

**THIS OPINION IS NOT A
PRECEDENT OF THE TTAB**

Mailed: April 28, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Alvin Reed, Sr.

v.

Sharron L. Cannon¹

Opposition No. 91215420
to Application Serial No. 85462285
Cancellation No. 92059182
of Registration No. 3924633

Philip G. Hampton, II and Scott E. Benfield of Haynes and Boone L.L.P.,
for Alvin Reed, Sr.

Yosara B. Trujillo, Esq.,
for Sharron L. Cannon.

Before Kuhlke, Ritchie and Adlin, Administrative Trademark Judges.

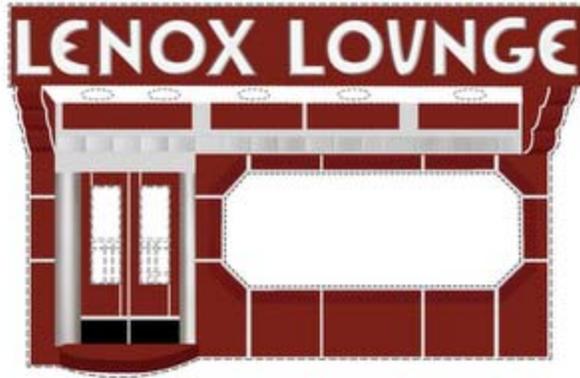
Opinion by Ritchie, Administrative Trademark Judge:

On November 2, 2011, Sharron L. Cannon (“Defendant”) applied to

¹ Plaintiff Mr. Reed is also a nominal co-defendant since he is named as a co-owner on the application and registration at issue in this opposition and cancellation proceeding.

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register the mark LENOX LOUNGE, and design, as shown below, for
“entertainment, namely, live music concerts and jazz night club services,” in
International Class 41²:



The application contains the following description of the mark:

The mark consists of a three dimensional configuration for trade dress for the appearance of the front exterior of a jazz club building. The art deco-style detailing appears in silver [sic] and surrounds the exterior of the building, as well as the window, door and door surrounds and across the front of the building exterior. The background of the exterior is maroon. The terms "LENOX LOUNGE" appear in white across the top portion of the building. Below the terms "LENOX LOUNGE" is a bank of recessed lights. A double door appears in maroon on the left side of the building exterior. There is a black rectangle surrounded by silver lining at the base of the door. There is silver detailing on the interior portions of each door. A half circle porch in maroon extends from the base of the doors. An octagon window with silver detailing appears on the right portion of the building. The matter shown in broken lines is not part of the mark and serves only to show the position of the mark.

² Application Serial No. 85462285, filed under Section 1(a) of the Trademark Act, claiming dates of first use and first use in commerce on November 1, 1939, and disclaiming the exclusive right to use the term "LOUNGE" apart from the mark as shown.

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On March 13, 2014, Alvin Reed Sr. (“Plaintiff”) filed an opposition to the registration of Defendant’s mark, the ESTTA coversheet for which names both Plaintiff and Defendant as joint applicants, and thus joint defendants, because they are identified in Office records as the application’s owners. In his opposition, Plaintiff alleges that Defendant does not own the mark and that “Opposer is the original and sole owner” thereof. 1 TTABVUE 4, 91215420. Defendant denied the salient allegations of the notice except that she admitted the following regarding Plaintiff’s ownership of the business:

Sharron Cannon acknowledges that Alvin Reed represented himself to her as the owner of the Lenox Lounge, Inc, an establishment located at 288 Lenox Avenue, an establishment that included a restaurant, bar and live music.

4 TTABVUE 3, 91215420

On May 5, 2014, Plaintiff filed a petition to cancel Defendant’s Registration No. 3924633 for the mark LENOX LOUNGE, in standard character format, for “entertainment, namely, live music concerts, night club services,” in International Class 41, and for “restaurant services, bar services,” in International Class 43.³ In the petition to cancel this registration, which also names both Plaintiff and Defendant as co-owners and thus co-defendants, Plaintiff alleges again that “Mr. Reed is the original and sole owner of the legendary Lenox Lounge jazz club and restaurant that for more than twenty-four years operated at 288 Lenox Avenue, New York, New

³ Registered on March 1, 2011, and disclaiming the exclusive right to use the term “LOUNGE” apart from the mark as shown.

