

## Case Comment

From time to time, we will include a **Case Comment** section to report on interesting sequels to the PTO's decisions we have abstracted or other cases and issues that might help trademark practitioners. We welcome your help in identifying any cases or issues that may be suitable for this section.

### The Top Ten Losing TTAB Arguments By John L. Welch

The Trademark Trial and Appeal Board currently renders some sixty to seventy final decisions each month, in *ex parte* appeals from final refusals to register and in *inter partes* opposition, cancellation, and concurrent use proceedings. The Board deems few of these decisions citable (although there recently seems to be a trend toward increasing this number) and thus few TTAB decisions are published in the *United States Patent Quarterly*. A handful of decisions are reviewed by the courts, and every month or so a TTAB-related opinion of the U.S. Court of Appeals for the Federal Circuit appears in the reports. The decisions that do reach publication tend to be those that raise unusual or novel legal issues, or that involve an important procedural point, and consequently merit some precedential attention. One who reads the entire output of the TTAB, however, will gain a somewhat different perspective on the collection of TTAB dispositions. In the ordinary stream of TTAB cases, while the facts vary widely from case to case, there are (not surprisingly) a number of issues that arise before the Board with regularity. In fact, not only do the same issues re-appear, but many of the same losing arguments regarding these issues are made in case after case — arguments that are fundamentally flawed and fly in the face of clear, published TTAB and CAFC (or CCPA) precedent. Certainly those who offer these losing arguments are not only wasting their time and that of the Board, but they may also be damaging their credibility with the Board and injuring their clients' causes in the process.

I have reviewed the Board's dispositions over the past year and have noted what are, in my estimation, the ten most-frequently occurring losing arguments. I present them here, with illustrative examples, brief explanations of their flaws, and an occasional pithy comment, in the hope that we will all recognize and avoid these arguments in our future dealings with the Board.

Many of the cases discussed herein involve an analysis of likelihood of confusion under Section 2(d) of the Trademark Act, whether in an *ex parte* or an *inter partes* context, and bring into play the so-called *du Pont* factors. In *re E.I. du Pont de Nemours & Co.*, 177 USPQ 563 (CCPA 1973) listed the principal factors to be considered in determining whether confusion is likely. It is perhaps the case most frequently cited by the Board, and it may be helpful here to list the *du Pont* factors for our future reference. According to *du Pont*:

"In testing for likelihood of confusion under Section 2(d) . . . the following, when of record, must be considered:

- (1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation, and commercial impression.
- (2) The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.
- (3) The similarity or dissimilarity of established, likely-to-continue trade channels.
- (4) The conditions under which and buyers to whom sales are made, i.e. "impulse" vs. careful, sophisticated purchasing.
- (5) The fame of the prior mark (sales, advertising, length of use).
- (6) The number and nature of similar marks in use on similar goods.
- (7) The nature and extent of any actual confusion.
- (8) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.
- (9) The variety of goods on which a mark is or is not used (house mark, "family" mark, product mark).
- (10) The market interface between applicant and the owner of a prior mark:
  - (a) a mere "consent" to register or use.
  - (b) agreement provisions designed to preclude confusion, i.e. limitations on continued use of the marks by each party.
  - (c) assignment of mark, application, registration and good will of the related business
  - (d) laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.
- (11) The extent to which applicant has a right to exclude others from use of its mark on its goods.
- (12) The extent of potential confusion, i.e., whether de minimis or substantial.
- (13) Any other established fact probative of the effect of use."

These factors "are not listed . . . in order of merit. Each may from case to case play a dominant role. \*\*\* Reasonable men may differ as to the *weight* to give specific evidentiary elements in a particular case." *du Pont* at 567. The two key factors in a Section 2(d) analysis are the similarity or dissimilarity of the marks, and the similarity or dissimilarity of the goods or services. *Federated Foods, Inc. v. Fort Howard Paper Co.*,

192 USPQ 24, 29 (CCPA 1976). However, if established, fame is the dominant *du Pont* factor. *Kenner Parker Toys Inc. v. Rose Art Industries Inc.*, 22 USPQ2d 1453 (Fed Cir. 1992).

The *du Pont* case concerned the effect of an agreement between applicant *du Pont* and the assignor of certain rights in the mark RALLY for a polishing, glazing, and cleaning agent for use on automobiles. Assignor retained rights in the mark for all-purpose detergent, and the parties agreed to certain restrictions designed to avoid confusion. Factor (10) of *du Pont* reflects the particular circumstances of that case.

### 1. Limiting the identified goods or services.

Perhaps the most "popular" losing TTAB argument arises in the Section 2(d) likelihood of confusion context, when a party attempts to introduce limitations to the identification of goods or the recitation of services in an involved application or registration. The party hopes, of course, that as a result it will bolster its case in terms of several of the *du Pont* factors. This approach was attempted, for example, in the recent HARRY HAIRBALL case, *In re Rumpus Corp.*, S.N. 75/589,564 (March 2, 2001), in which Applicant's mark for "a plush toy cat with removable insides" was held to be confusingly similar to the mark HAIRBALL registered for "toy balls, namely children's throwing toys for use indoors and outdoors; stuffed toys; and pet toys." Applicant pointed to the file history of the registration in attempting to limit Registrant's goods, noting that the original identification read "throwing toys and play balls" and the specimens of use comprised packaging for "super bounce balls." The Board had little stomach for that argument, observing that the Board must compare the goods as recited in the application with those recited in the registration, rather than what the evidence shows the goods to be. [The Board noted the difference in the marks, but elegantly concluded that they "connote the same thing — the image of a recently-convulsed hairball."]

*Rumpus* is but one illustration of the Board's invocation of a firmly-established rule: the question of likelihood of confusion must be determined based upon an analysis of the marks as applied to the goods/services recited in the subject application vis-à-vis the goods/services recited in the cited registration, regardless of what the evidence may show as to the actual nature of the goods/services, their channels of trade, and/or the classes of purchasers. *Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*, 1 USPQ2d 1813 (Fed. Cir. 1987); *In re William Hodges & Co.*, 190 USPQ 47 (TTAB 1976); *J&J Snack Foods Corp. v. McDonald's Corp.*, 18 USPQ2d 1889 (Fed. Cir. 1991).

In the absence of any express limitations in the involved application(s) or registration(s), the Board assumes that the channels of trade for the goods or services are those normal for such goods or services, and that the purchasers are the same. *In re Melville Corp.*, 18 USPQ2d 1387 (TTAB 1991); *CBS Inc. v. Morrow*, 218 USPQ 198, 199 (Fed. Cir. 1983); *Octocom Systems Inc. v. Houston Computer Services Inc.*, 16 USPQ2d 1783 (Fed. Cir. 1990). Thus, for example, in *In re*

*SRC Computers, Inc.*, S.N. 75/519,930 *et al.* (January 25, 2001), the Board affirmed a Section 2(d) refusal to register the mark SRC COMPUTERS for "custom manufacturing of computers for others" on the ground of likelihood of confusion with the mark SRC DIRECT, registered for "supplies volume purchasing services, namely, telephone order and mail order services in the field of office and business equipment, machines, computers, printers, accessories and supplies sold therewith." Applicant tried to limit its own identified services by contending that they are "specialized" and entail the development of high performance "supercomputers" for use by skilled professionals within the scientific, governmental, and educational communities. The Board rejected that attempt, noting that Applicant's services, as set forth in the application, might be associated by purchasers with the computer sales of Registrant and be assumed to originate from a common source.

In an *inter partes* context, the Board applied this same rule in *G-Mar Development Corp. v. Tully's Coffee Corp.*, Oppositions No. 103,825 and 105,490 (January 31, 2001). On the basis of Opposer's prior use of the mark TULLY'S for restaurant services, the Board sustained Section 2(d) oppositions to registration of the identical mark for retail coffee store services, cafe services, and coffee. The Board rejected Applicant's attempt to distinguish its actual goods and services from Opposer's "sports bar restaurants":

The parties spent considerable effort debating the differences and similarities between applicant's particular coffee shop services and cafe services and the particular services opposer actually renders at its restaurants, which are of the type which is commonly referred to as "sports bar restaurants," featuring not just food, but also alcoholic beverages and video entertainment provided by means of a number of televisions throughout the restaurants showing sporting events. \* \* \* As opposer points out, applicant's goods are not identified in the opposed application as "gourmet, whole-bean, premium coffee," but rather just as "coffee," and the services are not stated to be "gourmet, specialty coffee shop services" or "coffee shop services not including the serving [*sic*] meals or alcoholic beverages." The ordinary meaning of the word "cafe" includes a restaurant, barroom, and even a cabaret or nightclub, according to *Webster's Ninth New Collegiate Dictionary*, (1985 edition), of which the Board may take judicial notice.

