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

Proceeding	91185766
Party	Defendant Richard Costantine
Correspondence Address	MATTHEW G. MCKINNEY MCKINNEY LAW, LLC 390 N ORANGE AVE STE 2300 ORLANDO, FL 32801-1684 UNITED STATES mgm@mckinneylawllc.com
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Matthew G. McKinney
Filer's e-mail	mgm@mckinneylawllc.com
Signature	/Matthew G. McKinney/
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the relief sought because it does not have a prior and proprietary right in the Mark, the Mark has not lost its significance as an indication of origin and is not abandoned. Thus, CFM's Opposition should be dismissed with prejudice.

## II. ARGUMENT

CFM has characterized itself as a company that provides "distribution services in the form of distributing food and paper products." *See* Opposition, Marks Cited by Opposer for Opposition, Goods/Services. CFM has alleged that it "has and currently still does provide Applicant with [food] as well as paper products bearing the Mark to Applicant's Maryland Fried Chicken restaurant located in Leesburg, Florida." *See* Amended Opposition, ¶ 5. Applicant desires to maintain its business relationship with CFM and has no intent to disrupt CFM's distribution services to any purported third-parties. Further, CFM has not disputed in its Amended Opposition that the Applicant has used the Mark continuously since at least 1980 to identify Applicant's restaurant services, including sit-down service of food and take-out restaurant services.

CFM has alleged that it "has been using the exact same Mark filed by the Applicant since the early 1970's" when CFM was allegedly the exclusive distributor for the different Maryland Fried Chicken franchisees and had the right to sell goods and materials bearing the Mark to the Maryland Fried Chicken franchisees. *See* Amended Opposition, ¶¶ 4 and 16. However, a distributor cannot acquire a proprietary right in a trademark simply by delivering goods and materials bearing that trademark. A distributor must use the trademark to identify its services to acquire proprietary rights in the trademark, not the services of others.

A party claiming to be aggrieved under Section 2(d) cannot prevail where he has not proven a prior and a proprietary right in the term or designation on which it relies. Confusion as to source cannot occur unless there is something which is actually recognized in the trade as identifying a particular source and, in the case of an opposition, in the opposer.

Fluid Energy Processing & Equipment Co. v. Fluid Energy, Inc., 212 USPQ 28, 35 (TTAB 1981). Further, CFM has alleged that the franchise system "experienced financial problems in the late 1970's and has been inactive since 1979" and "ceased to exist." *See* Amended Opposition, ¶¶ 9 and 11.

CFM referenced as Exhibit “A” to its Amended Opposition, “true and correct copies of specimens of Opposer’s use of the Mark” as evidence of how it has allegedly used the Mark in commerce to identify its distribution services.<sup>2</sup> See Amended Opposition, ¶ 17. The specimens are a cup, napkin wrapper and food box with the Applicant’s Mark applied thereon. The specimen of the food box is the same specimen submitted by the Applicant in his registration application as evidence of his use of the Mark in commerce to identify his restaurant services. The Mark was applied to the specimens by CFM on behalf of the Applicant to distinguish Applicant’s restaurant services from others. Clearly, the Mark on CFM’s purported specimens do not serve to identify CFM’s distribution services but rather the Mark serves to identify the Applicant’s restaurant services. For example, the cup and box with the Mark shown in Exhibit “A” serve to identify the Applicant’s restaurant services and restaurant operating under the same Mark by stating, “Maryland Fried Chicken, Complete Dinners to Go!” There is no reference under the Mark to reference CFM’s “distribution services.” Accordingly, CFM’s specimens contradict its allegations in the Amended Opposition that the specimens identify its “distribution services.” Rather, the specimens show the products distributed by CFM to the Applicant on his behalf, but not the use of the Mark to indicate the “distribution services” of CFM as alleged in the Amended Opposition. Therefore, CFM has failed to allege such facts to establish a prior and proprietary right to the Mark to establish a likelihood of confusion under §2(d). Otto Roth & Co., Inc. v. Universal Foods Corp., 640 F. 2d 1317, 1321, 209 USPQ 40 (CCPA 1981); Fluid Energy Processing & Equipment Co. v. Fluid Energy, Inc., 212 USPQ 28, 35 (TTAB 1981).

Further, CFM has failed to allege sufficient facts to show it has standing to maintain the Opposition. CFM has attempted to rely upon possible trademark rights of third parties to support its Opposition. However, it is well established that an Opposer cannot rely upon possible trademark rights of third parties in an attempt to bar registration by the Applicant. Cont’l Specialties Corp. v. Cont’l Connector Corp., 192 USPQ 449, 452 (TTAB 1976); Goodyear Tire and Rubber Co., v. Uniroyal, Inc., 179 USPQ 496, 497 (TTAB 1973). In addition, CFM has not alleged a reasonable basis in fact for its damages. For example, CFM has not alleged any actual

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<sup>2</sup> The Opposer apparently did not attach the specimens of its use of the Mark to the Amended Opposition, however, it is assumed that the specimens are the same as those attached to the original Opposition as Exhibit “A” and the Opposer’s specimens are referred to herein accordingly.

confusion of Applicant's use of the Mark since at least 1980. Rather, CFM has alleged its subjective belief that it "risks losing customers or clients who may want to join a licensing and/or franchise system." *See* Amended Opposition, ¶ 29. The belief of damage required by Section 13 of the Lanham Act is more than a subjective and speculative belief. The belief must have a reasonable basis in fact. Ritchie v. Simpson, 170 F.3d 1092, 1095, 50 USPQ2d 1023, 1027 (Fed. Cir. 1999). Here, CFM has failed to establish standing by not alleging a reasonable basis for its belief of damages and by improperly relying on possible trademark rights of third parties.

