

Allen's Trademark Digest[®]

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

Keeping Tabs on the TTAB[®]

The TTAB in 2007: *Rules, Rulings, and Repercussions*

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The year 2007 brought many changes in the TTAB Rules and a new policy toward citation of Board decisions. The Rule changes in particular will require the close attention of trademark practitioners, but whether the amended Rules and the revised citation policy will have a substantial substantive impact on TTAB practice remains to be seen.

On the decisional front, the Board has increased the number of precedential decisions that it issues. It continues to develop its fraud jurisprudence, although the underlying rationale requires some clarification. The issue of proving a *bona fide* intent to use a mark has suddenly appeared on the radar screen. And the Board may be in the process of re-thinking its approach to the Section 2(e)(4) surname refusal.

Finally, this year-end review could not be complete without a mention of the latest chapter in the Leo Stoller story, a story that may at last be coming to a fitting conclusion.

I. Citability of Board Decisions

Last year, the TTAB issued something in the neighborhood of 500 final decisions, 57 of which were deemed "citable." That was a marked increase over the two previous years, in which 18 (2005) and 13 (2004) decisions were "citable." This surge reflects the TTAB's stated goal of increasing the number of "citable" decisions to about 60-80 per year. Through the first 11 months of 2007, the Board has issued 65 "citable" decisions, and thus will likely reach its stated goal.

The use of quotation marks around the word "citable" in the previous paragraph is intended to signal a change in Board terminology. As indicated in an *Official Gazette* Notice of January 23, 2007, the Board has altered its policy regarding citation of its decisions and has rendered obsolete the old categories of "citable" and "not citable." Now, all Board decisions may be cited – including those issued prior to 2007 – but only those deemed "precedential" (or "citable," in pre-2007 parlance) will have binding effect. The Board's Notice states:

- The TTAB will continue its current practice of designating all final decisions as either precedential or not precedential. Unless specifically designated as precedential, an order on a motion should be considered not precedential.
- The TTAB will continue its practice of considering precedential decisions as binding upon the TTAB.
- A decision designated as not precedential is not binding upon the TTAB but may be cited for whatever persuasive value it might have.

In making this change, the Board was surely feeling some pressure from the Supreme Court rule change allowing the citation of "unpublished" opinions in federal appellate courts cases beginning in 2007. TTAB Chief Judge Sams has said that this ruling by the Supreme Court would not affect the TTAB directly because the Board is not an Article III court. But he also stated that such a ruling would be taken into consideration by the Board. Apparently, the Board decided to follow the Supreme Court's lead.

It remains to be seen whether this new Board policy will have any substantive effect or whether it is merely cosmetic. Since many Board decisions are heavily fact-dependent, it seems likely that in most cases, the citation of non-precedential decisions will have little impact.

At the same time, however, practitioners are more likely to extend their legal research to include non-precedential Board decisions. Because very few non-precedential decisions are published in the UNITED STATES PATENT QUARTERLY, the task of researching such decisions may prove to be difficult. One tool is ALLEN'S TRADEMARK DIGEST, which categorizes and indexes most non-precedential decisions. Another resource is The TTABlog (www.ttablog.com), where one of the authors of this paper discusses and indexes many non-precedential Board rulings. In addition, all final TTAB decisions may be found at the PTO's e-FOIA page at <http://des.uspto.gov/Foia/TTABReadingRoom.jsp>.

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II. The New TTAB Rules

Back in January 2006, the Board first set forth its plan to re-vamp the Rules applicable to TTAB proceedings. The PTO posited that the proposed rules, which adopted the "disclosure model" of the Federal Rules of Civil Procedure, would increase "the efficiency of the processes for commencing *inter partes* cases" and "the efficiency by which discovery and pre-trial information is exchanged."

That initial proposal would have effected major changes in TTAB procedure, and particularly in discovery practice, and was met with widespread dissatisfaction. The Board received a number of written comments and criticisms from law firms, individual practitioners, and intellectual property organizations. In July 2006, representatives of the USPTO, the ABA, INTA, IPO, and AIPLA met to discuss the proposed Rule changes. The organizations suggested a number of modifications to the Board's proposal, including an easing of the burden on plaintiff to effect service of the initial pleading, a more modest requirement for initial mandatory disclosures, a withdrawal of the Board's plan to decrease the maximum number of interrogatories from 75 to 25, and a modification of the expert discovery provisions.

