

# The Top Ten TTAB Decisions of 2014–2015

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## § 11.1 INTRODUCTION

Lanham Act section 2(d) likelihood of confusion and section 2(e)(1) mere descriptiveness appeals account for the vast majority of the Trademark Trial and Appeal Board's (TTAB or the Board) final decisions in *ex parte* cases. Most *inter partes* matters involve section 2(d) and are very fact-specific, seldom venturing into uncharted territory regarding the applicable law. Decisions that deal with other issues tend to stand out from the mine run of cases. This past year was no exception.

For the first time in five years, the Board sustained a claim of fraud, convinced in part by the applicant's evasive testimony that he intended to deceive the United States Patent and Trademark Office (USPTO) when filing a use-based application for the mark NATIONSTAR for real estate brokerage services. The decision stated no new principles of law, but it did at least demonstrate that fraud is not a completely dead issue at the TTAB. *See infra* section 11.2.

In a contest involving the once-mighty New York Yankees, the Board took the opportunity to clarify its position on the role of parody as a defense to a claim of dilution-by-blurring, ruling that when an applicant files to register a mark, the implicated use of the mark in commerce disqualifies the applicant from claiming a fair use or noncommercial exemption under Lanham Act section 43(c).

The Board ruled that the affirmative defense of laches was unavailable with regard to a cancellation petitioner’s claim of fraud, but laches could be invoked against claims of likelihood of confusion and dilution-by-blurring. However, a factual issue regarding the inevitability of confusion precluded that issuance of summary judgment on the petitioner’s likelihood of confusion claim.

McDonald’s proved not only ownership of a family of marks, but convinced the Board that its “MC” family is famous both for purposes of Lanham Act section 2(d) likelihood of confusion and for section 43(c) dilution-by-blurring. The Board notably ruled for the first time that the term “famous mark” in the dilution statute may include a “famous family of marks.” *See infra* section 11.7.

In other inter parte matters, two cases dealt with the intricacies of challenging Lanham Act section 66(a) applications and registrations. In one, the Board held that for purposes of assessing abandonment, the relevant period of non-use can begin no earlier than the registration date, since use is not required for registration. *See infra* section 11.5. In the second, the Board ruled that when an opposer seeks to amend an opposition to a section 66(a) application, the electronic system for trademark trials and appeals (ESSTA) form controls as to the scope of the claims that may ultimately be asserted. *See infra* section 11.9. In a third case, the Board applied the principle of “proportionality” in reining in a plaintiff’s overreaching and burdensome discovery demands. *See infra* section 11.10.

Turning our attention to the ex parte realm, the Board found a truck body shaped like a prehistoric creature to be inherently distinctive for monster truck exhibition services, concluding that the design is unique among the dozens of truck designs relied upon by the examining attorney. *See infra* section 11.4. In a less rare case involving the registrability of a product shape, the Board rejected an applicant’s attempt to register the configuration of a base unit for an electronic toothbrush, finding the applicant’s proofs inadequate to satisfy Lanham Act section 2(f). *See infra* section 11.6. And in a third case, dozens of pairs of third-party registrations submitted by an applicant helped persuade the Board to reverse a section 2(d) refusal because the “pattern of registrations” suggested that confusion is not likely when the identical mark is used by different entities for trucks and for recreational vehicles. *See infra* section 11.8.

### **§ 11.2 NATIONSTAR MORTGAGE LLC v. AHMAD, 112 U.S.P.Q.2d 1361 (T.T.A.B. 2014)**

In a decision noteworthy more for its curiosity value than its jurisprudential significance, the Board sustained a claim of fraud on the USPTO for the first time since the Federal Circuit issued its 2009 decision in *In re Bose Corp.*, 91 U.S.P.Q.2d 1938 (Fed. Cir. 2009), finding that applicant Mujahid Ahmad’s averments as to his use of the mark NATIONSTAR for various real estate brokerage services were false and intended to deceive the USPTO.

On April 20, 2006, Mr. Ahmed personally filed a use-based application for the NATIONSTAR mark for “Real estate brokerage; rental of real estate; real estate management services, namely, management of commercial and residential properties; real estate investment; residential and commercial property and insurance brokerage; mortgage brokerage; and business finance procurement services.” *Nationstar Mortg.*, 112 U.S.P.Q.2d at 1362. Mr. Ahmad is a real estate agent in Virginia. He was not a real estate broker, insurance broker, or mortgage insurance broker—each of which requires a state license—at the time of filing his application to register.

Ahmad testified that he chose the NATIONSTAR mark in 2004–2005, after checking the Virginia corporate records and the USPTO databases. In April 2005, he registered several domain names containing the word “nationstar.” In early April 2006, opposer Nationstar Mortgage LLC contacted Ahmad, offering to buy two of the domain names. Within days, Ahmad filed the application here at issue.

After the subject opposition was commenced, Mr. Ahmad, now represented by counsel, filed a motion to amend the filing basis of his application to Lanham Act section 1(b) intent-to-use. In June 2008, the Board granted his motion to amend, but noted that “amending the filing basis of the opposed application to section 1(b) does not protect the application from the fraud claim.” *Id.* at 1364.

Fraud must be proven with clear and convincing evidence. A false statement made with a reasonable and honest belief of its truth is not fraud. There must be an “intent to mislead the USPTO into issuing a registration to which the applicant was not otherwise entitled.” *Id.* at 1365 (citing *Bose*, 91 U.S.P.Q.2d at 1941).

Ahmad’s testimony regarding use of the mark NATIONSTAR as of his filing date was of grave concern to the Board, due to his “evasiveness and his failure to respond directly to straightforward questions.” *Id.* at 1370. For example, he could not identify which of his printed materials were created by him and which by others, he claimed not to know whether his business earned any income, and he dodged questions about his filing of tax returns. The Board found his testimony “so lacking in conviction and credibility as to be virtually incapable of corroboration.” *Id.* at 1372. The documents that he provided were of “virtually no probative value” because he could not state who created them or when. *Id.*

The Board observed that, as a real estate agent, Mr. Ahmad was well aware that legal documents must be carefully reviewed prior to signing. According to his testimony, Ahmad knew of the restrictions on real estate agents and he knew that separate licenses are required for brokers.

In short, the Board found Ahmad’s testimony to be “not at all credible,” and it concluded that Ahmad was not using the NATIONSTAR mark with any of the recited services prior to his filing

date. *Id.* at 1373. At most he may have rendered real estate *agency* services prior to the filing date, as corroborated by two witnesses. Those services, however, were not listed in the application.

The Board next found that the false statements made by Ahmad were made knowingly and with an intent to deceive the USPTO. It noted that the law does not require “smoking gun” evidence of deceptive intent; direct evidence of deceptive intent is seldom available. Therefore, deceptive intent may be inferred from the surrounding facts and circumstances. *Id.* at 1374 (citing *Bose*, 91 U.S.P.Q.2d at 1941). Here, the surrounding facts and circumstances “provide clear and convincing evidence that applicant did not have a good faith reasonable basis for believing that he was using the NATIONSTAR mark in commerce for all the services identified in the application.” *Id.* at 1375.

The Board distinguished this case from *Bose*, where it was not unreasonable for the corporate officer who signed the section 8 declaration there at issue to believe that the mark was in use in interstate commerce. Here, there was no nuance of trademark law that the applicant may have incorrectly interpreted. Instead, this case involved an applicant making false statements about his own industry and his own activities, knowing that he did not have the appropriate licenses.

