

THIS OPINION IS NOT A
PRECEDENT OF THE TTAB

Oral Hearing Held: December 12, 2019

Mailed: January 10, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

GSH Trademarks Limited

v.

Sia “Baltmark Invest”

Cancellation No. 92066594

Oleg A. Mestechkin and Nancy Lam of Mestechkin Law Group P.C.,
for GSH Trademarks Limited.

Anthony J. Davis of Nicoll Davis & Spinella LLP,
for Sia “Baltmark Invest.”

Before Wellington, Pologeorgis, and Dunn,
Administrative Trademark Judges.

Opinion by Pologeorgis, Administrative Trademark Judge:

Sia “Baltmark Invest” (“Respondent”) is the owner of a registration on the Principal Register for the composite mark, as displayed below, for “Alcoholic beverages, namely, distilled spirits, gin, rum, sake, alcoholic beverages containing fruit, alcoholic bitters, liqueurs, balsam liqueurs, hydromel liqueurs, whisky, brandy,

aperitifs, wine, vodka” in International Class 33.¹



GSH Trademarks Limited (“Petitioner”) filed a petition to cancel Respondent’s registration on the sole ground of abandonment under Sections 14(3) and 45 of the Trademark Act, 15 U.S.C. §§ 1064(3) and 1127.² Petitioner, inter alia, pleaded ownership of pending intent-to-use application Serial No. 87544894 for the mark SHUSTOFF for “brandy.”³

Respondent filed an answer to the petition to cancel in which it denied the salient allegations in Petitioner’s pleading, but admitted the following:

- Respondent is an entity organized under the laws of Latvia and located at Slokas Iela 29-5 LV-1048 Riga LATVIA;
- Respondent’s Mark registered on March 25, 2014; and

¹ Registration No. 4499879, issued on March 25, 2014. The colors white, brown, red and gold are claimed as a feature of the mark. The registration also includes the statement that the “portrait in the mark does not identify a living individual.” Respondent’s registration is based on an underlying application filed under Section 66(a) of the Trademark Act, 15 U.S.C. § 1141(f), requesting an extension of protection of International Registration No. 0859273 issued on June 15, 2005.

² 1 TTABVUE.

³ 1 TTABVUE ¶¶ 4 and 5.

- The continued existence of Respondent’s mark on the USPTO’s Principal Register will continue to endow Respondent with certain rights, and is an impediment to Petitioner’s ability to register its “infringing” mark, or variations thereof.⁴

The parties have fully briefed the case, and the Board conducted an oral hearing on December 12, 2019 at Petitioner’s request. Respondent’s counsel did not make an appearance at the oral hearing.

I. Record

The record includes the pleadings and, pursuant to Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b), Respondent’s subject registration file. The record also comprises the evidence summarized below.

A. Petitioner’s Evidence⁵

1. Notice of Reliance on (a) various Internet materials, including a

⁴ Respondent’s Answer to Petition to Cancel, ¶¶ 1, 3 and 11, 4 TTABVUE 2-3.

⁵ In describing the record of this case in its trial brief, Petitioner maintains that its pleaded intent-to-use application Serial No. 87544894, and Respondent’s responses to Petitioner’s interrogatories and document requests, including Respondent’s document production, are automatically of record. *See* Petitioner’s Trial Brief, p. 5, 19 TTABVUE 6. With respect to the pleaded application, Petitioner is mistaken. In order to make its pleaded application of record, Petitioner was required to submit a status and title copy of the same under a notice of reliance or as an exhibit to a testimony deposition or declaration during its assigned testimony period. *See generally* Trademark Rules 2.120(k) and 2.122, 37 C.F.R. §§ 2.120(k) and 2.122. Petitioner did not do so. Accordingly, Petitioner’s pleaded application is not part of the evidentiary record.

With respect to the discovery responses, Respondent did not provide substantive responses to Petitioner’s interrogatories and document requests. The Board found Petitioner’s written discovery requests untimely, and that Respondent was not obligated to respond to the requests on the merits. *See* Board order dated September 27, 2018, p. 7, 14 TTABVUE 7. During oral hearing, when questioned about the absence of the cited evidence, Petitioner’s counsel withdrew all references to Respondent’s “alleged” discovery responses from Petitioner’s trial brief and any reliance thereon. Petitioner and its counsel are advised that making false or untruthful statements in any filings with the Board is not only prohibited, but tarnish and undermine the integrity of the Board and its proceedings. *See generally* Fed. R. Civ. P. 11.