To its credit, the Board went back to the drawing board and on August 1, 2007, it issued its new Rules package, significantly modifying the original proposal. Now, the plaintiff still must attempt service of the original pleading but only on the current address(es) listed in the PTO records. Mandatory disclosure requirements have been watered down, the interrogatory limit remains at 75, and some flexibility has been added regarding expert disclosures and discovery. Most of the Rule changes took effect on November 1, 2007. However, the Board's standard

protective order has been imposed as of August 31, 2007, in *all* cases – even those pending, unless a different protective order has already been entered. Also effective as of that date, a modification of Rule 2.122(d)(1) gave parties the option of submitting pleaded registrations in the form of photocopies from the PTO databases rather than PTO issued status-and-title copies. [That change will be further discussed below.]

In its Notice, the Board summarized the Rule changes as follows:

The United States Patent and Trademark Office (Office) is amending the Trademark Rules of Practice (trademark rules) to require plaintiffs in Trademark Trial and Appeal Board (Board) *inter partes* proceedings to serve on defendants their complaints or claims; to utilize in Board *inter partes* proceedings a modified form of the disclosure practices included in the Federal Rules of Civil Procedure; and to delete the option of making submissions to the Board in CD-ROM form. In addition, certain amendments are being made to clarify rules, conform the rules to current practice, and correct typographical errors or deviations from standard terminology.

The result of the Board's efforts is surely much less troublesome and onerous for parties and practitioners than originally feared. For the seasoned TTAB practitioner, it means docketing a number of additional deadline dates, but for those who infrequently litigate at the TTAB, the new Rules present more opportunities for misstep. Set forth immediately below is a sample timetable or schedule for an opposition or cancellation proceeding, based upon the Board's issuance of an institution order on December 1, 2007.

Day 0:	Board's Institution Order	[December 1, 2007]
Day 40:	Defendant's Answer Due	[January 10, 2007]
Day 60:	Request Board Participation in Conference	[January 30, 2007]
Day 70:	Discovery Conference Deadline	[February 9, 2008]
Day 70:	Discovery to Open	[February 9, 2008]
Day 99:	Sanctions Motion (re Conference) Deadline	[March 9, 2008]
Day 100:	Both Parties' Initial Disclosures Due	[March 10, 2008]
Day 220:	Expert Disclosures Due	[July 8, 2008]
Day 250:	Discovery to Close	[August 7, 2008]
Day 250:	Rebuttal Expert Disclosures Due	[August 7, 2008]
Day 250:	Motion to Compel Expert Disclosures Due	[August 7, 2008]
Day 295:	Plaintiff's Pre-Trial Disclosures Due	[September 21, 2008]
Day 309:	Motions for SJ or Compel Discovery Due	[October 5, 2008]
Day 310:	Plaintiff's Testimony Period to Open	[October 6, 2008]
Day 340:	Plaintiff's Testimony Period to Close	[November 5, 2008]
Day 355:	Defendant's Pre-Trial Disclosures Due	[November 20, 2008]
Day 370:	Defendant's Testimony to Open	[December 5, 2008]
Day 400:	Defendant's Testimony Period to Close	[January 4, 2009]
Day 415:	Plaintiff's Rebuttal Disclosures Due	[January 19, 2009]
Day 430:	Plaintiff's Rebuttal Period to Open	[February 3, 2009]

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Day 445:	Plaintiff's Rebuttal Period to Close	[February 18, 2009]
Day 505:	Plaintiff's Trial Brief Due	[April 19, 2009]
Day 535:	Defendant's Trial Brief Due	[May 19, 2009]
Day 550:	Plaintiff's Rebuttal Trial Brief Due	[June 3, 2009]
Day 560:	Request for Oral Argument Due	[June 13, 2009]

Note that this hypothetical calendar does not include any extensions of time or suspensions of the proceeding. With the discovery period now commencing 30 days after the due date for the answer (rather than before the answer), the length of a hypothetical proceeding such as this has been increased by about 50 days.

Perhaps the most significant new development contained in the amended Rules, and the one that requires the most thought and planning on the part of parties and attorneys, is the requirement of a discovery conference early in the case. The Board sees this conference as a means of fostering settlement discussions and co-operatively streamlining the discovery process. Parties and practitioners, on the other hand, will recognize this conference not only as an opportunity to advance their case, but also as a chance for the adversary to gain ground. Particularly significant and potentially problematical is the provision that permits any party to request that a Board representative participate in the discovery conference. Not only must a party contemplate whether and how to broach the issue of settlement and how to pursue its discovery requirements at the conference, but it must also consider whether to ask for participation by the Board and how to deal with the conference if another party asks for Board participation. Reportedly, the Board representative who participates in a discovery conference will most likely be the interlocutory attorney assigned to the case. Thus each party will be aware that, when a Board representative is involved in the conference, the party's actions (i.e., its degree of cooperation) may have future ramifications as the proceeding develops.