When faced with an argument that the channels of trade are identical, there are a few available arguments that may help avoid a likelihood of confusion ruling. For example, the mere fact that two types of products may be found in the same large stores is not sufficient to establish that the products are related. *Federated Foods, Inc. v. Fort Howard Paper Co.*, 192 USPQ 24 (CCPA 1976). The Board relied on this principle in *In re Gelati Int'l, Inc.*, S.N. 75/179,289 (October 6, 2000) in reversing a refusal to register the mark U.S. SPORTS GEAR for men's, ladies', and children's clothing; namely, underwear,

sleepwear, and lingerie. The Board noted that, in the past, it has deemed underwear and footwear to be "distinctly different" and not complementary or companion items. The fact that these goods could all be purchased in department stores does not establish that the goods are related. The Board again relied on this "large store" principle in *In re The Mentholatum Co.*, S.N. 75/589,320 (December 19, 2000), noting that there is no *per se* rule that all items sold in drug stores are related for purposes of likelihood-of-confusion.

The Board recently launched this "brick and mortar" principle into cyberspace in *In re Normajejan Fusco*, S.N. 75/368,502 (December 12, 2000). There, the Board reversed a Section 2(d) refusal to register the mark MAGNAMUD for "massaging oils, muds and lotions, and non-medicated bath salts," finding the mark not confusingly similar to the registered mark MAGNA for "suntan lotions, gels, and oils." As to the relatedness of the goods, the Examining Attorney neither contended nor demonstrated that suntan products and massaging products are marketed by anyone under a single trademark. The only record evidence consisted of printouts from nine websites of companies offering a variety of products, including suntan products and massaging products. The Board, likening on-line marketers to large "brick and mortar" stores, noted that the mere fact that two types of products may be found in large stores is insufficient to establish that the products are related.

If the goods or services in the cited registration are recited too broadly, and if a restriction of the registration may avoid a likelihood of confusion, a remedy is available under Section 18 of the Trademark Act. See *Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG*, 34 USPQ2d 1266 (TTAB 1994), cited in *In re N.A.D. Inc.*, 57 USPQ2d 1872 (TTAB 2001). In *N.A.D.*, the Board suggested that remedy when it affirmed a Section 2(d) refusal to register the mark SATURN INFORMATION SYSTEM ("information system" disclaimed) for "computer software that assists anesthesiology in the recording and reporting of anesthesia related data." The panel majority found the mark confusingly similar to the marks SATURN and SATURN & des. registered for computer programs and related products, following *In re Linkvest S.A.*, 24 USPQ2d 1716 (TTAB 1992) in viewing Registrant's goods as encompassing all computer programs, including those intended for the medical field.

## 2. Descriptiveness as a guessing game.

Under Section 2(e)(1) of the Trademark Act, a mark that is merely descriptive of the subject goods or services is unregistrable on the Principal Register. It may be registrable under Section 2(f) based upon a showing of acquired distinctiveness (secondary meaning), but certainly a party would rather persuade the Board that the mark is not merely descriptive than find it necessary to assemble the evidence required for a Section 2(f) showing. Registration on the Supplemental Register is another, less appealing option.

A mark is merely descriptive under Section 2(e)(1) if it immediately conveys information concerning a significant quality, characteristic, function, ingredient, attribute, or feature of the product or services in connection with which it is used, or intended to be used. *In re Abcor Development Corp.*, 200 USPQ 215, 217-8 (CCPA 1978); *In re Engineering Systems Corp.*, 2 USPQ2d 1075 (TTAB 1986). The immediate idea must be conveyed with a "degree of particularity." *In re TMS Corporation of the Americas*, 200 USPQ 57, 59 (TTAB 1978). If some exercise of imagination, thought, or perception is required to reach a conclusion as to the nature of the goods or services, the mark is suggestive, not merely descriptive, *IA Corp.*, S.N. 75/419,109 (October 11, 2000), and is thus registrable on the Principal Register without proof of secondary meaning.

Surprisingly often, a party facing a Section 2(e)(1) refusal will argue that a mark is not descriptive because a consumer, looking at the mark, will not know what the goods or services are. Such arguments are met with the standard Board reply: the determination of mere descriptiveness must be made not in the abstract or on the basis of guesswork, but in relation to the goods or services at issue.

Whether consumers could guess what the product [or service] is from consideration of the mark alone is not the test. *In re American Greetings Corp.*, 226 USPQ 365, 366 (TTAB 1985).

The question is whether someone who knows what the goods or services are will understand the mark to convey information about them. *In re Home Builders Assn. of Greenville*, 18 USPQ2d 1313 (TTAB 1990).

Occasionally a party, presumably with a straight face, will argue that the mark has a meaning or connotation unrelated to the goods or services. For an *inter partes* example, in *Kellogg Co. v. Paul Ralston*, Opposition 111,903 (October 17, 2000), the Board granted Opposer's motion for summary judgment, finding the mark CAR FOOD merely descriptive for a wide variety of foods and beverages, including potato chips, sunflower seeds, flavored milk, fruit drinks, cookies, and other goodies. Opposer asserted that the term CAR FOOD is used "to refer to food items which are readily eaten in a car," submitting dictionary definitions of "car" and "food," seventeen NEXIS excerpts showing descriptive use of the term, and several supporting declarations. Applicant imaginatively proposed that the term CAR FOOD could have other meanings: like gasoline, motor oil, or brake fluid, or even parts for chariots. The Board was unimpressed, noting that the descriptiveness of a mark must be considered in the context of the goods with which it is in use, not in the abstract.

In an *ex parte* context, the Board rejected the "guessing" approach in *In re International Business Machines Corp.*, S.N. 75/251,064 (November 20, 2000), when Applicant argued that the term DATAHIDING was not merely descriptive for "electronic apparatus for protection of information signals" and for "services for providing security protection to information sig-

nals." The Board reiterated that the question to be answered under Section 2(e)(1) is not "whether someone presented with only the mark could guess what the goods are. Rather, the question is whether someone who knows what the goods are will understand the mark to convey information about them." *In re Home Builders Assn. of Greenville*, 18 USPQ2d 1313 (TTAB 1990). The Board was convinced that, when consumers see Applicant's goods or advertisements for its goods bearing the mark DATAHIDING, the term will immediately inform them of the significant feature of the goods and services relating to security protection of information signals.

A term may be deemed merely descriptive not only if it describes the goods or services involved, but also if it describes the types of purchasers or the uses of the goods or services. *See, e.g., In re Camel Mfg. Co.*, 222 USPQ 1031 (TTAB 1984). Thus in *In re Maharishi Ayur-Ved Products Int'l, Inc.*, S.N. 75/395,046 and 75/395,048 (March 2, 2001), the Board affirmed Section 2(e)(1) refusals to register the marks KAPHA and PITTA for "aromatherapy oils for personal use; massage oils; facial masks, scrubs, creams and moisturizers; body lotions; and hair conditioners and shampoos." The evidence showed that the terms KAPHA and PITTA each connote one of the three body types in the alternative health or medicine system known as the Ayurveda. Applicant argued that the marks do not impart a direct connection between the marks and the goods, but the Board observed that a mark is merely descriptive if it conveys information about a significant result or purpose of the goods (treatment of oily skin), or about the intended user of the goods (the terms KAPHA and PITTA are associated with oily skin and hair).

The Board has recently dealt with a number of cases involving the prefix "E-" for goods and services having some relationship or connection with the Internet. In *In re Styleclick.com Inc.*, 57 USPQ2d 1445 (TTAB 2001), the Board acknowledged that various "E-" prefix marks have been registered on the Principal Register in past years, but observed that the meaning of the prefix "E-" is now "commonly recognized and understood by virtually everyone as a designation for the Internet." It held the mark E FASHION merely descriptive for software and electronic retailing services in the field of apparel, fashion, and personal care items. In another E-case, *In re eCash Technologies, Inc.*, S.N. 74/605,417 (November 29, 2000), the Board found E-CASH merely descriptive for computer software and hardware for the electronic transfer of funds.

In *In re Styleclick.com Inc.*, S.N. 75/459,512 (February 12, 2001), a companion to the E FASHION case, the Board found the mark VIRTUAL FASHION to be merely descriptive for software and electronic retailing services in the field of apparel, fashion, and personal care items. Despite the PTO's past issuance of several registrations for marks that include the word VIRTUAL without any disclaimer of that word, the Board found that, in the year 2001, VIRTUAL is commonly recognized to mean "something that is conceptual rather than

something that has physical reality, especially in connection with things encountered via computers and the Internet."