Wikipedia entry, an article published online, and search results from various online alcoholic beverage retailers, that purportedly demonstrate nonuse of Respondent's subject mark in U.S. commerce, (b) screenshots of a website purportedly owned by Petitioner, (c) screenshots from a website of a purported importer of alcoholic beverages to the United States, namely, Aiko Importers, Inc. ("Aiko");⁶ and (d) copies of two approved U.S. Treasury Alcohol and Tobacco Tax and Trade Bureau Certificate of Label Approval/Exemption ("COLA") for Respondent's SHUSTOV cognac; and

2. Rebuttal Notice of Reliance on (a) Respondent's notice of deposition of Petitioner's Rule 30(6)(b) witness, and (b) Respondent's first amended initial disclosures.⁷

Petitioner did not submit any testimony.

B. Respondent's Evidence

1. Testimony Declaration of Elena Sorokina ("Sorokina Decl."), sole owner and Board member of Respondent, and the following accompanying exhibits:⁸
 - Exhibit A: Status and title copy of Respondent's subject registration;⁹
 - Exhibit B: a screenshot from the World Intellectual Property (WIPO) website purportedly demonstrating the status and title of an International Registration upon which Respondent's U.S. registration is based;
 - Exhibit C: a plain copy of a registration purportedly owned by Respondent for the mark SHUSTOV and bell design;

⁶ 15 TTABVUE.

⁷ 18 TTABVUE.

⁸ 16 TTABVUE.

⁹ It was unnecessary for Respondent to submit a status and title copy of its subject registration because it is automatically of record. *See* Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b).

- Exhibit D: the registration file of a registration owned by Respondent for the mark SHUSTOV and bell design, including a status and title copy of the registration;
- Exhibit E: certified copies of an order and memorandum opinion issued by the United States District Court for the Eastern District of Virginia involving Respondent and a third party, namely, ZAO Odessky Konjatschnyi Zawod, where the district court found that Respondent is the owner of the SHUSTOV and bell design mark;
- Exhibit F: various photographs of the packaging and bottle of Respondent's SHUSTOV cognac displaying Respondent's SHUSTOV and bell design mark as it purportedly appeared at the time it was first imported from France to the United States in November 2017;¹⁰
- Exhibit G: various photographs of the packaging of Respondent's SHUSTOV cognac bearing the subject registered mark, as it purportedly has been and continues to be sold in the United States;
- Exhibit H: copies of a "Notice of Appointment of Registered Agent" and "Certificate of Formation" concerning an entity known as Tradehouse Shustov, LLC ("Tradehouse Shustov");
- Exhibit I: copy of an invoice dated October 24, 2017 from Tradehouse Shustov to Aiko purportedly demonstrating the sale of 100 bottles of Respondent's SHUSTOV cognac;
- Exhibit J: copies of shipping documents that purportedly show the initial shipment of Respondent's goods under its subject mark, including a Department of Homeland Security, U.S. Customs and Border Protection Entry Summary setting forth an export date of November 5, 2017, an entry date of November 10, 2017, and an import date of November 13, 2017;
- Exhibit K: a copy of an approved COLA application filed on September 11, 2017 by Aiko and approved on October 12, 2017 for Respondent's SHUSTOV cognac;

¹⁰ We note that these photographs do not display Respondent's registered mark at issue.

- Exhibit L: a photograph of the operative label bearing the mark affixed to Respondent's SHUSTOV cognac bottle, the label of which was purportedly COLA approved on October 12, 2017;
 - Exhibit M: copies of two COLA applications for Respondent's cognac that were attached to Petitioner's petition for cancellation, one of which was approved;
 - Exhibit N: a status and title copy of pending application for the mark SHUSTOFF for "brandy" filed by a third party, namely, ZAO Odessky Konjatschnyi Zawod;
 - Exhibit O: a status and title copy of pending application for the stylized mark SHUSTOFF for "brandy" also filed by ZAO Odessky Konjatschnyi Zawod;
 - Exhibit P: copy of Petitioner's responses to Respondent's interrogatory requests;
 - Exhibit Q: photographs of (a) the storefront of the purported European retailer Norfa located in Lithuania, and (b) Respondent's SHUSTOV vodka displayed in the Norfa store; and
 - Exhibit R: a screenshot purportedly from the Instagram page of importer Aiko that includes a photograph of Respondent's cognac bearing the mark SHUSTOV XO in a bottle shaped like a bell.
2. Notice of Reliance on (a) a copy of Petitioner's initial disclosures, (b) a copy of Petitioner's amended initial disclosures, (c) copies of Petitioner's responses to Respondent's interrogatories and document requests, and (d) excerpts from the www.treasury.gov and www.state.gov websites purportedly providing information regarding Ukraine/Russia related sanctions, including those relating to the annexation of Crimea.¹¹

The parties have submitted printouts from various websites downloaded from the Internet. Although admissible for what they show on their face, *see* Trademark Rule

¹¹ 36 TTABVUE.

