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

Proceeding	92043663
Party	Plaintiff SMART WORLD ORGANICS INC.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

GUSTAFSON, L.L.C.	
Petitioner	Cancellation No. 92041710 ,
v.	Registration No. 2271859
CIRCLE ONE INTERNATIONAL, INC.	
Registrant	CONSOLIDATED WITH
CIRCLE ONE INTERNATIONAL, INC. and SMART WORLD ORGANICS, INC.	Cancellation No. 92043663
Petitioner,	Registration No. 2846341
v.	
GUSTAFSON, L.L.C.	
Registrant	

SMART WORLD ORGANICS, INC.’S PLAINTIFF’S BRIEF ON THE CASE

REGISTRANT, Smart World Organics, Inc. (“Smart World”), pursuant to 37 C.F.R. §2.128 and TBMP §801, by and through undersigned counsel, hereby files its Brief on the Case as party plaintiff in Cancellation No. 92,043,663. The evidence of record consists of the following:

- A. Petitioner’s Registration No. 2,271,859;
- B. Registrant’s application Serial No. 78/055,392 and subsequent Registration No. 2,846,341;

- C. Office Action No. 1 to Application Serial No. 78/055,392 dated July 20, 2001;
- D. Office Action No. 2 to Application Serial No. 78/055,392 dated April 18, 2002;
- E. Petition to Director dated September 7, 2004 (Dkt. Entry #12 in Proceeding No. 92,041,710);
- F. Commissioner's Order Reinstating Registration dated April 27, 2007 (Dkt. Entry #29);
- G. Petition to Director Dated November 19, 2007 (Dkt. Entry #35);
- H. Commissioner's Order Reinstating Registration dated April 23, 2009 (Dkt. Entry #37); and
- I. Registrant Smart World Organics Inc.'s First Request for Admission.

RELEVANT FACTS AND PROCEDURAL HISTORY

1. The trademark PROSPER was first used by Circle-One International in connection with the services in International Class 01 at least as early as March 3, 1994, and was first used in interstate commerce in connection with the services in International Class 01 at least as early as September 2, 1994. The trademark PROSPER is now and has always been in use by Circle-One or its assignee, Smart World, in such interstate commerce.

2. The Commissioner of Patent and Trademarks issued a certificate of registration to Circle-One International for the trademark PROSPER on August 24, 1999, Registration No. 2,271,859.

3. Gustafson, LLC, a Delaware Limited Liability Company ("Gustafson"), with its offices at 1400 Preston Road, Suite 400, Plano, Texas 75093, filed an application

for the mark PROSPER, Serial No. 78/055,392, on July 20, 2001, and an office action was issued stating Gustafson's applications was refused due to the above-referenced registration.

4. On April 18, 2002, a final office action was submitted by Law Office #102 due to the above-referenced registration.

5. After almost nine years of uninterrupted use, between February and March 2003, Circle-One International received several phone calls from an attorney in Texas that represented Gustafson.

6. Between February and March 2003, Gustafson's attorney said that Gustafson desired to purchase the registered trademark PROSPER from Circle-One International. Gustafson's attorney said that Gustafson wanted to use the word PROSPER as a mark for one of its products and offered to purchase the trademark for \$1,000.00. *See* Declaration Under 37 C.F.R. §2.20 attached to Motion for Relief From Final Judgment and Supporting Brief in Proceeding No. 92,041,710.

7. In or about March 2003, Circle-One International told Gustafson's attorney that Circle-One International was not interested in selling its mark and informed Gustafson's attorney that Circle-One International had invested hundreds of thousands of dollars promoting the name in the United States, and other countries, and that Circle-One International uses the trademark PROSPER on most of its products, advertising, its website, and in e-commerce. *See* Declaration Under 37 C.F.R. §2.20 attached to Motion for Relief From Final Judgment and Supporting Brief in Proceeding No. 92,041,710.

8. During March or April 2003, Gustafson's attorney offered \$3,000.00 for the trademark PROSPER. After repeating that Circle-One International was not

interested in selling its mark for the reasons stated above, Gustafson's attorney stopped any and all communications. *See* Declaration Under 37 C.F.R. §2.20 attached to Motion for Relief From Final Judgment and Supporting Brief in Proceeding No. 92,041,710.

9. On or about March 3, 2003, Gustafson, through counsel from the same law firm that contacted Circle-One International regarding purchasing the PROSPER trademark, filed a petition to cancel Registration No. 2,271,859 for the trademark PROSPER in International Class 01 on the grounds that it believed "the above-referenced registrant has abandoned its use of the above-referenced trademark." *See* Petition to Cancel, Proceeding No. 92,041,710.

