

# Decisions of the Trademark Trial and Appeal Board and the Federal Courts on Registrability Issues

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 @TTABlog





# HOUSEKEEPING

## Two Judges Retired

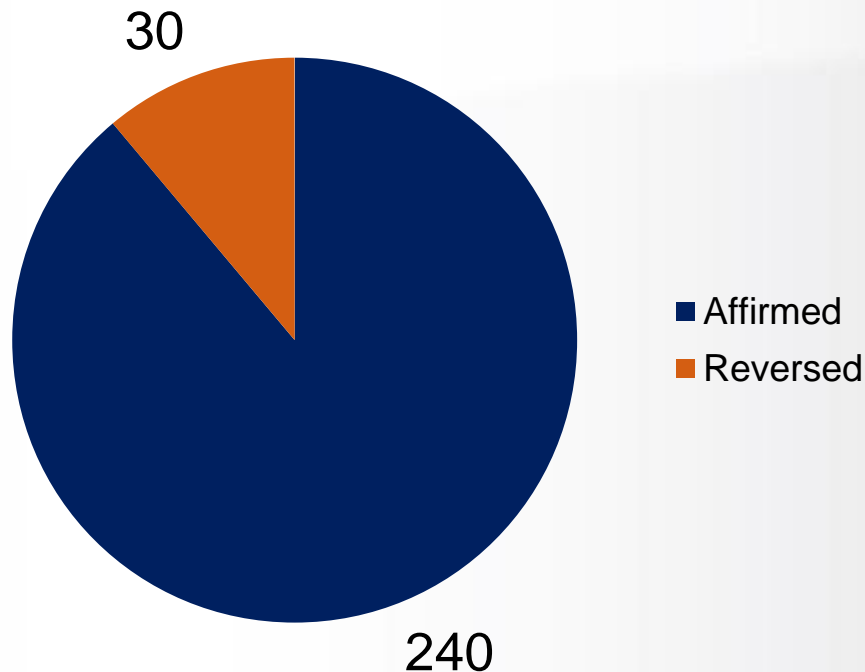
- **Deputy Chief Judge Susan M. Richey** – appointed in 2014 after 18 years as a professor and administrator at University of New Hampshire School of Law (f/k/a Franklin Pierce).
- **Judge T. Jeffrey Quinn** – longest serving judge. Appointed in 1988. Former trademark examining attorney and interlocutory attorney.



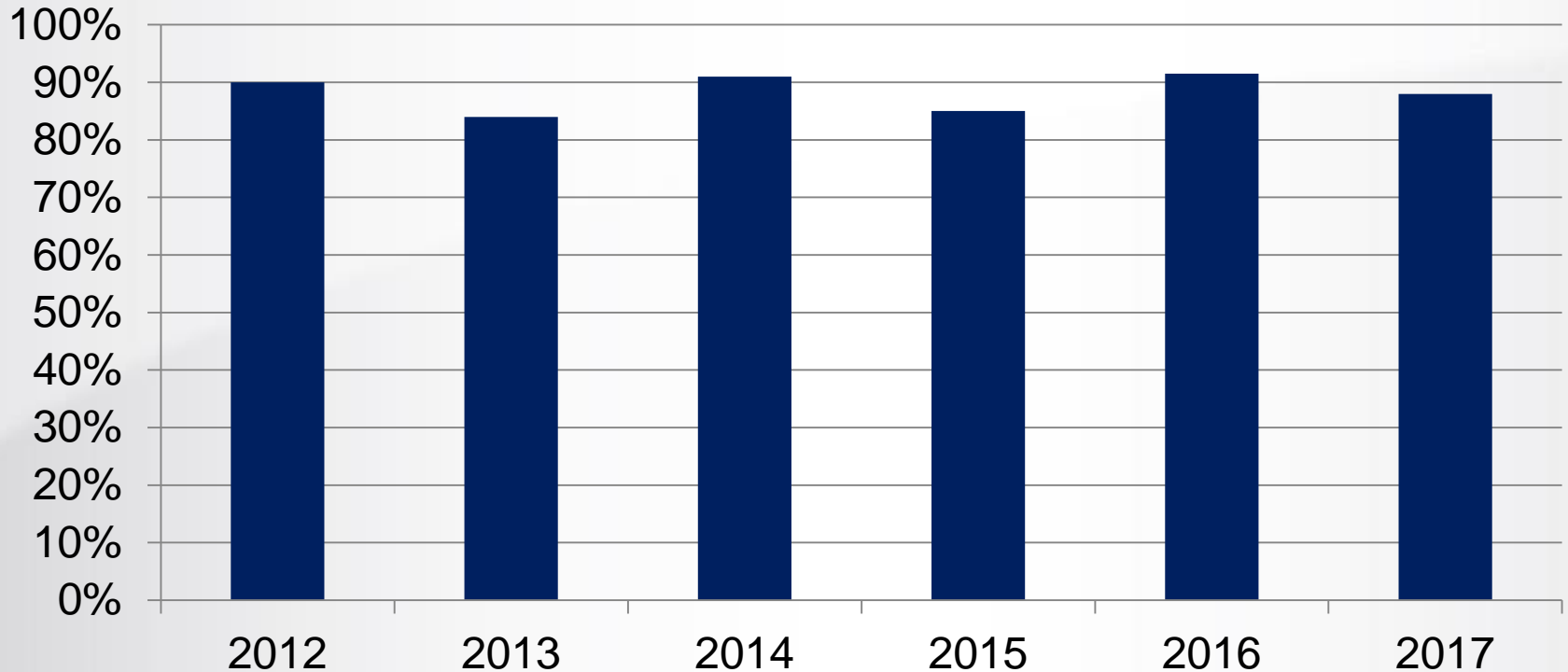
**Chief Administrative Trademark Judge Gerard F. Rogers**

