

THIS OPINION IS NOT
A PRECEDENT
OF THE TTAB

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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Newton

v.

Brown

Opposition No. 91174441
to application Serial No. 78796689

John F. Booth and David L. Joers of Booth Albanesi Schroeder
LLC for Jeff P. Newton

Susan B. Meyer and John L. Haller of Gordon & Rees LLP for
David H. Brown

Before Walters, Zervas and Mermelstein, Administrative
Trademark Judges.

Opinion by Zervas, Administrative Trademark Judge:

David H. Brown ("applicant") is the owner of record of
an intent-to-use application for registration on the
Principal Register, filed on January 23, 2006, for the mark
ZORLAC (in standard character form) for "clothing, namely,
T-shirts, shoes, caps, and sweat-shirts" in International
Class 25 and "skateboards, skateboard decks, skateboard
wheels, and skateboard trucks" in International Class 28.

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Jeff. P. Newton ("opposer") opposes registration of applicant's mark alleging, inter alia, that he has continuously used ZORLAC since at least as early as mid-December 2005, as a mark in interstate commerce in connection with clothing, namely, T-shirts, shoes, caps, and sweatshirts; and skateboards, skateboard decks, skateboard wheels, and skateboard trucks, and that applicant's mark is likely to be confused with opposer's mark. In its order of May 14, 2009, which addressed opposer's summary judgment motion in this proceeding, the Board deemed opposer's pleading to have been amended to also allege that applicant did not have a bona fide intent to use his mark in commerce when he filed his application.

Applicant filed an answer which denies the salient allegations of the notice of opposition. With regard to the claim of no bona fide intent to use, we consider applicant to have denied any such claim.

The Record

In addition to the pleadings, the file of the opposed application is part of the record without any action by the parties. Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b).

Opposer introduced (a) the testimonial depositions of (i) opposer, (ii) Doris Newton, Mr. Newton's mother and an alleged creditor, and (iii) Mark Schmid, a former colleague of applicant, along with exhibits to their testimonial

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depositions;¹ and (b) a notice of reliance (filed December 1, 2009) on an Internet print-out of a year 2000 *Transworld Business* article accessed at twbiz.com on August 23, 2007.²

Applicant's evidence consists of (a) applicant's notice of reliance on (i) "magazines and excerpts of pages from those issues of ZORLAC advertisements in 1990, 1997, and 1998";³ and (ii) opposer's discovery deposition (without exhibits); and (b) the testimonial depositions of applicant and James Passamonte, an employee of applicant, both with exhibits.

As rebuttal testimony, opposer filed the testimonial depositions of (i) Laurence LaHaye, former president of Alliance Board Sports, a company owned at least in part by applicant; (ii) Christian Consol, former warehouse manager for Syndrome Distribution, an entity controlled by applicant; (iii) Jeffrey Weddle, who claims to be a former business partner of applicant; (iv) Charlie Watson, a skateboard manufacture who sold skateboards to opposer; and (v) David L. Joers, opposer's attorney of record.

¹ Mr. Schmid's discovery deposition taken in a civil action involving Mr. Schmid and applicant is an exhibit to Mr. Schmid's testimonial deposition in this proceeding.

² As discussed *infra*, applicant has objected to this print-out.

³ Brief at 3.

Evidentiary Objections

Opposer's evidentiary objections

Opposer renewed its objections in its brief to applicant's introduction of Exhibit 4 to Mr. Schmid's testimonial deposition, also offered as Exhibits 48 - 57 of applicant's deposition. According to opposer, these exhibits, consisting of year 2002 invoices listing ZORLAC branded goods and identifying Rosler Co. in Austria as the purchaser, are responsive to opposer's document requests and were produced to opposer the day before Mr. Schmid's deposition, after applicant had indicated to opposer that he did not have any additional documents responsive to the document requests. Applicant, however, argues that his actions were justified because applicant introduced the documents for the purposes of impeachment.⁴

Because opposer has not specified which document requests the exhibits were responsive to, and whether applicant interposed any objections to opposer's discovery requests, which may have justified applicant's actions, we do not accept opposer's assertion that the documents were otherwise owed to opposer by applicant during the discovery period, and overrule opposer's objection to the exhibits.

⁴ Applicant's reliance on *Galaxy Metal Gear Inc. v. Direct Access Technology Inc.*, 91 USPQ2d 1859 (TTAB 2009), is misplaced. There was no indication in *Galaxy* that documents discussed therein were responsive to document requests and not produced to the other party.

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We note, however, that these exhibits are not outcome determinative of this proceeding and that our resolution of this case would not be any different if we had not considered these exhibits.

Applicant's evidentiary objections

Applicant objected to the submission of the *Transworld Business* article (taken from the Internet) via opposer's notice of reliance and via the testimony of Mr. Schmid on the basis that it lacks authentication/foundation, constitutes hearsay and is otherwise irrelevant.

We overrule applicant's authentication objection on the basis that opposer introduced the article before the Board issued *Safer, Inc. v. OMS Investments Inc.*, 94 USPQ2d 1031 (TTAB 2010), which changed Board practice to allow webpages to be submitted into evidence pursuant to a notice of reliance. The Board in *Safer* did not restrict application of its holding to subsequent cases. Also, applicant's objection on the basis that he could not locate the webpage containing the article is overruled; applicant's attorney only first raised this objection in his final brief, well after the time when opposer could have offered evidence to respond to applicant's assertion that he could not access the webpage. It would be easy for a defendant to dispose of unfavorable Internet evidence by alleging in its final filing that it could not locate a webpage. Applicant should

have raised this objection earlier so as to allow opposer an opportunity to respond.⁵

Additionally, applicant's objection to the *Transworld* article on the basis of hearsay is overruled because we have not considered the article for the truth of its assertions.