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York 10027.” 1 TTABVUE 3, 92059182. Plaintiff further alleges that Defendant “knew that she was not an owner of the application;” *id.* at 5; that she “knew she was not the Vice President/General Manager of any entity in which Petitioner was president”; *id.*; that she “signed for Mr. Reed without his full knowledge and consent”; *id.*; and that her statements were false and made with “intent to deceive,” thereby committing “fraud on the PTO.” *Id.* at 5-6.

Defendant denied the salient allegations of the petition to cancel, except to again admit that “Mr. Reed represented himself to her as the owner of the Lenox Lounge, Inc., an establishment located at 288 Lenox Avenue, New York, New York 10027 that included a restaurant, bar and live music.” 5 TTABVUE 5, 92059182.

Shortly after the proceedings were initiated, and prior to the opening of discovery in either, the Board *sua sponte* ordered the opposition and cancellation to be consolidated since they “involve similar marks, common questions of law and fact, and the same parties.” 6 TTABVUE 2, 92059182. The parties proceeded accordingly, filing their evidence and briefs only in the record of 91215420, as the parent case. Both parties filed briefs.⁴

Record

⁴ As noted by the Board in orders dated August 30, 2015 and October 8, 2015, both Plaintiff and Defendant filed briefs prematurely. Defendant’s brief was filed during her testimony period, and included a notice of reliance therewith. Both parties included follow up briefs filed in accordance with the Board’s briefing schedule.

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The record in this case includes the pleadings and the files of the involved application and registration, as well as Plaintiff's testimonial deposition of Defendant, dated June 12, 2015. It also includes Defendant's Notice of Reliance, consisting of business card proofs; a letter addressed to Defendant from R. Glenn Hubbard, Dean and Professor of Columbia Business School, dated June 12, 2012; an application by Defendant to the Columbia Community Business Program dated June, 2010, listing her as the "Vice President and General Manager" of Lenox Lounge, and signed by Plaintiff as "CEO"; Participant Biographies regarding the latter program; and an agreement with Neema Consulting, LLC, signed by Defendant as "Vice President/Gen. Mgr." for Lenox Lounge, dated "6/10/11." None of the material submitted by Defendant is appropriately submitted under a notice of reliance as it is not in "general circulation among members of the public" in accordance with Trademark Rule 2.122(e), 37 CFR § 2.122(e); nor is appropriately identified Internet evidence in compliance with *Safer Inc. v. OMS Investments Inc.*, 94 USPQ2d 1031, 1039 (TTAB 2010). However, Plaintiff did not object to the documents, but rather treated them as though they are of record. 20 TTABVUE 12. We thus accord them whatever probative value they may have.

Standing

Standing is a threshold issue that must be proven in every *inter partes* case. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213

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USPQ 185, 189 (CCPA 1982) (“The facts regarding standing . . . must be affirmatively proved. Accordingly, [plaintiff] is not entitled to standing solely because of the allegations in its [pleading].”). To establish standing in an opposition or cancellation, the plaintiff must show both “a real interest in the proceedings as well as a ‘reasonable’ basis for his belief of damage.” *See Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

In her deposition, Defendant states that she was hired by Plaintiff to work for him at the Lenox Lounge. 12 TTABVUE 15. She further states that she filed the subject trademark application and registration at Plaintiff’s behest, and that she filed them jointly in both her name and his. *Id.* at 16, 26. The jointly filed application and registration naming Plaintiff as co-owner are of record in this proceeding. Accordingly, we find that Plaintiff has shown that he has a reasonable belief of damage and a real interest in these proceedings. Therefore he is not a mere intermeddler, and he has established his standing. 15 U.S.C. §1064. *See Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Cerveceria Modelo S.A. de C.V. v. R.B. Marco & Sons Inc.*, 55 USPQ2d 1298 (TTAB 2000); and *Hartwell Co. v. Shane*, 17 USPQ2d 1569 (TTAB 1990).

