

**Decisions of the Trademark Trial and Appeal Board
and the Federal Circuit on Registrability Issues
July 2017 to August 2018**

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I. EX PARTE CASES

A. United States Court of Appeals for the Federal Circuit

1. Section 2(a) Scandalousness

a. *In re Brunetti*, 125 USPQ2d 1072 (Fed. Cir. 2017). The United States Court of Appeals for the Federal Circuit ruled that the Section 2(a) bar on registration of immoral or scandalous marks is an unconstitutional restriction of free speech. The CAFC therefore reversed the decision of the TTAB that affirmed the USPTO’s refusal to register the mark FUCT for athletic apparel on the ground that the mark is vulgar and thus scandalous. The Government unsuccessfully argued that this provision does not implicate the First Amendment because trademark registration is either a government subsidy program or a limited public forum. In the alternative, the Government contended that intermediate scrutiny under *Central Hudson* was the appropriate Constitutional test. The court concluded that – whether strict scrutiny or intermediate scrutiny applied – the immoral or scandalous provision “impermissibly discriminates based on content in violation of the First Amendment.” The court, however, seemingly left the door open for a more narrowly written provision that might, for example, ban the registration of “obscene” marks. [A request for rehearing *en banc* was denied by the CAFC].

2. Section 2(d) Likelihood of Confusion

a. *In re i.am symbolic, llc*, 123 USPQ2d 1744 (Fed. Cir. 2017). The CAFC upheld the TTAB’s decision affirming Section 2(d) refusals of the mark I AM for cosmetics and personal care products, sunglasses, and jewelry “all associated with William Adams, professionally known as will.i.am,” in view of the mark I AM, registered in standard character and stylized form for the same or related products. Symbolic argued that the Board erred by deeming the “will.i.am” restriction” to be “precatory” and “meaningless;” by ignoring third-party use and registration of other I AM marks; and by finding a likelihood of reverse confusion. The court ruled that the Board was correct in concluding that the “will.i.am” restriction “does not impose a meaningful limitation in this case for purposes of likelihood of confusion.” Symbolic’s evidence of third-party use of I AM for the same or similar goods fell short of the “ubiquitous” or “considerable” use of the mark components that was found in *Juice Generation* and *Jack Wolfskin*. And finally the court pointed out that the Board did not make a finding of reverse confusion.

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3. Section 2(e)(1) Mere Descriptiveness

a. *In re North Carolina Lottery*, 123 USPQ2d 1707 (Fed. Cir. 2017). The CAFC affirmed the TTAB's decision finding the mark FIRST TUESDAY to be merely descriptive of "lottery cards; scratch cars for playing lottery games" and of "lottery services." North Carolina's specimens of use included explanatory text such as "[n]ew scratch-offs the first Tuesday of every month." The examining attorney found that, in the context of applicant's promotional materials, the mark "merely describes a feature of [its] goods and services, namely, new versions of the goods and services are offered the first Tuesday of every month." The Board agreed, concluding that "[n]o mental thought or multi-step reasoning is required to reach a conclusion as to the nature of the involved goods and services." The court ruled that the Board did not err in considering the explanatory text appearing on applicant's specimens of use in determining the issue of descriptiveness