Many other factors may also affect a party's approach to the discovery conference, including the relative size of the parties, the reputation of the interlocutory attorney assigned to the case, the particular issues that are most important to the proceeding, and the track record of the adversary and its attorney in TTAB proceedings. By way of example, a party whose adversary is appearing *pro se* may not want a Board representative to participate in the discovery conference, lest the representative be overly-helpful to the *pro se* party. On the other hand, in that same scenario, participation of the Board representative may well facilitate discovery, and the representative's neutrality may be beneficial in persuading the *pro se* applicant that settlement is a mutually beneficial outcome.

In short, the new discovery conference scheme is completely uncharted territory, and a party should plan ahead as to what it wants to accomplish through the conference, and how it will best reach its goals, rather than wander aimlessly into potential trouble.

III. Submitting A Pled Registration

It is surprising how frequently a party will fail to properly introduce its pleaded registration(s) into evidence. Prior to the recent amendments, Rule 2.122(d) set forth several ways to introduce a pleaded registration: by attaching a two PTO-issued status-and-title copies to the initial pleading, via testimony of a knowledgeable witness confirming the ownership and status of the registration, or by including a status-and-title copy with a notice of reliance. Yet some parties simply ignore this rule, as illustrated by a number of TTAB decisions in 2007.

For example, the TTAB dismissed two Section 2(d) oppositions brought by the State of New York in connection with the familiar, registered I♥NY mark, because New York failed to satisfy Rule 2.122(d). In one case, *New York State Dept. of Economic Development v. Stewart*, Opposition No. 91162024 (March 13, 2007) [not precedential], the Board ruled that New York had failed to establish priority, and in the other, *New York State Dept. of Economic Development v. I Love Santa Barbara, Inc.*, Opposition No. 91165648 (October 31, 2007) [not precedential], New York failed to prove both standing and priority. In each case, New York took no testimony and submitted mere photocopies of its registrations, rather than status-and-title copies, by way of notice of reliance. What makes New York's failure particular unfathomable is the fact that, in each case, the Board, in denying New York's summary judgment motion, gave notice to New York that mere photocopies of the registrations were not sufficient for purposes of Rule 2.122(d).

Similarly, in *Monster Cable Prods., Inc. v. Euroflex S.R.L.*, Opposition No. 91161150 (October 24, 2007) [not precedential], the Board dismissed a Section 2(d) opposition for lack of standing because Opposer Monster Cable failed to make properly of record any of its 50 registrations. Monster Cable submitted, as exhibits during its testimony period, plain photocopies of its registrations. Its accompanying testimony, however, fell short of establishing ownership or validity. Monster Cable's witness "was simply asked to identify the mark and indicate as to each [registration] whether the mark is still in use." That was plainly not enough to satisfy the Rule.

Rule 2.122(d)(1) was amended effective as of August 31, 2007, to eliminate partially the need for a status-and-title copy of a pleaded registration, but only for proceedings commenced on or after that date, and only with regard to submission of a registration *with the initial pleading*. Rule 2.122(d) now reads as follows:

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(d) *Registrations*. (1) A registration of the opposer or petitioner pleaded in an opposition or petition to cancel will be received in evidence and made part of the record if the opposition or petition is accompanied by an original or photocopy of the registration prepared and issued by the United States Patent and Trademark Office showing both the current status of and current title to the registration, *or by a current printout of information from the electronic database records of the USPTO showing the current status and title of the registration*. For the cost of a copy of a registration showing status and title, see §2.6(b)(4). [Emphasis added].

(2) A registration owned by any party to a proceeding may be made of record in the proceeding by that party by appropriate identification and introduction during the taking of testimony or by filing a notice of reliance, which shall be accompanied by a copy (original or photocopy) of the registration prepared and issued by the Patent and Trademark Office showing both the current status of and current title to the registration. The notice of reliance shall be filed during the testimony period of the party that files the notice.