However, in *In re Regal Discount Securities, Inc.*, S.N. 75/329,304 (November 14, 2000), the Board reversed a Section 2(e)(1) refusal to register the mark E-OPTION for stock brokerage services that include the buying and selling of options. The Board recognized that the "E-" prefix is an abbreviation for "electronic," and Applicant acknowledged that its mark "suggests an 'E-commerce' mark." Applicant also acknowledged that an option is a form of security. However, the Board agreed with Applicant that the word "option" in the mark creates a double entendre, because it might refer to the fact that the Applicant offers customers an "option" of utilizing its services by either conventional or electronic means. The mark was deemed suggestive rather than descriptive because the meaning of E-OPTION would be understood by customers only after a multi-stage reasoning process.

The *Regal* case is an illustration of one way to establish that a mark does not *immediately* convey information regarding the goods or services: point to an incongruity, double entendre, or humorous meaning. For example, in *In re Kinston Office Supply Co.*, S.N. 75/438,489 (January 24, 2001), the Board reversed a Section 2(e)(1) refusal to register, concluding that the mark CORPORATE RESOURCES is not merely descriptive for "retail store services in the area of office supplies and equipment." Even if the designation "corporate resources" includes the office equipment and supplies utilized by a corporation, the term is commonly used to connote a corporation's assets for increasing its production or profit, including its office facilities, human capital, and raw materials. Because of this double entendre, the mark is at most suggestive of Applicant's services. It conveys "an air of importance or aggrandizement to such everyday or mundane products as office supplies and equipment," thus creating a new and different commercial impression when used in the context of Applicant's retail store services.

In *In re IA Corp.*, S.N. 75/419,109 (October 11, 2000), the Board found the mark INFOXTRACT not merely descriptive for data mining software, and reversed a Section 2(e)(1) refusal to register. The Examining Attorney had viewed the mark as immediately conveying the notion of extracting information, and therefore deemed it descriptive. The Board, however, agreed with Applicant that the phonetic and visual effects of the mark were sufficient to slow or delay recognition of the pertinent meaning of the mark. When first encountered, the mark would just as immediately be regarded as IN-FOXTRACT as it would IN-FO-X-TRACT. Thus, the mark creates just enough initial ambiguity to require a modicum of imagination, perception, or thought before one would comprehend that the mark designates a product designed to extract information from a database.

One faced with a mere descriptiveness refusal should keep in mind that, if there is a doubt regarding registrability under Section 2(e)(1), that doubt is to be resolved in Applicant's favor. *In re Atavio Inc.*, 25 USPQ2d 1361 (TTAB 1992). In

other words, the PTO has the burden of proof on the issue. *In re Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 4 USPQ2d 1141, 1143 (Fed. Cir. 1987).

### 3. Lack of actual confusion.

Arguing in a particular case that the lack of actual confusion supports a finding of no likelihood of confusion is occasionally successful, but much more often not. Actual confusion is very seldom proven in Board proceedings. It is recognized, however, that evidence of actual confusion is difficult to obtain, and the Board frequently points out that the applicable test is *likelihood* of confusion. *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 218 USPQ 390, 396 (Fed. Cir. 1983).

For the lack of confusion to have any import, a party must demonstrate that there was ample time and marketplace opportunity for confusion to have occurred:

... the absence of any reported instances of actual confusion would be meaningful only if the record indicated appreciable and continuous use by applicant of its mark for a significant period of time in the same markets as those served by opposer under its marks. *Gillette Canada Inc. v. Ranir Corp.*, 23 USPQ2d 1768, 1774 (TTAB 1992).

The Board relied on *Gillette Canada* in denying a motion for reconsideration of its March 8, 2000 decision sustaining an opposition in *Sentry Chemical Co. v. Central Mfg. Co.*, Opposition No. 108,924 (January 19, 2001). Applicant asserted that the Board had failed to give proper consideration to the lack of actual confusion, noting that the parties had stipulated that the goods {detergents and cleaning products} were promoted and sold in the same channels of trade, and asserting that the parties had co-existed for 13 years without any instances of actual confusion. However, the Board denied the request for consideration, observing that the stipulated facts did not provide any information as to the extent of sales or promotion, nor indicate that the goods were sold in the same geographic area. According to the Board, "[t]he stipulated use by the parties in the same trade channels does not constitute use in the same markets."

In *G-Mar Development Corp. v. Tully's Coffee Corp.*, Oppositions No. 103,825 and 105,490 (January 31, 2001), the Board again deemed insignificant the lack of evidence of actual confusion, since Opposer's restaurants were in New York and Applicant's in Washington state.

Evidence of incidents of actual confusion is notoriously difficult to obtain, and is clearly not necessary in order to establish that confusion is likely. *Helene Curtis Industries Inc. v. Suave Shoe Corp.*, 13 USPQ2d 1618 (TTAB 1989). \* \* \* In the instant case, in view of the relatively limited geographic area in which applicant has operated its coffee stores and cafes and the fact that the restaurants using opposer's mark are all located in a

relatively small geographic area on the other side of the country, the opportunity for actual confusion appears to have been quite limited, so we cannot conclude that because the parties are unaware of any actual confusion in connection with their marks, confusion is not likely.

In *ex parte* cases, an Achilles heel for this lack-of-confusion argument is the lack of opportunity for the owner of the cited Registration to be heard on the issue. The fact that Applicant claims, not surprisingly, that there have been no incidents of actual confusion must be given skeptical consideration. For example, in *In re Diamond Brands Inc.*, S.N. 75/476,026 (February 13, 2001), the Board affirmed a Section 2(d) refusal to register the mark ROSE BUD for safety matches, finding the mark confusingly similar to the registered mark ROSE BUD for chewing tobacco. Applicant argued that, in view of the coexistence of the marks for over eighty-five years, the lack of any actual confusion was significant. The Board, however, observed that Applicant's lack of confusion evidence may be given little weight because Registrant had no opportunity to be heard on this point:

While evidence of long concurrent use without either party being aware of any instances of confusion may be a significant factor in resolving likelihood of confusion in an inter partes case, the very nature of an *ex parte* case precludes application of similar probative value to the mere assertion by an applicant of the absence of actual confusion. See *In re Sieber & McIntyre, Inc.*, 192 USPQ 722 (TTAB 1976).

Of course, without an opportunity for the Registrant to be heard in the *ex parte* context, there is likely to be little or no evidence of record regarding the nature and extent of use of the cited mark. Without such evidence, the Board cannot determine whether there has been sufficient opportunity for confusion to have occurred. See, e.g., *In re Jake's Finer Foods Inc.*, Serial Nos. 75/492, 089 *et al.* (March 7, 2001).

In a rare case in which actual confusion was established, evidence in the form of misdirected e-mail communications was one of the factors that brought success to Opposer in *SOHO Internetwork, Inc. v. Advanced Intelligent Networks Corp.*, Opposition No. 110,081 (July 31, 2000). The Board sustained an opposition to registration of the mark SOHONET for computer software for solving multimedia communications problems, finding the mark confusingly similar to Opposer's mark SOHONET, previously used for hosting and designing websites, designing and licensing software for Internet applications, and goods and services relating to electronic mail and Internet connectivity.

### 4. Fame of the mark.

Because fame is the dominant *du Pont* factor, *Kenner Parker Toys Inc. v. Rose Art Industries Inc.*, 22 USPQ2d 1453 (Fed. Cir. 1992), the argument is often made that a particular mark

is famous. In most cases, however, the proffered evidence falls short of the target.

Just how dominant the fame factor may be was recently illustrated by *Recot, Inc. v. Becton*, 56 USPQ2d 1859 (TTAB 2000). After a remand from the U.S. Court of Appeals for the Federal Circuit, *Recot, Inc. v. M.C. Becton* 54 USPQ2d 1894 (Fed. Cir. 2000), the Board reversed itself and found likelihood of confusion between the mark FRITO-LAY for snack foods and FIDO LAY for edible dog treats. As directed by the appellate court, the Board gave "full weight" to the fame of Opposer's mark. Coupling the fame factor with the similarity of the marks and the nature of the goods as impulse-purchase items, the Board concluded that these factors outweighed the principal element in Applicant's favor — the dissimilarity of the parties' goods.

Fame similarly played a key role in two recent oppositions, though the goods involved in each case were much closer than those in the FRITO-LAY case. Sara Lee Corporation succeeded in establishing the fame of the L'EGGS mark for hosiery, and rode that *du Pont* factor to victory in canceling a registration for the mark GOLDEN LEGS for "hosiery for men, women and children." *Sara Lee Corp. v. Goldstone Hosiery Co.*, Cancellation No. 22,732 (February 22, 2001). Sara Lee offered truly impressive evidence: including \$10 billion in sales over thirty years; more than \$1.8 billion in promotional expenditures; a 54% share of the sheer hosiery market; and 98% brand recognition. The impact of Applicant's argument regarding the dissimilarity of the marks was muted by the fame factor. Similarly, in *Societe Des Produits Nestle S.A. v. La Cibeles, Inc.*, Opposition No. 112,805 (February 7, 2001), Nestle successfully opposed an application to register MASCAFE for coffee and coffee products. Nestle established its mark NESCAFÉ as famous for coffee products by introducing significant sales and advertising figures and a survey showing that 50% of consumers in this country are aware of the NESCAFÉ brand of instant coffee.

