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

Proceeding	92052394
Party	Plaintiff Under Armour, Inc.
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Signature	/Danny M. Awdeh/
Date	06/18/2010
Attachments	Opposition to Registrants Post Registration Amendment of Goods COMBINE (shoes).pdf ( 48 pages )(145159 bytes )



shoes, hockey shoes, insoles, leather shoes, rugby shoes, soccer shoes, tennis shoes, track and field shoes, or volleyball shoes; that he had never used the alleged “Combine” mark in commerce in connection with these goods; and that at the time Williams signed and filed the Application and supporting declaration before the PTO, he knew that he was not using the alleged “Combine” mark in commerce in connection with these goods.

In response to Under Armour’s fraud allegations, on June 8, 2010 (i.e., over a month after this proceeding had been instituted), Williams filed a Section 7 amendment request seeking to delete several goods and amend the identification of goods to “Athletic shoes, namely, Running shoes.” He filed this amendment with the Post Registration section of the PTO, rather than as a motion to amend with the Board (although he mentioned the amendment in his Answer to Under Armour’s Petition to Cancel). And, in the amendment, Williams did not mention that the registration is the subject of a cancellation before the Board.<sup>1</sup>

On June 10, 2010, the amendment was assigned to a Post Registration Paralegal, who has not yet acted on it.

## **II. ARGUMENT**

As discussed below, the Williams’ post-registration amendment request should be denied because (1) it was improperly filed, and (2) the amendment is futile and does not cure Williams’ fraud.

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<sup>1</sup> In the miscellaneous statement accompanying the request, Williams admits that he had not used the mark on the deleted goods, and claims the inclusion of those goods in the original application was inadvertent.

**1. 37 C.F.R. §2.133 Prohibits Amendment of a Registration that Is the Subject of an Inter-Partes Proceeding Without Petitioner's Consent or a Board Order, and the Amendment Request Must Be Filed With the Board**

Under 37 C.F.R. § 2.133, a registration that is currently the subject of an inter-partes proceeding before the Board can only be amended (1) with the consent of the other party or parties and the approval of the Board, or (2) upon motion granted by the Board. Thus, Williams' amendment request should have been filed as a motion to amend with the Board, not as a Section 7 request with the Post Registration section. *See Zodiac Spirits, Inc. v. Mezini*, 2008 TTAB LEXIS 627, at \*19 (TTAB Feb. 14, 2008) ("because the registration was the subject of an inter-partes proceeding, the Post Registration section did not have jurisdiction to determine the propriety of the amendment and the approval of such amendment by the Post Registration section was in error.") (attached as Exhibit 1).

Indeed, for this very reason, the PTO rejected Williams' attempts to amend the identification of goods in two of his other registrations that Under Armour has petitioned to cancel, namely, Reg. Nos. 3701324 and 3103650 (involved in Cancellation Nos. 92052392 and 90205396, respectively).<sup>2</sup> After properly denying the amendment requests under 37 C.F.R. §2.133, the Post Registration Examiner instructed Williams that he must file a motion with the Board to amend his identification of goods. Williams' amendment request should not be allowed for the same reason here.

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<sup>2</sup> Under Armour has brought cancellation actions against three other of Williams' registrations, and in each of these cases Williams also improperly filed a Section 7 amendment before the Post Registration section. The Post Registration section improperly granted the amendments in Reg. Nos. 3388592, 3701257, and 3650989 (Cancellation Nos. 92052398, 92052400, and 92052402 respectively). Under Armour has filed motions opposing these amendments.

**2. The Amendment Should be Denied as Futile, as Amendments Made After a Cancellation Proceeding Has Commenced Cannot Cure Fraud**

Williams' amendment should not be allowed because it is futile. The Board has consistently held that a party cannot cure fraud by amending its identification of goods or services during an inter-partes proceeding. *See, e.g., Hachette Filipacchi Presse v. Elle Belle, LLC*, 85 USPQ2d 1090, 1094-95 (TTAB 2007) (amendment would not serve to cure fraud; motion to amend denied).<sup>3</sup> The reason for this rule is clear—if a registrant could avoid the consequences of fraud simply by amending its identification of goods to conform with reality after fraud occurred (and was alleged), it would render the fraud doctrine useless. Thus, in addition to the failure to comply with 37 C.F.R. §2.133, Williams' amendment should not be allowed because it cannot cure his fraudulent application and is thus futile.

**III. CONCLUSION**

For the foregoing reasons, Petitioner respectfully requests that the Board not allow Williams' Section 7 amendment.

Dated: June 18, 2010

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<sup>3</sup> *See also Zodiac, supra; Simi Winery, Inc. and Franciscan Vineyards, Inc. v. Mr. Container and Simi Global Corp.*, 2005 TTAB LEXIS 348 (TTAB Aug. 18, 2005); *Sierra Sunrise Vineyards v. MontelvinI S.P.A.*, 2008 TTAB LEXIS 56 (TTAB Sep. 10, 2008); *Jimlar Corp. v. Montrexpport S.P.A.*, 2004 TTAB LEXIS 333 (TTAB June 4, 2004) (attached as Exhibits 2-4).

**CERTIFICATE OF SERVICE**

I certify that a true and accurate copy of the foregoing PETITIONER'S OPPOSITION TO REGISTRANT'S POST REGISTRATION AMENDMENT TO IDENTIFICATION OF GOODS was served by prepaid First-Class Mail this 18<sup>th</sup> day of June 2010, upon counsel of record for Registrant at the following address:

Law Offices of Bin Li, Esq.  
17800 Castleton Street, Suite 605  
City Of Industry, CA 91748

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/Steven K. Claremon/

# EXHIBIT 1



LEXSEE 2008 TTAB LEXIS 627

Zodiac Spirits, Inc. v. Anil Mezini and Anil Mezini v. Koan, Inc.

Opposition No. 91173681  
Cancellation No. 92046748

Trademark Trial and Appeal Board

*2008 TTAB LEXIS 627*

February 14, 2008, Decided

**JUDGES:** [\*1]

Before Hohein, Zervas and Walsh, Administrative Trademark Judges.

**OPINION BY:** GOODMAN

**OPINION:**

**THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.**

By the Board:

Applicant Anil Mezini (hereinafter Mezini) has applied to register the mark ZODIAC TEA in standard character form for "beverages made of tea; fruit teas; herbal tea for food purposes; tea; tea-based beverages with fruit flavoring" in International Class 30. n1

n1 Application Serial No. 78677720, filed July 25, 2005, based on a bona fide intention to use the mark in commerce pursuant to Trademark Act *Section 1(b)*; the word TEA is disclaimed.

Registration has been opposed by opposer Zodiac Spirits, Inc. (hereinafter Zodiac) on the ground that Mezini's mark, when used on the identified goods, so resembles Zodiac's previously used and registered mark as to be likely to cause confusion, mistake or deception. Specifically, Zodiac has pleaded ownership of a registration for the mark ZODIAC for "distilled spirits, liqueur and whiskey" in International Class [\*2] 33 and has pleaded common law rights in such mark for "distilled spirits and related beverage products." n2

n2 Registration No. 2293534 issued on November 16, 1999 on the Principal Register; Section 8 accepted and Section 15 acknowledged June 9, 2005.

In its answer, Mezini has denied the salient allegations of the notice of opposition.

Mezini subsequently sought cancellation of Zodiac's pleaded registration for the mark ZODIAC in a separate cancellation action against Koan Inc. (hereinafter Koan), who is listed in USPTO records as the current owner of the pleaded Zodiac registration in Opposition No. 91173681. Koan is a wholly owned subsidiary of Zodiac. The grounds for cancellation are fraud based on nonuse by the original registrant, fraud based on nonuse of the mark on certain of the goods, and the registration was void ab initio because at the time of filing the underlying application the original registrant was not the owner of the mark.

On January 11, 2007, the Board consolidated the opposition and [\*3] cancellation proceedings, finding that the petition to cancel was essentially a compulsory counterclaim to cancel the pleaded registration.

In lieu of filing an answer in the cancellation, Koan has moved for summary judgment.

This case now comes up on the following motions:

- 1) Koan's motion for summary judgment, filed January 9, 2007;
- 2) Koan's "request to correct registration," filed January 16, 2007;
- 3) Mezini's motion for 56(f) discovery, filed January 17, 2007;
- 4) Mezini's motion for leave to amend the petition to cancel, filed January 17, 2007; and
- 5) Mezini's cross-motion for summary judgment, filed January 17, 2007.

To the extent that Mezini seeks discovery under *Fed. R. Civ. P. 56(f)*, we find his motion moot because Mezini has responded to Koan's motion for summary judgment on its merits.

We now turn to the parties' cross motions for summary judgment.

As background, Koan's predecessor in interest, Demptos Glass Company, LLC (hereinafter Demptos) filed, on February 11, 1998, application Serial No. 75432480 for the mark ZODIAC for "spirits," claiming a bona fide intention to use the mark in commerce under *Section 1(b)*. The identification of [\*4] goods was amended on July 23, 1998 to "spirits, namely distilled spirits, liqueur and whiskey." A notice of allowance was issued on March 2, 1999 for all of the goods, and on July 30, 1999, Demptos filed its statement of use, signed by its President Godert Tegelberg, indicating use of the mark on "spirits, namely, distilled spirits, liqueur and whiskey" and alleging a date of first use in commerce of April 30, 1999. Registration No. 2293534 issued on November 16, 1999, and on April 6, 2000, Demptos assigned the registration and subject mark to Koan. On March 24, 2005, Koan filed its Combined Declaration of Use and Incontestability under *Section 8* and *15* listing the following goods: "spirits, namely, distilled spirits, liqueur and whiskey." Marc G. Beginin, Chief Executive Officer of Koan, signed the Combined Declaration. The petition to cancel Registration No. 2293534 was filed on December 7, 2006. After the petition to cancel was filed, Koan, on January 16, 2007, filed a "Request to Correct Registration" under *Section 7(g)* both with the USPTO Post Registration section and with the Board seeking to delete "liqueur and whiskey" from the registration. On May 22, 2007, the Post Registration [\*5] division issued a *Section 7* correction deleting "liqueur and whiskey" from the identification of goods.

In support of its motion for summary judgment, Koan argues, with respect to Mezini's allegations of fraud based on nonuse by Demptos, that on March 9, 1998, an "execution agreement" between Demptos and Koan transferred brand ownership to Koan at the time of execution. Koan subsequently used the mark in 1999 which was the basis for the date of first use in commerce stated in the application and therefore, Koan has established that there was no fraud with regard

to Demptos' allegations of use. With regard to Mezini's allegations of fraud based on nonuse with respect to liqueur and whiskey, Koan argues that "[t]here is no question that both liqueur and whiskey are ... distilled spirits" because the goods are not so distinct from one another but "naturally interconnected" and therefore, there is no fraud because "Demptos' and Koan's failure to use the ZODIAC mark for liqueur and whiskey has no effect on another party" since "anyone seeking to use the ZODIAC name for whiskey would be prevented from doing so by virtue of Koan's registration of ZODIAC for distilled spirits."

As evidentiary [\*6] support, Koan has submitted the affidavit of Thomas Benson, President of Koan, the "execution agreement" between Demptos and Koan, and newspaper articles referencing Koan's use of ZODIAC in connection with vodka.

In opposing the motion and in support of its cross motion, Mezini argues that Koan's admission that Demptos transferred all rights of brand ownership on March 9, 1998, establishes that there is no genuine issue of material fact that Demptos' declaration filed with the Statement of Use was fraudulent as it falsely stated that Demptos was using the mark and was the owner of the mark. Mezini argues that "[b]ecause Demptos transferred all rights in the Zodiac name some 16 months prior, the July 30, 1999 allegation in the Statement of Use that Demptos was using the mark together with the statement in the declaration that Demptos was the owner of the mark, were materially false." Mezini maintains that "these circumstances constitute blatant and intentional fraud in the procurement of the registration."

Mezini also argues that there is no genuine issue of material fact regarding whether ZODIAC has been used in connection with "liqueur" or "whiskey" as Koan acknowledges that the [\*7] mark has never been used for "liqueur" or "whiskey" and that Koan's "claim that the fraudulent inclusion of 'liqueur' and 'whiskey' in the registration has no effect on another party is simply wrong." Mezini asserts that there is no genuine issue of material fact that at the time of filing the Statement of Use and at the time of filing the "Section 8" declaration of continued use, both Demptos and Koan knew that the mark had not been used for "liqueur" or "whiskey," and therefore Mezini is entitled to summary judgment.

As evidentiary support, Mezini has submitted, among other things, a dictionary definition for liqueur.

In response to the cross-motion for summary judgment, Koan argues that summary judgment is not appropriate on the issue of fraud as genuine issues of material fact exist with regard to "Demptos' and Koan's knowledge regarding the falsity of the identification of goods"; "the status of Koan as a licensee or an assignee at the time the statement of use was filed"; and "Demptos' state of mind at the time of filing" of the application or during prosecution of the application. Koan "admits that the mark was not used on whiskey or liqueur" but maintains that the "failure [\*8] to delete these items from the identification of goods clause was nothing more than an honest mistake," further arguing that "the inclusion of 'whiskey' and 'liqueur' to the identification of goods clause has no material bearing on the scope of the ZODIAC mark" and is "immaterial for purposes of establishing the presence of fraud." Koan also argues that there was no fraud at the time of filing the Statement of Use because Koan was a licensee of Demptos prior to the assignment and therefore Demptos was still the owner of the mark at the time of filing the Statement of Use; and that there was no fraud at the time of Koan's filing of the "Declaration under Sections 8 and 15" because "[t]here is no evidence Koan knowingly made a false representation of fact."

As evidentiary support, Koan has submitted the "execution agreement" between Demptos and Koan, a printout of the Trademark Assignment Abstract of Title for the ZODIAC mark, Registration No. 2293534, and Thomas Benson's Declaration in Support of Registrant's Request to Correct Registration.

In reply, Mezini argues that "there is no genuine issue of material fact that both the Statement of Use and the Section 8/15 affidavit filing [\*9] were false" in view of Koan's subsequent filing of a declaration "admitting that '[a]s of the date of the statement of use and § 8 affidavit filing, Koan was not offering liqueur or whiskey. As such the current identification of goods is erroneous.'" Mezini further argues that "the specific or actual intent of Mr. Tegelberg, who signed the Statement of Use, and Mr. Benson [sic], who signed the Section 8/15 affidavit, is not material to the question

of fraud" as the inquiry is into the objective manifestations of intent; that Koan's "admission that the mark has not been used for two of the three goods identified in the Registration" "is all that is required to establish intent to commit fraud in the procurement of the registration"; and that therefore "cancellation is appropriate."

Summary judgment is appropriate when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. See *Fed. R. Civ. P. 56(c)*. All reasonable inferences must be drawn in favor of the nonmoving party. The burden is on the moving party to establish its right to summary judgment. The mere fact that cross-motions for summary judgment on an issue have been filed [\*10] does not necessarily mean that there are no genuine issues of material fact, and that trial is unnecessary. See TBMP Section 528.01 (2d ed. rev. 2004) and cases cited therein.

As an initial matter, Mezini's standing as petitioner in the cancellation has been established by its position as applicant in the opposition inasmuch as the petition to cancel was effectively a compulsory counterclaim. Thus, petitioner's standing, that is, his real interest in this proceeding, has been established. See *Carefirst of Maryland Inc. v. FirstHealth of the Carolinas Inc.*, 77 USPQ2d 1492, 1502 (TTAB 2005) ("There is no issue regarding the standing of the parties to bring their respective oppositions and cancellation . . . Applicant, by virtue of its position as defendant in the opposition, has standing to seek cancellation of the pleaded registrations") citing *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999).

Based on the record now before us and for the reasons discussed below, we conclude that Mezini is entitled to summary judgment on the ground of fraud based on Koan's nonuse of ZODIAC on "liqueur" and "whiskey." By its motion, Mezini [\*11] has established that there are no genuine issues of material fact remaining for trial in the cancellation as to this ground of fraud.