The fact that Ahmad filed the subject application himself did not give him “a free pass to disregard the straightforward requirements of a use-based application and the solemnity of the application declaration that he signed subject to criminal penalties under 18 U.S.C. § 1001.” *Id.*

The Board therefore sustained the opposition, declining to consider the additional grounds of likelihood of confusion and lack of bona fide intent.



### PRACTICE TIP

A pro se applicant does not enjoy a “free pass” to disregard the straightforward requirements of a use-based application and the solemnity of the application declaration that he signed.

### § 11.3 **NEW YORK YANKEES PARTNERSHIP v. IET PRODUCTS & SERVICES, INC., 114 U.S.P.Q.2d 1497 (T.T.A.B. 2015)**

The Board reconsidered the role of parody in the context of a dilution-by-blurring claim, concluding that because the applicant intended to use the opposed marks as source indicators, such use is neither noncommercial nor a “fair use” exempted from a dilution claim. An augmented panel (seven judges) of the TTAB sustained the New York Yankees’ opposition to registration of the mark THE HOUSE THAT JUICE BUILT for T-shirts, baseball caps, hats, jackets, and sweatshirts; the

mark “THE HOUSE THAT JUICE BUILT” for mugs; and the design mark (shown below, right) for “T-shirts, baseball caps, hats, jackets and sweatshirts.” The TTAB found the first two marks likely to cause dilution-by-blurring of the Yankees’ registered marks THE HOUSE THAT RUTH BUILT and the third likely to dilute its “Top Hat” design mark.

A plaintiff must establish four elements in order to prove a claim of dilution-by-blurring:

- (1) the plaintiff “owns a famous mark that is distinctive;
- (2) the defendant is using a mark in commerce that allegedly dilutes the plaintiff’s famous mark;
- (3) the defendant’s use of its mark began after the plaintiff’s mark became famous; and
- (4) the defendant’s use of its mark is likely to cause dilution by blurring or by tarnishment.”

*New York Yankees*, 114 U.S.P.Q.2d at 1501 (quoting *Coach Servs. Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1372 (Fed. Cir. 2012)).

### A. Fame of the Top Hat Logo

The applicant conceded that the opposer’s top hat logo (shown below, left) is distinctive. The Bronx Bombers offered substantial evidence regarding the duration and extent of the advertising of the mark, and the sales of goods and services under the mark. The top hat logo has been in use for at least four decades on clothing items, and has been widely displayed on television broadcasts and in promotional campaigns with various well-known brands. The design has been registered on the Principal Register since at least 1976 for baseball-related services and various collateral goods, including drinking cups and apparel. The Board therefore found the top hat logo to be famous for dilution purposes.



## B. Fame of “The House That Ruth Built”

The applicant conceded that the phrase THE HOUSE THAT RUTH BUILT, as used by the press and public, is famous as referring to Yankee Stadium, but it contended that the phrase is not famous as a trademark. The Board observed that the first factor for assessing fame is the “duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or *third parties*.” *Id.* at 1504 (quoting Lanham Act section 43(c)(2)(A)) (emphasis in T.T.A.B. opinion). In addition, the Board has occasionally found that “a nickname or a trade name for a product or service may acquire trademark significance when the public has come to know and use it as such ‘even if the company itself has made no use of the term.’” *Id.* (quoting *Am. Stock Exch., Inc. v. Am. Express Co.*, 207 U.S.P.Q. 356, 364 (T.T.A.B. 1980) (AM-EXCO trademark at issue)). See also *Big Blue Prods. Inc. v. Int’l Bus. Machs. Corp.*, 19 U.S.P.Q.2d 1072 (T.T.A.B. 1991) (BIG BLUE for IBM); *Peiper v. Playboy Enters., Inc.*, 179 U.S.P.Q. 318, 320 (T.T.A.B. 1973) (BUNNY CLUB for Playboy clubs). Here, the opposer had registered and used the mark for licensed merchandise.

The Board found that the Yankees’ “use of its stadium, which Applicant admits had been known by the nickname THE HOUSE THAT RUTH BUILT since the 1920s, has resulted in widespread recognition of that mark in association with Opposer’s baseball services.” *Id.* at 1505. Extensive media coverage confirmed the fame of the mark.

The second element of the dilution test requires that the defendant be using its mark in commerce, but the Board, in *Toro Co. v. ToroHead Inc.*, 61 U.S.P.Q.2d 1164, 1174 (T.T.A.B. 2001), held that the filing of an intent-to-use application satisfied that requirement. As to the third element, the Board found that the opposer’s marks became famous before the filing dates of the challenged applications (i.e., their constructive first use dates).

## C. Dilution or Not?

As to the final element of the analysis, whether the applicant’s marks are likely to dilute the opposer’s marks, the Board noted that “dilution by blurring occurs when a substantial percentage of consumers, on seeing the junior party’s use of a mark on its goods, are immediately reminded of the famous mark and associate the junior party’s use with the owner of the famous mark, even if they do not believe that the goods come from the famous mark’s owner.” *New York Yankees*, 114 U.S.P.Q.2d at 1506 (citing *UMG Recordings Inc. v. Mattel Inc.*, 100 U.S.P.Q.2d 1868, 1888 (T.T.A.B. 2011)).

First dealing with the Top Hat logo, the Board looked to the six non-exhaustive factors of Lanham Act section 43(c)(B)(i)–(vi) in finding the Yankees’ logo to be “sufficiently similar that Applicant’s mark will ‘trigger consumers to conjure up’ Opposer’s famous mark.” *Id.* at 1507 (quoting *Nat’l Pork Bd. v. Supreme Lobster & Seafood Co.*, 96 U.S.P.Q.2d 1479, 1497 (T.T.A.B. 2010)). The

Board found the opposer’s Top Hat mark is inherently distinctive and the Yankees are the substantially exclusive user of that design. The record, however, lacked evidence from which the Board could determine the degree of recognition of the opposer’s mark.

As to the applicant’s intention to create an association between the marks, the applicant claimed that its logo mark was a parody of the Yankees logo and therefore section 43(c)(3)(A)(ii) “mandates that Applicant’s parody is non-actionable.” *Id.* at 1508. The Board, however, pointed out that this “fair use” exemption in the dilution statute expressly applies to use of a famous mark “other than as a designation of source for the person’s own goods or services.” *Id.* Noncommercial use is excluded by section 43(c)(3)(C). Here, the applicant sought to register its marks as source indicators; it was not proposing merely ornamental, expressive, or noncommercial use. And so the fair use exception was inapplicable and this factor favored the opposer.

The Board took the opportunity to modify its suggestion in *Research in Motion Ltd. v. Defining Presence Marketing Group Inc.*, 102 U.S.P.Q.2d 1187 (T.T.A.B. 2012) that an alleged parody should be considered as part of its dilution analysis even when parody did not provide a “safe harbor” for a defendant.

We now choose to not consider the parody defense as part of the assessment of the dilution claim, because ... a mark that identifies source—which it must for registration—will not concurrently qualify for a statutory exclusion to a dilution claim. Stated another way, when an Applicant’s mark is registrable, because it is being used in commerce to indicate source, such use is not a non-commercial use or fair use. Thus, given the circumstances generally presented by opposition and cancellation proceedings based on allegations of dilution, we find it virtually impossible to conceive of a situation where a parody defense to a dilution claim can succeed in a case before the Board.