Note that, according to the amended Rule, the status-and-title requirement is not eliminated when a party submits a pleaded registration with a notice of reliance (or with a summary judgment motion). This anomaly was reportedly unintended, and a reliable source has indicated that proper photocopies from the PTO databases (TARR and assignment) will suffice even on summary judgment or with a notice of reliance. No practitioner, however, will want to be the first to test that point, and so the wise choice is to attach to the initial pleading, appropriate photocopies for the pleaded registration, or otherwise to utilize live testimony or a status-and-title copy to establish ownership and status.

Even with the change to Rule 2.122(d), we can expect an occasional party to continue to ignore the requirements of the rule. Some will undoubtedly submit ordinary photocopies of the pleaded registration, or a TARR printout without the necessary assignment database printout. It would seem that a possible way to eliminate this “trap for the unwary” would be for the Board to take judicial notice of the information on the PTO’s own databases. After all, if the Board is going to accept printouts from the TARR and assignment databases to prove status and title, why not shortcut the problem by eliminating the middle man? Why not create a rebuttable presumption that the information on the PTO databases is correct?

IV. Focusing on Fraud

The Board’s precedential ruling in *Hurley Int’l. LLC v Volta*, Opposition No. 91158304 (January 23, 2007), once again pushed the issue of fraud into the spotlight. Since its seminal ruling in *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 USPQ2d 1205 (TTAB 2003), the Board has consistently sustained a charge of fraud when an applicant or registrant falsely claimed use of its mark in connection with identified goods or services. Last year’s precedential decision in *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917 (TTAB 2006), invalidating three registrations on the ground of fraud, continued and reinforced the Board’s unrelenting approach. As Jonathan Moskin noted in the *INTA Bulletin* (Vol. 62, No. 4, February 15, 2007), the Board’s rule “is not fraud in any traditional sense, but is rather a strict liability rule” for a false averment regarding use of a mark, irrespective of the actual, subjective intent or innocence of the applicant or registrant.

In *Hurley*, the Board extended the *Medinol* approach to an applicant whose mark has been published for opposition. However, a footnote in *Hurley* invitingly suggests that, if corrected before the application’s publication, a false statement regarding use is not fraud. That concept deserves further exploration.

In *Hurley*, Paul and Joanne Volta, who together comprised the Australian musical duo called “The Sign,” filed a Section 1(a) use-based application to register their mark in the design form shown here, for various entertainment related services. However, discovery revealed that the Voltas had not used the mark on some of the recited services at the time of filing their application. When Opposer Hurley (successfully) moved to amend its notice of opposition to add a claim of fraud, the Voltas filed a motion to amend their application to delete the Section 1(a) basis and to substitute a Section 44(e) basis, relying on their Australian registration for the mark.

Hurley argued that this case is analogous to *Medinol*, where fraud was found because registrant Neuro Vasx had never used its registered mark on one of two goods identified in its registration. Hurley further pointed out that Applicants reside in Australia, an English-speaking country, and that Joanne Volta apparently holds an Australian law degree. Given the “wealth of information” provided at the USPTO’s Website, Hurley argued, the Voltas had no excuse for their false assertion.

The Voltas, of course, pleaded innocence. They claimed that they misunderstood the requirements of Section 1(a), and particularly the legal meaning of “use in commerce,” and that they “honestly believed that their ownership of the same mark in Australia and their use in commerce of such mark in Australia justified their Section 1(a) filing in the U.S.” They pointed to

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their Website, referring to it as a “global domain.” They stressed that they have been “defending themselves and have no legal representation as such,” and claimed that they were distracted when Paul Volta “suffered a major coronary infarct.” And finally, the Voltas argued that this case is distinguishable from *Medinol* because they had yet to obtain a registration.

The TTAB was totally unsympathetic to the Applicants’ plight and it agreed with Opposer Hurley that “this case is similar to the *Medinol* case.” The Board observed that here, as there, the application would have been refused but for “applicants’ misrepresentation regarding their use of the mark on all the recited services in the application.” And it is irrelevant that a registration had not yet issued:

Applicants have provided no compelling argument why the law allows for cancellation of a registration after it is obtained through fraud, but does not allow for the prevention of a registration when fraud is revealed and the issuance of a registration is imminent.

The fact that Applicants allegedly misunderstood “a clear and unambiguous requirement for an application based on use, were not represented by legal counsel, and were suffering health problems” did not change the Board’s mind. Applicants were “under an obligation to investigate thoroughly the validity of such a belief before signing their application under certain penalties.” Moreover, their “asserted misunderstanding regarding the meaning of ‘use in commerce’ was not reasonable.”