B. Trademark Trial and Appeal Board

1. Section 2(a) Deceptiveness/Section 2(e)(1) Deceptive Misdescriptiveness

a. *In re Canine Caviar Pet Foods, Inc.*, 126 USPQ2d 1590 (TTAB 2018). Ruling that website evidence from a no-longer active website is not probative, the Board found the term CAVIAR to be not misdescriptive of applicant's pet foods, and so it reversed Section 2(a) deceptiveness and Section 2(e)(1) deceptive misdescriptiveness refusals of the mark CANINE CAVIAR. The Board did, however, uphold the requirement that applicant disclaim the word CANINE. The examining attorney contended that consumers would understand the word "caviar" to mean that caviar is an ingredient of applicant's goods. There was no dispute that the goods does not contain caviar. Applicant maintained that consumers are likely to think of CANINE CAVIAR not as a reference to "fish roe," but as a laudatory reference to the quality of the product as "the best of its kind," as in "the caviar of pet foods." The examining attorney submitted Internet evidence that pet foods may contain caviar and that pet owners give caviar to their pets. However, several of the websites were no longer active and the Board found that to be fatal to the probative value of that evidence. It found that the overwhelming evidence indicated that caviar is almost never used as an ingredient for pet food. The Board concluded that consumers who perceive the word "caviar" in applicant's mark to mean "fish roe" are not likely to believe that applicant's goods contain caviar.

2. Section 2(d) Likelihood of Confusion

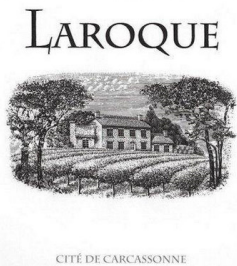
a. Likelihood of Confusion Found

i. *In re Solid State Design Inc.*, 125 USPQ2d 1409 (TTAB 2018). The Board affirmed a Section 2(d) refusal to register the mark POPULACE, in stylized form, for "Computer application software for mobile phones and desktop computers, namely, software for visualizing the popularity of places in real time, that uses an underlying map capability for navigation, sold as 'business to consumer' (B2C) software, and not as 'business to business'

(B2B) software,” finding it likely to cause confusion with the registered mark POPULACE in a different design form, for “Downloadable mobile applications for mobile phones and mobile electronic devices, primarily software for travel and destination marketing organizations and travel marketing professionals.” Applicant argued, to no avail, that the cited registration improperly failed to specify the function of the software, but the Board observed that it lacked the power to read limitations into the unrestricted identification of goods in the registration. The Board noted that “[t]his appeal illustrates the problems that can arise when the requirement to specify the function of a computer program such as a downloadable app is not satisfied.” The Board observed that, in such a situation, the applicant has the option of seeking a consent from the owner of the cited registration, or seeking a restriction of the registration under Section 18.

ii. *In re Aquitaine Wine USA, LLC*, 126 USPQ2d 1181 (TTAB 2018).

The Board affirmed a Section 2(d) refusal to register the mark shown here, for “Wine of French origin protected by the appellation of the origin Cité de Carcassonne” [CITÉ DE CARCASSONNE disclaimed], finding it likely to cause confusion with the registered mark



CHATEAU LAROQUE (in standard character form) for “Wines having the controlled appellation Saint-Emilion Grand Cru” [CHATEAU disclaimed]. The Board concluded, not surprisingly, that both the applied-for mark and the cited mark are dominated by the word LAROQUE. Applicant and the examining attorney jostled over whether the Board must consider only “reasonable variations” of the cited mark. The Board held that “when we are comparing a standard character mark to a word + design mark for Section 2(d) purposes, we 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.’” [Emphasis by the Board]. Judge Ritchie concurred in the result but disagreed with the majority’s rationale, finding “the pronouncement of the majority that it will not consider ‘design features’ to be both unnecessary and ultimately unhelpful.”

iii. *In re Inn at St. John’s, LLC*, 126 USPQ2d 1742 (TTAB 2018).

The Board affirmed a Section 2(d) refusal of the mark 5IVE STEAKHOUSE & Design (below left) in view of the registered mark 5IVESTEAK (Stylized) (below center), both for “restaurant



and bar services.” Applicant’s third-party registration evidence was unsatisfying, and its reliance on its prior registration of a similar mark lacked sizzle. The Board found the marks to be “highly similar” in appearance, sound, connotation, and commercial impression, pointing out that the literal portion of a word +

design mark is often considered the dominant feature because it is the portion that is most likely to indicate source. Under the thirteenth *du Pont* factor, applicant relied on its prior registration for the mark shown to the right, which has coexisted with the cited registration on the Trademark Register for more than five years. The Board, however, observed that the applied-for mark “moves closer to the cited registration” than the mark in the prior registration. The Board acknowledged that STEAK, STEAKHOUSE, and RESTAURANT are generic, or at best descriptive terms, “but such terms, in appropriate circumstances may – and here, do –



contribute to the overall commercial impression created by a mark.” However, because of the similarity of the wording 5IVE STEAKHOUSE and 5IVESTEAK, the Board deemed the existence of applicant’s prior registration to be a neutral factor in the Section 2(d) analysis.