Fraud in procuring a trademark registration occurs when an applicant for registration knowingly makes false, material representations of fact in connection with an application to register or, in the case of maintaining a registration, when a registrant makes false, material representations of fact in connection with an affidavit of continued use under Section 8. *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986). Statements regarding the use of the mark on goods and services are material to issuance and maintenance of a registration covering such goods and services. *Hachette Filipacchi Presse v. Elle Belle, LLC*, 85 USPQ2d 1090 (TTAB 2007); *Hurley International LLC v. Volta*, 82 USPQ2d 1339 (TTAB 2007); *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 186 Fed. Appx. 1005, 77 USPQ2d 1917 (TTAB 2006); *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 USPQ2d 1205 (TTAB 2003); and *First International Services Corp. v. Chuckles*, 5 U.S.P.Q.2d (BNA) 1628 (TTAB 1988). [\*12]

A party making a fraud claim is under a heavy burden because fraud must be proved to the hilt with clear and convincing evidence, leaving nothing to speculation, conjecture, or surmise. Any doubt must be resolved against the party making the claim. *Sinclair Oil Corp. v. Sumatra Kendrick*, 85 USPQ2d 1032 (TTAB 2007).

In the case at hand, however, there is no dispute and no genuine issue of material fact that the original registrant Demptos had not used its mark in connection with "liqueur" and "whiskey" at the time of filing the Statement of Use and there is no dispute and no genuine issue of material fact that current registrant Koan was not using the mark in connection with "liqueur" and "whiskey" at the time Koan filed its Combined Declaration of Use and Incontestability under Sections 8 and 15. Koan's declaration in support of its request to correct its registration states that "As of the date of the statement of use and § 8 affidavit filing, Koan was not offering liqueur or whiskey." Koan also admits in response to Mezini's cross-motion for summary judgment that "the mark was not used on whiskey and liqueur." Response brief at p.4

Koan has argued that its nonuse [\*13] on "liqueur" and "whiskey" is not material because these goods are also considered distilled spirits which is also part of the identification of goods and therefore there is no fraud. However, if an identification of goods includes both a broad product term and a specific product term which is encompassed by the broad product term, averring to use of the specific goods to procure or maintain a registration when the mark is not in

use with those particular goods is fraudulent. *Torres v. Cantine Torresella S.r.l.*, *supra* (registrant committed fraud in filing Section 9 affidavit averring to use in commerce on wine, vermouth and champagne when the mark was no longer in use on vermouth and champagne); *Tri-Star Marketing LLC v. Nino Franco Spumanti S.R.L.*, 84 USPQ2d 1912 (TTAB 2007) (identification of goods in a trademark registration that includes both broad product term and specific product term is fraudulent if registrant is not using its mark on specific product, and product is encompassed within the broad term).

Koan has also argued that genuine issues of material fact remain as to both Demptos' and Koan's intent with respect to their "knowledge [\*14] of the falsity of the identification of goods," arguing "summary judgment on the issue of fraud would unfairly impute a deceptive intent on the part of Koan" given "Koan's lack of knowledge or documentation regarding how and why Demptos selected 'whiskey' and 'liqueur.'" Koan also maintains that the failure to delete "whiskey" and "liqueur" was "nothing more than an honest mistake," "inadvertent", and of "no deceptive intent" and that because there is no evidence "that Koan knowingly made a false representation of fact," summary judgment would not be proper on this issue.

However, it is well established that in *inter partes* proceedings "proof of specific intent is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false." *Medinol*, *supra* at 67 USPQ2d 1209 (quoting *General Car and Truck Leasing Systems Inc. v. General Rent-A-Car Inc.*, 17 USPQ2d 1398, 1400-01 (S.D. Fla. 1990), *aff'g* *General Rent-A-Car Inc. v. General Leaseways, Inc.*, Canc. No. 14,870 (TTAB May 2, 1988)). See also *First International Services Corp.*, *supra* at 5 USPQ2d 1636 ("we recognize that it is difficult, if not impossible, to prove what occurs in a person's mind, and that intent must often be inferred from the circumstances and related statement made by that person. Otherwise, all claims of fraud could easily be defeated by the simple statement, 'I had no intent to do so.'"). [\*15] As the Board determined in *Medinol*, "the appropriate inquiry is . . . not into the registrant's subjective intent, but rather into the objective manifestations of that intent." *Medinol*, *supra* at 67 USPQ2d 1209.

In this case, the undisputed facts clearly establish that Demptos and Koan should have known at the time of submission of the Statement of Use or the Combined Declaration of Use and Incontestability under *Sections 8 and 15* that the mark was not in use on all of the goods. Koan now acknowledges its error and, for purposes of this summary judgment motion, we accept its statements made in Thomas Benson's declaration "to correct registration" that "[t]he error was unintentional and inadvertent and had not been discovered previously" and that with respect to the Combined Declaration of Use and Incontestability [\*16] under *Sections 8 and 15*, the mistake "appears to have resulted from Koan receiving an assignment of the trademark with the identification of goods as currently listed and subsequently failing to amend the identification of goods to more accurately reflect Koan's goods." However, Mr. Benson's declaration does not provide an explanation as to why Demptos and Koan should not have known that the Statement of Use as well as the Combined Declaration of Use and Incontestability under *Sections 8 and 15* were materially incorrect. Both Demptos' President, Mr. Tegelberg, and Koan's Chief Executive Officer, Mr. Beginin, were obligated to make appropriate inquiries to confirm the meaning and accuracy of the statements contained in the Statement of Use and the Combined Declaration of Use and Incontestability under *Sections 8 and 15* before signing the declarations and prior to submission to the USPTO. See e.g., *Hachette Filipacchi Presse*, *supra*, 85 USPQ2d at 1094 (respondent's president "was obligated to confirm the meaning and accuracy of the statements contained in the application before signing the declaration and prior to submission to the USPTO. 'The obligation which the [\*17] Lanham Act imposes on an applicant is that he will not make *knowingly* inaccurate or *knowingly* misleading statements in the verified declaration forming a part of the application for registration.' *Bart Schwartz International Textiles, Ltd., v. Federal Trade Commission*, 289 F.2d 665, 669, 48 C.C.P.A. 933, 1961 Dec. Comm'r Pat. 335, 129 USPQ 258, 260 (CCPA 1961) (emphasis in original). Therefore, as indicated *supra*, an applicant or registrant may not make a statement he/she knew or should have known was false or misleading. *Medinol*, *supra* at 1209"). In this case, there is no explanation in the record as to why the president of Demptos and the Chief Executive Officer of Koan could not have confirmed the meaning and accuracy of the statements contained in the Statement of Use as well as the Combined Declaration of Use and Incontestability under *Sections 8 and 15* before signing the declaration and prior to submission to the USPTO.

The USPTO will not issue a registration based on use covering goods upon which the mark has not been used, and there is no question that the Statement of Use would not have been accepted nor would the registration have issued but for Demptos' representation that [\*18] it was using the mark on all the goods identified in the Notice of Allowance. See Trademark Rule 2.88(c). Additionally, there is no question that a statement in a Combined Declaration of Use and Incontestability under Sections 8 and 15 that the mark is being used on all the goods is a material representation inasmuch as without use on all of the goods, the declaration of continued use would not have been accepted. See Trademark Rule 2.161.

Accordingly, we conclude that Demptos and Koan should have known that their averments regarding use in the Statement of Use and the Combined Declaration of Use and Incontestability under Sections 8 and 15 were false, material misrepresentations of fact. Therefore, we find that Demptos' false material misrepresentations made in connection with its Statement of Use were fraudulent and Koan's false material misrepresentations made in connection with the Combined Declaration of Use and Incontestability under Sections 8 and 15 were fraudulent.

Lastly, with respect to Koan's request to correct its registration, which in essence is an attempt to amend its registration to delete the goods on which the mark has never been used, such request sought [\*19] after the petition to cancel was filed does not change our decision in this matter. As noted above, after the filing of the petition to cancel, Koan filed its request both with the Board and with the USPTO's Post Registration section and the amendment was entered by the Post Registration section on May 22, 2007. However, because the registration was the subject of an inter partes proceeding, the Post Registration section did not have jurisdiction to determine the propriety of the amendment and the approval of such amendment by the Post Registration section was in error. Nevertheless, "the fact that the Post Registration section mistakenly acted on the amendment does not preempt the Board's authority to determine the issue of fraud with respect to the original identification of the goods." *Hachette Filipacchi Presse, supra at 85 USPQ2d 1095*. Under the circumstances, the amendment will be given no effect but we note that in any event, Koan's amendment sought after the petition to cancel was filed would not serve to cure the fraud that was committed inasmuch as a deletion of goods upon which the mark has not yet been used does not remedy fraud upon the [\*20] USPTO. *Id.* citing *Medinol, supra*.

Therefore, we find that Demptos and Koan committed fraud on the USPTO in procuring and maintaining Registration No. 2293534.

Accordingly, Mezini's motion for summary judgment on the ground of fraud in the procurement and maintenance of the ZODIAC registration based on nonuse of the mark ZODIAC on "liqueur" and "whiskey" is granted. The registration must be canceled in its entirety. See *Standard Knitting, supra at 77 USPQ2d 1928*. n3 In view of our decision herein, we need not reach the grounds of fraud with respect to Demptos' nonuse of the mark at the time of filing the Statement of Use, or whether the registration was void ab initio.

n3 Mezini's motion to amend the petition to cancel is moot.

Additionally, inasmuch as the cancellation only relates to the maintenance of Registration No. 2293534, Zodiac, as opposer in Opposition No. 91173681, is still entitled to rely on its common law rights in the ZODIAC mark in [\*21] asserting its claims of likelihood of confusion in the opposition. See *Standard Knitting, supra*. Accordingly, the opposition will go forward on these claims.

In view thereof, judgment is hereby entered against Koan and the petition to cancel is granted on the ground as specified above.

Registration No. 2293534 will be cancelled in due course.

Proceedings are resumed. Discovery and trial dates are reset as follows:

DISCOVERY PERIOD TO CLOSE: **June 14, 2008**

30-day testimony period for party in position of plaintiff to close: **September 12, 2008**

30-day testimony period for party in position of defendant to close: **November 11, 2008**

15-day rebuttal testimony period for party in position of plaintiff to close: **December 26, 2008**

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*. [\*22]

\* \* \* \*

The USPTO published a notice of final rulemaking in the Federal Register on August 1, 2007, at 72 *F.R.* 42242. By this notice, various rules governing Trademark Trial and Appeal Board inter partes proceedings are amended. Certain amendments have an effective date of August 31, 2007, while most have an effective date of November 1, 2007. For further information, the parties are referred to a reprint of the final rule and a chart summarizing the affected rules, their changes, and effective dates, both viewable on the USPTO website via these web addresses:

<http://www.uspto.gov/web/offices/com/sol/notices/72fr42242.pdf>

[http://www.uspto.gov/web/offices/com/sol/notices/72fr42242\\_FinalRuleChart.pdf](http://www.uspto.gov/web/offices/com/sol/notices/72fr42242_FinalRuleChart.pdf)

By one rule change effective August 31, 2007, the Board's standard protective order is made applicable to all TTAB inter partes cases, whether already pending or commenced on or after that date. However, as explained in the final rule and chart, this change will not affect any case in which any protective order has already been approved or imposed by the Board. Further, as explained in the final rule, parties are free to agree to a substitute protective [\*23] order or to supplement or amend the standard order even after August 31, 2007, subject to Board approval. The standard protective order can be viewed using the following web address: <http://www.uspto.gov/web/offices/dcom/ttab/tbmp/stndagmnt.htm>

#### **Legal Topics:**

For related research and practice materials, see the following legal topics:

Trademark LawProtection of RightsGeneral OverviewTrademark LawU.S. Trademark Trial & Appeal Board  
ProceedingsCancellationsGeneral OverviewTrademark LawU.S. Trademark Trial & Appeal Board  
ProceedingsOppositionsGrounds

# EXHIBIT 2



LEXSEE 2005 TTAB LEXIS 348

Simi Winery, Inc. and Franciscan Vineyards, Inc. v. Mr. Container and Simi Global Corporation

Cancellation Nos. 92030168; 92031424; 92031728; 92031786 and 92031877

Trademark Trial and Appeal Board

*2005 TTAB LEXIS 348*

August 18, 2005, Mailed

**DISPOSITION:**

[\*1]

Decision: The petition for cancellation with respect to Registration No 2389146 for SIMI in stylized form for, inter alia, wine vinegar (Cancellation No. 92031424), is granted; the petitions for cancellation of Registration No. 2219750 for the mark SIMI in Class 29 (Cancellation No. 92031877) and in Class 32 (Cancellation No. 92030168) and for cancellation of Registration No. 2220628 for SIMI DOCTOR (Cancellation No. 92031786) and Registration No. 2226361 for SIMI TI MOTO (Cancellation No. 92031728) are dismissed.

**COUNSEL:**

John M. Rannells of Baker & Rannells for Simi Winery, Inc. and Franciscan Vineyards, Inc.

Edward M. Joffe for Sandler, Travis & Rosenberg, P.A. for Mr. Container and Simi Global Corporation

**JUDGES:**

Before Seeherman, Quinn and Walsh, Administrative Trademark Judges.

**OPINION BY: SEEHERMAN**

**OPINION:**

**THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE TTAB**

Opinion by Seeherman, Administrative Trademark Judge:

Simi Winery, Inc. and Franciscan Vineyards, Inc. (hereafter petitioner) n1 have petitioned to cancel four registrations. These registrations issued to Mr. Container; subsequently, Mr. Container merged into Simi Global Corporation. Unless specifically noted, references [\*2] to "respondent" in this opinion will mean Mr. Container, Simi Global Corporation, or both companies. One registration, No. 2219750, for the mark SIMI, is the subject of two cancellation actions. Cancellation No. 92030168 seeks to cancel Class 32 of this registration for "beverages, namely, powdered soft drink mix"; Cancellation No. 92031877 seeks to cancel Class 29 of this registration for "food seasonings,

namely, bouillon cubes containing meat/poultry/vegetable extracts." n2 The other registrations are for SIMI DOCTOR (Registration No. 2220628, subject of Cancellation No. 92031786) for "baking soda"; n3 SIMI TI MOTO (Registration No. 2226361, subject of Cancellation No. 92031728) for "seasoning"; n4 and SIMI in stylized form, as shown below, (Registration No. 2389146, subject of Cancellation No. 92031424) for "breakfast foods, beverages, staple foods, condiments, and seasonings, namely, salt, spices, sugar, sauces, coffee, tea, cocoa, pasta, pastries, vinegar, mayonnaise, mustard, bread, relishes, flour, breakfast cereal, yeast, baking powder, baking soda, honey, and rice." n5

n1 The petition to cancel Registration No. 2219750 (Cancellation No. 92030168) was filed by Simi Winery, Inc. Subsequently Simi Winery, Inc. was merged with and into Franciscan Vineyards, Inc. As a result, Franciscan Vineyards, Inc. was joined as a party plaintiff. Similarly, because Mr. Container merged with Simi Global Corporation after the commencement of Cancellation No. 92030168, Simi Global Corporation was joined as a party defendant.

[\*3]

n2 Issued January 19, 1999, from an intent-to-use application filed May 23, 1997; Section 8 affidavit accepted. It asserts first use and first use in commerce for the goods in Class 29 on June 13, 1998, and first use and first use in commerce for the goods in Class 32 on November 3, 1997. This registration also contains a third class, for "toiletries, namely, toothpaste" (Class 3); petitioner does not seek to cancel the registration in this class.

n3 Issued January 26, 1999, from an application filed May 18, 1998 and asserting first use and first use in commerce on February 11, 1998. Section 8 affidavit accepted.

n4 Issued February 23, 1999, from an application filed May 18, 1998, and asserting first use and first use in commerce on January 23, 1998. Section 8 affidavit accepted. The registration states that the English translation of the Patois term "ti" is "little" and the English translation of the Indonesian term "moto" is "seasonings." The registration also includes a disclaimer of exclusive rights to use "moto" apart from the mark as shown.

n5 Issued September 26, 2000, from an intent-to-use application filed August 10, 1998, and asserting first use and first use in commerce on December 11, 1998.

[\*4]

[SEE ILLUSTRATION IN ORIGINAL]

The registrations were originally issued in the name of Mr. Container. This company subsequently merged with Simi Global Corporation.

Because the cancellation proceedings involved common questions of fact, the Board consolidated the proceedings.

