

**This Opinion is Not a
Precedent of the TTAB**

Mailed: September 15, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

—
Pretty Pale, Inc.

v.

JADS Int'l, LLC

—
Opposition No. 91222470

—
Michael J. Bevilacqua and Barbara A. Barakat of Wilmer Cutler Pickering Hale and
Dorr LLP for Pretty Pale, Inc.

Michael A. Cornman of Ladas & Parry LLP for JADS International, LLC.

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Before Lykos, Adlin and Heasley,
Administrative Trademark Judges.

Opinion by Lykos, Administrative Trademark Judge:

On August 20, 2014, JADS International, LLC (“Applicant”) filed an application to register on the Principal Register the mark SUNDICATORS in standard characters for, as amended, “[s]tickers impregnated with photochromic dyes that change color in response to UV radiation to warn the wearer when it is time to reapply sunscreen or to get out of the sun, for use in measuring UV radiation, not for medical

use” in International Class 9.¹ The application was originally filed under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), alleging a bona fide intent to use the mark in commerce. On December 26, 2014, Applicant filed an Amendment to Allege Use (“AAU”) signed by Andrew S. Levine, Applicant’s CEO, along with one specimen of use, claiming December 23, 2014 as the date of first use anywhere and in commerce. The Examining Attorney accepted the AAU, thereby amending the filing basis to Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a). The mark was published for opposition on February 14, 2015.

By way of its second amended notice of opposition, Pretty Pale, Inc. (“Opposer”) opposes registration of Applicant’s mark on the grounds of (1) likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), with Opposer’s previously used SUN/DICATORS and SUN/DICATORS “THE BEST SKIN-SURANCE UNDER THE SUN & Design” marks; and (2) fraud in connection with Applicant’s AAU.² Second Amended Notice of Opposition, 14 TTABVUE 13-15.³ Opposer pleaded ownership of Application Serial No. 86503370 for the mark “SUN/DICATORS ‘THE BEST SKIN-SURANCE UNDER THE SUN’ & Design” filed

¹ Application Serial No. 86371772.

² In the original notice of opposition, Opposer only asserted a Section 2(d) claim. The Board granted Opposer’s timely motion for leave to amend its notice of opposition to add a claim of fraud based on information obtained during discovery. *See* May 23, 2016 Interlocutory Order; 13 TTABVUE. The operative notice of opposition and answer in this case were filed June 6, 2016 and July 13, 2016. 14, 15 TTABVUE.

³ For the citations to the record in TTABVUE throughout the decision, the number preceding “TTABVUE” corresponds to the docket entry number; the number(s) following “TTABVUE” refer to the page number(s) of that particular docket entry. *See, e.g., Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473 (TTAB 2014).

January 14, 2015 for “[s]un safety awareness products, namely, bracelets and wristbands that change color in response to UV radiation to alert wearer when it is time to reapply sunscreen or get out of the sun” and “[d]istributorship, retail and online retail store services featuring sun safety awareness products, namely, bracelets and wristbands that change color in response to UV radiation to alert wearer when it’s time to reapply sunscreen or get out of the sun,” and further alleged that its application had been “provisionally rejected” based on Applicant’s earlier-filed application. Second Amended Notice of Opposition ¶¶ 4 and 12; 14 TTABVUE 11, 13. Opposer also pleaded prior common law use of the composite mark as well as the word mark SUN/DICATORS in connection with “sun safety products, including bracelets and wristbands that change color in response to UV radiation to alert a wearer when it is time to reapply sunscreen or get out of the sun” since at least as early as January 1, 2010, and “services related to those products, including retail and online retail stores” since at least as early as January 1, 2012. *Id.* at ¶¶ 2 and 3; 14 TTABVUE 11. The fraud claim is based on the allegations that “Applicant knowingly made false statements to the USPTO” “with the intent to procure a registration” in connection with the sworn statements in the AAU that: (1) Applicant’s mark SUNDICATORS was in use in interstate commerce in connection with the identified goods at least as early as December 23, 2014; and (2) the specimen displaying the mark on product packaging was also in use in interstate commerce at least as early as that date. *Id.* at ¶¶ 16-26; 14 TTABVUE 13-15.