However, proving that a mark is famous is an often-attempted but seldom successful undertaking. For example, in *Levi Strauss & Co. v. Vivat Holdings PLC*, Oppositions Nos. 105,453 and 105,667 (December 19, 2000), Opposer endeavored to prove the fame of two registered design marks for the chevron-shaped stitching that has appeared on its jeans for more than 100 years. The Board held the mark to be very strong and well-known, but not famous. Despite evidence that included testimony that 90-95% of all men in the United States own at least one pair of LEVI's jeans, the Board noted that the evidence did not segregate the impact of the chevron mark from that of other marks appearing on the goods. Similarly, in *Bose Corp. v. QSC Audio Products, Inc.*, Opposition No. 109,664 (November 16, 2000), Opposer was unsuccessful in its attempt to prove the fame of its marks WAVE and ACOUSTIC WAVE, because it failed to separate the commercial impact of those marks from the admittedly-famous mark BOSE that often accompanied them, and failed to provide a context in which the import of its sales and advertising figures could be evaluated vis-à-vis the types of products involved.

In *Trump Taj Mahal Associates v. Chatam International, Inc.*, Opposition No. 111,896 (October 30, 2000), the Board dismissed a Section 2(d) opposition to registration of the mark XANADU for wines and distilled spirits, finding the mark not confusingly similar to the previously-used mark XANADU for a nightclub and restaurant operated at the Trump Taj Mahal Hotel and Casino in Atlantic City. Although the marks were identical, the Board found the mark XANADU to be suggestive of the environment or ambiance of nightclub or restaurant services. It rejected Opposer's assertion that its mark was famous, despite evidence that such famous entertainers as Don Rickles, Neil Sedaka, Natalie Cole, Smokey Robinson, and Buddy Hackett had appeared at its venue, because Opposer failed to show that its sales, revenue, and attendance figures were anything out of the ordinary. Likewise, in *Virgin Enterprises Ltd. v. David DeFeis*, Opposition No. 108,967 (October 26, 2000), Opposer failed to provide sufficient evidence in terms of sales, advertising expenditures, and market share to prove its VIRGIN mark famous.

The lesson to be drawn from the "fame" cases is that one should not bother making the argument without extensive evidence of advertising and sales, market share, and perhaps a brand recognition survey, all directed to the *particular* mark at issue.

### 5. Sophisticated purchasers.

Parties often attempt to avoid a likelihood of confusion determination by arguing that the purchasers involved are sophisticated, and thus unlikely to be confused. According to *Electronic Design & Sales Inc. v. Electronic Data Systems Corp.*, 21 USPQ2d 1388, 1392 (Fed. Cir. 1992):

Where the purchasers are the same, their sophistication is important and often dispositive because "sophisticated consumers may be expected to exercise greater care." *Pignons S.A. de Mecanique de Precision v. Polaroid Corp.*, 212 USPQ 246, 252 (1st Cir. 1981). "There is always less likelihood of confusion where goods are expensive and purchased after careful consideration." *Astra Pharmaceuticals Prods., Inc. v. Beckman Instruments, Inc.*, 220 USPQ 786, 790 (1st Cir. 1993).

The chances that a party's sophisticated-purchaser argument will be helpful seems to be proportional to the closeness of the marks and the degree of similarity of the goods and services involved. In other words, if the marks and the goods/services are identical or very close, a sophistication argument will have little beneficial effect.

Thus, in *LBJ Pakke, Inc. v. Elenbaas Co.*, Cancellation No. 28,843 (February 20, 2001), the Board granted a petition to cancel a registration for the mark ELENBASS COMPANY — DAIRYMAN'S EDGE & des. for distributorships in the field of bulk animal feeds, finding it confusingly similar to the previously used and registered mark DAIRYMAN'S EDGE for livestock feed additives. Respondent's argument that confusion was unlikely because its customers are sophisticated

was of no avail, both because Respondent provided no evidence on that point, but also because:

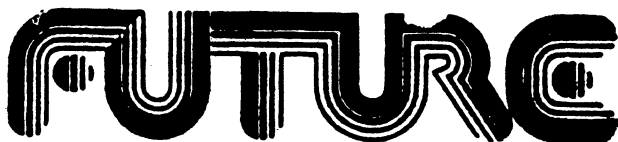
The fact that purchasers are sophisticated or knowledgeable in a particular field does not necessarily mean that they are immune from source confusion when similar marks are used in connection with related goods and/or services. *In re Decombe*, 9 USPQ2d 1812 (TTAB 1998).

The Board also relied on *Decombe* in rejecting Applicant's sophisticated purchaser argument *In re Data Critical Corp.*, S.N. 75/397,987 (February 27, 2001). Affirming a Section 2(d) refusal to register the mark LABVIEW for "computer hardware and software for use with medical patient monitoring equipment, for receiving, processing, transmitting and displaying of data," the Board found the mark confusingly similar to the identical mark LABVIEW previously registered for "computer programs and instructional materials sold as a unit."

In *In re N.A.D. Inc.*, 57 USPQ2d 1872 (TTAB 2001), discussed above, a divided panel of the Board affirmed a Section 2(d) refusal to register the mark SATURN INFORMATION SYSTEM ("information system" disclaimed) for "computer software that assists anesthesiology in the recording and reporting of anesthesia related data." The majority found the mark confusingly similar to the registered marks SATURN and SATURN & des. for computer programs and related products. The dissent maintained that, because Applicant's software is inherently very expensive and is purchased by sophisticated individuals only after direct negotiations with the manufacturer, confusion is not likely.

When the marks and/or goods and services are not too close, a sophisticated purchaser argument may prove helpful. For example, in *In re Joseph Nuzzolo*, S.N. 75/345,465 (January 19, 2001), the Board reversed a Section 2(d) refusal to register the mark THE SALVADOR DALI SOCIETY ("Salvador Dali" disclaimed) for art appraisal services in the field of Salvador Dali artwork, finding the mark not confusingly similar to the registered mark SALVADOR DALI MUSEUM for museum services. The Board concluded that confusion was not likely because the registered mark cannot be considered a strong mark in light of the descriptiveness of the words "Salvador Dali," and because the relevant consumers are knowledgeable and will be extremely careful in choosing an appraiser for the art work.

In *In re Nichimen Graphics*, S.N. 75/504,154 (March 9, 2001), the Board reversed a Section 2(d) refusal to register the mark MIRAI for "computer software for developing graphic images and animation," finding the mark not confusingly similar to the registered mark FUTURE (Stylized) for computer software in the field of video animation and video graphics.



Because the application stated that "the English language translation of the Japanese word MIRAI is 'future,'" the Examining Attorney had relied on the doctrine of foreign equivalents, but the Board noted that any similarity in connotation between the English mark and the foreign word mark must be weighed against the dissimilarity in appearance, sound, and all other factors. *In re Sarkli, Ltd.*, 220 USPQ 111 (Fed. Cir. 1983). The Board noted that the marks are radically different in visual appearance and pronunciation, and, in view of the sophistication of the purchasers of the involved goods and the fact that "future" is typically not translated into Japanese as "mirai," the Board found no likelihood of confusion.

In *Megastar, Inc. v. Harris Corp.* Cancellation No. 26,056 (October 18, 2000), the Board denied a petition to cancel a registration for the mark MEGASTAR for microwave radios, multiplexers, and parts therefor, finding the mark not confusingly similar to the previously-used mark MEGASTAR, INC. for design and consulting services for satellite uplink systems. Recognizing that the marks were essentially identical, the Board found this to be "not a crystal clear case." In reaching its decision, the Board determined that Petitioner's mark was not famous; that Registrant's goods are for terrestrial transmission whereas Petitioner's services are related to satellite communications and transmissions; and that the sophisticated purchasers of these expensive goods and services would exercise great care (citing *Electronic Design & Sales Inc. v. Electronic Data Systems Corp.*, 21 USPQ2d 1388, 1392 (Fed. Cir. 1992)).

