

Allen's Trademark Digest®

ASPEN

PUBLISHERS

MONTHLY DIGEST OF TRADEMARK DECISIONS ISSUED BY
THE U.S. PATENT & TRADEMARK OFFICE

The Top Ten TTAB Decisions of 2003

By John L. Welch

The highlight of the TTAB year came in June, when the Board for the first time sustained a dilution claim, finding the mark *NASDAQ* truly famous and deserving of protection under Section 43(c) of the Trademark Act. The *NASDAQ* decision and *Toro Co. v. ToroHead, Inc.*, 61 USPQ2d 1164 (TTAB 2001), comprise the two landmarks of TTAB dilution jurisprudence. However, one wonders whether the Section 43(c) anti-dilution remedy, with its stringent evidentiary requirements, is of much practical importance, since the owner of a “famous” mark may obtain very broad protection under the Board’s current Section 2(d) likelihood of confusion analysis.

In other significant decisions, the Board took a special interest in the issue of fraud on the USPTO, rejected several asserted legal bases for opposition, and recognized that the ubiquity of personal computers requires that more probative value now be given to Internet news wire stories.

In all, the TTAB issued nearly 600 decisions in 2003, final and interlocutory, *ex parte* and *inter partes*. It deemed 21 of the decisions citable, or about 1 in 30 – a ratio slightly lower than in the past three years, despite urgings from the trademark bar that more TTAB decisions be designated as citable. The following 10 decisions, most of them citable, are perhaps of most significance or interest to the trademark practitioner.

1. *NASDAQ Stock Market, Inc. v. Antartica, S.r.l.*, 69 USPQ 2d 1718 (TTAB 2003). The Board for the first time upheld a Section 43(c) dilution claim, finding the mark *NASDAQ* for securities trading services likely to be diluted by the mark *NASDAQ & griffon* design for clothing and sporting goods items. Distinguishing the Supreme Court’s decision in *Moseley v. V Secret Catalogue, Inc.*, 65 USPQ2d 1801 (2003) – which required a showing of actual dilution in civil actions under the Federal Trademark Dilution Act (FTDA) – the Board extended its ruling in *Toro v. ToroHead* to Section 44 applications. It held that in TTAB proceedings involving marks not yet in use, “it is sufficient for a plaintiff to establish likelihood of dilution rather than actual dilution.” The Board had “no difficulty” in finding the *NASDAQ* mark famous, concluding that *NASDAQ* “is, in effect, a unique word that points to opposer’s stock market and is an inherently distinctive mark.” It held that use of Antartica’s mark would result in a “blurring” and would reduce the capacity of Opposer’s mark to serve as a source indicator.



It held that in TTAB proceedings involving marks not yet in use, “it is sufficient for a plaintiff to establish likelihood of dilution rather than actual dilution.” The Board had “no difficulty” in finding the *NASDAQ* mark famous, concluding that *NASDAQ* “is, in effect, a unique word that points to opposer’s stock market and is an inherently distinctive mark.” It held that use of Antartica’s mark would result in a “blurring” and would reduce the capacity of Opposer’s mark to serve as a source indicator.

2. *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 USPQ2d 1205 (TTAB 2003). The Board entered summary judgment in favor of Petitioner Medinol on the ground that Neuro Vasx submitted a fraudulent Statement of Use (SOU) in obtaining its registration for the mark *NEUROVASX* for “medical devices, namely, neurological stents and catheters.” After the petition for cancellation was filed alleging that the SOU was fraudulent, Neuro Vasx admitted that it had not used its mark for stents. It requested amendment of the registration by deleting “stents,” claiming that the word had been “overlooked” when the SOU form was completed. The Board denied the motion to amend,

(continued on next page)

“The *NASDAQ* decision and *Toro Co. v. ToroHead, Inc.*, 61 USPQ2d 1164 (TTAB 2001), comprise the two landmarks of TTAB dilution jurisprudence.”

holding that fraud was committed in the procurement of the registration because Neuro Vasx “knew or should have known” that its statement was false. The Board therefore declared the entire resulting registration to be void. Although Neuro Vasx (not surprisingly) denied a fraudulent intent, the Board ruled that “the appropriate inquiry is not into registrant’s subjective intent, but rather into the objective manifestations of that intent.”

