

# Keeping Tabs on the TTAB®

## TTAB Year in Review (2008)

By John L. Welch

During the past twelve months, the Trademark Trial and Appeal Board issued some 600 final decisions, of which about 10% were deemed precedential. The Board continued to develop its fraud jurisprudence, significantly taking a step away from the stringent approach founded on its decision in *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 USPQ2d 1205 (TTAB 2003). The issue of proving a *bona fide* intent to use a mark moved onto the Board's radar screen, a development that may cause particular concern for foreign trademark owners. The Board laid down the law regarding the doctrine of foreign equivalents, an area that has been in a somewhat confused state since the CAFC's decision in *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 73 USPQ2d 1689 (Fed. Cir. 2005). And the TTAB's approach to the Section 2(e)(4) "primarily merely a surname refusal" may be ripe for an overhaul.

### I. Is There a Fraud in Your Future?

#### A. *Medinol* Revisited

Until recently, the TTAB has consistently applied the "strict liability" approach of *Medinol* to false statements of use made by applicants and registrants. It has brushed aside such proffered excuses as lack of legal advice, language difficulties, and inadvertent mistake, while emphasizing that "statements made with such degree of solemnity" should be investigated thoroughly prior to submission to the PTO. *Medinol*, 67 USPQ2d at 1209.

Early this year, in a case "similar to *Medinol*," the TTAB rejected another proposed "excuse," making it clear that a client whose attorney signs a Statement of Use on its behalf may not hide behind the "information and belief" shield to avoid a fraud finding. In *Herbaceuticals, Inc. v. Xel Herbaceuticals, Inc.*, 86 USPQ2d 1572 (TTAB 2008) [precedential], the Board granted Petitioner Herbaceuticals' motion for summary judgment on the ground of fraud, cancelling four registrations owned by Respondent Xel. It ruled that Xel had made knowingly false assertions in its Statements of Use (signed by its attorney) regarding use of its XEL HERBACEUTICALS marks on some of the goods listed in the registrations.

Xel admitted in discovery that it had failed to use its marks on various goods listed in the four challenged registrations (each registration involving a single class of goods). It lamely argued that the appropriate remedy

is *partial* cancellation, not complete cancellation, of the registrations, but the Board disagreed. "Partial cancellation would merely place Xel in the same position in which it would have been had it filed statements of use which accurately reflected the goods on which the marks were being used."

The fact that the Statements of Use were signed by Xel's attorney made no difference:

Even if Xel's attorney was signing the statement of use based on information and belief, he was clearly in a position to know (or to inquire) as to the truth of the statements providing reason to believe. Statements under oath are made with a degree of solemnity requiring thorough investigation prior to signature and submission to the USPTO. (citing *Medinol*).

\* \* \*

Considering that [Xel's attorney] admitted ... that he did not have actual knowledge as to the goods on which the involved marks were being used, he was obligated to inquire. *See* Patent and Trademark Office Rule 10.18(b)(2). To the extent he did inquire, his inquiries would appear to have been grossly insufficient. *See Medinol*, 67 USPQ2d at 1209. The specific or actual intent of [the attorney] is not material to the question of fraud. "[P]roof of specific intent to commit fraud is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false." *General Car and Truck Leasing Systems, Inc. v. General Rent-A-Car Inc.*, 17 USPQ2d 1398, 1401 (S.D. Fla. 1990).

The Board also rejected Xel's desperate attempts to divide the statement of use into "sworn" and "unsworn" portions, and to distinguish between the phrases "all goods and services" and "the goods/services." The Board concluded that, although not all false statements constitute fraud, no conclusion other than fraud was possible here.

In *dictum*, the Board stated that when fraud is found, "the registration is void in the international class or classes in which fraud based on nonuse has been committed." In other words, according to this panel, fraud may knock out a single class in a multiple-class

(continued on next page)

registration, but not the entire registration. In the instant case, however, each of the registrations involved only a *single class* of goods. One has to wonder whether it is judicially wise for the Board to make pronouncements like this that clearly reach beyond the facts before it.

## B. The High- (or Low-) Water Mark

The TTAB's fraud jurisprudence may have reached its high (or low) point in *Bose Corp. v. Hexawave, Inc., Opposition No. 91157315 (November 6, 2007) [not precedential]*, when the Board found that Bose had committed fraud in its 2001 renewal of a registration for the mark WAVE for, *inter alia*, audio tape recorders.