*New York Yankees*, 114 U.S.P.Q.2d at 1509–10.



### PRACTICE TIP

The Board observed that it is “virtually impossible” to imagine a successful parody defense to a dilution claim.

Finally, there was no evidence of an actual association between the two logo marks, but then the opposed applications were based on intent-to-use and the applicant had sold only 22 shirts, thus minimizing the opportunity for actual association to occur.

Concluding that the first, second, third, and fifth factors favored a finding of dilution, while the fourth and sixth were neutral, the Board ruled that the applicant’s design mark “would impair the distinctiveness of Opposer’s top hat design marks and would not constitute a non-source-indicating fair use parody.” *Id.* at 1510.

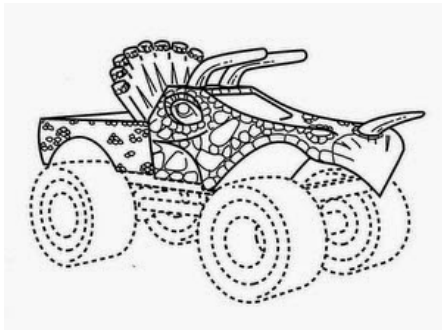
As to the mark THE HOUSE THAT RUTH BUILT, the Board’s dilution analysis was similar to that above. The first, second, fourth, and fifth factors favored the Yankees, while the third and sixth were neutral.

The applicant claimed that the Yankees’ mark was diluted in view of seven similar marks that were registered or in use: THE HOUSE THAT ROCK BUILT, THE HOUSE THAT FRIED CHICKEN BUILT, THE HOUSE THAT JACK BUILT, WELCOME TO THE HOUSE THAT SEAFOOD BUILT, THE HOUSE THAT LOVE BUILT, THE HOUSE THAT FAME BUILT, and THE HOUSE THAT SERVICE BUILT. The Board observed, however, that registrations are not evidence of use, and the applicant’s Internet evidence failed to establish the nature and extent of use of the third-party marks. Moreover, “[a] limited amount of third-party use is insufficient to defeat a showing of substantially exclusive use.” *Id.* at 1512 (quoting *McDonald’s Corp. v. McSweet, LLC*, 112 U.S.P.Q.2d 1268, 1289 (T.T.A.B. 2014)).

And so the Board sustained the opposition on the ground of dilution by blurring, declining to reach the opposer’s Lanham Act section 2(a) false association and section 2(d) likelihood of confusion claims.



§ 11.4 *IN RE FRANKISH ENTERPRISES LTD.*, 113 U.S.P.Q.2d 1964 (T.T.A.B. 2015)



In a rare case involving trade dress for services, the Board reversed a refusal to register the mark shown here, comprising of a “truck cab body in the design of a fanciful, prehistoric animal,” for “entertainment services, namely, performing and competing in motor sports events in the nature of monster truck exhibitions.” *Frankish*, 113 U.S.P.Q.2d at 1965 (citing Trademark Rule 2.51(a), 37 C.F.R. § 2.51). The Board rejected the examining attorney’s contentions that the design failed to function as a service mark and that the drawing of the mark was not a “substantially exact representation of the mark in use.” *Id.* Applying the standard test for trade dress distinctiveness set forth in *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 196 U.S.P.Q. 289, 291 (C.C.P.A. 1977), the Board found the mark to be unique and unusual, and therefore inherently distinctive.

**A. Failure to Function**

The examining attorney maintained that the proposed mark would not be perceived as a source indicator for the services because it was merely “one of many interesting truck designs in which ... monster trucks appear” and thus did not distinguish the applicant’s services from those of others. *Frankish*, 113 U.S.P.Q.2d at 1969. He relied on the results of two Internet image searches for “monster trucks,” which yielded photographs of a number of trucks with various shapes and themes. The Board, however, pointed out that none of the trucks featured “unambiguous dinosaur or ‘fanciful prehistoric animal’ designs or themes.” *Id.* at 1968.

The Board observed that, although product designs cannot be inherently distinctive, *see Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000), product packaging trade dress can be. Moreover, under *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 770 (1992), trade dress for services, such as the decor of a restaurant, may be inherently distinctive. *See In re Chippendales USA, Inc.*, 622 F.2d 1346 (Fed. Cir. 2010) (“Cuffs & Collars” costumes worn by dancers found to be trade dress that could be inherently distinctive for adult entertainment services). The Board found

the applicant’s proposed monster truck design to be “akin to the packaging of what is being sold.” *Frankish*, 113 U.S.P.Q.2d at 1970.

The question, then, was whether the applicant’s trade dress was inherently distinctive. The four-part test for determining inherent distinctiveness of trade dress was established in *Seabrook*:

[1] whether it was a ‘common’ basic shape or design, [2] whether it was [not] unique or unusual in the particular field, [3] whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods, or [4] whether it was capable of creating a commercial impression distinct from the accompanying words.

*Id.* (quoting *Seabrook*, 196 U.S.P.Q. at 291).

Professor McCarthy has observed that the parts of this test “are merely different ways to ask whether the design, shape or combination of elements is so unique, unusual or unexpected in this market that one can assume without proof that it will automatically be perceived by customers as an indicator of origin.” *Id.* (quoting J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 8:13 (4th ed. 2014)).

The Board found that the examining attorney’s evidence failed to show that the applicant’s “fanciful, prehistoric animal” design was either a common or a basic design. *Id.* at 1971. Instead, it is “unique among the more than 100 monster trucks” uncovered by the examining attorney. *Id.* “The Examining Attorney provided scant, if any, evidence that the applicant’s truck is a ‘mere refinement’ of anything, let alone a ‘commonly-adopted’ and ‘well-known form’ in the monster truck field.” *Id.* The elements of the applicant’s design—“convey[ing] the body of a dinosaur and adorned with other dinosaur elements, including horns, a protective shield and eyes bordered by scales”—are unique and make the design unlike those proffered by the examining attorney. *Id.*

Moreover, because the proposed mark is predominant on the specimens of use, it created a commercial impression separate from the words JURASSIC ATTACK that appear on the specimens. The words appeared only on a small portion of the back of the truck, while the design elements encompassed the entire truck cab. In short, the design was not just background material for the words.

It is settled that a mark applied to a product can function “not only as ornamentation for the product but also as a mark for Applicant’s services.” *Id.* at 1972. In other words, there is no prohibition against a trade dress mark being aesthetically pleasing. The Board observed that the applicant’s three-dimensional mark is “akin to the marks found registrable in *Two Pesos* (restaurant design), *Red Robin* (bird costume), *Eagle Fence* (colored wire in fencing) and similar cases,” and not like

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the trade dress refused registration in *Hudson News* (newsstand motif), *Chippendales* (adult dancer costume), and *File* (bowling alley lighting). *Id.* at 1973.