iv. *In re i.am.symbolic, llc*, 127 USPQ2d 1627 (TTAB 2018). The Board affirmed a Section 2(d) refusal of #WILLPOWER for various clothing items, in view of the registered mark shown here, for overlapping clothing items [WEAR disclaimed]. Applicant’s



Have the will...

argument that consumers would recognize that its mark refers to musical performer will.i.am, and that its goods are purchased by his fans, fell on deaf ears. In *In re i.am.symbolic, llc*, 123 USPQ2d 1744 (Fed. Cir. 2017), *aff’d* 116 USPQ2d 1406 (TTAB 2015), the Board considered the same

applicant’s express limitation to goods “associated with William Adams, professionally known as ‘will.i.am,’” ruling that because the cited registrations contained no restriction as to trade channels or consumers, applicant’s “will.i.am restriction does not distinguish the mark sufficiently from the registrants’ marks to overcome the evidence of likelihood of confusion.” Applicant argued that the marks are “dramatically and substantially different in appearance,” but the Board did not see it that way: “the focus of Registrant’s mark is on the word WILLPOWER, which would be retained by the consumer more than the other elements.” As to the significance of the hashtag in applicant’s mark, the Board agreed with TMEP § 1202.18 that “a hash symbol or the word HASHTAG generally adds little or no source-indicating distinctiveness to a mark.”

3. Section 2(e)(4) Primarily Merely a Surname

a. *In re Weiss Watch Company, Inc.*, 123 USPQ2d 1200 (TTAB 2017). The Board affirmed a Section 2(e)(4) refusal of WEISS WATCH COMPANY for watches, clocks, and related goods, finding the applied-for mark to be primarily merely a surname. 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. The Board recognized that German is a major, modern language and that the proposed other meaning (“white”) is not obscure, but WEISS is not the standard orthography for the word ‘white’ in German.” Moreover, the surname WEISS originated as a habitational name in Germany and therefore a German speaker is likely to view WEISS as a surname rather than translate it into another word. WEISS is advertised to consumers as the name of applicant’s founder and head watchmaker. The addition of WATCH COMPANY to WEISS does not affect the surname significance of the mark, since neither “watch” nor “company” has any source-identifying significance.

b. *In re Olin Corp.*, 124 USPQ2d 1327 (TTAB 2017). Affirming a Section 2(e)(4) refusal of OLIN for certain chemical products, the Board found the mark to be primarily merely a surname and lacking in acquired distinctiveness under Section 2(f). The question of whether a mark is *primarily* merely a surname is a question separate from whether the mark has acquired distinctiveness. The Board noted that several thousand individuals have the surname

OLIN, that applicant still promotes its founding by Mr. Franklin Olin, that there was no non-surname meaning for OLIN, and that OLIN has the structure and pronunciation of a surname. The Board concluded that the evidence, taken as a whole, established that OLIN is primarily a surname. As to the Section 2(f) claim, the Board ruled that for a Section 1(b) application, as with a use-based application, acquired distinctiveness may be transferred to the involved mark under Trademark Rule 2.41(a). Olin’s prior registrations, however, were for unrelated goods. Moreover, Olin failed to show that its use of the mark was substantially exclusive for certain “historic” chemical products, it failed to provide evidence of advertising expenditures, survey results, media recognition, or third-party recognition for these products, and its evidence of sales did not segregate the “historic products” from other products.

