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T.T.A.B.

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

MBA

Mailed: May 18, 2010

Cancellation No. 92049925

1-800 Contacts, Inc.

v.

Lens.com, Inc.

**Before Walters, Zervas and Wellington, Administrative
Trademark Judges**

By the Board:

This case now comes up for consideration of petitioner's motion for summary judgment, filed February 24, 2010, and respondent's cross-motion for summary judgment, filed March 5, 2010. Both motions are fully briefed.

Background

Respondent owns a registration of the mark LENS, in typed form, for "computer software featuring programs used for electronic ordering of contact lenses in the field of ophthalmology, optometry and opticianry" (the "Registration").¹ In its petition for cancellation, petitioner alleges that the parties are "competitors in the

¹ Registration No. 2175334, issued July 21, 1998, based on a date of first use in commerce of December 5, 1995. [Renewed; Section 15 Affidavit acknowledged]. Respondent acquired the Registration by assignment from Wesley-Jessen Corporation on September 12, 2002, as recorded with the Office at Reel/Frame 2722/0851.

business of selling and distributing contact lens and eye care products." As grounds for cancellation, petitioner alleges that because the goods identified in the Registration are not "goods in trade" or "sold or shipped for the benefit of third parties," and respondent "does not sell software," respondent and/or its predecessor in interest have not used the mark, and thus fraudulently obtained and maintained the Registration, and abandoned the mark shown therein. In its answer, respondent admits that the parties are competitors but otherwise denies the salient allegations in the petition for cancellation.²

The Parties' Cross-Motions

Petitioner seeks summary judgment on its claim of abandonment.³ Specifically, petitioner claims, based on respondent's discovery responses, that respondent has never sold software. Declaration of Annie Haselfeld ("Haselfeld Dec.") Ex. 1 (Transcript of Deposition of Cary Samourkachian ("Samourkachian Tr."), respondent's owner, p. 224);⁴ Haselfeld Dec. Ex. 2 (Respondent's Response to Petitioner's

² While respondent's answer also includes a counterclaim, the Board dismissed the counterclaim in its order of July 16, 2009.

³ While petitioner does not seek summary judgment on its fraud claim, it argues that it is entitled to judgment on an unpleaded claim for "submission of false Declarations of Use." Because this claim is unpleaded, it has been given no consideration. TBMP § 528.07(a) (2d ed. rev. 2004).

⁴ Mr. Samourkachian's deposition was taken in connection with a related federal case between the parties. Petitioner claims, and respondent does not dispute, that respondent "stipulated to Petitioner's use of the deposition testimony" in this proceeding.

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Interrogatory No. 4); Haselfeld Dec. Ex. 3 (Respondent's Response to Request for Admission Nos. 2, 3, 5, 10, 12 and 14). Petitioner further claims that respondent "has failed to provide any evidence of promotion of software under the mark." While petitioner acknowledges that respondent sells contact lenses via its Web site, and that respondent's Web site displays respondent's mark and allows consumers to order respondent's goods (contact lenses) over the Internet, petitioner contends that this does not constitute use of LENS for software, pointing out that consumers cannot purchase software from respondent's Web site.

Petitioner contends that the software which allows respondent's customers to order contact lenses from respondent's Web site is merely incidental to respondent's actual service -- the sale of contact lenses -- and does not constitute a "good in trade" separable from respondent's retail services. In fact, according to petitioner, respondent "is no more in the business of software than it is in the business of manufacturing cardboard boxes in which the contact lens products purchased through its retail services are shipped." To the extent that software or components thereof are downloaded to respondent's customers' computers, petitioner argues that respondent's "customers are completely unaware of that fact and have no reason to know that they are the recipient of downloaded 'software,'" "

and therefore respondent does not use LENS for software within the meaning of the Act.