## **B. Substantially Exact Representation**

The examining attorney contended that the drawing in the application was not a “substantially exact representation of the mark in use,” as required by Rule 2.51(a) because the specimens showed the mark appearing with the word JURASSIC ATTACK and other markings. *Id.* at 1973. The Board pointed out, however, that a background design may be registrable by itself “if it is distinctive or unique enough to create a commercial impression as an indication of source separate and apart from the remainder of the mark.” *Id.* at 1974. As noted above, the Board found that the applicant’s mark was distinctive and unique and that the design creates a commercial impression separate from the word mark JURASSIC ATTACK. It is “anything but ‘mere’ background material.” *Id.* at 1974. As to the additional markings (for example, stylized gills or stripes) that did not appear in the application drawing, the Board found them to be merely “minor alterations” that did “not create a new and different mark creating a different commercial impression.” *Id.* at 1965.

### **§ 11.5 AVA RUHA CORP. DBA MOTHER’S MARKET & KITCHEN v. MOTHER’S NUTRITIONAL CENTER, INC., 113 U.S.P.Q.2d 1575 (T.T.A.B. 2015)**

In this cancellation proceeding involving allegations of likelihood of confusion, dilution by blurring, and fraud, the parties filed cross-motions for summary judgment with regard to the respondent’s affirmative defense of laches. The Board pointed out that laches is not an available defense to a fraud claim, and it therefore considered laches only with respect to the dilution and likelihood of confusion claims. The Board concluded that laches barred the petitioner’s dilution claim, but that as to likelihood of confusion, a genuine issue of material fact as to whether confusion was inevitable precluded the entry of summary judgment.

Because the public interest is served by prohibiting registrations obtained by fraud, the Board noted that the defense of laches does not lie against a fraud claim. *Ava Ruha*, 113 U.S.P.Q.2d at 1580 (citing *Hornby v. Tjx Cos.*, 87 U.S.P.Q.2d 1411, 1419 (T.T.A.B. 2008)); *see also La Republique Francaise v. Saratoga Vichy Spring Co.*, 191 U.S. 427, 439 (1903). However, the defense of laches is available against claims of likelihood of confusion and dilution. *Ava Ruha*, 113 U.S.P.Q.2d at 1580 (citing 15 U.S.C. § 1069; *Nat’l Cable Tel. Ass’n, Inc. v. Am. Cinema Editors, Inc.*, 19 U.S.P.Q.2d 1424, 1431 (Fed. Cir. 1991); *Hornby*, 87 U.S.P.Q.2d at 1119).



**PRACTICE TIP**

Laches is not an available defense to a fraud claim, but it may be invoked against claims of likelihood of confusion or likelihood of dilution by blurring.

In order to establish the defense of laches, a party must show that there was undue or unreasonable delay by the other party in asserting its rights, and prejudice resulting from the delay. *Id.* (citing *Bridgestone/Firestone Research Inc. v. Auto. Club de l'Ouest de la France*, 58 U.S.P.Q.2d 1450, 1462–63 (Fed. Cir. 2001); *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 23 U.S.P.Q.2d 1701, 1703 (Fed. Cir. 1992)).

The Board first turned to a calculation of the length of the delay. In a cancellation proceeding, laches is measured from a date “no earlier than the date the involved mark was published for opposition (if there was actual knowledge), and no later than the issue date of the registration (when Plaintiff is put on constructive notice, *see* 15 U.S.C. § 1072).” *Id.* Here, the petitioner had actual knowledge of the respondent’s trademark use prior to the date when the applications that issued as the challenged registrations were published for opposition (both on June 16, 2009). The petitions for cancellation were filed on August 21, 2012. Thus the period of delay was just over three years and two months. The Board concluded that this length of delay “could support a defense of laches.” *Id.* at 1581. *See, e.g., Trans Union Corp. v. Trans Leasing Int’l, Inc.*, 200 U.S.P.Q. 748, 756 (T.T.A.B. 1978) (finding laches based on a delay of 2.5 years).

The question, then, was whether this length of delay was undue or unreasonable. The petitioner argued that it had no reason to seek cancellation until the respondent redirected its business to compete directly with the petitioner. It claimed that not until 2011 did it know that the respondent had more than one store, that the respondent changed the focus of its services, and that the respondent had reversed its position after an “admission of likelihood of confusion” in a third-party litigation. The respondent, however, maintained that it had continuously used its marks for its chain of grocery stores focused on the federal supplemental food program for women, infants, and children (WIC) since 1995.

The Board observed that the doctrine of progressive encroachment invoked by the petitioner looks to whether the defendant “redirected its business so that it more squarely competed with plaintiff and thereby increased the likelihood of public confusion of the marks.” *Id.* (quoting *Jansen Enters. Inc. v. Rind*, 85 U.S.P.Q.2d 1104, 1116 (T.T.A.B. 2007)).

In its registrations, the respondent identified its services as “retail grocery stores that exclusively feature foods authorized for purchase by pregnant women, new mothers and young children participating in the federal supplemental Food Program for Women, Infants and Children (WIC).” *Id.* The petitioner’s evidence of supposed encroachment referred merely to advertising featuring specific types of foods that the respondent was offering, but did not signal a change in the nature of the services. “For purposes of an attack on a registration, there can be no ‘progressive encroachment’ where the alleged encroachment is within the scope of the registration at issue.” *Id.* at 1582.

The third-party lawsuit that the petitioner referenced likewise did not indicate that the respondent was offering services beyond those recited in its registrations. In sum, the Board found the evidence of progressive encroachment to be insufficiently probative to raise a genuine issue of fact as to whether the petitioner’s delay was excusable on that ground.

The next question was whether the respondent suffered economic prejudice as a result of the delay. The Board found that, since the publication date of its applications, the respondent expanded its business by adding 15 stores, while spending \$7.5 million on advertising and promotions. The petitioner argued that a genuine dispute existed as to whether any prejudice was due to the petitioner’s delay, but the Board pointed out that reliance is not an element necessary to proof of economic prejudice. *Id.* at 1583 (citing *Bridgestone/Firestone*, 58 U.S.P.Q.2d at 1463). Because there was no dispute that the respondent changed its economic position during the period of delay, the Board found as a matter of law that the respondent would be subject to economic prejudice if the challenged registrations were cancelled. Therefore, the Board concluded that the petitioner’s delay in bringing its cancellation claims was unreasonable and prejudicial to the respondent, and thus laches was established.

With regard to the petitioner’s dilution claim, because a dilution claim involves a personal interest of the petitioner in protecting the strength of its mark, rather than a general interest of the public in avoiding confusion, the defense of laches is available to a defendant. The Board held that laches barred the petitioner’s claim of dilution.

With regard to likelihood of confusion, laches will not bar a section 2(d) claim for cancellation when confusion is inevitable. *Id.* at 1583 (citing *Ultra-White Co. Inc. v. Johnson Chem. Indus., Inc.*, 175 U.S.P.Q. 166, 167 (C.C.P.A. 1972); *Hornby*, 87 U.S.P.Q.2d at 1419, n.9). Although the petitioner failed to raise this issue, and although relevant evidence had not yet been introduced, the Board decided that the public interest in avoiding consumer confusion would be served by considering the issue.

We rely on the public interest and the possibility that evidence of confusion, when presented, might show that confusion is inevitable, as well as the particular procedural posture in which the question of laches was raised for consideration, to ex-

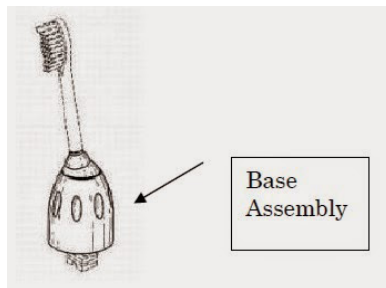
ercise our discretion not to find waiver. However, because Respondent has shown that there is no genuine dispute on the issue of laches, at trial Petitioner cannot prevail on a showing of mere likelihood of confusion. Rather, Petitioner will have to put in evidence of confusion that shows confusion to be inevitable, which is “an increment higher than that required for a finding of likelihood of confusion.”