2.122(e)(2), 37 C.F.R. § 2.122(e)(2), this evidence also constitutes hearsay that may not be relied upon for the truth of the matters asserted in the Internet material unless supported by testimony or other evidence. Fed. R. Evid. 801(c); *WeaponX Performance Prods. Ltd. v. Weapon X Motorsports, Inc.*, 126 USPQ2d 1034, 1038 (TTAB 2018); *Safer, Inc. v. OMS Invs., Inc.*, 94 USPQ2d 1031, 1039-40 (TTAB 2010); TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (“TBMP”) § 704.08(b) (2019) (“The probative value of Internet documents is limited. They can be used to demonstrate what the documents show on their face. However, documents obtained through the Internet may not be used to demonstrate the truth of what has been printed.”).

II. Evidentiary Objections

Concurrently with its trial brief, Petitioner filed a separate motion to strike certain evidence submitted by Respondent.¹² Specifically, Petitioner seeks to strike the testimony declaration of Respondent’s trial witness, Ms. Elena Sorokina, in its entirety for lack of notice. Additionally, Petitioner seeks to strike Exhibits E-G accompanying the Sorokina testimony declaration, as well as certain testimony provided by Ms. Sorokina, on the grounds of relevancy.

With regard to the testimony declaration, Petitioner argues that Respondent did not provide any notice of the declaration and, therefore, deprived Petitioner of the opportunity to cross-examine Ms. Sorokina. Petitioner’s argument is unfounded. In this instance, Respondent did not take an oral testimony deposition of Ms. Sorokina which would have required Respondent to provide Petitioner formal written notice of

¹² See Exhibit A to Petitioner’s Trial Brief, 19 TTABVUE 21-25.

the time when and place where the oral deposition will be taken. *See* Trademark Rule 2.123(c), 37 C.F.R. § 2.123(c). Instead, pursuant to Trademark Rule 2.123(a)(1), 37 C.F.R. § 2.123 (a)(1),¹³ Respondent provided Ms. Sorokina's testimony by means of a declaration. Notice of this testimony declaration was provided to Petitioner upon Petitioner's receipt of a service of a copy of the same. To the extent Petitioner wished to cross-examine Ms. Sorokina, it was incumbent upon Petitioner to file with the Board and serve upon Respondent a notice of its election to cross-examine the witness. Petitioner did not do so. Moreover, Petitioner does not contend nor does the record reflect that Petitioner did not receive a service copy of the Sorokina testimony declaration. Accordingly, Petitioner's motion to strike the Sorokina testimony deposition in its entirety for lack of notice is denied.

With regard to Petitioner's relevancy objections, the Board is capable of weighing the relevance and strength or weakness of the objected-to testimony and evidence in this case, including any inherent limitations, and this precludes the need to strike the challenged testimony and evidence on relevancy grounds. We have accorded the testimony and evidence whatever probative value it merits, keeping Petitioner's

¹³ Trademark Rule 2.123(a)(1) provides:

The testimony of witnesses in inter partes cases may be submitted in the form of an affidavit or a declaration pursuant to § 2.20 and in conformance with the Federal Rules of Evidence, filed during the proffering party's testimony period, subject to the right of any adverse party to elect to take and bear the expense of oral cross-examination of that witness as provided under paragraph (c) of this section if such witness is within the jurisdiction of the United States, or conduct cross-examination by written questions as provided in § 2.124 if such witness is outside the jurisdiction of the United States, and the offering party must make that witness available; or taken by deposition upon oral examination as provided by this section; or by deposition upon written questions as provided by § 2.124.

relevancy objections in mind, and comment as needed on its probative value elsewhere in this opinion. *See Alcatraz Media Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, 1755 (TTAB 2012); *Kohler Co. v. Baldwin Hardware Corp.*, 82 USPQ2d 1100, 1104 (TTAB 2007). Thus, Petitioner's motion to strike is denied to the extent it seeks to exclude evidence based on relevancy.

Additionally, Respondent has objected to the submission of Petitioner's rebuttal notice of reliance on the ground that it was submitted outside of Petitioner's rebuttal testimony period.¹⁴ The record demonstrates that Petitioner filed its rebuttal notice of reliance on the date its rebuttal disclosures were due, i.e., April 5, 2019. Pursuant to the trial schedule of this case, as reset by Board order dated September 27, 2018, *see* 14 TTABVUE, Petitioner's 15-day rebuttal testimony period commenced on April 20, 2019 and closed on May 5, 2019. Trademark Rule 2.121(a) provides, in relevant part, that "[t]he Trademark Trial and Appeal Board will issue a trial order setting a deadline for each party's required pretrial disclosures and assigning to each party its time for taking testimony and presenting evidence ("testimony period"). No testimony shall be taken or evidence presented except during the times assigned, unless by stipulation of the parties approved by the Board, or upon motion granted by the Board, or by order of the Board." Moreover, Trademark Rule 2.122(g), 37 C.F.R. § 2.122(g), provides, in pertinent part, that "[a] notice of reliance shall be filed **during the testimony period** of the party that files the notice." (emphasis added). Because Petitioner submitted its rebuttal notice of reliance outside its rebuttal testimony

¹⁴ *See* Respondent's Trial Brief, p. 5, 20 TTABVUE 6.

period without stipulation by the parties or approval from the Board, we sustain Respondent's objection and have given no consideration to Petitioner's rebuttal notice of reliance and accompanying exhibits in our determination herein.