In its answer, Applicant denied the salient allegations except for admitting that “Opposer’s application for its mark SUN/DICATORS ‘THE BEST SKIN-SURANCE UNDER THE SUN’ & Design has been provisionally rejected based upon Applicant’s application for the mark SUNDICATORS.” Second Amended Notice of Opposition and Answer ¶ 12. Applicant also admitted that it filed an AAU on December 26, 2014 “together with a Sworn Declaration, signed by Andrew S. Levine, Applicant’s president, attesting to the fact that ‘the mark was in use in interstate commerce at least as early as December 23, 2014’” (*Id.* at ¶ 17; *see also* ¶ 18; 15 TTABVUE 4); that “[d]uring discovery ... Applicant repeatedly asserts that it has not used the mark in commerce in the United States despite its representations to the Trademark Office” (*Id.* at ¶ 18); and that “the alleged specimen of use filed on December 26, 2014 was not in use in commerce at least as early as December 23, 2014, as alleged in the Amendment to Allege Use.” *Id.* at ¶ 24. In addition, Applicant asserted the following “defenses:”⁴

Applicant, at the time of submission of the December 26, 2014 Amendment to Allege Use, believed that the degree of use in commerce and type of specimens required to support such an allegation were met and, mistakenly but in the good faith belief that the prototype specimens it had actually produced and the actual preliminary use to which those prototype specimens had actually been used, were satisfactory for the purposes of the submission. *Id.* at ¶ 27.

⁴ We construe Applicant’s “defenses” as amplifications of its denials to Opposer’s fraud claim. *See, e.g., Morgan Creek Prod. Inc. v. Foria Int’l Inc.*, 91 USPQ2d 1134, 1136 (TTAB 2009) (applicant’s “affirmative defenses” for the most part amplified its denials of opposer’s allegations regarding likelihood of confusion); *Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995) (motion to strike third affirmative defense denied because it was an amplification of a denial, giving fuller notice of the claim). *See also* TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (“TBMP”) § 311.02(d) (June 2017).

Notwithstanding the good faith belief of adequate use and acceptable specimens at the time of submission of the December 26, 2014 Allegation of Use, applicant has subsequently determined in this proceeding that the allegation and specimens were legally insufficient for the purposes of registration of applicant's mark. *Id.* at ¶ 28.

Applicant has proceeded in good faith at all times during the solicitation of a registration of its SUNDICATORS mark and in the defense of the subject opposition. *Id.* at ¶ 29.

Applicant never intended to deceive or otherwise to defraud the Trademark Office in its prosecution of Application Serial No. 86/371772 for SUNDICATORS. *Id.* at ¶ 30.

15 TTABVUE 5. The case is fully briefed.

I. *The Record*

The record includes the pleadings, and pursuant to Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b), Applicant's application file. Opposer made of record the testimony deposition transcript of its founder, Kerry Lynn Spindler ("Spindler Deposition")⁵ with accompanying Exhs. 1-18 and submitted under notice of reliance a printout from USPTO records showing the status and title of Opposer's pleaded Application Serial No. 86503370 as well as Applicant's Responses to Opposer's First Request for Admissions.⁶

⁵ Portions of the Spindler Deposition and exhibits have been designated confidential pursuant to the parties' stipulated protective order. The publicly available version can be found at TTABVUE entry no. 20.

⁶ Insofar as Applicant has not objected to Opposer's submission under notice of reliance of "Applicant's Responses to Opposer's First Set of Interrogatories to Applicant" from another proceeding, it is part of the record. Nonetheless, we did not rely on this evidence in reaching our decision.

Applicant submitted no evidence and took no testimony. Nonetheless, Opposer, as plaintiff in this proceeding, bears the burden of establishing its standing and claims.