At the time they filed their application, they knew they were seeking a registration for their mark in the United States. It was unreasonable for them to believe, however ‘honest’ such a belief, that the term ‘use in commerce’ on a trademark application in the United States meant anything other than use of the mark in commerce in or with the United States, or even that use in commerce in Australia was the legal equivalent of use in commerce in the United States.

And their assertion of innocence was irrelevant because “[p]roof of specific intent is not required.”

The Board therefore deemed the application void *ab initio* and entered summary judgment in Opposer’s favor.

As to the Voltas’ motion to amend their filing basis to Section 44(e), the Board observed that “the proposed amendment does not serve to cure a fraud that was committed.” Therefore, it deemed this motion “moot.” [The Board noted, however, that its decision would not preclude Applicants from filing a new Section 44(e) application.]

Despite the stringent approach taken by the Board in *Hurley v. Volta*, the decision fortunately does offer a ray of hope for Applicants and their counsel – at least if they act quickly to correct any false statements, made in good faith, regarding use: i.e., if they correct the misstatement prior to publication of the mark. In footnote 5 of its opinion, the Board offered the following *dictum*: “We note, however, that a misstatement in an application as to the goods or services on which a mark has been used does not rise to the level of fraud where an applicant amends the application prior to publication. See, *Universal Overall Co. v. Stonecutter Mills Corp.*, 154 USPQ 104 (CCPA 1967).”

The Board’s citation of *Universal Overall* is an interesting one. There, the CCPA noted that the false statement was “made in good faith and not in an attempt to perpetrate a fraud on the Patent Office or on Opposer,” and that at the suggestion of the Examiner, Applicant Stonecutter amended its application to recite “fabrics” rather than “printed clothing.” Unlike in *Hurley*, however, the CCPA did not address whether the false statement was “reasonable.” Is the Board suggesting in *Hurley* that the reasonableness of the false statement is irrelevant if corrected prior to publication? Or does an unreasonable false statement regarding use, made *at any time*, constitute fraud?

Universal Overall instead focused on the jurisdictional or procedural issue of whether Opposer had a legitimate claim of damage at the time of opposition. The court observed that Opposer’s damage claim could not be predicated on the application as filed, but only on the (corrected) application as published. Because the published application no longer contained the false information, there was no basis for a damage claim.

One could argue that a false statement of use may cause damage whether or not made in good faith and whether or not the misstatement is corrected prior to publication. It is true that, if the false statement is corrected at an early date, the PTO Examining Attorney will not rely on the false statement in passing the mark to publication, nor will anyone be misled when reviewing the published application in the *Trademark Official Gazette*. However, when one conducts a trademark search, one does not consider only published applications; unpublished applications are also taken into account. An unpublished application that falsely indicates use for some goods or services surely may in some instances affect a third-party’s decision as to whether to adopt a new mark; indeed a mark that seemingly has been put into use may cause more concern than a mark that is merely the subject of an intent-to-use application. Perhaps a false use claim has more impact when appearing in a published application, but it also may affect decisions of others before publication. So one may

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certainly question whether the date of publication is a proper dividing line for a fraud finding.

Moreover, the Board's suggestion that false statements corrected before publication do not constitute fraud seems to ignore that basic rationale of the *Medinol* decision. There, the Board stressed that the subjective intent of the registrant was irrelevant. The important point was that Respondent filed its statement of use under penalty of "fine or imprisonment, or both, ... and [knowing] that such willful false statements may jeopardize the validity of the application or any resulting registration...." As the Board stated in *Medinol*, "[s]tatements made with such degree of solemnity clearly are – or should be – investigated thoroughly prior to signature and submission to the USPTO."

Following the same reasoning, one could maintain that an applicant who makes a false and verified statement in an application – regardless of whether corrected before publication – has committed a fraud. So how does the leniency of the *Universal Overall* decision jibe with the strict liability approach of *Medinol*? Maybe it doesn't, and maybe the Board's reference to *Universal Overall* signals a retrenchment from the extreme position that it took in *Medinol*.

Subsequent to its ruling in *Hurley*, statements made by the Board in *dicta* in two cases provide further insight into the Board's thinking. In *Hachette Filipacchi Presse v. Elle Belle*, Cancellation No. 92042991 (April 9, 2007) [precedential], the Board echoed *Medinol* in declaring that "an applicant or registrant may not make a statement he/she knew or should have known was false or misleading," but then it seemed to step back from that assertion. Respondent sought to amend the subject registration to limit it to certain items of women's clothing. The PTO's post-registration section (mistakenly) entered the amendment. The Board ruled that the amendment would be given no effect: it does not serve to cure the fraud that was committed on the PTO. Fair enough. But the Board went on to note that it was not considering the issue of whether an amendment to a registration filed *prior to commencement of a cancellation proceeding* would cure or remove fraud.