III. Standing

Standing is a threshold issue that must be proven by the plaintiff in every inter partes case. See *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014). Our primary reviewing court, the U.S. Court of Appeals for the Federal Circuit, has enunciated a liberal threshold for determining standing, namely that a plaintiff must demonstrate that it possesses a "real interest" in a proceeding beyond that of a mere intermeddler, and "a reasonable basis for his belief of damage." *Empresa Cubana Del Tabaco* 111 USPQ2d at 1062 (citing *Ritchie v. Simpson*, 170 F.3d 1902, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999)). A "real interest" is a "direct and personal stake" in the outcome of the proceeding. *Ritchie*, 50 USPQ2d at 1026.

In the petition for cancellation, Petitioner alleges its standing by pleading that it is the owner of trademark application Serial No. 87544894 for the mark SHUSTOFF.¹⁵ In its trial brief, Petitioner further maintains that it "has standing to bring this cancellation proceeding because ... Petitioner GSH will be damaged by the continued existence of Respondent SIA's SHUSTOV Mark on the USPTO's register, because it will give color of rights to Respondent SIA and be an impediment to

¹⁵ Petition for Cancellation, ¶ 4, 1 TTABVUE 3-4.

Petitioner GSH's ability to register Petitioner's SHUSTOFF Mark, or variations thereon."¹⁶ Mere allegations or arguments in support of standing, however, are insufficient proof thereof. A plaintiff cannot rest on mere allegations in its complaint or arguments in its brief to prove standing. *Lipton Indus. Inc. v. Ralston Purina, Co.*, 670 F.2d 1024, 213 USPQ 185, 188 (CCPA 1982); *see also Ritchie*, 50 USPQ2d at 1027.

Petitioner is also under the mistaken belief that its pleaded pending application is automatically of record. In order for Petitioner's pleaded pending application to be received in evidence and made part of the record, Petitioner had to file a copy of its pleaded pending application showing the current status and title under its notice of reliance during its assigned testimony period. *See e.g., Giersch v. Scripps Networks*, 90 USPQ2d 1020, 1022 (TTAB 2009) (pending application must be properly introduced, and the fact that it was refused pending outcome of proceeding must be documented, before Board will rely upon application in determining plaintiff's standing). Alternatively, Petitioner could have introduced into evidence witness testimony, in deposition or declaration form, regarding its pending application and the title and status thereof. Petitioner did neither.

Furthermore, the printouts from Petitioner's purported website submitted with its notice of reliance show on their face the news, history and awards of the SHUSTOV brand alcohol, not Petitioner's pleaded SHUSTOFF mark for "brandy." This evidence therefore does not prove that Petitioner owns its pleaded SHUSTOFF mark or that it has offered products or services under that pleaded mark.

¹⁶ Petitioner's Trial Brief, p. 9, 19 TTABVUE 10.

Respondent contests Petitioner's standing. In addition to contending that Petitioner has failed to submit any evidence to demonstrate its standing, Respondent argues that because Petitioner's sole manufacturer of its brandy product is located in Crimea and since the United States government has imposed sanctions against the importation of any goods into the U.S. from Crimea, Petitioner is precluded from using its mark on its brandy in U.S. commerce. As such, Respondent maintains that Petitioner cannot have standing to seek cancellation of Respondent's subject registration.

In support of its argument regarding lack of standing due to U.S. sanctions, Respondent relies on Petitioner's response to Respondent's Interrogatory No. 1 which requested that Petitioner identify "each affiliate of Petitioner, including, but not limited to, any division, franchise, subsidiary, controlling shareholders or shareholders holding company, members, licensee, franchisee, and/or other related company, including related companies defined in 15 U.S.C. § 1127."¹⁷ In response, Petitioner identifies numerous affiliates as company-manufacturers, including an entity from Crimea, as well as entities located in Russia and Ukraine.¹⁸

In view of Petitioner's interrogatory response and the lack of evidence that the identified Crimean company is the **sole** manufacturer of Petitioner's goods, we find Respondent's argument that Petitioner lacks standing because the United States

¹⁷ Sorokina Decl., Exh. P, 16 TTABVUE 147.

