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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Bello Fitness Ltda
v.
Body Up Fitness LLC

Cancellation No. 92049838

Jeffrey Furr for Bello Fitness Ltda

Michael A. Cornman of Ladas & Parry LLP for Body Up Fitness
LLC

Before Quinn, Kuhlke and Shaw, Administrative Trademark
Judges.

Opinion by Kuhlke, Administrative Trademark Judge:

On August 18, 2008, Bello Fitness Ltda, petitioner,
petitioned to cancel Registration No. 3295316 owned by Body
Up Fitness LLC, respondent, issued on September 18, 2007,
for the mark shown below for "clothing, namely blouses,
tops, jackets, capris, pants, shorts, and bodysuits" in
International Class 25.



As grounds for cancellation, petitioner asserts the claim of priority and likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. 1052(d). More specifically, petitioner alleges that respondent's BODY UP with design mark, as used in connection with its goods, so resembles petitioner's previously used word mark BODY UP for "sport clothing" as to be likely to cause confusion, to cause mistake, or to deceive under Trademark Act Section 2(d).¹

Respondent in its answer denied the salient allegations.²

EVIDENCE OF RECORD

The evidence of record consists of the pleadings herein and the file of the registration sought to be cancelled. In

¹ Petitioner uses language in its pleading that obliquely references other potential grounds; however, the only properly pleaded ground is likelihood of confusion. Further, to the extent petitioner attempts to argue fraud in its brief, this ground was not pleaded or tried by implied consent, and is, therefore, not before the Board. Respondent's arguments regarding petitioner's pleading of priority are discussed below.

² Respondent also asserted several affirmative defenses, e.g., laches, in its answer; however, respondent did not pursue these defenses in its brief and we consider them to have been waived. To the extent these "affirmative defenses" simply serve to amplify respondent's defense (e.g., the allegation that petitioner lacks standing), they have been considered.

addition, petitioner submitted the discovery deposition, with exhibits, of Ms. Gilda Almeida (Almeida), a former officer and shareholder/manager of respondent and a third party, Body Up, LLC; and the trial testimony upon written questions of Mr. Fernando Homem da Costa Filho (Filho), officer and shareholder of petitioner and Body Up, LLC. Petitioner also submitted notices of reliance on several application file records, including petitioner's pending application. Respondent submitted a notice of reliance on petitioner's intent-to-use application Serial No. 77525382, petitioner's responses to certain of respondent's requests for admissions and interrogatories, Exhibits F and G from the Almeida deposition (a Bill of Sale and a Distribution Agreement), and printouts from respondent's website. In rebuttal, petitioner submitted a notice of reliance on its full response to respondent's Interrogatory No. 3.³

STANDING

To establish standing to petition to cancel respondent's registration, petitioner must prove that it has a real interest in the outcome of this proceeding and, thus,

³ Respondent's contention that this document "cannot be used [and is] improperly the subject of an untimely Notice of Reliance," is misplaced. The notice was timely filed during petitioner's 15-day rebuttal testimony period ending on February 6, 2010 inasmuch as it was filed on February 2, 2011 (see October 19, 2010 Board order). It was also properly submitted under Trademark Rule 2.120(j)(5). Moreover, responses of record may be referred to by any party for any purpose. Trademark Rule 2.120(j)(7). See also *Safer, Inc. v OMS Investments, Inc.*, 94 USPQ2d 1031 (TTAB 2010).

a reasonable basis for its belief that it would be damaged by the registration. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021 (Fed. Cir. 1987); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

Petitioner's witness, Mr. Filho, testified that, "since Body Up Fitness, LLC has illegally got the rights to use 'BODY UP' mark, it has prevented us to use 'BODY UP' trademark in the USA." Filho Test. p. 4. Further, petitioner has filed a trademark application (Application Serial No. 77525383, filed on July 17, 2008) which has been refused registration based on the subject registration.⁴ *Life Zone Inc. v. Middleman Group Inc.*, 87 USPQ2d 1953, 1959 (TTAB 2008) (standing found because the opposed application was cited as a potential bar to opposer's registration); see *Lipton Indus.*, 213 USPQ at 189. In view thereof, we find that petitioner has established its standing.

FINDINGS OF FACT

⁴ Petitioner submitted this application under notice of reliance. Respondent notes that petitioner did not plead this application; however, respondent itself submitted this application under notice of reliance and relies on it to challenge petitioner's assertion of priority by noting in its statement of facts that it is based on an "intent to use." Br. p. 4. In view thereof, we consider the pleading amended by implied consent to include this application. Fed. R. Civ. P. 15(b).

