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

Proceeding	91172228
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of application Serial No. 78/433,102
Published in the Official Gazette on June 6, 2006

MASTER LOCK COMPANY, LLC,

Opposer,

v.

THOMAS P. EIDSMORE,

Applicant.

Opposition No. 91/172,228

**OPPOSER MASTER LOCK COMPANY, LLC'S
MOTION FOR SUMMARY JUDGMENT AS TO APPLICANT'S LACK OF BONA FIDE
INTENT TO USE THE APPLIED-FOR MARK**

Pursuant to Fed. R. Civ. P. 56 and the Trademark Rule 2.127(e), Opposer Master Lock Company, LLC ("Master Lock"), hereby moves for partial summary judgment as to Applicant's lack of *bona fide* intent to use his applied for mark in commerce on the specified goods when he filed his application. The basis for this motion is set forth in the accompanying memorandum in support, Applicant's discovery deposition, Applicant's responses to certain discovery requests, and the sole document produced by Applicant on the question of his *bona fide* intent.

Master Lock respectfully requests that the Board grant summary judgment that Applicant lacked a *bona fide* intent to use the applied for mark in commerce on the goods specified in his application, and that the Board sustain Master Lock's Opposition on this ground. Pursuant to Trademark Rule 2.127(d), Master Lock further requests that the Board suspend all dates in the current Scheduling Order, pending the Board's ruling on the instant motion.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing **OPPOSER MASTER LOCK COMPANY, LLC'S MOTION FOR SUMMARY JUDGMENT ON THE ISSUE OF APPLICANT'S LACK OF BONA FIDE INTENT TO USE THE APPLIED-FOR MARK** was served by hand delivery, on February 13, 2008, on the following attorney for Applicant:

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**OPPOSER MASTER LOCK COMPANY, LLC'S
MEMORANDUM IN SUPPORT OF ITS MOTION
FOR SUMMARY JUDGMENT AS TO APPLICANT'S
LACK OF BONA FIDE INTENT TO USE THE APPLIED-FOR MARK**

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**OPPOSER MASTER LOCK COMPANY, LLC’S
MEMORANDUM IN SUPPORT OF ITS MOTION
FOR SUMMARY JUDGMENT AS TO APPLICANT’S
LACK OF BONA FIDE INTENT TO USE THE APPLIED-FOR MARK**

Opposer Master Lock Company, LLC (“Master Lock”) has moved the Board to sustain Opposition No. 91/172,228 on the ground that Applicant did not have a *bona fide* intent to use the MASTERHAUL mark in commerce on the specified goods when he filed his application. The record for purposes of Master Lock’s motion is comprised of the pleadings as amended, Applicant’s responses to certain written discovery requests, Applicant’s deposition testimony, and the sole document produced by Applicant in support of his claimed *bona fide* intent.

I. INTRODUCTION

When Applicant, Thomas P. Eidsmore, filed Application Serial No. 78/433,102 on June 10, 2004, he alleged that he had a *bona fide* intent to use the mark MASTERHAUL in connection with “truck and sport utility vehicle accessories, namely, truck bed liners, cargo storage bins, mechanically assisted self-contained insert dump units for pickup trucks, body

panels and tail gates.” Applicant is an individual whose deposition testimony establishes that he did not, at the time he filed the Application, and does not now, have the capability to make or sell these types of goods. Moreover, he readily admits he has not discussed use of the mark with anyone, has *no plans* to discuss use of the mark with anyone, can identify no objective contingency to his first use in commerce, and cannot even say whether it is, in fact, his present intent to use the mark in connection with the goods identified in his application. These facts disprove the alleged *bona fide* nature of Applicant’s intent.

Though the question of “intent” is typically a difficult one to resolve on summary judgment, the undisputed facts discussed below are not typical. Well-established precedent holds that an applicant’s failure to produce clear *objective* evidence of his *bona fide* intent to use the mark demonstrates the lack thereof. *See e.g., Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q. 2d 1503, 1506, 1507 (TTAB 1993). Here, despite having the benefit of counsel, Applicant’s lack of documentary evidence, combined with his numerous sweeping admissions during discovery, foreclose the possibility of him offering more evidence at trial that could reasonably be expected to change the result in this case. *See* T.B.M.P. § 528.01.

As to the evidence of record, there is no genuine issue of material fact. Applicant did not have a *bona fide* intent to use the MASTERHAUL mark at the time that he applied for it, and even today, still lacks such an intent. Accordingly, based on the record of these proceedings, summary adjudication as to Applicant’s lack of *bona fide* intent is warranted and appropriate.

II. STATEMENT OF UNDISPUTED FACTS

Applicant, Thomas P. Eidsmore, is an individual living in California who manages properties owned by his family. *See* Exh. A, Dep. Tr. Eidsmore at p. 9. In addition, Applicant describes himself as a self-employed wholesaler of trucks, SUV’s and luxury cars, though he

admits that that business is “part hobby” and that he has no employees. *See id.* at p. 9, lines 14-24; p. 18, lines 7-8.

Sometime in 2002 or 2003, Applicant separately asked two family members and two friends “what would be a good name for truck and SUV accessories, a company that sells them.” *Id.* Dep. Tr. Eidsmore at pp. 41-44. According to Applicant’s interrogatory responses, in meeting with these family members and friends “all came up with different names. MASTERHAUL was the favorite because it suggests the results that are achieved by using the goods.” Exh. B, Applicant’s Response to Opposer’s First Set of Interrogatories at No. 2; *compare* Exh. C, Applicant’s Response to Opposer’s Second Set of Interrogatories at No. 48 (indicating Applicant, himself, suggested MASTERHAUL as a mark for his goods). Applicant admitted that he did not tell the friends and family he polled anything specific regarding the products he thought he would use the name with, but “just told them I’d be in the truck and SUV products business, because of the boom in truck and SUV sales in the past years.” Exh. A, Dep. Tr. Eidsmore at p. 46, lines 3-6. When asked “what type of products did you have in mind as to what you would use MASTERHAUL in connection with,” Applicant answered “Nothing in particular.” *Id.* at p. 46, lines 7-13.

Applicant filed Application Serial No. 78/433,102 (the “‘102 Application”) in International Class 012 with the United States Patent and Trademark Office (“USPTO”) on June 10, 2004. Exh. D, ‘102 Application. In the ‘102 Application, Applicant alleged that he intended to use the MASTERHAUL mark on the following goods: “truck and sport utility vehicle accessories, namely, truck bed liners, cargo storage bins, mechanically assisted self-contained insert dump units for pickup trucks, body panels and tail gates.” *Id.*

On June 30, 2004, twenty days after Applicant filed to register the MASTERHAUL mark, Applicant's father, Paul G. Eidsmore, filed utility Patent Application No. 10/881,383 with the USPTO, which discloses a mechanically assisted cargo hauling system for a truck bed or cargo space. *See* Exh. E, Yanchar Decl. and Appendix 1 thereto (USPTO Pub. No. 2005/0135908); Exh. A., Dep. Tr. Eidsmore at pp. 22-23. Applicant testified that he has no business relationship with his father, had no involvement in the alleged invention of his father's patent application, and does not know whether he has any intention to use the MASTERHAUL mark in connection with the devices shown in his father's patent application. Exh. A, Dep. Tr. Eidsmore at pp. 22-23. According to USPTO records, Applicant's father's utility application became abandoned for failure to respond to an office action on September 17, 2007. *See* Exh. E, Yanchar Decl. and Appendix 2 thereto (Print Out from www.uspto.gov Showing Status of Pub. No. 2005/0135908).

On August 7, 2006, more than two years *after* Applicant filed his application to register the MASTERHAUL mark, Master Lock filed the present Opposition. Master Lock served extensive written discovery requests seeking objective evidence of Applicant's good faith in registering the MASTERHAUL mark. Though Applicant is an individual without current capability to manufacture or sell the goods identified in his application, Exh. A, Dep. Tr. Eidsmore at p. 48, lines 15-25, p. 9, lines 14-24; p. 18, lines 7-8 his discovery responses show that he has taken no affirmative steps, preliminary or otherwise, which would evidence a *bona fide* intent to use the MASTERHAUL mark in connection with those goods. For example, Applicant's written responses to document requests and interrogatories conclusively establish:

- Applicant has no documents concerning any surveys or market research studies. *See* Exh. F, Applicant's Response to Opposer's First Set of Requests for Production of Documents and Things at No. 4.

- Applicant has no documents concerning the manufacture or packaging of the goods identified in the '102 application. *See* Exh. G, Applicant's Response to Opposer's Second Set of Requests for Production of Documents and Things at No. 47.
- Applicant has no documents concerning any potential distributors, stores, wholesalers or retailers likely to deal in the goods identified in the '102 application. *See* Exh. F, Applicant's Response to Opposer's First Set of Requests for Production of Documents and Things at No. 19.
- Applicant has no documents concerning funding or assistance in developing or commercializing the goods identified in the '102 application. *See* Exh. G, Applicant's Response to Opposer's Second Set of Requests for Production of Documents and Things at No. 40; Exh. C, Applicant's Response to Opposer's Second Set of Interrogatories at No. 35.
- Applicant has no contracts, agreements, licenses or consents concerning the goods identified in the '102 application. *See* Exh. F, Applicant's Response to Opposer's First Set of Requests for Production of Documents and Things at Nos. 11, 13; Exh. C, Applicant's Response to Opposer's Second Set of Interrogatories at Nos. 42, 44, 45.
- Applicant has no documents concerning his intended channels of trade, intended purchasers or intended end users. *See* Exh. F, Applicant's Response to Opposer's First Set of Requests for Production of Documents and Things at No. 18; Exh. C, Applicant's Response to Opposer's Second Set of Interrogatories at Nos. 50, 51, 52.
- Applicant has no documents regarding any projected sales or the projected retail sales price. *See* Exh. G, Applicant's Response to Opposer's Second Set of Requests for Production of Documents and Things at Nos. 41, 54; Exh. C, Applicant's Response to Opposer's Second Set of Interrogatories at Nos. 36, 40.
- Applicant has no documents concerning his projected advertising expenditures or plans for advertising. *See* Exh. G, Applicant's Response to Opposer's Second Set of Requests for Production of Documents and Things at Nos. 42, 44; Exh. C, Applicant's Response to Opposer's Second Set of Interrogatories at Nos. 37-39, 43.
- Applicant has no documents showing any stylized versions of the mark. *See* Exh. G, Applicant's Response to Opposer's Second Set of Requests for Production of Documents and Things at No. 29.
- Applicant has no documents showing how the mark might appear on products or packaging, labels, tag, inserts or advertisements. *See* Exh. G, Applicant's Response to Opposer's Second Set of Requests for Production of Documents and Things at Nos. 30, 32, 33; Exh. C, Applicant's Response to Opposer's Second Set of Interrogatories at No. 55.

- Applicant has no documents concerning the creation of a commercial embodiment of the goods identified in the '102 Application. *See* Exh. G, Applicant's Response to Opposer's Second Set of Requests for Production of Documents and Things at Nos. 39.
- Applicant has no draft promotional materials. *See* Exh. G, Applicant's Response to Opposer's Second Set of Requests for Production of Documents and Things at No. 28.

During his deposition, Applicant was represented by counsel and was carefully instructed to advise if he did not understand any of questions presented to him. *See* Dep. Tr. Eidsmore at p. 4, line 23 - p. 6, line 7. Despite this, Applicant made numerous additional admissions foreclosing the possibility of demonstrating his objective good faith intent to use the MASTERHAUL mark. The following passages are illustrative:

Q. Can you tell me about your plans for using that mark?

A. To be determined. I don't know.

Q. Do you have any idea when you would anticipate the first use in commerce to occur?

A. No.

Q. Are there any contingencies or events that need to occur in your mind before the use can occur.

A. I don't know.

Exh. A, Dep. Tr. Eidsmore at p. 29, line 17 - p. 30, line 8 (emphasis added).

Q. Do you have any plans to license that mark to your father or anyone else?

A. Not -- No.

Q. And is it your intent to use the mark MASTERHAUL in connection with the goods that you just recited when you read paragraph 9 [of the Notice of Opposition listing the goods description]?

A. Perhaps.

Id. at p. 31, lines 17-25 (emphasis added).

Q. Do you have any idea in your head as to what the cargo storage bin that you would use MASTERHAUL in connection with would look like?

A. No, not at this point.

Q. Do you have any thoughts on who might sell these cargo storage bins?

A. No.

Q. Do you have any thought on who might install them?

A. No.

Q. What's your understanding as to how they will attach to a vehicle?

A. To be determined. I don't know.

Q. Do you have any drawings or sketches or any conceptualization of what the cargo storage bins would look like?

A. Not at this point.

Q. Do you have any plans to create any such drawings or sketches?

A. No plans as of now.

Id. at p. 32, lines 1 - 24 - p. 33, line 21.

Q. Do you know now, do you currently have any plans to set up a company?

A. Not -- not yet, no.

Q. Do you have a business plan?

A. No.

Q. Have you had any discussion with any potential manufacturers?

A. No.

Q. Any potential sellers?

A. No.

Q. Any potential installers?

A. No.

Q. Any thoughts regarding advertising?

A. No.

Q. Have you had any discussions with anybody other than the people that you mentioned in the selection process regarding use of the mark MASTERHAUL?

A. No.

Q. At some point you came up with the description of goods that we were talking about in paragraph 9 of the Notice of Opposition, which is Exhibit 2.

A. Uh-huh.

Q. When did you come up with the types of products?

A. I never came up with them. I think that this is what any -- any company that specializes in truck and SUV accessories, I think this is kind of what they would sell. These are, I guess, the most useful things that you could do to a truck or SUV.

Id. at p. 48, line 15 - p. 49, line 25 (emphasis added).

Q. What are your plans regarding use of the mark MASTERHAUL if it -- How will it actually appear on the product?

A. I haven't determined that.

Q. But do you know if it will actually be on the product versus on the packaging, for example?

A. I'm not sure. Don't know.

Q. Do you have any idea how big it would be on the product?

A. I don't.

Q. Do you anticipate stylizing the letters or --

A. Perhaps. I'd probably consult with a graphic artist.

Q. Have you done that yet?

A. No.

Q. Have had any discussions with any graphic artists?

A. No.

Q. Have you made any sketches?

A. No.

Q. Do you have any particular fonts in mind?

A. No. Something unique that nobody else has used, something that is definitely original.

Q. *Do you have any plans to discuss the mark with anybody?*

A. *Not at this point.*

Id. at p. 50, line 11 - p. 51, l. 15 (emphasis added).

Q. Have you done any market research?

A. No.

Q. With respect to owners of trucks and SUVs, especially with regard to the cargo storage bins or the other products listed in paragraph 9 of the Notice of Opposition, who might -- I think you might have said you know who might use these, but do you think perhaps -- Can you be more clear on who you think might use these?

MS. FRY: Objection as to form.

THE WITNESS: I don't think I could get anymore specific than I was, because it really is -- It could be anybody.

BY MS. YANCHAR: Like a plumber might use the cargo storage bin?

A. That could be one of thousands, yeah.

Q. Or a painter?

A. Perhaps.

Q. Or like a siding contractor?

A. Who knows?

Id. at p. 52, line 9 - p. 53, line 9.

In addition to seeking to register the MASTERHAUL mark, Applicant also filed an intent-to-use based application for the mark HAULMASTER. Therein, Applicant alleges that he has a *bona fide* intent to use the HAULMASTER mark in connection with "cargo storage bins especially adapted to fit in trucks or SUVs; Mechanically assisted self-contained insert dump units installed in pick up trucks." *See* Exh. H, Application No. 77/150,887. This recitation of goods is strikingly similar to the recitation of goods identified in the '102 Application seeking to register MASTERHAUL. *See supra* at p. 4. When questioned regarding his plans for the HAULMASTER mark, Applicant testified as follows:

Q: Do you have an understanding of what that document is?
A: Yes.
Q: What do you understand it to be?
A: An application for a trademark
Q: Which trademark?
A: HAULMASTER.
Q: And is this an application filed by you?
A: No. My father and me as partners.
Q: Do you see where it says Thomas P. Eidsmore is the Applicant?
A: Uh-huh.
Q: Okay. "...having as partner(s) Paul Eidsmore"?
A: Yes.
Q: Why was this filed as a partnership?
A: Because my dad's got, you know, truck and SUV products that he wants to come out with, and being retired, he probably wants me to be on board with him with matters such as this, at this point.
Q: Now, earlier you testified you had no business relationship with your dad, isn't that correct?
A: Yes.
Q: But now you're saying that you have this partnership?
A: This isn't a business. There is no business at this point that makes anything of --

* * *

Q: What's the purpose of this partnership?
A: To be determined.
Q: Do you have any business plan regarding this partnership?
A: No.
Q: What have your discussions with your father regarding the partnership been?
A: Almost no discussions.
Q: Can you tell me the discussion that have occurred.
A: I don't recall. Perhaps what I told you, him letting me know that he wants to work less, and have me take over some responsibilities that he would otherwise be solely responsible for.

* * *

Q: So what specifically are your plans for use of HAULMASTER?
A: I don't have any plans for HAULMASTER.
Q: Have you had any discussion with anybody regarding HAULMASTER?
A: No.
Q: Are you planning to have any discussions with anybody regarding HAULMASTER?
A: Not at this point.

Exh. A, Dep. Tr. Eidsmore at p. 87, line 14 - p. 91, line 22.

Despite declaring a *bona fide* intent to use the MASTERHAUL mark in connection with certain goods more than three-and-a-half years ago, there is no evidence that Applicant took affirmative actions, either before or after filing the '102 Application, to even prepare to commence use of the MASTERHAUL mark. When Applicant's lack of effort became clear as a result of discovery, Master Lock moved to add Applicant's lack of *bona fide* intent to use the MASTERHAUL mark in commerce as a basis for its Opposition. Thereafter, Applicant came forward with *one document* that he argues establishes his bona fide intent. That document establishes only that on May 24, 2004--shortly before he filed his application to register the MASTERHAUL Mark--Applicant purchased the domain name, www.masterhaul.com. Though almost four years have now passed since Applicant registered the domain name and filed his intent to use application for the MASTERHAUL mark, the website located at www.masterhaul.com today remains a one-page redirector site, devoid of any mention or suggestion of Applicant, Applicant's alleged business or the goods identified in the '102 Application. See Exh. E, Yanchar Decl. at Appendix 3 thereto (February 12, 2008 print out of www.masterhaul.com). Applicant produced no documents or other evidence to suggest that he has taken any steps whatsoever in furtherance of building a website at that URL location.

In sum, based on Applicant's discovery responses and deposition testimony, it is clear that the only affirmative objective evidence Applicant has as to his objective good faith intent to use the MASTERHAUL mark is his purchase of a domain name. For the reasons described below, as a matter of law, this evidence is insufficient to warrant a trial on this matter and summary judgment should be entered in favor of Master Lock.

III. APPLICABLE LEGAL STANDARDS

A. Standard for Summary Judgment.

The purpose of this motion, like any summary judgment motion, is judicial economy, that is, to “avoid an unnecessary trial where there is no genuine issue of material fact and more evidence than is already available in connection with the summary judgment motion could not reasonably be expected to change the result in the case.” T.B.M.P. § 528.01.

Summary judgment is appropriate when “the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(c). A factual dispute is considered “genuine” only if the non-movant’s evidence is substantial enough to require a trial. *Id.* at 249-50. In this respect, it is insufficient for the non-moving party to rely on self-serving declarations to avoid summary judgment. *See* Exh. I, *Miranda v. B&B Cash Grocery Stores, Inc.*, Case No. 88-1735-CIV-T-10C, 1990 U.S. Dist. LEXIS 9350, *9-*10 (M.D. Fla. May 4, 1990) (citing *Evers v. General Motors Corp.*, 770 F.2d 984, 986 (11th Cir. 1985)); *United States v. \$705,270 in United States Currency*, 820 F. Supp. 1398, 1403 (S.D. Fla. 1993), *aff’d* 29 F.3d 640 (11th Cir. 1994) (conclusory, self-serving affidavits will not suffice to defeat an otherwise well-supported motion for summary judgment). “Speculation does not create a genuine issue of fact; instead it creates a false issue, the demolition of which is a primary goal of summary judgment.” *Chambers v. Walt Disney Co.*, 132 F. Supp. 2d 1356, 1363 (M.D. Fla. 2001).

B. Section 1(b) of the Lanham Act Requires a *Bona Fide* Intent to Use.

Section 1(b) of the Lanham Act requires that a trademark applicant have a *bona fide* intent to use the applied-for mark in commerce. 15 U.S.C. § 1051(b)(1). If an applicant lacks a

bona fide intent to use the applied-for mark in commerce at the time of its filing, its application is invalid. *See, e.g.*, T.B.M.P. § 309.03(c)(5) (enumerating lack of a *bona fide* intent to use a mark in commerce as an appropriate ground for an opposition or cancellation). To prevail on this issue, Master Lock must show that Applicant lacked the requisite *bona fide* intent only by a preponderance of the evidence. *See* Exh. J, *Advertising to Women, Inc. v. Gianni Versace S.p.A.*, Case No. 98 C 1553, 2000 U.S. Dist. LEXIS 12490, *11 (N.D. Ill. Aug. 25, 2000).

Although the term “*bona fide*” is not defined within the Act itself, the legislative history of the Act clarifies that the “intent” required is an *objective* one. Indeed, Congress chose the Act’s intent-to-use language very carefully:

Although “*bona fide*” is an accepted legal term, it can be read broadly or narrowly, subjectively or objectively, by a court or the Patent and Trademark Office. In connection with this bill, “*bona fide*” should be read to mean a fair, objective determination of the applicant’s intent based on all the circumstances. To avoid abuse of the intent-to-use system, the committee amended the first paragraph of proposed Section 1(b) of the Act to require that applicant’s *bona fide* intention must reflect the good-faith circumstances surrounding the intended use.

Exh. K, Senate Judiciary Committee Report on S. 1883 (“Senate Report”) at p. 176; *see also Commodore Electronics*, 26 U.S. P. Q.2d at 1506, Note 7. Thus, the determination of whether an applicant has a *bona fide* intent to use a mark in commerce must be based on a fair, objective determination of all the circumstances. Exh. J, *Advertising for Women*, 2000 U.S. Dist LEXIS 12490, at * 12; *Lane Ltd. v. Jackson Int’l Trading Co.*, 33 U.S.P.Q. 2d 1351, 1353, 1355 (TTAB 1994).

In assessing the evidence as to Applicant’s objective good faith, “an applicant’s mere statement of subjective intention, without more, would be insufficient to establish [the] applicant’s *bona fide* intention to use the mark in commerce.” *Lane Ltd.*, 33 U.S.P.Q.2d at 1355.

Rather, an ITU applicant must be prepared to support its *bona fide* intent to use by objective means. *See id.* Reputed trademark commentator J. Thomas McCarthy explains:

The evidence is “objective” in the sense that it is evidence in form of real life facts and by the actions of the applicant, not by the applicant’s testimony as to its subjective state of mind. That is, Congress did not intend the issue to be resolved simply by an officer of the applicant later testifying, “Yes, indeed, at the time we filed that application, I did truly intend to use the mark at some time in the future.”

Exh. L, J. Thomas McCarthy, 3 McCarthy on Trademark and Unfair Competition § 19.14, at p. 19-40 (4th ed. 2004).

IV. APPLICANT LACKS A *BONA FIDE* INTENT TO USE THE MASTERHAUL MARK

At the outset, Master Lock acknowledges that the question of “intent” is typically a difficult one to resolve on summary judgment. However, as illustrated by the facts above and the discussion below, this is an exceptional case that merits summary judgment. Here, the Applicant has made numerous sweeping admissions, among them, the fact that he has not discussed use of the mark with anyone, Exh. A, Dep. Tr. Eidsmore at p. 48, line 21 - p. 49, line 10, has *no plans* to discuss use of the mark with anyone, *id.* at page 50, l. 11 - p. 51, line 15, has no capability to sell or offer for sale the goods in question, *id.* at p. 9, lines 14-25; p. 18, lines 7-8, and has taken no steps to acquire such capability, *id.* at p. 48, line 15 - p. 49, line 2, can identify no objective contingency to his first use in commerce of the applied-for mark, *id.* at p. 29, line 25 - p. 30, line 3, and cannot even say whether it is, in fact, his current intent to use the mark in connection with the goods identified in his application. *Id.* at p. 31, lines 21-25. These facts conclusively disprove the alleged *bona fide* nature of Applicant’s intent and warrant summary judgment in Master Lock’s favor.

A. Summary Judgment Should be Granted Because Applicant Admitted His Intent to Use the MASTERHAUL mark in Connection with the Goods Identified in His Application Is Questionable.

Applicant's admission that he has a questionable intent to use the MASTERHAUL mark in connection the goods identified in his application provides affirmative evidence to disprove his *bona fide* intent. When asked "is it your intent to use the mark MASTERHAUL in connection with the goods [identified in the '102 Application]," Applicant only replied "Perhaps." Exh. A, Dep. Tr. Eidsmore at p. 31, lines 21-25. This admission, particularly when taken in combination with Applicant's numerous clear admissions to having no plans whatsoever regarding the use of the mark, is affirmative evidence disproving Applicant's *bona fide* intent to use the MASTERHAUL mark in commerce in connection with the goods identified in his application. On this basis alone, summary judgment should be granted.

B. Applicant Can Identify No Objective Contingency To His First Use of the MASTERHAUL Mark in Commerce.

Summary judgment is also proper on the basis that Applicant is unable to identify any objective contingencies to his first use of the MASTERHAUL mark in commerce. According to the Senate Report, "an applicant's bona fide intention to use a mark must reflect an intention that is *firm*, though it may be contingent on the outcome of an event (that is, market research or product testing)." Exh. K, Senate Report at page 176. Such contingencies must be objective, and cannot be merely the subjective state of mind of the applicant regarding some possible future use of the mark in question. *See* Exh. L, McCarthy on Trademarks and Unfair Competition § 19:17, at p. 19-46 ("the language of § 1(b) itself supports the view the contingency must be objective, for § 1(b) refers to 'circumstances' showing 'good faith'." The word circumstances points to objective, external contingencies, not to subjective, internal indecision."). Mere "hope" is not sufficient to sustain an ITU application. *See* Exh. M, Report of the Trademark Review

Commission, 77 Trademark Rep. 375, 397 (1987), USTA, “The Trademark Law Rev. Act of 1988,” 37 (1989) (“By ‘bona fide,’ we mean no mere hope, but an intention that is firm . . .”).

Here, Applicant admitted that he has performed no market research or product testing, and that he has no documents related to any such objective contingencies. Exh. A, Dep. Tr. Eidsmore at p. 52, line 8; Exh. F, Applicant’s Response to Opposer’s First Set of Requests for Production of Documents and Things at No. 4; *see also* Exh. C, Applicant’s Response to Opposer’s Second Set of Interrogatories at No. 29. Indeed, Applicant cannot identify any objective contingencies whatsoever to making his first use in commerce:

Q. Can you tell me about your plans for using that mark?

A. To be determined. I don’t know.

Q. Do you have any idea when you would anticipate the first use in commerce to occur?

A. No.

Q. Are there any contingencies or events that need to occur in your mind before the use can occur?

A. I don’t know.

Exh. A, Dep. Tr. Eidsmore at p. 29, line 17 - p. 30, line 8. In light of Applicant’s numerous statements reflecting complete ambiguity about how and whether he might use the mark, the foregoing testimony is, in fact, an admission that Application has never had a “firm” intention to use the MASTERHAUL mark, as Section 1(b) requires. Because Applicant can identify no objective contingency to his first use in commerce, summary judgment as to his lack of *bona fide* intent is proper.

C. Applicant’s Failure to Produce Objective Evidence is Sufficient to Establish a Lack of *Bona Fide* Intent to Use.

An applicant’s failure to produce clear, objective evidence of a *bona fide* intent to use a proposed mark demonstrates a lack thereof. *See e.g., Commodore Electronics*, 26 U.S.P.Q. 2d at 1506-1507. In *Commodore Electronics*, an Opposition proceeding, the Board held that “absent

other facts which adequately explain or outweigh the failure of an applicant to have any documents supportive of or bearing upon its claimed intent to use its mark in commerce, the absence of any documentary evidence on the part of an applicant regarding such intent is sufficient to prove that the applicant lacks a *bona fide* intention to use its mark in commerce as required by Section 1(b).” *See id.* at 1507.

Here, the record makes clear that Applicant has never had more than a mere “hope” of using the MASTERHAUL mark in commerce. Several facts, or the lack thereof, demonstrate this point. First, Applicant conceded that he has no documents concerning any planning for the use and development of the MASTERHAUL mark. *See supra* at pp. 4-5. Though he himself has no capability to make or sell the goods identified in his application, he has not had any discussions with any potential manufacturers, sellers or installers. Exh. A, Dep. Tr. Eidsmore at p. 9, lines 14-24; p. 18, lines 7-8; p. 48, line 21 - p. 49, line 2; Exh. F, Applicant’s Response to Opposer’s First Set of Requests for Production of Documents and Things No. 19; Exh. G, Applicant’s Response to Opposer’s Second Set of Requests for Production of Documents and Things at No. 40; Exh. C, Applicant’s Response to Opposer’s Second Set of Interrogatories at No. 35. Nor does he have plans to enter into talks with anyone regarding any potential licensing of his mark. *Id.* at p. 31, line 17-20; Exh. C, Applicant’s Response to Opposer’s Second Set of Interrogatories at Nos. 42, 44-45. Indeed, Applicant admitted that he has had no discussions with *anybody*, other than the friends and family he consulted in selecting the name, and that he has *no plans* to discuss the mark with anybody. *Id.* at p. 49, lines 6-10; p. 51, lines 13-15. Such sweeping admissions foreclose the possibility of Applicant coming forward with evidence of his objective good faith intent to use the MASTERHAUL mark at trial, and warrant the entry of summary judgment on this issue.

Applicant will undoubtedly argue (as he did in opposition to Master Lock's motion to amend) that there is no requirement that an ITU applicant must invest in the mark, use the mark in commerce, or take any action between the time of filing and the allowance of the application. That argument misses the point. Although there is no requirement that actions in furtherance of use must occur at a specific time, there is nonetheless a requirement that the applicant in good faith seek to further use of the mark. As explained in *Lane Ltd.*, "[n]either the statute nor the Board's decision in *Commodore Electronics* expressly imposes any specific requirement as to the contemporaneousness of an applicant's documentary evidence, as revealed by the evidence of record." *Lane Ltd.*, 33 U.S.P.Q.2d at 1356. Clearly, if an applicant takes affirmative actions in furtherance of using his proposed mark in commerce before or after filing an ITU application, this would constitute evidence supporting a *bona fide* intent to use the mark at the time he filed his application.

The converse is also true. Here, Applicant's failure to take, at any time, actions in furtherance of using the MASTERHAUL mark in commerce, his admission that he has no plans to take any such actions, and his complete ambiguity as to how and whether he might use the mark, constitute evidence that he lacked a *bona fide* intent to do so when he filed the '102 Application. The following passage from the Senate Report accompanying the enactment of Section 1(b) supports this reasoning:

Requests for extensions of the period of time in which to file the statement of use must be accompanied by a statement of continued bona fide intent-to-use. This requirement takes into account the surrounding circumstances as of the time when the continued bona fide intent is stated. *The absence of concrete steps to commerce [sic] use of the mark in commerce taken by the applicant since the filing of the previous statement of bona fide intent may cast doubt on the bona fide nature of the intent.*

See Exh. K, Senate Report at 177-78 (emphasis added). Moreover, by requiring the applicant to submit a new statement of *bona fide* use when requesting an extension, Section 1(b) acknowledges that the *bona fide* intent must exist throughout the life of the ITU application--not just on the day of the original filing. *See id.* Thus, Applicant's words and actions (or lack thereof) in the nearly four years since he filed his application *are* to be considered in determining the existence of his objective good faith intent to use the MASTERHAUL mark. The Board's holding in *Commodore* makes this clear. *Commodore*, 26 U.S.P.Q.2d at 1506-1507.

In sum, just as the applicant in *Commodore* could not point to specific documents demonstrating its intent to use the mark, Applicant here has failed to produce documents that objectively prove his *bona fide* intent to use the MASTERHAUL mark in commerce. Moreover, Applicant's sweeping admissions that, at no time, has he taken affirmative actions in furtherance of bringing his mark to the public foreclose the possibility of him coming forward with evidence of his objective good faith intent to use the MASTERHAUL mark at trial. Under *Commodore*, Applicant's failure to produce objective evidence of an intent to use the MASTERHAUL mark is a sufficient basis for ruling in Master Lock's favor on the *bona fide* intent issue. *Commodore Electronics*, 20 U.S.P.Q. 2d at 1508.

D. The Evidence of Record Strongly Suggests that Applicant Only Intended to Reserve A Right in Mark, Not Make a Use in Commerce.

In enacting Section 1(b), Congress cautioned that "applicant's bona fide intent must reflect an intention to use the mark in the context of the legislation's revised definition of "'use in commerce,' that is, use 'in the ordinary course of trade, commensurate with the circumstances and not [made] merely to reserve a right in a mark.'" Exh. K, Senate Report at p. 177. Here, the record strongly suggests that Applicant intended merely to reserve a right in the name

MASTERHAUL for a potential to-be-formed-in-the-future-company, not to make a “use in commerce.”

Applicant’s selection of the MASTERHAUL mark involved separately asking two family members and two friends “what would be a good name for truck and SUV accessories, a company that sells them.” Exh. A, Dep. Tr. Eidsmore at p. 44, lines 22-24. This testimony suggests that Applicant was selecting a company name, not a trademark. This conclusion is supported by Applicant’s testimony that he did not tell the friends and family he polled anything specific regarding the products he thought he would use the name with, but “just told them I’d be in the truck and SUV products business, because of the boom in truck and SUV sales in the past years.” *Id.* at p. 46, lines 3-6. When asked “what type of products did you have in mind as to what you would use MASTERHAUL in connection with,” Applicant answered “Nothing in particular.” *Id.* at p. 46, lines 7-13. Further, when asked when he came up with the types of products to include in the ‘102 application, Applicant testified: “ I never came up with them. I think that this is what any -- any company that specializes in truck and SUV accessories, I think this is kind of what they would sell. These are, I guess, the most useful things that you could do to a truck or SUV.” *Id.* at p. 49, lines 23-25. Moreover, in response to Master Lock’s Interrogatory No. 47, Applicant stated that the friends and family he polled “had little involvement. They helped eliminate names thought to be insufficient.” Exh. C, Applicant’s Response to Opposer’s Second Set of Interrogatories at No. 47. Applicant’s choice of the word “names,” rather than “potential trademarks,” again suggests that his objective was to reserve a company name. Such a preemptive motivation, without any affirmative action in furtherance of actually using the mark, is inconsistent with an objective good faith to make a use in commerce,

and is contrary to the letter and spirit of Section 1(b). Summary judgment is proper on this basis as well.

E. In View of the Totality of Circumstances, Applicant's Purchase of a Domain Name is Insufficient To Prove his Objective Good Faith Intent.

In the face of his many admissions establishing his lack of *bona fide* intent, Applicant produced just one document allegedly establishing his good faith intent to use. Moreover, in response to Master Lock's Interrogatory No. 31, which asked Applicant to "state all facts (i.e., steps taken by you to put the mark into use) which demonstrate or tend to demonstrate a "bona fide intent by you to use the mark in connection with each of Applicant's Goods," the *only* action Applicant identified was his registration of the domain name, masterhaul.com. Exh. C, Applicant's Response to Opposer's Second Set of Interrogatories at No. 31. As a matter of law, Applicant's registration of a domain name is insufficient to counter the totality of circumstances showing the absence of his objective good faith intent to use the MASTERHAUL mark.

Research has not revealed any cases addressing the precise issue as to whether registration of a domain name, standing alone, is sufficient to evidence an ITU applicant's objective good faith in seeking to register a mark. It is well-established, however, that registration of a domain name does not in itself constitute "use" for purposes of acquiring trademark rights. *See Brookfield Comm'ns, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1051-1052 (9th Cir. 1999). The reason is obvious: "a mark cannot serve a source-identifying function if the public has never seen the mark and thus is not meritorious of trademark protection until it is used in public in a manner that creates an association among consumers between the mark and the mark's owner." *Id.* at 1051.

Here, of course, Applicant has not made any public use of the MASTERHAUL mark. Exh. A, Dep. Tr. Eidsmore at p. 23, lines 21-24; Exh. B, Applicant's Response to Opposer's First

Set of Interrogatories at No. 4; *see also* Exh. C, Applicant's Response to Opposer's Second Set of Interrogatories at No. 55. To the contrary, though almost four years have passed since Applicant purchased the domain name, the website located at www.masterhaul.com today remains a one-page redirector site, devoid of any mention or suggestion of Applicant, Applicant's alleged business or the goods identified in the '102 Application. Exh. E, Yanchar Decl. and Appendix 3 thereto (print out of www.masterhaul.com). Applicant produced no documents or other evidence to suggest that he has taken any steps in furtherance of building a website at that URL location. Thus, if anything, Applicant's reservation of the domain name and subsequent failure to build a website corroborate the conclusion that Applicant merely intended to "reserve a right in a mark" when he filed the '102 Application, not to make a "use in commerce" as required by Lanham Act. *See* Exh. K, Senate Report at p. 177. ("In addition, an applicant's bona fide intent must reflect an intention to use the mark in the context of the legislation's revised definition of 'use in commerce,' that is, use 'in the ordinary course of trade, . . . and not [made] merely to reserve a right in a mark.'").

In view of the totality of circumstances, including Applicant's many admissions in written discovery responses and in his deposition, Applicant's purchase of the www.masterhaul.com domain name is insufficient to prove his objective good faith. To the contrary, Applicant's reservation of a domain name, and subsequent failure to take any actions to build a website at that location, further disprove his *bona fide* intent.

F. Applicant's Attempt to Register Multiple Marks For Use In Connection With the Same Goods Is Another Factor Favoring Summary Judgment.

In enacting Section 1(b), Congress recognized that certain circumstances "may cast doubt on the bona fide nature of the intent or even disprove it entirely." Exh. K, Senate Report at p. 175. One such factor is the filing of multiple intent to use applications intended to be used on a

single new product. *See id.* at p. 176. Here, the record demonstrates that Applicant filed two applications for different marks, MASTERHAUL and HAULMASTER, for essentially the same goods. When asked to describe any differences between the goods described in the application for MASTERHAUL versus those described in the application to register HAULMASTER, the best explanation Applicant could muster was as follows:

Q. Is there any difference in your mind, between the mechanically assisted self-contained insert dump unit for pickup trucks described in the '102 application for MASTERHAUL and the mechanically assisted self-contained insert dump unit installed in pickup trucks described in the application for HAULMASTER?

A. Well, my products, MASTERHAUL products, wouldn't --- I wouldn't design them; they would already exist as of now and probably not be patented products. Something my dad comes up with for HAULMASTER would probably be something he invented, so they'd probably -- even though worded the same, they could be totally different.

Exh. A, Dep. Tr. Eidsmore at p. 93, line 1. 20 - p. 94, line 1. 3. Applicant's testimony is directly contradicted by his responses to Master Lock's Interrogatory Nos. 24 and 30, which describe the goods identified in the '102 Application for MASTERHAUL as follows: "Applicant's goods are a unique invention . . ." and "U.S. Published Application No. US/2005/0135908 A1 is representative of intended use." *See* Exh. B, Applicant's Response to Opposer's First Set of Interrogatories at No. 24; Exh. C, Applicant's Response to Opposer's Second Set of Interrogatories at No. 30. Applicant's alleged *bona fide* use is further called into question by the fact that his father's patent application has been abandoned. Exh. E, Yanchar Decl. and Appendix 2 thereto (Print Out From www.uspto.gov Showing Status of Pub. No. 2005/0135908). These circumstances further support the conclusion that Applicant lacks a cognizable intent to use the MASTERHAUL mark in connection with the goods identified in his application.

V. CONCLUSION

In enacting Section 1(b), Congress was particularly concerned that the law contain sufficient safeguards against potential abuse. Inclusion of the “*bona fide* intent” requirement is the primary safeguard Congress relied upon to discourage the practice of applicants defensively filing applications merely to reserve rights in a name. Clearly, that was Applicant’s goal here. Applicant’s sweeping admissions foreclose the possibility of Applicant coming forward with evidence of his objective good faith intent to use the MASTERHAUL mark at trial. Based on the evidence of record, no reasonable fact finder could conclude that Applicant acted with objective good faith when he alleged that he had a *bona fide* intent to use the MASTERHAUL mark in the ordinary course of trade in connection with his recited goods. Additionally, the record conclusively establishes that Applicant lacks an ongoing *bona fide* intent to use the mark.

In addition to its clear contravention of the meaning and spirit of Section 1(b), permitting the ‘102 Application to stand is manifestly inequitable to legitimate trademark users. It is inequitable to all those who follow the rules and resist filing ITU applications on a preemptive basis only, and it is inequitable to those, such as Master Lock, who are required to engage in time-consuming and expensive opposition proceedings to defend their legitimate trademarks against a baseless and improper application.

For all of the foregoing reasons, Master Lock respectfully requests that the Board grant summary judgment that Applicant lacked a *bona fide* intent to use the MASTERHAUL mark at the time of his application, and sustain Master Lock’s opposition on this ground.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing **OPPOSER MASTER LOCK COMPANY, LLC'S MEMORANDUM IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT AS TO APPLICANT'S LACK OF BONA FIDE INTENT TO USE THE APPLIED-FOR MARK** was served by hand delivery, on February 13, 2008, on the following attorney for Applicant:

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BY: /Georgia E. Yanchar/
An Attorney for Opposer

EXHIBIT A

CONDENSED TRANSCRIPT

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

In the matter of Application Serial No. 78/433,102

For the mark: MASTERHAUL

Published in the Official Gazette on June 6, 2006

MASTER LOCK COMPANY, LLC,

Opposer,

vs.

No. 91/172,228

THOMAS P. EIDSMORE,

Applicant.

CONFIDENTIAL

DEPOSITION OF THOMAS P. EIDSMORE

Taken on Friday, July 13, 2007 at 9:04 a.m.

At the offices of:

621-A Water Street

Santa Cruz, California

Reported By: KATHLYN E. WIRICK, CSR 2875, CP



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DEPOSITION OF THOMAS P. EIDSMORE

<p>2</p> <p>1 APPEARANCES:</p> <p>2 .</p> <p>3 For the Applicant:</p> <p>4 Fay Sharpe Fagan Minnich &</p> <p>5 McKee, LLP, by</p> <p>6 JUDE FRY, ESQ.</p> <p>7 SANDRA M. KOENIG,, ESQ.</p> <p>8 1100 Superior Avenue</p> <p>9 7th Floor</p> <p>10 Cleveland, Ohio 44114</p> <p>11 (216) 861-5582</p> <p>12 (Telephonic)</p> <p>13 jfry@faysharpe.com</p> <p>14 skoenig@faysharpe.com</p> <p>15 For the Opposer:</p> <p>16 Calfee Halter & Griswold, by</p> <p>17 GEORGIA E. YANCHAR, ESQ.</p> <p>18 RAYMOND RUNDELLI, ESQ.</p> <p>19 1400 KeyBank Center</p> <p>20 800 Superior Avenue</p> <p>21 Cleveland, Ohio 44114</p> <p>22 (216) 622-8233</p> <p>23 (Telephonic)</p> <p>24 gyanchar@calfee.com</p> <p>25 rrundelli@calfee.com</p>	<p>4</p> <p>1 name for the record.</p> <p>2 A. Thomas P. -- Thomas Paul</p> <p>3 Eidsmore.</p> <p>4 Q. And what is your address?</p> <p>5 A. 1700 -- I live in an</p> <p>6 apartment, 132 6th Avenue, Santa Cruz,</p> <p>7 California.</p> <p>8 Q. Are you familiar with how</p> <p>9 the deposition process works?</p> <p>10 A. Somewhat.</p> <p>11 Q. I'll be asking you basically</p> <p>12 a number of questions and you answer</p> <p>13 them; is that all right?</p> <p>14 A. Yep.</p> <p>15 Q. We can -- I don't anticipate</p> <p>16 this going on for hours -- we'll try to</p> <p>17 take a break every hour or so as we</p> <p>18 need to -- but if you ever need a break</p> <p>19 more often than that, then please just</p> <p>20 say so and we can take a break at any</p> <p>21 time.</p> <p>22 A. Okay.</p> <p>23 Q. It's important to make all</p> <p>24 of your responses audible. Especially</p> <p>25 with a telephonic deposition, I think we</p>
<p>3</p> <p>1 -----</p> <p>2 (Thereupon, Deposition</p> <p>3 Exhibits-1thru6 were marked for</p> <p>4 purposes of identification.)</p> <p>5 -----</p> <p>6 THOMAS P. EIDSMORE, being duly</p> <p>7 sworn by the Certified Shorthand</p> <p>8 Reporter to tell the truth, the whole</p> <p>9 truth and nothing but the truth,</p> <p>10 testified as follows:</p> <p>11 EXAMINATION OF THOMAS P. EIDSMORE</p> <p>12 BY-MS.YANCHAR:</p> <p>13 Q. Mr. Eidsmore, as you may</p> <p>14 have just heard, my name is Georgia</p> <p>15 Yanchar. I'm with the law firm of</p> <p>16 Calfee, Halter & Griswold in Cleveland,</p> <p>17 Ohio, and we represent Master Lock</p> <p>18 Company, LLC in this opposition</p> <p>19 proceeding.</p> <p>20 During this deposition I'll refer</p> <p>21 to Master Lock Company, LLC as just</p> <p>22 "Master Lock," and you can feel free to</p> <p>23 do the same thing.</p> <p>24 A. All right. Thank you.</p> <p>25 Q. Can you just state your full</p>	<p>5</p> <p>1 probably ought to make extra effort to</p> <p>2 speak up.</p> <p>3 If at any time you can't</p> <p>4 understand my questions, you know,</p> <p>5 please say so. If I don't hear</p> <p>6 otherwise from you, though, I'm going to</p> <p>7 assume that you understand my question.</p> <p>8 Is that all right?</p> <p>9 A. Yep.</p> <p>10 Q. And if you have any</p> <p>11 questions at all, just please ask me.</p> <p>12 A. Okay.</p> <p>13 Q. Have you ever been deposed</p> <p>14 before?</p> <p>15 A. No.</p> <p>16 Q. Have you ever testified in</p> <p>17 any proceeding?</p> <p>18 A. No.</p> <p>19 Q. Is there any reason today</p> <p>20 why you would be unable to understand my</p> <p>21 questions and offer complete and honest</p> <p>22 answers to those questions?</p> <p>23 A. Nope.</p> <p>24 Q. Do you have any medical</p> <p>25 condition that might affect your ability</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">6</p> <p>1 to testify today?</p> <p>2 A. Nope.</p> <p>3 Q. And are you taking any</p> <p>4 medication or other substance that might</p> <p>5 affect your ability to understand</p> <p>6 questions and testify?</p> <p>7 A. Nope.</p> <p>8 Q. I'm going to ask the court</p> <p>9 reporter to show you a document that's</p> <p>10 already been marked as Exhibit 1, and</p> <p>11 it's entitled Opposer's Notice of</p> <p>12 Deposition of Thomas P. Eidsmore.</p> <p>13 Do you have that in front of</p> <p>14 you?</p> <p>15 A. Yes.</p> <p>16 Q. Is it your understanding that</p> <p>17 you're here pursuant to this notice</p> <p>18 today?</p> <p>19 A. Yep.</p> <p>20 Q. Can you tell me what you did</p> <p>21 today to prepare for the deposition.</p> <p>22 MS. FRY: This is Jude Fry. Let</p> <p>23 me just interject and remind the witness</p> <p>24 that any discussions with counsel are</p> <p>25 privileged.</p>	<p style="text-align: right;">8</p> <p>1 Q. Did you bring them with you</p> <p>2 to the deposition today?</p> <p>3 A. No.</p> <p>4 Q. And what was the proposal on</p> <p>5 the agreement regarding?</p> <p>6 A. Coming to terms.</p> <p>7 Q. Okay. I think I know what</p> <p>8 you're referring to.</p> <p>9 Did you have any discussions -- I</p> <p>10 don't want you to tell me what the</p> <p>11 discussions were, but did you have any</p> <p>12 discussions with your attorney regarding</p> <p>13 the deposition?</p> <p>14 A. Yes.</p> <p>15 Q. And when was that discussion?</p> <p>16 A. I don't remember.</p> <p>17 Q. Was it within the last few</p> <p>18 days?</p> <p>19 A. Might have been.</p> <p>20 Q. And how long was the</p> <p>21 discussion?</p> <p>22 A. I don't recall. It wasn't</p> <p>23 very lengthy, though.</p> <p>24 Q. Which attorney did you speak</p> <p>25 with?</p>
<p style="text-align: right;">7</p> <p>1 THE WITNESS: Yes. Well, just</p> <p>2 -- I looked over documents, and that's</p> <p>3 about it.</p> <p>4 BY MS. YANCHAR:</p> <p>5 Q. Which documents did you look</p> <p>6 over?</p> <p>7 A. I looked over documents that</p> <p>8 you guys have provided me.</p> <p>9 Q. That who provided to you?</p> <p>10 A. Master Lock. And our patent</p> <p>11 application.</p> <p>12 Q. Now, were those the documents</p> <p>13 that I emailed? Can you be more specific</p> <p>14 which documents you're referring to.</p> <p>15 A. Let's see. I don't have</p> <p>16 them with me. I'm not sure which ones</p> <p>17 they were.</p> <p>18 Q. When were they provided to</p> <p>19 you?</p> <p>20 A. I'm not sure.</p> <p>21 Q. Can you tell me generally</p> <p>22 what the subject matter of them was?</p> <p>23 A. One of them was the proposal</p> <p>24 on an agreement, and I forget what the</p> <p>25 other one was.</p>	<p style="text-align: right;">9</p> <p>1 A. Sandra Koenig.</p> <p>2 Q. And did you discuss your</p> <p>3 deposition with anybody else before</p> <p>4 today?</p> <p>5 A. No.</p> <p>6 Q. And I'd just like to find</p> <p>7 out a little bit of information about</p> <p>8 your background. Can you tell me, are</p> <p>9 you currently employed by anybody?</p> <p>10 A. No.</p> <p>11 Q. Have you been employed by</p> <p>12 anybody in the past?</p> <p>13 A. No. I'm self-employed.</p> <p>14 Q. And what is your business?</p> <p>15 A. I buy and sell trucks, SUVs,</p> <p>16 and luxury cars. I'm a wholesaler.</p> <p>17 Q. Okay.</p> <p>18 A. And I manage properties that</p> <p>19 my family owns.</p> <p>20 Q. Approximately what volume of</p> <p>21 cars do you buy and sell on an annual</p> <p>22 basis?</p> <p>23 A. Oh, not many. Probably 15.</p> <p>24 It's part hobby, part source of income.</p> <p>25 Q. Any particular kind of trucks</p>



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<p>10</p> <p>1 or SUVs that you deal in?</p> <p>2 A. No, none in particular.</p> <p>3 Q. Who do you primarily buy and</p> <p>4 sell them from?</p> <p>5 MS. FRY: This is Jude Fry. Let</p> <p>6 me just interject. At this time it</p> <p>7 seems to me that we're getting into</p> <p>8 confidential subject matter, and I'm</p> <p>9 advised here that there is no protective</p> <p>10 order.</p> <p>11 MS. YANCHAR: I'm just trying to</p> <p>12 find out in general terms, you know, Mr.</p> <p>13 Eidsmore's business.</p> <p>14 MS. FRY: Well, if Mr. Eidsmore</p> <p>15 can answer that on general terms,</p> <p>16 without disclosing confidential subject</p> <p>17 matter. And that's going to be up to</p> <p>18 him, whether he thinks he can answer the</p> <p>19 question, so maybe the court reporter</p> <p>20 can read the question back to him.</p> <p>21 (Record read.)</p> <p>22 THE WITNESS: I buy them from</p> <p>23 dealer-only auctions and sell them to</p> <p>24 retail dealerships.</p> <p>25 BY MS. YANCHAR:</p>	<p>12</p> <p>1 A. Yes.</p> <p>2 Q. What was your degree?</p> <p>3 A. Sociology.</p> <p>4 Q. And that was from which</p> <p>5 university?</p> <p>6 A. University of California</p> <p>7 Santa Barbara.</p> <p>8 Q. In 2002, you said?</p> <p>9 A. Yeah.</p> <p>10 Q. And prior to that, what year</p> <p>11 did you graduate from high school?</p> <p>12 A. 1998.</p> <p>13 Q. And you went to high school</p> <p>14 in California?</p> <p>15 A. Yep.</p> <p>16 Q. For how long -- You</p> <p>17 mentioned that the car wholesaling</p> <p>18 business was a hobby of yours. For how</p> <p>19 long would you say that cars have been</p> <p>20 your hobby? Let me back up. Would you</p> <p>21 say that cars have been your hobby?</p> <p>22 A. Since I was 3 years old.</p> <p>23 Q. And tell me the types of</p> <p>24 things that you like to do as part of</p> <p>25 your hobby with cars.</p>
<p>11</p> <p>1 Q. Is that primarily in the</p> <p>2 Northern California region?</p> <p>3 A. Yeah.</p> <p>4 Q. And the properties that you</p> <p>5 manage, are they also primarily in</p> <p>6 Northern California?</p> <p>7 A. Yes.</p> <p>8 Q. Do you have any college</p> <p>9 degrees or education?</p> <p>10 A. Yes.</p> <p>11 Q. Can you tell me where you</p> <p>12 went to school.</p> <p>13 A. Cabrillo Junior College, and</p> <p>14 University of California Santa Barbara,</p> <p>15 4-year college.</p> <p>16 Q. Can you tell me the years</p> <p>17 that you attended each of those</p> <p>18 colleges.</p> <p>19 A. Cabrillo, '98-'99; UC Santa</p> <p>20 Barbara, 2000, 2001, 2002.</p> <p>21 Q. What did you study?</p> <p>22 A. Communications. Sociology.</p> <p>23 Economics.</p> <p>24 Q. Did you graduate from either</p> <p>25 university?</p>	<p>13</p> <p>1 A. Take an existing car and</p> <p>2 make it better and enjoy it, and</p> <p>3 eventually sell it.</p> <p>4 Q. Can you explain to me the</p> <p>5 types of things you do to make it</p> <p>6 better.</p> <p>7 A. Put bigger brakes on it,</p> <p>8 softer suspension, more advanced</p> <p>9 electrical systems, exhaust systems.</p> <p>10 Q. What are the purposes of</p> <p>11 adding -- doing these improvements?</p> <p>12 What do they help the end user --</p> <p>13 What's the end goal of these</p> <p>14 improvements?</p> <p>15 A. The car is safer, performs</p> <p>16 better. It's safer both actively and</p> <p>17 passively, so it's more -- also more</p> <p>18 enjoyable to own and operate.</p> <p>19 Q. And the cars that you do in</p> <p>20 your wholesale business that you buy and</p> <p>21 sell, do you improve them between buying</p> <p>22 and selling them, typically?</p> <p>23 A. Typically, yes.</p> <p>24 *****</p> <p>25 THIS PORTION DEEMED HIGHLY CONFIDENTIAL</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">14</p> <p>1 *****</p> <p>2 MS. FRY: And I would object to</p> <p>3 this question on the grounds that it's</p> <p>4 potentially confidential, and there is</p> <p>5 no protective order in this case.</p> <p>6 Mr. Eidsmore, to the extent</p> <p>7 you're okay with answering this</p> <p>8 generally, you may go ahead and answer</p> <p>9 it.</p> <p>10 THE WITNESS: I don't feel I</p> <p>11 need to answer it. It seems like we're</p> <p>12 kind of veering off course here.</p> <p>13 MR. RUNDELLI: If we're going to</p> <p>14 run into a continued confidentiality</p> <p>15 objection, I propose that we proceed as</p> <p>16 follows: That you designate those</p> <p>17 answers that you believe will be</p> <p>18 confidential, and that we agree on a</p> <p>19 standard protective order. There's one</p> <p>20 that the Board employs as a matter of</p> <p>21 course; we're happy to stipulate to that</p> <p>22 one. If you have an alternative one</p> <p>23 that you'd like to propose, we're</p> <p>24 probably going to run into the same</p> <p>25 issue with the production of documents</p>	<p style="text-align: right;">16</p> <p>1 enter those orders.</p> <p>2 MS. FRY: Well, at the time we</p> <p>3 file it, Ray. I just want to make sure</p> <p>4 that the client's covered for any</p> <p>5 information that they may perceive as</p> <p>6 confidential. But I certainly don't want</p> <p>7 to continue this deposition or anything</p> <p>8 like that.</p> <p>9 MR. RUNDELLI: That's fine.</p> <p>10 We'll hold it as Attorneys Eyes Only</p> <p>11 until we each sign and submit a</p> <p>12 protective order to the Court.</p> <p>13 MS. FRY: That's fine with us.</p> <p>14 MR. RUNDELLI: And obviously, you</p> <p>15 know, that means we don't share it with</p> <p>16 our client. And we probably will get</p> <p>17 this -- hopefully get that attended to</p> <p>18 before we even order a transcript.</p> <p>19 MS. FRY: Sounds good.</p> <p>20 MR. RUNDELLI: Okay.</p> <p>21 MS. YANCHAR: Could we have the</p> <p>22 last question read back.</p> <p>23 (Record read.)</p> <p>24 *****</p> <p>25 .</p>
<p style="text-align: right;">15</p> <p>1 from Master Lock, so it probably</p> <p>2 behooves the parties to try and get this</p> <p>3 resolved.</p> <p>4 We'll agree, obviously, not to</p> <p>5 disclose anything we learn today until</p> <p>6 we get a signed protective order, but</p> <p>7 that's something that we should all be</p> <p>8 able to attend to first thing next week.</p> <p>9 And this way we can get past this issue</p> <p>10 for today.</p> <p>11 MS. FRY: Ray, this is Jude Fry.</p> <p>12 I have no problem whatsoever with doing</p> <p>13 that. I guess I would ask that the</p> <p>14 entire contents of this deposition</p> <p>15 transcript remain Attorneys Eyes Only at</p> <p>16 this point, until we get a stipulated</p> <p>17 protective order entered with the Board.</p> <p>18 And I think we'd certainly be amenable</p> <p>19 to using the protective order provided</p> <p>20 by the Board in this case.</p> <p>21 MS. YANCHAR: That's fine with</p> <p>22 us.</p> <p>23 MR. RUNDELLI: The only -- You</p> <p>24 say "entered with the Board." Sometimes</p> <p>25 the Board takes months and months to</p>	<p style="text-align: right;">17</p> <p>1 .</p> <p>2 .</p> <p>3 THIS PORTION DEEMED HIGHLY CONFIDENTIAL</p> <p>4 .</p> <p>5 .</p> <p>6 .</p> <p>7 .</p> <p>8 *****</p> <p>9 Q. And what is the most common</p> <p>10 type of improvement that you do?</p> <p>11 A. New brakes. New tires. And</p> <p>12 take it to the dealership of the make</p> <p>13 of the vehicle and have them run their</p> <p>14 electrical diagnostic tests on it and</p> <p>15 update software, stuff like that.</p> <p>16 Q. What percentage of the</p> <p>17 vehicles that you deal with are -- You</p> <p>18 said primarily trucks and SUVs. Is that</p> <p>19 the major percentage of your business?</p> <p>20 A. No. I would say it's</p> <p>21 probably even, maybe even. Probably</p> <p>22 about even.</p> <p>23 Q. So 50 percent trucks and</p> <p>24 SUVs, 50 percent cars?</p> <p>25 A. Approximately. It depends on</p>



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<p style="text-align: right;">18</p> <p>1 the demand of the market, you know.</p> <p>2 Gas prices go up and people's taste in</p> <p>3 vehicles change.</p> <p>4 Q. And what's the name of this</p> <p>5 business?</p> <p>6 A. Eidsmore Enterprises.</p> <p>7 Q. Do you have any employees?</p> <p>8 A. Nope.</p> <p>9 Q. Do you do all of the</p> <p>10 improvements yourself?</p> <p>11 A. Or at mechanics shops.</p> <p>12 Q. Is there a mechanics shop</p> <p>13 that you primarily use?</p> <p>14 A. No. It varies from vehicle</p> <p>15 to vehicle.</p> <p>16 Q. And as far as the property</p> <p>17 that you manage, can you just give me a</p> <p>18 general overview of the types of -- your</p> <p>19 involvement with that aspect of the</p> <p>20 business.</p> <p>21 A. Well, a typical property</p> <p>22 manager. I make sure the buildings and</p> <p>23 offices are in good shape and fix</p> <p>24 anything that's wrong. Sometimes</p> <p>25 negotiate terms with the tenants and</p>	<p style="text-align: right;">20</p> <p>1 .</p> <p>2 .</p> <p>3 .</p> <p>4 .</p> <p>5 .</p> <p>6 .</p> <p>7 .</p> <p>8 THIS PORTION DEEMED HIGHLY CONFIDENTIAL</p> <p>9 .</p> <p>10 .</p> <p>11 .</p> <p>12 .</p> <p>13 .</p> <p>14 .</p> <p>15 *****</p> <p>16 Q. Tell me about your personal</p> <p>17 vehicles. What vehicles do you own?</p> <p>18 A. Classic -- A classic Cadillac</p> <p>19 that I'm restoring.</p> <p>20 Q. Any others?</p> <p>21 A. A couple older Ferraris.</p> <p>22 Q. Any others?</p> <p>23 A. No.</p> <p>24 Q. Have you ever owned a truck?</p> <p>25 A. Personally, no.</p>
<p style="text-align: right;">19</p> <p>1 renew leases, find renters.</p> <p>2 Q. Is there a corporation that</p> <p>3 all those properties are managed under?</p> <p>4 A. My -- M & P Properties is</p> <p>5 the name.</p> <p>6 Q. "M" as in Mary, "P" as in</p> <p>7 Paul?</p> <p>8 A. Marion, yeah.</p> <p>9 Q. And are you a personal</p> <p>10 owner, do you have an interest in M & P</p> <p>11 Properties?</p> <p>12 A. No.</p> <p>13 *****</p> <p>14 .</p> <p>15 .</p> <p>16 .</p> <p>17 THIS PORTION DEEMED HIGHLY CONFIDENTIAL</p> <p>18 .</p> <p>19 .</p> <p>20 .</p> <p>21 .</p> <p>22 .</p> <p>23 .</p> <p>24 .</p> <p>25 .</p>	<p style="text-align: right;">21</p> <p>1 Q. Have you ever owned an SUV?</p> <p>2 A. No.</p> <p>3 Q. What about someone you</p> <p>4 personally know, somebody close do you?</p> <p>5 A. Well, being the owner of a</p> <p>6 dealership, I can drive whatever</p> <p>7 vehicles my dealership owns, so --</p> <p>8 They're not personal vehicles.</p> <p>9 Q. Have you ever driven a truck</p> <p>10 as your primary vehicle?</p> <p>11 A. Yes.</p> <p>12 Q. Approximately how many?</p> <p>13 A. I don't know. I would have</p> <p>14 to look at records.</p> <p>15 Q. Other than Eidsmore</p> <p>16 Enterprises and M & P Properties, have</p> <p>17 you had any other employers?</p> <p>18 A. No.</p> <p>19 Q. And other than the college</p> <p>20 and high school education we discussed,</p> <p>21 do you have any other education?</p> <p>22 A. No.</p> <p>23 Q. Okay. I'd like to direct</p> <p>24 your attention to a document that's</p> <p>25 already been marked as Exhibit 5.</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">22</p> <p>1 A. Okay.</p> <p>2 Q. This is titled U.S. Patent</p> <p>3 Application No. 2005/0135908 A1.</p> <p>4 A. Yes.</p> <p>5 Q. Have you seen this document</p> <p>6 before?</p> <p>7 A. Yes.</p> <p>8 Q. What do you understand this</p> <p>9 document to be?</p> <p>10 MS. FRY: Objection; foundation.</p> <p>11 THE WITNESS: Should I continue?</p> <p>12 MS. FRY: Yes.</p> <p>13 THE WITNESS: The application's</p> <p>14 for a patent truck and SUV cargo hauling</p> <p>15 system patent application.</p> <p>16 BY MS. YANCHAR:</p> <p>17 Q. And the inventor is listed</p> <p>18 as Paul G. Eidsmore?</p> <p>19 A. Yes.</p> <p>20 Q. And who is Paul G. Eidsmore?</p> <p>21 A. My father.</p> <p>22 Q. Do you and your father have</p> <p>23 any business relationship?</p> <p>24 A. No.</p> <p>25 Q. Did you have any involvement</p>	<p style="text-align: right;">24</p> <p>1 shown in Exhibit Number 5 are used to</p> <p>2 do?</p> <p>3 A. To haul cargo.</p> <p>4 Q. What do you understand "haul"</p> <p>5 to mean?</p> <p>6 A. To load something, take it</p> <p>7 somewhere, and unload it.</p> <p>8 Q. And who do you anticipate</p> <p>9 the end users of the devices in this</p> <p>10 patent would be -- this application</p> <p>11 would be? I'm sorry.</p> <p>12 A. Somebody that needs to load</p> <p>13 goods and bring them somewhere and</p> <p>14 unload them.</p> <p>15 Q. Do you have any information</p> <p>16 regarding where the devices shown in</p> <p>17 this application might be sold?</p> <p>18 MS. FRY: Objection --</p> <p>19 THE WITNESS: I don't.</p> <p>20 BY MS. YANCHAR:</p> <p>21 Q. Have you had any discussion</p> <p>22 with your father regarding who might</p> <p>23 sell these types of devices?</p> <p>24 A. No.</p> <p>25 Q. Do you have any information</p>
<p style="text-align: right;">23</p> <p>1 in the alleged invention of this patent</p> <p>2 application?</p> <p>3 A. No.</p> <p>4 Q. And what do you understand</p> <p>5 this patent application, Exhibit Number</p> <p>6 5, to cover?</p> <p>7 MS. FRY: Objection; foundation.</p> <p>8 He said he had no involvement.</p> <p>9 BY MS. YANCHAR:</p> <p>10 Q. You can answer the question.</p> <p>11 A. It involves a cargo hauling</p> <p>12 system for trucks and SUVs.</p> <p>13 Q. Have you read this Exhibit</p> <p>14 Number 5 before?</p> <p>15 A. No.</p> <p>16 Q. When was the first time that</p> <p>17 you saw this, Exhibit Number 5?</p> <p>18 A. Just since Master Lock has</p> <p>19 opposed me registering the trademark</p> <p>20 MASTERHAUL.</p> <p>21 Q. Do you intend to use the</p> <p>22 MASTERHAUL mark in connection with the</p> <p>23 devices shown in this application?</p> <p>24 A. I don't know at this point.</p> <p>25 Q. Do you know what the devices</p>	<p style="text-align: right;">25</p> <p>1 regarding whether there's any existing</p> <p>2 prototype or anything along those lines</p> <p>3 for this device in the application?</p> <p>4 A. I don't.</p> <p>5 Q. Do you have any information</p> <p>6 regarding any efforts your father has</p> <p>7 made or anybody else has made to create</p> <p>8 a prototype for this device shown in</p> <p>9 this application?</p> <p>10 A. No.</p> <p>11 Q. Do you know whether any</p> <p>12 business entity has been set up for</p> <p>13 making the devices in this application?</p> <p>14 A. I don't.</p> <p>15 Q. I believe there's a title on</p> <p>16 this patent. Do you see in the upper</p> <p>17 left-hand corner it says "Cargo Hauling</p> <p>18 System"?</p> <p>19 A. Uh-huh.</p> <p>20 Q. Based on what you know</p> <p>21 regarding Exhibit Number 5, do you</p> <p>22 believe that's an accurate title?</p> <p>23 MS. FRY: Objection as to form.</p> <p>24 THE WITNESS: Let me look at</p> <p>25 these images. It seems appropriate.</p>