¹⁸ *Id.*

government has imposed sanctions against the importation of any goods into the U.S. from Crimea unpersuasive.

Notwithstanding the foregoing, Respondent, in its answer, admitted that its subject registration is “an impediment to Petitioner’s ability to register its ‘infringing’ mark, or variations thereof.”¹⁹ Additionally, Respondent’s trial witness, Ms. Sorokina, acknowledges that Petitioner has a pending application for the mark SHUSTOFF for “brandy.”²⁰

Respondent’s admission and acknowledgment establishes that Petitioner is the owner of pending application Serial No. 87544894 for the mark SHUSTOFF and that Respondent’s subject registration may be a hindrance to the registration of Petitioner’s pleaded SHUSTOFF mark. Therefore, Respondent’s admission and testimonial acknowledgment are sufficient to demonstrate Petitioner’s standing to pursue this case. *See* Trademark Rule 2.122(a), 37 C.F.R. § 2.122(a) (“When evidence has been made of record by one party in accordance with these rules, it may be referred to by any party for any purpose permitted by the Federal Rules of Evidence.”); *see also* TBMP § 704.06(a) (“statements in pleadings may have evidentiary value as admissions against interest by the party that made them”).

IV. Abandonment

A. Applicable Law

Under Section 45 of the Trademark Act, a mark shall be deemed to be abandoned:

¹⁹ Respondent’s Answer to Petition to Cancellation, ¶ 11, 4 TTABVUE 3.

²⁰ Sorokina Decl., ¶¶ 45-46, 16 TTABVUE 13-14.

When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be *prima facie* evidence of abandonment. “Use” of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

15 U.S.C. § 1127.

Further, since a registration is presumed valid, 15 U.S.C. § 1057(b), the party seeking its cancellation must rebut this presumption by a preponderance of the evidence. *Cold War Museum v. Cold War Air Museum*, 586 F.3d 1352, 92 USPQ2d 1626, 1628 (Fed. Cir. 2009); *W. Fla. Seafood Inc. v. Jet Rests., Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1665-66 (Fed. Cir. 1994). “If plaintiff can show three consecutive years of nonuse, it has established a *prima facie* showing of abandonment, creating a rebuttable presumption that the registrant has abandoned the mark without intent to resume use. The burden of production (i.e., going forward) then shifts to the respondent to produce evidence that it has either used the mark or that it has intended to resume use (e.g., a convincing demonstration of ‘excusable non-use’ that would negate any intent not to resume use of the mark). The burden of persuasion remains with the plaintiff to prove abandonment by a preponderance of the evidence.” *Noble House Home Furnishings, LLC v. Floorco Enters., LLC*, 118 USPQ2d 1413, 1417 (TTAB 2016) (citing *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1393 (Fed. Cir. 1990)).

In this case, the registration sought to be cancelled was filed pursuant to Trademark Act Section 66(a), 15 U.S.C. § 1141f(a). Unlike applications filed under Section 1 of the Trademark Act, an applicant under Section 66(a) is not required to

use its mark in United States commerce (or declare that the mark is in such use) at any time prior to registration. *See* Trademark Act Section 68(a)(3), 15 U.S.C. § 1141h(a)(3); *cf.* Trademark Act Section 66(a), 15 U.S.C. 1141f(a) (requiring a declaration of “bona fide intention to use the mark in commerce”). Nonetheless, once a registration issues, it is treated much the same as any other registration on the Principal Register. Trademark Act Section 69(b); 15 U.S.C. § 1141i(b) (extension of protection under the Madrid Protocol has the same force and effect as a registration on the Principal Register). And like all registrants, a Section 66(a) registrant must use the registered mark in commerce in order to avoid abandonment of its registration. *Saddlesprings, Inc. v. Mad Croc Brands, Inc.*, 104 USPQ2d 1948, 1951 (TTAB 2012). “In the absence of justifiable non-use, Section 66(a) registrations which have never been used, or for which use has been discontinued with no intent to resume use, may be subject to cancellation for abandonment even if the international registration remains valid and subsisting.” *Saddlesprings, Inc.*, 104 USPQ2d at 1952. Because the subject registration issued under Section 66(a) of the Trademark Act, the earliest date on which the three-year period may trigger the statutory presumption of nonuse in this case is the registration date, i.e., March 24, 2014. *Dragon Bleu (SARL) v. VENM, LLC*, 112 USPQ2d 1925, 1931 (TTAB 2014).