*Id.* at 1584 (quoting *Turner v. Hops Grill & Bar Inc.*, 52 U.S.P.Q.2d 1310, 1313 n.5 (T.T.A.B. 1999)).

And so the Board denied the cross-motions for summary judgment with regard to the likelihood of confusion claim. The Board then ordered that proceedings be resumed on the issues of fraud and likelihood of confusion, with the petitioner having the burden to prove inevitable confusion lest the section 2(d) claim be barred by laches.

**§ 11.6 IN RE KONINKLIJKE PHILIPS ELECTRONICS N.V., 112 U.S.P.Q.2d 1177 (T.T.A.B. 2014)**

As we know, product configurations cannot be inherently distinctive. *Koninklijke Philips*, 112 U.S.P.Q.2d at 1179 (citing *Wal-Mart Stores Inc. v. Samara Bros. Inc.*, 529 U.S. 205 (2000)). Proving acquired distinctiveness for a product shape is a daunting task, one that is seldom successfully accomplished. Here, the Board affirmed a refusal to register the configuration of the “base assembly” of an electric toothbrush (depicted *infra*), ruling that the applicant’s evidence of acquired distinctiveness was inadequate. Although the applicant’s sales figures were substantial, the absence of detailed information regarding advertising expenditures and the lack of “look-for” advertising were major cavities in its evidentiary showing.



Citing Trademark Rule 2.41(b), the applicant sought registration under section 2(f), contending that its prior registration of a similar mark, its long and continuous use of the applied-for mark, high sales figures, and evidence of infringement of its mark by competitors constituted a *prima facie* showing of acquired distinctiveness.

As to the applicant's prior registration, because it had been cancelled, it could not serve as the basis for acquired distinctiveness. *Id.* at 1184. *See, e.g., In re BankAmerica Corp.*, 229 U.S.P.Q. 852, 853 (T.T.A.B. 1986).

Under section 2(f) of the Lanham Act, the USPTO may accept as prima facie evidence of distinctiveness, proof of five years of continuous and exclusive use of a mark, but that proof alone is generally not enough when a product design is at issue. Here, the applicant established more than 10 years of use of the alleged mark, with "not insubstantial" sales of the base assembly product (between three and five million units per year, for revenues of between \$91 and \$108 million for the years 2006 through 2012). *Koninklijke Philips*, 112 U.S.P.Q.2d at 1186. But high sales figures do not always mean that a mark has acquired distinctiveness because they are "not probative of purchaser recognition of a configuration as an indication of source." *Id.* (quoting *Stuart Spector Designs, Ltd. v. Fender Musical Instruments Corp.*, 94 U.S.P.Q.2d 1549, 1572 (T.T.A.B. 2009)).

This is especially true given Applicant's lack of submission of advertising expenditures identifying types of media through which its goods are advertised and attaching typical advertisements for Applicant's goods, which Trademark Rule 2.41(a) indicates should be provided, so that we may determine the nexus, if any, between the sales success and advertising efforts and Applicant's product design.

*Id.* at 1187.

The crucial question, of course, was whether consumers will perceive the product design as a source indicator: i.e., will they associate the design with a single source? "Look-for" advertising "may be particularly probative" on that issue. Advertising that merely depicts a product or touts a feature, however, does not qualify. *Id.* (citing *Stuart Spector Designs*, 94 U.S.P.Q.2d at 1572).

Here, there was no evidence of "look-for" advertising. The applicant submitted advertising and packaging of three of its competitors who depicted the applicant's base assembly in order to sell replacement brushheads designed to fit the applicant's base unit, but that evidence did not demonstrate that the applicant's base assembly design functions as a source indicator.

Finally, the applicant's evidence of infringement was not helpful because "[c]opying is only evidence of secondary meaning if the defendant's intent in copying is to confuse consumers and pass off his product as the plaintiff's." *Id.* (quoting *Stuart Spector Designs*, 94 U.S.P.Q.2d at 1575). The depiction of the applicant's product in comparative advertising did not show an intention to copy and therefore this evidence was not probative of acquired distinctiveness.

Having considered all the evidence, the Board affirmed the refusal.

**§ 11.7 MCDONALD’S CORP. v. MCSWEET, LLC, 112 U.S.P.Q.2d 1268 (T.T.A.B. 2014)**

It is a rare occurrence when the Board finds that a plaintiff owns a family of marks, but in this opposition it not only accepted McDonald’s claim to a family of “MC” marks, but it also found the family to be famous both for Lanham Act section 2(d) and section 43(c) purposes. The Board sustained McDonald Corporation’s opposition to registration of the mark MCSWEET for pickled gourmet vegetables, finding the mark likely to cause confusion with, and likely to dilute, the opposer’s “MC” family of marks for restaurant services and food products. Based on the opposer’s staggering sales and advertising figures and its “extraordinarily impressive number of products identified by individual marks in the ‘MC’ family,” the Board concluded that the family of marks consisting of the prefix “MC” followed by a descriptive or generic term is famous for both section 2(d) and section 43(c) purposes. *McDonald’s*, 112 U.S.P.Q.2d. at 1288.

The Board first addressed the family-of-marks question.

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

*Id.* at 1275 (quoting *J & J Snack Foods Corp. v. McDonald’s Corp.*, 18 U.S.P.Q.2d 1889, 1891 (Fed. Cir. 1991)).

The opposer owns registrations for, and uses, the mark MC (alone) as well as the marks MCDONALD’S, MC CHICKEN, MC DOUBLE, MCRIB, MCMUFFIN, MCNUGGETS, MCGRIDDLES, MCCAFE, MCSKILLET, and MCFLURRY. The Board noted that the marks MC, MCDONALDS, and MCFLURRY “are not, strictly speaking, members of Opposer’s claimed ‘MC’ family of marks because neither ‘DONALDS’ nor ‘FLURRY’ is generic or descriptive of the relevant goods, and the mark MC lacks a generic or descriptive suffix.” *Id.* at 1276. Nonetheless, these marks reinforce the association between the opposer and marks that incorporate the prefix “MC.” *Id.* According to witnesses, the opposer’s efforts to establish and maintain the “MC” family of marks have been so successful that consumers spontaneously use the “MC” prefix in connection with all of the opposer’s products. The Board concluded that McDonald’s owns a family of “MC” marks comprising the prefix “MC” followed by a descriptive or generic term.



### A. Section 2(d) Fame

In assessing the fame of the family of marks, the Board also considered the fame of the mark MCDONALD’S “because the ‘MC’ family was derived from and points back to the mark and as such is integrally related to that mark.” *Id.* at 1277. The evidence established that the opposer has used the MCDONALD’S mark in connection with food and restaurant services since 1955, and operates 14,000 restaurants in the United States which serve 26 million people per day. It sells an “enormous number” of products under each of its “MC” family members. The opposer extensively advertises products within the “MC” family—with some of the advertising emphasizing the “MC” prefix—and has also widely advertised under the MCDONALD’S mark for several decades. As a result, the Board concluded that the “MC” family of marks is famous for section 2(d) purposes.