Bose acknowledged that it stopped manufacturing and selling audio tape recorders and players in 1996-97. Nonetheless, it did not delete those goods from the WAVE registration when filing for renewal. Bose contended that the renewal was proper "because owners of audio tape recorders and players continue to send their previously purchased goods to opposer for repair services and upon completion of the repair services opposer 'transports' them back to the owner." Bose acknowledged that it did not re-label or make any alteration to the products, apart from the technical repair.

The Board noted that Bose offered no case support for its theory that "transporting" a product back to its owner after repair constitutes use of a trademark on the product as contemplated by Section 45 of the Trademark Act. It acknowledged that a sale of goods is not necessary to establish trademark use; shipment of samples and prototypes may suffice, but the entity causing the shipment must be the owner of the goods at the time of transportation. Here, "the scenario presented by opposer does not constitute use sufficient to maintain a registration for goods." The question then became "whether it was reasonable for opposer to believe that it did." The Board found that it was not, because Bose "could not point to case law that supports" its interpretation of the statute.

[W]e do not find it reasonable to believe that an application of a mark at some point in the past to goods which have been sold, still serves to constitute use when those goods, now owned by another, are subsequently shipped again in connection with a repair service.

The Board therefore ruled that Bose committed fraud in maintaining its registration. [It added that if Bose should prevail on appeal, the registration would in any event require restriction to delete audio tape recorders and players].

Bose has filed an appeal from this decision, and no wonder. The Board's ruling on the fraud issue seems particularly precarious. There may have been no case law that supported Bose's position on the use issue, but there did not seem to be any case law directly to the contrary. So one must ask whether the Board went a bit overboard in finding Bose's position so unreasonable as to be fraudulent? The AIPLA has filed an *amicus* brief with the CAFC, urging a more lenient approach to the fraud issue and criticizing the Board for failing to assess properly the intent and materiality requirements of common law fraud. The CAFC has yet to opine on the Board's current fraud doctrine, and perhaps this case will give it an opportunity to consider at least the outer boundaries.

## C. "Curing" Fraud

In May 2008, five years after its *Medinol* decision, the Board addressed head-on the issue of whether an applicant who corrects a false statement regarding use prior to publication may avoid a fraud ruling. In *University Games Corp. v. 20Q.net Inc., 87 USPQ2d 1465 (TTAB 2008) [precedential]*, the panel majority ruled that correction of the false statement prior to publication gives rise to a rebuttable presumption that the applicant did not have the requisite willful intent to deceive the PTO.

University Games filed an opposition to registration of the mark 20Q for an on-line computer game. Applicant sought summary judgment on its counterclaim, requesting cancellation of the Opposer's asserted Supplemental Registration for the mark TWENTY QUESTIONS for board games on the ground that University had committed fraud on the PTO when it filed the application that yielded its registration.

University's original use-based application listed the goods as: "Board games, t-shirts, and supporting promotional materials including videos and paper products." When the Examining Attorney objected to this identification of goods, in part because they fell in more than one class, University restricted the goods to just board games.

Applicant claimed, based on discovery, that University had used the TWENTY QUESTION mark only on board games and never on t-shirts or promotional materials, and it therefore cried "fraud!" University argued that its original identification was not false because it had distributed t-shirts and promotional materials bearing the mark at trade fairs.

The Board found a "genuine issue of material fact as to the nature of the use registrant made of its mark on t-shirts and promotional materials prior to filing its application to register." But the Board didn't stop there.

*(continued on next page)*

Two of the three panel members ruled that “the fact that Opposer amended its identification of goods during ex parte prosecution constitutes a rebuttable presumption that opposer lacked the willful intent to deceive the Office.”

Even assuming that University’s purported use of the mark at trade fairs was insufficient, “applicant [here, the counterclaim petitioner] has failed to adduce facts that rebut the presumption of no intent to commit fraud in view of registrant’s amendment of its application during examination ....” Consequently, a genuine issue of material fact existed regarding University’s intent to deceive. “As often stated by the Board, factual questions involving intent and good faith are particularly unsuited to disposition on summary judgment.”

The Board cited its *dictum* in *Hurley Int’l LLC v. Volta*, 82 USPQ2d 1339 (TTAB 2007), which in turn cited *Universal Overall Co. v. Stonecutter Mills Corp.*, 154 USPQ 104 (CCPA 1967), for the proposition that a misstatement as to goods and services does not rise to the level of fraud if corrected prior to publication. According to *Universal Overall*:

... such misstatement did not constitute fraud because [applicant], at the suggestion of the examiner, amended its application prior to publication to recite fabrics rather than finished clothing, and the assertion of belief in damage in an opposition, must under the terms of [S]ection 13 of statute, be predicated on the application as published rather than as originally filed. 154 USPQ at 985.

