

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

Mailed: October 20, 2015

Concurrent Use No. 94002611

Universal Chemical Products Corp.

v.

Huerta Chemical Corp.

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Before Lykos, Goodman, and Heasley,  
Administrative Trademark Judges.

By the Board:

This case now comes up for consideration of the parties' joint motion, which stipulates to their settlement of this proceeding by way of a proposed concurrent use agreement. They seek the Board's approval of their proposed agreement, and request issuance of a concurrent use registration to Applicant.<sup>1</sup>

*I. Background*

On September 27, 2014, the Board instituted this concurrent use proceeding between Applicant Universal Chemical Products Corporation ("Universal" or "Applicant") and Registrant Huerta Chemical Corporation ("Huerta," "Excepted User," or "Registrant").<sup>2</sup>

Applicant Universal, based in Puerto Rico, seeks to register the mark **H-7**

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<sup>1</sup> 13 TTABVUE, Joint Motion Informing Of Settlement And Requesting Issuance Of Concurrent Use Registration And Dismissal Of Proceedings.

<sup>2</sup> 1 TTABVUE.

on the Principal Register in standard character format for “all purpose cleaning preparations; degreasing preparations not used in manufacturing processes for cleaning automobile parts; hand soaps,” in International Class 3.<sup>3</sup>

Its application contains a concurrent use statement reciting that its area of use comprises the territories of Puerto Rico and the U.S. Virgin Islands. As an exception to its exclusive right to use the **H-7** mark, Applicant identifies as an excepted user Registrant Huerta, based in Florida, the owner of unrestricted Registration No. 1316465 for the mark **H-7** on the Principal Register in typed format for: “waterless hand soap; cleaning and degreasing preparation” in International Class 3.<sup>4</sup> The application recites Huerta’s territory of use as the area comprising the entire United States except the territories of Puerto Rico and the U.S. Virgin Islands.<sup>5</sup>

## *II. Proposed Concurrent Use Agreement*

We now turn to the parties’ proposed concurrent use agreement, submitted on September 3, 2015.<sup>6</sup> On August 3, 2012, years before this proceeding was instituted, the parties signed this agreement, which provides, in pertinent part, that:

3. In the event consent by Huerta is necessary or desirable for Universal’s registration of the Mark [**H-7**] in the United States on a concurrent use basis, and provided that the geographical area of such concurrent use application is limited to Puerto Rico and the United States Virgin Islands, Huerta undertakes

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<sup>3</sup> Application Serial No. 86024066, filed on July 30, 2013, under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), alleging first use in commerce on March 28, 1984.

<sup>4</sup> Registration No. 1316465, issued January 29, 1985 from Application Serial No. 73481935, filed May 24, 1984, alleging the date of first use anywhere and in commerce on March 28, 1984; second renewal.

<sup>5</sup> Application Serial No. 86024066.

<sup>6</sup> 13 TTABVUE 4, Agreement dated August 3, 2012. Portions of the agreement have been designated confidential.

to provide its consent in the form reasonably requested and prepared by Universal, the cost of which will be borne by Universal.

4. Each party hereby consents to the other party's use and corresponding registration of the Mark in their respective territories as set forth in this Agreement, and agrees not to oppose, cancel, or otherwise attack the other party's use, provided that such use is in compliance with this Agreement. Huerta expressly recognizes that pursuant to this Agreement, it may not assert rights over the Mark in Puerto Rico and the United States Virgin Islands, despite its federal registration and Huerta agrees that it will not file any action in federal or state court asserting rights over the Mark in Puerto Rico and the United States Virgin Islands as a result of its federal registration.

5. ... With regard to the United States, Universal may only use the Mark in Puerto Rico and the United States Virgin Islands, and agrees not to promote, offer for sale, distribute, or sell goods bearing the Mark elsewhere in the United States or its territories, whether directly or indirectly. Universal will take reasonable efforts to ensure that no distributor or re-seller of goods bearing the Mark will engage in further re-distribution or re-sale outside of the Territory, and will discontinue supplying any such distributor or re-seller engaged in or facilitating such activity. Goods bearing the Mark outside of the Territory shall be deemed by the Parties as "not genuine" and subject to seizure by Huerta, in addition to other legal and/or equitable remedies.

6. ... With regard to the United States, Huerta acknowledges that it may not use the mark in Puerto Rico and the United States Virgin Islands, and agrees not to promote, offer for sale, distribute, or sell goods bearing the mark in Puerto Rico and the United States Virgin Islands, whether directly or indirectly. Huerta will take reasonable efforts to ensure that no distributor or re-seller of goods bearing the Mark will engage in further re-distribution or re-sale in the Territory, and will discontinue supplying any such distributor or re-seller engaged in or facilitating such activity. Goods bearing the Mark in the Territory which have not been sold, promoted, offered for sale or distributed by Universal shall be deemed by the Parties as "not genuine" and subject to seizure by Universal, in addition to other legal and/or equitable remedies.<sup>7</sup>

Based on these terms, the parties urge the Board to approve issuance of a concurrent use registration to applicant. They emphasize that:

2. As per the Agreement, the parties agree that Applicant may use and exercise all rights over the trademark H-7 in Puerto Rico and the U.S. Virgin Islands.