In its response and cross-motion, respondent argues that because the Office accepted respondent's specimens of use of LENS for software, the issue of respondent's use of LENS for software "has already been carefully considered by the U.S.P.T.O." and should not be revisited. While respondent specifically concedes that it "does not sell LENS software," Respondent's Response and Cross-Motion at p. 8 n. 2, it contends that whether it offers "goods in trade" under the mark is irrelevant because its mark is now registered. Furthermore, respondent argues that petitioner is merely taking issue with respondent's specimens of use, which is inappropriate in an *inter partes* proceeding such as this.

Respondent introduces evidence that the former owner of its mark, which assigned the mark to respondent in 2002, "mailed the LENS software to consumers on disks" in the 1990s, but that the Internet makes it unnecessary to mail disks now, as it allows software to be "distributed to consumers" and "downloaded to the client computers, in whole or in part, via their 'Web' browser." Declaration of Carrie A. Johnson ("Johnson Dec.") Ex. H (expert report of William N. McCreary) pp. 1, 5; Johnson Dec. Ex. I (Declaration of C. Samourkachian of October 21, 2008 submitted in connection with respondent's October 22, 2008 motion to dismiss) ¶ 12.

More specifically, respondent argues that "the Lanham Act does not require that the goods be sold in commerce," and that its software is "transported," and thus used within the meaning of the Act, when it is distributed via respondent's Web site. Finally, respondent argues that petitioner's fraud claim is insufficiently pled under In re Bose, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009).

Decision

Summary judgment is appropriate where there are no genuine issues of material fact in dispute, thus allowing the case to be resolved as a matter of law. Fed. R. Civ. P. 56(c). The party seeking summary judgment bears the initial burden of demonstrating the absence of any genuine issue of material fact. See, Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986); Sweats Fashions, Inc. v. Pannill Knitting Co. Inc., 833 F.2d 1560, 4 USPQ2d 1793, 1796 (Fed. Cir. 1987). A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. See, Opryland USA Inc. v. Great American Music Show Inc., 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); Olde Tyme Foods, Inc. v. Roundy's, Inc., 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992).

The evidence on summary judgment must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor.

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Lloyd's Food Products, Inc. v. Eli's, Inc., 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); Opryland USA, supra.

The Board may not resolve issues of material fact; it may only ascertain whether issues of material fact exist. See, Lloyd's Food Products, 987 F.2d at 766, 25 USPQ2d at 2029; Olde Tyme Foods, 961 F.2d at 200, 22 USPQ2d at 1542.

Standing

There is no genuine issue that the parties are competitors, as they have clearly established that they both sell and distribute contact lenses. Petition for Cancellation ¶ 3; Answer to Petition for Cancellation ¶ 3. As a result, petitioner has standing to seek cancellation of the Registration. Plyboo America Inc. v. Smith & Fong Co., 51 USPQ2d 1633, 1634 (TTAB 1999).

Abandonment

The question presented by petitioner's abandonment claim is whether respondent has used LENS as a mark in connection with software, as identified in its Registration. We find that petitioner has established that there is no genuine issue of material fact that respondent has not used LENS as a mark in commerce in connection with software, at least within the last three years.

The Trademark Act provides for the cancellation of a registration if the registered mark has been abandoned. See Section 14 of the Trademark Act, 15 U.S.C. §1064. Under

Section 45 of the Act, 15 U.S.C. §1127, a mark is considered abandoned when "its use has been discontinued with intent not to resume such use," and "[n]onuse for 3 consecutive years shall be prima facie evidence of abandonment."

Furthermore, "[u]se' of a mark means the bona fide use of such mark made in the ordinary course of trade, and not merely to reserve a right in a mark." 15 U.S.C. §1127.

Because registrations are presumed valid under the law, a party seeking to cancel a registration on the ground of abandonment bears the burden of proof to establish its case by a preponderance of the evidence. See On-Line Careline, Inc. v. America Online, Inc., 229 F.3d 1080, 56 USPQ2d 1471 (Fed. Cir. 2000); and Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc., 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989). If petitioner makes a prima facie case of abandonment, the burden of production, i.e., going forward, then shifts to the Registration holder to rebut the prima facie showing with evidence. Id.