# Likelihood of Affirmance of a 2(d) Refusal?

- For the calendar year 2017, I counted 270 Section 2(d) refusals, of which 240 were affirmed and 30 reversed.
- That's an affirmance rate of about 88% (~ 8 out of 9).



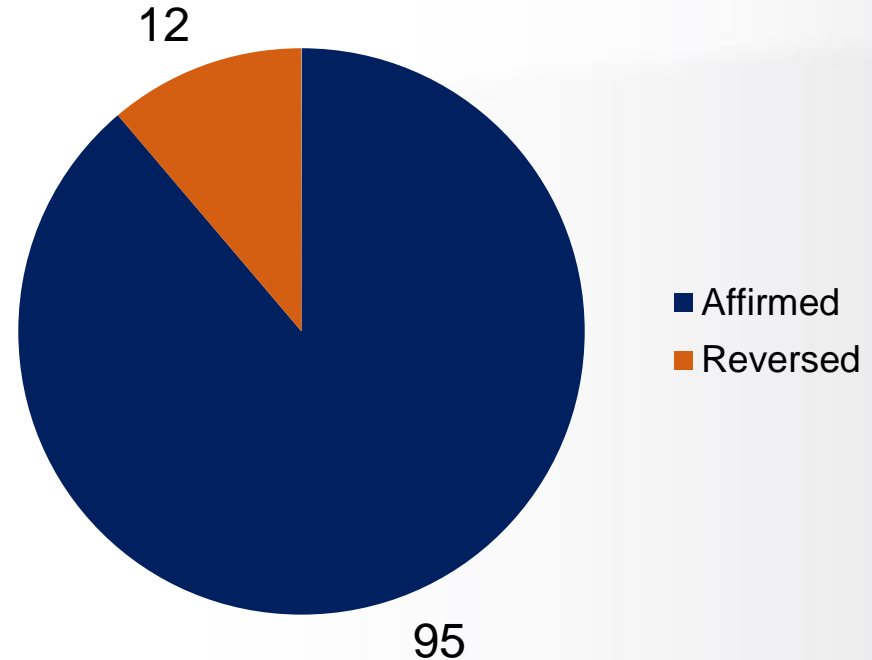
# Likelihood of Affirmance of a 2(d) Refusal?





# What About Affirmance of Section 2(e)(1) Mere Descriptiveness Refusals?

- Of the 107 Section 2(e)(1) mere descriptiveness refusals, 95 were affirmed and 12 reversed, for an affirmance rate of nearly 89%. That is slightly lower than last year.



# New TTAB Rules Effective January 2017

- Require that all filings in TTAB proceedings be made electronically via ESTTA. [See *DFC Expo LLC v. Coyle*]
- Shift responsibility to the TTAB to serve notices of opposition and petitions for cancellation.
- Require that service of papers between parties be effected by email.