4. Section 2(e)(5) Functionality

a. *In re Change Wind Corp.*, 123 USPQ2d 1453 (TTAB 2017). The TTAB affirmed a Section 2(e)(5) refusal to register the product configuration shown here, for “Wind turbines; Windpowered electricity generators,” finding the design to be functional because “it is essential to the use or purpose of the product.” Applicant’s own utility patent took the wind out of its sails: it “plainly discloses the functional role of the three components disclosed and claimed in Applicant’s drawing of the mark: the conical tower, the helical wings, and the boundary fences affixed to the helical wings. These features are necessary elements of the invention and are essential to the functioning of Applicant’s wind turbine.” Because the patent “demonstrated the utilitarian advantages of the VAWT design at issue,” the Board ruled that the product configuration is functional under Section 2(e)(5). Assuming *arguendo* that the design was not *de jure* functional, the Board also considered and rejected applicant’s claim that the applied-for mark had acquired distinctiveness under Section 2(f).



5. Section 2(f) Acquired Distinctiveness

a. *In re General Mills IP Holdings II, LLC*, 124 USPQ2d 1016 (TTAB 2017). Affirming a refusal to register the color yellow appearing on packaging for “toroidal-shaped, oat-based breakfast cereal” (*i.e.*, CHEERIOS®), the TTAB found that the alleged mark lacks acquired distinctiveness and therefore fails to function as a trademark. Although General Mills submitted voluminous evidence to support its Section 2(f) claim, 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.” The Board pointed out that “[b]y their nature color marks carry a difficult burden in demonstrating distinctiveness and trademark character.” *In re Owens-Corning Fiberglas Corp.*, 227 USPQ 417, 424 (Fed. Cir. 1985). The presence in the market of yellow-packaged cereals from various sources – including cereals that are not made of oats or are not toroidal in shape – undermined any possible source significance for the color yellow. General Mills pointed to its survey evidence purporting to show that 48.3% of respondents associated the yellow box with the CHEERIOS® brand. The Board, however, saw a hole in the survey, namely that the wording of the survey questions suggested that the respondents were allowed to name only one brand.

b. *In re American Furniture Warehouse CO*, 126 USPQ2d 1400 (TTAB 2018). The Board affirmed a refusal to register the mark shown here, for “retail furniture stores,” absent a disclaimer of “FURNITURE WAREHOUSE.” It also upheld the USPTO’s determination that “AMERICAN FURNITURE WAREHOUSE” is primarily geographically descriptive under Section 2(e)(2), but ruled that the phrase has acquired distinctiveness by reason of applicant’s registration for the standard character mark AMERICAN FURNITURE WAREHOUSE for the same services. The examining attorney erroneously maintained that “the alleged genericness of FURNITURE WAREHOUSE means that it cannot be a part of the claim of acquired distinctiveness.” Not so, said the Board: “the generic term may be included in the claim of acquired distinctiveness as long as an accompanying disclaimer of the generic term is provided.” The Board therefore accepted applicant’s Section 2(f) claim for AMERICAN FURNITURE WAREHOUSE, but required a disclaimer of the generic phrase FURNITURE WAREHOUSE. The Board noted that applicant had not been required to disclaim FURNITURE WAREHOUSE in its prior registrations, but that was irrelevant since the Board must assess each mark on its own facts and record.



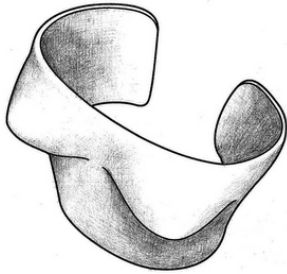
6. Failure to Function/Specimen of Use/Phantom Mark

a. *In re University of Miami*, 123 USPQ2d 1075 (TTAB 2017). The Board reversed two refusals to register the mark shown here, for various products and services, finding that the design comprised neither a mutilation of the mark as actually used, nor a phantom mark.



