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

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|------------------------|--|
| Proceeding | 92055558 |
| Party | Defendant Emmmanouil Kokologiannis and Sons, Societe Anonyme of Trade, Hotels And Tourism S.A. "with the business title "Scala" "Pangosmio" |
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

ECONOMY RENT-A-CAR INC.,

Petitioner,

v.

EMMANOUIL KOKOLOGIANIS AND SONS,
SOCIETE ANONYME OF TRADE,
HOTELS AND TOURISM S.A.,

Respondent.

Cancellation No. 92055558

Registration No. 3256667

RESPONDENT'S MAIN TRIAL BRIEF

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TABLE OF CONTENTS

I. INTRODUCTION..... 1

II. STATEMENT OF FACTS4

A. The Business of Registrant4

B. History of the ECONOMY CAR RENTALS Trademark.....8

C. Petitioner and Its Marks..... 12

III. LEGAL ARGUMENT..... 13

A. Laches Bars the Petition 13

B. Petitioner Has No Proprietary Interest In Its Pleaded Mark 14

1. The assignment from UDBC to Proveedores is an invalid assignment in gross. 14

2. Petitioner’s pleaded mark was abandoned by UDBC before the attempted assignment to Proveedores...... 17

3. The alleged license from Proveedores to ERAC Leasing and the alleged sub-license from ERAC Leasing to Petitioner are invalid...... 20

C. Petitioner Has Not Met its Burden to Prove Priority of its Pleaded Mark..... 22

D. Petitioner Has Not Met its Burden to Demonstrate Likelihood of Confusion Between its Pleaded Common Law Mark and Respondent’s Registered Mark 26

E. Respondent Has Not Abandoned Its Registered Mark 27

IV. CONCLUSION..... 31

APPENDICES

- Appendix A: Respondent's response to Petitioner's Objections to Exhibits introduced during the trial testimony of A. Kokologiannis set forth in Petitioner's Appendix B to its Trial Brief.
- Appendix B: Respondent's response to Petitioner's Objections to Exhibits introduced during the confidential trial testimony of A. Kokologiannis set forth in Petitioner's Appendix C to its Trial Brief.
- Appendix C: Respondent's response to Petitioner's Objections to the Waxby Affidavit in Petitioner's Appendix D to its Trial Brief.
- Appendix D: Respondent's response to Petitioner's Objections to the Myridaki Affidavit in Petitioner's Appendix E to its Trial Brief.
- Appendix E: Respondent's objections to Exhibit Nos. 14 and 15 to Confidential Trial Testimony of Alejandro Muniz.

TABLE OF AUTHORITIES

Cases

Copperweld Corp. v. Astralloy Vulcan Corp.,
196 USPQ 585, 592 (TTAB 1977)14

Flatly v. Trump,
11 USPQ2d 1284, 1287-90 (TTAB 1989)24

Hitachi Metals International, Ltd. v. Yamakyu Chain Kabushiki Kaisha,
209 USPQ 1057, 1067 (TTAB 1981)14

Humble Oil & Refining Co. v. Sekisui Chemical Co.,
165 USPQ 597, 1970 WL 9925 (TTAB 1970).....30

Malcolm Nicol & Co. v. Witco Corp.,
881 F.2d 1063, 1065, 11 USPQ2d 1638, 1639 (Fed. Cir. 1989)24

Otto Roth & Co., Inc. v. Universal Foods Corp.,
640 F.2d 1317, 1320, 209 USPQ 40, 43 (CCPA 1981)..... 23, 24

T.A.B. Sys. v. Pactel Teletrac,
77 F.3d 1372, 1375, 37 USPQ2d 1879, 1882 (Fed. Cir. 1996)24

Top Tobacco LP v. North Atlantic Operating Co.,
101 USPQ2d 1163, 1169 (TTAB 2011)23

Van Dyne-Crotty, Inc. v. Wear-Guard Corp.,
926 F.2d 1156, 1159 (Fed. Cir. 1991).....30

I. INTRODUCTION

At the core of this dispute is a priority contest between a common law mark, ECONOMY RENT-A-CAR, and a federal trademark registration for the following mark:



Respondent Kokologiannis and Sons, Societe Anonyme of Trade, Hotels and Tourism S.A., a Greek corporation, obtained its U.S. registration on a Section 66A basis, and the registration issued June 26, 2007.

Petitioner, a Delaware corporation formed in late 2009, seeks to assert common law rights allegedly acquired in 2010, indirectly, from a California corporation, UDBC, Inc. Specifically, Petitioner claims to acquired priority rights as of December 10, 2010 in its pleaded mark as through a complex series of transactions involving multiple third-parties. The table below contains a list of these third-parties.¹

| <u>Abbreviation</u> | <u>Name</u> | <u>State/Manner of Incorporation</u> |
|----------------------------|-----------------------------------|---|
| BLT Consulting | BLT Consulting, LLC, | Oklahoma LLC |
| ERAC | Economy Rent-A-Car, Inc. | Delaware corporation |
| ERAC Leasing | Economy Rent-A-Car Leasing, Inc., | Nevada corporation |
| UDBC | UDBC, Inc., | California corporation |
| Provedores | Provedores y Soluciones DAC S.A. | Costa Rica corporation |

The next table outlines the transaction chronology by which Petitioner claims to have acquired certain rights in the pleaded common law mark. To place such acquisition in its proper perspective, Respondent has also included certain milestones relevant to these proceedings.

¹ For ease of reference, Respondent shall refer to the abbreviation shown in the left-most column when referencing each entity.

| <u>Date</u> | <u>Event</u> |
|------------------|--|
| August 16, 2010 | UDBC granted a limited license to BLT Consulting to use the mark ECONOMY RENT-A-CAR. The license is for California only (sans Van Nuys) with a transferable purchase option. |
| October 29, 2010 | BLT Consulting transferred its purchase option to Proveedores (<i>i.e.</i> , the option to purchase the mark ECONOMY RENT-A-CAR). |
| December 9, 2010 | UDBC purports to assign ² to Proveedores all common law rights to the mark ECONOMY RENT-A-CAR. |
| April 30, 2012 | ERAC filed its Petition to cancel Respondent's registration. |
| May 23, 2014 | Respondent moved for Summary Judgment dismissing the Petition on the basis, <i>inter alia</i> , that ERAC did not own any rights in its pleaded mark. |
| May 30, 2014 | Alejandro Muniz (President of ERAC, ERAC Leasing, and Proveedores) grants (i) a license to use the pleaded mark from Proveedores to ERAC Leasing, and (ii) a sub-license to use the pleaded mark from ERAC Leasing to Petitioner. Both licenses purported to be made effective <i>nunc pro tunc</i> as of December 10, 2010. |

In short, Petitioner sought cancellation of Respondent's registration after an unreasonable, unexcused, and unexplained delay of more than 5 years. Respondent contends that Petitioner's delay initially derived from the fact that Petitioner and Respondent did not market in the same competitive space, and later, once the competitive dynamic changed, as a result of Petitioner's need to find a senior mark that could be used to cobble together a plausible claim of priority via a series of dubious rights-transfers. In any case, Registrant continued the development and expansion of its customer base and the building of goodwill symbolized by the trademark, unaware of Petitioner's existence.

Respondent then became obliged to fight what still seems like a ghost, spending large sums of money and time to defend a registration that Respondent believed was properly secured more than 8 years ago. Respondent has not only suffered evidentiary and economic prejudice,

² Respondent contends that this transaction constitutes an invalid assignment in gross.

but must now also contend with a Petitioner that has been purposely blurring the identity of the mark upon which its claim of confusion relies. Respondent urges the Board to discourage such tactics by granting Respondent's affirmative defense of laches, at least in relation to Petitioner's claim of priority and likelihood of confusion. Respondent submits, in addition, that in this particular case the laches defense should apply as well to Petitioner's abandonment claim, because Petitioner was surely aware of how Respondent was using, or not using, its mark during the last 10 or more years.