Surely the Board is not suggesting that fraud can be cured after registration? How would that comport with its pronouncements that false statements by an applicant or registrant will not be tolerated? If correction of a false statement prior to publication of an application avoids fraud because there has been no "reliance" by the PTO Examining Attorney in passing the mark to publication, what about reliance by the PTO (and by third parties) after the registration has issued? What difference does it make whether a cancellation proceeding has been initiated? On the other hand, why did this Board panel bother to discuss an aspect of fraud that was not before it? [Or are we making too much out of a footnote?]

In *Kipling Apparel Corp. v. Rich*, Opposition No. 91170389 (April 16, 2007) [not precedential], the TTAB again stated in *dictum* that an (innocent) false statement regarding use of a mark, if corrected before the mark is published for opposition, will not be considered fraud. But if false statements are not to be tolerated, should there not be some consequence resulting from the making of a false statement in an application, even if timely corrected to avoid fraud? Should the involved application be *void ab initio* on the ground that applicant made a false oath? Should the effective filing date be changed to the date of the corrective amendment (like an amendment to the Supplemental Register)?

In any case, in light of the Board's statement in footnote 5 of the *Hurley* decision, Applicants and their counsel might be wise to "audit" all pending, unpublished, use-based applications to make sure that the involved marks have indeed been used on all the identified goods and services. One might call this undertaking a "fraudit." The goal of the fraudit is, of course, to correct any misstatements regarding use before publication.

Rather than conduct a broad fraudit, one might review each particular application upon receipt of the PTO's Notice of Publication. However, a given mark is currently published for opposition only a few weeks after the issuance of the Notice of Publication, so, as a practical matter, there may not be enough time before publication to check the veracity of the claim of use of the mark and to make any appropriate correction to the application.

In summary, the Board's *dictum* in *Hurley* seems to offer practitioners and applicants a lifeline by which they can pull themselves free of the fraud quagmire. But it requires prompt and timely review of pending applications followed up by correction of misstatements regarding use. Clearly, the time for conducting the fraudit is now.

V. Re-thinking the Surname Refusal

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"*, Serial No. 78521961 (August 28, 2007). 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 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)

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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 noted 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

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 using their own surname. Far more important is the “rareness” factor: “If the 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 that of the applicant.”

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.”

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? The two key issues regarding surname refusals, we would argue, are the rareness of the surname and the existence of another meaning for the term.

Judge Seeherman, in a concurring opinion in *In re Marriott Int’l, Inc.*, Serial Nos. 78489804 and 78489829 (November 23, 2007) [not precedential], expanded on the comments she made in “*Baik*”, 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.

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 do those additional considerations make sense in light of the purposes of Section 2(e)(4)? We think not. At least not in establishing the PTO’s *prima facie* case.

VI. Proving An Intent To Use

A non-precedential ruling by the Board on the issue of *bona fide* intent to use a trademark may have wide-reaching implications. In what we believe to be the TTAB’s first ruling in which it found no *bona fide* intent to use a mark, the Board sustained an opposition to registration of the mark IDEAS INSIDE for on-line ordering and distribution services for a host of goods (including more than 200 items of clothing, from “anoraks” to “wrestling uniforms”), search engine services, and digital transmission services. Applicant Steven Emeny, appearing pro se, failed to produce any objective evidence of an intent to use the mark, and he therefore failed to overcome Opposer Intel’s *prima facie* case.

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Intel Corp. v. Emeny, Opposition No. 91123312 (May 15, 2007) [not precedential].

Intel had opposed on Section 2(d) and dilution grounds, based on its ownership of the INTEL INSIDE mark. After discovery, it added an allegation that Applicant lacked a bona fide intention to use the mark IDEAS INSIDE at the time of his ITU filing. Just before final briefs, at Intel's initiative, the Board dismissed the 2(d) and dilution claims, with prejudice. [Which leads one to ask, how did Intel still have standing to oppose?] Thus the sole remaining "issue" was Applicant's intent.

Opposer had the burden to prove, by a preponderance of the evidence, that Emeny lacked the requisite *bona fide* intention to use his mark in connection with the recited services. Once Opposer established a *prima facie* case, the burden shifted to Emeny to come forward with evidence in refutation. The burden of persuasion, however, remained with Opposer.