3. Nike, Inc. v. Pleasures of the Table, Inc., Opposition No. 91115293 (July 10, 2003) [not citable].

In this dubious decision, the TTAB effectively afforded Opposer Nike an anti-dilution remedy without requiring that Nike meet the rigorous standards for a Section 43(c) claim. The Board sustained a Section 2(d) opposition to registration of the mark NIKE & Design for food preparation, distribution, and serving, and for restaurant, cocktail lounge, and catering services, finding the mark likely to cause confusion with various NIKE marks registered for footwear, clothing, and other products, and for retail store services. “[C]ompelling evidence” of the fame of Opposer’s NIKE mark and trade name – including almost \$5 billion in sales in 2001, advertising expenditures of \$239.9 million in that same year, and endorsements by various sports luminaries – moved the Board to grant NIKE broad protection under Section 2(d). Noting that Nike uses the NIKE mark in connection with a food service at its convention centers, the Board found this service to be a “logical expansion” of Opposer’s business into “obvious collateral services.”



“... the TTAB effectively afforded Opposer Nike an anti-dilution remedy without requiring that Nike meet the rigorous standards for a Section 43(c) claim.”

4. Seculus De Amazonia S/A v. Toyota Jidosha Kabushiki Kaisha, 66 USPQ2d 1154 (TTAB 2003).

The Board dismissed this opposition to registration of the mark LEXUS & Design (fig. 1) for watches because Opposer Seculus failed to state a valid ground for opposition. The opposition stemmed from Toyota’s alleged misconduct before the U.S. Customs Service that resulted in the seizure, based on Toyota’s mark, of 67 cartons of watch parts bearing Opposer Seculus’s different LEXUS & Design mark (Fig. 2). Contending that the seizure was unlawful because, contrary to representation made to the Customs Service, Toyota’s mark is not registered, Seculus requested that the Board exercise its “equitable power and authority” to refuse registration of Toyota’s mark. The Board found standing to oppose, but concluded that Seculus failed to state a valid basis for opposition under Section 18 of the *Trademark Act*. Granting Toyota’s motion to dismiss, the Board ruled that “[w]hile a party may allege unclean hands as an affirmative defense in a Board proceeding, there is no authority for opposer’s assertion thereof as a ground for its notice of opposition.”



Fig. 1



Fig. 2

5. Carano v. Vina Concha Y Toro S.A., 67 USPQ2d 1149 (TTAB 2003). The TTAB granted without prejudice Vina Concha’s Rule 12(b)(6) motion to dismiss for failure to state a claim. Opposer Marilyn Carano contended that she, rather than Vina Concha, owns the design portion of the mark at issue. Carano registered the design with

(continued on next page)

the U.S. Copyright Office and filed a civil action alleging that Vina Concha's use of the mark constitutes copyright infringement. The TTAB lacks jurisdiction to determine copyright infringement, and Carano did not expressly plead copyright infringement in her Notice of Opposition. The Board concluded, however, that her trademark

claim "is not distinct from her copyright claim" because unless Vina Concha is a copyright infringer it is entitled to registration of its trademark. Thus until a federal court declares the design portion of the mark to be an infringement of Carano's copyright, she does not have a cognizable claim that Vina Concha's use is unlawful.



6. Saint-Gobain Abrasives, Inc. v. Unova Industrial Automation Systems, Inc., 66 USPQ2d 1355 (TTAB 2003). Saint-Gobain asserted that Unova's trademark application and registrations (for marks comprising stripes or bands applied to abrasive wheels and disks) were fatally indefinite because the applications and registrations "do not specify the exact shade of yellow or blue, or any color" and therefore are directed to "more than one mark." The Board, however, ruled that this "phantom mark" allegation addressed a mere *ex parte* examination error and failed to state a proper ground for an *inter partes* proceeding. Moreover, as to one of the registrations, this claim was barred under Section 14 of the *Trademark Act* because the registration was more than five years old and "indefiniteness" is not one of the limited number of defenses that survive the five-year cutoff. As to Saint-Gobain's claim that the marks are functional (because they indicate size, application or wear), the Board rejected Unova's laches-based motion to dismiss, ruling that functionality, like fraud, embodies public policy concerns and therefore that the defenses of laches and acquiescence are not available.

"...functionality, like fraud, embodies public policy concerns and therefore ... the defenses of laches and acquiescence are not available."