As grounds for cancellation, petitioner has alleged that it is the owner of the mark SIMI and variations thereof as a trademark, trade name and service mark for a wide range of goods and services; that since prior to any date that may be claimed by respondent, petitioner has used its mark for wines and goods and services related thereto; that petitioner owns a registration for SIMI for wines; n6 and that respondent's marks are confusingly similar to petitioner's mark when applied to the goods of the parties, such that respondent's registrations are likely to cause confusion or mistake or to deceive. n7

n6 Registration No. 1021644, issued September 30, 1975, from an application filed on November 16, 1973, and asserting first use in 1876 and first use in commerce in 1935; Section 8 affidavit accepted; Section 15 affidavit received; renewed twice. Petitioner also pleaded ownership of a registration for SIMI SENDAL and design for wine, and submitted a status and title copy of the registration. However, during the pendency of this proceeding the registration became due for renewal, and Office records show that the registration expired for failure to renew it. Therefore, we have given no consideration to this registration.

[\*5]

n7 All four registrations issued in 1999, and the petitions to cancel were filed within five years of the issuance of the registrations, so likelihood of confusion is an appropriate ground for cancellation. See Section 14(1) of the Trademark Act, 15 U.S.C. § 1064 (1).

Respondent denied the salient allegations of the petitions to cancel in its answers. n8

n8 Respondent has listed an "affirmative defense," but this is actually an elaboration of the reasons for its denial that confusion is likely.

### **Motion to Amend**

On August 23, 2004, after trial, petitioner moved to amend the pleadings in Cancellation No. 920314234 pursuant to *Fed. R. Civ. P. 15(b)* to include "additional and/or alternative grounds for partial cancellation." Specifically, petitioner alleges that, when respondent filed its Allegation of Use (Amendment to Allege Use) in connection with the application which issued as Registration No. 2389146 (for the stylized mark SIMI), it had not used its mark on all of the goods listed in the application. Therefore, petitioner asserts that the goods for which respondent had not used [\*6] the mark should be stricken from the recitation of goods in that registration, and petitioner also asserts that "as the Allegation of Use filed by Registrant in support of and as the basis for the registration in issue was false, the registration should be cancelled."

Petitioner states that the information regarding respondent's use, or more correctly, lack of use, became known when, during petitioner's cross-examination of George Saati, respondent's president, petitioner's counsel asked Mr. Saati whether respondent sold various products under the mark SIMI, and Mr. Saati said no.

The Board, following its usual practice, deferred action on the motion until final hearing. Petitioner renewed its motion to amend in its main brief. In its responsive brief, respondent did not specifically oppose the motion. Rather, it acknowledged that, with respect to Registration No. 2389146, respondent "has not used the mark on [salt, sugar, sauces, coffee, tea, cocoa, mayonnaise, mustard, bread, flour, honey and rice] and has no opposition to having those goods removed from the registration." p. 4.

In its reply brief petitioner pointed out that respondent did not address petitioner's amended pleading [\*7] to cancel the registration in its entirety as a result of filing a false Declaration of Use with the PTO." p. 1. It therefore requested that, in the event the registration was not cancelled on the ground of likelihood of confusion, it should be cancelled in its entirety as a result of respondent's filing a false declaration.

*Rule 15(b) of the Federal Rules of Civil Procedure* provides that "when issues not raised by the pleadings are tried by express or implied consent of the parties, they shall be treated in all respects as if they had been raised in the pleadings." We cannot say, based on the questions raised during cross-examination as to whether respondent had made use of the mark, that respondent was aware that the issue of fraud had been tried. Nothing was asked as to respondent's reasons for listing goods in the Amendment to Allege Use for which it had not used the mark that would have suggested that respondent's intent, one of the elements of fraud, was being questioned. Even after briefing, it appears that respondent did not consider that fraud was a potential ground; it is clear from respondent's statements that it believed that [\*8] simply striking the goods for which the mark had not been used was sufficient to resolve the problem. n9 Moreover, we note that petitioner itself never clearly indicated that it sought cancellation on the ground of fraud. It has merely referred to the Allegation of Use as being false and/or that respondent had made a false statement. Because petitioner's own cross-examination could as easily, and in fact could more easily, be viewed as a basis for simply striking from the registration those goods on which the mark had not been used, i.e., partially cancelling the registration, we cannot say that the issue of fraud was tried by implied, let alone express consent. Therefore, petitioner's motion to amend the pleading to add this ground is denied. However, because respondent has agreed to have certain items deleted from the registration, we grant petitioner's motion to strike such goods from the registration. The petition to partially

cancel Registration No. 2389146 to remove from the identification "salt, sugar, sauces, coffee, tea, cocoa, mayonnaise, mustard, bread, flour, honey and rice" is granted. We deem the registration to include only "spices, pasta, pastries, vinegar, relishes, [\*9] breakfast cereal, yeast, baking powder and baking soda." n10

n9 It should be noted that, if fraud is found on the basis that an applicant for registration intentionally stated, in an Amendment to Allege Use, that it had used its mark on any of the goods in the identification when it had not, the registration as a whole would be cancelled. A registrant cannot cure fraud by simply deleting those goods for which its Amendment to Allege Use was false.

n10 We note that, in its reply brief, petitioner has objected to respondent as having treated, in its main brief, this registration as having been partially cancelled, and asserts that, for purposes of deciding the issue of likelihood of confusion, the identification should be considered as it was when the registration originally issued. However, since it was petitioner that sought partial cancellation of the registration after trial, and because respondent has consented to that request, thereby in effect stipulating to that relief, we think it appropriate to grant petitioner's request for partial cancellation prior to considering the issue of likelihood of confusion.

### **The Record**

The record includes the [\*10] pleadings and the files of the registrations sought to be cancelled. Also of record is the testimony, with exhibits, of petitioner's witnesses Ronald C. Fondiller, Assistant Secretary of Constellation Brands, Inc., petitioner's parent company; and Chris Francis Fehrstrom, Senior Vice President of Marketing at Franciscan Vineyards, Inc.; and of respondent's witnesses George Saati, president of respondent; Jose Damien, owner of Dixie Food and an exporter of respondent's goods; and Mel Dick, a partner in Southern Wine and Spirits of America, which is a distributor of petitioner's SIMI wines. Excerpts from a declaration by George Saati have been submitted pursuant to stipulation of the parties. Petitioner has also submitted four notices of reliance, consisting of a status and title copy of its pleaded registration; excerpts from *The New American Bartender's Guide*; copies of excerpts from certain printed publications; and copies of numerous third-party registrations.

The proceedings have been fully briefed, but an oral hearing was not requested.

We turn first to objections raised by petitioner in its reply brief. Petitioner asserts that respondent's brief is "replete with distortions [\*11] and misstatements of the record, attempts to inject evidence into the record that respondent did not introduce during its trial period, and the introduction of inappropriate matter clearly intended to prejudice the record." Reply brief, p. 2. With respect to petitioner's specific objections, we will not strike that portion of respondent's brief which contains copies of its packaging, although we have given such evidence the limited probative value that it deserves. Further, we have based our decision on the evidence that is properly in the record, or on matters of which we may take judicial notice. In this connection, petitioner states that respondent has attempted in its brief to introduce evidence concerning Simi Valley, California. We point out that, even though no evidence about this geographic location is in the record, the existence of a geographical place is a proper subject for judicial notice. Finally, petitioner objects to respondent's discussion of laches. As previously noted, respondent did not raise laches as an affirmative defense. However, laches as being indicative of the lack of likelihood of confusion is one of the subparts of the du Pont factor n11 of the market [\*12] interface between the parties. To that extent, we have considered respondent's arguments in our analysis of the issue of likelihood of confusion.

n11 *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ563 (CCPA 1973).

### **Facts**

Opposer Simi Winery, Inc. was acquired by Constellation Brands, Inc. and was merged into Constellation's wholly-owned subsidiary, Franciscan Vineyards, Inc., where it is now a division. Simi Winery was founded by two brothers with the surname Simi. The winery opened in Sonoma County, California, in 1880, and it has sold wine under

the mark SIMI since the late 1800s continuously to the present day, except during Prohibition. Through most of these years, Simi had limited production. Its 1976 newsletter describes it as a boutique winery. Opposer provided sales figures for its wine sales starting in 1987. From 1988 through 1993, annual retail sales ranged from \$ 20.1 million to \$ 25.1 million. By 1996 sales had increased to \$ 30 million, and hit \$ 34.4 million in 2000. Wholesale sales reached \$ 23 million in 2003. The core group of SIMI wines sells for between \$ 15 and \$ 25 a bottle, with the upper tier wines selling [\*13] for between \$ 25 and \$ 30, and the high end wines costing \$ 70. The retail sales figure of \$ 34.4 million for 2000 represented sales of 1.8 million bottles.

Depending on individual state laws, opposer sells its wines in grocery stores, restaurants, independent stores such as liquor stores and wine stores and club stores. It also sells its wine direct-to-consumer, with orders taken by telephone, over the Internet, and as a result of its newsletter. In addition, opposer operates a visitor center at its winery, where it offers a variety of merchandise, including wine, clothing items, wine-related items such as corkscrews and coasters, food-related items such as bread boards, and limited food items, in particular, olive oil and wine vinegar. Between 1999 and 2001, annual sales of merchandise at the visitor center amounted to \$ 130,000.

Opposer's annual advertising, promotional and public relations expenses for the years 1998-2000 were in excess of \$ 400,000; in 2003 they were over \$ 500,000, and in fiscal year 2004 they were \$ 450,000. These expenditures were for, inter alia, participation in consumer and wine trade events such as the Aspen Food and Wine Festival. Opposer advertises [\*14] in newsletters that are produced by liquor and wine stores, such as The Wine House, which newsletter has a distribution of between 75,000 and 150,000 customers. At the time of Mr. Fehrstrom's deposition in 2004, opposer was advertising its SIMI wines in "Bon Appetit" magazine; in the past it has advertised in newspapers and magazines such as "Time" and "Newsweek."

Opposer and its wines have also been the subject of or mentioned in articles in magazines and newspapers.

Respondent Mr. Container, Inc. sells a variety of products under the mark SIMI, including grocery items such as powdered soft drink mix, macaroni and cheese, and red and white vinegar; stationery such as notebooks; and health and beauty items such as toothpaste and soap. Respondent markets its goods primarily to domestic wholesalers for resale in the Caribbean and Latin America and directly into neighboring countries. None of its goods is sold in the retail trade or marketing channels in the United States. Respondent had not heard of SIMI wines when it adopted the mark; it chose the mark because it wanted a four letter mark that would be easy to pronounce in a variety of foreign languages. The packaging for its [\*15] products generally includes four languages: English, Spanish, French and Portuguese.

### **Standing**

Opposer, by making its registration of record, as well as the evidence regarding its use of the mark SIMI, has established its standing.

### **Priority**

Contrary to petitioner's assertion, because this is a cancellation proceeding in which both parties own registrations, priority is in issue. See *Brewski Beer Co. v. Brewski Brothers Inc.*, 47 USPQ2d 1281 (TTAB 1998); compare, *King Candy Company v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). That is, petitioner may not rely on its registration as it can in an opposition proceeding, but must establish that it has superior rights in its mark. Each party may, however, rely on its registrations to show use of its mark as of the filing date of the application which matured into the respective registration. Thus, petitioner's registration establishes that as of November 16, 1973, petitioner used the mark SIMI for "wines." Petitioner has also shown that, with the exception of the Prohibition period, when by law it could not sell wine, it has used the mark SIMI for wine since [\*16] the late 1800s, and that it has used the mark for wine continuously since 1935.

Respondent's registrations establish that it made constructive use of SIMI for "beverages, namely, powdered soft

drink mix" and "food seasonings, namely, bouillon cubes containing meat/poultry/vegetable extracts" on May 23, 1997; of SIMI in stylized form for "spices, pasta, pastries, vinegar, relishes, breakfast cereal, yeast, baking powder and baking soda" on August 10, 1998; of SIMI DOCTOR on "baking soda" on May 18, 1998; and of SIMI TI MOTO for "seasonings" on May 18, 1998. Respondent's president testified that it began using SIMI in 1996; that it first used the mark SIMI for the goods in its Registration No. 2219750 (SIMI in typed form) in early 1997, and that it used the mark for the goods in its other registrations in 1997-98. However, the first use date claimed by respondent in Registration No. 2219750 is June 13, 1998 for bouillon cubes, and November 3, 1997 for powdered soft drink mix. If a party wishes to show use earlier than that claimed in an application/registration, it must do so by clear and convincing evidence. Respondent's president's testimony, consisting only of the statement that [\*17] "I think 1997, early 1997" and "The filing was in May, '97, but we were using before we filed," test. p. 7, is not sufficient to establish an earlier use date. Therefore, and because the May 23, 1997 filing date of respondent's registration is earlier than the first use dates claimed in this registration, we will treat the filing date as the constructive use date. As for the other registrations, the general comment of "'97, '98" is not sufficient to establish use earlier than the dates asserted in those registrations. Thus, we deem January 23, 1998 to be the first use of SIMI TI MOTO, February 11, 1998 to be the first use of SIMI DOCTOR, and August 10, 1998 (the filing date, which is earlier than the claimed first use date) to be the first use of SIMI in stylized form. Accordingly, petitioner has not only established its priority of use of SIMI for wine through its registration, but has shown that it has used its mark on wine since long prior to respondent's use of its various marks.

Petitioner has also asserted common law rights in the mark SIMI for a variety of goods. These goods are sold through the visitor center at opposer's Simi Winery in Healdsburg, California. Petitioner [\*18] has submitted documentary evidence showing sales of various merchandise as early as 1996. In particular, petitioner has demonstrated that it has sold two food items, wine vinegar and olive oil, bearing the mark SIMI since that date. Such sales are rather limited, with gross sales in 1996 for wine vinegar amounting to only \$ 3,754.10 and sales for olive oil amounting to \$ 4,566.60. Although petitioner's common law rights in SIMI for vinegar and olive oil cannot be considered extensive in view of the small number of sales, and the restricted channel of trade, they do show that petitioner has priority not only with respect to wine, but with respect to wine vinegar and olive oil. n12

n12 Petitioner has asserted in its brief that it has sold a variety of SIMI-branded non-food merchandise at its visitor center, including pepper mills and salt and pepper shakers. There is no evidence that sales of pepper mills and salt and pepper shakers were made prior to respondent's use dates.

### **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 [\*19] in *In re E. I. du Pont de Nemours & Co.*, *supra*. See also, *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003).

Because respondent's registrations are for somewhat different marks and different goods, we will first consider those du Pont factors that are applicable to all of the registrations.

We turn first to the factor of fame since fame of a plaintiff's mark, if it exists, plays a "dominant role in the process of balancing the DuPont factors". *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303 (Fed. Cir. 2002), quoting *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000).

Although petitioner has used the mark SIMI on wines for a very long time, for most of its history its wine production has been limited. Petitioner's September-October 1976 newsletter (Fehrnstrom Exhibit 10) stated that "one hundred years ago Simi was a small, quaint stone winery with a limited production. . . . Today Simi is still a small, quaint stone winery with a limited production -- though the term now used is boutique winery'. . . ." n13

n13 Although normally an article cannot be used to prove the truth of the statements made therein, here petitioner's characterization of itself having limited production must be considered an admission against interest,

and therefore falls under an exception to the rule against hearsay.

[\*20]

Its retail sales in 1987 were \$ 15.6 million, while annual sales in the 1990s ranged from \$ 23.1 million to \$ 34.4 million. Petitioner did not attempt to give any context for these wine sales, although its witness was specifically asked how sales of SIMI wines compared to those of opposer Franciscan Vineyards, Inc.'s other wines. We note that the website of opposer's sister company, Canandaigua Wine, (Fondiller declaration Exhibit 1, submitted as Exhibit 1 to Fondiller deposition), describes its Dunnewood Vineyards as bottling "about 200,000 cases of premium table wines each year." This would amount to 2.4 million bottles of wine, as compared to the 1.6 million bottles of SIMI wine sold by petitioner in 1999 and the 1.8 million bottles it sold in 1999.