10. Circle-One International did not receive notice of the petition to cancel Registration No. 2,271,859 for the trademark PROSPER in International Class 01 nor did it have knowledge that a proceeding had been initiated against its registered trademark PROSPER.

11. Gustafson claimed to have attempted to serve notice of this proceeding according to "the USPTO's TARR system," which, according to Gustafson's petition to cancel registration, listed the address of the Registrant as "Flight Path Drive, Brooksville, Florida 34609." *See* Petition to Cancel, Proceeding No. 92,041,710.

12. At the time Circle-One International was communicating with Gustafson's attorney, and since then, Gustafson, upon information and belief, knew that Circle-One International had not abandoned its mark PROSPER and that Circle-One International's business address was: (1) 6252 Commercial Way, Suite 119, Brooksville, Florida 34613; and/or (2) 18744 Titus Road, Unit #1, Hudson, Florida 34667. *See* Declaration Under 37 C.F.R. §2.20 attached to Motion for Relief From Final Judgment and Supporting Brief in

Proceeding No. 92,041,710.

13. On July 15, 2003, the Trademark Trial and Appeal Board granted Gustafson's petition to cancel and ordered the above-referenced registration cancelled in due course.

14. On August 25, 2003, the Deputy Commissioner for Trademark Operations cancelled Registration No. 2,271,859 for the trademark PROSPER.

15. On My 25, 2004, a certificate of registration was issued to Gustafson, Registration No. 2,846,341, for the trademark PROSPER in International Class 005.

16. On September 7, 2004, Circle-One International filed a Motion for Relief from Final Judgment and Supporting Brief with the Trademark Trial and Appeal Board and petitioned the Director to set aside or vacate the final judgment rendered by the Board on August 25, 2003, for failure to answer the petition to cancel Registration No. 2,271,859 for the trademark PROSPER in International Class 01.

17. Filed concurrently with Circle-One's Motion for Relief from Final Judgment and its petition to the Director on September 7, 2004, Ray Nielsen, an officer of Circle-One International and Smart World, filed his Declaration Under 37 C.F.R. §2.20, stating among other facts, that the trademark PROSPER, Registration No. 2,271,859, has been in use in interstate commerce since at least as early as September 2, 1994 and is now and has been in use in such commerce.

18. Also on September 7, 2004, Circle-One International also petitioned to cancel Registration No. 2,846,341 for the trademark PROSPER in International Class 005.

19. On November 19, 2004, the Trademark Trial and Appeal Board vacated

its order granting Gustafson's petition to cancel and restored Registration No. 2,271,859 to issued status.

20. On November 30, 2004, Circle-One International assigned Registration No. 2,271,859 to Smart World. The assignment is recorded at Reel and Frame Nos. 2983/0646.

21. On January 3, 2005, Smart World was substituted as party plaintiff in Cancellation No. 92043663 and as party defendant in Cancellation No. 92041710 and the two cancellation proceedings were consolidated.

22. On April 27, 2007, the Commissioner for Trademarks set aside the Deputy Commissioner's cancellation of Registration No. 2,271,859 and reinstated Registration No. 2,271,859 in full force and effect as of its original registration date of August 24, 1999.

23. However, on May 22, 2007, the registration was canceled under Section 8 of the Lanham Act for failure to file an affidavit or declaration verifying continued use in commerce or excusable nonuse due to special circumstances between the fifth and sixth anniversary from the date of registration.

24. On November 19, 2007, Smart World petitioned the Director to again reinstate Registration No. 2,271,859 identifying the filing conundrum Smart World had been in, namely that once the registration was reinstated in full force and effect as of its original registration date of August 24, 1999, Smart World's Section 8 affidavit or declaration was due to be filed between August 24, 2004 and August 24, 2006, however, during that period of time, Registration No. 2,271,859 was deemed cancelled due to the timeline of events outlined above. Thus, had Smart World filed a Section 8 affidavit

between the proscribed dates, it would have been rejected because Registration No. 2,271,859 was deemed cancelled at that time and even as of the date Registration No. 2,271,859 was finally reinstated on April 27, 2007, filing a Section 8 affidavit or declaration would have been deemed untimely, rendering Smart World stuck in a lose-lose situation.

25. On April 23, 2009, the Deputy Commissioner for Trademark Examination Policy granted the petition and reinstated Smart World's registration.

26. On July 9, 2009, Smart World served Registrant's First Request for Admission on Gustafson ("Smart World's RFA"). Gustafson failed to timely respond thereto, and pursuant to Fed.R.Civ.P. 36 and TBMP §407.03(a), the requests stand as admitted and "[are] conclusively established."