7-Eleven Inc. v. Wechsler, 83 USPQ2d 1715 (TTAB 2007).

Applicant's remaining objections to the article on the basis of relevance and lack of authentication/foundation are overruled, but we have considered the objections in our evaluation of the article.

Applicant has also set forth approximately ten pages of other objections to opposer's evidence. None of the testimony and/or exhibits sought to be excluded is outcome determinative and the objections generally go to the probative value of the evidence. Given this fact, and in view of the number of objections, we see no compelling reason to discuss the objections in a detailed fashion. Thus, we overrule applicant's objections and considered the testimony and exhibits which are the subject of applicant's objections. In doing so, we have kept in mind the various

⁵ We note that many web sites change from time to time or disappear entirely. The mere fact that a proffered web page is no longer available (or has changed in some respect) will rarely be grounds for its exclusion as evidence, although (depending on the circumstances and the reason for which the evidence is offered) the length of time a web page is available to the public may affect the probative weight to be accorded it.

objections raised by applicant, and have accorded whatever probative value the subject testimony and exhibits merit.

Opposer's Standing

"Any person who believes that he would be damaged by the registration of a mark upon the principal register ... may, file an opposition ... stating the grounds therefor." Section 13 of the Trademark Act of 1946, 15 U.S.C. §1063(a). Thus, a party has standing to oppose in a Board proceeding if it can demonstrate a real interest in the proceeding. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982), citing *Universal Oil Products Co. v. Rexall Drug and Chemical Co.*, 463 F.2d 1122, 174 USPQ 458 (CCPA 1972).

As discussed below, opposer uses the mark which is the subject of applicant's application, on the same goods identified in the application. This is sufficient to demonstrate that opposer has a real interest in this proceeding, and therefore has standing.

Likelihood of Confusion

Both parties agree that likelihood of confusion is not an issue in this case, and the parties have not provided any likelihood of confusion analysis in their briefs. The only issue to be resolved then is the issue of priority.

Priority

The question of priority is an issue in this case because opposer has asserted common law rights to the mark ZORLAC and does not own an existing registration upon which it can rely under Section 2(d). *Cf., King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). To establish its priority under Section 2(d), opposer must prove that, vis-à-vis applicant, it owns "a mark or trade name previously used in the United States ... and not abandoned..." See Trademark Act Section 7(c), 15 U.S.C. §1057(c); and *Larami Corp. v. Talk to Me Programs, Inc.*, 36 USPQ2d 1840 (TTAB 1995). Opposer must demonstrate that its trademark is inherently distinctive or has acquired distinctiveness before the date on which applicant can establish its rights. *Threshold, TV, Inc. v. Metronome Enterprises, Inc.* 96 USPQ2d 1031 (TTAB 2010). Because opposer has not questioned the inherent distinctiveness of ZORLAC, and we know of no reason on this record why ZORLAC would not be inherently distinctive, we assume that it functions as a mark. See *Otto Roth & Co., Inc. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40 (CCPA 1981).

Opposer's activities

Opposer began selling as a sole proprietor in 1976 "homemade" ZORLAC brand skateboards built in his garage and T-shirts. Newton at 6 - 7. Ten years later, in 1986, he

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formed Newtron Enterprises, Inc. through which he continued his skateboarding business under the ZORLAC brand. Newton at 7 and 29. In 1987, opposer spoke to applicant and Mr. Schmid, a former colleague of applicant, about "some kind of relationship[]" and signed an agreement in which he transferred all of his interest in Newtron Enterprises, Inc.⁶ in return for payment of his outstanding debts, approximated at \$80,000, and future employment. Newton at 7 - 8. The agreement included the sale of the Zorlac trademark, and opposer stopped using the Zorlac trademark in 1987 after the agreement. Newton at 30 - 32. From 1987 to 1992, opposer was employed by Lambourne Industries, "or whatever the company was called." Newton at 29. His duties went from "design team manager, the face of Zorlac, to slowly just becoming a salesperson with no input." Newton at 14.

Opposer has established that opposer used the mark ZORLAC on skateboards and T-shirts until 1987 and discontinued use of the ZORLAC mark in 1987 when he sold his

⁶ There was no transfer of Newtron Enterprises, Inc. as an entity. Opposer testified at p. 12 of his testimonial deposition:

- Q. Back to Newtron Enterprises, whatever happened to that company?
A. The corporation?
Q. Yeah.
A. It was abandoned.
Q. Was it transferred to David Brown and Mark Schmidt.
A. No.
Q. Or to Lambourne Industries?

business (including the ZORLAC trademark) and became an employee of Lambourne Industries, "or whatever the company was called." Newton at 29. See discussion, *infra*, regarding who purchased opposer's business. By his own admission, opposer did not re-enter the skateboard industry until 2002, well after his employment with applicant and applicant's companies ended in 1992, and did not begin using ZORLOC again as a trademark until 2005. Any rights to the ZORLAC mark opposer had prior to 1987 were transferred when he sold his business.⁷

Opposer provided persuasive documentary evidence and testimony that after ceasing use of ZORLAC in 1987, he used the mark again in 2005. His evidence established that he first sold ten ZORLAC skateboards on November 2, 2005, and first sold ZORLAC T-shirts on December 15, 2005, about one month prior to the filing date of applicant's application.