Not only in technical fields, but also in banking and financial fields, the Board may be swayed by a sophisticated purchaser argument. Thus in *In re Cullen/Frost Bankers, Inc.*, S.N. 75/199,524 (October 10, 2000), the Board reversed a Section 2(d) refusal to register the mark READYBANK for certain banking services. The Examining Attorney had found the mark confusingly similar to the registered mark READY BANKER for automated banking services. The Board, asserting that the CAFC had ruled in *Amalgamated Bank of New York v. Amalgamated Trust & Savings Bank*, 6 USPQ2d 1305, 1308 (Fed. Cir. 1988) that customers exercise a very high level of care when selecting banking services [a dubious reading of *Amalgamated*], viewed the issue of likelihood of confusion as a close one, were it not for "mitigating circumstances." Applicant already owned an existing registration for the identical mark READYBANK for "banking services," a recitation broader than that of the subject application. The Registrant of the READY BANKER mark, whose registration issued in 1979, did not oppose the earlier application for READYBANK, nor did it seek to cancel the registration. Taking into account the "real life situation" that the owner of the READY BANKER registration "made a decision many years ago" not to contest the earlier READYBANK application/registration, the Board found no likelihood of confusion.

Of considerable personal comfort is the decision in *In re Quicklaw America, Inc.*, S.N. 75/521,756 (February 7, 2001), in which the Board held the mark UNITED STATES CODE ONLINE for the services of providing on-line an enhanced

text of the U.S. Code, not confusingly similar to the registered mark UNITED STATES CODE ANNOTATED for certain books. Observing that the likely consumers of Registrant's goods and Applicant's services are those who conduct legal research, the Board stated: "These consumers must be considered careful as well as sophisticated." Coupling that factor with the weakness of both marks, the Board found confusion unlikely. However, it did find Applicant's mark to be merely descriptive, and it therefore affirmed a Section 2(e)(1) refusal to register.

## 6. Genericness.

Refusals to register on the ground of genericness seem to be increasing in frequency, and so do the number of affirmances of such refusals by the Board. A party faced with a well-founded genericness refusal should think twice about challenging the refusal to register. It might be better to withdraw the application without prejudice rather than suffer a Board ruling that the mark is generic.

The basic test for genericness was set forth in *H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.*, 228 USPQ 528, 530 (Fed. Cir. 1986):

Determining whether a mark is generic therefore involves a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered or retained on the register understood by the relevant public primarily to refer to that genus of goods or services?

In *ex parte* cases, the PTO has the burden of proving genericness by a "substantial showing" based on "clear evidence." *In re Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 4 USPQ2d 1141, 1143 (Fed. Cir. 1987); *In re Networks Associates Technology, Inc.*, S.N. 75/218,102 (February 13, 2001). Evidence of the public's understanding of a term may be found in "any competent source, including newspapers, magazines, dictionaries, trade journals, catalogs, and other publications." *In re Leatherman Tool Group Inc.*, 32 USPQ2d 1443, 1449 (TTAB 1994), citing *In re Northland Aluminum Products, Inc.*, 227 USPQ 961, 963 (Fed. Cir. 1985).

If the genericness of a single word is at issue, and if the Examining Attorney is able to find appropriate dictionary or NEXIS references, there is little doubt that a genericness refusal will be upheld by the Board. For example, in *In re IDG Books Worldwide, Inc.*, S.N. 75/975,176 (January 5, 2001), the Board affirmed a refusal to register the mark FAQs for "books in the field of computers, computing, and computer software," on the ground of genericness. Relying on dictionary definitions, NEXIS excerpts, webpages, and Applicant's own specimens, and applying the two-step *Marvin Ginn* test, the Board found that an increasingly popular format for books targeted to computer users is the question-and-answer format known as FAQs, and that the designation FAQs is one of the terms that would be readily understood by computer users as

primarily referring to the category of computer-related books into which applicant's products fall.

Even an Applicant's coined word may be found generic, as the Applicant learned in *In re Indena S.p.A.*, S.N. 74/603,891 (March 28, 2000). The term PHYTOSOME was held to be generic, and registration refused on the Supplemental Register, even though it was a word that had been invented by Applicant for complexes of vegetable substances for use in the manufacture of cosmetics, pharmaceuticals, and health foods. The Examining Attorney introduced numerous NEXIS excerpts using the term, as well as a dictionary definition of PHYTOSOME as "a new term cosmetologists are using for the combination of liposomes ... and plant extracts." Applicant argued that the NEXIS excerpts showed only infringement of the mark, but Applicant's fatal error, according to the Board, was in using the term as the sole designation for its new product.

Turning from single word marks to phrases and compound word marks, there has developed a slight difference in the evidentiary requirements for proving genericness of those marks. This difference was explained in *In re American Fertility Society*, 51 USPQ2d 1832 (Fed. Cir. 1999), in which the CAFC attempted to reconcile two prior, inconsistent decisions regarding the issue of genericness. As to phrases, the Court held that the correct test for genericness was set forth in *Marvin Ginn*, cited above, a case holding that the mark FIRE CHIEF was not generic for a magazine distributed to fire departments. To prove genericness, *Marvin Ginn* requires (1) proof of "the genus of goods or services at issue" and (2) proof that the general public understands the mark as a whole to refer primarily to "that genus of goods or services."

One year after *Marvin Ginn*, the CAFC dealt with the genericness of a compound word mark in *In re Gould Paper Corp.*, 5 USPQ2d 1110 (Fed. Cir. 1987). The court found the compound word mark SCREENWIPE generic for antistatic wipes used to clean computer and television screens, based only on dictionary definitions of the words "screen" and "wipe." *American Fertility* limited the applicability of *Gould* to compound words. Under *Gould*, according to *American Fertility*, "if the compound word would plainly have no different meaning from its constituent words, and dictionaries, or other evidentiary sources, establish the meaning of those words to be generic, then the compound word too has been proved generic. No additional proof of the meaning of the compound word is required." 51 USPQ2d at 1836 [emphasis supplied].

The PTO thus arguably has a somewhat easier task in demonstrating the genericness of a compound word than a phrase. Although the applicable test is still the two-part inquiry of *Marvin Ginn*, if the individual words in a compound word are generic, then *Gould* provides "additional assistance" in determining genericness. *American Fertility*, 51 USPQ2d at 1837. Unless combining the individual words into a single word yields some additional meaning, the combined word is generic. As to phrases, as *American Fertility* itself demonstrates, the PTO's task is more difficult: it cannot simply look at the genericness of the individual words, but must demonstrate that the phrase



as a whole meets the *Marvin Ginn* test. In *American Fertility*, the PTO failed to provide any evidence that the unitary phrase SOCIETY FOR REPRODUCTIVE MEDICINE had been used in a generic sense.

The Board has applied these rules in a number of recent decisions. In *In re 3Com Corp.*, S.N. 74/495,184 (June 30, 2000), the Board affirmed a Section 23 refusal to register ATMLINK for computer networking and asynchronous communication components. Following *Gould*, it concluded that the combination of two generic words into a single term did not transform the term into a source indicator. In *In re Brink's Mfg. Co.*, S.N. 75/472,290 (December 27, 2000), the Board reversed a refusal to register the mark VAN LADDER for truck-mounted work platforms and aerial booms, concluding that the mark is not generic and deeming Applicant's evidence sufficient to establish secondary meaning. The Examining Attorney had argued that the combination of the two generic words "van" and "ladder" had no different meaning than the constituent words. But the Board, citing *Marvin Ginn*, noted that there was no evidence that relevant customers use the term "van ladder" to refer to the category or type of product involved, and ruled that the PTO had failed to carry its burden of proof on the issue of genericness. In *In re American Bio Medica Corp.*, S.N. 75/188,002 (January 30, 2001), the Board reversed a refusal to register the mark RAPID DRUG SCREEN on the Supplemental Register for "urine test cards for detecting the presence of narcotics." Relying on *American Fertility*, the Board observed that the record was barren of any generic use of the term in its entirety, but replete with use of the mark to identify Applicant's services. And in *In re Networks Associates Technology, Inc.*, S.N. 75/218,102 (February 13, 2001), the Board reversed a Section 23 refusal to register the mark REMOTE DESKTOP on the Supplemental Register for software that allows remote access to a computer, because the Examining Attorney did not show that the term "remote desktop" was used, or was needed, by anyone as a name for the type of software at issue.

In an *inter partes* context, in *McCormick Delaware, Inc. v. Williams Foods, Inc.*, Cancellation No. 28,967 (February 14, 2001), the Board ruled on summary judgment that the mark BAG'N SEASON is not generic for "seasoning mixes for meats and roasting bags combined in unitary packages and sold in the seasoning departments of retail outlets." The Board deemed it immaterial whether BAG'N SEASON is a phrase or a compound word, because the *Marvin Ginn* test applied in either case, and it found the record devoid of evidence establishing that the "combination of words" BAG'N SEASON is perceived by the public as a generic phrase or term.

