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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Run It Consulting, LLC
v.
Leander Lodi

Cancellation No. 92055426
to Registration No. 1962898
registered on March 19, 1996

Matthew H. Swyers of The Trademark Company PLLC for Run It Consulting, LLC.

Scott W. Kelley and Michael A. DiNardo of Kelley & Kelley LLP for Leander Lodi.

Before Kuhlke, Mermelstein and Gorowitz, Administrative Trademark Judges.

Opinion by Kuhlke, Administrative Trademark Judge:

Petitioner, Run It Consulting, LLC, seeks to cancel respondent's registration for the mark AMERICAN MUSCLE in typed form[1] for "vitamin supplements," in International Class 5, "sportswear, namely sweat pants, sweat shirts, shorts, T-

[1] "Typed form" was the predecessor of what is today referred to as "standard characters."

shirts, tank tops and jackets," in International Class 25, and "weight lifting gloves, belts and straps; knee and wrist wraps," in International Class 28.[2]

As grounds for cancellation, petitioner alleges that respondent has abandoned use of its mark on all of the identified goods because it has discontinued use with intent not to resume such use.[3] Petitioner also alleges that on September 1, 2011, it filed an application (Serial No. 85413449) for "the mark and design AMERICAN MUSCLE SPORTS NUTRITION COMPANY" for "dietary supplements, nutritional supplements, nutritional supplements for muscle growth, weight management supplements" and has used the mark in connection with such goods since 2011. Pet. ¶¶ 6-8. Petitioner further alleges that it will be damaged "insofar as Petitioner's mark will not be permitted to register while Registrant's registration remains in effect." Pet. ¶ 9. In its answer, respondent denies the salient allegations.

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[2] Registration No. 1962898, filed on October 12, 1994, issued on March 19, 1996, claiming a date of first use anywhere on May 22, 1987, and a date of first in commerce on May 28, 1987, Sections 8 & 15 combined declaration accepted and acknowledged, renewed.

[3] We note the ESTTA electronic form only references the vitamin supplements in International Class 5. However, the attached complaint references the goods in all of the International Classes in the subject registration and alleges no use of the mark "in connection with the goods identified in U.S. Registration 1,962,898 … [and requests] that U.S. Registration 1,962,898 be cancelled …" Pet. Canc. ¶¶ 1, 4, 10. In view thereof, the petition has been brought against all three classes. *PPG Industries Inc. v. Guardian Industries Corp.*, 73 USPQ2d 1926, 1928 (TTAB 2005) ("Since ESTTA's inception, the Board has viewed the ESTTA filing form and any attachments thereto as comprising a single document or paper being filed with the Board"). (The exception to this rule is an opposition against a § 66(a) (Madrid Protocol) application. In such a proceeding an opposer is precluded from opposing registration as to any goods or based on any grounds not disclosed on the ESTTA electronic form. *See Hunt Control Systems Inc. v. Koninklijke Philips Electronics N.V.*, 98 USPQ2d 1558, 1561-62 (TTAB 2011); *CSC Holdings LLC v. SAS Optimhome*, 99 USPQ2d 1959, 1962-63 (TTAB 2011).)

RECORD

By operation of the Trademark Rules, the pleadings herein and the file of the subject registration are of record. Trademark Rule 2.122, 37 C.F.R. § 2.122. Petitioner submitted the testimony deposition with accompanying exhibits of Markus Trillsch, petitioner's CEO and owner. In addition, petitioner submitted under notices of reliance:

1) Respondent's response to Admission Request No. 17;

2) Respondent's responses to Interrogatories Nos. 10, 11 and 23; and

3) Documents produced by respondent in response to Interrogatory No. 23.[4]

Respondent submitted the testimony deposition with accompanying exhibits of respondent, Leander Lodi.