The applied-for mark, which “consists of an ibis wearing a hat and a sweater,” depicts the mascot of the University of Miami, Sebastian the Ibis. Mutilation: An applicant must submit a drawing that is a “substantially exact representation of the mark” as used. *See Trademark Rule 2.51(a)*. Here the mark in the drawing differed from the mark as used in several ways: in use, a stylized letter “U” appeared in the center of the hat, the word “Miami” was displayed on the front of the sweater, and the sweater had striping along the side and shoulders. The Board found that the applied-for design mark creates a separate and distinct commercial impression from the letter “U” and the word “Miami” that appear on the specimens of use, and further that the stripes on the sweater are merely a minor alteration. The Board concluded that “the overall display on the specimens creates the commercial impression of a personified ibis.” Phantom Mark: Neither the drawing nor the mark description identified a changeable or missing element. The extra elements that appear within the ibis design on the specimens of use are not “integral to Applicant’s mark.” In short, applicant was not seeking to register multiple marks.

b. *In re Keep A Breast Foundation*, 123 USPQ2d 1869 (TTAB 2017). The TTAB affirmed three refusals to register the design shown here, comprising a “three-dimensional cylindrical cast of female breasts and torso,” for associational, educational, and fund-raising services related to breast cancer awareness, finding that (1) applicant’s specimens of use fail to show the applied-for-mark in use with the recited services, (2) the design fails to function as a service mark, and (3) assuming *arguendo* that the first two refusals were overcome, the design constitutes nondistinctive trade dress that lacks acquired distinctiveness. Specimens of Use: Applicant’s specimens gave no indication of the services involved and were therefore inadequate. Failure to Function: Because the specimens of use fail to associate the design with the services, it is “unlikely that the relevant consumers will perceive the casts as indicating source.” Moreover, other charitable organizations similarly make breast/torso casts as part of their support services, and so the cast will be perceived as part of applicant’s services rather than as a source indicator. Acquired Distinctiveness: Assuming that the design serves as a mark and the specimens are acceptable, the Board found applicant’s Section 2(f) evidence insufficient, and furthermore that use of the purported mark was not “substantially exclusive” as required by Section 2(f) of the Trademark Act.



c. *In re Pitney Bowes, Inc.*, 125 USPQ2d 1417 (TTAB 2018). Overturning the examining attorney’s rejection of applicant’s specimen of use, the Board reversed a refusal to register the mark shown here, for various mailing services. The examining attorney maintained that applicant’s webpage specimen described a self-service kiosk that consumers use to mail and ship items but did not clearly indicate that applicant itself provided the subject services. The Board, however, ruled that “Applicant’s explanation of the specimen and how Applicant provides the outsourced mailing services referenced on the specimen resolved the ambiguity, and the refusal should not have been maintained.”



For advertisement specimens such as applicant’s webpage, “[i]n order to create the required ‘direct association,’ the specimen must not only contain a reference to the service, but also the mark must be used on the specimen to identify the service and its source.” “Both precedent and examination guidance make clear that in assessing the specimens, consideration must be given not only to the information provided by the specimen itself, but also to any explanations offered by Applicant clarifying the nature, content, or context of use of the specimen that are consistent with what the specimen itself shows.”

d. *In re Minerva Associates, Inc.*, 125 USPQ2d 1634 (TTAB 2018). The TTAB reversed a refusal to register the mark AWLVIEW for, *inter alia*, warehouse inventory management software, overturning the USPTO’s rejection of applicant’s specimen of use. Because the mark appears on the login and search screens of applicant’s downloadable software when the software is in use, the Board concluded that the specimen “shows the applied-for mark used in connection with the goods ... and would be perceived as a trademark identifying the source of those goods.” According to Section 904.03(e) of the Trademark Manual of Examining Procedure (Oct. 2017), an acceptable specimen for software “might be a photograph or printout of a display screen projecting the identifying trademark for a computer program.” The Board

noted that, again according to Section 904.03(e), “[i]t is not necessary that purchasers see the mark prior to purchasing the goods, as long as the mark is applied to the goods or their containers, or to a display associated with the goods, and the goods are sold or transported in commerce. *See, e.g., In re Brown Jordan Co.*, 219 USPQ 375 (TTAB 1983) (holding that stamping the mark after purchase of the goods, on a tag attached to the goods that are later transported in commerce, is sufficient use).”

