

THIS OPINION IS NOT A  
PRECEDENT OF THE TTAB

Hearing: February 26, 2013

Mailed: April 24, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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*C. & J. Clark International Limited*

v.

*Unity Clothing Inc.*  
—

Cancellation No. 92049418  
—

Stephen P. McNamara of St. Onge Steward Johnston & Reens LLC,  
for C. & J. Clark International Limited.

Vonn R. Christenson of Call & Jensen,  
for Unity Clothing Inc.

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Before Bucher, Wellington, and Hightower,  
Administrative Trademark Judges.

Opinion by Wellington, Administrative Trademark Judge:

C. & J. Clark International Limited (“Clark”) has filed a petition to cancel  
Registration No. 3217678 owned by Unity Clothing Inc. (“Unity”) for the mark:



for goods now identified as “~~Athletic footwear~~; Bathing trunks; ~~Beach footwear~~; Bermuda shorts; Blouses; Board shorts; Boxer shorts; Camp shirts; Capri pants; ~~Children’s headwear~~; Denim jackets; Denims; Dress shirts; Dresses; Fishermen's jackets; ~~Footwear~~; Golf shirts; Gym shorts; ~~Headwear~~; Jackets; Jogging pants; Knit shirts; Long jackets; Pants; Shirts; Shorts; Skirts; Slacks; Sport shirts; Sports shirts; Sports shirts with short sleeves; Sweat pants; Sweat shirts; Sweat shorts; Sweaters; Swim trunks; Swim wear; Swim wear for gentlemen and ladies; Swimming costumes; Swimming trunks; T-shirts; Trunks; Waterproof jackets and pants; Wind shirts; Wind-jackets” in Class 25.<sup>1</sup>

The five listed goods that appear above in strike-through font were covered by the registration when it originally issued, but have since been deleted. Specifically, on December 19, 2007, and prior to the filing of the petition for cancellation, Unity filed a Section 7 amendment to delete “athletic footwear ... beach footwear ... children’s headwear ... [and] headwear.” On December 15, 2009, and subsequent to commencement of this proceeding, Unity filed a motion to amend the registration to further delete “footwear” from the identification of goods. Clark stated that it had no objection to this second amendment and the Board, by way of order dated January 14, 2010, granted Unity’s motion and the amendment to delete “footwear” from the registration was entered.

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<sup>1</sup> Issued on March 13, 2007, and based on use in commerce under Trademark Act Section 1(a), 15 U.S.C. § 1051(a), in which August 30, 2003 was alleged to be the date of first use of the mark anywhere and the date of first use of the mark in commerce. Affidavits under Sections 8 and 15 filed.

In its complaint, Clark pleads fraud as the sole ground for cancellation of Unity's registration. Specifically, Clark alleges that it is the owner of an application for registration of the mark:



for “footwear, namely, shoes, boots and sandals” and that the Office has refused registration of this mark based on Unity's registration;<sup>2</sup> that Unity “fraudulently alleged actual use of the [registered mark] in commerce on goods where no such use has been made” at the time it filed the application that matured into its registration; that it notified Unity, through a letter dated December 10, 2007, of “the possibility of fraud arising from allegations of actual use in the application for [Unity's involved registration] in connection with the allegations of actual use in connection with ‘footwear,’ ‘athletic footwear,’ and ‘beach footwear’”; that Unity subsequently amended its registration to delete certain goods from the registration's identification; and that Unity has “effectively admitted that its statement that it has used its [registered mark] on [the now deleted goods] was false [and] ... fraudulent.”

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<sup>2</sup> Application Serial No. 77226882, filed July 11, 2007, based on allegation of first use anywhere and in commerce on January 31, 2007.

Unity filed an answer denying the salient allegations to Clark's fraud claim, asserted various defenses titled "affirmative defenses,"<sup>3</sup> and filed a counterclaim to cancel a registration owned by Clark.

As to the counterclaim, Unity seeks to cancel Clark's Registration No. 3305964 for the mark:



for "footwear, namely, shoes, boots and sandals" in International Class 25.<sup>4</sup> In its counterclaim, Unity alleges, *inter alia*, that Clark's registered mark "infringes upon [Unity's] registration no. 3217678 and [Unity's] Common Law Rights"; that Clark should "not have been granted registration because its registration is likely to be confused with [Unity's mark] by registration and by Common Law Rights"; and that "if [Clark's] registration no. 3305964 is not cancelled, it will continue to cause confusion."