THE PARTIES

Petitioner has been in the nutritional supplement business since 2009. Trillsch Test. p. 5. Petitioner distributes its dietary supplements "throughout several vitamin stores like GNC, Max Muscle, Complete Nutrition." Id. p. 8. Respondent was a competitive body builder and in 1987 started selling various types of supplements, clothing and weightlifting accessories. Lodi Test. pp. 6, 9. His parents were also in involved in the company and the subject registration was

[4] To the extent these produced documents do not fall within the purview of Trademark Rule 2.120j(3)(i), respondent introduced them during his testimony deposition.

originally in his father's name, Augusto Lodi.[5] Id. at 6-7. Respondent's activities are discussed in more detail below.

STANDING

Petitioner has made of record its pending application for the mark AMERICAN MUSCLE SPORTS NUTRITION COMPANY and design and the Office Action refusing registration under Section 2(d) of the Trademark Act based on respondent's registration. Trillsch Test. pp. 9-11, Exhs 3-4. In view thereof, petitioner has established its standing. *See Saddlesprings Inc. v. Mad Croc Brands Inc.*, 104 USPQ2d 1948, 1950 (TTAB 2012); *ShutEmDown Sports Inc. v. Lacy*, 102 USPQ2d 1036, 1041 (TAB 2012). *See also Jeweler's Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021, 2023 (Fed. Cir. 1987). We further note that respondent does not dispute petitioner's standing in this proceeding. Resp. Br. p. 1.

ABANDONMENT/INTENT TO RESUME USE

Abandonment of a mark occurs:

> When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. "Use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

Trademark Act Section 45, 15 U.S.C. § 1127.

A petitioner for cancellation of a registration on the ground of abandonment bears the burden of proving such abandonment by a preponderance of evidence.

[5] Leander Lodi was substituted as party defendant by Board order on March 5, 2013.

Cerverceria Centroamericana S.A. v. Cerveceria India Inc., 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989). However, "[o]nce a prima facie case is established, it 'eliminates the challenger's burden to establish the intent element of abandonment as an initial part of [his] case,' and creates a rebuttable presumption that the registrant abandoned the mark without intent to resume or commence use under the statute. This presumption shifts the burden to the registrant to produce evidence that he either used the mark during the statutory period or intended to resume or commence use. The burden of persuasion, however, always remains with the petitioner to prove abandonment by a preponderance of evidence." *Rivard v. Linville,* 133 F.3d 1446, 45 USPQ2d 1374 (Fed. Cir. 1998) *citing, Imperial Tobacco Ltd. v. Philip Morris*, 899 F.2d 1575, 14 USPQ2d 1390, 1395 (Fed. Cir. 1990). Finally, mere proclamations of intent to resume use or commence use during the period of nonuse are given little, if any, weight. *Id*.

To show intent to resume use, a respondent must put forth evidence with respect to either specific activities undertaken during the period of nonuse or special circumstances which excuse nonuse. *See Imperial Tobacco*, 14 USPQ2d at 1394. *See also Rivard*, 45 USPQ2d at 1376 ("To provide excusable nonuse, the registrant must produce evidence showing that, under his particular circumstances, his activities are those that a reasonable businessman, who had a bona fide intent to use the mark in United States commerce, would have undertaken.") A mere "affirmative desire by the registrant not to relinquish a mark is not determinative of the intent element of abandonment under the Lanham Act." *Imperial Tobacco*,

14 USPQ2d at 1394. To satisfy its burden of production, respondent must come forward with evidence beyond mere conclusory statements or denials that it lacks such intent to resume use. Id. at 1394-95. *See also Rivard*, 45 USPQ2d 1374 (Court upheld the Board's finding that evidence of several trips to the United States to establish hair dressing and beauty salons and contact with a franchising consultant was insufficient to support an intent to commence use of the mark and the registrant did not show that the nonuse of the mark during this period was reasonable.)