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<p style="text-align: right;">26</p> <p>1 BY MS. YANCHAR:</p> <p>2 Q. Are you an inventor on any</p> <p>3 patents?</p> <p>4 A. Yes. A license plate frame</p> <p>5 for cars with trunk-mounted license</p> <p>6 plates.</p> <p>7 MS. FRY: Are you talking about</p> <p>8 issued patents or applications?</p> <p>9 MS. YANCHAR: I'd be interested</p> <p>10 in knowing about both.</p> <p>11 THE WITNESS: I only have one,</p> <p>12 and it's approved, it's a U.S. patent,</p> <p>13 and it's a -- actually it's a design</p> <p>14 patent, and it's a license plate frame</p> <p>15 with an integrated handle in the bottom</p> <p>16 for assisting in closing and opening</p> <p>17 trunks for cars.</p> <p>18 BY MS. YANCHAR:</p> <p>19 Q. When was that filed?</p> <p>20 A. I don't know. Couple years</p> <p>21 ago.</p> <p>22 Q. Are there any other inventors</p> <p>23 on that or are you the sole inventor?</p> <p>24 A. I'm the sole inventor.</p> <p>25 Q. Do you know whether your</p>	<p style="text-align: right;">28</p> <p>1 BY MS. YANCHAR:</p> <p>2 Q. M & P Properties that you</p> <p>3 mentioned, I think you mentioned that</p> <p>4 that was a family business. Is that</p> <p>5 your parents or other relatives?</p> <p>6 A. Just my parents.</p> <p>7 Q. And how long have they been</p> <p>8 involved with real estate?</p> <p>9 A. 20 years.</p> <p>10 Q. How many years have you been</p> <p>11 helping them with that business?</p> <p>12 A. 3.</p> <p>13 Q. And I may have asked you</p> <p>14 this before, but how many years have you</p> <p>15 been the owner of Eidsmore Enterprises?</p> <p>16 A. Since '98.</p> <p>17 Q. Do you have any idea</p> <p>18 regarding the market need for the types</p> <p>19 of products shown in your father's</p> <p>20 patent application, Exhibit 5?</p> <p>21 A. No.</p> <p>22 Q. Do you know whether any</p> <p>23 research has been done for the demand</p> <p>24 for this type of product?</p> <p>25 A. I don't.</p>
<p style="text-align: right;">27</p> <p>1 father has any other patents or patent</p> <p>2 applications?</p> <p>3 A. He has numerous patents. I</p> <p>4 have no idea how many or in what areas.</p> <p>5 Q. Do you know whether any of</p> <p>6 your father's inventions have been</p> <p>7 commercialized?</p> <p>8 MS. FRY: Objection; foundation.</p> <p>9 Speculation.</p> <p>10 THE WITNESS: I don't know.</p> <p>11 BY MS. YANCHAR:</p> <p>12 Q. Can you tell me what your</p> <p>13 father's primary business is.</p> <p>14 A. He's retired.</p> <p>15 Q. Prior to retiring, what was</p> <p>16 his primary business.</p> <p>17 MS. FRY: Objection; foundation.</p> <p>18 THE WITNESS: A mechanical</p> <p>19 engineer.</p> <p>20 BY MS. YANCHAR:</p> <p>21 Q. What type of company did he</p> <p>22 work for as a mechanical engineer?</p> <p>23 MS. FRY: Objection; foundation.</p> <p>24 THE WITNESS: Semiconductor</p> <p>25 manufacturing equipment companies.</p>	<p style="text-align: right;">29</p> <p>1 Q. Have you invested any money</p> <p>2 regarding the development of the product</p> <p>3 shown in Exhibit 5?</p> <p>4 A. No.</p> <p>5 Q. Have you spent any time</p> <p>6 working with this as to the development</p> <p>7 of the product?</p> <p>8 A. No.</p> <p>9 Q. Okay. According to the</p> <p>10 interrogatories, the interrogatory</p> <p>11 responses, you specified the mark</p> <p>12 MASTERHAUL has not yet been used as</p> <p>13 commerce.</p> <p>14 Is that still correct as of</p> <p>15 today?</p> <p>16 A. Yes.</p> <p>17 Q. Can you tell me about your</p> <p>18 plans for using that mark?</p> <p>19 A. To be determined. I don't</p> <p>20 know.</p> <p>21 Q. Do you have any idea when</p> <p>22 you would anticipate the first use in</p> <p>23 commerce to occur?</p> <p>24 A. No.</p> <p>25 Q. Are there any contingencies</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">30</p> <p>1 or events that need to occur in your</p> <p>2 mind before the use can occur?</p> <p>3 A. I don't know.</p> <p>4 Q. Have you used the mark</p> <p>5 MASTERHAUL, even in things that have not</p> <p>6 been sold, or privately, or attached to</p> <p>7 any goods?</p> <p>8 A. No.</p> <p>9 Q. I'm going to go to the</p> <p>10 document that's been marked as the</p> <p>11 Notice of Opposition -- I'm sorry, as</p> <p>12 Exhibit Number 2, the Notice of</p> <p>13 Opposition.</p> <p>14 A. Okay.</p> <p>15 Q. Have you seen this document</p> <p>16 before?</p> <p>17 A. I believe so.</p> <p>18 Q. Can you tell me what you</p> <p>19 understand this document to be.</p> <p>20 A. A Notice of Opposition to me</p> <p>21 registering MASTERHAUL.</p> <p>22 Q. I'm going to direct your</p> <p>23 attention to paragraph number 9 on page</p> <p>24 3. Could you please read me that</p> <p>25 paragraph.</p>	<p style="text-align: right;">32</p> <p>1 Q. In the description you just</p> <p>2 read, there were 4 categories of truck</p> <p>3 and sport utility vehicle accessories.</p> <p>4 A. Uh-huh.</p> <p>5 Q. I'd like to just learn from</p> <p>6 you about your understanding of what's</p> <p>7 in those categories.</p> <p>8 A. Okay.</p> <p>9 Q. So what would you understand</p> <p>10 "cargo storage bins" to mean?</p> <p>11 A. Any kind of separate</p> <p>12 container that you could store tools in,</p> <p>13 or whatever it is that you would keep</p> <p>14 in the back of a truck.</p> <p>15 Q. And who would you anticipate</p> <p>16 the end users of cargo storage bins to</p> <p>17 be?</p> <p>18 A. I think anybody that -- any</p> <p>19 -- could be anybody.</p> <p>20 Q. Are you aware of any</p> <p>21 products that might be used in place of</p> <p>22 a cargo storage bin?</p> <p>23 A. No.</p> <p>24 Q. Do you have any idea in your</p> <p>25 head as to what the cargo storage bin</p>
<p style="text-align: right;">31</p> <p>1 A. "Applicant filed the '102</p> <p>2 Application on June 10, 2004.</p> <p>3 Applicant's services are currently</p> <p>4 identified as 'truck and sport utility</p> <p>5 vehicle accessories, namely, truck bed</p> <p>6 liners, cargo storage bins,</p> <p>7 mechanically-assisted self-contained</p> <p>8 insert dump units for pickup trucks,</p> <p>9 body panels, and tail gates."</p> <p>10 Q. Okay. The '102 application,</p> <p>11 that's your application for the</p> <p>12 MASTERHAUL mark?</p> <p>13 A. Uh-huh.</p> <p>14 Q. And that application's in</p> <p>15 your name; correct?</p> <p>16 A. Yes.</p> <p>17 Q. Do you have any plans to</p> <p>18 license that mark to your father or</p> <p>19 anyone else?</p> <p>20 A. Not -- No.</p> <p>21 Q. And it is your intent to use</p> <p>22 the mark MASTERHAUL in connection with</p> <p>23 the goods that you just recited when you</p> <p>24 read paragraph 9?</p> <p>25 A. Perhaps.</p>	<p style="text-align: right;">33</p> <p>1 that you would use MASTERHAUL in</p> <p>2 connection with would look like?</p> <p>3 A. No, not at this point.</p> <p>4 Q. Do you have any thoughts on</p> <p>5 who might sell these cargo storage bins?</p> <p>6 A. No.</p> <p>7 Q. Do you have any thoughts on</p> <p>8 who might install them?</p> <p>9 A. No.</p> <p>10 Q. What's your understanding as</p> <p>11 to how they will attach to a vehicle?</p> <p>12 A. To be determined. I don't</p> <p>13 know.</p> <p>14 Q. Do you have any drawings or</p> <p>15 sketches or any conceptualization of</p> <p>16 what the cargo storage bins would look</p> <p>17 like?</p> <p>18 A. Not at this point.</p> <p>19 Q. Do you have any plans to</p> <p>20 create any such drawings or sketches?</p> <p>21 A. No plans as of now.</p> <p>22 Q. Okay. Moving on to truck</p> <p>23 bed liners in paragraph 9, the same</p> <p>24 question as before: What do you mean</p> <p>25 by "truck bed liners," what do you</p>



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<p style="text-align: right;">34</p> <p>1 understand that to mean?</p> <p>2 A. Something that protects the</p> <p>3 bed of a truck and allows objects to</p> <p>4 move in and out of it easier.</p> <p>5 Q. And who would you anticipate</p> <p>6 the end users of those truck bed liners</p> <p>7 to be?</p> <p>8 A. People that want to protect</p> <p>9 their truck from corrosion and ease the</p> <p>10 motion of pushing objects in and out.</p> <p>11 Q. Are you aware of any such</p> <p>12 product being on the market right now?</p> <p>13 A. Yes.</p> <p>14 Q. And where have they sold?</p> <p>15 A. Numerous places.</p> <p>16 Dealerships, truck accessory outlets,</p> <p>17 and so on.</p> <p>18 Q. Okay. And backing up to</p> <p>19 cargo storage bins, are you aware of any</p> <p>20 cargo storage bins on the market right</p> <p>21 now?</p> <p>22 A. Not off the top of my head,</p> <p>23 no.</p> <p>24 Q. You've never seen any cargo</p> <p>25 storage bins for sale by anybody?</p>	<p style="text-align: right;">36</p> <p>1 bins for sale anywhere else other than</p> <p>2 car dealerships or in catalogs?</p> <p>3 A. No.</p> <p>4 Q. Have you ever seen a cargo</p> <p>5 storage bin installed on a vehicle?</p> <p>6 A. Probably, but none that stand</p> <p>7 out, you know. I couldn't tell you what</p> <p>8 it looked like, but I'm sure I have.</p> <p>9 Q. Do you have any idea where</p> <p>10 someone would go to have a cargo storage</p> <p>11 bin installed on their vehicle?</p> <p>12 A. I don't.</p> <p>13 Q. Do you know whether any of</p> <p>14 the mechanics shops that you've used in</p> <p>15 Eidsmore Enterprises install cargo</p> <p>16 storage bins?</p> <p>17 A. They don't.</p> <p>18 Q. If you bought a cargo</p> <p>19 storage bin and you weren't sure where</p> <p>20 to get it installed, how would you go</p> <p>21 about finding out that information?</p> <p>22 A. Probably call a local</p> <p>23 contractor and ask him.</p> <p>24 Q. What do you mean by a local</p> <p>25 contractor?</p>
<p style="text-align: right;">35</p> <p>1 A. I've seen them for sale, but</p> <p>2 I don't know who the manufacturer is.</p> <p>3 Q. Where have you seen them for</p> <p>4 sale?</p> <p>5 A. At car dealerships.</p> <p>6 Q. Anywhere else?</p> <p>7 A. Perhaps in catalogs.</p> <p>8 Q. What types of catalogs?</p> <p>9 A. Vehicle accessory catalogs.</p> <p>10 Q. Do you receive any vehicle</p> <p>11 accessory catalogs?</p> <p>12 A. I don't receive any, but</p> <p>13 I've seen them while waiting for</p> <p>14 vehicles to be delivered at car</p> <p>15 dealerships.</p> <p>16 Q. So you've seen vehicle</p> <p>17 accessory catalogs at car dealerships?</p> <p>18 A. Yes.</p> <p>19 Q. Anyplace else you've seen</p> <p>20 these catalogs?</p> <p>21 A. I can't remember any.</p> <p>22 Q. Do you have any recollection</p> <p>23 of the name on the catalog, the seller?</p> <p>24 A. No.</p> <p>25 Q. Have you seen cargo storage</p>	<p style="text-align: right;">37</p> <p>1 A. I would ask somebody that</p> <p>2 would use something like that, or</p> <p>3 perhaps search on the internet.</p> <p>4 Q. Who would be somebody that</p> <p>5 would use something like that?</p> <p>6 A. Somebody that uses their</p> <p>7 truck frequently.</p> <p>8 Q. I think you used the term a</p> <p>9 "local contractor." Do you mean like a</p> <p>10 construction contractor?</p> <p>11 A. Or anybody -- yeah, like a</p> <p>12 -- Somebody that, you know, has a lot</p> <p>13 of tools.</p> <p>14 Q. So you would anticipate an</p> <p>15 end user of cargo storage bins to be</p> <p>16 like a contractor?</p> <p>17 A. That's one of many.</p> <p>18 Q. Who else?</p> <p>19 A. Well, the list could go on</p> <p>20 forever. It could be somebody that is</p> <p>21 a traveling salesman and so on.</p> <p>22 Q. Going back to paragraph 9,</p> <p>23 "mechanically assisted self-contained</p> <p>24 insert dump units for pickup trucks" --</p> <p>25 A. Uh-huh.</p>



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<p style="text-align: right;">38</p> <p>1 Q. -- what do you mean by that?</p> <p>2 A. Anything that can go inside</p> <p>3 of a pickup truck and dump its contents</p> <p>4 so that the owner of the vehicle or the</p> <p>5 user of the vehicle doesn't have to</p> <p>6 unload it by hand.</p> <p>7 Q. This device shown in Exhibit</p> <p>8 5, your father's patent --</p> <p>9 A. Uh-huh.</p> <p>10 Q. -- is that something you</p> <p>11 would consider to be a mechanically</p> <p>12 assisted self-contained insert dump unit</p> <p>13 for a pickup truck?</p> <p>14 A. I suppose, yes.</p> <p>15 Q. The device shown in Exhibit</p> <p>16 5, would you consider that to fall</p> <p>17 within any of the other categories</p> <p>18 within paragraph number 9?</p> <p>19 A. No.</p> <p>20 Q. Okay. And then going on to</p> <p>21 the last part of paragraph number 9,</p> <p>22 "body panels and tail gates," tell me</p> <p>23 what you mean by that.</p> <p>24 A. Well, for example, when</p> <p>25 somebody has a long vehicle such as a</p>	<p style="text-align: right;">40</p> <p>1 in a catalog.</p> <p>2 Q. Might it be sold by a car</p> <p>3 dealership?</p> <p>4 A. Perhaps.</p> <p>5 Q. Might they be sold by custom</p> <p>6 body shops?</p> <p>7 A. I don't know.</p> <p>8 Q. And how would they attach to</p> <p>9 the truck or the SUV?</p> <p>10 A. What?</p> <p>11 Q. The mechanically assisted</p> <p>12 self-contained insert dump unit for</p> <p>13 pickup trucks.</p> <p>14 A. Who knows? There's a couple</p> <p>15 products being sold that I believe are</p> <p>16 bolted to the back of the cab, I</p> <p>17 believe. I'm not sure. I'm not an</p> <p>18 engineer or else I would give you a</p> <p>19 better answer.</p> <p>20 Q. Do you know if you could use</p> <p>21 a hitch to attach one?</p> <p>22 A. I don't know.</p> <p>23 Q. I'm going to move on to the</p> <p>24 document that's been marked as Exhibit</p> <p>25 Number 3. This is your Response to</p>
<p style="text-align: right;">39</p> <p>1 truck, backing up can be an issue, and</p> <p>2 there's a need to be able to see behind</p> <p>3 the vehicle. So a solid tailgate</p> <p>4 sometimes creates a problem and a large</p> <p>5 blind spot, so a tailgate that you could</p> <p>6 see through, perhaps. And the same with</p> <p>7 the sides of the truck, something you</p> <p>8 can see through to improve visibility</p> <p>9 and safety so that it -- you know,</p> <p>10 people using these large vehicles don't</p> <p>11 back over children or dogs or whatnot.</p> <p>12 Q. Who do you think would sell</p> <p>13 those types of products?</p> <p>14 A. I don't know.</p> <p>15 Q. I'm sorry. I forgot to ask</p> <p>16 you, with respect to the mechanically</p> <p>17 assisted self-contained insert dump unit</p> <p>18 in the pickup trucks, who would you</p> <p>19 anticipate would sell those types of</p> <p>20 products?</p> <p>21 A. Could be anybody.</p> <p>22 Q. Do you think they'd be sold</p> <p>23 in any of those vehicle accessory</p> <p>24 catalogs that you've seen?</p> <p>25 A. Seems too large to be sold</p>	<p style="text-align: right;">41</p> <p>1 Opposer's First Set of Interrogatories.</p> <p>2 Do you recognize this document?</p> <p>3 A. Yes.</p> <p>4 Q. Did you have any involvement</p> <p>5 in preparing this document?</p> <p>6 A. Yes.</p> <p>7 Q. What was your involvement?</p> <p>8 A. Answering the questions.</p> <p>9 Q. And did you confirm that all</p> <p>10 the responses in here are correct?</p> <p>11 A. Yep.</p> <p>12 Q. I'd like to go to</p> <p>13 Interrogatory Number 2.</p> <p>14 A. Okay.</p> <p>15 Q. It reads: "Describe fully</p> <p>16 the process by which Applicant selected</p> <p>17 the term MASTERHAUL as a mark for</p> <p>18 Applicant's goods." And if you could</p> <p>19 just read me your response for the</p> <p>20 record.</p> <p>21 A. "Meetings with friends and</p> <p>22 family were held where all came up with</p> <p>23 different names. MASTERHAUL was the</p> <p>24 favorite because it suggests the results</p> <p>25 that are achieved by using the goods.</p>



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<p style="text-align: right;">42</p> <p>1 Also, the mark adds credibility to the</p> <p>2 claim that Applicant's goods comprise</p> <p>3 the best product for hauling."</p> <p>4 Q. Can you name for me the</p> <p>5 friends and family that were involved.</p> <p>6 A. I can. There was many</p> <p>7 people that I asked. I have numerous</p> <p>8 friends with trucks, and they were a big</p> <p>9 help in determining what name I picked.</p> <p>10 Q. You can't remember any of</p> <p>11 their names?</p> <p>12 A. Yes. Warren Madsen.</p> <p>13 Q. M-a-d-s-e-n?</p> <p>14 A. Yeah.</p> <p>15 Q. Go ahead.</p> <p>16 A. Justin White.</p> <p>17 Q. Just spell the last name.</p> <p>18 A. W-h-i-t-e.</p> <p>19 Q. Who else?</p> <p>20 A. Those are the only 2 I can</p> <p>21 think of right now.</p> <p>22 Q. And what about family</p> <p>23 members?</p> <p>24 A. It was mostly friends. None</p> <p>25 of my family members drive trucks.</p>	<p style="text-align: right;">44</p> <p>1 away, and I couldn't recall what they</p> <p>2 were.</p> <p>3 Q. Do you remember which person</p> <p>4 suggested MASTERHAUL?</p> <p>5 A. I don't recall.</p> <p>6 Q. Do you recall why you</p> <p>7 rejected any of the other marks?</p> <p>8 A. No.</p> <p>9 Q. When you involved these</p> <p>10 people that you've mentioned, when did</p> <p>11 that occur?</p> <p>12 A. Probably 200- -- I'm trying</p> <p>13 to remember what year we did all this.</p> <p>14 Probably 2002, 2003.</p> <p>15 Q. Now, were all these people</p> <p>16 together in a room when this discussion</p> <p>17 or process occurred, or were they all</p> <p>18 separate?</p> <p>19 A. No, it was all separate.</p> <p>20 Q. And what specifically did you</p> <p>21 ask them?</p> <p>22 A. What would be a good name</p> <p>23 for truck and SUV accessories, a company</p> <p>24 that sells them.</p> <p>25 Q. What commercial impression</p>
<p style="text-align: right;">43</p> <p>1 Q. Were any of your family</p> <p>2 members involved in the selection of</p> <p>3 MASTERHAUL?</p> <p>4 A. I believe I asked my</p> <p>5 brother-in-law, who drives a truck, and</p> <p>6 my sister.</p> <p>7 Q. And what are their names?</p> <p>8 A. Jeanine and Casey Schirmer,</p> <p>9 S-c-h-i-r-m-e-r.</p> <p>10 Q. And all of these people</p> <p>11 you've mentioned own trucks?</p> <p>12 A. I'm not sure at this point.</p> <p>13 My brother-in-law does, and the 2</p> <p>14 friends that I asked probably do.</p> <p>15 Q. Have you helped them work on</p> <p>16 those trucks?</p> <p>17 A. No.</p> <p>18 Q. Do you know if they have any</p> <p>19 accessories for those trucks?</p> <p>20 A. No.</p> <p>21 Q. Other than the words</p> <p>22 MASTERHAUL, were there any other marks</p> <p>23 suggested?</p> <p>24 A. I don't remember. There</p> <p>25 were, but I've thrown any notes I had</p>	<p style="text-align: right;">45</p> <p>1 were you seeking to create?</p> <p>2 MS. FRY: Objection; assumes</p> <p>3 facts not in evidence.</p> <p>4 THE WITNESS: That we specialize</p> <p>5 in premium truck and SUV accessories.</p> <p>6 BY MS. YANCHAR:</p> <p>7 Q. Do you know of any other</p> <p>8 companies that make premium truck and</p> <p>9 SUV accessories?</p> <p>10 A. Not off the top of my head,</p> <p>11 no.</p> <p>12 Q. Are you aware of any</p> <p>13 companies that sell truck and SUV</p> <p>14 accessories?</p> <p>15 A. No.</p> <p>16 Q. Other than the people that</p> <p>17 you just mentioned, was anybody else</p> <p>18 involved in the selection of the mark</p> <p>19 MASTERHAUL?</p> <p>20 A. No.</p> <p>21 Q. And was MASTERHAUL your first</p> <p>22 choice, then?</p> <p>23 A. Yes.</p> <p>24 Q. What did you tell them</p> <p>25 specifically about the product that you</p>



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<p style="text-align: right;">46</p> <p>1 thought you would use the mark with?</p> <p>2 A. I didn't go over that with</p> <p>3 them. I pretty much just told them</p> <p>4 that I'd be in the truck and SUV</p> <p>5 products business, because of the boom</p> <p>6 in truck and SUV sales in past years.</p> <p>7 Q. And at that time, what types</p> <p>8 of products did you anticipate? Even if</p> <p>9 you didn't tell them, what type of</p> <p>10 products did you have in your mind as</p> <p>11 to what you would use MASTERHAUL in</p> <p>12 connection with?</p> <p>13 A. Nothing in particular.</p> <p>14 Q. Did they ask you any</p> <p>15 questions?</p> <p>16 A. No.</p> <p>17 Q. Was any mention of Master</p> <p>18 Lock made by anyone as part of this</p> <p>19 process?</p> <p>20 A. No.</p> <p>21 Q. Were you aware of Master</p> <p>22 Lock at that time?</p> <p>23 A. I was aware that they made</p> <p>24 locks. I had a Master Lock on a locker</p> <p>25 I had in high school, so I recall the</p>	<p style="text-align: right;">48</p> <p>1 We'll just come back in a few minutes.</p> <p>2 (Recess taken.)</p> <p>3 BY MS. YANCHAR:</p> <p>4 Q. Mr. Eidsmore, a moment ago</p> <p>5 we were talking about your selection of</p> <p>6 the mark MASTERHAUL, and I believe you</p> <p>7 said you asked -- and tell me if I've</p> <p>8 got this wrong -- you asked some people</p> <p>9 what would be a good name for the</p> <p>10 company. And at that time, did you</p> <p>11 have any plans to set up a company?</p> <p>12 A. Plans to set up a company?</p> <p>13 Well, it was -- I didn't know at that</p> <p>14 point.</p> <p>15 Q. Do you know now, do you</p> <p>16 currently have any plans to set up a</p> <p>17 company?</p> <p>18 A. Not -- not yet, no.</p> <p>19 Q. Do you have a business plan?</p> <p>20 A. No.</p> <p>21 Q. Have you had any discussion</p> <p>22 with any potential manufacturers?</p> <p>23 A. No.</p> <p>24 Q. Any potential sellers?</p> <p>25 A. No.</p>
<p style="text-align: right;">47</p> <p>1 name from that.</p> <p>2 Q. At the time that the</p> <p>3 selection of MASTERHAUL occurred, were</p> <p>4 you aware that Master Lock made any</p> <p>5 other products?</p> <p>6 A. No.</p> <p>7 Q. Are you aware that Master</p> <p>8 Lock makes other products now?</p> <p>9 A. Yes. Since you guys have</p> <p>10 opposed my registering this trademark, I</p> <p>11 have, yeah.</p> <p>12 Q. What types of products do</p> <p>13 you understand Master Lock to make now?</p> <p>14 A. I would have to find the</p> <p>15 document. I don't recall. I know that</p> <p>16 you guys have included it in one of</p> <p>17 these documents, but I couldn't tell you</p> <p>18 off the top of my head.</p> <p>19 Q. Do you remember anything else</p> <p>20 about the process of selecting the mark</p> <p>21 MASTERHAUL?</p> <p>22 A. No.</p> <p>23 MS. YANCHAR: I'm going to take</p> <p>24 a little 5-minute break. We've been</p> <p>25 going for about an hour right now.</p>	<p style="text-align: right;">49</p> <p>1 Q. Any potential installers?</p> <p>2 A. No.</p> <p>3 Q. Any thoughts regarding</p> <p>4 advertising?</p> <p>5 A. No.</p> <p>6 Q. Have you had any discussions</p> <p>7 with anybody other than the people that</p> <p>8 you mentioned in the selection process</p> <p>9 regarding use of the mark MASTERHAUL?</p> <p>10 A. No.</p> <p>11 Q. At some point you came up</p> <p>12 with the description of goods that we</p> <p>13 were talking about in paragraph 9 of the</p> <p>14 Notice of Opposition, which is Exhibit</p> <p>15 2.</p> <p>16 A. Uh-huh.</p> <p>17 Q. When did you come up with</p> <p>18 the types of products?</p> <p>19 A. I never came up with them.</p> <p>20 I think that this is what any -- any</p> <p>21 company that specializes in truck and</p> <p>22 SUV accessories, I think this is kind of</p> <p>23 what they would sell. These are, I</p> <p>24 guess, the most useful things that you</p> <p>25 could do to a truck or SUV.</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">50</p> <p>1 Q. So were these things listed</p> <p>2 your ideas?</p> <p>3 A. Yes.</p> <p>4 Q. Did anybody else have any</p> <p>5 input?</p> <p>6 A. Nope.</p> <p>7 Q. And do you have any drawings</p> <p>8 of any of the items listed in paragraph</p> <p>9 9 of the Notice of Opposition?</p> <p>10 A. No.</p> <p>11 Q. What are your plans regarding</p> <p>12 use of the mark MASTERHAUL if it -- How</p> <p>13 will it actually appear on the product?</p> <p>14 A. I haven't determined that.</p> <p>15 Q. But do you know if it will</p> <p>16 actually be on the product versus on the</p> <p>17 packaging, for example?</p> <p>18 A. I'm not sure. Don't know.</p> <p>19 Q. Do you have any idea how big</p> <p>20 it would be on the product?</p> <p>21 A. I don't.</p> <p>22 Q. Do you anticipate stylizing</p> <p>23 the letters or --</p> <p>24 A. Perhaps. I'd probably</p> <p>25 consult with a graphic artist.</p>	<p style="text-align: right;">52</p> <p>1 A. I don't know at this point.</p> <p>2 Q. Who do you think will be</p> <p>3 most important to market these types of</p> <p>4 products to?</p> <p>5 A. Owners of trucks and SUVs.</p> <p>6 Q. Have you done any market</p> <p>7 research?</p> <p>8 A. No.</p> <p>9 Q. With respect to owners of</p> <p>10 trucks and SUVs, especially with regard</p> <p>11 to the cargo storage bins or the other</p> <p>12 products listed in paragraph 9 of the</p> <p>13 Notice of Opposition, who might -- I</p> <p>14 think you might have said you know who</p> <p>15 might use these, but do you think</p> <p>16 perhaps -- Can you be more clear on who</p> <p>17 you think might use these.</p> <p>18 MS. FRY: Objection as to form.</p> <p>19 THE WITNESS: I don't think I</p> <p>20 could get anymore specific than I was,</p> <p>21 because it really is -- It could be</p> <p>22 anybody.</p> <p>23 BY MS. YANCHAR:</p> <p>24 Q. Like a plumber might use the</p> <p>25 cargo storage bin?</p>
<p style="text-align: right;">51</p> <p>1 Q. Have you done that yet?</p> <p>2 A. No.</p> <p>3 Q. Have you had any discussions</p> <p>4 with any graphic artists?</p> <p>5 A. No.</p> <p>6 Q. Have you made any sketches?</p> <p>7 A. No.</p> <p>8 Q. Do you have any particular</p> <p>9 fonts in mind?</p> <p>10 A. No. Something unique that</p> <p>11 nobody else has used, something that is</p> <p>12 definitely original.</p> <p>13 Q. Do you have any plans to</p> <p>14 discuss the mark with anybody?</p> <p>15 A. Not at this point.</p> <p>16 Q. Do you have any particular</p> <p>17 look in mind?</p> <p>18 A. No.</p> <p>19 Q. Have you given any thought</p> <p>20 to how these products might be</p> <p>21 advertised?</p> <p>22 A. I haven't.</p> <p>23 Q. What about your thoughts as</p> <p>24 to the geographic scope of where you</p> <p>25 might sell these products?</p>	<p style="text-align: right;">53</p> <p>1 A. That could be one of</p> <p>2 thousands, yeah.</p> <p>3 Q. Or a painter?</p> <p>4 A. Perhaps.</p> <p>5 Q. Or like a siding contractor?</p> <p>6 A. Who knows?</p> <p>7 Q. Heating and air conditioning</p> <p>8 people, those kind of people?</p> <p>9 A. Who knows?</p> <p>10 Q. All right. I'm going to go</p> <p>11 back to the interrogatory responses,</p> <p>12 Exhibit Number 3. And I believe in</p> <p>13 Interrogatory Number 17 on page 11, it</p> <p>14 reads: "State with particularity the</p> <p>15 date and circumstances in which</p> <p>16 Applicant first became aware of the</p> <p>17 Opposer."</p> <p>18 Could you read to me your</p> <p>19 response.</p> <p>20 A. "Applicant first became aware</p> <p>21 of Opposer when he purchased a padlock</p> <p>22 for his locker in high school."</p> <p>23 Q. Okay. Approximately what</p> <p>24 year did you buy the referenced padlock?</p> <p>25 A. I don't know. In between</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">54</p> <p>1 '94 and '98. I don't remember what 2 year it was. 3 Q. Do you recall where you 4 bought it? 5 A. I don't. 6 Q. Do you recall the kind of 7 store it was? 8 A. I don't. It might have even 9 been at the high school. I think they 10 might have provided them there in the 11 student store. 12 Q. Do you recall whether the 13 word "Master" or "Master Lock" was on 14 the padlock? 15 A. Yeah. Master Lock was in 16 the center of it. 17 Q. Have you seen Master Lock 18 padlocks for sale in stores since then? 19 A. No. 20 Q. Have you seen any Master 21 Lock products for sale in any automotive 22 accessory stores? 23 A. No. 24 Q. Have you seen any other 25 makers of any other -- Master Lock</p>	<p style="text-align: right;">56</p> <p>1 cargo storage bin in paragraph 9? 2 A. Yeah. 3 Q. What difference do you see? 4 A. It says "automobile." And I 5 specialize in trucks. 6 Q. Are trucks a type of 7 automobile? 8 A. They're a type of vehicle, 9 not an automobile. 10 Q. What's the difference in your 11 mind between a vehicle and an 12 automobile? 13 A. An automobile isn't designed 14 for work, and a truck doesn't have a 15 trunk. Right after it says metal 16 bicycle -- It says "metal trunk boxes." 17 Q. How would you anticipate -- 18 What do you think the function of the 19 automobile cargo carriers are in 20 paragraph 8? 21 MS. FRY: Objection; speculation. 22 THE WITNESS: Maybe for golf 23 shoes and groceries or something. I 24 don't know. 25 BY MS. YANCHAR:</p>
<p style="text-align: right;">55</p> <p>1 products for sale by any other makers of 2 automotive accessories? 3 MS. FRY: Objection as to form. 4 THE WITNESS: Not off the top of 5 my head, no. 6 BY MS. YANCHAR: 7 Q. Going to the Notice of 8 Opposition again, and this time I'd like 9 to look at paragraph 8. And this is 10 Exhibit 2. Paragraph 8 describes the 11 goods named in some of Master Lock's 12 registrations. 13 A. Uh-huh. 14 Q. And about 10 lines down or 15 so, it says, "automobile cargo carriers 16 primarily made of metal." 17 A. Okay. 18 Q. What would you understand 19 that to mean? 20 A. Exactly what it sounds like: 21 something for a car, an automobile, that 22 is something that holds cargo for your 23 car and made of metal. 24 Q. Do you understand there to 25 be any difference between that and the</p>	<p style="text-align: right;">57</p> <p>1 Q. Do you agree that they could 2 be used to put something into and take 3 it to a place and unload it? 4 A. I -- Yeah. 5 Q. Do you agree that metal 6 trunk boxes can be used to put something 7 into, transport it to a place, and 8 unload it? 9 A. Well, the box isn't loading 10 itself into the -- I mean, you could do 11 that without the box, though. So no. 12 Q. You could put something in 13 the box, drive someplace, and take it 14 out of the box; is that correct? 15 MS. FRY: Objection as to form. 16 THE WITNESS: You could put 17 something in a bowl, though, and take it 18 somewhere and unload it, or in the back 19 of your car or in the floor of your 20 car. 21 BY MS. YANCHAR: 22 Q. Could you answer the question 23 that I asked, though. My question was, 24 could you put something into the metal 25 box, the metal trunk box, drive it</p>



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<p style="text-align: right;">58</p> <p>1 somewhere else, and take the thing out 2 of the metal trunk box? 3 A. Yes. If you had a metal box 4 in the trunk of your car, you could put 5 something in it, take it somewhere, and 6 unload it. 7 Q. Where would you anticipate 8 that the automobile cargo carrier made 9 of metal would be sold? 10 MS. FRY: Objection; speculation, 11 foundation. 12 THE WITNESS: I don't know. 13 BY MS. YANCHAR: 14 Q. What about the metal trunk 15 boxes? If you wanted to buy one of 16 those, do you have any idea where you 17 might go to buy one? 18 MS. FRY: Objection; same. 19 THE WITNESS: I don't -- 20 BY MS. YANCHAR: 21 Q. Have you seen any of the 22 products -- I'll limit it -- I'll 23 retract that question. 24 Have you seen automobile cargo 25 carriers primarily made of metal or</p>	<p style="text-align: right;">60</p> <p>1 MS. YANCHAR: Correct. 2 MS. FRY: Does the witness have 3 that in front of him? 4 THE WITNESS: Yes. 5 MS. FRY: So you're -- you 6 understood that, and that's what you're 7 reading? 8 THE WITNESS: Ask the question 9 again, in case I don't -- it was have I 10 seen these products for sale in those 11 various places you named? 12 MS. YANCHAR: Right. 13 THE WITNESS: I haven't seen them 14 for sale. They could have been, but I 15 didn't see them, no. 16 BY MS. YANCHAR: 17 Q. And so likewise with respect 18 to the automobile cargo carriers and the 19 metal trunk boxes in paragraph 8; 20 correct? 21 A. I -- Yeah. I haven't seen 22 them with my eyes, but they could have 23 been there, I don't know. 24 Q. And as to the goods in 25 paragraph number 9, could they have been</p>
<p style="text-align: right;">59</p> <p>1 metal trunk boxes for sale at any 2 dealership? 3 A. No. 4 Q. Have you seen any for sale 5 at any of the vehicle accessory stores 6 that you've been to? 7 A. No. 8 Q. Have you seen any for sale 9 in any of the catalogs that you've 10 looked at? 11 A. No. 12 Q. As to the goods in paragraph 13 9, have you seen any of those for sale 14 at any dealerships that you've been to? 15 A. No. 16 Q. Have you seen any of those 17 for sale in any catalogs that you've 18 looked at? 19 A. No. 20 Q. Have you seen any of them 21 for sale in any of the vehicle accessory 22 stores that you've been to? 23 A. No, 24 MS. FRY: And you're referring to 25 what's listed in paragraph 9?</p>	<p style="text-align: right;">61</p> <p>1 in those stores that we listed as well? 2 A. Possibly. 3 Q. So as to both the automobile 4 cargo carriers primarily made of metal 5 and the metal trunk boxes in paragraph 8 6 and the goods in number 9, is it your 7 testimony that you have not seen any of 8 them for sale at automobile dealerships, 9 in catalogs, or at accessory stores? 10 MS. FRY: Objection as to form. 11 THE WITNESS: Yes. However, I 12 don't -- however, they could have been 13 there, though I don't recall seeing 14 them. 15 BY MS. YANCHAR: 16 Q. Other than the -- Now, as 17 far as the automobile accessory -- Let 18 me retract that question. 19 As far as the goods listed in 20 paragraph 8 in the Notice of Opposition, 21 which are Master Lock's goods, when did 22 you become aware that Master Lock sold 23 the listed goods? 24 MS. FRY: You mean everything in 25 paragraph 8?</p>



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<p style="text-align: right;">62</p> <p>1 MS. YANCHAR: Yes.</p> <p>2 THE WITNESS: Well, everything --</p> <p>3 everything but padlocks, I learned when</p> <p>4 I was delivered this document that I'm</p> <p>5 looking at.</p> <p>6 BY MS. YANCHAR:</p> <p>7 Q. Setting aside paragraph 8,</p> <p>8 are you aware that Master Lock sells</p> <p>9 automotive accessories in general?</p> <p>10 A. No.</p> <p>11 Q. Currently, today, do you</p> <p>12 believe that Master Lock sells</p> <p>13 automobile accessories?</p> <p>14 MS. FRY: Objection; asked and</p> <p>15 answered.</p> <p>16 THE WITNESS: I don't know if</p> <p>17 they actively sell them. All I know is</p> <p>18 what I see in number 8 here, that</p> <p>19 perhaps you guys manufacture them. I</p> <p>20 don't know. I haven't seen anything for</p> <p>21 sale besides locks.</p> <p>22 BY MS. YANCHAR:</p> <p>23 Q. Are you familiar with metal</p> <p>24 tie downs?</p> <p>25 A. I'm familiar with tie downs;</p>	<p style="text-align: right;">64</p> <p>1 hauling?</p> <p>2 A. Yes, perhaps.</p> <p>3 Q. What about hitches, do you</p> <p>4 have any understanding of how hitches</p> <p>5 are used in connection with trucks?</p> <p>6 A. Yes. I have a boat.</p> <p>7 Q. How do you use the hitch?</p> <p>8 A. You attach the tongue of a</p> <p>9 trailer to a trailer ball.</p> <p>10 Q. And that's used to transport</p> <p>11 something?</p> <p>12 A. To tow a trailer.</p> <p>13 Q. And where is the hitch in</p> <p>14 relation to the tailgate?</p> <p>15 A. Depends on the vehicle.</p> <p>16 Q. What different variations</p> <p>17 have you seen?</p> <p>18 A. I've seen them mounted in</p> <p>19 the bed. I've seen them mounted on the</p> <p>20 back of the bed. I've seen them on the</p> <p>21 bumper, which is below the tailgate, and</p> <p>22 I've seen them -- Let's see. Where's</p> <p>23 mine? Mine's what I just said, it's</p> <p>24 kind of a -- on top of the bumper.</p> <p>25 Q. Do you know where you bought</p>
<p style="text-align: right;">63</p> <p>1 I don't know metal ones, perhaps.</p> <p>2 Q. And how are tie downs used,</p> <p>3 in your understanding?</p> <p>4 A. To secure items to something.</p> <p>5 Q. Are they used in connection</p> <p>6 with trucks sometimes?</p> <p>7 A. Yes.</p> <p>8 Q. How do they work in</p> <p>9 connection with trucks?</p> <p>10 A. They secure items to the</p> <p>11 truck body.</p> <p>12 Q. Might they secure items for</p> <p>13 a truck bed liner or something sitting</p> <p>14 in a truck bed liner?</p> <p>15 A. I don't know. That probably</p> <p>16 wouldn't be the best way to haul</p> <p>17 something. You'd probably want to</p> <p>18 attach it to the truck itself, it would</p> <p>19 seem.</p> <p>20 Q. So metal tie downs can be</p> <p>21 used to help haul something in a truck;</p> <p>22 is that correct?</p> <p>23 A. No, they can help secure</p> <p>24 something to a truck.</p> <p>25 Q. Something that you're</p>	<p style="text-align: right;">65</p> <p>1 your hitch?</p> <p>2 A. Came with the vehicle.</p> <p>3 Q. Have you installed hitches on</p> <p>4 any of the trucks that you have worked</p> <p>5 on?</p> <p>6 A. No.</p> <p>7 Q. Have you seen hitches for</p> <p>8 sale anywhere?</p> <p>9 A. No.</p> <p>10 Q. Do you know of any makers of</p> <p>11 hitches?</p> <p>12 A. No.</p> <p>13 Q. Have you ever seen metal tie</p> <p>14 downs for sale anywhere?</p> <p>15 A. No.</p> <p>16 Q. You've never bought any?</p> <p>17 A. No.</p> <p>18 Q. What about any tie downs</p> <p>19 that aren't metal?</p> <p>20 A. I usually use rope.</p> <p>21 Q. Have you seen tie downs for</p> <p>22 sale anywhere?</p> <p>23 A. No.</p> <p>24 Q. Do you recall ever buying a</p> <p>25 tie-down other than rope?</p>



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<p style="text-align: right;">66</p> <p>1 A. No.</p> <p>2 Q. Where do you buy your rope?</p> <p>3 A. I don't recall.</p> <p>4 Q. If I wanted to get a cargo</p> <p>5 storage bin and one wasn't available,</p> <p>6 might I be able to use a metal trunk</p> <p>7 box in its place?</p> <p>8 MS. FRY: Objection; speculation.</p> <p>9 THE WITNESS: Probably wouldn't</p> <p>10 do what you're looking for, no.</p> <p>11 BY MS. YANCHAR:</p> <p>12 Q. How so?</p> <p>13 A. If it's designed for the</p> <p>14 trunk of a vehicle, it's going to be</p> <p>15 too small, and not built rigidly enough.</p> <p>16 Q. If I wanted to use one of</p> <p>17 the mechanically assisted self-contained</p> <p>18 insert dump units for a pickup truck but</p> <p>19 it wasn't available, might I use a cargo</p> <p>20 storage bin instead?</p> <p>21 A. No.</p> <p>22 Q. Why not?</p> <p>23 A. Because the mechanically</p> <p>24 assisted dump unit is designed for</p> <p>25 dumping. It's not designed to transport</p>	<p style="text-align: right;">68</p> <p>1 units in my truck that I wanted to, for</p> <p>2 example, haul my boat, might I use a</p> <p>3 hitch to haul the boat?</p> <p>4 A. I'm confused. You wouldn't</p> <p>5 have this in your vehicle if you were</p> <p>6 hauling a boat.</p> <p>7 Q. Why not?</p> <p>8 A. Because it's designed to</p> <p>9 dump, so if you dumped anything that was</p> <p>10 in it, you would be dumping it into the</p> <p>11 bow of your boat.</p> <p>12 Q. But what if I knew I wasn't</p> <p>13 going to be dumping anything that</p> <p>14 weekend, I just wanted to -- happened to</p> <p>15 want to use that truck that it was</p> <p>16 installed in to haul my boat?</p> <p>17 A. You would still want to</p> <p>18 remove it.</p> <p>19 MS. YANCHAR: All right.</p> <p>20 Yesterday I sent a group of documents</p> <p>21 over that were Bates-numbered on the</p> <p>22 bottom right-hand corner E00001 through</p> <p>23 E000095, and I'd just like to mark that</p> <p>24 full set of documents right now as</p> <p>25 Exhibit 7.</p>
<p style="text-align: right;">67</p> <p>1 small items, it's for large items.</p> <p>2 Q. If you wanted to put</p> <p>3 something in your mechanically assisted</p> <p>4 self-contained insert dump unit and you</p> <p>5 wanted to secure it, you know, it's</p> <p>6 something that you were afraid might fly</p> <p>7 out of the unit, what would you use to</p> <p>8 secure it?</p> <p>9 A. You could use a number of</p> <p>10 things. Rope. Put something heavy on</p> <p>11 top of it.</p> <p>12 Q. Anything else?</p> <p>13 A. No.</p> <p>14 Q. What about a tie down?</p> <p>15 A. You could use a tie down,</p> <p>16 though you'd probably want to tie it to</p> <p>17 the truck itself, not the bin, because</p> <p>18 the bin isn't as good -- as secure as</p> <p>19 tying it to the truck itself. You'd</p> <p>20 probably want to remove the bin and then</p> <p>21 install whatever you're hauling and then</p> <p>22 tie whatever you're hauling to the truck</p> <p>23 itself.</p> <p>24 Q. If I wanted to -- If I had</p> <p>25 one of these mechanically assisted dump</p>	<p style="text-align: right;">69</p> <p>1 -----</p> <p>2 (Thereupon, Deposition</p> <p>3 Exhibit-7 was marked for</p> <p>4 purposes of identification.)</p> <p>5 -----</p> <p>6 THE WITNESS: Okay.</p> <p>7 BY MS. YANCHAR:</p> <p>8 Q. And I'd also like you to</p> <p>9 have before you what was already marked</p> <p>10 as Exhibit Number 4, entitled</p> <p>11 Applicant's Response to Opposer's First</p> <p>12 Set of Requests for Production of</p> <p>13 Documents and Things.</p> <p>14 A. Okay.</p> <p>15 Q. And what I think we want to</p> <p>16 do here, just to let you know, is to</p> <p>17 make sure that you don't have any</p> <p>18 documents that were responsive to our</p> <p>19 request that weren't passed on to us.</p> <p>20 So turning first to Exhibit 7,</p> <p>21 did you participate in collecting these</p> <p>22 documents?</p> <p>23 A. Exhibit 7 is my father's</p> <p>24 patent; correct.</p> <p>25 Q. That's what's on top, but if</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">70</p> <p>1 you continue flipping through --</p> <p>2 A. What am I looking for?</p> <p>3 Q. Just this entire collection,</p> <p>4 I wanted to know if you had any</p> <p>5 involvement in putting this collection</p> <p>6 together.</p> <p>7 A. No.</p> <p>8 Q. Okay. And then turning to</p> <p>9 Exhibit 4, have you seen this document</p> <p>10 before?</p> <p>11 A. Yes.</p> <p>12 Q. When did you see this</p> <p>13 document?</p> <p>14 A. I don't remember. Months</p> <p>15 ago.</p> <p>16 Q. Did you participate in the</p> <p>17 creation of this document?</p> <p>18 A. Yes.</p> <p>19 Q. What was your involvement?</p> <p>20 A. Looking for the documents</p> <p>21 requested.</p> <p>22 Q. And then did you send them</p> <p>23 to your attorney?</p> <p>24 A. Yes.</p> <p>25 Q. Okay. In Exhibit 4 there</p>	<p style="text-align: right;">72</p> <p>1 (Interruption in proceedings.)</p> <p>2 BY MS. YANCHAR:</p> <p>3 Q. Request Number 5 asks for</p> <p>4 "All documents concerning searches done</p> <p>5 by or on behalf of Applicant concerning</p> <p>6 a mark incorporating the term MASTER,"</p> <p>7 and in response to that you indicated</p> <p>8 that you had some responsive documents,</p> <p>9 and I just want to know whether all of</p> <p>10 the documents that you have are included</p> <p>11 in Exhibit Number 7.</p> <p>12 A. I believe so. Could I run</p> <p>13 to the bathroom real quick? Is that</p> <p>14 possible?</p> <p>15 MS. YANCHAR: Absolutely. Just</p> <p>16 let me know when you're ready to go</p> <p>17 back on.</p> <p>18 (Recess taken.)</p> <p>19 BY MS. YANCHAR:</p> <p>20 Q. Turning to Exhibit Number 4,</p> <p>21 Request Number 6, "All documents</p> <p>22 concerning Opposer," do you have any</p> <p>23 documents other than what's included in</p> <p>24 Number 7 that are responsive to Request</p> <p>25 Number 6?</p>
<p style="text-align: right;">71</p> <p>1 are 27 requests, and upon my review of</p> <p>2 the response it looks like you only had</p> <p>3 documents responsive to 5 of them.</p> <p>4 A. Uh-huh.</p> <p>5 Q. And I think those are</p> <p>6 numbered 5, 6, 20, 22, and 24. Is that</p> <p>7 accurate, your understanding as well,</p> <p>8 that you don't have any documents</p> <p>9 responsive to the other requests? I'll</p> <p>10 give you a minute to flip through --</p> <p>11 A. Okay.</p> <p>12 Q. -- basically to confirm you</p> <p>13 don't have anything since then, since</p> <p>14 this document was created.</p> <p>15 A. That's still correct.</p> <p>16 Q. All right. And now if you</p> <p>17 would, please, just turn to Request</p> <p>18 Number 5, "All documents concerning</p> <p>19 searches done by or on behalf of</p> <p>20 Applicant concerning a mark</p> <p>21 incorporating the term MASTER."</p> <p>22 Are all of those documents</p> <p>23 included in number -- that you have</p> <p>24 included in Exhibit Number 7?</p> <p>25 A. Repeat that, please.</p>	<p style="text-align: right;">73</p> <p>1 A. No.</p> <p>2 Q. Turning to Request Number 20,</p> <p>3 "All trademark searches, surveys, or</p> <p>4 reports concerning the use or proposed</p> <p>5 use of Applicant's Mark or any variation</p> <p>6 thereof, by or on behalf of Applicant,"</p> <p>7 do you have any documents other than</p> <p>8 what's included in Number 7 that are</p> <p>9 responsive to that request?</p> <p>10 A. Do I have -- No.</p> <p>11 Q. And Request Number 22, "All</p> <p>12 documents which relate to Applicant's</p> <p>13 knowledge of Opposer's Mark, the use of</p> <p>14 Opposer's Mark by or on behalf of</p> <p>15 Opposer, and/or intent of Opposer to use</p> <p>16 Opposer's Mark on or in connection with</p> <p>17 the goods identified in the</p> <p>18 intent-to-use applications identified in</p> <p>19 the Notice of Opposition."</p> <p>20 Other than what's included in</p> <p>21 Exhibit Number 7, do you have any</p> <p>22 documents responsive to that request?</p> <p>23 A. Nope.</p> <p>24 Q. And finally, Number 24, "All</p> <p>25 documents concerning Opposer's Marks,"</p>



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DEPOSITION OF THOMAS P. EIDSMORE

74	76
<p>1 other than the documents included in 2 Exhibit Number 7, do you have any 3 documents responsive to that request? 4 A. No. 5 Q. Okay. I'd like to turn to 6 the document that is Bates stamped 7 E000027. 8 A. Okay. 9 Q. Have you seen this document 10 before? 11 A. No. 12 Q. Did you print it out from 13 the internet, do you know? 14 A. I don't recall. 15 Q. Do you know who did? 16 A. I don't. 17 Q. Do you see in the far left 18 corner -- The title of this document, it 19 says "Space Master Trunk, SUV Cargo Area 20 Organizer." 21 A. Uh-huh. 22 Q. Do you see on the left-hand 23 side of the page there are some 24 different types of products -- 25 A. Uh-huh.</p>	<p>1 this document that this website is 2 offering those categories of products 3 for sale? 4 MS. FRY: Objection; foundation, 5 speculation. 6 THE WITNESS: I don't know. I'd 7 have to go to the website. 8 BY MS. YANCHAR: 9 Q. Are you familiar with any 10 website that sells those types of 11 products listed? 12 A. No. 13 Q. Were you aware that all of 14 those types of products could be bought 15 from the same website? 16 MS. FRY: Objection. 17 THE WITNESS: I don't know if 18 you can buy all these from there. This 19 could be a way to get more traffic to 20 their website. They could only sell one 21 of these categories, for all I know. 22 BY MS. YANCHAR: 23 Q. I think you testified earlier 24 that -- and correct me if I'm wrong -- 25 that in your business, you sometimes buy</p>
75	77
<p>1 Q. -- categories listed? 2 A. Yeah. 3 Q. Do you see where it says 4 Cargo Organizers? 5 A. Yep. 6 Q. Do you see where it says 7 Hitch Accessories? 8 A. Yep. 9 Q. Do you see where it says Tie 10 Downs? 11 A. Yep. 12 Q. Do you see where it says 13 Toolboxes? 14 A. Toolboxes, I don't. 15 Q. The 1, 2, 3 -- It's the 6th 16 line up from the bottom, along that 17 column. 18 A. I don't see Toolboxes. 19 Q. Underneath RV, Motorhome 20 Covers. 21 A. Below it, yeah. 22 Q. And then above that it says 23 Trailer Hitch? 24 A. Uh-huh. 25 Q. Is it your understanding from</p>	<p>1 items for the cars that you buy and 2 sell from the internet; is that correct? 3 A. Rarely, but yes. 4 Q. In your experience, is there 5 a practice of listing products that 6 aren't really for sale? Is that 7 something that you've come across? 8 A. No. Well, I have come 9 across it, yes, but I don't know if 10 this one in particular did that. I've 11 never been here. But that does happen. 12 Q. What website do you recall 13 that you bought products from? 14 A. I really could not -- I 15 don't remember. 16 Q. Do you know of any reputable 17 online car accessory companies? 18 MS. FRY: Objection; asked and 19 answered. 20 THE WITNESS: No. eBay actually 21 is my -- is the best that I've come 22 across. 23 BY MS. YANCHAR: 24 Q. Do you know of anybody else 25 in your line of business?</p>



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<p>1 A. No.</p> <p>2 Q. Do you know whether other</p> <p>3 people that are looking to improve their</p> <p>4 cars -- Do you know of anybody looking</p> <p>5 on eBay for parts that they need?</p> <p>6 A. I don't know of anybody, no.</p> <p>7 Q. Turn to page E000035.</p> <p>8 A. Okay.</p> <p>9 Q. Have you ever seen this</p> <p>10 document before?</p> <p>11 A. No.</p> <p>12 Q. Do you know --</p> <p>13 A. Perhaps, yes.</p> <p>14 Q. Can you expand on your</p> <p>15 answer.</p> <p>16 A. It looks familiar, but I</p> <p>17 don't recall when and if this is the</p> <p>18 exact one I saw.</p> <p>19 Q. Do you know how this</p> <p>20 document came to be produced by your</p> <p>21 counsel?</p> <p>22 A. I don't.</p> <p>23 Q. You didn't provide it to</p> <p>24 your counsel?</p> <p>25 A. I might have.</p>	<p>1 for sale by this website?</p> <p>2 MS. FRY: Objection; foundation,</p> <p>3 speculation.</p> <p>4 THE WITNESS: They may be, but</p> <p>5 very well could not.</p> <p>6 BY MS. YANCHAR:</p> <p>7 Q. Have you ever bought anything</p> <p>8 from this website before?</p> <p>9 A. No.</p> <p>10 Q. Have you visited this website</p> <p>11 before?</p> <p>12 A. Possibly.</p> <p>13 Q. Have you viewed any of these</p> <p>14 types of products on this website?</p> <p>15 A. No.</p> <p>16 Q. In Exhibit Number 7 there</p> <p>17 are several documents that appear to be</p> <p>18 printouts of trademark searches.</p> <p>19 A. What document?</p> <p>20 Q. I'm just talking in general</p> <p>21 regarding Exhibit Number 7. Within this</p> <p>22 stack of papers there are several</p> <p>23 documents that appear to be printouts of</p> <p>24 trademark searches. Do you know who</p> <p>25 conducted those searches?</p>
79	81
<p>1 Q. You just don't recall whether</p> <p>2 you did?</p> <p>3 A. I don't. I looked at a lot</p> <p>4 of documents like this.</p> <p>5 Q. On the left-hand side of the</p> <p>6 page, again, we have categories of</p> <p>7 products listed.</p> <p>8 A. Uh-huh.</p> <p>9 Q. Do you see where it says Bed</p> <p>10 Covers?</p> <p>11 A. Yep.</p> <p>12 Q. Do you see where it says</p> <p>13 Bedliner?</p> <p>14 A. Yes.</p> <p>15 Q. Do you see where it says</p> <p>16 Hitch-Mounted Cargo Carriers?</p> <p>17 A. Yes.</p> <p>18 Q. Do you see where it says</p> <p>19 Rear Cargo Mounts?</p> <p>20 A. Yes.</p> <p>21 Q. Do you see where it says Tie</p> <p>22 Down Straps?</p> <p>23 A. Yep.</p> <p>24 Q. Is it your understanding that</p> <p>25 these types of products may be offered</p>	<p>1 As one example, I'll give you</p> <p>2 E000031-34.</p> <p>3 A. I don't recall who came up</p> <p>4 with -- who got this.</p> <p>5 Q. Did you run any of the</p> <p>6 trademark searches in this stack?</p> <p>7 A. I could have. I ran -- I</p> <p>8 did run trademark searches.</p> <p>9 Q. When did you run trademark</p> <p>10 searches?</p> <p>11 A. I don't know.</p> <p>12 Q. If you don't recall the</p> <p>13 specific date, do you remember when you</p> <p>14 did the trademark searches in relation</p> <p>15 to any other action you've taken with</p> <p>16 respect to the MASTERHAUL mark?</p> <p>17 A. I don't.</p> <p>18 Q. So with respect to</p> <p>19 E000031-34, do you know if you ran the</p> <p>20 search that is printed out here?</p> <p>21 MS. FRY: Objection; asked and</p> <p>22 answered.</p> <p>23 THE WITNESS: Yeah. I just</p> <p>24 answered that. I don't. It could have</p> <p>25 been me, I don't know.</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">82</p> <p>1 BY MS. YANCHAR:</p> <p>2 Q. Did you give anybody else</p> <p>3 any instructions to run any searches on</p> <p>4 your behalf?</p> <p>5 A. No.</p> <p>6 Q. Do you have any idea, if you</p> <p>7 didn't run the search, of anybody else</p> <p>8 who might have?</p> <p>9 A. No.</p> <p>10 Q. And do you have any</p> <p>11 recollection of when this search may</p> <p>12 have been run?</p> <p>13 A. I can't remember.</p> <p>14 Q. Looking at the document, the</p> <p>15 top part of the page, it says, "Test</p> <p>16 was last updated December 7," it looks</p> <p>17 like, "2006."</p> <p>18 Does that help refresh your</p> <p>19 recollection as to when the search may</p> <p>20 have been run?</p> <p>21 A. No. That could have -- that</p> <p>22 -- No, it doesn't.</p> <p>23 MS. YANCHAR: I'll just note that</p> <p>24 the bottom footer on many of these</p> <p>25 documents is cut off, so it's impossible</p>	<p style="text-align: right;">84</p> <p>1 the USPTO website?</p> <p>2 A. Different -- At different</p> <p>3 times. I don't remember.</p> <p>4 Q. What were you trying to</p> <p>5 accomplish on the USPTO website?</p> <p>6 A. Just learn more -- learn</p> <p>7 about this Opposition.</p> <p>8 Q. Do you recall whether the</p> <p>9 searches you ran were before or after</p> <p>10 the Opposition Notice was filed?</p> <p>11 A. I don't recall. Probably</p> <p>12 both.</p> <p>13 Q. Do you remember running any</p> <p>14 searches on the USPTO website before the</p> <p>15 Opposition was filed?</p> <p>16 A. I don't remember.</p> <p>17 Q. Do you remember running any</p> <p>18 other searches, on the internet or</p> <p>19 anywhere else, before the Opposition was</p> <p>20 filed?</p> <p>21 A. No.</p> <p>22 Q. Did you do any investigation</p> <p>23 as to the availability of the mark</p> <p>24 MASTERHAUL before you filed your</p> <p>25 application to register it?</p>
<p style="text-align: right;">83</p> <p>1 to read the date. I think that on some</p> <p>2 of them it's a little better than</p> <p>3 others, but if the originals don't have</p> <p>4 that cut off, Sandy, it might -- I know</p> <p>5 in the ones that we got, it looks like</p> <p>6 most of them were cut off. If you have</p> <p>7 a copy where that is not cut off, we'd</p> <p>8 appreciate that.</p> <p>9 MS. FRY: This is Jude Fry.</p> <p>10 I'll take a look at that for you,</p> <p>11 Georgia.</p> <p>12 MS. YANCHAR: Okay. Thanks.</p> <p>13 BY MS. YANCHAR:</p> <p>14 Q. Just flipping through this</p> <p>15 stack, Exhibit 7, there are a few other</p> <p>16 trademark searches. If you could just</p> <p>17 take a minute to look through -- and I</p> <p>18 won't turn to all of them because there</p> <p>19 are many, but do you have any</p> <p>20 recollection as to who ran any of the</p> <p>21 searches contained in this stack?</p> <p>22 A. I don't. I did spend some time on</p> <p>23 the USPTO website, so it very well could</p> <p>24 have been me. I don't remember.</p> <p>25 Q. When did you spend time on</p>	<p style="text-align: right;">85</p> <p>1 A. Just -- i.e., used the USPTO</p> <p>2 website, and it was available.</p> <p>3 Q. On what basis did you</p> <p>4 conclude it was available?</p> <p>5 A. The USPTO website said that</p> <p>6 it was.</p> <p>7 Q. Did you have any discussion</p> <p>8 regarding that information with anybody?</p> <p>9 A. No.</p> <p>10 Q. Subsequent to running the</p> <p>11 searches, have you discussed the results</p> <p>12 of any of your searches with anybody?</p> <p>13 A. No.</p> <p>14 Q. Have you done any informal</p> <p>15 analysis of whether the mark MASTERHAUL</p> <p>16 might be confused with any trademark</p> <p>17 owned by Master Lock?</p> <p>18 A. No.</p> <p>19 Q. Any formal analysis, or</p> <p>20 informal?</p> <p>21 A. No.</p> <p>22 Q. Have you asked your friends</p> <p>23 or your family or anyone else whether</p> <p>24 they think this --</p> <p>25 A. I have since the Opposition,</p>