B. Analysis

i. Nonuse for Three Years

A mark is in use in commerce on goods when “it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable,

then on documents associated with the goods or their sale, and the goods are sold or transported in commerce.” Trademark Act Section 45, 15 U.S.C. § 1127. The record demonstrates that Respondent’s subject registration issued on March 24, 2014. Petitioner argues that Respondent has not used its registered mark in U.S. commerce for three consecutive years since the issuance of the registration and, therefore, has established a prima facie showing of abandonment.²¹ In support of its argument, Petitioner relies on various materials obtained from the Internet, including searches for Respondent’s subject mark on several online alcohol retailers located in the U.S., and the COLA database, all of which list alcoholic beverages, but do not include Respondent’s subject registered mark on any of its registered goods.²² Petitioner maintains that its inability to locate Respondent’s subject mark used in association with the registered goods on the Internet, despite a thorough search conducted on numerous occasions, is a strong indication that Respondent did not use its registered mark in U.S. commerce from the date of issuance of the registration until the third-year anniversary date.²³ Petitioner also relies on a Wikipedia article and a separate online article which, on their face, describe the SHUSTOV brand of alcohol, but make no mention of the use of Respondent’s subject mark or sale of liquor under Respondent’s subject mark in the United States.²⁴

²¹ Petitioner’s Trial Brief, pp. 10-11, 19 TTABVUE 11-12.

²² *Id.* at p. 11, 19 TTABVUE 12.

²³ *Id.*

²⁴ *Id.* at p. 12, 19 TTABVUE 13.

Respondent has not submitted any evidence to demonstrate use of its registered mark in U.S. commerce for three consecutive years since the issuance of its subject registration. We therefore find that Petitioner has established a prima facie case of nonuse for the statutory three-year period.

ii. Intent to Commence Use in U.S. Commerce

In order to rebut the prima face case of abandonment, Respondent must produce evidence to establish its intent to begin use by showing “special circumstances which excuse [its] nonuse.” *Imperial Tobacco Ltd.*, 14 USPQ2d at 1395. This is the same standard used to assess whether a mark once in use has been abandoned. *Id.* (“We see no justification to adopt a different or more liberal interpretation of the statute in connection with a mark of a section 44(e) registrant which has never been used in this country.”). To prove excusable nonuse, Respondent must produce evidence showing that, under its particular circumstances, its activities are those that a reasonable business, that had a bona fide intent to use the mark in United States commerce, would have undertaken. *Rivard v. Linville*, 133 F.3d 1446, 45 USPQ2d 1374, 1376 (Fed. Cir. 1998). Moreover, subsequent use may be probative of whether the registrant intended to commence use during a previous period of nonuse. Such evidence should temporally and logically link the later use to the prior nonuse, such that an inference can be drawn regarding the intent to commence use during the period of nonuse. Without more, mere evidence of subsequent use may not suffice to establish that the registrant intended to resume use. *Parfums Nautee Ltd. v. American International Industries*, 22 USPQ2d 1306, 1310 (TTAB 1992). “Once a trademark is abandoned, its registration may be cancelled even if the registrant

resumes use.” *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 13 USPQ2d 1307, 1313 n.7 (Fed. Cir. 1989) (quoting *Mission Dry Corp. v. Seven-up Co.*, 193 F.2d 201, 92 USPQ 144, 146 (CCPA 1951)).

Respondent’s trial witness testified that, in May 2016 and within the three-year statutory period of nonuse, Respondent entered into a license agreement with the entity known as Tradehouse Shustov, a New Jersey LLC, to assist with and help facilitate the production, transport, importation, distribution, sales and marketing of, among other things, the products identified in Respondent’s subject registration for the SHUSTOV OST mark.²⁵ Additionally, the record demonstrates that Aiko, Respondent’s importer, submitted a COLA labeling application on September 12, 2016 for Respondent’s SHUSTOV cognac which was approved on September 13, 2016.²⁶

The foregoing is the only evidence submitted by Respondent which demonstrates any intent to commence use of its subject registered mark in U.S. commerce during the three-year statutory nonuse period. However, shortly after the conclusion of this three-year period, the record shows a continued effort by Respondent to commence use of its subject mark. Specifically, on April 1, 2017 (approximately a week after the conclusion of the three-year nonuse period), Tradehouse Shustov, acting in accordance with its agreement with Respondent, entered into a contract for the sale

²⁵ Sorokina Decl., ¶ 24, 16 TTABVUE 7.

²⁶ Sorokina Decl., Exh. M, 16 TTABVUE 134-137.

of the SHUSTOV brand cognac to Aiko.²⁷ The record also includes an invoice dated October 24, 2017 from Tradehouse Shustov to Aiko for one hundred 1.75 liter bottles of Respondent's SHUSTOV brand cognac at a price point of \$400 per bottle to be imported from France, and identifying the contract date as April 1, 2017.²⁸ Additionally, Respondent submitted copies of shipping documents regarding the initial shipment of its SHUSTOV brand cognac from France, including a Department of Homeland Security, U.S. Customs and Boarder Protection Entry Summary setting forth an export date of November 5, 2017, an entry date of November 10, 2017, and an import date of November 13, 2017.²⁹ Finally, Respondent submitted a copy of an additional COLA labeling application for its SHUSTOV brand cognac that was filed on September 11, 2017 and approved on October 12, 2017.³⁰ We find that the foregoing actions taken by Respondent and its agents within a relatively short time after the conclusion of the three-year statutory period of nonuse corroborate the existence of Respondent's intent to commence use of its registered mark during the three-year nonuse period.