A. No.

⁷ We reject opposer's contention in his brief that the mark actually was not transferred to the purchaser of his business because the purchaser agreed to pay all of his outstanding debts, and that some of his outstanding debts - including one debt to his mother - were not paid. Reply at 1 - 2; Newton at 10. Even if the purchaser did not comply with the payment terms for the purchase of opposer's business, including the ZORLAC trademark, opposer ceased using ZORLAC and was employed by the new user of ZORLAC. See discussion *infra*. Trademark rights lie in use, and it is clear here that opposer discontinued use of his mark in 1987. As an employee of the purchaser, it is clear that during his employment, he did not have an intention to resume his own use of the mark, nor did he actually do so until thirteen years after his employment relationship with applicant ended. Further, we disagree with any contention by opposer that any rights applicant obtained subsequent to opposer's cessation of use of his mark be considered as accruing to opposer.

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Newton at 22 - 26, and Newton exhibits 8 and 9. His evidence also demonstrates that he continuously used the mark since then on skateboards and T-shirts. Applicant therefore may not rely on the January 23, 2006, filing date of his application to establish priority; he must prove that he personally used, or authorized others to use, ZORLAC on his goods prior to November 2, 2005.

An applicant under Trademark Act § 1(b) may establish a priority date earlier than its application's filing date.

Corporate Document Services Inc. v. I.C.E.D. Management Inc., 48 USPQ2d 1477, 1479 (TTAB 1998) ("Just as an applicant in a use-based application can rely, for purposes of priority in a proceeding such as this, upon use ... prior to the filing date of its application, or even prior to its claimed use dates, an intent-to-use applicant is entitled to rely upon actual use, or use analogous to trademark use, prior to the constructive use date of the intent-to-use application.") The applicant's use must be more than sporadic or de minimus. 2 J.T. McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 16:9 (4th ed. 2001). Further, the oral testimony of a single witness may suffice in proving priority, if sufficiently probative. However, to be determinative, the testimony must not be characterized by contradictions, inconsistencies and indefiniteness, but rather must carry a conviction of accuracy and

applicability. *B.R. Baker Co. v. Lebow Bros.*, 150 F.2d 580, 66 USPQ 232 (CCPA 1945). Of course, oral testimony is strengthened by documentary evidence which corroborates the dates of use. *Elder Manufacturing Co. v. International Shoe Co.*, 194 F.2d 114, 92 USPQ 330 (CCPA 1952).

With this in mind, we turn then to applicant's activities.

Applicant and the purchase of the ZORLAC business

Applicant describes himself as an "[i]nvestor and business owner," with a multitude of businesses in different fields. Brown at 199 and 202. According to applicant, he became acquainted with opposer as follows:

When I got in the skateboard business, I was developing all of my own products and buying small companies. And either Jeff Weddle, who worked for me, Mark Schmid, who worked for me, told me that Zorlac was in a lot of trouble and I might want to call Jeff Newton and find out if he wanted to sell it. I said, "Great. How do I get a hold of him?" They told me. I called him. And Jeff and I started talking.⁸

Brown at 205.

Applicant testified that he began selling ZORLAC branded products in 1987 after he "bought the brand and the company from Jeff Newton in approximately 1987." Brown at 16. According to applicant, and further discussed below, he purchased Newtron Enterprises, Inc., in his "own individual

⁸ This testimony is not consistent with that of Mr. Schmid, who maintains that he and applicant were partners. See discussion, *infra*.

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capacity. The company, the mark and everything that had to do with the business of Zorlac." Brown at 17. His purchase included the trademark ZORLAC and the associated goodwill, "the client list, all the vendors involved, samples of all the products, all the artwork, all the contracts, all the team writer information, everything to do with the business of skateboards." Brown at 18. Payment was the amount of the outstanding debts of the company, which applicant approximated at about \$80,000, Brown at 111, and opposer was employed by the successor business for five years, until 1992.⁹ Brown at 18 and 31. Applicant was not obligated to, was never asked to, and never did, pay any royalties for use of the ZORLAC mark to opposer. Brown 112 - 113. Opposer's duties were "doing all the imaging for Zorlac, all the contacts with Zorlac, running the company, and of a distribution center," with applicant having ultimate control over the nature and quality of the Zorlac branded products. Brown at 30.

Who was the purchaser?

The parties do not agree on who purchased opposer's business and who used the ZORLAC mark after acquiring opposer's business. The question of the identity of the purchaser is a significant dispute in this case because

⁹ According to applicant, the agreement between opposer and applicant was documented on paper. The record does not include the final signed agreement or any copy thereof.

applicant personally - not one of his corporate entities - filed the subject application, and applicant maintains that he personally had prior use based on his purchase of the mark from opposer. No corporate documents or assignments concerning the sale or purchase of opposer's business, and no corporate documents for any entity which manufactured or sold ZORLAC products (reflecting the creation or ownership of such corporation) are in the record.¹⁰ We must determine the purchaser largely through the trial testimony of various witnesses, not all of which is consistent among the witnesses.