Respondent in this brief will explain in (perhaps too much) detail why the Board should find that Petitioner has no proprietary interest in its pleaded mark. Petitioner's story about how it came to possess trademark rights in a third party's common law mark, sufficient to cancel a registration that was granted almost five years before the petition, has been told by Petitioner with major internal inconsistencies. Respondent has shown that the initial assignment of the pleaded mark from its originator, UDBC, to Proveedores, was a flawed, ineffective, and invalid assignment in gross. To validate the transfer of rights by license and sub-license eventually to Petitioner, supported solely by the *nunc pro tunc* agreements that Petitioner created only in response to Respondent's summary judgment motion, would be much too lenient. Like trademark registrations, timely written license agreements are to be encouraged.

Respondent believes that in the transactions Petitioner arranged with UDBC, its alleged predecessor-in-interest, Petitioner did not get what it bargained for. Several strands of evidence converge to strongly suggest that by the time Proveedores moved to acquire (through intermediary BLT Consulting) the ECONOMY RENT-A-CAR mark, it was already abandoned by UDBC. Since UDBC could not sell what it no longer possessed, the potential gain for Proveedores and its licensees and sublicensees was at least diminished, if not nullified.

Respondent has shown that Petitioner, in its pleadings and its trial brief, exaggerated the evidence available to support its claims. Respondent has further shown that Petitioner, during discovery, produced non-responsive documents that misled Respondent until the truth could be sorted out after Respondent's summary judgment motion forced Petitioner's hand. The remaining valid evidence that supports Petitioner's priority claim (to the extent that it even validly exists) is wholly contrived. Taken as a whole, it does not meet Petitioner's burden to prove priority over Respondent's registration.

Nor has Petitioner met its burden to demonstrate likelihood of confusion between its pleaded common law mark and Respondent's registered mark. Respondent affirms that this is very difficult to do retrospectively, as is necessary in this case.

Instead, Respondent contends that the evidence demonstrates beyond cavil that there has been no abandonment by Respondent of its registered mark. Instead, the evidence establishes quite plainly that Respondent has continually worked to create and amplify goodwill using its trademark, including the trademark in the exact form in which it was registered.

II. STATEMENT OF FACTS

A. The Business of Registrant

Registrant operates an e-commerce business selling car rental services on the Internet. Based in Crete, Greece, Registrant uses its registered mark in U.S. commerce in two separate and distinct ways: (1) services sold to U.S. resident, whereby the customer will be provided a rental vehicle at his or her chosen destination; and (2) services sold to customers anywhere in the world, whereby rental vehicles are provided for use at destinations within the United States.

Petitioner's main trial brief asserts that "Like Petitioner, Respondent is in the business of providing over the internet reservations for rental cars." This is inaccurate. Respondent is not merely providing a reservations service. Respondent provides its proprietary search engine

software on its website to enable customers to select and purchase a car rental booking of their choice, at a price for the entire rental guaranteed by Respondent. Kokologiannis Deposition Transcript, 9:9–11; 14:16 – 15:6 (hereinafter referred to as “Kokologiannis Tr. ___”).

Registrant itself owns no physical car rental facilities or vehicles. Kokologiannis Tr. 31:17–24. To supply rental vehicles to its customers, Registrant relies on its subcontractors, with whom it has negotiated contracts. Kokologiannis Tr. 31:22– 32:20, 61:4 – 63:11. Registrant’s channels of marketing, sales, and distribution for its services are digital channels. *Id.* Specifically, Registrant’s business model is enabled by its proprietary database and proprietary search engine software. In accordance with its subcontractor agreements, Registrant’s database contains all the necessary data to calculate offers that it can present to customers. Kokologiannis Tr. 61:14–21. For the car rental customer, Registrant offers its software as a service. That is, a consumer can access any number of webpages owned by Registrant and enter dates for a specific rental at desired destination. In this way the customer deploys Registrant’s search engine software, which retrieves and displays the car rental deals matching the customer’s inquiry from Registrant’s database. The list of available deals sent to the customer’s computer includes a full range of possibilities in terms of price and category of vehicle.

The customer selects one of the offered deals for his car rental. At Registrant’s Internet payment page, the customer pays a portion of the total price of the rental to ECONOMY CAR RENTALS. Registrant’s proprietary software then creates a voucher document, which the customer downloads and prints for himself. Kokologiannis Tr. 84:16-24. The voucher identifies the Registrant’s subcontractor who will provide the vehicle to the customer at the customer’s destination, and indicates the amount that the customer will have to pay to the subcontractor. At the destination, the customer must present the printed voucher to the

subcontractor, in order to obtain the rental vehicle under the terms and price agreed between ECONOMY CAR RENTALS and the customer.

Although the Registrant's subcontractor takes over the direct contact with the customer at the rental destination, Registrant remains responsible to its customer for the quality of services provided throughout the rental period. After the booking, Registrant provides 24/7 multilingual customer support by telephone, email, and online chat. Kokologiannis Tr. 111:16 – 112:15. After their rental periods, customers receive email from ECONOMY CAR RENTALS inviting them to comment on the quality of services they received. Kokologiannis Tr. 128:11-13. Registrant responds and takes action to resolve customer complaints even if they relate solely to the subcontractor's services or the vehicle. This is part of Registrant's monitoring of its subcontractors' performance, which informs negotiations of future agreements with subcontractors, at the same time protecting the reputation of ECONOMY CAR RENTALS with its past and prospective customers. Kokologiannis Tr. 128:11-18.

Registrant does not allow its subcontractors to use or display Registrant's trademark, Kokologiannis Tr. 83:14-19, often because Registrant typically has agreements with more than one subcontractor in any given U.S. location. That is, if all of Registrant's subcontractors in one location were displaying the ECONOMY CAR RENTALS trademark, Registrant's customers would likely be confused, upon arrival at their destination, as to which subcontractor is responsible to provide their rental. Kokologiannis Tr. 83:18 – 84:15, 85:16 – 87:5.

As an e-commerce services business, Registrant does not employ printed advertising. Instead, it makes its services known to consumers, and promotes its reputation, through several types of digital channels. Specifically, Registrant owns a collection of more than 180 domain name registrations containing the term ECONOMY, which collectively function as Registrant's advertising network, as Registrant deploy content across all websites displayed at the domains,

many of which are localized for language and currency. Starting with the first domain name registration in 2001, www.economycarrentals.com, Registrant's web of interconnected domains and websites increases the chances that customers searching for car rental services on the Internet will find ECONOMY CAR RENTALS on their first page of search results. Indeed, as a web-based business, Registrant invests heavily in SEO (search engine optimization) and SEM (search engine marketing). *See also*, Declaration of Micael Wäxby.³

Registrant's paid advertising campaigns are conducted using Google's AdWords service. Registrant has been using the AdWords service since 2003, with expenditures increasing as Registrant's customer base has grown. Specifically, Registrant's annual expenditure in 2007 (when the '667 Registration issued) was approximately €80,000 and steadily increased thereafter to an annual expenditure of €280,000 for 2011. Kokologiannis Tr. p. 142:24–143:11; *see also* Kokologiannis Exhibit 22. That is, every paid click equates to a potential U.S. customer (*i.e.*, an Internet-user located within the U.S.) who has been exposed to: (i) at least one ECONOMY CAR RENTALS search result, and (ii) at least one website prominently displaying Registrant's mark ECONOMY CAR RENTALS. *Id.*

Registrant also employs social media channels in its marketing efforts, including its own Facebook, Twitter, and Google+ pages, and its own YouTube channel, to create and enhance relationships with customers and the general public. Kokologiannis Tr. 131:18–132:23; *see also* Kokologiannis Exhibit 20. All of these outlets prominently display Registrant's mark. *Id.*

Registrant also operates using a network of resellers, generally referred to as "Affiliates." Registrant's Affiliates may be a travel agency, a travel website owner, or any travel-related

³ Mr. Wäxby is CEO of SoftIT AB, a Swedish company that provides web development, software architecture, e-commerce platform, and database development services, among others, to businesses. SoftIT AB has been instrumental in assisting Respondent in developing the proprietary software and database infrastructures used to create, maintain, expand, and improve Registrant's digital marketing and operations.

entity with its own website. Kokologiannis Tr. 34:2-9. A prospective Affiliate sends a request to Registrant via Registrant's website. Registrant checks the applicant's qualifications, and if approved, the reseller is provided with an agreement that outlines the terms of the business relationship, including the terms by which the Affiliate must prominently display the mark ECONOMY CAR RENTALS on its website as well as commissions based on bookings redirected to Registrant's booking system from the Affiliate's website. Kokologiannis Tr. 87:9 – 90:6, 93:2 – 99:5; *see also* Kokologiannis Exhibits 12, 13, and 14.