Petitioner focuses on the issue that Respondent did not use its registered mark in U.S. commerce for three consecutive years since the date of issuance of the subject registration. This lack of use in U.S. commerce during the first three years since the issuance of Respondent's registration has already been established by the record.

²⁷ Sorokina Decl., ¶ 26, 16 TTABVUE 8.

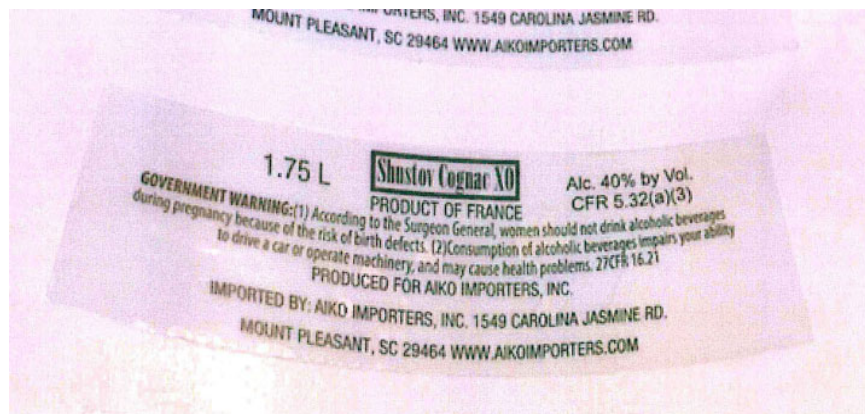
²⁸ Sorokina Decl., ¶ 19 and Exh. I, 16 TTABVUE 6 and 123-124.

²⁹ Sorokina Decl., Exh. J, 16 TTABVUE 125-128.

³⁰ Sorokina Decl., Exh. K, 16 TTABVUE 129-131.

With regard to Respondent's bona fide intent to commence use, Petitioner maintains that the COLA applications do not show the registered mark and the evidence of record consists primarily of alleged self-serving testimony from Respondent's trial witness which is not accompanied by independently verifiable documents supporting the statements made in Respondent's trial witness's testimony declaration.

We acknowledge that that the COLA labeling applications referenced by Petitioner are for labels that do not include Respondent's subject registered mark and that the Respondent's SHUSTOV cognac bottle itself does not bear the registered mark. The labels subject to the approved COLA applications are displayed below:

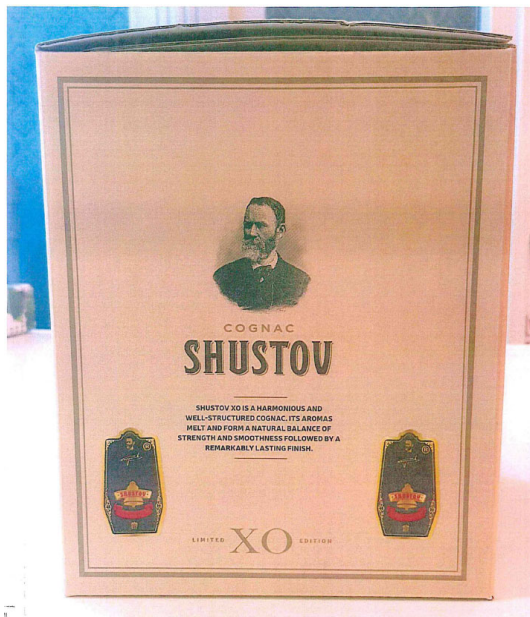
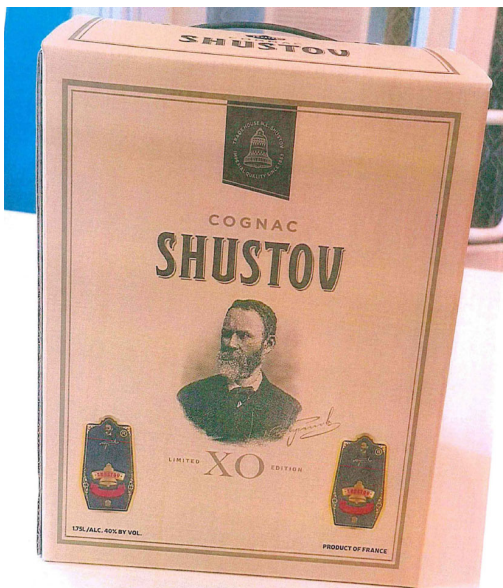


A photograph of Respondent's SHUSTOV cognac bottle is provided below.³¹

³¹ Sorokina Decl., Exh. F, 16 TTABVue 109.