If one encounters a genericness rejection of a compound word composed of two generic words, the chances of overcoming that rejection are not great. Rather than waste the effort and expense of an appeal, and the risk of an unfavorable Board decision, it may be better to withdraw the application and, if possible, re-file for registration of the mark as a phrase rather than a compound word.

Misspelling a word, or adding surplus words like "company," will not avoid a genericness rejection. For example, in *In re D.C.D. Global, Inc.*, S.N. 75/352,257 (January 12, 2001), the Board affirmed a genericness refusal to register the mark HUNTIN' GEAR for safety glasses, applying the *Marvin Ginn* test to find the genus of goods at issue to be hunting equipment, hunting accessories, or hunting gear, and the term "hunting gear" to refer to that genus of goods. The misspelling of the word "hunting" as "huntin'" did not remove the mark from the genericness category. In *In re Mica Lamp Co.*, S.N. 75/163,499 (December 6, 2000), finding the asserted mark generic, the Board affirmed a refusal to register MICA LAMP COMPANY for electric lamp fixtures, namely lamp shades and lamp reflectors. The term "mica lamp" is used by the trade press and by Applicant in its promotional literature to refer to a type of lamp having a shade made of the mineral mica. The entity designation "company" cannot convert a generic term into a proprietary one. Applicant's evidence that the term had achieved some source-indicating significance (statements from customers and industry representatives) were deemed to show "de facto secondary meaning," to which the law attaches no legal significance. See *In re Boston Beer Co.*, 53 USPQ2d 1056 (Fed. Cir. 1999).

A mark that is not generic may still be deemed unregistrable, even under Section 2(f) or on the Supplemental Register, if it is too descriptive. For example, in *In re LesConcierges, Inc.*, S.N. 75/044,642 (September 18, 2000), the Board affirmed a Section 2(e)(1) refusal to register the mark LESCONCIERGES for personal services, namely providing personal errand, appointment, meeting planning, party and special event planning, reservation, shopping and travel planning services for others. The Board found the mark so highly descriptive as to be incapable of functioning as a service mark, citing *Boston Beer*. Applicant's own advertising made generic use of the terms "conciierge" and "conciierge services," and the Examining Attorney provided a stack of third-party registrations wherein the services were identified as "conciierge services." The fact that the combined term LESCONCIERGES cannot be found in reference sources was deemed irrelevant. Similarly, in *In re Oris LTDA*, S.N. 74/718,903 (February 12, 2001), the Board reversed a genericness refusal to register the mark EXTRA STRONG for baler twine, but rejected Applicant's proof of acquired distinctiveness because the term "is basically so highly descriptive of baler twine which is extra strong in its tensile strength that the term simply does not serve as an indication of source for the goods."

Thus the Board appears to recognize a fifth category of marks that are, like generic marks, unregistrable: marks so highly descriptive as to be incapable of serving a source-identifying function, regardless of how much secondary meaning evidence is provided.

## 7. Res judicata.

Parties before the TTAB often attempt to rely on prior registrations, whether viable or expired, or on previous rulings of

the Board, to advance their positions. However, the Board is not bound by prior rulings based on other records, and it applies *res judicata* sparingly. In short, the chance of succeeding on a *res judicata* argument is very slim, unless a virtually identical mark for the same goods/services was previously involved.

For example, in *In re Diamond Brands Inc.*, S.N. 75/476,026 (February 13, 2001), the Board affirmed a Section 2(d) refusal to register the mark ROSE BUD for safety matches, on the ground of confusing similarity to the registered mark ROSE BUD for chewing tobacco. Applicant's 1915 registration for the same mark had lapsed in 1995 through inadvertence, and the cited registration issued in 1969 despite the long-existing registration of Applicant. Applicant contended that it was not logical now to find its mark unregistrable when the PTO reached the opposite conclusion in 1969 with regard to the cited mark. However, the Board noted that it was not bound by the prior Examining Attorney's determination as to registrability. See *In re Perez*, 21 USPQ2d 1075 (TTAB 1991). Moreover, the Board was unapprised as to the circumstances surrounding the issuance of the cited registration in 1969.

Similarly, in *In re Candle Corporation of America, Inc.*, S.N. 75/469,369 (March 14, 2001), the Board rejected Applicant's argument that, because its mark CANNED HEAT for "solid fuel composed mainly of alcohol for use in warming food" was previously registered in 1916, it should not be considered merely descriptive. The Board observed that an expired registration is incompetent as evidence of any presently-existing rights in the term which had been the subject matter of the registration. See *Sunnen Products Co. v. Sunex Int'l Inc.*, 1 USPQ2d 1744 (TTAB 1987).

In *In re Wilson*, 57 USPQ2d 1863 (TTAB 2001), the Board affirmed a Section 2(d) refusal to register PINE CONE BRAND & des. (the word BRAND and the pictorial representation of fresh fruit being disclaimed) for fresh oranges, lemons, and grapefruits, finding it confusingly similar to the mark PINE CONE registered in 1925 for various canned fruits and vegetables. In addition to a thorough *du Pont* analysis by Judge Bottorff, the decision reviews the administrative law doctrine of "reasoned decisionmaking." Applicant contended that the Board was required, under that doctrine, to act consistently with the Office's 1933 issuance of a registration for the very same mark (for fresh fruit) that Applicant seeks to register, despite the existence of the same PINE CONE registration upon which the Board here relies. The Board found the "reasoned decisionmaking" doctrine inapposite because the 1933 decision was not a fully-adjudicated decision made by an Administrative Law Judge or equivalent policy-making and adjudicative personnel. Moreover, even if that doctrine were applicable, the Board's current decision is explainable because the trademark law has changed and the basis for a likelihood-of-confusion refusal has been broadened.

In an *inter partes* context, in *TRW Inc. v. Matsui Universal Joint Corp.*, Opposition No. 117,253 (March 7, 2001),

**≡URW≡**

the Board denied Opposer's motion for summary judgment, refusing to apply *res judicata* to bar Applicant's attempt to register the mark URW in block-letter form for various automobile parts and accessories. Applicant's prior application for the mark URW in the design form shown here for essentially the same goods had been opposed by the same Opposer, and a default judgment had been entered. The Board found that the mark being opposed here was "too different" from the previously-opposed mark "to be considered part of a single transaction." The marks have different commercial impressions, and the evidence of likelihood of confusion "would not be precisely the same for both marks."

Another *res judicata* argument also failed in *Guardian Royalty LLC v. Guardian Protection Devices, Inc.*, Cancellation No. 25,621 (November 30, 2000). In its motion for summary judgment on the ground of likelihood of confusion, Petitioner relied on the Board's prior affirmance of an *ex parte* refusal to register Petitioner's mark in view of the very registration that it here sought to cancel. The Board, however, denied the motion, citing *Polaroid Corp. v. C&E Vision Services Inc.*, 52 USPQ2d 1954, 1956 (TTAB 1999) for the proposition that "ex parte proceedings can have no preclusive effect unless affirmed on appeal to federal district court where de novo hearing is available."

In *James River Petroleum, Inc. v. Petro Stopping Centers, L.P.*, 57 USPQ2d 1249 (TTAB 2000) [not citable as precedent], the Board denied cross-motions for summary judgment in a Section 2(e)(1) opposition to registration of the mark PETRO for truck stop services. Opposer relied on a prior federal district court decision involving the same parties, in which the court found Applicant's mark PETRO merely descriptive. However, the Board found this ruling inapposite because it was made in the context of a likelihood-of-confusion analysis, not a validity or registrability analysis. Applicant's reliance on the Supreme Court decision in *Park 'N Fly* was similarly misplaced because that decision concerned an infringement action, not registrability of an applied-for mark. Thus Applicant's ownership of a prior, incontestable registration for the mark PETRO & des. for the same services did not bar this opposition.

In a rare grant of summary judgment, the Board in *Billy Guy v. Carl Gardner*, Cancellation No. 27,722 (November 29, 2000) resolved a dispute between two original members of the recording and performing group, THE COASTERS, concerning ownership of that mark. The Board awarded summary judgment to Carl Gardner, applying *res judicata* (claim preclusion) based upon a prior final federal court decision on the merits on Billy Guy's intervenor complaint for cancellation of the same registration as involved here. The federal court had dismissed Guy's complaint because Guy failed to appear for a noticed deposition; although that order was interlocutory, it became final when the court issued its order closing the case. Thus even though *issue* preclusion did not apply against Guy — no particular issue having been decided by the court — his intervenor claim seeking cancellation of the registration on

the ground of fraud was the same as that asserted before the Board, and was precluded by the prior judgment.