To facilitate its expansion into the U.S., Registrant also developed numerous destination-oriented webpages for each U.S. locale that Registrant services that provides, *inter alia*, information on local weather, local news, airports, maps, local events calendars, and customer reviews.. Kokologiannis Tr. 126:13 – 128:9, 129:7 – 131:10, 147:25 – 148:17; *see also* Kokologiannis Exhibits 20 and 24.

B. History of the ECONOMY CAR RENTALS Trademark

In 1992, two brothers on the island of Crete, Greece started a business renting cars to tourists on the island. Kokologiannis Tr. 21:9– 24:1. The brothers, Yorgos and Antony Kokologiannis, called the new rental business with the trade name “Pan Gosmio Rent-A-Car.” The rental business was a new venture under the umbrella of the family-owned hotel business controlled by their father, Emmanouil Kokologiannis. The full name of the Kokologiannis family business was, and remains, “Emmanouil Kokologiannis and Sons Societe Anonyme of Commerce, Hotels and Tourism S.A. For purposes of this brief it is simply referred to as “Registrant” or “Respondent.”

By 1994, Registrant had begun using the word “ECONOMY” in their advertising and had expanded their services beyond Crete to other Greek islands and the mainland of Greece. Kokologiannis Tr. 22:16–24, 23:23–24, 24:3–5; *see also* Kokologiannis Exhibit 4.

By September 1999, under the Pan Gosmio trade name, Kokologiannis had begun operating a website at www.pangosmio.gr. Kokologiannis Tr. 28:10–12; *see also* Kokologiannis Exhibit 5. The website featured the words “ECONOMY” and “RENT A CAR” in close association with the trade name PAN GOSMIO. A figurative element resembling a spinning globe was positioned between and just below the words PAN and GOSMIO, suggesting the availability of car rentals to customers worldwide. An exemplar of the marketing from that time is shown below:

| | |
|--|--|
|  | <p>AGIA PELAGIA 71500 HERAKLION - CRETE - GREECE TEL.: 003 (081) 811402 FAX: 003 (081) 811424 E-mail : pangosmio@freemail.gr</p> |
| <p>RENT A CAR: PANGOSMIO ECONOMY</p> <p>WELCOME TO Car Rental PANGOSMIO SA</p> | |
| <p>Pangosmio Economy offers to the renters</p> <ul style="list-style-type: none">• a car that suits your needs<ul style="list-style-type: none">• 24 hour road service• complete insurance<ul style="list-style-type: none">• baby seat• free kilometers• delivery where you like on the island• a very attractive price which is always TOTAL - no unpleasant surprises at delivery• road map including a personal travel plan <p>The only thing you have to do is drive.</p> <p>Your satisfaction - Our aim.</p> <p>FOR YOUR STAYING IN CRETE, PANGOSMIO ECONOMY RENT A CAR SUGGESTS:</p> | |

In 2001, Respondent registered the domain name www.economycarrentals.com. Kokologiannis Tr. 31:3-6. The first active webpage at www.economycarrentals.com appeared in 2003. *Id.*; *see also* Kokologiannis Exhibit 6 at 1. The 2003 webpage header used the same

color scheme of what later became the registered mark, with the words “ECONOMY” and “RENTALS” in blue upper-case letters, the word “CAR” in yellow upper-case letters, and a cartoon-like design of a blue car, with a yellow coin above the car’s roof, the coin appearing to be entering an open slot in the car’s roof. *Id.* An exemplar of the header is below:



Later in 2003, Registrant began to use Google AdWords as a method of advertising its rentals in Greece to potential customers worldwide, including customers in the United States. Kokologiannis Tr. 136:16-25, 139:9-25, 140:1 – 141:2; *see also* Kokologiannis Exhibit 21.

By 2004, even though Registrant was renting cars only in Greece, the great majority of its customers were coming from other countries, including the United States. Kokologiannis Tr. 35:10 – 37:14. The earliest evidence of record for U.S. customers purchasing car rental services from Registrant by means of the www.economycarrentals.com website shows a rental in Athens in March 2004. Kokologiannis Tr. 113:2-13; *see also* Kokologiannis Exhibit 17 at 3.

Around 2005 – 2006, Registrant noticed that other companies had started buying domain names similar to theirs, combining the term “ECONOMY” with various terms such as “rent-a-car” or “car hire” among other different domain extensions. Kokologiannis Tr. 42:18-24. To protect against potential confusion associated with this practice and preserve its consumer recognition and goodwill, Registrant undertook to register numerous domain name variations that included the term “economy” relative to car rental services. Kokologiannis Tr. 42:24 – 43:3. Registrant also sought undertook to register the trademark that is the subject of this cancellation proceeding. Kokologiannis Tr. 15:7 – 18:15. That is, it was registered first in Greece in August 2005. Kokologiannis Tr. p. 18:13-15; Kokologiannis Exhibits 3A and 3B. This was followed by

an International Registration designating several countries or regions, including the United States. Kokologiannis Tr. 18:20–19:18; and Kokologiannis Exhibit 2. The USPTO granted Registration No. 3,256,667 to Registrant on June 26, 2007, with a Paris Treaty priority date of August 11, 2005. Kokologiannis Exhibit 2.

At the time of preparing the trademark application that would become its basic registration for Madrid Protocol designations, Registrant was very concerned about opportunists in the travel industry who were making bids on keywords in the Google AdWords platform, driving up the prices for keywords such as “economy”, “car rental”, “rent a car”, and “car hire,” as well as combinations with foreign equivalents such as “economy autovermietung”. Kokologiannis Tr. 57:13-25, 58:2-15, 59:13–60:10. At the time, AdWords policy allowed owners of trademark registrations to request Google to preclude others from bidding on terms that were included in the registered trademark. Kokologiannis Tr. 58:8-15. Registrant consulted a Greek attorney (Kokologiannis Tr. 56:3-16, 57:17-25), who did not specialize in U.S. trademark law (Kokologiannis Tr. 56:14-16), and apply for Greek and International registrations. The registered mark (shown below) comprised, the redundant terms “RENTAL–HIRE–RENT A CAR– AUTOVERMIETUNG–MIETWAGEN” in addition to a blue car logo and the words “ECONOMY CAR RENTALS.” Kokologiannis Tr. 58:16–59:20; Kokologiannis Exhibit 2.



From the beginning of its web-based advertising and marketing activities, Registrant had the intention to extend its offering of car rentals to United States destinations. Kokologiannis Tr. p. 43:15-22. Registrant began exploring potential partnerships with potential U.S. subcontractors in the 2006–2008 time period. Kokologiannis Tr. 47:8-14; 77:18–78:4. By the end of 2008,

Registrant had already provided car rental services to customers from the United States on about 90,000 occasions. Kokologiannis Tr. p. 118 lines 21 – 23, and Exhibit 18. Agreements with the first two subcontractors were finalized in 2009 and 2010 (Kokologiannis Tr. 75:4-19, 77:4-17; Kokologiannis Exhibits 8 and 9) and, in January 2009, Registrant began providing rentals at destinations within the United States. Kokologiannis Tr. 108:9 – 110:25; Kokologiannis Exh. 16.

C. Petitioner and Its Marks

Petitioner is a Delaware corporation formed in late 2009. Petitioner operates under the service mark ECONOMY RENT-A-CAR. Petitioner operates a vehicle rental and reservation business in various locations throughout the United States. Petitioner filed the present Petition for Cancellation on April 30, 2012.