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<p>1 and they all said no.</p> <p>2 Q. What specifically did you ask</p> <p>3 them?</p> <p>4 A. If it could be confused.</p> <p>5 Q. And who did you ask?</p> <p>6 A. My friends.</p> <p>7 Q. The same friends that were</p> <p>8 involved in the --</p> <p>9 A. No. I don't recall. I</p> <p>10 don't know if one or both of them were</p> <p>11 involved.</p> <p>12 MS. FRY: Let me caution the</p> <p>13 witness for a second here to wait for</p> <p>14 her question. Let her finish, okay.</p> <p>15 THE WITNESS: Okay.</p> <p>16 BY MS. YANCHAR:</p> <p>17 Q. Have you done any sort of</p> <p>18 analysis as to the impression created by</p> <p>19 the mark MASTERHAUL?</p> <p>20 A. No.</p> <p>21 Q. Have you asked any of your</p> <p>22 friends about that --</p> <p>23 A. No.</p> <p>24 Q. -- question, or your family?</p> <p>25 A. No.</p>	<p>1 partners.</p> <p>2 Q. Do you see where it says</p> <p>3 Thomas P. Eidsmore is the Applicant?</p> <p>4 A. Uh-huh.</p> <p>5 Q. Okay. "... having as</p> <p>6 partner(s) Paul Eidsmore"?</p> <p>7 A. Yes.</p> <p>8 Q. Why was this filed as a</p> <p>9 partnership?</p> <p>10 A. Because my dad's got, you</p> <p>11 know, truck and SUV products that he</p> <p>12 wants to come out with, and being</p> <p>13 retired, he probably wants me to be on</p> <p>14 board with him with matters such as</p> <p>15 this, at this point.</p> <p>16 Q. Now, earlier you testified</p> <p>17 you had no business relationship with</p> <p>18 your dad; isn't that correct?</p> <p>19 A. Yes.</p> <p>20 Q. But now you're saying that</p> <p>21 you have this partnership?</p> <p>22 A. This isn't a business.</p> <p>23 There is no business at this point that</p> <p>24 makes anything of --</p> <p>25 Q. Have you formed a</p>
87	89
<p>1 Q. All right. I'd like to turn</p> <p>2 your attention to the document that was</p> <p>3 marked as Exhibit 6.</p> <p>4 A. Okay.</p> <p>5 Q. And this is entitled</p> <p>6 Trademark/Service Mark Application,</p> <p>7 Principal Register, Serial Number</p> <p>8 77150887.</p> <p>9 A. Yep.</p> <p>10 Q. Do you recognize this</p> <p>11 document?</p> <p>12 A. No, not this document in</p> <p>13 particular, no.</p> <p>14 Q. Do you have an understanding</p> <p>15 of what that document is?</p> <p>16 A. Yes.</p> <p>17 Q. What do you understand it to</p> <p>18 be?</p> <p>19 A. An application for a</p> <p>20 trademark.</p> <p>21 Q. Which trademark?</p> <p>22 A. HAULMASTER.</p> <p>23 Q. And is this an application</p> <p>24 filed by you?</p> <p>25 A. No. My father and me as</p>	<p>1 partnership, legally organized, as it</p> <p>2 states here?</p> <p>3 MS. FRY: Objection;</p> <p>4 mischaracterizes what the document</p> <p>5 states.</p> <p>6 THE WITNESS: No, we haven't</p> <p>7 formed any business entity together.</p> <p>8 BY MS. YANCHAR:</p> <p>9 Q. Can you explain to me the</p> <p>10 sentence in this Exhibit 6, "The</p> <p>11 applicant, Thomas P. Eidsmore, a</p> <p>12 partnership legally organized under the</p> <p>13 laws of California, having as partner(s)</p> <p>14 Paul Eidsmore"?</p> <p>15 A. Yes. But this isn't a</p> <p>16 company of any sort; this is just a</p> <p>17 trademark.</p> <p>18 Q. What's the purpose of this</p> <p>19 partnership?</p> <p>20 A. To be determined.</p> <p>21 Q. Do you have any business</p> <p>22 plan regarding this partnership?</p> <p>23 A. No.</p> <p>24 Q. What have your discussions</p> <p>25 with your father regarding the</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">90</p> <p>1 partnership been?</p> <p>2 A. Almost no discussions.</p> <p>3 Q. Can you tell me the</p> <p>4 discussions that have occurred.</p> <p>5 A. I don't recall. Perhaps</p> <p>6 what I told you, him letting me know</p> <p>7 that he wants to work less, and have me</p> <p>8 take over some responsibilities that he</p> <p>9 would otherwise be solely responsible</p> <p>10 for.</p> <p>11 Q. Earlier you testified that</p> <p>12 your father is retired, didn't you?</p> <p>13 A. Yes.</p> <p>14 Q. Explain to me your statement</p> <p>15 just now that your father wants to work</p> <p>16 less.</p> <p>17 A. Well, he's an inventor, so</p> <p>18 he's always, like all inventors, he's</p> <p>19 always got things in his head, you know,</p> <p>20 that excite him and keep him from going</p> <p>21 crazy, I guess. He's retired in terms</p> <p>22 of semiconductor -- mechanical</p> <p>23 engineering products for the</p> <p>24 semiconductor industry, which was his</p> <p>25 primary source of income, has been for</p>	<p style="text-align: right;">92</p> <p>1 goods there. Can you read that</p> <p>2 description of goods to me.</p> <p>3 A. I'd have to find it. Where</p> <p>4 is it?</p> <p>5 Q. On the first page.</p> <p>6 A. "Cargo storage bins</p> <p>7 especially adapted to fit in trucks or</p> <p>8 SUVs; Mechanically assisted</p> <p>9 self-contained insert dump units</p> <p>10 installed in pickup trucks."</p> <p>11 Q. The first part of that,</p> <p>12 "Cargo storage bins especially adapted</p> <p>13 to fit in trucks or SUVs," what do you</p> <p>14 understand that to mean?</p> <p>15 A. What it says, cargo storage</p> <p>16 bins that are designed to fit in trucks</p> <p>17 and SUVs.</p> <p>18 Q. And what do you understand</p> <p>19 "mechanically assisted self-contained</p> <p>20 insert dump units installed in pickup</p> <p>21 trucks" to mean?</p> <p>22 A. Like what it says, dump -- A</p> <p>23 way to make a pickup truck dump its</p> <p>24 contents.</p> <p>25 Q. Now, is that -- Would you</p>
<p style="text-align: right;">91</p> <p>1 30-something years, probably.</p> <p>2 Q. What has he told you</p> <p>3 regarding what he'd like you to do with</p> <p>4 respect to these inventions?</p> <p>5 A. Nothing.</p> <p>6 Q. Why did you file this</p> <p>7 application as a partnership, then?</p> <p>8 A. Because they're his ideas,</p> <p>9 yet he probably wants me to have the</p> <p>10 power to make decisions for him if he's</p> <p>11 on vacation or what have you.</p> <p>12 Q. So what specifically are your</p> <p>13 plans for use of HAULMASTER?</p> <p>14 A. I don't have any plans for</p> <p>15 HAULMASTER.</p> <p>16 Q. Have you had any discussions</p> <p>17 with anybody regarding HAULMASTER?</p> <p>18 A. No.</p> <p>19 Q. Are you planning to have any</p> <p>20 discussions with anybody regarding</p> <p>21 HAULMASTER?</p> <p>22 A. Not at this point.</p> <p>23 Q. Down below where it lists</p> <p>24 the Applicant, it says International</p> <p>25 Class 012, and there's a description of</p>	<p style="text-align: right;">93</p> <p>1 consider the product shown in your</p> <p>2 father's patent, which is Exhibit Number</p> <p>3 5, to be one such mechanically assisted</p> <p>4 self-contained insert dump unit?</p> <p>5 A. It could be, yes.</p> <p>6 Q. Would you consider that</p> <p>7 product shown in Exhibit Number 5, the</p> <p>8 patent application, would you consider</p> <p>9 it to fit in a cargo storage bin?</p> <p>10 A. No.</p> <p>11 Q. Is there any difference, in</p> <p>12 your mind, between the mechanically</p> <p>13 assisted self-contained insert dump unit</p> <p>14 for pickup trucks described in the '102</p> <p>15 application for MASTERHAUL and the</p> <p>16 mechanically assisted self-contained</p> <p>17 insert dump unit installed in pickup</p> <p>18 trucks described in the application for</p> <p>19 HAULMASTER?</p> <p>20 A. Well, my products, MASTERHAUL</p> <p>21 products, wouldn't -- I wouldn't design</p> <p>22 them; they would already exist as of now</p> <p>23 and probably not be patented products.</p> <p>24 Something my dad comes up with</p> <p>25 for HAULMASTER would probably be</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">94</p> <p>1 something he invented, so they'd</p> <p>2 probably -- even though worded the same,</p> <p>3 they could be totally different.</p> <p>4 Q. As far as the goods</p> <p>5 described in the '102 application, the</p> <p>6 mechanically assisted self-contained</p> <p>7 insert dump unit for pickup trucks, do</p> <p>8 any of those presently exist?</p> <p>9 A. Yes. There are products out</p> <p>10 there that you can buy.</p> <p>11 Q. Where can you buy them?</p> <p>12 A. Probably -- maybe truck</p> <p>13 dealerships.</p> <p>14 Q. Have you seen any for sale?</p> <p>15 A. Not in person, no.</p> <p>16 Q. Do you know who makes them?</p> <p>17 A. Not off the top of my head.</p> <p>18 I've seen them in use, just around town.</p> <p>19 Q. Around Santa Cruz?</p> <p>20 A. Around California.</p> <p>21 Q. Do you know anybody that</p> <p>22 owns one?</p> <p>23 A. Perhaps.</p> <p>24 Q. Can you give me a "yes" or</p> <p>25 "no" answer to that question.</p>	<p style="text-align: right;">96</p> <p>1 Q. Where?</p> <p>2 A. I can't remember. I've seen</p> <p>3 many, but I probably similar situations,</p> <p>4 at jobsites.</p> <p>5 Q. How recently?</p> <p>6 (Interruption in proceedings.)</p> <p>7 THE WITNESS: I don't recall.</p> <p>8 BY MS. YANCHAR:</p> <p>9 Q. Within the last 6 months?</p> <p>10 A. I don't know.</p> <p>11 Q. Within the last 5 years?</p> <p>12 A. Yes.</p> <p>13 Q. Within the last 2 years?</p> <p>14 A. I believe so.</p> <p>15 Q. More than 5 years ago?</p> <p>16 A. I probably saw one then,</p> <p>17 too.</p> <p>18 Q. Do you know whether you did?</p> <p>19 A. No, not for sure.</p> <p>20 Q. Now, regarding the cargo</p> <p>21 storage bins especially adapted to fit</p> <p>22 in trucks or SUVs described in the</p> <p>23 application for HAULMASTER, is there any</p> <p>24 difference between that and the cargo</p> <p>25 storage bins described in the '102</p>
<p style="text-align: right;">95</p> <p>1 A. Yes.</p> <p>2 Q. The answer to the question</p> <p>3 is "yes"?</p> <p>4 A. Do I know anybody that has a</p> <p>5 self-contained dump unit in their truck?</p> <p>6 Q. Of the type described in the</p> <p>7 '102 application.</p> <p>8 A. Yes.</p> <p>9 Q. Who?</p> <p>10 A. I don't know. It could have</p> <p>11 been -- could have been somebody that</p> <p>12 worked on one of my properties. I know</p> <p>13 that there's somebody -- I know that</p> <p>14 I've seen one in use at a jobsite of my</p> <p>15 parents.</p> <p>16 Q. What was it being used to</p> <p>17 do?</p> <p>18 A. Dump its -- dump contents,</p> <p>19 such as gravel and dirt.</p> <p>20 Q. Was it a dump truck?</p> <p>21 A. No.</p> <p>22 Q. Other than that one that you</p> <p>23 saw in the workplace, have you ever seen</p> <p>24 another one?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">97</p> <p>1 application?</p> <p>2 MS. FRY: Objection; asked and</p> <p>3 answered.</p> <p>4 THE WITNESS: Most likely. My</p> <p>5 dad's very innovative and would probably</p> <p>6 come up with something much better than</p> <p>7 I would sell that exists.</p> <p>8 BY MS. YANCHAR:</p> <p>9 Q. Is my understanding correct</p> <p>10 that you only anticipate using</p> <p>11 HAULMASTER in connection with products</p> <p>12 that your father invents?</p> <p>13 A. I don't know. I don't have</p> <p>14 any plans for HAULMASTER.</p> <p>15 Q. How did you select</p> <p>16 HAULMASTER?</p> <p>17 A. I believe probably same</p> <p>18 process, asking family members and</p> <p>19 friends.</p> <p>20 Q. Do you recall whom?</p> <p>21 A. No.</p> <p>22 Q. Do you recall when you</p> <p>23 selected it?</p> <p>24 A. No.</p> <p>25 Q. Do you recall what you asked</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">98</p> <p>1 them?</p> <p>2 A. No.</p> <p>3 Q. What commercial impression</p> <p>4 were you trying to create when you</p> <p>5 selected HAULMASTER?</p> <p>6 A. I don't know.</p> <p>7 Q. Do you know if your dad has</p> <p>8 any plans for use of HAULMASTER?</p> <p>9 A. I don't know what his plans</p> <p>10 are.</p> <p>11 Q. Do you know if he has any?</p> <p>12 MS. FRY: Objection; asked and</p> <p>13 answered.</p> <p>14 THE WITNESS: I don't.</p> <p>15 BY MS. YANCHAR:</p> <p>16 Q. Do you think that the</p> <p>17 commercial impression of HAULMASTER is</p> <p>18 different than the commercial impression</p> <p>19 of MASTERHAUL?</p> <p>20 A. Yes.</p> <p>21 Q. How so?</p> <p>22 A. Well, I spent more time on</p> <p>23 MASTERHAUL, so I knew that we wanted to</p> <p>24 be, you know, just like the best golfers</p> <p>25 in the world are the -- you know, you</p>	<p style="text-align: right;">100</p> <p>1 Q. Have you done anything else</p> <p>2 other than come up with the name and</p> <p>3 register it?</p> <p>4 A. No.</p> <p>5 Q. Do you have any plans to do</p> <p>6 anything else?</p> <p>7 MS. FRY: Objection.</p> <p>8 THE WITNESS: To be determined.</p> <p>9 MS. YANCHAR: Okay. I'd like to</p> <p>10 take a 5-minute break. I think I'm</p> <p>11 pretty close to the end of my questions.</p> <p>12 I just want to run through my notes</p> <p>13 real quick.</p> <p>14 (Recess taken.)</p> <p>15 BY MS. YANCHAR:</p> <p>16 Q. Turning back to Exhibit 7,</p> <p>17 the group of documents that were</p> <p>18 produced, around page 65 or so, there</p> <p>19 are some handwritten notations.</p> <p>20 A. Uh-huh.</p> <p>21 Q. On that page and then the</p> <p>22 following page, for the next several</p> <p>23 pages after that there's several</p> <p>24 handwritten notes, mostly circling of</p> <p>25 numbers, things like that. Do you know</p>
<p style="text-align: right;">99</p> <p>1 go to the Master's Tournament, I wanted</p> <p>2 to be the master of hauling. And</p> <p>3 perhaps my dad felt his products were --</p> <p>4 I don't know. I suppose my dad maybe</p> <p>5 wanted to emphasize that his products</p> <p>6 are superior to any other competitors in</p> <p>7 hauling.</p> <p>8 Q. You said you spent more time</p> <p>9 on MASTERHAUL. How much time have you</p> <p>10 spent?</p> <p>11 A. How much --</p> <p>12 MS. FRY: Objection; ambiguous.</p> <p>13 THE WITNESS: What was the</p> <p>14 question?</p> <p>15 BY MS. YANCHAR:</p> <p>16 Q. How much time have you</p> <p>17 spent?</p> <p>18 A. On what?</p> <p>19 Q. HAULMASTER -- MASTERHAUL.</p> <p>20 Sorry. MASTERHAUL.</p> <p>21 A. Just the time it took to</p> <p>22 register it on the USPTO website.</p> <p>23 Q. Anything else?</p> <p>24 A. No, just coming up with the</p> <p>25 name.</p>	<p style="text-align: right;">101</p> <p>1 whose notes those are?</p> <p>2 A. Probably mine. I do a lot</p> <p>3 of scribbling when I'm looking at stuff</p> <p>4 like this, so I would say mine.</p> <p>5 Q. Earlier you testified that</p> <p>6 you didn't recall running any of these</p> <p>7 searches; right?</p> <p>8 A. No, I did. I said that I</p> <p>9 did. Some.</p> <p>10 Q. You did? Have you run the</p> <p>11 searches in Exhibit 7?</p> <p>12 A. No. I don't know if I ran</p> <p>13 these ones, but I did run them, so this</p> <p>14 -- these could be my circles.</p> <p>15 Q. Is it your testimony that</p> <p>16 the handwritten notations that appear in</p> <p>17 Exhibit 7 are yours?</p> <p>18 MS. FRY: Objection;</p> <p>19 mischaracterizes his testimony.</p> <p>20 THE WITNESS: No, but they could</p> <p>21 be.</p> <p>22 BY MS. YANCHAR:</p> <p>23 Q. Do you know anybody else who</p> <p>24 it could be?</p> <p>25 A. No.</p>



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DEPOSITION OF THOMAS P. EIDSMORE

<p style="text-align: right;">102</p> <p>1 Q. Earlier I think you testified</p> <p>2 that you didn't keep any of your notes</p> <p>3 regarding the selection process for</p> <p>4 MASTERHAUL, that you'd thrown those</p> <p>5 away; is that right?</p> <p>6 A. The list of possible names,</p> <p>7 yes.</p> <p>8 Q. Do you have any other notes</p> <p>9 regarding MASTERHAUL?</p> <p>10 A. No.</p> <p>11 Q. Do you have any notes</p> <p>12 regarding HAULMASTER?</p> <p>13 A. No.</p> <p>14 Q. And just for one more minute</p> <p>15 here, I want to turn back to Exhibit 2,</p> <p>16 the Notice of Opposition.</p> <p>17 A. Okay. Let me find it. Got</p> <p>18 it.</p> <p>19 Q. Okay. Paragraph 9,</p> <p>20 description of goods for the '102</p> <p>21 application.</p> <p>22 A. Uh-huh.</p> <p>23 Q. Can all of those goods be</p> <p>24 used for hauling?</p> <p>25 A. Could they all be? No.</p>	<p style="text-align: right;">104</p> <p>1 CEFARATTI GROUP FILE NO. 12771</p> <p>2 CASE CAPTION: MASTER LOCK COMPANY, LLC</p> <p>3 VS. THOMAS P. EIDSMORE</p> <p>4 DEPONENT: THOMAS P. EIDSMORE</p> <p>5 DEPOSITION DATE: JULY 13, 2007</p> <p>6</p> <p>7 (SIGN HERE)</p> <p>8 The State of Ohio,)</p> <p>9 County of Cuyahoga) SS:</p> <p>10 Before me, a Notary Public in and</p> <p>11 for said County and State, personally</p> <p>12 appeared THOMAS P. EIDSMORE, who</p> <p>13 acknowledged that he/she did read</p> <p>14 his/her transcript in the above-</p> <p>15 captioned matter, listed any necessary</p> <p>16 corrections on the accompanying errata</p> <p>17 sheet, and did sign the foregoing sworn</p> <p>18 statement and that the same is his/her</p> <p>19 free act and deed.</p> <p>20 IN TESTIMONY WHEREOF, I have</p> <p>21 hereunto affixed my name and official</p> <p>22 seal at , this</p> <p>23 day of , A.D. 2007.</p> <p>24</p> <p>25 Notary Public Commission Expires</p>
<p style="text-align: right;">103</p> <p>1 Body panels and -- Well, some of them</p> <p>2 could. Some of them might not be able</p> <p>3 to. I don't know how you would haul</p> <p>4 just a different tailgate. It would</p> <p>5 assist in hauling, I suppose.</p> <p>6 Q. Are all of them either to be</p> <p>7 used for hauling or to assist in hauling</p> <p>8 in some way?</p> <p>9 A. Yes.</p> <p>10 Q. Have you been involved in</p> <p>11 any prior legal proceedings of any</p> <p>12 nature, criminal or civil?</p> <p>13 A. No.</p> <p>14 Q. You've never been charged</p> <p>15 with anything, or anything of that</p> <p>16 nature?</p> <p>17 A. No.</p> <p>18 MS. YANCHAR: Okay. I don't</p> <p>19 think I have any further questions.</p> <p>20 MS. FRY: This is Jude Fry. I</p> <p>21 have no questions.</p> <p>22 MR. RUNDELLI: Nope.</p> <p>23 MS. FRY: The witness will review</p> <p>24 and sign.</p> <p>25 The deposition was concluded at 11:28 am</p>	<p style="text-align: right;">105</p> <p>1 ERRATA SHEET</p> <p>2 PAGE LINE CORRECTION AND REASON</p> <p>3 .</p> <p>4 .</p> <p>5 .</p> <p>6 .</p> <p>7 .</p> <p>8 .</p> <p>9 .</p> <p>10 .</p> <p>11 .</p> <p>12 .</p> <p>13 .</p> <p>14 .</p> <p>15 .</p> <p>16 .</p> <p>17 .</p> <p>18 .</p> <p>19 .</p> <p>20 .</p> <p>21 .</p> <p>22 .</p> <p>23 .</p> <p>24 .</p> <p>25 .</p>



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EXHIBIT B

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

In the matter of Application Serial No. 78/433,102
For the mark: MASTERHAUL
Published in the *Official Gazette* on June 6, 2006

Master Lock Company LLC,)	
)	
Opposer,)	
)	Opposition No. 91172228
v.)	
)	
Eidsmore, Thomas P.,)	
)	
Applicant.)	
_____)	

**APPLICANT'S RESPONSE TO OPPOSER'S
FIRST SET OF INTERROGATORIES**

Pursuant to Rule 33 of the Federal Rules of Civil Procedure, Applicant, Thomas P. Eidsmore ("Applicant" or "Eidsmore"), responds and objects to Opposer, Master Lock Company LLC's ("Opposer" or "Master Lock") First Set of Interrogatories.

GENERAL OBJECTIONS

1. Applicant objects to each interrogatory to the extent that it seeks to elicit information protected against discovery by the attorney-client privilege or the attorney work product doctrine. Applicant's attorneys join in this objection.

2. Applicant objects generally to each interrogatory insofar as the definition of "Applicant" includes attorneys, on the grounds that Opposer seeks to invade the attorney-client privilege and attorney work product doctrine, and insofar that the definition includes parties other than Applicant. Applicant's attorneys join in this objection.

3. Applicant objects to each interrogatory insofar as it seeks information which is proprietary to Applicant and/or constitutes a trade secret of Applicant, on the ground that such requests are unduly burdensome and overly broad.

4. Applicant objects to the definitions and instructions to the extent that they purport to impose obligations beyond those provided by the Federal Rules of Civil Procedure.

5. Applicant objects generally to each interrogatory to the extent that it seeks confidential information without entry of a suitable Protective Order.

6. Applicant objects to the interrogatories to the extent that they seek identity of "each" or "all" as being unduly burdensome and overly broad.

RESPONSES TO INTERROGATORIES

INTERROGATORY NO. 1:

State all reasons why Applicant selected the term MASTERHAUL as a mark for Applicant's Goods.

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome to the extent it calls for "all" reasons. Applicant further objects to the interrogatory as vague and ambiguous, and not likely to lead to admissible evidence. Notwithstanding these objections, Applicant responds as follows:

Applicant selected MASTERHAUL because the mark conveys a suggestive meaning in connection with the goods. The goods are intended to make it easy for the average person to load, transport, and unload cargo in their pickup truck or SUV. Hence, the goods have "mastered" the job of hauling.

INTERROGATORY NO. 2:

Describe fully the process by which Applicant selected the term MASTERHAUL as a mark for Applicant's Goods.

RESPONSE:

Applicant objects to this interrogatory as being overly broad, unduly burdensome, vague, and ambiguous to the extent it asks the process to be "fully" described. Notwithstanding these objections, Applicant responds as follows:

Meetings with friends and family were held where all came up with different names. MASTERHAUL was the favorite because it suggests the results that are achieved by using the goods. Also, the mark adds credibility to the claim that Applicant's goods comprise the best product for hauling.

INTERROGATORY NO. 3:

Describe fully the commercial impression that Applicant believes is or will be created by use in commerce of the term MASTERHAUL as a mark by or on behalf of Applicant on or in connection with Applicant's Goods.

RESPONSE:

Applicant objects to this interrogatory as being vague and ambiguous because it seeks information about Applicant's beliefs, and not likely to lead to admissible evidence. Notwithstanding this objection, Applicant responds as follows:

The intended commercial impression is that people will think the products are the very best in the industry, just as the Masters golf tournament is considered a contest of the very best golfers.

INTERROGATORY NO. 4:

Please identify which if any of Applicant's Goods on or in connection with which Applicant's Mark is or has been used in commerce by or on behalf of Applicant.

RESPONSE:

Applicant's Mark has not yet been used in commerce.

INTERROGATORY NO. 5:

For each of Applicant's Goods identified in response to Interrogatory No. 4, state the total number of units of goods on or in connection with which Applicant's Mark has been used.

RESPONSE:

Applicant objects to this interrogatory on the ground that it seeks confidential information without entry of a protective order. Notwithstanding the objection, Applicant responds as follows:

None. See response to Interrogatory No. 4.

INTERROGATORY NO. 6:

For each of Applicant's Goods identified in response to Interrogatory No. 4, state the total revenue derived from the sale of goods on or in connection with which Applicant's Mark has been used.

RESPONSE:

Applicant objects to this interrogatory on the ground that it seeks confidential information without entry of a protective order. Notwithstanding the objection, Applicant responds as follows:

None. See response to Interrogatory No. 4.

INTERROGATORY NO. 7:

For each of Applicant's Goods identified in response to Interrogatory No. 4, state the date of first use in commerce of Applicant's Mark by or on behalf of Applicant on or in connection with such goods.

RESPONSE:

None. See response to Interrogatory No. 4.

INTERROGATORY NO. 8:

For each of Applicant's Goods identified in response to Interrogatory No. 4, describe fully the channels of trade through which such goods are or were distributed.

RESPONSE:

None. See response to Interrogatory No. 4.

INTERROGATORY NO. 9:

For each of Applicant's Goods identified in response to Interrogatory No. 4, please identify each geographical area (by city and/or state) in which such goods have been sold, transported or otherwise distributed.

RESPONSE:

None. See response to Interrogatory No. 4.

INTERROGATORY NO. 10:

For each of Applicant's Goods identified in response to Interrogatory No. 4, identify all media, including printed or electronic publications and websites, direct marketing, newsprint, radio, television, or other broadcast media, in or by which such goods have been advertised, marketed, offered for sale or sold.

RESPONSE:

None. See response to Interrogatory No. 4.

INTERROGATORY NO. 11:

Identify all third-party users of the term MASTER known to Applicant where the term is used as part or all of a mark believed by Applicant to be used on or in connection with goods Applicant believes are the same or related to one or more of Applicant's Goods.

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome as to the request to identify "all" third-party users. Applicant further objects to the interrogatory as vague and ambiguous because it seeks information about Applicant's beliefs, and is not likely to lead to admissible evidence. Notwithstanding, Applicant responds to this interrogatory as follows:

The MASTER formative is laudatory and weak. Numerous third parties use and register MASTER formative marks in association with various goods and services despite any "beliefs" held by Applicant. By way of example, Applicant lists the following

third party registrants and applicants based on records located on the website www.uspto.gov:

Owner	Mark	Reg. No. / Ser. No.
Deist Industries, Inc.	CHOREMASTER	Reg. No. 3019673
Justrite Manufacturing Company	GUARD MASTER	Reg. No. 2519951
Highway Products, Inc.	RAINMASTER	Reg. No. 2515346
Hoover Containment, Inc.	FUELMASTER	Reg. No. 2693605
Petters Group Worldwide, LLC	MASTER CRAFT	Reg. No. 2900086
Morris & Associates, Inc.	ICE-MASTER	Reg. No. 0794443
John Michael Thompson	COMPOST MASTER	Reg. No. 2821710
Utilimaster Corporation	UTILIMASTER	Reg. No. 1726664
Holland Equipment Limited	TRUCK MASTER	Reg. No. 1322038
Kuhn S.A. Corporation	MASTER DRIVE	Reg. No. 2561037
Holland Equipment Limited	TRUCK MASTER	Reg. No. 2660483
California Cedar Products Company	SHUTTLE MASTER	Reg. No. 2419472
Sports Masters, Inc.	TONNEAU MASTER	Reg. No. 2817480
Innovative Industries Inc.	SLIDEMASTER	Reg. No. 2010152
RSI Home Products Management, Inc.	MASTERCLOSET	Ser. No. 78600532
True Value Company	MASTER TRADESMAN	Ser. No. 78839561
Central Purchasing, LLC	HAUL-MASTER	Ser. No. 78468153

INTERROGATORY NO. 12:

Identify all third-party users of the term MASTER known to Applicant where the term is used as part or all of a mark believed by Applicant to be used on or in connection with goods Applicant believes are the same or related to one or more of Opposer's Goods.

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome as to the request to identify “all” third-party users. Applicant further objects to the interrogatory as vague and ambiguous because it seeks information about Applicant’s beliefs, and is not likely to lead to admissible evidence. Notwithstanding, Applicant responds to this interrogatory as follows:

See response to Interrogatory No. 11.

INTERROGATORY NO. 13:

Describe fully the channels of trade through which each of Opposer’s Goods are intended to travel.

RESPONSE:

Applicant has no knowledge of the channels of trade through which Opposer’s Goods are intended to travel. This information is already in Opposer’s possession.

INTERROGATORY NO. 14:

Describe fully the ordinary channels of trade through goods such as Opposer’s Goods travel.

RESPONSE:

Applicant has no knowledge of the ordinary channels of trade through which goods such as Opposer’s Goods travel. This information already in Opposer’s possession.

INTERROGATORY NO. 15:

Describe fully each instance in which Applicant has objected in any way to the use or registration of a MASTER formative mark by a third party.

RESPONSE:

Applicant has not objected to the use or registration of a MASTER formative mark by a third party.

INTERROGATORY NO. 16:

State whether any searches or investigations were conducted by or on behalf of Applicant to determine whether the term MASTERHAUL was available for use and/or registration on or in connection with Applicant's Goods.

RESPONSE:

Applicant objects to this interrogatory to the extent it seeks confidential information without entry into a protective order or seeks information covered by the attorney-client privilege or the attorney work product doctrine. Notwithstanding these objections, Applicant responds as follows:

Applicant reviewed the trademark database located on the United State Patent and Trademark Office ("USPTO") website www.uspto.gov prior to filing its application. In addition, the domain name masterhaul.com was found to be available.

INTERROGATORY NO. 17:

State with particularity the date and circumstances in which Applicant first became aware of the Opposer.

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it seeks information from many years ago. Notwithstanding this objection, Applicant responds as follows:

Applicant first became aware of Opposer when he purchased a pad lock for his locker in high school.

INTERROGATORY NO. 18:

State with particularity the date and circumstances in which Applicant first became aware of each of the Opposer's Marks.

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it seeks information from many years ago. Notwithstanding this objection, Applicant responds as follows:

See response to Interrogatory No. 17.

Also, with respect to certain goods listed in applications and registrations associated with Opposer's Marks, Applicant first became aware upon receipt of the Notice of Opposition herein.

INTERROGATORY NO. 19:

Identify all inquiries, investigations, surveys, evaluations and/or studies conducted by Applicant or by anyone acting for or on its behalf that refer or relate in any manner to the terms MASTERHAUL, MASTER or MASTER LOCK.

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it asks Applicant to identify "all" inquiries, etc. Applicant further objects to this interrogatory as vague and ambiguous in that it asks Applicant to identify inquiries conducted by "anyone acting for or on its behalf" or to identify inquiries "that refer or relate in any manner" to the listed marks. Notwithstanding these objections, Applicant responds as follows:

See responses to Interrogatory Nos. 11 and 16.

INTERROGATORY NO. 20:

State the entire factual basis on which Applicant avers in his first affirmative defense that Opposer has failed to state a claim upon which relief can be granted.

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it asks Applicant to state the "entire" factual basis. Notwithstanding this objection, Applicant responds as follows:

Opposer has not reserved the mark MASTERHAUL and has no rights in the mark MASTERHAUL. Furthermore, Opposer does not offer for sale the goods listed in

the subject application. The "MASTER" formative is weak as numerous "MASTER" formative marks are used by third parties, and Opposer does not have rights in all MASTER formative marks.

INTERROGATORY NO. 21:

State the entire legal basis on which Applicant avers in its first affirmative defense that Opposer has failed to state a claim upon which relief can be granted.

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it asks Applicant to state the "entire" basis. Applicant further objects to this interrogatory to the extent that it seeks information covered by the attorney-client privilege or the attorney work product doctrine, and to the extent it requires Applicant to make a legal conclusion. Notwithstanding, Applicant responds by stating that there is no likelihood of confusion. See response to Interrogatory No. 23, *infra*.

INTERROGATORY NO. 22:

State the entire factual basis on which Applicant avers in his second affirmative defense that "there is no likelihood of confusion."

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it asks Applicant to state the "entire" factual basis. Notwithstanding this objection, Applicant responds with representative facts as follows:

There are numerous MASTER formative marks owned by third parties, and the term is weak.

The MASTER and MASTER LOCK marks convey different impressions than MASTERHAUL. The respective goods are different and unrelated.

INTERROGATORY NO. 23:

State the entire legal basis on which Applicant avers in his second affirmative defense that "there is no likelihood of confusion."

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it asks Applicant to state the "entire" basis. Applicant further objects to this interrogatory to the extent that it seeks information covered by the attorney-client privilege or the attorney work product doctrine, and to the extent it requires Applicant to make a legal conclusion. Notwithstanding, Applicant responds by stating that factors listed in *In re E.I. Du Pont de Nemours & Co.*, 177 U.S.P.Q. 563 (C.C.P.A. 1973) support the averment that there is no likelihood of confusion.

INTERROGATORY NO. 24:

State the entire factual basis on which Applicant avers in his second affirmative defense that Applicant's Goods "are different and unrelated to those in Opposer's cited registrations."

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it asks Applicant to state the "entire" factual basis. Notwithstanding this objection, Applicant responds as follows:

Applicant's goods comprise, inter alia, cargo hauling bins and containers.

The goods enable a user to transport a load using a pickup truck or SUV, and to easily unload the contents (e.g., using a dumping mechanism) at the end point. Also, users may store or maintain load contents in a cargo storage bin. Applicant's goods are a unique invention, and Opposer has no goods associated with MASTER or MASTER LOCK that are the same as or relate to Applicant's goods.

INTERROGATORY NO. 25:

State the entire legal basis on which Applicant avers in his second affirmative defense that Applicant's Goods "are different and unrelated to those in Opposer's cited registrations."

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it asks Applicant to state the "entire" basis. Applicant further objects to this interrogatory to the extent that it seeks information covered by the attorney-client privilege or the attorney work product doctrine, and to the extent it requires Applicant to make a legal conclusion. Notwithstanding, please see response to Interrogatory No. 23.

INTERROGATORY NO. 26:

State the entire factual basis on which Applicant avers in his third affirmative defense that "the MASTER formative is relatively weak."

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it asks Applicant to state the "entire" factual basis. Notwithstanding this objection, Applicant responds as follows:

See, e.g., response to Interrogatory No. 11.

INTERROGATORY NO. 27:

State the entire legal basis on which Applicant avers in his third affirmative defense that "the MASTER formative is relatively weak."

RESPONSE:

Applicant objects to this interrogatory as being overly broad and unduly burdensome in that it asks Applicant to state the "entire" basis. Applicant further objects to this interrogatory to the extent that it seeks information covered by the attorney-client privilege or the attorney work product doctrine, and to the extent it requires Applicant to make a legal conclusion. Notwithstanding, please see response to Interrogatory No. 23. Also, please refer to *Steve's Ice Cream v. Steve's Famous Hot Dogs*, 3 U.S.P.Q. 2d 1477 (T.T.A.B. 1987).

VERIFICATION

I have read the foregoing document entitled APPLICANT'S RESPONSE TO OPPOSER'S FIRST SET OF INTERROGATORIES and know its contents. I am informed and believe that the matters stated in the foregoing document are true.

Executed on _____ at _____

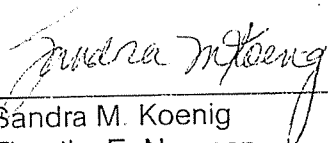
Thomas P. Eidsmore

Signed as counsel for Thomas P. Eidsmore for purposes of objections only, and not as a verification of factual matters set forth herein:

Dated: April 27, 2007

Respectfully submitted,

FAY SHARPE LLP



Sandra M. Koenig

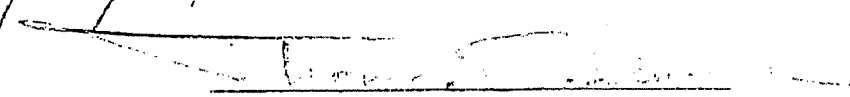
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Attorneys for Applicant

VERIFICATION

I have read the foregoing document entitled APPLICANT'S RESPONSE TO OPPOSER'S FIRST SET OF INTERROGATORIES and know its contents. I am informed and believe that the matters stated in the foregoing document are true.

Executed on 08/28/07 at 12:16 PM


Thomas P. Eidsmore

Signed as counsel for Thomas P. Eidsmore for purposes of objections only, and not as a verification of factual matters set forth herein:

Dated: April 27, 2007

Respectfully submitted,

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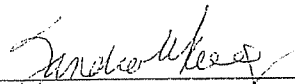
Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **APPLICANT'S RESPONSE TO OPPOSER'S FIRST SET OF INTERROGATORIES** was served by first class mail, postage prepaid, on April 27, 2007, on the following attorneys for Opposer:

Raymond Rundelli, Esq.
William Johnston, Esq.
Calfee, Halter & Griswold LLP
1400 McDonald Investment Center
800 Superior Avenue
Cleveland, Ohio 44114-2688

By:



Attorney for Applicant

EXHIBIT C

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

In the matter of Application Serial No. 78/433,102
For the mark: MASTERHAUL
Published in the *Official Gazette* on June 6, 2006

Master Lock Company LLC,)	
)	
Opposer,)	
)	Opposition No. 91172228
v.)	
)	
Eidsmore, Thomas P.,)	
)	
Applicant.)	
_____)	

**APPLICANT'S RESPONSE TO OPPOSER'S
SECOND SET OF INTERROGATORIES**

Pursuant to Rule 33 of the Federal Rules of Civil Procedure, Applicant, Thomas P. Eidsmore ("Applicant" or "Eidsmore"), responds and objects to Opposer, Master Lock Company LLC's ("Opposer" or "Master Lock") Second Set of Interrogatories.

GENERAL OBJECTIONS

1. Applicant objects to each interrogatory to the extent that it seeks to elicit information protected against discovery by the attorney-client privilege or the attorney work product doctrine. Applicant's attorneys join in this objection.

2. Applicant objects generally to each interrogatory insofar as the definition of "Applicant" includes attorneys, on the grounds that Opposer seeks to invade the attorney-client privilege and attorney work product doctrine, and insofar that the definition includes parties other than Applicant. Applicant's attorneys join in this objection.

3. Applicant objects to each interrogatory insofar as it seeks information which is proprietary to Applicant and/or constitutes a trade secret of Applicant, on the ground that such requests are unduly burdensome and overly broad.

4. Applicant objects to the definitions and instructions to the extent that they purport to impose obligations beyond those provided by the Federal Rules of Civil Procedure.

5. Applicant objects to the interrogatories to the extent that they seek identity of "each" or "all" as being unduly burdensome and overly broad.

RESPONSES TO INTERROGATORIES

INTERROGATORY NO. 28:

Identify each of Applicant's Goods in connection with which Applicant intends to use Applicant's Mark.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is overly broad and unduly burdensome.

Notwithstanding this objection, Applicant responds by stating that he intends to use MASTERHAUL in association with the goods identified in U.S. Application No. 78/433,102.

INTERROGATORY NO. 29:

For each product identified in response to Interrogatory No. 28, state the date on which Applicant anticipates that each such good will first be offered for sale.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds by stating that the anticipated date of first sale is not yet determined.

INTERROGATORY NO. 30:

For each product identified in response to Interrogatory No. 28, describe the physical specifications, uses and purposes of the product.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is overly broad and unduly burdensome, and further because it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding, Applicant responds by stating that the physical specifications have not yet been determined. The products are intended to be used as accessories for trucks and sport utility vehicles. Without otherwise limiting intended use, U.S. Published Application No. US/2005/0135908 A1 is representative of intended use.

INTERROGATORY NO. 31:

If the mark MASTERHAUL has not yet been used in commerce, state all facts (i.e., steps taken by you to put the mark into use) which demonstrate or tend to demonstrate a "bona fide intent" by you to use the mark in connection with each of Applicant's Goods.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is overly broad and unduly burdensome, and further because it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds by stating that he has registered the domain name masterhaul.com.

INTERROGATORY NO. 32:

If the mark MASTERHAUL has not yet been used in commerce, state all facts that relate to Applicant's failure to use the mark in commerce to date.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is overly broad and unduly burdensome.

Notwithstanding this objection, Applicant responds by stating that this opposition is delaying Applicant's use of the mark in commerce.

INTERROGATORY NO. 33:

Describe in detail the facts surrounding Applicant's decision to include "cargo storage bins" in Applicant's description of goods in the application against which this proceeding has been initiated.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds by stating that he had an intent to use the mark with cargo storage bins, as well as with the other goods identified in U.S. Application No. 78/433,102.

INTERROGATORY NO. 34:

For each of Applicant's goods identified in response to Interrogatory No. 28, describe in detail all efforts made by or on behalf of Applicant to create a commercial embodiment or to bring any such goods to market.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds by stating that this opposition is delaying Applicant's business plans.

INTERROGATORY NO. 35:

Identify all persons who have provided any funding or have entered into any agreement with Applicant regarding the development or commercialization of any of Applicant's Goods, and describe each such person's involvement.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is overly broad and unduly burdensome, and further because it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding these objections, Applicant responds by stating:

No funding has been provided.

No agreements have been entered into.

INTERROGATORY NO. 36:

For each product identified in response to Interrogatory No. 28, state on an annual basis Applicant's total projected total U.S. sales in terms of units and dollar revenues for the first ten years after Applicant's Mark is first used in commerce.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding these objections, Applicant responds by stating that he has not projected his U.S. sales.

INTERROGATORY NO. 37:

State the annual dollar investment expended by you to date in advertising and otherwise promoting, or in preparing to advertise and otherwise promote, the goods for which you use, or intend to use, the mark MASTERHAUL.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding these objections, Applicant responds as follows:

No money has been spent on advertising or preparing to advertise.

INTERROGATORY NO. 38:

Identify all advertising media (e.g., newspapers, magazines, trade journals, television, radio, Internet) through which the goods sold or to be sold by you under the mark MASTERHAUL have been or will be promoted by you.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding these objections, Applicant responds as follows:

Advertising media has not been determined.

INTERROGATORY NO. 39:

State the scope of actual or intended distribution (i.e., number dispersed and geographic dispersal) of each advertising item identified by you in answer to Interrogatory No. 38.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding these objections, Applicant responds as follows:

This information is not available. See response to Interrogatory No. 38.

INTERROGATORY NO. 40:

State the contemplated retail sales price and the manufacturer's suggested retail price (MSRP) of all goods in connection with which Applicant intends to use Applicant's Mark.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding these objections, Applicant responds as follows:

This information has not yet been determined.

INTERROGATORY NO. 41:

State whether Applicant has any plans to expand use of Applicant's Mark on goods other than those identified in the application against which this proceeding has been initiated, and if so, describe Applicant's planned expansion.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

Applicant has no present plans to expand use of Applicant's Mark on goods other than those identified in the application.

INTERROGATORY NO. 42:

Identify each person or outside entity employed or retained by you to market, advertise or promote any of Applicant's Goods.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

None.

INTERROGATORY NO. 43:

For each product identified in response to Interrogatory No. 28, state on an annual basis Applicant's projected U.S. marketing and advertising expenditures for the first ten years after Applicant's Mark is first used in commerce.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

Information responsive to this request is not known. Applicant has not projected its U.S. marketing and advertising expenditures.

INTERROGATORY NO. 44:

Identify any persons Applicant has authorized, licensed or otherwise granted the right to use Applicant's Mark in the United States.

RESPONSE:

Without waiving the foregoing general objections, applicant responds as follows:

None.

INTERROGATORY NO. 45:

If Applicant does not itself plan to manufacture or package Applicant's Goods, identify any persons who have been approached by Applicant or have approached Applicant to be involved in any way in the manufacturing or packaging of Applicant's Goods.

RESPONSE:

Without waiving the foregoing general objections, applicant responds as follows:

None.

INTERROGATORY NO. 46:

Identify each person who was involved in the process by which Applicant selected the term MASTERHAUL as a mark for Applicant's Goods described in response to Opposer's Interrogatory No. 2.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is overly broad and unduly burdensome, and further because it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

Applicant alone coined the mark MASTERHAUL. Friends, Justin White and Warren Madsen, helped eliminate other marks under consideration. Applicant also conferred with family member, Paul Eidsmore.

INTERROGATORY NO. 47:

For each person identified in response to Interrogatory No. 46, describe the extent of his or her involvement in the process by which Applicant selected the term MASTERHAUL for Applicant's Goods described in response to Opposer's Interrogatory No. 2.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is overly broad and unduly burdensome, and further because it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

They had little involvement. They helped eliminate names thought to be insufficient.

INTERROGATORY NO. 48:

Identify the person who suggested MASTERHAUL as a mark for Applicant's Goods in the process by which Applicant selected the term MASTERHAUL for Applicant's Goods described in response to Opposer's Interrogatory No. 2.

RESPONSE:

Applicant himself, Thomas P. Eidsmore.

INTERROGATORY NO. 49:

Identify all other terms that have ever been considered by or suggested to Applicant for use as a mark in connection with Applicant's Goods and state the date that each such term was considered by Applicant.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is overly broad and unduly burdensome, and further because it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, applicant responds as follows:

EZ HAUL and HAULMASTER were considered; dates are unknown.

INTERROGATORY NO. 50:

To the extent that the goods for which you use or intend to use the mark MASTERHAUL are or will be sold through independent distributors, identify the geographic location (i.e., city and state) of each such distributor.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

Applicant has not determined whether the goods will be sold through independent distributors and, therefore, cannot identify geographic locations.

INTERROGATORY NO. 51:

To the extent that the goods for which you use or intend to use the mark MASTERHAUL are or will be marketed or sold through retail outlets, identify each such retail outlet that Applicant contemplates marketing or selling such goods.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

This information is not determined.

INTERROGATORY NO. 52:

Identify the demographics (e.g., education, experience, purchasing habits, degree of attentiveness) of the purchasing public to which you market or intend to market goods under the mark MASTERHAUL.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

This information is not determined.

INTERROGATORY NO. 53:

Identify each actual or anticipated end user of products sold or intended to be sold by you under the mark MASTERHAUL.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding, Applicant responds as follows:

Truck and SUV owners are the anticipated end users of the products sold under the MASTERHAUL mark.

INTERROGATORY NO. 54:

Identify each market (e.g., manufacturing industry, construction industry, “do-it-yourself” industry) to which you have directed or intend to direct any advertising of any good and or service in connection with which you use or will use the mark MASTERHAUL.

RESPONSE:

Applicant objects to this interrogatory on the ground that it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

This information is not determined.

INTERROGATORY NO. 55:

State each manner in which you have ever used or in which you intend to use the mark MASTERHAUL (e.g., by applying it directly to your goods or to labels which are, in turn, applied to packages containing your goods, in materials advertising the services, or the like).

RESPONSE:

Applicant objects to this interrogatory on the ground that it is overly broad and unduly burdensome, and further because it is vague and ambiguous, and not likely to lead to admissible evidence.

Notwithstanding this objection, Applicant responds as follows:

The mark has not yet been used. The manner of use is not yet determined.

INTERROGATORY NO. 56:

State whether you have ever received any communication from any third party intended for Master Lock Company, L.L.C., and if so state the subject(s) of each such communication and circumstances under which it was received by you.

RESPONSE:

None.

INTERROGATORY NO. 57:

Identify each person engaged by Applicant to provide expert testimony in the above-captioned Opposition proceeding and describe the subject matter on which each such person will offer testimony.

RESPONSE:

Expert witnesses have not yet been identified.

INTERROGATORY NO. 58:

Identify each person who participated in the preparation of your responses to the foregoing interrogatories or furnished any information in response thereto.

RESPONSE:

Applicant, Thomas P. Eidsmore.

INTERROGATORY NO. 59:

Identify all witnesses you intend to have testify on your behalf in connection with this proceeding and state the facts or subject matter to which each is expected to testify.

RESPONSE:

Witnesses have not yet been identified.

VERIFICATION

I have read the foregoing document entitled APPLICANT'S RESPONSE TO OPPOSER'S SECOND SET OF INTERROGATORIES and know its contents. I am informed and believe that the matters stated in the foregoing document are true.

Executed on _____ at _____

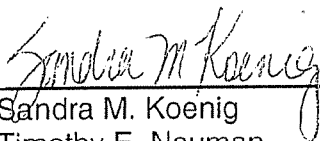
Thomas P. Eidsmore

Signed as counsel for Thomas P. Eidsmore for purposes of objections only, and not as a verification of factual matters set forth herein:

Dated: August 13, 2007

Respectfully submitted,

FAY SHARPE LLP



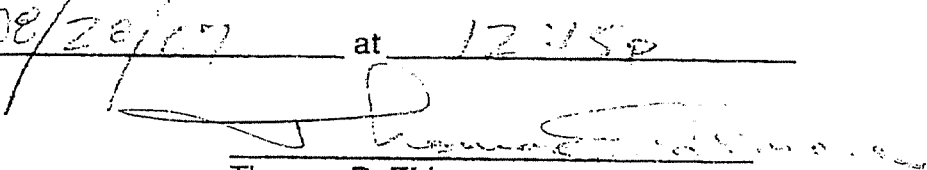
Sandra M. Koenig
Timothy E. Nauman
1100 Superior Avenue
Seventh Floor
Cleveland, Ohio 44114-2579
Phone: (216) 861-5582
Fax: (216) 241-1666

Attorneys for Applicant

VERIFICATION

I have read the foregoing document entitled APPLICANT'S RESPONSE TO OPPOSER'S SECOND SET OF INTERROGATORIES and know its contents. I am informed and believe that the matters stated in the foregoing document are true.

Executed on 08/28/07 at 12:15p

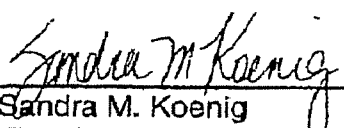

Thomas P. Eidsmore

Signed as counsel for Thomas P. Eidsmore for purposes of objections only, and not as a verification of factual matters set forth herein:

Dated: August 13, 2007

Respectfully submitted,

FAY SHARPE LLP


Sandra M. Koenig
Timothy E. Nauman
1100 Superior Avenue
Seventh Floor
Cleveland, Ohio 44114-2579
Phone: (216) 861-5582
Fax: (216) 241-1666

Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **APPLICANT'S RESPONSE TO OPPOSER'S SECOND SET OF INTERROGATORIES** was served by first class mail, postage prepaid, on August 13, 2007, on the following attorneys for Opposer:

Raymond Rundelli, Esq.
William A. Johnston, Esq.
Calfee, Halter & Griswold LLP
1400 McDonald Investment Center
800 Superior Avenue
Cleveland, Ohio 44114-2688

By:


Attorney for Applicant

EXHIBIT D

Trademark/Service Mark Application, Principal Register

Serial Number: 78433102

Filing Date: 06/10/2004

The table below presents the data as entered.

Input Field	Entered
MARK SECTION	
MARK	MASTERHAUL
STANDARD CHARACTERS	YES
USPTO-GENERATED IMAGE	YES
LITERAL ELEMENT	MASTERHAUL
MARK STATEMENT	The mark consists of standard characters, without claim to any particular font, style, size, or color.
OWNER SECTION	
NAME	Eidsmore, Thomas P.
STREET	1700 Granite Creek Rd.
CITY	Santa Cruz
STATE	CA
ZIP/POSTAL CODE	95065
COUNTRY	USA
PHONE	831-345-5020
FAX	831-425-0888
EMAIL	tomeidsmore@hotmail.com
AUTHORIZED EMAIL COMMUNICATION	Yes
LEGAL ENTITY SECTION	
TYPE	INDIVIDUAL
COUNTRY OF CITIZENSHIP	U.S.A.
GOODS AND/OR SERVICES SECTION	
INTERNATIONAL CLASS	012
DESCRIPTION	Truck and Sport Utility Vehicle (S.U.V.) accessories.
FILING BASIS	Section 1(b)
SIGNATURE SECTION	
SIGNATURE	/ThomasEidsmore/
SIGNATORY NAME	Thomas Eidsmore

SIGNATORY DATE	06/10/2004
SIGNATORY POSITION	Duly authorized officer
PAYMENT SECTION	
NUMBER OF CLASSES	1
NUMBER OF CLASSES PAID	1
SUBTOTAL AMOUNT	335
TOTAL AMOUNT	335
CORRESPONDENCE SECTION	
NAME	Eidsmore, Thomas P.
STREET	1700 Granite Creek Rd.
CITY	Santa Cruz
STATE	CA
ZIP/POSTAL CODE	95065
COUNTRY	USA
EMAIL	tomeidsmore@hotmail.com
AUTHORIZED EMAIL COMMUNICATION	Yes
FILING INFORMATION	
SUBMIT DATE	Thu Jun 10 14:46:39 EDT 2004
FEAS STAMP	USPTO/BAS-63249103164-200 40610144639601287-7843310 2-20008fba14b9fb2955e9b24 304c69ac1e-CC-1-200406101 43519971006

Trademark/Service Mark Application, Principal Register

Serial Number: 78433102

Filing Date: 06/10/2004

To the Commissioner for Trademarks:

MARK: (Standard Characters, see mark)

The mark consists of standard characters, without claim to any particular font, style, size, or color.

The literal element of the mark consists of MASTERHAUL

The applicant, Thomas P. Eidsmore, a citizen of U.S.A., residing at 1700 Granite Creek Rd., Santa Cruz, CA, USA, 95065, requests registration of the trademark/service mark identified above in the United States Patent and Trademark Office on the Principal Register established by the Act of July 5, 1946 (15 U.S.C. Section 1051 et seq.), as amended.

Intent to Use. The applicant has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the identified goods and/or services (15 U.S.C. Section 1051(b)).

International Class 012: Truck and Sport Utility Vehicle (S.U.V.) accessories.

The USPTO is authorized to communicate with the applicant or its representative at the following email address: tomeidsmore@hotmail.com.

A fee payment in the amount of \$335 will be submitted with the application, representing payment for 1 class(es).

Declaration

The undersigned, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. Section 1001, and that such willful false statements, and the like, may jeopardize the validity of the application or any resulting registration, declares that he/she is properly authorized to execute this application on behalf of the applicant; he/she believes the applicant to be the owner of the trademark/service mark sought to be registered, or, if the application is being filed under 15 U.S.C. Section 1051(b), he/she believes applicant to be entitled to use such mark in commerce; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive, and that all statements made of his/her own knowledge are true, and that all statements made on information and belief are believed to be true

Signature /ThomasEidsmore/ Date: 06/10/2004

Signatory's Name Thomas Eidsmore

Signatory's Position Duly authorized officer

Mailing Address:

Eidsmore, Thomas P.
1700 Granite Creek Rd.
Santa Cruz, CA 95065

RAM Sale Number 1

RAM Accounting Date: 06/14/2004

Serial Number: 78433102

Internet Transmission Date: Thu Jun 10 14:46:39 EDT 2004

TEAS Stamp USPTO/BAS-63249103164-200406101446396012

87-78433102-20008fba14b9fb2955e9b24304c6

9ac1e-CC-1-20040610143519971006

MASTERHAUL

EXHIBIT E

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

In the matter of application Serial No. 78/433,102
Published in the Official Gazette on June 6, 2006

MASTER LOCK COMPANY, LLC,	:	
	:	
Opposer,	:	
	:	
v.	:	Opposition No. 91/172,228
	:	
THOMAS P. EIDSMORE,	:	
	:	
Applicant.	:	
	:	

DECLARATION OF GEORGIA E. YANCHAR IN SUPPORT OF
OPPOSER MASTER LOCK COMPANY, LLC'S
MOTION FOR SUMMARY JUDGMENT AS TO APPLICANT'S LACK OF BONA FIDE
INTENT TO USE THE APPLIED FOR MARK

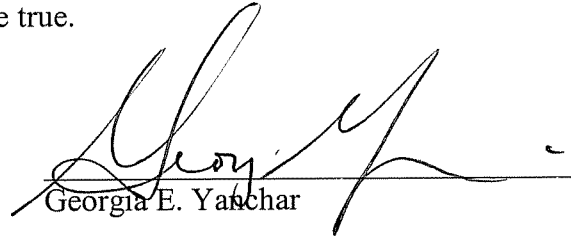
Under penalty of perjury, I, Georgia E. Yanchar, declare as follows:

1. I am over 18 years of age, and I am competent to give this declaration. Each of the facts stated in this declaration is true and based upon my personal knowledge.
2. I am an associate at the law firm of Calfee, Halter and Griswold.
3. Attached as Appendix 1 hereto is a true and correct copy of a document, which was produced by Applicant's counsel in this proceeding bearing Bates stamps E0001-E000014 and which is entitled "Patent Application Publication No. US/2005/0135908 A1."
4. Attached as Appendix 2 hereto a document I printed from the website located at www.uspto.gov on February 6, 2008, which indicates that Patent Application No. 10/881,383 was published as US/2005/0135908 and was abandoned for failure to respond to an office action.

5. Attached as Appendix 3 hereto is a document I printed from the website located at www.masterhaul.com today, February 12, 2008, which I believe shows the entire contents of the website located at that address.

The undersigned being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001, and that such willful false statements and the like may jeopardize the validity of the application or document or any registration resulting therefrom, declares that all statements made of her own knowledge are true; and all statements made on information and belief are believed to be true.

Executed this 12th day of February, 2008



Georgia E. Yanchar

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **DECLARATION OF GEORGIA E. YANCHAR IN SUPPORT OF OPPOSER MASTER LOCK COMPANY, LLC'S MOTION FOR SUMMARY JUDGMENT ON THE ISSUE OF APPLICANT'S LACK OF BONA FIDE INTENT TO USE THE APPLIED FOR MARK** was served by hand delivery, on February 13, 2008, on the following attorney for Applicant:

Sandra M. Koenig
1100 Superior Avenue
Seventh Floor
Cleveland, Ohio 44114-2579
Phone: (216) 861-5582
Fax: (216) 241-1666

BY: /Georgia E. Yanchar/
An Attorney for Opposer

APPENDIX 1



US 20050135908A1

(19) **United States**(12) **Patent Application Publication** (10) Pub. No.: **US 2005/0135908 A1**
Eidsmore (43) Pub. Date: **Jun. 23, 2005**(54) **CARGO HAULING SYSTEM**(76) Inventor: **Paul G. Eidsmore, Santa Cruz, CA (US)**

Correspondence Address:
Timothy E. Nauman
Fay, Sharpe, Fagan, Minnich & McKee, LLP
Seventh Floor
1100 Superior Avenue
Cleveland, OH 44114-2518 (US)

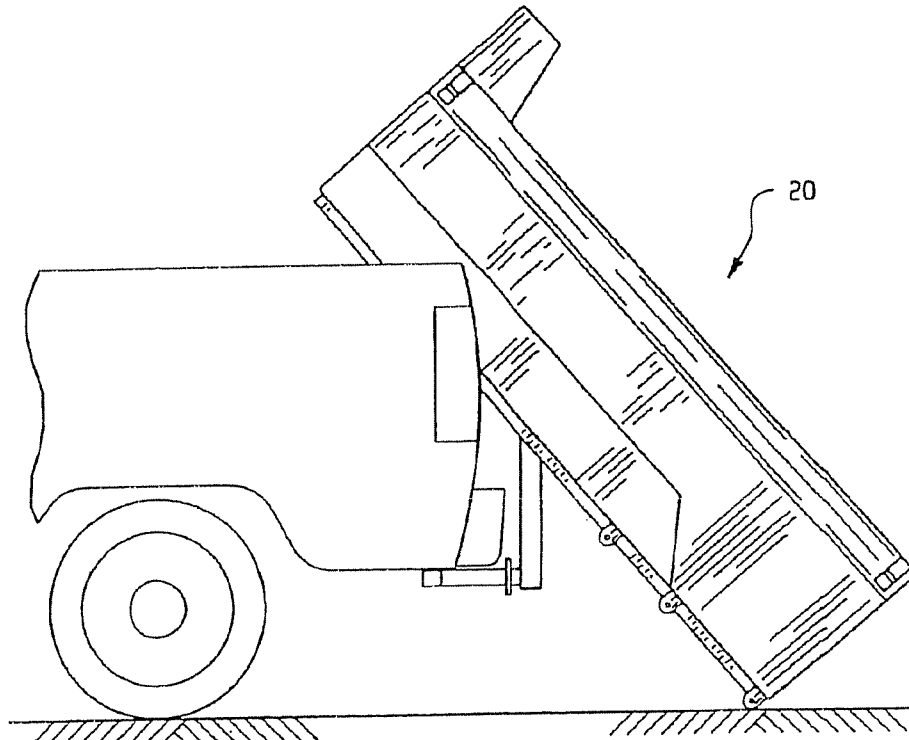
(21) Appl. No.: **10/881,383**(22) Filed: **Jun. 30, 2004****Related U.S. Application Data**

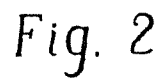
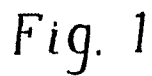
(60) Provisional application No. 60/483,871, filed on Jun. 30, 2003.

