1976). In other words, deception must be willful to constitute fraud. *Smith Int'l*, 209 USPQ at 1043; see also *Woodstock's Enters. Inc. (Cal.) v. Woodstock's Enters. Inc. (Or.)*, 43 USPQ2d 1440, 1443 (T.T.A.B.1997); *First Int'l Servs. Corp. v. Chuckles, Inc.*, 5 USPQ2d 1628, 1634 (T.T.A.B.1988); *Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 USPQ 955, 962 (T.T.A.B.1986).

Several of our sister circuits have also required proof of intent to deceive before cancelling a trademark registration. See, e.g., *Far Out Prods., Inc. v. Oskar*, 247 F.3d 986, 996 (9th Cir.2001) (stating that an affidavit was fraudulent only if the affiant acted with scienter); *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 877-78 (8th Cir.1994) (per curiam) ("In order to show that an applicant defrauded the PTO the party seeking to invalidate a mark must show that the applicant intended to mislead the PTO."); *Meineke Discount Muffler v. Jaynes*, 999 F.2d 120, 126 (5th Cir.1993) ("To succeed on a claim of fraudulent registration, the challenging party must prove by clear and convincing evidence that the applicant made false statements with the intent to deceive [the PTO]."); *San Juan Prods., Inc. v. San Juan Pools of Kan., Inc.*, 849 F.2d 468, 472 (10th Cir.1988) (stating that in determining whether a statement is fraudulent, courts must focus on the "declarant's subjective, honestly held, good faith belief" (internal quotation marks and emphasis omitted)); *Money Store v. Harriscorp Fin., Inc.*, 689 F.2d 666, 670 (7th Cir.1982) ("Fraud will be deemed to exist only when there is a deliberate attempt to mislead the Patent Office into registering the mark.").

*3 The Board stated in *Medinol v. Neuro Vasx, Inc.* that to determine whether a trademark registration was obtained fraudulently, "[t]he appropriate inquiry is ... not into the registrant's subjective intent, but rather into the objective manifestations of that intent." 67 USPQ2d 1205, 1209 (T.T.A.B.2003). We understand the Board's emphasis on the "objective manifestations" to mean that "intent must often be inferred from the circumstances and related statement made." *Id.* (internal quotation marks omitted) (quoting *First Int'l Serv.*, 5 USPQ2d at 1636). We agree. However, despite the long line of precedents from the Board itself, from this court, and from other circuit courts, the Board went on to hold that "[a] trademark applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration which it knows or *should know* to be false or misleading." *Id.* (emphasis added). The Board has since followed this standard in several cancellation proceedings on the basis of fraud, including the one presently on appeal. See *Bose*, 88 USPQ2d at 1334.

By equating "should have known" of the falsity with a subjective intent, the Board erroneously lowered the fraud

standard to a simple negligence standard. See *Ileto v. Glock, Inc.*, 565 F.3d 1126, 1155 (9th Cir.2009) ("Knowing conduct thus stands in contrast to negligent conduct, which typically requires only that the defendant knew or *should have known* each of the facts that made his act or omission unlawful"); see also *Davis v. Monroe County Bd. of Educ.*, 526 U.S. 629, 642, 119 S.Ct. 1661, 143 L.Ed.2d 839 (1999) (explaining that in *Gebser v. Lago Vista Independent School District*, 524 U.S. 274, 118 S.Ct. 1989, 141 L.Ed.2d 277 (1998), the Court "declined the invitation to impose liability under what amounted to a negligence standard—holding the district liable for its failure to react to teacher-student harassment of which it knew or *should have known*. Rather, [the Court] concluded that the district could be liable for damages only where the district itself intentionally acted in clear violation of Title IX by remaining deliberately indifferent to acts of teacher-student harassment of which it had actual knowledge.").

[6] [7] We have previously stated that "[m]ere negligence is not sufficient to infer fraud or dishonesty." *Symbol Techs., Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1582 (Fed.Cir.1991). We even held that "a finding that particular conduct amounts to 'gross negligence' does not of itself justify an inference of intent to deceive." *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 876 (Fed.Cir.1988) (en banc). The principle that the standard for finding intent to deceive is stricter than the standard for negligence or gross negligence, even though announced in patent inequitable conduct cases, applies with equal force to trademark fraud cases. After all, an allegation of fraud in a trademark case, as in any other case, should not be taken lightly. *San Juan Prods.*, 849 F.2d at 474 (quoting *Anheuser-Busch, Inc. v. Bavarian Brewing Co.*, 264 F.2d 88, 92 (6th Cir.1959)). Thus, we hold that a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.

*4 [7] [8] Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis. Of course, "because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence. But such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement." *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366 (Fed.Cir.2008). When drawing an inference of intent, "the involved conduct, viewed in light of all the evidence ... must indicate sufficient culpability to require a finding of intent to deceive." *Kingsdown*, 863 F.2d at 876.