Based on the totality of the record, we make the following findings. *West Florida Seafood Inc. v Jet Restaurants Inc.*, 31 F.3d 1122, 31 USPQ2d 1660 (Fed. Cir. 1994) (evidence as a whole may establish prior use). Petitioner is a Brazilian clothing manufacturer. Almeida Test. pp. 15, 23, Exh. G. Mr. Filho is one of petitioner's shareholders and officers. Almeida Test. p. 22, Exh. G; Filho Test. p. 2. Petitioner first used the mark BODY UP in the United States in 2002 through a third-party distributor Mrs. Marcia Garcia. Filho Test. p. 3. In November, 2003, Body Up, LLC, a third party, was formed as a Florida limited liability company, and, based on an assignment of stock on March 17, 2004, petitioner's officer and shareholder, Mr. Filho, became a 20% shareholder in Body Up, LLC. Almeida Test. p. 8, Exh. A; Filho Test. pp. 2, 5.

On February 26, 2004, petitioner signed a distribution agreement with the third party Body Up, LLC to sell petitioner's clothes in the United States. Almeida Test. Exh. G; Filho Test. p. 2. Body Up, LLC was a distributor for petitioner. Almeida Test. p. 15; Filho Test. p. 2.

Subsequently, in March/April 2004, respondent was formed as a Florida limited liability company. Almeida Test. p. 10, Exhs. B-E. Ms. Almeida was a shareholder and officer/manager of both Body Up, LLC and Body Up Fitness, LLC. Almeida Test. pp. 6,8, Exhs. A-F. On December 14,

2007, Ms. Almeida, on behalf of Body Up, LLC and respondent as the manager of both companies, signed a bill of sale of Body Up, LLC's assets to Body Up Fitness, LLC. Almeida Test. pp. 12-13, Exh. F. We do not make findings as to what those assets are inasmuch as that requires interpretation of the distribution agreement which may only be done pursuant to arbitration, as discussed below.

PRIORITY/LIKELIHOOD OF CONFUSION

It is the plaintiff's burden to prove its claims by a preponderance of the evidence.

The record shows, and respondent does not dispute, that the marks BODY UP and design and BODY UP are similar, the parties' clothing items (e.g., tops, pants and shorts) are identical and the trade channels overlap. See, e.g., Resp. NOR Exh. 4; Pet. Rebuttal NOR (petitioner's response to Interrogatory No. 3 "a. state the date of first use in the United States in conjunction with the type of product and describe the circumstances surrounding such first use. ... Female Active Wear Tops, Shirts ... Pants, Breeches, Shorts ... exported to the USA since December 2002"). In re E. I. du Pont de Nemours and Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In view thereof, we hold that a likelihood of confusion exists between the BODY UP and design mark and the BODY UP mark used in connection with various clothing items.

The only issue remaining in dispute is the question of priority and petitioner's trademark rights.

We begin by addressing the arguments pertaining to the distribution agreement, referenced above, between petitioner and the third party, Body Up, LLC. There is no dispute that petitioner and Body Up, LLC were parties to this agreement and that petitioner was the manufacturer of the goods in Brazil and Body Up, LLC was the distributor in the United States. Almeida Test. p. 15 ("Body Up, LLC. was a Bello Fitness distributor, but we've been having problems with this distribution since we started."); Filho Test. p. 2 ("Yes, Body Up, LLC was created to be Bello Fitness Ltda distributor in the USA").

The law is clear on the question of ownership as between a foreign manufacturer and a domestic distributor or importer:

[T]he question of ownership of a trademark as between the manufacturer of a product to which the mark is applied and the exclusive distributor of that product, or as between a foreign manufacturer and the exclusive United States importer and distributor, is a matter of agreement between them, and in the absence of any such agreement, there is the legal presumption that the manufacturer is the owner of the mark. Without such expressed or implied acknowledgement or transfer by the foreign manufacturer of rights in the trademark to the exclusive U.S. distributor, such distributor does not acquire ownership of a mark of a foreign manufacturer any more than a wholesaler can acquire ownership of the mark of a manufacturer, merely through sale and distribution of goods bearing the manufacturer's trademark.

Audioson Vertriebs-GmbH v. Kirksaeter Audiosonics, Inc.,
196 USPQ 453, 456-57 (TTAB 1977) (citations omitted).

However, *respondent* was never petitioner's distributor. The dispute arises over whether Body Up, LLC acquired ownership rights in the mark BODY UP based on this agreement and subsequently whether respondent acquired such rights in the sale of Body Up, LLC's assets. What is clear in the agreement is that such disputes must be submitted for arbitration:

¶ 9.5 The parties hereto agree that any controversy or claim arising out of or relating to this Agreement (including, but not limited to the alleged breach thereof, or the termination or non-renewal thereof) shall be submitted to binding arbitration with the American Arbitration Association in accordance with the rules of the American Arbitration Association in effect at such time. The decision of the arbitrator(s) shall be final and binding upon the parties and judgment upon the award may be entered in any court having jurisdiction thereof. In accordance with Section 8.4 hereof, in any arbitration proceeding the arbitrators shall apply the laws of the State of Florida. The arbitration shall take place in Miami, Florida. The expenses of the arbitrator shall be borne by the losing party.