Publication Classification(51) Int. Cl.⁷ **B65F 9/00**
(52) U.S. Cl. **414/480**(57) **ABSTRACT**

A cargo hauling system is dimensioned to fit a truck bed or SUV cargo space. The bin moves forwardly and rearwardly

relative to the truck bed or cargo space, selectively pivots for dumping the load contents of the bin from the rear of the vehicle, or is selectively removed from the vehicle to leave at a job site, and/or allow the vehicle to be used without the removable bin. A pivot arm assembly advantageously mounted to a conventional trailer hitch receiver installed on vehicles of this type. The pivot arm assembly includes a support bar received within the trailer hitch receiver. A generally U-shaped support structure includes a transverse arm and first and second upright arms extending therefrom having first, lower ends secured to the transverse arm. Rollers are rotatably secured adjacent outer terminal ends of the first and second upright arms, respectively. The rollers cooperate with first and second guide rails secured to an underside of the bin. In addition, roller members are preferably provided along an undersurface of the bin to facilitate rolling movement of relative to the truck bed/cargo space. A loading, unloading ramp assembly is independently and conveniently secured to the pivot arm assembly. Wheels provided adjacent an outer terminal end of a ramp cooperate with a closed loop assembly for selectively loading and unloading the bin from the vehicle along the ramp. By using the motive power of the vehicle, one end of the bin is urged by the closed loop chain along the ramp as driven by the force supplied by the wheels at the terminal end of the ramp. A self-tightening mounting assembly is preferably used to secure the pivot arm assembly to the receiver of the trailer hitch.





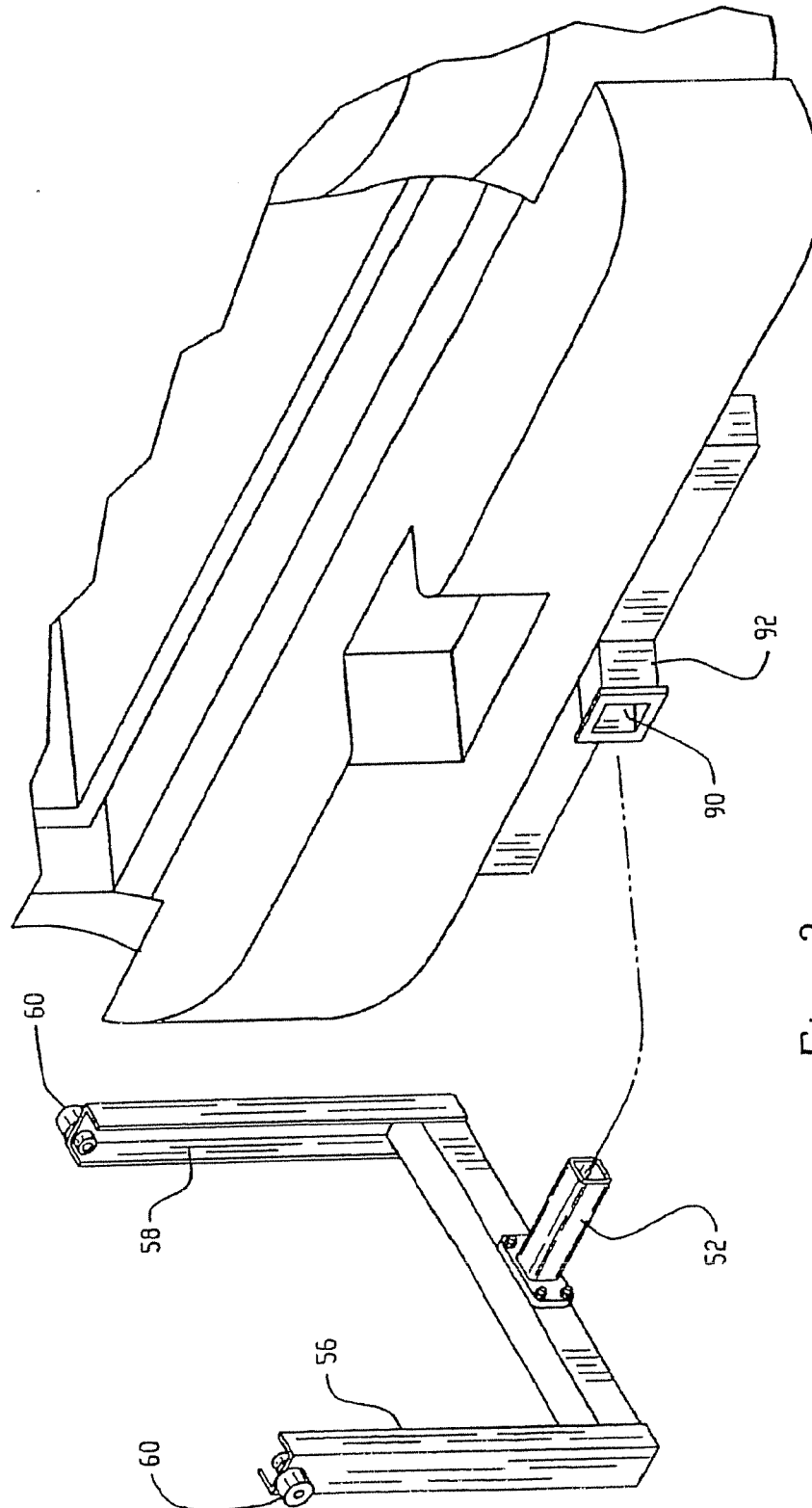


Fig. 3

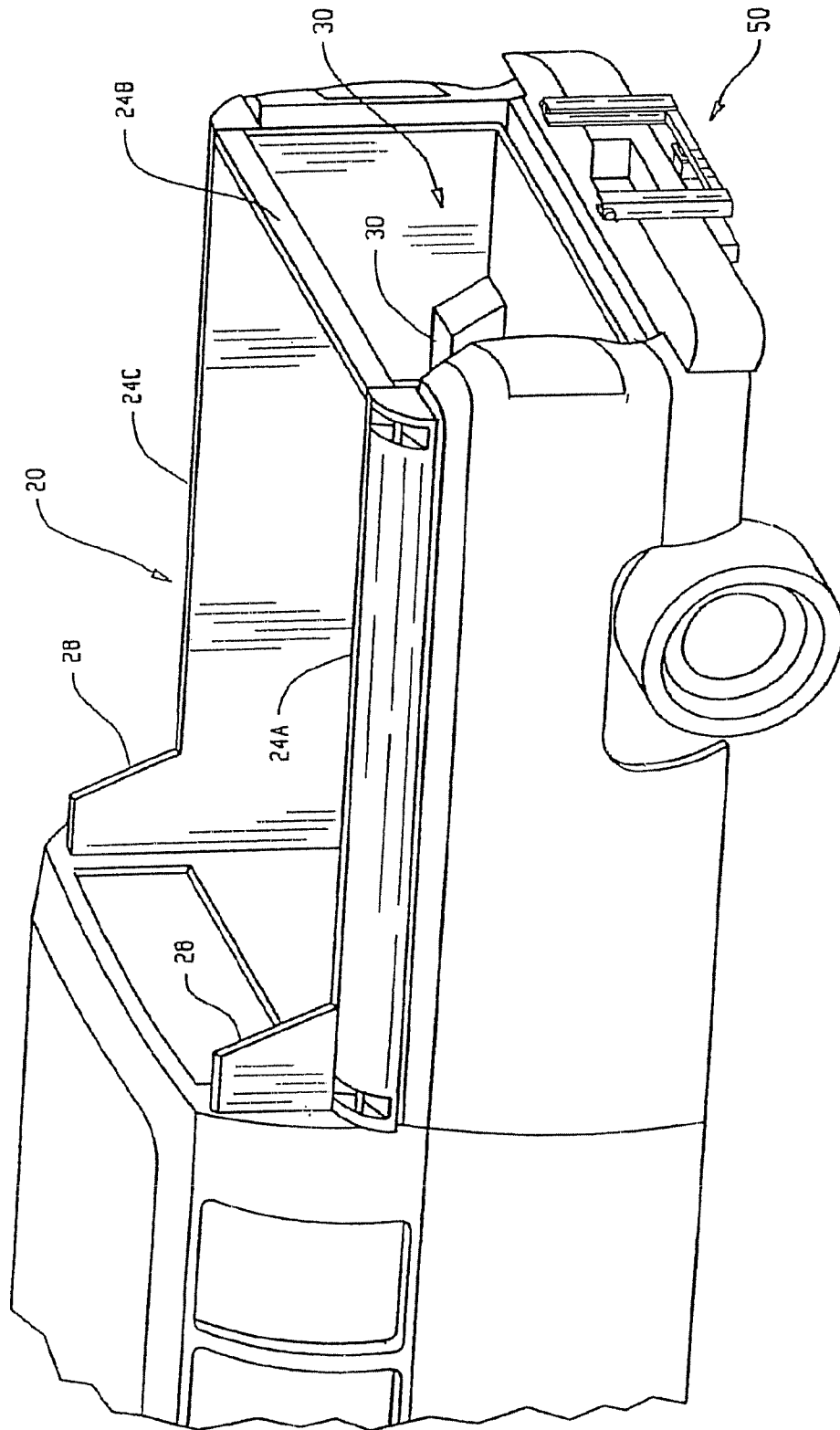


Fig. 4

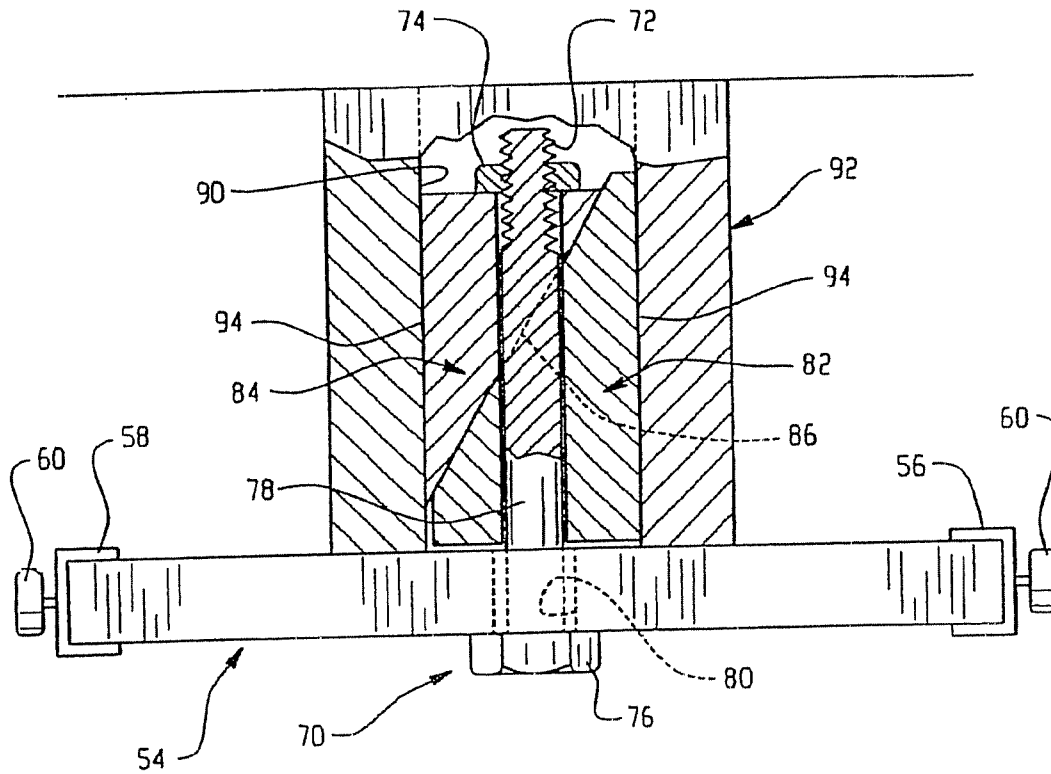


Fig. 5

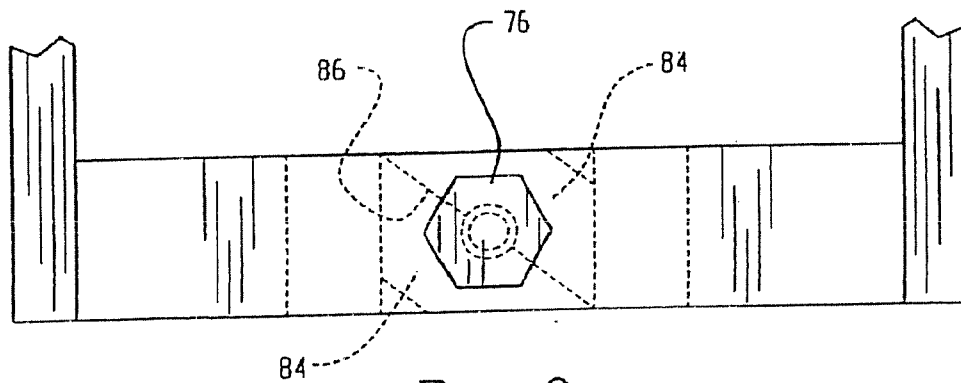


Fig. 6

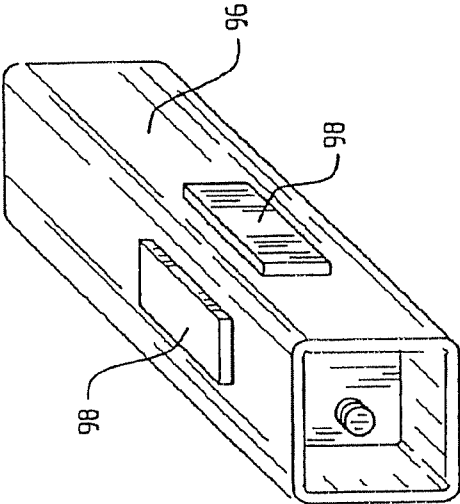


Fig. 7

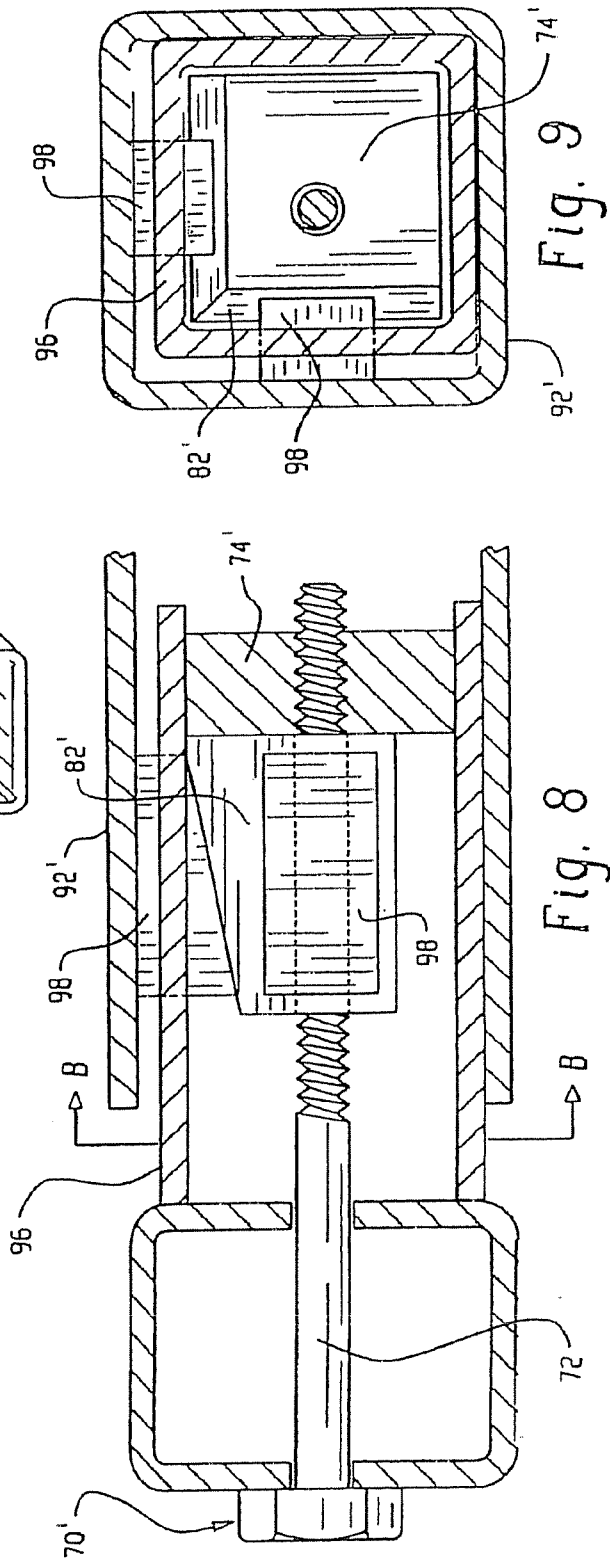


Fig. 8

Fig. 9

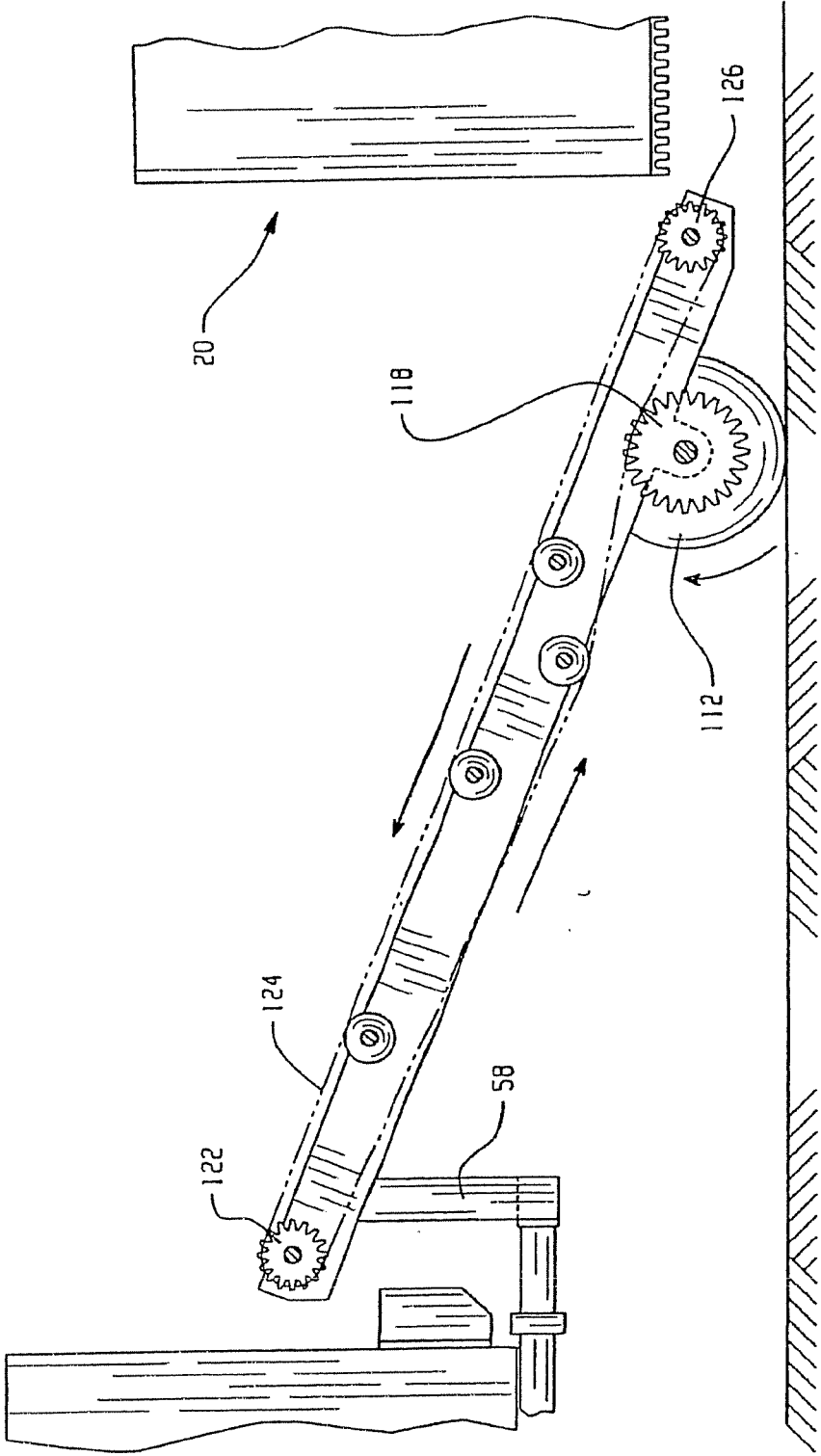


Fig. 10A

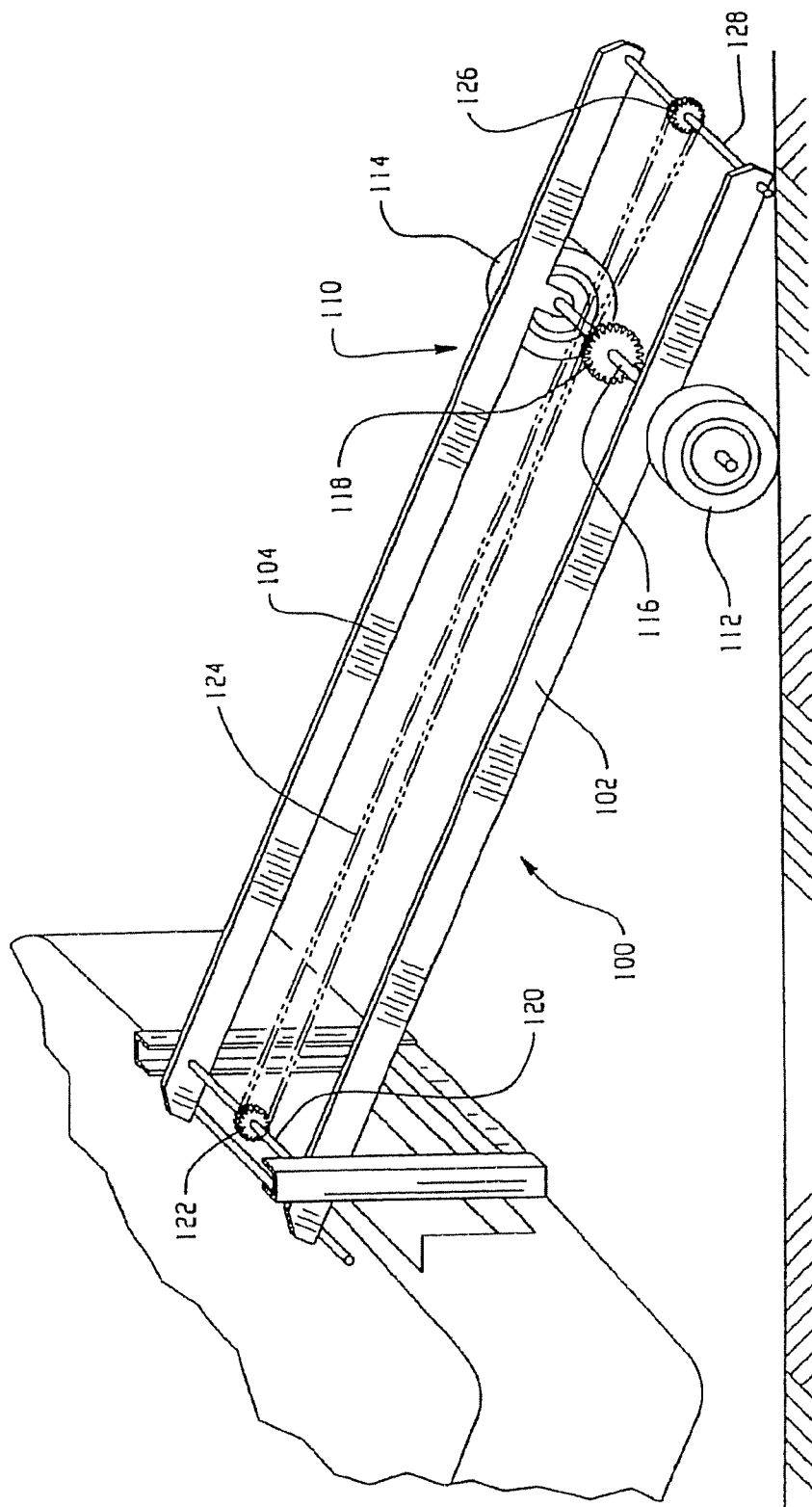


Fig. 10B

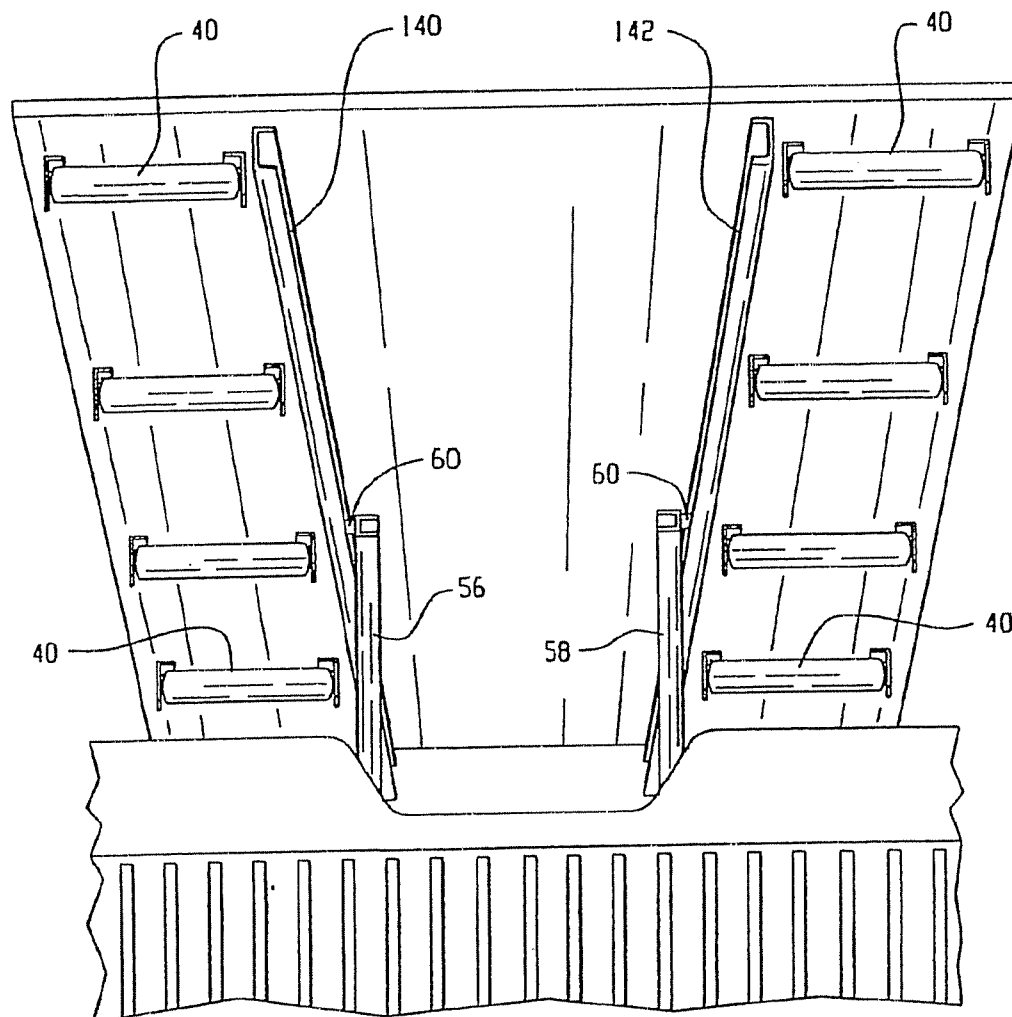


Fig. 11

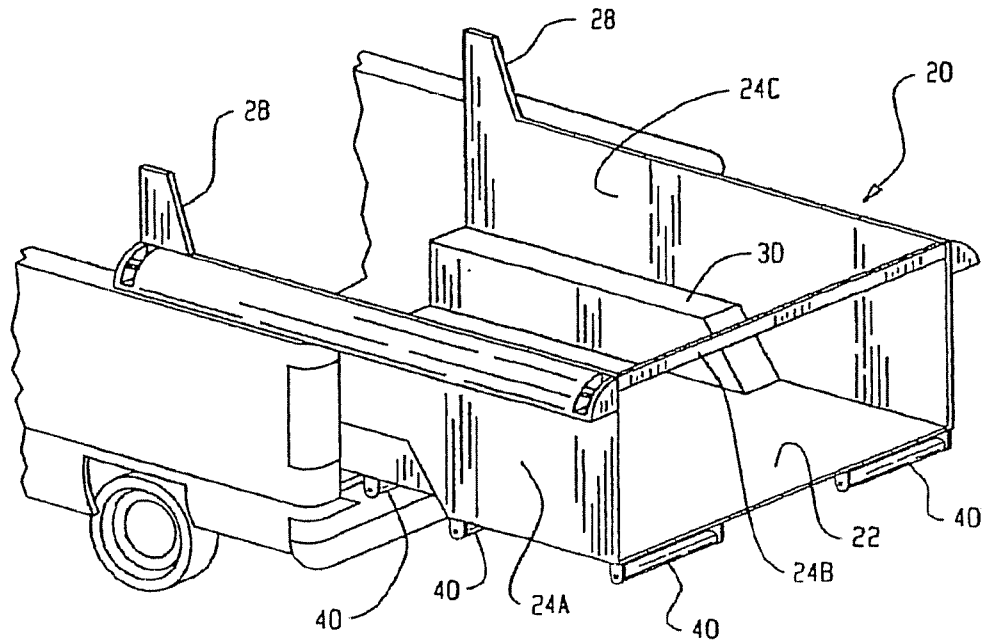


Fig. 12

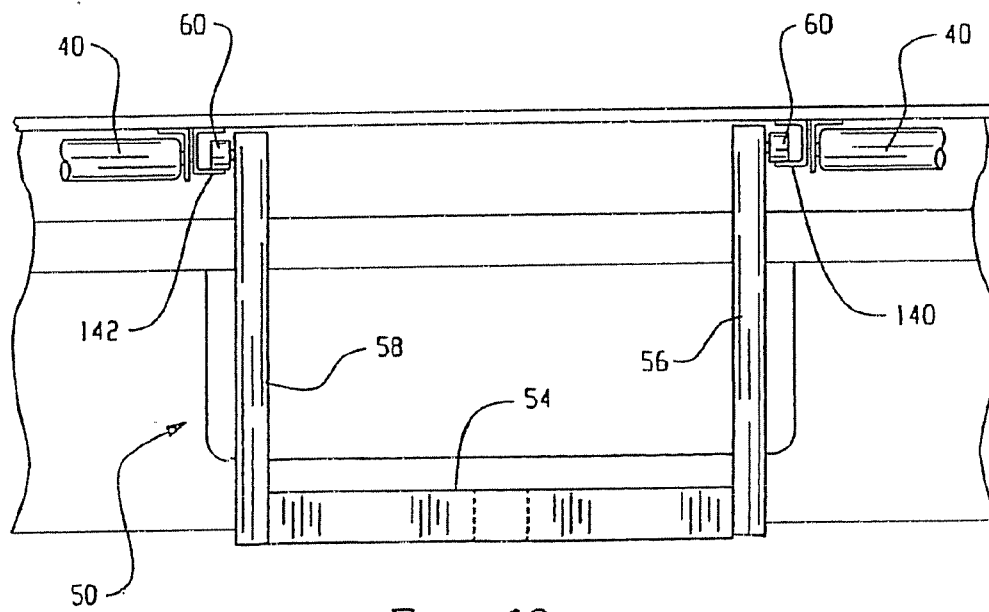


Fig. 13

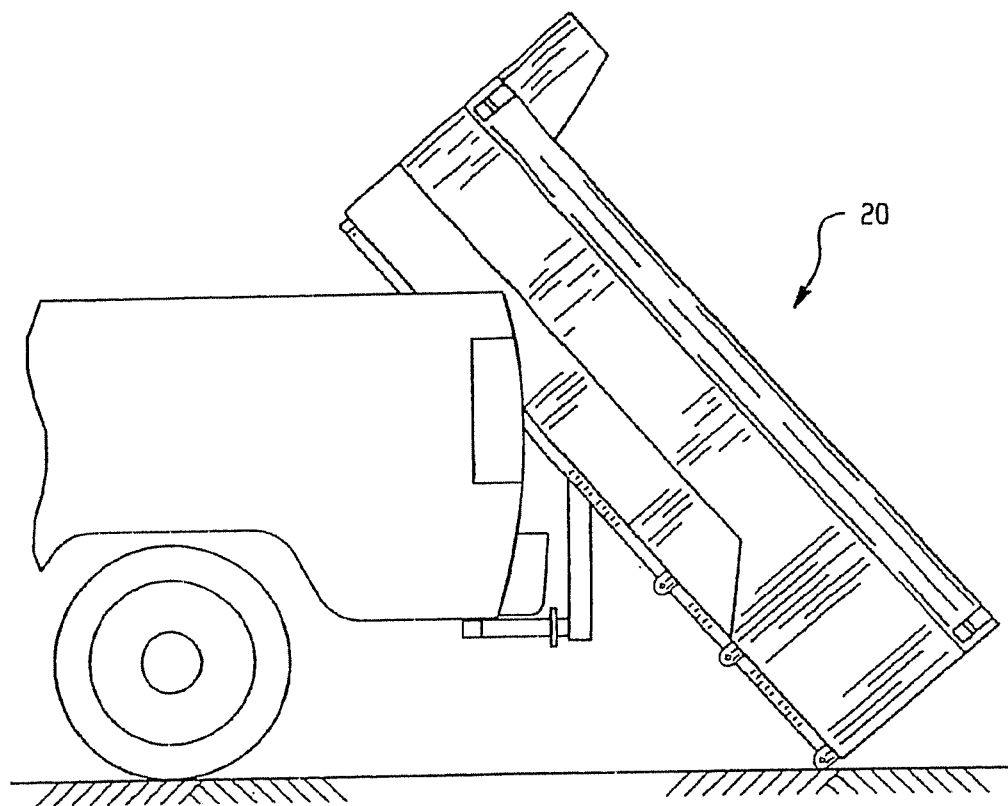


Fig. 14

CARGO HAULING SYSTEM

BACKGROUND OF INVENTION

[0001] Sales of light trucks and sport utility vehicles (SUV) have steadily grown year after year and recently outsold cars for the first time in history. The demand for these multi-purpose vehicles has led to the creation of numerous makes and models, and also the need for new, innovative accessories that take advantage of the heavy-duty nature of these vehicles.

[0002] Light trucks have a truck bed and SUVs typically have a large cargo space for hauling or transporting goods and materials. For example, the truck bed is typically an open topped chamber or cavity in which a rear end is selectively closed by a pivoting or removable tailgate. It is well known to employ truck bed liners, normally a liner that is permanently installed to the interior surface of the truck bed. Similarly, with SUVs, a pivoting hatchback door allows access to a rear storage compartment. Manufacturers provide for fold-down seats to maximize the amount of cargo space available to the user. Unfortunately, these cargo spaces are also a part of the SUV interior and only certain types of materials are conveniently mounted in the rear storage compartment.

[0003] It is common to use these light trucks and SUVs for hauling a variety of materials. For example, construction tools, mulch, topsoil, debris, etc. are temporarily stored in the truck bed or SUV cargo space. A need exists, however, for a vehicle bin that maximizes the efficient use of these storage areas. Moreover, a need exists for such an arrangement that can be provided without undue alteration or modification of the truck bed or cargo space of the light truck or SUV.

SUMMARY OF THE INVENTION

[0004] The present invention provides a cargo hauling system that is dimensioned to fit the truck bed or SUV cargo space. The bin is adapted to move forwardly and rearwardly relative to the truck bed or cargo space, selectively pivot for dumping the load contents of the bin from the rear of the vehicle, be selectively removed from the vehicle to leave at a job site, and/or allow the vehicle to be used without the removable bin.

[0005] The invention includes a pivot arm assembly advantageously mounted to a conventional trailer hitch receiver installed on vehicles of this type. The pivot arm assembly includes a support bar received within the trailer hitch receiver. A generally U-shaped support structure includes a transverse arm and first and second upright arms extending therefrom having first, lower ends secured to the transverse arm. The support structure receives a storage bin, particularly, the bin is adapted for selective sliding and pivoting movement relative to the support structure. First and second rollers are preferably rotatably secured adjacent outer terminal ends of the first and second upright arms, respectively. The rollers cooperate with first and second guide rails secured to an underside of the bin. In addition, roller members are preferably provided along an undersurface of the bin to facilitate rolling movement of relative to the truck bed/cargo space.

[0006] A loading, unloading ramp assembly is independently and conveniently secured to the pivot arm assembly.

Wheels are preferably provided adjacent an outer terminal end of a ramp and cooperate with a closed loop assembly for selectively loading and unloading the bin from the vehicle along the ramp. The closed loop assembly includes a continuous, flexible drive member such as a chain that passes around a first or idler sprocket located adjacent the pivot arm assembly end of the ramp and about a second or drive sprocket rotatably secured adjacent the outer terminal end of the ramp. The drive sprocket is operatively connected to, i.e., driven by, a chain drive wheel also mounted adjacent the outer terminal end. By using the motive power of the vehicle, the bin is urged by the closed loop chain along the ramp, carried by the chain that is driven by the drive wheel and drive sprocket.

[0007] A self-tightening mounting assembly is preferably used to secure the pivot arm assembly to the receiver of the trailer hitch. In one arrangement, the mounting assembly includes first and second members angled in two directions so that as a fastener, such as elongated threaded bolt received through the angled members, is tightened, the angled members securely engage an interior surface of the receiver tube. In another embodiment, a wedge member cooperates with outwardly expanding pads to engage the interior surface of the receiver tube. Either of these self-tightening mounting assemblies limits any loose fit or play between the pivot arm assembly and the trailer hitch receiver.

[0008] A primary advantage of the invention is found in an improved cargo hauling system.

[0009] One benefit resides in the ability to protect the interior cargo space or truck bed from potential contamination or damage by the material carried in the bin.

[0010] Another advantage is found in the ability to selectively remove the bin from the vehicle.

[0011] Still another advantage resides in the ease in which the cargo hauling system is mounted to the vehicle via a conventional trailer hitch assembly.

[0012] Yet another advantage of the invention results in the self-powered ramp that facilitates installation and removal of the bin from the truck bed or SUV cargo space.

[0013] Still other benefits and advantages of the invention will become apparent to those skilled in the art upon reading and understanding the following detailed description.

BRIEF DESCRIPTION OF THE DRAWINGS

[0014] FIG. 1 shows a prototype cargo bin in accordance with the present invention.

[0015] FIG. 2 is a perspective view of a preferred form of pivot arm assembly.

[0016] FIG. 3 illustrates installation of the pivot arm assembly of FIG. 2 to a conventional trailer hitch assembly.

[0017] FIG. 4 is an illustration of a bin received in a truck bed with the tailgate removed and the support assembly mounted in place.

[0018] FIG. 5 is a view, partly in cross-section, of the interconnection of the pivot arm assembly with the trailer hitch assembly.

[0019] FIG. 6 is a view taken generally along the lines 6-6 of FIG. 5.

[0020] FIGS. 7-9 show a perspective, and sectional views thereof of an alternative interconnection of the pivot arm assembly with the trailer hitch assembly.

[0021] FIGS. 10A and 10B show a ramp assembly extending from the pivot arm assembly to a cargo bin disposed on the ground surface.

[0022] FIG. 11 is a view from a truck bed of the underside of the cargo bin in a dump position.

[0023] FIG. 12 is a view of the cargo bin shown partially extended from the truck bed.

[0024] FIG. 13 is an elevational view of the pivot arm assembly in operative association with the underside of the cargo bin.

[0025] FIG. 14 is a side elevational view of the cargo bin in a dump position.

DETAILED DESCRIPTION OF THE INVENTION

[0026] Turning to FIGS. 1-4, a prototype of a cargo bin 20 is shown both separated from the associated light truck (FIG. 1) and installed in the bed of a light truck (FIG. 4). More particularly, the bin includes a base wall member 22 and at least first, second and third sidewalls 24a, 24b, 24c that enclose a bin cavity 26. Although not shown, it will be appreciated that an additional sidewall could be provided to close the remaining open side or rear end of the bin, and/or likewise, a top or lid (i.e., removable, hinged, etc.) could also be provided to enclose the upper surface of the bin. Although the prototype is illustrated as formed wood panel portions, commercial units will more likely be formed from a plastic material or composite plastic, for example in conjunction with a durable frame such as an angle iron frame.

[0027] The bin is dimensioned for close receipt within the footprint or outline area of the cargo space of an SUV or bed of a light truck. Thus, the precise configuration of a bin may differ slightly from one vehicle to another, although it is generally contemplated that the bin will have a box-like conformation that closely matches that of the volume of the vehicle in which it is received in order to maximize storage volume or capacity.

[0028] As will also be appreciated from FIGS. 1 and 4, the bin may include a transition portion 28 that merges with the roofline, for example, of the vehicle. In other instances, the transition portion will conform to the interior of the cargo space of the SUV or other outline of the truck. Likewise, recessed cutout regions 30 may be provided along lower, opposite edges of the bin sidewalls 24a, 24c in order to accommodate a raised wheel well area in the cargo space or truck bed.

[0029] Preferably, the bin is a one-piece, integral unit so that any material stored therein is not inadvertently spilled or released into the truck bed or cargo space of the SUV. Received on a lower surface of the base wall are a series of roller members 40 that facilitate rolling movement of the bin, and particularly the base wall thereof, along the horizontal surface of the associated bed or cargo space, or along the ground surface as will be appreciated from further discussion below. The particular number or spacing of the roller members may vary depending on the size of the bin, intended use, etc.

[0030] As illustrated in FIGS. 2 and 3, pivot arm assembly 50 includes a support bar 52 secured to a transverse arm 54, preferably at approximately mid-length of the transverse arm. Outer, terminal ends of the transverse arm are secured to first and second upright arms 56, 58. The upright arms include rollers 60 on the outer terminal ends thereof for reasons, which will become more apparent below. They also include terminal rollers 62. The pivot arm assembly is preferably channel or tube stock and is either welded or fastened together and the transverse arm and first and second upright arms define a generally U-shaped member. The support bar is dimensioned for receipt in the trailer hitch receiver. For example, a conventional two-inch trailer hitch would receive the support bar therein, and a cross pin extending through the trailer hitch member and the support bar secures the pivot arm assembly to the vehicle. The support arms have a dimension that extends upwardly from the transverse arm to the base of the truck bed or cargo space of the SUV. Thus, when mounted in place, for example as illustrated in FIGS. 3 and 5, the arms 56, 58 do not interfere with rear door operation of the SUV, or when used with the tailgate removed on a truck, the arms preferably do not extend above the lower surface of the truck bed.

[0031] Alternatively, and as shown in FIGS. 5 and 6, the pivot arm assembly eliminates the support bar and uses an elongated fastener with a pair of cooperating wedge members to secure the pivot arm assembly to the trailer hitch receiver. Fastener 70 includes external threads 72 at one end that cooperate with a fastening nut 74 and a fastener head or bolt head 76 at the other end preferably has tool-engaging flats. A shank 78 of the fastener is received through an opening 80 in the transverse arm. Likewise, suitable dimensioned openings are provided through first and second wedge members 82, 84 that have selectively mating angled surfaces 86 that allow relative sliding movement as the wedge members are urged into tight gripping engagement with an internal surface 90 of the trailer hitch receiver 92. Thus, as the fastener is rotated in the desired direction, the wedge members are drawn toward one another, in sliding engagement along mating surface 86, and the longitudinal surfaces 94 of the wedge members expand outwardly into tight, securing engagement with the internal surface 90 of the trailer hitch receiver. As will be appreciated from FIGS. 5 and 6, mating surfaces 86 are angled in both the X and Y directions so that tight engagement with the internal surfaces 90 of the receiver is achieved in perpendicular directions, i.e., along the entire inner perimeter of the trailer hitch receiver.

[0032] Turning now to FIGS. 7-9, an alternative assembly is shown for securing the pivot arm assembly to the trailer hitch receiver. Where possible, like parts are identified by like reference numbers with a primed suffix, e.g., trailer hitch receiver 92 is identified as receiver 92', and new components by new reference numerals. Particularly, the receiver 92' receives a hollow square tube 96 that includes multiple engaging pads 98 that are selectively moved inwardly and outwardly through corresponding openings in the tube in response to movement of wedge member 82'. The wedge member includes an outer inclined surface that engages the pads and upon selective rotation of the fastener 70', the nut 74' is moved along shaft 72' and moves the pads either inwardly or outwardly relative to the axis of the tube to either release or grippingly engage the inner surface of the trailer hitch receiver. As shown, two pads are provided and

oriented to engage inner surfaces disposed at ninety degrees relative to one another in the hitch receiver to assure secure engagement of the pivot arm assembly.

[0033] Referring to FIGS. 10A and 10B, installation of the bin into the truck bed or cargo space is illustrated. A loading/unloading ramp assembly 100 includes first and second support members or ramps 102, 104 that are interconnected adjacent a first end by a wheel assembly 110. The wheel assembly includes first and second wheels 112, 114 interconnected by an axle 116. The axle also receives a sprocket or gear 118 that is secured to the axle. Thus, the gear is adapted to rotate with the axle that, in turn, rotates with the wheels as the wheels roll along the ground surface in response to forward or rearward movement of the vehicle. At a second end of the ramp assembly is a second axle or rotating idler shaft 120 that includes a sprocket or gear 122 mounted thereon. A flexible drive member such as chain 124 defines a continuous loop about the gears 118, 122, and additionally around idler gears 126 rotatably secured to the ramps. In this manner, the motive power of the vehicle is used to pull or haul the bin along the support members 102, 104 and into or out of the truck bed. That is, the assembly is set up as illustrated in FIG. 10. By moving the vehicle in reverse, the chain rotates (generally counterclockwise as shown) to pull the bin upwardly, the driving force being provided through rotation of the wheels 112, 114 via axle 116. As will be appreciated, the reverse situation also advantageously uses the motive power of the vehicle to pull the bin from the truck bed or cargo space.

[0034] FIGS. 11-14 illustrate various positions of the bin once it has been loaded into the truck bed. First and second channel members 140, 142 are preferably secured to the bottom surface of the bin to facilitate such movement. The channel members are located inwardly of the roller members 40 in the exemplary embodiment, disposed in parallel relation and for cooperation with respective rollers 60 provided on the upper ends of the upright arms 56, 58. The rollers provide a low friction, roller engagement of the bin with the pivot arm assembly so that the bin can be easily inserted into and withdrawn from the truck bed/cargo space. The inter-cooperation of the rollers with the channels is perhaps best illustrated in FIG. 13 where the bin is fully installed into a truck bed. Thus, the rollers 60 advancing in the channels, in conjunction with the roller members 40, allow a vehicle operator to easily slide the bin forwardly and rearwardly within the truck bed or cargo space as demonstrated in FIG. 12.

[0035] The material in the bin can also be dumped without removing the bin from the truck. This is illustrated in FIG. 14 where the bin is withdrawn and the center of gravity ultimately allows the bin to pivot along the rollers provided in the upright arms of the pivot arm assembly to a dump position. If topsoil, mulch, or the like needs to be further spread, advancement of the vehicle (leftward as illustrated) allows the remaining contents of the bin to be dumped onto

the ground surface. The operator can then easily and manually pivot the bin upwardly and then slide the bin into the truck bed/cargo space.

[0036] As will be appreciated, the bin can be completely removed from the vehicle through use of the ramp assembly. Thus, if the bin is filled with construction materials or tools, it can be transported to a work site, removed from the vehicle, and placed at a desired location on the ground surface where it is chained to a support post, or the like. Once construction is complete or if it becomes necessary to move the bin to another site, the bin is reloaded into the vehicle through use of the ramp assembly of FIG. 10. This allows the vehicle operator to continue to use the vehicle without unnecessarily hauling the materials stored in the bin back and forth to the construction site. On the other hand, the bin can remain installed in the truck bed/cargo space and material or goods stored therein and selectively removed or dumped as illustrated in FIG. 14. In both situations, the interior of the truck bed or SUV is protected through use of the durable material of construction of the bin.

[0037] The invention has been described with reference to the preferred embodiment. Modifications and alterations will occur to others upon reading and understanding this specification. For example, various other manufacturing steps may be employed or in a different sequence. Likewise, different materials may be used or alternative heat treatment processes without departing from the present invention. It is intended to include all such modifications and alterations in so far as they come within the scope of the appended claims or the equivalents thereof.

Having thus described the invention, it is now claimed:

1. A cargo hauling apparatus for an associated motor vehicle, the apparatus comprising:

a pivot arm assembly including a support member adapted for mounting in an associated hitch of the associated motor vehicle;

a storage bin dimensioned for receipt in the associated motor vehicle operatively connected to the pivot arm assembly; and

a loading/unloading drive member selectively connected to the storage bin and pivot arm assembly for loading/unloading the storage bin in response to movement of the associated motor vehicle.

2. The invention of claim 1 wherein the loading/unloading drive member includes a ramp assembly extending from the pivot arm assembly.

3. The invention of claim 2 wherein the drive member includes a flexible chain.

4. The invention of claim 1 wherein the pivot arm assembly includes rollers for slidably supporting the storage bin as the bin is loaded/unloaded.

* * * * *

APPENDIX 2

10/881,383 Cargo hauling system

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Bibliographic Data

Application Number:	10/881,383	Customer Number:	-
Filing or 371 (c) Date:	06-30-2004	Status:	Abandoned -- Failure to Respond to an Office Action
Application Type:	Utility	Status Date:	09-17-2007
Examiner Name:	LUPINO, GINA M	Location:	ELECTRONIC
Group Art Unit:	3652	Location Date:	-
Confirmation Number:	9614	Earliest Publication No:	US 2005-0135908 A1
Attorney Docket Number:	EIDZ 2 00011	Earliest Publication Date:	06-23-2005
Class / Subclass:	414/480	Patent Number:	-
First Named Inventor:	Paul Eidsmore , Santa Cruz, CA	Issue Date of Patent:	-

Title of Invention: Cargo hauling system

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10/881,383

Cargo hauling system

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Transaction History

Date	Transaction Description
09-24-2007	Mail Abandonment for Failure to Respond to Office Action
09-17-2007	Abandonment for Failure to Respond to Office Action
08-09-2007	Request for Extension of Time - Granted
07-05-2007	Mail Advisory Action (PTOL - 303)
07-02-2007	Advisory Action (PTOL-303)
06-20-2007	Date Forwarded to Examiner
06-11-2007	Amendment after Final Rejection
06-11-2007	Request for Extension of Time - Granted
02-09-2007	Mail Final Rejection (PTOL - 326)
02-05-2007	Final Rejection
11-30-2006	Date Forwarded to Examiner
11-20-2006	Response after Non-Final Action
08-18-2006	Mail Non-Final Rejection
08-07-2006	Non-Final Rejection
02-18-2005	Information Disclosure Statement considered
05-02-2006	Case Docketed to Examiner in GAU
01-25-2006	Correspondence Address Change
07-15-2005	IFW TSS Processing by Tech Center Complete
07-15-2005	Case Docketed to Examiner in GAU
02-18-2005	Reference capture on IDS
02-18-2005	Information Disclosure Statement (IDS) Filed
02-18-2005	Information Disclosure Statement (IDS) Filed
02-18-2005	Preliminary Amendment
03-03-2005	Application Return from OIPE
03-03-2005	Application Return TO OIPE
03-03-2005	Application Dispatched from OIPE
03-03-2005	Application Is Now Complete
02-18-2005	Additional Application Filing Fees
02-18-2005	A statement by one or more inventors satisfying the requirer USC 115, Oath of the Applic
02-18-2005	Applicant has submitted new drawings to correct Corrected F problems
08-16-2004	Notice Mailed--Application Incomplete--Filing Date Assigned

08-09-2004 Cleared by OIPE CSR
07-23-2004 IFW Scan & PACR Auto Security Review
06-30-2004 Initial Exam Team nn


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APPENDIX 3



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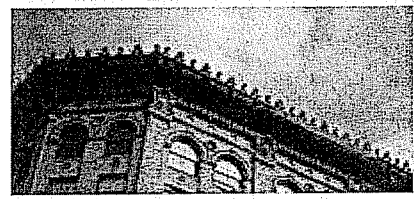
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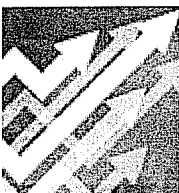
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EXHIBIT F

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

In the matter of Application Serial No. 78/433,102
For the mark: MASTERHAUL
Published in the *Official Gazette* on June 6, 2006

Master Lock Company LLC,)	
)	
Opposer,)	
)	Opposition No. 91172228
v.)	
)	
Eidsmore, Thomas P.,)	
)	
Applicant.)	
_____)	

**APPLICANT'S RESPONSE TO OPPOSER'S FIRST
SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS**

Applicant, Thomas P. Eidsmore ("Applicant" or "Eidsmore") responds as follows to the Opposer's First Set of Requests for Production of Documents and Things ("the Requests") propounded by Opposer, Master Lock Company LLC ("Opposer" or "Master Lock").

GENERAL OBJECTIONS

1. Applicant objects generally to each of the Requests insofar as they may seek confidential communications between Applicant and its attorneys, and thus attempt to invade the attorney-client privilege.

2. Applicant objects generally to each of the Requests insofar as they may seek to require Applicant or its attorneys to divulge protected work product. Applicant's attorneys join in this objection.

3. Applicant objects generally to each of the Requests insofar as the definitions of "Applicant" includes attorneys, on the ground that they seek to invade the attorney-client privilege and attorney work product doctrine, and insofar as that definition includes parties other than Applicant. Applicant's attorneys join in this objection.

4. Applicant objects to the Definitions and the General Provisions and Instructions to the extent that they purport to impose obligations beyond those provided by the Federal Rules of Civil Procedure.

5. Applicant objects to each Request to the extent it seeks production of "all" documents relating to a particular topic, where production of a representative sample of such documents would fulfill Opposer's legitimate discovery needs, on the ground that such requests are overly broad and unduly burdensome.

6. Applicant objects to each Request insofar as it seeks information which is proprietary to Applicant and/or constitutes a trade secret of Applicant, on the ground that such requests are unduly burdensome and overly broad.

RESPONSES TO DOCUMENT REQUESTS

The following responses are made without waiving the foregoing objections, which are incorporated by reference into each response.

REQUEST NO. 1:

All documents identified in or relating to Applicant's answers and/or responses to Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents where representative documents will suffice. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Applicant still further objects to the extent the required documents are covered by the attorney/client privilege or work product doctrine. Notwithstanding, representative non-privileged documents responsive to this Request will be produced.

REQUEST NO. 2:

All documents concerning the marketing, advertising, offer for sale, use, and/or promotion of Applicant's Mark by or on behalf of the Applicant, including, but not limited to, representative promotional materials from each calendar year since Applicant's first use of Applicant's Mark on or in connection with Applicant's Goods.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks “all” documents, and because it is vague and ambiguous and seeks information not relevant to these proceedings. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Notwithstanding, Applicant responds that there are no documents responsive to this request.

REQUEST NO. 3:

All documents that show past and present use of Applicant's Mark on or in connection with Applicant's Goods, including, but not limited to, packaging, labeling, invoices, and the like.

RESPONSE:

Applicant objects to this Request on the ground that it is duplicative of Request No. 2. Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks “all” documents when representative documents will suffice. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Applicant still further objects because the Request is vague and ambiguous. Notwithstanding, Applicant has not used the mark. Hence, there are no documents responsive to this request.

REQUEST NO. 4:

All documents concerning any surveys or market research studies (including focus groups) undertaken by or on behalf of Applicant concerning a mark incorporating the term MASTER.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents when representative documents will suffice. Applicant further objects on the ground that it seeks information subject to the attorney/client privilege and because it seeks confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this request.

REQUEST NO. 5:

All documents concerning searches done by or on behalf of Applicant concerning a mark incorporating the term MASTER.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents where representative documents will suffice. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Applicant still further objects to the extent the required documents are covered by the attorney/client privilege

or work product doctrine. Notwithstanding, representative non-privileged documents responsive to this Request will be produced.

REQUEST NO. 6:

All documents concerning Opposer.

RESPONSE:

Applicant objects to this Request as being overly broad and unduly burdensome in that it seeks "all" documents. Applicant further objects because the Request seeks confidential information or information subject to the attorney/client privilege and/or work product doctrine. Notwithstanding, to the extent they exist, representative non-privileged documents responsive to this Request will be produced.

REQUEST NO. 7:

All documents concerning non-legal expert opinions of whether Applicant's use or adoption of Applicant's Mark would be in conflict with any mark used or adopted by any other person, including but not limited to, the Opposer.

RESPONSE:

Applicant objects to this Request on the ground that it seeks information protected by the attorney/client privilege and/or work product doctrine. Applicant further objects to this Request on the ground that it is overly broad and unduly burdensome. Applicant also objects to this Request on the ground that it is vague and ambiguous.

Notwithstanding, Applicant responds by stating that there are no documents that are responsive to this Request.

REQUEST NO. 8:

All documents concerning the origination, adoption, conception, selection, design, development, or creation of Applicant's Mark by Applicant.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome in seeking "all" document. Applicant also objects to this Request on the ground that it seeks confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 9:

All documents concerning the use of Applicant's Mark on or in connection with one or more of Applicant's Goods.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents when representative documents will suffice. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Applicant still further objects

because the Request is vague and ambiguous. Notwithstanding, Applicant responds by stating that there are no documents that are responsive to this Request.

REQUEST NO. 10:

All documents concerning the date of Applicant's first introduction, first offer for sale, first sale, and first use in commerce of Applicant's Mark in the United States on each of Applicant's Goods.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents when representative documents will suffice. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO.11:

All documents concerning contracts, agreements, licenses, consents, and the like to which Applicant is a party and which relate to Applicant's Mark.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents. Applicant further objects to the extent the requested documents contain confidential information without entry of a

protective order. Notwithstanding, Applicant responds by stating that there are no documents that are responsive to this Request.

REQUEST NO. 12:

All documents concerning the actual or intended channels of distribution and/or trade for Applicant's Goods.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 13:

All licenses granted to Applicant by any third party or granted by Applicant to any third party concerning Applicant's Mark.

RESPONSE:

Applicant objects to this Request on the ground that it is duplicative of Request No. 11. Applicant also objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents. Applicant further objects to the extent the requested documents contain confidential information without entry of

a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 14:

All documents concerning any communication received by Applicant which Applicant believes was intended for Opposer.

RESPONSE:

No documents.

REQUEST NO. 15:

Each document concerning any informal or formal dispute in the United States, including, but not limited to a cancellation, opposition, revocation, arbitration, mediation, negotiation, or adversary proceeding between Applicant and any other party, which includes or included an allegation of infringement, unfair competition, likelihood of confusion, deception, deceptive trade practices, or dilution involving Applicant's Mark.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome in that it seeks "all" documents. Applicant further objects to the extent that it seeks confidential information and information protected by the attorney/client

privilege and/or work product doctrine. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 16:

All documents concerning or tending to show any possible likely to arise or actual confusion that has arisen out of the contemporaneous use of Opposer's Mark and Applicant's Marks or the contemporaneous marketing of Opposer's Goods and Applicant's Goods.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents. Applicant also objects because the Request is vague and ambiguous. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 17:

All documents concerning other marks that Applicant considered before selecting and/or adopting and/or using Applicant's Mark, including but not limited to, all documents concerning changes made to Applicant's Mark from the date of conception to the present date.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 18:

All documents concerning the actual and/or intended purchasers and/or customers (and end users, if different) of Applicant's Goods bearing Applicant's Mark.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 19:

All documents that identify distributors, stores, wholesalers, and/or retailers which currently provide, sell, install, service and/or distribute Applicant's Goods bearing Applicant's Mark or that are likely to do so when use of Applicant's Mark commences.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 20:

All trademark searches, surveys, or reports concerning the use or proposed use of Applicant's Mark or any variation thereof, by or on behalf of the Applicant.

RESPONSE:

Applicant objects to this Request on the ground that it is duplicative of Request Nos. 4 and 5. Applicant also objects to this Request on the ground that it is overly broad and unduly burdensome. Applicant further objects on the ground that it seeks information subject to the attorney/client privilege and because it seeks confidential information without entry of a protective order. Notwithstanding, to the extent they exist, representative non-privileged documents responsive to this request will be produced.

REQUEST NO. 21:

All documents concerning any communication about Applicant regarding commercial activities related to Applicant's Goods in newspapers, magazines, trade journals, or other printed form of communication.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome as to "all" documents. Applicant also objects to this Request on the ground that it is vague and ambiguous as to "any" communication. Applicant further objects on the ground that it seeks confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 22:

All documents which relate to Applicant's knowledge of Opposer's Mark, the use of Opposer's Mark by or on behalf of Opposer, and/or intent of Opposer to use Opposer's Mark on or in connection with the goods identified in the intent-to-use applications identified in the Notice of Opposition.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents where representative documents will suffice. Applicant further objects to the extent the requested documents contain

confidential information without entry of a protective order. Applicant still further objects to the extent the required documents are covered by the attorney/client privilege or work product doctrine. Notwithstanding, representative non-privileged documents responsive to this Request will be produced.

REQUEST NO. 23:

All documents concerning quality control exercised by Applicant over the use Applicant's Mark by third parties.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents where representative documents will suffice. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 24:

All documents concerning Opposer's Marks.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents where representative documents will suffice. Applicant further objects to the extent the requested documents

contain confidential information without entry of a protective order. Applicant still further objects to the extent the required documents are covered by the attorney/client privilege or work product doctrine. Notwithstanding, representative non-privileged documents responsive to this Request will be produced.

REQUEST NO. 25:

All documents concerning efforts by Applicant to enforce his rights in Applicant's Mark, including but not limited to, cease and desist letters, opposition proceedings, cancellation proceedings, and litigation.

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents where representative documents will suffice. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Applicant still further objects to the extent the required documents are covered by the attorney/client privilege or work product doctrine. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 26:

All documents concerning any objection raised by any third parties to Applicant's use or registration of Applicant's Mark

RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents where representative documents will suffice. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Applicant still further objects to the extent the required documents are covered by the attorney/client privilege or work product doctrine. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

REQUEST NO. 27:

All documents concerning any plans to expand, or steps toward expansion by Applicant, the number or types of products or services on or in connection with which Applicant's Mark is or will be used beyond Applicant's Goods, or to alter the present or intended channels of distribution, or to sell to persons other than Applicant's present or intended purchasers.


RESPONSE:

Applicant objects to this Request on the ground that it is overly broad and unduly burdensome to the extent that it seeks "all" documents where representative documents will suffice. Applicant further objects to the extent the requested documents contain confidential information without entry of a protective order. Notwithstanding, Applicant responds by stating that there are no documents responsive to this Request.

Dated: April 27, 2007

Respectfully submitted,

FAY SHARPE LLP




Sandra M. Koenig
Timothy E. Nauman
1100 Superior Avenue
Seventh Floor
Cleveland, Ohio 44114-2579
Phone: (216) 861-5582
Fax: (216) 241-1666

Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **APPLICANT'S RESPONSE TO OPPOSER'S FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS** was served by first class mail, postage prepaid, on April 27, 2007 on the following attorneys for Opposer:

Raymond Rundelli, Esq.
William Johnston, Esq.
Calfee, Halter & Griswold LLP
1400 McDonald Investment Center
800 Superior Avenue
Cleveland, Ohio 44114-2688

By: 
Attorney for Applicant

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EXHIBIT G

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

In the matter of Application Serial No. 78/433,102
For the mark: MASTERHAUL
Published in the *Official Gazette* on June 6, 2006

Master Lock Company LLC,)	
)	
Opposer,)	
)	Opposition No. 91172228
v.)	
)	
Eidsmore, Thomas P.,)	
)	
Applicant.)	
_____)	

**APPLICANT'S RESPONSE TO OPPOSER'S SECOND
SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS**

Applicant, Thomas P. Eidsmore ("Applicant" or "Eidsmore"), responds as follows to the Opposer's Second Set of Requests for Production of Documents and Things ("the Requests") propounded by Opposer, Master Lock Company LLC ("Opposer" or "Master Lock").