II. *The Parties*

Opposer was established in 2012 as a “Section 501(c)(3)”⁷ non-profit corporation whose mission is to raise awareness about skin cancer, including melanoma. Spindler Deposition 6:14-21; 20 TTABVUE 9. As part of its educational activities, Opposer uses “tangible products to discuss the importance of sun safety and better habits in one’s lives” with the goal of teaching the public how to prevent skin cancer. *Id.* at 6:24-7:8; 20 TTABVUE 9-10. Opposer’s founder, Ms. Spindler, a melanoma survivor, is the primary spokesperson and is responsible for setting up and leading educational events. *Id.* at 8:4-16; 20 TTABVUE 11. She is also responsible for brand development, advertising and marketing. *Id.* at 8:17-19; 20 TTABVUE 11.

There is little evidence in the record regarding Applicant or its business activities.

III. *Standing*

Standing is a threshold issue that must be proved in every inter partes case. *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014). *See also Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) (“The facts regarding standing ... must be affirmatively proved. Accordingly, [plaintiff] is not entitled to standing solely because

⁷ This refers to the section of the U.S. Internal Revenue Code that allows for federal tax exemption of nonprofit organizations, specifically those that are considered public charities, private foundations or private operating foundations.

of the allegations in its [pleading].”). The purpose of the standing requirement is to prevent mere intermeddlers from initiating proceedings. Our primary reviewing court, the U.S. Court of Appeals for the Federal Circuit, has enunciated a liberal threshold for determining standing, namely that a plaintiff must demonstrate that it possesses a “real interest” in a proceeding and “a reasonable basis for his belief of damage.” *See Empresa Cubana del Tabaco*, 111 USPQ2d at 1062 (citing *Ritchie v. Simpson*, 170 F.3d 1902, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999)). A “real interest” is a “direct and personal stake” in the outcome of the proceeding. *Ritchie v. Simpson*, 50 USPQ2d at 1026.

Ms. Spindler testified that Opposer filed and is the owner of pending Application Serial No. 86503370, which is currently suspended pending the disposition of Applicant’s application. Spindler Deposition 46:5-14; 20 TTABVUE 49. Opposer also made of record the TESS printouts of its pleaded pending application, which establish these facts. Opposer’s Notice of Reliance, 19 TTABVUE 6. *See Empresa Cubana del Tabaco*, 111 USPQ2d at 1062. In addition, Applicant admitted in its answer that “Opposer’s application for its mark SUN/DICATORS ‘THE BEST SKIN-SURANCE UNDER THE SUN’ & Design has been provisionally rejected based upon Applicant’s application for the mark SUNDICATORS.” Second Amended Notice of Opposition and Answer ¶ 12. The arguable similarities of Opposer’s and Applicant’s applied-for marks and the similar nature of the goods and services, which are evident from the face of the TESS printouts of Opposer’s application, suffice to show that Opposer possesses a “real interest” in this case beyond that of a mere intermeddler and a

“reasonable basis for its belief of damage.” *See id.* *See also Spirits International B.V. v. S.S. Taris Zeytin Ve Zeytinyagi Tarim Satis Kooperatifleri Birliđi*, 99 USPQ2d 1545, 1548 (TTAB 2011). Further, as discussed in more detail below, Opposer has demonstrated common law use of its word mark SUN/DICATORS in connection with sun safety bracelets and wristbands. *See Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009) (common-law use sufficient to establish standing). Accordingly, Opposer has established its standing.

IV. *Section 2(d) Claim*

We will now consider Opposer’s Section 2(d) claim, focusing on Opposer’s pleaded word mark SUN/DICATORS in connection with “sun safety products” consisting of “bracelets and wristbands that change color in response to UV radiation to alert wearer when it is time to reapply sunscreen or get out of the sun.” Second Amended Notice of Opposition ¶ 2. We focus on that mark and those goods because it is most likely to support a finding of likelihood of confusion with Applicant’s mark. In other words, if confusion is likely between these marks, there is no need for us to consider the likelihood of confusion with Opposer’s composite word/design mark and/or services, and if there is no likelihood of confusion between Applicant’s mark and Opposer’s SUN/DICATORS word mark, then there would be no likelihood of confusion with Opposer’s other pleaded mark. *See, e.g., In re Max Capital Group Ltd.*, 93 USPQ2d 1243, 1245 (TTAB 2010).

