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

Proceeding	91267643
Party	Plaintiff Le-Vel Brands, LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

<p>LE-VEL BRANDS, LLC</p> <p style="text-align:right">Opposer,</p> <p style="text-align:center">v.</p> <p>AGOURA HEALTH PRODUCTS, LLC DBA GUNDRY MD</p> <p style="text-align:right">Applicant.</p>	<p>Opposition No. 91267643</p> <p>Mark: GUNDRY MD PREBIOTHRIVE Application Serial No. 88960137 Filed: June 11, 2020</p>
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OPPOSER’S MOTION TO STRIKE APPLICANT’S AFFIRMATIVE DEFENSES

Le-Vel Brands, LLC moves to strike certain of Applicant Agoura Health Products, LLC’s affirmative defenses and related arguments from Applicant’s Answer with prejudice because they are insufficient, immaterial, impertinent, and/or redundant under Fed. R. Civ. P. 12(f) and Section 506 of the Trademark Trial and Appeal Board Manual of Procedure (“TBMP”).

Each of Applicant’s affirmative defenses fail for various reasons. Applicant’s judicial estoppel defense fails because it is improperly founded on Le-Vel’s prior statements to the U.S. Patent and Trademark Office (“USPTO”), which, under well-established precedent, cannot estop a party from taking a different position in later proceedings. Indeed, the Trademark Trial and Appeal Board (“TTAB”) previously struck a nearly identical judicial estoppel defense based on the same statements in another of Le-Vel’s ongoing TTAB proceedings. Applicant’s unclean hands defense fails because it is grounded in the allegation that Le-Vel “has engaged in a campaign to cancel registration or oppose applications containing the term ‘THRIVE’ despite that such marks have co-existed with [Le-Vel’s] “THRIVE marks for several years.” The TTAB has consistently rejected purported trademark bullying as a valid defense. Applicant’s unclean

hands defense also fails because Applicant has not made any allegations of inequitable conduct by Le-Vel related to Le-Vel's claims in this opposition. Applicant's equitable estoppel defense fails because Applicant has not—and cannot—plead any affirmative act by Le-Vel necessary to establish equitable estoppel. Applicant's no likelihood of confusion and trademark weakness defenses are no defenses at all, and Applicant's laches and equitable estoppel defenses fail because Applicant has not and cannot plead facts establishing the necessary undue delay.


For the reasons discuss below, Le-Vel respectfully requests that the TTAB strike each of Applicant's affirmative defenses with prejudice.

I. FACTUAL BACKGROUND

Applicant filed Trademark Application Serial No. 88960137 for the mark GUNDRY MD PREBIOTHRIVE covering “dietary supplements; dietary and nutritional supplements; dietary food supplements; nutritional supplements; prebiotic supplements” in Class 5 on June 11, 2020 (the “’137 Application”). The ’137 Application published for opposition on October 20, 2020. On November 18, 2020, Le-Vel filed and received as a matter of right a 90-day extension of time to oppose the ’137 Application. And on February 16, 2021, Le-Vel filed a notice of opposition against the ’137 Application. (1 TTABVUE.) As grounds for its opposition, Le-Vel alleged priority of rights and a likelihood of confusion under 15 U.S.C. § 1052(d) (*id.* at ¶¶ 21-24) and that the submitted specimen does not show use of the applied-for mark in commerce (*id.* at ¶¶ 25-26).

On March 26, 2021, Applicant filed its Answer to Le-Vel's notice of opposition. (4 TTABVUE.) Applicant's answer included the following affirmative defenses:

- **First Affirmative Defense:** Opposer's alleged claim of likelihood of confusion is barred by the doctrine of judicial estoppel. Opposer has repeatedly represented to the USPTO that the mark “THRIVE” is highly diluted as applied to dietary and nutritional supplements. For example, in response to a December 21, 2014 Office Action for its mark THRIVE PLUS BALANCE, Reg. No. 5663888, a registration upon which the

instant Opposition is based, Opposer argued that the “mark THRIVE PLUS BALANCE is not likely to cause confusion with the Registered mark THRIVE, or the pending mark THRIVE+, in spite of the common material, because that common material is highly diluted as related to the goods...” and that “[t]he word THRIVE... is diluted as applied to ‘Dietary and nutritional supplements for human consumption’ and any description of similar goods.” Opposer further noted that there were “755 records of live (and dead) marks that bear the word ‘THRIVE’ as a part of a word mark or text related to a fanciful mark.” By way of another example, in response to a January 7, 2016 Office Action for its mark “THRIVE” with a design logo, “THRIVE ,” Reg. No. 5772374, another registration upon which the instant Opposition is based, Opposer argued that the cited THRIVE TONIC and THRIVE NUTRITION registrations were entitled to limited scope of protection because “[n]umerous THRIVE-formative marks covering identical or closely related products... coexist on the Register in Class 5.” After identifying numerous other marks containing the term “THRIVE,” Opposer stated that “[e]ach of the above marks is merely one of many in a large crowded field. Consumers have presumably learned to distinguish these marks from one another...” Opposer further asserted that the Examining Attorney was “focusing on the ‘THRIVE’ portion of the cited registrations,” and argued that “[t]he unique design of Applicant’s [Opposer’s] mark visually distinguishes Applicant’s [Opposer’s] mark from the cited registrations...” Likewise, in the Request for Reconsideration filed by Opposer in response to a January 23, 2017 Office Action for the same registration, Opposer also stated that “the large number of coexisting, THRIVE-formative registrations on the principal register cannot all be explained as ‘mistakes,’ bearing the PTO’s Consistency Initiative in mind.” Despite the foregoing representations to the USPTO, Opposer now takes the opposite position with Applicant and relies on its highly diluted term “thrive” to oppose Applicant’s GUNDRY MD PREBIOTHRIVE mark. Opposer should be barred from changing its position whenever such change serves its purpose, i.e., taking one position to persuade the USPTO to register its marks and then taking an opposite position to enforce those same marks against competitors such as Applicant.

- **Second Affirmative Defense:** Opposer’s alleged claim of likelihood of confusion is barred by the equitable doctrine of unclean hands. Opposer has filed this Opposition in bad faith, seeking to capitalize on the goodwill Applicant has earned in its GUNDRY MD PREBIOTHRIVE mark. In fact, Opposer has engaged in a campaign to cancel registrations or oppose applications containing the term “THRIVE” despite that such marks have co-existed with Opposer’s THRIVE marks for several years, covering similar products. Opposer has coexisted with the GUNDRY MD PREBIOTHRIVE mark for almost five years. Applicant alleges that Opposer intends to gain an unfair advantage in the U.S. market by exploiting Applicant’s nationwide brand recognition and goodwill that Applicant has built up in the GUNDRY MD PREBIOTHRIVE mark.
- **Third Affirmative Defense:** Opposer’s alleged claim of likelihood of confusion is barred by the doctrine of equitable estoppel. Opposer knew or should have known Applicant’s use of the “GUNDRY MD PREBIOTHRIVE” mark in the marketplace since at least on or about May 17, 2016. Opposer was silent and did not take legal action to enforce its own marks against Opposer until the instant Opposition. During the past five

years, Applicant has expended significant amount of time and resources to develop and grow a valuable business and goodwill around the “GUNDRY MD PREBIOTHRIVE” mark. Opposer knew or should have known that Applicant was continuing to invest time and resources in such development yet failed to seek legal remedy against Applicant’s use of the “GUNDRY MD PREBIOTHRIVE” mark. Accordingly, Applicant relied on Opposer’s inaction as an indication that Opposer would not assert its rights in its own marks against Applicant’s mark. Therefore, due to this reliance, Applicant invested substantial time and resources developing the business and goodwill around the “GUNDRY MD PREBIOTHRIVE” mark, which is used in connection with Applicant’s products. Should Opposer succeed in its Opposition, Applicant will suffer material prejudice as the time and resources invested will be lost due to Opposer’s conduct and Applicant’s reliance thereupon.

- **Fourth Affirmative Defense:** Opposer’s alleged claim of likelihood of confusion is barred because there is no likelihood of confusion between the parties’ respective trademarks. Specifically, there is no likelihood of confusion because, inter alia, (a) the parties’ respective marks are different in sound, appearance, meaning, and commercial impression; (b) the parties’ respective goods are marketed through different channels of trade; (c) the parties’ respective products are sold to different types of customers; (d) the Opposer’s asserted marks are un-policed and part of a crowded field and, therefore, weak and entitled to only a narrow scope of protection; (e) there is no evidence of actual confusion; and (f) the relevant purchasers of the parties’ respective goods are sophisticated and, therefore, not likely to be confused.
- **Fifth Affirmative Defense:** Opposer’s alleged claim of likelihood of confusion is barred because the asserted marks are weak and entitled to only a narrow scope of protection in view of the substantial number of third-party registrations for marks containing the word “THRIVE.”
- **Sixth Affirmative Defense:** Opposer’s alleged claim of likelihood of confusion is barred by the doctrine of laches and acquiescence. Opposer knew or should have known of Applicant’s use of the “GUNDRY MD PREBIOTHRIVE” mark since at least May 17, 2016. However, Opposer chose to remain silent and did not contact Applicant until on or about August of 2018 when Applicant received a letter from Opposer demanding Applicant to stop using the “PREBIOTHRIVE” mark. Applicant’s counsel corresponded with Opposer’s counsel from August of 2018 to January of 2019 during which time Applicant made clear that it did not agree with Opposer’s position and that it would reject Opposer’s demands. Rather than continuing to enforce its marks, Opposer then fell silent for two more years until the filing of the instant Notice. During Opposer’s initial silence from 2016 to 7/2018 and subsequent silence from 1/2019 to 2/2021, Applicant has expended time and resources to develop and grow a valuable business and goodwill around its “GUNDRY MD PREBIOTHRIVE” mark, which is used in connection with Applicant’s goods sold via Applicant’s websites. Therefore, Applicant has been materially prejudiced by Opposer’s unreasonable delay in enforcing and policing its marks.

(4 TTABVUE at 4-8.)

II. ARGUMENT

Federal Rule of Civil Procedure Rule 12(f) provides that “[t]he court may strike from a pleading an insufficient defense or any redundant, immaterial [or] impertinent . . . matter.” Fed. R. Civ. P. 12(f); *see also* TBMP § 506. The Board may grant a motion to strike or, on its own initiative, strike from a pleading any insufficient defense an any matter that clearly has no bearing on the issues in the case. *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999). Motions to strike should be granted where appropriate to “streamline the ultimate resolution of the action.” 5C Charles Alan Wright & Arthur Miller, *FEDERAL PRACTICE AND PROCEDURE* § 1380 (3d ed. 2019). *See also* *Sidney-Vinstein v. A.H. Robins Co.*, 697 F.2d 880, 885 (9th Cir. 1983) (“[T]he function of a 12(f) motion to strike is to avoid the expenditure of time and money that must arise from litigating spurious issues by dispensing with those issues prior to trial.”) (citations omitted); *In re Gabapentin Patent Litig.*, 648 F. Supp. 2d 641, 647 (D.N.J. 2009) (“The purpose of a motion to strike is to clean up the pleadings, streamline litigation, and avoid unnecessary forays into immaterial matters.”) (quotations and citation omitted).

A. **Applicant’s First Affirmative Defense of Judicial Estoppel Should Be Stricken as Insufficient Because Prior Statements to the USPTO Do Not Give Rise to Judicial Estoppel**

Applicant contends that Le-Vel should be estopped from asserting its claims here because of statements it previously made to the USPTO (all of which the USPTO *rejected*) during the prosecution of some of its pleaded registrations. (*See* 4 TTABVUE at 5-6.) Specifically, in its judicial estoppel defense, Applicant alleges that Le-Vel’s “alleged claim of likelihood of confusion is barred by the doctrine of judicial estoppel” because Le-Vel “has repeatedly

represented to the USPTO that the mark ‘THRIVE’ is highly diluted as applied to dietary and nutritional supplements.” (*Id.* at 5.)

“[I]t is well settled that any such statements [to the USPTO during prosecution] do not give rise to estoppel in subsequent proceedings.” *Institutional Wholesalers, Inc. v. Saxons Sandwich Shoppes, Inc.*, 170 USPQ 107, 109 (TTAB 1971) (citation omitted); *Am. Rice, Inc. v. H.I.T. Corp.*, 231 USPQ 793, 798 (TTAB 1986) (“[N]o equitable estoppel may be derived from earlier inconsistent positions [made during prosecution].”) (citations omitted); *Freedom Sav. and Loan Assoc. v. Fidelity Bankers Life Ins. Co.*, 224 USPQ 300, 305 (TTAB 1984) (“[I]t is clear that no estoppel may be derived from trademark application contentions contrary to those asserted in subsequent opposition or cancellation proceedings nor may contrary positions relieve the Board of its duty to decide issues of likelihood of confusion of the entire record.”) (citations omitted); *Bost Bakery, Inc. v. Roland Indus., Inc.*, 216 USPQ 799, 802 (TTAB 1982) (“[A]pplicant is by no means barred from taking a position in this opposition inconsistent with assertions made at the examination level. Moreover, no estoppel may be derived from such inconsistency.”) (citations omitted).

Indeed, in one of Le-Vel’s ongoing proceedings before the TTAB, Le-Vel moved to strike the same affirmative defense of judicial estoppel based on the same prior statements to the USPTO that Applicant pleads here. The TTAB agreed with Le-Vel and struck the judicial estoppel defense because “[a] party is not bound by a position taken during prosecution of the party’s application.” *Le-Vel Brands, LLC v. DMS Natural Health LLC*, Cancellation No. 92072043 at 8 (TTAB Mar. 25, 2020) (citations omitted) (non-precedential)¹. This was not a one-off occurrence. In another of Le-Vel’s ongoing proceedings before the TTAB, the TTAB

¹ Copies of non-precedential cases cited in Le-Vel’s Motion to Strike are attached as Exhibit A.

reiterated that Le-Vel “correctly notes that [its prior] statements [made during prosecution] cannot give rise to an estoppel in this case.” *Vitamin Shoppe Procurement Servs., LLC v. Le-Vel Brands, LLC*, Opposition No. 91254188 at 8 (TTAB Aug. 16, 2020) (non-precedential).

The result should be no different here. Because Applicant’s judicial estoppel defense is based on nothing more than Le-Vel’s prior (and unsuccessful) statements made during prosecution, this defense is improper and should be stricken with prejudice.

B. Applicant’s Second Affirmative Defense of Unclean Hands Should Be Stricken as Insufficient Because Applicant’s Underlying Allegations Are Not Recognized as an Affirmative Defense

An unclean hands defense requires allegations of inequitable conduct related to a petitioner’s claim. *Tony Lama Co. v. Di Stefano*, 206 USPQ 176, 179 (TTAB 1980) (“[T]he concept of unclean hands must be related to a plaintiff’s claim, and misconduct unrelated to the claim in which it is asserted as a defense does not constitute unclean hands.”); *VIP Foods, Inc. v. V.I.P. Food Prods.*, 200 USPQ 105, 112-13 (TTAB 1978) (“There must be some logical connection between the right plaintiff asserts and the activity constituting unclean hands It thus seems clear that misconduct in the abstract, unrelated to the claim in which it is asserted as a defense does not constitute unclean hands.”) (citations omitted).

As the basis for Applicant’s unclean hands defense, Applicant alleged that Le-Vel “filed this Opposition in bad faith” because Le-Vel has allegedly “engaged in a campaign to cancel registrations or oppose applications containing the term ‘THRIVE’ despite that such marks have co-existed with Opposer’s THRIVE marks for several years, covering similar products.” (4 TTABVUE at 6.) In other words, Applicant claims that Le-Vel’s diligent protection of its valid and subsisting trademark rights against third parties somehow insulates Applicant from liability for its own confusingly similar mark. But “there is nothing in [Applicant’s] pleading to suggest that [Le-Vel] has done anything other than seek to protect its rights in its registered marks, and

preclude the registration of what it believes to be a confusingly similar mark, a right which every trademark owner possesses under the Lanham Act.” *Avia Grp. Int’l Inc. v. Faraut*, 25 USPQ2d 1625, 1627 (TTAB 1992) (citing *Cook’s Pest Control, Inc. v. Sanitas Pest Control Corp.*, 197 USPQ 265, 268 (TTAB 1977)).

Indeed, the TTAB has held on numerous occasions that even “allegedly overzealous enforcement” of trademark rights is insufficient to establish either unclean hands or equitable estoppel. *See Time Warner Ent. Co. v. Jones*, 65 USPQ2d 1650, 1653 n.4 (TTAB 2002) (“To the extent that this defense is intended as an equitable ‘unclean hands’ defense based on opposer’s allegedly overzealous enforcement of its trademark rights, we find that applicant has failed to make out the defense.”); *Imagewear Apparel Corp. v. Majestic Roar*, Opposition No. 91218736, 2015 WL 9906657, at *2 (TTAB Nov. 6, 2015) (non-precedential) (“Applicant . . . refers to oppositions and extensions of time to oppose . . . in connection with third-party applications and alleges that Opposer is engaging in ‘trademark bullying.’ . . . However, no such defense exists. Rather, trademark owners are entitled to protect rights in their registered trademarks by seeking to preclude registration of what they believe to be confusingly similar marks.”) (citation omitted); *Citicorp. v. Morley Cos., Inc.*, Opposition No. 91113921, 2004 WL 838401, at *1 n.5 (TTAB Apr. 8, 2004) (non-precedential) (“[T]o the extent that applicant is seeking to assert as defenses . . . unclean hands based on [opposer’s] assertedly overzealous enforcement . . . applicant has failed to prove such defenses.”).

As with Applicant’s improper judicial estoppel defense, others have tried and failed to assert the same type of “trademark bullying” unclean hands defense against Le-Vel before. In *Le-Vel Brands, Inc. v. DMS Natural Health*, the registrant’s unclean hands defense contained *the exact same language used in Applicant’s defense*, namely, that Le-Vel had engaged in “a

campaign to cancel registrations or oppose applications containing the term ‘THRIVE’ despite that such marks have co-existed with Petitioner’s THRIVE marks for several years, covering similar products.” Cancellation No. 92072043 at 3. The TTAB struck that defense because “the conduct alleged by Respondent, that Petitioner [Le-Vel] has opposed applications and registrations for THRIVE marks simply does not amount to misconduct.” *Id.* at 7-8.

Because Applicant’s unclean hands defense is grounded in in Le-Vel’s protection of its trademark rights—which Le-Vel is entitled to do—and because Applicant has regurgitated *identical* language already rejected by the TTAB, Applicant’s second affirmative defense should be stricken with prejudice as improper.

C. Applicant’s Third Affirmative Defense of Equitable Estoppel Should Be Stricken Because Registrant Cannot Allege an Affirmative Act

Equitable estoppel requires “an affirmative act” on which Applicant relied to its detriment. *Nat’l Cable Television Ass’n, Inc. v. Am. Cinema Editors, Inc.*, 19 USPQ2d 1424, 1431 (Fed. Cir. 1991); *Hitachi Metals Int’l*, 209 USPQ at 1067 (“the defense of acquiescence is a type of estoppel predicated upon conduct by plaintiff that, expressly or by clear implication, assents to, encourages, or furthers the activity on the part of the defendant, which is now objected to.”). Silence or inaction alone does not constitute the affirmative act necessary to prove equitable estoppel. *See Master Builders, Inc. v. Polymerica, Inc.*, Cancellation Nos. 92030319 *et al.*, 2004 TTAB LEXIS 110, at *74 (TTAB Feb. 24, 2004) (non-precedential) (declining to interpret the “active representation” element of acquiescence to include silence or tacit acceptance).

Applicant makes no allegation of any “affirmative act” by Le-Vel here. In fact, Applicant pleads the contrary, expressly relying on the allegation that Le-Vel “was silent and did not take legal action to enforce its own marks against Opposer until the instant opposition.” (4

TTABVUE 7.) Nor can Applicant plead an affirmative act. Le-Vel has never taken any affirmative action that indicated to Applicant “expressly or by clear implication” that Le-Vel would not seek to oppose the ’137 Application. To the contrary, Le-Vel acted reasonably and timely in opposing the ’137 Application. Consequently, Applicant has not and cannot plead the affirmative act and detrimental reliance necessary for equitable estoppel, and this affirmative defense should be stricken with prejudice as insufficient.

D. Applicant’s Fourth and Fifth Affirmative Defenses of No Likelihood of Confusion and Weakness Should Be Stricken as Redundant Because they Repackage Applicant’s Denials of Le-Vel’s Application

Where an applicant’s affirmative defense does nothing more than restate earlier denials, the affirmative defense is redundant and should be stricken. *See Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995) (striking applicant’s affirmative defense of no disparagement as redundant because applicant had denied opposer’s allegations of disparagement earlier in its answer and the defense “[was] nothing more than a restatement of that denial”); *Textron, Inc. v. Gillette Co.*, 180 USPQ 152, 154 (TTAB 1973) (“Since the assertions of paragraph 11 do in fact merely reaffirm applicant’s previous denial of opposer’s claim of likelihood of confusion and otherwise add nothing of substance to applicant’s answer, opposer is correct in its charge that the paragraph is redundant in character and therefore improperly pleaded.”) (citation omitted).

In its Answer, Applicant sets forth its specific admissions and denials to each of Le-Vel’s allegations. (4 TTABVUE, ¶¶ 1-28.) Applicant also specifically denies Le-Vel’s allegations of likelihood of confusion (*id.*, at ¶ 24) and Le-Vel’s allegation that its asserted “THRIVE Marks are strong and well-known” (*id.* at ¶ 15). Applicant’s fourth affirmative defense that there is no likelihood of confusion and fifth affirmative defense that Le-Vel’s THRIVE marks are weak simply restate Applicant’s specific denials of the same. (*Id.* at 7-8.)

While denials may be plead as affirmative defenses when they amplify the pleadings (*see ProMark Brands Inc. v. GFA Brands, Inc.*, 114 USPQ2d 1232, 1236 n.11 (TTAB 2015)), Applicant's defenses do not "amplify" its prior denials because they offer no factual allegations that "provide fuller notice of the basis for [the] claim or defense." *See Ohio State Univ.*, 51 USPQ2d at 1292 (objectionable pleading permitted as an "amplification" only where it provided "fuller notice of the basis for a claim or defense"). As in *Order of Sons*, Applicant's defenses of no likelihood of confusion and weakness are "nothing more than [] restatement[s] of [Applicant's] denial[s]" that add nothing of substance to Applicant's answer. 36 USPQ2d at 1223. As such, these defenses cannot and do not "amplify" or provide "fuller notice" of the basis for Applicant's responses and should therefore be stricken with prejudice as redundant.

E. Applicant's Third Affirmative Defense of Estoppel and Sixth Affirmative Defense of Laches Should Be Stricken Because Applicant Cannot Plead Undue Delay

A laches defense requires a showing that Le-Vel unduly delayed asserting its rights against Applicant, resulting in prejudice. *Nat'l Cable Television Ass'n*, 19 USPQ2d at 1431. For equitable estoppel, in addition to alleging undue delay and prejudice, Applicant must also allege some affirmative or intentional conduct by Le-Vel on which Applicant relied to its detriment. *Id.* at 1432 (citing *MCV, Inc. v. King-Seely Thermos Co.*, 10 USPQ2d 1287, 1290 (Fed. Cir. 1989)).