# New TTAB Rules

- Limit document requests and admission requests to 75 each, and adopt the concept of "proportionality."
- Require that all discovery be completed by the close of the discovery period. (*Estudi Moline Dissey*)
- Provide the option to submit testimony by declaration or affidavit, subject to cross-examination at other party's expense.

# New TTAB Rules

- *KID-Systeme GmbH v. Türk Hava Yollari Teknik Anonim Sirket*

"[A]ny issue that may arise concerning the transition to the revised rules for cases pending as of the effective date of the rules would be addressed by the Board and the parties on a case-by-case basis, allowing for flexibility to respond to the unique needs in each case, *particularly with respect to scheduling matters.*" [Emphasis by the Board] (April 4, 2016) [Notice of Proposed Rulemaking]

# Rants

- ~~“Trademark” is not a verb.~~
- ~~There is no such thing as an “incontestable” registration.~~
- ~~Recordings of TTAB hearings should be available.~~
- Proportionality and the weaponization of discovery.

# Proportionality

- Codified in 2017 in Rule 2.120(a)(1): The provisions of Rule 26 of the Federal Rules of Civil Procedure relating to ... proportionality ... are applicable to Board proceedings .....



“Lip Service”  
©JLW 2005

# Proportionality

- FRCP 26: Parties may obtain discovery regarding any nonprivileged matter that is **relevant to any party's claim or defense and proportional to the needs of the case**, considering the importance of the issues at stake in the action, the amount in controversy, the parties' relative access to relevant information, **the parties' resources**, the importance of the discovery in resolving the issues, and whether the burden or expense of the proposed discovery outweighs its likely benefit.

# Proportionality

- *Frito-Lay North America, Inc. v. Princeton Vanguard, LLC*, 100 USPQ2d 1904 (TTAB 2011) (the burden and expense of e-discovery will weigh heavily against requiring production in most cases).
- *Joshua Domond v. 37.37, Inc.*, 113 USPQ2d 1264 (TTAB 2015) (872 requests for admission, 247 document requests, and 26 interrogatories in the first two days of the discovery period).



# IN THE COURTS

# *Matal v. Tam*



## *Matal v. Tam*

- The Supreme Court ruled in June 2017 that the disparagement provision of Section 2(a) of the Trademark Act is facially unconstitutional because it violates the Free Speech clause of the First Amendment. "It offends a bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend."

## Question

- Suppose one applies to register a mark that disparages (or tarnishes) the Olympics? Is the Ted Stevens Act unconstitutional if applied to bar registration of this "mark?"



## *In re Brunetti*

- In December 2017, the CAFC ruled that the Section 2(a) bar to registration of immoral or scandalous marks is an unconstitutional restriction of free speech.



## *In re Brunetti*

- The CAFC therefore reversed the TTAB affirmance of the USPTO's refusal to register the mark FUCT for athletic apparel on the ground that the mark is vulgar and thus scandalous.

## *In re Brunetti*

- The government contended that *Tam* does not resolve the constitutionality issue because the disparagement provision implicated viewpoint discrimination, whereas the immoral or scandalous provision is viewpoint neutral.

## *In re Brunetti*

- The CAFC, putting aside the question regarding viewpoint discrimination, concluded that the immoral or scandalous provision "impermissibly discriminates based on content in violation of the First Amendment."



## *In re Brunetti*

- To survive a constitutional challenge, such a law "must withstand strict scrutiny review, which requires that the government 'prove that the restriction furthers a compelling interest and is narrowly tailored to achieve that interest.'"

## *In re Brunetti*

- Judge Dyk proposed that the court narrow the scope of the provision to "obscene" marks in order to preserve the provision's constitutionality. The majority, however, found no basis for construing "immoral or scandalous" to mean "obscene," and stated that it could not re-write the statute.

# Expenses On § 1071 Review



Probiotic

## *Shammas v. Hirschfeld*

- Section 1071(b)(3) of the Trademark Act provides that, in a review by way of civil action of an *ex parte* TTAB decision, the appellant/plaintiff must pay "all the expenses of the proceeding," unless the expenses are unreasonable. §1071(b)(3).
- Do "expenses" include attorney fees? In *Shammas*, E.D. Va. said yes. Win or lose.