27. [Gustafson] had knowledge of [Smart World's] use of the PROSPER mark prior to the filing of the trademark application that resulted in Registration No. 2,846,341. *See* Smart World's RFA 1.

28. [Gustafson] was aware of at least some of [Smart World's] advertising using the PROSPER mark prior to [Gustafson's] filing of trademark application that resulted in Registration No. 2,846,341. *See* Smart World's RFA 2.

29. [Smart World] has used PROSPER marks in connection with its agricultural products. *See* Smart World's RFA 3.

30. [Smart World] has used PROSPER marks in connection with fertilizers. *See* Smart World's RFA 4.

31. The term "PROSPER" is not generic for agricultural products. *See* Smart World's RFA 5.

32. The term “PROSPER” is not descriptive for agricultural products. *See* Smart World’s RFA 6.

33. The term “PROSPER” is inherently distinctive for agricultural products. *See* Smart World’s RFA 7.

34. The term “PROSPER” has no meaning in connection with agricultural products. *See* Smart World’s RFA 8.

35. The term “PROSPER” has no meaning in connection with agricultural products. *See* Smart World’s RFA 9.

36. [Smart World] uses its “PROSPER” mark throughout the U.S. *See* Smart World’s RFA 10.

37. [Gustafson] is not aware of any third party use of marks including “PROSPER” on agricultural products. *See* Smart World’s RFA 11.

38. [Gustafson] is not aware of any third party use of marks including “PROSPER” on fertilizers. *See* Smart World’s RFA 12.

39. [Gustafson] is not aware of any third party use of marks including “PROSPER” on insecticides or fungicides. *See* Smart World’s RFA 13.

40. Goods sold under the [Gustafson’s] mark are capable of sale in the same channels of trade as [Smart World’s] products. *See* Smart World’s RFA 14.

41. Goods sold under the [Gustafson] mark are capable of sale to the same class of purchasers as [Smart World’s] products, namely purchasers of agricultural products. *See* Smart World’s RFA 15.

42. [Gustafson] did not use the PROSPER mark in connection with insecticides and fungicides in the United States until sometime after the year 2003. *See* Smart World's RFA 16.

43. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 1994. *See* Smart World's RFA 17.

44. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 1995. *See* Smart World's RFA 18.

45. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 1996. *See* Smart World's RFA 19.

46. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 1997. *See* Smart World's RFA 20.

47. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 1998. *See* Smart World's RFA 21.

48. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 1999. *See* Smart World's RFA 22.

49. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 2000. *See* Smart World's RFA 23.

50. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 2001. *See* Smart World's RFA 24.

51. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 2002. *See* Smart World's RFA 25.

52. [Gustafson] did not use the PROSPER mark in connection with insecticides in the United States until sometime after the year 2003. *See* Smart World's RFA 26.

53. [Smart World's] use of the PROSPER mark in connection with fertilizer's predates [Gustafson's] use of the PROSPER mark in connection with insecticides and fungicides. *See* Smart World's RFA 27.

ARGUMENT

As set forth by the Examining Attorney in the Office Action dated July 20, 2001 and the Office Action dated April 18, 2002, issuing the final refusal of registration, Gustafson's PROSPER mark so resembles Smart World's PROSPER mark that it is likely, when used on the identified goods, to cause confusion or to cause mistake or to deceive, under Trademark Act 2(d), 15 U.S.C. §1052(d).

In *In re E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (C.C.P.A. 1973), the Court listed the principal factors to consider in determining whether there is a likelihood of confusion, among which are the similarity of the marks as to appearance, sound, meaning and commercial impression and the similarity of the goods. The overriding concern is to prevent buyer confusion as to the source of the goods and/or

services. *Miss Universe, Inc. v. Miss Teen U.S.A., Inc.*, 209 USPQ 698 (N.D. Ga. 1980). Therefore, any doubt as to the existence of a likelihood of confusion must be resolved in favor of the registrant. *Lone Star Mfg. Co. v. Bill Beasley, Inc.*, 498 F.2d 906, 182 USPQ 368 (C.C.P.A. 1974).

The likelihood of confusion analysis requires a comparison of the marks for similarities in sound, appearance, meaning, or connotation. *In re E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (C.C.P.A. 1973). Similarity in any one of these elements is sufficient to find a likelihood of confusion. *In re Mack*, 197 USPQ 755 (TTAB 1977). “The points of similarity are of greater importance than the points of difference.” *Esso Standard Oil Co. v. Sun Oil Co.*, 229 F.2d 37, 108 USPQ 161 (D.C. Cir.), *cert. denied*, 351 U.S. 973, 109 USPQ 517 (1956). The test of likelihood of confusion is whether the marks create the same overall impression. *Visual Information Institute v. Vicon Industries, Inc.*, 209 USPQ (179) (TTAB 1980). The focus is on the recollection of the average purchaser who normally retains a general rather than specific impression of trademarks. *Chemetron Corp. V. Morris Coupling & Clamp Co.*, 203 USPQ 537 (TTAB 1979). The marks at issue are identical in sound, appearance, meaning and connotation: PROSPER.