The Board in *Medinol* purportedly relied on this court's holding in *Torres* to justify a "should have known" standard. The Board read *Torres* too broadly. In that case, Torres obtained the trademark registration for "Las Torres" below a tower design. *Torres*, 808 F.2d at 47. The trademark was registered for use on wine, vermouth, and champagne. *Id.* In the renewal application, Torres submitted an affidavit stating that the mark as registered was still in use in commerce for each of the goods specified in the registration. *Id.* He even attached a specimen label with the registered mark displayed. *Id.* In fact, Torres was not using the mark as registered. *Id.* Instead, five years prior to the renewal application, Torres had admittedly altered the mark to "Torres" in conjunction with a different tower design. *Id.* In addition, Torres knew that even the altered mark was in use only on wine. *Id.* In other words, the registrant knowingly made false statements about the trademark and its usage when he filed his renewal application. *Id.*

True, the court concluded that

If a registrant files a verified renewal application stating that his registered mark is currently in use in interstate commerce and that the label attached to the application shows the mark as currently used when, in fact, he knows or should know that he is not using the mark as registered and that the label attached to the registration is not currently in use, he has knowingly attempted to mislead the PTO.

Id. at 49. However, one should not unduly focus on the phrase "should know" and ignore the facts of the case, i.e., the registrant "knows." Doing so would undermine the legal framework the court set out in *Torres*. Indeed, in *Torres*, the court cited various precedents—some persuasive, others binding on the court—and reemphasized several times that (1) fraud in trademark cases "occurs when an applicant knowingly makes false, material representations," (2) the Lanham Act imposes on an applicant the obligation not to "make *knowingly* inaccurate or *knowingly* misleading statements," and (3) a registrant must also "refrain from knowingly making false, material statements." *Id.* at 48. The "should know" language, if it signifies a simple negligence or a gross negligence standard, is not only inconsistent with the framework set out elsewhere in *Torres*, but would also have no precedential force as it would have conflicted with the precedents from CCPA. See *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 765 (Fed.Cir.1988). Certainly, the prior CCPA decisions cited in the *Torres* opinion were precedents binding on the Torres court. See *S. Corp. v. United States*, 690 F.2d 1368, 1369 (Fed.Cir.1982). In fact, they still bind us because they have never been overturned en banc. FN2

*5 *Metro Traffic Control, Inc. v. Shadow Network Inc.*, 104 F.3d 336 (Fed.Cir.1997) further supports our reading that the *Torres* holding does not deviate from the established rule that intent to deceive is required to find fraud. In *Metro Traffic Control*, the court cited *Torres* and reaffirmed that fraud can only be found if there is "a willful intent to deceive." 104 F.3d at 340. As a result, the court agreed with the Board that the applicant's statements, "though

false, were not uttered with the intent to mislead the PTO." *Id.* at 340-41. Because the applicant's "misstatements did not represent a 'conscious effort to obtain for his business a registration to which he knew it was not entitled,'" the court affirmed the Board's ruling of no fraud. *Id.* at 341; see also *L.D. Kichler Co. v. Davoil, Inc.*, 192 F.3d 1349, 1352 (Fed.Cir.1999) (remanding the case so the district court may determine whether the trademark applicant "knowingly submitted a false declaration with an intent to deceive").

[9] Applying the law to the present case, Mr. Sullivan, who signed the application, knew that Bose had stopped manufacturing and selling audio tape recorders and players at the time the Section 8/9 renewal was filed. Therefore, the statement in the renewal application that the WAVE mark was in use in commerce on all the goods, including audio tape recorders and players, was false. Because Bose does not challenge the Board's conclusion that such a statement was material, we conclude that Bose made a material misrepresentation to the PTO.

[10] However, Mr. Sullivan explained that in his belief, Bose's repairing of the damaged, previously-sold WAVE audio tape recorders and players and returning the repaired goods to the customers met the "use in commerce" requirement for the renewal of the trademark. The Board decided that Bose's activities did not constitute sufficient use to maintain a trademark registration. See *Bose*, 88 USPQ2d at 1335-37. It also found Sullivan's belief not reasonable. *Id.* at 1338. We do not need to resolve the issue of the reasonableness as it is not part of the analysis. There is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. *Smith Int'l*, 209 USPO at 1043. Sullivan testified under oath that he believed the statement was true at the time he signed the renewal application. Unless the challenger can point to evidence to support an inference of deceptive intent, it has failed to satisfy the clear and convincing evidence standard required to establish a fraud claim.

[12] We hold that Bose did not commit fraud in renewing its WAVE mark and the Board erred in canceling the mark in its entirety. Indeed, the purpose of the Section 8/9 renewal is "to remove from the register automatically marks which are no longer in use." *Torres*, 808 F.2d at 48 (quoting *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 56 C.C.P.A. 946, 407 F.2d 881, 887 (CCPA 1969)). When a trademark registrant fulfills the obligation to refrain from knowingly making material misrepresentations, "[i]t is in the public interest to maintain registrations of technically good trademarks on the register so long as they are still in use." *Morehouse*, 407 F.2d at 888. Because "practically all of the user's substantive trademark rights derive" from continuing use, when a trademark is still in use, "nothing is to be gained from and no public purpose is served by cancelling the registration of" the trademark.^{FN3} *Id.*

*6 We agree with the Board, however, that because the WAVE mark is no longer in use on audio tape recorders and players, the registration needs to be restricted to reflect commercial reality. See *Bose*, 88 USPQ2d at 1338. We thus remand the case to the Board for appropriate proceedings.