e. *In re Society of Health and Physical Educators*, 127 USPQ2d 1584 (TTAB 2018). The Board affirmed a refusal to register SHAPE XXXX for educational publications and services on the ground that the term is a phantom mark that comprises more than one mark. The application stated that “[t]he ‘XXXX’ in the mark denotes the unabbreviated name of a state of the United States and Puerto Rico.” The crux of the issue was whether all permutations of SHAPE XXXX legally constitute “one mark,” *i.e.*, whether they are legal equivalents. “[T]here can be no hard and fast rule, because even generic and descriptive matter may contribute to the commercial impression of a mark in certain circumstances.” The Board found that SHAPE XXXX is not one mark because the different permutations thereof are not legal equivalents. Each variation of SHAPE XXX would have a different appearance and pronunciation. The range of variation is “undoubtedly broader” than that of the three-digit variable area code of the *Dial-A-Mattress* cases. Even though there may be more area codes than the number of states plus Puerto Rico, “the area codes were not only numerical and fixed in length, but also were part of a telephone number mnemonic, and so varied less in appearance and pronunciation.”

f. *In re Peace Love World Live, LLC*, 127 USPQ2d 1400 (TTAB 2018). The Board showed no ♥ for this applicant, affirming a refusal to register the mark I LOVE YOU, in standard character form, for bracelets. The Board found the phrase to be merely ornamental and therefore that it failed to function as a trademark. The crucial question, of course, was whether the applied-for mark would be perceived as a source indicator. In assessing a failure-to-function refusal, and particularly whether the mark is merely ornamental, the Board may consider whether the mark at issue is a common expression. Moreover, the size, location, dominance and significance of the mark are relevant to the determination. The Board found that the phrase I LOVE YOU is “essentially the bracelet itself.” It “conveys a term of endearment comprising the bracelet and, thus, it is ornamental. It does not identify and distinguish the source of the bracelet, especially where there is so much jewelry decorated with the term I LOVE YOU in the marketplace.” To add insult to injury, the Board also affirmed a Section 2(d) refusal on the ground of likelihood of confusion with the registered mark I LUV U for “jewelry, namely, necklaces, bracelets, rings and charms; pendants; earrings.”



7. Genericness

a. *In re Empire Tech. Dev. LLC*, 123 USPQ2d 1544 (TTAB 2017). Affirming a refusal to register COFFEE FLOUR on the Supplemental Register, the Board found the term to be generic for “flour made by processing and blending together coffee cherry skins,

pulp, and pectin for use, alone or in combination with other plant and milk based products, as a dry ingredient in food and beverage products for consumer use.” After an exhaustive review of the evidence, the Board concluded that relevant consumers understand the term to refer to flour made from the skin, pulp, and pectin of the coffee cherry portion of the coffee plant. “Applicant itself has communicated this meaning of the term ‘coffee flour’ to the public, and the articles in the record, from which we can infer the public’s understanding of the term, show that this message has been received and understood.”