Finally, in order to rebut the prima facie case, respondent must produce evidence of intent to resume use during the relevant time period, i.e., the period of nonuse. *See Imperial Tobacco*, 14 USPQ2d at 1394-95. Subsequent use may be probative of whether the registrant intended to resume use during a previous period of nonuse. Such evidence should temporally and logically link the later use to the prior nonuse, such that an inference can be drawn regarding the intent to use during the period of nonuse. Without more, mere evidence of subsequent use may not suffice to establish that the registrant intended to resume use. *Parfums Nautee Ltd. v. American International Industries*, 22 USPQ2d 1306, 1310 (TTAB 1992). "Once a trademark is abandoned, its registration may be cancelled even if the registrant resumes use." *Cerveceria*, 13 USPQ2d at 1313 n. 7, *quoting, Mission Dry Corp. v. Seven-up Co.*, 193 F.2d 201, 92 USPQ 144, 146 (CCPA 1951).

The evidence of record supports use of the mark on all goods prior to 1998. See, e.g., Pet. NOR Exh. B; Lodi Test. pp. 6, 8, 10, 12, Exh G (1997-98 invoices for

supplements). With regard to the years 1998-2006, the only evidence of use is Mr. Lodi's testimony. With regard to the years 2006 to the time of trial, Mr. Lodi's testimony is supported by documentary evidence, specifically, invoices. It is during the time period from 1998 to 2004/5 that petitioner asserts the abandonment occurred. Further, petitioner argues the testimony and evidence of use post 2006 is not credible and to the extent it shows use it is only intrastate use and therefore cannot support continued registration.

We further note that respondent admits that he ceased use and has not resumed use of the mark after 2006 on weightlifting belts, wrist and knee wraps, weightlifting gloves, athletic shorts and pants, sweat tops and pants and jackets. See, e.g., Lodi Test. p. 45 and Exh. P (respondent's responses to petitioner's interrogatory no. 3). In view thereof, a prima facie case of abandonment as to these goods has been established that respondent has not rebutted. Thus, we turn to the remaining goods, namely, vitamin supplements, t-shirts, tank tops and weight lifting straps and focus on the years from 1998 to the time of trial.

The record shows that up until the mid-nineties respondent sold his goods bearing the AMERICAN MUSCLE mark primarily in gyms throughout the United States and internationally, in GNC stores and through kiosks in malls. Lodi Test. pp. 9-11. In the late nineties respondent suffered negative publicity due to a labeling discrepancy which resulted in a significant drop in sales that, in respondent's words, "killed" his business. Lodi Test. pp. 12-15. From that time on, respondent confined his business to replacing the mislabeled product for his

customers and limited ongoing sales to a few distributors to sell off inventory (maintained by him and his manufacturer) and to reorder and continue with a few select products. Lodi Test. pp. 7, 23, 45. He continued to sell supplements, clothing items, and weight lifting accessories to Magic Kayhan in Virginia (Total Fitness Outlet and health clubs), Ed Holmes in California (All Star Boxing and promoter of MMA fights), Ray Land (Land Attack and a personal trainer) and later to Richard Coote in Canada (RC Nutrition). Lodi Test. pp. 15-17, 42-44, 47-49, 52-54, 74-75 and 90-91. These distributors resell the product. See, e.g., Lodi Test. pp. 49, 90-91.[6] The orders are placed over the telephone. Lodi Test. p. 47. There is no dispute that these sales were much lower in volume and revenue than prior to the negative publicity.

In 1998, to cut down on expenses respondent moved his operation to his home and over time had to lay off his 12 sales people. Lodi Test. p. 35-39, 46-47. At this time, respondent also began a new enterprise involving hydraulics for low rider automobiles. Lodi Test. pp. 10, 56. Prior to the late nineties respondent spent 10-14 hours a day working on the AMERICAN MUSCLE business but after 1998 he spent 6-8 hours per day on his new business. Id.

During this time Mr. Lodi allowed his other registrations for the mark AMERICAN MUSCLE for a tan accelerator and entertainment services to lapse because he was no longer selling or offering those goods and services. Lodi Test. pp. 19-21. In 2002, Mr. Lodi's father, the prior owner of the subject registration, filed a

[6] Petitioner objects to this testimony essentially as hearsay. However, it is reasonable to conclude that respondent has some general knowledge that his distributors resell the goods. Moreover, the volume of the sales can lead to no other conclusion.