With respect to CFM's allegations that the Applicant abandoned the Mark, CFM contradicts its own allegations by stating that it has been distributing products to the Applicant with the Mark since 1979 for his Leesburg restaurant. *See* Amended Opposition, ¶13. Accordingly, CFM admits that the Applicant has continuously used the Mark to identify his restaurant services since at least 1979. *See* Amended Opposition, ¶ 5. In addition, CFM alleges that "there is no franchise system in existence at this time by which one person claims ownership of the Mark and licenses other businesses to use the Mark...especially the Applicant." *See* Amended Opposition, ¶ 14. Thus, CFM's stated position is that the Applicant ("especially the Applicant") has not engaged in licensing of the Mark contradicting its own allegation of "naked licensing" and abandonment of the Mark.

With respect to CFM's allegations that the Mark can "no longer signify a single source and thus become abandoned" is a misstatement of law. *See* Amended Opposition, ¶28. Rather, "a mark becomes abandoned only when the mark loses its significance as an indication of origin, not the sole indication of source." Wallpaper Manufacturers, Ltd. v. Crown Wallcovering Corp., 680 F.2d 755, 765, 214 USPQ 327, 335-36 (CCPA 1982). "Maintenance of exclusivity of rights in the Mark is not required in order to avoid abandonment, since '[f]ew longstanding trademarks could survive so rigid a standard.'" Woodstock Enterprises, Inc. v. Woodstock's Enterprises, Inc., 43 USPQ 2d 1140 (TTAB 1997) (*quoting* Wallpaper Manufacturers, Ltd. v. Crown Wallcovering Corp., 680 F.2d 755, 214 USPQ 327, 333 (CCPA 1982)). Instead, so long as at least some customers identify Applicant with the Mark, it cannot be said that Applicant's course of conduct has caused the Mark to lose its significance as a trademark. Woodstock Enterprises, Inc. v. Woodstock's Enterprises, Inc., 43 USPQ 2d 1140 (TTAB 1997). Here, CFM admits that

the Mark identifies the Applicant's restaurant within his "market area" as at least one source of restaurant services, and thus negates any inference of abandonment. Id.; See Amended Opposition, ¶14. Accordingly, the Mark has not lost its significance as an indication of origin and is not abandoned.

### III. CONCLUSION

CFM has not alleged sufficient facts to support prior and proprietary rights to the Mark. CFM does not dispute Applicant's continuous use of the Mark since at least 1980 to identify his restaurant services. There is no reference to the type of distribution services rendered by CFM on the specimens it is relying on to support its Opposition. Instead, the specimens reference the Applicant's restaurant services by stating, "Maryland Fried Chicken, Complete Dinners to Go!" Therefore, CFM has not alleged facts, if proven, to support any proprietary rights to the Mark. Thus, CFM cannot establish priority over the Applicant. Without establishing priority, CFM cannot establish a likelihood of confusion under §2(d) as a matter of law. Similarly, CFM's fraud allegations must fail on their face as well because it is clear that the Applicant's rights to use the Mark to identify his restaurant services are superior to any purported rights CFM may have for the reasons explained above. Still further, the Mark has not lost its significance as an indication of origin. Hence, the Opposition should be dismissed with prejudice pursuant to Fed. R. Civ. P. 12(b)(6) as CFM has failed to state a claim for which relief can be granted and CFM has no standing to maintain the Opposition.

Dated this 10<sup>th</sup> day of September 2008.

/Matthew G. McKinney/  
Matthew G. McKinney  
Florida Bar No. 385298  
McKinney Law  
390 N. Orange Ave., Suite 2300  
Orlando, Florida 32801  
Tel: 407-956-1075  
Fax: 407-956-1076  
mgm@mckinneylawllc.com  
Attorneys for Applicant

**CERTIFICATE OF SERVICE**

We certify that a true and correct copy of the forgoing has been furnished by U.S. Mail to Amber Neilsen, Esq., 390 N Orange Ave., Suite 2500, Orlando, FL 32801; this 10<sup>th</sup> day of September 2008.

/Matthew G. McKinney/  
Matthew G. McKinney  
Florida Bar No. 385298  
McKinney Law  
390 N. Orange Ave., Suite 2300  
Orlando, Florida 32801  
Tel: 407-956-1075  
Fax: 407-956-1076  
mgm@mckinneylawllc.com  
Attorneys for Applicant

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