In a concurring/dissenting opinion, Judge Walsh expressed a broader view: he would have granted summary judgment *sua sponte* to University on the fraud issue because timely correction of an error “before registration and before any actual or threatened challenge to the application/registration” [*sic*] should completely defeat any fraud claim.

I would find for opposer because, before registration and before any actual or threatened challenge to the application/registration, opposer amended its application to correct the false statement regarding opposer’s goods. \*\*\* In my view, such corrective action should preclude a fraud claim: (1) because the action effectively negated the intent to establish fraud, and (2) because the allegedly false statement, once deleted, was not material to the Office’s later approval of the application.

This approach is not only consistent with the Board’s longstanding policy disfavoring fraud claims, but it provides greater clarity and certainty

for applicants and registrants. It would also encourage applicants to correct errors promptly. It provides a bright line and a safe harbor for applicants who are proactive in correcting errors.

Judge Walsh deemed his approach to be a logical extension of *Universal Overall* to cover both use-based applications and ITU applications, as long as the correction is made “before registration and before any actual or threatened challenge to the application/registration.” [Query: why not just “application” rather than “application/registration”?] In other words, an ITU applicant who, after Notice of Allowance, files a false Allegation of Use could avoid fraud by correcting the false statement prior to registration.

It is worth noting that *Universal Overall* is *not* a case in which an applicant listed five goods but had actually used the mark on fewer than five. It is a case in which, at the request of the Examining Attorney and in light of the specimens of use, the applicant amended the goods from clothing to textile fabrics. In other words, the goods had merely been “misstated” or misdescribed.

Thus in neither *Universal Overall* nor this case did the applicant fail to use the mark *at all* on one of more of the listed goods. Moreover, *Universal Overall* was decided two decades before the “*bona fide* intent-to-use” provision was added to the Trademark Act to provide an additional basis for application. Maybe the court in *Universal Overall* took a more lenient approach to an applicant’s assertion of use because in 1967, one could not file an application based on intent-to-use. Furthermore, unlike in 1967, the PTO trademark databases are readily available on-line, and a false statement of use even in a pending, unpublished application may affect the decision-making of third-parties who, when seeking to find a suitable trademark, search the PTO databases for potential conflicts.

In sum, the Board’s reliance on the 1967 *Universal Overall* decision as a springboard to some broader ruling on whether *any* erroneous statement of use in an application may be corrected prior to publication or registration to avoid fraud deserves serious scrutiny.

As to the “rebuttable presumption” approach, would it not make more sense to require the applicant to come forward with an explanation for the “error” in its verification, rather than presume that the error was innocent? [Here, and in *Universal Overall*, there was an explanation for the error.] After all, isn’t the verification of an application or an Allegation of Use supposed to be made “with a degree of solemnity requiring thorough investigation prior to signature and submission to the USPTO.” Giving the applicant the benefit of the doubt leaves the challenger with the very difficult task of getting an applicant to fork over evidence that will prove its own lack of innocence.

(continued on next page)

## D. Looking over *Grand Canyon*

Although the TTAB showed some leniency toward false statements of use in *University Games*, that was not the case in **Grand Canyon West Ranch, LLC v. Hualapai Tribe**, 88 USPQ2d 1501 (TTAB 2008) [precedential]. It found fraud despite the Tribe's amendment of its application to delete the "unused" services before Opposer made its fraud claim, and despite the fact that those services had been added to the application in an unverified response to the Examining Attorney's proposed recitation.

In an earlier ruling, the Board had sustained in part the opposition of Grand Canyon West Ranch on the ground of nonuse of the subject mark for some of Applicant's services, and it granted Applicant's motion to delete those "unused" services. At that point Opposer had not pleaded fraud, and in fact had affirmatively stated that it was not seeking summary judgment on the ground of fraud. *Grand Canyon West Ranch, LLC v. Hualapai Tribe*, 78 USPQ2d 1696 (TTAB 2006) [precedential].

Only after the Board's first decision – *i.e.*, after the motion to amend was granted and the application was amended – did Grand Canyon move to add a fraud claim. Nonetheless, the Board found fraud, pointing out that Applicant had not sought to amend its application until after it was opposed: "We also note that it was not until the application was challenged in this opposition proceeding that applicant sought to amend its application to delete those services. See *University Games Corp. v. 20Q.net Inc.*, 87 USPQ2d 1465 (TTAB 2008)."