Ms. Gilda Almeida Test. Exh. G; Resp. NOR Exh. 5.

Therefore, in view of the unambiguous arbitration clause, we will not determine the parties' respective rights based on this agreement.⁵ Cf. *Selva & Sons, Inc. v. Nina*

⁵ We note, however, that paragraph 6 of the distribution agreement grants the distributor "an exclusive and irrevocable license to register for and use the trademark." Pet. NOR Exh. 5. However, only the owner of the mark may file an application to register the mark. Trademark Act Section 1, 15 U.S.C. 1051. See

Footwear, Inc., 705 F.2d 1316, 217 USPQ 641, 647 (Fed. Cir. 1983) (Board has authority to consider an agreement, its construction, or its validity if necessary to decide the issues properly before it). Specifically, we make no findings as to what was conveyed in the distribution agreement, whether it was terminated, and what was left for the distributor to convey to respondent.

We now turn to consider the issue of priority as between these parties. Because petitioner has not pleaded any registrations, petitioner must rely on its common law use to prove its priority. As to respondent's first use, respondent argues that it "adopted, developed, and used and continues to use its registered BODY UP mark in the USA independently of any rights it acquired from Body Up LLC's rights, those rights are cumulative to its own independently established rights." Br. p. 7. However, the record is not clear as to when respondent first used the mark independent of any prior use by the third-party Body Up LLC. Further, we may not determine whether the sale of Body Up LLC's assets included trademark rights. Absent evidence establishing the asserted date of first use in the

also TMEP §1201 (8th ed. 2011); McCarthy §19:53 ("The applicant must be the owner of the mark. This basic rule applies to both use-based and Intent to Use applications.") A licensee cannot be the applicant. Wilson Jones Co., 337 F.2d 670, 143 USPQ 238 (CCPA 1964); Marcon Ltd. v. Avon Products Inc., 4 USPQ2d 1474 (TTAB 1987) ("[O]nly the owner (the licensor here) may register a trademark.")

registration, a registrant may rely on the filing date of the registration's underlying application. Thus, the earliest date upon which respondent may rely for priority purposes is November 15, 2005. Therefore, in order to establish priority, petitioner must show that it used its mark in connection with its goods prior to November 15, 2005.

Respondent argues that there "is no documentary evidence of record of sales in the U.S. by Petitioner prior to Respondent's usage, Petitioner's self-serving oral testimony and interrogatory answers being uncorroborated and undocumented. Proof of use, prior or otherwise, requires more than a bald, self-serving statement of a party unaccompanied by documentary evidence and uncorroborated by other witnesses or other evidence." Br. pp. 4-5. Further, respondent contends that "petitioner has failed to establish by admissible, credible, competent evidence that it, Bello Fitness Ltda., now exists and has owned the mark in Brazil since 2001 and that it, Bello Fitness Ltda., existed in 2002 and used the mark in the U.S. in 2002. There is not a shred of evidence of record to establish those allegations, of which, only ownership of a Brazilian registration was

pleaded... paragraphs 2-14 of the Petition do not reference alleged priority of use by the Petitioner." Br. pp. 10-11.⁶

We find that the pleading sufficiently sets out a ground of priority and likelihood of confusion and that, to the extent it did not sufficiently specify petitioner's date of first use, we consider the pleading amended to set forth the 2002 date inasmuch as respondent did not object to the testimony regarding this use during the deposition upon written questions and further opened the door by relying on Interrogatory No. 3(d), allowing petitioner to rely on all of Interrogatory 3 which references this use date. See Fed. R. Civ. P. 15(b); Trademark Rules 2.120(j)(5) and (7).

Although not addressed by the parties, we find that the word mark BODY UP taken in its entirety is, on its face, inherently distinctive. *Otto Roth & Co., Inc. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40 (CCPA 1981).

Petitioner relies on the following evidence to establish priority. Mr. Filho testified that he is a shareholder in petitioner with 49% shares and he is a shareholder in the third-party Body Up, LLC, with 20% shares. He testified that he has no relationship with

⁶ Respondent also argues that any dispute arising under the distribution agreement between petitioner and a third party, Body Up, LLC, must be resolved by arbitration, but then argues that the agreement was "de facto terminated." Br. p. 12. As discussed above, this issue must be resolved by an arbitration panel.

respondent. Filho Test. p. 1. He obtained part ownership of Body Up, LLC in order to "insure Bello Fitness Ltda interest in the 'BODY UP' trademark was protected." Id. p. 3. As to the first use of the mark, Mr. Filho testifies as follows:

Q. What was the date of first use of Bello Fitness's use of the 'Body Up' mark in the United States?

A. It was in 2002.

Q. Was this usage done through Body Up, LLC?

A. No, at that time Mrs. Marcia Garcia was Body Up distributor in the USA.

Id.

