

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

BUTLER

Mailed: February 17, 2010

Cancellation No. 92051579

HUMANSCALE CORPORATION

v.

COMMERCIAL FURNITURE GROUP, INC.

Before Seeherman, Holtzman and Cataldo, Administrative Trademark Judges.

By the Board:

Petitioner seeks to cancel respondent's registration for the mark DIFFRIENT for "furniture - namely, tables."¹ As grounds for cancellation, petitioner alleges that respondent's mark consists of the name of a particular individual, Neils Diffrient, "a well-known ergonomic furniture designer," and is registered without the written consent of such individual. More specifically, petitioner alleges that respondent, through its predecessor, contracted with Mr. Diffrient in July 1986 to design a line of tables; that respondent subsequently filed the underlying application that matured into Registration No. 1632391; and that respondent did so without obtaining Mr. Diffrient's written consent as required by Trademark Act §2(c), 15 U.S.C. §1052(c). Petitioner asserts it is damaged by

¹ Registration No. 1632391. Renewed. Because the registration is more than five years old, the grounds on which it may be cancelled are limited to those set forth in Section 14(c) of the Trademark Act, 15 U.S.C. §1064.

respondent's registration because petitioner filed an application to register the mark DIFFRIENT WORLD for "furniture, namely, seating, chairs and stools" with the written consent of Neils Diffrient;² and that its application has been refused registration based on the existence of respondent's registration.

This case now comes up on respondent's fully briefed motion, filed December 30, 2009 in lieu of an answer, to dismiss the petition to cancel on the basis that petitioner has failed to plead facts showing that it has standing.

In support of its motion, respondent argues that petitioner does not "stand in the shoes" of Mr. Diffrient such that it may assert what is a personal right to Mr. Diffrient. More specifically, respondent argues that petitioner does not and cannot allege either that it is authorized to pursue the cancellation on Mr. Diffrient's behalf; or that it is in privity with Mr. Diffrient; or that Mr. Diffrient himself objects to respondent's registration, of which he has been aware, and to which he consented and/or acquiesced for more than eighteen years. Respondent contends that only the person (or his or her privy) whose name is reflected in the trademark registration has standing to challenge the registration. According to respondent, Mr. Diffrient's consent of record in petitioner's pending application states, "I, Neils Diffrient, hereby

² Application Serial No. 77686364, filed on an intent-to-use basis pursuant to Section 1(b) of the Trademark Act, 15 U.S.C. §1051(b).

consent to the use and registration by Humanscale Corporation of the name "Diffrient World" as a trademark for the following goods: furniture, namely, seating, chairs, and stools." Respondent contends that Mr. Diffrient's consent to the registration of petitioner's mark is clearly only a non-exclusive, revocable license and does not contain any language authorizing petitioner to enforce his rights or to challenge respondent's registration.

In response, petitioner argues that it has standing by virtue of the USPTO's refusal to register its mark DIFFRIENT WORLD because of the existence of respondent's registration. Petitioner also argues that it has proprietary rights in the name DIFFRIENT because Mr. Diffrient has expressly provided his consent to the registration of the mark; that such written consent is inherently an exclusive license; and that such consent arose from a contractual relationship between Mr. Diffrient and petitioner not only to use his name, but also to register his name as a trademark.

In reply, respondent argues that petitioner does not have any right to use any DIFFRIENT trademark that is senior to respondent's established, valid, and enforceable common law trademark rights acquired through respondent's continuous and exclusive use of its mark for tables. Respondent contends that Mr. Diffrient's written consent to the registration of petitioner's mark is limited to specific goods and is not an authorization to act in his stead to cancel respondent's registration.

In order to withstand a motion to dismiss for failure to state a claim upon which relief can be granted, a pleading need only allege such facts as would, if proved, establish that the plaintiff is entitled to the relief sought. That is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for cancellation of the registration. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of the plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993); Fed. R. Civ. P. 12(b)(6); and TBMP §503.02 (2d. ed. rev. 2004).

In this case, respondent does not address whether petitioner has stated a valid and available ground, namely that respondent's mark consists of the name of a particular individual and that respondent's mark is registered without the written consent of such individual. Rather, respondent's motion is directed solely to petitioner's standing.

To allege standing within the meaning of Section 14 of the Trademark Act, 15 U.S.C §1064, a petitioner must plead facts sufficient only to show that it has a direct and personal stake in the outcome of the cancellation and a reasonable basis for its

belief that it will be damaged. See *Ritchie v. Simpson*, 170 F.3d 1092, 1098, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999). It is not necessary for a petitioner to plead any actual damage. J. Thomas McCarthy, 3 McCarthy on Trademarks and Unfair Competition §20:10 (4th ed. 2009).