## *Shammas v. Hirschfeld*

- The 4th Circuit affirmed.
- In March 2016, the Supreme Court denied a *certiorari* petition, and in April 2017 the 4<sup>th</sup> Circuit refused re-consideration of *Shammas*.

# *NantKwest, Inc. v. Lee*



## *NantKwest, Inc. v. Lee*

- On the patent side, the E.D. Va. ruled in February 2016, in a civil action appealing a PTAB decision (Section 145 of the Patent Statute), that the USPTO was **not** entitled to collect attorney fees, despite the language of the statute: "all the expenses of the proceeding." [The court did grant expert witness expenses]

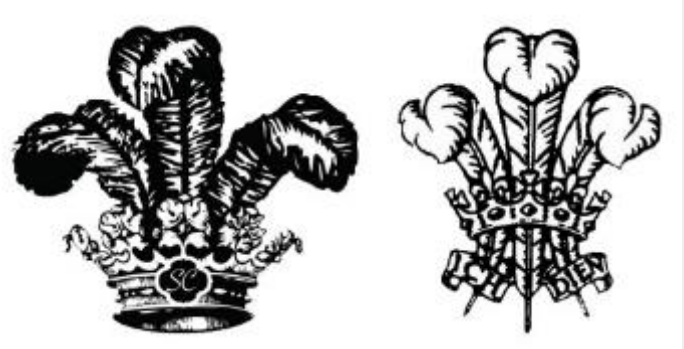
## *NantKwest, Inc. v. Lee*

- The *NantKwest* case is now on appeal to the CAFC. [*en banc* hearing held on March 8th]
- INTA has filed an *amicus* brief in favor of affirmance: "The burden of being obligated to pay the USPTO's attorney's fees is such a prohibitive expense that it would effectively remove district court review under Section 145 as a viable procedure for all but the wealthiest applicants."



# *In re Shabby Chic Brands LLC*

- The Board vacated its precedential decision that upheld a Section 2(b) refusal of the mark on the left (for housewares) in view of the Prince of Wales symbol on the right.
- On appeal, applicant asked the CAFC to take judicial notice of certain materials that were not before the Board.



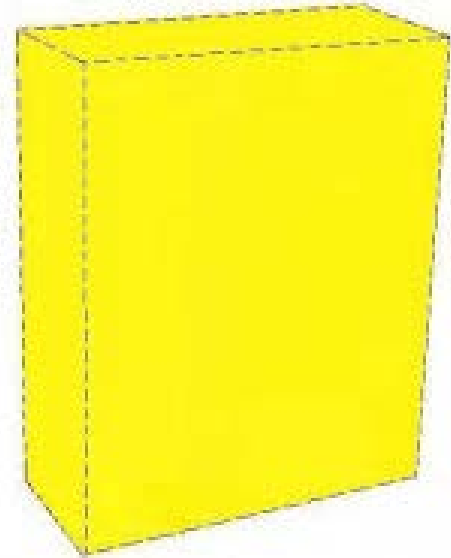
## *In re Shabby Chic Brands LLC*

- Appellant asserted that a court of appeals has discretion to take judicial notice pursuant to FRE 201 of facts not included in the record below, "even if not used by the trial tribunal, and may support or undermine that tribunal's conclusions."
- The CAFC agreed with the parties that "it would be best for all involved to remand this case to the USPTO for further proceedings."

# AT THE TTAB

## *In re General Mills IP Holdings II, LLC*

- Affirming a refusal to register the color yellow appearing on packaging for "toroidal-shaped, oat-based breakfast cereal," the TTAB found that the alleged mark lacks acquired distinctiveness and therefore fails to function as a trademark.



## *In re General Mills IP Holdings II, LLC*

- General Mills submitted voluminous evidence to support its claim of acquired distinctiveness, but the Board was convinced by proof of third-party use of yellow packaging for cereal products, that consumers "do not perceive the color yellow as having source significance for the goods."

## *In re General Mills IP Holdings II, LLC*

- In short, the presence in the market of yellow-packaged cereals from various sources further undermined any possible source significance for the color yellow.