Applicant maintains that in 1987, he was doing business as Lambourne Industries; that Lambourne Industries was not yet incorporated; that he, in his individual capacity, "doing business as Lambourne Industries, bought Newtron Enterprises, Inc. and the ZORLAC trademark and corresponding goodwill ...," brief at 18; and that he incorporated Lambourne Industries, Inc. after he purchased Newtron Enterprises, Inc.¹¹

¹⁰ Two letters addressed to opposer, dated June 19, 1987, and June 27, 1987, appear in the record. Brown exhibits 1 and 2. These letters, signed by applicant, discuss the relationship contemplated by the parties. In case there is any doubt on the limited probative value of these letters, we find that there is no reason to believe that they describe the terms or relationship that the parties eventually agreed upon, and they do not identify with specificity the identity of the purchaser.

¹¹ As noted earlier in this decision, opposer testified that he did not sell the corporation Newtron Industries, Inc. Newton at 12.

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Opposer contends that he transferred his interest in the business of Newtron Enterprises, Inc. to Lambourne Industries, Inc., not to applicant individually. In maintaining that a corporate entity was the purchaser of opposer's business, opposer relies on statements made by applicant's counsel in applicant's summary judgment briefs and applicant's summary judgment declaration asserting that Lambourne Industries, Inc. purchased opposer's interest. Brief at 22 - 23. However, papers, including briefs, filed in connection with the summary judgment motion are not part of the trial record and may not be relied on because they were not introduced as evidence at trial. Opposer was warned in the Board's order denying the summary judgment motion that evidence in the summary judgment record would have to be reintroduced at trial to become part of the trial record. Thus, these statements have not been considered.

Opposer also relies on the testimony of Mr. Schmid to support his allegation that applicant personally was not the purchaser of the mark, or that applicant relied on use of the mark by entities which were outside of his control. Mr. Schmid testified that he was in business with applicant for twenty years from 1987 to 2006; that he had his own business but then joined with applicant to buy opposer's business; that they "started out as Lambourne Industries and then turned into [Airbourne] Zorlac, which turned into AZA

Industries, which turned into Syndrome Distribution and Pro Skate products." Schmid at 6 and 44. According to Mr. Schmid, he and applicant verbally agreed to create a partnership in which Mr. Schmid owned fifty percent of "the companies that [he] worked with" applicant, including half ownership of the skateboarding companies created by applicant. Schmid at 27. Mr. Schmid acknowledged that he did not know if Lambourne Industries was incorporated at the time of the purchase from opposer, and testified that he sought to obtain through litigation against applicant fifty percent ownership interest in the skateboarding business, including half ownership of the skateboarding companies. Schmid at 6-7 and 20. The litigation was eventually settled and the terms of the settlement are confidential. Schmid at 16 - 20. Mr. Schmid does not "claim anything at this point." He testified, "We're done." Schmid at 27.¹²

Mr. Schmid admitted on cross examination that applicant never gave him stock certificates for Lambourne Industries, Inc. or AZA Industries, Inc., or for any other companies. Schmid at 31. He also acknowledged that he did not have "any formal contract or type of partnership agreement" with

¹² Mr. Weddle, who worked with applicant from 1987 to 1992, testified that he considered himself as a partner of applicant and Mr. Schmid, but Mr. Schmid did not mention Mr. Weddle as one of his partners in any skateboard business. Weddle at 21 - 25. Mr. Weddle did acknowledge that "legally on paper [he] was never considered" an owner of Airbourne Zorlac, Inc., one of the involved companies in existence from 1991 to 1997.

applicant, and no formal contract regarding ownership of any of the companies. Schmid at 31.

In contrast to Mr. Schmid's testimony about their relationship, applicant testified as follows:

And Mark [Schmid] had nothing to do with Lambourne Industries other than he was just a salesman, at the time. One caveat is he had a company called Fly Away Helmets, and my company, Lambourne Industries, joined him to finance his Fly Away Helmet business. I provided the money. But that was the only connection. He - I had an interest in a company that he owned. He didn't have any interest in a company that I owned. He was not part of Lambourne Industries.

Brown at 208.¹³

After careful consideration of all of the evidence, we find Mr. Schmid's testimony on the issue of ownership, on which opposer heavily relies, not particularly persuasive. The essence of Mr. Schmid's testimony is that he was under the impression that he was a half owner of applicant's entire skateboard business, but never received any stock certificates or written agreement evidencing his interest in the various corporations involved in the skateboard business over the course of almost twenty years. Frankly, his testimony is not credible without documentary evidence to support his claim of ownership, and applicant has flat-out denied that he had an agreement with Mr. Schmid regarding

¹³ Opposer's objection to this testimony on the basis of relevance is overruled.

ownership of the skateboarding business. According to applicant, Mr. Schmid was an employee, not a partner.

We therefore discount Mr. Schmid's testimony on the issue of ownership and, consistent with applicant's testimony, we find on this record that applicant himself purchased opposer's business, including the ZORLAC mark.

Applicant's use of ZORLAC

After acquiring opposer's interest in the ZORLAC mark in 1987, applicant and the various corporate entities he controlled promptly began to use the mark. Brown at 31 - 32. Opposer, who became an employee of Lambourne Industries after the purchase, acknowledged that use of the mark by applicant or one of his companies began "[a]s soon as an agreement was signed." Newton at 29. Opposer himself sold ZORLAC goods for Lambourne Industries, until 1993. Opposer's witness, Mr. Schmid, testified that ZORLAC skateboards were being sold in small numbers at least until 2002. Schmid at 13, and 43 - 44.