The Tribe argued that the offending language was added during prosecution, when Applicant's attorney inadvertently agreed to the identification proposed in an examiner's amendment. It also argued that the "examiner's amendment is unlike the verified statement of goods in an affidavit of continued use ... or a statement of use." The Board was not sympathetic:

The accuracy of the information applicant provided in agreeing to the examiner's amendment was no less critical to the application than the information applicant provided in the application as filed. The integrity of the registration system rests on the accuracy of the information provided in either form. Applicants must ensure that all information they provide is true and accurate whether or not it is verified.

The Board therefore sustained the fraud claim, but noted that its ruling does not affect any common law rights the Hualapai Tribe may have, nor does it prohibit the Tribe from filing a new application to register its mark for the pared-down list of services.

Judge Walsh wrote this decision, and he cited *University Games* for the proposition that fraud is not cured by an amendment filed after an application has been challenged, suggesting that an amendment made before challenge would have cured the fraud problem. The latter proposition – that such correction of a false statement would automatically cure the fraud – is not found in the majority opinion (Judges Quinn and Grendel) in *University Games*, but only in Judge Walsh's own concurring/dissenting opinion. How, one may ask, does a non-majority opinion have any precedential value? What exactly is the TTAB's law on the issue of "curing" fraud? Does correction of a false statement prior to challenge of an application automatically "cure" the fraud? Or must the correction be made before publication? Does the correction absolutely cure the fraud, or merely create a rebuttable presumption that applicant lacked the necessary willful intent to commit fraud? In short, exactly when and how may fraud be cured by correcting a false statement of use in an application?

Note that the Hualapai Tribe sought to amend its application before any claim of nonuse or fraud was made. It is true that the opposition had already been filed, but the ground for the opposition was descriptiveness. Suppose the Tribe had sought to amend its application the day before the opposition was filed. Would that have cured the fraud, as Judge Walsh posited? Or would that have been too late, because the application had already been published? Would the Tribe have enjoyed a rebuttable presumption that it had not committed fraud, in an extension of the majority holding in *University Games*? Suppose the Tribe sought amendment before the opposition was filed, but after the potential opposer had obtained an extension of time to oppose – what then?

## E. Fraud and the Foreign Owner

In a rather straightforward, non-precedential decision, the Board granted a cancellation petitioner's cross-motion for summary judgment and sustained the petition on the ground that Registrant Montelvini S.p.A. committed fraud on the USPTO when it filed its Section 8 Declaration of Use. Montelvini verified that its registered mark MONTELVINI VENEGAZZU & Design was in use on "wines, spirits, and liqueurs," when in fact it was not in use on liqueurs. ***Sierra Sunrise Vineyards v. Montelvini S.p.A., Cancellation No. 92048154 (September 10, 2008) [not precedential]***.

**MONTELVINI**  
 VENEGAZZU

(continued on next page)



Montelvini's registration issued under Section 44(e), based on its Italian counterpart registration. When it came time to file the Section 8 Declaration, its US counsel inquired whether Respondent was still using the mark "in connection with the goods listed in the Certificate of Registration" and asked for two specimens of the mark as currently used in the U.S. The declaration was signed and filed electronically by Respondent's U.S. counsel and was submitted without deletion of any of the original goods. However, the mark had not been used on liqueurs.

Montelvini claimed that "there was a failure on the part of the Italians to appreciate the USPTO's requirement to demonstrate specific actual use of the mark on each of the various goods contained within the larger class." The Board was not moved. "Respondent had an obligation to work with its legal counsel to ensure that no false statements were made before the USPTO. \*\*\* Clearly, respondent should have known that its allegation of use of its registered mark in connection with 'liqueurs' in U.S. interstate commerce was false."

The TTAB was likewise not impressed by Montelvini's assertion that "language and cultural differences in the U.S. and European viewpoint of wine in relation to other alcoholic beverages contributed to the submission of a false statement." Quoting *Hachette Filipacchi Presse v. Elle Belle, LLC*, 85 USPQ2d 1090, 1094 (TTAB 2007) [precedential], the Board pointed out that "[Respondent's] president was obligated to confirm the meaning and accuracy of the statements contained in the application before signing the declaration and prior to submission to the USPTO."

Montelvini's motion to amend the registration was denied since "deletion of the goods upon which the mark has not been used does not remedy an alleged fraud upon the Office" in the procurement of a registration. *Medinol*, 67 USPQ2d at 1208.