The applicant argued that “the fame of [the opposer’s] mark may weigh against a finding of likelihood of confusion because consumers are so familiar with the famous mark that they can readily identify differences with other marks and the goods or services offered thereunder.” *Id.* at 1280. The Board pointed out that the fame of a mark is not to be considered a liability in the likelihood of confusion analysis. It concluded that the mark MCDONALD’S and the “MC” family of marks are famous in connection with restaurant services and food products, and are entitled to a wide latitude of legal protection.

### B. Similarity of the Marks

In considering the involved marks, “the question is not whether Applicant’s mark is similar to Opposer’s individual marks, but whether Applicant’s mark would likely be viewed as a member of Opposer’s family of marks.” *Id.*

The applicant acknowledged that its mark was created by Leo McIntyre using the “MC” from his surname and “SWEET” to describe the sweet brine used to pickle onions, but it argued that its mark can be distinguished from the opposer’s family of marks because its mark is a surname. The Board disagreed: “Because Applicant’s mark and Opposer’s family of marks all start with the prefix ‘MC’ and are followed by a term that is descriptive or generic for the goods, we find that the similarities in appearance, meaning and commercial impression between Applicant’s mark MCSWEET and Opposer’s family of ‘MC’ formative marks are such that potential consumers would view Applicant’s mark as a member of Opposer’s family of marks.” *Id.* at 1281.

### C. Relatedness of the Goods

The evidence established that pickled vegetables are offered at quick service restaurants; the opposer’s restaurants offer multiple products that contain pickles and onions, and the applicant’s pickled vegetables may be used as toppings for the opposer’s sandwiches. In view of the fame

of McDonald’s “MC” family of marks for its food products and the complementary nature of the goods, the Board found the parties’ goods to be sufficiently related to support a finding of likelihood of confusion.

The applicant contended that its goods travel in different channels of trade from McDonald’s goods and services, since the applicant’s goods are not sold in quick service restaurants. The Board noted, however, that there are no restrictions as to channels of trade in the opposed applications. Moreover, restaurant-branded foods are also sold in supermarkets or grocery stores: for example, Burger King frozen onion rings, White Castle frozen hamburgers, and T.G.I.Friday’s frozen appetizers. Grocery stores are thus within the ordinary channel of trade for restaurant-branded goods. Moreover, since 1993, the opposer has operated McDonald’s restaurants inside Wal-Mart stores.

Considering the relevant *du Pont* factors, the Board found confusion likely and it sustained the section 2(d) claim.

### D. Likelihood of Dilution

The Board ruled, for the first time, that the term “famous mark” in section 43(c)(2)(B) is applicable to a “famous family of marks.” *Id.* at 1286. This statutory language “encompasses not just an individual famous mark, but also a famous family of marks. There is nothing in the Lanham Act or its legislative history to warrant the exclusion of a family of marks from protection against dilution. Indeed, the inherent nature of a family of marks, may make such marks more susceptible to blurring than a single mark.” *Id.*



### PRACTICE TIP

For purposes of dilution, the term “famous mark” is applicable to a “famous family of marks.”

### E. Fame

Based on the record evidence, the Board found that the opposer’s “MC” family of marks meets the higher fame standard applicable for the purpose of establishing dilution by blurring. Moreover, the opposer also proved that its family of marks was sufficiently famous as early as 1986, prior to the applicant’s alleged first use of the applied-for mark in 1990.

Considering the six “blurring” factors set forth in section 43(c)(2)(B)(i)–(vi), the Board found that the applicant’s mark MCSWEET is “very similar to Opposer’s family of marks;” that

the combination of the prefix “MC” with a generic or descriptive food term is inherently distinctive; that the opposer’s use of its “MC” family of marks is substantially exclusive; and that the degree of recognition of the opposer’s family of marks is and has been quite strong since as early as 1986 (when the opposer operated 7,272 restaurants in the United States and had sales of approximately \$9,534,000,000). *Id.* The Board found no evidence that the applicant intended to create an association with the opposer’s family of marks.

Finally, as to proof of actual association between the applicant’s mark and the “MC” family of marks, the opposer relied on the results of a dilution survey. The Board noted that “[b]oth the courts and the Board have found the ‘brings to mind’ survey format acceptable as evidence of actual association, which is required to establish likelihood of dilution.” *Id.* at 1292 (citing *Nike Inc. v. Nikepal Int’l Inc.*, 84 U.S.P.Q.2d 1820, 1825 (E.D. Cal. 2007); *Nat’l Pork Bd. v. Supreme Lobster & Seafood Co.*, 96 U.S.P.Q.2d 1479, 1491 (T.T.A.B. 2010)).

The opposer’s survey demonstrated “a substantial degree of association between MC-SWEET and McDonald’s and the ‘MC’ marks,” showing that “67% or two out of three individuals who encounter the MCSWEET term associate it with Opposer, McDonalds and its ‘MC’ marks.” *Id.* at 1292. Notwithstanding the applicant’s objections, the Board found that “the survey demonstrates actual association between the mark MCSWEET and Opposer’s family of ‘MC’ marks.” *Id.* at 1294.

Considering all of the relevant dilution factors, the Board found that the mark MCSWEET “is likely to impair the distinctiveness of Opposer’s family of ‘MC’ marks and is therefore likely to cause dilution by blurring within the meaning of Section 43(c).” *Id.* at 1294.

### **§ 11.8 IN RE THOR TECH, INC., 113 U.S.P.Q.2d 1546 (T.T.A.B. 2015)**

When refusing registration under section 2(d), examining attorneys often rely on third-party registrations to show the relatedness of the involved goods and services. Here, the applicant turned the tables on the USPTO. The USPTO refused registration of the mark TERRAIN for “recreational vehicles, namely, towable trailers,” finding it likely to cause confusion with the identical mark registered for “motor land vehicles, namely, trucks.” *Thor Tech*, 113 U.S.P.Q.2d at 1546. However, Thor Tech’s evidence of dozens of third-party registrations for the same or very similar marks, owned by different entities, for vehicles and recreational vehicle trailers suggested to the Board that “businesses in these two industries believe that their respective goods are distinct enough that confusion between even identical marks is unlikely.” *Id.* at 1548. The differences in the goods and their channels of trade and the high degree of purchaser care led the Board to conclude that confusion was not likely, and it reversed the refusal to register.

The evidence established that towable RVs are essentially travel trailers equipped with electric and water capacities, as well as toilet facilities. In order to prove the relatedness of the involved

goods, the examining attorney submitted seven third-party registrations covering “trucks” and “trailers.” Five of them listed trailers that were not recreational vehicles, but the other two served to suggest that trucks, conversion kits, trailer hitches, and trailers may emanate from the same source.