Applicant testified that he personally had ultimate control over the nature and quality of ZORLAC products by exercising control over the nature and quality of the finished products; and that he personally authorized¹⁴ each

¹⁴ There are no documents in the record reflecting applicant's personal authorization to use the mark. Because applicant's business was not a large business with numerous employees, and because applicant was the only individual who held stock in the corporate entities, we do not make any adverse assumptions about

of the entities listed below - which he owned or controlled - to use ZORLAC for skateboards, skateboard decks, skateboard trucks and wheels, Brown at 33 - 49, for the stated time periods:

- Lambourne Industries, Inc. (1988 - 1991);
- Airbourne Zorlac (d/b/a of Lambourne Industries, Inc.) and Airbourne Zorlac, Inc. (1991 - 1997);
- AZA Sports Distribution (1997); and
- AZA Industries, Inc. (1997 to the present).

Applicant also testified that to a more limited extent, the following entities sold ZORLAC skateboards during the stated time periods:

- Syndrome Distribution (d/b/a of AZA Industries) (late 1990s till the present);
- Syndrome Distribution, Inc. (owned by AZA Industries, Inc.) (2005 - 2007); and
- Alliance Distribution (d/b/a of AZA Industries, Inc.) (1997 to the present).

Brown at 34, 36, 37, 39 - 44 and 47.¹⁵ Applicant clarified that Alliance Distribution sells some

this lack of documentary evidence but rather accept applicant's contention that he personally authorized the use of ZORLAC.

¹⁵ Applicant explained the relationship among his companies as follows at p. 50 of his testimony deposition:

Alliance Distribution had its own profit center in - when AZA Industries was created in 1997, there were actually three companies that were going to be -- that were being developed, the big box business, which was Alliance Distribution, a professional business, which was Syndrome Distribution, and the production business, which was called Pro-Skate Products. They were all a division of the master corporation, and so it always had its own profit and loss center. And it

skateboard decks but not skateboard trucks or wheels. Brown at 49. Additionally, as further described later in this decision, applicant testified as to use of ZORLAC on articles of clothing by these entities.

Mr. Passamonte, applicant's "computer guy" whose responsibilities include "some payables and some receivables functions" for Syndrome Distribution, and who has been working for applicant for twenty years, testified as follows about use of the mark by each of Lambourne Industries, Inc., Airbourne Zorlac (d/b/a of Lambourne Industries, Inc.), Airbourne Zorlac, Inc., AZA Sports Distribution, AZA Industries, Inc., Syndrome Distribution (d/b/a of AZA Industries, Inc.), Syndrome Distribution, Inc., and Alliance Distribution, Inc.:

Q. [D]id [each of the above entities] sell Zorlac products?

A. Yes, it did.

* * *

Q. ... And did David Brown have control over the nature and quality of the Zorlac products while they were sold ... [by each of the above entities]?

A. Yes, he did.

Q. ... And how did he exhibit that control?

A. By being the final decision maker on what got produced, the quality of it.

wasn't big in 1997, but that's when the concept started of selling to big box stores.

Q. And from what you observed, did David Brown always treat the Zorlac mark as his own as they were being used by [each of the above entities]?

A. Yes, he did.

Passamonte at 6 - 13. Further, applicant introduced the following documentary exhibits reflecting use and promotion of ZORLAC branded goods:

Skateboards and Skateboard Parts

- an Airbourne ZORLAC product catalog dated 1989 listing various ZORLAC skateboards (Brown Exhibit 5);
- invoices for ZORLAC skateboard decks and/or wheels dated 1997, 1998 and 2000 - 2008 (Brown Exhibits 6 - 84);¹⁶ and
- correspondence between applicant and a national retailer regarding ZORLAC skateboards from 2002 - 2005, 2007 and 2008 (Brown exhibits 98 - 102) proposing sales of ZORLAC branded skateboards.

Clothing

- an Airbourne ZORLAC product catalog dated 1989 listing ZORLAC T-shirts (Brown Exhibit 5); and
- four invoices for ZORLAC clothing, namely, for shorts (1997) Brown exhibit 6; T-shirts (2007 and 2008) Brown exhibits 80 and 83; and hats (2008) Brown exhibit 82.

As far as current use, applicant testified as follows at pp. 109 - 110 of his testimony deposition:

¹⁶ Only a few of these invoices have the purchaser's name on them; applicant has redacted the purchaser's names on most of the invoices. Opposer challenges these invoices because the purchaser's name is not on the invoices. Redacting their names does not, alone, invalidate the authenticity of these documents; nor has opposer established otherwise.

Q. Could you please refresh our memory as to which Zorlac branded products are being sold now?

A. Now, small amounts of logo boards are being sold. Some of these - some of the graphics here are being sold and some hats and some T-shirts are being sold.

Q. And how - so you said that skateboards - Zorlac skateboards?

A. The skateboards, the decks are being sold. Some T-shirts are being sold. Some hats and some decks.

Q. Some decks. And are you currently selling Zorlac skateboard wheels?

A. We are not.

Q. And do you intend on starting to sell Zorlac wheels?

A. We do

Q. In the near future?

A. Um-hum.

Q. Okay. And how about Zorlac branded skateboard trucks, are you selling that now?

A. We are not, but we will be doing that.

Q. Okay. And how about Zorlac branded sweatshirts, will you - do you currently sell those?

A. We are not selling sweatshirts. Small amounts of T-shirts. But we will be selling sweatshirts.

Opposer maintains that applicant ceased using the mark around the year 2000, relying primarily on (i) the *Transworld Business* article mentioned earlier in this

Opposer has also challenged these invoices as being "suspicious" for a variety of reasons, none of which persuade us

decision, and (ii) the testimony of several witnesses who were employed by applicant's companies and who allegedly contradict applicant's testimony.