All fairly simple. But this case underscores that foreign trademark owners who obtain registrations under Section 44 (and Section 66) are particularly in jeopardy with regard to the fraud issue. As we know, in most countries of the world, use of a mark is not required for registration, and therefore foreign registrations often list a broad array of goods and services, irrespective of the scope of use of the mark. For a United States owner applying in the USA, however, the registration will be limited to the actual items with which the mark is used. Indeed, in order to obtain a registration a U.S. owner must verify under oath that its mark is in use on all the goods and services in the application.

On the other hand, a foreign applicant who applies under Section 44 or Section 66 of the Trademark Act and does not claim actual use, will *not* be required to verify that it has actually used its mark on all of its listed goods or services prior to registration. Typically,

the identification of goods and services in the U.S. application will mirror the breadth of the owner's home country registration. But Section 8 of the Trademark Act requires that every owner of a U.S. registration file a Declaration of Use between the fifth and sixth anniversaries of the registration (a six-month grace period is available), verifying that the mark is in use for all of the identified goods and services. This is where the potential problem may arise, unless the foreign owner pays attention to the strict requirements of U.S. law.

When filing the Declaration of Use under Section 8 (or Section 71), the owner must delete every item for which its mark is not in use in U.S. commerce. Failure to do so, and the filing of a Declaration that includes goods or services that should have been deleted, renders the registration vulnerable to a fraud attack that could result in the registration being declared void as to one or more classes of goods or services.

Montelvini S.p.A. learned that lesson the hard way.

## II. Is Your Intent *Bona Fide*?

This author has been suggesting that the *bona fide* intent issue was one to keep an eye on. Well, the issue hit the fan in *L.C. Licensing, Inc. v. Berman*, 86 USPQ2d 1883 (TTAB 2008) [precedential], wherein the Board sustained the opposition because Applicant Cary Berman, appearing *pro se*, lacked a *bona fide* intent to use the mark ENYCE on custom automobile accessories.

The Board began with a citation to *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503 (TTAB 1993), which held that:

absent other facts which adequately explain or outweigh the failure of an applicant to have any documents supportive of or bearing upon its claimed intent to use its mark in commerce, the absence of documentary evidence on the part of an applicant regarding such intent is sufficient to prove that the applicant lacks a *bona fide* intention to use the mark in commerce as required by Section 1(b).

Applicant Berman admitted in discovery that he had no documents evidencing an intent to use his mark on custom automotive accessories. In his discovery deposition testimony, Berman offered "no facts which explain or outweigh the failure ..., when he filed the application, to have documents which support his claimed intent to use ..." His testimony that he intended to use the mark on shift knobs "does not suffice to establish a *bona fide* intention to use the mark."

The mere assertion of an intent to use the mark without corroboration of any sort, whether

(continued on next page)

documentary or otherwise, is not likely to provide credible evidence to establish a *bona fide* intention to use the mark. The context of the other answers given here detracts, rather than contributes, to the credibility of the assertion and thus supports the conclusion that applicant has not established a *bona fide* intention to use the mark when he filed the application.

And so, the Board concluded that Berman did not have the requisite *bona fide* intention to use his mark at the time of his ITU application, and it sustained the opposition on that ground.

The Board very recently revisited this issue in *Boston Red Sox Baseball Club Limited Partnership v. Brad Francis Sherman*, Opposition No. 91172268 (September 9, 2008) [precedential]. New Yorker and self-proclaimed “humorist” Brad Francis Sherman attempted to register the mark SEX ROD in stylized form for 136 clothing items. The Board sustained the Club’s opposition on several grounds: scandalousness, disparagement, and Sherman’s lack of a *bona fide* intent to use the mark.



Sherman stated on discovery that he had no documentation to support his claimed intention to use the mark. This absence of documentation was sufficient, under *Commodore Electronics*, to shift the ultimate burden of proof to Sherman. He asserted that one can launch an “online apparel business” virtually overnight [using, for example, Cafe Press] and at almost no cost and without “forward planning.” The Board, however, found that testimony “simply not credible.” Such testimony “detracts from, rather than supports, the *bona fide* nature of applicant’s intention.”

What do these precedential decisions mean for trademark practitioners? Do we always collect documentation before filing an intent-to-use application? Do we ask whether the client has any? Do we ask ourselves how we will prove a *bona fide* intent should that issue arise?