In Bose, supra, at 1309, the Court stated that "raw numbers of product sales and advertising expenses may have sufficed in the past to prove fame of a mark, but raw numbers alone in today's world may be misleading. . . . Consequently, some context in which to place raw statistics is reasonable." Petitioner has failed to provide any context for its sales figures that would show that a substantial number of people are familiar [\*21] with its mark; and based on the limited information we do have with respect to the sales by Dunnewood Vineyards, on its face petitioner's sales figures do not appear to be substantial for the wine industry.

Petitioner's advertising and promotional expenditures of between \$ 400,000 and \$ 500,000 annually from 1998 through 2004 do not appear to be particularly large. Further, the number of advertisements in national publications appears to be rather limited. Petitioner mentioned advertising in only one nationally distributed magazine, "Bon Appetit," in 2004, and testimony about other national advertising was not very specific: "In the past, Simi Winery has advertised in newspapers, as well as other [than "Bon Appetit"] magazines, broad sort of circulation magazines, whether it's Time, Newsweek, et cetera." Fehrstrom, p. 36. Petitioner did not submit any advertisements from these broad-circulation magazines, nor indicate how often such advertisements appeared. Nor is there any indication that petitioner has advertised its wines on television, which of course reaches the largest number of people. The promotional efforts that petitioner has most discussed are advertisements put in [\*22] wine retailer newsletters, with the specific newsletter going to between 75,000 and 150,000 people; a mini-CD containing recipes that was attached to 2000 bottles of its wine; special events such as winery and restaurant dinners pairing wines with food; and participation in winery trade events to cause the press to become interested in writing about its wines. The dinner events are, to some extent, "preaching to the choir," since these events are advertised to members of petitioner's wine club and to people who have come to petitioner's winery and provided their addresses for such mailings.

Petitioner has also made of record a large number of articles that make reference to its SIMI wines and/or winery. n14 Most bear dates from 1990 through 1998. n15 A large number of these articles are from periodicals related to the wine industry. For example, the August 1997 issue of "Wine & Spirits" magazine has a story on "Sonoma's Italian Roots" which includes a section on the beginnings of the Simi Winery; a several page article in the August 1998 issue of that same publication is all about the Simi Winery. The October-December 1998 "Quarterly Review of Wines" features "Simi's New-Look Wines. [\*23] " There is an article about new Simi wines in the August 11, 1998 "The Wine Report." The May 1996 issue of "Beverage & Food Dynamics" reviews various wines, including the 1994 Simi Chardonnay, while an article in the October-November "Insider's Wine Line" features Simi Winery.

n14 With the testimony of Mr. Fehrstrom opposer submitted an exhibit, No. 16, consisting of 320 pages of what purport to be press clippings. Some of the articles, as shown by the summary which was prepared by opposer's attorney and which accompanies the clippings, are not identified as to publication or date. Because Mr. Fehrstrom did not authenticate these particular articles, and they are otherwise unidentified, they have no or extremely limited probative value. The same is true for those clippings that were submitted as part of Exhibit 15 which do not bear an indication of source or date and were not authenticated by Mr. Fehrstrom as part of his testimony. Similarly, we have given no probative weight to articles that are not in English (and are not translated), or which appear to come from foreign publications.

n15 We note that, although Mr. Fehrstrom stated that, since 2002 when he joined the company, he made it a

point of maintaining a history of all press clippings, the clippings that were submitted as part of Exhibit 16 were all dated prior to 2002 and, in fact, no clippings dated after Mr. Fehrstrom became employed by opposer were submitted as part of his testimony.

[\*24]

Other articles are from trade journals. See, for example, "California Beverage Journal" July 1998 (review of various wines, including several releases from Simi Winery); "California Farmer," August 1998 (viticulture and grape vine diseases, which discusses research being done in a Simi vineyard); "The Beverage Analyst," January 1997 (Simi Winery wine maker dinner); "V&WM Magazine" (Vineyard & Winery Management), May/June 1995 (article on team winemaking at Simi Winery); and "Beverage Media," July 1995 (reporting a tasting of Simi wines at a sales meeting for Park Avenue Merchants).

Some articles appear to be from local papers. See, for example, "Spotlight's Wine Country Guide," July 1999 (article about the winery, wine tastings and tours); "Rohnert Park/Cotati, California," (October 24, 1997) (article titled "Simi noted for food as well as its wines" about the dinner events at the winery); "The Press Democrat" (Santa Rosa, CA), October 28, 1998 (article about Halloween-themed dishes prepared by chef at Simi Winery); "Russian River Recorder -- An Official Publication of the Healdsburg Museum and Historical Society," Summer 1998 (article about Healdsburg's early Italian wine families, [\*25] including the Simis); "Where Wine Country," Fall 1998 (wineries in Sonoma Country, with a brief reference to Simi Winery).

Although there are articles from non-California newspapers, there are relatively few of them. They include a review of "SIMI SONOMA COUNTY CHARDONNAY 1996" in the May 27, 1998 "Dallas Morning News"; an article in the July 30, 1998 "Boca Thursday Paper" (Florida) featuring Simi Vineyards and some of its wines; a listing of wines as gift ideas in the December 25, 1996 "Sun Journal" (New Bern, NC), in which a Simi Winery wine appears in a list of nine, and the same article printed in "The Arizona Republic" on December 23, 1996. There is also an article in the "Austin American-Statesman," February 8, 1995, in which twelve wines, including SIMI SENDAL, are recommended for Valentine's Day presents. A restaurant review that appeared in several Long Island, New York newspapers, e.g., "Three Village Times," Mineola, NY, mentions, in discussing the Piping Rock restaurant's wine list, that it offers a Simi Chardonnay. An article in "The Birmingham News" (Alabama) of August 23, 1995 reports on newsletters provided by wineries, and mentions the "Simi News."

There are a [\*26] few articles from national newspapers and magazines. In particular, the April 3, 1998 issue of "USA Today" features Simi Winery's chardonnay as a weekend wine choice, while the May 10, 1996 issue of that paper has an article about places to stay and eat in Sonoma Country that lists Simi Winery as one of six wineries that can be visited. A Simi wine was also mentioned in a "Tasting Panel Report" in the October 1995 issue of "Bon Appetit."

In some of the articles, "Simi" or the Simi Winery receives only a brief mention. For example, an article in the May 14, 1998 "Atlanta Journal" discusses food and wines of summer, and in the penultimate paragraph includes a quote from Mary Evely, who is identified as heading "the food service program at Simi Winery in Healdsburg [sic], Calif." The last paragraph suggests that if one wants a dry rose, "try Simi's Rose or Cabernet Sauvignon or another labeled with the French term vin gris or the Italian term rosato." Another article, in the July 24, 1998 "Oxnard Star," discusses an auction party at which more than 80 wineries would be pouring samples, and Simi is mentioned in a list of eleven. The June 1995 "Wine Enthusiast" merely includes Simi [\*27] Reserve in a listing of 23 cabernets. n16

n16 Petitioner has also made of record an article from the April 2003 issue of "Wine & Spirits" that reports a survey of restauranteurs that asked them for the ten bestselling wines during the last three months of 2002. We give no weight to the results of this survey, since such results would be hearsay if we were to consider the article for the truth of the statements made therein.

Although there is no question that Simi Winery and SIMI wines have received some publicity through the years, we cannot conclude that this publicity, or petitioner's sales, advertising and use of the mark, has resulted in SIMI having

become a famous mark for wine. Melvin Dick, a partner in the largest wholesale distributor of wines and spirits in the world, and whose company has represented petitioner's brands for thirty years, could say only that the wine is "quite well known to people who appreciate fine wine." p. 20. Being quite well known to connoisseurs of fine wine is different from being famous to the wine-buying public.

After thoroughly reviewing all of the evidence, we find that it is insufficient to support a finding that SIMI is a famous mark [\*28] for wine. In view of the extreme deference that is accorded to a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, we think that it is the duty of a plaintiff asserting that its mark is famous to clearly prove it. Although wine connoisseurs may be well aware of the Simi Winery and the SIMI brand, the universe of wine purchasers in the United States is far larger than those who study wine guides or who are interested in reviews of the latest wine releases.

We do find, however, that the evidence submitted is sufficient to show that SIMI has achieved recognition as a mark for wine. Thus, any surname significance or geographic significance that might once have attached to the mark has long since disappeared, and SIMI must now be considered a distinctive mark for wine. n17 Moreover, respondent has not submitted any probative evidence of third-party use of SIMI marks. In this connection, we note the testimony of George Saati, respondent's president, that he had to adopt the domain name "www.mrsimi.com" because "simi" was taken. Mr. Saati did not provide any details of uses of "simi" as a [\*29] domain name, let alone as a trademark, and in particular he gave no information as to the goods or services with which such domain names or marks might be used. Thus, the record reflects no third-party use of SIMI as a trademark for goods or services related to those of petitioner.

n17 We take judicial notice that "Simi Valley" is a suburb of Los Angeles, located in Ventura County. See *The Columbia Gazetteer of North America* (c) 2000. The Board may take judicial notice of entries in dictionaries and other standard reference works. *In re Broyhill Furniture Industries Inc.*, 60 USPQ2d 1511, 1514 n. 4 (TTAB 2001).

Accordingly, we find that the factor of the strength of the mark favors petitioner, but not to the extent that it would if SIMI were a famous mark.

With respect to the factor of the channels of trade, all of respondent's identified goods are ordinary grocery items that may be sold in supermarkets and other retail grocery stores. We recognize that respondent currently exports all of its goods to Caribbean and Latin American countries, and does not sell to consumers in the United States. However, it is well established that the question of likelihood [\*30] of confusion in a proceeding such as this must be determined based on an analysis of the mark as applied to the goods and/or services recited in the respondent's registration vis-a-vis the goods and/or services recited in the petitioner's registration, rather than what the evidence shows the goods and/or services to be. See *Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987). Thus, we must deem respondent's goods to be sold in all appropriate channels for such products, including supermarkets and other grocery stores. As for petitioner's wine, the record shows that in a substantial number of states wine may also be sold in supermarkets and grocery stores.

As a result, we must deem both petitioner's identified wine and respondent's identified goods to be sold in the same channels of trade. At the same time, however, we recognize that a wide variety of goods are sold in supermarkets and grocery stores, and the mere fact that food products and wine may be sold in such stores does not necessarily establish that such goods are related. "Notwithstanding these common trade channels, it has often been stated that there [\*31] can be no per se' rule that all food products are related goods by nature or by virtue of their capability of being sold in the same food markets, (i.e., the modern supermarket environment with its enormous variety of food, cleaning, paper and other products stocked and offered for sale)." *Hi-Country Foods Corp. v. Hi Country Beef Jerky*, 4 USPQ2d 1169, 1171-72 (TTAB 1987). Therefore, unless, as discussed infra in connection with the specific goods in each registration, petitioner can show more of a connection in channels of trade than simply that the goods are all sold in supermarkets/grocery stores, this factor of the same trade channels favors petitioner only slightly.

As for conditions under which and buyers to whom sales are made, the consumers for petitioner's wine and respondent's various food products are the public at large. Although some of the purchasers of wine may be discriminating, wine is not such an expensive product that the public in general must be considered to be careful purchasers. Further, the grocery items identified in respondent's registrations are all rather inexpensive items that may be purchased without great deliberation. Thus, this factor [\*32] favors petitioner.

With respect to the factor of evidence of actual confusion, and the related factor of length of contemporaneous use without confusion, because respondent exports all of its goods, there has clearly been no opportunity for confusion to occur. Therefore, these factors are neutral.

We now turn to the individual registrations/classes that petitioner seeks to cancel. First we consider the registration for SIMI in stylized form for a variety of goods. We focus our analysis on the item "vinegar" which is included in the identification in that registration because likelihood of confusion must be found if the public is likely to be confused by use of respondent's mark on any of the items in the identification of goods. See *Tuxedo Monopoly, Inc. v. General Mills Fun Group*, 209 USPQ 986 (CCPA 1981).

Respondent's identification of "vinegar" would encompass "wine vinegar," which for several reasons must be considered related to petitioner's wine. First, because wine vinegar is made from wine, consumers are likely to believe that, if wine vinegar and wine are sold under the same or confusingly similar marks, both products emanate from the same source. Second, [\*33] Melvin Dick, a witness called by respondent, testified that olive oil and vinegar are both part of the fine wine experience, thereby suggesting that such goods are all related. Third, the fact that petitioner itself has sold wine vinegar (and olive oil) under the mark SIMI since prior to respondent's first use of the mark for these goods further supports Mr. Dick's statement, and also shows the relatedness of the goods. Fourth, petitioner has made of record third-party registrations which also establish that wine and vinegar are related goods. Third-party registrations which individually cover a number of different items and which are based on use in commerce serve to suggest that the listed goods and/or services are of a type which may emanate from a single source. See *In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783 (TTAB 1993).

At this point we must comment on the "approximately one hundred" (petitioner's main brief, p. 23) third-party registrations submitted by petitioner. Although petitioner quoted the language of Trostel in discussing these registrations, it ignored the requirement that the registrations must be based on use in commerce in order to be probative. [\*34] Our review of these registrations reveals that the vast majority are based on Section 44 of the Trademark Act, rather than on use in commerce. Of the registrations that are based on use in commerce, however, many do include both wine and vinegar in their identifications of goods. See, for example, Registration No. 2312053 for VIANSIA, No. 2297290 for CARMEL's CHOICE, No. 2203786 for CANARIO and design; No. 2130614 for FELICITAS and design, No. 2198757 for FATTORIA SAN LEONINO and design, No. 1828418 for IL FORNAIO, No. 1401427 for BADIA A COLTIBUONO and No. 1286155 for HONG MEI and design. These registrations are sufficient to demonstrate the relatedness of vinegar and wine. n18

n18 We note that some of the use-based registrations are in the nature of house marks or merchandising marks which cover a wide range of goods. Because of this, such registrations are of no probative value in demonstrating that all the goods listed therein are related, and we have not considered them in reaching our conclusion that vinegar and wine are related goods. See, for example, Registration No. 2601490 for AIOLI for goods and services in 8 classes, and including such varied goods as grass seeds, animal feed, cigarette holders, deer meat, ice cream and freight transportation of goods by means of train, truck, ship and air; Registration No. 2344538 for SYSCO for goods and services in 22 classes, including floor cleaner, insecticides, neon signs, elastic back supports, toilet paper and financial management services in the health care industry; and No. 1884513 for PEBBLE BEACH for goods and services in 9 classes, ranging from shampoo to photograph albums to plaques to golf putters to wine.

[\*35]

In addition to the relatedness of petitioner's wine and respondent's vinegar, petitioner also has shown that it has prior common law rights in SIMI for vinegar. Petitioner's vinegar and respondent's identified vinegar must be deemed to be legally identical goods. Although petitioner's common law rights in its mark for wine vinegar are limited to sales at its winery, consumers who have been exposed to SIMI wine vinegar at the SIMI winery visitor center and who then encounter wine vinegar under respondent's stylized SIMI mark in a grocery store are likely to assume that petitioner has expanded the trade channels for its goods, and is now selling its vinegar in retail stores.

This factor of the similarity of the goods favors petitioner.

As for the marks, although respondent's registration is for a stylized form of SIMI and petitioner's mark appears in standard character form, the words themselves are identical. Further, the protection accorded to petitioner for its standard character registration would include the slightly stylized version of SIMI that is respondent's mark. Accordingly, we find that petitioner's mark and respondent's mark are legally identical in appearance, and [\*36] identical in pronunciation, connotation and commercial impression. This factor favors petitioner.

As noted previously, respondent has asserted laches in connection with the du Pont factor of the market interface between the parties, as being indicative of a lack of confusion. Respondent bases this claim on the fact that, when respondent's then-application was published for opposition, petitioner obtained extensions of time to oppose, but did not actually file an opposition. Respondent asserts that the failure to file an opposition indicates that petitioner "surmised that no likelihood of confusion between its trademark and the then applicant's existed." Brief, p. 22. We disagree. Respondent has pointed to no case law that stands for the proposition that the failure to file an opposition, whether or not an extension to oppose had been filed, demonstrates that the potential opposer concluded that confusion was not likely. Moreover, petitioner filed its first request for an extension of time to oppose on October 14, 1999; the subject registration issued on September 26, 2000; and petitioner filed its petition to cancel on December 28, 2000. We cannot conclude from the very short [\*37] time that elapsed between these events that petitioner's decision to bring a cancellation proceeding rather than file an opposition shows that petitioner had previously determined that confusion was not likely, nor can we find that this decision by petitioner indicates a lack of confusion.