Transworld Business article

The article from the year 2000 states that the ZORLAC brand of skateboards was being phased out, quoting Mr. Schmid and Rob Mertz, a salesman who worked with applicant. Applicant objected to the admissibility of this article and we have overruled the objection and admitted the article into evidence. However, as stated earlier in this decision, we do not consider the article for the truth of any assertions within the article regarding discontinued use of ZORLAC.¹⁷ Because we do not accept the article for the truth of any matters asserted in the article, the article is of limited probative value. Moreover, applicant testified at p. 53 of his testimonial deposition:

Q. Well in 2000, did you or any of your companies abandon selling Zorlac branded products?

A. No. In 2000, Zorlac was extremely important to us. It's all we were selling.

Q. So you continued to use the Zorlac mark after the February 2000 *Transworld* article?

to accord them less than full probative value.

¹⁷ Opposer contacted Mr. Mertz after reading the article and opposer has testified at pp. 18 and 39 of his testimonial deposition, that he understood from his conversation with Mr. Mertz that such goods were not being sold. Newton at 18 and 39. The article and opposer's testimony regarding his understanding certainly do not establish that applicant abandoned use of ZORLAC.

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A. It is a demand item. It sells well today, because it has been around forever.

Q. All right. Do you know why Mark Schmid stated in that article that AZA and Syndrome were no longer going to offer Zorlac products?

A. No. Mark wasn't a member of the Board of directors or an officer. It may be his opinion, but he wouldn't have any way of knowing what the company was or was not going to do.

Additionally, despite opposer's arguments to the contrary, the article is not a public announcement that ZORLAC will no longer be used; there is no evidence that either Messers. Mertz or Schmid, quoted in the article, were speaking on behalf of the company, or had the authority to do so. See J.T. McCarthy, 3 *McCarthy on Trademarks and Unfair Competition*, § 17:11 (4th ed. 1998), regarding public announcements of non-use.

Opposer's witnesses' testimony

Mark Schmid testified that he worked with applicant until 2006, that he "took care of marketing, selling products, and making industry contacts," and that he "would have known of most of the sales ..." Schmid at 5, 29 and 43. He testified, "we quit making Zorlac boards in the late '90s. ... We started other brand names. We had a whole different direction." Schmid at 13. (As noted, Mr. Schmid did testify that he sold existing stock of ZORLACK skateboards as late as 2002, noting that phasing out was a gradual process.) He also testified that ZORLAC goods were

in catalogs up to the late 1990s, and the brand was advertised up to the mid 1990s. He stated at p. 13 of his testimony deposition, "I just know we quit making Zorlac boards in the late 90s. And it was a - you know, we just ceased production. We started other brand names. We had a whole different direction."

Jeff Weddle, who worked for Airbourne Zorlac until 1993 or 1994, testified that he saw a continued decline of Zorlac products in the marketplace and then no longer saw Zorlac products in skateboard shops. Weddle at 26 and 29. Mr. Weddle also testified that he visited a warehouse (presumably the warehouse where ZORLAC goods were stored when he worked for Airbourne Zorlac) in 2004 to see his former colleagues, hoping to find "freebie" ZORLAC products, but he found no ZORLAC products in the warehouse.¹⁸ Weddle at 32, 33.

Chris Consol, who was the warehouse manager for Syndrome Distribution for about three years until February 2010, testified that he never saw any ZORLAC products during the time he was employed by Syndrome Distribution, other than old, used ZORLAC skateboards used to keep other skateboards in stacks on racks. He also testified he never saw any ZORLAC apparel items when he was employed in the

¹⁸ Mr. Weddle also testified as to what people in the warehouse told him about the lack of ZORLAC products. Their statements are hearsay, and we do not consider them.

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warehouse, Consol at 6 - 7, and never heard of Alliance Distribution, or saw any Alliance Distribution invoices, the d/b/a of AZA Industries, Inc., through which applicant maintains he was selling ZORLAC goods beginning in March 2007. Consol at 6 - 8 and 11.

Lawrence LaHaye, is the former president of Alliance Board Sports from 2006 - 2009, a company in which applicant apparently had an ownership interest, and which was involved in the skateboarding business. In addition to testifying that Alliance Board Sports did not sell ZORLAC products, he testified that he did not know of a company named Alliance Distribution. LaHaye at 5.

Applicant's testimony

Applicant testified as follows on the manner in which he currently sells ZORLAC products, which, if true, would explain why Messrs. Weddle, Consol and LaHaye had not seen ZORLAC products. He stated that only "some" ZORLAC inventory is maintained, and such inventory comprises a few decks and a few shirts "somewhere" ("there is some incoming"). Brown at 200. Most ZORLAC orders are specialty orders and applicant "can make them up as we go along, either down at the wood shop or ... bring them down from Taiwan. I get several containers a month from Taiwan." Brown at 200. Applicant testified that he sells ZORLAC products to "an existing base of people that like the

product and continue to buy it," and his principal buyer of ZORLAC boards is a man named Bill in Texas, with whom applicant has been doing business for maybe ten years, and he calls applicant on a cell phone.¹⁹ Brown at 182 - 185. He also testified that "a lot of guys, you know, just say they go to Mexico, will pick them up at the warehouse and they will pay for them." Brown at 186. (He did not state where the warehouse is located.) Applicant also explained that he sells his goods over the Internet, which accounts for his lack of magazine advertising. Brown at 252.