Applicant Thor Tech countered with nearly 50 sets of third-party registrations for the same or similar marks, owned by different entities, and covering automobiles, trucks, or sport utility vehicles on the one hand and recreational vehicles, travel trailers, and/or motor homes on the other. The Board found that this “pattern of registrations” rebutted the two registrations submitted by the examining attorney. *Id.* at 1549. The Board came to a similar conclusion in *Keebler Co. v. Associated Biscuits Ltd.*, 207 U.S.P.Q. 1034, 1038 (T.T.A.B. 1980) (“The mutual respect and restraint exhibited toward each other by the owners of the plethora of marks, evidenced by their coexistence on the Register, are akin to the opinion manifested by knowledgeable businessmen....”). These third-party registrations “suggest that consumers are aware that [the goods] are offered by different companies under the same or similar marks.” *Id.*

The examining attorney, relying on a number of Internet websites, contended that the involved goods travel in the same channels of trade, but the Board was unpersuaded. It found that, at best, this evidence indicated that two small retailers that sell a wide variety of vehicles also sell used trucks and recreational vehicle towable trailers, and another retailer sells automobiles (and presumably trucks) and recreational vehicles. “While trucks and recreational towable trailers may occasionally be sold by the same retailers, we cannot overlook the facts that the products are, at least on this record, noncompetitive, differ completely in utility, have nothing in common with respect to their essential characteristics or sales appeal, and ... are expensive.” *Id.* at 1550.

Because the involved goods are costly—the TERRAIN vehicle was sold by registrant GM for \$26,235, while towable trailers cost in the \$8,000 to \$24,000 range—the Board inferred that purchasers would exercise a high degree of care in making their purchasing decisions. Trucks and towable RVs are not everyday purchases, and a consumer would be expected to closely examine the products, probably after conducting some research regarding the vehicles. In short, this *du Pont* factor weighed against a finding of likely confusion.

Balancing the relevant *du Pont* factors, the Board concluded that the applicant’s mark is not likely to cause confusion with the registrant’s mark, and it therefore reversed the refusal.

### § 11.9 **DRAGON BLEU (SARL) v. VENM, LLC, 112 U.S.P.Q.2d 1925 (T.T.A.B. 2014)**

The Board granted the opposer Dragon Bleu’s Federal Rule of Civil Procedure 12(b)(6) motion to dismiss the applicant VENM’s counterclaims for cancellation of the opposer’s three pleaded registrations, ruling that VENM had failed to state claims (for fraud, non-use, and abandonment) upon

which relief can be granted. The abandonment question involved an issue of first impression regarding how to measure the period of non-use with respect to a mark that is registered under section 66 of the Lanham Act.

### **A. Fraud**

The applicant's fraud claim was directed at only one of the three pleaded registrations. The Board found that the false statements allegedly made by the opposer were not false. The opposer stated during prosecution of its application that its mark VENUM "is specifically and narrowly directed to clothing used in connection with the sport of martial arts" and that its goods are "limited to clothing used in connection with a particular sport, namely martial arts." *Dragon Bleu*, 112 U.S.P.Q.2d. at 1928. Those statements, the Board observed, are not representations regarding the opposer's actual use of its mark or the enforcement thereof. They were simple statements regarding the limitations that the opposer agreed to in order to overcome a section 2(d) refusal.

The Board also observed that, in any event, the applicant's allegations regarding the materiality of those statements made no sense. In approving the application for publication, the examining attorney relied only on the limitations to the opposer's identification of goods. Any planned use of the mark (if the statements were so construed) would be irrelevant to the examining attorney's decision. And to top things off, the applicant failed to properly plead an intent to deceive the USPTO.

### **B. Non-Use**

The applicant asserted that two of the pleaded registrations were invalid because of "lack of bona fide use" of the subject marks. *Id.* at 1930. However, since the two registrations were based on section 66(a) requests for extension of protection, use was not required for registration and therefore a claim of cancellation due to non-use is legally insufficient. However, the issue of non-use is relevant to the abandonment counterclaim, as discussed below.

### **C. Abandonment**

The applicant alleged that two of the three registrations pleaded by the opposer were invalid because the subject marks had not been used since the filing date of the underlying applications (November 24, 2008). Under section 45 of the Lanham Act, non-use for three consecutive years constitutes prima facie evidence of abandonment. To adequately plead an abandonment claim, "a plaintiff must recite facts which, if proven, would establish at least three consecutive years of non-use, or alternatively, a period of non-use less than three years coupled with proof of intent not to resume use." *Id.* (citing *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 14 U.S.P.Q.2d 1390 (Fed. Cir. 1990)).

When an applicant relies on use in commerce as a basis for registration under section 1 of the Lanham Act, “it is appropriate to include in the period of non-use any pre-registration non-use subsequent to that applicant’s declaration of use.” *Id.* However, a section 66(a) applicant is not required to use its mark at any time prior to registration, but once the registration issues it is treated “much the same as any other registration on the Principal Register,” and the registrant must use the mark in commerce in order to avoid abandonment. *Id.* See also *Saddlesprings, Inc. v. Mad Croc Brands, Inc.*, 104 U.S.P.Q.2d 1948 (T.T.A.B. 2012).

The question posed here was one of first impression: “What is the earliest point in time from which the period of non-use may be measured for an abandonment claim with respect to a Section 66(a) registration?” *Dragon Bleu*, 112 U.S.P.Q.2d at 1930.

The Board looked to the way a section 44(e) registration is treated vis-a-vis abandonment, since a section 44(e) registration also may be obtained without use prior to registration. The Federal Circuit in *Imperial Tobacco* ruled that the period of non-use that constitutes prima facie evidence of abandonment for a section 44(e) registration does not begin until the registration issues. *Id.* (citing *Imperial Tobacco*, 14 U.S.P.Q.2d at 1395).



### PRACTICE TIP

In a claim for abandonment of a mark registered under section 66(a), the relevant period begins to run no earlier than the issue date of the registration.

The Board concluded that

in order to sufficiently plead a claim for cancellation of a section 66(a) registration on grounds of abandonment for nonuse, the plaintiff must allege, as of the date the claim is filed, either:

(a) three or more consecutive years of nonuse commencing no earlier than the date on which the registration was issued; or,

(b) if the period of non-use commencing no earlier than the date of registration and extending to the filing date of the claim is less than three years, facts supporting nonuse after the date of registration, coupled with an intent not to resume use.

*Id.* at 1931.

The Board then found that the applicant did not plead a prima facie case of abandonment. The applicant filed its (amended) counterclaims on December 13, 2013, less than three years after the issuance of the two registrations (on December 28, 2010 and March 8, 2011). And because the applicant did not allege facts that would allow the Board to conclude that the opposer did not intend to commence use of its marks, the counterclaim failed to state a claim upon which relief could be granted.

Although the Board dismissed all three claims, it allowed the applicant 30 days within which to re-plead its abandonment claim.

### **§ 11.10 *PROSPER BUSINESS DEVELOPMENT CORP. v. INTERNATIONAL BUSINESS MACHINES CORP.*, 113 U.S.P.Q.2d 1148 (T.T.A.B. 2014)**

An opposition to a Lanham Act section 66(a) application (request for extension of protection) must be filed electronically by filling out the proper online form and attaching the notice of opposition. But what happens when the grounds for opposition stated on the electronic form are narrower than those stated in the document attached to the form?

Prosper filed a notice of opposition against IBM's section 66(a) application to register the mark BIGINSIGHTS for various goods and services in International Classes 9, 35, and 42. As required for an opposition to a section 66(a) application, Prosper employed the USPTO's electronic filing system (ESTTA), indicating on the ESTTA form that it was opposing IBM's application in all classes—on the grounds of likelihood of confusion under section 2(d) and likelihood of dilution under section 43(c)—without specifying which claims pertained to which classes. However, in the notice of opposition document attached to the ESTTA form, Prosper more specifically pleaded its section 2(d) claim against the class 35 services only, and its dilution claim against only the class 9 goods and the class 42 services.