As for the remaining du Pont factors, to the extent that the parties have discussed them, they have merely reiterated the arguments that they made in connection with those du Pont factors we have previously discussed, and we will therefore not repeat them here.

The fundamental inquiry in the likelihood of confusion analysis goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks. See *Interstate Brands Corporation v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151 (CCPA 1978); *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). See also, *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997). Here, we find that the factors of the similarities of the marks and the similarities of the goods strongly favor petitioner. When [\*38] we also consider the other du Pont factors that favor petitioner, we have no doubt that respondent's use of its stylized SIMI mark for vinegar is likely to cause confusion with petitioner's SIMI mark for wine, as well as with its SIMI mark for wine vinegar. Accordingly, the petition to cancel Registration No. 2389146 is granted.

This brings us to a consideration of the petition to cancel Class 29 of respondent's registration for SIMI, in standard character form, for the goods identified as "food seasonings, namely, bouillon cubes containing meat/poultry/vegetable extracts."

As we have previously stated, there is no per se rule that all food products are related. There are clear differences between wine and bouillon cubes. They are made from different products and have different purposes. Petitioner asserts that petitioner's and respondent's goods are related because wine may be served with and/or paired with food, and may be used "as an ingredient in food recipes (as are condiments and seasonings)" brief, p. 14; and because condiments and seasonings are ingredients in mixed drinks, including wine-based mixed drinks. In making these arguments, petitioner has discussed respondent's [\*39] goods in general, using terms such as "condiments" and "seasonings" to refer to them,

rather than analyzing this factor in terms of the specific (and different) goods that are recited in the different registrations that petitioner seeks to cancel. Thus, petitioner has not pointed to any specific evidence regarding bouillon cubes and wine to support its argument that these goods are related.

Moreover, in our review of the extensive evidence submitted by petitioner, we have found nothing that discusses the pairing of wine and bouillon. Although there are menus from various wine dinners that show, for each course, the particular wine that goes with the dish for that course, the food items listed are for the prepared food, and they do not indicate that bouillon is an ingredient in the dish, let alone a featured ingredient. See, for example, the listing of The Bounty of Harvest dinner, scheduled for October 6, 2001, which describes the menu as including "roasted beef tenderloin with a mushroom-cabernet sauce and a terrine of autumn vegetables." The Vintner's Table Cookbook, written by petitioner's former executive chef Mary Evely, contains an exhaustive listing of food affinities for [\*40] particular wines. For example, the Sauvignon Blanc Profile lists herbs and spices such as cilantro, oregano and cumin; sauces such as citrus and vinaigrettes; cheese and nuts such as fresh goat cheese; seafood such as scallops and smoked fish; meat such as chicken; and vegetables and fruits such as artichokes and lettuces. It also has an equally detailed list of food/wine conflicts. However, in none of these pairings or conflicts does bouillon or bouillon cubes appear.

The best we can say is that some of the recipes appearing in The Vintner's Table Cookbook list broth or stock as an ingredient in a dish and also suggest the wine that may be served with it. For example, a recipe for white bean and sweet red pepper salad with fennel includes "5 cups vegetable stock or 1 can vegetable broth" (along with, inter alia, red onion, basil, bay leaf and lemon juice), and states that it matches with the texture of Chardonnay.

We also note that some recipes in The Vintner's Table Cookbook and on petitioner's sister company's website include, as ingredients, wine and broth or stock. For example, a recipe for risi e bisi lists "fresh chicken broth or canned low-salt chicken broth" and [\*41] Sauvignon Blanc (along with, inter alia, chopped onion, unsalted butter, prosciutto and green peas); a recipe for salmon steaks with saffron-onion sauce includes "unsalted chicken stock or reduced-salt chicken stock" and Chardonnay (along with, inter alia, bacon, chervil leaves and saffron).

Aside from the fact that these recipes do not call for the actual goods, bouillon cubes, that are identified in respondent's registration, the inclusion of broth or stock as a minor ingredient in a recipe that also calls for wine, or in a dish that may be served with wine, is not a sufficient basis to show that bouillon cubes and wine are related goods. Certainly petitioner has not shown that bouillon cubes and wine are complementary goods, or have complementary uses. See *In re Mars, Inc.*, 741 F.2d 395, 222 USPQ 938 (Fed. Cir. 1984) (no confusion found between CANYON for candy bars and CANYON for fresh citrus fruit).

Petitioner has also submitted recipes for 118 mixed drinks, taken from The New American Bartender's Guide. After an exhaustive review of these recipes, we could find none that includes wine and bouillon as ingredients for the same drink. In fact, there are only [\*42] a few drink recipes that contain bouillon, namely, the Bull Roar, which contains beef bouillon, beef consomme or beef broth, along with vodka, Bovril beef extract, Tabasco sauce, A-1 sauce, Worcestershire sauce, and white pepper; the Bull Shot, which contains, inter alia, beef consomme or beef bouillon and vodka; the Gazpacho Macho, which contains, inter alia, beef bouillon, vodka or tequila, and gazpacho soup; the Creole Cup, which contains, inter alia, rum and beef bouillon or consomme; the Beef and Bourbon, with bourbon and beef consomme or bouillon; the Celtic Bull, with Irish whiskey and beef consomme or bouillon; El Toro Sangriento, with tequila and beef consomme or bouillon; the Steaming Bull, with tequila and beef consomme or bouillon; and two variations of the Bloody Mary (Bloody Bull with beef bouillon; Cock n' Bull Shot with chicken consomme and beef bouillon). Many of these drinks appear to have the same recipe, with the exception of the primary liquor ingredient.

Petitioner argues that "any person making mixed drinks at home and any bartender will necessarily require many of the same ingredients as those recited in the registrations which are the subject of this proceeding. [\*43] " Brief, p. 18. We disagree. The guide from which these recipes are taken appears to contain any recipe that one might think of for a mixed drink, including many that are quite exotic. It is not evident to us that ordinary consumers making mixed drinks at home, and even most bartenders, would be aware of these oddly named drinks and their ingredients. More

importantly, the fact that a particular ingredient might be used in an alcoholic drink that does not contain wine does not demonstrate that the ingredient and wine are related goods, any more than two different ingredients, used for different recipes, would be related simply because they both might be found in the same kitchen.

Petitioner has also submitted evidence from various food-oriented magazines to show that different food items and wine are advertised in the same magazines. However, petitioner has not pointed to any advertisements in these submissions for bouillon or bouillon cubes. Similarly, the evidence regarding gift baskets that contain wine along with other ingredients (thereby showing that the goods are sold not just in the same channels of trade, but together), does not indicate that bouillon is included among the [\*44] contents. See summary of ingredients at p. 21 of petitioner's brief.

Finally, after thoroughly reviewing the third-party registrations, of those that we consider probative (see discussion, supra), the only ones that include both wine and broth are Registration No. 2203786 for CANARIO and design (beef broth, chicken broth and vegetable broth) and Registration No. 2648516 for a stylized D (broths, chowders, soups, vegetable and beef stocks). However, the latter registration is owned by Draeger's Super Markets and may be a house mark; the identification also includes "cooking schools."

There are five registrations that list "beef extract," and respondent's bouillon cubes are identified, in part, as containing meat extracts. Of these registrations, two are owned by a single entity (Cipriani Group, Inc.). The remaining three registrations were all filed by foreign companies. One of the registrations, No. 2273272 for SEREGO ALIGHIERI in Classes 29, 30 and 33, appears to identify the goods by class headings. n19 Two registrations, No. 2104535 for MARCHESI INCISA DELLA ROCCHETTA and No. 2237004 for DEMEL and design, were originally filed under Section 44 of the Act, and subsequently [\*45] amended to claim use in commerce. The MARCHESI registration, in particular, appears to use class headings as the identification of goods, and includes, inter alia, grass seeds, dried plants, animals and animal food stuffs, meat, fish, poultry, game, meat extracts, jellies, tea, cocoa and treacle. Such registrations, which cover such a wide range of goods, are of little probative value in demonstrating that all the goods listed therein are related.

n19 For example, the goods in Class 29 are identified as "meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and dairy products excluding ice cream, ice milk and frozen yogurt; edible oils and fats."

In short, there are too few third-party registrations which have probative value for us to conclude that wine and bouillon cubes are likely to emanate from a single source under a single mark.

Thus, after a thorough review of the evidence submitted by petitioner to show that wine and bouillon cubes are related, we find that petitioner has failed to establish this point. There is simply no basis on which we can conclude that consumers would expect [\*46] that bouillon cubes would emanate from the same source as wine, even if they were sold under the same or confusingly similar marks. The factor of the similarity or dissimilarity of the goods strongly favors respondent.

As previously noted, in the likelihood of confusion analysis two key considerations are the similarities between the marks and the similarities between the goods and/or services. Because petitioner has failed to show that the goods are related, it cannot prevail, despite the fact that the marks are identical, and despite the other du Pont factors that favor petitioner. The petition to cancel Class 29 of Registration No. 2219750 (Cancellation action No. 92031877) is dismissed.

Petitioner is also attempting to cancel Class 32 of Registration No. 2219750 for SIMI in standard character form, for goods identified as "beverages, namely, powdered soft drink mix." However, again we find the evidence submitted by petitioner woefully lacking in terms of demonstrating that wine and powdered soft drink mix are related. Petitioner has pointed to no alcoholic beverage recipes which include both wine and powdered soft drink mix. Indeed, we have found no beverage recipes whatsoever [\*47] that call for powdered soft drink mix. (We point out that respondent's

identification is limited to powdered soft drink mix; therefore, the use of carbonated soft drinks, such as mixers, in alcoholic beverages has no relevance here.) Nor has petitioner identified any recipes for food in which wine and powdered soft drink mix are ingredients, or any reference to pairing wine with powdered soft drink mix or with foods or drinks containing powdered soft drink mix. Further, we have not found, in the materials submitted, any evidence that powdered soft drink mix is included in gift baskets that also contain wine.

Of the probative third-party registrations, we have found two (for SUN MAID and for a design mark), both owned by Sun-Maid Growers of California, that originally listed, inter alia, wines and soft drinks. USPTO records show that, as a result of that registrant's filing its Section 8 affidavits of use, wines and soft drinks have been deleted from those registrations. There is also a registration, No. 1553878 for SPORTSERVICE, that includes "soft drinks" and wines. However, this registration also is for, inter alia, hamburger sandwiches, french fries, management services rendered [\*48] to owners of bowling alleys, race tracks, theaters and baseball stadia, and retail store services in the fields of bait, tackle, fuel, groceries and animal feed. It appears from the identification that the registrant offers soft drinks in the context of snack bar food services. In any event, "soft drinks" is not the same as powdered soft drink mix, and even if we were to consider all three registrations as being for substantially the same goods as respondent's, the limited number, representing only two entities, is not sufficient to demonstrate that wine and powdered soft drink mix emanate from the same source. n20

n20 There is one other use-based registration that includes non-carbonated soft drinks, Registration No. 2250314 for INSTA-HEAT. However, this registration does not include "wines" per se. Although it includes sake, which is a rice wine, and hard cider, which is alcoholic, we do not view this registration as demonstrating that wine and powdered soft drink mix emanate from a single source. The registration covers not only food items, but also cold and flu medicines and infant formula. Further, we note that the mark suggests something that is heated, and all of the goods listed in the registration are products that can or should be served warm.

[\*49]

Petitioner has pointed to certain cases which it contends support its position that wine and powdered soft drink mix are related goods. In its discussion of *Bongrain International (American) Corporation v. Moquet Ltd.*, 230 USPQ 626 (TTAB 1986), petitioner states that "it is a matter of common knowledge that wine and soft drinks and coffee (often served with sugar) and tea (often served with honey) are served at many of the same social occasions and at the same meal, and that desert [sic] wines are often served with deserts [sic] such as pastries." Brief, p. 24. This quote appears to be petitioner's; all that was said in *Bongrain* was "it is a matter of common knowledge that wine and cheese are often served together at parties."

We find it somewhat ironic that petitioner essentially asks us to take judicial notice that wine and soft drinks are served at the same social occasions and at the same meal, when petitioner objected to respondent's reference, without evidentiary support, to Simi Valley, California, even though the existence of a geographic place is a suitable subject for judicial notice. Whether or not wine and soft drinks might be served at the same [\*50] social occasions, there is no evidence that either powdered soft drink mix or soft drinks made from such a mix and wine are served at the same social occasions or meals. Nor do we think that this is a matter of common knowledge, such that we can take judicial notice of it. n21

n21 See *Bongrain*, *supra* at 628, n. 4, "Opposer, in addition to relying on its affidavit, has also requested that we take judicial notice of the facts that wine and cheese are both sold through gourmet stores and supermarkets; that they are often purchased in the same shopping trip by consumers; and that they are often consumed at the same social event. We agree with applicant, who has objected to the request, that the shopping patterns of purchasers and the channels of trade of particular goods are factual questions which are appropriately established through the introduction of evidence rather than by judicial notice."

Petitioner also relies on *General Foods Corporation v. Monarch Wine Company of Georgia*, 142 USPQ 521 (TTAB 1964). However, this case has no precedential value. It was published only in digest form, and does not indicate the

facts on which the determination [\*51] was based. See *General Mills Inc. v. Health Valley Foods*, 24 USPQ2d 1270, n. 9 (TTAB 1992); *In re American Olean Tile Co.*, 1 USPQ2d 1823 (TTAB 1986); and TBMP § 101.03 (2d ed. rev. 2004).

As for the other cases cited by petitioner in which confusion was found between wine and sodas or fruit juice and wine because sodas and fruit juices could be used as mixers, these cases are distinguishable because there is no evidence that powdered soft drink mix is used as a "mixer" with wine or other alcoholic beverages. Moreover, in the case of *In re Jakob Demmer KG*, 219 USPQ 1199 (TTAB 1983), in which confusion was found between GOLDEN HARVEST for apple cider and for wine, there are the additional distinguishable factors that apple cider can be sold in alcoholic as well as non-alcoholic form, and apple juice can be used to make wine.

However, one point made in *Jakob Demmer* is applicable here, and that is the principle that "there is and should be no per se rule that alcoholic and non-alcoholic beverages are related products." *Id. at 1201*. We add that the mere fact that both petitioner's and respondent's goods can loosely be described [\*52] as beverages is not a sufficient basis on which to find that they are related. See *UMC Industries, Inc. v. UMC Electronics Co.*, 207 USPQ 861 (TTAB 1980), and cases cited therein.

In view of petitioner's failure to demonstrate the relatedness of wine and soft drink beverage mix, as with the petition to cancel Class 29 of Registration No. 2219750, we find that there is no likelihood of confusion with respect to respondent's use of SIMI for its Class 32 goods, despite the fact that the marks are identical, and despite the other du Pont factors that favor petitioner. Consequently, Cancellation action No. 92030168 is dismissed.

The next registration which petitioner seeks to cancel is Registration No. 2220628 for SIMI DOCTOR for baking soda. Here, again, petitioner has utterly failed to show that the parties' goods are related. In fact, petitioner has pointed to no recipes in which baking soda is even used as an ingredient, or to any third-party registrations which even include baking soda and wine, or any gift baskets which contain baking soda as well as wine. Nor is there any other evidence from which we can conclude that baking soda and wine are complementary products, [\*53] or that consumers would expect them to emanate from a single source. Petitioner has not even argued in its brief how baking soda might be related to wine.

Petitioner has, however, asked that the Board take "judicial notice of the fact that baking soda has long been used and prescribed for many matters, perhaps best known being, cleansing, odor removal, and protection from chaffing [sic] and rash." Brief, p. 11. Again, we find it ironic that petitioner would ask us to take judicial notice of this, when it objected to respondent's mention of Simi Valley in its brief. We decline to take judicial notice of this so-called fact; we do not believe that it is a matter of common knowledge that baking soda is prescribed or used in these manners. Even if we were to take such notice, however, non-food uses of baking soda such as cleansing and rash protection make the product even more dissimilar to wine.