Discussion

At the outset, we note the Federal Circuit's admonition when determining prior use:

The TTAB concluded that each piece of evidence individually failed to establish prior use. However, whether a particular piece of evidence by itself establishes prior use is not necessarily dispositive as to whether a party has established prior use by preponderance. Rather, one should look at the evidence as a whole, as if each piece of evidence were part of a puzzle which, when fitted together, establishes prior use. The TTAB failed to appreciate this. Instead, the TTAB dissected the evidence to the point that it refused to recognize, or at least it overlooked, the clear interrelationships existing between the several pieces of evidence submitted. When each piece of evidence is considered in light of the rest of the evidence, rather than individually, the evidence as a whole establishes by a preponderance that West used the "FAST EDDIE'S" mark prior to Jet's admitted first use of the mark.

¹⁹ The parties have not pointed out any invoices for Bill. There are, however, two invoices that say "picks up" in 2006 and 2007. Brown exhibits 76 - 77. Most of the invoices in the 2002 - 2006 time frame bear the name of a shipping company ("Mapcargo International"), an overseas shipping company.

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West Florida Seafood, Inc. v. Jet Restaurants, 31 F.3d 1122, 31 USPQ2d 1660, 1663 (Fed. Cir. 1994).

There is no dispute that applicant or one of his companies sold ZORLAC products in the 1990s. The 1989 catalog listing ZOLRAC products, applicant's testimony that he made such sales in the 1990s and Mr. Schmid's acknowledgement that he sold ZORLAC inventory until 2002 are sufficient evidence that indeed such sales were made. For sales following 2002, the evidentiary record includes the testimony of applicant and Mr. Passamonte that such sales were made, and invoices from Syndrome Distribution (dated 2000 - 2007) and Alliance Distribution (dated 2007 - 2009). We find this evidence, particularly the invoices, more probative and persuasive than the testimony of Messrs. Schmid, LaHaye, Consol and Weddle regarding the absence of ZORLAC products from 2002 forward. Mr. Schmid, who worked with applicant during the critical period from the early 2000s to 2006, is potentially biased against applicant. He testified that he and applicant "were in business together for 20 years [and] at the end of that, he [applicant] locked me out of my office"; and that he and applicant subsequently were litigants in a court proceeding involving ownership of the various companies discussed herein. Also, applicant's testimony regarding the manner in which applicant produced and sold ZORLAC skateboards explains why one or more of

opposer's witnesses might not have been aware of sales of ZORLAC goods. Additionally, Mr. Weddle's testimony that sales declined after he left "the distribution company" in 1992 for about five years when "there was nothing that I could find in the market" is undercut by (i) the lack of testimony regarding when and where he looked for ZORLAC products before reaching his conclusion that there were no ZORLAC goods in the market five years after he left the distribution company; (ii) his concession that he did not have first-hand knowledge of sales of ZORLAC products after he left "the distribution company" in 1993; (iii) his testimony regarding the decline of ZORLAC products in the marketplace was based on his "opinion in the marketplace"; (iv) his acknowledgment that "[m]y best estimate is that [sales] continued primarily in foreign markets, specifically, the Japanese market";²⁰ and (v) his revelation on cross-examination that he is a commissioned salesperson for opposer, suggesting a bias in his testimony. Weddle at 25 - 30.

Mr. Consol's testimony, taken alone, is irrelevant. His employment began after applicant filed his intent-to-use application on January 23, 2006. However, if Mr. Consol's testimony is to be considered for the purpose of reinforcing the testimony of other witnesses, his testimony regarding

²⁰ Mr. Weddle's testimony is not clear as to when the sales to the

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the lack of any ZORLAC products in the Syndrome Distribution warehouse is not persuasive because (i) during the time that he worked in the Syndrome Distribution warehouse (from 2007 - 2010), applicant maintains that he was selling ZORLAC branded goods through a different entity, namely, Alliance Distribution, and (ii) opposer has not demonstrated that (a) applicant maintained only one warehouse, or (b) any ZORLAC inventory was maintained at the Syndrome Distribution warehouse.²¹ The record created by opposer leaves open the possibility that the warehouse applicant referred to in his testimony where he stored ZORLAC goods was a warehouse other than the Syndrome Distribution warehouse.

We therefore find that applicant has established that he has continuously used ZORLAC on skateboards and skateboard decks since he purchased opposer's business, in 1987. Much of the evidence we rely on is the testimony evidence from applicant and Mr. Passamonte, and we have resolved inconsistencies as noted herein. However, even if we had discounted this evidence, the record does not establish applicant's abandonment of the ZORLAC mark. In particular, the record is clear that applicant sold ZORLAC

Japanese market occurred.