Notwithstanding, the evidence of record demonstrates that Respondent's subject mark does appear on the product packaging for Respondent's SHUSTOV cognac, as illustrated below.³²



As to the testimony, while Respondent's trial witness testified that Respondent entered into a license agreement with Tradehouse Shustov to assist with and help facilitate the production, transport, importation, distribution, sales and marketing of the Respondent's SHUSTOV cognac, Petitioner asserts that Respondent never

³² Sorokina Decl., Exh. G, 16 TTABVUE 115-116.

submitted into evidence a copy of the license agreement itself. Nor did Respondent submit any testimony from any officers from Tradehouse Shustov to corroborate Respondent's trial witness's testimony regarding the license agreement.

Respondent could have presented a stronger evidentiary record by introducing a copy of the license agreement itself or corroborating testimony from officers of Tradehouse Shustov. However, as noted above, Respondent did submit an invoice dated October 24, 2017 from Tradehouse Shustov to Aiko for one hundred 1.75 liter bottles of Respondent's SHUSTOV cognac to be imported from France, and identifying the contract date as April 1, 2017. This evidence corroborates Respondent's testimony regarding the contractual relationship between Respondent and Tradehouse Shustov. Moreover, although Ms. Sorokina's testimony was not supported by the submission of the license agreement itself, we find that Ms. Sorokina's unrebutted testimony is clear and convincing and has not been contradicted by any other evidence of record. *See, e.g., Productos Lacteos Tocumbo S.A. de C.V. v. Paeteria La Michoacana Inc.*, 98 USPQ2d 1921, 1931 (TTAB 2011) ("Oral testimony, if sufficiently probative, is normally satisfactory to establish priority of use ... In this regard, oral testimony should be clear, consistent, convincing, and uncontradicted."); *National Bank Book Co. v. Leather Crafted Products, Inc.*, 218 USPQ 826, 828 (TTAB 1993) (oral testimony may be sufficient to prove the first use of a party's mark when it is based on personal knowledge, it is clear and convincing, and it has not be contradicted); *Liquacon Corp. v. Browning-Ferris Industries, Inc.*, 203 USPQ 305, 316 (TTAB 1979) (oral testimony may be

sufficient to establish both prior use and continuous use when the testimony is proffered by a witness with knowledge of the facts and the testimony is clear, convincing, consistent, and sufficiently circumstantial to convince the Board of its probative value); *GAF Corp. v. Anatox Analytical Services, Inc.*, 192 USPQ 576, 577 (TTAB 1976) (oral testimony may establish prior use when the testimony is clear, consistent, convincing, and uncontradicted).

Petitioner also contends that Respondent's activities fail to show any consistent or sustained effort to begin use in commerce and, to the extent any use of Respondent's subject mark in U.S. commerce did occur, it was merely "token use."³³

We disagree. Following registration in the United States and within the three-year period of nonuse: (1) Respondent entered into a license agreement with Tradehouse Shustov to help facilitate the production, transport, importation, distribution, sales and marketing of its SHUSTOV cognac product, and (2) Aiko, Respondent's importer, submitted a COLA labeling application on September 12, 2016 for Respondent's SHUSTOV brand cognac product which was approved on September 13, 2016. Shortly after the conclusion of the three-year nonuse period, Respondent took additional steps to commence use of its mark in the United States. Specifically, Respondent's importer, Aiko, submitted an additional COLA labeling application for Respondent's SHUSTOV brand cognac product which was approved and Respondent's SHUSTOV brand cognac was actually imported into the United States for sale on November 17, 2017. Moreover, Petitioner's "token use" argument is

³³ Petitioner' Trial Brief, pp. 14-16, 19 TTABVUE 15-17.

misplaced. The issue before us is not whether Respondent has made proper use of its mark in U.S. commerce but whether Respondent had a bona fide intent to commence use of its subject mark during the three-year nonuse period.

Accordingly, we have no basis for finding that Respondent's activities were not those which would be taken by a reasonable business with a bona fide intent to commence use of a mark in U.S. commerce.

V. Conclusion

Upon consideration of all the evidence of record, we find that Respondent has carried its burden of proving an intent to commence use in U.S. commerce of its registered mark during the three-year statutory period of nonuse, and has rebutted Petitioner's prima facie showing of abandonment. Accordingly, we find that Petitioner has failed to demonstrate, by a preponderance of the evidence, that Respondent's subject registration should be cancelled on the ground that Respondent has abandoned its registered mark with no intent to commence use for the goods identified therein.

Decision: The petition for cancellation is denied.