The fact that a party's application has been refused on the basis of the registration sought to be cancelled has long been held sufficient to confer standing to cancel the cited registration. See *Lipton Industries*, 213 USPQ at 189; *Great Seats Ltd. v. Great Seats, Inc.*, 84 USPQ2d 1235, 1237 (TTAB 2007); and *Cerveceria Modelo S.A. de C.V. v. R.B. Marco & Sons, Inc.*, 55 USPQ2d 1298, 1299-1300 (TTAB 2000). "[T]o have standing ..., it would be sufficient that [a plaintiff] prove that it filed an application and that a rejection was made because of [defendant's] registration. These facts do not provide a statutory ground for cancellation, but no more is necessary for standing." *Lipton Industries*, 213 USPQ at 189. That is, notwithstanding the grounds upon which the complaint is brought, a plaintiff has standing where the existence of the registration sought to be cancelled is damaging plaintiff by blocking its ability to obtain a registration.

In this case, petitioner has alleged such facts which, if proven, would establish its standing in this proceeding. Specifically, petitioner has pleaded that its application has been refused registration by the USPTO because of the existence of

respondent's registered mark. If petitioner proves such allegation, petitioner will have shown that it is not an intermeddler but instead has a direct and personal stake in the outcome of this proceeding so as to establish its standing.

Accordingly, respondent's motion to dismiss, based solely on petitioner's standing, is denied.³

There remains, however, another matter to address with respect to the pleadings. Although respondent apparently does not dispute that petitioner has asserted a valid and available ground for cancellation, respondent's arguments concerning petitioner's "standing" actually concern the purported adequacy of petitioner's claim as pleaded.

Trademark Act §2(c) bars the registration of a trademark which:

Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent ...

The rationale for the proscription of registration in Section 2(c) is to protect living individuals from the commercial exploitation of their names, except where those living individuals agree to such exploitation as evidenced by the written consent by the individual to the applicant's use and registration of his name as a mark. *See Ceccato v. Manifattura Lane Gaetana Marzotto & Figli*

³ The Board notes in passing that equitable defenses may be raised with respect to claims under Trademark Act §2(c). See J. Thomas McCarthy, 2 McCarthy on Trademarks and Unfair Competition §13:37 (4th ed. 2009).

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S.p.A., 32 USPQ2d 1192, 1194 (TTAB 1994) referencing *In re D.B. Kaplan's Delicatessen*, 225 USPQ 342 (TTAB 1985).

In *Ceccato*, the applicant counterclaimed to cancel the opposer's pleaded registration pursuant to Trademark Act §2(c). The Board first addressed whether the applicant could bring the claim because the applicant had not asserted any relationship with the individual it contended was named by the opposer's mark. The Board noted that the applicant had standing and its standing arose from its position as the defendant in the opposition, *citing General Mills, Inc. v. Natures's Way Products, Inc.*, 202 USPQ 840 (TTAB 1979). The Board further stated:

... we think it is more appropriate not to characterize this as an issue of standing. Rather, an element of the Section 2(c) ground is that the party asserting that ground must have a cognizable or proprietary right in the name. Thus, applicant's failure in this case is not in connection with proving its standing to assert this ground, but in proving that it has any linkage or relationship with ..." the individual named. *Ceccato*, 32 USPQ2d at 1194

Thus, a person not in privity with, or having a relationship with, an individual named in a mark cannot establish its right to judgment in its favor under Section 2(c) of the Trademark Act (although such person may have standing to bring a proceeding). *Id.* In order to assert an acceptable Section 2(c) claim, the plaintiff must assert that he or she is the individual named in the mark or that the plaintiff is in privity with such individual. With respect to the latter situation, because privity is a necessary element to be proven, the circumstances concerning privity, that is, a linkage

or relationship with the named individual, are essential elements to be pleaded in the complaint.

In this case, petitioner has asserted that it has the written consent of Mr. Diffrient to register the mark DIFFRIENT WORLD. We think that, if proven, such fact would at least have a bearing on whether petitioner is acting in privity with the individual named in respondent's mark, such that petitioner's Section 2(c) claim should not be dismissed as inadequately pleaded. Additional information concerning the relationship between petitioner and Mr. Diffrient is the proper subject matter of discovery.

Proceedings are resumed. Dates are reset as follows:

Time to Answer	3/5/2010
Deadline for Discovery Conference	4/4/2010
Discovery Opens	4/4/2010
Initial Disclosures Due	5/4/2010
Expert Disclosures Due	9/1/2010
Discovery Closes	10/1/2010
Plaintiff's Pretrial Disclosures	11/15/2010
Plaintiff's 30-day Trial Period Ends	12/30/2010
Defendant's Pretrial Disclosures	1/14/2011
Defendant's 30-day Trial Period Ends	2/28/2011
Plaintiff's Rebuttal Disclosures	3/15/2011
Plaintiff's 15-day Rebuttal Period Ends	4/14/2011

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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