On the relationship between himself, petitioner and Body Up, LLC he testifies:

Q. 9. Was Bello Fitness' signing the Distribution Agreement with Body Up, LLC based on its unique relationship between the two parties?

A. Yes.

Q. Did you, as a shareholder, agree to any transfers of trademark rights from Body Up, LLC to Body Up Fitness, LLC?

A. NO, I was not consulted about that and I did not know about that transaction.

Q. Did Bello Fitness agree to any transfers of trademark rights from Body Up, LLC to Body Up Fitness, LLC?

A. NO, Bello Fitness Ltda was not consulted about that and did not know about that transaction.

Id. pp. 3-4.

...

Q. Have you ever exercised any rights you claim to believe you have as a shareholder in Body Up LLC?

A. As a minority shareholder and Body Up trademark representative, I told her that she could not give the Body Up LLC using rights of BODY UP trademark to other companies (Body Up Fitness LLC and others), but no answer at all.

Q. If so, when, where, and how did you exercise those rights?

A. When we found out that there were other companies using the trademark BODY UP. The date was at the end of 2005. First talks were by Skype in 2005. The last one was by formal letter in August, 2007. ...

Id. pp. 7-8.

Ms. Almeida testifies that Body Up, LLC sold products from petitioner but that Body Up Fitness, LLC never sold goods from petitioner. Almeida Test. p. 16. With regard to use of the mark, she testifies, "We started using Body Up mark in 2003 in the U.S." Almeida Test. p. 15. Body Up, LLC started in November 2003. Almeida Test. p. 8 Exh. A. Respondent, Body Up Fitness, LLC, started on April 1, 2004. From these facts we determine that the use in 2003 is from the importation of petitioner's goods into the U.S. by Body Up, LLC, petitioner's distributor.

Finally, petitioner states in its verified responses to Interrogatory No. 3 that since December 2002 it exported active wear tops, shorts and pants bearing the mark BODY UP. As to U.S. sales, petitioner responded that it has had

\$4,200 in sales in 2002, \$22,000 in sales in 2003, and \$165,000 in sales in 2004. Pet. NOR Exh. A. At a minimum, these responses are consistent with Mr. Filho's testimony regarding petitioner's first use.

Absent documentation, the testimony of a witness can be sufficient to prove priority. See 3 J. Thomas McCarthy: McCarthy on Trademarks and Unfair Competition § 16.06(2) (4th ed. 2005). We find that the witness, Mr. Filho, was competent to testify as to petitioner's use of the mark BODY UP in connection with its clothing in the United States and the testimony is not characterized by contradictions or inconsistencies. Further, Mr. Filho's testimony is consistent with petitioner's responses to Interrogatory No. 3 and Ms. Almeida's testimony further supports petitioner's export and sales in the United States of its clothing under the BODY UP mark.

The record does not reveal contradictions or inconsistencies as to the use of the mark. Respondent attempts to draw contradictions by referencing provisions of the distribution agreement (e.g., the grant of license and termination provisions), but the meaning and effect of these provisions must be determined by an arbitration panel. In addition, respondent points to petitioner's admission that "on February 26, 2004, [it] gave up any right to register or to use the alleged Brazilian BODY UP mark in the United

States to BODY UP LLC, a Florida limited liability company." Resp. NOR Exh. 3 (petitioner's response to respondent's requests for admission no. 6). This admission does not clearly contradict petitioner's assertion of ownership rights or that the use would inure to its benefit.

In short, the documents and any inferences to be drawn from them are not sufficient to render Mr. Filho's testimony unreliable.

Finally, with regard to respondent's argument that petitioner's pending application based on an "intent to use" the mark in commerce undermines petitioner's assertion of prior use, the declaration in an application of an intent to use is not inconsistent with actual use. Cf. *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1539 (TTAB 2007) (ITU applicant may rely on its use prior to application for purposes of priority (citing *Corporate Document Svcs. Inc. v. I.C.E.D. Mgmt. Inc.*, 48 USPQ2d 1477, 1479 (TTAB 1998))). The filing of an intent-to-use application is in no way an admission of non-use.

In view of the testimony presented as to petitioner's use prior to respondent's November 15, 2005 filing date, petitioner has established its priority with respect to its common law rights in the mark BODY UP for active wear clothing.

Cancellation No. 92049838

Accordingly, petitioner has proven its claim of likelihood of confusion under Section 2(d) of the Trademark Act.

Decision: The petition for cancellation is granted based on the claim of likelihood of confusion under Section 2(d). Registration No. 3295316 will be cancelled in due course.