### 8. Third-party registrations.

Many cases deal with the proper role of third-party registrations in the Board's decision-making process, and trademark attorneys often demonstrate a lack of understanding of those roles.

Third-party registrations are often cited by an Examining Attorney in connection with a Section 2(d) refusal to register on likelihood of confusion grounds, in order to show that the goods or services of the Applicant may emanate from the same source as those of a cited registration. A third-party registration listing both types of goods/services has probative value to the extent that it serves to suggest that the goods/services listed therein are of a kind that may emanate from a single source. *In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783, 1785-6 (TTAB 1993); *In re Mucky Duck Mustard Co.*, 6 USPQ2d 1467 (TTAB 1988).

Thus, for example, in *In re Bacou US Safety, Inc.*, S.N. 75/308,169 (November 30, 2000), the Board affirmed a Section 2(d) refusal to register the mark BANDIT for "safety eyewear, namely, spectacles, frames and lens [*sic*] therefor," deeming the mark confusingly similar to the registered mark BAND-IT for "eyeglass-retaining band." With regard to the relatedness of the goods, numerous third-party registrations demonstrated that eyeglasses and spectacles — both safety and domestic — and retaining bands are the type of goods that may emanate from a single source. Likewise, third-party registrations played a significant role in *In re Bio Genesis USA, Inc.*, S.N. 75/513,763 (October 19, 2000). There, the Board affirmed a Section 2(d) refusal to register the mark BIO GENETIQUES for health spas featuring wellness services, including nutrition counseling and weight reduction diet planning, finding the mark confusingly similar to the registered mark BIO GENETIC HEALTH GROUP ("health group" disclaimed) for nutritional supplements and vitamins. Third-party registrations submitted by the Examining Attorney suggested that the subject goods and services may emanate from a single source. Similarly, in *In re William E. Berner*, S.N. 75/434,577 (October 13, 2000), the Board affirmed a Section 2(d) refusal to register the mark GRANDMA BERNER'S for gourmet hams, finding the mark confusingly similar to the registered mark BERNER CHEESE & des. for processed cheese and processed cheese spread. The Board had little difficulty finding processed cheese and gourmet ham to be related goods, since both items may be purchased at the same grocery store or delicatessen for subsequent complementary use: viz., a ham-and-cheese sandwich. In addition, numerous third-party registrations demonstrated that entities have registered their marks for both cheese and ham.

Third-party registrations are also probative as to the meaning of a mark or part of a mark. Registrations may be used like dictionaries, i.e.:

to establish that a portion common to the marks involved in a proceeding has a normally understood and well-known meaning; that this has been recognized to the Patent and Trademark Office by registering marks containing such a common feature for the same or closely related goods where the remaining portions of the marks are sufficient to distinguish the marks as a whole; and that therefore the inclusion of [the common element] in each mark may be an insufficient basis upon which to predicate a holding of confusing similarity. *American Hospital Supply Corp. v. Air Products and Chemicals, Inc.*, 194 USPQ 340, 343 (TTAB 1997).

Thus, in *Dade Behring Inc. v. Bio-Chem Laboratory Systems, Inc.*, Opposition No. 114,796 (March 9, 2001), the Board granted summary judgment to the Applicant, finding its mark CHEMLYTE for "medical devices, namely, electrolyte analyzers for medical diagnostic use" not confusingly similar to QUIKLYTE for electrolyte testing apparatus for medical diagnostic use. The Board found Applicant's third-party registration evidence probative on the issue of whether the term "lyte" has a normally understood and well-known meaning in the medical diagnostics field. In *In re International Data Group, Inc.*, S.N. 75/111,382 (June 15, 2000), the Board affirmed a refusal to register the mark WEB SHOPPER for an on-line computer magazine, absent a disclaimer of the word "shopper." Third-party registrations submitted by the Examining Attorney demonstrated the descriptive nature of the word as used in connection with catalogs and other printed publications that provide information on the sale of goods and services. It was of no consequence that Applicant's magazine was electronic rather than printed. In *In re Edward Roth*, S.N. 75/374,375 (February 23, 2001), third-party registrations for a variety of goods and services established that the term "Big Daddy" was a widely-recognized nickname, and served as an important factor in the Board's determination that Applicant's mark ED BIG DADDY ROTH & rat design for certain clothing items was not confusingly similar to the registered mark BIG DADDY'S & des. for similar clothing items.

Third-party registrations are not persuasive on the likelihood of confusion issue when a party attempts to show that a particular mark is weak and thus entitled to a narrow scope of protection because of the existence of other, similar marks on the Register. For example, in *In re Paradigm Health Corp.*, S.N. 74/654,345 (June 7, 2000), the Board rejected Applicant's assertion that, based on third-party registrations for marks that included the word "paradigm," the cited mark PARADIGM was weak. *See, e.g., Olde Tyme Foods Inc. v. Roundy's Inc.*, 22 USPQ2d 1542, 1545 (Fed. Cir. 1992) ["As to the strength of a mark ... registration evidence may not be given any weight." (emphasis in original).]

Likewise, in the *inter partes* context, third-party registrations are not probative on the issue of likelihood of confusion because they are not evidence of the commercial use of the marks shown therein or of the state of the marketplace.

It is now settled that third-party registrations are of little probative value in determining whether the marks, involved in any proceeding, considered in their entirety are in conflict in the marketplace. As it has often been stated, third-party registrations cannot aid an applicant in registering another confusingly similar mark. *American Hospital Supply Corp. v. Air Products and Chemicals, Inc.*, 194 USPQ 340, 343 (TTAB 1997).

In *Sara Lee Corp. v. Goldstone Hosiery Co.*, Cancellation No. 22,732 (February 22, 2001), in which the mark GOLDEN LEGS was found to be confusingly similar to the famous mark L'EGGS, Respondent introduced more than twenty third-party registrations of marks containing the term "legs." The Board found that evidence to have little probative value:

These registrations do not establish that the marks shown therein are in use, much less that consumers are so familiar with them that they are able to distinguish among such marks by focusing on components other than the ones shared by the marks. *AMF Inc. v. American Leisure Products, Inc.*, 177 USPQ 268 (CCPQ 1973). Any value that these registrations have to the likelihood of confusion analysis is limited to their showing, as in the case of a dictionary listing, the sense in which the word "leg" or "legs" is employed in the language. In this case, the registrations show that the words "LEG" or "LEGS" have in the past appealed to others in the hosiery field as an appropriate portion of part of a mark. *Smith Bros. Mfg. Co. v. Stone Mfg. Co.*, 177 USPQ 462 (CCPA 1973).

If a third-party registration is to be introduced into evidence, the proper way is to submit a photocopy of the registration, or a copy of the PTO database entry for the registration. See *In re Hub Distributing, Inc.*, 218 USPQ 284 (TTAB 1983); *Weyerhaeuser Co. v. Katz*, 24 USPQ2d 1230 (TTAB 1992). A mere typed listing of registrations, or a printout from a commercial search service, is not competent evidence, and the Board does not take judicial notice of registrations. See, e.g., *In re Pacific Pinnacle Investments Ltd.*, S.N. 75/040,585 (March 9, 2001); *In re Louis R. Bucalo*, S.N. 75/486,134 (March 13, 2001); *In re Senior Technologies, Inc.*, S.N. 75/508,524 (February 27, 2001).

### 9. Non competitiveness.

The argument is often made, unsuccessfully, that confusion is not likely because the goods and/or services involved are not competitive. However, the law could not be clearer that competition is *not* required for a likelihood of confusion finding; it is sufficient if the respective goods/services are related in some manner and/or that the conditions surrounding their marketing are such that they would be encountered by the same persons under circumstances that could, because of the similarity of the marks used thereon, give rise to the mistaken belief that

they emanate from, or are associated with, the same source. See *In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783 (TTAB 1993).

Moreover, the greater the degree of similarity between the marks in question, the lesser the degree of similarity required as to the goods/services to support a likelihood of confusion determination. If the marks are the same, or almost the same, there need only be a "viable relationship" between the goods/services. *In re SRC Computers, Inc.*, S.N. 75/519,930 *et al.* (January 25, 2001). In *SRC*, the Board affirmed Section 2(d) refusals to register the mark SRC COMPUTERS and two SRC & design marks for "custom manufacturing of computers for others" and "design of computers for others," finding the marks confusingly similar to SRC DIRECT, registered for "supplies volume purchasing services, namely, telephone and mail order services in the field of office and business equipment, machines, computers, printers, accessories and supplies used therewith." *In re Norcom Inc.*, S.N. 75/543,910 (January 24, 2001), the Board affirmed a Section 2(d) refusal to register the mark DOCUWORKS for various office supplies, including copier paper, in view of the identical mark registered for photocopying and document reproduction services.