The affirmative defenses of laches and equitable estoppel generally are not applicable in opposition proceedings because these defenses start to run from the time the mark is published for opposition, *not* from the time of knowledge of use. *See Nat'l Cable Television Ass'n*, 19 USPQ2d at 1431 ("Logically, laches begins to run from the time action could be taken against the acquisition by another of a set of rights to which objection is later made. In an opposition or cancellation proceeding, the objection is to the rights which flow from registration of the mark.") (citations omitted); *Bausch & Lomb Inc. v. Karl Storz GmbH & Co. KG*, 87 USPQ2d 1526, 1531

(TTAB 2008) (“Conduct which occurs prior to the publication of the application for opposition generally cannot support a finding of equitable estoppel.”). *See also* TBMP § 311.02(b) (“[T]he availability of laches and acquiescence is severely limited in opposition and cancellation proceedings.”). “Thus, this rule effectively eliminates the defense of laches from an opposition proceeding.” J. Thomas McCarthy, 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 20:35 (5th ed. 2021). *See also* *DAK Indus., Inc. v. Daiichi Kosho Co.*, 25 USPQ2d 1622, 1624 (TTAB 1992) (dismissing defenses of laches, estoppel, and acquiescence on summary judgment and stating: “the period which we consider in determining whether a plaintiff unduly delayed in bringing an action before the Board begins with the publication of the mark in the Official Gazette. Before then, no opposition is possible.”).

Applicant ignores this well-established standard and, instead, incorrectly bases its equitable estoppel and laches defenses on the allegations that Le-Vel “knew or should have known of Applicant’s use of the ‘GUNDRY MD PREBIOTHRIVE’ mark since at least May 17, 2016.” (4 TTABVUE at 3, 8.) As noted above, this is not the proper timeframe. When properly analyzed, Le-Vel’s opposition was clearly timely filed within the period prescribed by TTAB rules. TBMP § 306.01 (“An opposition to the registration of a mark on the Principal Register must be filed prior to the expiration of the thirty-day period after publication of the mark in the *Official Gazette* for opposition, or within an extension of time to oppose granted to the opposer or its privy.”). In no way “was the delay between the publication and opposition undue or prejudicial to applicant’s rights.” *Dak Indus.*, 25 USPQ2d at 1624. Accordingly, Applicant cannot and has not plead facts sufficient to demonstrate the defenses of laches and equitable estoppel, and these defenses should thus be stricken with prejudice.

F. Proceedings Should Be Suspended Pending Disposition of this Motion to Strike

The Board has broad power to suspend proceedings at its discretion. TBMP § 510.01 (“Flowing from the Board’s inherent power to schedule disposition of the cases on its docket is the power to stay proceedings, which may be exercised by the Board upon its own initiative, upon motion, or upon stipulation of the parties approved by the Board.”). Trademark Rule 2.127(d) and TBMP § 510.03(a) further provide that proceedings may be suspended pending disposition of a potentially dispositive motion or upon a showing of good cause. Le-Vel’s instant motion to strike is potentially dispositive of Applicant’s claimed affirmative defenses. Moreover, a suspension is also justified because it will allow the parties to avoid unnecessary discovery on the improper affirmative defenses. Accordingly, Le-Vel respectfully requests that the Board exercise its discretion and suspend this proceeding pending disposition of this motion.

Respectfully submitted,

Dated: April 15, 2021

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CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing OPPOSER'S MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES was served on April 15, 2021, via e-mail upon counsel of record for Applicant at the following address of record:

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Exhibit A

UNITED STATES PATENT AND TRADEMARK OFFICE
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March 25, 2020

Cancellation No. 92072043

Le-Vel Brands, LLC

v.

DMS Natural Health LLC

**M. Catherine Faint,
Interlocutory Attorney:**

DMS Natural Health, LLC (Respondent) owns a registration for the standard character mark JUST THRIVE for, “dietary and nutritional supplements, nutritional supplements containing probiotics, and nutritional supplements, namely, probiotic compositions,” in International Class 5.¹ Le-Vel Brands, LLC (Petitioner) seeks to cancel the registration based on likelihood of confusion under Trademark Act § 2(d) with its common law rights in and registrations for THRIVE and THRIVE-formative marks for “supplement products.”² Petitioner claims ownership of 10 THRIVE or THRIVE-formative marks.³

¹ Registration No. 4598351, filed May 31, 2013, registration issued September 2, 2014, claiming dates of first use anywhere of December 27, 2013 and first use in commerce of April 29, 2014.

² 1 TTABVue 9-19.

³ Registration Nos. 5772374, 5177403, 5144648, 5169444, 5663886, 5663888, 5663887, 5663884, 5663883 and 5663885.

This case now comes before the Board for consideration of Petitioner's motion to strike Respondent's second, fourth, fifth, sixth and seventh affirmative defenses. The motion is fully-briefed.

A. Motion to Strike

Pursuant to Fed. R. Civ. P. 12(f), the Board may order stricken from a pleading any insufficient or impermissible defense, or any redundant, immaterial, impertinent or scandalous matter. *See also* Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a); and TBMP § 506 (2019). Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues in the case. *See, e.g., Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1293 (TTAB 1999); and *Harsco Corp. v. Elec. Sci., Inc.*, 9 USPQ2d 1570 (TTAB 1988). Inasmuch as the primary purpose of pleadings under the Federal Rules of Civil Procedure is to give fair notice of the claims or defenses asserted, the Board may decline to strike even objectionable pleadings where their inclusion will not prejudice the adverse party, but rather will provide fuller notice of the basis for a claim or defense. *See, e.g., Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995) (amplification of applicant's denial of opposer's claims not stricken). Further, a defense will not be stricken as insufficient if the insufficiency is not clearly apparent, or if it raises factual issues that should be determined on the merits. *See, generally, Wright & Miller*, 5C *Fed. Prac. & Proc. Civ.3d* § 1381 (Westlaw 2020). Nonetheless, the Board grants motions to strike in appropriate instances.

An affirmative defense is a defendant's assertion raising new facts and arguments that, if true, will defeat the plaintiff's claim, even if all allegations in the complaint are true. *See H.D. Lee Co. v. Maidenform, Inc.*, 87 USPQ2d 1715, 1720 (TTAB 2008). A legally sufficient pleading of each defense must include enough factual detail to provide Petitioner fair notice of the basis for the defense. Fed. R. Civ. P. 8(b)(1) and 12(f). *See e.g., IdeasOne, Inc. v. Nationwide Better Health, Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Midwest Plastic Fabricators, Inc. v. Underwriters Labs., Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1980). A party must allege sufficient facts beyond a tender of "naked assertion[s]" devoid of "further factual enhancement," to support its claims or defenses. *Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009), quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007).

The affirmative defenses subject to the motion to strike are as follows:

Second Affirmative Defense (Acquiescence)

Petitioner's alleged claim of likelihood of confusion is barred by the doctrine of acquiescence because Petitioner has known or should have known of Registrant's use of the JUST THRIVE mark since at least September 2, 2014, when Registrant's registration issued. Through its inactions, Petitioner has consented to Registrant's use and registration of the JUST THRIVE mark. Petitioner should have been aware that Registrant filed its application for registration of the JUST THRIVE mark, because the application for JUST THRIVE was published on November 5, 2013, in the publicly available Trademark Official Gazette, which would have been accessible to Petitioner. The Delay between Registrant's registration of the JUST THRIVE mark and bringing this Petition for Cancellation is almost five years, which is an unreasonable delay. Prior to and during the Delay, Registrant expended time and resources to develop and grow a valuable business and goodwill around its JUST THRIVE mark, which is used in connection with Registrant's products in over 1,000 stores nationwide. Therefore, Registrant has been prejudiced by Petitioner's unreasonable delay.

Fourth Affirmative Defense (Unclean Hands)

Petitioner's alleged claim of likelihood of confusion is barred by the equitable doctrine of unclean hands. Petitioner has filed this Petition in bad faith, seeking to capitalize on the good will Registrant has earned in its JUST THRIVE mark. In fact, Petitioner has engaged in a campaign to cancel registrations or oppose applications containing the term "THRIVE" despite that such marks have co-existed with Petitioner's THRIVE marks for several years, covering similar products. Petitioner has coexisted with the JUST THRIVE mark for over five years, and in that time Petitioner never objected to Registrant's use of its mark and did not oppose registration of the JUST THRIVE mark during the opposition period. Registrant alleges that Petitioner intends to gain an unfair advantage in the U.S. market by exploiting Registrant's nationwide brand recognition and good will that Registrant has built up in the JUST THRIVE mark. Because equitable relief shall not be granted for an unconscionable purpose, Petitioner's claims are barred.

Fifth Affirmative Defense (No Likelihood of Confusion)

Petitioner's alleged claim of likelihood of confusion should be dismissed because there is no likelihood of confusion between Registrant's JUST THRIVE mark and Petitioner's THRIVE Marks.

Sixth Affirmative Defense (Failure to State a Claim)

Petitioner's alleged claim of likelihood of confusion should be dismissed, in whole or in part, on the basis that Registrant has priority of use of its JUST THRIVE mark. The application for Registrant's JUST THRIVE mark was filed May 31, 2013 and registered on September 2, 2014. The claimed first use in commerce date for JUST THRIVE is April 29, 2014. Petitioner includes the following marks as a basis for its Petition for Cancellation:

1. RELEASE THE THRIVE, Reg. No. 5,144,648, filed February 2, 2016 and registered February 21, 2017 based on use in commerce since February 2015;
2. THRIVE PLUS ACTIVATE, Reg. No. 5,663,886, filed November 5, 2014 and registered January 29, 2019 based on use in commerce since August 1, 2014;
3. THRIVE PLUS BALANCE, Reg. No. 5,663,888, filed November 5, 2014 and registered January 29, 2019 based on use in commerce since August 1, 2014;
4. THRIVE PLUS BOOST, Reg. No. 5,663,887, filed November 5, 2014 and registered January 29, 2019 based on use in commerce since August 1, 2014.

Because Registrant has priority over the above listed registrations, Petitioner's reliance on these registrations as a basis for cancellation is improper and these registrations should be stricken.

Seventh Affirmative Defense (Judicial Estoppel)

Petitioner's alleged claim of likelihood of confusion is barred by judicial estoppel because Petitioner took an inconsistent position before the Trademark Office in arguing against a 2(d) refusal of its THRIVE & Design mark, Registration No. 5,772,374 (Serial No. 86/761,270). While the Examining Attorney did not ultimately rule in Petitioner's favor, the Examining Attorney agreed that Registrant's JUST THRIVE mark, among other third party marks with THRIVE, was distinguishable from Petitioner's THRIVE & Design mark because "the non-descriptive wording in addition to the wording "THRIVE" served "to differentiate the marks."

1. Sixth Affirmative Defense (Failure to State a Claim) Stricken

Turning first to the Sixth Affirmative Defense, failure to state a claim upon which relief may be granted, the Board notes this is not a true affirmative defense because it relates to an assertion of the insufficiency of the pleading rather than a statement of a defense to a properly pleaded claim. *See Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). Here, Petitioner has alleged common law rights in and a likelihood of confusion with its marks as a competitor of Respondent. Respondent argues that Petitioner cannot allege priority as to four of its pleaded registered marks.

In order to withstand the assertion that a pleading fails to state a claim, a plaintiff need only allege such facts that would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or canceling the mark. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether

it contains any allegations, which, if proved, would entitle the plaintiff to the relief sought. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); and TBMP § 503.02.

Petitioner has alleged common law rights in and use of its THRIVE marks since prior to Respondent's filing date and a likelihood of confusion between the marks. As to its THRIVE-formative marks filed after Respondent's filing and use dates, and with dates of use also after those dates, the Board will not strike properly pleaded registrations at this stage of the proceeding based on Respondent's earlier priority date as to some of Petitioner's pleaded registrations. *See King Candy Co. v. Eunice King's Kitchen, Inc.*, 182 USPQ 108, 109-111 (CCPA 1974) (finding Board erred when it refused to consider opposer's "other pleaded registration" on ground stipulated evidence established [applicant's] date of first use to have been prior to filing date of opposer's pleaded registration).

The pleading of a belief in damage is adequate for pleading standing and Petitioner has adequately alleged grounds for relief. Accordingly, the Sixth Affirmative Defense is **stricken**. It may not be repleaded as it is futile. *Cf. Sun Hee Jung v. Magic Snow, LLC*, 124 USPQ2d 1041, 1044 (TTAB 2017) (declining opposer further opportunity to plead likelihood of confusion claim because further efforts to replead would be futile).

2. Second Affirmative Defense (Acquiescence) Stricken

Acquiescence is a form of estoppel that is based upon the plaintiff's conduct that expressly, or by clear implication, consents to, encourages, or furthers the activities of the defendant and that has not been objected to. *Christian Broad. Network, Inc. v. ABS-CBN Int'l*, 84 USPQ2d 1560, 1573 (TTAB 2007). The defense of acquiescence requires proof of three elements: (1) that a petitioner actively represented that it would not assert a right or a claim; (2) that the delay between the active representation and assertion of the right or claim was not excusable; and (3) that the delay caused the registrant undue prejudice. J. Thomas McCarthy, 6 MCCARTHY ON TRADEMARKS § 31:41 (5th ed. Westlaw 2020). The acquiescence defense requires an active, rather than passive, consent on the part of the plaintiff as one of its elements. *Coach House Rests., Inc. v. Coach and Six Rests., Inc.*, 934 F.2d 1551, 19 USPQ2d 1401, 1409 (11th Cir. 1991).

In this instance, Respondent does not allege an active representation of consent by Petitioner by its allegations that Petitioner, “knew or should have known” of Respondent’s use when its registration issued. Accordingly, the Second Affirmative Defense is **stricken**.

3. Fourth Affirmative Defense (Unclean Hands) Stricken

A defense of unclean hands must be supported by specific allegations of misconduct by a plaintiff that, if proved, would prevent the plaintiff from prevailing on its claim. *See Midwest Plastic Fabricators*, 5 USPQ2d at 1069.

Furthermore, the misconduct must be related to the plaintiff's claim. *See Tony Lama Co., Inc. v. Di Stefano*, 206 USPQ 176, 179 (TTAB 1980). While there is no strict definition of conduct that can form the basis of an unclean hands defense, the conduct alleged by Respondent, that Petitioner has opposed applications and registrations for THRIVE marks simply does not amount to misconduct. Accordingly, the Fourth Affirmative Defense is **stricken**.

4. Seventh Affirmative Defense (Judicial Estoppel) Stricken

Respondent asserts that Petitioner's claim of likelihood of confusion is barred by "judicial estoppel" because Petitioner took a different position when arguing against a likelihood of confusion refusal with a third party mark during prosecution of its application to register its THRIVE and design mark, Registration No. 5772374.

A party is not bound by a position taken during prosecution of the party's application. *See, e.g. Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151, 153-154 (CCPA 1978) (finding likelihood of confusion argument made in support of application for registration is legal conclusion, and cannot constitute admission because only facts may be admitted); *Anthony's Pizza & Pasta Int'l, Inc. v. Anthony's Pizza Holding Co.*, 95 USPQ2d 1271, 1281 (TTAB 2009) (finding doctrine of "file wrapper estoppel" does not apply in trademark cases).

Accordingly, the Seventh Affirmative Defense is **stricken**.

5. Fifth Affirmative Defense

The Board views Respondent's Fifth Affirmative Defense as essentially an amplification of Respondent's denials, and as such it is permitted to give Petitioner fuller notice of the position which Respondent plans to take in defense of its registration. *See Morgan Creek Prods., Inc. v. Foria Int'l, Inc.*, 91 USPQ2d 1134, 1136 (TTAB 2009); *Humana Inc. v. Humanomics Inc.*, 3 USPQ2d 1696, 1697 n.5 (TTAB 1987) (allegations under heading "affirmative defenses" were arguments in support of denial of claim rather than true affirmative defenses and were treated as such); *Maytag Co. v. Luskin's, Inc.*, 228 USPQ 747, 747 n.3 (TTAB 1986) (same); *Textron, Inc. v. Gillette Co.*, 180 USPQ 152, 153 (TTAB 1973) (objection to certain paragraphs of answer as verbose and argumentative not well taken).

Accordingly, Petitioner's motion to strike is **denied** as to the Fifth Affirmative Defense.

6. Summary/Time to Replead

Petitioner's motion to strike is **granted** as to the Second, Fourth, Sixth and Seventh Affirmative Defenses to the extent that the defenses are stricken, and **denied** as to the Fifth Affirmative Defense. Respondent is allowed until **30 DAYS** from the date of this order to file an amended answer repleading its Second, Fourth and Seventh Affirmative Defenses, if it has a reasonable basis for doing so, failing which this proceeding will go forward on the pleadings as construed herein.

B. Schedule

Proceedings are resumed. Dates are reset as set out below.

Deadline for Discovery Conference	5/14/2020
Discovery Opens	5/14/2020
Initial Disclosures Due	6/13/2020
Expert Disclosures Due	10/11/2020
Discovery Closes	11/10/2020
Plaintiff's Pretrial Disclosures Due	12/25/2020
Plaintiff's 30-day Trial Period Ends	2/8/2021
Defendant's Pretrial Disclosures Due	2/23/2021
Defendant's 30-day Trial Period Ends	4/9/2021
Plaintiff's Rebuttal Disclosures Due	4/24/2021
Plaintiff's 15-day Rebuttal Period Ends	5/24/2021
Plaintiff's Opening Brief Due	7/23/2021
Defendant's Brief Due	8/22/2021
Plaintiff's Reply Brief Due	9/6/2021
Request for Oral Hearing (optional) Due	9/16/2021

Generally, the Federal Rules of Evidence apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500
General Email: TTABInfo@uspto.gov

Baxley

September 16, 2020

Opposition No. 91254188

*Vitamin Shoppe Procurement Services,
LLC*

v.

Le-Vel Brands, LLC

By the Trademark Trial and Appeal Board:

This case now comes up for consideration of Applicant's motion (filed March 20, 2020) to dismiss notice of opposition for failure to state a claim under Fed. R. Civ. P. 12(b)(6). The motion has been fully briefed.

A motion to dismiss for failure to state a claim is solely a test of the sufficiency of the complaint. Stating a claim upon which relief can be granted requires only that the operative complaint contain an allegation of facts which, if proven, would establish that Opposer is entitled to the relief sought; that is, (1) Opposer is entitled to a statutory cause of action,¹ and (2) a valid statutory ground exists for opposing registration of Applicant's mark. *See Fair Indigo LLC v. Style Conscience*, 85 USPQ2d

¹ Our decisions have previously analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063 and 1064, in terms of "standing." Mindful of the Supreme Court's direction in *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 125-26 (2014), we now refer to this inquiry as entitlement to a statutory cause of action. Despite the change in nomenclature, our prior decisions and those of the Federal Circuit interpreting Sections 13 and 14 remain equally applicable.

1536, 1538 (TTAB 2007). The notice of opposition must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations which, if proved, would entitle plaintiff to the relief, sought. *See id.* For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff. *See id.*

To allege entitlement to a statutory cause of action under Sections 13 or 14 of the Trademark Act, a plaintiff must plead facts which would demonstrate a real interest in the proceeding and a reasonable belief of damage. *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837 at *3 (Fed. Cir. 2020). The Board finds that Opposer has adequately alleged its entitlement to a cause of action. In paragraphs 4-6, Opposer alleges that it owns registrations for word marks which include the term THRIVE as a portion thereof; that it has pending applications for marks which include VTHRIVE as a component thereof; that the goods in its pleaded application Serial No. 88337522 for the mark VTHRIVE THE VITAMIN SHOPPE in stylized form overlap with those in Applicant's involved application; and that Opposer and its predecessors have rights in THRIVE-formative marks, including the mark INNERTHRIVE, that are superior to Applicant's. In paragraph 8 of the notice of opposition, Opposer alleges that, on April 22, 2019, it received a "protest letter" from Applicant in which Applicant alleged likelihood of confusion between Opposer's pleaded marks and Applicant's goods sold under its

THRIVE-formative marks. These allegations, if proven, indicate a real interest in the proceeding and a reasonable belief of damage. *See Miller v. Miller*, 105 USPQ2d 1615, 1618-19 (TTAB 2013) (opposer established it has a commercial interest in using MILLER LAW GROUP as a competitor and based on cease and desist letter showing business interests affected); *Ipcor Corp. v. Blessings Corp.*, 5 USPQ2d 1974, 1976-77 (TTAB 1988) (cease and desist letter sent by defendant found sufficient to demonstrate plaintiff's standing).

As for whether Opposer has sufficiently alleged any grounds for opposition, Opposer need not prove its case at the pleading stage.² *See Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d 1015, 1017 (TTAB 2018). Rather, Federal Rule of Civil Procedure 8(a)(2) requires only that a pleading contain a “short and plain statement of the claim showing that the pleader is entitled to relief.” Rule 8(a)(2) announces does not require detailed factual allegations, but requires more than labels, conclusions, formulaic recitations of the elements of a cause of action, and naked assertions. *See Ashcroft v. Iqbal*, 555 U.S. 662, 678 (2009). Indeed, “a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Id.*, quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. *Ashcroft*, 555 U.S. at 678. The plausibility standard is not akin

² Whether Opposer can prevail on its claims is a matter for resolution after introduction of evidence at trial or upon properly filed motion for summary judgment. *See Prosper Business Dev. Corp. v. Int’l Bus. Machs., Corp.*, 113 USPQ2d 1148, 1152 (TTAB 2014).

to a “probability requirement,” but it asks for more than a sheer possibility of the allegations asserted. *Id.* Indeed, a plaintiff need not allege specific facts that would establish a *prima facie* case for the claim(s) asserted. *See Bell Atlantic Corp.*, 550 U.S. at 547, *citing Swierkiewicz v. Sorema N. A.*, 534 U.S. 506, 508 (2002).

In the context of Board *inter partes* proceedings, a claim is plausible on its face when the plaintiff pleads factual content that if proved, would allow the Board to conclude, or draw a reasonable inference that, the petitioner is entitled to a cause of action and a valid claim exists. *Cf. Bell Atlantic Corp.*, 550 U.S. at 556. In particular, a plaintiff need only allege enough factual matter to suggest its claim is plausible and “raise a right to relief above the speculative level.” *Id.* at 555-56. Although the Board, in deciding a Rule 12(b)(6) motion, must accept as true all factual allegations in the complaint, it is not bound to accept as true a legal conclusion couched as a factual allegation. *Id.* at 555.

A mark can be refused registration under Trademark Act Section 2(e)(1), 15 U.S.C. § 1052(e)(1), on the ground that it is merely descriptive of the goods or services at issue. A mark is merely descriptive if it describes an ingredient, quality, characteristic, function, feature, purpose, or use of an applicant's goods or services. *See In re Steelbuilding.com*, 415 F.3d 1293, 75 USPQ2d 1420, 1421 (Fed. Cir. 2005); *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009, 1009-10 (Fed. Cir. 1987). Merely descriptive terms can become registrable on the Principal Register upon a showing of distinctiveness. *See* Trademark Act Section 2(f), 15 U.S.C. § 1052(f).

A term is generic where it is understood by the relevant public as primarily referring to the identified goods or services. *See Princeton Vanguard, LLC v. Frito-Lay N. Am., Inc.*, 786 F.3d 960, 114 USPQ2d 1827, 1830 (Fed. Cir. 2015). Generic terms are the ultimate in descriptiveness and cannot become distinctive. *See In re Merrill Lynch, Pierce, Fenner, & Smith, Inc.*, 828 F.2d 1567, 1571, 4 USPQ2d 1141, 1143 (Fed. Cir. 1987); *H. Marvin Ginn Corp. v. Int'l Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 228 USPQ 528, 530 (Fed. Cir. 1986).

In paragraphs 11-38, Opposer has adequately set forth notice pleading of a claim that Applicant's involved mark is merely descriptive, if not generic, under Trademark Act Section 2(e)(1), 15 U.S.C. § 1052(e)(1), based on the meaning of the word "thrive" as applied to Applicant's goods, and that the involved mark has not become distinctive of Applicant's goods in view of third-party use of marks that use the word "thrive" in connection with dietary and nutritional supplements.