Because on this record we must find that the goods are not related, even use of the same or a confusingly similar mark for both products would not be likely to cause confusion. But here the marks are not confusingly similar. Petitioner's mark is SIMI; respondent's mark is SIMI DOCTOR. The [\*54] word DOCTOR in respondent's mark is a somewhat strange element and therefore noticeable and eye-catching, and its presence creates a mark that is distinctively different from SIMI in appearance, pronunciation, connotation and commercial impression. n22

n22 Petitioner had argued that, because baking soda has health care uses, the additional element DOCTOR in respondent's mark is suggestive and entitled to less weight in the comparison of the marks. Even if we were to accept petitioner's contention that baking soda has cleansing and anti-chafing applications, the term DOCTOR in respondent's mark actually emphasizes the differences in the goods, in that DOCTOR suggests the non-food uses of baking soda. Moreover, this suggestive meaning of DOCTOR (a connotation that is totally lacking in SIMI per se) causes SIMI DOCTOR to differ significantly from SIMI in connotation and commercial impression.

After weighing all the relevant du Pont factors, we find that petitioner has failed to prove that SIMI DOCTOR for

baking soda is likely to cause confusion with SIMI for wine (or for any of the goods for which petitioner has common law rights). The petition to cancel Registration No. [\*55] 2220628 is dismissed.

The final registration that petitioner seeks to cancel is Registration No. 2226361 for SIMI TI MOTO for seasonings. Turning first to the goods, respondent's goods are broadly identified as "seasonings." According to the testimony of Mr. Saati and the exhibits introduced therewith, the actual item on which respondent uses the mark is MSG. However, because the identification is not so limited, we must view the registration as encompassing spices, including salt and pepper.

A review of the evidence shows that spices may be used in the same recipes in which wine is used, or may be used to make meals with which wine is served. The "food affinities" section of *The Vintner's Table Cookbook* even lists spices that go well with particular types of wine, e.g., white pepper is a food affinity of chardonnay; cinnamon is a food affinity of rose and blush wines. Clearly, spices and wine may be used in cooking the same recipes, and wine may be served at a meal in which spices are ingredients of the food. However, spices are used so universally in cooking that we cannot conclude the goods are related simply because of this.

As noted previously, petitioner has made of record [\*56] excerpts from magazines that show advertisements for food items and advertisements for wine appear in the same publication. The only advertisement that we have found that is arguably for a seasoning is one for Tabasco sauce in the May 2003 issue of "Food & Wine" magazine, Exhibit 5 to petitioner's third notice of reliance. (The term "seasonings," as that identification is interpreted, does not include sauces or condiments.) A single advertisement for Tabasco sauce that appears in a magazine in which advertisements for wine appear elsewhere is not sufficient to demonstrate that seasonings and wine are related goods. n23

n23 On the other hand, a single advertisement in which two products are advertised together, such as the one in the May 2003 issue of "The Soul of Mexico" (Exhibit 9 to petitioner's third notice of reliance), in which Dannon yogurt and Dole pineapple chunks are advertised together, would have some probative value to show relatedness of goods.

There is also an article entitled "What Do You Drink with Curry?" from the September 2001 issue of "Bon Appetit" (Exhibit 3 to petitioner's third notice of reliance); it discusses wine pairings with dishes from non-European [\*57] cuisines, as well as from Greek cuisine. Two pages of the article are missing, but the portion that is available discusses such things as a particular restaurant's "signature dressing, a lively combination of lemon, olive oil, oregano, garlic, salt and pepper" and mentions a "crisp, lemon-and-mineral-tinged white wine from Boutari" that the restaurant's general manager would recommend with it. Again, the mere fact that wine may be chosen so that it would work well with a food that is made with particular spices is not sufficient to show that consumers would assume that wine and seasoning would emanate from the same source.

With respect to the third-party registrations, we have already pointed out that most do not have any or have very little probative value. n24 The registrations that include both wine and spices or seasoning are quite limited: Registration No. 2672670 for VILLA PANDOLFELLI and design (inter alia, wine and seasonings); Registration No. 2203786 for CANARIO and design (inter alia, wine, seasoning and minced garlic); Registration No. 1286155 for HONG MEI and design (inter alia, wines, table salt and MSG) and two registrations, discussed supra, owned by Cipriani [\*58] Group, Inc., for CIPRIANI FOOD and for a design mark and covering a range of food products, including, inter alia, "meat extracts; preserved dried and cooked fruits and vegetables; jellies; jams; eggs, milk, and other dairy products (excluding ice cream, ice milk and frozen yogurt), edible oils and fats; fruit preserves, pickles" in addition to pepper and spices. There is also a registration, No. 1383865 for LA TASTE, but it covers, in addition to food items including spices and wine, bath oil, toilet water and shampoo. Because of the range of goods in the latter registration, it is of little probative value in demonstrating that all the goods listed therein are related. All in all, we cannot conclude from the limited number of third-party registrations that it is common for parties to sell both wine and spices, and to sell them under a single mark.

n24 See footnote 18; the discussion supra at p. 38 regarding Registration Nos. 2273272 for SEREGO ALIGHIERI, 2104535 for MARCHESI INCISA DELLA ROCCHETTA and 2237004 for DEMEL and design; the discussion supra at 40 regarding Registration No. 1553878 for SPORTSERVICE (which includes salt and pepper in addition to, inter alia, hamburger sandwiches, managing food, beverage, program distribution, and vending machine rental services and photographic services).

[\*59]

Petitioner has submitted 38 pages from Internet websites (exhibit 4 to Fondiller dep.) with advertising/ordering information for a large number of gift baskets that contain wine, along with other goods such as cheese, wine glasses, crackers, candy, cookies and smoked almonds. After a thorough review of all of the items listed in the various gift baskets, we have found only two that include what can be characterized as wine and seasonings: "The Chef's Bowl" lists sherry, garlic paste and "Flavor Bank Pepper Royale" along with, inter alia, pasta sauce, olive oil, tomato paste, romano cheese and a chocolate bar; "That's a Italian!" contains Italian wine and a jar of minced garlic along with, inter alia, marinara sauce, olive oil and candy. This very limited number of baskets in which spices are included along with wine is not sufficient for us to conclude that spices and wine would be viewed as complementary products.

Thus, after reviewing all the evidence of record, we are hard pressed to find that wine and seasonings are related. Moreover, to the extent that this factor slightly favors petitioner, it is far outweighed by the differences in the marks, as discussed below.

As previously [\*60] noted, the registration includes a statement that "The English translation of the Patois term ti' is little.' The English translation of the Indonesian term moto' is seasoning." Our analysis of the similarity of the marks must therefore take into consideration the doctrine of foreign equivalents, in which foreign words from common languages are translated into English to determine their degree of confusing similarity to English word marks. See *In re Ness & Co.*, 18 USPQ2d 1815 (TTAB 1991). Respondent's mark presents a somewhat unusual situation, however, because it consists of words in two different "languages," Indonesian and Patois. We take judicial notice that "patois" is defined both as "any subliterate regional French dialect" and "any regional dialect." n25 If we view TI as being a word in a French dialect, someone who speaks Indonesian is not likely to understand the TI portion of the mark, and would view the mark as the arbitrary words SIMI TI with the generic term for "seasoning" appended to it. For such Indonesian-speaking consumers, such a mark has a very different connotation and commercial impression from SIMI per se. However, if the "any regional dialect" [\*61] definition of Patois applies, TI could be considered a word in a regional Indonesian dialect. If such consumers did not also speak Indonesian, they would see the mark as composed of the arbitrary terms SIMI and MOTO, and perhaps would view TI as meaning "little" or, more likely, would not ascribe any meaning to TI because it is in the middle of, to them, two "nonsense" words. Only a consumer who speaks both Indonesian and this Indonesian Patois is likely to understand the mark as meaning SIMI LITTLE SEASONING, and even this is somewhat questionable, since it is unclear whether such a consumer would realize that two words from different languages/dialects were being combined in a single mark.

n25 The American Heritage Dictionary of the English Language, (c) 1970. The Board may take judicial notice of dictionary definitions. *University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co., Inc.*, 213 USPQ 594 (TTAB 1982), aff'd, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).

The difficulty in assessing the connotation or commercial impression of respondent's mark is that, based on this record, we do not know whether Indonesian speakers in the [\*62] United States would be aware of the Patois term TI or, for that matter, whether Patois speakers in the United States would be aware of the Indonesian word MOTO, or whether those who understand both languages would treat the mark as being a combination of languages and view it as "SIMI LITTLE SEASONING."

In view of this uncertainty, we cannot say that SIMI and SIMI TI MOTO convey the same connotations and commercial impressions. Certainly the marks are different in appearance and pronunciation, with the TI portion of respondent's mark presenting a rhyming aspect with the SIMI portion that is totally absent in SIMI per se.

Moreover, the du Pont factor of "the extent of potential confusion, i.e., whether de minimis or substantial" is applicable to this situation, in that it would appear that a very small number of consumers in the United States would be familiar with both the Indonesian language and the Patois dialect in which TI is a word. This factor favors respondent.

As for consumers in the United States who are unfamiliar with either the Indonesian word "MOTO" or the Patois term "TI," SIMI TI MOTO differs significantly from SIMI in appearance, sound, connotation and commercial [\*63] impression. Although respondent's mark does contain the element SIMI, the terms TI and MOTO change the impression of the mark. Not only does the element TI add a rhyming component to SIMI, but MOTO, with its two consonants each followed by the same vowel, mimics the structure of the initial element SIMI. As a result, SIMI TI MOTO will be viewed as a unitary mark, rather than as SIMI with other elements added to it. Thus, the factor of the similarity or dissimilarity of the marks favors respondent.

Accordingly, after considering all of the applicable du Pont factors, we find that petitioner has failed to prove that SIMI TI MOTO for seasoning is likely to cause confusion with petitioner's mark SIMI for wine.

**Legal Topics:**

For related research and practice materials, see the following legal topics:

Trademark LawLikelihood of ConfusionConsumer ConfusionCircuit Court FactorsFederal Circuit CourtTrademark LawProtection of RightsGeneral OverviewTrademark LawU.S. Trademark Trial & Appeal Board ProceedingsGeneral Overview

**GRAPHIC:**

Illustration 1, no caption

# EXHIBIT 3



LEXSEE 2008 TTAB LEXIS 56

Sierra Sunrise Vineyards v. MontelvinI S.P.A.

Cancellation No. 92048154

Trademark Trial and Appeal Board

*2008 TTAB LEXIS 56*

September 10, 2008, Decided

**JUDGES:** [\*1]

Before Hohein, Zervas and Bergsman, Administrative Trademark Judges.

**OPINION:**

**THIS DISPOSITION IS NOT AS PRECEDENT OF THE T.T.A.B.**

By the Board:

On September 20, 2007, petitioner filed a petition to cancel respondent's registration for the mark displayed below

[SEE ILLUSTRATION IN ORIGINAL]

for "wines, spirits and liqueurs" in International Class 33. n1 Petitioner seeks to cancel respondent's registration on the ground that respondent was not using its mark on all the goods listed in its registration at the time it filed its combined Section 8 and 15 affidavit on September 8, 2005, and therefore fraudulently deceived the USPTO into maintaining its registration. In the petition to cancel, petitioner alleges ownership of the registered mark MONTEVINA for "wine" in International Class 33, and that it has been selling wine in the United States under the mark beginning in 1974. n2 Respondent, in its amended answer, denied the salient allegations therein, and asserted various affirmative defenses.

n1 Registration No. 2293853, issued on November 23, 1999; combined Section 8 and 15 affidavit acknowledged and accepted on November 3, 2005. The underlying application was originally filed under *Section 44(d)* of the Trademark Act based on Community Trademark Application No. 237,073 (filed April 19, 1996 in Italy) and was subsequently amended to *Section 44(e)* based on Foreign Registration No. 237,073.

[\*2]

n2 Registration No. 1853780, issued on September 13, 1994, alleging July 1, 1974 as the date of first use of the mark anywhere and December 1, 1974 as the date of first use of the mark in commerce.

This case now comes before the Board for consideration of (1) respondent's combined motion for summary judgment n3 on petitioner's claim of fraud and motion to amend the identification of goods in its registration, and (2) petitioner's cross-motion for summary judgment. The motions are fully briefed.

n3 Although respondent captioned its motion as a motion to dismiss, insofar as respondent has submitted matters outside of the pleadings and petitioner has construed respondent's motion as one for summary judgment, the Board is treating the motion as one for summary judgment as well. See TBMP § 504.03 (2d ed. rev. 2004).

For the reasons set forth below, petitioner's cross-motion for summary judgment is granted, and respondent's [\*3] combined motion to amend its registration and for summary judgment is denied. n4

n4 To the extent respondent has moved to dismiss this proceeding on the grounds that petitioner lacked the requisite standing to bring this case, respondent's motion is denied. A party may properly plead its standing to petition to cancel a registration by alleging that it has a "real interest" in the case, that is, a personal interest in the outcome of the proceeding sufficient to constitute a "reasonable basis for its belief in damage." *See Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999). Petitioner, in its complaint, has pleaded ownership of a federal registration for a similar mark for use on identical goods (wine). We find this pleading suffices to allege standing to bring this case. *See Liberty Trouser Co. v. Liberty & Co.*, 222 USPQ 357 (TTAB 1983).

Respondent has moved for summary judgment, arguing that the statements made in connection with its combined Section 8 and [\*4] 15 affidavit were not false, and that it lacked the requisite intent to commit fraud. Petitioner, relying on *Medinol Ltd. v. Neuro Vasx Inc.*, 67 USPQ2d 1205 (TTAB 2003) ("Medinol"), has cross moved for summary judgment on its claim of fraud, contending that respondent knew or should have known that it was not using its mark on "spirits and liqueurs" at the time it filed its combined Section 8 and 15 affidavit on September 8, 2005.

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. *See Fed. R. Civ. P. 56(c)*. A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S.Ct. 2548, 91 L. Ed. 2d 265 (1986). The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine issues of material fact exist, and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most [\*5] favorable to the nonmoving party. *See Opryland USA, Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

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 post registration document. *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*, 186 Fed. Appx. 1005, 77 USPQ2d 1917 (TTAB 2006); *Medinol*, 67 USPQ2d at 1208. A party making a fraud claim is under a heavy burden because fraud must be proved by clear and convincing evidence, leaving nothing to speculation, conjecture, or surmise. Any doubt must be resolved against the party making the claim. *Smith International, Inc. v. Olin Corp.*, 209 USPQ 1033 (TTAB 1981).

Based on the submissions of the parties, we find that petitioner has met its burden of demonstrating that there are no genuine issues of material fact that respondent was [\*6] not using its mark on "liqueurs" at the time it filed its

combined Section 8 and 15 affidavit on September 8, 2005, and that petitioner is entitled to judgment as a matter of law on its fraud claim. n5 We further find that respondent has failed to raise a genuine issue of material fact as to the veracity of the statements it made in its combined Section 8 and 15 affidavit, as well as its intent to deceive the USPTO.

n5 Our finding of fraud is specifically limited to false statements of use with regard to "liqueurs" and not "spirits." We find that a genuine issue of material fact exists with regard to whether respondent's allegation of use of its mark in connection with "spirits" in its combined Section 8 and 15 affidavit was indeed false. See Paragraph 13, Declaration of Mr. Armando Serena, President of respondent, ("Serena Declaration")("[respondent] has made minimal sales of grappa in the United States from 1999 through the date of this declaration").

It is undisputed by the parties that "limoncello" is the only "liqueur" at issue in this case. "Limoncello" is defined as "[a]n Italian *liqueur* made by steeping lemon peels in alcohol and adding a sugar syrup." (emphasis added). See *Webster's New World Dictionary of Culinary Arts* (2nd ed. 2001). By contrast, "grappa" does not fall within the category of a "liqueur" but rather a "spirit." See *Random House Webster's Unabridged Dictionary* (2nd ed. 2001) wherein "grappa" is defined as "an unaged brandy, originally from Italy, distilled from the pomace of a wine press," and "brandy" is defined as "a *spirit* distilled from wine or from the fermented juice of grapes or of apples, peaches, plums etc." (emphasis added). See, e.g., *Marcal Paper Mills, Inc. v. American Can Co.*, 212 USPQ 852, 860 n.7 (TTAB 1981) (the Board may take judicial notice of dictionary definitions).