The term "bona fide" is not defined within the Trademark Act, but the legislative history of the Trademark Law Revision Act of 1988 "reveals that Congress intended the test of 'bona fide' to be shown by 'objective' evidence of 'circumstances' showing 'good faith.'" The Board agreed with Intel that "applicant's showing should be 'objective' in the sense that it is evidence in the form of real life facts measured by the actions of the applicant, not by the applicant's later arguments about his subjective state of mind."

Where, as here, an Applicant has no documentation to show his plans to use the mark, "such an absence of clear, objective evidence is sufficient for an opposer to prove that applicant lacked the requisite bona fide intention," unless the Applicant can come forward with an explanation as to why no such documents exist. See *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503 (TTAB 1993) [Granting Commodore's motion to amend its Notice of Opposition, stating: "Although admittedly a close question, we hold 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 any 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 its mark in commerce as required by Section 1(b). An allegation to such effect, therefore, states a claim upon which relief can be granted."]

The Board found that the circumstances of this case support the conclusion that Emeny lacked the requisite *bona fide* intent. The opposed application (like eight other applications filed by Emeny and later abandoned) included "an unreasonably broad listing of goods and services." Yet there was no evidence of any business plans, nor any evidence of a single business contact with any potential partner who would supply the goods that

Applicant would sell. Indeed, on cross-examination, Emeny admitted that he wanted to "make sure that nobody else [can] take advantage of those marks." This "defensive motivation" is the type of potential abuse that concerned Congress.

Emeny wholly failed to rebut Intel's *prima facie* case. In response to discovery requests, Emeny did not divulge any business or marketing plans, or any relevant discussions. He admitted that he conducted no specific planning and never promoted or sold any goods under the mark. In short, he provided no evidence of a *bona fide* intent to use the mark. Following the Board's position expressed in *Commodore*, the "failure to produce any objective evidence of an intent to use is sufficient basis for ruling in Intel's favor." Therefore, the Board sustained the opposition.

The ruling in *Intel v. Emeny* should cause every trademark practitioner, when filing a Section 1(b) application, to pause and ask how he or she will substantiate a client's claim of *bona fide* intent. Are there documents available? Is there a business plan? Is there a memorandum in the file or a letter from the client setting forth some details about its intentions?

And what about the foreign applicant who includes in its Section 44 application the requisite recitation of a *bona fide* intention to use its mark in commerce? [Both Sections 44(d) and 44(e) require that statement.] Will the *Emeny* and *Commodore* decisions apply equally to both Section 1(b) applications and Section 44 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 without proof of actual use of the mark, how many registrations obtained under Section 44 are vulnerable to attack on the ground of a lack of *bona fide* intent to use the mark in commerce? Has *Emeny* opened Pandora's Box for foreign registrants?

VII. Lights Out For Leo?

As a TTAB litigant and a general, all-around trademark irritant, Leo Stoller may be in a class by himself. Indeed, the U.S. Court of Appeals for the Seventh Circuit recently proclaimed that "were there a Hall of Fame for hyperactive trademark litigators, Stoller would be in it." *Central Mfg., Inc. v. Brett*, Appeal No. 06-2083 (7th Cir. July 9, 2007). But in the last two years, TTAB and court rulings have seemingly brought a halt to Stoller's annoying enterprise, and it might be said that, although Leo roared into 2006 like a lion, he is departing the year 2007 more like a lamb.

Things began to turn sour for Stoller on July 14, 2006, when the TTAB sanctioned him for his "misuse of the TTAB's procedures" by filing more than 1,800

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requests for extension to oppose (from November 2005). According to the PTO, Stoller was “holding up thousands of trademark applications in an attempt to coerce applicants to license, i.e., ‘rent,’ trademarks to which” he has not “demonstrated any proprietary right.” The PTO vacated the extensions of time, dismissed any corresponding oppositions filed, and forever banned Stoller himself from seeking any extension of time to oppose. Stoller appealed the PTO’s Order to the United States Court of Appeals for the Federal Circuit, but the CAFC ruled that it lacked jurisdiction over the matter, agreeing with the PTO that Stoller’s right to direct review, “if any, would be pursuant to the Administrative Procedure Act (5 U.S.C. Section 701 et seq.).” Apparently, Stoller did not seek such review.