Section 8 declaration of use and submitted examples of use of the mark on a supplement, leather weightlifting gloves and baggy pants. Lodi Test. p. 23, Exh. B. Similarly, the 2006 Section 9 renewal included specimens of use comprising supplements, shorts, gloves and pants. Lodi Test. p. 25, Exh. C. More recently in 2010-11 respondent redesigned the label for his products because he was running out of the old labels and he wanted a new look, in particular for a new supplement he is working on. Lodi Test. 50-51, Exhs D, E and F. Mr. Lodi unequivocally testifies that he has sold the relevant goods under the AMERICAN MUSCLE mark every year through the present and that there has never been a period when he did not sell "some form of vitamin supplements," "weightlifting equipment," and "sportswear or clothing" under his AMERICAN MUSCLE mark. Lodi Test. p. 18-19.

Specifically, Mr. Lodi testifies as follows:

Q. So back in the '98, '99 time frame, you stopped ordering replacement inventory for most of your products?

A. That would be correct, yes.

Q. The only replacement inventory you were ordering was the whey powder and the creatine?

A. That would be correct, yes.

Q. As well as the weightlifting straps?

A. Oh, yes, Weightlifting straps, T-shirts, tank tops, things like that. Some of the clothing, yes.

Q. You continued selling those few products in 2000, yes?

A. Yes.

Q. Did you sell those same products in 2001?

A. Yes, I did. …

Q. And every year to the present?

A. That would be correct, yes. …

Q. Since your first use of the American Muscle mark in 1987, has there been any period that you have not sold product under the American Muscle mark?

A. No. Never.

Q. So from 1987 to the present, you have always sold some form of vitamin supplement under the American Muscle mark?

A. Yes.

Q. And from 1987 to the present, you have always sold some type of weightlifting equipment?

A. Yes.

Q. And from 1987 to the present, you have always sold some form of sportswear or clothing under the American Muscle mark?

A. Yes.

Q. Just to clarify for the record, have there been any periods of three or more years that you have not sold products of any of the types I just listed under the American Muscle mark?

A. No.

Q. And at any point, have you ever had the intent not to continue using the American Muscle mark?

A. No, never.

Lodi Test. pp. 18-20.

In support of its position that Mr. Lodi abandoned use of his mark, Mr. Trillsch, petitioner's owner, testifies that he conducted research on the Internet utilizing several search engines and "was unable to find any proof that [respondent's mark] currently existed." Trillsch Test. pp. 11. Petitioner also points to the history of respondent's business which shows steady sales and advertising up until the late nineties when respondent experienced a business setback, and respondent directed his efforts to a new business. Lodi Test. pp. 10-11, 56. Petitioner notes that respondent allowed his other AMERICAN MUSCLE registrations to lapse during this time period.

In addition, in response to respondent's testimony regarding its lower but continuing sales after 1998, petitioner points to the absence of documentary evidence from 1998 to 2004/5 to support that testimony. Specifically, petitioner notes that there are no invoices to corroborate this use during that time period. "Thus, aside from Mr. Lodi's uncorroborated testimony, there is a six-year gap between any evidence of sales actually occurring bearing Respondent's Mark." Br. p. 6. Petitioner asserts this is sufficient to establish the three-year statutory presumption of abandonment.

Further, with regard to the activities after 2004, petitioner asserts the alleged sales evidenced by the post-2004 invoices are limited to intrastate use in the State of California. Br. p. 7. Specifically, petitioner asserts that despite the fact that one of the customers was in Virginia and one in Arizona, because "all of the transactions, in cash, and the delivery of the products, occurred in the State of

California" the sales were intrastate and not sufficient to support maintenance of the registration. Br. p. 7.

Finally, petitioner asserts that respondent registered a domain name only for the first time in April 2012, after the instant petition was filed, and to further bolster his defense "fabricate[d] sales records [the above-noted invoices] to four alleged vendors of this product." Br. p. 15.