Regarding the allegation that Opposer's failure to function as a mark, a claim that matter does not function as a mark is generally tied to the manner in which that matter is used, rather than to the nature of matter at issue. *See ChaCha Search, Inc. v. Grape Tech. Group, Inc.*, 105 USPQ2d 1298, 1301 (TTAB 2012). *See also* TMEP § 1202 *et seq.* (October 2018). For example, wording is found not to function as a trademark where it consists solely of a trade name, a model or grade designation or informational matter. *See* TMEP § 1202. Opposer's allegations in paragraphs 39-42 that the term "thrive" "conveys an informational message" and therefore fails to

function as a mark is sufficient notice of pleading of a claim of failure to function as a mark.

Opposer's fraud claim, however, is insufficient. Opposer's fraud claim, as set forth in paragraphs 44-47, is based on Applicant's filing its application for the involved mark two days after sending Opposer a protest letter accusing Opposer of consumer confusion. Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration or a registrant in a declaration of use or a renewal application knowingly makes specific false, material representations of fact in connection with an application to register or in a post-registration filing with the intent of obtaining or maintaining a registration to which it is otherwise not entitled. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). "Materiality" of any false application statement is determined in the context of whether the false statement is critical to the Trademark Examining Attorney's decision to approve a mark for publication. *See Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917, 1926 (TTAB 2006). Further, pleadings of fraud made "on information and belief," when there is no allegation of "specific facts upon which the belief is reasonably based" are insufficient. *See Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009). Although knowledge and intent, as conditions of mind of a person, may be averred generally under Fed. R. Civ. P. 9(b), a party alleging fraud must still allege facts upon which the assertion of deceptive intent is based. *See id.* In addition,

a plaintiff claiming that the declaration or oath in defendant's application for registration was executed fraudulently, in that there was

another use of the same or a confusingly similar mark at the time the oath was signed, must allege particular facts which, if proven, would establish that: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant's; (3) applicant knew that the other user had rights in the mark superior to applicant's, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise; and that (4) applicant, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled.

Intellimedia Sports Inc. v. Intellimedia Corp., 43 USPQ2d 1203, 1205 (TTAB 1997).

Opposer has failed to allege facts indicating that its rights in the term THRIVE were superior to those of Applicant's and that Applicant knew that Opposer had such superior rights. Moreover, Opposer has failed to allege facts upon which its bases its belief that Applicant made the averments in the application declaration with deceptive intent. Accordingly, the fraud claim is insufficient.

Based on the foregoing, the motion to dismiss is denied, but the fraud claim is stricken. In keeping with Board practice, Opposer is allowed until twenty days from the date of this order to file an amended notice of opposition wherein it repleads its fraud claim, failing which that claim will be dismissed without prejudice.³ See Trademark Rule 2.106(c); TBMP § 503.03.

³ To the extent that Opposer seeks to add a claim of likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), based on its previously used THRIVE-formative marks, including INNERTHRIVE, 1 TTABVue 7 n.1, Opposer may add that claim in its amended notice of opposition. A claim of likelihood of confusion based on allegedly previously used common law marks must identify each common law mark upon which the plaintiff is relying and the goods and services on which each mark is used. See *Phillies v. Phila. Consol. Holding Corp.*, 107 USPQ2d 2149, 2153 (TTAB 2013).

In its motion, Applicant also seeks to strike paragraphs 15-19 and footnote 6 of the notice of opposition in which Opposer makes allegations concerning statements that Applicant made during *ex parte* examination of its applications for marks containing the word “thrive.” Applicant correctly notes that these statements cannot give rise to an estoppel in this case. *See EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 213 USPQ 597, 599 (TTAB 1982). *See also Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281, 1283 (Fed. Cir. 1984); *Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151, 154 (CCPA 1978). However, such statements may be considered as evidence, albeit not conclusive evidence, of the truth of the assertions therein. *See id.* In view thereof, the motion to strike paragraphs 15-19 and footnote 6 of the notice of opposition is denied.

Proceedings are resumed. Dates are reset as follows.

Time to Answer	10/26/2020
Deadline for Discovery Conference	11/25/2020
Discovery Opens	11/25/2020
Initial Disclosures Due	12/25/2020
Expert Disclosures Due	4/24/2021
Discovery Closes	5/24/2021
Plaintiff's Pretrial Disclosures Due	7/8/2021
Plaintiff's 30-day Trial Period Ends	8/22/2021
Defendant's Pretrial Disclosures Due	9/6/2021
Defendant's 30-day Trial Period Ends	10/21/2021
Plaintiff's Rebuttal Disclosures Due	11/5/2021
Plaintiff's 15-day Rebuttal Period Ends	12/5/2021
Plaintiff's Opening Brief Due	2/3/2022
Defendant's Brief Due	3/5/2022
Plaintiff's Reply Brief Due	3/20/2022
Request for Oral Hearing (optional) Due	3/30/2022

Generally, the Federal Rules of Evidence apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).

Opposer must submit bar membership information

Opposer is represented by an attorney. Effective August 3, 2019, the USPTO amended its rules to require all practitioners qualified under Patent and Trademark Rule 11.14(a) to be an active member in good standing and to provide the name of a state in which he or she is an active member in good standing; the date of admission to the bar of the named state; and the bar license number, if one is issued by the named state. Trademark Rule 2.17(b)(3).

Accordingly, Opposer is allowed until twenty days from the date of this order to provide the information above using the Change of Address form in ESTTA. The bar information entered on the ESTTA Change of Address form will be masked from

Opposition No. 91254188

TTABVUE. If Opposer fails to comply with this order, the Board may issue an order to show cause.

2015 WL 9906657 (Trademark Tr. & App. Bd.)

This decision is not a precedent of the Trademark Trial and Appeal Board.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

IMAGEWEAR APPAREL CORP.

v.

MAJESTIC ROAR

Opposition No. 91218736

November 6, 2015

*1 Before Richey
Deputy Chief Administrative Judge
[Zervas](#) and [Wellington](#)
Administrative Trademark Judges

By the Board:

Majestic Roar (“Applicant”) seeks to register the mark MAJESTIC ROAR in standard character form for “Clothing, namely, t-shirts, shirts, sweatshirts, hoodies, and tank tops” in International Class 25.¹ Imagewear Apparel Corp. (“Opposer”) filed a notice of opposition to registration of Applicant's mark on the ground of likelihood of confusion with its registered marks which include the word MAJESTIC for clothing items under Trademark Act Section 2(d), [15 U.S.C. § 1052\(d\)](#).² Applicant, in its answer, denied the salient allegations of the notice of opposition.

This case now comes up for consideration of Opposer's motion (filed August 12, 2015)³ for summary judgment on its pleaded Section 2(d) claim. The motion has been fully briefed.

Summary judgment is an appropriate method of disposing of cases in which there are no genuine disputes as to material facts, thus leaving the case to be resolved as a matter of law. *See Fed. R. Civ. P. 56(c)*. In deciding motions for summary judgment, the Board must follow the well-established principles that, in considering the propriety of summary judgment, all evidence must be viewed in a light favorable to the non-movant, and all justifiable inferences are to be drawn in the nonmovant's favor. The Board may not resolve disputes of material fact; it may only ascertain whether such disputes are present. *See Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993); *Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

We note initially that Opposer asserts in its brief in support of the motion for summary judgment that it has established a family of marks around the term MAJESTIC. However, Opposer did not plead in the notice of opposition that it has a family of marks and therefore cannot rely upon an alleged family of marks in support of its motion for summary judgment.⁴ *See Sunnen Products Co. v. Sunex Int'l Inc.*, 1 USPQ2d 1744, 1747 n.12 (TTAB 1987); TBMP §§ 314 and 528.07(a) (2015). Accordingly, we will consider Opposer's motion for summary judgment based on the individual registrations that Opposer pleaded in support of the Section 2(d) claim.

*2 Applicant, in its brief in opposition, refers to oppositions and extensions of time to oppose that Opposer filed in connection with third-party applications and alleges that Opposer is engaging in “trademark bullying ... to harass and intimidate other

businesses beyond what the law might reasonably be interpreted to allow.” However, no such defense exists. Rather, trademark owners are entitled to protect rights in their registered trademarks by seeking to preclude registration of what they believe to be confusingly similar marks. *See Cook's Pest Control, Inc. v. Sanitas Pest Control Corp.*, 197 USPQ 265, 268 (TTAB 1977). The fact that Opposer has opposed registration of unrelated third-party marks based on its pleaded MAJESTIC marks merely indicates that Opposer actively polices those marks.

Applicant further asserts that the trade channels for the parties' goods are different based on the parties' actual uses of their marks. However, because there is no limitation as to the trade channels in either party's identification of goods, we must presume that those goods move in all trade channels that would be normal for such services, and that the goods would be purchased by all potential customers of those goods. *See In re Elbaum*, 211 USPQ 639, 640 (TTAB 1981).

After reviewing the parties' arguments and evidence, we find that disposition of this case by summary judgment is inappropriate. At a minimum, there are genuine disputes of material fact as to the similarity or dissimilarity of the marks at issue in their entireties as to appearance, sound, connotation and commercial impression, and the scope of protection to which Opposer's pleaded mark is entitled.⁵ *See In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In view thereof, Opposer's motion for summary judgment is denied.⁶

Discovery remains closed. Proceedings herein are resumed. Remaining dates are reset as follows.

Plaintiff's 30-day Trial Period Ends	12/23/2015
Defendant's Pretrial Disclosures Due	1/7/2016
Defendant's 30-day Trial Period Ends	2/21/2016
Plaintiff's Rebuttal Disclosures Due	3/7/2016
Plaintiff's 15-day Rebuttal Period Ends	4/6/2016

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. [Trademark Rule 2.125](#). Briefs shall be filed in accordance with [Trademark Rules 2.128\(a\) and \(b\)](#). An oral hearing will be set only upon request filed as provided by [Trademark Rule 2.129](#). If either of the parties or their attorneys should have a change of address, the Board should be so informed promptly.

Footnotes

- 1 Application Serial No. 86175977, filed January 27, 2014, based on an assertion of use in commerce under Trademark Act Section 1(a), [15 U.S.C. § 1051\(a\)](#), and alleging December 17, 2011 as the date of first use anywhere and date of first use in commerce.
- 2 Opposer's nine pleaded registrations include: Registration No. 1516495 for the mark MAJESTIC in typed (now standard character) form for “athletic uniforms, namely baseball/softball, basketball, football, hockey and lacrosse uniforms; jerseys, tank tops, gym suits, jackets, warm-up suits, shirts, sweat shirts, caps, hats, vests, underwear, jumpsuits, and rainwear” in International Class 25. Such registration issued December 13, 1988 and has been renewed. Registration No. 3158191 for the mark MAJESTIC THREADS in standard character form (with THREADS disclaimed) for “Shirts, t-shirts, sweatshirts, tank tops, athletic apparel, namely, jackets, t-shirts, and jackets” in International Class 25. Such registration issued on October 17, 2006; Section 8 affidavit accepted, Section 15 affidavit acknowledged.

Registration No. 3826508 for the mark MAJESTIC SELECT in standard character form (with SELECT disclaimed) for “Shirts, T-shirts, sweatshirts, [and] fleece jackets” in International Class 25. Such registration issued July 27, 2010.

- 3 Pursuant to the Board notice instituting this proceeding, Opposer's testimony was set to commence on August 15, 2015.
 4 In any event, regarding families of marks, our primary reviewing court stated, in *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889, 1891 (Fed. Cir. 1991), as follows.

A family of marks is a group of marks having a recognizable common characteristic, wherein the marks are composed and used in such a way that the public associates not only the individual marks, but also the common characteristic of the family, with the trademark owner. **Simply using a series of similar marks does not of itself establish the existence of a family. There must be recognition among the purchasing public that the common characteristic is indicative of a common origin of the goods.**

(emphasis added). Opposer's evidence fails to establish that there is no genuine dispute that the purchasing public recognizes that the common characteristic in the marks at issue, i.e., MAJESTIC, is indicative of a common origin of the goods.

- 5 Opposer submitted (1) sales figures showing substantial sales of goods bearing its MAJESTIC marks, (2) evidence that its products are purchased by fans of Major League Baseball, the National Football League, the National Hockey League, the National Basketball Association and colleges, and (3) evidence that its brand was featured on ABC Nightly News. Opposer further contends that there is “no significant third party use or registration of MAJESTIC or MAJESTIC-formative marks.

Applicant in response submitted copies of USPTO records from the TSDR database of pending use-based third-party applications for the marks MAJESTIC WOMAN, MAJESTY OUTDOORS, WILD MAJESTY and a registration of the mark MAJESTIC KINGDOM and design, all for goods that include clothing items. USPTO records filed by Applicant further indicate that Opposer opposed registration of the MAJESTY OUTDOORS mark (Opposition No. 9122291). The USPTO records filed by Applicant may be intended to show that the term MAJESTIC carries a suggestive connotation in the clothing industry and is therefore weak. *Cf. Juice Generation, Inc. v. GS Enters. LLC*, 794 F.3d 1334, 115 USPQ2d 1671, 1675 (Fed. Cir. 2015) (“extensive evidence of third-party use *and* registrations indicates that the phrase PEACE & LOVE carries a suggestive or descriptive connotation in the food service industry, and is weak for that reason”).

- 6 The parties should not presume that these are the only genuine disputes of material fact remaining for trial. In addition, evidence submitted with the motion for summary judgment is of record only for consideration of that motion. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. See *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB 1983); *Am. Meat Inst. v. Horace W. Longacre, Inc.*, 211 USPQ 712 (TTAB 1981).

2015 WL 9906657 (Trademark Tr. & App. Bd.)

2004 WL 838401 (Trademark Tr. & App. Bd.)

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

CITICORP

v.

MORLEY COMPANIES, INC.

Opposition No. 91113921 to [application Serial No. 75428318](#) filed on February 3, 1998

April 8, 2004

Oral Hearing date: September 16, 2003

*1 Steven M. Weinberg and [Susan M. Daly](#) of Greenberg Traurig, LLP for Citicorp
Richard W. Hoffmann of Warn, Burgess & Hoffmann for Morley Companies, Inc.

Before Simms, [Hohein](#) and Chapman
Administrative Trademark Judges
Opinion by [Hohein](#)
Administrative Trademark Judge:

Morley Companies, Inc. has filed an application to register the mark “CHOICES UNLIMITED” for “debit card services”.¹

Citicorp has opposed registration on the ground that applicant's mark so resembles the mark “CHOICE,” which opposer has previously used and registered for “credit card services,”² as to be likely, when used in connection with applicant's services, to cause confusion, mistake or deception.

Applicant, in its answer, has denied the salient allegations of the notice of opposition.

The record includes the pleadings; the file of the opposed application; and, as opposer's case-in-chief, the trial testimony, with exhibits, of Thomas Acton, senior vice president and business manager of its Citicorp Credit Services subsidiary; a notice of reliance on portions of opposer's discovery deposition of Christopher Furlo, a vice president of applicant for its award redemption services; and a notice of reliance on a certified copy of opposer's pleaded registration showing that such registration is subsisting and owned by opposer. The record also includes, as applicant's case-in-chief, the trial testimony, with exhibits, of the above-mentioned Christopher Furlo; and a notice of reliance on (i) portions of applicant's discovery depositions (taken of opposer pursuant to [Fed. R. Civ. P. 30\(b\)\(6\)](#)) of (a) Eileen Kennedy, in-house trademark counsel for opposer, and (b) Thomas Kerwin, a former credit card services executive for opposer; (ii) applicant's discovery depositions (taken of various non-parties pursuant to [Fed. R. Civ. P. 31](#)) of (a) Consumers Choice Credit Union, (b) Comerica Inc., (c) First Tennessee National Corp. and (d) Central Cooperative Bank;³ (iii) the file history of opposer's pleaded registration; and (iv) various third-party registrations for marks which contain the term “CHOICE” or variants thereof. Briefs have been filed⁴ and an oral hearing, attended by counsel for the parties, was held.

Priority of use is not in issue in this proceeding inasmuch as opposer has proven that, as noted above, its pleaded registration is subsisting and is owned by opposer. See [King Candy Co. v. Eunice King's Kitchen, Inc.](#), 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974). Opposer's ownership thereof also serves to establish its standing to bring this proceeding. *Id.* Thus, the main issue to be determined in this case is whether applicant's “CHOICES UNLIMITED” mark for “debit card services” so resembles

opposer's "CHOICE" mark for "credit card services" as to be likely to cause confusion as to the source or sponsorship of the parties' respective services.⁵

*2 According to the record, the marks used in connection with credit cards play a significant role in the credit card business due to customer loyalty to the multiple brands they typically carry. On average, credit card customers carry more than four credit cards and, in view thereof, "compartmentalize some of their credit card purchases" based on loyalty to the multiple brands they carry. (Acton tr. dep. at 11.) Opposer has consequently "found that having more than one brand in a customer's wallet is a very profitable venture" for opposer and, thus "having more than one brand out there is a fundamental strategy" which it has pursued. (*Id.*) One such brand is opposer's "CHOICE" credit card services, which has generated multi-million dollars (the actual figure being confidential) in earnings for opposer in 2001 (the last full year for which information was presented). However, in addition to competition from other credit cards, opposer "view[s] debit cards as a competitor to credit cards, specifically because it's a payment mechanism." (*Id.* at 23.)

Opposer maintains what it considers to be a "loyal customer base," with well over half of its customers viewing its "CHOICE" brand as their primary credit card. (*Id.* at 27-28.) Although actual figures are confidential, the average number of active accounts for its "CHOICE" credit card services in 2001 was in the neighborhood of a million, generating several hundred million dollars in revenue, and its business under such mark has been "valuable ... for a long period of time". (*Id.* at 49.) Opposer seeks to increase its "CHOICE" credit card business through both new customer accounts and transfers by its existing customers of their account balances on other credit cards. Opposer also offers "enhanced services" with its "CHOICE" brand, such as credit protection, promotional items and travel programs. (*Id.* at 43.) It markets its "CHOICE" credit card services "to all socioeconomic groups" and has cardholders "across the U.S." (*Id.* at 49-50.) Being a payment mechanism, opposer's "CHOICE" credit card can be used "anywhere any MasterCard or Visa [card] is accepted." (*Id.* at 61.) While both of the latter "are primarily known as credit [cards]," Mr. Acton noted that at present "they are focusing on debit." (*Id.* at 75.)

Mr. Acton nonetheless conceded that, as of the February 28, 2002 date of his deposition, he was unaware of any instances of actual customer confusion between applicant's use of its "CHOICES UNLIMITED" mark and opposer's use of its "CHOICE" mark, and that he personally was unaware of any third-party uses, in connection with debit or credit card services, of marks which include the word "CHOICE." Likewise, applicant's witness, Mr. Furlo, testified that while applicant began use of its "CHOICES UNLIMITED" mark in connection with a debit card incentive program in May 1998, he was unaware of any instances of actual confusion between such mark and opposer's "CHOICE" credit card services.

*3 Moreover, while opposer admits that credit card and/or debit card services are a separate subset or category of banking services, opposer's objections to third-party uses of marks which include the word "CHOICE" have been limited, for the most part, to the actual use thereof on credit and/or debit cards and do not encompass use of such word in connection with banking services in general. Thus, in policing its "CHOICE" mark, opposer has entered into a number of agreements with certain third-parties which, while permitting the use--as an "umbrella phrase" or "umbrella term"--of marks which incorporate the word "CHOICE" in connection with a variety of banking services, typically prohibit the use and/or registration of such marks on credit cards and/or debit cards and services specifically related thereto. (Kennedy disc. dep. at 51, 54 and 56.) For instance, opposer's agreement with Consumer's Choice Credit Union permits use by the latter of such name and the mark "CONSUMER'S CHOICE" in connection with credit union services which include credit and debit card services, but registration thereof for credit and debit card services is prohibited. As a result thereof, Consumer's Choice Credit Union, which has used the mark "CONSUMER'S CHOICE" since April 1, 1997 without any known instances of actual confusion, further agreed to amend its pending application to register such mark for credit union services by adding the limitation "but not for credit card or debit card services." (Consumer's Choice Credit Union disc. dep. at 4.)

Similarly, opposer's agreement with Comerica Inc. authorizes use by the latter of the mark "CHOICE ACCESS" for "a package of products for telephone and computer banking," which Comerica claims to have used without knowledge of any actual confusion since around 1995 or 1996. (Comerica Inc. disc. dep. at 4.) In particular, however, the agreement, which was made in settlement of an opposition brought by opposer to registration of such mark, provides among other things that Comerica Inc.

will not use or file an application to register the mark "CHOICE ACCESS" on or in connection with, respectively, credit or debit cards per se and credit card or debit card services, but that it may continue to use the mark for an enhanced checking account service that offers a credit card as a prerequisite; and that it will amend its existing application to register the mark "to expressly exclude credit and debit cards and services." (*Id.* at 9.)

Likewise, opposer's agreement with First Tennessee National Corp. allows the latter to use the marks "PRIORITY CHOICES for consumer deposit accounts and CHOICES for a consumer newsletter," which it claims to have respectively used since August 12, 1996 and December 9, 1999 without awareness of any instances of actual confusion, and permits the registration of the "PRIORITY CHOICES" mark for "banking services except for credit and debit cards and credit and debit card services." (First Tennessee National Corp. disc. dep. at 3-4.) In a similar vein, opposer's agreement with Central Cooperative Bank permits the latter to use and register a stylized version of the mark "CENTRAL COOPERATIVE BANK--THE RIGHT CHOICE" for "banking services," "excluding credit card and debit card services." (Central Cooperative Bank disc. dep. at 3.) Central Cooperative Bank maintains that it has used such mark for approximately seven years, with no knowledge of any incidents of actual confusion.

*4 The record also contains copies of 30 third-party registrations for marks which contain the word "CHOICE" or a variant thereof. Approximately two thirds of such registrations involve marks for banking services or credit union services, with over half of those containing the specific exclusion of credit card and debit cards and/or credit card and debit card services. Those marks which are so registered are "CONSUMERS CHOICE," "CHOICE ACCESS," "APPLE CHOICE BANKING," "CHOICE CREDIT," "INDIVIDUAL CHOICE BANKING," "CHOICE PLAN," "PRIORITY CHOICES," "CUSTOMER'S CHOICE," "FIRSTCHOICE," "CHOICE CONNECTION," "OWNER'S CHOICE," "PEOPLES CHOICE," "MONEY CHOICES," "INVESTORS CHOICE," "CENTURA CHOICES," "A COMMUNITY OF CHOICES," "A NEW CHOICE IN BANKING," "CLASSIC CHOICE" and "WACHOVIA BUSINESS CHOICE ACCOUNT." Two other third-party registrations, for the marks "MERCHANTS' CHOICE" and "LOAN CHOICE," respectively pertain to credit card payment processing services and to loan services which exclude credit and debit cards and credit and debit card services. The remaining third-party registrations, which involve the marks "PERSONAL CHOICE ACCOUNT," "ASSET CHOICE ACCOUNT," "CHOICEREWARDS," "BEST CHOICE," "CUSTOM CHOICE," "MCDONALD ASSET CHOICE," "WELLSCHOICE," "THE DEALER'S CHOICE" and "SURE CHOICE," cover various financial management, investment brokerage, loan, mortgage, financing and insurance services.

With respect to its pleaded registration, the record reveals that opposer obtained such registration by successfully arguing that the mark "SUDDENLY, IT'S THE OBVIOUS CHOICE," which was cited as a bar in view of the prior registration thereof for services recited as the "extension of credit to customers who purchase at subscribing retail establishments and making collections from such customers through a central billing system," was not likely to cause confusion with opposer's mark "CHOICE" for credit card services because, *inter alia*:

[A] determination of the likelihood of confusion of CHOICE and the cited slogan requires consideration of the marks in their entirety, including any terms in addition to the common one. The use of CHOICE as a part of a slogan of many words prevents the two marks from being similar in overall sound and appearance.