# *Frito-Lay North America, Inc. v. Princeton Vanguard, LLC*

- On remand, the Board again found the term **PRETZEL CRISPS** to be generic for "pretzel crackers." The CAFC instructed the Board to apply the two-part test set forth in *Marvin Ginn*, and to consider evidence of the relevant public's understanding of the term **PRETZEL CRISPS** as a whole.



# *Frito-Lay North America, Inc. v. Princeton Vanguard, LLC*

- There was no dispute that the category of goods here at issue is adequately defined by PV's identification of goods: "pretzel crackers." The relevant public comprises ordinary consumers who purchase and eat pretzel crackers.



# *Frito-Lay North America, Inc. v. Princeton Vanguard, LLC*

- The Board weighed the dictionary definitions of "pretzel" and "crisp," results of LexisNexis database searches of "pretzel crisps," media references, negative dictionary evidence, and consumer feedback.

# *Frito-Lay North America, Inc. v. Princeton Vanguard, LLC*

- The "Teflon" survey results submitted by the parties were deemed irrelevant because the "Teflon" format is not appropriate for a term that is not inherently distinctive, and in any case the survey methods were flawed.

# *Frito-Lay North America, Inc. v. Princeton Vanguard, LLC*

- Moreover, even if the survey results were relevant and acceptable, the survey results overall supported a finding of genericness.

## *In re Mecca Grade Growers, LLC*

- **MECHANICALLY FLOOR-MALTED** found to be generic for "malt for brewing and distilling" and for "processing of agricultural grain"



## *In re Mecca Grade Growers, LLC*

- The fact that the term is an adjective rather than a noun "does not render it less generic." *In re Central Sprinkler Co.*, 49 USPQ2d 1194, 1199 (TTAB 1998) (ATTIC for fire sprinklers); see also *Sheetz of Del., Inc. v. Doctor's Assocs. Inc.*, 108 USPQ2d 1341, 1366 (TTAB 2013) (FOOTLONG for sandwiches).

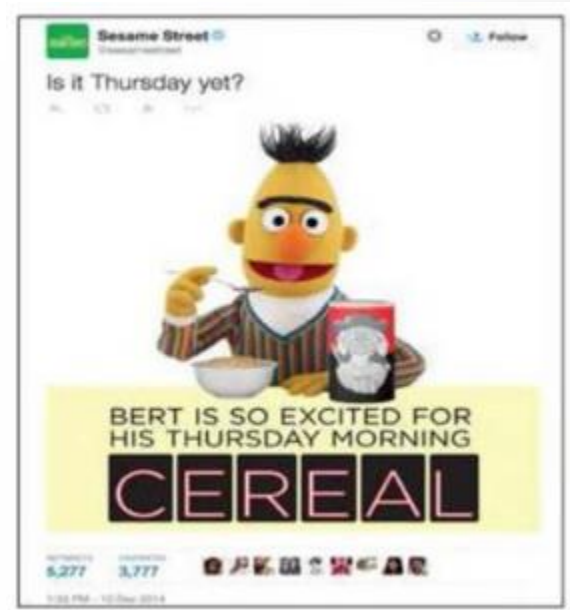
## *In re Serial Podcast, LLC*

- SERIAL found to be generic for "entertainment in the nature of an ongoing audio program" (i.e., a podcast), but the stylized versions were registrable under Section 2(f), with disclaimer.



## *In re Serial Podcast, LLC*

- Others have copied and parodied the logos, including *Saturday Night Live* and *Sesame Street*. The Board found these parodies to be "highly unusual and highly significant evidence," since a mark "has to be well known in the first place to be parodied."



## *Chanel, Inc. v. Camacho & Camacho, LLP*

- [Not Precedential]. In a rare Section 43(c) dilution decision, the Board sustained Chanel's opposition to registration of the mark above right, for accounting services, finding the mark likely to cause dilution by blurring of Chanel's famous CC Monogram mark.