²¹ The Alliance Distribution invoices have the same address as the Syndrome Distribution invoices, which suggests only that applicant maintains an office at the same address as the warehouse. It does not follow that because they have the same address that ZORLAC products should have been at the Syndrome warehouse where Mr. Consol worked.

skateboards until 2002, when Mr. Schmid acknowledged that he sold ZORLAC skateboards. The correspondence with the national retailer on the subject of ZORLAC skateboards, which occurred annually, extends from 2002 until 2008. Thus, even if there had been no use of the mark for a period of three years after 2002, this correspondence would establish applicant's continuing intention to use or resume use of the mark and, thus, there would be no abandonment of the mark by applicant.²²

We conclude that applicant has established his continuous use of the mark ZORLAC with respect to skateboards and skateboard decks from 1987 to the present and that he acquired opposer's rights to the mark prior to 1987. Thus, opposer has failed to establish his priority of use of the mark ZORLAC in connection with skateboards and skateboard decks.

With respect to applicant's use of ZORLAC on clothing, applicant relies almost exclusively on his testimony. He testified that the following entities used ZORLAC on sweatshirts and T-shirts during the noted time periods:

²² 15 U.S.C. § 1127 provides that abandonment of a mark occurs:

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

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- Lambourne Industries (d/b/a of applicant) (1987)
- Lambourne Industries, Inc. (1988 - 1991)
- Airbourne Zorlac (d/b/a of Lambourne Industries, Inc.) (1991 - 1997)
- Airbourne Zorlac, Inc. (1991 - 1997)

(Applicant did not explain why the last two Airbourne Zorlac entities existed during the same time period - one incorporated and one not, but with essentially the same name - and both sell, inter alia, sweatshirts and T-shirts.)

After 1997 until the present, applicant testified that AZA, Industries, Inc. sold sweatshirts. He did not specifically identify T-shirts; when questioned on what goods AZA Industries, Inc. sold, applicant responded "exactly same list" as he previously testified to, which included T-shirts. However, concurrently with AZA Industries, Inc.'s sales of sweatshirts and apparently T-shirts, applicant testified that Syndrome Distribution (d/b/a of AZA Industries, Inc.) sold such goods from the late 1990s to Feb. 2005. After 2005, applicant sold "mostly local boards and a - very, very few T-shirts" through Syndrome Distribution Inc. (2005 - 2007). He explained at p. 48 of his testimony deposition;

Q. Did you sell the same products?

A. No. They would have been to a much lesser degree. Because Syndrome Distribution, Inc., I made a decision to pull Zorlac out of that company and put it into another company called Alliance Distribution. And so the sales were - were

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smaller and smaller and smaller, as we were trying to weed it out of that particular company. But there were some sales every - every week to - during the - the changing process of one company to another company."

The "other company," Alliance Distribution (d/b/a of AZA Industries, Inc.), sold, inter alia, "a very few" T-shirts and sweatshirts. Alliance Distribution began in 1997 and exists today. Brown at 50.

There are only two invoices in the record that reflect sales of ZORLAC T-shirts (one from 2007 and one from 2008), and no invoices reflecting the sale of any sweatshirts. The only catalog with ZORLAC brand goods in the record is a catalog from 1989. Brown exhibit 5. However, as mentioned earlier in this decision, the oral testimony of a single witness may suffice in proving priority, if sufficiently probative, but the testimony must not be characterized by contradictions, inconsistencies and indefiniteness, and must carry a conviction of accuracy and applicability. *B.R. Baker Co. v. Lebow Bros.*, 66 USPQ at 236. We find that applicant's testimony meets this standard; that is, that it is not characterized by contradictions or inconsistencies, and it is sufficiently persuasive and definite. Opposer has not persuaded us that we should discredit applicant's testimony in this regard. As discussed early in this decision, opposer's evidence is that he began using ZORLAC on T-shirts on December 15, 2005, well after his

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relationship with applicant ended. Newton at 22 - 26, and Newton exhibits 8 and 9. Therefore, opposer has not established his priority of use of ZORLAC in connection with sweatshirts and T-shirts.

Even if opposer had established he used ZORLAC on his clothing items before applicant used his mark on clothing items, applicant would prevail on the question of likelihood of confusion involving such items. Opposer's priority date for skateboards is prior to the priority date that opposer has established for articles of clothing. The marks, of course are the same. Thus, the *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973), factor involving the similarity of the marks favors applicant. Further, relevant consumers are likely to believe there is a relationship between skateboards and T-shirts and sweatshirts. Because of the nature of T-shirts and sweatshirts, consumers familiar with applicant's ZORLAC skateboards would be likely to view T-shirts and sweatshirts bearing the ZORLAC mark as a secondary source or origin, indicating sponsorship or authorization by applicant. *In re Olin Corp.*, 181 USPQ 182 (TTAB 1973) (Olin's corporate logo -a stylized letter "O" - applied to T-shirts will be perceived as a secondary source of origin, sponsored or authorized by the Olin brand ski manufacturer). Thus, in this situation, even if opposer established an earlier

priority date for its T-shirts vis-à-vis applicant's priority date for the same goods, we would find a likelihood of confusion based on the identity of the marks and the relationship of the goods; and opposer would not prevail because he did not establish his priority of use of ZORLAC with respect to skateboards.

In conclusion, while we have found, and the parties agree, that a likelihood of confusion exists, opposer has failed to establish his priority of use of the mark ZORLAC in connection with the goods identified in either class in the application. The opposition must fail on the basis of Section 2(d) of the Act.

No Bona Fide Intent to Use

We now consider opposer's claim that applicant had no intent to use his mark when he filed his application. Because of our finding above that applicant was using his mark on the filing date of his application on skateboards and skateboard decks, opposer's claim of no bona fide use is dismissed.

DECISION: The opposition based on opposer's claims of priority, likelihood of confusion and no bona fide intent to use is dismissed.