GENERAL OBJECTIONS

1. Applicant objects generally to each of the Requests insofar as they may seek confidential communications between Applicant and its attorneys, and thus attempt to invade the attorney-client privilege.

2. Applicant objects generally to each of the Requests insofar as they may seek to require Applicant or its attorneys to divulge protected work product. Applicant's attorneys join in this objection.

3. Applicant objects generally to each of the Requests insofar as the definitions of "Applicant" includes attorneys, on the ground that they seek to invade the attorney-client privilege and attorney work product doctrine, and insofar as that definition includes parties other than Applicant. Applicant's attorneys join in this objection.

4. Applicant objects to the Definitions and the General Provisions and Instructions to the extent that they purport to impose obligations beyond those provided by the Federal Rules of Civil Procedure.

5. Applicant objects to each Request to the extent it seeks production of "all" documents relating to a particular topic, where production of a representative sample of such documents would fulfill Opposer's legitimate discovery needs, on the ground that such requests are overly broad and unduly burdensome.

6. Applicant objects to each Request insofar as it seeks information which is proprietary to Applicant and/or constitutes a trade secret of Applicant, on the ground that such requests are unduly burdensome and overly broad.

RESPONSES TO DOCUMENT REQUESTS

The following responses are made without waiving the foregoing objections, which are incorporated by reference into each response.

REQUEST NO. 28:

All documents and things concerning the marketing, promotion, sale or advertising or any goods in connection with which Applicant intends to use Applicant's Mark, including, without limitation, all versions of any actual or proposed advertisements, mailings, product literature, presentation materials, catalogues, brochures, or price lists, regardless of whether such documents have been publicly disseminated or made available.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 29:

All documents that refer to or relate to any sketches, drawings, printed media or electronic files showing any stylized versions of Applicant's Mark.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 30:

All documents that refer to or relate to any sketches, drawings, printed media or electronic files showing any versions of Applicant's Mark being used in connection with any of Applicant's Goods.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 31:

All documents that refer or relate to any application to register any mark for use in connection with any of Applicant's Goods, including without limitation, the complete file for all such applications.

RESPONSE:

Subject to and without waiving the foregoing objections, Applicant responds as follows:

The application was electronically filed by Applicant himself. Documents responsive to this request are publicly available at uspto.gov.

REQUEST NO. 32:

Representative samples of each label, tag, decal imprint, package insert, package container or other means by which the mark MASTERHAUL has been or may be used on any goods sold by you.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 33:

All documents that refer or relate to the manner in which you intend to use the mark MASTERHAUL (e.g., by applying it directly to your goods or to labels which are, in turn, applied to packages containing your goods, in materials advertising the services, or the like).

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 34:

Document sufficient to identify each of Applicant's Goods in connection with which Applicant intends to use Applicant's Mark.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

Relevant documents have already been produced. There are no additional documents responsive to this request.

REQUEST NO. 35:

Documents sufficient to show the product specifications, uses and purposes of each product in connection with which Applicant intends to use Applicant's Mark.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

See Response to Request No. 34.

REQUEST NO. 36:

All documents that demonstrate or tend to demonstrate that Applicant has a "bona fide intent" to use Applicant's Mark in connection with each of Applicant's Goods.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds by stating that relevant documents will be produced.

REQUEST NO. 37:

If the mark MASTERHAUL has not yet been used in commerce, all documents that relate to Applicant's failure to use the mark in commerce to date.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds by stating that this opposition has delayed Applicant's business plans. Documents relating to this opposition are available to Opposer.

REQUEST NO.38:

All documents that refer to or relate to Applicant's decision to include "cargo storage bins" in Applicant's description of goods in the application against which this proceeding has been initiated.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 39:

For any of Applicant's Goods in connection with which Applicant intends to use Applicant's Mark, all documents that refer or relate to any effort by Applicant to create a commercial embodiment or to bring any such goods to market.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 40:

All documents relating to any agreement to provide funding or assist with the development or commercialization of any of Applicant's Goods.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 41:

All documents that refer or relate to any projected sales of Applicant's Goods.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 42:

All documents that refer or relate to any actual or projected advertising or promotional expenditures for any goods in connection with which Applicant intends to use Applicant's Mark.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 43:

Documents sufficient to show all advertising media (e.g., newspapers, magazines, trade journals, television, radio, Internet) through which the goods sold or to be sold by you under the mark MASTERHAUL have been or will be promoted by you.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 44:

Documents sufficient to show the scope of actual or intended distribution (i.e., number dispersed and geographic dispersal) of each advertising item through which the goods sold or to be sold by you under the mark MASTERHAUL have been or will be promoted.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 45:

All agreements that refer or relate to any person or outside entity employed or retained by you to market, advertise or promote any of Applicant's Goods.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 46:

All documents that refer or relate to any person or outside entity's efforts to market, advertise or promote any of Applicant's Goods.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 47:

All documents that refer or relate to the manufacture or packaging of any goods in connection with which Applicant intends to use Applicant's Mark.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 48:

All documents concerning any civil action in which Applicant is or has been a party.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 49:

All documents concerning any criminal proceeding in which Applicant is or has been a defendant.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 50:

All documents concerning any administrative proceeding in which Applicant is or has been a party.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 51:

All documents concerning any consumer complaint concerning Applicant, Applicant's Goods or the commercial activities of Applicant.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 52:

All documents concerning any communications about Applicant, Applicant's Goods or the commercial activities of Applicant in newspapers, periodicals, magazines, trade journals or other printed or electronic form of communication.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 53:

All documents provided by or on behalf of Applicant to each person from whom testimony or other evidence under Rules 702, 703 or 705 of the Federal Rules of Evidence may be offered by Applicant during the testimony phase of the above-captioned Opposition proceeding.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 54:

Documents that show the contemplated retail sales price and the manufacturer's suggested retail sales price (MSRP) of all goods in connection with which Applicant intends to use Applicant's Mark.

RESPONSE:

Subject to and without waiving the foregoing general objections, Applicant responds as follows:

There are no documents responsive to this request.

REQUEST NO. 55:

All documents that refer or relate to any third party's use of any mark containing the word MASTER, and/or Applicant's knowledge or awareness of such use.

RESPONSE:

Subject to and without waiving the foregoing general objections, relevant documents responsive to this request will be produced.

REQUEST NO. 56:

Documents sufficient to show all domain names registered or owned by Applicant.

RESPONSE:

Subject to and without waiving the foregoing general objections, relevant documents responsive to this request will be produced.

REQUEST NO. 57:

All documents you intend to rely upon in connection with this proceeding.

RESPONSE:

Subject to and without waiving the foregoing general objections, relevant documents responsive to this request have been or will be produced.

REQUEST NO. 58:

All documents referred to or relied upon in responding to any of Opposer's Interrogatories.

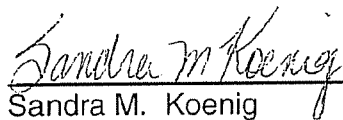
RESPONSE:

Subject to and without waiving the foregoing general objections, relevant documents responsive to this request will be produced.

Dated: August 13, 2007

Respectfully submitted,

FAY SHARPE LLP



Sandra M. Koenig
Timothy E. Nauman
1100 Superior Avenue
Seventh Floor
Cleveland, Ohio 44114-2579
Phone: (216) 861-5582
Fax: (216) 241-1666

Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **APPLICANT'S RESPONSE TO OPPOSER'S SECOND SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS** was served by first class mail, postage prepaid, on August 13, 2007, on the following attorneys for Opposer:

Raymond Rundelli, Esq.
William A. Johnston, Esq.
Calfee, Halter & Griswold LLP
1400 McDonald Investment Center
800 Superior Avenue
Cleveland, Ohio 44114-2688

By:

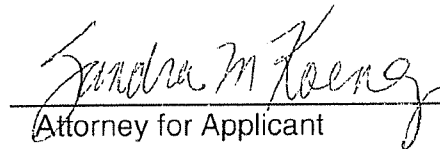

Attorney for Applicant

EXHIBIT H

Trademark/Service Mark Application, Principal Register

Serial Number: 77150887

Filing Date: 04/06/2007

The table below presents the data as entered.

Input Field	Entered
SERIAL NUMBER	77150887
MARK INFORMATION	
*MARK	HAULMASTER
STANDARD CHARACTERS	YES
USPTO-GENERATED IMAGE	YES
LITERAL ELEMENT	HAULMASTER
MARK STATEMENT	The mark consists of standard characters, without claim to any particular font, style, size, or color.
APPLICANT INFORMATION	
*OWNER OF MARK	Thomas P. Eidsmore
*STREET	1700 Granite Creek Rd.
*CITY	Santa Cruz
*STATE (Required for U.S. applicants)	California
*COUNTRY	United States
*ZIP/POSTAL CODE (Required for U.S. applicants only)	95065
PHONE	831-345-5020
FAX	831-425-0888
EMAIL ADDRESS	tomeidsmore@hotmail.com
AUTHORIZED TO COMMUNICATE VIA EMAIL	Yes
LEGAL ENTITY INFORMATION	
*TYPE	PARTNERSHIP
*STATE/COUNTRY WHERE LEGALLY ORGANIZED	California
NAME(S) OF GENERAL PARTNER(S) & CITIZENSHIP/INCORPORATION	Paul Eidsmore-U.S. citizen
GOODS AND/OR SERVICES AND BASIS INFORMATION	
INTERNATIONAL CLASS	012

DESCRIPTION	Cargo storage bins especially adapted to fit in trucks or SUVs; Mechanically assisted self-contained insert dump units installed in pick up trucks
FILING BASIS	SECTION 1(b)
CORRESPONDENCE INFORMATION	
NAME	Thomas P. Eidsmore
FIRM NAME	Thomas P. Eidsmore
STREET	1700 Granite Creek Rd.
CITY	Santa Cruz
STATE	California
COUNTRY	United States
ZIP/POSTAL CODE	95065
PHONE	831-345-5020
FAX	831-425-0888
EMAIL ADDRESS	tomeidsmore@hotmail.com
AUTHORIZED TO COMMUNICATE VIA EMAIL	Yes
FEE INFORMATION	
NUMBER OF CLASSES	1
FEE PER CLASS	325
TOTAL FEE DUE	325
SIGNATURE INFORMATION	
SIGNATURE	/Thomas Eidsmore/
SIGNATORY'S NAME	Thomas Eidsmore
SIGNATORY'S POSITION	Owner
DATE SIGNED	04/06/2007
FILING INFORMATION SECTION	
SUBMIT DATE	Fri Apr 06 16:29:55 EDT 2007
TEAS STAMP	USPTO/BAS-63.249.86.148-2 0070406162955333502-77150 887-370b47fb8f58b5ecf6e96 a89940fe186fe9-CC-291-200 70406160302837762

Trademark/Service Mark Application, Principal Register

Serial Number: 77150887

Filing Date: 04/06/2007

To the Commissioner for Trademarks:

MARK: HAULMASTER (Standard Characters, see mark)

The literal element of the mark consists of HAULMASTER. The mark consists of standard characters, without claim to any particular font, style, size, or color.

The applicant, Thomas P. Eidsmore, a partnership legally organized under the laws of California, having as partner(s) Paul Eidsmore-U.S. citizen, having an address of 1700 Granite Creek Rd., Santa Cruz, California, United States, 95065, requests registration of the trademark/service mark identified above in the United States Patent and Trademark Office on the Principal Register established by the Act of July 5, 1946 (15 U.S.C. Section 1051 et seq.), as amended.

For specific filing basis information for each item, you must view the display within the Input Table.

International Class 012: Cargo storage bins especially adapted to fit in trucks or SUVs; Mechanically assisted self-contained insert dump units installed in pick up trucks

If the applicant is filing under Section 1(b), intent to use, the applicant declares that it has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the identified goods and/or services. 15 U.S.C. Section 1051(b), as amended.

If the applicant is filing under Section 1(a), actual use in commerce, the applicant declares that it is using the mark in commerce, or the applicant's related company or licensee is using the mark in commerce, on or in connection with the identified goods and/or services. 15 U.S.C. Section 1051(a), as amended.

If the applicant is filing under Section 44(d), priority based on foreign application, the applicant declares that it has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and asserts a claim of priority based on a specified foreign application(s). 15 U.S.C. Section 1126(d), as amended.

If the applicant is filing under Section 44(e), foreign registration, the applicant declares that it has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and submits a copy of the supporting foreign registration(s), and translation thereof, if appropriate. 15 U.S.C. Section 1126(e), as amended.

Correspondence Information: Thomas P. Eidsmore
1700 Granite Creek Rd.
Santa Cruz, California 95065
831-345-5020(phone)
831-425-0888(fax)
tomeidsmore@hotmail.com (authorized)

A fee payment in the amount of \$325 will be submitted with the application, representing payment for 1 class(es).

Declaration

The undersigned, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. Section 1001, and that such willful false statements, and the like, may jeopardize the validity of the application or any resulting registration, declares that he/she is properly authorized to execute this application on behalf of the applicant; he/she believes the applicant to be the owner of the trademark/service mark sought to be registered, or, if the application is being filed under 15 U.S.C. Section 1051(b), he/she believes applicant to be entitled to use such mark in commerce; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive; and that all statements made of his/her own knowledge are true; and that all statements made on information and belief are believed to be true.

Signature: /Thomas Eidsmore/ Date Signed: 04/06/2007

Signatory's Name: Thomas Eidsmore

Signatory's Position: Owner

RAM Sale Number: 291

RAM Accounting Date: 04/09/2007

Serial Number: 77150887

Internet Transmission Date: Fri Apr 06 16:29:55 EDT 2007

TEAS Stamp: USPTO/BAS-63.249.86.148-2007040616295533

3502-77150887-370b47fb8f58b5ecf6e96a8994

0fe186fe9-CC-291-20070406160302837762

HAULMASTER

EXHIBIT I

LEXSEE 1990 U.S. DIST. LEXIS 9350

**KAREN MIRANDA, Plaintiff, v. B & B CASH GROCERY STORES, INC.,
Defendant**

Case No. 88-1735-CIV-T-10C

**UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
FLORIDA, TAMPA DIVISION**

1990 U.S. Dist. LEXIS 9350

May 4, 1990, Decided

COUNSEL: [*1] *DOUGLAS L. GROSS*, Tampa, Florida.

THOMAS M. GONZALEZ, Thompson, Sizemore & Gonzalez, Tampa, Florida.

JUDGES: Elizabeth A. Jenkins, United States Magistrate.

OPINION BY: JENKINS**OPINION****ORDER**

THIS CAUSE comes on for consideration of Defendant's Motion for Partial Summary Judgment (Dkt. 17). Defendant moves for partial summary judgment on plaintiff's claims contained in Count II (Equal Pay Act) and Count III (Intentional Infliction of Emotional Distress) of her complaint.

I. Introduction

Plaintiff brings this action claiming unlawful discrimination on the basis of sex under Title VII of the Civil Rights Act of 1964, as amended ("Title VII"), 42 U.S.C. §§ 2000e-1 - 2000e-17, violation of the Equal Pay Act of 1963, as amended ("Equal Pay Act") 29 U.S.C. § 206, and a pendent claim brought under Florida law of intentional infliction of emotional distress.

For purposes of a motion for summary judgment, the moving party bears the burden of identifying those

portions of the pleadings, depositions, answers to interrogatories and admissions on file, together with affidavits which it believes demonstrates the lack of a genuine issue of material fact and that the moving party is entitled to judgment as a matter [*2] of law. See *Celotex Co. v. Catrett*, 477 U.S. 317, 323 (1986); Rule 56(c), Fed.R.Civ.P. The non-moving party will then be required to present specific facts, by affidavit or otherwise, "to make a sufficient showing on an essential element of [plaintiff's] case with respect to which [the plaintiff] has the burden of proof. Id. at 323.

When the record taken as a whole could not lead a rational trier of fact to find for the non-moving party, there is no genuine issue for trial. *First National Bank of Arizona v. Cities Service Co.*, 391 U.S. 253, 289 (1968).

II. Emotional Distress Claim

Plaintiff's Count III of her complaint alleges in part that she has suffered and continues to suffer "significant emotional and mental distress as a result of the continuous intimidation and apprehension of whether her work and contributions to the Defendant . . . would be rewarded and the sexual discrimination cease." (Plaintiff's Complaint para. 21). She also alleges that defendant's "want of attention to the duty to take remedial action concerning Defendant's sexually discriminatory behavior constitutes great indifference to Plaintiff's person and as such is outrageous conduct and exceeds [*3] the bound of decency and custom for a retail food store." (Plaintiff's Complaint para. 24).

Plaintiff claims that the discriminatory acts of defendant have caused her "humiliation, embarrassment,

anxiety, medical suffering which has been manifested by loss of appetite, loss of sleep, loss of emotional tranquility, and lowered self esteem." (Plaintiff's Complaint para. 23).

In paragraph 19 of plaintiff's affidavit appended to her response brief, she states as follows:

By reason of the sexually discriminatory and belittling behavior toward me for an extended length of time coupled with B & B CASH GROCERY STORES, INC. corporate management's misrepresentations that they would cure the sexual discriminatory behavior while intending to continue, covertly, said sexual discrimination I did suffer a lowered self-esteem, embarrassment, anxiety, loss of appetite, loss of sleep, loss of emotional tranquility and humiliation.

(Affidavit of Karen Miranda, Exhibit "A" to plaintiff's response brief).

In addition, in opposing defendant's motion plaintiff cites letters, appended to her response brief, in which she complained to her supervisors and to the company president concerning her salary [*4] in the title of buyer. See Composite Exhibit "E" to plaintiff's response brief.

Defendant contends that even if plaintiff's allegations are taken as true, the claims in Count III of her complaint do not rise to the level of outrageousness sufficient to state a cause of action for intentional infliction of emotional distress.

Florida has recognized the tort of intentional infliction of emotional distress and has adopted the definition of the tort stated in Section 46, Restatement (Second) of Torts (1965). *Metropolitan Life Ins. Co. v. McCarron*, 467 So.2d 277, 278 (Fla. 1985). To prove intentional infliction of emotional distress under Florida law, the plaintiff must prove: (1) deliberate or reckless infliction of mental suffering; (2) by outrageous conduct; (3) which conduct must have caused the suffering; and (4) the suffering must have been severe. *Ibid.*; see also *Hart v. United States*, No. 89-3193, slip op. at 1833 (11th Cir. March 1, 1990); and *Dominguez v. Equitable Life Assur. Soc. of the United States*, 438 So.2d 58, 59 (Fla. 3d DCA 1983).

Conduct is intentional "where the actor knows that [severe] distress is certain, or substantially certain to result from [*5] his conduct." *Ford Motor Credit Co. v.*

Sheehan, 373 So.2d 956, 958 (Fla. 1st DCA), cert. dismissed, 379 So.2d 204 (Fla. 1979). Outrageous conduct is conduct which is:

so outrageous in character, and so extreme in degree, as to go beyond all possible bounds of decency, and to be regarded as atrocious, and utterly intolerable in a civilized community." Generally, the case is one in which the average member of the community would arouse his resentment against the actor, and lead him to exclaim, "Outrageous."

McCarron, 467 So.2d at 278-279, citing, Restatement (Second) of Torts § 46 (1965). With regard to the actor's intent, the Restatement provides:

it has not been enough that the defendant has acted with an intent which is tortious or even criminal, or that he has intended to inflict emotional distress, or even that his conduct has been characterized by "malice," or a degree of aggravation which would entitle the plaintiff to punitive damages for another tort . . .

Restatement (Second) of Torts § 46.

Under Florida law, whether the actor's conduct is atrocious and utterly intolerable in a civilized community, and thus may form the basis of a claim for intentional [*6] infliction of emotional distress, is a matter of law for the court, not a question of fact. *Dependable Life Ins. Co. v. Harris*, 510 So.2d 985, 988 (Fla. 5th DCA 1987); *Ponton v. Scarfone*, 468 So.2d 1009, 1011 (Fla. 4th DCA 1985). In applying the standards set forth in the Restatement definition, the subjective response of the person who is the target of the actor's conduct is not to control the question of whether the tort occurred. An objective evaluation of the conduct in question must be made by the court. *Ibid.*

To date, no Florida court has found that any plaintiff has stated a cause of action for this tort in the employment context. In fact, courts have rejected claims for intentional infliction of emotional distress in circumstances involving alleged sexual harassment, intentional race discrimination, and verbal abuse on the part of the employer. See *Ponton*, *supra* at 1011 (employer's attempt to induce employee to join with him in sexual liaison found not so outrageous as to constitute intentional infliction of emotional distress); *Food Fair, Inc. v. Anderson*, 382 So.2d 150, 153 (Fla. 5th DCA

1980) (no cause of action stated when employer forced employee [*7] to sign statement admitting to theft under threat of termination and was later fired following polygraph testing and signing a second admission statement); *Lay v. Roux Laboratories, Inc.*, 379 So.2d 451, 452 (Fla. 1st DCA 1980) (no cause of action when employer threatened plaintiff with termination, used humiliating language, made vicious verbal attacks and racial epithets towards plaintiff); and *Scheller v. American Medical Intern., Inc.*, 502 So.2d 1268, 1270-1271 (Fla. 4th DCA 1987) (hospital's ostracizing of pathologist, excluding him from social affairs, falsely accusing him of theft, prohibiting him from conversing with lab personnel, and publishing false income information found insufficiently outrageous to state cause of action).

Federal courts in this circuit have been equally unwilling to find a cause of action for this tort in the employment context. See *Studstill v. Bora Warner Leasing*, 806 F.2d 1005, 1008 (11th Cir. 1986) (no cause of action in tort when plaintiff alleged verbal sexual harassment); *Fowler v. Taco Viva, Inc.*, 646 F. Supp. 152, 158 (S.D. Fla. 1986) (allegations of malice in employer's slanderous statements, intentional race discrimination [*8] in employment decisions, and harassment held insufficient to state cause of action).

Cases in which Florida courts have found plaintiff stated a cause of action for intentional infliction of emotional distress have typically involved intentional attempts to coerce action on the part of the plaintiff through threats and fraudulent conduct, closely akin to extortion. See *Dependable Life*, supra at 987-988 (cause of action stated when credit disability insurer wrongfully denied coverage and attempted to frighten insured from collecting under policy); and *Ford Motor Credit Co. v. Sheehan*, 373 So.2d 956 (Fla. 1st DCA 1979) (false representation to debtor that his children had been seriously injured in order to locate him).

Based on the foregoing, it is clear that under Florida law with regard to the tort of intentional infliction of emotional distress, plaintiff's allegations of failure to remedy complaints of sex discrimination in rates of pay and personal concerns regarding whether her work would be rewarded within the company, as a matter of law do not constitute conduct which is sufficiently outrageous to state a cause of action for this tort. This conduct is not the type [*9] which Florida courts would consider "so

outrageous in character, and so extreme in degree, as to go beyond all possible bounds of decency, and to be regarded as atrocious, and utterly intolerable in a civilized community." *McCarson*, supra at 278-279.

Plaintiff has cited no Florida cases in which a court has recognized a cause of action for intentional infliction of emotional distress based upon conduct of an employer towards an employee similar to the allegations in this case. While the cases cited by plaintiff indicate a willingness by those courts from other jurisdictions to provide somewhat greater protection to employees from outrageous behavior by virtue of the employment relationship, Florida courts have not premised liability for this tort on such rationale. The Florida cases cited above evidence a trend to deny a cause of action for intentional infliction of emotional distress when the employee complained of conduct which appears far more egregious than in the case at bar. See e.g. *Ponton*, supra; and *Food Fair*, supra.

Further, plaintiff's affidavit and other referenced materials are insufficient to create a triable issue of fact with respect to her [*10] intentional infliction of emotional distress claim. The portion of plaintiff's declaration relied upon contains merely self-serving conclusory allegations mirroring those contained in her complaint and, therefore, is insufficient to raise a genuine issue of fact for trial so as to avoid summary judgment on this claim.¹ See *Evers v. General Motors Corp.*, 770 F.2d 984, 986 (11th Cir. 1985) (conclusory allegations without specific supporting facts have no probative value); Rule 56(e), Fed.R.Civ.P.

1 The undersigned declines, however, to follow defendant's urging to take the extreme measure of striking the portions of plaintiff's affidavit which are conclusory.

The deposition testimony and documents cited by plaintiff in support of her Count III claim similarly fail to establish a triable issue of fact. Plaintiff cites testimony and correspondence which demonstrate that she complained to her employer on a number of occasions concerning the amount of her salary. The remainder of the summary of "facts . . . which raise [*11] a material fact for the jury . . ." cited by plaintiff contain more conclusory allegations such as the following:

. . . the management of the defendant was on personal notice of laws prohibiting sexual discrimination

[and] chose to ignore the law and continue unfair employment practices

That the Defendant never intended to give equal pay to the Plaintiff and would not have given the Plaintiff the position except they had no choice then the Defendant made the Plaintiff train a male "Buyer" to replace her under the auspices of giving him a position and retainer [sic] the Plaintiff. (see deposition of Karen Wederbrand at page 16).

(para. 1(e) of Section I.C. of plaintiff's response brief).

Accordingly, the undersigned concludes that plaintiff has failed to raise a genuine issue of material fact for trial and that defendant is entitled to judgment as a matter of law on plaintiff's Count III claim for intentional infliction of emotional distress.

III. Equal Pay Act Claim

Defendant argues that plaintiff cannot meet her burden under the Equal Pay Act of demonstrating that she was paid less than comparable male employees performing substantially equivalent work and that, [*12] even if such a prima facie case is demonstrated, the pay differential was based on a factor other than sex.

Specifically, defendant contends that plaintiff cannot make out a prima facie case under the Equal Pay Act because plaintiff's job and that of her closest male comparator, Don Kelley, were not "substantially equivalent" in that he had greater responsibility and performed more duties in terms of amounts of items bought in the grocery.

Plaintiff, on the other hand, argues that she had substantially equivalent responsibilities and was required to exert substantially equal effort in her job as the other buyers. In addition, plaintiff disputes the necessity of management experience for the buyer position and questions such experience as a factor justifying the pay differential.

Finally, plaintiff argues that she has been prejudiced in her response to the summary judgment motion on the Equal Pay Act claim due to defendant's opposition to certain discovery propounded by plaintiff. In this regard, by order of the undersigned dated February 16, 1990, (Dkt.39), plaintiff's motion to compel was granted except

for information concerning defendant's ownership and upper-level management positions. [*13] Plaintiff thereafter, by order of the undersigned dated March 20, 1990, (Dkt.46), was granted an additional 14 days within which to file a supplemental memorandum in which to set forth any additional facts or legal authority recently discovered in support of her response to the Equal Pay Act portion of defendant's motion. Plaintiff has, however, failed to file a supplemental memorandum within the allotted time. Accordingly, plaintiff's argument that summary judgment on this issue is premature prior to receipt of discovery responses is without merit.

Section 6(d)(1) of the Equal Pay Act, 29 U.S.C. § 206(d)(1) (1963) ("EPA") provides, in part:

(d)(1) No employer having employees subject to any provisions of this section shall discriminate, within any establishment in which such employees are employed, between employees on the basis of sex by paying wages to employees in such establishment at a rate less than the rate at which he pays wages to employees of the opposite sex in such establishment for equal work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions, except where such payment is made [*14] pursuant to . . . (iv) a differential based on any other factor other than sex.

In order to make out a prima facie case under the Equal Pay Act, a plaintiff bears the burden of establishing that he or she did not receive equal pay for equal work "on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions." *Corning Glass Works v. Brennan*, 417 U.S. 188, 195 (1974) quoting from 29 U.S.C. § 206(d)(1) (1963). These factors are to be given a technical interpretation according to the practice of professional job evaluators. 417 U.S. at 198-204.

There are four statutory exceptions from liability which may be raised by the employer as affirmative defenses on which it has the burden of proof:

where such [different] payment is made pursuant to (i) a seniority system; (ii) a merit system; (iii) a system which measures earnings by quantity or quality of production; or (iv) a differential based on any other factor other than sex.

Id. at 196, quoting from 29 U.S.C. § 206(d)(1) (1963).

The particular jobs at issue must be compared when determining whether a prima facie case is made out under the EPA, [*15] not the skills and qualifications of the individual employees holding those jobs. See *Glenn v. General Motors Corp.*, 841 F.2d 1567, 1569 (11th Cir.), cert. denied 109 S.Ct. 378 (1988); *Brock v. Georgia Southwestern College*, 765 F.2d 1026, 1032 (11th Cir. 1985). The jobs held by members of the opposite sex need not be identical but only "substantially equal." *Brock*, supra, 765 F.2d at 1032. The inquiry focuses on the primary duties of each job, not those which are incidental or insubstantial. *Goodrich v. International Bh'd. of Elec. Wkrs., AFL-CIO*, 815 F.2d 1519, 1524 (D.C. Cir. 1987). Plaintiff need only show discrimination in pay vis-a-vis one employee of the opposite sex. *Brock*, supra, at 1033 n.10.

Courts must determine the issue of substantial equality on a case-by-case basis. *Spaulding v. University of Washington*, 740 F.2d 686, 697 (9th Cir.), cert. denied, 469 U.S. 1036 (1984). The EPA's requirement that the two jobs being compared require substantially equal skill, effort, responsibility, and be performed under similar working conditions are separate tests such that plaintiff must prove all four requirements in order to make out a prima [*16] facie case. E.E.O.C. Equal Pay Regulations, 29 C.F.R. § 1620.14(a) (July 1, 1989 ed.); see also *Forsberg v. Pacific Northwest Bell Tel. Co.*, 840 F.2d 1409, 1414 (9th Cir. 1988). If plaintiff fails to raise a material issue of fact with respect to one of the four requirements, summary judgment for defendant is appropriate. *Forsberg*, 840 F.2d at 1415-1416.

The parties are in agreement that in 1986 B & B's president, C. C. Bever, Jr. reorganized the buying functions and positions in the grocery and dairy areas at B & B and created four buyer positions when there had been two before. The two new buyer positions in the grocery department were filled by plaintiff and Don Kelley, a former store manager for defendant.

Plaintiff was given the position of grocery buyer, along with Don Kelley, after the previous grocery buyer, James Duffy, separated from his employment with defendant. Prior to becoming a buyer, plaintiff occupied the position of warehouse clerical worker and assistant to Mr. Duffy. The duties for the grocery buyer position which had previously been filled by Mr. Duffy alone were split between Don Kelley and the plaintiff, the former assistant to Mr. Duffy.²

2 The grocery buyer was responsible for purchasing all items which did not require refrigeration or which were non-perishable. (Duffy depo. p.22; Bever depo. pp. 19-20).

[*17] When plaintiff was given the job of "grocery buyer" she originally earned \$ 400.00 per week which was increased within a short period of time to \$ 420.00 per week. (Miranda depo. pp. 84, 96). The other buyers at that time were making the following salaries and had the following titles: Don Kelley, grocery buyer, \$ 625.00 per week; J.B. Bowden, produce buyer, \$ 650.00 per week; Evelio R. Polo, merchandising buyer, \$ 650.00 per week; Howard L. Clarke, wine buyer, \$ 450.00 per week; Dick Gossic, meat and deli buyer, \$ 650.00 per week; Robert J. Edenfield, dairy merchandising buyer, \$ 625.00 per week; Harold Tidwell, head buyer, \$ 650.00 per week; and Linda Sholes, assistant buyer, \$ 390.00 per week. (Affidavit of Karen Miranda, p.2).

As far as types of groceries purchased and similarities in tasks, it appears that Don Kelley, also given the title of grocery buyer, is the closest male comparator³ to plaintiff for purposes of plaintiff's Equal Pay Act claim and the parties have so assumed in their submissions. Plaintiff's and Kelley's salaries remained at the same level throughout plaintiff's tenure as grocery buyer from July, 1986 until July, 1988. (Kelley depo. p.21).

3 The term "comparator" refers to the member of the opposite sex who is allegedly paid more than the claimant for substantially equal work. See *Brock*, supra at 1033 n. 10.

[*18] The items which plaintiff purchased for defendant included coffee, candy, cigarettes, gum, tobacco, dog food, some dried groceries, and warehouse soft drinks. (Deposition of Karen Miranda, pp. 62, 72-73; deposition of Don Kelley, pp. 12, 19). Don Kelley purchased other grocery items, including canned vegetables. (Kelley Depo. p.11). Mr. Kelley was given more product lines to purchase than plaintiff and was responsible for two-thirds to three-quarters of the total grocery items and volume of purchases as opposed to one-third to one-fourth for the plaintiff. (Kelley depo. pp. 11-12, 25-26). This division of responsibility was originally set up by Mr. Duffy, their predecessor, near the time of his separation from the company. (Miranda depo. p.73; Duffy depo. p. 102).

Ben Phillips, defendant's director of operations when plaintiff was made a buyer, stated during his deposition that he considered plaintiff a full-fledged buyer and that she did not have the title of "assistant buyer," (Deposition of Ben Phillips, pp.49-50). However, the titles chosen to describe jobs are not dispositive in determining substantial similarity of jobs under the EPA. See Forsberg supra at 1414; Parker [*19] v. Burnley, 693 F. Supp. 1138, 1149 (N.D. Ga. 1988), modified on other grounds, 703 F. Supp. 925 (N.D. Ga. 1988); E.E.O.C. Equal Pay Regulations, 29 C.F.R. 1620.13(e) (1987).

Although the evidence presented suggests that the plaintiff and Don Kelley performed many of the same types of tasks in buying their respective products,⁴ it is undisputed that Mr. Kelley's job involved buying two-thirds to three-quarters of the total grocery items assigned to the two grocery buyers. Plaintiff also fails to present any evidence rebutting testimony by Mr. Kelley that he was responsible for two-thirds to three-quarters of the total volume of grocery business in terms of price and dollar amount. (Kelley depo. p. 12). The testimony of Mr. Bever, company president indicated that the dollar amount handled by buyers was important in measuring job responsibility among the buyers. (Bever depo. pp. 20-21).

4 Specifically, it appears that both Don Kelley and the plaintiff conducted "direct vendor buying" and "order point buying" for defendant.

[*20] Thus, it is apparent that plaintiff's job was not substantially equal in responsibility to that of her closest male comparator. The jobs performed by plaintiff and Mr. Kelley were not sufficiently equal to enable plaintiff to make out a prima facie case under the Act. See generally Forsberg, supra at 1415 (holding that plaintiff failed to raise a material issue of fact on an element of her prima facie case under the EPA, i.e. whether the skills necessary for the jobs compared were substantially equal). Because plaintiff must show substantial equality for each statutory component,⁵ it is unnecessary to determine whether plaintiff has raised a material issue of fact as to the other statutory requirements for a finding of substantial equality. Id. at 1416.

5 The statutory components for substantial equality of the jobs compared are, as noted above, equal skill, effort, and responsibility, and performance under similar working conditions.

Although plaintiff, in her response, states that she complained to [*21] her supervisors about the number of items she was assigned to purchase, the EPA does not encompass a claim of workload discrimination, even if it were shown to have existed with respect to the plaintiff. *Berry v. Board of Supervisors of L.S.U.*, 715 F.2d 971, 977 (5th Cir. 1983).

Plaintiff has raised the argument in her response to defendant's motion for partial summary judgment that the items she purchased for defendant had a higher aggregate cost and involved greater inventory turnover rate and had a greater potential for effect on defendant's profits and losses than those purchased by the other buyers.⁶ This assertion, however, is not supported in the record before the undersigned nor does plaintiff cite any testimony or documentation in support of such a contention. Plaintiff has the burden, in responding to a motion for summary judgment, of coming forward with specific facts showing there is a genuine issue for trial. Rule 56(e), Fed.R.Civ.P.

6 Dkt. 32, unnumbered page 11.

Plaintiff has asserted that she had [*22] the extra duty of training Mr. Kelley when he started his job as a buyer. (Miranda affidavit, p.3). Mr. Kelley disputes that plaintiff had to train him as a grocery buyer, stating that she merely familiarized him with the office. (Kelley depo. p.16). Although there is a factual dispute as to whether plaintiff actually performed the duty of training Mr. Kelley as a grocery buyer, the undersigned concludes that the dispute is not material as no testimony has been presented by plaintiff that training was a primary duty of the job of grocery buyer as opposed to an incidental or insubstantial task. See *Goodrich*, supra at 1524.

Finally, plaintiff argues that because she performed secretarial duties in her new position, her buyer position should be considered equivalent to Mr. Kelley's.⁷ In that regard, it has been held that even though the performance of extra duties may help a plaintiff show that two jobs are essentially equal in responsibility, the extra duties cannot be tasks that would be typically performed by other personnel at lower pay. See *E.E.O.C. v. Central Kansas Medical Center*, 705 F.2d 1270, 1273 (10th Cir. 1983) (jobs may be equal under the Act even though one [*23] sex is given extra duties if the other sex also performs extra duties of equal skill, effort and responsibility); and *Goodrich*, supra at 1524 (extra duties may not be tasks typically performed by lower paid personnel).

7 Dkt. 32, unnumbered page 11.

The extra clerical tasks performed by plaintiff when she had the buyer title were tasks typically assigned to lower paid personnel at B & B. The position of warehouse clerical worker, occupied by plaintiff prior to becoming a buyer, required the performance of such tasks and carried a lower salary. (See Miranda depo. pp.48, 71).

Plaintiff cites Brock, supra, as supporting her position that her job entailed substantially equal responsibility as Mr. Kelley's. In Brock, the court upheld the district court's determination that the jobs of two physical education teachers and coaches were substantially equal. In that case, however, plaintiff presented testimony from the chairperson of the department that the teaching duties of the two were "fairly similar" [*24] and that the intramural program and the intercollegiate program in which the comparators coached were equal in importance to the university. 765 F.2d at 1035. Here, by contrast, plaintiff has presented no testimony indicating that defendant considered her job equal in responsibility to that of Mr. Kelley.

Bourque v. Powell, 617 F.2d 61 (5th Cir. 1980), cited by plaintiff as supporting her Equal Pay Act claim, is distinguishable in that the court in that case never seriously considered defendant's argument that the buyer position assumed by the plaintiff had been recently downgraded after her predecessor male buyer was fired and then upgraded again after plaintiff's departure. The court's opinion contains no analysis of the comparative duties and responsibilities of plaintiff's buyer position as there was apparently never a serious issue on this question. In addition, there was trial testimony in Bourque from plaintiff that defendant's vice president told her that he "would not pay any damned woman the same money [he would] pay a man for that position." Id.

at 64 notes 2, 3.

Because plaintiff has failed to present specific facts showing that there is a genuine issue of [*25] material fact as to an essential element of her Equal Pay Act claim and the substantial equality of her job with that of her closest male comparator, the undersigned finds that summary judgment with regard to plaintiff's Equal Pay Act claim in favor of defendant is warranted as a matter of law.

IV. Conclusion

The undersigned concludes that with regard to plaintiff's intentional infliction of emotional distress claim, plaintiff's allegations, as a matter of law, do not constitute conduct which is sufficiently outrageous to state a cause of action and that plaintiff has failed to raise a genuine issue of material fact as to this claim.

In addition, because plaintiff has failed to present specific facts showing that there is a genuine issue of material fact as to an essential element of her Equal Pay Act claim, defendant's motion for summary judgment on plaintiff's Equal Pay Act claim should also be granted.

It is, therefore,

ORDERED:

(1) that Defendant's Motion for Partial Summary Judgment (Dkt.17) is GRANTED as to Counts II and III of plaintiff's complaint alleging violation of the Equal Pay Act and intentional infliction of emotional distress, respectively.

DONE and ORDERED at Tampa, [*26] Florida this 4th day of May, 1990.

EXHIBIT J

LEXSEE 2000 U.S. DIST. LEXIS 12490

**ADVERTISING TO WOMEN, INC. and LOLIERE, INC., Plaintiffs, vs. GIANNI
VERSACE S.p.A.; SAKS FIFTH AVENUE, VERSACE PROFUMI U.S.A., LTD.,
and GIVER PROFUMI, S.p.A., Defendants.**

Case No. 98 C 1553

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
ILLINOIS, EASTERN DIVISION**

2000 U.S. Dist. LEXIS 12490

August 24, 2000, Decided

August 25, 2000, Docketed

DISPOSITION: [*1] Plaintiffs' and Defendants' respective motions (Docs 157-1 & 160-1) for summary judgment denied.

COUNSEL: For ADVERTISING TO WOMEN, LOLIERE INC, plaintiffs: Thomas J. Donovan, Trexler, Bushnell, Giangiori & Blackstone, Ltd., Chicago, IL.

For ADVERTISING TO WOMEN, LOLIERE INC, plaintiffs: G Roxanne Elings, Harvey I Lewin, Greenberg Traurig LLP, New York, NY.

For GIANNI VERSACE S.P.A, SAKS FIFTH AVENUE, VERSACE PROFUMI USA LTD, defendants: William Terry Rifkin, Joseph H. Kim, Maxine L Retsky, Piper, Marbury, Rudnick & Wolfe, Chicago, IL.

For GIANNI VERSACE S.P.A, SAKS FIFTH AVENUE, defendants: Michelle L. Mrozek, Piper, Marbury, Rudnick & Wolfe, Chicago, IL.

For GIANNI VERSACE S.P.A, SAKS FIFTH AVENUE, defendants: Lewis R. Clayton, Jacqueline C. Charlesworth, Jennifer L Romer, Paul, Weiss, Rifkind, Wharton & Garrison, New York, NY.

For GIANNI VERSACE S.P.A, SAKS FIFTH AVENUE, VERSACE PROFUMI USA LTD, defendants: Jonathan J Freedman, Amy B. Vernick, Paul, Weiss, Rifkind, Wharton & Garrison, Richard L. Mattiaccio, Anthony S Cannatella, Pavia & Harcourt,

New York, NY.

For GIANNI VERSACE S.P.A, SAKS FIFTH AVENUE, VERSACE PROFUMI USA LTD, defendants: Rebecca Leitman [*2] Veidlinger, Mallor, Clendening, Grodnes & Bohrer, Bloomington, IN.

For GIANNI VERSACE S.P.A, VERSACE PROFUMI USA LTD, counter-claimants: William Terry Rifkin, Joseph H. Kim, Maxine L Retsky, Piper, Marbury, Rudnick & Wolfe, Chicago, IL.

For GIANNI VERSACE S.P.A, VERSACE PROFUMI USA LTD, counter-claimants: Richard L Mattiaccio, Anthony S Cannatella, Pavia & Harcourt, New York, NY.

For ADVERTISING TO WOMEN, LOLIERE INC, counter-defendants: Thomas J. Donovan, Trexler, Bushnell, Giangiori & Blackstone, Ltd., Chicago, IL.

For ADVERTISING TO WOMEN, LOLIERE INC, counter-defendants: G Roxanne Elings, Harvey I Lewin, Greenberg Traurig LLP, New York, NY.

JUDGES: Charles P. Kocoras, United States District Judge.

OPINION BY: Charles P. Kocoras

OPINION

MEMORANDUM OPINION

CHARLES P. KOCORAS, District Judge:

This matter comes before the Court on cross-motions for summary judgment. For the reasons set forth below, the Court denies both motions.

BACKGROUND

Plaintiffs, Advertising to Women, Inc. ("ATW") and Loliere, Inc. ("Lolier") (collectively, the "Plaintiffs"), filed this action against Defendants, Gianni Versace S.p.A., Versace Profumi, USA (collectively, "Versace"), [*3] Saks Fifth Avenue ("Saks"), and Giver Profumi, S.p.A., alleging trademark infringement, unfair competition and false designation of origin under the Trademark Act of 1946, 15 U.S.C. § 1051, *et seq.*, as amended (the "Lanham Act"), and common law. Plaintiffs claim that Versace's use of the "Blonde" mark for its fragrance line infringes on ATW's federally registered trademark, "eau de Blonde," for its own line of fragrances.

Lois Geraci-Ernst ("Lois Ernst") is the principal shareholder and founder of ATW and Lolier. ATW is an advertising and marketing agency organized and existing under the laws of the state of New York that is devoted to understanding the needs and motivations of women. Through ATW, Lois Ernst enjoyed a long history of success in advertising and marketing fragrances, health products, and shoes. In early 1990, ATW began researching and developing its own line of fragrances, one of which was "eau de Blonde."

In or about June 1993, ATW performed a trademark search on the "eau de Blonde" mark. While the search indicated that there existed registrations or applications for marks containing "eau de" or "blonde," the mark "eau de blonde" was available.

[*4] On May 23, 1994, ATW filed an intent-to-use application for the "eau de blonde" mark for perfume, cologne, toilet water, bath oil, bath and shower gel, dusting powder, toilet soap, after-bath splash, bath lotions and creams. In June 1995, the Patent and Trademark Office issued the Notice of Allowance for the "eau de blonde" mark. ATW thereafter began developing its fragrance and the packaging for the final product. ATW maintains that it intended to market and sell its fragrance line in high-end department stores such as Saks, Nordstrom, and Neiman Marcus. On May 15, 1997, ATW gave an exclusive license for its registration of the

"eau de Blonde" mark to Lolier.

In August 1995, Versace publicly announced the launch of its fragrance, "Versace's Blonde." That month, ATW spotted an advertisement for Versace's Blonde in the September 1995 issue of *Vanity Fair*. On August 23, 1995, ATW sent a cease and desist letter to Versace in New York, asserting that Versace's sale of its "Blonde" fragrance would violate ATW's prior rights in the "eau de Blonde" mark. ATW sent a similar letter to Saks.

Although Versace intended to launch its fragrance in September 1995, because it wanted to further [*5] refine its fragrance, it delayed the launch. In December 1995, Versace began offering Versace's Blonde for sale in Saks' flagship store in New York City. That same month, Versace filed the "Versace's Blonde" mark with the Italian trademark office. Versace launched its Versace's Blonde in Saks stores across the United States in March 1996. That same month, Versace filed an application for registration of "Versace's Blonde" with the U.S. Patent and Trademark Office.

Plaintiffs claim that because of Versace's launch of the Versace's Blonde fragrance, certain department stores, including Saks, Nordstrom, and Neiman Marcus refused to carry and sell ATW's eau de Blonde. Thus, ATW claims that it was forced to sell its eau de Blonde to higher-end health and beauty aid stores and pharmacies. Plaintiffs were generally unsuccessful in selling the eau de Blonde fragrance, but they were able to place the product in the Clarendon Pharmacy in Clarendon Hills, Illinois. On February 18, 1997, ATW received trademark registration for its "eau de Blonde" mark based on its sale of the eau de Blonde fragrance to the Clarendon Pharmacy.

Plaintiffs subsequently brought this action against Defendants alleging [*6] trademark infringement, unfair competition, and false designation of origin under the Lanham Act and under common law. Presently, the parties cross-move for summary judgment. Plaintiffs argue that they are entitled to summary judgment because the "Blonde" mark is a valid registered mark, upon which the undisputed facts allegedly demonstrate Defendants infringed, and that Defendants' allegedly infringing use is likely to cause confusion. Defendants move for summary judgment arguing that Plaintiffs' "eau de Blonde" mark is invalid because it was fraudulently obtained and without a bona fide intent to use, that Plaintiffs failed to make any lawful use in commerce, and that Plaintiffs have not

incurred any damages.

LEGAL STANDARD

Summary judgment is appropriate when the record, viewed in a light most favorable to the nonmoving party, reveals that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c). The moving party bears the initial burden of showing that no genuine issue of material fact exists. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 325, 106 S. Ct. 2548, 91 L. Ed. 2d 265 (1986). [*7] The burden then shifts to the nonmoving party to show through specific evidence that a triable issue of fact remains on issues on which the nonmovant bears the burden of proof at trial. *See id.* The nonmovant may not rest upon mere allegations in the pleadings or upon conclusory statements in affidavits. The nonmovant must go beyond the pleadings and support its contentions with proper documentary evidence. *See id.*

The plain language of Rule 56(c) mandates the entry of summary judgment against a party who fails to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial. "In such a situation there can be 'no genuine issue as to any material fact,' since a complete failure of proof concerning an essential element of the nonmoving party's case necessarily renders all other facts immaterial." *See id.* at 323.

For cross-motions for summary judgment, each movant must individually fulfill the stringent requirements necessary to obtain summary judgment under Rule 56, such standards still being applicable. *See United Transportation Union v. Illinois Central R.R.*, 998 F. Supp. 874, 880 (N.D. Ill. 1998). [*8] By filing cross-motions for summary judgment, the parties do not waive trial by the merits, but each party merely believes that the court should grant it judgment without trial, unless the judge disagrees. *See Miller v. LeSea Broadcasting, Inc.*, 87 F.3d 224, 230 (7th Cir. 1996). Indeed, upon receipt of cross-motions for summary judgment, the court is not required to grant summary judgment as a matter of law for either side. *See Brownlee v. City of Chicago*, 983 F. Supp. 776, 779 (N.D. Ill. 1997); *Boozell v. United States*, 979 F. Supp. 670, 674 (N.D. Ill. 1997). Rather, the court will evaluate each motion on its merits, resolving factual uncertainties and drawing all reasonable inferences against the movant. *See Brownlee*, 983 F. Supp. at 779; *Boozell*, 979 F. Supp. at

670; *United Transportation Union*, 998 F. Supp. at 880. It is with these principles in mind that we evaluate the motion before us.

DISCUSSION

In a claim for trademark infringement, a plaintiff must demonstrate: "(1) the validity of its trademark; and (2) the infringement of that mark." *Platinum Home Mortgage Corp. v. Platinum Financial Group, Inc.*, 149 F.3d 722, 726 (7th Cir. 1998). [*9] The validity of a mark addresses whether trademark law affords a "word, term, name, symbol or device" protection and focuses on whether the mark specifically identifies and distinguishes one company's goods or services from those of its competitors. 15 U.S.C. § 1125(a)(1). The infringement of a mark pertains to "whether the actions of a subsequent user of a substantially similar or identical mark caused [a] likelihood of confusion among consumers as to the source of those specific goods or services." *Id.*

I. Validity of the Mark

Before 1988, an applicant had to have used a mark in commerce before making an application to register it as a trademark. *See Warner Vision Entertainment Inc. v. Empire of Carolina, Inc.*, 101 F.3d 259, 260 (2d Cir. 1996). In 1988, Congress passed the intent-to-use provisions of the Lanham Act, which allow an applicant to seek registration of a mark not already in commercial use by alleging a bona fide intent to use it. *See id.*, citing 15 U.S.C. § 1051(b). If the mark appears registrable, the Patent and Trademark Office (the "PTO") publishes it for opposition. 15 U.S.C. § 1062 [*10] (a). If there is no successful opposition, the PTO issues a notice of allowance. 15 U.S.C. § 1063(b)(2). Registration is granted only if the applicant files a statement of commercial use within six months of the date on which the notice of allowance was issued. *See* 15 U.S.C. § 1051(d). However, the applicant is entitled to an extension of six months to file the statement of use and may receive extensions for an additional twenty-four months. 15 U.S.C. § 1051(d)(2). The PTO then examines the statement of use, and only if it is still satisfied that the mark, as used, is registrable, issues a certificate of registration. *See* 15 U.S.C. § 1051(d)(1); *Eastman Kodak Co. v. Bell & Howell Document Management Products Co.*, 994 F.2d 1569, 1570 (Fed. Cir. 1993). "Federal registration of a trademark is prima facie evidence of the mark's validity, the registrant's ownership of the mark, and its exclusive right to use the mark in commerce."



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Lucent Information Management, Inc. v. Lucent Technologies, Inc., 186 F.3d 311, 315 (3d Cir. 1999), citing 15 U.S.C. § 1115 [*11] (a). The Lanham Act provides that "the filing of an application to register [a mark] shall ... confer a right of priority, nationwide in effect, ... against any other person except for a person ... who, prior to such filing, has used the mark." 15 U.S.C. § 1057(c).

Defendants attack the validity of Plaintiffs' registered "eau de Blonde" mark. In challenging the presumption of ownership of a registrant, the challenger must overcome the presumption by a preponderance of the evidence. See *Sengoku Works Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir. 1996) (citations omitted); see also *Erva Pharmaceuticals, Inc. v. American Cyanamid Co.*, 755 F. Supp. 36, 40 (D. P.R. 1991) (party challenging registration has burden of proving facts which compel denial or cancellation of the federal registration), citing *Kellogg Co. v. New Generation Foods, Inc.*, 1988 TTAB LEXIS 12, 6 U.S.P.Q.2D (BNA) 2045 (1988). Defendants do not argue that they used the "Blonde" mark prior to ATW's filing of its application for registration, but rather, Defendants argue that ATW's "eau de Blonde" mark is invalid because it was filed without a [*12] "bona fide" intent to use the mark in commerce and it obtained registration based on a false attestation that the "eau de Blonde mark" was in fact lawfully used in commerce.

The Court bases whether an applicant has a bona fide intent to use a mark in commerce on a fair, objective determination of all the circumstances. See *Lane Ltd. v. Jackson Int'l Trading Co.*, 1994 TTAB LEXIS 41, 33 U.S.P.Q.2D (BNA) 1351, 1355 (T.T.A.B. 1994). An applicant's statement of subjective intent alone is insufficient to establish the applicant's bona fide intent to use the mark in commerce. See *id.* Although the statute does not provide what an applicant must produce to corroborate or defend its claimed bona fide intention to use the mark in commerce, the legislative history of the 1988 revisions provides several examples of objective circumstances which, if proven, "may cast doubt on the bona fide nature of the intent or even disprove it entirely." *Id.*, quoting S. Rep. No. 100-515, 100th Cong. 2d Sess. at 23 (1988).

The Trademark Trial and Appeal Board (the "TTAB") gave the following examples that may cast doubt on a applicant's bona fide intent:

...the applicant may have filed [*13] numerous intent-to-use applications to register the same mark for many more new products than are contemplated, numerous intent-to-use applications for a variety of desirable trademarks intended to be used on [a] single new product, numerous intent-to-use applications to register marks consisting of or incorporating descriptive terms relating to a contemplated new product, numerous intent-to-use applications to replace applications which have lapsed because no timely declaration of use has been filed, an excessive number of intent-to-use applications to register marks which ultimately were not actually used, an excessive number of intent-to-use applications in relation to the number of products the applicant is likely to introduce under the applied-for marks during the pendency of the applications, or applications unreasonably lacking in specificity in describing the proposed goods. *Lane Ltd.*, 33 U.S.P.Q.2D (BNA) at 1355-56.

In this case, there does exist a material fact issue as to whether ATW's intent to use its mark in commerce as of the application filing date was bona fide. Similarly, there exists a material dispute of fact as to whether ATW's use in commerce [*14] was bona fide as opposed to action made merely to reserve a mark.

The 1988 revision to the Lanham Act defines "use in commerce" as "the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a mark." *Allard Enterprises, Inc. v. Advanced Programming Resources, Inc.*, 146 F.3d 350, 357 (6th Cir. 1998), citing 15 U.S.C. § 1127. It further provides:

... a mark shall be deemed to be in use in commerce--

(1) on goods when--

(A) it is placed in any

manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto... and

(B) the goods are sold or transported in commerce....
15 U.S.C. § 1127

The TTAB explains "that the purpose of the amendment was to eliminate 'token use' as a basis for registration, and that the new, stricter standard contemplates instead commercial use of the type common to the particular industry in question." *Paramount Pictures Corp. v. White*, 31 U.S.P.Q.2D (BNA) 1768, 1774 (T.T.A.B. 1994), *aff'd* 108 F.3d 1392 (Fed. Cir. 1997) (Table). However, use sufficient to support [*15] registration does not require the same use sufficient to generate nationwide rights in the absence of registration. *See Zazu Designs v. L'Oreal S.A.*, 979 F.2d 499 at 505; *compare Allard Enterprises*, 146 F.3d at 358 (citations omitted) ("In the absence of federal registration, prior ownership of a mark is only established as of the first actual use of a mark in a genuine commercial transaction"), *with Paramount Pictures*, 31 U.S.P.Q.2D (BNA) at 1774. To support registration, an applicant need only use the mark in the ordinary course of trade. *See Paramount Pictures*, 31 U.S.P.Q.2D (BNA) at 1774. Because the actual use of the mark was extremely limited, its bona fide nature is best resolved at trial and upon a full exposition of the evidence.

Defendants further argue that Plaintiffs' registration is invalid because their use in commerce violated the Federal Food, Drug and Cosmetic Act, 21 U.S.C. § 321, *et seq.* (the "FFDCA"), and thus was not lawful. Specifically, Defendants maintain that Plaintiffs' noncompliance with the labeling requirements were a per se violation of the FFDCA. The TTAB has provided that use in commerce should [*16] be held to be unlawful "only when the issue of compliance has previously been determined (with a finding of noncompliance) by an entity, such as a court or government agency, having competent jurisdiction under the statute in question, or when there has been a per se violation of a statute regulating the sale of a party's goods...." *Satinine Societa in Nome Collettivo di S.A. v. P.A.B. Produits et Appareils*

de Beaute, 209 U.S.P.Q. 958, 964 (T.T.A.B. 1981); *see also Erva Pharmaceuticals, Inc.*, 755 F. Supp. at 40. Defendants contend that Plaintiffs "misbranded" the "eau de Blonde" fragrance because neither the packaging nor the bottle provided (a) the street address of Lolierie; (b) the net quantity of contents on the bottle; (c) a sufficient sized font for the information on the box; and (d) an accurate list of the ingredients. These violations, Defendants claim, are "per se."

Although these violations may qualify as per se violations of the FFDCA, *see Erva Pharmaceuticals*, 755 F. Supp. at 41, they are de minimis and do not require invalidation of the trademark. *See General Mills Inc. v. Health Valley Foods*, 1992 TTAB LEXIS 37, 24 U.S.P.Q.2D (BNA) 1270, 1274-75 (T.T.A.B. 1992). [*17] The TTAB advocates "a case by case determination of the importance or materiality of the labeling requirement which a party may have violated" rather than a "blanket policy of finding every possible technical violation to result in cancellation of a registration, no matter how minor or harmless the violation may be." *Id.* 1992 TTAB LEXIS 37, at *13, 24 U.S.P.Q.2D (BNA) at 1275. Further, the TTAB has said that a blanket policy of cancellation is a "rigid approach" that "serves the interests of neither justice nor common sense and such an approach is not mandated by the case law on this matter." *See id.* This Court agrees.

The instant case is unlike *Erva Pharmaceuticals*, where a district court in Puerto Rico found a party's labeling violation not de minimis. *See Erva Pharmaceuticals*, 755 F. Supp. at 41. In that case, a drug manufacturer failed to print the established drug name in the proper size font and did not comply with the placement requirements for drug labeling. The district court found that this was not de minimis because "Congress specifically amended the statute so that the appearance of the label, which may contain the necessary information, be visually designed in a certain way in order to [*18] protect consumers (doctors and patients) who may pay more because they do not realize the product they are buying is a well-known drug which they could purchase for a cheaper price." *Id.* at 41. In the instant case, although Plaintiffs may not have complied with the requirements for labeling fragrances, their transgressions are not of such a material nature and do not raise serious consumer protection concerns such that their mark should be invalidated. As such, they are de minimis and should not result in the "Draconian result of

cancellation of its registration." *General Mills*, 24 U.S.P.Q.2D (BNA) at 1273.

II. Likelihood of Confusion

ATW alleges that it is entitled to Summary Judgment on the liability of Versace for trademark infringement because of likelihood of confusion between its "eau de Blonde" and "Versace's Blonde". This Court disagrees, finding that issues of material fact also exist as to the likelihood of confusion. This applies equally to Defendants insofar as they move for summary judgment on the basis that there is no likelihood of confusion. Therefore, we deny both ATW's and Versace's Motions for Summary Judgment.

Likelihood [*19] of confusion is the test for a finding of liability for trademark infringement under the Lanham Act. *See* 15 U.S.C. § 1114(1); *James Burrough Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 274 (7th Cir. 1976). This Circuit has identified seven factors to be used in analyzing likelihood of confusion:

The degree of similarity between the marks in appearance and suggestion; the similarity of the products for which the name is used; the areas and manner of concurrent use; the degree of care likely to be exercised by consumers; the strength of the complainant's mark; actual confusion; and intent on the part of the alleged infringer to palm off his products as those of another.

McGraw-Edison v. Walt Disney Prods., 787 F.2d 1163, 1167-1168 (7th Cir. 1986). The ultimate conclusion of the likelihood of confusion is a finding of fact; as a result, "a motion for summary judgment in trademark infringement cases must be approached with great

caution." *AHP Subsidiary Holding Co. v. Stuart Hale Co.*, 1 F.3d 611, 616 (7th Cir. 1990). Courts examine the facts presented in light of the seven factors to determine [*20] whether genuine issues of triable fact exist as to the likelihood of confusion. None of the seven confusion factors alone is dispositive; the weight and totality of the most important factors in each case will ultimately be determinative of the likelihood of confusion. *See Id.*

In the case at bar, between the allegations, authority, and facts proffered by both parties, ATW cannot point to any prong in the seven-pronged analysis for likelihood of confusion that is certain to win out in its favor. Even the identity of the products, the factor of the seven which seems to weigh most heavily in favor of ATW, is not free of factual dispute. Given the fact-intensive nature of an inquiry into the likelihood of confusion, this Court finds that this issue is not ripe for summary judgment. *See, e.g. Johns. De Kuyper & Zoon B.V. v. Phillips Products Co., Inc.*, 1993 U.S. Dist. LEXIS 5457, No. 92 C. 4996, 1993 WL 134903, at *8-9 (N.D.Ill. Apr. 22, 1993) (finding summary judgment inappropriate where, among other reasons, genuine issues of fact remained disputed in the likelihood of confusion analysis). We find that genuine issues of material fact exist, and as such deny the motions for summary judgment.

[*21] CONCLUSION

For the reasons set forth above, this Court denies the Plaintiffs' and Defendants' respective Motions for Summary Judgment.

Charles P. Kocoras

United States District Judge

Dated: August 24, 2000

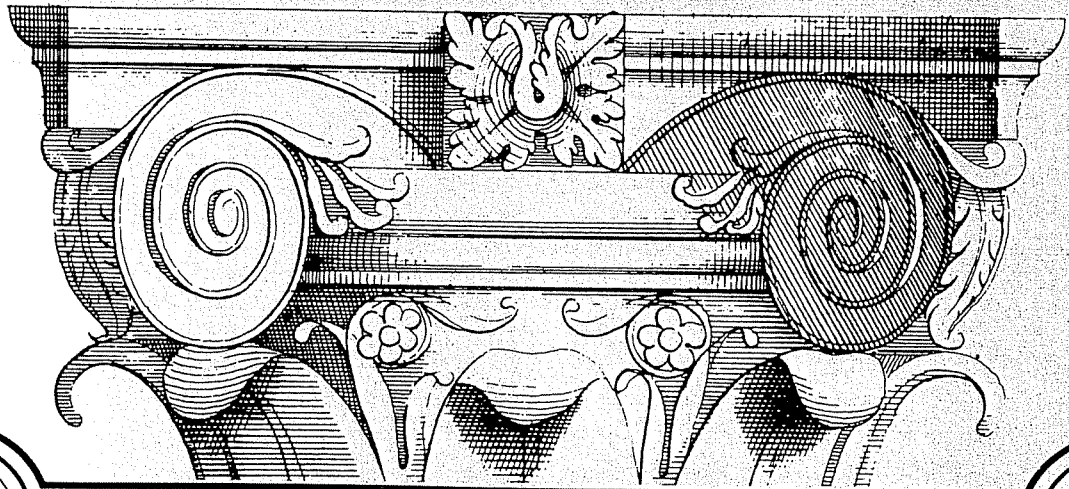
EXHIBIT K



The Legislative History,
Reports, Testimony, and
Annotated Statutory Text

The Trademark Law Revision Act of 1988

(Public Law 100-667)



**A Publication
of The United States Trademark Association**

"The term 'dilution' means the material reduction of the distinctive quality of a famous mark through use of the mark by another person, regardless of the presence or absence of (1) competition between the users of the mark, or (2) likelihood of confusion, mistake, or deception arising from that use."