III. CONCLUSION

For these reasons, the Board's decision is reversed and remanded.

IV. COSTS

Each party shall bear its own costs.

REVERSED and REMANDED

^{FN1}. Federal trademark registrations issued on or after November 16, 1989, remain in force for ten years, and may be renewed for ten-year periods. To renew a registration, the owner must file an Application for Renewal under Section 9. In addition, at the end of the sixth year after the date of registration and at the end of each successive ten-year period after the date of registration, the owner must file a Section 8 Declaration of Continued Use, "an affidavit setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce" 15 U.S.C. § 1058(b)(1); see also, *id.* §§ 1058, 1059.

^{FN2}. The PTO argues that under *Torres*, making a submission to the PTO with reckless disregard of its truth or falsity satisfies the intent to deceive requirement. We need not resolve this issue here. Before Sullivan submitted his declaration in 2001, neither the PTO nor any court had interpreted "use in commerce" to exclude the repairing and shipping repaired goods. Thus, even if we were to assume that reckless disregard qualifies, there is no basis for finding Sullivan's conduct reckless.

^{FN3}. Indeed, even though the Board cancelled the registration of the WAVE trademark, it continued to analyze Bose's common law right in the mark. Eventually, the Board found likelihood of confusion and

rejected Hexawave's application to register trademark HEXAWAVE. *Bose*, 88 USPO2d at 1342-43.

C.A.Fed.,2009.

In re Bose Corp.

--- F.3d ----, 2009 WL 2709312 (C.A.Fed.)

Briefs and Other Related Documents ([Back to top](#))

- [2009 WL 870146](#) (Appellate Brief) Reply Brief and Reply Appendix for Appellant Bose Corporation (Feb. 17, 2009)  [Original Image of this Document with Appendix \(PDF\)](#)
 - [2009 WL 462610](#) (Appellate Brief) Brief and Supplemental Appendix for Appellee-Director of the United States Patent and Trademark Office (Feb. 2, 2009)  [Original Image of this Document with Appendix \(PDF\)](#)
 - [2008 WL 4307436](#) (Appellate Brief) Brief for Appellant Bose Corporation (Sep. 2, 2008)  [Original Image of this Document with Appendix \(PDF\)](#)
 - [08-1448](#) (Docket) (Jun. 9, 2008)
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EXHIBIT D

THIS OPINION IS CITABLE AS PRECEDENT OF THE T.T.A.B.
Trademark Trial and Appeal Board
Patent and Trademark Office (P.T.O.)

***1 INTELLIMEDIA SPORTS, INC.**
v.
INTELLIMEDIA CORPORATION

Cancellation No. 24,801

May 20, 1997

Before Rice, Seeherman and Quinn
Administrative Trademark Judges.

By the Board.

J. E. Rice, E. J. Seeherman, and T. J. Quinn
Administrative Trademark Judges

Respondent Intellimedia Corporation owns a registration^[FN1] of the mark INTELLIMEDIA, for goods identified as "electronic slide systems, namely, a pictorial digital presentation device for enabling computer generated images to be projected onto a remote surface." In the registration, respondent asserts October 19, 1993 as its date of first use of the mark in commerce.

Petitioner Intellimedia Sports, Inc. has petitioned to cancel respondent's registration. As grounds therefor, petitioner alleges that it has been using the mark INTELLIMEDIA since at least as early as December 1991 in connection with the sale of computer software and other related goods, which petitioner alleges are closely related to respondent's identified goods. Petitioner alleges that a likelihood of confusion exists, and that its prior use of the mark bars registration of respondent's mark under Trademark Act Section 2(d). Petitioner also alleges that it owns application Serial No. 74/650,267, by which it seeks registration of the mark INTELLIMEDIA for "computer software, namely, games and instructional videos and interactive software for multimedia training courses in sports skills," and that respondent's Registration No. 1,921,591, involved herein, has been cited as a Section 2(d) bar to registration of petitioner's mark. Finally, petitioner alleges that the registration should be cancelled on the ground of fraud, as discussed more fully below.

In its answer, respondent has denied the allegations of the petition for cancellation. Respondent also has filed a motion to dismiss petitioner's fraud claim, on the ground that petitioner has failed to allege facts sufficient to state such a claim. Petitioner has contested the motion to dismiss, arguing that it has adequately alleged the elements of a claim for fraud. Petitioner also has moved, in the alternative and in the event that the Board finds its current pleading of its fraud claim to be insufficient, for leave to replead the fraud claim.