Petitioner seeks to assert common law rights in the service mark ECONOMY RENT-A-CAR. Petitioner alleges that it acquired rights in the service mark, indirectly, from a California corporation, UDBC, Inc. Specifically, Petitioner claims to have acquired priority rights as of December 10, 2010 through a complex series of transactions involving multiple third-parties. First, UDBC granted a limited license with a transferable purchase option to BLT Consulting on August 16, 2010 to use the ECONOMY RENT-A-CAR mark. On October 29, 2010, BLT Consulting transferred its purchase to Proveedores. UDBC then allegedly assigned all common law rights in the mark ECONOMY RENT-A-CAR on December 9, 2010 to Proveedores. Not until more than two years after Petitioner filed this Petition for Cancellation, is it assigned any rights in the ECONOMY RENT-A-CAR mark. On May 30, 2014, the President of ERAC, ERAC Leasing, and Proveedores executes a license from Proveedores to ERAC Leasing and a sub-license from ERAC Leasing to ERAC, Petitioner. The aforementioned license and sub-license purportedly made effective *nunc pro tunc* as of December 10, 2010.

III. LEGAL ARGUMENT

A. Laches Bars the Petition

Petitioner unreasonably delayed in seeking cancellation of the '667 Registration. That delay prejudiced Registrant. Petitioner has not demonstrated that confusion was inevitable between its pleaded mark and Registrant's registered mark. Thus, laches bars Petitioner's claims.

Laches begins to run from the time action could have been taken against the registration. In the present case laches began to run from April 10, 2007, the date when the underlying application was published for opposition. Petitioner admits it was aware of Registrant's trademark registration at least as early as April 2009. Nevertheless, Petitioner delayed in filing this Petition until April 30, 2012, *i.e.*, almost three years after it first became aware of the mark and more than five years after the mark was published for opposition. Petitioner offers no excuse for its delay. Indeed, not only did Petitioner make no contact at all with Respondent before filing its Petition, neither did Petitioner's alleged predecessor-in-interest (UDBC) from whom Petitioner allegedly secured common law rights.

Petitioner's delay prejudiced Registrant because during that period, Registrant continued to invest in developing goodwill, and in particular, built its customer base among U.S. residents and among travelers to U.S. destinations. Registrant dba ECONOMY CAR RENTALS started in January 2009 to serve hundreds of U.S. destinations. Preparing to do this required enormous investments in Respondent's proprietary database, software and Internet domain network, as well as negotiations with subcontractors such as Vanguard and Dollar Thrifty. Registrant's pay-per-click advertising expenses for U.S. residents, *i.e.*, consumers in the U.S. who saw the ECONOMY CAR RENTALS website, grew 350% during the 5-year period 2007 through 2011.

Petitioner's delay also prejudiced Registrant because during that period, Registrant completed its transition to an essentially paperless business, and destroyed certain paper records,

including U.S. customer credit card slips, that would have been evidence to show historical use of its trademark.

Laches will not bar Petitioner's claim under Lanham Act § 2(d) if confusion between the marks is inevitable, because "public interest necessitates the avoidance of situations that could readily give rise to confusion in the marketplace." *Hitachi Metals International, Ltd. v. Yamakyu Chain Kabushiki Kaisha*, 209 USPQ 1057, 1067 (TTAB 1981). However, where, as here, the question of likelihood of confusion is reasonably in doubt, the Board has not hesitated to apply the laches defense when a Petitioner has unreasonably delayed in commencing cancellation proceedings. *Copperweld Corp. v. Astralloy Vulcan Corp.*, 196 USPQ 585, 592 (TTAB 1977).

B. Petitioner Has No Proprietary Interest In Its Pleaded Mark

1. The assignment from UDBC to Proveedores is an invalid assignment in gross

As Exhibit 11 during the Confidential Testimony of Alejandro Muniz, Petitioner introduced a two-page document identified as a "TRADEMARK ASSIGNMENT." The document purports to assign, from UDBC to Proveedores, "the service mark ECONOMY RENT-A-CAR." The agreement is made and executed as of December 9, 2010. Its recitals include "WHEREAS, Assignee is desirous of acquiring the Mark, including the goodwill of the business associated therewith." However, the agreement is not executed by the Assignee (Proveedores). Instead, it was only executed only by UDBC. It purports to convey all rights in the service mark ECONOMY RENT-A-CAR, "together with the goodwill of the business symbolized thereby."

Although Petitioner allegedly intended to have UDBC assign the ECONOMY RENT-A-CAR mark to Petitioner's related company Proveedores, the assignment does not appear to have been drafted so as to affect that result. In this case, Respondent submits that the attempted

assignment failed because the assignor's goodwill in the business symbolized by the mark was not transferred to Proveedores.

Indeed, Petitioner conducted very little due diligence regarding the nature and scope of goodwill possessed by UDBC. That is, Muniz made his first contact with UDBC in June 2010, when he and Bob Thunell (President of BLT Consulting, LLC) visited UDBC's location in Van Nuys, California. No notice was given before their visit. In fact, Muniz did not consider making an offer to buy UDBC's car rental business at that time. When asked why no offer was made or considered, Muniz did not indicate any motivation regarding the business itself or its underlying consumer goodwill, instead he indicated that "we were interested in the trademark. [...] We were interested in renting vehicles in Van Nuys as we are all over the U.S. [...] [W]e wanted Mr. Martyn's company to service [...] customers with the Economy Rent a Car mark." Muniz Tr. 85:18-81:6, 109:14-20. Respondent submits that Muniz was plainly referring to the Proveedores trademark in his testimony. In other words, Muniz wanted to have UDBC become an affiliate to Petitioner, but without requiring UDBC to pay commissions on its sales like the other affiliates.

The testimony of Mr. Bob Martyn confirms that when Mr. Bob Thunell negotiated (on behalf of Petitioner) terms for the license and purchase option on the UDBC mark, Thunell did not bring up the idea of buying UDBC. Martyn Testimony 132:7-10. Martyn testified that there was essentially no negotiation involved, and that Thunell brought up the idea of making the purchase option transferable, and that he was not asked to provide information about UDBC's customer base, sales, numbers of bookings, or advertising expenses. Martyn Testimony 130:14 - 132:15.

As Exhibit 19 during the Muniz testimony, Petitioner introduced a document comprising three color photographs of the exterior of the building in Van Nuys, California that was, and is still, the sole operating location of UDBC. The only trademark displayed is the Proveedores

trademark, in white stylized lettering on a red background. Mr. Bob Martyn testified about UDBC's signage on a pole situated in front of the office adjacent to the sidewalk on Sepulveda Boulevard. Martyn Testimony 10:1-3. He testified that "last year" (2013), the small "economy Rent-A-Car" sign with red block letters on a white background (shown in Martyn Testimony Exhibit 2) was replaced with the current sign, which "conforms with the current usage that Mr. Muniz has. It's their sign." Martyn Testimony 10:20 – 11:6. Mr. Martyn was referring to the sign depicted in Muniz Testimony Exhibit 33, which displays the Proveedores mark "Economy Rent a Car" in white stylized letters on a red background.

Martyn testified that after the alleged assignment of UDBC's service mark to Proveedores (December 9, 2010), UDBC continued using the mark "in the same way it had been from 1994" (Martyn Testimony 33:19-25), and that the nature of UDBC's rental car business did not change between 1994 and 2014 (Martyn Testimony 7:24 – 8:2). Martyn further testified that UDBC's continued use of the Economy Rent-A-Car mark after its assignment to Proveedores was pursuant to a license agreement, *i.e.* Martyn Exhibit 30. Martyn 34:3-15, 137:21 – 138:12. Martyn Exhibit 30 is identical to Muniz Exhibit 16. See Muniz Tr. 32:17 – 33:7. This alleged "TRADEMARK LICENSE AGREEMENT" was executed February 26, 2013, and made effective *nunc pro tunc* January 12, 2010. It purports to license three trademarks to UDBC: "ECONOMY", "ECONOMY RENT A CAR", and "ECONOMY RENT-A-CAR." Critically, with respect to the mark "ECONOMY RENT-A-CAR" whose goodwill was purportedly made effective as of January 12, 2010, this agreement is invalid on its face as Petitioner, *i.e.*, the putative licensor, did not possess any rights to that mark that it could license until almost a full year later, *i.e.*, December 10, 2010, if ever.