SEC. 39. The Trademark Act of 1946 is amended by adding at the end thereof the following:

"SEC. 51. All certificates of registration based upon applications for registration pending in the Patent and Trademark Office on the effective date of the Trademark Law Revision Act of 1988 shall remain in force for a period of 10 years."

SEC. 40. This Act and the amendments made by this Act shall become effective on the date one year after the date of enactment of this Act.

VI. SECTION-BY-SECTION ANALYSIS

SECTION 3

Section 1 of the Trademark Act of 1946, the Lanham Act (15 U.S.C. 1051), sets forth the requirements for applying to register a trademark on the principal register. It presently requires that a mark be used in commerce before its owner may apply for registration.

Section 3 of S. 1883 amends Section 1 of the Lanham Act to insert a section heading, to make technical, conforming changes to the section's language and to add two new subsections which make provision for a system permitting the filing of an application to register a trademark on the principal register on the basis of a bona fide intention to use the mark in commerce.

Sections 3(1) and 3(2) of the legislation make clear that Section 1 of the Act relates only to the requirements for applying to register. They add a heading to the section which reads "Requirements for Applying to Register Trademarks on the Principal Register" and amend the first sentence of the section to read that "[t]he owner of a trademark used in commerce may apply to register his trademark. * * *" Sections 3(3), 3(4) and 3(5) redesignate Section 1's existing provisions relating to use-based applications to include them in a separate Section 1(a) of the Act.

Sections 3(6), 3(7) and 3(8) of the bill make conforming changes to three of the paragraphs of redesignated Section 1(a) of the Act. The first is a committee amendment which replaces the words "applied to" with the phrase "used on or in connection with." This amendment is similar to several others contained in the legislation. It is not substantive and is not intended to change the law. It recognizes that strict affixation of a trademark to products is neither required nor feasible in some instances, such as where the mark is used on displays associated with the goods or, as in the case of bulk goods, where affixation is impractical. More generally, however, it reflects terminology common to the field of trademark law.

The most significant change the legislation makes to the law governing applications based on use of a mark in commerce is the revised definition of "use in commerce" found in Section 38(8) of the bill. The revised definition will increase the amount of use required for obtaining and maintaining trademark rights and is intended to

eliminate the current practice of token use as a means of meeting the Act's preapplication use requirements. Consistent with this new definition of "use in commerce," and to preclude any inference that the Lanham Act contemplates different types of use, Section 3(7) of the bill strikes the word "actually" from Section 1(a)(1)(C) of the Act, as redesignated.

Section 3(8) of the legislation replaces the word "filing" with the word "prescribed" when referring to the fee that must be paid for applying to register a mark. When trademark fees were removed from Section 31 of the Lanham Act with passage of Public Law 96-517, conforming amendments were not made. The result is that the Act, in many instances, continues to refer to statutorily prescribed fees even though they are currently prescribed by regulation. The committee resolved this inconsistency by employing the term "prescribed" whenever a fee is required.

Section 3(9) adds new subsections (b) and (c) to Section 1 of the Lanham Act. New Section 1(b) of the Act permits the filing of an application to register a trademark on the principal register on the basis of a bona fide intention to use the mark in commerce. It offers an alternative to the current system under which an applicant must use the mark in commerce before applying for registration. New Section 1(c) of the Act provides that an intent-to-use applicant may amend its application to bring it into conformity with the requirements of a use-based application.

Subsection (b)(1)(A) of Section 1 of the Act sets forth the elements of the written intent-to-use application. With the exception of those requirements which relate to the mark having been used in commerce prior to the filing of the application and the proviso permitting concurrent use applications, these elements mirror Section 1(a)'s amended requirements for use-based applications. The requirements which cannot be met by an intent-to-use applicant until such time as it makes use of the mark will be fulfilled when it files the statement of use provided for in section 14(3) of the legislation or, in the event that it makes use of its mark and wishes to claim the benefits of that use during the time its application is being examined, by amending its application. Provision for amending an intent-to-use application to conform to the requirements of a use-based application is found in new Section 1(c) of the Act.

Subsection (b)(1)(A) specifically requires all applicants who apply to register a trademark on the basis of intended use to state their bona fide intention to use the mark in commerce on or in connection with all the goods identified in the application. The goods must be identified with sufficient specificity to confirm the bona fide nature of the applicant's intent and to permit those searching the trademark records of the Patent and Trademark Office to determine the existence of conflict. Bona fide intent is measured by objective factors. A statement of intent to use a mark on specifically identified products in the future may be sufficient. An applicant may safely make this statement in its original application without having taken concrete steps to create and introduce a new product, provided that in fact it intends to use the mark.

However, other circumstances may cast doubt on the bona fide nature of the intent or even disprove it entirely. For example, the applicant may have filed numerous intent-to-use applications to

register the same mark for many more new products than are contemplated, numerous intent-to-use applications for a variety of desirable trademarks intended to be used on single new product, numerous intent-to-use applications to register marks consisting of or incorporating descriptive terms relating to a contemplated new product, numerous intent-to-use applications to replace applications which have lapsed because no timely declaration of use has been filed, an excessive number of intent-to-use applications to register marks which ultimately were not actually used, an excessive number of intent-to-use applications in relation to the number of products the applicant is likely to introduce under the applied-for marks during the pendency of the applications, or applications unreasonably lacking in specificity in describing the proposed goods. Other circumstances may also indicate the absence of genuine bona fide intent to actually use the mark.

As the mark proceeds to registration, the goods identified in the application may be narrowed, but they may not be broadened.

In addition, subsection (b)(1)(A) expressly provides that use of a mark in commerce will continue to be a prerequisite to registration, unless the mark is applied for registration under Section 44 of the Act. (Pursuant to present interpretations of U.S. treaty obligations, these applicants are not required to use their marks prior to registration.) This language is included to emphasize the central role that use continues to play in U.S. trademark law.

In addressing the bill's provisions which govern the filing of applications based on intent-to-use, the committee was particularly concerned that the legislation contain sufficient safeguards against potential abuse. In this connection, it specifically considered amending the bill (i) to include a statutory definition of "bona fide," (ii) to place a limit on the number of applications an applicant could file contemporaneously, and (iii) to impose a prohibition against an applicant refiling an application to register a mark and thereby extending indefinitely the period of time during which it could "reserve" the mark without making use. It concluded that each of these amendments was unnecessary in light of the safeguards built into the legislation's intent-to-use system and that they would undermine the flexibility which is vital to the proper operation of the trademark registration system.

Although "bona fide" is an accepted legal term, it can be read broadly or narrowly, subjectively or objectively, by a court or the Patent and Trademark Office. In connection with this bill, "bona fide" should be read to mean a fair, objective determination of the applicant's intent based on all the circumstances. To avoid abuse of the intent-to-use system, the committee amended the first paragraph of proposed Section 1(b) of the Act to require that applicant's bona fide intention must reflect the good-faith circumstances surrounding the intended use.

An applicant's bona fide intention to use a mark must reflect an intention that is firm, though it may be contingent on the outcome of an event (that is, market research or product testing). Thus, an applicant could, under certain circumstances, file more than one intent-to-use application covering the same goods and still have the requisite bona fide intention to use each mark. However, if a product has already been marketed under one mark and an applicant

continues to maintain additional applications for marks intended for use on or in connection with the same product, without good cause, this may call into question the bona fide nature of the intent. In addition, an applicant's bona fide intent must reflect an intention to use the mark in the context of the legislation's revised definition of "use in commerce," that is, use "in the ordinary course of trade, commensurate with the circumstances and not [made] merely to reserve a right in a mark." This bona fide intention to use must be present for all the goods or services recited in the application.

Because an applicant must declare its bona fide intention to use a mark with respect to every intent-to-use application it files, the committee rejected a statutory limit on the number of applications a given individual or company can file with respect to a planned new product or product line. Moreover, it determined that any such limitation would be difficult to monitor and enforce and could not be fairly applied to every conceivable business situation. Given the tremendous range of variables affecting an applicant, that is, its resources, marketing plans and product development schedules, certain applicants might well be able to declare a bona fide intention to use marks in excess of the limitation and there is no reason not to allow them to file applications. Conversely, the same limitation could encourage other applicants to file more applications than they might otherwise contemplate.

To provide further assurance that an applicant's intention to use a mark is bona fide, the legislation amends Section 10 of the Act to prohibit assignments of intent-to-use applications unless the application is assigned with the business associated with the intended use of the mark. This provision, which is found in Section 12 of the bill, will prevent utilization of the intent-to-use system to traffic in marks.

As a final deterrent against possible abuse of the intent-to-use system, the committee points to the Lanham Act's provision for the cancellation of registrations that are based on fraud and its provision awarding damages to anyone who is damaged by a fraudulent registration.

The committee rejected the proposal for statutory language that would prohibit an applicant from refiling an application and thereby extending the time during which it could "reserve" a mark without making use. It decided against such a prohibition for two reasons. First, an applicant who refiles would sacrifice the constructive use date attached to its earlier application. Thus, another party who is interested in using the mark can file an application and establish a constructive use date giving it priority over the applicant's subsequent application. Second, although the committee does not expect that the incidence of refiling will be high (it strongly believes that four years from the date of the notice of allowance will be sufficient time for an applicant to make use of a mark), it did not want to prejudice an applicant who, after investing in a mark, could not meet the four-year cut-off date as a result of unforeseen circumstances.

Requests for extensions of the period of time in which to file the statement of use must be accompanied by a statement of continued bona fide intent-to-use. This requirement takes into account the

surrounding circumstances as of the time when the continued bona fide intent is stated. The absence of concrete steps to commerce use of the mark in commerce taken by the applicant since the filing of the previous statement of bona fide intent may cast doubt on the bona fide nature of the intent.

As introduced, subsection (b)(1)(A) of Section 1 of the Act included a proviso, similar to that found in subsection (a)(1)(A). This proviso would have permitted the filing of concurrent use applications based on intent-to-use. The committee found this provision inappropriate and deleted it from the legislation. The underlying basis for concurrent use registrations is to provide a vehicle for giving statutory recognition to the rights of good-faith common-law users who have established trademark rights in different geographic areas. However, under prevailing law, an intent-to-use applicant would not be in good faith if its mark was adopted with knowledge of the prior mark. Moreover, to permit an applicant who has not used a mark to assert concurrent use with another might result in businesses carving up the country in the absence of common law rights. This would defeat one of the principal purposes of the Lanham Act.

Nevertheless, an intent-to-use applicant who begins use before learning of a prior use by another will, like a use-based applicant, be able to consent to a judgment sustaining an opposition filed by the prior user and request that a concurrent use proceeding be instituted.

For example, A files an intent-to-use application to register a mark for restaurant services, unaware that for the past 20 years, in the State of Washington, B has been using an unregistered identical mark for a restaurant unknown outside Washington and Oregon. Several months after filing, A commences use in several States east of the Mississippi. A's unrestricted application is then published and opposed by B. B simultaneously files an unrestricted application. A would then consent to a judgment sustaining the opposition filed by B and would request that a concurrent use proceeding be instituted.

In this scenario, even though A is an intent-to-use applicant (the character of its application being determined by the basis on which it is filed, not what occurred afterward), it would meet all the requirements for seeking concurrent use under the Lanham Act: (i) its use of the mark is "lawful" since it commenced such use in good faith, (ii) it has "become entitled" to use its mark prior to the filing date of B's application, and (iii) there has been "continued use" by A and B. However, because A would be relying on use, and not on its application, when requesting a concurrent use proceeding, language permitting the filing of concurrent use applications on the basis of intent-to-use is not necessary.

SECTION 4

Section 4 of the bill amends Section 2 of the Lanham Act (15 U.S.C. 1052) to eliminate an anomaly relating to concurrent use applications, to make conforming amendments and to revise the 5-year timetable for establishing proof of secondary meaning.

EXHIBIT L

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actually using the mark may, for various reasons, choose to file an intent-to-use application.”¹⁸ Then, if the prefiling “use” is later determined with the benefit of hindsight not to meet the statutory definition, the resulting registration will be firmly based on the later “use” which clearly fits the statutory definition and which supports the applicant’s preregistration showing of use via either an Amendment to Allege Use or a Statement of Use.¹⁹

Alternatively, if the application was initially filed on a § 1(a) use-basis and it is later determined by the applicant’s attorney that there was in fact not adequate use, the applicant can be amended to a § 1(b) ITU status.²⁰

§ 19:14 Intention to use—What is a bona fide intention to use?—Objective test of bona fide/good faith

What is a “Bona Fide” Intent to Use? Lanham Act § 1(b)(1) states that “a person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce” may apply for registration of the mark.

Lanham Act § 1(b) requires that the applicant make a verified statement upon application that it has a “bona fide intention” to use the mark in commerce.¹ Since that intention may be the subject of a later challenge to the validity of the

1991) (there is no inconsistency in an applicant stating it has a bona fide intention to use when some actual use of the mark has already begun). See T.M.E.P. § 903 (2005 rev.) (“A § 1(b) applicant may assert dates of use that are earlier than the filing date of the application in an amendment to allege use or statement of use.”).

¹⁸In re Promo Ink, 78 U.S.P.Q.2d 1301, 2006 WL 478994 (T.T.A.B. 2006) (In such a case, the examining attorney may still request or find on its own information regarding the use or intended use of the mark. Here, the PTO downloaded Internet pages showing the ITU applicant’s actual use to prove that the term was descriptive of the services.).

¹⁹In such circumstances, the initial ITU application should be held to constitute a “bona fide” intention to “use” the mark on the scale as required by the Lanham Act. There should be no estoppel against the applicant from claiming that the prefiling “use” was sufficient to establish priority over another in a priority battle. See §§ 16:12-16:14.

²⁰See § 19:1.

[Section 19:14]

¹Lanham Act § 1(b)(3)(B), 15 U.S.C.A. § 1051(b)(3)(B), (the applica-

resulting registration and its constructive use priority, or may be the subject of a charge of fraud,¹⁵⁰ it is important to define the state of mind that satisfies the statutory standard and how it may be proven.

The U.S. Trademark Association's official commentary on the Trademark Law Revision Act of 1988, which introduced the intent to use (ITU) process, observes that the statute purposely contains no precise definition of "bona fide":

The term "bona fide" is not defined in the Act because of the impossibility of identifying every factor that might be determinative of whether an applicant's intent is indeed bona fide at every stage of the registration process. To emphasize the importance of the concept of a bona fide intent, however, the Senate included, and the House retained in a revised form,

tion must include a verified statement which includes "the applicant's bona fide intention to use the mark in commerce."). See: T.M.R.P. § 2.32 (a § 1(b) ITU application must include a verified statement which must allege, among other things, that "the applicant has a bona fide intention to use the mark shown in the accompanying drawing in commerce on or in connection with the specified goods or services.").

¹⁵⁰See Senate Judiciary Committee Report on S. 1883, S. Rep. No. 100-515, p. 25 (Sept. 15, 1988) ("As a final deterrent against possible abuse of the intent-to-use system, the committee points to the Lanham Act's provision for the cancellation of registrations that are based on fraud and its provision awarding damages to anyone who is damaged by a fraudulent registration."). Reproduced in Appendix A5.

a good faith requirement in section 1(b).²

What is the Difference Between a “Bona Fide” and a “Good Faith” Intent? The reference in the second sentence is to the appearance of the term “good faith” in the introductory clause of § 1(b) stating the conditions under which a person can properly file an ITU application. That person must be one “who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce.”

Section § 1(b) uses the term “good faith” twice, once in English, once in Latin. The English term “good faith” refers to evidence of objective “circumstances” showing good faith, while the Latin term “bona fide” refers to the subjective state of mind of the applicant. This double usage was apparently not meant to define some higher than normal level of “good faith” but merely as rhetorical hyperbole to emphasize the difference between subjective and objective evidence of the required state of mind.³

In the proposal that became the Trademark Law Revision Act of 1988, the Trademark Review Commission revealed its intention as to the meaning of “bona fide”:

By “bona fide,” we mean no mere hope, but an intention that is firm though it may be contingent on the outcome of an event—e.g. product testing or market research. The term “bona fide” should be expressly stated in the statute to make clear such intent must be genuine.⁴

The legislative history sheds light on the meaning of “bona fide” and “good faith” in this context. The Senate Report on the bill infers that a goal of the good faith requirement is to preclude an applicant from unfairly tying up a large number of potential marks by indiscriminately filing a large number of applications with no real intent to use all of them:

Despite its numerous virtues, a registration system based on

²USTA, “The Trademark Law Rev. Act of 1988,” comment on § 1(b) at p. 43 (1989).

³See Senate Judiciary Committee Report on S. 1883, S. Rep. No. 100-515, p. 24 (Sept. 15, 1988) (“To avoid abuse of the intent-to-use system, the committee amended the first paragraph of proposed section 1(b) of the Act to require that applicant’s bona fide intention must reflect the good-faith circumstances surrounding the intended use.”).

⁴Report of the Trademark Review Commission, 77 Trademark Rep. 375, 397 (1987), USTA, “The Trademark Law Rev. Act of 1988,” p. 37 (1989).

intent also carries some potential for abuse. A single business or individual might, for instance, attempt to monopolize a vast number of potential marks on the basis of a mere statement of intent to use the marks in the future. To minimize such risks, S. 1883 requires the specified intent to be bona fide. This bona fide requirement focuses on an objective good-faith test to establish that the intent is genuine.⁵

The House Report places emphasis on the substitution of an intent to use (ITU) basis for filing in place of the previous practice of making a “token,” small-scale shipment⁶ as a basis for filing a use-based application:

By permitting applicants to seek protection of their marks through an “intent to use” system, there should be no need for “token use” of a mark simply to provide a basis of an application. The use of the term “bona fide” is meant to eliminate such “token use,” and to require, based on an objective view of the circumstances, a good faith intention to eventually use the mark in a real and legitimate commercial sense. Obviously, what is real and legitimate will vary depending on the practices of the industry involved, and should be determined on the standards of that particular industry.⁷

Objective Evidence is Needed of Good Faith Intent to Use. These legislative history excerpts reveal that Congress intended the test of “bona fide” to be evidenced by “objective” evidence of “circumstances” showing “good faith.” The evidence is “objective” in the sense that it is evidence in the form of real life facts and by the actions of the applicant, not by the applicant’s testimony as to its subjective state of mind. That is, Congress did not intend the issue to be resolved simply by an officer of the applicant later testifying, “Yes, indeed, at the time we filed that application, I did truly intend to use the mark at some time in the future.”⁸

A Plan to Sell Goods or Services Using the

⁵Senate Judiciary Committee Report on S. 1883, S. Rep. No. 100-515, p. 6 (Sept. 15, 1988). The statement about objective factors was repeated later in the Report at p. 23 (“Bona fide intent is measured by objective factors.”).

⁶See discussion of “token” sales at §§ 19:108-19:122.

⁷House Judiciary Committee Report on H.R. 5372, H.R. Rep. No. 100-1028, pp. 8-9 (Oct. 3, 1988). Reproduced herein in Appendix A6.

⁸See *Lane Ltd. v. Jackson Int’l Trading Co.*, 33 U.S.P.Q.2d 1351 (T.T.A.B. 1994) (“[A]pplicant’s mere statement of subjective intention, without more, would be insufficient to establish applicant’s bona fide intention to use the mark in commerce.”).

Designation. The Senate was careful to caution that an applicant can “safely” state its bona fide intention to use a mark “without having taken concrete steps to create and introduce a new product, provided that in fact it intends to use the mark.”⁹ The difficulty with this last observation is that without some “concrete steps,” how can one determine the required state of mind by the use of “objective” evidence? The answer is that “objective” evidence short of some “concrete steps” taken to actually produce and advertise a new product in furtherance of the intent to use can consist of evidence in the form of a written plan of action for a new product or service, a new line of goods, or for the re-branding of an existing line of goods or services. This emphasizes the need for ITU applicants to document their plans and intentions by means of some written business plan made in the ordinary course of trade. Without such documentation, there will be little in the record to evidence the “objective” factors Congress said were necessary to test the bona fides of the applicant’s intention. Thus, the ITU applicant is well-advised to have a definite plan to use the mark and to have that plan documented to the degree appropriate to the product or service in question.

The Trademark Board took a position consistent with the objective view of good faith when it held that if an ITU applicant, when challenged in an opposition, has no documents supportive of or bearing on its claimed intent to use, then this absence of evidence is alone sufficient to prove that applicant lacked a bona fide intention to use.¹⁰ The Board has held that a foreign company proved that it had a bona fide intention to use a mark in the United States by evidence that it offered to license a U.S. company to use the mark on goods listed in the application, even though the offer was not accepted.¹¹

PTO Gives Examples of Objective Evidence. The Pa-

⁹Senate Judiciary Committee Report on S. 1883, S. Rep. No. 100-515, p. 23 (Sept. 15, 1988).

¹⁰Commodore Elecs., Ltd. v. CBM Kabushiki Kaisha, 26 U.S.P.Q.2d 1503, 1507 (T.T.A.B. 1993).

¹¹Lane Ltd. v. Jackson Int’l Trading Co., 33 U.S.P.Q.2d 1351 (T.T.A.B. 1994) (“Applicant’s evidence pertaining to the formulation and implementation of its business plan and licensing program constitutes credible, objective corroboration of its statement in the application that it had a bona fide intention to use the mark in commerce on tobacco.”).

tent and Trademark Office provides additional insight into the meaning of “bona fide” in filing an application. The PTO has listed several examples in Rule 2.89(d) which, while strictly relating to the showing of good cause for an extension of time, are helpful in formulating a working definition of the kinds of things that could provide the needed “objective” evidence of good faith. The PTO Rules provide that efforts evidencing an ongoing effort to make use of a mark could consist of “product or service research or development, market research, manufacturing activities, steps to acquire distributors, steps to obtain required governmental approval, or other similar activities.”¹² Evidence of these types of activities would provide objective evidence of a firm intention to use the applied-for mark.

Senate Report Examples of Factors of Lack of Bona Fide Intent to Use. The Senate Report gave an illustrative list of circumstances that “may cast doubt on the bona fide nature of the intent or even disprove it entirely”.¹³

1. *One Mark—Many Products:* The filing of numerous ITU applications for the same mark for many more new products than are seriously intended;
2. *One Product—Many Marks:* Numerous ITU applications for a variety of marks to be used on one new product;
3. *Reserving Many Descriptive Terms:* Numerous ITU applications for marks consisting of or including descriptive terms describing some important characteristic of a new product;
4. *Many Re-filings:* Numerous ITU applications to replace applications which have lapsed because no timely statement of use was filed;¹⁴
5. *Many Marks—Many Products:* An “excessive number” of ITU applications in relation to the number of

¹²T.M.R.P. 2.89(d).

¹³Senate Judiciary Committee Report on S. 1883, S. Rep. No. 100-515, pp. 23-24 (Sept. 15, 1988).

¹⁴The Senate Report noted that the committee rejected a proposal to prohibit the refiling of an application and thereby extending the time within which an applicant could “reserve” a given mark without use in the marketplace. The Senate obviously felt that abuses of re-filing could be taken care of by the “bona fide” and “good faith” language of § 1(b). Senate Judiciary Committee Report on S. 1883, S. Rep. No. 100-515, p. 25 (Sept. 15, 1988).

products the applicant is likely to introduce during the statutory period under the applied for marks;

6. *Vague Description of Goods or Services*: Applications unreasonably lacking in specificity in describing the proposed goods.

Bad Faith of the Pre-emptive ITU Filer. The courts will treat the free rider who rushes in to make a preemptive ITU filing in much the same way as the free rider who rushes in with preemptive sales.¹⁵ For example, for many years the CAESARS PALACE hotel and casino in Las Vegas had used Roman-related (and unregistered) names to indicate various venues within the casino complex, such as the CIRCUS MAXIMUS showroom and the COLOSSEUM convention center. Caesars Palace announced in 2001 that it would build a 4000 seat theater connected to the hotel-casino, to be called THE COLOSSEUM AT CAESARS PALACE. Two weeks after the announcement, defendant filed an ITU application to register THE COLLOSSEUM for business management of resort hotels and casinos. The court struck down the ITU filing as made in bad faith, finding that defendant had a “pattern of registering marks for which he has no legitimate use but for the sole purpose of interfering with the rights of others.”¹⁶

§ 19:15 Intention to use—What is a bona fide intention to use?—More than one application per planned trademark

The Senate Report makes it clear that the applicant’s bona fide intent to use the mark can be definite, yet contingent on the happening of some outside event. Therefore, applications for more than one mark for the same goods can be filed at the same time:

An applicant’s bona fide intention to use a mark must reflect an intention that is firm, though it may be contingent on the

¹⁵See discussion at § 16:14.

¹⁶Caesars World, Inc. v. Milanian, 247 F. Supp. 2d 1171, 1185 (D. Nev. 2003) (“Milanian filed many trademark applications with no *bona fide* intent to use the trademark in question. His pattern or practice was to file bogus intent-to-use applications for marks, and attempt to sell or license the ‘rights’ in the marks.” 247 F. Supp. 2d at 1207.).

subject of an application to register.

(3) Congress intended “bona fide” to permit applying to register more than one mark for the same goods or services, so long as there was a good faith intention, albeit a contingent one, at the time of filing the application to use each of the marks.

(4) Congress intended that the bona fide intent that an intent to use application must have is an intent to “use” the mark on the scale defined in the Act: “bona fide” use “in the ordinary course of trade and not made merely to reserve a right in a mark.”² Thus, a bona fide intent to use a mark on only a token scale is not sufficient.

§ 19:17 Intention to use—Bona fide contingent intent to use

The legislative history previously discussed indicates that Congress clearly intended to permit the filing of applications for more than one proposed mark as to one product or service. On the other hand it is equally clear that Congress intended “bona fide” and “good faith” to act as a filter to bar the filing of applications for “numerous” or an “excessive number” of marks or the “stockpiling” of marks in an effort to unfairly preclude competitors. Congress rejected proposals for a statutory limit on the number of applications a company could file as to a single product.¹ So the key questions are: under what conditions can an applicant in good faith file at one time applications for more than one mark per product and how many applications for different candidate marks for one product is too many?

When a company is considering a proposal for a new product line or service, or the re-branding of an existing product or service, and there are several candidates for a new mark, can the company go ahead and file applications for several

²Lanham Act § 45, 15 U.S.C.A. § 1127 (“Use in Commerce”).

[Section 19:17]

¹Senate Judiciary Committee Report on S. 1883, S. Rep. No. 100-515, p. 25 (Sept. 15, 1988) (This proposal was rejected because abuses would be handled under the “bona fide” language, because of difficulties in monitoring and enforcing a statutory limit, because there would be no single maximum number fair to all types of businesses, and because a numerical limit might encourage some applicants to file to the maximum limit when they would otherwise not do so.).

alternative candidates or must the company wait until the final choice is made? The above discussion of legislative history shows that one need not wait until the final choice of the new mark is made. But how can one have an intent to use each of three proposed marks Alpha and Beta and Delta when the company knows that eventually the product will bear only one mark?

The possibility Congress obviously had in mind is that the intention to use each of the candidate marks is a contingent intention to use. Looking at it metaphysically, there is an intention eventually to use only one of the marks, but the applicant does not yet know which one that is. When asked at the time of application if she has an intent to use each of the three candidate marks, the marketing vice president of the applicant would answer: "Yes, if . . ." Thus, there is a contingent bona fide intent to use each of the marks.

What can the decision to use a candidate mark be contingent upon? The Trademark Review Commission Report, the House Report and the Senate Report all give an important clue as to the nature of the contingency that can create a conditional bona fide intention to use each of several candidate marks. These sources require that a bona fide intent be proven by "objective" evidence and refer to two illustrative contingencies: product testing and market research. What these two have in common is that they are both "objective" or external contingencies. They are not "subjective" contingencies in the sense that the applicant company subjectively cannot make up its collective mind whether to go with mark Alpha or Beta or Delta. This view that the contingency must be objective and external is supported by the Patent and Trademark Office's reference to obtaining "government approval" as a reasonable step showing a bona fide intent to use.²

In addition, the language of § 1(b) itself supports the view that the contingency must be objective, for § 1(b) refers to "circumstances" showing "good faith." The word "circumstances" points to objective, external contingencies, not to subjective, internal indecision.

Thus, the applicant can have a bona fide intent to use each of several candidate marks if the intent is contingent on the occurrence of some external, objective "circumstances"

²T.M.R.P. 2.89(d)(2) (quoted *supra*).

such as developing a successful product design that suits the mark, market research among consumers as to their reactions and preferences, obtaining government approval for this mark or obtaining a consent agreement with a prior user who arguably may have some superior rights. However, a bona fide intent cannot be contingent solely upon an individual or corporate inability to make a choice among the candidate marks.³ It is circular for an applicant to say: "I have an intent to use all of these marks contingent on my deciding which mark I eventually intend to use." This is too subjective a basis upon which to prove that there is a good faith contingent intention to use candidate marks Alpha, Beta and Delta, "if only we could make up our mind."⁴ As the legislative history and § 1(b) itself makes clear, bona fide intent must be measured by objective "circumstances," not by the subjective state of mind of an individual or a corporation.

§ 19:18 Intention to use—Amendment to Allege Use (AAU)—methods of proving use of mark

Lanham Act § 1(c), 15 U.S.C.A. § 1051(c) provides that:

(c) At any time during examination of an application filed under subsection (b), an applicant who has made use of the mark in commerce may claim the benefits of such use for purposes of this Act, by amending his or her application to bring it into conformity with the requirements of subsection (a).

Under § 1(c) of the Lanham Act, an ITU applicant who has made use of the mark in commerce may amend its application to a "use based" application by filing an Amendment to Allege Use (AAU). There are two methods for an ITU applicant to offer proof of use of the mark:

1. Via an Amendment to Allege Use during the pre-

³For example, corporate indecision may arise because various power groups within the corporate structure will champion various candidate marks. For example, the CEO favors mark Alpha, the marketing department favors mark Beta and the legal department favors mark Delta.

⁴If the ultimate choice is informed and guided by some external, objective circumstances, then the contingent intent to use the candidate marks can be bona fide. There is nothing debilitating per se about subjective individual or corporate indecision so long as that indecision is not the sole contingency.

EXHIBIT M

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THE UNITED STATES TRADEMARK ASSOCIATION TRADEMARK REVIEW COMMISSION REPORT AND
RECOMMENDATIONS TO USTA PRESIDENT AND BOARD OF DIRECTORS *

* This Report and Recommendations was submitted to USTA President and Board of Directors on August 21, 1987 for their consideration at the September 13, 1987 Board of Directors meeting. The Board adopted this Report in its entirety.

Dolores K. Hanna, Chairperson, John C. McDonald, Vice Chairperson, Jerome Gilson, Reporter and Arthur J. Greenbaum, Associate Reporter

TEXT:

[*375] I. INTRODUCTION

A. Summary

The Trademark Review Commission of The United States Trademark Association, contemporaneously with the forty-first anniversary of the Lanham Act, n1 presents its final Report and Recommendations. The Report is the product of two years of Commission review, analysis, and debate of the policies and components of the trademark system.

n1 The statute was enacted on July 5, 1946, to become effective one year later. Public Law 79-489, Chapter 540; 60 Stat 427; 15 USC §§ 1051-1127.

We urge the President and Board of Directors to approve our Report and to initiate proposed legislation. In doing so USTA would continue its long history of contributions to the legislative process, and further activate its leadership role in the betterment of the trademark system of the United States.

B. Previous Review

We are not aware of any other comprehensive review of the trademark system in the last quarter century. The effort most closely approximating that of the Commission began in 1948. Representatives of USTA and some twenty-five other legal and trade associations concerned with trademarks were formed into a committee to study the new Act and recommend changes. The study resulted in a series of bills which never became law, in 1951 (S. 1957), 1953 (S. 2540), 1955 (S. 215), and 1959 (S. 2429). In 1962, with the approval and support of USTA, Congress finally enacted H.R. 4333, correcting typographical errors, clarifying certain sections, and effecting desirable changes in both substance and procedure. Subsequent amendments to the Act, however, resulted not from overall review of the type the Commission undertook, but from specific needs.

[*376] *C. The Lanham Act Years*

A comprehensive review of the trademark system begins with history. The first federal trademark act was passed in 1870, and subsequent acts were passed in 1881, 1905, 1920, and 1946. Before the 1946 Lanham Act the trademark system and relevant decisional law were largely undeveloped. But the Lanham Act brought significant incentives to

register. And with post-war economic, technological and communications growth came an explosion of trademark activity.

New products, trademarks, and registrations proliferated. Over the years trademark disputes became commonplace. Businesses, realizing the value of their marks, became protection-minded and litigation-oriented. Even today, despite a settlement rate of well over ninety-five percent, there is a torrent of at least several hundred reported court and administrative trademark decisions each year. With a few noteworthy exceptions, the courts and the Patent and Trademark Office have correctly applied the Act while balancing the competing interests involved. Trademark rights have been protected and the public interest in freedom from confusion and deception has, for the most part, been served. Fair competition, the goal of a free market economy, remains robust.

The trademark community took new doctrines introduced by the Act in stride. Courts and lawyers faced incontestability and constructive notice squarely, applying them in diverse situations. And the related companies doctrine preserved quality control and operated well during the unforeseen surge of franchising and trademark licensing in the 1960s and 1970s.

The Lanham Act included a little-noticed section which ultimately became a cynosure. In the 1970s the courts transformed the section into a potent, far-reaching, commercial Bill of Rights for the honest businessman. Section 43(a) n2 has now reached almost towering stature as a weapon to combat unregistered trademark and trade dress infringement and many other types of unfair competition. As a result, the doctrine of *Erie Railroad Co. v. Tompkins*, n3 that there is no federal common law, has virtually no remaining effect on unfair competition law. Today, under the rubric of Section 43(a), there is in every way but name only a federal common law of the major branches of the law of unfair competition.

n2 References to "Section" apply to sections of the Lanham Act, as amended, unless otherwise indicated. 15 USC §§ 1051-1127 (1987). Use of brackets denotes deleted material and use of italics denotes added material.

n3 304 US 64, 58 S Ct 817, 82 L Ed 1188 (1938).

[*377] Federal trademark registration, Section 43(a), and the engulfing sweep of interstate commerce have given the law and policy of trademarks a strongly federal cast. The federal courts now decide, under federal law, all but a few trademark disputes. State trademark law and state courts are less influential than ever. Today the Lanham Act is the paramount source of trademark law in the United States, as interpreted almost exclusively by the federal courts. We see no likely change in this situation.

The Act has proved serviceable. Representative Lanham and his colleagues did their job well, and there has been no noticeable pressure for wholesale trademark law revision. On those few occasions when the trademark community raised its voice on particular problems, Congress responded favorably.

The Commission was generally satisfied with the overall operation of the Act. Instead of suggesting a sweeping overhaul we preferred to address only specific problems. Near the top of the list were the increased frustrations of clearing new trademarks, and the charade of making token interstate use of a mark for purposes of filing an application.

A review of the principal amendments will place our recommendations in historical context. In 1958 Congress approved and the President signed into law H.R. 8826, establishing the Trademark Trial and Appeal Board. The amendment abolished initial decisions by the Examiner of Interferences with appeals to the Commissioner of Patents. And recruiting Board members gained important flexibility when Congress changed the law (H.R. 4273) in 1980 to allow hiring from outside the PTO. Since its formation the Board has unquestionably become a trademark system mainstay, known for its prompt, sensible, and scholarly decisions. Its decisions enjoy a high affirmance rate, are accorded considerable weight in the federal courts, and occasionally make a significant impact. n4

n4 See *Crocker National Bank v. Canadian Imperial Bank of Commerce*, 223 USPQ 909 (TTAB 1984).

Trademarks received a long-overdue boost in status in 1975 when Congress (H.R. 7599) changed "Patent Office" to "Patent and Trademark Office." Since the Office had been known by its old name since at least 1836, this was truly an historic step. Congress believed that "Patent Office" was misleading, in light of the Office's responsibility for administering both patents and trademarks. But Congress also gave express recognition to the importance of trademarks, both

because of the interest of the public in trademark protection and because of the economic importance of [*378] trademarks. In the accompanying Report (93-1399) the Senate Committee observed that "It has been said that the value of trademarks registered in the Patent Office exceeds that of existing patents."

For the Act's first thirty years there was only one series of changes which might be termed substantive. Even so, the most lasting effect was inadvertent. In 1962 Congress approved H.R. 4333, in order to make a number of corrections and other minor changes in the Act. The bill also changed the basic infringement provision, Section 32(1)(a), deleting the following bracketed words:

Any person who shall, without the consent of the registrant--

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake, or to deceive [purchasers as to the source of origin of such goods or services] . . .

shall be liable in a civil action by the registrant for the remedies hereinafter provided.

The change was explained, innocently enough, as parallel to a similar change being made in Section 2(d). That section, in turn, provided that a mark could not be registered if it so resembled a previously registered or used mark as to be likely "to cause confusion or mistake or to deceive purchasers." The bill deleted "purchasers" to make it clear that the provision related to potential as well as to actual purchasers.

However, a number of courts have viewed the deletion as evidence of Congressional intent to broaden the test for likelihood of confusion. Now, they say, the Act is designed to prohibit confusion of any kind, not merely of purchasers or customers nor as to source of origin. n5

n5 See, eg, *Marathon Mfg. Co. v. Enerlite Products Corp.*, 767 F2d 214, 221, 226 USPQ 836, 840 (CA 5 1985) (per curiam); *Syntex Laboratories, Inc. v. Norwich Pharmacal Co.*, 437 F2d 566, 568, 169 USPQ 1, 2 (CA 1 1971).

In recent times court decisions have often prompted Lanham Act amendments, the first occurring in 1975 (H.R. 8981). The Supreme Court had held, in *Fleischmann Distillery Corp. v. Maier Brewing Co.*, n6 that the Act did not authorize an award of attorney's fees to the prevailing party in an infringement action. Aligning the Act with the patent and copyright statutes, Congress changed [*379] Section 35 to allow the award of fees in "exceptional" cases. The bill also provided an automatic thirty-day extension of time to file an opposition, and eliminated the need to specify "reasons of appeal" in appeals to the then Court of Customs and Patent Appeals.

n6 386 US 714, 717-21, 87 S Ct 1404, 18 L Ed2d 475, 153 USPQ 432 (1967).

In the Century 21 amendment, adding Section 39(a) to the Act, Congress responded directly to *Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Commission*. n7 A state commission had ordered franchised real estate brokers to display their names at least as prominently as the trade names and logos of their franchisors, and the courts had upheld the regulation. The bill (H.R. 5154), supported by USTA, pointedly reminded the states and the trademark community of the constitutional concept of federal supremacy. It prohibited states or state agencies from requiring the alteration of a registered trademark or requiring associated trademarks or trade names to be used in a manner which differed from the form of the mark as registered.

n7 448 F Supp 1237 (D Nev 1978), affd 440 US 941, 99 S Ct 1415, 59 L Ed2d 630 (1979). See also, USTA Amicus Brief, 69 TMR 273 (1979).

Congress passed the Trademark Clarification Act of 1984 n8 to nullify the effect of *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.* n9 The court had held that in determining if a trademark was or was not generic the purchaser's motivation in buying the product was the crucial test. This tortured version of the more traditional test for genericness led the court to hold that the famous MONOPOLY trademark was generic and hence unprotectible. As a result, trademark community clamor rose until it became deafening. Then Congress, relying in part on a USTA Amicus Curiae

brief, n10 restored the trademark law traditional test: genericness is determined by the primary significance of the term to the purchasing public, not purchaser motivation.

n8 15 USC §§ 1064(c) and 1127. Public Law 98-620.

n9 611 F2d 296, 204 USPQ 978 (CA 9 1979), and 684 F2d 1316, 216 USPQ 588 (CA 9 1982).

n10 See 72 TMR 549 (1982).

Congress made a number of other important changes in 1984 (H.R. 6260), authorizing the Commissioner to raise fees substantially in order to make the Trademark Operation of the PTO self-sustaining. The bill also provided that oppositions and cancellation petitions no longer had to be verified, and required a statement of use "in commerce" to be made in a Section 8 affidavit.

The most extensive amendment by far has been the Trademark Counterfeiting Act of 1984 (H.R. 6071), n11 which resulted from the combined action of numerous groups and individuals. The [*380] generally acclaimed bill established a variety of procedures to allow trademark owners more effectively to combat the growing tide of counterfeiting. The remedies ranged from civil actions, with virtually mandatory awards of treble damages and attorney's fees, to criminal actions, with individual fines up to \$ 250,000 dollars and prison terms up to five years, and company fines up to one million dollars.

n11 15 USC §§ 1116(d). Public Law 98-473.

Against this historical backdrop USTA set the machinery which led to the formation of the Trademark Review Commission in motion.

II. COMMISSION FORMATION

In mid-1984, with the fortieth anniversary of the Lanham Act two years away, USTA recognized the need to establish a Special Committee for a comprehensive review of the current trademark system. The time had come to see if the system could be improved.

On September 28, 1984 USTA President Dolores K. Hanna appointed Guy M. Blynn and William A. Finkelstein, Vice Presidents, leaders of the review study project. She requested them to consider whether a new committee should be formed and, if so, to suggest its structure and objectives. By the following March they recommended the formation of a Special Committee, as provided for under the Bylaws, which would be termed a Commission. The three of them as a planning group then defined the Commission objectives, developed a program and timetable, and determined the composition of the Commission. The group, with Robin Rolfe, USTA Executive Director, and Jerome Gilson, nominee for Reporter, chose a diverse national group of experienced trademark practitioners from corporations, private practice and academia. By May 21, 1985 the planning group concluded its plan for the Commission structure, schedule, charter, membership, and proposed topics.

A. Membership

The Commission consisted of fifteen regular members and fourteen associate members of the Association:

1. Corporate Member Representatives:

Dolores K. Hanna -- Chairperson Kraft, Inc.

John C. McDonald -- Vice Chairperson Sterling Drug Inc.

[*381] Richard M. Berman General Mills, Inc.

Donald W. Canady The Signal Companies (now in private practice in San Diego, California)

John J. Cummins The Procter & Gamble Company

Walter David Ganus The Dow Chemical Company

Anne S. Jordan Castle & Cooke, Inc. (now with Worlds of Wonder, Inc.)

Ronald S. Kareken Eastman Kodak Company

Catherine F. McCarthy General Foods Corporation

Alfred M. Marks CBS Inc. (now with Brumbaugh, Graves, Donohue & Raymond)

David B. Miller Uniroyal, Inc. (retired from the practice of law in November, 1986)

Gerard E. Murphy AT&T

Peter F. Nolan The Walt Disney Company

Garo A. Partoyan Mars, Incorporated

Robert L. Shafter Xerox Corporation

2. Associate Member Representatives

Jerome Gilson -- Reporter William Brinks Olds Hofer Gilson & Lione Ltd.

Arthur J. Greenbaum -- Associate Reporter Cowan, Liebowitz & Latman

Miles J. Alexander Kilpatrick & Cody

Bert A. Collison Nims, Howes, Collison & Isner

[*382] Marie V. Driscoll Townley & Updike

Vito T. Giordano von Maltitz, Derenberg, Kunin, Janssen & Giordano

Laurence R. Hefter Finnegan, Henderson, Farabow, Garrett & Dunner

Henry W. Leeds Brylawski, Cleary & Leeds

Jeremiah D. McAuliffe Pattishall, McAuliffe & Hofstetter

J. Thomas McCarthy University of San Francisco School of Law (of counsel, Limbach, Limbach & Sutton)

Melville Owen Owen, Wickersham & Erickson

Louis T. Pirkey Arnold, White & Durkee

Albert Robin Robin, Blecker & Daley

Richard A. Wallen Harris, Kern, Wallen & Tinsley

3. Ex Officio Members

Guy M. Blynn R. J. Reynolds Industries, Inc.

Robert J. Eck Philip Morris Incorporated

William A. Finkelstein PepsiCo, Inc.

4. Staff Liaison

Robin A. Rolfe, USTA Executive Director

5. Senior Advisors

In addition, Mrs. Hanna appointed the following as Senior Advisors to the Commission: Saul Lefkowitz, Julius R. Lunsford, Jr., Beverly W. Pattishall, Nathaniel G. Sims, Leslie D. Taggart

[*383] *B. Charter*

On July 5, 1985, the thirty-ninth anniversary of the Lanham Act, the Commission adopted a Charter containing the following objectives:

TRC will evaluate the Trademark Act of 1946 (the Lanham Act) as amended, state laws affecting trademarks, rules and regulations of administrative agencies, particularly the Patent and Trademark Office, and case law from the federal and state courts and administrative agencies, such as the Patent and Trademark Office and the International Trade Commission.

The Commission shall conduct a study to determine if the trademark system is effective to:

- 1) Fulfill the objectives of the Trademark Act of 1946 as set forth at the time of its enactment;
- 2) Accommodate present day business and commercial practices and realities;
- 3) Implement the public policy objectives of the United States;
- 4) Further the principles and objectives of the trademark concept and an optimal trademark system; and
- 5) Adapt to potential future changes in business practices and commercial relationships.

The Commission shall submit its report to the USTA President and the Board of Directors. If the study indicates that changes in the trademark system are appropriate, the Commission shall make recommendations and assist in drafting proposed revision legislation.

III. COMMISSION ACTIVITIES

A. Commission Questionnaire

The Commission members first completed an exhaustive questionnaire. The questionnaire, ranging from general to specific, was designed to elicit member concerns, suggestions and ideas concerning the trademark system. The members wrote extensive and insightful comments, which took ninety-two pages to summarize. Although they held a wide variety of viewpoints, the members [*384] expressed considerable agreement on the topics they felt the Commission should address.

B. Commission Committees and Meetings

At its first full meeting September 27, 1985 in Chicago, the Commission approved its procedures and tentative timetable, chose topics to study, and appointed the following Committees:

1. Intent-To-Use Committee, Vito T. Giordano, Chairperson, Walter David Ganus, Jeremiah D. McAuliffe, Albert Robin, Robert L. Shafter
2. Section 43(a) Committee, Marie V. Driscoll, Chairperson, Donald W. Canady, Gerard E. Murphy, Louis T. Pirkey
3. Dilution Committee, Henry W. Leeds, Chairperson, Anne S. Jordan, Peter F. Nolan, Alfred M. Marks
4. Registration and Incontestability Committee, Richard M. Berman, Chairperson, Miles J. Alexander, Catherine F. McCarthy, Professor J. Thomas McCarthy, Richard A. Wallen
5. Trademark Definitions Committee, John J. Cummins, Chairperson, Melville Owen, Garo A. Partoyan
6. Housekeeping Committee, Laurence R. Hefter, Chairperson, Bert A. Collison, Ronald S. Kareken, David B. Miller (retired)

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The Committee structure has been the backbone of the Commission. During their first six months the Committees functioned autonomously, studying, analyzing and deliberating the various assigned topics.

They then prepared preliminary written reports for discussion by the full Commission in a second Chicago meeting, on March 19, 1986. Yet another meeting was held in conjunction with the San Diego Annual Meeting on June 1, 1986. At the same Annual Meeting the Commission presented a program on its goals and progress. Then, on June 20-21, 1986, in Schaumburg, Illinois, the Commission held an extremely challenging and intensive working session, debating the Committee positions and reports. The Committees then revised and prepared final reports for further scrutiny and debate in Chicago January 16-17, 1987, and an important phase of the project was completed. The Commission also held a meeting in conjunction with the USTA Annual Meeting in Boston on April 26, 1987, and presented a program to a capacity USTA audience on the following day. It held its last meeting, to review and approve the final Report, in Chicago, July 17, 1987.

Between meetings Commission members met, corresponded, consulted with others, drafted and revised reports, and conferred at length. They also prepared and circulated numerous questionnaires, both within the Commission and on

occasion to the full membership of the Association. Views of numerous other persons were also solicited, expressed and considered.

The essence of Commission deliberations was active discussion and interchange. Members took nothing for granted, and repeatedly challenged existing practices, principles, and each other. More than once a seemingly intractable position was softened, then changed. Finally, after numerous votes, came overall agreement on the substance of the Report.

IV. TRADEMARK COMMUNITY INVOLVEMENT

The Commission believes that fundamental changes in the Lanham Act cannot be accomplished without the support of the intellectual property law community. Accordingly, from the very beginning the Commission has brought its activities to the attention of many bar and trade associations. These included the American Bar Association, American Intellectual Property Law Association, California Bar Association, Illinois State Bar Association, Pharmaceutical Manufacturers Association, and The New York Patent, Trademark and Copyright Law Association, Inc., to name a few. These contacts generated considerable interest in the [*386] work of the Commission, and led to a number of Commission member speaking engagements. In turn, the various groups expressed their views to the appropriate Committees of the Commission. The American Bar Association Patent, Trademark and Copyright Section has appointed an ad hoc committee to work with the Commission. The Commission also expects to solicit further views of these various associations and groups when the Board of Directors approves a final report.

The Commission has not overlooked individuals in its effort to achieve broad exposure. In November 1986 the Association held roundtables, discussion sessions with smaller groups, in some twelve cities across the country. They attracted some one-hundred sixty-five individuals, and the moderators reported lively discussions of several of the key topics being considered by the Commission. We have also repeatedly encouraged individuals and groups to express their views to the Commission.

V. COMMISSION DETERMINATIONS

Pursuant to its Charter the Commission has made a number of determinations.

First, the Lanham Act continues to fulfill the statutory objectives set forth at the time of enactment. These objectives appeared in Senate Report No. 1333 (May 14, 1946), in which the Committee on Patents recommended that H.R. 1654 be passed:

The purpose underlying any trade-mark statute is two-fold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner. It is succinctly stated by Mr. Justice Frankfurter in *Mishawaka Rubber and Woolen Company v. S.S. Kresge Company*, decided on May 4, 1942:

The protection of trade-marks is the law's recognition of the psychological function of symbols.

In our view these purposes are amply served in the ebb and flow of trademark decisions. There is no apparent danger that the courts will lose sight of them. If anything, trademark protection [*387] is becoming more readily available, and the purposes are even more honored today than they were four decades ago.

Second, the Act satisfactorily accommodates present day business and commercial practices and realities, with limited exceptions. It adapted to the licensing and franchising industries, and it provided adequate legal guidance for the recent surge of corporate name changes, acquisitions, and mergers. However, there are a number of areas where improvement is needed. For example, the Act has not kept pace with the increasing need for intent-to-use legislation, and we are recommending a significant change as a result. Similarly, we believe that the law of trademark security interest requires overhaul, that concrete steps should be taken to eliminate deadwood trademarks from the register, and that Congress should adopt a federal dilution law. All of these, and other changes we are recommending, would better serve present day commercial needs.

Third, the Act appears to implement effectively the public policy objectives of the United States. It protects the rights of trademark owners and the rights of the public, promotes the maintenance and improvement of quality in both goods and services, and stimulates innovation in marketing and advertising. It also fosters healthy competition in at

least two ways. It preserves good will and investment in product quality and promotion, and reduces the distortions of competition which would result from purchases based on confusion or deception and from the unjust enrichment of unfair competitors.

Fourth, the Act also furthers the principles and objectives of the trademark concept and an optimal trademark system. In its application it continues to allow trademarks to function in a way which is both socially and economically desirable. Trademarks denote a particular standard of quality, distinguish competing goods, symbolize good will, operate as advertising tools, enhance fair competition, motivate consumers to purchase, insure that consumers get the products they want, and facilitate the establishment of a standard of acceptable business conduct.

Fifth, the Act appears to be adaptable to future business and commercial changes. We see no imminent major business or commercial changes, however, which would suggest current alterations.

We see no reason to propose any changes in state trademark laws. Essentially, the dual federal-state system operates well, with minimum conflict. As long as federal law continues to be preeminent, [*388] the goal of national uniformity of trademark law will be substantially met.

We considered the need to change the rules and regulations of administrative agencies, such as the PTO and the International Trade Commission. We concluded that any revisions which may become desirable as a result of our proposed changes to the Act should be considered apart from this Report.

VI. ACKNOWLEDGMENTS

The Commission is grateful to numerous groups, firms, and individuals for their assistance. A few deserve special mention. John McDonald meticulously took minutes of the Commission meetings. Robin Rolfe and her staff handled meeting arrangements and communications flawlessly. Michelle Millas assiduously organized and typed almost all of the questionnaires, response summaries and numerous draft reports, and monitored our "legislative history." Many USTA member corporations and law firms from which TRC members were selected were especially generous.

The Commission appreciates the interest of Commissioner of Patents and Trademarks Donald J. Quigg and Assistant Commissioner for External Affairs Michael K. Kirk in its work, and the time they spent in meeting with Commission representatives.

The Commission is very grateful to Assistant Commissioner for Trademarks Margaret M. Laurence and the personnel of the PTO for their cooperation. They were available for many hours of meetings with us, and provided invaluable suggestions.

The Commission is also indebted to two distinguished members of the academic community. Professor Robert B. McKay, former Dean of the New York University School of Law and an authority on constitutional law, analyzed our intent-to-use proposal and provided his opinion on the question of whether it would survive an attack on constitutional grounds. Professor Richard E. Speidel, of the Northwestern University School of Law, an authority on security interests and the Uniform Commercial Code, reviewed our manuscript and made helpful suggestions on the subject of security interests in trademarks.

VII. COMMISSION RECOMMENDATIONS

The following recommendations are a synthesis of the final Committee reports as modified and adopted during discussions by the full Commission. The Commission also created its own version of "legislative history." This documentation, consisting of questionnaires, [*389] drafts, minutes of meetings, correspondence and reports, is not included in the Report.

Commission votes dictated our recommendations. In all cases at least a majority of those present voted in favor, and in many cases there were no opposing votes. Although there were many separately held views, and some disagreement on specific points, we unanimously offer this Report.

We emphasize that suggested statutory language in the Report is illustrative only. In many instances we could not agree on specific language, and we had no time for comprehensive drafting. However, we decided that many of the proposed amendments would be better understood if put in the form of statutory language. We are not committed to any such language, and we made no attempt to determine the effect of proposed amendments on other sections of the Act.

A. Intent-To-Use

1. Introduction

a. Background of Intent-To-Use Proposals

The Commission's study of this topic is not a new undertaking. The Act of 1870, our first trademark statute, permitted applications based on use or intention to use. The Act was held unconstitutional chiefly because it did not require use or proposed use in commerce. n12

n12 Trade-Mark Cases, 100 US 82, 96-97, 25 L Ed 550 (1879).

Intent-to-use legislation was subsequently proposed in 1925 (H.R. 6248) and 1938 (H.R. 9041) but dropped. In the 1960s, several bar groups supported the Dirksen and related intent-to-use bills requiring use before registration. This movement dissipated in the early 1970s when interest shifted to the widely debated Trademark Registration Treaty permitting, inter alia, intent-to-use applications, with use within three years after registration. The United States signed it in 1973 but never ratified it. n13

n13 Opposition in the United States to TRT was not restricted to its intent-to-use with use after registration provisions. Much concern was also expressed (1) that filing applications worldwide under TRT would cause proliferation in the United States, and (2) that our then heavily backlogged PTO might have difficulty meeting the TRT time limitations for examination and disposal of applications.

Interest in intent-to-use was strongly revived by the Board's controversial Crocker decision in October 1984, permitting Section 44 applicants not to allege use anywhere or to file specimens. n14 Our recommendations would stand absent Crocker, for they address a deficiency in our system long predating that decision.

n14 Supra note 4.

*[*390] b. The Commission's Study*

The Commission's study proceeded internally and externally. Internally, we read law; reviewed prior legislative proposals, including TRT and its draft implementing legislation; and considered the many articles for and against intent-to-use, largely collected in *The Trademark Reporter* (registered). n15 We also exchanged position papers, employed questionnaires, and debated and analyzed the proposals recommended or rejected herein.

n15 Volumes 53 (1963) and 63 (1973).

Externally, the Commission interviewed trademark counsel for diverse American companies on token use practices and lead times needed to introduce new products. We had discussions with other bar groups, notably the Trademark and Trade Name Protection Committee of the AIPLA and the Trademark Committee of the Pharmaceutical Manufacturers Association. We received written opinions from trademark experts in Canada, the United Kingdom and West Germany on the strengths and weaknesses of their systems. We talked to officials of the Canadian Trade Marks Office. In September 1986, we also met informally on this subject with the Assistant Commissioner for Trademarks and a small group from the PTO.

2. Commission Recommendations

We recommend that the United States adopt a dual system permitting applications on the principal register to be based either on use in commerce, or on a bona fide intention to use in commerce, with registration issuing only after a declaration of actual use with specimens has been filed and approved.

We recommend that our proposed intent-to-use system work as follows (items B, C, F, I, J, and K would apply to use-based applications as well):

(A) All applications not based on use -- including Section 44 applications -- would have to state a bona fide intention to use the mark in commerce for specific goods or services. A drawing would be required.

(B) Full examination of the application by an Examining Attorney would take place before publication.

(C) Publication would appear in the Official Gazette for opposition purposes only once.

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(D) After the application cleared the Official Gazette or survived an opposition, the PTO would mail a Notice of Allowance to applicant.

(E) (1) Applicant would have six months from the Notice of Allowance to commence use in commerce and to file a declaration of such use (if it had not yet done so), with specimens, for goods or services identified in the application. All items of goods or services for which use had not been made would be deleted from the application. These requirements would not apply to Section 44 applicants.

(2) The six-month period would be extended by the Commissioner for additional periods of six months each, on the filing of verified statements of continued bona fide intention to use the mark in commerce and the payment of appropriate fees, for a total of no more than four years from the date of the Notice of Allowance.

(F) We propose to amend the Section 45 definition of trademark use in commerce as follows:

The term "used in commerce" means such use made in the ordinary course of trade, commensurate with the circumstances, and not made merely to reserve a right in a mark.

(G) The declaration of use and supporting specimens would be examined by an Examining Attorney to determine if (a) the declarant is the applicant, (b) the mark corresponds to the drawing, (c) the goods or services are identified in the application, and (d) the mark displayed on the specimens functions as a trademark or service mark.

(H) The required declaration of use could be based on use by applicant's related company, or licensee. But the application would not be assignable, except to a successor of applicant's business or the portion thereof to which the proposed mark pertained, until the declaration of use had been filed by the original applicant.

(I) The filing date of all applications -- whether based on intent-to-use or use -- would constitute constructive use n16 nationwide in effect against anyone that did not antedate applicant's filing with (1) actual use, or (2) a filing date, [*392] or (3) a Section 44(d) priority date based on a foreign application. This benefit would be conditioned upon registration on the principal register.

n16 This term is defined at infra note 28.

(J) Constructive notice under Section 22 would date from registration, as it does now.

(K) The registration would date from its grant as it does now, and would cover only those goods or services specified in the declaration of use.

(L) Unless its priority was based on actual use, an intent-to-use party alleging likelihood of confusion could not obtain a final judgment from the Board sustaining an opposition or cancellation petition, or from a court granting injunctive relief, until it had commenced use and obtained registration on the principal register. n17

n17 A Section 44 applicant relying on a prior filing date and alleging likelihood of confusion could successfully oppose or petition to cancel without commencing use, provided it had obtained a registration.

(M) An intent-to-use applicant could not file to register on the supplemental register.

We discuss each of these recommendations and related points commencing at infra VII. A. 7., Explanation of Intent-To-Use System.

3. Sections of Act Requiring Amendment

The foregoing recommendations would require amendments to at least Sections 1, 2(d), 3, 4, 10, 12(a), 26, 30, 33, 44 and 45 of the Lanham Act.

4. Policy Supporting Intent-To-Use System

It would not subvert our system to suspend the principle "no trade -- no trademark" to permit an intent-to-use application, with use required before registration:

(A) A pre-filing use standard is unrealistic. It is the requirement in our trademark law that most perplexes American business. Bringing a brand to market is costly in time, effort and money. To make one incur such costs before

some assurance it may register or retain the brand is logistically perverse. This is the main reason for token [*393] use applications. To the extent they are being filed and upheld, we now have, in effect, an intent-to-use system. n18

n18 However, certain businesses may not be able to make pre-filing token use. Hotels are unable to apply to register service marks until they open for business. Token shipments of heavy equipment may not be feasible. And the requirements of Environment Protection Agency and other regulatory agencies may long preclude or inhibit even an experimental use until agency approval is obtained.

(B) (1) Token use should be discouraged. It delays filings; it is contrived; it is commercially invisible; it perpetuates dead marks clogging the register; and it creates legal uncertainty.

(2) Our proposed intent-to-use system and revised definition of use should significantly reduce token use made merely to establish or maintain a trademark right.

(C) Intent-to-use would increase certainty. Though it would not remove the hazard of objection from an unknown prior user, there would be earlier public disclosure of potential conflicts. Filings, and their citation in search reports, would be accelerated. This would afford more lead time to negotiate to resolve a potential controversy or to select another mark before product launch.

(D) An intent-to-use system would significantly lessen the disparity between our pre-filing requirements for domestic n19 and Section 44 applicants. That pre-filing disparity would disappear if, as we recommend, Section 44 applicants were required to allege a bona fide intention to use in commerce.

n19 There is no disparity when a domestic applicant qualifies for registration under Section 44. See *In re International Barrier Corp.*, 231 USPQ 310 (TTAB 1986).

5. Policy Supporting Requirement of Use Before Registration

We think it essential that an American intent-to-use system require, before registration, use attested to by declaration and specimens (except for Section 44 applications):

(A) That requirement would confirm the importance of use in the American system.

(B) It would deter registration of marks not intended for commercial use, since a declaration of such use and specimens would be required shortly before registration would issue. It would thus lessen the risk of proliferation. n20

n20 Without a pre-registration use requirement, an applicant who on filing intended to use its mark might later decide not to market the brand but still let the application issue to registration.

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(C) It would permit the rejection of applications on grounds disclosed by the declaration of use or specimens, and prevent invalid registrations from issuing undetected.

(D) It would not weaken the deterrent effect of Section 38 affording damages for fraudulent registrations, as a post-registration use requirement might do.

(E) A system requiring use before registration would withstand an attack on constitutionality better than a system that does not. However, we think either would be deemed constitutional, particularly in view of the broad judicial expansion of the commerce clause. n21

n21 See *infra* VII. A. 10., Constitutionality of Intent-To-Use. This section summarizes the opinion of Professor Robert B. McKay.

The Commission reached the same conclusion. We do not believe that the Supreme Court's decision in *Trade-Mark Cases*, *supra* note 12, is controlling. The trademark portion of the Act of July 8, 1870 was held unconstitutional because it did not require that a registrant "be engaged in the kind of commerce which Congress is authorized to regulate." *Id* at 97. Under our proposed amended Lanham Act, registration would issue only after

use in commerce, and the constructive use accorded filing would be conditioned upon registration. See, eg, *Heart of Atlanta Motel, Inc. v. United States*, 379 US 241, 85 S Ct 348, 13 L Ed2d 258 (1964).

The principal advantage of post-registration use statutes is that they afford exceptionally long lead times to commence use. In some countries the trademark owner has up to five years from grant of registration (West Germany). However, their weakness lies in issuing registrations to applicants that might never use their marks. Such a system would put competitors on long hold, speculating whether use would ultimately occur and wondering what goods or services were involved.

Shorter periods with extensions are preferable. Our proposed system would require use within six months after the application is allowed or survives an opposition. Extensions of six months could be granted on verified statements of continued bona fide intention to use and payment of appropriate fees, with a cut-off date four years from Notice of Allowance. This requirement, n22 will allow liberal lead time for product introduction and yet discourage extended non-use.

n22 Further discussed at *infra* VII. A. 6. g., Notice of Allowance and Use Periods.

We recognize that a post-registration use system would give American applicants full parity with Section 44 applicants. Although our proposed system would not do so, it would dispense with use before filing and require Section 44 applicants to allege a bona fide intention to use, thus narrowing the disparity heightened by Crocker. Parity did not exist even before Crocker: applications based on foreign applications or registrations merely had

[*395] to allege use "somewhere." It is unwise to adopt what we believe to be a less satisfactory system merely to achieve full parity.