In paragraph 10 of the petition for cancellation, the portion of the pleading which is involved in this motion, petitioner has alleged its fraud claim as follows:

10. On information and belief, Registrant has obtained the registration by fraudulent means. Specifically, at the time Registrant signed its oath in support of its registration, there was, in fact, another use of the same or confusingly similar mark as that sought to be registered by Registrant; the other user of the mark, Petitioner, had legal rights superior to that of the Registrant; on information and belief, the Registrant knew or should have known that Petitioner had superior rights in the mark; after the filing of the application, and prior to the issuance of the registration, the Registrant was informed by Petitioner of the Petitioner's superior rights in the mark INTELLIMEDIA; upon information and belief, Registrant failed to disclose to the PTO Petitioner's superior rights in the mark; upon information and belief, Registrant, in failing to disclose the fact that Petitioner had superior rights in the INTELLIMEDIA mark to Registrant (sic), intended to procure and did procure a registration to which it was not entitled. Thus, upon information and belief, Registrant made a false representation regarding a material fact; had knowledge or belief that the representation was false; made the false representation with the intention to induce the PTO to act in reliance on the misrepresentation; the PTO reasonably relied on the misrepresentation and Petitioner has suffered damages proximately resulting from such reliance.

***2** The allegedly fraudulent application oath to which petitioner's pleading refers was signed by respondent's president and reads as follows:

Michael L. Holstein being warned that willful false statements and the like so made are punishable by fine or

imprisonment, or both, under 18 U.S.C. 1001, and that such willful false statements may jeopardize the validity of the application or any resulting registration, declares that he is properly authorized to execute this application on behalf of the applicant; that he believes the applicant is the owner of the trademark sought to be registered; that under the provisions of 15 U.S.C. 1051(a), pursuant to which this application is being filed, he believes the applicant is entitled to use such mark in commerce; to the best of his knowledge or belief no other person, firm, corporation or association has the right to use the above identified mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive; and that all of the statement made of his own knowledge are true and all statements made on information and belief are believed to be true.

We have reviewed petitioner's pleading in its entirety, and have carefully considered the parties' arguments. We conclude that respondent's motion to dismiss petitioner's fraud claim is well taken, and accordingly grant the motion.

A motion to dismiss is a test solely of the allegations set forth in a pleading. For purposes of such a motion, all well pleaded factual allegations of the complaint^[FN2] are accepted as true and the complaint is viewed in the light most favorable to the non-moving party. Accordingly, a motion to dismiss will not be granted unless it appears to a certainty that the plaintiff has failed to allege any facts which would support a cause of action under the statute. See Stanspec Co. v. American Chain & Cable Co., Inc., 531 F.2d 563, 189 USPQ 420 (CCPA 1976); Space Base Inc. v. Stadis Corp., 17 USPQ2d 1216 (TTAB 1990).

Furthermore, pursuant to Trademark Rule 2.116(a), the sufficiency of petitioner's pleading of its fraud claim in this case also is governed by FRCP 9(b), which provides as follows:

(b) Fraud, Mistake, Condition of the Mind. In all averments of fraud or mistake, the circumstances constituting fraud or mistake shall be stated with particularity. Malice, intent, knowledge, and other condition of mind of a person may be averred generally.

To withstand a motion to dismiss, a plaintiff claiming that the declaration or oath in defendant's application for registration was executed fraudulently, in that there was another use of the same or a confusingly similar mark at the time the oath was signed, must allege particular facts which, if proven, would establish that: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant's; (3) applicant knew that the other user had rights in the mark superior to applicant's, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise; and that (4) applicant, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled. See International House of Pancakes, Inc. v. Elca Corp., 216 USPQ 521 (TTAB 1982). See also King Automotive, Inc. v. Speedy Muffler King, Inc., 667 F.2d 1008, 212 USPQ 801 (CCPA 1981); American Security Bank v. American Security and Trust Company, 571 F.2d 564, 197 USPQ 65 (CCPA 1978); Kemin Industries, Inc. v. Watkins Products, Inc., 192 USPQ 327 (TTAB 1976); Colt Industries Operating Corp. v. Olivetti Controllo Numerico S.p.A., 221 USPQ 73 (TTAB 1983); SCOA Industries Inc. v. Kennedy & Cohen, Inc., 188 USPQ 411 (TTAB 1975).

*3 In this case, for the reasons discussed below, we find that petitioner has failed to state a claim for fraud because it has failed to plead particular facts sufficient to establish the third and fourth elements of the claim, as listed above.

In King Automotive, Inc. v. Speedy Muffler King, Inc., supra, the Court affirmed the Board's dismissal of a petitioner's fraud claim under FRCP 12(b)(6). The petitioner therein had pleaded particular facts purported to establish the third element of a fraud claim, i.e., that the respondent had personal knowledge of third-party use of the same or similar marks when respondent signed its application oath. The Court agreed with the Board in finding that petitioner had failed to comply with the pleading requirements for fraud set forth by FRCP 9(b).