In fact, the *nunc pro tunc* agreement of February 26, 2013 was unnecessary, if its only purpose was to allow UDBC to continue using its ECONOMY RENT-A-CAR mark in the Van

Nuys area. Martyn testified that he believed UDBC's license to BLT Consulting (Martyn Exhibit 38), made August 16, 2010, retained for UDBC the exclusive use of that mark in the Van Nuys area. Martyn Tr. 135:3 – 136:21. That agreement also contains the provision that “in the event that Licensee [BLT Consulting] transfers or sub-licenses its rights under this Agreement to any other entity, ... both the Licensor [UDBC] and that transferee or sub-licensee shall be fully bound by the terms of this Agreement.” Martyn Exhibit 38 at 2, ¶ D.

Respondent submits that the alleged license from Petitioner to UDBC was intended only to formalize a prior verbal assurance from Muniz that UDBC would have the benefit of using the Proveedores trademarks. After UDBC supposedly assigned its trademark, it continued to operate as usual, serving customers from the local neighborhood, thus retaining for itself any goodwill that had been built prior to the assignment.

Petitioner's own evidence shows that UDBC, when it allegedly assigned Petitioner's pleaded mark to Proveedores, did not transfer the goodwill associated with the business. The evidence further suggests that Proveedores was not even interested in that goodwill. Without the actual transfer of goodwill from UDBC to Proveedores, the alleged assignment is an invalid assignment in gross.

2. Petitioner's pleaded mark was abandoned by UDBC before the attempted assignment to Proveedores.

UDBC's rights in the service mark ECONOMY RENT-A-CAR never extended beyond the State of California. UDBC never sought Federal trademark registration for any mark. Indeed, UDBC's use of its service mark ECONOMY RENT-A-CAR was always limited to southern California.

Martyn testified that the majority of UDBC's customers were local residents, during the entire period from 1994 through 2010. Martyn Tr. 65:12– 67:12. He also testified that most

customers were “local residents that needed a car for temporary use, either from having an accident or a car breakdown.” Martyn Tr. 8:17-22. The rental agreements that UDBC issued to customers contain a provision saying the renter is not permitted to take the car outside of a 150-mile radius from UDBC’s location. Martyn Tr. 81:12 – 83:23; Martyn Exhibit 38. Petitioner further claimed in answers to interrogatories that UDBC owned two Internet domains, www.economyrentacarla.com and www.lacarrentals.com. However, there is no evidence that UDBC ever used the domain www.economyrentacarla.com or that a webpage ever resolved to that domain. Moreover, there is no evidence that UDBC used the domain www.lacarrentals.com after May 2006.

Indeed, UDBC made its first filing for the Fictitious Business Name (FBN) “Economy Rent-A-Car” in Los Angeles County November 7, 1994. California law requires businesses operating under a FBN to register it, and to renew the registration every five years. UDBC renewed its FBN registration on February 8, 1999, but did not renew it again. UDBC’s Fictitious Business Name was no longer valid after February 2004. *See* Respondent’s Notice of Reliance Exhibits 4, 5, and 6.

The last evidence of any Yellow Pages display advertising by UDBC with the “economy RENT-A-CAR” & design mark was in the November 2003 printing of the Yellow Pages directory for West San Fernando Valley. It allegedly included a \$5 off coupon valid until March 2005. Martyn Exhibit 23.

UDBC filed and obtained a California State Trademark Registration No. 049604, on May 6, 1998, for the mark “economy RENT-A-CAR” & design. It claimed a first use date of December 23, 1993. Muniz Exhibit 7; *see also* Respondent’s Notice of Reliance Exhibit 2. The mark appears in UDBC’s Yellow Pages advertising only from 1999 through 2003. Martyn Exhibits 8 – 13. UDBC allowed that registration to expire May 6, 2008. Martyn Exhibit 27.

When Petitioner produced the California registration in response to discovery requests, it produced only the registration certificate, not the full record of the registration. That record, provided by Respondent in its Notice of Reliance Exhibit 2, includes a detailed description of the mark and a specimen. These match the appearance of the mark in UDBC's Yellow Pages advertising, which ran only from 1997 through 2003.

In November 2010, probably at the behest of Petitioner, UDBC attempted to cure the abandonment of its prior California state trademark, by filing a new State trademark application. *See* Respondent's Notice of Reliance Exhibit 3. The description of the mark is "'economy' and first letter, e, is set inside a car key." The specimen matches the advertising flyer in Martyn Exhibit 26, with its typographical error ("CARE" instead of "CARS"). Petitioner claims UDBC used this flyer only from 1994 to 1998, yet it somehow still appears a 2010 trademark application. Moreover, Petitioner claims that UDBC assigned the Nov. 10, 2010 California registration to Proveedores on December 9, 2010, but the alleged assignment document describes the mark as "Economy Rent-a-Car", and does not include an image of the mark. Muniz Exhibit 12. Respondent contends that the alleged assignment is unduly vague and ambiguous and therefore ineffective.

The paucity of evidence for UDBC's use of ECONOMY RENT-A-CAR as a source indicator from 2006 onwards, strongly suggests that at the time Petitioner began maneuvering to obtain rights in the mark, it was already abandoned. Under California law, a trademark is abandoned after two continuous years of non-use. UDBC's small "economy RENT-A-CAR" sign with red block letters on a white background (shown in Martyn Testimony Exhibit 2) was the only public display of Petitioner's pleaded mark from sometime in 2007 until sometime in 2013. Martyn Tr. 10: 4 – 11:6.

3. The alleged license from Proveedores to ERAC Leasing and the alleged sub-license from ERAC Leasing to Petitioner are invalid.

During discovery, Respondent directed several discovery requests toward understanding the chain of title through which Petitioner obtained rights in its pleaded mark. Respondent, in its Interrogatory No. 3, asked Petitioner to “Describe each transfer of any rights in Petitioner’s alleged trademark ECONOMY RENT-A-CAR, identifying the date and the parties and the scope of rights transferred, from 1992 to the present, including any transfer of rights involving third parties.” In response, Petitioner stated that “[i]n lieu of a written description,” it had “produced documents in response to Registrant’s document requests”, and asserted that the “documents provide the information sought by Registrant in this interrogatory.”

Of the documents thus produced by Petitioner during discovery, only one proved to have anything to do with how Petitioner might have obtained rights in its pleaded mark. That document is an alleged assignment of the pleaded common law mark ECONOMY RENT-A-CAR, from UDBC to Proveedores, on December 9, 2010.

In its motion for summary judgment, Respondent explained that Petitioner had not produced any evidence that Proveedores ever licensed the ECONOMY RENT-A-CAR mark to ERAC Leasing, and had not produced any evidence of a sub-license to Petitioner.

The later testimony of Mr. Muniz confirmed that documents Petitioner produced in discovery, in particular an alleged license from Proveedores to ERAC Leasing and an alleged sub-license from ERAC Leasing to Petitioner, did not pertain to Petitioner’s pleaded mark. Muniz Tr. 121:24 –122:4; Muniz Exhibit 28. However, during the Muniz testimony Petitioner attempted to introduce Exhibits 14 and 15, to which Respondent’s counsel objected. Muniz Tr. 29:16– 31:30; 115:2-23. These documents were created after the close of discovery, so

Respondent had no opportunity to conduct discovery concerning them. Respondent contends that the introduction of Exhibits 14 and 15 by Petitioner constituted unfair surprise.