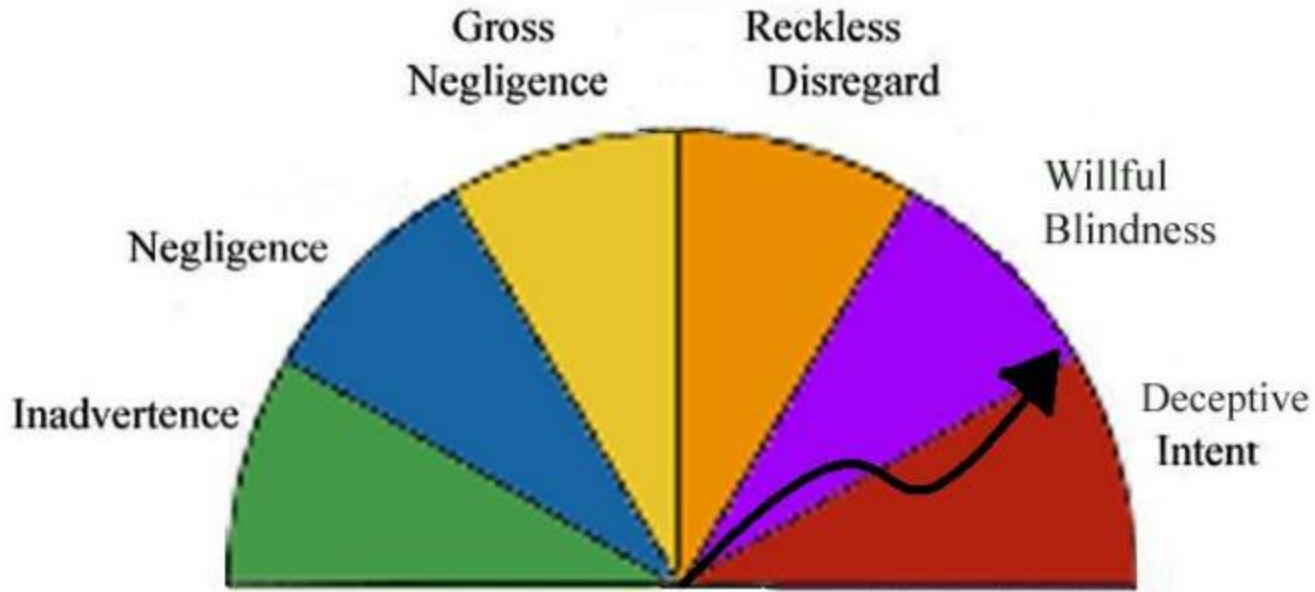


# *Chanel, Inc. v. Camacho & Camacho, LLP*

- Although Chanel offered no probative evidence regarding the extent of actual recognition of the Monogram mark, the Board found that the Monogram mark became famous prior to 2002.
- The Board concluded that Chanel's Monogram mark is a "household name" synonymous with high fashion and style, and that the two marks are "highly similar" in appearance and commercial impression.

# FRAUD-O-METER™

(beta version 2.0)



# Fraud

- In *Software Freedom Law Center v. Software Freedom Conservancy*, the Board denied a motion to add a fraud claim based on:
  - (1) respondent's declaration in its underlying application; and
  - (2) respondent's non-inclusion of all of its services in its application.



# Fraud

- In *Tommie Copper IP, Inc. v. Gcool-Tech Usa LL*, the Board denied a fraud claim despite applicant's submission of a mock-up specimen of use and false dates of first use.



# Fraud

- Applicant's witness testified that his father (applicant's founder) "was under the mistaken impression that its use of the mark in other countries constituted use in commerce in the United States."
- Opposer pointed to no evidence of a deceptive intent. In fact, in its questioning of the witness, opposer expressly assumed that applicant had a "mistaken belief" at the time of filing, and that it "didn't really understand" the concept of use in commerce.

## *In re FCA US LLC*

- The Board affirmed a 2(d) refusal of **MOAB** for "Motor vehicles, namely, passenger automobiles, their structural parts, trim and badges" in view of the registered mark **MOAB INDUSTRIES** for "Automotive conversion services, namely, installing specialty automotive equipment"



## *In re FCA US LLC*

- While the subject application was pending (and suspended), the federal court in Arizona ruled in favor of Applicant FKA US LLC (f/k/a Chrysler Group LLC) in a trademark infringement and unfair competition action brought by the cited registrant.

## *In re FCA US LLC*

- At the district court, registrant failed to prove that Applicant's use of the mark MOAB in connection with its "JEEP WRANGLER MOAB Special Edition" vehicles "was likely to cause confusion on the part of reasonably prudent customers for [Registrant's] upfitted vehicles."