[\*7]

#### A. Materiality

It is well established that statements regarding the use of a mark on the identified goods and/or services are material to the issuance or maintenance of a registration. *First International Services Corp. v. Chuckles Inc.*, 5 USPQ2d 1628 (TTAB 1988) ("We find that applicant committed fraud in its statement regarding the use of the mark on goods for which it only intended to use the mark. There is no question that this statement was material to the approval of the application by the Examining Attorney"); see also *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 186 Fed. Appx. 1005, 77 USPQ2d 1917 (TTAB 2006) (applicant's counterclaim petition to cancel granted because of fraud by opposer in procuring its pleaded registrations, specifically, fraud found because of misrepresentations regarding extent of use of the marks on the goods identified in the applications which resulted in issuance of opposer's pleaded registrations); *Medinol*, 67 USPQ2d at 1208 ("There is no question that the statement of use would not have been accepted nor would registration have issued but for respondent's misrepresentation, since the USPTO [\*8] will not issue a registration covering goods upon which the mark has not been used").

It is undisputed that a material misrepresentation of fact with regard to use of respondent's registered mark on particular goods was made and sworn to by respondent, and that statement was relied upon by the USPTO in determining respondent's rights to maintain its Section 44(e) registration. Specifically, respondent's combined Section 8 and 15 affidavit clearly states that its MONTELVINI VENEGAZZU mark was in use in commerce on all the goods listed in the registration, including "liqueurs." Respondent's registration for "liqueurs" would not have been maintained but for respondent's statement in its Section 8 and 15 affidavit regarding use of its mark on all of the goods identified in its registration. As such, the allegations made in respondent's combined affidavit regarding use of its mark in connection with "liqueurs" were material.

#### B. False Statements

Next, we note that there is no genuine issue of material fact that the allegations made in the combined Section 8 and 15 affidavit with regard to "liqueurs" were indeed false. Respondent has admitted that it has never sold or shipped

liqueurs [\*9] under its registered mark in the United States. n6 *See* Petitioner's Requests for Admission, Admission No. 2. According to the declaration of Mr. Armando Serena, President of respondent, ("Serena Declaration") Paragraph No. 13:

Despite past and present efforts, Montelvini has not consummated any sales of limoncello in the United States.

Thus, it is undisputed that the statement in respondent's Section 8 and 15 affidavit made on September 5, 2005 that the MONTELVINI VENEGAZZUE mark was in use in interstate commerce on all of the goods listed in the registration, including liqueurs, was false.

n6 Insofar as respondent's registration issued under *Section 44(e)*, no actual use of the mark was required prior to the date of registration (November 23, 1999).

Respondent's advertising and marketing efforts of liqueurs does not create a genuine issue of material fact as to the veracity of respondent's allegation of use made in its combined Section 8 and 15 affidavit. Although respondent attempted [\*10] to sell liqueurs in the United States as evidenced by its 2003, 2004, and 2006 advertising, it was unsuccessful. Such advertising (*e.g.* web sites and price lists) does not create a genuine issue of fact, because mere advertising does not constitute technical trademark use. n7 Technical trademark use occurs when the mark is applied to goods that are sold in commerce. In this case, because no liqueurs were ever sold in the United States, technical trademark use could not take place. Respondent therefore has failed to sustain its burden of proof on summary judgment by showing that there is no genuine issue of material fact that the statements made by respondent in its combined Sections 8 and 15 affidavit in 2005 were truthful.

n7 We also find that in this particular case, such advertising also fails to rise to the level of analogous trademark use. *See T.A.B. Systems v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879 (Fed. Cir. 1996), *vacating PacTel Teletrac v. T.A.B. Systems*, 32 USPQ2d 1668 (TTAB 1994).

[\*11]

### C. Intent

Finally, there is no genuine issue of material fact that respondent knew or should have known at the time it filed its Section 8 and 15 affidavit that its allegations of use were false. As *Medinol* makes clear, "proof of specific intent is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false." *Medinol*, 67 USPQ2d at 1209 (quoting *General Car and Truck Leasing Systems, Inc. v. General Rent-A-Car Inc.*, 17 USPQ2d 1398, 1400-01, (S.D. Fla. 1990), *aff'g General Rent-A-Car Inc. v. General Leaseways, Inc.*, Canc. No. 14,870 (TTAB May 2, 1998). 17 USPQ2d at 1400-1401). "The appropriate inquiry is ... not into respondent's subjective intent, but rather objective manifestations of that intent." *Id.*

Respondent attempts to raise a genuine issue of material fact as to its intent by blaming its false statement on a misunderstanding between itself and its U.S. and Italian trademark counsel. Prior to the filing of the affidavit, respondent's U.S. counsel wrote the following letter to respondent's Italian [\*12] counsel to advise of the need to file a combined affidavit of use and incontestability in order to maintain the registration. The relevant text of the letter is as follows:

At your earliest convenience, please advise us as to the following:

1. Whether the above-referenced mark is still in use in the U.S. in connection with the goods listed in the Certificate of Registration.
2. Whether the mark has been in continuous use in the U.S. for the five years since registration.
3. If the mark is still in use, whether your client would like us to prepare the combined Declaration of Use and Incontestability Under *Section 8 & 15* to avoid cancellation of the registration.

If you would like us to proceed, please forward two specimens of the mark as currently used in the U.S. in connection with the goods. Product labels, packaging, or a photograph in which the mark is clearly displayed on the goods or packaging would probably be acceptable.

Respondent has argued at page 13 of its motion for summary judgment that "[w]hile the correspondence between the American counsel, Mr. DeBarba and Montelvini does not demonstrate any specific errors or miscommunications, there [\*13] was a failure on the part of the Italians to appreciate the USPTO's requirement to demonstrate specific actual use of the mark on each of the various goods contained within the larger class." n8 Respondent further maintains that had its legal counsel done so, it would have responded that respondent "had not made any successful sales of limoncello and only minimal sales of grappa, which might have led to further discussions between" respondent's U.S. and Italian legal counsel. Serena Declaration, Paragraph No. 16.

n8 Trademark *Rule 2.161(g)* provides that the *Section 8* declarant or affiant must "[i]nclude a specimen showing current use of the mark for each class of goods or services, unless excusable nonuse is claimed under § 2.161(f)(2)."

We are not persuaded by respondent's arguments. Respondent had an obligation to work with its legal counsel to ensure that no false statements were made before the USPTO. See *Hachette Filipacchi Presse v. Elle Belle, LLC 85 USPQ2d 1090, 1094 (TTAB 2007)* [\*14] ("*Hachette*") (Board, in finding fraud, stated "[i]nasmuch as counsel represented respondent during the application process, respondent and its attorney shared the duty to ensure the accuracy of the application and the truth of its statements."). Clearly, respondent should have known that its allegation of use of its registered mark in connection with "liqueurs" in U.S interstate commerce was false.

Respondent suggests that language and cultural differences in the U.S. and European viewpoint of wine in relation to other alcoholic beverages contributed to the submission of a false statement, thereby raising a genuine issue of material fact as to respondent's intent. We are not persuaded. In *Hachette*, the Board found that distinctions in language and culture did not negate a finding of fraud. As with the Board's analysis in *Hachette*, "respondent's president's misunderstanding in the case before us does not now shield respondent from our finding that it knew or should have known that a representation of fact in its application was false. [Respondent's president] was obligated to confirm the meaning and accuracy of the statements contained in the application before signing [\*15] the declaration and prior to submission to the USPTO." *Id. at 1094*.

Moreover, respondent's U.S. counsel inquired whether respondent was still using the mark "in connection with the goods listed in the Certificate of Registration." Counsel did not limit its inquiry to any of the goods listed in the registration. Assuming, as respondent does, that the inquiry by U.S. counsel is ambiguous, that ambiguity is even more reason for respondent to have made an inquiry.

Similarly, respondent's contention that it was confused by legal differences in U.S. and European trademark

practices is equally of no avail. Respondent, in signing its combined declaration and attesting to the truthfulness thereof, is under an obligation to investigate and thoroughly understand the applicable laws in the jurisdiction in which it is operating. As explained by the Board in *Hurley International LLC v. Volta*, 82 USPQ2d 1339, 1345 (TTAB 2007):

Although applicants held an "honest belief" that their use of a similar mark in commerce in Australia warranted their filing their application under *Section 1(a)* in the U.S., they were under an obligation to investigate thoroughly the [\*16] validity of such a belief before signing their application under certain penalties. Moreover, applicants' asserted misunderstanding regarding the meaning of "use in commerce" was not reasonable. At the time they filed their application, they knew they were seeking a registration for their mark in the United States. It was unreasonable for them to believe, however "honest" such a belief, that the term "use in commerce" on a trademark application in the United States meant anything other than use of the mark in commerce in or with the United States, or even that use in commerce in Australia was the legal equivalent of use in commerce in the United States.

Based on these undisputed facts, we find that respondent has failed to raise a genuine issue of material fact as to the intent element for fraud.

#### **D. Respondent's Motion to Amend**

Respondent, in an effort to defeat petitioner's fraud claim, has moved to amend its registration to delete "spirits and liqueurs" from the identification of goods. Previously in *Medinol*, the Board was confronted with this identical tactic and ruled that it was expressly prohibited:

[D]eletion of the goods upon which the mark has not [\*17] yet been used does not remedy an alleged fraud upon the Office. If fraud can be shown in the procurement of a registration, the entire resulting registration is void. Allowing respondent's amendment would be beside the point; even if "stents" were deleted from the registration, the question remains whether or not respondent committed fraud upon the Office in the procurement of its registration.

*Medinol*, 67 USPQ2d at 1208; see also *Hachette*, 85 USPQ2d at 1094-95 (amendment would not serve to cure fraud; motion to amend denied). As such, respondent's motion to amend is denied.

In view of the foregoing, judgment is hereby entered against respondent, the petition to cancel is granted and the involved registration will be cancelled in due course.

#### **Legal Topics:**

For related research and practice materials, see the following legal topics:  
 Trademark LawProtection of RightsRegistrationFraudulent RegistrationTrademark LawU.S. Trademark Trial & Appeal Board ProceedingsCancellationsGeneral OverviewTrademark LawU.S. Trademark Trial & Appeal Board ProceedingsOppositionsGeneral Overview

#### **GRAPHIC:**

Illustration, no caption

# EXHIBIT 4



LEXSEE 2004 TTAB LEXIS 333

Jimlar Corporation v. Montrexpport S.P.A., by change of juridical form from Montrexpport S.R.L. n1

n1 Evidence of the change of juridical form is recorded in the Assignment Branch of this Office at Reel 2388, Frame 0249.

Cancellation No. 92032471

Trademark Trial and Appeal Board

2004 TTAB LEXIS 333

June 4, 2004, Decided

**JUDGES:** [\*1]

Before Simms, Walters and Rogers, Administrative Trademark Judges

**OPINION:**

**THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE TTAB**

By the Board:

We note preliminarily that on June 28, 2003, the Board issued a notice of default in this case. In response, respondent stated that it had timely filed an answer on April 10, 2003. Respondent also included a stamped post card showing receipt of the answer by the Office on April 14, 2003 and a copy of the answer.

In view of the forgoing, the notice of default is hereby set aside and the answer is made of record.

Jimlar Corporation has filed a petition to cancel Registration No. 1983400 for the following mark for "shoes, athletic footwear, sandals, boots and slippers" issued to Montrexpport S.R.L. Corporation on July 2, 2004, thereafter conveyed to Montrexpport S.P.A., by change of juridical form. n2 [SEE ILLUSTRATION IN ORIGINAL]

n2 Section 8 affidavit filed October 25, 2001 and accepted June 18, 2002.

This case now comes up for consideration of (1) petitioner's combined motion (filed January 8, 2004) for summary judgment and for leave to amend the pleadings; (2) respondent's cross-motion to amend the involved registration; [\*2] and (3) respondent's motion (filed October 10, 2003) to extend time to respond to discovery requests.

***Motion to Amend Petition for Cancellation***

We turn first to petitioner's motion to amend the petition for cancellation to add a cause of action for fraud. n3 The

amended allegations read:

5. On September 25, 2001, Petitioner filed a Petition For Cancellation of Registrant's U.S. Registration No. 1,983,400, issued July 2, 1996, based upon Registrant's abandonment of its rights to the MONTREX & Design trademark in the United States, including U.S. Registration No. 1,983,400.

6. This cancellation proceeding was subsequently declared and the parties proceeded with discovery, as directed by the Board.

7. During the course of discovery in this proceeding, Petitioner learned that on or about October 22, 2001, Registrant filed a Combined Declaration Under Sections 8 & 15.

8. The Combined Declaration Under Sections 8 & 15 filed by Registrant was signed by Registrant's president, Giuseppe Loris Montresor, and included the following statements.

"... that the mark... has been in continuous use in interstate commerce for five consecutive years from [\*3] 2 July, 1996 to the present on the following goods: shoes, athletic footwear, sandals, boots and slippers; that said mark id (sic) still in use in interstate; ...that all statements made of the undersigned's own knowledge are true and all statements made on information and belief are believed to be true."

9. On or about July 21, 2003, Petitioner served Registrant's attorney, David A. Weinstein, Esq. a set of interrogatories entitled: Petitioner's First Set of Interrogatories to Registrant.

10. On or about October 17, 2003, Mr. Weinstein served on the undersigned Registrant's Responses to Petitioner's First Set of Interrogatories to Registrant.

11. Interrogatory No. 2 of the interrogatories requested that Registrant identify each use by Registrant of its mark in commerce within or with the United States in conjunction with athletic footwear.

The response: "Registrant does not sell athletic footwear in the United States."

12. Interrogatory No. 5 of the interrogatories requested that Registrant identify each use by Registrant of its mark in commerce within or with the United States in conjunction with slippers.

The response: "Registrant does not sell [\*4] slippers in the United States."

13. On or about October 30, 2003, Petitioner's First Set of Requests for Admissions to Registrant was mailed to Registrant's Attorney. Those requests for admissions were responded to on or about November 26, 2003.

14. In Registrant's responses to the requests for admissions, Registrant admits that it does not and never has sold slippers in United States in connection with the registered mark[.]

15. In Registrant's responses to the requests for admissions, Registrant admits that it does not and never has sold athletic footwear in United States in connection with the registered mark.

16. Therefore, Registrant admits that it has never used the registered mark on slippers and athletic footwear in U.S. commerce.

17. Accordingly, the statement made by registrant in the Combined Declarations [sic] Under Section 8 & 15 that the registered mark has been in continuous use in interstate commerce for five consecutive years from July 2, 1996 to present on athletic footwear and slippers is not true.

20. At the time Registrant submitted its Combined Declaration Under Sections 8 & 15, Registrant had not ever and was not then using [\*5] its registered mark on slippers or athletic shoes in commerce.

21. Accordingly, Registrant, in its Combined Declaration Under Sections 8 & 15, made knowingly false or fraudulent statements as to its use of its mark on slippers and athletic shoes in commerce.

22. Upon information and belief, those false or fraudulent statements in its Combined Declaration Under Sections 8 & 15 were made by Registrant with the intent to induce authorized agents of the United States Patent and Trademark Office to continue Registrant's registration.

23. Upon information and belief, the agents of the United States Patent and Trademark Office did in fact rely on Registrant's false or fraudulent statements in its Combined Declaration Under Sections 8 & 15, and did grant continuance of Registrant's registration, under Section 8 of the Trademark Act.

24. Accordingly, continuation of the registration here at issue was procured on the basis of Registrant's knowingly false or fraudulent statements as to its use of its mark on slippers and athletic shoes.

25. Registrant has committed fraud with respect to the continuance of Registration no. 1,983,400.

n3 It is noted that petitioner originally sought cancellation of the involved registration solely on the ground of abandonment with no intent to resume use.

[\*6]

In support of its motion, petitioner argues that during discovery in this action, "it has become apparent that registrant has not only abandoned its rights to the registered mark, it has also committed fraud by filing a false declaration under Sections 8 and 15 of the Trademark Act." Petitioner argues that the facts concerning respondent's fraudulent declaration have only recently come to light in respondent's responses to petitioner's first set of interrogatories and requests for admission and, therefore, petitioner should be allowed to amend the petition for cancellation to include that claim.