"Oral testimony, if sufficiently probative, is normally satisfactory to establish priority of use in a trademark proceeding." *Powermatics, Inc. v. Globe Roofing Products Co.*, 341 F.2d 127, 144 USPQ 430, 432 (CCPA 1965) and *Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana Inc.*, 98 USPQ2d 1921, 1931 (TTAB 2011). In this regard, the oral testimony should be clear, consistent, convincing, and uncontradicted. *See also National Bank Book Co. v Leather Crafted Products, Inc.*, 218 USPQ 826, 828 (TTAB 1993) (oral testimony alone may be sufficient to prove the first use of a party's mark when it is based on personal knowledge, it is clear and convincing, and it has not been contradicted); *Liqwacon Corp. v. Browning-Ferris Industries, Inc.*, 203 USPQ 305, 316 (TTAB 1979) (oral testimony may be sufficient to establish both prior use and continuous use when the testimony is proffered by a witness with knowledge of the facts and the testimony is clear, convincing, consistent, and sufficiently circumstantial to convince the Board of its probative value); *GAF Corp. v. Anatox Analytical Services, Inc.*, 192 USPQ 576, 577 (TTAB 1976) (oral testimony may establish prior use when the testimony

is clear, consistent, convincing, and uncontradicted). This is equally applicable to determining whether registrant's use was continuous.

In this case, Mr. Lodi as the registrant and founder of the business clearly has personal knowledge of the facts. We also find the testimony of Mr. Lodi to be sufficiently clear, consistent and uncontradicted. Petitioner attempts to undermine the testimony by pointing to the "gap" in invoices and the absence of shipping labels or credit card receipts. Specifically, petitioner asserts that "throwing out documents in 1998 would only explain why there were documents lacking in 1998 and prior years. Not in 1999 and thereafter. In short, Mr. Lodi never offered a reason as to why there is no supporting evidence for use during 1998 through 2004." Pet. Br. p. 11. However, respondent clearly testified that he had thrown out all of the old invoices and he happened to have a few from the late nineties by happenstance that were in a storage box in his office. He testified he that he got rid of the invoices when they moved their offices in 1998 inasmuch as he was advised he did not need to keep them for tax purposes. This specific testimony, regarding why he throws out invoices, pertains to the invoices prior to 1998 but it is tied to the years after 1998 during cross examination, as follows:[7]

On Direct Examination

Q. Do you still have thousands of invoices?

A. No. I threw most of them away.

Q. When did you throw them away?

[7] While this testimony is in the confidential portion of respondent's deposition, this specific information is included in respondent's public brief.

> A. We moved out of the office in about – we moved out of the office in about '98. We changed locations. At that time I threw a lot of things away. We had just boxes and boxes of old invoices and I spoke to my accountant and he said for the IRS, you only need to go back three years, get rid of the stuff. We threw everything away. These particular invoices I was trying to find information regarding my trademark applications. I went through a room and happened to find an old file cabinet and I had some of these in there. How they didn't get thrown away, I don't know.

Lodi Test. pp. 35-6.

On Cross Examination

> Q. Were any documents produced covering that period [2000-2005]?
>
> A. No. Most of my invoices I threw away, as I stated earlier.

Lodi Test. p. 84.

With regard to the argument that the sales shown in the invoices from 2006-2012 only support intrastate use, the record supports that the distributors took possession of the products for the most part in the state of California, where respondent is located. However, two of the distributors are located out of state, one in Arizona and one in Virginia and place their orders over the phone from their out-of-state locations. Even if all product was picked up or delivered to the distributor's agents (or family members) in California the sale was subject to regulation by Congress.