The most palpable distinction lies in the commercial impression created by the cited phrase, namely that of an extended slogan, a catchy phrase, as distinguished from the succinct and sparse impression created by ... [the CHOICE] mark.

An equally prominent distinction lies in the emphasis inherent in the word SUDDENLY of the cited phrase, a prominence elevated by both the intrinsic impact of the word SUDDENLY and its lead appearance in the slogan.

(File History of Reg. No. 1,206,796: July 21, 1981 Response to January 22, 1981 office Action, at 2.)

As to applicant, the record shows that it runs two awards redemption or employee performance improvement programs for its corporate clients. The purpose of such programs, Mr. Furlo explained, is "to motivate either sales, service, scrap production

or consumer activity to generate a benefit for our clients by offering a reward mechanism,” which typically consists of “a travel destination and/or a merchandise item, a cash item and/or possibly cash loaded onto a debit card.” (Furlo tr. dep. at 5.) Of the programs which it runs, one involves merchandise while the other, which applicant operates under the mark “CHOICES UNLIMITED,” features debit cards bearing such mark. Applicant, while deriving around \$30,000 in fees from such program, does not currently produce marketing or advertising materials therefor, nor does it otherwise promote its “CHOICES UNLIMITED” mark or have any future plans for the program. Although the “CHOICES UNLIMITED” program is mentioned by applicant in its existing company brochures and on its website, “it’s not something ... that we’re actively trying to sell,” according to Mr. Furlo. (*Id.* at 8.)

***5** As of his September 5, 2002 trial deposition, Mr. Furlo testified with respect to applicant’s “CHOICES UNLIMITED” debit card program that applicant currently is “operating award programs for two companies, one [of which] is General Motors and the other is TRW.”⁶ (*Id.* at 6.) Applicant developed the “CHOICES UNLIMITED” mark while “looking for a name that would provide our clients with the ability to have something that gave them a connotation that this award [program] could be utilized for any purchase activity.” (*Id.* at 7.) When applicant selected its mark, Mr. Furlo, who has worked for applicant since 1995 and been an officer thereof since 1997, was not aware of opposer’s use of the mark “CHOICE” in connection with credit cards.

In actual use, the mark “CHOICES UNLIMITED” appears prominently on the front of applicant’s debit cards, along with a “MASTERCARD” logo, while the “MORLEY” portion of applicant’s name is featured on the back of such cards, together with (in very small print) a toll-free customer service number and a caveat stating (among other things) that: “This card is not a credit card and use of this card by you will be your acceptance of the terms outlined in your distributed program materials.” (Applicant’s Ex. 2.) Moreover, nothing on the front of the debit cards used in applicant’s “CHOICES UNLIMITED” program tells a vendor whether a card is a debit card or a credit card. The cardholders participating in such program can include anyone and are located throughout the United States, since there is no limit as to where the debit cards can be used. The cards, in fact, may be used wherever opposer’s “CHOICE” credit cards are used. In addition, while applicant sends cardholders a periodic statement bearing the “CHOICES UNLIMITED” mark, its name does not appear thereon.

Applicant offers its “CHOICES UNLIMITED” program to persons “who would be in a purchasing or marketing or sales activity that is looking to utilize a debit card for a reward program.” (Furlo tr. dep. at 8.) It maintains, therefore, that the purchasers of its incentive or performance improvement program are “[v]ery sophisticated” and know that they are dealing with applicant rather than opposer. (*Id.* at 24.) In marketing such program, applicant, unlike the case with opposer’s “CHOICE” credit card services, does not use solicitation letters to try to increase business. Applicant, furthermore, has never used its “CHOICES UNLIMITED” mark in connection with credit cards. Instead, it has always used such mark exclusively in connection with debit cards for incentive programs. In terms of the volume of cards which applicant has had issued, Mr. Furlo testified that “between 4,000 and 5,000 cards ... have been distributed, utilized and cancelled over the last four and a half years” of the “CHOICES UNLIMITED” program; and that while applicant “just recently reprinted another 5,000 cards,” he did not know “the exact number that are in circulation and still valid.” (*Id.* at 14.) However, except as noted below, applicant essentially has “no interface with the direct user” of its cards. (*Id.* at 26.)

***6** In operation, an individual participant or user of applicant’s services cannot add money to a “CHOICES UNLIMITED” debit card; rather, as pointed out by Mr. Furlo, a card is funded through the following process:

What would happen is we would have a client that would want to utilize a debit card as a reward. At the end of the program period they’ll give us a list of winners, [and] the dollar amounts to load on each debit card.

We would then ... forward that information onto our banking partner, wire the money to the bank. The bank will then produce the cards and send the cards to the individual ... winners.

At the same time we will produce a letter and send it to the individual winners [saying] that this card is coming, here’s how it works, here’s the dollar amount you have on the card. You’re free to utilize it anywhere MasterCard is accepted, anywhere worldwide. And you have this limit to spend and once you spend it its gone.

There is some instances where they have put another line saying this is an ongoing program, so you could win again. So hold onto your card because the person who has awarded this card to you from your organization might come back to you and say you have won again. And then they would put additional funds onto the card.

(*Id.* at 9-10.) Thus, once an individual winner receives a “CHOICES UNLIMITED” debit card as an award, such person, as the mark suggests, could use it for “anything under the sun.” (*Id.* at 13-14.) As examples thereof, Mr. Furlo noted that:

You could go buy groceries with it, you could go buy merchandise, you could pay bills. We wanted to convey an unlimited arena for which you could use this award for.

(*Id.* at 14.)

While applicant also provides a toll-free telephone number to answer questions from end users about their statement balances and other aspects of its “CHOICES UNLIMITED” program, applicant does not solicit any business from such users and has no plans to change the manner in which its debit cards are used. Moreover, there is nothing in either the letters or statements which applicant sends to the end users of its debit cards which indicates or explains that its “CHOICES UNLIMITED” program is not related to or affiliated with opposer’s “CHOICE” credit cards. In fact, Mr. Furlo admitted that he does not know whether any of the award winners in applicant’s program also have a “CHOICE” credit card.

Mr. Furlo also testified that, since the taking of his discovery deposition, he had become aware of certain third-party uses of marks which include the term “CHOICE” on or in connection with credit card or debit card services. Such uses include some of those previously discussed herein. In particular, Mr. Furlo noted the use by Consumers Choice Credit Union, in the Saginaw, Michigan area where applicant is located, of the mark “CONSUMERS CHOICE CREDIT UNION” on the face of a “VISA” credit card being advertised in a pamphlet he picked up in a personal visit to such bank. He also conducted an Internet search and discovered use by First Tennessee National Corp. of the mark “PRIORITY CHOICES” for a checking account which includes a no-fee debit card and a no-fee “VISA” credit card. In addition, his Internet search led to the discovery of use by Community Choice Credit Union of its name as a mark for credit union services which include a debit card and a “VISA” credit card; the use by First Choice Banks of its name for banking services which include its “FIRST PREMIER BANK VISA” credit card; and the use by Apple Bank of the mark “APPLE CHOICE BANKING” in connection with banking services which include an ATM debit card.

*7 Mr. Furlo admitted on cross-examination, however, that after becoming aware of the above third-party uses, he did not speak with or have anyone contact First Tennessee National Corp., Community Choice Credit Union, First Choice Bank or Apple Bank regarding their respective marks. He further conceded that his sole purpose in downloading information such as that from the Community Choice Credit Union website was to find other uses of the word “CHOICE” for purposes of this litigation. He also admitted, among other things, that he had no knowledge as to whether Community Choice Credit Union or Apple Bank has an agreement with opposer; and that other than the information he located from various websites, he has no independent knowledge about the uses shown therein. Furthermore, he acknowledged that some credit cards have dollar amount limits and that some banks issue both credit cards and debit cards.

We find upon consideration of the pertinent factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973), for determining whether there is a likelihood of confusion that, because each of such factors either favors opposer or is neutral and none favors applicant, confusion is likely from the contemporaneous use of the parties’ marks in connection with their respective services. Specifically, as to the *du Pont* factor concerning the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression, applicant’s “CHOICES

UNLIMITED” mark is substantially similar in appearance and sound, and virtually identical in connotation and commercial impression, to opposer’s “CHOICE” mark due to the presence in such marks of, respectively, the plural and singular forms of the word “CHOICE.” See, e.g., [Wilson v. Delaunay](#), 245 F.2d 877, 114 USPQ 339, 341 (CCPA 1957) [“there is no material difference, in a trademark sense, between the singular and the plural form of the word”]; and [Calvin Klein Industries Inc. v. Calvins Pharmaceuticals Inc.](#), 8 USPQ2d 1269, 1271 (TTAB 1988) [addition of the letter “S” “does little to distinguish” the mark “CALVINS” from the mark “CALVIN”]. In addition, applicant’s “CHOICES UNLIMITED” mark is substantially similar in sound and appearance to opposer’s “CHOICE” mark since it begins with the virtually identical word “CHOICES.” See, e.g., [Cunningham v. Laser Golf Corp.](#), 222 F.3d 943, 55 USPQ2d 1842, 1845 (Fed. Cir. 2000) [“as the Board found, because” the marks “LASER” and “LASERSWING” both “begin with ‘laser,’ they have ‘consequent similarities in appearance and pronunciation’”].

While applicant’s mark also contains the word “UNLIMITED” while opposer’s mark does not, such does not sufficiently differentiate the parties’ marks inasmuch as there is very little difference in connotation between applicant’s “CHOICES UNLIMITED” mark, which when used in connection with debit card services obviously means a card which can be used to purchase whatever a cardholder may choose or want, and opposer’s “CHOICE” mark, which when used for credit card services similarly connotes a card which can be used to purchase whatever a cardholder chooses or wants. Overall, the substantial aural and visual similarities between the respective marks, coupled with their virtually identical connotations, give rise to marks which engender essentially the same commercial impressions and which, when used in connection with debit card services and credit card services, would be likely to cause confusion as to source or sponsorship.

*8 Applicant argues in its brief, however, that as shown by the file history of the registration for opposer’s “CHOICE” mark, opposer is advancing a position which is contrary to that which it took in obtaining its registration. In this regard, applicant asserts that as between a mark which consists of the word “CHOICE” and a mark which is composed thereof and any other matter, opposer previously “took the position that [its mark and] any mark including ‘choice’ as a component ‘prevents’ the two marks from being similar” While opposer in its reply brief asserts that “such a statement has no evidentiary applicability here, today,” and that applicant “identifies no support for its argument,” we note that as set forth in [Interstate Brands Corp. v. Celestial Seasonings, Inc.](#), 576 F.2d 926, 198 USPQ 151, 154 (CCPA 1978):

That a party earlier indicated a contrary opinion respecting the conclusion [of a likelihood of confusion] in a similar proceeding involving similar marks and goods [and/or services] is a fact that may be received in evidence as merely illuminative of shade and tone in the total picture confronting the decision maker. To that limited extent, a party’s earlier contrary opinion may be considered relevant and competent. Under no circumstances, may a party’s opinion, earlier or current, relieve the decision maker of the burden of reaching his own ultimate conclusion on the entire record.

Moreover, and in any event, rather than constituting a prior inconsistent position, what opposer actually argued in support of the registrability of its “CHOICE” mark over the cited “SUDDENLY, IT’S THE OBVIOUS CHOICE” mark was that, as indicated previously, “[t]he use of CHOICE as a part of a slogan of many words prevents the two marks from being similar ...” and that “the commercial impression created by the cited phrase, namely that of *an extended slogan*, a catchy phrase,” is to be “distinguished from *the succinct and sparse impression* created by ... [the CHOICE] mark” (emphasis added). In the present case, applicant’s “CHOICES UNLIMITED” mark cannot reasonably be characterized as a “slogan of many words” or as “an extended slogan, a catchy phrase.” Rather, like opposer’s “CHOICE” mark, applicant’s mark projects a “succinct and sparse impression.” In view thereof, and in light of the similarities in sound, appearance, connotation and commercial impression discussed above, applicant’s mark is confusingly similar to opposer’s mark when the marks are considered in their entireties.

With respect to the *du Pont* factors which pertain to the similarity or dissimilarity of the services and the similarity or dissimilarity of established, likely to continue trade channels, such factors clearly favor opposer. In this regard, it is well settled that the registrability of an applicant's mark must be evaluated on the basis of the identification of its goods and/or services as set forth in the involved application for its mark and the identification(s) of the goods and/or services as recited in the pleaded registration(s) made of record by an opposer for its mark, regardless of what the record may reveal as to the particular nature of the respective goods and/or services, their actual channels of trade, or the classes of purchasers to which they are in fact directed and sold.⁷ See, e.g., *Octocom Systems Inc. v. Houston computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990); and *Canadian Imperial Bank of Commerce, N.A. v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813, 1815-16 (Fed. Cir. 1987). It is also well established that, absent any specific limitations or restrictions in the identification of goods and/or services as listed in an applicant's application and in the identification(s) of goods and/or services as set forth in an opposer's registration(s), the issue of likelihood of confusion must be determined in light of consideration of all normal and usual channels of trade and methods of distribution for the respective goods and/or services. See, e.g., *CBS Inc. v. Morrow*, 708 F.2d 1579, 218 USPQ 198, 199 (Fed. Cir. 1983); *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 216 USPQ 937, 940 (Fed. Cir. 1983); and *Paula Payne Products Co. v. Johnson Publishing Co., Inc.*, 473 F.2d 901, 177 USPQ 76, 77 (CCPA 1973).

*9 Here, as broadly identified in the respective application and pleaded registration, applicant seeks to register its mark for "debit card services" while opposer lists "credit card services." The record shows that such services, which are generally considered a category of banking services, are merely alternative forms of payment for essentially any kind of consumer purchases. Moreover, as identified, neither parties' services contain any express limitation or restriction as to types of purchasers or channels of distribution. Therefore, contrary to applicant's arguments in its brief that the marketing of opposer's services is made directly to the consuming public while applicant's services are instead targeted "strictly to sophisticated purchasers at major corporations as part of incentive programs" and that it "solicits no business directly from the end or debit card users," applicant's debit card services must be treated as encompassing the same class of ordinary consumers as those to whom opposer's credit card services are focused. Applicant's debit card services must accordingly be considered as competing with opposer's credit card services for the same base of ordinary, reasonably prudent consumers. Such services are so closely related in legal contemplation, if not in fact, that if rendered under the same or similar marks, confusion as to the origin or affiliation thereof is likely to result.

As to the *du Pont* factor which concerns the conditions under which and buyers to whom sales are made, we again note that contrary to applicant's argument that it markets its services only to sophisticated, highly discriminating individuals who direct corporate employee awards or incentive programs, the purchasers of the parties' respective services--as identified in the involved application and pleaded registration--are simply ordinary, reasonably prudent members of the consuming public. Consequently, and while there certainly is nothing in the record to indicate that either debit card services or credit card services are purchased impulsively, neither is it the case that the record establishes that consumer purchasers of such services would exercise anything more than ordinary, reasonably prudent care in their selection of such services which are appropriate to their financial needs. The conditions under which and buyers to whom sales are made is thus a *du Pont* factor which favors opposer instead of applicant.

With respect to the *du Pont* factor of the fame of the prior mark in terms of sales, advertising and length of use, opposer contends in its initial brief that its "CHOICE" mark is "well known" and thus is entitled to a correspondingly broader scope of protection than might otherwise be the case. While we agree with applicant that the evidence of record is insufficient to establish that opposer's mark is indeed famous, we concur with opposer that the confidential sales and promotional figures covering many years of continuous use suffice to demonstrate that such mark is well known and particularly so among opposer's loyal customer base for its "CHOICE" credit card services. As noted by our principal reviewing court in *Kenner Parker Toys Inc. v. Rose Art industries Inc.*, *supra* at 22 USPQ2d 1456, "the fifth *duPont* factor, fame of the prior mark, plays a dominant role in cases featuring a famous or strong mark. Famous *or strong* marks enjoy a wide latitude of legal protection" (emphasis added). Thus, notwithstanding insufficient proof that opposer's "CHOICE" mark has obtained the status of a famous mark, such mark has been shown on this record to be strong in that it is well known and, as additionally indicated by the number of cardholders transferring their balances from other credit cards to their "CHOICE" card, is highly regarded by customers for credit card services. This factor therefore favors opposer.

*10 As to the *du Pont* factor of the number and nature of similar marks in use on similar goods or services, applicant argues in its brief that evidence of “extensive third party use of the word ‘choice’ weakens the claimed mark” of opposer and that such evidence includes “several third party registrations for marks including the ‘choice’ component ... for banking services.” To the extent, however, that applicant is attempting to prove by such registrations that opposer's “CHOICE” mark is nonetheless a weak mark for credit card services inasmuch as consumers have become so accustomed to encountering marks which consist of or include the word “CHOICE” for banking and other financial services that they will look to and distinguish the subject marks by the differences therein, the problem therewith is that it is well settled that third-party registrations are not evidence of what happens in the marketplace or that the public is familiar with the use of the subject marks. See, e.g., National Aeronautics & Space Administration v. Record Chemical Co., 185 USPQ 563, 567 (TTAB 1975). The reason therefor is that third-party registrations simply do not show that the marks which are the subjects of third-party registrations are actually being used, or that the extent of their use is so great that customers have become accustomed to seeing the marks and hence have learned to distinguish them. See, e.g., Smith Brothers Manufacturing Co. v. Stone Manufacturing Co., 476 F.2d 1004, 177 USPQ 462, 463 (CCPA 1973); and In re Hub Distributing, Inc., 218 USPQ 284, 285-86 (TTAB 1983). Consequently, and aside from the fact that over half of the third-party registrations covering banking or credit union services in any event explicitly exclude credit and/or debit card services, the co-existence of the third-party registrations with opposer's pleaded registration does not justify registration of a confusingly similar mark by applicant since, as indicated in AMF Inc. v. American Leisure Products, Inc., 474 F.2d 1403, 177 USPQ 268, 269 (CCPA 1973):

[L]ittle weight is to be given such registrations in evaluating whether there is likelihood of confusion. The existence of these registrations is not evidence of what happens in the market place or that customers are familiar with them nor should the existence on the register of confusingly similar marks aid an applicant to register another likely to cause confusion, mistake or to deceive.

See also Olde Tyme Foods, Inc. v. Roundy's Inc., 961 F.2d 200, 22 USPQ2d 1542, 1545 (Fed. Cir. 1992) [third-party registrations “may not be given *any* weight” (emphasis in original) as to the strength of a mark].

*11 Moreover, to the extent that applicant is instead arguing that, like dictionary definitions, the various third-party registrations for marks which contain the word “CHOICE” or a variation thereof demonstrate that opposer's mark is weak in the sense that it is highly suggestive of banking services such as credit card services, see, e.g., Tektronix, Inc. v. Daktronics, Inc., 534 F.2d 915, 189 USPQ 693, 694-95 (CCPA 1976), suffice it to say that, as noted above, the mark “CHOICE” has been shown on this record to be a strong mark in that it is well known in connection with credit card services. However, even if such mark were to be regarded as weak in terms of its service mark significance, it would not mean that opposer's mark is entitled to protection only against the same or a virtually identical mark. Instead, it is well established that even a weak mark is entitled to protection against the registration of the same or a substantially similar mark for identical and/or closely related goods or services, such as is the case with respect to applicant's “CHOICES UNLIMITED” mark for debit card services. See, e.g., Plus Products v. Physicians Formula Cosmetics, Inc., 198 USPQ 111, 114 (TTAB 1978).

Nonetheless, as applicant also points out in its brief, there are a number of examples of actual third-party use of marks containing the term “CHOICE” in the record. Such examples, as specified earlier, are: the use by Consumer's Choice Credit Union of such name and the mark “CONSUMER'S CHOICE” in connection with credit union services which include credit and debit card services; the use by Comerica Inc. of the mark “CHOICE ACCESS” for a package of products for telephone and computer banking, including an enhanced checking account service that offers a credit card as a prerequisite; the use by First Tennessee National Corp. of the mark “PRIORITY CHOICES” for consumer deposit accounts which offer both debit cards and credit cards and the mark “CHOICES” for a consumer newsletter; the use by Central Cooperative Bank of a stylized version of the mark “CENTRAL COOPERATIVE BANK--THE RIGHT CHOICE” for banking services which exclude credit card and debit card services; the use by Community Choice Credit Union of its name as a mark for credit union services which include a

debit card and a “VISA” credit card; the use by First Choice Banks of its name for banking services which include its “FIRST PREMIER BANK VISA” credit card; and the use by Apple Bank of the mark “APPLE CHOICE BANKING” in connection with banking services which include an ATM debit card. Applicant maintains that such “multiple third party uses of marks including the ‘choice’ component negates Opposer’s claim of exclusivity in all names and marks including the ‘choice’ component for financial services” and that “[t]he consuming public has not, and cannot, come to [the] conclusion that any mark including the ‘choice’ component is affiliated with any single source.”

***12** However, and aside from the fact that there is no evidence as to the actual extent of such third-party use, what the record demonstrates, as indicated previously, is that in policing its “CHOICE” mark, opposer has entered into agreements with most of the above-mentioned third-parties which, while permitting the use, as an “umbrella” phrase or term, of marks which incorporate the word “CHOICE” in connection with a variety of banking services, typically prohibit the use and/or registration of such marks on credit cards and/or debit cards and services specifically related thereto. Moreover, although they otherwise appear to be unfettered uses, the record simply does not disclose whether the use by Community Choice Credit Union of its name as a mark for credit union services which include a debit card and a “VISA” credit card and the use by First Choice Banks of its name for banking services which include its “FIRST PREMIER BANK VISA” credit card are or are not pursuant to an agreement with opposer; and the use by Consumer’s Choice Credit Union of its name as a mark on a “VISA” credit card clearly appears to be in contravention of its agreement with opposer. Accordingly, contrary to applicant’s assertions, the *du Pont* factor of the number and nature of similar marks in use on similar goods or services does not favor applicant; rather, such factor tends to favor opposer or, at a minimum, is neutral.

Finally, as to the *du Pont* factor of the length of time during and conditions under which there has been “concurrent use” without evidence of actual confusion, the record is clear that neither opposer nor applicant is aware of any instances of actual confusion with respect to the marks at issue and that opposer is also unaware of any incidents of actual confusion between its mark and any third-party uses, in connection with debit or credit card services, of marks which include the word “CHOICE.” While acknowledging, in its brief, that opposer “need not necessarily show actual confusion to substantiate a claim for likelihood of confusion,” applicant contends that “the failure to cite even one instance of actual confusion indicates that confusion between the [parties’] competing marks is unlikely.” In particular, applicant maintains that the respective marks “have been in concurrent use for at least five years without a single incident of actual confusion” and that “[t]his length of time of concurrent use is persuasive evidence that there is no likelihood of confusion.”

Although the absence of any instances of actual confusion over a significant period of time is indeed a *du Pont* factor which is indicative of no likelihood of confusion, it is a meaningful factor only where the record demonstrates appreciable and continuous use by an applicant of its mark in the same markets as those served by an opposer under its mark. See, e.g., [Gillette Canada Inc. v. Ranir Corp.](#), 23 USPQ2d 1768, 1774 (TTAB 1992); and [Chemetron Corp. v. Morris Coupling & Clamp Co.](#), 203 USPQ 537, 541 (TTAB 1979). Specifically, there must be evidence showing that there has been an opportunity for incidents of actual confusion to occur. See, e.g., [Cunningham v. Laser Golf Corp.](#), *supra* at 55 USPQ2d 1847. In this case, the absence of any instances of actual confusion is not considered to be a mitigating factor favoring applicant inasmuch as, in the period spanning the four and a half years since 1998 during which the parties have contemporaneously used their respective marks, applicant has had only two customers for its “CHOICES UNLIMITED” debit card services and has had distributed, in connection with such services, no more than 4,000 to 5,000 debit cards bearing its mark. However, while there may indeed be some number of award incentive winners who have received applicant’s debit cards and also happen to carry opposer’s “CHOICE” credit cards, there is absolutely no evidence that such is in fact the case and what evidence there is indicates that applicant does not know how many recipients of its “CHOICES UNLIMITED” debit cards additionally are customers of opposer’s “CHOICE” credit card services.