And what about the foreign applicant who includes in its Section 44 or Section 66 application the requisite recitation of a *bona fide* intention to use its mark in commerce? [See *Trademark Act* Sections 44(d)(2), 44(e), and 66(a).] Will the ENYCE and SEX ROD decisions apply equally to both Section 1(b) applications and to Section 44 or 66 applications? Will a foreign applicant be expected to have documentation corroborating a *bona fide* intention to use its mark in commerce? Since a registration may issue under Section 44 or 66 without

proof of actual use of the mark, how many registrations obtained under those sections are vulnerable to attack on the ground of a lack of *bona fide* intent to use the mark in commerce?

In short, have ENYCE and SEX ROD opened Pandora’s Box for foreign registrants?

### III. Is There a Doctor of Foreign Equivalents in the House?

The CAFC’s decision in *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 73 USPQ2d 1689 (Fed. Cir. 2005), created some confusion as to how the doctrine of foreign equivalents is to be applied, and particularly as to how to define the “ordinary American purchaser” for purposes of the doctrine. The Board took the opportunity to clarify things in *In re Spirits International N.V.*, 86 USPQ2d 1078 (TTAB 2008) [precedential], in which it affirmed the PTO’s refusal to register the mark MOSKOVSKAYA for vodka as primarily geographically deceptively misdescriptive under Section 2(e)(3).

Applicant Spirits admitted that its vodka will not originate in Moscow, and there was no dispute that MOSKOVSKAYA means “of or from Moscow” or that Moscow is known for its production of vodka. Spirits maintained, however, that the primary meaning of MOSKOVSKAYA is not geographic because the average American purchaser *would not translate the mark into English*.

The Examining Attorney, on the other hand, contended that “under the doctrine of foreign equivalents, the ordinary American purchaser, which as stated in *In re Thomas*, 79 USPQ2d 1021, 1024 (TTAB 2006) refers to the ‘ordinary American purchaser who is knowledgeable in the foreign language,’ will translate the mark into its English equivalent.” Spirits, based on its reading of *Palm Bay*, asserted that the PTO had misapplied the doctrine of foreign equivalents because it had misinterpreted the CAFC’s ruling:

Applicant argues that the Board’s decision in *Thomas* is inconsistent with the holding in *Palm Bay* “to the extent that the Board interpreted the Court’s reference to the “ordinary American purchaser” to mean “the ordinary American purchaser who is knowledgeable in the foreign language,” and that the *Thomas* case along with the authorities cited for this proposition “are no longer good law.”

Spirits submitted survey evidence to show that “the meaning of the mark is arbitrary because the term would not be translated into English by consumers, and that its geographic meaning would be lost on the public.”

(continued on next page)

The Board, however, strenuously disagreed with Spirits' interpretation of *Palm Bay*, asserting that Spirits had taken the CAFC's reference to the "ordinary American purchaser" out of context and that the CAFC in fact "did not address the definition of the 'ordinary American purchaser.'"

Furthermore, the Court at no point said, or even suggested, that in determining the registrability of a mark in a foreign language, the "ordinary American purchaser" who speaks or understands the foreign language can, in effect, be ignored. Applicant argues that the *Thomas* decision "cannot be squared" with the Court's holding in *Palm Bay*. The fact is, however, that applicant's position "cannot be squared" with the underlying principles of the Trademark Act.

According to the Board, Spirits' position would undermine the purpose of Section 2(e)(3) by permitting registration of foreign terms that have the potential to deceive an appreciable segment of relevant consumers. In addition, such a view would conflict with long established case law.

The Board presumed that "a word in one of the common, modern languages of the world will be spoken or understood by an appreciable number of U.S. consumers for the product or service at issue." Russian is a common, modern language. The question then is, according to *Palm Bay*, whether those who understand the language "will stop and translate the word into its English equivalent." That, in turn, depends on the facts of the case. "While there are exceptions to the rule, and circumstances where translation is unlikely, none of those circumstances exists here." [As an example of an exception, see *In re Tia Maria, Inc.*, 188 USPQ 524 (TTAB 1984), in which the Board found it unlikely that a purchaser of AUNT MARY'S canned fruits and vegetables from a supermarket would, when dining at a TIA MARIA Mexican restaurant, translate TIA MARIA into AUNT MARY and then mistakenly assume that the goods and services originated from the same source.]

"There is nothing in the record to indicate the mark would not be translated because of marketplace circumstances or the commercial setting in which it is used." Nor was there any question of the translated meaning of MOSKOVSKAYA. Therefore, the Board applied the doctrine and found the primary meaning of MOSKOVSKAYA to be geographic. The evidence further showed that Moscow is known for vodka and that purchasers are likely to be deceived into believing that Applicant's vodka comes from Moscow.