While Rule 9(b) does not require the pleading of detailed evidentiary matters, we agree with the board that appellant has not stated with sufficient specificity the factual bases for its allegations of appellee's fraudulent misrepresentations to the PTO . . . Even if the disclosures in the trademark search report supported appellant's contention that Discoverer [respondent/appellee] knew of the alleged third-party use of MUFFLER KING (and on this point we express no opinion), appellant's conclusory statement that Discoverer knew its declaration to be untrue is not supported by a pleading of any facts which reflect Discoverer's belief that the respective uses of MUFFLER KING and SPEEDY MUFFLER KING would be likely to confuse.

King Automotive, Inc., supra, 212 USPQ at 802 (citations omitted; emphasis added).

Similarly, in American Security Bank v. American Security and Trust Company, supra, the Court rejected the opposer's/appellant's claim that, because opposer was an actual user of the mark in question at the time the application declaration was signed, the applicant/appellee had committed fraud when it averred, in its application declaration, that it had the exclusive right to use the mark.

"Appellant [opposer] misreads the cited statute and rules [15 U.S.C. Section 1051 and Trademark Rule 2.33].

They require the statement of beliefs about exclusive rights, not their actual possession. Appellant has produced no evidence impugning appellee's [applicant's] beliefs."

American Security Bank, supra, 197 USPQ at 67. (Emphasis in original.)

The Board has noted:

. . .the allegations of ownership and exclusive use contained in the declaration or verification accompanying an application are made upon "belief" and/or "information and belief" and, as such, are couched in such a manner as to preclude a definitive statement by the affiant that could be ordinarily used to support a charge of fraud. Kamin Industries, Inc. v. Watkins Products, Inc., supra, 192 USPO at 329 (TTAB 1976). See also Trademark Act Section 1(a)(1)(A), 15 U.S.C. Section 1051(a)(1)(A); Trademark Rule 2.33(b)(1), 37 C.F.R. Section 2.33(b)(1). Citing Kemin Industries, supra, one commentator has pointed out that "[t]he oath is phrased in terms of a subjective belief, such that it is difficult, if not impossible, to prove objective falsity and fraud so long as the affiant or declarant has an honestly held, good faith belief." J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition (3d Ed., 12/96) at Section 31:76 (emphasis in original).

***4** In determining whether an applicant, when it signed its application oath, held an honest, good faith belief that it was entitled to registration of its mark, the Board frequently has held that an applicant's failure to disclose to the PTO the asserted rights of another person is not fraudulent unless such other person was known by applicant to possess a superior or clearly established right to use the same or a substantially identical mark for the same or substantially identical goods or services as those in connection with which registration is sought. If the parties' respective marks and goods or services are not substantially identical, then the applicant has a reasonable basis for believing that contemporaneous use of such marks by the parties, on or in connection with their respective goods or services, is not likely to cause confusion. The applicant's averment of that reasonable belief in its application declaration or oath is not fraudulent. See Space Base Inc. v. Stadis Corp., supra, 17 USPO2d at 1218-19 (TTAB 1990); Colt Industries Operating Corp. v. Olivetti Controllo Numerico S.p.A., supra, 221 at 76 (TTAB 1983); SCOA Industries Inc. v. Kennedy & Cohen, Inc., supra, 188 USPO at 414 (TTAB 1975). See also Yocum v. Covington, 216 USPO 211 (TTAB 1982) (applicant possessing at least color of title to the mark had reasonable basis for believing that it had the exclusive right to use the mark, and is not guilty of fraud in executing application oath to that effect). Similarly, if the other person's rights in the mark, vis-a-vis the applicant's rights, are not known by applicant to be superior or clearly established, e.g., by court decree or prior agreement of the parties, then the applicant has a reasonable basis for believing that no one else has the right to use the mark in commerce, and the applicant's averment of that reasonable belief in its application declaration or oath is not fraudulent.

In short, under FRCP 9(b) and the authorities discussed above, a sufficient pleading of the third element of a fraud claim must consist of more than a mere conclusory allegation that the defendant "knew" about a third party's superior rights in the mark. The plaintiff must plead particular facts which, if proven, would establish that, as of the application filing date, the defendant believed that the third party had superior or clearly established rights and that a likelihood of confusion would result from applicant's use of its mark. Alternatively, the plaintiff must plead particular facts (e.g., substantial identity between the parties' marks and goods or services, or a prior court decree or agreement of the parties which clearly establishes the other person's rights in the mark), which, if proven, would establish that, at the time the application was filed, defendant had no reasonable basis for its averred belief that no other person had a right to use the same or a confusingly similar mark on or in connection with the goods or services identified in the application.

***5** Applying these principles to this case, it is clear that petitioner has failed to plead particular facts which, if proven, would establish the third element of its fraud claim. Petitioner has alleged that respondent, at the time respondent signed the application for registration of its mark, "knew or should have known" that Petitioner had superior rights in the mark. In addition to being merely conclusory, this allegation is insufficient because it does not set forth any particular facts which, if proven, would establish that respondent believed, or had no reasonable basis not to believe, that petitioner had a superior or clearly established right to use the same or a substantially identical mark on or in connection with the same or substantially identical goods as those set forth in the application for registration.