A. *Priority*

Applicant, in its brief, has focused solely on the issue of priority to argue that

Opposer has failed to meet its burden of proving its Section 2(d) claim. To maintain a likelihood of confusion claim brought under Trademark Act Section 2(d), a party must first prove that it owns “a mark registered in the Patent and Trademark Office or a mark or trade name previously used in the United States ... and not abandoned....” Trademark Act Section 2, 15 U.S.C. § 1052. Typically, in the absence of a registration, a plaintiff may establish its prior proprietary rights in a mark through testimony and/or documentary evidence showing actual use or use analogous to trademark use. *See* Trademark Act Sections 2(d) and 45, 15 U.S.C. §§ 1052(d) and 1127; *T.A.B. Sys. v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879 (Fed. Cir. 1996); *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40 (CCPA 1981).

Although Applicant failed to present any evidence at trial, it is entitled to rely on its August 20, 2014 filing date as its constructive use date. *See Syngenta Crop Prot. Inc. v. Bio-Chek LLC*, 90 USPQ2d 1112, 1119 (TTAB 2009); *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 36 USPQ2d 1328, 1332 (TTAB 1994) (an application filing date for a use-based application can establish first use of a mark). Thus, in order for Opposer to prevail on its Section 2(d) claim, Opposer must establish common law use prior to that date.

Before discussing the evidence of record, we note that the parties disagree as to the applicable standard of proof for priority. Opposer contends that it need only prove priority by a preponderance of the evidence. Applicant, citing *Hydro-Dynamics, Inc. v. George Putnam & Co., Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987), maintains that the appropriate level of proof is clear and convincing evidence.

Applicant's reliance on *Hydro-Dynamics* is misplaced. As the U.S. Court of Appeals for the Federal Circuit made clear in that decision, the heightened standard of clear and convincing evidence applies only in instances where a trademark applicant has filed an application alleging a specific date of first use and then subsequently asserts an earlier date of first use. "Where an applicant seeks to prove a date earlier than the date alleged in its application, a heavier burden has been imposed on the applicant than the common-law burden of preponderance of the evidence." *Id.* Otherwise, "the decision as to priority is made in accordance with the preponderance of the evidence." *Id.* See also *Standard Knitting Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917, 1929 (TTAB 2006).

Turning now to our substantive analysis, Applicant argues that Opposer made no bona fide use of its pleaded mark prior to Applicant's August 20, 2014 filing date. Applicant contends that Ms. Spindler's testimony and accompanying exhibits only show that as of 2012, Opposer had "a registered domain name, a paucity of business cards, embryonic literature, and unmarked products in 'swag bags,'" and that this does not constitute "evidence of proper marking of the product to qualify as trademark usage." Applicant's Brief, p. 5; 23 TTABVUE 9. Applicant then attacks the probative value of each of the exhibits submitted with Ms. Spindler's testimony deposition.

We disagree with Applicant's characterization of Opposer's evidence. Opposer acknowledges that it does not "mass distribute" its products; Ms. Spindler explained that this strategy is deliberate so that its sun safety products do not lose "the flavor of the educational component." Spindler Deposition 54:14-19; 20 TTABVUE 57.

Priority can be shown in marks for goods given away as promotional items. *See Tiberghien Freres S.A. v. Miguel Gil, S.A.*, 185 USPQ 183, 184 (TTAB 1974) (furnishing free trademarked bathing suits worn publicly by contestants in beauty contest was sufficient to establish priority). Similarly, priority can be established for goods given away as part of educational outreach efforts. *See American Express Marketing & Development Corp. v. Gilad Development Corp.*, 94 USPQ2d 1294, 1298 n.3 (TTAB 2010) (“... use of marks in conjunction with the rendering of free services still constitutes a ‘use in commerce’ under the Trademark Act. In other words, a for profit sale is not required.”); *Capital Speakers Inc. v. Capital Speakers Club of Washington D.C. Inc.*, 41 USPQ2d 1030, 1034 n.3 (TTAB 1996); *McDonald’s Corp. v. McKinley*, 13 USPQ2d 1895, 1898 n.6 (TTAB 1989) (finding that goods need not be sold “in order to come within the ambit of the statute”). Ms. Spindler testified that commencing in 2012, Opposer has been giving away SUN/DICATOR branded “sun safety” bracelets and wristbands as both a fundraising tool for Opposer’s foundation and to promote sun safety awareness. She testified that Opposer has given away Opposer’s SUN/DICATORS “beaded sun safety bracelets” to children at fundraisers since 2012. Spindler Deposition 11:3-13; 20 TTABVUE 14; Exh. 1, PPI 000328. She also testified that Opposer has “used in fundraising” and has given away silicone “sun safety bracelets” and wristbands at various events since 2012. *Id.* at 11:14-24, 12:10-18; 20 TTABVUE 14-15; Exh. 1, PPI 000328-000335 (bracelets, wristbands and product packaging; 20 TTABVUE 268-275). For example, commencing in 2012, Opposer has handed out SUN/DICATOR branded bracelets for free at “high profile”