Despite Respondent's objection to Exhibits 14 and 15, Respondent's counsel cross-examined Mr. Muniz about them, because this examination would be necessary if the Board overrules the objection. Muniz Tr. 115:1-22.

Muniz stated that Exhibit 14 was a license agreement between Proveedores and ERAC Leasing, and Exhibit 15 was a sub-license agreement between ERAC Leasing and Petitioner, for the same mark, Economy Rent-A-Car. He further confirmed that both agreements were executed on May 30, 2014, and made effective *nunc pro tunc* as of December 10, 2010, in accord with a "verbal license" and sub-license that he had granted on that date. Both alleged licenses were first introduced as part of Petitioner's brief in opposition to Respondent's summary judgment motion. Muniz Tr. 116:20– 119:16. That motion argued that the license and sub-license produced by Petitioner during discovery did not, and could not have, granted any rights in the UDBC mark to Petitioner.

Muniz stated that the delay between his alleged "verbal license" [and sub-license] and the commitment to paper (3 years, 5 months, and 20 days) was because he "believed that my verbal authorization was sufficient, but after it came into question in this trial, I decided to formalize the agreement by way of this written agreement, document." Muniz Tr .30:11-17 and 30:15-20. In view of the long delay between the alleged verbal authorizations and the creation of written *nunc pro tunc* agreements, and in view of the fact that Petitioner did not produce these agreements or mention any "verbal licenses" in its discovery responses, the Board should either strike the Exhibits 14 and 15 of the Muniz Testimony, or accord them no probative value.

C. Petitioner Has Not Met its Burden to Prove Priority of its Pleaded Mark

Respondent submits that the only reason Proveedores attempted to acquire the pleaded ECONOMY RENT-A-CAR mark from UDBC was to amalgamate that common law mark with the Proveedores trademarks. *See* Muniz Tr. Exhibit 16, an alleged *nunc pro tunc* license executed February 26, 2013, which purports to license the marks “ECONOMY”, “ECONOMY RENT A CAR”, and “ECONOMY RENT-A-CAR.”

In the process of filing Proveedores’ trademark applications for its own marks, in April 2009, Petitioner became aware of Respondent’s registration, already almost three years old. Respondent believes Petitioner then set out to find a way to claim priority over Respondent’s registered mark, because Proveedores could not claim priority with its own marks. Petitioner reckoned that rights in an earlier common law mark would not only protect Petitioner from any infringement or cancellation action that Respondent might later take, but if successful, it might enable Petitioner to remove Respondent’s earlier trademark from the register, making it difficult and costly for Respondent to defend its priority and enforce its trademark rights going forward.

Petitioner appears to believe that, merely with a non-exclusive sub-license to the UDBC mark, Petitioner is entitled to claim priority of use as though it stepped into the shoes of UDBC. Respondent submits that even if the law permits such entitlement, Petitioner has not met its burden to prove that UDBC, as the original owner of the mark, used it continuously and in a manner sufficient to maintain a trade identity, prior to its alleged assignment to Proveedores.

Petitioner has not claimed, nor has it proved, that any interest it may have in its pleaded mark was acquired by it prior to Respondent’s priority date. Petitioner must prove that it has a proprietary interest in the pleaded mark ECONOMY RENT-A-CAR, and that the interest was obtained prior to Respondent’s priority date. *See Top Tobacco LP v. North Atlantic Operating*

Co., 101 USPQ2d 1163, 1169 (TTAB 2011). Therefore, if the Board finds that the principle announced in *Top Tobacco* is applicable in this case, Petitioner's claim of priority must fail.

Petitioner's assertions in its main brief on the subject of priority are inconsistent with its evidence. That is, Petitioner asserts continuous use of the pleaded mark starting in December 1993. The certificate of registration for California State trademark no. 049604 (Martyn Exhibit 27) is the only piece of evidence in this case that gives any indication that UDBC might have begun using Petitioner's pleaded mark as early as December 1993. UDBC allowed that registration to expire May 6, 2008. Martyn Exhibit 27.

UDBC's filing of a Fictitious Business Name statement on November 7, 1994 does not constitute evidence of trademark use, especially as that filing states that "Registrant has not begun to transact business under the fictitious business name or names listed herein." Petitioner's document nos. P-118-120 and P-359-362.

Evidence of UDBC's paid advertising in the local Yellow Pages telephone directory using Petitioner's pleaded mark is limited to the years of publication 1997 through 2003.

In order to challenge a Federal trademark registration on the basis of a common law mark, use of the pleaded mark must be continuous and sufficient to develop and, Respondent submits, maintain a trade identity. Petitioner has not shown that its alleged predecessor-in-interest did not abandon the pleaded mark.

Under the rule of *Otto Roth*, Petitioner "must prove he has proprietary rights in the term he relies upon to demonstrate likelihood of confusion as to source, whether by ownership of a registration, prior use of a technical trademark, prior use in advertising, prior use as a trade name, or whatever other type of use may have developed a trade identity." *Otto Roth & Co., Inc. v. Universal Foods Corp.*, 640 F.2d 1317, 1320, 209 USPQ 40, 43 (CCPA 1981).

In the present case, Petitioner must prove that Economy Rent-A-Car, Inc., a Delaware corporation formed October 30, 2009, has proprietary rights in the term ECONOMY RENT-A-CAR, the mark it relies upon to demonstrate likelihood of confusion as to source. Respondent submits that “proprietary” means, at a minimum, ownership, or, at a minimum, that a non-exclusive sub-licensee cannot be said to have proprietary rights in a trademark.

Parsing the *Otto Roth* rule, the proprietary rights that Petitioner relies upon are from prior use by UDBC of the UDBC service mark. Respondent submits that the word “prior” in the rule means prior to the priority date of the registration that Petitioner seeks to cancel.

Before a prior use becomes an analogous use sufficient to create proprietary rights, the petitioner must show prior use sufficient to create an association in the minds of the purchasing public between the mark and the petitioner’s goods. *Malcolm Nicol & Co. v. Witco Corp.*, 881 F.2d 1063, 1065, 11 USPQ2d 1638, 1639 (Fed. Cir. 1989). The activities claimed to create such an association must reasonably be expected to have a substantial impact on the purchasing public before a later user acquires proprietary rights in a mark. *T.A.B. Sys. v. Pactel Teletrac*, 77 F.3d 1372, 1375, 37 USPQ2d 1879, 1882 (Fed. Cir. 1996). The user must prove that the “necessary association” was created among more than an insubstantial number of potential customers. Otherwise, he cannot show “significant impact on the purchasing public.” *T.A.B. Sys. v. Pactel Teletrac*, 77 F.3d 1372, 1377, 37 USPQ2d 1879, 1883 (Fed. Cir. 1996).

Use-analogous-to-trademark-use may be sufficient to establish priority of use, “provided that the use has resulted in the development of a trade identity, *i.e.*, is an open and public use of such nature and extent as to create, in the mind of the relevant purchasing public, an association of the designation with the plaintiff’s goods or services.” *Flatly v. Trump*, 11 USPQ2d 1284, 1287-90 (TTAB 1989).

For purposes of this cancellation proceeding, the priority date of the registration is June 26, 2007. Petitioner itself did not exist until October 30, 2009. Petitioner does not own any trademark registrations or domain names.

Petitioner in this case pleads likelihood of confusion between Respondent's trademark and the unregistered service mark of Petitioner's alleged predecessor-in-interest, UDBC, Inc. Or, more specifically, Petitioner pleads likelihood of confusion between a mark Respondent used and registered for years prior to Petitioner's existence and the unregistered service mark of a Los Angeles, California- based entity whose common law trademark rights Petitioner allegedly acquired after commencing the instant proceedings.