In *In re Lancome Parfums et Beaute & Cie*, S.N. 75/348,649 (September 8, 2000), the Board affirmed a Section 2(d) refusal to register the mark VITABOLIC for cosmetics, namely creams, milks, lotions, gels, and powders for the face, finding the mark confusingly similar to the marks VITABOLIC AM and VITABOLIC PM for vitamins and mineral supplements. The Board observed that the goods need not be competitive nor move in the same channels of trade for confusion to arise. Relying on third-party registrations showing that eleven companies have registered marks for goods such as those of Applicant and Registrant, the Board concluded that the subject goods may emanate from the same source. Applicant argued that its goods were high priced, were sold at booths labeled with the company name, and would not be purchased on impulse, but the Board pointed out that applicant's identification of goods was not so limited.

In *In re Diamond Brands Inc.*, S.N. 75/476,026 (February 13, 2001), the Board found Applicant's safety matches and Registrant's chewing tobacco, both sold under the mark ROSE BUD, to be sufficiently related that use of the same mark thereon would be likely to lead to confusion as to source. Applicant admitted that matches may be given away or sold at tobacco stores, but argued that purchasers of chewing tobacco have no need for matches. The Examining Attorney produced more than adequate evidence, including several third-party registrations, to establish that tobacco products, including chewing tobacco, and matches may emanate from a single source.

In an *inter partes* context, in *Niblick Pty. Ltd. v. Kriton Golf Corp.*, Opposition No. 110,763 (March 2, 2001), the Board sustained a Section 2(d) opposition to registration of the mark NIBLOCK & des. for "golfing accessories, namely gold club locks and golf bag locks," on the ground of confusing similarity to the registered mark NIBLICK for sports clothing including golf shoes. Noting that the goods "need not be

identical or even competitive to support a holding of likelihood of confusion," the Board found that golf shoes and clothing are related to golf accessories, since they travel in the same channels of trade (golf equipment stores, golf pro shops, and sporting goods stores) and are purchased by the same classes of purchasers (golfers). Judge Seeherman dissented, asserting that, while the goods would be sold to golfers in the same channels of trade, nothing in the record indicated that golfers would expect the goods to emanate from the same source.

In *Professional Product Research, Inc. v. Body Balancing Ltd.*, Oppositions No. 113,363 (January 30, 2001), the Board sustained an opposition to registration of the mark BODY BALANCER for "health care devices, namely, boards for the back for use in therapy and pain relief," finding the mark confusingly similar to the registered mark BODY BALANCERS for heel insert pads. Citing *In re Shell Oil Co.*, 26 USPQ2d 1687 (Fed. Cir. 1993), the Board observed that, because the marks are virtually identical, their contemporaneous use can lead to the assumption that there is a common source even when the goods are not competitive or intrinsically related. The record demonstrated that the goods were clearly related because they are advertised in the same publications, travel in the same trade channels, are sold to the same customers, and serve the same purpose — to relieve back pain.

#### 10. Rebutting the abandonment presumption.

Parties often misunderstand the requirements for proving abandonment and the operation of the Section 45 presumption of abandonment.

A party that seeks cancellation of a registration bears the burden of proof, and must establish abandonment by a preponderance of the evidence. See *Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 13 USPQ2d 1307 (Fed. Cir. 1989). Section 45 of the Trademark Act provides a statutory presumption that a mark has been abandoned if its use has been discontinued for three years with an intent not to resume use.

Abandonment of mark. A mark shall be deemed to be "abandoned" . . .

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

Several recent Board decisions shed light on the proper approach to overcoming the presumption of abandonment: when faced with the presumption, a party must offer more than a conclusory statement that there was no intent to abandon the mark.

In *Sir Terence Orby Conran v. The Conran Stores, Inc.*, Cancellations Nos. 25,165 and 22,227 (January 11, 2001), the Board granted summary judgment cancelling two registrations for the mark CONRAN'S for retail and mail order services, the Board concluding that Registrant had failed to overcome the Section 45 presumption of abandonment. Petitioner's prima facie case of abandonment (three consecutive years of nonuse) shifted the burden to Registrant "to provide evidence of an intent to resume use — not evidence to rebut an intent to abandon." Registrant was required to put forth evidence with respect to either specific activities undertaken during the period of nonuse, or special circumstances excusing the nonuse. Its evidence of activities subsequent to the period of nonuse was irrelevant, and its conclusory declaration that it did not intend to abandon the mark was insufficient.

Similarly, in *Aris A. Zizzis v. Karolos Fix*, Cancellation No. 23,470 (January 19, 2001), the Board granted a petition for cancellation of a registration for the mark FIX for beer on the ground of abandonment. Because the mark had not been used during a nine-year period, a prima facie case of abandonment was established. Registrant failed to prove an intent to resume use and failed to show that the nonuse was excusable. Although the Greek government had shut down the brewery in 1983 for financial reasons, thus excusing the initial nonuse, that excuse disappeared when the brewery's assets were acquired by the National Bank of Greece in 1984. No efforts were made to resume use during the following nine-year period of nonuse, and the Bank's subsequent sale of the assets to Registrant occurred after the abandonment and could not cure the abandonment.

In *Cerveceria Modelo, S.A. de C.V. v. R. B. Marco & Sons, Inc.*, Cancellation No. 22,137 (June 13, 2000), the Board granted a petition for cancellation of a registration for the mark CORONA for socks and stockings, finding that Respondent had failed to rebut the statutory presumption of abandonment. The proceeding was commenced in 1993, when the applicable period for the presumption of abandonment was two years. The record showed nonuse from the summer of 1991 to the fall of 1993. Respondent's self-serving testimony that it never intended to abandon the mark was unsupported by the evidentiary record. Respondent produced several "suspicious" invoices, but even "the most generous rendering of possible sales volume" during the relevant period was consistent with a maintenance program, not with the bona fide use of the mark in the ordinary course of trade. Because of the evasiveness of Respondent and its refusal to cooperate in discovery, the Board observed that it could not be sure just how miniscule sales were during the relevant period.

Of course, when the presumption of abandonment is not applicable, the party seeking to prove abandonment must demonstrate both nonuse and an intent not to resume use. In *Pleasant Co. v. Barry Epstein*, Cancellations Nos. 27,390 and 27,548 (September 29, 2000), Petitioner failed in its attempt to cancel, on the ground of abandonment, a registration for the mark AMERICAN BOY for clothing, namely, shirts, pants, tops, sweatshirts, and suits. The Board found that, despite the liqui-

dition of Registrant's business, Petitioner had "jumped the gun" in seeking to cancel the registration. Because the nonuse had not reached three years, Petitioner could not rely on the Section 45 presumption of abandonment. The burden therefore remained on Petitioner to prove that Registrant had no intent to resume use. Nonuse of the mark was not, in itself, tantamount to abandonment because of the existence of residual goodwill from prior use of the AMERICAN BOY mark for more than seventy years. Noting that Respondent had on several occasions reconstructed or reinvented his business, the Board held that Petitioner had failed to meet its burden of proof.

### Conclusion.

In preparing a TTAB brief or argument, the attorney for a party would be wise to extend his or her research to include the unpublished decisions of the TTAB, not only in order to recognize losing arguments that might be avoided, but also to gain insight and inspiration regarding possible winning arguments.

Each Tuesday, summaries of the Board's final decisions for the week appear in table form in the USPTO's *Official Gazette - Trademarks*. Each summary indicates the type of case (*ex parte* or *inter partes*), identifies the party or parties and the mark(s) involved, and provides a very brief synopsis of the

issue(s) decided. These dispositive decisions are published at the TTAB website in ".pdf" format, organized by year and category, the categories being as follows: 2a Issues; 2b or 2c Issues; 2d Issues; 2e Issues; 2f Issues; and Other Issues.

Interlocutory decisions may also be of considerable value to the trademark practitioner — for example, those denying motions for summary judgment, or dealing with discovery issues — but they are neither listed in the *Official Gazette* nor available at the TTAB website. Only on very rare occasion does an interlocutory TTAB ruling appear in the *U.S.P.Q.*

*Allen's Trademark Digest* is a valuable tool for one searching for pertinent TTAB decisions. *Each month, ATD* provides in digest form a thorough summary of every TTAB decision of any substance, *both* final and interlocutory, along with various indexes of the decisions by subject matter, mark, and party. Full copies of the decisions, including those not available at the TTAB website, may be obtained from *ATD* for a small fee. As far as this writer is aware, *ATD* is the only source by which one may conveniently locate unpublished interlocutory decisions of the TTAB.

It is hoped that the foregoing discussion will ensure that you, me, and our significant others, avoid an appearance in my next article, tentatively titled "The Top Ten TTAB Losers."



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