Clark has denied all counterclaim allegations that may be construed as setting forth a claim of likelihood of confusion.

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<sup>3</sup> With regard to Unity's asserted "affirmative defenses," to the extent they constitute proper affirmative defenses they were not pursued at trial or argued in the trial briefs.

<sup>4</sup> Registration No. 3305964 issued on October 9, 2007. Affidavits pursuant to Sections 8 and 15 were filed by Clark and accepted by the Office. However, the Section 15 affidavit (declaration of incontestability) has been withdrawn by Clark in light of its failure to note the counterclaim involving the registration in this proceeding. On February 11, 2013, the Office accepted the withdrawal of the Section 15 affidavit.

The Record

By rule, the record for the initial claim and the counterclaim includes the involved registration files. Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b). The pleadings are also automatically of record.

In addition, opposer has submitted the testimony of Margaret Newville, Vice President of Marketing for Clark's Companies, with attached exhibits.

The following materials are also of record via notices of reliance filed by the parties:

1. Copy of a letter dated December 10, 2007, from Clark's counsel addressed to Mr. Raymond Hwang, Unity Clothing, Inc.;<sup>5</sup>
2. Copy of Clark's first set of requests to admit served on Unity, effectively and deemed admitted by Unity;<sup>6</sup> and
3. Copy of the file history of Clark's application Serial No. 77226882.

In its trial brief, Unity relies on statements made by its principal, Mr. Hwang, in the motion to amend to delete "footwear" in the registration. See Unity Brief, p. 7. For sake of clarity, any statements made by Unity or its principal in filings, such as the motion, cannot act as a substitute for testimony. In other words, while we acknowledge the motion has been filed (and granted), the reasoning offered by Mr. Hwang regarding why the terms are being deleted is not of record and is given no further consideration.

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<sup>5</sup> Although this letter is generally not appropriate matter for introduction by notice of reliance, it was submitted by Unity and was agreed to by Clark as "in evidence." Clark brief, p. 7.

<sup>6</sup> See Board order dated March 3, 2010, deeming the requests admitted pursuant to Fed. R. Civ. P. 36(a).

We now address the substance of the claim and counterclaim in turn below; however, we first address standing.

Standing

Clark and Unity, as individual plaintiffs in the initial claim and counterclaim, respectively, must each establish standing. To establish standing, Clark must show a real interest in the initial cancellation and Unity must show a real interest in the counterclaim cancellation. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999).

Clark has established its standing with regard to the initial cancellation proceeding through its pleaded application which is of record and has been refused registration based on a likelihood of confusion with Unity's registered mark. *See Tri-Star Marketing, LLC v. Nino Franco Spumanti S.R.L.*, 84 USPQ2d 1912, 1914 (TTAB 2007) ("petitioner has standing to bring the petition for cancellation based on the fact that its application to register [its mark] was refused registration by the office under Section 2(d) based on a likelihood of confusion with respondent's previously registered mark").

Unity, on the other hand, may rely on its registration that Clark seeks to cancel to establish its standing in the counterclaim. Although Unity seeks to cancel a registration that was not pleaded or otherwise relied upon by Clark in the initial claim, Unity's registration and its position as defendant in the cancellation, proves that it is more than just a mere "intermeddler." *See Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1028-29, 213 USPQ 185, 189 (CCPA 1982) ("purpose in

requiring standing is to prevent litigation where there is no real controversy between the parties, where a plaintiff, petitioner or opposer, is no more than an intermeddler”).

Both parties having established their respective standing, we now turn to the merits of the claims.

#### Clark’s Fraud Claim

In order to prove fraud in a Board *inter partes* proceeding, as set forth by the Court of Appeals for the Federal Circuit in *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009), a showing of the following four elements is required:

- (1) applicant/registrant made a false representation to the USPTO;
  - (2) the false representation is material to the registrability of the mark;
  - (3) applicant/registrant had knowledge of the falsity of the representation;
- and
- (4) applicant/registrant made the representation with intent to deceive the USPTO.

*Id.* at 1941.