There can be no dispute that the prior use of the term ECONOMY RENT-A-CAR that Petitioner alleges is sufficient to cancel Respondent's registration, was use only in the Los Angeles, California area, by a third party that never had any relationship with Petitioner, until at least December 9, 2010. Petitioner alleges that on that date the third party, a California corporation UDBC, Inc. assigned the service mark ECONOMY RENT-A-CAR to Provedores. Thus, Provedores can claim that it has a proprietary interest in the term ECONOMY RENT-A-CAR, as of that date. Registrant respectfully submits that Petitioner does not, however, have a proprietary interest in the term ECONOMY RENT-A-CAR. Instead, at most, it is the sub-licensee depending from Provedores in a chain of royalty-free, non-exclusive licenses. Further, the alleged license (from Provedores to its related company Economy Rent-A-Car Leasing, Inc.) and the alleged sub-license (from Economy Rent-A-Car Leasing, Inc. to its related company Economy Rent-A-Car, Inc.) were *nunc pro tunc* agreements executed May 30, 2014, by Alejandro Muniz for both parties in both cases. Thus, Respondent respectfully contends that these agreements have no probative value concerning Petitioner's rights in its pleaded mark.

D. Petitioner Has Not Met its Burden to Demonstrate Likelihood of Confusion Between its Pleaded Common Law Mark and Respondent’s Registered Mark

In order to grant the Petition to cancel Respondent’s federal trademark registration, the Board must find that confusion as to source existed, prior to Registrant’s priority date, based on use at that time of the term ECONOMY RENT-A-CAR.

If we are talking about confusion that existed prior to June 26, 2007, we look only for confusion as to source where consumers would have believed that services provided by the alleged junior user (Registrant) were actually provided by, or in association with, UDBC.

This formulation of the issue comports with the choice that Petitioner made in its likelihood of confusion survey, where the image of “economy Rent-A-Car” presented as a stimulus to survey respondents was a photograph of a sign that had been historically displayed at UDBC’s operating location.

Thus the two marks to be compared are shown below.

| Petitioner’s pleaded common law mark | Respondent’s ’667 Registration |
|---|--|
|  |  |

Petitioner’s expert, Hal Poret, conducted and provided a report on a survey for likelihood of confusion. Respondent did not conduct such a survey, because Respondent does not see how a survey done now could enable us to see into the past and evaluate confusion that might have existed prior to June 2007. During his testimony, Mr. Poret agreed that if a consumer did not have knowledge of Petitioner’s (UDBC’s) car rental services, it would be impossible for that consumer to be confused into thinking that Respondent’s services are coming from the same or a related company. Poret Tr. 102:5-13.

Respondent's counsel moved "to preclude the testimony of Mr. Poret, as he is not qualified to do the survey, and the survey is otherwise flawed." Respondent's counsel also moved "to exclude Exhibit E, as well as the survey report from which it is derived, because the data is not produced in a form that is understandable or meaningful either to counsel or the Board, and the electronic form is not admissible with the Board." Poret Tr. 119:14-24.

Assessment of likelihood of confusion in this case becomes necessary only if Petitioner's priority is proven. Even if Petitioner can prove priority of use, its 5-year delay in seeking cancellation seriously undermines its claim of likelihood of confusion.

Respondent believes it is not possible to determine retrospectively whether likelihood of confusion existed, *more than seven years after the fact*. Nevertheless, Respondent offers certain observations that may be relevant to the Board's inquiry, should it be necessary.

There is no evidence of actual confusion between the UDBC mark and Petitioner's mark in any form. Actual confusion is probably impossible because there is only theoretical overlap between UDBC's customer population and Respondent's customers. Petitioner's pleaded mark (the UDBC mark) was not used online after May 2006; Respondent's mark is totally online, albeit with the added dimension that customers use vouchers that they print themselves. When the USPTO examined Proveedores' trademark applications for the marks "Economy" and "Economy Rent a Car", the examining attorney did not cite Respondent's trademark registration as a bar to registration.

E. Respondent Has Not Abandoned Its Registered Mark

A mark may be deemed abandoned if its "use has been discontinued with intent not to resume such use." 15 U.S.C. § 1127. However, a mark "can be modified or changed without 'abandonment' if the altered mark retains its original impact and evokes essentially the same commercial impression." *Schieffelin & Co. v. Molson Cos. Ltd.*, 9 USPQ2d 2069, 2072 (TTAB

1989). Respondent's mark in the exact form in which it was registered has been in use on various websites since at least as early as February 5, 2013. These include reseller websites, where Respondent requires that its mark is used alongside the reseller's brand identity.



The registered form of the mark is also used on Respondent's own YouTube channel; its Google+ page; its Facebook page; its Twitter page; and the checkout page on Respondent's main website. Kokologiannis Exhibit 20 and Kokologiannis Tr. 131:18–132:23. As shown below, the appearance of colors and fonts on these web pages differ slightly from the appearance of the drawing in its registration, which is a poor reproduction of the original.



Registrant has used this same version of its mark (again, in color) on its reseller invitation web pages (Kokologiannis Exhibit 12), and has required resellers to display it on their websites (Kokologiannis Exhibit 14).

Since 2004, has continuous used on its website the below simplified version of its mark.



For the primary home page, the simplified version of the registered mark was chosen by Registrant's web designers. This choice was based on design constraints of the web page layout, esthetics of the home page appearance, and the desire to minimize friction for users on that particular page.

Virtually all of the consumers who visit Respondent's website have been exposed, just before that visit, to the term "ECONOMY CAR RENTALS" used in multiple Google organic search results and in multiple paid advertisements resulting from Respondent's AdWords campaigns, all on the first page of Google search results. Then, viewing the simplified version of the mark on Respondent's primary home page, the association of the term "ECONOMY" with a unique source of car rental services is reinforced by the mark in distinctive blue and gold colors, with its unusual cartoon-like car logo in a matching dark blue. If the customer makes a purchase, they will see Respondent's full trademark, in the exact form in which it is registered, on the checkout page of Respondent's website. Respondent believes that when the consumer views successive displays of Respondent's trademark in this way, the memorability of the mark and its association with Respondent in the mind of the consumer are enhanced and enriched. Respondent regards all the forms of its mark as a continuum, and uses its large collection of web domains and its resellers network to benefit from synergy among the representations of its trademark.

Respondent argued in its motion for summary judgment that its trademark registration is not subject to cancellation on grounds of abandonment, because ample evidence demonstrates that Respondent has been using the mark or its legal equivalent continuously, in the United States, since at least as early as July 2005, and up until the present.

Petitioner in its trial brief contends that in order to be the legal equivalent of the registered mark, the previously used version "must actually be indistinguishable" from it. This

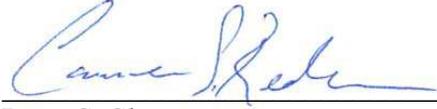
is an incorrect formulation of the rule in *Van Dyne-Crotty*, which instead states the following: “The previously used mark must be the **legal equivalent** of the mark in question **or** indistinguishable therefrom, and **the consumer should consider both as the same mark**. [T]he marks must **create “the same, continuing commercial impression,”** and the later mark should not **materially differ** from or **alter the character** of the mark attempted to be “tacked.” *Van Dyne-Crotty, Inc. v. Wear-Guard Corp.*, 926 F.2d 1156, 1159 (Fed. Cir. 1991) (citations omitted; emphasis added).

It is beyond cavil that the registered mark and the simplified versions of the trademark shown above are not meaningfully disparate so as to create a different commercial impression. “[A] change which does not alter [the mark’s] distinctive characteristics represents a continuity of trademark rights.” *Humble Oil & Refining Co. v. Sekisui Chemical Co.*, 165 USPQ 597, 1970 WL 9925 (TTAB 1970). The distinctive characteristics of Respondent’s registered mark are the saturated dark blue and yellow-gold colors used in the words ECONOMY CAR RENTALS and cartoon-car device, and the caricature aspect of that graphic device. The distinctive elements of the registered mark are thus retained in its simplified version. Omission of the small-font German and British English translations of “car rental” does not alter the character of the mark. The simplified and registered versions of Respondent’s mark have the same literal meaning and therefore create the same, continuing commercial impression. Thus, Respondent’s contentions to the contrary simply have no merit.

IV. CONCLUSION

Respondent Kokologiannis respectfully urges the Board to deny the Petition to cancel its Registration No. 3,256,667.