events such as the Oscars, Golden Globes and the Teen Choice Awards. *Id.* at 21:19-25:1; 20 TTABVUE 24-28. When asked to specify how many, she estimated “[p]robably 200” at the Golden Globes and anywhere from “200, 500, 1000” at the Oscars. *Id.* at 22:17-23:7; 20 TTABVUE 25-26.⁸ Ms. Spindler’s testimony is credible and not characterized by contradictions or inconsistencies. *See Powermatics, Inc. v. Glebe Roofing Prods. Co.*, 341 F.2d 127, 144 USPQ 430, 432 (CCPA 1965) (oral testimony, even of a single witness, if “sufficiently probative,” may be satisfactory to prove priority); *4U Co. of America, Inc. v. Naas Foods, Inc.*, 175 USPQ 251, 253 (TTAB 1972). Her testimony is corroborated by the documentary evidence she authenticated displaying use of Opposer’s mark SUN/DICATOR either directly on the product and/or packaging. Spindler Deposition at Exh. 1, PPI 000328-000335 (bracelets, wristbands and product packaging); 20 TTABVUE 268-309.

When asked how Opposer’s sun safety bracelets and wristbands work, she explained:

A: You apply sunscreen. They’re wristbands that you put on that are supposed to mimic your skin. You apply the sunscreen and when the sunscreen loses effectiveness, the wristband turns a dark color reminding the wearer to reapply sunscreen.

Q: What causes the sunscreen to lose its effectiveness?

A: The photochromic dye that’s in the wristband when it’s exposed to UV, it changes color. The idea is that the sunscreen will block

⁸ In addition, Ms. Spindler’s testimony shows that Opposer has continuously sold its sun safety bracelets and wristbands under a slightly different mark, SUNDICATORS, in interstate commerce since 2012 via its own direct-to-consumer e-commerce website. *Id.* at 38:17-40:7; 20 TTABVUE 40-43; Exh. PPI 000112-000113; 20 TTABVUE 161-162. Because, however, Opposer did not plead prior common law use of this variation of the mark without the slash, we did not consider this evidence in finding priority.

the UV from penetrating the band and prevent it from changing color until it starts to wear off.

Spindler Deposition 66:8-23; 20 TTABVUE 69. *See also id.* at 7:20-8:3; 20 TTABVUE 10-11. Her product description coincides with Opposer's pleading as well as the goods identified in Opposer's pending application. The instructions on how to use the bracelets and wristbands found on the product packaging also are consistent with her testimony. *See, e.g.*, Exh. 1, PPI 000334; 20 TTABVUE 274.

In view of the foregoing, Opposer has demonstrated by a preponderance of the evidence prior use of the word mark SUN/DICATOR in connection with “[s]un safety awareness products, namely, bracelets and wristbands that change color in response to UV radiation to alert wearer when it is time to reapply sunscreen or get out of the sun.”

B. *Likelihood of Confusion*

Although Applicant's brief focused solely on the issue of priority, which we have now determined in Opposer's favor, Opposer as the plaintiff in this proceeding must also establish a likelihood of confusion by a preponderance of the evidence in order to prevail on its Section 2(d) claim.