The record in this case establishes without question that respondent does not offer software per se for sale, or otherwise promote the use of its software, for example as an enhanced purchasing tool in connection with the sale of its contact lenses. While the record contains conflicting statements by respondent concerning whether its software is downloaded to its customers' computers in connection with

completing the online sale of contact lenses, this is immaterial. There is no question that, even if the software is so downloaded, customers are not aware of any such use of this software in connection with their purchase. Therefore, it is clear that respondent's software is merely incidental to its retail sale of contact lenses, and is not a "good in trade," i.e. "solicited or purchased in the market place for [its] intrinsic value." In re Compute-Her-Look, Inc., 176 USPQ 445, 446 (TTAB 1972); In re Shareholders Data Corporation, 495 F.2d 1360, 181 USPQ 722, 723 (CCPA 1974) (report was not good in trade where it had "no independent value apart from the [related] services"); and In re MGA Entertainment Inc., 84 USPQ2d 1743, 1746-47 (TTAB 2007). As previously noted, there is no evidence that respondent advertises or promotes software, or that it distributes software for the purpose of establishing a trade in software. Paramount Pictures Corp. v. White, 31 USPQ2d 1768, 1775 (TTAB 1994); see also, Information Resources Inc. v. X*Press Information Services, 6 USPQ2d 1034, 1037-38 (TTAB 1988) (finding that applicant's software was "incidental" to its services, in part because it was not "marketed apart therefrom").

In short, the evidence establishes a prima facie showing of abandonment, which respondent has not rebutted. Therefore, we grant the petition to cancel on this ground.

While respondent argues that "an incontestable registered trademark may not be challenged in an *inter partes* proceeding based upon allegations that the use of the mark - as previously presented to the U.S.P.T.O. via specimens of use - was insufficient," we note that the ground asserted is abandonment, which requires non-use with no intention to resume use, and the question is therefore not specific to whether respondent made any use of its mark in commerce at the time it filed its application and whether the specimens submitted at that time should have been accepted.⁵ Thus the specimens are just one piece of the puzzle. In this case, intent is presumed from the lack of use as a mark in commerce for the last three years. Despite respondent's contentions to the contrary, petitioner may rely on respondent's specimens of use submitted to the Office in its application. First, the contents of the application file constitute part of the record in this proceeding without any action by the parties. Cold War Museum, Inc. v. Cold War Air Museum, Inc., 586 F.3d 1352, 92 USPQ2d 1626 (Fed. Cir. 2010). Second, respondent produced the specimens themselves, and/or evidence very similar to the specimens, during discovery in this proceeding, and respondent relied on the specimens or virtually identical

⁵ In any event, Paramount Pictures makes clear that the Board may consider, in an *inter partes* proceeding, whether a mark has been used on "goods in trade."

material in its response and cross-motion. Moreover, respondent is incorrect in arguing that petitioner is precluded from alleging that respondent does not offer "goods in trade" under the mark because the mark is now registered. A claim of abandonment, which in this case is based on the established allegation that respondent does not offer the recited goods in trade under the mark, may be raised at any time. Imperial Tobacco Ltd. v. Philip Morris, Inc., 899 F.2d 1575, 14 USPQ2d 1390, 1392 (Fed. Cir. 1990).

For all of these reasons, there is no genuine issue of material fact that respondent has abandoned the mark LENS in connection with the software identified in the Registration. Accordingly, petitioner's motion for summary judgment on its claim of abandonment is hereby **GRANTED**, and respondent's cross-motion on the issue of abandonment is denied.⁶ Judgment is hereby entered against respondent, the petition to cancel is granted, and Registration No. 2175334 will be cancelled in due course.

⁶ We therefore need not reach respondent's cross-motion for summary judgment on petitioner's fraud claim. However, if we were to consider the fraud claim, we would find it inadequately pled under In re Bose Corp. and Asian and Western Classics B.V. v. Selkow, 92 USPQ2d 1478 (TTAB 2009).