Ownership

Defendant testified that Plaintiff hired her to work at the Lenox Lounge in October 2008, and that she began work in March 2009. 12 TTABVUE 15. The parties had no written agreement. *Id.* at 14. She testified that she was

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the “vice president and general manager” and that her duties consisted of “[b]ack of the house; front of the house” including payroll and staffing. *Id.*, at 44, 55-56. She refers to herself as having been “an employee” and states that her employment terms included improving the “branding” of the Lenox Lounge, a discussion she had before she was hired. *Id.*, at 56-57.

Although Defendant claims that she later “became a partner,” when asked what this partnership consisted of, she did not substantively respond, but rather testified variably that she became a “partner” of some type “Once we had filed for the Lennox Lounge trademark” or “Once the trademark certificate was issued.” *Id.*, at 44. She states “I was a general partner in the trademark of the Lennox Lounge.” *Id.*, at 40, meaning “It gives me the right to the name.” *Id.*, at 52. She does not claim to have licensed use of the LENNOX LOUNGE mark or to have had at any point a financial interest or other ownership, corporate or partnership interest in the underlying business or its goodwill, however. *Id.*, at 43, 46.

Although Defendant claims to have been a partner “in the trademark,” her testimony about how this developed is contradictory. Although she testifies that she “financed” the trademark fees, there is no indication that Plaintiff asked her to use personal rather than company funds, or that he intended to give up any of his interest for the cost of filing two trademark applications. *Id.*, at 45-46. Defendant’s brief states:

Defendant’s claim to ownership does not stem from an assignment or sale of a transferable interest independent from

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the underlying business. It stems from her use which in turn stems from a valuable partnership asset for which she bargained with Plaintiff, and which she followed up with actions expected of a person that is performing on an agreement.

22 TTABVUE 6.

To the contrary, it appears that Defendant's work, and service mark "use," if any, including her branding efforts, were undertaken in the scope of her employment and at the direction and on behalf of Plaintiff. *Id.*, at 58. It is presumed that the sole owner of a corporation is the owner of its marks. *See J., Thomas McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 16:36.* That presumption does not extend to a principal officer as Defendant attests to being, or to someone acting in an individual capacity. *Id.*, In a similar situation, the predecessor to our primary reviewing court affirmed a finding that use of a mark made by an individual, through a corporation, "has been made by the corporation" and that such use "inures to its benefit, and not to the benefit of any individual." *Smith v. Tobacco By-Products & Chemical Corp.*, 243 F.2d 188, 113 USPQ 339, 341 (CCPA 1957); *See also Nahshin v. Product Source Int'l LLC*, 107 USPQ2d 1257 (TTAB 2013) (defendant shown to be distributor, acting at plaintiff's direction, did not own mark); *Welscraft, Inc. v. Dougherty*, 164 USPQ 31 (TTAB 1969) (finding defendant, an individual, was not entitled to ownership of mark, since, although he was a majority stockholder and principal of corporation, goods "were not imported by him as an individual and the goods were not sold under the mark" by him "as an individual" but rather through corporation).

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Further, the record shows that the LENOX LOUNGE marks were in use decades prior to Defendant's employment. McCarthy at § 16:36 ("Ownership as between employer and employee will depend upon who first used the term as a mark and who the mark identifies.").

Considering the totality of the evidence, we find by a preponderance of the evidence that Defendant has no ownership interest in the marks.

Decision: The notice of opposition is sustained, and the petition for cancellation is granted, both on the ground of Defendant's nonownership of the marks.⁵

⁵ In light of our decision the fraud claim in the cancellation is moot.