We base our determination under Section 2(d) on an analysis of all of the probative evidence of record bearing on a likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973) (“*du Pont*”). *See also, In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). “Not all of the *DuPont* factors are relevant to every case, and only factors of significance to the particular mark need be considered.” *In re Mighty Leaf Tea*, 601 F.3d 1342, 94

USPQ2d 1257, 1259 (Fed. Cir. 2010). For example, the Board can “focus ... on dispositive factors, such as similarity of the marks and relatedness of the goods.” *Herbko Int’l, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1380 (Fed. Cir. 2002) (citation omitted). These factors and the other relevant *du Pont* factors are discussed below.

1. *The Marks*

We begin with the *du Pont* likelihood of confusion factor regarding the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *See Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). Opposer’s common law mark SUN/DICATORS and Applicant’s applied-for mark SUNDICATORS are virtually identical in appearance and sound. The slash in Opposer’s mark is not a significant distinguishing element and is unlikely to affect the pronunciation enough to differentiate the marks (if it affects the pronunciation at all). *See Mag Instrument Inc. v. Brinkmann Corp.*, 96 USPQ2d 1701, 1712 (TTAB 2010) (finding that hyphen does not distinguish MAG-NUM from MAGNUM), *aff’d mem.*, ___ Fed. Appx. ___, 2011 WL 5400095 (Fed. Cir. Nov. 9, 2011). Even if the slash were to prompt consumers to articulate Opposer’s mark with a pause between “sun” and “dicators,” this would amount to only a slight difference in sound. As to connotation and commercial impression, each mark is a coined term derived from the combination of the words “sun” and “indicator.” The unique merging of these words projects the same connotation and commercial impression of a sun exposure

measuring tool. Ms. Spindler testified that their SUN/DICATORS branded items are used to educate the public about the dangers of sun exposure (Spindler Deposition 7:20-8:3; 20 TTABVUE 10-11), and that she along with Opposer's writer Chris Gay conceived of the name in 2012 in part because of its "unisex connotation" and broad appeal. ⁹ *Id.* at 9:12-10:9; 20 TTABVUE 12-13. We therefore find Opposer's and Applicant's marks similar in appearance, sound, connotation and commercial impression. This first *du Pont* factor weighs heavily in favor of finding a likelihood of confusion.

2. *The Goods*

The next step in our analysis is a comparison of the goods. It is settled that it is not necessary that the respective goods be identical or even competitive in order to find that they are related for purposes of our likelihood of confusion analysis. That is, the issue is not whether consumers would confuse the goods themselves, but rather whether they would be confused as to the source of the goods. *See In re Rexel Inc.*, 223 USPQ 830, 831 (TTAB 1984). The respective goods need only be "related in some manner and/or if the circumstances surrounding their marketing [be] such that they could give rise to the mistaken belief that the goods emanate from the same source." *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1722 (Fed. Cir. 2012) (quoting *7-Eleven Inc. v. Wechsler*, 83 USPQ2d 1715, 1724 (TTAB

⁹ Opposer originally called its sun protection products "Pretty Pale" as part of Opposer's children's clothing company. Spindler Deposition 9:14-19; 20 TTABVUE 12.

2007)). *See also In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289, 1290 (Fed. Cir. 1984); *In re Melville Corp.*, 18 USPQ2d 1386, 1388 (TTAB 1991).

As identified in the application, Applicant's goods are "[s]tickers impregnated with photochromic dyes that change color in response to UV radiation to warn the wearer when it is time to reapply sunscreen or to get out of the sun, for use in measuring UV radiation, not for medical use." Applicant's stickers are thus the functional equivalent of Opposer's sun safety bracelets and wristbands. The purpose of the goods is the same – to measure UV radiation on an individualized basis and alert the user to re-apply sunscreen or retreat indoors in order to prevent overexposure. As with Opposer's bracelets and wristbands (Spindler Deposition 66:8-67:16; 20 TTABVUE 69-70) Applicant's stickers employ photochromic dyes to change color to measure UV radiation and inform the user when sunscreen should be re-applied, according to its identification of goods. Thus, the involved goods are closely related because they perform the same function in the exact same manner. The fact that Applicant's goods consist of stickers instead of bracelets or wristbands is inconsequential. Accordingly, the second *du Pont* factor also weighs heavily in favor of finding a likelihood of confusion.