## *In re FCA US LLC*

- Applicant here argued that "The Board ... should defer to the more fulsome record upon which the District Court relied to draw its conclusions, and the District Court's careful consideration of likelihood-of-confusion factors ... "

## *In re FCA US LLC*

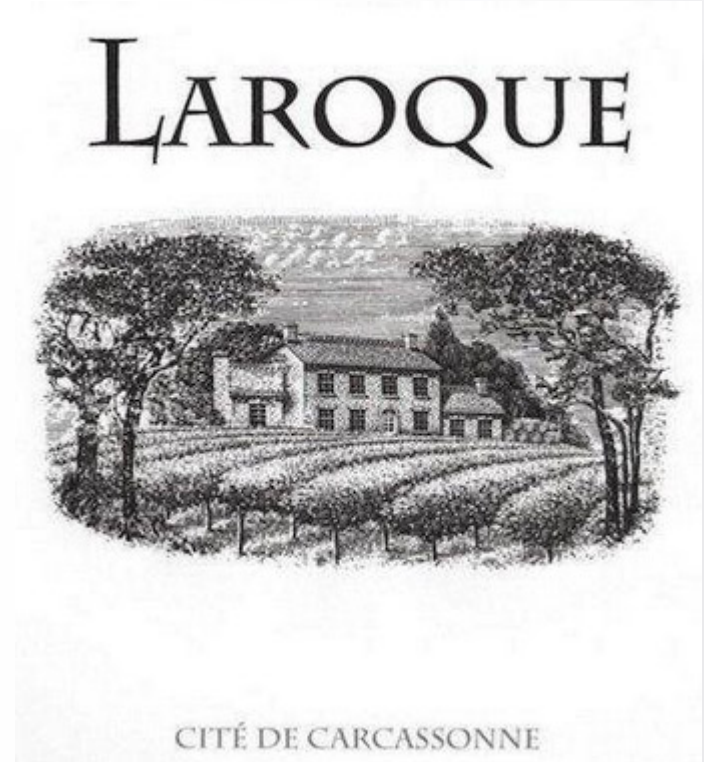
- The Board found that the court rulings had no estoppel effect on the Board's determination of this *ex parte* appeal, observing that "[although there is some overlap between Applicant's defense and counterclaims in the federal court action and the basis of refusal of Applicant's application, they also raise discrete issues. In other words, the issues are not identical."

## *In re FCA US LLC*

- In the registration context, "likelihood of confusion is determined by the marks, the goods and services, and the usages disclosed in the application and the cited registration. Evidence of actual marketplace usages that seeks to limit or alter the usages encompassed by the marks, goods and services, or usages listed in the application and registration are not considered in assessing likelihood-of-confusion in the registration context."

## *In re Aquitaine Wine USA, LLC*

- The Board affirmed a Section 2(d) refusal to register the mark shown here, for certain French wines, finding it likely to cause confusion with the registered, standard character mark **CHATEAU LAROQUE**, other French wines.



## *In re Aquitaine Wine USA, LLC*

- The panel majority held that when comparing such marks for Section 2(d) purposes, the Board will consider variations of the depictions of the standard character mark only with regard to "font style, size, or color" of the "words, letters, numbers, or any combination thereof."

## *In re Aquitaine Wine USA, LLC*

- Concurring Administrative Trademark Judge Ritchie disagreed with majority's rule. She opined that the Board should not categorically exclude the depiction of designs from its analysis of standard character marks. (*E.g.*, a picture of a chateau for a wine called CHATEAU LAROQUE)
- So we have a precedential ruling by two judges in a three-judge panel.

# *TPI Holdings, Inc. v. TrailerTrader.com, LLC and Trailer Central LLC*



- TTAB dismissed an opposition to **TRAILERTRADERS.COM**, in standard character form, for advertising and informational services in the field of trailers, on the ground of laches.

# *TPI Holdings, Inc. v. TrailerTrader.com, LLC and Trailer Central LLC*

- Board ruled that petitioner unreasonably delayed for more than four years before filing the petition.
- Petitioner claimed to own a family of "-TRADER" marks, but the Board found the term to be too weak to serve as a family surname, in light of third-party uses and registrations.