6. Proposed Amended Definition of Use in Commerce

The present Section 45 definition of use in commerce encourages token use and the warehousing of marks, by requiring only that the labeled product be "sold or transported in commerce." We therefore recommend adding the italicized language:

For the purposes of this chapter a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith. *The term "used in commerce" means such use made in the ordinary course of trade, commensurate with the circumstances, and not made merely to reserve a right in a mark.*

We drafted this amendment to permit flexibility, and realize that it will require judicial interpretation. Although the amendment is general, it excludes sham trademark use and the unrealistic limited volume or single-product shipments now being made for purposes of establishing pre-application use. It would effectively nullify *Fort Howard Paper Co. v. Kimberly-Clark Corp.*, n23 and its progeny.

n23 390 F2d 1015, 1017, 157 USPQ 55, 56-57 (CCPA 1968), cert denied 398 US 831, 159 USPQ 799 (1968).

The proposal contemplates commercial use of the type which is common to a particular industry. However, it should also be construed to encompass various genuine but less traditional trademark uses such as those made in small-area test markets, infrequent sales of very expensive products, or ongoing shipments of a new drug to clinical investigators from a company awaiting FDA approval. n24

n24 Though small-scale, such shipments are generally made on a relatively continuous basis to doctors who will ultimately prescribe the drug, if approved. Concurrently, the trademark may also be used to identify the drug in articles in pharmaceutical and other publications.

Under our proposed definition, rights in a trademark or its registration would not be lost if use of the mark were interrupted [*396] due to special circumstances excusing nonuse, absent an intent to abandon. The amended definition

must be considered in connection with (1) Sections 8 and 9 permitting an affidavit of use and application for renewal to show such special circumstances, and (2) Section 45 requiring an "intent not to resume" use as an element of abandonment.

While we also considered amending the use definition to make advertisements or promotional material acceptable specimens of trademark use, we decided against this recommendation chiefly for these reasons:

(A) It would be of little help for pre-filing purposes. Most companies could not feasibly advertise or promote a product on a non-token basis until shortly before or at market introduction.

(B) It would permit registration of short-lived advertising slogans with resultant register clogging.

(C) There is already considerable relaxation of the affixation requirement in Section 45, which allows trademark use on "displays associated" with the goods. For example, use on restaurant menus is acceptable. n25 (We are recommending that the affixation requirement be relaxed in the case of products shipped in bulk in containers such as tank cars.) n26

n25 *In re Marriott Corp.*, 459 F2d 525, 527, 173 USPQ 799, 800 (CCPA 1972).

n26 See *infra* VII. K. 8., Proposed Section 45.

(D) There is no way to establish any meaningful yardstick as to the required amount of advertising or promotion. Would a single advertisement suffice? In what type of publication? What would be the requisite circulation?

Our proposed intent-to-use system and revised definition of use would largely remove the present incongruity permitting trademark registration based on a token label but not on a national advertisement.

7. Explanation of Intent-To-Use System

We explain below the essential elements of our proposed intent-to-use system.

a. The Application

Applicant must state "a bona fide intention to use the mark in commerce" for each product or service identified in the application. [*397] By "bona fide," we mean no mere hope, but an intention that is firm though it may be contingent on the outcome of an event -- e.g., product testing or market research. The term "bona fide" should be expressly stated in the statute to make clear such intent must be genuine. The same requirement would apply to Section 44 applications. n27

n27 As discussed in *infra* VII. A. 8., Section 44 Applications and Intent-To-Use.

The application would identify each proposed product or service with specificity at least sufficient to permit third parties to evaluate potentially conflicting claims. The identification could be clarified or narrowed, but not broadened, in the subsequent declaration of use or registration.

A drawing would continue to be required.

b. Constructive Use n28 Accorded Filing Date

n28 "Constructive use" means that which establishes a priority date with the same legal effect as the earliest actual use of a trademark at common law. The constructive use term and concept appear in *SCM Corp. v. Langis Foods Ltd.*, 539 F2d 196, 199-201, 190 USPQ 288, 291-93 (CA DC 1976), and *In re ETA Systems Inc.*, 2 USPQ2d 1367, 1370 (TTAB 1987).

The filing of an application (based on intent-to-use or actual use) would constitute nationwide constructive use against all entities which did not antedate that filing with (a) actual use, or (b) a filing date, or (c) a Section 44(d) priority date based on a foreign application.

Constructive use is essential for an intent-to-use application. Without it, the application would be an easy target for pirates, vulnerable also to priority claims of anyone else whose use began after applicant's filing date but before appli-

cant's use. This would strongly discourage filing of intent-to-use applications and also defeat our objective of reducing uncertainty.

Making constructive use nationwide in effect against subsequent users (without filing priority) would prevent them from claiming common law priority in their own territories. Constructive use would thus reduce geographical fragmentation of trademark rights. n29 It would also essentially provide what Section 44 applicants now receive (except for the claim of priority relating back to the filing date of the foreign application). n30 These benefits would be a further incentive to register.

n29 Under current law, good faith junior users may assert priority of use in any remote territory occupied by them before the date of the senior user's registration. Eg, *Burger King of Florida, Inc. v. Hoots*, 403 F2d 904, 907, 159 USPQ 706, 709 (CA 7 1968).

n30 See *SCM Corp. v. Langis Foods Ltd.*, supra note 28 at 199-201, 190 USPQ at 291-99, and *American Petrofina, Inc. v. Brown*, 391 F Supp 757, 758, 184 USPQ 483, 484 (ED NC 1974), suggesting nationwide protection for such applicants from the date of filing.

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The same nationwide constructive use should also be given to applications based on actual use. n31 It would be anomalous and unfair to allow a party to assert priority of use in its own territory against a senior-user applicant with priority of actual use in another area, but not against an intent-to-use applicant with priority based solely on a filing date and not on actual use anywhere. This would penalize and discourage pre-filing commercial use by prospective applicants.

n31 Such applicants could rely on their prior date of actual use (be it local or regional) as well as their date of nationwide constructive use.

Constructive use would also provide a strong incentive to search the PTO records prior to adopting a new trademark. Although searching is not mandatory at present, a business would be taking a Russian roulette legal risk if it expended money on a new mark without a search. Constructive use would encourage the filing of applications and searching of the register, both desirable policy objectives.

The filing of an intent-to-use or use-based application could not constitute nationwide constructive use against anyone who used a mark before the filing date. According to a filing date nationwide constructive use is policy-justified as against a subsequent user who either knew of, or could have searched, applicant's earlier trademark claim. A prior user, of course, cannot initially know of a later-filed application. It would thus be inequitable to permit that application to freeze the prior user's right to territorial expansion. Questions of priority and territorial rights involving prior users should continue to be decided as under current law.

Nationwide constructive use accorded the filing date would be conditioned on registration. If registration did not issue, all priority and territorial issues would be decided under current law.

c. Examples

The following examples illustrate the operation of this proposal:

(1) P files an intent-to-use application on June 1, 1988 to register the mark BRAVO for cheese. D commences use of the mark BRAVO for yogurt November 1, 1988. P begins shipping BRAVO cheese in commercial quantities to its brokers and retail accounts in several states on February 1, 1989. In an injunction action by P against D, P prevails, provided: (a) P's application is allowed, (b) P files a declaration of use within six months after Notice of Allowance or during an extension thereof, (c) a principal register [*399] registration issues to P, and (d) P proves that the public in D's locale is likely to be confused by D's use of BRAVO on yogurt.

(2) D makes actual use of the BRAVO mark for yogurt on April 1, 1988. P files an intent-to-use application on June 1, 1988 to register the BRAVO mark for cheese. P begins commercial shipments of BRAVO cheese on February 1, 1989. In an action by P against D based on P's later-acquired principal register registration, D prevails in the area where it has established rights, subject to P's concurrent use rights and ability to prove likelihood of confusion. Neither P's actual use (February 1, 1989) nor its constructive use (June 1, 1988) is prior to D's actual use (April 1, 1988).

(3) P files an intent-to-use application on June 1, 1988 to register the mark BRAVO for cheese. P's application is allowed, P files a timely declaration of use based on commercial quantity shipments, and P obtains a principal register registration of BRAVO on December 1, 1989. D commences actual use of the BRAVO mark on yogurt on January 1, 1990, with constructive notice of P's registration under Section 22. In an injunction action by P against D, P prevails if P is able to prove that the public in D's locale is likely to be confused by D's use of BRAVO on yogurt. P established prior constructive and actual use, and D had constructive notice of P's rights when he began using the mark.

d. Pre-Publication Examination

The application would be fully examined before publication. Absence of specimens should not materially affect examination on issues of confusing similarity or descriptiveness.

Other grounds for rejection would not be detected without specimens, e.g., subject matter not constituting a trademark or service mark, or marks differing materially from the drawing. But these grounds would turn up in the Examiner's subsequent review of the declaration of use with specimens, before registration.

An intent-to-use application could be cited against a later-filed conflicting application, which would then be suspended pending the outcome of the first application. This would conform to the PTO's present practice.

Applicant could respond to a rejection and seek review by appeal to the Board or petition to the Commissioner, as now.

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e. Publication in Official Gazette

Publication would take place as now. We considered but rejected "quickie" publication solely for notice purposes (after a nonsubstantive routine examination), followed by full examination and a second publication for opposition purposes. We think this a burdensome and delaying procedure that is unnecessary since adequate notice may readily be obtained from a trademark search.

f. Opposition and Cancellation Proceedings

Oppositions against intent-to-use applications would be filed within thirty days of publication or an extended period, as now. We considered but rejected either not instituting the opposition or suspending it until after the declaration of use was filed. These procedures would avoid the expense of opposing a proposed mark that may never be used. But they would defeat our objective of reducing uncertainty before applicant's investment in commencing commercial use. Moreover, a party that does not intend to make commercial use is not likely to incur the substantial expense of defending an opposition to conclusion.

An intent-to-use applicant could (1) successfully oppose a later-filed application without priority of actual use, or (2) cancel a registration based on a later-filed application without such priority. n32 A decision would be rendered, but if the intent-to-use applicant won, entry of judgment would be suspended until it obtained registration (because its prior constructive use would be contingent on such registration). Judgment would not be suspended where the opposition/petition was based on descriptiveness or any other Section 2(e) ground, provided that opposer/petitioner had standing to assert such grounds, i.e., a sufficient interest in using the term in issue in the future. This would conform with current law. n33

n32 Other than an application with a Section 44(d) claim of priority antedating the filing date of applicant-opposer or applicant-petitioner.

n33 *Golomb v. Wadsworth*, 592 F.2d 1184, 201 USPQ 200, 201 (CCPA 1979), cert denied 203 USPQ 651 (1979).

For example, P files an intent-to-use application on June 1, 1988 to register the mark BRAVO for cheese. D commences use of the mark BRAVO for yogurt in interstate commerce November 1, 1988, and on December 1, 1988 files an application based on use. The PTO issues a Notice of Allowance on P's application June 1, 1989. D's application is published for opposition December 1, 1989, and P files an opposition. The case proceeds, and is ripe for decision February 1, 1991. If D wins, judgment is entered immediately. If P wins, entry of judgment is suspended pending issuance [*401] of P's registration. P obtains extensions (of the six-month statutory use period) for three and one-half years from June 1, 1989, the date of the Notice of Allowance. Immediately before June 1, 1993, P overcomes its production

problems, makes commercial volume shipments of BRAVO cheese, and files a declaration of use. P's registration issues November 1, 1993. The suspension is lifted and P prevails.

Prosecution of these proceedings before one or both of the parties commences use should not significantly affect their determination. As to oppositions, the Board has consistently held the controlling factors to be the mark, goods, and channels of trade disclosed in the opposed application, not what applicant may actually be using or doing in the market place. Many oppositions are now decided without testimony from applicant and with little or no help from its labels. The same factors would apply to an intent-to-use petitioner for cancellation before it commenced use. However, our proposal to amend Section 18 to allow the Board to limit descriptions based on market place reality n34 could also apply to intent-to-use marks if testimony about the intended use results in a factual determination that the goods or services description is stated too broadly.

n34 See *infra* VII. K. 6., Proposed Section 18.

g. Notice of Allowance and Use Periods

After the application clears the Official Gazette or survives an opposition, the PTO would mail a Notice of Allowance to applicant advising that within six months use must be made and a declaration of use with specimens filed for registration to issue. n35 Applicant could obtain six-month extensions up to four years from the Notice of Allowance. If no declaration of use were filed within the four-year period the application would be deemed abandoned.

n35 At the current PTO processing rate, and assuming no oppositions were filed, use would thus be required about one year after filing, or about eighteen months thereafter if (as often occurs) the application were rejected once by the Examiner before publication. If one six-month extension of the use period were obtained, those periods would enlarge to eighteen months or twenty-four months, respectively.

The Commission realizes that the lead times businesses need to introduce new products or services vary greatly. Our interviews with trademark counsel from diverse companies and our internal discussions indicated that four years from Notice of Allowance would be ample if not lenient. n36 Providing for a longer period, or [*402] for no cutoff date, would encourage delay in commencing use of a mark or in reaching a decision not to use it. This would prejudice third parties who are forestalled from using or registering a conflicting mark because of a pending intent-to-use application with a prior filing date.

n36 In the drug industry it may take several years to obtain FDA approval to market a drug. But we understand that it should not be difficult to commence shipments under the mark to clinical investigators within our suggested four-year period. Such shipments should constitute use in the normal course of trade, commensurate with the circumstances, within the meaning of our suggested new definition of use in commerce.

While some have argued that a four-year use period is too long, we believe that it will maximize product lead time flexibility and, in general, benefit the business community. The requirement of time extension requests every six months (accompanied by renewed intent-to-use verified statements and the payment of appropriate fees) should deter those with no serious intent to use. The verified statements and payments will eliminate the need for, and avoid the PTO administrative burden of, showings of good or exceptional cause as a condition of obtaining extensions.

h. Declaration of Use and Its Examination

The declaration of use would (1) state the dates of first use and first use in commerce, (2) specify those goods or services identified in the application for which the mark had been used in commerce, and (3) be accompanied by specimens showing such use. The PTO examination would be limited chiefly to the issues whether (1) declarant is the applicant, (2) the mark is as shown in the drawing, (3) the goods or services specified in the declaration are identified in the application, and (4) the mark functions as a trademark or service mark. Applicant could respond to a rejection, and, where appropriate, seek review by appeal to the Board or petition to the Commissioner.

i. Effective Date of Registration and Constructive Notice

Registration would date from its grant and would cover only those goods or services specified in the declaration of use. Section 8 affidavits and renewals would be due as they are now. Registration would continue to constitute Section

22 constructive notice of the trademark owner's claim. It would not be appropriate for constructive notice to antedate registration, for the application may never issue to registration.

Furthermore, our present law should not be changed unless it is necessary to make intent-to-use work or can be justified by compelling policy considerations. That is why we recommend that the filing date constitute constructive use; without that change, an intent-to-use applicant's claim would be jeopardized.

No such necessity or policy consideration dictates that constructive notice antedate registration. By virtue of its constructive [*403] use, an intent-to-use applicant would have a superior right over anyone adopting a mark after applicant's filing date. And because of the importance of constructive use, many junior users will conduct searches and have actual notice of applicant's claim. If the junior user is genuinely innocent, courts should continue to be free to consider that fact in balancing the equities.

j. Injunctive Relief Conditional on Actual Use

An intent-to-use applicant should not be entitled to injunctive relief until it commences use. Without such use, applicant could not establish likelihood of confusion in the market place. n37

n37 This is the basis for the decisions withholding from a prior user-registrant injunctive relief against a junior user in a remote area until the prior user enters it or proves a present likelihood of entry. *Pizzeria Uno Corp. v. Temple*, 747 F2d 1522, 1536, 224 USPQ 185, 194-95 (CA 4 1984); *John R. Thompson Co. v. Holloway*, 366 F2d 108, 114, 150 USPQ 728, 732-33 (CA 5 1966); *Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F2d 358, 364, 121 USPQ 430, 434 (CA 2 1959).

Further, without use, applicant would not obtain the registration upon which its constructive date of use is contingent. Applicant could then not assert priority over a use commenced before applicant's use but after its filing date.

k. Licenses and Assignments

An intent-to-use applicant should be permitted to license its proposed mark before use. A licensee's use would inure to the benefit of applicant and support applicant's declaration of use. This would be consistent with the prevailing view: a mark may validly be licensed before it is used. n38

n38 *Warner Bros. Inc. v. Road Runner Car Wash, Inc.*, 189 USPQ 430, 431 (TTAB 1975) (citing cases).

By contrast, assignment of an intent-to-use application should not be permitted before use. To permit such assignments (1) would conflict with the principle that a mark may validly be assigned only with some business or good will, and (2) would encourage trafficking in marks. But assignments before use should be permitted as part of a transfer of an intent-to-use applicant's business or the portion thereof to which the proposed mark pertains.

l. The Supplemental Register

Under existing law, an intent-to-use applicant could not apply to register on the supplemental register because he cannot meet the one-year lawful use requirement of Section 23. n39 Even if the [*404] one-year requirement is abolished, however, we recommend against permitting such intent-to-use filings. These designations do not function as marks or become protectable until they acquire distinctiveness through use.

n39 At *infra* VII. D. 4., Suggested Amendments to Act, we recommend abolishing this one year use requirement. However, at least initial use would still be required for supplemental register registration.

Transfer of an intent-to-use application from the principal register to the supplemental register would be possible after the mark had been used. But it would not be appropriate for applicant's filing date to constitute constructive use, since registration on the supplemental register affords no *prima facie* evidence of a right to use. Thus, applicant's priority would be based on its date of first actual use.

8. Section 44 Applications and Intent-To-Use

Section 44 applications should be required to allege a bona fide intent to use the mark in commerce. This modest requirement is consistent with our treaty obligations. Moreover, Section 44 applications now imply an intention to use,

for their registrations may be canceled because of abandonment due to nonuse for two consecutive years after registration. n40

n40 *Oromeccanica, Inc. v. Ottmar Botzenhardt GmbH & Co.*, 223 USPQ 59, 63 (TTAB 1983).

To permit registration without an intention to use is to encourage registration of reserve or defensive marks. Eliminating this practice should be fundamental to our adoption of a new system.

However, we recommend against requiring pre-registration use in commerce for Section 44 applications, because this could violate our treaty obligations. We also recommend against reviving the pre-Crocker requirement of use "somewhere" plus specimens before registration. Although the Crocker principle could be overturned in a future court proceeding, such use is impracticable and legally irrelevant in any event, irrespective of our treaty obligations. Furthermore, the latter recommendation (1) would make our intent-to-use proposal seem a response to Crocker, though it is not, and (2) might lead to diversionary debate over Crocker and our treaty obligations, thus delaying action on our proposal.

9. Balancing Equities Under Intent-To-Use

Some have cautioned that under an intent-to-use system our courts would adjudicate inflexibly on paper-world rules rather than real-world considerations. We do not agree. Equity has been the core of our trademark jurisprudence for over a century. Courts [*405] would not likely discard it for a paper-world approach if we adopt intent-to-use with use before registration:

(A) Plaintiffs could not realistically argue likelihood of confusion until they had commenced actual commercial use. Courts would then look to the market place and assess, as they do now, the familiar Polaroid factors set forth by the Second Circuit Court of Appeals n41 or similar factors considered by other circuits.

n41 These include distinctiveness of the prior mark, similarities between the marks, proximity of the products and trade channels, sophistication of purchasers, likelihood of confusion, evidence of actual confusion, and defendant's good or bad faith. *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F2d 492, 495, 128 USPQ 411, 413 (CA 2 1961), cert denied 368 US 820, 131 USPQ 499 (1961).

(B) The central issues of distinctiveness and likelihood of confusion are real-world, fact-intensive issues, as are the other Polaroid factors. They each militate against inflexible or abstract determinations.

(C) On the issue of priority, some flexibility would be lost but some certainty would be gained by according constructive use to an applicant's filing date. Priority is a threshold fact issue for which we need more certainty of resolution. But this would not take equity out of an infringement suit. A plaintiff asserting constructive use would not be assured victory; it would still have to establish a protectible interest and likelihood of confusion in defendant's territory to prevail.

(D) Furthermore, courts have refused to make "calendar priority" based on commercial use determinative if doing so would cause inequity. n42

n42 *Eg, Chandon Champagne Corp. v. San Marino Wine Corp.*, 335 F2d 531, 534, 142 USPQ 239, 242 (CA 2 1964).

It is unlikely that courts would react differently with constructive use.

If an innocent user were to be enjoined due, in part, to an applicant's earlier filing date, this would be policy-justified. The user could have discovered the prior application in a search report before commencing use, whereas, prior to filing, the applicant could not have learned of the subsequent use. Moreover, granting an injunction to an applicant that publicly disclosed its mark by filing before another's use would be consistent with the "policy of encouraging prompt registration of marks by rewarding those who first seek registration under the Lanham Act." n43

n43 *Weiner King, Inc. v. Wiener King Corp.*, 615 F2d 512, 523, 204 USPQ 820, 830 (CCPA 1980).

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10. Constitutionality of Intent-To-Use

Professor Robert B. McKay, New York University School of Law, reviewed and analyzed the Intent-To-Use Committee Report in light of applicable principles of constitutional law. He concluded, without reservation, that the proposed intent-to-use amendment would be constitutional. Indeed, he went so far as to state that the amendment would satisfy the most rigorous constitutional inquiry.

He based his conclusions on two factors. First, the amendment has a valid and substantial relationship to commerce. Second, it would ease present burdens on the flow of commerce. He felt that there was no doubt that the requirement of use in interstate commerce prior to the issuance of a registration would make the amendment valid. Similarly, he found the justifications persuasive and the changes highly desirable. He also noted that prior Supreme Court authority extended the commerce clause reach very far indeed. n44

n44 *Heart of Atlanta Motel Inc. v. United States*, supra note 21; *Katzenbach v. McClung*, 379 US 294, 85 S Ct 377, 13 L Ed2d 290 (1964); *Martino v. Michigan Window Cleaning Co.*, 327 US 173, 66 S Ct 379, 90 L Ed 603 (1946); *Kirschbaum Co. v. Walling*, 316 US 517, 62 S Ct 1116, 86 L Ed 1638 (1942); *Wickard v. Filburn*, 317 US 111, 63 S Ct 82, 87 L Ed 122 (1942); *United States v. Darby*, 312 US 100, 61 S Ct 451, 85 L Ed 609 (1941).

Professor McKay also emphasized the following points:

(1) Rational legislation based on the commerce clause is presumed valid, n45 and the presumption of validity is one of the strongest of all constitutional presumptions.

n45 *Hodel v. Virginia Surface Mining & Reclamation Assn.*, 452 US 264, 323-24, 101 S Ct 2352, 69 L Ed2d 1 (1981). See also *Federal Energy Regulatory Commission v. Mississippi*, 456 US 742, 753-54, 102 S Ct 2126, 72 L Ed2d 532 (1982); *Perez v. United States*, 402 US 146, 91 S Ct 1357, 28 L Ed2d 686 (1971).

(2) The objective of the amendment is exceedingly rational in its intent to improve the flow of commerce and to lessen the present burdens on commerce.

(3) Registration and regulation of trademarks are particularly appropriate for single national rule. The states can have only the most attenuated interest in trademark legislation.

(4) Earlier intent-to-use proposals encountered constitutional difficulties because they featured allowance of registration before actual use. The amendment eliminates these risks.

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(5) The few doubts expressed about the reach of the commerce power relate to issues of federalism and the Tenth Amendment. n46 Those doubts are inapplicable here.

n46 *Garcia v. San Antonio Metropolitan Transit Authority*, 469 US 528, 537-47, 105 S Ct 1005, 83 L Ed2d 1016 (1985) (overruling *National League of Cities v. Usery*, 426 US 833, 96 S Ct 2465, 49 L Ed2d 245 (1976)). See Martha A. Field, *Garcia v. San Antonio Metropolitan Transit Authority: The Demise of a Misguided Doctrine*, 99 Harvard Law Review 84, 118 (November, 1985).

11. Conclusion

The Commission's intent-to-use proposal is not a panacea. But it addresses a serious flaw in our registration process, and should be of incremental value for our entire system. The objections voiced against intent-to-use, though worthy of consideration, concern problems that are speculative and seem manageable. The deficiencies in our present system are real and will persist as long as we retain our pre-filing use requirement. The risk/reward ratio strongly suggests that the United States adopt intent-to-use with use before registration.

B. Deadwood

1. Introduction

The volume of abandoned or inactive marks ("deadwood") on the PTO register poses a serious problem for the business community. These marks impair the utility of the register by needlessly discouraging the use of marks which are actually and legally available. To the extent that this occurs, the registration system cannot foster a healthy economy and stimulate commercial progress.

In order to reduce deadwood on the register, the Commission recommends that the term of a federal registration be reduced from twenty years to ten years. Further, we believe that deadwood would ultimately be reduced by adopting the Section 45 definition of "use in commerce" as suggested in the Intent-To-Use recommendation. n47 This would require a greater showing of actual commercial use than is presently required. This level of commercial use would be required for Section 8 and renewal affidavits with respect to every product and service set forth in the registration. Without such a statement, those products and services would be stricken from the registration. Subject to these changes, the Section [*408] 8 affidavit would continue to be required only during the initial registration term. n48

n47 See supra VII. A. 6., Proposed Amended Definition of Use in Commerce.

n48 At the hearings on H.R. 9041 before the Subcommittee on Trade-Marks of the House Committee on Patents, 75th Cong, 3d Sess 142-43 (1938), Representative Lanham, Mr. Rogers, and Commissioner Coe agreed that to eliminate deadwood a registrant should be required to file a use affidavit every five years. The requirement was never adopted.

2. The Deadwood Problem and Proposal

The number of trademark registrations is reduced as registrants fail to file Section 8 affidavits in the sixth year, fail to renew their registrations, or voluntarily cancel their registrations. A registration can also be canceled in an inter partes case or a civil action on various other grounds, including the abandonment of the registered mark.

This system is far from perfect. Ideally, the records of the PTO would reflect all of the marks actually in use in the market place. At a minimum, this would facilitate more thorough and reliable trademark searching. However, since trademark registration is not compulsory, nor does the Commission believe that it should be, the register does not accurately reflect the market place situation. Both active unregistered marks and inactive registered marks distort the picture. The registration system does not affect the former, except by providing incentives to register, but it does and should to a greater extent affect the latter. There are over a half million active registrations which one could consider in clearing a new mark, and a significant percentage cover inactive marks.

The Commission made a rough analysis of marks registered from 1966 to 1985 in an attempt to measure the amount of deadwood on the register. We concluded that approximately twenty-three percent of the active registrations over six years old are deadwood, and that approximately fifty-eight percent of these would be removed sooner than would otherwise be the case by reducing the registration term to ten years. n49 In addition, the Commission conducted a survey of United States members of the USTA to measure the degree of concern relating to this issue, and to evaluate various alternatives to resolve the problem. A large majority concluded that the amount of trademark deadwood on the register constituted a major problem.

n49 These estimates are based on PTO registration and cancellation data, together with certain projections.

The Commission considered recommending a proceeding similar to that available under Section 44 of the Canadian Trade Marks Act. Canadian Section 44 provides that the Registrar may at any time, upon the written request of any party after three [*409] years from the date of registration, give notice to the registrant that he must furnish evidence of use of the mark or reasons for nonuse for each of the goods covered by the registration. Failure to furnish evidence of use or a satisfactory reason for nonuse may result in cancellation of the registration in whole or in part. Many respondents to the USTA survey favored this alternative. However, we reviewed this procedure with Canadian practitioners and representatives of United States law firms and companies with Canadian Section 44 experience, and concluded that the time required to complete a Canadian Section 44 proceeding was often not significantly shorter than a cancellation proceeding in the United States. Furthermore, the Commission concluded that the PTO as presently constituted could not expeditiously handle such a procedure.

Certain respondents to the USTA survey opposed reducing the registration term to ten years primarily because of the increased cost to registrants of renewing twice as often. Consequently, the Commission recommends that along with the reduction of the registration term the renewal fee be reduced.

The change of the registration term to ten years would also make the term of a registration more consistent with that now used by many other countries. With a ten-year term, the United States would be in a better position to participate in any international registration treaty should it choose to do so.

The Commission believes that the foregoing recommendation would, in time, significantly reduce the amount of deadwood. It would not affect those rare situations where nonuse is only temporary or, if lengthy, is excusable because of business reasons unrelated to an intent not to resume use. It can only make trademark owners aware that the use requirement has taken on new importance, and that trademark warehousing is no longer permissible. This could only have a salutary influence on the system.

C. Attributes of Federal Registration

1. Introduction

The Commission recommends changing Sections 7(b), 33(a), and 33(b) to clarify the evidentiary benefits accorded federal registrations.

2. Clarification of Prima Facie Evidence Provisions

Sections 7(b), 33(a), and 33(b) of the Lanham Act provide overlapping evidentiary benefits for a principal register registration. [*410] Section 7(b) provides that a certificate of registration "shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the mark in commerce." A somewhat similar provision, but one employing different language, appears in Section 33(a): a registration "shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce." By contrast, Section 33(b) provides that an incontestable registration "shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce."

In Suggested Amendment to Lanham Act Section 33(b), n50 we recommend that Section 33(b) be amended to provide that a registration "shall be conclusive evidence of the validity of the registered mark and of the registration thereof, of registrant's ownership of the mark, and of registrant's exclusive right to use the registered mark in commerce." The Commission recommends incorporating corresponding evidentiary benefits into Sections 7(b) and 33(a). This would clarify the general understanding of the prima facie evidentiary benefits which are presently available, and make Sections 7(b) and 33(a) consistent.

n50 See *infra* VII. E. 4.

3. Suggested Amendments to Lanham Act Sections 7(b) and 33(a)

At present, Section 7(b) reads as follows:

Existing Section 7(b): A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein.

To implement the foregoing proposal, the Commission recommends the following new version of Section 7(b):

Proposed Section 7(b): A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark and the registration thereof, of registrant's ownership of the mark, and of registrant's exclusive right to use the registered mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein.

[*411] At present, Section 33(a) reads as follows:

Existing Section 33(a): Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

To further implement the above proposal, the Commission recommends the following new version of Section 33(a):

Proposed Section 33(a): Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of the validity of the registered mark and of the registration thereof, of registrant's ownership of the mark, and of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration, subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

4. Constructive Notice

Under Section 22 the issuance of a principal register registration is constructive notice of registrant's claim of ownership of the mark. We questioned whether constructive notice should run from the date of publication of the mark for opposition or even from the filing date of the application for registration. The Commission concluded that, in light of the intent-to-use recommendation that the application filing date establish nationwide constructive use,ⁿ⁵¹ there was no basis for changing the constructive notice provision. Constructive use would fix the applicant's priority rights, subject to the later issuance of a principal register registration. By contrast, constructive notice would take effect only on [*412] issuance, and would be applied in a court action in a determination of whether the junior user acted in good faith or whether his use would be subject to being enjoined when the registrant's use expanded to his area.

ⁿ⁵¹ See *supra* VII. A. 7. b., Constructive Use Accorded Filing Date.

D. Supplemental and Other Registers

1. Introduction

The Commission does not recommend any additional registers. It has not identified any specific or serious problems that would be remedied by the creation of additional registers. To the extent that any additional registers would be useful, we believe that the attendant administrative and other problems would outweigh any significant benefits.

The Commission recommends that the supplemental register be retained, but recommends that the one-year use requirement be abolished. It also recommends that a supplemental register registration not be deemed an admission that the mark has not attained secondary meaning.

2. Additional Registers

The Commission considered the establishment of a Claim Register in the PTO. Under this proposal members of the public could file a claim of right or interest in a specific trademark for particular goods or services, whether or not they had actually used the mark. The claim would be recorded without examination to give notice of the claimant's intention to use, or use of, the mark, and to provide aid in searching. Attention would have to be given to the significance, if any, of notice of such recordal to a party searching the register. It would also be necessary to establish a procedure for removing marks from such a register, as well as to determine whether a mark that has remained on such a register for a specific period of time had any legal significance. Such a register could not be permitted to deter third parties permanently from adopting a similar or identical mark. On balance, the Commission recommends against establishing such a register. An intent-to-use system would be a far better means of providing such notice.

The Commission considered a Strong Mark Register in the PTO for a special category of distinctive marks that could not be appropriated by other users, even for unrelated goods or services. Establishment of such a register would, in effect, create a federal cause of action for dilution. A number of methods could be used to determine whether a mark has the requisite strength or distinctiveness [*413] for registration on such a register. One approach would be to require a showing that a substantial majority of the relevant public, e.g., seventy-five percent, associates the mark with the registrant or its goods or services. In the end, however, the Commission felt that it was preferable to treat the entire topic of dilution separately rather than to erect it on the foundation of a separate register.

The Commission also considered, but rejected, a Licensed Mark Register.

3. Abolition of Supplemental Register?

The Commission concludes that the supplemental register should be retained. Although the need is not as great as it once was, the register still facilitates the ability of American businesses to obtain trademark registrations in foreign countries. It also provides an important vehicle for owners of marks capable of distinguishing to put the world on notice of their rights. A supplemental register registration will appear in a search report and can block registration of a confusingly similar mark to a third party.ⁿ⁵² It also allows the registrant to employ the symbol (registered) on goods, a significant advantage to any trademark owner, and allows the registrant to establish federal jurisdiction in an infringement action. In addition, a body of statutory and decisional law on supplemental register registrations provides considerable guidance and certainty that would be impossible to duplicate if the register is eliminated or replaced.

ⁿ⁵² *In re Clorox Co.*, 578 F.2d 305, 306-08, 198 USPQ 337, 339-40 (CCPA 1978).

The supplemental register was established to facilitate obtaining trademark registrations in foreign countries by United States businesses. Article 6 of the Paris Convention entitled the owner of a trademark registration issued by a signatory country to register the mark in all other Convention countries. Article 6 also provided that each country could require proof of domestic registration as a prerequisite to issuing a foreign registration. In the past, as a means of obtaining a foreign registration, many American companies obtained a supplemental register registration if they were unable to obtain a registration on the principal register. Yet almost fifteen years ago a commentator noted that the role of the supplemental register in obtaining foreign trademark or service mark registrations was declining.ⁿ⁵³ Foreign subsidiaries had become available to obtain foreign registrations, and various [*414] other factors led to the decline. Nevertheless, the Commission believes that the supplemental register continues to facilitate foreign registration and to offer other benefits as well.

ⁿ⁵³ L. Smejda, *The Supplemental Register: Does It Fulfill Its Function Internationally and Domestically?*, 62 TMR 285 (1972).

4. Suggested Amendments to Act

The Commission recommends that Section 23 be amended to provide that neither the filing of an application nor registration on the supplemental register constitutes an admission that the mark has not acquired secondary meaning. This proposed amendment would codify the holding in *California Cooler, Inc. v. Loretto Winery, Ltd.*,ⁿ⁵⁴ that a supplemental register registrant is not barred from establishing secondary meaning against an alleged infringer using the mark at the time of registration.

ⁿ⁵⁴ 774 F.2d 1451, 1454, 227 USPQ 808, 809-10 (CA 9 1985).

The Commission also recommends that the presently required one-year period of use prior to filing an application for registration on the supplemental register be eliminated. This would facilitate both registration on the supplemental register and obtaining foreign registrations. Although Section 23 currently provides that the one-year use requirement can be waived upon a showing that a domestic registration is required to obtain a foreign registration, the Commission believes that complete elimination of this requirement is preferable. Furthermore, elimination would have no effect, either broadening or narrowing, on the underlying rights of the registrant. Use for less than a year would not rule out that the mark was "capable of distinguishing," and the mark could even be the subject of secondary meaning proof under the *California Cooler* doctrine.

5. Retention of R Symbol

The Commission considered a different type of notice symbol for supplemental register marks. Such registrations are not entitled to the benefits of constructive notice, *prima facie* right to exclusive use, incontestability, and the means to stop the importation of infringing products. However, the Lanham Act is designed to provide a national system of registered marks for searching purposes and to encourage the marking of products with some type of registration symbol. Eliminating the use of the R symbol for supplemental register registrations, or adopting a different symbol, would be counterproductive and confusing to trademark owners and the public. The symbol is designed to notify the public of federal registration. Members of the public can then [*415] inspect the PTO records to determine whether the registration is principal or supplemental and whether it has any limitations. Moreover, whether or not the supplemental register registrant is permitted to use the (registered) symbol, the same difficult question of what constitutes "good faith" is present in an infringement action. Knowledge of a prior user's mark, whether unregistered or registered on the supplemental register, will weigh against the junior user. Accordingly, the Commission does not recommend that the Lanham Act

be amended to prohibit owners of supplemental register registrations from using the (registered) symbol. Such a change would not create any significant benefits and would only serve to conceal information from the public.

E. Incontestability

1. Introduction

The Commission reviewed the incontestability provisions and decided to recommend certain changes. The provisions are ambiguous, and the courts have interpreted them inconsistently.

2. Clarification

The incontestability language of the Lanham Act requires clarification. Section 33(b) states that the registration "shall be conclusive evidence of the registrant's exclusive right to use the registered mark." Read literally, this would mean that if a defendant's mark is very similar and is used on the same goods as those in the registration, infringement would be automatic and the registrant would be relieved of his burden of proving likely confusion. But this is inconsistent with Section 32(1)(a), which defines infringement as use which "is likely to cause confusion, or to cause mistake, or to deceive."

Some courts have noted in passing that incontestable status does not relieve the registrant of proving infringement, or likelihood of confusion.ⁿ⁵⁵ The Commission believes that any doubt on this fundamental point should be eliminated. Trademark infringement cannot be proved without likelihood of confusion, there being no trademark rights in gross or in the abstract. There is no evidence that the draftsmen of the Act intended otherwise.

ⁿ⁵⁵ See, eg, *Lindy Pen Co. v. Bic Pen Corp.*, 725 F2d 1240, 1247, 226 USPQ 17, 22 (CA 9 1984), cert denied 105 S Ct 955, 226 USPQ 23 (1985) ("There can be no liability for trademark infringement, even where a mark has attained incontestable status, in the absence of likelihood of confusion."); *Weil Ceramics & Glass Inc. v. Dash*, 618 F Supp 700, 703, 227 USPQ 737, 738 (D NJ 1985) (Section 33(b) does not create an independent cause of action which would relieve registrant of the obligation to prove likely confusion).

[*416]

It should be made clear that "incontestability" accomplishes three things. First, it should state that the registrant's continued right to use the registered mark on goods specified in the Section 15 affidavit should be "incontestable," subject to the specified exceptions. Section 15 now specifies the "right of the registrant to use" and Section 33(b) specifies the registrant's "exclusive right to use," incorporating Section 15 by reference. Second, it should state that the validity of the registrant's mark as registered and as used on the goods specified in the Section 15 affidavit should be "incontestable," subject to the specified challenges to validity. Parts of the Supreme Court's 1985 opinion in *Park 'N Fly* support the view that incontestability relates only to validity, while other parts of the opinion are equivocal.ⁿ⁵⁶ Third, it should state that the registrant's ownership of the mark is "incontestable," subject to the specified defenses and defects.

ⁿ⁵⁶ *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 US 189, 194-205, 105 S Ct 658, 83 L Ed2d 582, 224 USPQ 327, 329-34, 75 TMR 136 (1985).

3. Availability of Equitable Defenses

In the view of the Commission, equitable defenses (such as laches, estoppel, acquiescence, and unclean hands) should be available as against an incontestable registration under the present provisions of Sections 34 and 35. These sections provide that courts have the power to grant injunctions "according to the principles of equity" and the power to award profits and damages "subject to the principles of equity." However, the courts are divided on the question of whether these defenses, because they are not enumerated under Section 33(b), are foreclosed in an action brought on an incontestable registration.ⁿ⁵⁷ The Supreme Court in the 1985 *Park 'N Fly* decision expressly declined to address the question.

ⁿ⁵⁷ Compare, eg, *United States Jaycees v. Chicago Junior Assn. of Commerce and Industry*, 505 F Supp 998, 1001, 212 USPQ 708, 711 (ND Ill 1981), with *Cuban Cigar Brands N.V. v. Upmann International, Inc.*, 457 F Supp 1090, 1101, 199 USPQ 193, 202 (SDNY 1978), affd w/o pub opin 607 F2d 999 (CA 2 1979). See

Note, Incontestable Trademark Rights and Equitable Defenses in Infringement Litigation, 66 Minnesota Law Review 1067 (July 1982), reprinted 75 TMR 158 (1985).

The Eighth Circuit recently emphasized that such defenses are available in an action based on an incontestable registration: "We do not believe that the limitations in § 1115(b) relating to the validity or ownership of a mark also limit the discretion of the court to give equitable relief appropriate to the circumstances of each case. To do so would indeed make injunctive relief a ministerial act . . . and wipe away the discretion which is inherent in the equitable power." *United States Jaycees v. Cedar Rapids Jaycees*, 794 F2d 379, 382, 230 USPQ 340, 342 (CA 8 1986).

The question was expressly discussed in Hearings in 1941, but the discussions were inconclusive. Mr. Robertson observed that the Section 19 provision for equitable principles applying to "inter partes proceedings" applied only to cases in the PTO. On the other [*417] hand, Mr. Rogers felt that expressly extending equitable defenses to court actions involving incontestable registrations was "quite unnecessary," and "that it might very well be left to the courts."

n58 See transcript of 1941 Hearing at 4 J. Gilson, *Trademark Protection and Practice*, § 33, 33-50 to -51 (1986).

The Commission recommends that this uncertainty be ended. We propose expressly allowing equitable defenses in such actions. The courts in trademark cases have both inherent equitable power and the express power under Section 34 to grant injunctions "according to the principles of equity." Equity is the cornerstone of trademark jurisprudence. Trademark owners seek injunctions in virtually every trademark case, and they depend heavily on equitable remedies to protect their interests. Equitable defenses are as much a part of the injunctive process as irreparable harm and the inadequacy of legal remedies. n59 Without them the owner of an incontestable registration would be able to delay bringing an action for many years with no excuse, while a defendant builds up his business under his mark, and prevail. This potentially harsh and unjust result, which would not occur with a contestable registration since equitable defenses are expressly preserved in Section 33(a), is unwarranted.

n59 See *Beacon Theatres, Inc. v. Westover*, 359 US 500, 506-07, 79 S Ct 948, 3 L Ed 988 (1959).

4. Suggested Amendment to Lanham Act Section 33(b)

The introductory clause of Section 33(b) presently reads as follows:

Existing Section 33(b): If the right to use the registered mark has become incontestable under section [15] of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section [15] subject to any conditions or limitations stated therein except when one of the following defenses or defects is established: . . .

[list of seven "defenses or defects" follows]

To implement the above two proposals, the Commission recommends a substantial modification of Section 33(b):

Proposed Section 33(b): To the extent that the right to use the registered mark has become incontestable under section 15 of this title, the registration shall be conclusive evidence of the validity of the registered mark and of the registration [*418] thereof, of registrant's ownership of the mark, and of registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to use of the registered mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 15 or, if fewer in number, the renewal application filed under the provisions of section 9, subject to any conditions or limitations stated in the certificate or in such affidavit or renewal application. Such conclusive evidence of the exclusive right to use shall be subject to proof of infringement as defined in section 32 hereof, and shall be subject to the following defenses or defects:

[8] That the equitable principles, including laches, estoppel, and acquiescence, where applicable may be considered and applied.

5. Remarks

The suggested language of the introductory clause of Section 33(b) is modeled after present Section 7(b), relating to prima facie evidence. Thus, the recommended revision provides for conclusive evidence of the validity of the mark, of the registration thereof, of the registrant's ownership of the mark and of the registrant's exclusive right to use the mark.

The Commission considered including in the Section 33(b) list all of the exceptions to incontestability which are found in other sections of the Act and which are presently incorporated by reference in Section 33(b). These exceptions are found in Sections 2(a), 2(b), 2(c), 4, 14(c), 14(e), and 15. We do not propose this change, however, because it would entail a wholesale rewriting of large portions of the Act. Thus, we suggest retaining the existing "defenses or defects" structure.

The recommended amending language uses the introductory phrase "To the extent that the right to use the registered mark has become incontestable under section 15 of this title," rather than the present language. This reflects the consensus that Section 33(b) does in fact incorporate Section 15 limitations by reference. And, in turn, Section 15 incorporates several other sections of the Lanham Act by reference.

As discussed above, the amending language provides that the conclusive evidence of the "exclusive right to use" is subject to [*419] proof of likelihood of confusion as required by Section 32. This clarifies the meaning of the phrase "exclusive right to use."

The amending language also provides that the conclusive evidence of the "exclusive right to use" is subject to equitable defenses. Thus, such defenses could be asserted against an incontestable registration. The suggested language incorporates this subject as new subsection 8 under the enumerated defenses or defects. The language tracks but is broader than Section 19, which applies to inter partes cases, in order to include unclean hands and possibly other equitable defenses not encompassed by laches, estoppel and acquiescence.

We also believe that the Section 33(b) enumerated defenses to an action for infringement of an incontestable registration should be expressly made applicable in actions for infringement of a registration which is not incontestable. Any implication that they are not is incorrect, in light of both Section 33(a) and the decisions holding that marks with no incontestable status are a fortiori subject to the same defenses. n60

n60 Eg, *Forstmann Woolen Co. v. Murray Sices Corp.*, 10 FRD 367, 370, 86 USPQ 209, 210 (SDNY 1950).

F. Trademark Definitions

1. Introduction

The Commission reviewed and analyzed the Section 45 definitions and determined that certain revisions are appropriate. The Commission believes that some of the definitions are unclear, anachronistic, or not in keeping with preferable judicial interpretation.

2. Recommendations

The Commission recommends the following changes, with the current definition stated at the outset:

a. "Applicant, Registrant"

The terms "applicant" and "registrant" embrace the legal representatives, predecessors, successors and assigns of such applicant or registrant.

The view has been expressed that "legal representatives, predecessors, successors and assigns" is unnecessary, and that either the definition be deleted or one or more of the references be deleted. While agreeing that these references are superfluous [*420] at best, the Commission concluded that the definition should not be changed or eliminated. No known problems have resulted from the present terminology.

b. "Related Company"

The term "related company" means any person who legitimately controls or is controlled by the registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used.

The requirement that control be legitimate resulted from the Justice Department's concern for "the dangers inherent in broadly sanctioning trademark licensing without regard to dangers to the economy." It "was intended to mean control in compliance with the federal antitrust laws." n61 The Commission considers "legitimately" superfluous since such control inherently must be in compliance with all appropriate laws. We see no need to include it in the definition of "related company." However, we nonetheless believe that the word should be retained in Section 5 to avoid raising any inference that use or control can be illegitimate. n62

n61 1 J.T. McCarthy, Trademarks and Unfair Competition, § 18:16(C) at 840 (2d ed 1986).

n62 Section 5 refers to a mark which "may be used legitimately by related companies." In our view this language extends the legitimacy requirement to the control over the use of the mark by the trademark owner.

The apparent anomaly of a "related company" controlling the registrant or applicant as to the nature and quality of the goods or services has been discussed in trademark treatises. n63 The view has been expressed that such a situation does not and cannot normally exist and, therefore, the words "controls or" should be deleted from the definition. The Commission agrees with the concern expressed but not with the conclusion. For example, a wholly-owned subsidiary can own a trademark and license its use to its parent company. Obviously, the license can be drawn so that the subsidiary "controls" the nature and quality of the goods/services. At the same time, it is abundantly clear that the parent company controls the subsidiary in all respects.

n63 1 Gilson, supra note 58, § 6.01(5) at 6-10.2 (1987); 1 McCarthy, supra note 61, § 18:16(B) at 839.

To address this problem, and to streamline the language, the Commission recommends that the definition be revised as follows:

The term "related company" means any person whose use of a mark is controlled by the owner of the mark in respect to the nature and quality of the goods or services on or in connection with which the mark is used.

[*421]

c. "Trade Name, Commercial Name"

The terms "trade name" and "commercial name" include individual names and surnames, firm names and trade names used by manufacturers, industrialists, merchants, agriculturists, and others to identify their businesses, vocations, or occupations; the names of titles lawfully adopted and used by persons, firms, associations, corporations, companies, unions, and any manufacturing, industrial, commercial, agricultural, or other organizations engaged in trade or commerce and capable of suing and being sued in a court of law.

The Commission opposes registration of trade names, on a separate register or otherwise, when they are not used on or in connection with the goods or services (in which case they can be registered if used as trademarks or service marks). Accordingly, no revision in this regard is warranted.

As to the definition itself, the Commission believes it is replete with redundancies and excess verbiage. Since the Section 45 definition of "person" is so all-encompassing, the trade name definition should be revised to read as follows:

The terms "trade name" and "commercial name" mean any name used by a person to identify his business or vocation.

d. "Trademark"

The term "trademark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify and distinguish his goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

The Commission determined that the terms "symbol, or device" should not be deleted or narrowed to preclude registration of such things as a color, shape, smell, sound, or configuration which functions as a mark. The Commission does not intend to limit in any way the subject matter which historically has qualified as a trademark or service mark.

The Commission recommends that "person" be substituted for "manufacturer or merchant." The latter is too narrow, in light of contemporary marketing practices such as licensing and other distribution arrangements. "Person" is, by definition, virtually all-encompassing. It includes any juristic or natural person "entitled to a benefit or privilege or ren-

dered liable" under the Act, and [*422] also includes any "organization capable of suing or being sued in a court of law."

The Commission believes that a trademark functions correctly if it distinguishes one's goods "from those of others." The Commission feels the definition is somewhat narrow and should be clarified by substituting "of" for "manufactured or sold by." The other person might be distributing products manufactured by someone else and by means other than a sale, such as by barter or by distributing free samples or products for charitable purposes.

The Commission also believes that the function of a trademark to "identify and distinguish" the goods includes or implies such other attributes as standards of quality, reputation, and good will. It is unnecessary to list these other attributes. The function of a trademark to indicate source should remain part of the definition because it describes an attribute which may not necessarily be included within the words "identify and distinguish."

The Commission agreed that a trademark should be used "on or in connection with the goods," and that independent use (e.g., in advertising only) is not sufficient. Changing the law to allow use in advertising alone to establish trademark rights would be an unwise, radical departure from existing law. We are, however, recommending a relaxation of the affixation requirement in the case of bulk goods where affixation is impracticable. n64

n64 See *infra* VII. K. 8., Proposed Section 45.

The Commission also proposes to change the definitions of the various kinds of marks to reflect its intent-to-use recommendation. Accordingly, we propose the phrase "used or intended to be used" in each.

We therefore recommend that the definition be revised to read:

The term "trademark" means any word, name, symbol, or device or any combination thereof used or intended to be used by a person to identify and distinguish his goods, including a unique product, from those of others and to indicate the source of the goods, even if that source is unknown.

e. "Service Mark"

The term "service mark" means a mark used in the sale or advertising of services to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if [*423] that source is unknown. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

The Commission did not believe any changes should be made in this definition, other than conforming it to that of "trademark." Accordingly, and assuming that the above-recommended definition of "trademark" is accepted, the Commission recommends that the definition of "service mark" be revised as follows:

The term "service mark" means any word, name, symbol or device or any combination thereof used or intended to be used to identify and distinguish the services of one person, including a unique service, from those of others and to indicate the source of the services, even if that source is unknown. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

f. "Certification Mark"

The term "certification mark" means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by a member of a union or other organization.

The Commission considered including "appellation of origin" in this definition. It agreed that the term means "the geographical name of a country, region or locality which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical area, including natural and human factors." n65 However, it believes that the meaning is already encompassed by the definition of "certification mark."

n65 Paul B. Morofsky, Notes From Other Nations, 59 TMR 43, 51 (1969).

For uniformity, however, the Commission believes the "certification mark" definition should correspond to that of "trademark":

The term "certification mark" means any word, name, symbol or device or any combination thereof used or intended to be [*424] used by a person other than its owner to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such person's goods or services or that the work or labor on such goods or services was performed by members of a union or other organization.

g. "Collective Mark"

The term "collective mark" means a trademark or service mark used by the members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.

While there is a question regarding the need to maintain a separate category for such marks, which are inherently either trademarks or service marks, the Commission concludes that there is no cogent reason to eliminate the definition. Additionally, it is the Commission's view that the present definition is adequate and should be retained, subject to adding "or intended to be used" after "used." While the distinction between collective and certification marks is frequently misunderstood, resulting in the mistaken belief that the owner of a collective mark cannot use the mark in connection with the owner's own goods or services, n66 that confusion is not created by the definition.

n66 See *infra* VII. K. 4., Proposed Section 4.

h. "Abandonment of Mark"

A mark shall be deemed to be "abandoned" --

(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be *prima facie* abandonment.

(b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin. Purchaser motivation shall not be a test for determining abandonment under this subparagraph.

The Commission discussed whether abandonment should be replaced by an objective use-nonuse test, and whether adequate use should be linked expressly to factors such as the nature of the product, the nature of the market, the sale of other products in [*425] the market, and the nature of the registrant's business. It concluded that the current system based on intent, combined with an objective two year nonuse period constituting *prima facie* abandonment, works well and should be retained with two changes. "Use" should be defined in keeping with the intent-to-use concept, n67 and "evidence of" should be inserted after "*prima facie*" to clarify the meaning and to make the language consistent with Sections 7(b) and 33(a). Accordingly, the Commission recommends changing subparagraph (a) of the definition as follows:

A mark shall be deemed to be "abandoned" --

(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be *prima facie* evidence of abandonment. Use, as referred to in this subparagraph, means use made in the ordinary course of trade, commensurate with the circumstances, and not made merely to reserve a right in a mark.

n67 See *supra* VII. A. 6., Proposed Amended Definition of Use in Commerce.

In drafting a bill incorporating the various Commission proposals it may be advisable to employ a single definition of "use" in Section 45 so that it applies throughout the Act. If this were done the definition would not appear separately in subparagraph (a).

Additionally, assuming the addition of "generic name" as discussed below, the Commission recommends that subparagraph (b) be changed to read as follows:

A mark shall be deemed to be "abandoned" --

(b) When any course of conduct of the registrant or applicant, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services or otherwise lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this subparagraph.

i. "Common Descriptive Name"

"Generic name," which does not appear in the Act, is a synonym for "common descriptive name," which appears in Sections 14(c) and 15(4). n68 As stated by the United States Supreme Court, [*426] "[m]arks that constitute a common descriptive name are referred to as generic. A generic term is one that refers to the genus of which the particular product is a species." n69

n68 1 McCarthy, supra note 61, § 12: 18(A) at 573.

n69 Park 'N Fly, supra note 56 at 195, 105 S Ct 658, 83 L Ed2d 582, 224 USPQ at 329, 75 TMR at 138.

In the modern vocabulary of trademark law there is no question that "common descriptive name" is archaic. Court decisions, speeches, the literature in the field, and everyday conversation underscore the linguistic change. It is time to modernize and clarify the language of the Act in this regard. We therefore recommend that "generic name" be substituted for "common descriptive name" in Sections 14(c) and 15(4). n70 We make no attempt to define "generic term." The courts have already done it.

n70 The Seventh Circuit created considerable confusion by holding that the adjective "light"/"lite" in describing beer was a common descriptive term and unprotectible, but that the adjective "tasty"/"tas-tee" describing salad dressing was a merely descriptive term and protectible on proof of secondary meaning. *Miller Brewing Co. v. G. Heileman Brewing Co.*, 561 F2d 75, 80, 195 USPQ 281, 285 (CA 7 1977), cert denied 434 US 1025, 196 USPQ 592 (1978); *Henri's Food Products Inc. v. Tasty Snacks Inc.*, 817 F2d 1303, 1306, 2 USPQ2d 1856, 1858 (CA 7 1987). Our proposal would tend to eliminate this confusing terminology.

G. Section 43(a)

1. Introduction

Section 43(a) is an enigma, but a very popular one. Narrowly drawn and intended to reach false designations or representations as to the geographical origin of products, the section has been widely interpreted to create, in essence, a federal law of unfair competition. While it has spawned occasional maverick decisions, the section now provides relief against infringement of unregistered trademarks, unfair competition arising from the copying of trade dress and certain configurations of goods, false advertising claims concerning the properties of the claimant's goods, and, in a recent controversial decision, violation of one's right of publicity. n71 It has definitely eliminated a gap in unfair competition law, and its vitality is showing no signs of age. Why, one might ask, would anyone want to change it?

n71 *Allen v. National Video, Inc.*, 610 F Supp 612, 625-31, 226 USPQ 483, 490-96 (SDNY 1985).

The Commission was reluctant to recommend any change at all. However, to prevent judicial back-tracking and in light of the recommendations for change to other sections of the Act, the Commission believes it advisable to conform the language of Section 43(a) to the expanded scope of protection applied by the courts. Our proposal would also cover one or two additional changes, and would make it clear that we encourage the courts to give our [*427] amended section the same innovative interpretation they have given the original.

The Commission studied four principal areas in which changes in Section 43(a) were proposed:

(A) standing to raise Section 43(a) claims, or the question of who has a sufficient interest to be entitled to relief under the section;

(B) whether relief is available for false representations about a plaintiff's product;

(C) whether the remedies for infringement of a federally registered mark should be available for Section 43(a) claims; and

(D) whether the section should be amended to provide a cause of action for disparagement or tarnishment of a trademark.

The Commission recommends no change in the standing provision. Although the court decisions are less than harmonious, there is little problem with respect to the standing of a competitor, and competitors are plaintiffs in the great bulk of Section 43(a) cases. However, the Commission recommends that misrepresentations about another's products be made actionable, that registered trademark infringement remedies be expressly made available in Section 43(a) actions, and that the section be amended to protect trademarks from disparagement and tarnishment.

2. Standing

"[A]ny person who believes that he is or is likely to be damaged by the use of [a] false description or representation" has standing to seek relief under Section 43(a). Generally, there is no issue of standing. Disputes usually arise in a commercial setting, and the cases are brought by companies whose interests are clear.

The problems have arisen when others, whose commercial interests seem attenuated, have sued. The circuits have disagreed on this point. For example, in *Colligan v. Activities Club of New York, Ltd.*, n72 the court held that consumers lack standing to bring an action under Section 43(a), since Congress intended to create a limited unfair competition remedy "virtually without regard for the interests of consumers generally and almost certainly without [*428] any consideration of consumer rights of action in particular." n73 On the other hand, in *Thorn v. Reliance Van Co.*, n74 the court rejected the *Colligan* reasoning and held that an investor in a motor carrier could bring an action under the section against a competitor of the motor carrier for false advertising. The court applied what it termed a "plain meaning interpretation" of Section 43(a).

n72 442 F2d 686, 170 USPQ 113 (CA 2 1971), cert denied 404 US 1004, 172 USPQ 97 (1971).

n73 Id at 692, 172 USPQ at 116-17 (footnote omitted).

n74 736 F2d 929, 931-33, 222 USPQ 775, 777-78 (CA 3 1984).

Other decisions on standing reflect comparable discord. There has been inconclusive litigation as to whether licensees can sue under Section 43(a) for infringement of the licensed trademark. n75 And the standing of a trade association to sue under the section on behalf of its members is still not settled. n76

n75 *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F2d 154, 160, 195 USPQ 689, 692-93 (CA 1 1977); *DEP Corp. v. Interstate Cigar Co.*, 622 F2d 621, 622-24, 206 USPQ 673, 674-75 (CA 2 1980); *Traditional Living, Inc. v. Energy Log Homes, Inc.*, 464 F Supp 1024, 1026, 202 USPQ 703, 704 (ND Ala 1978).

n76 See *Camel Hair and Cashmere Institute of America v. Associated Dry Goods Corp.*, 799 F2d 6, 10-11, 231 USPQ 39, 42-43 (CA 1 1986).

In the end the Commission decided that attempting to draft standing limitations for inclusion in Section 43(a) would be both risky and problematic. No doubt there are many categories of non-commercial litigants who could make a persuasive standing case. A court should be able to make a determination with all the facts before it. If standing is to be addressed it should be done only after comprehensive study and possibly hearings to allow various interested groups to state their positions. This effort is beyond the scope of the Commission's activities.

3. Misrepresentations About a Plaintiff's Product

Section 43(a) makes actionable the "use in connection with any goods or services . . . any false description or representation, including words or other symbols tending falsely to describe or represent the same." On its face the section makes no distinction as to false representations concerning (1) the defendant's goods, (2) the plaintiff's goods, or (3) a comparison of the plaintiff's and defendant's goods. It does not cover some goods or some false descriptions. It covers any. Indeed, the language appears to be a model of drafting clarity, with no need to resort to murky legislative history for explanation. Who could possibly disagree?

The Seventh Circuit Court of Appeals, for one. In *Bernard Food Industries v. Dietene Co.* n77 Dietene issued a comparison sheet which represented that the Bernard custard mix was inferior in [*429] flavor, texture, nutrition and cost. In addition, the sheet stated that "Delmar [Dietene] Quick Egg Custard is superior to Bernard custard in all major respects." n78 Bernard brought a false advertising claim under Section 43(a) and prevailed in the district court. The court of appeals reversed, however, holding that there is no cause of action under Section 43(a) where a defendant makes disparaging misrepresentations only as to the plaintiff's products. n79

n77 415 F2d 1279, 163 USPQ 264 (CA 7 1969), cert denied 397 US 912, 164 USPQ 481 (1970).

n78 Id at 1283, 163 USPQ at 266.

n79 Id at 1283-84, 163 USPQ at 267.

The court attempted to justify its tortured interpretation by relying on an analysis from *Samson Crane Co. v. Union National Sales, Inc.* n80 *Samson Crane* reasoned that because the Act dealt primarily with trademarks, Section 43(a) should be limited to false representations of substantially the same economic nature as trademark infringement. Since trademark infringement can only be accomplished by a defendant with respect to its own products, the argument went, false representations about the plaintiff's products should not be actionable.

n80 87 F Supp 218, 221-22, 83 USPQ 507, 509-10 (D Mass 1949), affd 180 F2d 896, 96 USPQ 454 (CA 1 1950) (per curiam).

One searches the language of the section and legislative history in vain for such a limitation. And virtually none of the false advertising cases in the years following *Bernard Food* employs the trademark-like liability rationale. n81 Yet *Bernard Food*, requiring that the plaintiff prove misrepresentations as to the advertiser's [defendant's] own goods, has been followed by many courts. n82 Surprisingly, very few courts have criticized it. The district court in *Skil* stands out, although it was obligated to follow *Bernard Food*. In a footnote it stated as follows:

[I]t does not seem logical to distinguish between a false statement about the plaintiff's product and a false statement about the defendant's product in a case where the particular statement is contained in comparison advertising by the defendant, such that in the first instance the plaintiff does not have a cause of action whereas in the latter he does. Rather, it would seem that in comparison advertising, a false statement by the defendant about plaintiff's product would have the same detrimental effect as a false statement about defendant's [*430] product. I.e., it would tend to mislead the buying public concerning the relative merits and qualities of the products, thereby inducing the purchase of a possibly inferior product. n83

n81 See 1 *Gilson*, supra note 58, § 7.02[2] (1987).

n82 See eg, *Borden, Inc. v. Kraft, Inc.*, 224 USPQ 811, 818 (ND Ill 1984); *Skil Corp. v. Rockwell International Corp.*, 375 F Supp 777, 782-83, 183 USPQ 157, 160 (ND Ill 1974); *Fur Information and Fashion Council, Inc. v. E.F. Timme & Son, Inc.*, 501 F2d 1048, 1051, 183 USPQ 129, 131 (CA 2 1974), cert denied 419 US 1022, 183 USPQ 641 (1974); *Universal Athletic Sales Co. v. American Gym Recreational & Athletic Equipment Corp.*, 397 F Supp 1063, 1073, 187 USPQ 104, 111 (WD Pa 1975), vac'd 546 F2d 530, 192 USPQ 193 (CA 3 1976), cert denied 430 US 984, 197 USPQ 783 (1977).

n83 *Skil*, id at 782 fn 10, 183 USPQ at 160 (citation omitted). See also *Schroeder v. Lotito*, 577 F Supp 708, 720-21, 221 USPQ 822, 823 (D RI 1983), aff'd per curiam 747 F2d 801, 224 USPQ 97 (CA 1 1984) (criticizing *Samson Crane*).

As a matter of logic and public policy, as well as of the plain meaning of Section 43(a), the Commission agrees. Section 43(a) is a broadly remedial section which extends deeply into false advertising. It is difficult to justify on policy grounds denying protection to a manufacturer whose business is being injured by clearly false and disparaging representations about its products. It is even more difficult to justify the public deception and disruption of fair competition which would almost certainly result.