Clark relies exclusively on requests for admission it served on Unity, now deemed admitted, to establish its fraud allegation. In particular, through these admissions, Clark asserts the following three facts have been conclusively established:

- (1) [Unity] has not made use of the [registered mark] on beach footwear, athletic footwear, or footwear ...;
- (2) the claims of use in commerce and alleged dates of first use in commerce were **false** statements ... ; and
- (3) Unity Clothing’s representative, Raymond Hwang, who executed the

application, *knew* at that time that Unity Clothing had not used [the mark] in commerce on beach footwear, athletic footwear, or footwear.

Brief, pp. 5-6 (**bold** emphasis in original and citation to particular admissions omitted).

A fair reading of the Unity's admissions does indeed support the conclusions of fact as characterized by Clark above. That is, we find that Unity has admitted that it falsely stated that it was using its mark on the identified footwear-related goods at the time of filing the underlying application and that Unity knew at that time that it was not using its mark on said goods. Thus, the first and third elements for finding fraud are clearly present. Furthermore, there is no real dispute that a party's affirmative statement of use on goods or services, at a point whereby the Office relies upon such statement for issuance or maintenance of a registration, constitutes a material representation. See *Herbaceuticals, Inc. v. Xel Herbaceuticals*, 86 USPQ2d 1572 (TTAB 2008). Accordingly, the third requisite fraud element has also been established.

Thus the sole remaining element for finding fraud in this proceeding involves a determination whether Unity possessed an intent to deceive the Office when it made the false representation. Clark asserts that the "admitted facts *directly* establish an intent to make a false statement to the USPO ... [and] *indirectly* establish an intent to obtain a registration to which Mr. Hwang knew Unity Clothing was not entitled." Brief, p. 14 (italics for emphasis in original). Unity, on the other hand, argues that "none of the [admissions] addresses whether or not Unity acted with the intent to deceive the [Office]" and Unity "rather acted under a

mistaken belief that it was proper to list related goods that were as yet unused together with related goods that were already in use.” Brief, p. 6. Unity also points to its “Section 7 Request to remove ‘athletic footwear’ and ‘beach footwear’ from [its] registration, filed mere days after learning that inclusion of these items on its registration was improper” and its motion to amend the registration, filed during the course of this proceeding “as soon as Unity learned that it had inadvertently failed to include ‘footwear’ in its Section 7 [amendment]” to the registration. *Id.* at 9.

Upon consideration of all evidence of record, we do not find by a preponderance of the evidence that Unity had the requisite intent to deceive the Office when it made its false and material representation. Rather, on this record, Unity’s explanation is plausible in that it mistakenly believed that it could list goods for which it was not using its mark already so long as it was making use of its mark on other goods identified in the application at the time. We do not have clear and convincing evidence to suggest the false statements were the result of a fraudulent intent rather than Unity’s principal, Mr. Hwang, simply misunderstanding the requirement that all, and not just some, identified goods must be used in commerce at the time of filing a use-based application. While the admissions are certainly relevant, applicant has not admitted that its false statement entitled it to a registration that it did not otherwise deserve. Reviewing the record in its entirety, we do not find sufficient evidence demonstrating any deceitful intent on Unity’s behalf in this regard.

While not conclusive, we see some probative value in Unity's actions and reactions upon being informed about the impropriety of not using its mark on goods identified in the registration. Unity's Section 7 amendment to delete "beach footwear" and "athletic footwear" was filed within nearly one week of the letter from Clark's counsel asserting that the inclusion of goods in the registration that are not in use "constitutes fraud." The fact Unity did not delete "footwear" in this amendment was somewhat nonsensical since this term clearly encompasses the previous two deleted types of footwear. In other words, the fact that Unity later moved during this proceeding to delete "footwear" is somewhat consistent with Unity's explanation and the result of an oversight. Certainly, we can envision the possibility that principals of companies, and indeed counsel therefor, may overlook or misinterpret all of the averments in declarations or affidavits filed with the Office. In this vein, we note Clark rescinded an averment it made in its filing of a Section 15 declaration of incontestability in connection with the registration subject of the counterclaim (see footnote 3). Without more, we do not find a fraudulent intent simply based on such mistakes or oversights.

In view of the above, Clark's fraud claim fails because it has not met its burden of proof in showing that Unity committed fraud in the procurement of its registration.

Unity's Likelihood of Confusion Counterclaim

We now address Unity's counterclaim to cancel Clark's registration. For the following reasons, the counterclaim is dismissed.