Stoller’s woes continued in 2007. In an Order issued on March 8, 2007, the Executive Committee of the United States District Court for the Northern District of Illinois enjoined Stoller from “filing any new action or proceeding” with the court “without first obtaining leave.” Noting that Mr. Stoller filed “at least 49 lawsuits in this Court, individually or through one of his corporations” and that in 2006 and 2007 he filed “five appeals to the District Court in connection with orders entered by the Bankruptcy Court ... and three appeals to the Seventh Circuit Court of Appeals,” the Executive Committee found that “reasonable and necessary constraints must be imposed upon Mr. Stoller’s ability to file new civil cases in this District pro se.”

The Order sets out a procedure by which Stoller must submit any new complaint accompanied by a “Motion Seeking Leave to File Pursuant to Order of Executive Committee.” The Motion must include a “sworn statement certifying that the claims raised by or on behalf of Mr. Stoller in the complaint are new claims never before raised in any federal court.” The Executive Committee will then examine any complaint submitted to determine whether it should be filed.

Also in March, the PTO received the Final Judgment in *Central Mfg. Co. v. Pure Fishing, Inc.*, Case No. 05-c-0725 (N.D. Ill.), in which the federal court in Chicago ordered cancellation of 34 registrations for the mark STEALTH and variations thereof, owned by Stoller’s company, Central Mfg. Co. Stoller had appealed from the district court’s Order requiring cancellation, but he failed to timely file his brief, leading to dismissal of the appeal by the CAFC on February 12, 2007 for want of prosecution. The PTO proceeded to cancel the registrations in late June.

In July 2007, the U.S. Court of Appeals for the Seventh Circuit affirmed a 2005 judgment in favor of George Brett and brothers in *Central Mfg., Inc. v. Brett*, Appeal No. 06-2083 (7th Cir. July 9, 2007). The lower court had granted Brett’s motion for summary judgment of noninfringement, cancelled Stoller’s registration for the

mark STEALTH for “baseball, softball, t-ball bats,” and awarded attorneys’ fees to the defendants.

Reviewing Stoller’s litigation history, the appellate court observed that trademark litigation “one might say is the essential part of his business strategy.” The court found “absolutely nothing ... upon which any reasonable person could conclude that Central and its predecessors actually sold ‘Stealth’ baseballs prior to Brett Brothers’ first use of the mark in 1999.” As to the affirmance of the award of attorneys’ fees, the court noted that

[Central] filed an infringement lawsuit without evidence of any sales of baseballs or baseball bats to support its claim to rights in the ‘Stealth’ mark for such products. It ignored requests to produce documents to support its claim, forcing the defendants’ lawyers to go to court to compel action. Stoller offered confused, misleading deposition testimony, with unfulfilled promises of cooperation. And the documents he eventually produced made a mockery of the entire proceeding. We have no trouble in upholding the award of fees and costs.

On August 20, 2007, the Chapter 7 Trustee in Bankruptcy for Leo Stoller’s estate assigned all of Stoller’s trademark rights to the Society for the Prevention of Trademark Abuse (SPTA). Trademark attorney Lance Johnson, the Director of the SPTA, described the Society as follows:

The Society for the Prevention of Trademark Abuse, LLC was established for the purpose of buying Stoller’s IP portfolio, licenses, claims, and all rights in all pending actions. The Society’s plan is to convey the marks others may want/need to clear the way for their own applications to proceed, [and to] wind up all pending matters in a manner consistent with the known and trustworthy evidence.

Exemplary marks in the acquired portfolio include: STEALTH, SENTRA, TRILLIUM, DARK STAR, TERMINATOR, RENTAMARK, TRIANA, AIR FRAME, FIRE POWER, 24 KARAT, HAVOC, ANNIHILATOR and STRADIVARIUS.

Thus as the year 2007 draws to a close, we may have seen the last of the Leo Stoller reign of trademark terror. But don’t count on it.

VIII. Conclusion

As we close the book on 2007, trademark practitioners may look forward to an exciting year 2008 at the TTAB. They will want to keep a close eye on the implementation of the new TTAB Rules, particularly the operation

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of the discovery conference procedure and the Board's interpretation of the scope of mandatory disclosure. With all the new dates to be docketed for an *inter partes* proceeding, practitioners may find docketing clerks demanding more pay. Perhaps we will see additional developments in the fraud arena, certainly at the TTAB level, but maybe even the CAFC will have the opportunity to provide some guidance. Substantive areas like surname refusals, dilution, and genericness seem to be fertile ground for further developments. And maybe Leo Stoller will make some sort of comeback. We shall see.

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