3. *The Trade Channels/Purchasers*

The record shows Opposer's target market as consumers "conscientious of their skin health" and "parents of children." Spindler Deposition 54:7-11; 20 TTABVUE 57. Given the particular function of the involved products, both parties' goods may be targeted to and encountered by the same prospective consumers – individuals

interested in protection from damaging UV radiation sun exposure. Hence, because the products are likely to be encountered by the same customers, this *du Pont* factor also weighs in favor of finding a likelihood of confusion.

4. *Conditions of Sale*

Lastly, we examine the conditions under which the goods are likely to be purchased, e.g., whether on impulse or after careful consideration, as well as the degree, if any, of sophistication of the consumers. Purchaser sophistication or degree of care may tend to minimize likelihood of confusion. Conversely, impulse purchases of inexpensive items may tend to have the opposite effect. *Palm Bay*, 73 USPQ2d at 1695.

Opposer's products are either given away for free or sold at the relatively low price of \$ 1-2/bracelet or wristband or \$7.99 for a package of five. Spindler Deposition 14:9-21; 20 TTABVUE 17. Since there are no price restrictions in Applicant's identification, we can assume that Applicant's goods are also sold at the ordinary price point which, given the description of goods, would be relatively inexpensive. "When the products are relatively low-priced and subject to impulse buying, the risk of likelihood of confusion is increased because purchasers of such products are held to a lesser standard of purchasing care." *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1899 (Fed. Cir. 2000). Hence, the conditions of sale are such that they would increase, or at least not decrease, the likelihood of confusion.

5. *Balancing the Factors*

Taken together, the *du Pont* factors discussed above weigh in favor of a likelihood

of confusion. Accordingly, we find that Opposer has met its burden of proof by a preponderance of the evidence; Opposer's Section 2(d) claim is sustained.

V. *Fraud*

Although we have determined that Opposer has proven its Section 2(d) claim, in order to render a complete decision, we will also address Opposer's fraud claim.

Fraud in procuring a trademark registration occurs when an applicant knowingly makes false, material representations of fact in connection with its application with intent to deceive the USPTO. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009); *see also Swiss Watch Int'l Inc. v. Fed'n of the Swiss Watch Indus.*, 101 USPQ2d 1731, 1745 (TTAB 2012). A party alleging fraud in the procurement of a registration bears the heavy burden of proving fraud with clear and convincing evidence. *Bose*, 91 USPQ2d at 1939 (quoting *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981)). For example, the Board will not find fraud if the evidence shows that a false statement was made with a reasonable and honest belief that it was true, rather than intent to mislead the USPTO into issuing a registration to which the applicant was not otherwise entitled. *See id.* As explained in *Bose, supra*:

Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis. Of course, "because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence. But such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement." *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366 [88 USPQ2d 1001] (Fed. Cir. 2008).

Id. at 1941.

In response to Opposer's requests for admissions, Applicant admitted the following:

Request No. 1: Admit that Applicant has not adopted Applicant's Mark for use in the United States.

Response: Admitted.

Request No. 2: Admit that Applicant has not sold, offered for sale or otherwise distributed any products or services under or in connection with Applicant's Mark in the United States.

Response: Admitted.

Request No. 3: Admit that Applicant has not used Applicant's Mark in interstate commerce.

Response: Admitted.

...

Request No. 5: Admit that there are no retail outlets selling Applicant's products bearing Applicant's Mark in the United States.

Response: Admitted.

Applicant's Responses to Opposer's First Request for Admissions; 19 TTABVue 28-30. Furthermore, as noted above, Applicant admitted in its answer that its specimen of use filed with its AAU was not in use in commerce at least as early as December 23, 2014, as alleged in the Amendment to Allege Use. *Id.* at ¶ 24.

In light of Applicant's admissions, there is no question that Applicant's CEO/President Mr. Levine made false statements in his signed declaration submitted with the AAU, and that such statements were material. Thus, the pivotal issue is whether Opposer has shown that Applicant had the requisite intent to deceive the USPTO.