The Board concluded that Applicant had failed to overcome the PTO's *prima facie* showing under Section 2(e)(3), and it affirmed the refusal.

It is not particularly surprising that Spirits was confused by the CAFC's handling of the foreign equivalents issue in *Palm Bay*. Other TTAB appellants have raised the same point, also unsuccessfully. The MOSKOVSKAYA decision has been appealed to the CAFC, and so we may soon find out whether the appellate court agrees with the TTAB's interpretation of *Palm Bay*.

Meanwhile, a recent Board decision involved an interesting twist to the application of the doctrine of foreign equivalents. In *In re Innovative Technologies Corp. of America, Inc.*, Serial No. 78691831 (September 15, 2008) [not precedential], the TTAB reversed a Section 2(d) refusal of the mark HAIR OF THE DOG for "clothing, namely, shirts, t-shirts, pants, shorts, headwear, hats, socks, sleepwear and dresses," finding it not likely to cause confusion with the registered mark LES CHEVEUX DU CHIEN "for custom manufacture of clothing, personal accessories in the nature of jewelry, stoles, scarves, linens, and home décor items." The Board found the marks "clearly different in appearance and pronunciation," and further that the marks would not be understood "as having the same idiomatic meaning."

The cited registration contained a translation of the mark as HAIR OF THE DOG, but the Board found it "far from clear that the resulting phrase has the same meaning in French as it does in English." According to the Board, the "most likely commercial impression of THE HAIR OF THE DOG (in English) is a reference to the hangover cure," *i.e.*, the consumption of an alcoholic beverage to relieve a hangover. However, a French speaker, according to the Board, "will likely see the mark LES CHEVEUX DU CHIEN and perceive it literally as a statement about a dog's hair."

... "hair of the dog" in English has two meanings, one literal and one idiomatic. Having found that the latter is the predominant meaning and the one most applicable to applicant's mark, it is clear that a mechanical, word-for-word translation does not answer the question at hand: do the marks at issue - considered as a whole - mean the same thing?

Turning to the *Larousse* French-English dictionary, the Board noted the following definition:

"*phr*: ... to have a [hair] of the dog (that bit you) reprendre un verre (pour faire passer sa gueule de bois); here, a [hair] of the dog is what you need bois ça, il faut guérir le mal par le mal...."

Thus, the Board observed, the phrase "hair of the dog" does not translate into "les cheveux du chien" in French.

(continued on next page)



The Board distinguished *In re Thomas*, 79 USPQ2d 1021 (TTAB 2006), in which MARCHE NOIR and BLACK MARKET were deemed equivalent: there the evidence showed that the marks have the same idiomatic meaning in both languages. Here, concluding that the PTO had not demonstrated a likelihood of confusion, the Board reversed the refusal.

Maybe I'm barking up the wrong tree, but I did not know the idiomatic meaning of HAIR OF THE DOG. Perhaps the idiomatic meaning is its primary meaning, but how many people know the idiom? What about the rest of us who think HAIR OF THE DOG means dog hair?

#### IV. Is Your Surname Rare Enough?

The vast majority of TTAB decisions are rendered unanimously by three-judge panels. On rare occasion, however, a judge will write a dissent or a concurring opinion, and when that happens the "extra" opinion is usually worthy of note and discussion. That was the case with Judge Seeherman's concurring opinion in the Board's precedential decision in *In re Joint Stock Company "Baik"*, 84 USPQ2d 1921 (TTAB 2007) [precedential]. The judge made a significant point regarding the "look and feel" factor that forms a part of the TTAB's Section 2(e)(4) test for determining whether a mark is "primarily merely a surname."

The standard Section 2(e)(4) analysis takes into account (i) the rareness of the name at issue, (ii) whether the name (or mark) has any other meaning, (iii) whether anyone associated with the applicant has that surname; and (iv) whether the applied-for mark has the "look and feel" of a surname. Judge Seeherman questioned the relevance of the fourth factor – *i.e.*, whether registration should be refused because a mark "is similar in sound or appearance to other surnames." She observed that:

The purpose behind prohibiting the registration of marks that are primarily merely surnames is not to protect the public from exposure to surnames, as though there were something offensive in viewing a surname. Rather, the purpose behind Section 2(e)(4) is to keep surnames available for people who wish to use their own surnames in their businesses .... *Id.* at 1924.