Before IBM answered, Prosper filed an amended notice of opposition by right under Federal Rule of Civil Procedure 15(a)(1), in which it dropped the dilution claim but asserted likelihood of confusion as to all three classes in IBM's application. When Prosper moved for leave to file a second amended notice of opposition in order to set forth in greater detail its section 2(d) claim, IBM responded by asserting that Prosper was trying to improperly expand its notice of opposition because in the original notice of opposition, the section 2(d) claim was aimed only at the class 35 services.

The Board framed the issue as follows: to what extent may an opposer amend a notice of opposition to a section 66(a) application, “when the grounds stated in the original notice of opposition are arguably narrower in scope than the grounds for opposition set forth on the ESTTA electronic form?” *Prosper Bus. Dev.*, 113 U.S.P.Q.2d at 1150. The Board explained:

An opposition to a Section 66(a) application must be filed through ESTTA. *See* Trademark Rule 2.101(b)(2). Filing an opposition through ESTTA requires the completion of an electronic form, and the attachment of a “pleading (i.e. a short and plain statement showing that the filer is entitled to relief).” TBMP § 110.09(c)(1). In all oppositions filed through ESTTA, the electronic form requires entry of information necessary for the Board to institute the proceeding, including the grounds for opposition, which, it is expected, are further explained in the attached pleading. When an opposition to a Section 66(a) application is filed, the USPTO must notify the International Bureau (“IB”) of the World Intellectual Property Organization within strict time limits of “all of the grounds for the opposition.” Trademark Act Section 68(b)–(c), 15 U.S.C. § 1141h(b)-(c). In fulfillment of this requirement for notification, the ESTTA system automatically transmits to the IB the information provided by the filer on the ESTTA electronic opposition form. The automated system does not send a copy of the attached pleading to the IB. *See CSC Holdings LLC v. SAS Optimhome*, 99 U.S.P.Q.2d 1959, 1960 (T.T.A.B. 2011).

Once the IB is timely notified of the grounds for opposition, the USPTO may not entertain an opposition on any ground as to which the IB has not been timely notified. *See* Trademark Act Section 68(c)(3), 15 U.S.C. § 1141h(c)(3). That is, once filed, an opposition against a Section 66(a) application may not be amended to add to the grounds for opposition or to add to the goods or services subject to opposition beyond those as to which the IB has been notified. *See* Trademark Rule 2.107(b); *Hunt Control Systems Inc. v. Koninklijke Philips Electronics N.V.*, 98 U.S.P.Q.2d 1558 (T.T.A.B. 2011). Because the IB is notified of the grounds of the opposition by the contents of the ESTTA electronic opposition form and not the actual pleading attached thereto, it is the ESTTA electronic opposition form, and not the text of the pleading, that controls the scope of permissible amendments to claims in opposition proceedings involving Section 66(a) applications. *See CSC Holdings LLC*, 99 U.S.P.Q.2d at 1962–63. [footnotes omitted].

*Id.* at 1150–51.

Here, the IB was notified that Prosper opposed in three classes, and that the grounds for opposition were likelihood of confusion and dilution. “Because the limitation on a party opposing registration of a section 66(a) application prohibits asserting grounds for opposition which were not timely noticed to the IB, it is the scope of the notice to the IB which controls the scope of permissible amendments to the notice of opposition under Trademark Rule 2.107(b).” *Id.* at 1151.

The Board therefore granted Prosper’s motion for leave to file its second amended notice of opposition, noting the Board’s “general policy of liberally granting leave to amend pleadings at any



stage of a proceeding when justice so requires, unless entry of the proposed amendment would be prejudicial to the rights of the adverse party or would violate settled law.” *Id.* at 1152.

### § 11.11 **DOMOND v. 37.37, INC., 113 U.S.P.Q.2d 1264 (T.T.A.B. 2015)**

When a party to a Board proceeding goes overboard in its discovery demands, the Board may invoke the concept of “proportionality” in order to rein in the overly aggressive party and may take appropriate steps to prevent harassment of the other party. In this cancellation proceeding challenging a registration for the mark BEAUTIFUL PEOPLE for various clothing items, petitioner Joshua Domond served 872 requests for admission, 247 document requests, and 26 interrogatories in the first two days of the discovery period. Respondent 37.37, Inc. moved for a protective order under Federal Rule of Civil Procedure 26(c), requesting that the Board limit the discovery items to a reasonable number. The Board found the discovery requests to be “excessive, unduly burdensome and harassing in number and content” when viewed in light of the issues raised in the proceeding, and it granted the motion, limiting the total number of discovery requests to 150, absent prior Board review and approval of additional requests. *Domond*, 113 U.S.P.Q.2d at 1268.

Mr. Domond alleged fraud, abandonment, and likelihood of confusion. He also claimed that the subject registration was void ab initio because the respondent’s specimen failed to show use in commerce. The Board noted that the claim that the specimen was improper is not a proper ground for cancellation; non-use would be the appropriate assertion.

The Board pointed out that the parties to a proceeding are generally allowed to seek discovery as they deem necessary, but the Board does not permit unlimited discovery that will harass and oppress the adversary.

When it comes to serving discovery, the parties are expected to take into account the principles of proportionality with regard to discovery requests such that the volume of requests does not render them harassing and oppressive and are expected to consider the scope of the requests as well as to confer in good faith about the proper scope of discovery so as to minimize the need for motions. *See* Trademark Rule 2.120(a); Fed. R. Civ. P. 26(f); *Phillies*, 107 U.S.P.Q.2d at 2153; *cf. Frito-Lay North America Inc. v. Princeton Vanguard LLC*, 100 U.S.P.Q.2d 1904, 1908–10 (T.T.A.B. 2011) (Board applied principle of proportionality in a case involving discovery of electronically-stored information).

*Id.* at 1266.



### PRACTICE TIP

By applying the “proportionality” principle, the TTAB may limit the volume and scope of discovery in order to prevent overburdening the parties and harassment.

The Board found that the respondent had, through a brief email exchange with the petitioner, made a good-faith effort to resolve the dispute. It is usually improper to respond to a discovery request by filing a motion for a protective order, except in cases “where it is readily apparent that propounded discovery requests are so oppressive as to constitute clear harassment.” *Id.*

As is clear from the number of discovery requests within the context of this proceeding, as well as their content, Petitioner has failed in his duty to seek only such discovery as is proper and relevant to the issues in this proceeding.

*Id.*

The Board noted that a number of the petitioner’s discovery requests were not “appropriately tailored to elicit discoverable information in this proceeding.” *Id.* at 1267. For example, requests seeking all documents from the last 17 years were unduly broad. Others sought irrelevant information, like stock prices and projected income. Still others improperly called for legal citations for the respondent’s position and a summarized analysis of the similarities and/or differences in the parties’ marks, when the petitioner is responsible for developing its own case “and cannot demand that Respondent prepare a comparison report, undertake legal research, or disclose its legal strategies.” *Id.* The petitioner’s requests for the identification of witnesses were not only premature but unnecessary in view of the Board’s disclosure requirements.

And so the Board granted the motion for a protective order, warning the petitioner that further uncooperative or harassing behavior may result in the imposition of sanctions, possibly including the entry of judgment.