Opposer urges the Board to find that Applicant knowingly intended to deceive the USPTO based on the fact that Applicant has provided no explanation as to why it fabricated a specimen and falsely stated that its applied-for mark was in use in commerce. As Opposer contends, Applicant was obligated to read and understand the declaration it signed in connection with the AAU and check the accuracy of its statements. Opposer further notes that after it sent Applicant a cease and desist letter, Applicant filed a second application (Serial No. 86523922) for the same mark SUNDICATORS but for slightly different goods, “[b]racelets and wristbands impregnated with photochromic dyes that change color in response to UV radiation”, again claiming a date of first use in commerce as December 23, 2014. In Opposer’s view, the filing of this second, related application constitutes further evidence of Applicant’s knowing intent to deceive the USPTO.

Applicant, relying on the “defenses” asserted in its answer and arguments in its brief, counters that through an “innocent mistake of what constituted legal trademark usage in commerce by [Applicant] and its original attorney, [A]pplicant submitted as a specimen of use a prototype package bearing the mark ... [and] acting in good faith, did not intend to deceive the USPTO.” Applicant’s Brief, p. 1; 5 TTABVUE 11. Applicant also argues that Opposer failed to adduce any evidence of Applicant’s intent to deceive by taking the testimony deposition of Applicant’s President, Andrew Levine, who signed the AAU or Applicant’s former attorney.

Applicant’s statements made in its answer regarding its lack of intent to deceive the USPTO cannot be considered as evidence on its behalf; such allegations must be

established by competent evidence during the time for taking testimony. *See Saul Zaentz Co. v. Bumb*, 95 USPQ2d 1723, 1725 n.7 (TTAB 2010) (assertions in answer not evidence unless supported by evidence introduced at trial or except as admission against interest). *See also Kellogg Co. v. Pack'Em Enterprises Inc.*, 14 USPQ2d 1545, 1547 n.6 (TTAB 1990), *aff'd*, 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991). Similarly, Applicant's "[s]tatements in [its] brief cannot take the place of evidence." *In re Simulations Publ'ns, Inc.*, 521 F.2d 797, 187 USPQ 147, 148 (CCPA 1975); *see also Boston Red Sox Baseball Club LP v. Sherman*, 88 USPQ2d 1581, 1587 (TTAB 2008) (broad and general statements in brief regarding marketing experience not supported by evidence cannot be accorded evidentiary value or consideration).

That being said, Opposer as the party asserting fraud bears the burden of proof; Applicant is not obligated to rebut allegations of fraudulent intent. There is insufficient evidence in the record before us to warrant the inference of an intent to deceive the USPTO. *Compare Nationstar Mortg. LLC v. Ahmad*, 112 USPQ2d 1361 (TTAB 2014) (Board able to infer deceptive intent to deceive USPTO based on applicant's testimony coupled with other factual findings). Opposer cites to *Global Maschinen GmbH v. Global Banking Sys., Inc.*, 227 USPQ 862, 867 (TTAB 1985) for the proposition that "the Board may infer culpable intent in cases where the accused party's testimony lacks credibility." Opposer's Brief, p. 16; 22 TTABVUE 21. Here, however, we have no testimony from Mr. Levine, or for that matter, anyone else associated with Applicant. Nor do we have any admissions in the record. Opposer misunderstands the critical significance of Mr. Levine's testimony in establishing

intent, given his role as the signatory of Applicant's AAU. While intent to deceive can be inferred from indirect and circumstantial evidence, such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement. *Bose*, 91 USPQ2d 1941. Standing alone, Mr. Levine's false representations fall short of qualifying as "clear and convincing" indirect or circumstantial evidence so as to justify an inference sufficient to satisfy the intent to deceive requirement. Similarly, we cannot draw the inference based on the filing of Applicant's subsequent application the level of intent qualifying as fraud. "[A]bsent the requisite intent to mislead the PTO, even a material misrepresentation would not qualify as fraud under the Lanham Act warranting cancellation." *Bose*, 91 USPQ2d at 1940 (citing *King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801 (CCPA 1981)). Accordingly, Opposer's fraud claim is dismissed.

Decision: The opposition is sustained on Opposer's Section 2(d) claim but dismissed as to the fraud claim.