***13** Moreover, the record shows that in marketing its debit card services, applicant, unlike opposer, does not use solicitation letters to try to increase business from end users of its cards. Applicant, in fact, currently derives only about \$30,000 in fees from its debit card services program and there is no evidence as to the volume, in terms of either dollar amount or frequency of use, of debit card transactions incurred by end users of applicant’s cards. Furthermore, except for the mention thereof in its existing company brochures and on its website, applicant does not currently produce marketing or advertising materials for its

“CHOICES UNLIMITED” debit card services program, nor does it otherwise promote such mark or have any future plans for the program since applicant is not actively trying to sell it to its customers. Circumstances, in short, have been such that the absence of any incidents of actual confusion cannot be said to be probative of a lack of a likelihood of confusion.

We accordingly conclude, in light of the above, that contemporaneous use by applicant of the mark “CHOICES UNLIMITED” in connection with debit card services is likely to cause confusion with opposer's use of the mark “CHOICE” in connection with credit card services.

Decision: The opposition is sustained and registration to applicant is refused.

Footnotes

- 1 Ser. No. 75428318, filed on February 3, 1998, which is based on an allegation of a bona fide intention to use the mark in commerce.
- 2 Reg. No. 1,206,796, issued on August 31, 1982, which sets forth a date of first use anywhere and in commerce of August 4, 1978; first renewal.
- 3 Although applicant's notice of reliance also refers to and includes “[d]ocuments produced” by “Apple Bank,” such evidence *per se* is not proper subject matter for introduction by means of a notice of reliance in the absence of the portion of the discovery deposition to which it pertains. [Trademark Rule 2.120\(j\)\(3\)\(i\)](#) and TBMP §704.09 (2d ed. June 2003). Nonetheless, the description of the record set forth in opposer's main brief includes “various third[-]party documents ... relied on by Applicant through Notice of Reliance” and applicant's brief states that it “does not contest Opposer's description of the record.” Inasmuch as it is clear therefrom that the parties regard such evidence as forming part of the record herein, the documents assertedly produced by Apple Bank are considered to be in evidence by stipulation of the parties pursuant to [Trademark Rule 2.123\(b\)](#).
- 4 Opposer, in its main brief, appears to reiterate the objection which it raised to portions of applicant's trial deposition of Mr. Furlo. Specifically, after the following testimony by Mr. Furlo, opposer's counsel interposed an objection to a line of questioning regarding instances of third-party use:
 Q. Now, are you aware of anybody else who's using the name choice on or in connection with debit or credit cards?
 A. Yes.
 MR. WEINBERG: I'm going to object to any further questions regarding third-party uses of marks with choice. In Mr. Furlo's [discovery] deposition in August 2000 he testified that he knew of no users of choice other than himself and CitiBank.
 (Furlo tr. dep. at 15.) Stating also that opposer has “repeatedly asked the Applicant and its counsel to supplement its discovery on the issue of whether or not there are any additional, third-party uses of choice” (*id.*) and asserting that opposer has “received nothing ... but a refusal to produce any additional documents from the Applicant” (*id.* at 16), opposer's counsel contended that, “therefore, any testimony on this issue at this time, [and] any documents related to that issue[,] are precluded.” (*Id.*) Applicant, however, went forward with Mr. Furlo's trial testimony, subject to opposer's continuing objection.
 Opposer maintains in its main brief that the further evidence offered by applicant “consisted of Mr. Furlo's testimony regarding his visit to a local credit union named Consumer's Choice Credit Union and pages from a few web sites he had visited online for purposes of his testimony”; and that opposer had “objected to all of this testimony and the exhibits relating to this credit union and the web site pages at the time of their attempted introduction on the grounds that (a) at the time of his discovery deposition, Mr. Furlo testified that he was unaware of any third party uses of CHOICE marks ... [and that] (b) none of the ‘evidence’ he attempted to submit during his testimony deposition was competent, since he had no personal knowledge relating to the credit union or any of these web sites or any of the purported uses of ‘Choice’ names.” Noting in addition that applicant “has noticed reliance on various third party documents and registrations ... as

part of an argument that there are third party uses and registration[s] of marks that contain the word CHOICE,” opposer also insists in its main brief that “all such evidence was objected to during the Applicant’s testimony on the basis that (a) Mr. Furlo did not have any personal knowledge regarding the purported third party evidence that Applicant was attempting to introduce ... and (b) Mr. Furlo had testified during his discovery deposition that he was not aware of any third party uses, but during his testimony deposition Applicant tried to introduce third party evidence through him notwithstanding many prior requests ... for Applicant to supplement its discovery, which Applicant repeatedly failed to do”

Applicant, in its brief, claims in response that, among other things, its [discovery] depositions and other evidence concerning third-party use of the term “CHOICE” were provided to opposer. Applicant also seems to argue in its brief that a portion of opposer’s trial deposition of Mr. Acton is inadmissible or otherwise objectionable because Mr. Kerwin, the witness designated by opposer pursuant to Fed. R. Cir. P. 30(b)(6), “disclaimed knowledge with respect to the CHOICE mark and brand in relevant areas,” while Mr. Acton, although “never identified nor produced as a witness prior to the trial” and “after discovery was closed,” “[p]redictably ... had substantial knowledge regarding the CHOICE mark, particularly regarding the marketing of the CHOICE brand credit card.” Such a tactic, applicant contends, “smacks of trial by ambush” and “cannot be condoned.” In a similar vein, applicant argues that Ms. Kennedy, the other [Rule 30\(b\)\(6\)](#) witness opposer designated for purposes of discovery, “could not offer testimony on the connotation of Opposer’s CHOICE mark” and that, accordingly, “it would be fundamentally unfair to allow argument from Opposer on this subject.” Opposer, in its reply brief, essentially explains that the witnesses it designated were the best that it could produce at the time and that, when persons more knowledgeable about such matters were later determined, it offered to stipulate to a reopening of the discovery period to allow for the taking of their discovery depositions, but that applicant declined to accept such offer.

We find that since neither party has sufficiently substantiated their objections, the objections, which in any event bear principally on the weight or probative value of the challenged evidence rather than the admissibility thereof, are overruled. However, even if such evidence were to be excluded, the result herein would be the same.

5 Applicant, in its brief, contends that this proceeding presents a second issue, which it asserts is as follows: “[W]here Opposer has allowed third party uses of marks including the ‘choice’ component, and specifically in connection with financial and credit card services, should opposer be allowed to oppose Applicant’s [application for] registration of the mark CHOICES UNLIMITED?” While it thus would appear that applicant is attempting to assert defenses along the lines that opposer either lacks standing to oppose or is guilty of unclean hands, such were not pleaded in the answer. In any event, in its discussion thereof, applicant refers to “a series of agreements entered into by Opposer” and various third parties and contends that:

In each of the agreements, Opposer allowed a third party to use a mark including the word “choice” on or in connection with credit or debit card services. These agreements were all made against the backdrop of Opposer’s assertions that there was a likelihood of confusion between Opposer’s mark comprising “choice” and each of the parties’ respective marks ... and the threat of filing an opposition. While Opposer effectively precluded registration, the permitted continued use is fatal to its position in this proceeding. Thus, license agreements entered into by Opposer must be construed in one of two ways. First, the agreements can be a concession by Opposer that there is no likelihood of confusion among the respective marks. Second, if there is a likelihood of confusion among the competing marks, these agreements must be construed as licenses granted by Opposer to third parties to use a confusingly similar mark. Either situation precludes Opposer from asserting the position it has taken here.

If, in fact, there is no likelihood of confusion ..., then third party use of marks including the “choice component indicates that Opposer is entitled only to protect its exact mark, i.e., the word CHOICE. The third party uses limit Opposer’s rights to the specific mark of the registration. It cannot be expanded to include every mark including the “choice” component. If, in fact, the agreements are deemed to be licenses, none of the agreements includes a quality control provision. Thus, the licenses are naked licenses which similarly result in loss of right for Opposer.

In view of these agreements, Opposer’s scope of protection is limited to the single word mark CHOICE that is the subject of its registration. Opposer cannot expand the protection of this registration to include any mark including the “choice” component. Accordingly, Opposer is not entitled to oppose Applicant’s CHOICES UNLIMITED mark.

Opposer, in its reply brief, argues that there is nothing improper in the manner in which it has enforced its rights in its “CHOICE” mark for credit card services nor has it engaged in naked licensing of such mark. We agree. As opposer points out, while the record shows that “the settlement agreements allow for some third parties to make limited non-confusing uses of the challenged marks--albeit never directly on debit or credit cards,” “what Applicant in any event has failed to prove is that any of the parties with whom Opposer has settled, with a single exception, actually ever used the mark in connection with credit or debit card services.” Moreover, as opposer notes, the exception, consisting of the use by Consumers Choice Credit Union of its name directly on the credit cards issued to its members, is at variance with the terms of its settlement agreement with opposer, which provides that while the credit union is allowed to use its name on marketing materials with respect to all of the services offered to its members, it specifically is not permitted to use the name “Consumers Choice Credit Union” directly on credit or debit cards and opposer retains “the right to take action should confusion arise in the future from any uses permitted under the Settlement Agreement.” Each of the other settlement agreements of record, furthermore, specifically acknowledges that the third party thereto does not have the right to use or register a mark containing the word “CHOICE” for debit or credit card services. Thus, with a single exception (the extent of which is not known) of use directly on credit cards, we concur with opposer that the record demonstrates that opposer “has not permitted third party uses of a mark containing the term ‘Choice’ that could result in a likelihood of confusion or otherwise violate Opposer's rights in the CHOICE mark.”

In consequence thereof, we find that to the extent that applicant is seeking to assert as defenses either a lack of standing grounded upon opposer's acknowledged limitations in the scope of its rights or unclean hands based on its assertedly overzealous enforcement thereof, applicant has failed to prove such defenses. As the Board has stated in similar circumstances, “[t]here is nothing ... to suggest that [opposer] has done anything other than seek to protect its rights in its registered [mark or] marks, and preclude the registration of what it believes to be a confusingly similar mark, a right which every trademark owner possesses under the Lanham Act.” [Avia Group Int'l Inc. v. Faraut](#), 25 USPQ2d 1625, 1627 (TTAB 1992). [See, e.g., Time Warner Entertainment Co. v. Jones](#), 65 USPQ2d 1650, 1653 at n. 4 (TTAB 2002); [Cook's Pest Control, Inc. v. Sanitas Pest Control Corp.](#), 197 USPQ 265, 268 (TTAB 1977); and 5 J. McCarthy, [McCarthy on Trademarks & Unfair Competition](#) §§31:101-102 (4th ed. 2004).

- 6 No amendment to allege use, which as noted earlier began in May 1998, has been filed in connection with applicant's involved application.
- 7 Although not argued or cited in its brief, applicant asserted at the oral hearing that under [Kenner Parker Toys Inc. v. Rose Art Industries Inc.](#), 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992), *cert. denied*, 506 U.S. 862, 113 S.Ct. 181 (1992), a limitation is implied to its “debit card services” so as to restrict the identification of its services, for purposes of determining the issue of likelihood of confusion, to those which are actually rendered by applicant. While such case provides, *inter alia*, that “similarity of trade dress” may be considered where “[t]he trade dress of the marks enhances their inherently similar commercial impression,” 22 USPQ2d at 1458, it nowhere provides authority for the proposition that an applicant's identification of its goods and/or services is to be implicitly limited to those in connection with which the applicant actually uses its mark. Thus, in the present case, the fact that both applicant's “CHOICES UNLIMITED” mark and opposer's “CHOICE” mark are prominently displayed in slanted lettering across the top of the front of their respective debit cards and credit cards simply enhances the virtually identical commercial impression conveyed, as discussed previously, by such marks. [See Applicant's Ex. 2 and Opposer's Exs. 12 and 13A.](#)

2004 WL 838401 (Trademark Tr. & App. Bd.)

2004 TTAB LEXIS 110

Trademark Trial and Appeal Board

October 24, 2003, Hearing ; February 24, 2004, Decided

Cancellation Nos. 92030319, 92030392, 92030394, 92030502 and 92030579

Reporter

2004 TTAB LEXIS 110 *

Master Builders, Inc., ChemRex, Inc., and MBT Holding AG v. Polymerica, Inc.

Disposition: [*1]

Decision: Petitioners' consolidated petition to cancel is denied on the merits and is barred by laches and equitable estoppel.

Core Terms

marks, petitioners', registrations, concrete, products, cancel, floors, first use, trademark, coatings, advertising, distributors, trade show, purchasers, registered, repair, likelihood of confusion, commerce, parties, surface, compositions, petitions, epoxy, third-party, marketing, compound, website, Chemical, branded, cement

Counsel

Joseph G. Curatolo and Laura J. Gentilcore of Renner, Kenner, Greive, Bobak, Taylor & Weber for petitioners.

Lawrence E. Laubscher, Jr. of Laubscher & Laubscher for respondent.

Panel: Before Sams, Chief Administrative Trademark Judge, and Hohein and Chapman, Administrative Trademark Judges

Opinion By:

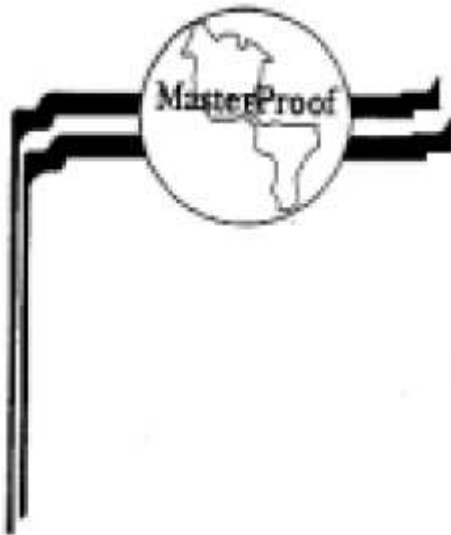
Chapman, Beth A.

Opinion

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

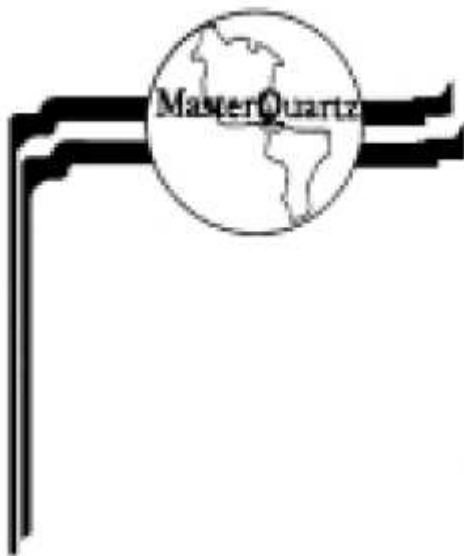
Opinion by Chapman, Administrative Trademark Judge:

Master Builders, Inc. (a Delaware corporation with its principal place of business in Cleveland, Ohio) (hereinafter Master Builders), ChemRex, Inc. (a Delaware corporation with its corporate headquarters in Shakopee, Minnesota) (hereinafter ChemRex), and MBT Holding AG (a Switzerland corporation with its principal place of business in Zurich) (hereinafter MBT Holding) jointly filed five separate petitions to cancel five registrations owned by Polymerica, Inc. (a Georgia corporation located in Carrollton, Georgia) (hereinafter Polymerica or respondent). Respondent's five registrations are for the marks shown below for the goods identified [*2] therein:



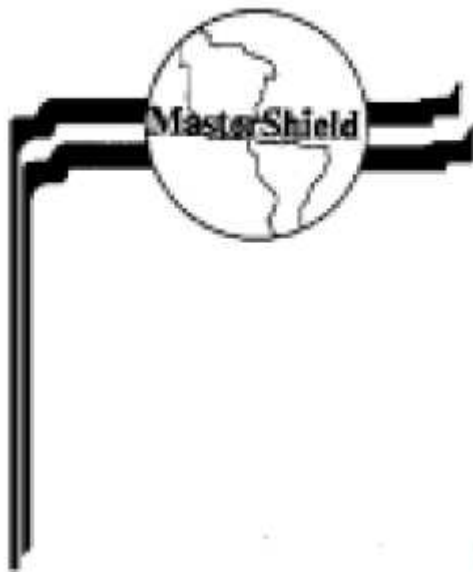
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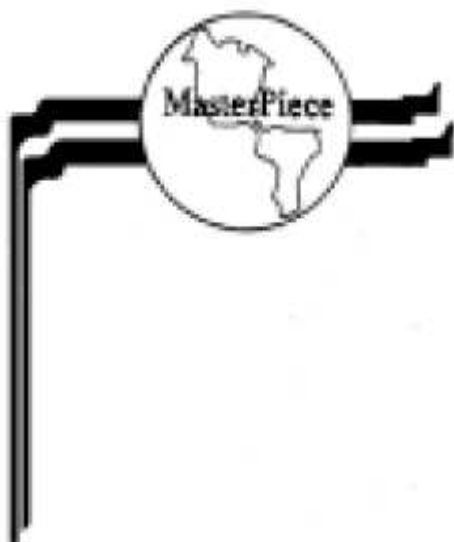
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The Pleadings

Subsequent to petitioners' filing the five separate petitions to cancel, they filed separate first amended petitions to cancel in Cancellation Nos. 92030319 and 92030502 on March 31, 2000, and a first amended petition to cancel in Cancellation No. 92030392 on May 12, 2000. These amended pleadings were accepted by the Board in separate orders. Ultimately, all five petitions to cancel were consolidated by Board order dated August 2, 2000 granting petitioners' consented motion to consolidate. [*4] On July 2, 2001 petitioners filed a second amended pleading in the then-consolidated case; and on February 26, 2002, the Board granted petitioners' motion for leave to file the second amended pleading, and accepted petitioners' second amended pleading. Petitioners' allegations in their five separate original petitions to cancel, as well as the allegations in their three separate first amended petitions to cancel, are essentially the same with regard to their asserted family of MASTER marks;⁶ and in Cancellation No.

¹ Registration No. 1,885,743, issued March 28, 1995 for "waterproofing compound for application to concrete floors and decks." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is September 14, 1990. This registration is the subject of Cancellation No. 92030319, which was filed by petitioners on March 27, 2000.

² Registration No. 1,885,741, issued March 28, 1995 for "epoxy compound applied as a surface coating to restore and protect concrete slabs and floors." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is July 12, 1990. This registration is the subject of Cancellation No. 92030502, which was filed by petitioners on March 27, 2000.

³ Registration No. 1,889,531, issued April 18, 1995 for "epoxy compound applied as a surface coating to restore and protect concrete slabs." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is May 11, 1990. This registration is the subject of Cancellation No. 92030392, which was filed by petitioners on April 4, 2000.

⁴ Registration No. 1,889,532, issued April 18, 1995 for "epoxy material for bonding skid resistant materials to hardened concrete." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is October 15, 1993. This registration is the subject of Cancellation No. 92030394, which was filed by petitioners on April 4, 2000.

⁵ Registration No. 1,889,533, issued April 18, 1995 for "decorative thin-set epoxy surfacing compound." Section 8 affidavit accepted. The claimed date of first use and first use in commerce is July 12, 1993. This registration is the subject of Cancellation No. 92030579, which was filed by petitioners on April 4, 2000.

⁶ In some of the petitions and amended petitions to cancel, petitioners pleaded not only their family of marks, but also made specific reference to certain of those marks (i.e., MASTERSEAL in Cancellation No. 92030319; MASTER BUILDERS, MASTERSEAL and MASTERTOP in Cancellation No. 92030392; none separately pleaded in Cancellation No. 92030394;

92030392, brought against respondent's registration for the mark "MasterShield and design," ⁷ petitioners pled ChemRex's ownership and use of the registered mark SONOSHIELD for "protective coatings, namely, asphalt emulsion waterproofing and dampproofing compounds and mastics." ⁸

[*5]

In petitioners' second amended pleading referencing all five consolidated cancellation proceedings, petitioners referenced their asserted family of marks, and their only mark referenced separately is MASTERSEAL. Petitioners did not assert any rights of ChemRex in the mark SONOSHIELD in their second amended petition to cancel. Also, the only registration owned by respondent specifically set forth in the second amended consolidated petition to cancel is Registration No. 1,885,743 for its mark "MasterProof and design." Inasmuch as neither party questioned what was asserted as against [*6] each of the five registrations either in the separate pleadings or in the second amended consolidated petition to cancel, and because the record shows these matters were tried by the parties, the Board deems petitioners' second amended consolidated petition to cancel to assert each and all of their alleged family of MASTER marks against all five of respondent's involved registrations, and we deem that petitioners asserted ChemRex's rights in the mark SONOSHIELD against respondent's registration for the mark "MasterShield and design."

In the second amended consolidated petition to cancel, petitioners allege that Master Builders and ChemRex are subsidiaries of SKW Trostberg AG (a German corporation); that MBT Holding functions as the legal owner of certain intellectual property rights of SKW Trostberg AG and its subsidiaries; that MBT Holding is the owner of eleven registrations for various "MASTER" marks; that Master Builders and ChemRex are the current licensees of the marks in those registrations; that Master Builders has continuously used the marks in connection with the manufacture, advertising and sale of "cement, concrete, mortar, grout, and masonry related goods" (paragraph [*7] 7) prior to respondent's use of its marks; that Master Builders has used and ChemRex currently uses the mark MASTERSEAL in connection with the manufacture, advertising and sale of "waterproofing coatings for application to concrete slabs" (paragraph 8); that petitioners' eleven registered marks are "highly distinctive and are well known trademarks for the goods of Petitioner Master Builders, Inc." (paragraph 13); that registrant's marks "are similar as to appearance and commercial impression [to petitioners' MASTER marks], the dominant feature of each being the lead word MASTER" (paragraph 15); and that respondent's marks, when used in connection with its goods, so resemble petitioners' previously used and registered trademarks, as to be likely to cause confusion, mistake, or deception. ⁹

MBT Holding's eleven pleaded registrations are the following: ¹⁰

MASTERSEAL and MASTERTOP in Cancellation No. 92030502; and MASTER BUILDERS, MASTERSEAL, MASTERCRON, MASTERTOP, and MASTERPLATE in Cancellation No. 92030579).

⁷ In this decision, the Board will not reproduce respondent's registered marks each time they are discussed, but rather, for simplicity, we will utilize the word mark portion showing the two words through lower and upper case letters (e.g., "MasterShield and design"). But to be clear, all references to respondent's five involved marks are to the marks as registered in the specific design form shown above.

⁸ Registration No. 1,963,339, issued March 19, 1996; [Section 8](#) affidavit accepted; [Section 15](#) affidavit acknowledged. The claimed date of first use and first use in commerce is April 1, 1974.

⁹ Petitioners' second amended consolidated petition to cancel also included a claim of fraud in respondent's filings of [Section 15](#) affidavits. The Board granted summary judgment on this issue in respondent's favor in an order dated February 26, 2002 (pages 6-7).

¹⁰ Petitioners have submitted proper status and title copies of fourteen registrations under a timely notice of reliance filed in August 2002. In this regard, when a registration owned by a party has been properly made of record in an inter partes case, and there are changes in the status of the registration between the time it was made of record and the time the case is decided, the Board will take judicial notice of, and rely upon, the current status of the registration as shown by the records of the United States Patent and Trademark Office. See TBMP § 704.03(b)(1)(A) (2d ed. June 2003), and the cases cited therein. The Board hereby takes judicial notice of the current status of four of the fourteen registrations on which either an initial Section 8 affidavit of use or

Registration No. 260,656 for the mark MASTERSEAL for "material [*8] to be applied to the surface of masonry to form a colorless surface waterproofing coating thereon," issued August 27, 1929; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is August 1, 1927.