# *TPI Holdings, Inc. v. TrailerTrader.com, LLC and Trailer Central LLC*

- The question of inevitable confusion was therefore moot, but the Board noted that even if Petitioner had a family of marks, it did not find confusion inevitable. This conclusion was based on the weakness of the -TRADER formative marks, the numerous third-party uses, and the lack of actual confusion despite more than seven years of coexistence of respondent's mark and petitioner's marks.

# *Kemi Organics, LLC v. Rakesh Gupta*

The Board found that petitioner's delay of slightly less than three years in bringing its petition for cancellation was not unreasonable, and in any event, respondent did not suffer damage during the period of delay.



# *Andre Young v. Draion M. Burch DO*

- The Board dismissed an opposition **DR. DRAI**, in standard character form and logo form, for educational, entertainment, and consulting services, and audio books and electronic publications, in the field of women's and men's health. Opposer Andre Young claimed a likelihood of confusion with his registered mark **DR. DRE** for musical sound recordings and entertainment services, as well as false association under Section 2(a).



# *Andre Young v. Draion M. Burch DO*

- The Board found that the DR. DRE mark "has achieved a degree of renown in the music field and is strong."
- The Board, however, found no evidence that the involved services are related. There was no evidence that opposer has done any licensing, nor that applicant's goods and services are of a type for which owners of merchandising marks would license their marks.



# *Andre Young v. Draion M. Burch DO*

- As to the Section 2(a) claim, again there was no evidence that opposer has done any licensing, nor any evidence that it is commonplace for celebrities to sell or license the goods or services of the type provided by applicant.



## *Andre Young v. Draion M. Burch DO*

- In short, there was no evidence that, due to opposer's reputation in the music industry, consumers would presume a connection with Applicant's educational and motivational speaking services or its medical and health care products and services when applicant's DR. DRAI marks are used on such goods and services.

# *Tao Licensing, LLC v. Bender Consulting Ltd. d/b/a Asian Pacific Beverages*

Prior to filing its Statement of Use, Registrant had not sold any goods under the mark TAO VODKA, but it contended that the distribution of samples sufficed.

The Board granted the petition on the ground of nonuse, and also upheld petitioner's 2(d) claim.



# *Tao Licensing, LLC v. Bender Consulting Ltd. d/b/a Asian Pacific Beverages*

The "sharing of these samples ... was more in the nature of a preliminary advisory consultation than bona fide use of the TAO VODKA mark in the ordinary course of trade."

The record showed that respondent rebranded an existing vodka product, Kai Vodka, as TAO VODKA after its unsuccessful attempt to sell its Kai Vodka to TAO venues



## *In re Weiss Watch Company, Inc.*

- The Board affirmed a Section 2(e)(4) refusal of **WEISS WATCH COMPANY** for watches, clocks, and related goods [WATCH COMPANY disclaimed], finding the applied-for mark to be primarily merely a surname.



## *In re Weiss Watch Company, Inc.*

- Applicant argued that, applying the doctrine of foreign equivalents, WEISS has non-surname significance because "weiss" means "white" in German, and thus the surname bar is inapplicable. Nein, said the Board.

## *In re Weiss Watch Company, Inc.*

- There was no evidence that WEISS has a recognized meaning in English other than as a surname, but applicant relied on *In re Isabella Fiore LLC*, where a surname refusal of FIORE was reversed because "fiore" is the Italian equivalent of "flower."

## *In re Weiss Watch Company, Inc.*

- The Board observed that "WEISS is not the standard orthography for the word 'white' in German." In German, the word "white" is spelled "Weiß." (ß is the letter B in the German alphabet). The evidence did not show that "weiss," spelled without the eszett, translates into "white" in English. The Board concluded that application of the doctrine of equivalents is not appropriate here.

## *In re PharmaCann LLC*

- The Board affirmed refusals to register **PHARMACANN** and **PHARMACANNIS** for "Retail store services featuring medical marijuana" and for "Dispensing of pharmaceuticals featuring medical marijuana."



## *In re PharmaCann LLC*

- The Board found that applicant lacked a *bona fide* intent to use the marks in commerce because the recited services are prohibited by a federal statute and cannot be in lawful use.
- Applicant was not aided by the "Cole Memo" or the Congressional prohibition of the DOJ from expending any funds to prevent any state that has legalized medical marijuana from implementing its own laws.

# THE END