Petitioner also has alleged that "after the filing of the application, and prior to the issuance of the registration, the Registrant was informed by Petitioner of the Petitioner's superior rights in the mark INTELLIMEDIA." This allegation also fails to set forth sufficient facts to establish the third element of a fraud claim. The fact that petitioner "informed" respondent that petitioner had superior rights in the mark, while perhaps establishing that petitioner believes itself to have such rights, is clearly insufficient, even if proven, to establish that respondent believed that petitioner's rights in the mark were superior to its own and that confusion would be likely to result from respondent's use of its mark. It is respondent's belief, not petitioner's, that is at issue here.

Furthermore, petitioner's allegation that respondent "was informed by Petitioner of the Petitioner's superior rights in the mark" is insufficient because it is devoid of any details regarding the substance of petitioner's alleged communication to respondent. If, as alleged here by petitioner, petitioner's communication to respondent consisted solely of this merely conclusory claim of "superior rights" in the mark^[FN3], then petitioner's allegation, even if proven, would not establish that respondent knew and believed that petitioner had superior rights in the mark and that a likelihood of confusion would result from respondent's use of the mark, nor would it establish that respondent had no reasonable basis for holding a contrary belief. See Colt Industries Operating Corp. v. Olivetti Controllo Numerico S.p.A., supra, 221 USPO at 76 (applicant has no duty to notify PTO of a third party's bare unsubstantiated

allegation of superior rights in the applied-for mark).

In summary, petitioner has alleged no facts which, if proven, would impugn respondent's president's belief, as stated in the application declaration, that "to the best of his knowledge or belief no other person, firm, corporation or association has the right to use the above identified mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive," nor has petitioner alleged any facts which would impugn the reasonableness of respondent's declared belief. See American Security Bank v. American Security and Trust Company, supra, 197 USPQ at 67.

***6** For the reasons discussed above, we find that petitioner has failed to plead particular facts sufficient to establish the third element of its fraud claim, i.e., that respondent, at the time it signed its oath, either believed that petitioner had superior or clearly established rights in the mark or had no reasonable basis for believing otherwise. A fortiori, petitioner also has failed to sufficiently plead the fourth element of the claim, i.e., that respondent willfully deceived the PTO by failing to disclose petitioner's rights in the mark, in an effort to obtain a registration to which it knew it was not entitled. See Colt Industries Operating Corp. v. Olivetti Controllo Numerico S.p.A., supra, 221 USPQ at 76.

In view thereof, respondent's motion to dismiss petitioner's fraud claim is **granted**. See FRCP 12(b)(6). Paragraph 10 of the petition for cancellation is stricken, and shall be given no further consideration.

If petitioner believes that it has a claim for fraud under the legal principles discussed in this opinion, petitioner is allowed until **twenty days** from the date of this order to file and serve an amended pleading which states such a claim. Respondent is allowed until **thirty days** from the date of service of the amended petition, if any, to file and serve its answer or other response thereto. The Board shall then issue an order setting trial dates. If petitioner does not file an amended petition within the time allotted, the Board shall issue an order setting trial dates for petitioner's Section 2(d) claim.

Proceedings herein otherwise remain suspended.

J. E. Rice

E. J. Seeherman

T. J. Quinn

Administrative Trademark Judges

Trademark Trial and Appeal Board

FN1. Registration No. 1,921,581, issued on September 26, 1995.

FN2. In cancellation proceedings before the Board, the petition for cancellation corresponds to the complaint in a court proceeding. See Trademark Rule 2.116(c).

FN3. We note that the issues of whether petitioner's rights in the mark are superior to respondent's, and whether a likelihood of confusion exists, are the very issues to be decided in this case in connection with petitioner's Section 2(d) claim. It does not appear from petitioner's pleading that these issues have been decided previously. See Colt Industries, supra, 221 USPQ at 76.

43 U.S.P.Q.2d 1203, 1997 WL 398344 (Trademark Tr. & App. Bd.)

END OF DOCUMENT

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

GADO S.R.L.

Petitioner,

-against-

JAY-Y ENTERPRISES CO., INC.

Respondent.

TTAB CANCELLATION NO.
92047433

DECLARATION OF MARK
LERNER IN OPPOSITION TO
RESPONDENT'S MOTION TO FILE
AN AMENDED ANSWER AND
COUNTERCLAIMS

I, Mark Lerner, declare under penalty of perjury:

I am a partner with the law firm of Satterlee Stephens Burke & Burk LLP, counsel for Gado S.R.L.¹ ("Gado"). I submit this declaration in opposition to the motion for leave to file a first amended Answer and Counterclaims brought by Respondent Jay-Y Enterprises Co. Inc. ("Jay-Y").