We recommend that the Act be amended to provide that false descriptions and representations as to a plaintiff's products are also actionable. We realize that taking Section 43(a) at face value in this way impinges on state laws of trade libel and product disparagement. n84 We are also concerned about the frequently trivial false advertising cases which are flooding the federal courts, and do not wish to aggravate the problem. However, on balance, we strongly believe that such an amendment serves the national policy of promoting fair competition.

n84 See Restatement (Second) of Torts § 623A (1966), dealing with liability for the publication of injurious falsehoods.

4. Remedies for Violation of Section 43(a)

The Lanham Act contains no specific remedy for a violation of Section 43(a), which does not require ownership of a trademark registration. The remedy provisions contained in Sections 34, 35 and 36 seem unavailable to the Section 43(a) plaintiff, since they apply only where there is a "violation of any right of the registrant of a mark registered in the Patent and Trademark Office." Section 35 is also made expressly subject to Section 29, which provides that "in any suit for infringement under this chapter by . . . a registrant failing to give . . . notice of registration, no profits and no damages shall be recovered under the provisions of this chapter unless the defendant had actual notice of the registration."

Some argue that the purpose of this combined approach was to require that a party seeking damages under Section 35 both owned an infringed registration and gave the appropriate notice of registration. Without these, the argument goes, no monetary [*431] relief should be awarded -- only an injunction. Often cited as support is *Burndy Corp. v. Teledyne Industries*.ⁿ⁸⁵ Although the issue of whether Section 35 may apply to Section 43(a) claims was not addressed in the court of appeals, the district court rejected the notion that the remedies under Section 35 so applied. It stated: "It is inappropriate and unfounded to infer an intent on the part of Congress to extend the remedies when the statutory language is explicit and contrary to any such intent."ⁿ⁸⁶

ⁿ⁸⁵ 584 F Supp 656, 223 USPQ 650 (D Conn 1984), *affd* 748 F2d 767, 224 USPQ 106 (CA 2 1984).

ⁿ⁸⁶ *Id* at 668, 228 USPQ at 658.

Legislative history supports a narrow interpretation of Section 35. Prior to 1905, an infringer was only "liable to an action on the case for damages" and remedies previously available at law and in equity.ⁿ⁸⁷ The Trade-Mark Act of 1905,ⁿ⁸⁸ provided for the first time for the trebling of actual damages in appropriate cases.ⁿ⁸⁹ The House Report,ⁿ⁹⁰ explained that one of the "main objects" of the bill was to provide additional recovery for the infringement of a "registered trade-mark."ⁿ⁹¹ The prerequisites for recovery of profits for infringement, namely: (1) registration and (2) notice of registration, and the reasoning underlying the right to such recovery, were expressly carried forward from the prior acts into Section 35.

ⁿ⁸⁷ Trade-Mark Act of March 3, 1881, §§ 7 and 10.

ⁿ⁸⁸ 15 USC §§ 81-108.

ⁿ⁸⁹ *Id* § 16, 15 USC § 96.

ⁿ⁹⁰ H.R. Rep. No. 3147, 58th Cong, 3d Sess 6 (1904).

ⁿ⁹¹ The Report justified the possibility of increased damages as follows:

It has seemed to your committee proper that the Government, which has made provision for the registration of trade-marks, should accord to the owners thereof, who have complied with the terms of the statute, full and complete redress for violation of their rights. By another section of the bill provision is made for designating registered trade-marks by printing under the trade-mark the fact that it is registered, as is done in cases of patents, so that any person who imitates or counterfeits a trade-mark will do so with notice and should therefore be held to a strict accountability for the fraud committed.

H.R. Rep. No. 3147, 58th Cong, 3d Sess 9 (1904).

While some courts have previously assumed that Section 35 profits and damages recoveries were applicable in Section 43(a) actions, only recently have courts squarely confronted the issue. First in *Metric & Multistandard Components Corp. v. Metric's, Inc.*,ⁿ⁹² and then in *Rickard v. Auto Publisher, Inc.*,ⁿ⁹³ two cases involving infringement of unregistered marks, the Eighth and Eleventh Circuits have, despite plain meaning to the contrary, specifically concluded that the Section 35 remedies do apply. In *Rickard*, the court examined the question in some detail, and [*432] determined that neither the statutory language nor the legislative history was dispositive. Ultimately it held that the purposes of the Act and the intent of Congress were best served by the availability of Section 35 remedies in Section 43(a) actions. The Ninth Circuit has now followed suit.ⁿ⁹⁴

ⁿ⁹² 635 F2d 710, 715, 209 USPQ 97, 102 (CA 8 1980).

n93 735 F2d 450, 453-58, 222 USPQ 808, 810-15 (CA 11 1984).

n94 U-Haul International, Inc. v. Jartran, Inc., 793 F2d 1034, 1041-42, 230 USPQ 343, 348-49 (CA 9 1986); Transgo, Inc. v. Ajac Transmission Parts Corp., 768 F2d 1001, 227 USPQ 598, (CA 9 1985), cert denied 106 S Ct 802 (1986).

Allowability of attorneys' fees has had a more checkered career. The Seventh and Third Circuit Courts of Appeals, in *Blau Plumbing, Inc. v. S.O.S. Fix-it, Inc.*, n95 and *Standard Terry Mills, Inc. v. Shen Mfg. Co.*, n96 recently questioned whether attorney's fees were available under Section 35 in a Section 43(a) action. The Third Circuit expressed "doubts whether we should rectify Congress's oversight and hold that attorney's fees are available in this case." n97 However, it refrained from deciding the issue because the district court did not abuse its discretion in denying fees. n98

n95 781 F2d 604, 228 USPQ 519 (CA 7 1986).

n96 803 F2d 778, 231 USPQ 555 (CA 3 1986).

n97 Id at 782, 231 USPQ at 559.

n98 See *Yeshiva University v. New England Educational Institute, Inc.*, 631 F Supp 146, 147, 229 USPQ 849, 850 (SDNY 1986) (fees allowable under Section 35 in Section 43(a) actions).

Other circuits have not directly considered the question. Moreover, a full and complete examination of the legislative histories of the prior statutes is lacking in the reported cases. Obvious anomalies exist, and there is great uncertainty as to the future state of the law. To eliminate the uncertainty we recommend that Sections 34(a), 35(a) and 36, the relief provisions of the Act, not require ownership of a registration. Such a clarification would be in keeping with the Eighth, Ninth and Eleventh Circuit holdings, and effectuate the policies of the Act.

We recommend the approach taken in the 1977 McClellan bill n99 with respect to Section 34:

(a) The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right [of the registrant of a mark registered in the Patent and Trademark Office] *protected under this chapter*.

n99 S. 1416, 95th Cong, 1st Sess (1977).

Section 34(c) would also be revised to require that court clerks give notice to the Commissioner only of actions involving registered marks.

[*433]

Section 35, by contrast, creates a dichotomy because recovery of profits, damages and costs are presently subject to the provisions of Sections 29 and 32. The rights of a Section 43(a) claimant under Section 35(a), based on rights which do not involve a registration, would be unaffected by these provisos under our recommendation. The provisos apply to registrants giving notice of their registrations and to innocent infringers of registered marks, not to Section 43(a) claimants. Although a registrant is thus under a handicap, being deprived of profits or damages under Section 29 for failure to give notice under certain circumstances, we see no reason to place a Section 43(a) claimant under a comparable handicap. Notice of registration under Section 29 is not required in an injunction action under Section 43(a), and it is not required in a claim for attorneys' fees under Section 35. n100 Moreover, registrants almost always plead a Section 43(a) count, and could rely on this count for Section 35 relief without the Section 29 handicap.

n100 *Schroeder v. Lotito*, supra note 83, 747 F2d at 802, 224 USPQ at 97-98.

Accordingly, we recommend a change in Section 35(a) as follows:

(a) When a violation of any right [of the registrant of a mark registered in the Patent and Trademark Office] *protected under this chapter* shall have been established in any civil action arising under this chapter, the plaintiff shall be

entitled, subject to the provisions of sections 29 and 32 of this chapter, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.

We also recommend modifying Section 36 along the same lines, to make it clear that destruction orders are available in Section 43(a) actions.

5. Trademark Disparagement and Tarnishment

Trademark owners have increasingly been subjected to uses of their trademarks by others which ridicule, parody, insult, or defame. The ENJOY COCAINE imitation of the Coca-Cola slogan, n101 the "L.L. Bean's Back-To-School-Sex-Catalog," n102 and the slogan MUTANT OF OMAHA with a logo resembling Mutual of Omaha's Indianhead logo n103 are but a few examples. Many of these [*434] are merely tasteless and a few amuse, but a number of them cross the legal line and become injurious to the trademark owner. Unsavory (or worse) associations can be highly detrimental to a trademark owner's good will and reputation, causing loss of consumer loyalty and trade.

n101 Coca-Cola Co. v. Gemini Rising, Inc., 346 F Supp 1183, 175 USPQ 56 (EDNY 1972).

n102 L. L. Bean Inc. v. Drake Publishers Inc., 811 F2d 26, 1 USPQ2d 1753 (CA 1 1987).

n103 Mutual of Omaha Insurance Co. v. Novak, 775 F2d 247, 227 USPQ 801 (CA 8 1985).

The courts have been unable to develop a clear basis for deciding which of these are actionable and what law is being violated. In general, those which tend to amuse or parody, and are not likely to confuse, are not actionable. n104 Those which are disgusting, vulgar, and no laughing matter often are. Trademark infringement and dilution laws are two possible grounds for relief, but often they do not fit conceptually. The problem is compounded by the crosscurrent of First Amendment rights of free speech. n105 The Commission believes that a separate ground for relief will aid the courts in dealing with these situations.

n104 Universal City Studios, Inc. v. Nintendo Co., 746 F2d 112, 120, 223 USPQ 1000, 1006 (CA 2 1984) (DONKEY KONG); Jordache Enterprises, Inc. v. Hogg Wyld Ltd., 625 F Supp 48, 57-58, 227 USPQ 794, 799-800 (D NM 1985) (LARDACHE jeans for overweight women).

n105 L.L. Bean Inc. v. Drake Publishers Inc., supra note 102.

We are unable to draw a bright line between those uses which are actionable and those which are not. The fact situations are often bizarre and the outcome is dictated by a court's eye-of-the-beholder reaction and sense of humor (or lack thereof). The courts will continue to make these subjective judgments on a case-by-case basis.

However, a separate legal basis for relief will remove the need to apply legal doctrines which do not fit. We propose adding a new Section 43(a)(3) specifically to cover disparagement and tarnishment. In appropriate cases the courts will be able to grant relief in the absence of likelihood of confusion and in the absence of true dilution. Although tarnishment can dilute trademark distinctiveness, the typical injury is less dilution than injury to reputation.

Disparagement and tarnishment are overlapping but not synonymous concepts. Disparagement would encompass the more extreme uses, and tarnishment the less extreme but still actionable uses.

The constitutionality of such a provision will almost certainly be tested, but we believe it would be upheld under the authority which holds that neither infringing trademarks nor false advertising are subject to First Amendment protection. n106

n106 Eg, Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F2d 200, 206, 203 USPQ 161, 165-66 (CA 2 1979); Warner-Lambert Co. v. Federal Trade Commission, 562 F2d 749, 758 (CA DC 1977), cert denied 435 US 950 (1978). But see L.L. Bean Inc. v. Drake Publishers Inc., supra note 102 at 31-34, 1 USPQ2d at 1757-59.

[*435]

6. Statutory Revision

We propose the following, adapted from the McClellan bill, as a replacement of the present Section 43(a):

Any person who, in commerce, shall use in connection with any goods or services, or any container for goods, any word, term, symbol, or device, or who shall engage in any act, trade practice, or course of conduct, which:

(1) is likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of such person with another, or as to the origin, sponsorship, or approval of his goods, services, or commercial activities by another; or

(2) by use of a false designation of origin or of a false or misleading description or representation, or by omission of material information, misrepresents the nature, characteristics, or qualities of his or another person's goods, services, commercial activities, or their geographic origin; or

(3) is likely to disparage or tarnish the mark of another;

shall be liable in a civil action by any person who believes that he is or is likely to be damaged in his business or profession by said action.

The relief provided for by this section shall be in addition to and shall not affect those remedies otherwise available under this Act, under the common law, or pursuant to the statutes of any state or of the United States. Nothing in this section shall be construed to preempt the jurisdiction of any state to grant relief in cases of unfair competition.

We have not provided a cause of action for misappropriation of trade secrets, which was part of the McClellan bill. We have also not provided a cause of action for violation of one's right of publicity. There is on-going debate about the nature of that right, and we believe it best to leave the subject to case-by-case development. We also omitted a cause of action based simply on "unfair competition," believing that it would have been entirely too broad and unworkable.

In drafting the foregoing language the Commission in no way intended to limit the continuously expanding scope of Section 43(a) as developed in forty years of decisions. We trust we have left [*436] unlimited room for the courts to expand even further this vigorous section.

H. Protection of Titles

1. Introduction

Titles of books, plays, motion pictures, and songs fall within a special branch of intellectual property law. While they are not ordinarily registrable as trademarks they do enjoy legal protection under certain circumstances.

Protection is available under both state law and Section 43(a), but the question is whether protection of titles for individual works of authorship should be specifically included in the Act. The Commission concluded that no such specific grant should be made.

2. Background

Titles of individual works have traditionally been denied protection as trademarks under both federal and state law on the ground that such titles are merely descriptive of the works for which they act as titles. n107 Indeed, registration of such a title as a trademark under the Act has been refused on this ground. n108 Although the 1984 revised definition of "trademark" in Section 45 may permit registration of a title for a "unique" or individual product such as a book, there are currently no court decisions in point.

n107 Eg, *Colvig v. KSFO*, 224 Cal App2d 357, 36 Cal Rptr 701, 140 USPQ 680, 685 (Calif Ct App 1964).

n108 Eg, *In re Pilon*, 195 USPQ 178, 179 (TTAB 1977).

On the other hand, titles of a series of books, magazines, and television programs may be registered as trademarks and service marks. They are no longer descriptive of just one work but identify the producer of the works as well as the series itself. n109 Registration may also be obtained for the title of a single work under Section 2(f), provided the owner can show that the title has acquired secondary meaning. This has the unfortunate consequence, however, of denying trademark protection for a title during its most popular period. Finally, a title may be registered on the supplemental register. In general, however, a title to an individual work may not be registered as a trademark under the Act.

n109 Eg, *HMH Publishing Co. v. Hale*, 156 F Supp 594, 595, 115 USPQ 351, 352 (ND Calif 1957); *B & I Publishing Co. v. Ace Magazines, Inc.*, 86 USPQ 183 (NY Sup Ct 1950).

Those who seek to protect a title of an individual work have used the law of unfair competition as it exists under state common [*437] or statutory law, n110 or under Section 43(a). Most such laws require the plaintiff who wishes to enforce title rights to prove with substantial evidence that the title has acquired secondary meaning. n111 The courts have, however, described what they mean by secondary meaning in a number of ways, to the point where there is less than total uniformity. n112

n110 *Eg, Leeds Music Ltd. v. Robin*, 358 F Supp 650, 660, 179 USPQ 413, 420 (SD Ohio 1973); *Gordon v. Warner Bros. Pictures, Inc.*, 269 Cal App2d 31, 74 Cal Rptr 499, 161 USPQ 316, 318 (Calif Ct App 1969); *Warner Bros. Pictures, Inc. v. Majestic Pictures Corp.*, 70 F2d 310, 311, 21 USPQ 405, 406-07 (CA 2 1934).

n111 *Eg, Hospital for Sick Children v. Melody Fare Dinner Theatre*, 516 F Supp 67, 73, 209 USPQ 749, 754 (ED Va 1980); *Dawn Associates v. Links*, 203 USPQ 831, 835 (ND Ill 1978).

n112 See *Orion Pictures Co. v. Dell Publishing Co.*, 471 F Supp 392, 202 USPQ 819, 823 (SDNY 1979); *Brandon v. Regents of the University of California*, 441 F Supp 1086, 1091, 196 USPQ 163, 167 (D Mass 1977); *Kirkland v. National Broadcasting Co.*, 425 F Supp 1111, 1115, 198 USPQ 560, 563 (ED Pa 1976).

Producers of motion pictures for the theatrical market have established a voluntary agency to register titles and to provide a forum for arbitrating disputes over conflicts. Each producer agrees contractually to be bound -- to a large extent -- to the decisions of the title agency, which is operated under the aegis of the Motion Picture Association of America in New York City. This system, which is open to all producers willing to pay the comparatively nominal fees involved, provides a certainty that is not available under state law and the Act.

While there is a fair amount of uncertainty in the predictability of title protection cases, especially in light of the required proof of secondary meaning, the law seems (whether consciously or not) to have created a balance between the interests of the title owner and the other members of the creative community who want the freedom to use titles to describe their disparate works. As the records of the United States Copyright Office will attest, there are many, many works of authorship that use identical or conflicting titles, even though the authors of those works are different. This has been the case for many years, seemingly causing little turmoil or confusion in the public's mind. Where the title has become famous through use or pre-release publicity, the Lanham Act and state laws of unfair competition appear to provide adequate, albeit not necessarily complete, protection for the title owner and the public. Given the above history, the Act, although not designed that way, seems to satisfy the current needs of users of titles and that of society's to avoid consumer confusion, and thus does not in our opinion require amending on the issue of title protection.

[*438] *I. Security Interests in Trademarks*

1. Introduction

With the escalating activity in mergers, acquisitions and leveraged buy-outs, there is a critical need for certainty in obtaining security interests in trademarks. The Commission has analyzed two areas: (1) the nature of the interest, that is what rights a secured party obtains in a debtor's trademarks, and (2) the mechanics of obtaining and enforcing a security interest, such as where filings should be made and how to effect foreclosure.

2. Background

To ensure that collateral is available to a creditor in the event of a debtor's default, a creditor (perhaps unknowingly) is likely to seek protection through means that are not only unnecessary to protect its rights adequately, but which may also endanger or impair the debtor's valuable trademark rights. An example of this is a creditor who takes an assignment of the trademark and then licenses it back to the debtor. In *Haymaker Sports, Inc. v. Turian*, n113 such an assignment with a license back was held to have invalidated the trademark rights assigned to the creditor. If the creditor in that case had taken a conventional security interest, rights to the mark would have been preserved. Nonetheless, many creditors are willing to put trademark rights at risk under the misapprehension that their position has been improved.

n113 581 F2d 257, 261, 198 USPQ 610, 613 (CCPA 1978).

Clarification is also necessary because the PTO itself has difficulty in handling security interest filings. For example, the PTO may require a trademark owner to clarify ownership when a renewal is made after a security interest has been filed. Thus, the PTO seems to treat this type of filing as an assignment even though title has not, in fact, changed

hands. In addition, courts are often asked to resolve the ambiguity which currently exists over how a trademark security interest is obtained, especially where no one filing has clearly preempted the others. n114

n114 Roman Cleanser Co. v. National Acceptance Co. of America, 43 BR 940, 225 USPQ 140, 141-49 (Bankr Ct ED Mich 1984), affd on other grounds 802 F2d 207, 231 USPQ 301 (CA 6 1986).

The current Trademark Rules of Practice provide for the recordal of assignments as well as "[o]ther instruments which may relate to such marks . . . in the discretion of the Commissioner." n115 Section 502 of the Trademark Manual of Examining Procedure further indicates that such instruments, other than assignments, [*439] can be recorded. Thus, while the law seems clearly to provide for the recordal of documents such as those used to grant a creditor a security interest in one's trademarks, it is silent as to what effect, if any, the recordal has in establishing a creditor's rights.

n115 37 CFR § 2.185 (1986).

3. Commission Recommendation

The Commission proposes an amendment to the Lanham Act to provide specifically for the granting of security interests in trademarks, under the following conditions:

(A) A security interest in a federally registered trademark can only be obtained by filing in the PTO.

(B) Since under Section 10 a trademark cannot be assigned without good will, a security interest should be granted in both the trademark and the good will which accompanies the trademark. Thus, on foreclosure of a security interest in a trademark (i.e., its being taken over by a creditor), the applicable good will of the business would accompany the transfer.

(C) The holder of a security interest would have basically two rights: (1) the right to foreclose on the mark and accompanying good will associated with the trademark (when a financial institution is the creditor, this is really the right to require the debtor to assign to a buyer obtained by the creditor), and (2) the right to proceeds from the sale of the mark.

These changes do not represent a major departure from current practice. Rather, they would clarify the nature of a security interest in trademarks and the attributes of such an interest.

4. The Nature of the Security Interest

In theory, a security interest in a trademark resembles a security interest in other forms of property. For example, a security interest is, in general terms, the interest a lender has in a car when the lender has loaned money to the car buyer to make the purchase. It is also the interest a mortgagee has after loaning money to a real estate buyer. Thus, the holder of the security interest does not have a present right to use the property purchased with the loaned money. It is in this way that a security interest differs from an assignment which conveys title immediately to the creditor. Instead, a security interest gives a creditor the right to take action against the property on the occurrence of [*440] certain events (eg, the borrower's failing to make payments on his/her debt) which are usually spelled out in a loan document or security agreement. If the debt is paid off prior to the occurrence of any of the stipulated events, the creditor will never own, use or otherwise exercise rights to the property. On the occurrence of such an event, however, the creditor can look to the property which is subject to the security interest for satisfaction of the debt. Other creditors who do not have security interests cannot look to specific property and, in some cases, have no assets at all with which unpaid debts can be satisfied.

Security interests in personal property can be obtained (created) in a number of ways. In some cases, such rights arise automatically. An example is the lien a repairman often has when he has performed work on property, such as a car. n116 In other cases, creditors have to make a filing to create such an interest. This is exemplified by the recording of a security interest in a car, although many variations exist.

n116 Cal Civ Code, Chapter 6.5, § 3068 (1974).

5. Creating a Security Interest

The procedure which must be followed to create a security interest differs with the type of property. It is stipulated by either state or federal statute or common-law. The most frequently invoked statutory scheme is Article 9 of the Uniform Commercial Code which has been adopted in differing forms by forty-nine states. It governs security interests in most personal property, including intangible property, unless preempted by federal law.

UCC Section 9-104 states that "[t]his article does not apply (a) to a security interest subject to any statute of the United States, to the extent that such statute governs the rights of parties to and third parties affected by transactions in particular types of property." UCC Section 9-302(a) states "(3) [t]he filing of a financing statement otherwise required by this Article is not necessary or effective to perfect a security interest in property subject to (a) a statute or treaty of the United States which provides for a national or international registration or a national or international certificate of title or which specifies a place of filing different from that specified in this Article for filing of the security interest." Security interests in copyrights are subject to such preemption. n117 Reading these two sections together, however, courts have failed to find similar preemption in relation to federally registered trademarks [*441] since neither the Trademark Rules of Practice nor the Lanham Act specifically provides for filing security interests in the PTO. n118 As a result, security interests in federally registered trademarks are governed by Article 9, the terms of which may vary from state to state, and can exist without any filing in the PTO.

n117 IC, P.F. Coogan, W. E. Hogan and D. F. Vagts, *Secure Transactions Under the UCC*, Bender's Uniform Commercial Code Service, 25A.05, at 25A-40 (1986).

n118 Supra note 114, 225 USPQ at 143-45.

The original purpose of Article 9 was to simplify and lend certainty to the manner in which security interests were obtained in personal property. n119 Thus, creditors could follow a specific filing procedure and be assured that the goods subject to the security interest would be available to them to the exclusion of all other creditors to offset a debtor's obligation if the debtor defaulted. In relation to tangible assets, the goal of increased certainty in the law has in large part been met. In relation to trademarks, however, this goal cannot be achieved without amending the Lanham Act and the Trademark Rules.

n119 Supra note 117 at 2.13.

The reasons for this are many. Trademarks differ from other types of personal property, title to which can pass unrestricted when a debtor fails to pay a creditor. Under Section 10 trademarks, on the other hand, cannot be transferred without the accompanying good will. Trademark rights are intangible. Except for registration documents, they do not have a tangible presence evidencing ownership. As a result, trademarks cannot simply be repossessed by a creditor and sold like other types of property if a debtor defaults. Thus, foreclosure by taking possession of the property, without judicial intervention as contemplated by Article 9, is not feasible.

These differences raise substantial questions under Article 9. In particular, security interest filings in relation to "general intangibles," which include trademarks, are made at the state level. Nonetheless, if a debtor has federally registered trademarks which are also covered by state registrations, would another creditor attempting to determine whether the debtor had already given a security interest to someone else have to search all states to determine what other security interests had been given?

Since federal law provides a system for registering trademarks, it is only logical that rights which might affect the registered owner's interest be reflected on that register. In addition, greater certainty is gained by requiring that filings be made in the PTO. A filing pursuant to Article 9 might recite that the creditor was taking a security interest in all of the debtor's trademarks without specifying the actual marks. Even the agreement [*442] giving rise to the security interest (e.g. the loan documents) might be equally vague. Thus, sound reasons exist to require filing in the PTO in relation to each specific mark in which a security interest is being granted as the exclusive means of obtaining a security interest in federally registered trademarks.

Such a filing scheme must be mandatory. To provide that security interests can be granted in federally registered trademarks and then make filing in the PTO voluntary, lends no certainty to creditors. This is, in effect, the current status of the law (i.e., filing pursuant to Article 9 is required to prevent third parties from acquiring conflicting or superior rights). Therefore, to ensure that the effect of filing in the PTO is to give the first creditor to file rights superior to all subsequent creditors, the filing must be mandatory and the statute must expressly give this effect to the filing. Arti-

cle 9 has the same effect at the state/local level. If the requisite filing is not made, a creditor does not, generally speaking, have rights to the property superior to other creditors.

The establishment of such a requirement will not be disruptive to the scheme of Article 9. Article 9 would still apply to common-law rights and state registered trademarks if no federal registration had been obtained. And since a filing requirement currently exists under Article 9, the only change for creditors is the place of the filing. By failing to file in the PTO, a creditor would be in the same position as if it failed to comply with the requirements of Article 9. To the extent federal rights are not completely preemptive of state or common-law rights, the federal filing should expressly preempt any other filings which might give rise to conflicting interests among creditors.

In addition to the certainty Article 9 brought to the law of secured interests, it changed prior laws by allowing a creditor to assert its rights to the property covered by the security interest by engaging in "self help" on a debtor's default.ⁿ¹²⁰ Thus, on a debtor's default, a creditor can take possession of the property subject to the security interest and sell it to satisfy the debtor's obligation to the creditor. With trademarks, a creditor could, of course, achieve the same effect by having the debtor execute an assignment on default or by having the debtor grant the creditor a power of attorney to sign such an assignment on the debtor's behalf. Alternatively, the creditor could obtain an executed assignment from the debtor which would be filed only on the debtor's default.

ⁿ¹²⁰ See UCC §§ 9-503 and 9-504.

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Although each of these alternatives has advantages for a creditor, a creditor must be careful to avoid an assignment which would invalidate the marks. This could occur if a debtor was in default and a creditor took title to the marks, even though the debtor was still conducting its business and, therefore, retained the good will. With other types of property which might be the subject of a security interest, of course, the nature of the assignment procedure is not a concern. Because of the requirement that trademark assignments be accompanied by good will, however, any change to the Lanham Act and the accompanying rules should strike a balance between this requirement and the ability of creditors to foreclose on secured property without judicial proceedings.

6. Proposed Statutory Framework

Despite the shortcomings of using Article 9 as the means of obtaining a security interest in federally registered trademarks, analogizing to Article 9 is very helpful in establishing a filing procedure for the PTO and in analyzing the nature of a creditor's interest.

There are basically four areas in which security interests are regulated by Article 9: creation, perfection, priority in relation to third parties, and enforcement. The federal legislation we are proposing would preempt Article 9 only in relation to perfection (by stipulating the PTO as the place for filing) and enforcement (on default, a mark could be temporarily assigned to a creditor not otherwise engaged in the debtor's business, or it could be conventionally assigned). Based on the foregoing, the Commission proposes the following:

a. Creation

A security interest is created when a debtor expressly grants a creditor such an interest, regardless of whether the creditor has loaned money to allow the debtor to purchase the mark or for some other reason. A security interest subject to this proposed amendment can only be taken in a federally registered mark or application based on intent-to-use. With respect to an application based on use in commerce, the appropriate filing (until registration issues) would be pursuant to Article 9 to ensure that a creditor has priority over other creditors in the common law rights in the mark. Thus, prior to registration, security interests in trademarks used in commerce would continue to be governed by Article 9. A creditor could, of course, file notice of a security interest in the PTO in relation to a pending application. The filing would not, [*444] however, have the same effect as one made pursuant to Article 9 for the reason stated above.

b. Perfection

This refers to the steps necessary to effect a valid security interest as between the secured creditor and third parties (e.g., purchasers). The steps are, basically, an agreement, value exchanged, and filing. On completion of the requisite steps, a security interest is said to be perfected. We recommend that notice of a security interest be filed in the PTO within ten (10) days of the interest being granted; once filed, it would give a creditor rights which would be superior to

any other creditors who subsequently filed in the PTO. The PTO will have to expedite its handling of these filings so that they fulfill the function of putting other creditors on notice of the interest.

Although a federal registration might be supported by some common-law rights which are broader than those existing under the federal registration, it is not unreasonable that the federal law preempt any Article 9 filings.

c. Priority

This relates to the rights of the secured party in relation to other creditors, secured and unsecured, as well as to purchasers. The first party to file in the PTO in relation to a registered trademark would have priority over subsequently filed interests. An Article 9 filing made prior to a registration issuing for a particular mark would have priority over a subsequent PTO filing, if a PTO filing was made by the first secured party within four (4) months of issuance of the federal registration (priority in relation to third parties would run from the date of the Article 9 filing). This parallels the UCC requirement for other types of property which "move" from one jurisdiction to another. n121

n121 UCC § 9-103(2)(b).

d. Enforcement

This gives the creditor the right to sell the mark and accompanying good will on the debtor's default. It is accomplished by the debtor assigning the mark to the creditor's buyer. Alternatively, a creditor could take title to the mark and accompanying good will and use the mark itself. On foreclosure, the creditor's buyer or the creditor if it is using the marks, would have the right to treat any other entity (including the same or other creditors) [*445] as an infringer if labels or other materials bearing the mark were used in a manner not authorized by the buyer. If a creditor does not immediately have a buyer on the debtor's default and/or otherwise deems it advisable to transfer title from the debtor after the occurrence of an event of default, the statute should provide that the creditor can take title without invalidating the mark(s), provided that the assignment from the creditor to a buyer is accompanied by good will as required by Section 10, as that requirement has been further interpreted by the courts. n122

n122 *Reconstruction Finance Corp. v. J. G. Menihan Corp.*, 22 F Supp 180, 182, 37 USPQ 323, 325 (WDNY 1938) (sale to lender to foreclose on security did not automatically invalidate trademarks); *Avon Shoe Co. v. David Crystal, Inc.*, 171 F Supp 293, 301, 121 USPQ 397, 403 (SDNY 1959), affd 279 F2d 607, 125 USPQ 607 (CA 2 1960), cert denied 364 US 909, 127 USPQ 555 (1960) (transfer of mark must be accompanied by some business with which mark is used).

In addition, a creditor should be careful to avoid abandonment of a mark (as defined in Section 45) by assigning rights to a mark for closely related products to different entities. Since the occurrence of an abandonment will always be a question of fact, however, and since the concept of "associated marks" has not been incorporated into the Lanham Act, it does not appear necessary to restrict by statute how trademark rights as they relate to different products can be assigned. Similarly, it does not appear necessary to require a creditor to take a security interest in all related marks.

7. Proposed Statute

Specifically, we propose the amendment of Section 10 as follows:

(A) A registered mark or a mark for which application to register has been filed shall be assignable with the goodwill of the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark. An assignment shall be void as against any subsequent purchaser for a valuable consideration without notice, unless it is recorded in the Patent and Trademark Office within three (3) months after the date thereof or prior to such subsequent purchase.

(B) A security interest can be obtained in a federally registered trademark and will be superior to any interest subsequently granted to a third party, provided that:

[*446]

(1) The party being granted the security interest also obtains a security interest in the goodwill of the business which accompanies the trademark; and

(2) Notice of such interest is filed in the Patent and Trademark Office within ten (10) days of being granted; and

(3) The mark is not subject to a valid, prior perfected security interest. (An example of such a prior perfected interest would be where a creditor makes a state filing covering the mark before an application for federal registration has been filed and then subsequently files in the PTO within four (4) months of registration issuing, as provided by statute.)

(C) A party which has been granted a security interest in a federally registered trademark may, after default by the party granting the security interest, require the debtor to assign the trademark to:

(1) A transferee who is also being assigned the goodwill symbolized by the trademark; or

(2) The party holding the security interest, even though such party does not engage in the business to which the mark relates, provided that the secured party either engages in the business to which the trademark relates or holds the mark only for the purpose of subsequently transferring it along with the goodwill relating to the mark and that such subsequent transfer occurs prior to the dissipation of the goodwill.

(D) The security interest in a trademark obtained pursuant to this section will extend to consideration received upon the sale, exchange, collection or other disposition of the trademark for ten (10) days after receipt of the consideration by the transferor and will then lapse unless a financing statement or other document is filed as required by appropriate state law.

(E) In any such assignment or grant of a security interest it shall not be necessary to include the goodwill of the business connected with the use of and symbolized by any other mark used in the business or by the name or style under which the business is conducted. Assignments and grants of security interests shall be by instruments in writing duly executed. Acknowledgment shall be prima [*447] facie evidence of the execution of an assignment or grant of a security interest and when recorded in the Patent and Trademark Office the record shall be prima facie evidence of execution. The Commissioner shall maintain in the Patent and Trademark Office a separate register for documents described in this section which are submitted for recording hereunder.

(F) An assignee or secured party not domiciled in the United States shall be subject to and comply with the provisions of section 1(d) hereof.

This proposed amendment is somewhat complex and raises a number of issues which will no doubt draw comment from both trademark and commercial law practitioners. Although we recommend covering security interests in an amendment of this type, it would be possible to formulate a simpler approach: amend the statute in general terms and add the mechanics to the Trademark Rules of Practice. This approach could take the form of the following addition to Section 10:

The Commissioner shall establish and maintain a register for the recording of any document which affects the title to, or any interest in, any federally registered trademark or application therefore. The Commissioner shall also record under the system provided for in this section any release, cancellation, discharge, or satisfaction relating to any conveyance or other instrument recorded under said system. Any assignment, security interest or other interest in a trademark shall be void as against any subsequent purchaser or other entity being granted an interest for a valuable consideration without notice, unless recorded in the Patent and Trademark Office within three (3) months after the date thereof, prior to such subsequent purchase in the case of an assignment, or within ten (10) days of the grant of any other type of interest.

J. Trademark Licensing

1. Merchandising Marks and Quality Control

The Commission considered whether the practicalities of quality control in collateral products trademark licensing (or the licensing of "merchandising" rights) made it appropriate to change the applicability of quality control standards. The Commission was mindful of the explosive growth in such licensing and the proliferation of different types of products under "merchandising" [*448] marks, such as HERSHEY overalls, HARLEY-DAVIDSON beach towels, DR PEPPER refrigerators, and COCA-COLA wearing apparel. Colleges and universities have also mounted the licensing bandwagon, and licensed FIGHTING IRISH merchandise is commonplace in South Bend.

The Commission recognizes that it is difficult for a trademark licensor in this context to provide meaningful quality control during the license term. For example, there is no reason to believe that a college licensing administrator would have the technical expertise to review and pass judgment on the quality of wearing apparel, wastebaskets, and ceramic mugs bearing the likeness of the football team mascot. Often, one assumes, there is no supervision or testing unless there are consumer complaints, noticeable deterioration in quality, or product liability claims.

The commercial realities, it has been argued, should give way to a less stringent standard where the role of the trademark is less that of a quality indicator and more of a way for the purchaser to show product or school loyalty or affiliation. Several authors have commented on the adoption of a different standard in this situation. n123

n123 William M. Borchard and Richard M. Osman, Trademark Sublicensing and Quality Control, 70 TMR 99 (1980); W. J. Keating, Promotional Trademark Licensing: A Concept Whose Time Has Come, 89 Dickinson Law Review 363 (Winter 1985).

The Commission considered reducing the risk of abandonment of a licensed trademark in a merchandising license arrangement, after the licensor had set quality standards and approved samples. Under the proposal there could be no abandonment from the licensor's failure to police quality, to inspect the licensed goods production facilities, or otherwise to control the nature and quality of the licensed goods, provided that the original quality is not reduced and the public is not damaged or deceived. In effect, the licensor would not be responsible for continuing supervision of the licensee's activities, so long as the licensee maintained the original standards of quality. This approach would have reduced the licensor's exposure from its lack of policing expertise without harming the public.

After considerable discussion and debate, the Commission decided that the public interest in avoiding deception in the licensing context was a very sensitive issue and that statutory relaxation of the quality control requirements was not appropriate.

2. Licensee First Use

The Commission was mindful of early authority suggesting that licensee first use of a trademark would not ordinarily vest [*449] trademark ownership rights in the licensor. n124 On the other hand, Trademark Rule 2.38(a), n125 states that first use by a related company inures to the benefit of the licensor-applicant. n126 In order to remove any doubt, and without questioning the validity of trademark rights heretofore established through licensee first use, the Commission recommends an appropriate amendment to the Act. The amendment would expressly authorize related company first use to inure to the benefit of the licensor-applicant, so as to unmistakably make it the "owner of a trademark used in commerce" within Section 1.

n124 See, eg, *In re C.B. Donald Co.*, 122 USPQ 401, 402-03 (TTAB 1959), on reconsideration 122 USPQ 535 (TTAB 1959).

n125 37 CFR § 2.38(a).

n126 See also *Turner v. HMH Publishing Co.*, 380 F.2d 224, 229, 154 USPQ 330, 333-34 (CA 5 1967), certiorari denied 389 US 1006, 156 USPQ 720 (1967).

K. Housekeeping

1. Introduction

The Commission reviewed dozens of suggested changes in the Act and the trademark rules. After a lengthy sifting process, it determined that only a few such suggestions should be adopted as recommendations.

2. Proposed Section 2(d)

We propose amending Section 2(d) to permit a concurrent use proceeding when the junior user's lawful use commences prior to the registration date of the senior user rather than the filing date of the senior user's application.

Section 2(d) presently permits a concurrent use proceeding to be instituted only if the junior user commences lawful use of his mark prior to the filing date of the application or registration of the senior user. The section is ambiguous in referring to the filing date of the registration, but it appears to be interpreted as referring to the filing date of the application leading to the registration. n127 As such, the rule appears to be inconsistent with Section 22, which provides that registration of a mark on the principal register shall be constructive notice of the registrant's claim of ownership. Furthermore, a court can order the issuance of a concurrent use registration even though the junior user's date of first use is subsequent to the senior user's filing date. Rather than forcing an applicant to institute court proceedings, Section 2(d) should be amended to permit the institution of a concurrent use [*450] proceeding when the junior user's use commenced in good faith before constructive notice becomes effective, namely before the senior user's registration date.

n127 TMEP § 1207.04.

We also propose amending Section 2(d) by adding the following provision:

Use prior to any filing date of a pending application or registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant.

The change is designed to correct the anomaly whereby a concurrent use registration cannot be issued to a party whose first use of a mark occurred after the filing date of another user's application, even if the parties enter into an agreement establishing their respective rights. The Commission supports the proposed statutory amendment because it would encourage the settlement of disputes over geographical trademark rights, rather than forcing the parties into litigation.

3. Proposed Section 2(f)

We propose amending Section 2(f) by deleting the following bracketed portion and inserting the italicized portions:

Section 2(f): Except as expressly excluded in paragraphs (a)-(d) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods *or services* in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as applied to the applicant's goods *or services* in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years next preceding [the date of the filing of the application for its registration] *an offer of proof by the applicant.*

Presently Section 2(f) allows the Commissioner to accept as prima facie evidence that a mark has become distinctive proof of substantially exclusive and continuous use of the mark by the applicant in commerce for the five years next preceding the date of the filing of the application. There is no reason to limit the offer of proof to five years of continuous use next preceding the filing date. An offer of proof should be acceptable by the Commissioner if the mark has been used for five consecutive years next preceding the date that the offer of proof is made. This would [*451] permit the applicant to utilize the application pendency period as part of the five-year period, avoiding delay and the possible expense of refiling the application.

The second amendment to Section 2(f), the insertion of "or services," conforms the section to the practice.

4. Proposed Section 4

The term "certification mark" is defined under Section 45 as a mark used by one or more persons "other than the owner of the mark" to certify various characteristics of goods or services. These marks and collective marks are registrable under Section 4. However, Section 4 is confusing in providing that both types of marks "when registered . . . shall be entitled to the protection provided in this chapter in the case of trade-marks, except when used so as to represent falsely that the owner or a user thereof makes or sells the goods or performs the services on or in connection with which such mark is used." Since the exception was obviously intended to apply only to certification marks, we propose adding immediately after "except" the phrase "in the case of certification marks."

5. Proposed Section 14(c)

We propose amending Section 14(c) by deleting "an article or substance" and substituting therefor "the goods or services, or a portion thereof, for which it was registered." Section 14(c) now provides that a cancellation proceeding may be brought "at any time if the registered mark becomes the common descriptive name of an article or substance." The current language of the statute is not technically correct, because the registration should be canceled for genericness only if the registered mark is generic for the specific goods in the registration. We also propose adding a sentence at the end of subsection (c): "If the registered mark becomes the generic name n128 for less than all of the goods or services in the registration, the registration may be cancelled only in part." It should be canceled in its totality only if the mark is generic for all such goods or services. Section 18 should be clarified to make it consistent with Section 37 in this regard. n129 We include proposed language of Section 18 as shown below.

n128 The Commission recommends that "generic name" be substituted for "common descriptive name" in Sections 14(c) and 15(4). See *supra* VII. F. 2. i., Common Descriptive Name.

n129 See *Dresser Industries, Inc. v. Heraeus Engelhard Vacuum, Inc.*, 267 F Supp 963, 975, 152 USPQ 743, 753 (WD Pa 1967), affd 395 F2d 457, 158 USPQ 65 (CA 3 1968), cert denied 393 US 934, 159 USPQ 799 (1968).

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There is nothing in Section 14(c) that permits the filing of a cancellation petition if a registered service mark becomes the generic name of the service. n130 The Commission's recommendation would permit the filing of a cancellation petition at any time if the registered mark becomes the generic name of the goods or services, and makes clear that this includes the goods or services, or any portion thereof, for which the mark was registered.

n130 See *Eastern Air Lines, Inc. v. New York Air Lines, Inc.*, 559 F Supp 1270, 218 USPQ 71 (SDNY 1983) ("air-shuttle" generic).

6. Proposed Section 18

Current law puts the Board in a straightjacket, bound by the goods and services descriptions in the relevant applications and registrations. For example, it must assume that "men's shirts" covers all types of shirts sold through all conceivable trade channels, even though they may be made of heavy duty wool and sold only in certain regions in mining company outlets as protective clothing for coal miners. n131 Not surprisingly, the Board often decides the likelihood of confusion issue on hypothetical, not real world, grounds.

n131 See Daniel L. Skoler, *Trademark Identification -- Much Ado About Something?*, 76 TMR 224, 237-39 (1986).

The Commission believes that perpetuating this artificial environment is undesirable. Actual product and trade channel differences are highly relevant and often determinative in court proceedings. The Board should be able to consider them as well, and to modify a description if it would avoid likelihood of confusion. The Board could thus delete "men's shirts" and substitute "protective woolen shirts for coal miners," while deciding that confusion is unlikely with respect to a similar mark used on tee shirts sold at rock concerts.

We also believe the Board should have statutory authority to determine trademark ownership rights where they are at variance with the register. For example, in an inter partes case the Board should be able to find that a cancellation petitioner is the true owner of the registration, such as by the imposition of a constructive trust, and to correct the register accordingly. At present it is necessary for the petitioner to file a court action to obtain this relief. We therefore propose adding "or rectify with respect to the register" to Section 18.

The Commission thus proposes the following amendment of Section 18:

[*453]

In such proceedings the Commissioner may refuse to register the opposed mark, may cancel *the registration, in whole or in part, or modify the application or registration by limiting the identification of the goods or services, or otherwise restrict or rectify with respect to the register* the registration of a registered mark, or may refuse to register any or all of several interfering marks, or may register the mark or marks for the person or persons entitled thereto, as the rights of the parties under this chapter may be established in the proceedings; provided, that in the case of the registration of any mark based on concurrent use, the Commissioner shall determine and fix the conditions and limitations provided for in subsection (d) of section 2 of this chapter.

7. Proposed Section 21(b)(3)

We propose amending Section 21(b)(3) by deleting the bracketed portion and inserting the italicized portion in the first sentence as set forth below.

Section 21(b)(3): In all cases where there is no adverse party, a copy of the complaint shall be served on the Commissioner[;] and, *unless otherwise directed by the court*, all the expenses of the proceedings shall be paid by the party bringing them, whether the final decision is in his favor or not.

Section 21(b)(3) presently provides that in the case of ex parte appeals to the court, all expenses of the proceedings shall be paid by the party bringing the appeal, even if that party prevails. This leaves the possibility for abuse by the

PTO in incurring expenses in connection with appellate proceedings, since all expenses would have to be paid by the appellant. For example, the Office could decide to conduct expensive surveys to determine whether confusion is likely or whether a term is merely descriptive or generic. The Commission's proposal gives discretion to the court to refrain from charging all expenses to the appellant. Not only will this permit the court to make an appropriate allotment of expenses, it also will cause the PTO to consider seriously the need for incurring certain expenses.

8. Proposed Section 45

The trademark affixation requirement taxes the ingenuity of trademark lawyers when they confront bulk shipments of grain, oil, chemicals, or the like, in railroad cars, ships, aircraft, or vehicles. Often they devise some contrived although technically correct [*454] solution such as taping a paper label to a tank car. In order to accommodate this situation, we propose the following italicized modification to the Section 45 "use in commerce" explanation:

For the purposes of this chapter a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, *or if the nature of the goods makes such placement impracticable then on documents associated with the goods or their sale*, and the goods are sold or transported in commerce . . .

Examples of such associated documents would be title or shipping documents, invoices, bills of sale, instructional materials, and sales brochures.

L. Dilution

1. Introduction

For many years USTA encouraged the states to adopt dilution laws. In 1964 the USTA Board of Directors added a dilution provision to the Model State Trademark Bill, which it had previously prepared for the National Association of Secretaries of State. The addition strongly influenced an increasing number of states to adopt dilution laws. At last count there were twenty-three, most of which patterned their statutes after the Model Bill:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this Act, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services. n132

n132 The following states have adopted the Model Bill: Alabama, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Iowa, Louisiana, Maine, Massachusetts, Missouri, Montana, Nebraska, New Hampshire, New Mexico, New York, Oregon, Pennsylvania, Rhode Island and Tennessee.

The statutes are generally identical, except in Florida, Georgia and Illinois, where they also prohibit the dilution of "labels and forms of advertisement."

Actually, dilution laws go back to the time of the Lanham Act. In 1947 Massachusetts became the first state to adopt such a statute, twenty years after the seminal article by Frank Schechter lamenting "the gradual whittling away or dispersion of the identity and hold upon the public mind of [a] mark or name by its use upon non-competing goods." Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 *Harvard Law Review* 813 (1927); 22 *TM Bull* 139 (1927), reprinted in 60 *TMR* 334 (1970).

Over the last forty years dilution protection has been fitful. The courts have awarded injunctive relief solely on dilution [*455] grounds, absent likely confusion, in just a handful of cases. n133 And the courts have frequently been influenced by reputational factors, e.g., tarnishment of good will, which are unrelated to the classical Schechter concept of dilution. n134 The decisions have been inconsistent, the reasoning often illogical. In our view, the current state of protection from dilution, and the number of states without dilution laws, create a trademark protection vacuum in the United States. We believe that a limited category of trademarks, those which are truly famous and registered, are deserving of national protection from dilution. Famous marks are most likely to be harmed by reduced distinctiveness. They are enormously valuable but fragile assets, susceptible to irreversible injury from promiscuous use. Although they are occasionally protected on likelihood of confusion grounds, we are convinced they deserve dilution protection which is both effective and predictable. We therefore urge the adoption of a highly selective federal dilution statute, augmenting but not preempting state dilution laws, extending protection to famous marks registered on the principal register.

n135 We envision the courts adopting a more enthusiastic view of our proposed statute than they have of the state dilution laws.

n133 See, eg, *Hyatt Corp. v. Hyatt Legal Services*, 736 F2d 1153, 222 USPQ 669 (CA 7 1984); *Instrumentalist Co. v. Marine Corps League*, 509 F Supp 323, 340, 210 USPQ 841 (ND Ill 1981), supplemental opinion 212 USPQ 555, 558-59 (ND Ill 1981), *affd* 694 F2d 145, 216 USPQ 951 (CA 7 1982).

n134 See, eg, *Community Federal Savings & Loan Assn. v. Orondorff*, 678 F2d 1034, 1035, 215 USPQ 26, 27 (CA 11 1982); *Pillsbury Co. v. Milky Way Productions, Inc.*, 215 USPQ 124, 135 (ND Ga 1981); *General Electric Co. v. Alumpa Coal Co.*, 205 USPQ 1036, 1036-37 (D Mass 1979). The Commission believes that trademark tarnishment and disparagement are a separate form of legal wrong, and recommends amending Section 43(a) to deal with them. See *supra* VII. G. 5., Trademark Disparagement and Tarnishment.

n135 See *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, *supra* note 56 at 193, 105 S Ct 658, 83 L Ed2d 582, 224 USPQ at 329, 75 TMR at 138: "Because trademarks desirably promote competition and the maintenance of product quality, Congress determined that 'a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them.'"

The Commission's position flows from the Frankfurter observation in *Mishawaka* that: "The protection of trademarks is the law's recognition of the psychological function of symbols." n136 A well-known trademark is a powerful advertising tool and source identification. It can fasten a lasting psychological grip on the public consciousness, generating consumer loyalty and good will. Once established, this commercial magnetism builds and retains markets and fosters competitive vigor. The value of well-known brand names is incalculable; they can bring an immense premium in the price of a corporate acquisition. The unseen but dynamic [*456] pull of a famous mark, the essence of many a successful business, should be accorded maximum legal protection.

n136 *Mishawaka Rubber & Woolen Company v. S.S. Kresge Company*, 316 US 203, 205, 62 S Ct 1022, 86 L Ed 1381, 53 USPQ 323, 324-25 (1942).

We propose adding a narrowly drawn dilution section to the Lanham Act, protecting only registered marks which have become famous throughout a substantial part of the United States. Our proposal is consistent with national trademark policy, and carries with it no apparent social or economic detriment.

2. Background

Commission Senior Advisor Beverly W. Pattishall has long championed more effective enforcement of the dilution laws. n137 He maintains that dilution protection is justified by the law of trespass, a form of defense against a legal wrong which is damaging to an incorporeal property right. His view is aligned with Schechter's, i.e., that the extraordinarily valuable "commercial magnetism" n138 inherent in distinctive trademarks must be protected from commercial incursion. Without protection against dilution, valuable rights can only be eroded and, ultimately, lost.

n137 Beverly W. Pattishall: *Dawning Acceptance of the Dilution Rationale for Trademark-Trade Identity Protection*, 74 TMR 289 (1984); *The Dilution Rationale for TradeMark Identity Protection, Its Progress and Prospects*, 71 Northwestern University Law Review 618 (1977), reprinted in 67 TMR 607 (1977); *The U.S.A. Courts and the Prevention of Unfair Competition*, 53 TMR 599, 620 and 930 (1963); and *The Case for Anti-Dilution Trademark Statutes*, 43 TMR 887 (1953). For an opposing viewpoint by a distinguished lawyer and professor, see Milton W. Handler, *Are the State Antidilution Laws Compatible With the National Protection of Trademarks?*, 75 TMR 269 (1985).

n138 *Mishawaka Rubber & Woolen Company v. S.S. Kresge Company*, *supra* note 136 at 205, 62 S Ct 1022, 86 L Ed 1381, 53 USPQ at 324-25.

We concur in the need for greater protection from dilution for famous registered marks. We also believe that several positive decisions on dilution laws in recent years make the adoption of a federal law timely. A decade ago the climate would not have been as conducive to this change.

The idea of a federal dilution statute recently gained ground as a result of a development from an unexpected source: the United States Supreme Court. The Court held that, under the Amateur Sports Act of 1978, n139 the United

States Olympic Committee had exclusive rights in the word OLYMPIC without regard to whether use of the word was likely to cause confusion. The Court stated that Congress "could determine that unauthorized uses, even if not confusing, nevertheless may harm the USOC by lessening the distinctiveness and thus the commercial value of the marks." For support it quoted Schechter. n140 In relying on orthodox dilution [*457] doctrine, the Court recognized the desirability of dilution protection where the mark in question had attained commercial magnetism through decades of use.

n139 36 USC §§ 371-396.

n140 *San Francisco Arts & Athletics, Inc. v. United States Olympic Committee*, US , 55 USLW 5061, 5065, 3 USPQ2d 1145, 1153, 77 TMR 350 (1987).

We do not share the concerns that dilution protection leads to monopolization of language. Third parties have an infinite number of trademark choices available. Confining dilution protection to famous trademarks will have little or no impact on other businesses. All new entrants need do is compete fairly using marks which cause neither likelihood of confusion nor dilution. This will not be a handicap.

The Commission considered whether the availability of federal dilution protection to only "famous" registered marks violates the due process clause of the Fifth Amendment. We see no serious problem. The Supreme Court has consistently held that "a legislative classification must be sustained if the classification itself is rationally related to a legitimate governmental interest." n141

n141 *United States Dept. of Agriculture v. Moreno*, 413 US 528, 533, 93 S Ct 2821, 37 L Ed2d 782 (1973).

Limiting the availability of dilution protection to those registered marks which are "famous" bears a rational relationship to several legitimate trademark protection interests. The proposed section (1) protects only those registered marks which are most likely to be adversely affected by dilution, (2) makes the availability of dilution protection nationally uniform and predictable, (3) merely adds another attribute of federal registration to existing attributes, such as constructive notice and incontestability, and (4) creates a desirable and further incentive to register trademarks used in commerce.

3. Possible Preemption

The Commission considered at length a recommendation which would have preempted the state dilution laws to the extent constitutionally permissible, but ultimately rejected it. Some felt that national trademark law uniformity and reducing the risk of local challenge to expansion under a new mark would have justified it. In the end the Commission saw no compelling policy justifications for extinguishing state law dilution rights. State trademark law and policy should be honored, so long as it does not conflict with federal. If it does, as one court has found with respect to the Iowa dilution statute, the courts can determine that federal law preempts. n142 They can also determine that a nationwide [*458] injunction under a state dilution law would constitute a burden on commerce. n143

n142 *United States Jaycees v. Commodities Magazine Inc.*, 2 USPQ2d 1119, 1126 (ND Ia 1987).

n143 *Hyatt Corp. v. Hyatt Legal Services*, 610 F Supp 381, 382-83 (ND Ill 1985).

The Commission does, however, recommend a provision making a federal registration a complete defense to an action under a state dilution law. This approach would accord registrants additional security in expansion situations while not unduly restricting the operation of state law. It would also effectuate Congressional intent under Section 45 "to protect registered marks used in . . . commerce from interference by State, or territorial legislation."

4. A Federal Dilution Act

The Commission has drafted and proposes a new Section 43(c) with accompanying definition. n144 We reiterate that our proposed statutory language is not intended as a final Commission recommendation. Its sole purpose is to provide an example which incorporates one or more principles we espouse, and to stimulate discussion. With this caveat, we set forth the following language, accompanied by explanatory comments.

n144 Another version appears in Cyd B. Wolf, *Trademark Dilution: The Need for Reform*, 74 TMR 311, 322 (1984).

a. Section 43(c) -- Protection of Famous Registered Marks From Dilution

(1) The registrant of a famous mark registered under the Acts of 1881 or 1905 or on the principal register shall be entitled, subject to the principles of equity, to an injunction against another's use in commerce of a mark, commencing after the registrant's mark becomes famous, which causes dilution of the distinctive quality of the registrant's mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to:

- (a) the degree of inherent or acquired distinctiveness of the mark;
- (b) the duration and extent of use of the mark in connection with the goods and services;
- (c) the duration and extent of advertising and publicity of the mark;
- (d) the geographical extent of the trading area in which the mark is used;
- [*459]
- (e) the channels of trade for the goods or services with which the registrant's mark is used;
- (f) the degree of recognition of the registrant's mark in its and in the other's trading areas and channels of trade; and
- (g) the nature and extent of use of the same or similar mark by third parties.

(2) Remedies. The registrant shall be entitled only to injunctive relief in an action brought under this subsection, unless the subsequent user willfully intended to trade on the registrant's reputation or to cause dilution of the registrant's mark. If such willful intent is proven, the registrant shall also be entitled to the remedies set forth in Sections 35(a) and 36, subject to the discretion of the court and the principles of equity.

(3) Federal Registration Defense in Dilution Actions. The ownership of a valid registration under the Acts of 1881 or 1905 or on the principal register shall be a complete bar to an action brought by another person, under the common law or statute of a state, seeking to prevent dilution of the distinctiveness of a mark, label, or form of advertisement.

Section 45. Definitions

Dilution.

The term "dilution" means the lessening of the capacity of registrant's mark to identify and distinguish goods or services, regardless of the presence or absence of (a) competition between the parties, or (b) likelihood of confusion, mistake or deception.

* * *

b. In General

The Commission believes that, to be entitled to relief under new Section 43(c), a famous mark should be in substantially exclusive use and be well known throughout a substantial portion of the United States.

The requirement of trademark fame reflects the view of the Commission that dilution protection should be confined to marks which are both distinctive, as established by federal registration at a minimum, and famous, as established by separate evidence. [*460]

The same type of evidence which is traditionally used to prove distinctiveness can be used to prove fame. Although the registrant is not required to prove distinctiveness apart from the import of its registration, any additional evidence of distinctiveness will ordinarily be entitled to substantial weight.

We expect the courts to define "famous mark" on a case-by-case basis. The enumerated factors are designed to guide the court. No one factor is controlling, and a court may consider factors which are not listed.

c. Fame Factors

The first factor, inherent or acquired distinctiveness, makes it clear that enhanced distinctiveness and fame can be acquired regardless of the original nature of the mark. A mark cannot be inherently famous but it can be inherently distinctive. On the other hand, it is unlikely that a mark could be famous and not be distinctive. n145 Both factors have a bearing on the scope of protection from dilution.

n145 Some courts equate fame with distinctiveness. In *Riverhead Paints Plus Inc. v. PPG Industries*, F Supp , 2 USPQ2d 2035, 2038-39 (EDNY 1987), the court mentioned KODAK, XEROX, EXXON and COKE as examples of distinctive marks, and DUPONT for shoes, BUICK for aspirin, SCHLITZ for varnish, KODAK for pianos, and BULOVA for gowns as examples of diluting marks. It held that the plaintiff's mark, a fanciful P logo used on paint sold through two retail stores, did not have "such distinctive quality" and thus was not entitled to dilution protection.

The duration and extent of use and advertising of the mark are also relevant to both distinctiveness and fame. Generally a famous mark will have been in use for some time, but there is nothing to prevent a mark from becoming famous overnight through widespread publicity and advertising.

The geographical fame of the mark must extend throughout a substantial portion of the United States. The exact parameters of how much is substantial should be left to a case-by-case analysis, depending on the type of goods or services and their channels of distribution.

By considering the degree to which the registered mark is famous to purchasers in both the registrant's and later user's lines of commerce, a court may be more likely to grant protection where there is a reasonable probability that the later user adopted its mark with knowledge of the fame of the registered mark. Where the products of both parties are sold to the general public, the factor is probably present even though the products are so unrelated that confusion is unlikely. Thus, dilution could occur if the same mark was used on running shoes and chewing gum. However, it may not occur if the mark were used on microbiological chemicals [*461] sold to research laboratories, on the one hand, and fish oil sold only to the food processing trade, on the other.

Dilution is possible with respect to one purchaser universe but not another. For example, if a mark is famous at the industrial level but not at the consumer level, protection may be appropriate at the industrial level but not at the consumer level.

The court may fairly infer that a mark is or should be well known to a substantial portion of the relevant purchasers of the goods or services, based on the available evidence. We did not employ the terms "majority" or "substantial majority" because we believed they would impair flexibility. We also did not employ the term "appreciable number" from the many decisions holding that likelihood of confusion must be established with respect to an appreciable number of ordinary prudent purchasers. n146 Under these decisions the threshold is quite low. We believe that a higher standard should be employed to gauge the fame of a trademark eligible for this extraordinary remedy.

n146 See, eg, *Maternally Yours, Inc. v. Your Maternity Shop, Inc.*, 234 F2d 538, 542, 110 USPQ 462, 465 (CA 2 1956).

The registrant need not actually prove that the requisite number of purchasers throughout a substantial portion of the United States have knowledge of the registrant's mark, where such knowledge can be fairly inferred from the facts of record. The more channels of trade in which the registrant's goods or services move, the broader should be the scope of protection from dilution afforded the mark.

Third party uses of the same or similar marks are relevant in determining the fame and distinctiveness of the mark, since the mark must be in substantially exclusive use. If a mark is in widespread use, it may not be famous for the goods or services of one business. On the other hand, isolated use of the mark by a third party in a remote geographic area, even for the same or similar goods or services, should not defeat protection from dilution.

The provision differentiates dilution from infringement by applying regardless of the presence or absence of competition between the parties or of the likelihood of confusion, mistake, or deception. This language is borrowed from the Model Bill.

The basic remedy afforded by the provision is an injunction. However, if the registrant can prove that the later user willfully intended to trade on the registrant's reputation in the mark for the purpose of causing the dilution of the owner's mark, the registrant would potentially be entitled to the remedies provided in [*462]

Section 35(a) (damages, profits, and attorneys' fees in exceptional cases) and Section 36 (destruction of infringing labels, plates, etc.).

We considered whether a registrant entitled to dilution relief by way of injunction would be able to prove the requisite damage under Sections 13 and 14 to sustain an opposition or cancellation proceeding. On the one hand, it would be

illogical to provide for injunctive relief but not the ability to prevent or cancel a diluting registration. On the other, extending the Board's jurisdiction to an entirely new category of claims with attendant administrative problems, expense and uncertainty, should not be undertaken lightly. On balance, we believe the courts should make the determination of "damage" here, based on all of the factors, as they have in the past.

A registrant need not elect between alleging infringement under Section 32 and alleging dilution under Section 43(c). Both could be alleged alternatively in the same complaint. If the court found no likelihood of confusion, because of the differences in the goods or the absence of competition, it could still find dilution.

If the later user adopts its mark before the registrant's mark becomes famous, the court should not enjoin the later user's use on dilution grounds. This result would correspond to the present rule on secondary meaning marks. n147

n147 See, eg, *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F2d 1225, 1231, 200 USPQ 421, 427 (CA 3 1978).

We do not intend the dilution provision to inhibit the use of the registrant's mark by a competitor in a comparative or informational manner. It should not be used to discourage otherwise lawful comparative advertising.

d Federal Registration Defense

Trademark owners require the assurance that once they have obtained federal registration, they are generally free to market their goods or services throughout the United States, subject only to prior rights in a confusingly similar mark. To achieve this result, and to encourage federal registration of marks used in commerce, the provision makes ownership of a federal registration a complete defense to a dilution action under a state statute or common law.

VIII. CONCLUSION

The Commission is available to discuss or amplify its recommendations, and to furnish background information from its "legislative history."

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If the Board decides to initiate steps leading to proposed legislation, we suggest the creation of a Legislative Task Force. The Task Force could work directly with the Board or it could work independently. A minimum of several months would be required for the drafting stage.

The Commission members are grateful for the opportunity to have served on the Commission during the past two years. The work was enlightening and challenging, the discussions spirited, and the meetings never dull. We will long remember the camaraderie and the sense of dedication.

August 21, 1987