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<sup>7</sup> Id.

Applicant may not use, promote, offer for sale, distribute, or sell goods bearing the H-7 trademark in any other part of the United States of America.

3. By the same token, Registrant may not use, promote, offer for sale, distribute, or sell goods bearing the H-7 trademark in the geographic territory in which Applicant will exercise its trademark rights in the United States of America (*i.e.*, in Puerto Rico and the U.S. Virgin Islands).<sup>8</sup>

Where, as here, an applicant seeks a concurrent registration on the basis of an agreement with a registrant, we must determine if the terms of that agreement are sufficient to avoid a likelihood of confusion, mistake, or deception resulting from the parties' continued concurrent use of their marks. Trademark Act Section 2(d); 15 U.S.C. § 1052(d). *See In re Beatrice Foods Co.*, 492 F.2d 466, 166 USPQ 431, 437 (CCPA 1970) (agreements worked out by the parties in good faith should be considered by the Board); *Precision Tune Inc. v. Precision Auto-Tune Inc.*, 4 USPQ2d 1095, 1096 (TTAB 1987) (agreement persuasive); *Handy Spot Inc. v. J. D. Williams Co.*, 181 USPQ 351, 352 (TTAB 1974) (“[M]ere naked agreements wherein the measures taken to preclude likelihood of confusion have not been delineated are not persuasive in resolving the issue of registrable concurrent rights.”).

To reduce the likelihood of confusion, concurrent use agreements may contain factors such as: (1) agreement by each party not to use or advertise its mark in the geographical area of the other party; (2) agreement that the parties will take whatever steps are necessary to prevent actual confusion; (3) establishment of a “buffer zone” between the geographical areas of the parties; (4) recitation of any specific differences between the respective marks and the goods or services of the parties; (5) information concerning any particular aspects of the goods, services or

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<sup>8</sup> 13 TTABVUE 2.

channels of trade which may help to preclude likelihood of confusion; (6) agreement by the parties to use distinctly different packaging, labeling, signs, or other marks in association with their marks; and (7) information as to the length and extent of concurrent use and whether, in the experience of the parties, such use has resulted in any actual confusion. TBMP § 1110 (2015).

Upon careful consideration of the parties' agreement in this case, we acknowledge that several of its provisions endeavor to avoid confusion. For example, it delineates separate spheres of commerce, buffered by expanses of ocean. It prohibits each party from promoting, offering, distributing, or selling goods bearing the mark in the other's territory, either directly or indirectly. And it obliges the parties to supervise their respective distributors and re-sellers to enforce their adherence to the geographic restrictions.<sup>9</sup>

Nonetheless, the parties' current agreement is insufficient to avoid a likelihood of confusion, mistake, or deception resulting from their concurrent use of their marks. A concurrent use registration may issue only where it is determined that "confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used...." Trademark Act Section 2(d); 15 U.S.C. § 1052(d). *Southwestern Mgmt., Inc. v. Ocinomled, Ltd.*, 115 USPQ2d 1007, 1020 (TTAB 2015); *Boi Na Braza, LLC v. Terra Sul Corp.*, 110 USPQ2d 1386, 1392 (TTAB 2014).

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<sup>9</sup> 13 TTABVUE 5, ¶¶5-6 of agreement.

The parties' current agreement fails to allay these concerns about likelihood of confusion because it lacks many of the provisions, enumerated above, that are typically included in concurrent use agreements. For example, the agreement does not set forth any distinct differences in the parties' product packaging, labeling, or signs; it does not describe any distinctly different word or design marks the parties may use in association with the **H-7** mark; it does not differentiate the parties' advertising; it does not require any disclaimers (i.e., that Applicant is not affiliated with Registrant). The parties are urged to review Chapter 1100 of the Trademark Trial and Appeal Board Manual of Procedure ("TBMP") which is available online at [www.uspto.gov](http://www.uspto.gov) for further guidance.

In view of the foregoing, the Board will not enter judgment on behalf of the concurrent use Applicant, and will not find the Applicant entitled to concurrent registration, unless and until the terms of the agreement suffice to show that confusion, mistake, or deception is not likely to result from the concurrent use by the parties of their marks. *See* Section 2(d) of the Act, 15 U.S.C. § 1052(d); *Meijer, Inc. v. Purple Cow Pancake House*, 226 USPQ 280 (TTAB 1985).

It is apparent that the parties wish to resolve this proceeding by way of an acceptable concurrent use agreement. Consequently, the parties are allowed until **SIXTY (60) DAYS** from the mailing date hereof to submit to the Board for review a revised concurrent use agreement, failing which proceedings shall be resumed.

Proceedings are otherwise suspended.