In comparing the related goods to the marks, the goods need only be related in some manner, or the conditions surrounding their marketing be such, that they could be encountered by the same purchasers under circumstances that could give rise to the mistaken belief that the goods come from a common source. *In re Martin’s Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289 (Fed Cir. 1984); *In re Corning Glass Works*, 229 USPQ 65 (TTAB 1985); *In re Rexel Inc.*, 223 USPQ 830 (TTAB 1984); *Guardian Products Co., Inc. v. Scott Paper Co.*, 200 USPQ 738; *In re International Telephone & Telegraph Corp.*, 197 USPQ 910 (TTAB 1978). The goods identified with Gustafson’s PROSPER mark are “seed applied fungicide and insecticide for agricultural use.” The goods used in connection with Smart World’s PROSPER mark are “fertilizers, namely, biological fungi and bacteria, organic stimulants, predatory microorganisms, all for agricultural use.” Consumers would believe that the goods of Gustafson and Smart World could be encountered by the same purchasers under circumstances that could give rise to the mistaken belief that the goods come from a

common source. The goods at issue all relate to agriculture fungicides and insecticides. Consequently, the goods move in the same normal channels of trade, are available to all potential customers and may be utilized for the same or similar purposes by the same class of purchasers. Based on the identical nature of the marks and the related nature of the goods used with each respective PROSPER mark, likelihood of confusion is inevitable.

Further, Gustafson has clearly acted with bad faith to obtain its trademark registration for PROSPER. Gustafson was well aware of Smart World and/or Circle One International before it adopted PROSPER as its trademark. Gustafson attempted to purchase Smart World's trademark registration, and when such attempts failed, sought recourse in the Trademark Trial and Appeal Board with a less than truthful cancellation proceeding. Now, more than seven years later, Smart World has been damaged repeatedly: it has expended significant time and resources to reinstate its registration not once, but twice, as a result of the improper and confusing registration that issued to Gustafson. Smart World seeks what is just under the Trademark Act: a final declaration that Gustafson's PROSPER registration is likely to cause confusion, to cause mistake or to deceive with Smart World's PROSPER trademark registration.

CONCLUSION

Based on foregoing, Smart World respectfully requests the Trademark Trial and Appeal Board cancel Registration No. 2,846,341.

Date: **March 22, 2010**

Respectfully submitted,

/s/ Abby Dritz Salzer

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ATTORNEYS FOR REGISTRANT

CERTIFICATE OF TRANSMISSION

I hereby certify that this Brief on the Case is being transmitted to the United States Patent and Trademark Office, Trademark Trial and Appeal Board, via electronic filing through its website located at <http://estta.uspto.gov> on March 22, 2010.

/s/ Abby Dritz Salzer

Abby Dritz Salzer

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of PLAINTIFF'S BRIEF ON THE CASE has been served on **Anthony J. Barbieri, Esq.** at Kessler & Collins, P.C., 2100 Ross Avenue, Suite 750, Dallas, Texas 75201, via U.S. Mail, postage prepaid, on March 23, 2010.

/s/ Abby Dritz Salzer

Abby Dritz Salzer

INDEX OF CASES

- Chemetron Corp. V. Morris Coupling & Clamp Co.*, 203 USPQ 537 (TTAB 1979)
- Esso Standard Oil Co. v. Sun Oil Co.*, 229 F.2d 37, 108 USPQ 161 (D.C. Cir.), *cert. denied*, 351 U.S. 973, 109 USPQ 517 (1956)
- Guardian Products Co., Inc. v. Scott Paper Co.*, 200 USPQ 738
- In re Corning Glass Works*, 229 USPQ 65 (TTAB 1985)
- In re E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (C.C.P.A. 1973)
- In re International Telephone & Telegraph Corp.*, 197 USPQ 910 (TTAB 1978)
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- In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289 (Fed Cir. 1984)
- In re Rexel Inc.*, 223 USPQ 830 (TTAB 1984)
- Lone Star Mfg. Co. v. Bill Beasley, Inc.*, 498 F.2d 906, 182 USPQ 368 (C.C.P.A. 1974)
- Miss Universe, Inc. v. Miss Teen U.S.A., Inc.*, 209 USPQ 698 (N.D. Ga. 1980).
- Visual Information Institute v. Vicon Industries, Inc.*, 209 USPQ (179 (TTAB 1980)