Respectfully submitted,



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Date: November 4, 2015
White Plains, New York

Attorneys for Respondent

CERTIFICATE OF SERVICE

It is hereby certified that a true and correct copy of the foregoing **RESPONDENT'S MAIN TRIAL BRIEF, with Appendices A-E** was served by First-Class mail, postage prepaid, upon the attorney for Petitioner, this 4th day of November, 2015, addressed as follows:

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Cameron S. Reuber

Appendix A

Appendix A

Respondent provides its response to Petitioner's Objections to Exhibits introduced during the trial testimony of A. Kokologiannis set forth in Petitioner's Appendix B to its Trial Brief as set forth below:

Exhibit 4

As stated in Respondent's testimony, the brochure of this exhibit was used in the mid-1990s, during which time Respondent provided services in Crete to customers from the United States. (Kokologiannis Tr., 23:18 – 25:22.) U.S. citizens that used Respondent's services abroad would have encountered the mark as seen on the brochure. This Exhibit is relevant to show the Respondent's early use of the mark ECONOMY in connection with its business.

Exhibit 5

Petitioner objects to Exhibit 5 stating that there is no evidence that the displayed screenshot was ever distributed in the United States. However, the publicly available website that is the subject of the screenshot of Exhibit 5 is at least admissible to establish that the website displayed at www.pangosmio.gr displayed the term RENT A CAR ECONOMY in 2001. As websites are available worldwide, this Exhibit shows what Respondent's website looked like to consumers in U.S. Exhibit 5 is admissible to show that Respondent used its mark on a publicly available website. *Safer Inc. v. OMS Investments Inc.*, 94 U.S.P.Q. 2d 1031, (TTAB 2010).

Exhibit 6

Contrary to Petitioner's statement in its objection, Exhibit 6 does display URLs for 13 of the 14 screenshots within the Exhibit. Further the date of the screenshot can be determined from the URL. Thus, the internet evidence of Exhibit 6 is self-authenticating. *Safer Inc. v. OMS Investments Inc.*, 94 U.S.P.Q. 2d 1031, (TTAB 2010). Further, Kokologiannis testified about the document providing dates based on the countries identified in the screenshot. (*See, e.g.*, Kokologiannis Tr., 34:23 – 35:23.) Petitioner also objects to Exhibit 6 because there was no testimony that the webpage was distributed in the United States. However, Respondent's webpage was available to users worldwide including the U.S. (Kokologiannis Tr., 36:19 – 37:14). Petitioner mischaracterizes Respondent's testimony regarding availability of the website to U.S. consumers. Respondent testified that users from anywhere in the world could use the website to obtain car rentals in Greece. (*Id.*). Respondent further testified that it had US customers during the even the earliest period represented in Exhibit 6. (Kokologiannis Tr., 37:3-14.)

In response to Petitioner's objection that the document was not produced during discovery, Respondent states that the discovery request relied upon, Petitioner's doc. Request No. 51, does not clearly encompass Exhibit 6, as alleged by Petitioner.

Exhibit 14

Petitioner objects to Exhibit 14 on the grounds of authentication. First, each webpage screenshot includes a URL within the image. Further, Respondent provided testimony as to the nature of each of the screenshots. (Kokologiannis Tr., 100:17 – 102:24).

The screenshots in Exhibit 14 are admissible as to what the webpages present on their face, namely Respondent's mark used in conjunction with a third party affiliate mark. The face of the Exhibit also shows that the services are directed to customers in the United States.

Exhibit 15

Petitioner objects to this Exhibit as hearsay. Exhibit 15 is a business record, as indicated by Respondent's testimony; the list of Exhibit 15 was information taken from Respondent's database, kept in the normal of business holding the addresses, telephone number of each contracting partner in the US. (Kokologiannis Tr., 103:21 – 105:15.) Exhibit 15 is not an incomplete document as alleged by Petitioner, but rather outdated and Respondent testified that as of the date of the deposition, the list would be larger. (*Id.*)

Exhibit 23

Petitioner objects to Exhibit 23 on grounds of authentication. As this document is not being submitted as evidence through a notice of reliance it is not required to have the URL and print or publish date under *Safer*. Respondent's trial testimony is sufficient to authenticate Exhibit 23 as Respondent's website and that it was viewable by U.S. customers. (Kokologiannis Tr., 145:12 – 146:8, 146:16-20.) Further, on its face Exhibit 23 is admissible to show the use of Respondent's mark in connection with its services available through Respondent's website.

Appendix B
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Appendix C

Appendix C

Respondent provides its response to Petitioner's Objections to the Waxby Affidavit in Petitioner's Appendix D to its Trial Brief as set forth below:

Petitioner objects to paragraph 6 of the Waxby Affidavit as lacking foundation for the estimation of costs spent by respondent on IT investment directed to Respondent's US customer base. First, contrary to Petitioner's allegation that there is no statement as to Waxby's personal knowledge, Respondent refers to paragraph 2 of the Waxby Affidavit that states that Waxby has personal knowledge of the facts stated within the Affidavit, including paragraph 6. Respondent further notes that Waxby, CEO of SoftIT, has worked on Respondent's account continuously for at least 12 years. Petitioner further mischaracterizes Waxby's statement that "it is not possible to quantify the exact amount specifically dedicated to IT Systems for Economy Car Rentals' US business." As indicated by paragraphs 2 and 7 of the Waxby Affidavit, the extent Respondent's investment in IT is a global one, and therefore may be difficult to parse out how much of Respondent's total investment is directed at US consumers. As a result of Waxby's close connection to the work performed for Respondent, his estimate should not be excluded as lacking foundation.

Appendix D
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Appendix E

Appendix E

Respondent's Objections to Exhibit Nos. 14 and 15 to Confidential Trial Testimony of Alejandro Muniz:

Respondent's counsel objected during the trial testimony of Alejandro Muniz to Petitioner's introduction of Exhibit 14 and Exhibit 15. Muniz stated that Exhibit 14 was a license agreement between Proveedores and ERAC Leasing, and Exhibit 15 was a sub-license agreement between ERAC Leasing and Petitioner, for the same mark, Economy Rent-A-Car.

Respondent's Interrogatory No. 6, served December 18, 2012, asked Petitioner to "Describe each transfer of any rights in Petitioner's alleged trademark ECONOMY RENT-A-CAR, identifying the date and the parties and the scope of rights transferred, from 1992 to the present, including any transfer of rights involving third parties."

Petitioner's Answer:

In lieu of a written description, Petitioner has produced Document Nos. P-56 through P-81, as well as P-123 through P-128, in its response to Registrant's document requests. The aforesaid documents provide the information sought by Registrant in this interrogatory.

Within the Petitioner's documents was a license from Proveedores to ERAC Leasing, dated December 27, 2009, and a sub-license from ERAC Leasing to Petitioner, dated January 11, 2010.

Petitioner never described the transfers, and never identified the scope of rights transferred, arising from these documents. They could not have described transfers of UDBC's rights to Petitioner, because they were dated prior to December 9, 2010, the date when UDBC allegedly assigned the pleaded mark to Proveedores.

Respondent moved for summary judgment, arguing there was no evidence that Petitioner ever received any rights in the UDBC mark.

In its opposition to the motion, Petitioner supplied the two "real" documents as part of a Declaration by Alejandro Muniz. At his testimony deposition, Muniz insisted that the documents, executed on May 30, 2014, were intended to formalize the "verbal license" and sub-license he had authorized December 10, 2010.

Petitioner, having failed to answer Petitioner's Interrogatory No. 6, having failed to mention any "verbal license" until after respondent's summary judgment motion, and having clouded the landscape with non-responsive, impertinent, misleading documents in its original answer to the interrogatory, should not be permitted later, after the close of discovery, to attempt any cure for its omission. Petitioner's late production of these documents is unfair surprise disadvantaging Respondent and obstructing proper discovery.

Exhibit 14 and Exhibit 15 to the Confidential Trial Testimony of Alejandro Muniz should not be admitted into evidence.