7. Hart Info LLC v. Innovative Measurement Solutions, Inc., Opposition No. 91123830 (December 4, 2003) [not citable]. In this dispute over ownership of the mark FORMULATION WORKSTATION & Design for computer software, the Board sustained the opposition because it found that Innovative is not the rightful owner. After reviewing the extensive record concerning the business dealings between the parties, the Board found that the relationship constituted a joint venture under applicable state law. The joint venture owned the mark at the time of



its adoption and early use, but the joint venture ended without the parties ever agreeing on the ownership issue. The Board curiously ruled that "allowing either party to this joint venture to *register* this mark in the wake of dissolution would result in consumer confusion as to source, which would be in violation of the anti-confusion policy of both state and federal law." [emphasis added]. As a result, the Board held that neither party had proven exclusive ownership of the mark and it therefore sustained the opposition.

8. In re Sunshine Distribution Inc., Serial No. 76070151 (December 9, 2003) [not citable]. The Board reversed a Section 2(d) refusal to register the mark RAZORS for inline skates, which mark the Examining Attorney deemed confusingly similar to the registered mark RAZOR & Design for "non-motorized scooters, toy scooters, and model scooters." Sunshine submitted a consent to registration from the Registrant, but the Examining Attorney considered it to be a "naked consent" because it did not

(continued on next page)

state any reasons for concluding that no likelihood of confusion exists, nor did it set forth any arrangement between the parties to avoid public confusion. In response, Sunshine stated that “[t]hose substantive matters are addressed thoroughly” in a confidential settlement agreement, and Registrant’s counsel confirmed that those terms were confidential. The Board noted that the marks are “very similar” and the goods related, but CAFC precedent requires that “great deference” be given “to the decisions of businesses that are on the ‘firing line.’” Because the other *du Pont* factors did not “dictate” a finding of likelihood of confusion, and despite not having the opportunity to see the relevant settlement terms, the Board sided with Sunshine.



9. *Toro Co. v. GrassMasters, Inc.*, 66 USPQ2d 1032 (TTAB 2003). The Board dismissed this Section 2(d) opposition to registration of the mark LAWN PUP (“lawn” disclaimed) for lawn mowers, finding it not likely to cause confusion with the registered mark LAWN-BOY for lawn mowers and related goods and services. The Board concluded that confusion is not likely because of the dissimilarities in the marks, the admitted descriptiveness of the word “lawn,” and the likely care to be exercised in the purchase of these relatively expensive goods. Opposer Toro also asserted a registration for the mark SNOW PUP for snow plows, but the evidence showed that Toro stopped selling snow plows under that mark in 1980. The Board then ruled that, even though Applicant GrassMasters did not file a counterclaim for cancellation, Toro was nonetheless precluded from relying on the SNOW PUP registration because the affidavit of use it filed in 1986 falsely stated that the mark was still in use for snow plows.

10. *In re Cell Therapeutics, Inc.*, 67 USPQ2d 1795 (TTAB 2003). The Board affirmed refusals to register, on the ground of genericness, the term CELL THERAPEUTICS, INC. (“Inc.” disclaimed) for bio-chemical signaling pathway modulators and related laboratory services. The Examining Attorney made of record “significant evidence” from the NEXIS database establishing that the entire phrase CELL THERAPEUTICS is generic for Applicant’s goods and services. Applicant argued that many of the NEXIS items were from wire services and should be accorded little probative value in light of TTAB precedent. The Board, however, distinguished its earlier rulings by pointing out that here the relevant public comprises highly sophisticated medical doctors and researchers who have access to news wire stores. Moreover, because of the widespread use of personal computers, the Board concluded that news wire stories are now more likely to reach the general public and therefore have decidedly more probative value today.

From the trademark practitioner’s viewpoint, the year 2003 may have been dominated by the much-anticipated and somewhat anti-climactic arrival of the Madrid Protocol on American shores. Meanwhile, the TTAB continued to deal efficiently with the myriad issues that arise in the steady flow of appeals and contested proceedings that demand its consideration and judgment. The wise practitioner will, of course, continue to keep a close eye on the decisions of the TTAB.

Another version of this article first appeared in the April 26, 2004 edition of The National Law Journal. Reprinted with permission © 2004 ALM Properties, Inc. All rights reserved. Further duplication without permission is prohibited.

“... because of the widespread use of personal computers, the Board concluded that news wire stories are now more likely to reach the general public and therefore have decidedly more probative value today.”