Priority

In a counterclaim cancellation proceeding, where both parties own registrations, such as this counterclaim, the plaintiff asserting a claim under likelihood of confusion, Section 2(d) of the act, must not only plead but also prove priority of use. *See Brewski Beer Co. v. Brewski Brothers, Inc.*, 47 USPQ2d 1281 (TTAB 1998). As to pleading priority, Unity did not explicitly plead its own priority of use in the "counterclaim" section of its answer; however, in the same paper identified as "affirmative defenses," Unity asserts that "[Clark] being a junior user of a mark identical or highly similar to Respondent's registered mark...should not be awarded by its Petition for Cancellation against [Unity's] prior used and registered mark." Affirmative Defense 9.

At trial, Unity did not offer any evidence regarding dates of first use of its mark. Rather, in its trial brief, it argues that it "has priority in both ownership and use" and points to the respective filing dates of the underlying applications for its Registration No. 3217678 and Clark's Registration No. 3305964, as well as the alleged dates of first use specified in the registrations.

In its brief responding to the counterclaim, Clark does not address the issue of priority.

Based on the above, we find that the issue of priority has been tried by implied consent and conceded in this proceeding. Fed. R. Civ. P. 15(b). Even if we were to find that Clark has not conceded the issue of priority, we find in favor of Unity on this issue based on the record before us. That is, Unity may rely upon the constructive use date that comes with the filing of the application that matured into a registration, which was on May 9, 2006. See Trademark Act Section 7(c), 15 U.S.C. § 1057 (c). See also *Larami Corp. v. Talk to Me Programs, Inc.*, 36 USPQ2d 1840 (TTAB 1995) (parties may rely on these constructive use (filing) dates for purposes of priority). Clark's constructive use filing date for its registration, on the other hand, is January 10, 2007, and it has not submitted evidence establishing an earlier date of first use.<sup>7</sup>

#### 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.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003).

It is Unity, as plaintiff in this counter-claim, which bears the responsibility of proving the likelihood of confusion ground by a preponderance of the evidence. Unity falls woefully short in carrying its burden. It did not take any testimony or

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<sup>7</sup> To the extent that Unity seeks to rely upon the alleged dates of first use recited in its underlying application, we point out that this is not evidence of use or priority. Trademark Rule 2.122(b)(2).

otherwise submit evidence relating to the similarity of the parties' respective goods and marks. Rather, in its trial brief, Unity merely asserts that its goods are similar to those of Clark and cites to previous decisions where the Board has found a likelihood of confusion involving these goods. These prior cases involved different parties, different marks and certainly had different records than what we have before us in this counterclaim. Accordingly, said decisions cannot be used by Unity as a substitute for a record establishing a likelihood of confusion in the counterclaim.

To the contrary, the record includes a series of admissions made by Unity that are extremely detrimental, if not fatal, to any possible finding of likelihood of confusion. Specifically, Unity has admitted that:<sup>8</sup>

- UNSTRUCTURED is not confusingly similar to UN (Admission No. 24);
- No actual confusion has arisen between [Clark's] UNSTRUCTURED mark as represented in Registration No. 3305964 and [Unity's] UN & design mark (Admission No. 25);
- The goods identified in [Clark's] Registration No. 3305964 [and] for the goods identified in that registration travel in different channels of trade than Registrant's UN & design goods (Admission No. 27).

In sum, based on the lack of evidence in support of its claim and in light of its admissions, we do not find that there is a likelihood of confusion between Unity's

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<sup>8</sup> Unity contends that the admissions constitute conclusions of law and thus it would be improper to consider them as admissions of fact. We disagree, except with respect to Admission No. 26 (essentially calling for an admission that there is no likelihood of confusion between parties' marks and goods). Admission No. 26 clearly calls for a combined admission of fact *and law*; and requests for admission cannot be used to elicit admissions as to the questions of law. *Harco Laboratories, Inc. v. The Decca Navigator Co. Ltd.*, 150 USPQ 813 (TTAB 1966). This admission was therefore not considered in our likelihood of confusion analysis.

registered  mark and Clark's registered  structured mark, as used on the goods identified in the respective registrations.

**Decision:** Clark's petition for cancellation on the ground of fraud is dismissed. Unity's counterclaim for cancellation on the ground of priority and likelihood of confusion is also dismissed.