Registration No. 353,184 for the mark MASTERPLATE for "material to be used as an ingredient for concrete, mortar, and the like to improve the properties thereof, and particularly to improve the hardness, to increase resistance to wear and corrosion, and to lengthen the life of structures made therefrom," issued December 28, 1937; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is July 12, 1937.

Registration No. 385,340 for the mark MASTERKURE for "materials for curing, hardening and improving concrete surfaces," issued February 25, 1941; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is August 15, 1940.¹¹

Registration No. 823,891 for the mark MASTER BUILDERS for "cementitious compositions for producing high strength, non-shrink, wear and impact-resistant [*9] concretes, mortars, grouts and floor surfaces, and components of such compositions including mineral and metallic aggregates and colored cementitious compositions," issued February 14, 1967; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is 1909.

Registration No. 823,864 for the mark MASTER BUILDERS for "compositions for improving the qualities of cements, concretes, mortars and grouts; and in addition, compositions for curings, sealing, hardening, and coloring concrete and mortar surfaces," issued February 14, 1967; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is 1909.

Registration No. 833,176 for the mark MASTERCRON for "material to be applied to fresh concrete to improve the hardness thereof, to increase resistance to wear and corrosion and to color same," issued August 8, 1967; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged; renewed. The claimed dates of first use and first use in commerce are June 18, 1965 and July 26, 1965, respectively.

Registration No. 1,050,681 for the mark MASTERFLOW for [*10] "dry packaged cement mixtures, concrete mixtures, grouts and mortars," issued October 19, 1976; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged; renewed. The claimed dates of first use and first use in commerce are November 9, 1970 and November 18, 1970, respectively.

Registration No. 1,571,939 for the mark MASTERTOP for "screedable, metallic-aggregate topping for concrete," issued December 19, 1989; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is June 23, 1986.

Registration No. 1,819,616 for the mark MASTERTOP for "coatings in the nature of polymer-based flooring compositions used for protecting and topping cementitious floors," issued February 8, 1994; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged; [Section 8](#) affidavit and [Section 9](#) renewal filed with the USPTO January 29, 2004. The claimed date of first use and first use in commerce is January 14, 1988.

a Section 9 renewal became due during the interim time frame. Specifically, the status thereof is as follows: Registration Nos. 385,340 (third renewal); 1,571,939 (first renewal); 1,819,616 (Section 9 renewal and Section 8 affidavit filed January 2004); and 1,965,706 (Section 8 affidavit).

¹¹ The registration includes a disclaimer of the word "Kure" because the original registration was for the mark "MasterKure," but the registration was amended on August 14, 1973 to the mark "MASTERKURE."

Registration No. 1,598,018 for the mark MASTERFILL for "epoxy or polymer-based joint compound used as a filler for a wide variety of home and industrial uses," issued May 29, 1990; [Section 8](#) affidavit accepted, [*11] [Section 15](#) affidavit acknowledged; renewed. The claimed date of first use and first use in commerce is December 19, 1989.

Registration No. 1,965,706 for the mark MASTERPAVE for "chemical admixtures for use in improving the properties of cement, concrete and mortar," issued April 2, 1996; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged. The claimed date of first use and first use in commerce is January 13, 1994.

[*12]

MBT Holding's two additional registrations made of record during trial are the following:¹²

Registration No. 2,239,537 for the mark MASTER TITE for "waterproofing chemical compositions for articles of wood, concrete, fiberglass, metal, brick, stucco and masonry," issued April 13, 1999. The claimed date of first use and first use in commerce is February 17, 1998.

Registration No. 2,510,468 for the mark MASTERPATCH for "repair concrete and mortar mixes," issued November 20, 2001. The claimed date of first use and first use in commerce is August 19, 1976.

In addition, ChemRex's registration pleaded [*13] in Cancellation No. 92030392 and made of record is the following:

Registration No. 1,963,339 for the mark SONOSHIELD for "protective coatings, namely, asphalt emulsion waterproofing and dampproofing compounds and mastics," issued March 19, 1996; Section 8 affidavit accepted, Section 9 affidavit acknowledged. The claimed date of first use and first use in commerce is April 1, 1974.¹³

Respondent filed separate [*14] answers to the petitions to cancel, in each of which it denied the salient allegations of the petition to cancel and raised the affirmative defenses of estoppel and acquiescence. In addition, in the previous Board order dated February 26, 2002 (p. 8), the Board deemed respondent's answers "to have been amended, by agreement of the parties, to include laches as an additional 'affirmative defense.'"

To summarize, the registrability issues in these proceedings are petitioners' claim of priority and likelihood of confusion and respondent's affirmative defenses of laches, estoppel and acquiescence.

The Record

The record consists of the second amended consolidated petition to cancel (as discussed above) and respondent's answers to the petitions to cancel; the files of respondent's five involved registrations; petitioners' notice of reliance under Trademark Rules 2.120 and 2.122 on various discovery materials, status and title copies of thirteen registrations owned by MBT Holding and one registration owned by ChemRex (the registration for the mark SONOSHIELD, as discussed above), and various printed publications and official USPTO records; and petitioners' testimony, with [*15] exhibits, of the following persons:

¹² Petitioners pleaded only eleven registrations owned by MBT Holding. To whatever extent it may be necessary, the Board specifically holds that petitioners' second amended consolidated petition to cancel is hereby considered amended to conform to the evidence under [Fed. R. Civ. P. 15\(b\)](#), thus now including the thirteen registrations.

¹³ With regard to the SONOSHIELD mark, there is no stand-alone product sold under the mark SONOSHIELD; rather, ChemRex uses SONOSHIELD to identify a line of products and each product is co-branded with a second mark. (Abrahamson dep., pp. 39-40.)

The only element common to both respondent's mark "MasterShield and design" and petitioner ChemRex's mark SONOSHIELD, however, is the term "shield," which plainly is highly suggestive in the context of the involved goods. We find in view thereof that, when considered in their entirety, there is no likelihood of confusion as to the source of the goods sold under the marks "MasterShield and design" and SONOSHIELD. No further consideration therefore need be given to ChemRex's registration and asserted rights in the mark SONOSHIELD.

- (1) Paul Abrahamson, ChemRex's brand marketing manager for the MBT TNR line of products;
- (2) Dennis John Kelley, ChemRex's executive director of marketing;
- (3) Gary L. Culton, Master Builders' technical support person for the product marketing group;
- (4) Frederick Raymond Goodwin, a senior development scientist at Degussa Construction Chemicals (a sister corporation to Master Builders and ChemRex);
- (5) John Christian Furniss, founder of Horizon Paint, a distributor of ChemRex products;
- (6) John Parke Boyer, Jr., Master Builders' vice president of marketing (taken on July 19, 2002); and
- (7) Paul A. Sonderman, respondent's president and chief operating officer (taken by petitioners on August 19, 2002).

The record also includes respondent's notice of reliance on petitioners' responses to certain of respondent's interrogatories; the declaration testimony of Karen P. Severson, an attorney in the law firm of Laubscher & Laubscher;¹⁴ and the testimony, with exhibits, of Paul A. Sonderman, respondent's president and chief operating officer (taken by respondent on October 24, 2002). During their rebuttal trial period, petitioners submitted [*16] a "supplemental notice of reliance" under Trademark Rule 2.122(e) on "printed publications (more particularly, Internet web site pages)"; the rebuttal testimony, with exhibits, of John Parke Boyer, Jr., Master Builders' vice president of marketing (taken February 10, 2003); and the testimony of Peter A. Vinocur, currently an attorney at Degussa Corporation, and previously Master Builders' vice president and general counsel.¹⁵

Both parties filed briefs on the consolidated case, and both parties were represented at the oral hearing held before the Board on October 24, 2003.

[*17] **Evidentiary Matters**

In their reply brief, petitioners raised for the first time objections to the admission of (1) the declaration testimony of Karen P. Severson, and (2) the testimony of Paul A. Sonderman with respect to his October 24, 2002 deposition, page 75, line 10 through page 77, line 10, and page 80, line 14 through page 82, line 9, all on the basis of lack of personal knowledge under [Fed. R. Evid. 602](#), hearsay under [Fed. R. Evid. 802](#), and hearsay within hearsay under [Fed. R. Evid. 805](#).

The Trademark Trial and Appeal Board Manual of Procedure (TBMP) explains that certain objections are not waived for failure to make them before or during the taking of the deposition, and may be presented for the first time in a party's brief on the case. See TBMP § 707.03(c) (2d ed. June 2003). Clearly this policy contemplates raising the objection in the plaintiff's initial brief on the case or in the defendant's brief on the case, thereby according the adverse party an opportunity to respond thereto. These objections were untimely presented as petitioners did not raise the [*18] objections until their reply brief. Respondent then had no opportunity to respond in writing. See Trademark Rule 2.128(a)(1). Objecting for the first time in petitioners' reply brief constitutes unfair surprise to respondent in this consolidated case.

Accordingly, petitioners' objections are denied as untimely raised.¹⁶ Of course, all evidence of record is considered for whatever probative value, if any, it may have.

¹⁴ On December 31, 2002, the parties submitted a written stipulation pursuant to Trademark Rule 2.123(b) allowing submission of the testimony of Karen Severson by way of declaration.

¹⁵ Portions of both of the testimony depositions of Paul A. Sonderman and of the first testimony deposition of John Parke Boyer, Jr., as well as exhibits related thereto, were filed under seal as confidential. The confidential testimony and exhibits from the Boyer deposition were utilized by petitioners in their briefs (see, e.g., pp. 7-8 of petitioners' opening brief), thereby waiving the confidentiality thereof.

¹⁶ We also note that petitioners cited the above-mentioned specific Federal Rules of Evidence, but did not offer any argument or other indication of how those evidentiary rules applied to the facts of the Severson declaration and the involved portions of the second Sonderman testimony in this particular consolidated case.

The Parties

Respondent, Polymerica, Inc., was founded in April 1990 by four partners -- John Masters, Paul Sonderman, Don Mills and John Del Proposto. It currently has about 25 employees total with about half at its administrative and research and development facility in Georgia and half at its factory in Kentucky. Paul Sonderman describes Polymerica, Inc.'s business as follows (second Sonderman deposition, pp. 8-9):

We manufacture [*19] polymeric coatings, material for resurfacing concrete and wood. We make finishes for floors and walls. And they're based on epoxy compounds and other elements that go into making up either a decorative or a functional part of a floor surface.

We go on top of concrete in just the same way that carpet goes on top of concrete, tile goes on top of concrete, and wood floors go on top of concrete. And we go on walls just the same way as paint would go on walls, only that it's a more durable product.

Respondent's products are epoxy-based with a few minor exceptions, one being a polyurethane and another being a vinyl ester, the latter of which still has an epoxy backbone.

In its founding year of 1990, respondent began using its marks "MasterShield and design" for an epoxy compound applied as a surface coating to restore and protect concrete slabs, "MasterQuartz and design" for an epoxy compound applied as a surface coating to restore and protect concrete slabs and floors, and "MasterProof and design" for a waterproofing compound for application to concrete floors and decks. In 1993 it began using its marks "MasterPiece and design" for decorative thin-set epoxy surfacing compound [*20] and "MasterSpec and design" for epoxy material for bonding skid resistant materials to hardened concrete.

The mark "MasterShield and design" was selected not only "to give John [Masters] some recognition, but because we wanted to denote the superior quality of our product line" and also use a term that "expresses some aspect of that product line." The globe design was used as it "left the impression of a shield, and it also gave an indication of Polymerica being a company that would service the western hemisphere." (Second Sonderman dep., pp. 25-26, 66.)

All of respondent's goods are sold through sales representatives directly to the end users--specialty contractors--generally in the industrial and commercial markets, not residential.

Respondent's involved goods are marketed under these marks throughout the United States, primarily through trade shows, trade journals and direct advertisements. Respondent advertises through magazines and journals (such as *Plant Services* (especially for industrial uses), *Design Build* (especially for commercial uses), *Journal of Protective Coatings and Linings*, *Aviation Maintenance*, and *Concrete Construction*); trade shows (such as [*21] World of Concrete, Design Build, National Business Aircraft Association, Concrete Specifiers Institute, and various regional trade shows); and television.

Polymerica, Inc. currently attends more national trade shows than regional trade shows. Paul Sonderman and Don Mills and various sales representatives have annually attended the World of Concrete trade show since 1990, when respondent had a hospitality room, but it began displaying at a booth at the show as of 1996. The annual World of Concrete trade show takes place at the convention center in Las Vegas and it occupies the entire center plus additional tents outside in the parking area to accommodate all the groups in the industry. The show is set up in different pavilions, e.g., repair, equipment, computer, and concrete. Respondent's display is in the repair pavilion.

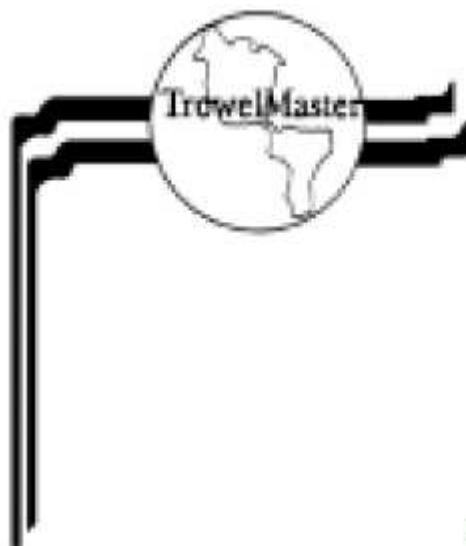
Mr. Sonderman also testified regarding the Concrete Construction Buyers' Guide, which is published by Hanley-Wood to accompany the annual World of Concrete trade show. The buyers' guide includes product categories, manufacturers and trade names. Mr. Sonderman explained that the companies fill out a form listing the products they provide and the categories they [*22] fit under. And he pointed out that the categories Polymerica is listed under do not include those of Master Builders and vice versa. (Second Sonderman dep., pp. 77-80, and Exhibit No. 21.)

The coatings sold under respondent's "MasterShield and design," "MasterProof and design" and "MasterSpec and design" marks are particularly for industrial uses such as factories, warehouses, and tank linings, but with some commercial uses such as by retailers and supermarkets. These types of products involve approval not through an architect but more by the plant engineers and purchasing people. The product sold under the "MasterQuartz and design" mark is a semi-decorative product and fits into both the industrial and commercial categories. Respondent's design polymers offered under the mark "MasterPiece and design" are more for high-end or decorative commercial application of architectural finishes for floors for places such as offices, hotel lobbies, shopping malls, and restaurants.

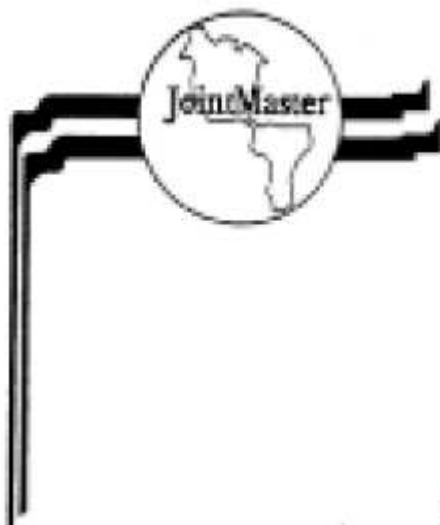
Respondent maintains a website which provides only a general overview of respondent's products without all the technical specifications and warnings as to the individual goods.

The purchasers of respondent's products [*23] are building owners, plant owners, contractors and architects, who must be knowledgeable about the products and the competition. Respondent considers its competitors to be mainly General Polymers, Stonehard, Dex-O-Tex, HP Fuller and Key Resins.

Mr. Sonderman established that respondent owns four other registrations (which are not the subject of any petition to cancel by petitioners). Those registrations are for the marks shown below for the goods identified therein:

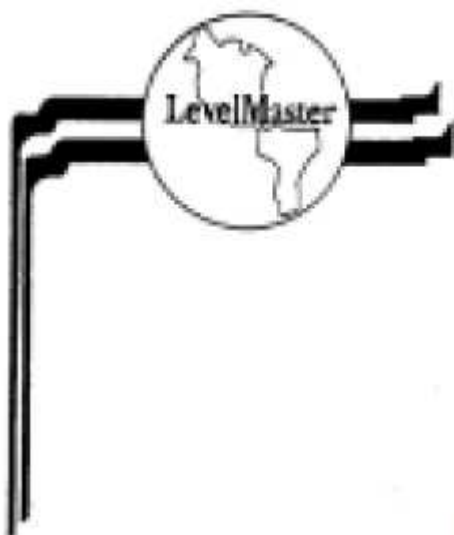


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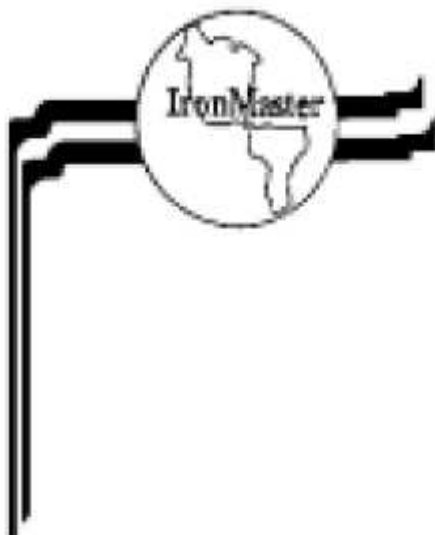
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¹⁷ Registration No. 1,879,441 for "chemical and heat resistant surfacing material for concrete," issued February 21, 1995; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged. The claimed date of first use and first use in commerce is May 23, 1990.

¹⁸ Registration No. 1,885,742 for "stress-relieving epoxy joint filler for concrete surfaces," issued March 28, 1995; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged. The claimed date of first use and first use in commerce is August 9, 1990.

¹⁹ Registration No. 1,885,744 for "epoxy surfacing compound for renovating and protecting concrete floors," issued March 28, 1995; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged. The claimed date of first use and first use in commerce is October 4, 1990.

²⁰ Registration No. 1,906,988 for "impact and wear resistant polymer surfacing compound for concrete floors and surfaces," issued July 25, 1995; [Section 8](#) affidavit accepted, [Section 15](#) affidavit acknowledged. The claimed date of first use and first use in commerce is November 14, 1990.

Respondent's annual advertising costs and sales figures were submitted as confidential and thus will not be stated with specificity. However, suffice it to say that those numbers have grown steadily in the 10-year period from 1991 to 2001.

Respondent is not aware of any instances of actual confusion involving its and petitioners' marks. Mr. Sonderman testified that he understands petitioners' products sold under their "MASTER" marks to be "concrete additives, flow-control agents, shake additives that would be troweled into the concrete, but mostly additives for the concrete or hardeners and densifiers of the concrete that are added immediately while the concrete's being poured and then incorporated into the concrete itself." (Second Sonderman dep., p. 64.)

Mr. Sonderman was aware of Master Builders because, being in the epoxy compound business as it relates to floors, one has to know what [*25] one's product is going over and, if it is going over concrete, it has to stick to the concrete, so one needs to know what is in the concrete.

He also testified he knew of Master Builders because he received a February 1, 1994 letter sent to respondent (specifically addressed to "Mr. Paul Sanderman" [sic]) by an attorney (Mr. Barry Solomon, now deceased) at Sandoz Corporation (hereinafter Sandoz), then the parent company of Master Builders, in which the attorney referenced respondent's marks "MASTERSHIELD, TROWELMASTER, MASTERQUARTZ, LEVELMASTER & MASTERPROOF," stating that those marks would cause confusion with their marks incorporating the term MASTER, including MASTER BUILDERS, MASTERFILL, MASTERPREN, MASTERFLOW, MASTERTOP, MASTERPLATE and MASTERCRON; and demanding that respondent "cease and desist from further use of these infringing trademarks." Respondent's attorney, in response, sent a letter dated March 1, 1994 setting forth the reasons respondent believed there was no likelihood of confusion; and on August 11, 1994 Sandoz's attorney sent a fax memo to respondent's attorney stating "it was nice speaking to you this morning regarding the trademark conflict involving 'MASTER' [*26] marks [used by respondent and Master Builders]"; and that he was bringing respondent's attention to their registration for the mark MASTERTOP for "coatings in the nature of polymer-based flooring compositions used for protecting and topping cementitious floors" (Registration No. 1,819,615); and closing with "I look forward to hearing from you." Respondent did not respond thereto and heard nothing further from Master Builders or their parent or sister companies until the petitions to cancel were filed in 2000. (Second Sonderman dep., pp. 55-60, and Exhibit Nos. 7, 9 and 10.)

Petitioner Master Builders, Inc. was first established in 1909 by Mr. Fleishiem, a contractor, who developed a cement composition to replace wood block floors. According to Mr. John Parke Boyer, Jr., Master Builders' vice president of marketing, the founder, Mr. Fleishiem, left the contracting business and from the 1920s through the 1940s, the company developed a line of cement products, primarily floor products; and in the 1950s and 1960s the company began to sell the additive product separately from the bagged cement product. Flooring, grouting and concrete repair remained key parts of the business.

ChemRex [*27] is a sister company to Master Builders. As explained by Dennis John Kelley, ChemRex's executive director of marketing, SKW (a German held company) purchased Master Builders and ChemRex, both of which license the "Master line" from MBT Holding, a company which holds title to and maintains various intellectual property rights. Around 1999 or 2000 when SKW purchased Master Builders, they already owned ChemRex. According to Mr. Boyer, Master Builders' "main brand was Master Builders" and ChemRex's "main brand" was "Sonneborn." (First Boyer dep., pp. 84-85.)

Mr. Boyer's understanding of the history of how Master Builders came to use "MASTER" as a formative in its trademarks is that it began with the original founder of Master Builders, Mr. Fleisheim, "using the name the master built method of flooring systems and [he] finally took the name for his company." The "first products were just called Master Builder Concrete Floor or Filler, Master Builder Grout, and there was no real effort at trademarking, but just using the same descriptive sort of thing." The first efforts to trademark were under the name EMBCO (phonetic letter "m," the letter "b" and "co" for company). Then in the 1920s, [*28] when the product range began to widen, "it became necessary to have more than the simple descriptive names"; thus, he began to "introduce product names using Master." (First Boyer dep., pp. 27-28.)

He acknowledged on cross-examination that he was not sure of the name of the company when it began in 1909, and he was not sure of why Mr. Fleisheim chose the name "Master Builders." Mr. Boyer also testified that his understanding of terms such as "master electrician" and "master carpenter" is that it indicates the person using that name has mastered the application area, and that it is so recognized conventionally today. This witness explained that his conjecture would be that Mr. Fleisheim selected the name Master Builders because it indicates that if you hired him, he has mastered building the flooring systems he offered. (First Boyer dep., pp. 95-96.)

Mr. Boyer's testimony evidences (see, e.g., Exhibit No. 13) use of petitioners' various "MASTER" marks, such as MASTER BUILDERS by at least 1913; MASTERMIX, MASTERSEAL and MASTERTEX by at least 1933; MASTERPLATE by at least 1968; and MASTERTOP by at least 1998. Petitioners' witnesses Boyer and Kelley essentially testified that the marks [*29] shown in the registrations relied on by petitioners in this case have been in continuous use as of the dates set forth in the respective registrations. (Petitioners' brief, p. 7.)