Respondent has opposed the motion, arguing that the motion does not embody and is not accompanied by a brief; that the motion consists of a one sentence request to amend and a proposed amended petition for cancellation; and that petitioner failed to cite any authority in support of its motion.

Under *Fed. R. Civ. P. 15(a)*, the Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party of [\*7] parties. *See, e.g., Polaris Industries v. DC Comics*, 59 USPQ2d 1789 (TTAB 2001); and *Boral Ltd. v. FMC Corp.*, 59 USPQ2d 1701 (TTAB 2000).

Respondent's argument that petitioner failed to file a proper motion is not well taken. We find that petitioner set forth sufficient facts in its motion to allow us to make a determination thereon. We further find the circumstances appropriate for granting petitioner's motion for leave to amend the petition for cancellation. Specifically, petitioner did not learn of the grounds for the fraud claim until it received respondent's answers to its interrogatories and requests for admission and petitioner filed this motion shortly thereafter. The testimony periods have yet to open and discovery could be reopened for the purpose of taking discovery on the new claim, if that were necessary to avoid any possible

prejudice to respondent. We note, however, that respondent possesses all of the information concerning the filing of its combined Section 8 and 15 declaration in connection with the involved registration, so that reopening of discovery would not be necessary. Moreover, respondent objected to the motion on a purported [\*8] procedural deficiency, not on its merits.

In view thereof, petitioner's motion for leave to amend the petition for cancellation is granted and the amended petition for cancellation (filed January 8, 2004) is now petitioner's operative pleading in this case.

### ***Motion for Summary Judgment and Cross-Motion to Amend Registration***

We turn now to petitioner's motion for summary judgment solely on the issue of fraud and respondent's cross-motion to amend its involved registration. n4 As support for the motion for summary judgment, petitioner argues that respondent's statement in the combined declaration under Sections 8 & 15 that the registered mark has been in continuous use in interstate commerce for five consecutive years from July 2, 1996 to the present on "athletic footwear" and "slippers" is not true; that the statement was a material misrepresentation of fact with regard to the use of the mark on those goods; that respondent's president (the declarant) was in a position to have personal knowledge of the facts concerning the use of his company's mark on goods in the United States and, as such, respondent's president knew or should have known that the representation made [\*9] as to the use of the mark on particular goods was false and misleading; and that if the statement had not been made, there would have been no basis for the continued registration of the mark with respect to slippers and athletic footwear and the mark would have been cancelled as to these goods, absent a valid excuse for nonuse.

n4 Although petitioner made a single reference to its abandonment claim, it is clear that petitioner's motion for summary judgment is solely on the fraud claim. Accordingly, respondent's arguments regarding the abandonment claim have not been considered.

As regards the element of intent, petitioner points out that the Board in *General Car and Truck Leasing Systems Inc. v. General Rent-A-Car Inc.*, 17 USPQ2d 1398, 1400 (S.D. Fla. 1990), *aff'g General Rent-A-Car Inc. v. General Leaseways, Inc.*, Canc. No. 14,870 (TTAB May 2, 1998) found that "... proof of specific intent to commit fraud is not required, rather fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false." Petitioner accordingly argues that respondent's president was under an obligation [\*10] to ascertain whether the mark was used on athletic shoes and slippers before signing the declaration.

In short, petitioner maintains that the material misrepresentations of fact, as to the use of the mark on athletic footwear and slippers, were made in the declaration filed under Section 8 by a person who knew or should have known that they were false and fraudulent and, accordingly, Registration No. 1983400 should be cancelled in its entirety.

As evidentiary support for its motion, petitioner has submitted (1) a copy of an office action regarding petitioner's pending application Serial No. 76176097, wherein the Examining Attorney has refused registration to petitioner of its applied-for mark on the basis of a likelihood of confusion with involved Registration No. 1983400; (2) a copy of the Section 8 & 15 declaration filed by respondent in connection with involved Registration No. 1983400; (3) a copy of petitioner's first set of interrogatories to respondent and respondent's responses thereto; and (4) a copy of registrant's responses to petitioner's first set of requests for admissions to registrant.

Despite respondent's contention that its response to the motion for summary judgment [\*11] appears premature because the Board has not ruled on petitioner's motion to amend, respondent argues "there are genuine issues of material fact regarding evidence to be considered at final hearing, after the trial periods, and that Petitioner is not entitled to judgment as a matter of law." More specifically, respondent argues that petitioner's motion does not expressly state and does not show that there are no genuine issues of material fact regarding petitioner's fraud allegation remaining for trial;

that petitioner's showing that respondent's statement in its Section 8 declaration is "not true" does not amount to proving the statement is fraudulent; that respondent did not make a fraudulent statement, i.e., respondent did not knowingly make false, material representations of fact in its use declaration inasmuch as (1) respondent had no intent to deceive the United States Patent and Trademark Office; and (2) Mr. Montresor, the declarant, did not know the reference to athletic footwear and slippers was inaccurate and false, when the declaration of use was signed; that Mr. Montresor did not understand the legal effect of the statements included in the declaration; and that accordingly, [\*12] the motion should be denied.

Respondent also questioned whether petitioner's reference in its motion to the office action refusing registration of petitioner's mark, and attached copy thereof, is sufficient to show standing, because the motion for summary judgment is not verified and there is no declaration concerning the action.

Additionally, respondent filed a motion to amend its involved Registration No. 1983400 by deleting "athletic footwear" and "slippers" from the list of recited goods in an apparent effort to cure the misstatement in its Section 8 declaration.

As evidentiary support for its response and motion to amend, respondent has submitted two essentially identical declarations of its president, Giuseppe Loris Montresor. Mr. Montresor states, in pertinent part: n5

3. On September 21, 2001, I signed a Section 8 & 15 Declaration ("Use Declaration") alleging continuous use of the mark since July 2, 1996 in connection with all the goods the Registration covers, namely, "shoes, athletic footwear, sandals, boots, and slippers." I signed in my capacity as President of Montrexpert, S.P.A., an Italian corporation.

6. At the time I signed the Use Declaration, I did [\*13] not know the Mark had not been used in the United States in connection with "athletic shoes" n6 and "slippers" after the registration date. Moreover, because I did not administer operations of the Registration Owner concerning the sale of its goods in the United States at the time I signed the Use Declaration I would not have reason to know the Mark had not been used in the United States on such goods after the registration date.

7. At the time I signed the Use Declaration, the legal effect of the statements in the Use Declaration were unclear to me. I had an honest misunderstanding about such effect concerning the statements. Based upon information provided to me specifically regarding the Mark's use in the United States (about which I had no actual knowledge), I did not understand the implication of the phrase "willful false statement." To the extent I understood the phrase, I was under the impression a willful false statement is one deliberately made with intent to deceive. When I signed the Use Declaration I did not know references to "athletic shoes" and "slippers" was inaccurate and false, nor did I intend to deceive the United States Patent and Trademark Office for purposes [\*14] of maintaining the registration.

8. Based upon provided information and what I knew then, when I signed the Use Declaration I did not believe it contained any willfully false statements, because it says "statements made on information and belief are believed to be true." I believed the reference to "athletic shoes" and "slippers" was true.

10. To the extent statements in the Use Declaration were inaccurate and false, I made them in good faith although through inadvertence and, perhaps, negligent omission. They were not fraudulent. I did not believe or have knowledge that statements about "athletic shoes" and "slippers" were false and I had no intention to deceive the United States Patent and Trademark Office.

11. I subsequently learned of the inaccurate statements and, on behalf of the Registration Owner, am requesting amendment of the Registration to correct it regarding the identification of goods so that the

Registration Owner will not possess a substantive benefit to which it is not entitled.

n5 The Board has repeated paragraphs from respondent's declaration in support of its response to the motion for summary judgment.

n6 Mr. Montresor has repeatedly used the term "athletic shoes" in his declaration. We read this term as meaning athletic footwear.

[\*15]

In reply, petitioner contends that respondent's procedural objections as to the premature nature of the motion for summary judgment are unfounded. As regards the issue of intent, petitioner argues that it is irrelevant that Mr. Montresor actually knew whether athletic footwear and slippers were being sold under the mark in the United States when he signed the declaration of continued use. This is so, petitioner argues, because as president of respondent, Mr. Montresor is in a position to have knowledge as to which goods bearing the mark his company was selling in the United States and is chargeable with that knowledge, regardless of his understanding concerning the fact of use.

As regards the motion to amend the involved registration, petitioner states that Section 7(e) of the Trademark Act provides that a registration may be amended "for good cause" and that the request based on mistake by a registrant under 37 C.F.R. § 2.175 must be accompanied by the required fee, the registration certificate (or a certified copy thereof) and a showing that the registrant's mistake was made in good faith. Petitioner contends that respondent has complied with none of [\*16] the requirements.

Additionally, petitioner, citing to *Medinol Ltd. v. Neuro Vasx Inc.*, 67 USPQ2d 1205 (TTAB 2003) argues that when a registration is based upon a fraudulent statement, the registration is void in its entirety and cannot be rehabilitated by amendment.

A party is entitled to summary judgment when it has demonstrated that there are no genuine issues as to any material facts, and that it is entitled to judgment as a matter of law. *Fed. R. Civ. P. 56(c)*. The evidence must be viewed in a light favorable to the nonmoving party, and all justifiable inferences are to be drawn in the nonmovant's favor. *See Opryland USA Inc. v. The Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

Fraud in maintaining a registration involves a willful withholding from the Patent and Trademark Office by a registrant of material information or facts which, if transmitted and disclosed to the examiner, would have resulted in the possible cancellation in whole or in part of a registration for failure to comply with Section 8. *See Volkswagenwerk Aktiengesellschaft v. Advance Welding and Mfg. Corp.*, 193 USPQ 673 (TTAB 1976). [\*17]

The intent element of fraud may be found when an applicant or registrant makes a false, material representation that the applicant or registrant knew or should have known was false. *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986). *See also General Car and Truck Leasing Systems Inc. v. General Rent-A-Car Inc.*, *supra*; *Duffy-Mott Company, Inc. v. Cumberland Packing Company*, 165 USPQ 422 (CCPA 1970); and *Medinol Ltd. v. Neuro VASX, Inc.*, *supra*.

Initially, respondent's motion to amend the involved registration is denied as inappropriate under the circumstances. n7 That is, respondent cannot cure an act of fraud by a later amendment. Even if the false information is deleted, the question remains whether or not respondent committed fraud upon the Office in the maintenance of its registration. Cf. *Medinol v. Neuro Vasx*, *supra*.

n7 We point out that the motion is also procedurally improper because it was not accompanied by the proper fee. *See Trademark Rule 2.173(a)*.

We now turn to petitioner's motion for summary judgment. As regards the issue of standing, the Board [\*18] has previously held that standing is found where a plaintiff has been refused registration because of defendant's registration. *See Hartwell Co. v. Shane, 17 USPQ2d 1569 (TTAB 1990)*. Herein, petitioner has made of record the office action denying registration to it based upon the existence of involved Registration No. 1983400. n8 Despite respondent's contention otherwise, we find petitioner's submission sufficient, per se, to show the lack of any genuine issue of material fact as to petitioner's standing; and that petitioner has standing to bring the cancellation proceedings considered herein.

n8 Notably, the records of this Office confirm the status of petitioner's pending application.

As regards the issue of fraud, based on the parties' briefs and the record before us, it is undisputed that respondent claimed continued use on the following goods when it filed its combined declaration of continued use and incontestability under Sections 8 & 15 of the Trademark Act:

shoes, athletic footwear, sandals, boots and slippers. (*emphasis added*)

This listing of goods is preceded by the following statement: that the mark shown therein [in the [\*19] accompanying specimens] has been in continuous use in interstate commerce for five consecutive years from 2 July, 1996 to the present on the following goods. The signed declaration attested to the truth of the statements made therein.

It is also undisputed that respondent has never used the involved mark on the goods identified as "athletic footwear" and "slippers" in the United States. (See respondent's responses to petitioner's first set of interrogatories Nos. 2 and 5 and respondent's responses to petitioner's requests for admissions Nos. 3-7 and 8-12); see also, Montresor Dec. at 6.

Respondent's explanation for its "inadvertence" in identifying the goods on which its mark had been in continuous use since the registration date is that its declarant "did not know the mark had not been in used in the United States in connection with 'athletic shoes' and 'slippers' after the registration date." Montresor Dec. at 6. Further, Mr. Montresor, in his declaration, states that "because [he] did not administer operations of the Registrant Owner concerning the sale of its goods in the United States at the time [he] signed the Use Declaration [he] would not have reason to know the [\*20] Mark had not been used in the United States on such goods after the registration date." Montresor Dec. at 8 and 9.

Based on the record, there is no genuine issue of material fact that respondent filed a declaration of continued use and signed the same, attesting to the truth of all statements therein, when it knew or should have known that it did not use the mark in connection with all of goods listed in the declaration.

There is no question that the continued registration of the involved mark for "athletic footwear" and "slippers" would have been disallowed but for respondent's misrepresentation, because the USPTO will not maintain a registration covering goods upon which the mark has not been used. Therefore, alleging use of a mark in connection with goods in a declaration of continued use pursuant to Section 8 of the Trademark Act, when there is no use, is a false, material representation.

The fact that respondent may not have understood the legal effect of a clear and unambiguous requirement for a declaration of continued use does not negate the intent element of fraud in a Board proceeding. Applicant's President, Mr. Montresor, signed the declaration that clearly stated respondent [\*21] was using the mark on "athletic footwear" and "slippers" when Mr. Montresor knew (or should have known) respondent was not using the mark on these goods. Respondent is charged with knowing what it is signing and by signing with a "reckless disregard for the truth" respondent commits fraud. n9 *See Medinol v. Neuro Vasx, supra*. Mr. Montresor's statements that he did not "believe or have knowledge that statements about 'athletic shoes' and 'slippers' were false" and that he had "no intention to deceive the United States Patent and Trademark Office" do not avoid the fraud. As stated in *General Car and Truck* "the intent of [the signatories] is not material to the question of fraud in this cause." *General Car and Truck, 17 USPQ2d at 1401*. Moreover, and as previously stated, respondent cannot cure an act of fraud by a later amendment.

n9 Respondent seems to argue for a more restrictive view of intent; however, the appropriate inquiry is not into a registrant's subjective intent, but rather into the objective manifestations of that intent. *See Medinol v. Neuro Vasx*, 67 USPQ2d at 1209. It is well established that in Board proceedings "proof of specific intent is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false." *General Car and Truck*, 17 USPQ2d at 1400-1401 (intent of the signatories not material to question of fraud). In this regard, it is important to note that the Trademark Office relies on the thoroughness, accuracy and honesty of each registrant. Allowing registrants to be careless in their statements of continued use would result in registrations improperly accorded legal presumptions in connection with goods on which the mark is not used.

[\*22]

Additionally, respondent attempts to distinguish the cases relied upon by petitioner, i.e., *Medinol*; *General Car and Truck*; and *Torres*, by stating that here respondent's misrepresentations were in regard to the maintenance of a registration and were made in good faith and without actual knowledge that the statements were untrue, whereas in those cases the misrepresentations occurred in the procurement of the registrations and/or with the declarants' knowledge. We find this distinction to be immaterial. At the time a registrant files a declaration of continued use under Section 8, the registrant must know if it is using the mark on the goods. While there may be circumstances where a mistake as to use is made that does not constitute fraud, that is not the case before us.

For the reasons set forth above, we find that respondent's material misrepresentations made in connection with its declaration of continued use were fraudulent.

In view of the foregoing, there are no genuine issues of material fact remaining for trial and petitioner's motion for summary judgment is granted; the petition to cancel is granted; and Registration No. 1983400 will be cancelled in due course. n10 [\*23]

n10 Consequently, respondent's motion to extend time to respond to petitioner's discovery request is moot.

#### **Legal Topics:**

For related research and practice materials, see the following legal topics:  
Trademark Law Infringement Actions Summary Judgment General Overview Trademark Law Protection of Rights Abandonment General Overview Trademark Law U.S. Trademark Trial & Appeal Board Proceedings Cancellations General Overview

#### **GRAPHIC:**

Illustration, no caption