1. On April 26, 2007, Gado filed a petition for Cancellation seeking to cancel two marks registered by Jay-Y: Registration Nos. 2,582,314 and 3,108,433. A true and correct copy of Gado's Petition for Cancellation is attached hereto as Exhibit A.

I declare under laws of perjury of the United States of America that the foregoing is true and correct and this declaration was executed on September 15, 2009 in New York, New York.


Mark Lerner

¹ Petitioner changed its corporate name from Gado S.A.R.L. to Gado S.R.L. after the initiation of this proceeding.

ESTTA Tracking number: **ESTTA137649**

Filing date: **04/26/2007**

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

Petition for Cancellation

Notice is hereby given that the following party requests to cancel indicated registration.

Petitioner Information

Name	Gado S.A.R.L.		
Entity	Corporation	Citizenship	Luxembourg
Address	5, Rue Guillaume Kroll, L-1882 LUXEMBOURG		

Attorney information	John Clarke Holman Jacobson Holman PLLC 400 7th St., NW Washington, DC 20004 UNITED STATES trademark@jhip.com, rpierce@jhip.com, jholman@jhip.com Phone:202-638-6666
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Registrations Subject to Cancellation

Registration No	2663337	Registration date	12/17/2002
Registrant	Jay-Y Enterprise Co., Inc. 632 New York Drive Pomona, CA 91768 UNITED STATES		
Goods/Services Subject to Cancellation	Class 009. First Use: 1999/12/01 , First Use In Commerce: 1999/12/01 Goods/Services: Sunglasses, optical frames, and reading glasses		
Registration No	2582314	Registration date	06/18/2002
Registrant	Jay-Y Enterprise Co., Inc. 632 New York Drive Pomona, CA 91768 UNITED STATES		
Goods/Services Subject to Cancellation	Class 009. First Use: 1999/12/01 , First Use In Commerce: 1999/12/01 Goods/Services: Sunglasses, optical frames, reading glasses		

Attachments	75016392#TMSN.gif (1 page)(bytes) 76599454#TMSN.gif (1 page)(bytes) 105602 cancellation petition.pdf (6 pages)(19354 bytes)
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Signature	/John Clarke Holman/
Name	John Clarke Holman
Date	04/26/2007

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

GADO S.A.R.L.,)
)
 Petitioner,)
) Cancellation No.: _____
 v.)
)
 JAY-Y ENTERPRISE CO., INC.,)
)
 Respondent.)

CONSOLIDATED PETITION FOR CANCELLATION

Petitioner, Gado S.A.R.L., believes that it is being or will be damaged by Registration Numbers 2,582,314 and 2,663,337, issued on the Principal Register and currently owned by Respondent, Jay-Y Enterprise Co., Inc., as shown by the records of the Patent and Trademark Office, both for the trademark DG for “sunglasses, optical frames, reading glasses” and hereby petitions for cancellation of the same.

As grounds for cancellation, Petitioner alleges:

1. Gado S.A.R.L. (Gado) is a corporation organized under the laws of Luxembourg, located and doing business at 5, Rue Guillaume, Kroll L-1882, Luxembourg. Gado is a company of the well-known Dolce & Gabbana Group.
2. Upon information and belief, Jay-Y is a corporation organized under the laws of California, located and doing business at 632 New York Drive, Pomona, California 91768.
3. Upon information and belief, Registration Number 2,582,314 was issued to Jay-Y Enterprise Co., Inc. (Jay-Y) on June 18, 2002 for DG with interlocking letters as

a trademark for “sunglasses, optical frames, reading glasses” as currently shown by the records of the Patent and Trademark Office. Jay-Y alleges that it first used the mark on December 1, 1999 and first used the mark in commerce on December 1, 1999.

4. Upon information and belief, Registration Number 2,663,337 was issued to Jay-Y Enterprise Co., Inc. on December 17, 2002 for DG stylized as interlocking rectangles as a trademark for “sunglasses, optical frames, reading glasses” as currently shown by the records of the Patent and Trademark Office. Jay-Y alleges that it first used the mark on December 1, 1999 and first used the mark in commerce on December 1, 1999.

5. Upon information and belief, Petitioner’s claims against each registration sought to be cancelled involve common and/or similar questions of law and/or fact.

COUNT 1 - LIKELIHOOD OF CONFUSION

6. Beginning before the filing dates and claimed dates of first use in commerce of Jay-Y’s applications, Serial Numbers 78/026,522 and 78/091,621, which matured into the registrations sought to be cancelled herein, Gado and its predecessors and licensees (hereafter referred to collectively as “Gado”) have, and are now, engaged in the distribution and sale of sunglasses and other related goods in commerce in the United States, under and in connection with the trademarks D&G alone and in combination with DOLCE & GABBANA and DG alone and in combination with DOLCE & GABBANA and/or other words and/or designs (said marks hereafter collectively, referred to as Gado’s D&G Marks). Gado continuously has used its D&G Marks in commerce in connection with Gado’s products and services, advertised, offered for sale, and sold by Gado, and to identify and designate same, and to distinguish those

goods, services and business from those of others.