As outlined above, respondent testified that negative publicity in the late 1990's resulted in a severe drop off in sales and prompted him to reformulate his business model to focus on a few distributors. In addition, respondent focused a full time effort on another business to support himself and his family. However, this

does not add up to the conclusion that all sales stopped. It does indicate that the business shrank, but that is not abandonment. The fact that he focused on another business does not preclude maintaining the AMERICAN MUSCLE business on a smaller scale. The statute defines use in commerce as "the bona fide use of a mark in the ordinary course of trade" occurring when the goods are "sold or transported in commerce." Trademark Act Section 45, 15 U.S.C. § 1127. There is clear testimony regarding sales after 1998 and further corroborated by invoices from 2006 through the time of trial. There is nothing in the record upon which to conclude that respondent's sales after 1998 are not within the range of ordinary use for the supplements industry. *See Automedx Inc. v. Artivent Corp.*, 95 USPQ2d 1976, 1981 (TTAB 2010) ("If the sales at issue were made for legitimate marketing or other commercially reasonable reasons in the ordinary course of trade (i.e., genuine use of the mark), then we must find that the sales constitute bona fide use of the mark in commerce.").

As to registration of the domain name after the petition was filed, the inference to be made could equally be that he was concerned when he found out someone was using his mark. At any rate, it does not lead unequivocally to the conclusion that he abandoned use and he is now committing perjury. Based on his business model, selling to established distributors, he had no need for a presence on the Internet.

Petitioner attempts to support its most serious allegation, that respondent fabricated evidence, by pointing to a typographical error in the year of one out of

over 70 invoices. Specifically, he asserts that the invoices are ordered chronologically and sequentially in reference to the invoice numbers. Pet. Br. p. 16. See also Lodi Test. p. 86. Invoice No. 12298 was dated June 27, 2007 and invoice no. 12230 was dated December 17, 2007, but the intervening invoice no. 12299 was dated September 18, 2005. Lodi Test., Exh. H.[8] Petitioner argues that "the entry of year 2005 strongly suggests that a careless typographical error was made when fabricating this evidence causing this one invoice to appear out of sequence revealing a crucial question regarding the true authenticity of this evidence and these invoices, a question Mr. Lodi could not answer." Pet. Br. p. 17.

First, the more reasonable inference is that the typographical error occurred when a month passed between data entry, not as a party is sitting there fabricating evidence in one swoop. Secondly, and more importantly, respondent did in fact address this issue in his testimony on redirect as set forth below:

> Q. Hypothetically, if they are input manually, is it possible that the 2005 date on Exhibit H is a typo?[9] …
>
> A. Yes, it is. That's a definite possibility.
>
> Q. Did you fabricate any of these invoices from this proceeding?
>
> A. No, I did not.

Lodi Test. p. 89-90.[10]

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[8] The invoices are submitted under seal however the numbers and dates were discussed in respondent's public brief.

[9] Although petitioner objected to this question, that objection was not preserved on brief and is waived. *Wet Seal Inc. v. FD Management Inc.*, 82 USPQ2d 1629, 1632 (TTAB 2007). However, we also overrule the objection in that it has no basis.

In other words, it is entirely plausible (and consistent with respondent's clear and unrebutted testimony) that this was a "careless typographical error" made when creating the invoice in 2007, rather than evidence of recent fabrication. Petitioner's accusations that respondent committed perjury and fabricated evidence are serious charges indeed and in need of far more support than a single and ambiguous typographical error.

In short, we are not persuaded by petitioner's various arguments that respondent abandoned use of its mark entirely during any three year period, that respondent's use of its mark is not bona fide use in commerce, or that respondent's evidence and testimony are so utterly lacking in credibility as to be suspect.

In view thereof, petitioner has not carried its burden to prove that respondent abandoned its mark on all of the goods in the subject registration.

Decision: The petition is **dismissed** as to "vitamin supplements," in International Class 5, "t-shirts and tank tops," in International Class 25 and "weight lifting straps," in International Class 28 and **granted** as to "sweat pants, sweat shirts, shorts, and jackets," in International Class 25, and "weightlifting gloves, belts and knee and wrist wraps," in International Class 28.

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[10] While this appears in the confidential portion of the deposition, the discussion on this issue appears in the public brief. Moreover, respondent's veracity is not matter that is subject to submission under seal.