The Board notes, however, a few exceptions to the above were the following: First, Mr. Kelley testified that he believed the mark MASTER TITE (Registration No. 2,239,537) is not currently being used (dep., p. 13). Second, Mr. Boyer testified the first use date for the mark MASTERSEAL was in 1927-- as set forth in Registration No. 260,656, and for the two MASTERTOP registrations the first use dates were those set forth in the registrations, specifically, June 23, 1986 for the goods in Registration No. 1,571,939, and January 14, 1988 for the goods in Registration No. 1,819,616 (first Boyer dep., pp. 21-23), but, in his rebuttal deposition he testified that Master Builders first made an "epoxy-based flooring, coating product line" in 1983 or 1984 under the marks MASTERTOP and MASTERSEAL, and that he did not "quite know how to understand that date [the date of first use set forth in Registration No. 1,819,616 for the mark MASTERTOP]" (second Boyer dep., pp. 6, 19 and 24). Finally, Mr. Boyer mistakenly testified [*30] to the date of the Trademark Act of February 20, 1905 (Master Builders being founded in 1909) rather than the use date of August 15, 1940 for the mark MASTERKURE in Registration No. 385,340 (first Boyer dep., pp. 23-24).

As part of Exhibit No. 24 (first Boyer deposition), a "Master Builders Product Handbook" (Bates 002271) explains that "the overall mission of Master Builders is to **improve** new concrete, **protect** existing concrete and **repair** deteriorating concrete." (Emphasis in original.) Mr. Boyer testified that the business of Master Builders is in four segments -- add mixtures, flooring, grout and repair products. He explains add mixtures as chemicals added to a cement mix intended to modify the resultant concrete product.²¹ Petitioners' products in this segment are those sold under marks such as MASTERPAVE and MASTERMIX.

Their flooring product is a surfacing (either cement based or polymer based) which can be placed over unhardened or hardened concrete to protect against wear (impact resistance), environmental damage, or chemical damage. These "MASTER" branded products include those [*31] sold under the marks MASTERCRON, MASTERPLATE and MASTERTOP, the first two of which are dry mixtures that are troweled into the surface of unhardened concrete, so that they become an integral part of the concrete, and the latter is a sealer or topping placed over the surface of hardened concrete. The flooring product segment also includes petitioners' MASTERSEAL product.

In the involved industry, grouting refers to "material placed into a confined space using ... the flowability of the product. ... It's intended to go under a piece of industrial machine or under a foundation to support that weight that's above it... ." (First Boyer dep., p. 92.) This product is sold under the mark MASTERFLOW.

Petitioners' repair products segment relates to concrete repair such as repairing a damaged floor or balcony generally by filling cracks or repairing spalls or replacing an entire section of concrete. Such products are offered under the mark MASTERPATCH.

As further explained by Mr. Boyer, the Master Builders' "MASTER" line of products have been divided (since 1999 or 2000) and "the Master Builders protection and repair product lines are now marketed by ChemRex" and the add mixtures are marketed [*32] by Master Builders. (First Boyer dep., pp. 85 and 104.) That is, the add mixtures are the full responsibility of Master Builders, while the flooring, grout and repair products are the full responsibility of

²¹ These are liquid chemicals according to Peter Vinocur. (Dep., p. 8.)

ChemRex. None of petitioners' various "MASTER" products are sold by both Master Builders and ChemRex. Master Builders is now a wholly owned-subsiary of Degussa Corporation.

Master Builders' Mr. Boyer considers respondent to be a competitor to Master Builders or ChemRex with regard to their floor surfacing materials, which provide "concrete protection." (First Boyer dep., p. 111.) Mr. Abrahamson, ChemRex's brand marketing manager, also finds the "biggest conflict" in the parties' markets is "protection of any substrate that is in need of an abrasion resistant coating, a chemical resistant." (Abrahamson dep., p. 33.)

Petitioners view their customers as being the entities that literally purchase petitioners' products, and those customers are petitioners' distributors. But petitioners market their products not only to their distributors (direct customers), but also to the end users such as contractors, building owners, engineers and architects. Mr. Abrahamson (of ChemRex) explained [*33] that ChemRex also sells its products to its distributors, and the end users (e.g., contractors) buy from the distributors.

Mr. Abrahamson testified that the end users of petitioners' products are the applicators that apply the product, such as, water-proofer for MASTERSEAL products, grouting contractors for the MASTERFLOW products, and repair contractors for the MASTERPATCH products.

As explained previously herein, the confidentiality of Master Builders' sales and advertising figures has been waived by petitioners. Petitioners' advertising and promotional costs for a five year period (1996-2000) were approximately \$ 1 to \$ 1.5 million annually; and the sales of its MASTER branded products exceeded \$ 40 million over that same period. (Exhibit Nos. 25 and 26).

Petitioners advertise through trade journals, trade shows, and through their own distributor network, including specific promotional pieces highlighting specific products.

Petitioners answered respondent's interrogatory No. 26 regarding any instances of actual confusion as "None determined to date. ..."

However, Gary Culton, Master Builders' technical support person for its product marketing group, testified that he works [*34] with a group of four to six people answering calls about its products, how to use them, what types should be used in different situations, and the like. He has been in his job for about ten years. The group answers a total of about 150 calls per day. In late 1999 or early 2000, Mr. Culton received a phone call from one of Master Builders' sales representatives, explaining that one of his distributors was looking for a product called MASTERSHIELD, and could Gary help him out. He did not recall any other inquiries regarding any Polymerica product in the ten years he has been answering such calls; and he did not recall if he notified the "communications group," although he would usually "pass stuff like that along to them." (Culton dep., p. 11.)

Petitioners' witnesses generally testified that they did not become aware of respondent until around 1997 to 1998 or later. For example, Mr. Boyer testified he first became aware of Polymerica at a World of Concrete trade show and he first learned that Polymerica used trademarks that include the word "MASTER" in 1999 or 2000 because it was brought to his attention by someone, although he could not remember whom; Paul Abrahamson first became [*35] aware of Polymerica when he was notified in 2002 by his legal department that proceedings herein were moving forward, and apart from discussion with the legal department, he had no previous knowledge of respondent's involved marks and if he did see any of Polymerica's "Master" name products at the World of Concrete trade show, he "didn't pay any particular mind to it." (Abrahamson dep., p. 49); and John Furniss, founder of a paint company which is one of ChemRex's distributors, had never heard of respondent before he talked to petitioners' attorney.

Mr. Peter Vinocur was general counsel for Master Builders from 1992-1999, and he is now chief legal officer of Degussa Corporation. He testified that at Master Builders there was great concern if a third-party used a mark with "MASTER" especially if it was used in a competitive market; and that the cease and desist letter from Master Builders' then-parent company Sandoz Corporation to respondent would have been as a result of discussions between Mr. Vinocur and Sandoz's in-house attorney, Mr. Barry Solomon. He did not recall any other steps to be taken against respondent in 1994 other than the cease and desist letter; and Mr. Vinocur [*36] took no further action. He was not aware of any further action taken by Sandoz following the two correspondences of 1994. Also,

he had no further discussions with the Master Builders' business people between 1994 and 2000 when the petitions to cancel were filed.

Standing

Standing requires only that a party seeking cancellation of a registration have a good faith belief that it is likely to be damaged by the registration. See [Section 14](#) of the Trademark Act, [15 U.S.C. § 1064](#). See also, 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, [§ 20:46](#) (4th ed. 2001). The belief in damage can be shown by establishing a direct commercial interest. In the consolidated case now before us we find that petitioner MBT Holding's ownership of and Master Builders' and ChemRex's licensed use of the registered marks for the registered goods suffice to establish each petitioner's direct commercial interest and its standing to petition to cancel. See *Cunningham v. Laser Golf Corp.*, [222 F.3d 943](#), [55 USPQ2d 1842](#), [1844 \(Fed. Cir. 2000\)](#).

Priority

MBT Holding owns thirteen registrations, all for various "MASTER" marks. [*37] Nonetheless, priority must be proven in a cancellation proceeding. See *Brewski Beer Co. v. Brewski Brothers Inc.*, [47 USPQ2d 1281](#), at [1283-1284 \(TTAB 1998\)](#). In this consolidated case, petitioners have established continuous use in the United States of several of the various registered "MASTER" marks for the goods identified in those registrations (such as petitioners' registrations for the marks MASTER BUILDERS, MASTERSEAL, MASTERPLATE, MASTERTOP, MASTERKURE, MASTERCRON, MASTERFILL, MASTERFLOW and MASTERPATCH), the earliest being around 1909 and the latest (but still prior to respondent's first use of some of its marks in 1990) being 1989. Petitioners have not established priority with respect to two of their registered marks, MASTERPAVE and MASTER TITE. Petitioners' proven first use of MASTERPAVE was in 1994 and of MASTER TITE in 1998, both being subsequent to respondent's first use of each of its five registered marks (three in 1990 and two in 1993). Moreover, with regard to petitioners' MASTER TITE mark, one of petitioners' witnesses, Mr. Kelley, testified that that mark was no longer in use. Thus, petitioners have established priority as to all but two of their registered [*38] marks. Respondent, in any event, did not contest petitioners' priority.

Likelihood of Confusion

Before we turn to consider the merits of these petitions to cancel under the du Pont factors, we note that the registrations petitioners seek to cancel are prima facie evidence under [Section 7\(b\)](#) of the Trademark Act, [15 U.S.C. § 1057\(b\)](#), of the validity of the registrations, of respondent's ownership of the registered marks, and of respondent's right to exclusive use of the marks in commerce in connection with the identified goods. Petitioners thus have the burden of establishing evidence to rebut these presumptions. Cancellation of trademark or service mark registrations around which a large and valuable business has been created over the years should be granted only with due caution. See *Era Corp. v. Electronic Realty Associates, Inc.*, [211 USPQ 734](#), [746 \(TTAB 1981\)](#), citing to several CCPA cases, including *Sleepmaster Products Co. v. American Auto-Felt Corp.*, [241 F.2d 738](#), [113 USPQ 63 \(CCPA 1957\)](#); and *Rockwood Chocolate Co., Inc. v. Hoffman Candy Co.*, [372 F.2d 552](#), [152 USPQ 599 \(CCPA 1967\)](#).²²

[*39]

Our determination of likelihood of confusion is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, [476 F.2d 1357](#), [177 USPQ 563 \(CCPA 1973\)](#). See also, *In re Majestic Distilling Company, Inc.*, [315 F.3d 1311](#), [65 USPQ2d 1201 \(Fed. Cir. 2003\)](#).

²² Of course, a plaintiff's burden of proof is not greater in a cancellation proceeding than in an opposition proceeding. See *Cunningham v. Laser Golf Corp.*, [55 USPQ2d at 1848](#); and *Cerveceria Centroamericana, S.A. v. Cerveceria India Inc.*, [892 F.2d 1021](#), [13 USPQ2d 1307](#), [1309 \(Fed. Cir. 1989\)](#).

The first du Pont factor we consider is the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. Initially, we note that petitioners' marks are registered in typed form, and respondent's marks are composite marks with each consisting of a word portion and a design portion (as reproduced earlier). Although petitioners contend, and have shown, that respondent sometimes uses the word portions of its marks without the design features,²³ we emphasize that we must consider respondent's marks as registered, and that the overall question before the Board is whether respondent's registrations for its composite marks should be cancelled.

[*40]

Respondent argues that the only common element of the respective marks of all parties is the descriptive word "MASTER"; that the suffix portions of each party's marks are different, the presentation of respondent's marks is different with respondent's in lower and upper case, and the design portions of respondent's marks create completely different marks from petitioners' marks; that the suffixes of all of the marks, as well as the design portion of respondent's marks, are the dominant features of these marks; that marks with a descriptive element are entitled to a narrow scope of protection; and that the marks of the respective parties are dissimilar in sound, appearance, connotation and commercial impression.

Petitioners, on the other hand, assert that they have a family of "MASTER" marks; that the word "MASTER" is the dominant portion of respondent's composite marks and is also the dominant portion of each of petitioners' word marks as the suffixes of respondent's and petitioners' marks each suggest properties or uses associated with concrete or cement; that consumers are most likely to remember the word portion of respondent's marks; and that, when properly analyzed, the parties' [*41] marks, although having "some differences in appearance and sound, ... in their entireties are similar in appearance, sound, and particularly in connotation and commercial impression." (Brief, pp. 14-15.)

Clearly each of the involved marks of the parties includes the word "MASTER," but that is the only common element. All of respondent's various "MASTER" marks end in words different from the various suffix words used by petitioners in their various "MASTER" marks. In addition, each of respondent's registered marks includes a globe and banner or multiple line design, whereas petitioners' marks are registered in typed form.

Regarding petitioners' asserted family of "MASTER" marks, it is well settled that mere adoption, use and registration of a number of marks having a common feature for similar or related goods or services does not in and of itself establish a family of marks. Rather, in order to establish a family of marks, it must be demonstrated that the marks asserted to comprise the "family," or a number of them, have been used and advertised in promotional material or used in everyday sales activities in such a manner as to create common exposure and thereafter recognition [*42] of common ownership based upon a feature common to each mark. See [*J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889 \(Fed. Cir. 1991\)](#); [*Witco Chemical Co. v. Whitfield Chemical Co.*, 418 F.2d 403, 164 USPQ 43 \(CCPA 1969\)](#); and *Dan River, Inc. v. Apparel Unlimited, Inc.* 226 USPQ 186 (TTAB 1985).

While the record reveals that petitioners use and advertise many of their "MASTER" marks together and create common exposure of the marks to the consumers (see, e.g., petitioners' Exhibit Nos. 14 and 24), the problem with petitioners' argument is that the "family of marks" doctrine is based on the theory that the party asserting the "family" has an exclusive proprietary interest in the "surname" element which is common to the "family." That is, the "family" feature must be distinctive, not descriptive or highly suggestive or so commonly used in the trade that it cannot function as the "surname" of the "family." See *Land-O-Nod Co. v. Paulison*, 220 USPQ 61, 65-66 (TTAB 1983). As stated by Professor McCarthy, "in effect, the family 'surname' or distinguishing element is recognized by customers as an identifying trademark [*43] in and of itself when it appears in a composite." 3 J. Thomas McCarthy, [*McCarthy on Trademarks and Unfair Competition*](#), § 23:61 (4th ed. 2001). Thus, the question becomes

²³ There is also evidence showing respondent's use of its marks in the design form shown in its registrations. (See e.g., respondent's Exhibit Nos. 30-34, labels used on the containers in which the products are shipped and sold.)

whether the "family" feature or "surname" is distinctive enough to trigger recognition in and of itself. See *Spraying Systems Co. v. Delavan Inc.*, 975 F.2d 387, 24 USPQ2d 1181, 1187 (7th Cir. 1992); and [Hester Industries v. Tyson Foods](#), 2 USPQ2d 1646, 1647 (TTAB 1987).

Petitioners' witness Frederick Raymond Goodwin, a senior development scientist with Degussa Construction Chemicals (a successor-in-interest to Master Builders), testified that in his position he develops new products and supports and maintains existing products; that he provides technical assistance to other parts of his company (such as knowing how products are used and their applications); and that in 2001 he was asked by his boss to obtain information on respondent. What he learned was that respondent used the prefix "MASTER" with a "suffix word describing some type of the application in a manner similar to what Master Builders or Degussa" does with their marks; that "sometimes the descriptor name would precede the [*44] word 'master,' sometimes it would follow the word 'master,' and as always there were some exceptions to the rule..."; and that neither respondent nor petitioners were one hundred percent consistent in the make up of their marks for their "MASTER" products. (Goodwin dep., p. 11.)

In this consolidated case, it is apparent that the term "MASTER" is, at best, highly suggestive in relation to petitioners' goods. We take judicial notice of the Random House Dictionary of the English Language (2d ed. 1987) definition of "master" as "... 8. a worker qualified to teach apprentices and to carry on a trade independently." In addition, one of petitioners' own witnesses stated that he "would conjecture" that it was in that context that the name "Master Builders" was selected, i.e., the founder had mastered building the flooring system. (First Boyer dep., pp. 95-96.) Thus, the term "MASTER" is intended to relate to a level of superiority in the trade. Also, there are of record several third-party uses of the term "MASTER" for goods in the same or related industries, which will be discussed more fully later herein.

Nonetheless, petitioners' argue that their "MASTER" marks are "distinctive" [*45] and "not merely descriptive"; and that their evidence on the nature and extent of the sales and advertising of their goods offered under their "MASTER" marks proves "the secondary meaning attained by Petitioners' MASTER marks." (Reply brief, pp. 7-8).

Despite respondent's assertion that petitioners' marks are merely descriptive, this record does not establish that as fact. However, the highly suggestive nature of the term "master" in relation to the goods involved in this consolidated case, coupled with numerous third-party uses, establishes that such term is not a distinguishing element which could function as the "surname" of a "family" of marks. Moreover, petitioners have not promoted the term "MASTER" as the "family surname."

Therefore, we disagree with petitioners' assertion that they have established a "family" of "MASTER" marks, nor could petitioners establish a "family" of "MASTER" marks due to the nature of the "surname."

We have considered the similarities and dissimilarities of petitioners' various "MASTER" marks individually vis-a-vis respondent's various "Master ____ and design" marks, as registered. We find that respondent's marks are somewhat similar in sound and [*46] connotation to petitioners' "MASTER" marks, i.e., the word portions each consist of the first word "MASTER" with a suffix word (generally relating to the nature of the application of that particular product), and the connotation of "master" is similar for the parties' respective goods. However, the parties' respective marks are very dissimilar in appearance and overall commercial impression, specifically in view of the rather conspicuous and prominent globe and banner or line design, as well as the upper and lower case lettering, in respondent's marks.

"It has frequently been held that trademarks, comprising two words or a compound word, are not confusingly similar even though they have in common one word or part which is descriptive or suggestive of the nature of the goods to which the marks are applied, or of the use to which such goods are to be put." *Smith v. Tobacco By-Products & Chemical Corp.*, 243 F.2d 188, 113 USPQ 339, 340 (CCPA 1957) (BLACK LEAF and GREEN LEAF not confusingly similar for the same goods). That is, the fact that the marks share a common word or common initial letters does not necessarily mean that the marks as a whole project the same image or [*47] impression. See *Olay Company, Inc. v. Avon Products, Inc.*, 178 USPQ 502 (TTAB 1973) (OLAND and OLAY not confusingly similar for closely related goods).

We find that the dissimilarities in the appearance and overall commercial impressions of the parties' "MASTER" and "Master ____ and design" marks is a factor that favors respondent. In this consolidated case, the dissimilarities between the marks, especially when considered on balance with the other du Pont factors discussed *infra*, are significant. See *Champagne Louis Roederer S.A. v. Delicato Vineyards*, 148 F.3d 1373, 47 USPQ2d 1459 (Fed. Cir. 1998). That is, the factor of the dissimilarities of the parties' marks weighs heavily in favor of respondent.

Petitioners contend that their "MASTER" marks are strong because they have extensively advertised their "MASTER" marks for over 75 years; they have spent about \$ 1.5 million dollars annually on advertising and promotion over the last five years; and one of petitioners' distributors testified that if he saw "master" on a product he would "call the ChemRex guy and ask him if I could quote a Master Builders product." (Furniss dep., pp. 15-16.) They also specifically [*48] contend that their "MASTER" marks are famous based on their sales and advertising figures, and their length of use.

Respondent argues that petitioners' marks are weak and are not famous because they are formed of the descriptive word "MASTER" and a descriptive suffix relating to the particular product; and because there is extensive third-party use of the term "MASTER" in connection with construction products and services.

Petitioner Master Builders has clearly been in business for many decades, and it is clear that Master Builders and ChemRex together spend significant amounts of money as licensees to advertise and promote their "MASTER" products with the result of significant sales figures for those goods. While this evidence establishes the success of the products at some level, it does not prove the degree of renown of petitioners' "MASTER" marks in petitioners' product field. There is no direct evidence of consumers' perceptions of petitioners' "MASTER" marks. The testimony of one of ChemRex's distributors (Furniss) that, if he saw "master" in a specification, he would call ChemRex and ask if it was a Master Builders' product, is extremely limited evidence of fame. As explained [*49] above, we find that petitioners' "MASTER" marks are highly suggestive marks. As petitioners have acknowledged, their marks are a combination of the word "master" and a suffix word to help the customer understand the general application of the product (e.g., MASTERPATCH is for repairs, MASTERFLOW is for flowable grout). (First Boyer dep., p. 53.)

The highly suggestive nature of such marks is also demonstrated by the several third-party uses of "MASTER" on and in connection with similar and related goods. Respondent has introduced evidence showing several other "MASTER" branded products and the use thereof in the same or related fields. In her declaration, Karen Severson, averred that she searched the USPTO's Trademark Electronic Search System (TESS), locating some third-party registrations for marks including the term "MASTER" for the same or related products, and that she found various corresponding Internet web sites showing use of the third-party registered marks, as well as other Internet web sites showing uses of other third-party marks. The third-party registrations and third-party uses to which she averred consist of the following:

- (1) printouts of pages from the www.custombuildingproducts.com web site showing "MASTERBLEND" used for "Thin-Set Mortar[.]" an "all-purpose thin-set for walls and floors. Contractor preferred for its easy troweling and extended working time... ." The products' "Areas of Use-...concrete, mortar beds, masonry";
- (2) printouts of pages from the www.kcmaster.com web site showing "MASTER MUDJACKERS" used for "Mudjacking," which is "a proven, cost-effective method of permanently leveling misaligned, unlevel concrete slabs. By injecting mudjacking material under a lower level concrete slab, two uneven slabs can be repaired to their original condition" and this "innovative mudjacking pumping system [was] designed especially for residential and commercial slabs";
- (3) printouts of pages from the www.masterterrazzo.com web site of "Master Terrazzo Technologies LLC" showing "MASTERFLEX" used for a "100% solids, flexible epoxy membrane" "ideal for crack detailing or full slab underlayments to mitigate reflective cracking";
- (4) Registration No. 1,454,779 for the mark MASTER BOND for "coatings for use on piping, process, equipment, floors, roofs, tanks, ..." and "adhesives and sealants, namely epoxies... for all-purpose industrial use," as well as [*51] printouts of pages from the www.masterbond.com web site showing MASTER BOND used for epoxy

systems including "curable polymer systems for high performance coatings, adhesives, sealants... . They vary in thicknesses, hardness, chemical resistance, clarity... .";

(5) Registration No. 2,240,731 for the mark MASTER WHOLESale for "retail store services specializing in tile and stoneworking tools and supplies," as well as printouts of pages from the www.masterwholesale.net web site showing use of "MASTER WHOLESale Brand Products" including "Master Wholesale Super Set Thinset," which is a premium grade polymer modified thinset mortar consisting of Portland cement, sand, and powdered acrylic polymer additives..., and "Rapid Floor Regular," which is a "fast setting, high strength dry polymer modified mortar that is designed to be mixed with water, no other liquid additive is needed. This product is a cement based multi-purpose floor repair and leveling compound. ...";²⁴

(6) Registration No. 2,019,330 for the mark MASTERCHEM [*52] for various paint products and "coatings in the nature of wood sealers and protectors,"²⁵ as well as printouts of pages from the www.masterchem.com web site showing use of "MASTERCHEM Manufacturing Excellence in Architectural Specialty Coatings" and clearly indicating its uses include use on masonry and brick; and

(7) Registration No. 2,633,999 (issued to Conklin Company, Inc.) for the mark MASTER GUARD for "coatings in the nature of wood sealers and protectors" and "petroleum-based asphalt coatings, asphalt primers, asphalt fillers and asphalt patch," as well as printouts of pages from the www.crsystemsinc.com web site showing use of such "Conklin Building Products" as "MASTER GUARD(R) Asphalt Sealer," "MASTER GUARD(R) Pourable Crack Filler," "MASTER GUARD(R) Trowelable Crack Filler," and "MASTER GUARD(R) Asphalt Patch."