7. Upon information and belief, consumers have come to associate DG and D & G as the initials of the surnames of the famous designers and owners of the Dolce and Gabbana Group, Messrs. Domenico Dolce and Stefano Gabbana, and as abbreviations of DOLCE & GABBANA, and therefore, consumers use the marks DG, D & G, and DOLCE & GABBANA as synonymous trademarks to refer to the same source, Gado.

8. Gado is the owner of, and will rely on herein, the following U.S. trademark registrations for its D & G Marks as used on sunglasses and related goods in International Class 9:

<u>Mark</u>	<u>Registration No.</u>	<u>Issue Date</u>
D & G	3,108,433	June 27, 2006
D & G DOLCE & GABBANA	2,096,500	September 16, 1997
DOLCE & GABBANA	1,742,622	December 29, 1992

These registrations are valid and subsisting, and constitute *prima facie* and/or conclusive evidence of Gado's ownership of the D&G Marks, and exclusive right to use same in commerce in connection with the goods set forth in the registrations.

9. Since Gado's initial use of its D&G Marks, it has used, advertised, produced, and offered its goods under and in connection with these marks to the public, through various channels of trade, and in commerce, with the result that Gado's customers and the public in general have come to know and recognize Gado's marks and associate same with Gado and/or the goods produced, advertised, marketed, distributed, and sold directly or indirectly by Gado and its businesses. Gado thus has

built up goodwill in connection with the sale of its products and services under its D&G Marks such that Gado's marks are identified, associated, and/or equated by Gado's customers, the trade, and the public.

10. Upon information and belief, the DG marks registered by Jay-Y is substantially similar and/or a colorable imitation of, and so resembles Gado's previously used D&G marks as to be likely, when used for the related goods of Jay-Y identified in Registration Numbers 2,582,314 and 2,663,337, to cause confusion or mistake or to deceive customers, the trade, and the public in general, thereby resulting in damage and detriment to Gado, its D&G marks, and reputation.

11. On information and belief, sunglasses, optical frames, reading glasses identified in the registrations sought to be cancelled are identical, and/or similar in nature, and/or related to the sunglasses sold under and/or in connection with Gado's D&G marks, and upon information and belief, Gado and Jay-Y both are, or could be, engaged in the marketing, selling, and promoting of their respective goods through the same and/or related channels of trade, and/or to the same and/or related class(es) of customers.

12. On information and belief, people having knowledge, familiarity with, and/or who have obtained and/or bought Gado's sunglasses and related goods sold under and/or in connection with its D&G marks, as well as the public and trade in general, are likely to be confused, mistaken, or deceived as to the origin, sponsorship, and/or association of Jay-Y's sunglasses, optical frames, reading glasses marketed, sold, and/or promoted under the DG marks registered by Jay-Y, and misled into believing Jay-Y's sunglasses, optical frames, reading glasses emanate from, or in some way, directly

or indirectly, are associated with Gado to the damage and detriment of Gado and its reputation.

13. Gado believes that the continued existence of Registration Numbers 2,582,314 and 2,663,337 on the Principal Register will impair its rights in its D&G marks inasmuch as Jay-Y's marks are substantially similar and/or a colorable imitation of, and so resembles Gado's D&G marks and Jay-Y's sunglasses, optical frames, reading glasses identified in the registrations sought to be cancelled are identical, and/or similar in nature, and/or related to the sunglasses sold under and/or in connection with Gado's D&G marks. Thus, such registrations are causing or will cause injury to Gado.

COUNT II - DILUTION

14. Gado restates and realleges ¶¶1-11, inclusive, above, of this Petition for cancellation, and hereby incorporates same as if fully set forth herein.

15. On information and belief, since before the filing date of Registration Numbers 2,582,314 and 2,663,337, Gado's D&G Marks have been and are distinctive and/or famous.

16. On information and belief, the registration and/or commercial use of the DG marks as shown in the registrations sought to be cancelled mark by Jay-Y will cause dilution and/or tarnishment of the distinctive quality of Gado's famous and distinctive D&G Marks.

17. If Jay-Y maintains the registrations sought to be cancelled herein, and Jay-Y maintains such rights as conferred under the Principal Register of the Trademark Act of 1946, Jay-Y will obtain unlawful gain and advantage to which they are not entitled under the Trademark Act of 1946 to the detriment and harm of Gado.

WHEREFORE, Petitioner, Gado S.A.R.L., believes and alleges that it will be damaged by the continued registration of the DG marks and therefore Petitioner prays that:

- (a) the Consolidated Petition for Cancellation herein be sustained in favor of Gado; and
- (b) Registration Numbers 2,582,314 and 2,663,337 be cancelled.

Respectfully submitted,

Gado S.A.R.L.

By: /John C. Holman/
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Robert S. Pierce
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Atty. Dkt. No.: I05602
I.D.: JCH/RSP