The fact that the public may view a mark as having the "look and feel" of a surname arguably has nothing to do with keeping surnames available for people who want to use their own surnames. Far more important is the "rareness" factor:

If a surname is extremely rare, it is also extremely unlikely that someone other than the applicant will

want to use the surname for the same or related goods or services as [those] of the applicant. *Id.*

Whether the surname at issue rhymes with another surname or differs from another surname by a letter or two plainly should not be decisive on the issue of registrability. In short, "[i]nterpreting the 'look and feel' factor to refuse registration of marks simply because they are similar to recognized surnames does not serve the intention of the statute." *Id.*

Taking Judge Seeherman's observations regarding the purpose of Section 2(e)(4) one step further, should it make any difference whether someone with the surname BAIK, or any other rare surname, has achieved notoriety? If the question is not whether the public would recognize the word as a surname, but rather whether a lot of people have that surname, it should make no difference if one person with that surname has achieved some renown. So does the Board's 2004 precedential decision in *In re Gregory*, 70 USPQ2d 1792 (TTAB 2004), make sense? There, the Board deemed the mark ROGAN to be primarily merely a surname, based in large part on the notoriety of former PTO Commissioner James Rogan, and in spite of a mere 1,100 telephone listings for individuals with the surname "Rogan." In other words, who cares if there is (or was) one notorious Rogan? The question should be: how many Rogans are there that might want to use their own surname as a trademark?

Judge Seeherman expanded on the comments she made in "*Baik*", in a concurring opinion in *In re Marriott Int'l, Inc., Serial Nos. 78489804 and 78489829 (November 23, 2007) [not precedential]*, emphasizing again that the rarity of the surname is the critical factor:

... if the Examining attorney cannot show that a reasonable number of people have a particular surname, in my view the Office cannot meet its burden of prima facie showing that a mark is primarily merely a surname. It is only after the Office has met the burden of showing that a mark is not an extremely rare surname that the other factors should come into play. Evidence as to "look and feel" is relevant to show that "a term does not have the look and feel of a surname and therefore would not be perceived as a surname." Accordingly, evidence on this factor would be part of the applicant's evidence rebutting the prima facie case made by the Office showing that a significant number of people have a surname, to demonstrate that the term is not primarily merely a surname because it will not be perceived primarily merely as a surname.

More recently, Judge Seeherman dissented in *In re Builder's Best, Inc., Serial No. 76642671 (April 30, 2007) [not precedential]* (continued on next page)



**2008) [not precedential]**, wherein the panel majority found the mark LOWES for dryer vent ducts to be primarily merely a surname. For Judge Seeherman, the dispositive factor was that “LOWES is an extremely rare surname.”

She recognized that in some precedential decisions, the fact that a surname was rare did not shield it from a Section 2(e)(4) refusal. “In those cases, the Board and the courts looked to other factors, such as whether the term would be perceived as a surname because, for example, it was the name of someone associated with the applicant, or because it was the name of someone who had public recognition.” However, many of those cases were decided prior to the availability of computer databases, and the Board and courts were concerned that print directories were just the “tip of the iceberg.” Now, however, computer databases allow the Board to determine whether a term is “truly a rare surname.”

So far, Judge Seeherman stands alone in proposing a revision of the Board’s Section 2(e)(4) jurisprudence. But her analysis does make sense. However, if the Board were to consider the rareness of the surname to be the critical factor, as Judge Seeherman urges, the Board would seemingly have to set some benchmark or minimum number regarding the frequency of a surname that would constitute a *prima facie* showing under 2(e)(4). That the Board does not want to do. The look-and-feel factor, the question of whether anyone associated with applicant has the surname, and the notoriety of persons with that surname, currently provide the Board

with additional considerations in making the “primarily merely a surname” determination, so that the Board does not have to set any numerical threshold. But, as Judge Seeherman asks, do those additional considerations make much sense in light of the purposes of Section 2(e)(4)?

## V. Conclusion

Trademark practitioners may look forward to an exciting year 2009 at the TTAB. They will want to keep a close eye on developments in the fraud arena at not only the TTAB level, but also the CAFC level, from whence some helpful guidance may be forthcoming. The *bona fide* intent issue may yield some interesting rulings, especially if a non-use-based application or registration of a foreign trademark owner is challenged. Section 2(e)(4) surname refusals should be watched, and our old friends, dilution and genericness, may offer fertile ground for further developments. If worse comes to worst, maybe Leo Stoller will make some sort of comeback. Time will tell.

---

This paper was presented on November 7, 2008, at the 33rd Annual Intellectual Property Institute of the California Bar Association, at Rancho Mirage, California.

*Keeping Tabs on the TTAB*® is a registered trademark of John Welch, and is used with permission under a non-exclusive license.