In addition, respondent's president and chief operating officer, Paul Sonderman, testified to an advertisement for "StampMaster [*53] Concrete Texturing Mats by Tabco" which appeared in a trade magazine (*Concrete Construction*) and which he contends shows use in connection with concrete finishing products. (Second Sonderman dep., pp. 76-77, and Exhibit No. 20.)²⁶

Petitioners' witness John Furniss (founder of the Horizon Paint manufacturing facility in Salt Lake City, Utah and one of ChemRex's distributors), when asked if he was aware of any "MASTER" branded products that were not petitioners' products, answered that one of the companies he once worked for had a product called "MasterDecorator" for paint. (Furniss dep., p. 22.) Petitioners' witness John Boyer testified that he had heard of the mark "MASTERBLEND" but did "not know the situation of MasterBlend" (second Boyer dep., pp. 82-83); [*54] and that he had heard of the mark "Masterflex" but he was not aware of any action with regard to that mark by petitioners. (Second Boyer dep., pp. 103-104.)

Respondent's witness Paul Sonderman testified that he is aware of a company called Master Terrazzo; that he believes Master Builders bought McNaughton-Brooks, a supplier to the terrazzo contractor business, in the late 1980s; and that Master Builders spun off a company called Master Terrazzo selling the McNaughton-Brooks terrazzo products (and brands) to Master Terrazzo. (Second Sonderman dep., pp. 34-37.)

Respondent also pointed out that the *Concrete Construction* publication includes (i) in the "Company Directory" portion several names with the word "Master" therein, including Mastercrete Construction Products, Master Level,

²⁴ We note that petitioners submitted evidence that an application for the mark MASTER WHOLESale was abandoned. (Petitioners' notice of reliance, attachment 4.)

²⁵ We are aware that the petitioners' and respondent's goods relate generally to concrete. The record does show that respondent also provides its goods for wood, metal, tile and fiberglass floors. (First Sonderman dep., p. 69.)

²⁶ The other two documents comprising Exhibit No. 20 are not probative of relevant third-party uses because the other advertisement is for a company in Australia, which is not evidence of perceptions in the United States; and the photograph was taken in an airport by another employee of respondent at a time the witness does not remember, and relating to a use of "Master Builder" which he was only speculating about.

and Masterset Fastening Systems Inc.; and (ii) in the "Trade Name Directory" portion several trade names with the word "Master" therein, including "Master" for both Arrow-Master Inc. and DESA International Inc., "Master Craft" for Master Craft Industrial, "Master Mix," "MasterSeal" and "MasterTurf" for Seal Master Industries Inc., and "Mastercrete System 2000" for Mastercrete. Respondent did not further [*55] investigate these particular uses, however.

Petitioners filed with their rebuttal notice of reliance printouts of web pages to show that the involved parties' goods are related, and (although not stated therein) presumably to show that at least some of the third-party companies were in businesses which petitioners assert are unrelated to petitioners' and respondent's goods, such as the manufacture and sale of concrete finishing and breaking equipment (Arrow), and pavement maintenance products (SealMasters).

We are aware that Mr. Boyer explained that petitioner Master Builders "and its affiliates" attorneys routinely bring marks to the attention of the appropriate people (including Mr. Boyer) for internal discussion. In particular, he testified that he personally recalled opposing a mark "MASTERCRAFT," resulting in an abandonment of the mark; opposing, then purchasing the mark MASTER TITE and licensing it back to the former owner; perhaps opposing the mark "MASTER WHOLESALE"; and opposing the mark MASTERCRETE." (First Boyer dep., pp. 81-82.) In addition, petitioners filed in their first notice of reliance (attachment 4) copies of a few official USPTO records, such as a photocopy [*56] of an assignment document for Registration 2,239,537 to MBT Holding for the mark MASTER TITE; a photocopy of an August 16, 2001 Board decision granting plaintiffs' summary judgment motion as conceded in Opp. No. 112,438 (Master Builders, Inc. and MBT Holding AG v. Blue Circle Industries, Inc., involving the mark MASTERCRETE); and an express abandonment of an application for the mark MASTER WHOLESALE (mentioned above).

The Board has in the past given weight to credible and probative evidence of significant and unrestrained use by third parties of marks containing elements in common with the mark which is the subject of the proceeding on the ground of likelihood of confusion to demonstrate that confusion is not, in fact, likely. See *Hilson Research Inc. v. Society For Human Resource Management*, 27 USPQ2d 1423, 1431 (TTAB 1993), citing *Miles Laboratories Inc. v. Naturally Vitamin Supplements Inc.*, 1 USPQ2d 1445, 1462 (TTAB 1986, amended 1987).

Respondent's evidence of third-party uses establishes that the word "MASTER" is hardly a unique term for goods that are the same or related to the goods involved herein. Therefore, it becomes reasonable to infer that [*57] purchasers have become conditioned to expect different sources even when the goods and services are sufficiently related to be attributable to one source. See *National Cable Television Association Inc. v. American Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1430 (Fed. Cir. 1991). The basis for such an inference has been established by the evidence of significant use by third-parties of marks which include the term "MASTER" as part of their company names and also as trademarks for various products pertaining to concrete additives, flooring, toppings and other related construction products. The relevant purchasers will not assume that all concrete add mixtures, flooring, grout, sealants, toppings, repair mixtures and other related construction products which include the word "master" as part of the trademark under which they are sold are invariably part of petitioners' line of concrete additive products.

We therefore find that petitioners' "MASTER" marks, while perhaps somewhat well known, are not strong marks entitled to a broad scope of protection and are not famous marks within the meaning of the du Pont factor relating thereto. Such finding thus favors [*58] respondent.

Turning to the issue of the relatedness of the goods, rather than addressing each separate identification of goods in respondent's five involved registrations and determining the relatedness thereof separately as to each of the identified goods in all of petitioners' registrations, we shall address this factor in more general terms.

Respondent essentially argues that petitioners' products are primarily concrete additives while respondent's products are primarily concrete coatings, and more specifically epoxy coatings and waterproofing compounds that can be applied over concrete, wood, metal, tile and fiberglass, and that some of respondent's goods, as identified, include all of those uses.

Petitioners essentially contend that four of respondent's five identifications of goods (excluding the goods in the "MasterPiece and design" registration) and twelve of thirteen of petitioners' identifications of goods (excluding the goods in the MASTERFILL registration) all recite that the goods are to be used with concrete; that the parties' respective goods are closely related; and that the closest overlap with respondent's goods is with petitioners' coatings in the nature of polymer-based [*59] flooring compositions for protecting and topping cementitious floors sold under the mark MASTERTOP and their waterproofing coatings sold under the mark MASTERSEAL. (Petitioners' brief, p. 18, Abrahamson dep., pp. 31-35.)

It is well settled that goods (or services) need not be identical or even competitive to support a finding of likelihood of confusion; it being sufficient that the goods (or services) are related in some manner or that the circumstances surrounding their marketing are such that they would likely be encountered by the same persons under circumstances that could give rise to the mistaken belief that they emanate from or are associated with the same source. See *In re Peebles Inc.*, 23 USPQ2d 1795, 1796 (TTAB 1992); and *In re International Telephone and Telegraph Corporation*, 197 USPQ 910 (TTAB 1978).

It has been repeatedly held that, when evaluating the issue of likelihood of confusion in Board proceedings regarding the registrability of marks, the Board is constrained to compare the goods (or services) as identified in the involved registration(s) (or application(s)). See *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990); [*60] and *Canadian Imperial Bank of Commerce, N. A. v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987).

In this case, respondent's goods are primarily epoxy coating materials which can be applied to concrete slabs and concrete floors and petitioners' goods are primarily additives for concrete mix. One of respondent's identifications of goods, "decorative thin-set epoxy surfacing compound," is not limited to concrete at all; and two of its other identifications of goods refer to protecting "concrete slabs and floors" and "application to concrete floors and decks" Respondent reasonably contends that the latter two identifications could refer, respectively, to floors and decks made of any product such as wood or tile.

Nonetheless, it is clear that respondent's identified goods either specifically relate to concrete applications or at least include concrete applications (e.g., "epoxy compound applied as a surface coating to restore and protect concrete slabs"). One of petitioners' registrations covers goods identified as "material to be applied to the surface of masonry to form a colorless surface waterproofing coating thereon."

In reviewing all of the identified [*61] goods of the parties, we find that they are sufficiently related that this factor favors petitioners.

We turn then to the du Pont factors involving the purchasers of these goods, their sophistication, and the channels of trade. The record shows that respondent sells its goods directly to specialty contractors (such as plant engineers and architects) through manufacturers' sales representatives, while petitioners sell their "MASTER" branded products to their own distributors. Petitioners' witness John Boyer testified that, as noted earlier, he considers their customers to be the entity that takes ownership of their products in return for which Master Builders receives money, and that is the distributor. He explained that the clients they market to include not only their direct customers (i.e., their distributors), but also people who may be instrumental in determining what product will be used (e.g., engineers, architects). (First Boyer dep., p. 83.)

Generally, respondent provides its catalog and product brochures to its sales representatives who in turn provide them to the specialty contractors. Respondent also markets, as indicated previously, through trade shows and magazine [*62] advertisements, and it maintains a web site. Petitioners market and advertise their goods (as divided between Master Builders and ChemRex) through trade shows, technical specification guides, magazine advertisements and direct mail. They also have web sites.

We thus find that the trade channels of the involved goods are similar or at least overlap, and that this factor favors petitioners.

However, key du Pont factors in this case, and which favor respondent, are the sophistication of the purchasers and the conditions of sale of the goods. Petitioners must show not that there is a likelihood of confusion in the general construction field, but rather that there is a likelihood of confusion among the customers or purchasers for the parties' respective goods. See *Electronic Design & Sales v. Electronic Data Systems*, 954 F.2d 713, 21 USPQ2d 1388, 1391 (Fed. Cir. 1992). As the Court stated in the *Electronic Design & Sales* case, 21 USPQ2d at 1392: "Where the purchasers are the same, their sophistication is important and often dispositive because 'sophisticated consumers may be expected to exercise greater care.'"

The purchasers and the ultimate consumers [*63] (e.g., plant engineers, contractors, architects) are sophisticated. The products are selected by professionals and specifications for some particular use which must be met by the product. In many instances, the selection involves specifications in a contract or an architectural requirement. The parties' respective goods are sold with labels explaining uses and setting forth various warnings, and there are technical data guides or specification materials on how to properly utilize the products. Even petitioners' witness Paul Abrahamson testified that for some of petitioners' products special training is required to install or use them (Abrahamson dep., 43); and their witness John Furniss (one of petitioners' distributors) testified that his customers vary from an unsophisticated house painter "who may never buy an epoxy," to "the other aspect to that [which] is the commercial end, the end that industrial floor coatings is very likely to be used in, ... [and which involves] a very sophisticated buyer." (Furniss dep., p. 12.)

Even though the parties attend and display at some of the same trade shows (e.g., World of Concrete) and belong to some of the same professional organizations, [*64] the purchasers who attend those trade shows and belong to those professional organizations are highly sophisticated and discriminating purchasers of the involved products. In fact, it is clear from the publication *Concrete Construction*, put out in connection with the World of Concrete trade show, that the parties are not listed under the same product categories (and it is the parties themselves who pick the categories under which they are to be listed). Thus, in actual practice, the parties do not regard their products as being in the same trade categories.

We find the dissimilarities of the marks, the sophistication of the purchasers and ultimate consumers, the technical nature of the respective goods and the conditions of sale to be key factors in this case. These factors, along with the evidence of third-party uses of "MASTER" marks, perhaps explain the lack of actual confusion of the involved marks, which we discuss next.

With regard to the du Pont factor relating to actual confusion, the parties have co-existed since 1990 and petitioners' sales of its "MASTER" brand products from 1996-2000 have exceeded \$ 40 million. Yet petitioners' interrogatory answers indicated [*65] petitioners were aware of no instances of actual confusion. Subsequent to that response petitioners asserted one instance of actual confusion, through the testimony of Gary Culton, a technical support employee of Master Builders, who received a telephone call in early 2000 from one of Master Builders' sales representatives stating he was looking for a product his distributor had inquired about--MASTERSHIELD. Mr. Culton testified he would normally route information about another company using "MASTER" to the appropriate staff, but he could not remember if he had done so in this case.

This testimony is insufficient to demonstrate actual confusion by purchasers or potential purchasers as to the source of respondent's and petitioners' "MASTER" branded products in the marketplace. Mr. Culton simply answered a call from one of petitioners' sales representatives who inquired because his distributor asked him about the "MasterShield" product. There is no indication that the distributor was confused as to the source of the goods. The distributor (and the sales representative) may have been aware that the "MasterShield" product was not petitioners' product. This asserted evidence of actual [*66] confusion is of limited weight. Moreover, considering the length of contemporaneous use and the relative success of the parties' sales of their respective goods sold under their respective marks, it is noteworthy that there have been no other reported instances of actual confusion involving potential purchasers, purchasers or end-users of the involved products. We are not convinced on this record, as petitioners argue, that respondent has only relatively recently achieved success in markets closer to petitioners' markets.

Although proof of actual confusion is not required to prove likelihood of confusion, in the circumstances of this consolidated case, we find that the lack of instances of actual confusion favors respondent.

Finally, we consider the du Pont factor on the extent of potential confusion, i.e., whether *de minimis* or substantial. The record before us shows that there is at most a *de minimis* chance that consumers would confuse the source of petitioner's goods and respondent's goods.

There must be shown more than a mere possibility of confusion; instead, there must be demonstrated a probability or likelihood of confusion. See *Electronic Design & Sales Inc. v. Electronic Data Systems Corp.*, 21 USPQ2d at 1391, [*67] quoting from *Witco Chemical Company, Inc. v. Whitfield Chemical Company, Inc.*, *supra*, as follows: "We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with *de minimis* situations but with the practicalities of the commercial world, with which the trademark laws deal." See also, *Triumph Machinery Company v. Kentmaster Manufacturing Company Inc.*, 1 USPQ2d 1826 (TTAB 1987). The Trademark Act does not speak in terms of remote possibilities of confusion, but rather, the likelihood of such confusion occurring in the marketplace. In this consolidated case, we find that the possibility or likelihood of confusion is remote.

Upon balancing all of the relevant du Pont factors in this consolidated case, and giving each relevant factor the appropriate weight, we hold that confusion is unlikely.

Affirmative Defenses

Although we have found no likelihood of confusion, in the interest of a complete decision, we will now rule on respondent's affirmative defenses. The burden of proof for the affirmative defenses is, of course, on respondent.

Laches

The specific elements required to establish [*68] the affirmative defense of laches are (1) unreasonable delay in assertion of one's rights against another, and (2) material prejudice to the latter attributable to the delay. See *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701 (Fed. Cir. 1992). "Laches is 'principally a question of the inequity of permitting the claim to be enforced--an inequity founded upon some change in the condition or relations of the property or the parties.'" *Bridgestone/Firestone v. Automobile Club de l' Ouest*, 245 F.3d 1359, 58 USPQ2d 1460, 1463 (Fed. Cir. 2001). There must be not only unreasonable delay but some detriment due to the delay. (Reliance is not a requirement of laches.)

Simply put, we find that petitioner Master Builders' and its then-parent company (Sandoz) clearly had notice of respondent's use of its "Master ____ and design" marks as of at least February 1, 1994 when the then-parent company sent a letter demanding that respondent cease and desist use of the marks "MasterShield, TrowelMaster, MasterQuartz, LevelMaster and MasterProof" (three of which are involved herein). Petitioners' delay from February 1994 to late March and early [*69] April 2000 when the five petitions to cancel were filed constitutes an unreasonable delay. It was Master Builders' then-parent company's in-house attorney, following discussions with Master Builders' then in-house counsel (Peter Vinocur), who contacted respondent demanding that it cease and desist use of its "Master" marks as infringing trademarks. Respondent's attorney responded within one month explaining the various reasons respondent believed there was no likelihood of confusion. This was followed several months later by a memo of August 1994 to respondent's attorney wherein the then-parent company's attorney simply stated that it "was nice speaking with you this morning regarding the trademark conflict"; specifically asserting the parent company's ownership of another registration, for the mark MASTERTOP for coatings in the nature of polymer-based flooring compositions used for protecting and topping cementitious floors; and stating that he "looked forward to hearing from you." (Respondent's Exhibit No. 10.) Petitioners made no additional contacts and took no other action until the filing of the petitions to cancel in 2000. Petitioners complain that respondent did not follow [*70] up as requested in the parent company's August 1994 memo; and that respondent did not advise the parent company or petitioners of the filing of its trademark applications in 1994, all of which were published for

opposition in 1995.²⁷ Petitioners' complaints of inaction by respondent ring hollow.²⁸ Petitioners offer no explanation as to why at least Master Builders did not take some further action if it believed there was a trademark infringement of its "MASTER" marks. In light of the February 1, 1994 cease and desist letter from Master Builders' parent company to respondent, it is apparent that Master Builders was aware of respondent at least since sometime prior to the date of the cease and desist letter which was sent only after discussion with Master Builders' in-house attorney.

[*71]

Respondent believed that the "trademark conflict" was resolved, particularly after it heard nothing further after the 1994 letter and memo, and its marks were published and not opposed; and that petitioner Master Builders' and its parent company had no further interest in the situation. Respondent had commenced use of all five of its involved marks (in 1990 and 1993) by the date of the cease and desist letter in 1994, which referred to only three of respondent's five registrations petitioners now seek to cancel.²⁹ The record is clear that respondent actively developed its business and its products, growing from six sales representatives in 1990 to fourteen in 2002; and concomitantly increasing advertising and sales. Respondent has shown material prejudice attributable to petitioners' delay.

Accordingly, we find that petitioners' petitions to cancel are barred by the equitable defense of laches.

Petitioners alternatively [*72] argue that the Board should deny respondent's laches claim based on the "doctrine of progressive encroachment," citing the case of *SCI Systems Inc. v. Solidstate Controls Inc.*, 748 F.Supp. 1257, 15 USPQ2d 1299 (S.D. Ohio 1990), as well as a 1917 Sixth Circuit case cited therein. (Brief, pp. 37-38.) The facts of the SCI Systems case involving trademark infringement and unfair competition are completely different from the facts involved herein. Moreover, we are not convinced that the "doctrine of progressive encroachment" should even apply in a cancellation proceeding involving delay by a party in seeking to cancel a registration before the Board. (For example, in Board administrative proceedings, we look only to the mark(s) as registered (or applied for) and to the goods or services as identified. See *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990).)

Estoppel

The elements required to establish the defense of equitable estoppel are (1) misleading conduct (including not only statements and action, but also silence and inaction) which leads another to reasonably infer that rights will not be asserted [*73] against it, (2) reliance upon this conduct, and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted. See [Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.](#), *supra*.

We find the silence and inaction of Master Builders' parent company after the 1994 letter and 1994 memo to respondent, as well as each of the current petitioners' complete silence and inaction, to be misleading conduct. From the testimony of petitioners' own witnesses, it is clear that once most of these individuals became aware of respondent (including one with first-hand knowledge from the World of Concrete trade show), they nonetheless did nothing to take any action against respondent's involved five registrations prior to the filing of the petitions to cancel in 2000.

²⁷ No party filed either an extension of time to oppose or a notice of opposition against any of respondent's five marks involved herein.

²⁸ The burden was not on respondent to follow up on Master Builders' parent company's trademark infringement concerns, but rather action thereon would clearly be up to petitioner Master Builders or its parent company or any other interested party (e.g., sister companies).

²⁹ Even when petitioners filed their five petitions to cancel, they did not seek to cancel respondent's four registered marks which use the term "Master" as the suffix instead of the prefix in the word portion of each mark, and utilize the same design format.

As discussed above, it is clear that respondent's business grew steadily during the years of petitioners' inaction due at least in part to respondent's reliance thereon. The material prejudice to respondent is as explained above in our discussion of the laches defense.

Accordingly, we find that petitioners' claim is barred by equitable estoppel.

Acquiescence

Respondent acknowledges [*74] that the defense of acquiescence requires as one of its elements that a plaintiff actively represented that a right or claim would not be asserted; and that "to the extent that acquiescence requires such an overt act, then the acquiescence defense is withdrawn." (Brief, p. 30.) Therefore, the Board considers this affirmative defense withdrawn. See [*Coach House Restaurant Inc. v. Coach and Six Restaurants Inc.*, 934 F.2d 1551, 19 USPQ2d 1401 \(11th Cir. 1991\)](#). Respondent contended that the Board could interpret "active representation" broadly to include silence and tacit acceptance. But we decline to so broadly interpret this element of acquiescence, particularly in view of the fact that the last statement received by respondent was one which "looked forward to hearing from you."

Graphic:

Illustrations 1 through 9, no caption

14 APR 2021

McCarthy on Trademarks and Unfair Competition, 5th, March 2021 update

McCarthy on Trademarks and Unfair Competition 5th

Chapter 20. Inter Partes Trademark Proceedings in the Patent and Trademark Office

II. Opposition Proceedings in the USPTO

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§ 20:35. Oppositions: laches or acquiescence—The law today

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J. Thomas McCarthy

Chapter 20. Inter Partes Trademark Proceedings in the Patent and Trademark Office

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[References](#)

West's Key Number Digest

- West's Key Number Digest, [Trademarks](#)  [1293](#)

In 1991 the Federal Circuit, in a case involving registration of an “ACE” award for movies and television, put an end to the Trademark Board's attempts to incorporate a laches defense in opposition proceedings. The court reaffirmed the vigor of the 1957 *Salem Commodities* and 1972 “BEEFEATER” decisions. In a cancellation proceeding, the court definitively

held that since the registration rights that a petitioner objects to come into being as a result of the registration process, not from use alone, laches can only start running from the first time when petitioner could object to registration: the date when the registrant's application for registration was published for opposition.¹

Thus, this rule effectively eliminates the defense of laches from an opposition proceeding. As Chief Judge Nies observed:

We conclude that there is no precedent which requires us to determine laches in an opposition or cancellation proceeding under a standard based on the time running from knowledge of use rather than knowledge of the application for registration. To clarify the law, we reject the Board's standard definitively now and reaffirm the position taken in *James Burroughs v. LaJoie*, which addresses the precise issue.²

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Footnotes

- ¹ [National Cable Television Ass'n v. American Cinema Editors, Inc., 937 F.2d 1572, 19 U.S.P.Q.2d 1424, 1432 \(Fed. Cir. 1991\)](#) (no laches defense was found). See [Lincoln Logs, Ltd. v. Lincoln Pre-Cut Log Homes, Inc., 971 F.2d 732, 23 U.S.P.Q.2d 1701 \(Fed. Cir. 1992\)](#) (the same principles apply to the defense of equitable estoppel).
- ² [National Cable Television Ass'n v. American Cinema Editors, Inc., 937 F.2d 1572, 19 U.S.P.Q.2d 1424, 1431 \(Fed. Cir. 1991\)](#). See [DAK Industries, Inc. v. Daiichi Kosho Co., 25 U.S.P.Q.2d 1622 \(T.T.A.B. 1992\)](#) (The Federal Circuit's ACE Awards case makes “it clear that in an opposition proceeding, laches cannot begin to run until the mark is published for opposition. ... The Court could not have been clearer: the period which we consider in determining whether a plaintiff delayed in bringing an

[opposition] action before the Board begins with the publication of the mark in the Official Gazette. Before then, no opposition is possible.” Defenses of laches, estoppel and acquiescence were dismissed on summary judgment.). See [Panda Travel, Inc. v. Resort Option Enterprises, Inc., 94 U.S.P.Q.2d 1789, 2009 WL 5253036 \(T.T.A.B. 2009\)](#) (Laches begins to run when the mark is published for opposition. Because opposer timely filed after the mark was published for opposition, there can be no laches defense even assuming that opposer knew of applicant for 20 years.).

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