b. *In re Serial Podcast, LLC*, 126 USPQ2d 1061 (TTAB 2018). The Board upheld a refusal to register the term SERIAL in standard character form, finding it to be generic for “entertainment in the nature of an ongoing audio



program featuring investigative reporting, interviews, and documentary storytelling.” However, the Board reversed refusals to register two design forms of the mark, shown here, finding that these two marks had acquired distinctiveness but requiring a disclaimer of the word “SERIAL” in each mark. Applicant argued that use of the term “serial” as a noun is antiquated and archaic, and that the term in modern usage is an adjective describing a characteristic of audio programs. The Board, however, rejected the noun/adjective distinction, pointing out that both nouns and adjectives may be generic. Even though some articles refer to applicant’s podcast by its name Serial, “that amounts, at most, to ‘de facto secondary meaning’ in a generic term,” and does not entitle applicant to registration. Because the applied-for mark is at best highly descriptive, “more substantial evidence” than media references is required to establish acquired distinctiveness. As to the word + design marks, the Board found, based on evidence of parodying and copying by third parties, that the composite logos have achieved public recognition as source indicators for applicant’s services.

c. *In re Mecca Grade Growers, LLC*, 125 USPQ2d 1950 (TTAB 2018). Affirming a refusal to register MECHANICALLY FLOOR-MALTED, the Board found the term to be generic for “malt for brewing and distilling” and “processing of agricultural grain.” Applicant Mecca, relying primarily on the CAFC’s *Princeton Vanguard* decision, contended that the USPTO’s evidence did not include use of the exact term “mechanically floor-malted” as a generic designation for the identified goods or services. The Board pointed out, however, that Mecca was misreading the precedent. “The fact that there is no evidence of third-party use of the precise term ‘mechanically floor-malted’ is not, by itself, necessarily fatal to a finding of genericness.” *Princeton Vanguard* explicitly did not overturn *In re Gould*, in which dictionary definitions and explanatory text in the applicant’s specimen sufficed to establish genericness. By remanding the *Princeton Vanguard* case to the Board, the CAFC merely underscored that all evidence bearing on public perception must be given appropriate consideration. “[T]he record showed that the mark Mecca seeks to register will be understood by the relevant public primarily as referring to the identified genus of goods and services.” The fact that the term is an adjective rather than a noun “does not render it less generic.”

8. Lawful Use in Commerce

a. *In re PharmaCann LLC*, 123 USPQ2d 1122 (TTAB 2017). Affirming refusals to register PHARMACANN and PHARMACANNIS for “retail store services featuring medical marijuana” and for “dispensing of pharmaceuticals featuring medical marijuana,” the Board held 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 pointed to the Department of Justice’s “Cole Memorandum,” which guides against prosecution of certain illegal marijuana-related acts, but the Board pointed out that the Cole Memorandum lacks the force of law and “does not and cannot override the CSA [the federal Controlled Substances Act].” Moreover, although Congress has forbidden the Department of Justice from expending any funds to prevent any state that has legalized medical marijuana from implementing its own laws, that prohibition is temporary and the law could be changed at any time. “Nor does any state law ‘legalize’ possession, distribution, or manufacture of marijuana. Under the Supremacy Clause of the Constitution, state laws cannot permit what federal law prohibits. U.S. Const. art VI, cl. 2. Thus, while the CSA remains in effect, states cannot actually authorize the manufacture, distribution, or possession of marijuana. Such activity remains prohibited by federal law.” *United States v. McIntosh*, 833 F.3d 1163, 1180 n.5 (9th Cir. 2016). [Note: The Cole Memorandum was rescinded in January 2018].

9. Res Judicata

a. *In re FCA US LLC*, 126 USPQ2d 1214 (TTAB 2018). The Board affirmed a Section 2(d) refusal to register the mark MOAB for “Motor vehicles, namely, passenger automobiles, their structural parts, trim and badges” finding it likely to cause confusion with the registered mark MOAB INDUSTRIES for “Automotive conversion services, namely, installing specialty automotive equipment” [INDUSTRIES disclaimed]. While the subject application was pending (and suspended), a federal court in Arizona ruled in favor of Applicant FCA US LLC (f/k/a Chrysler Group LLC) in a trademark infringement and unfair competition action brought by the cited registrant, but the Board found that the court rulings had no estoppel effect on the Board’s determination of this *ex parte* appeal. 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.” Applicant argued that “[t]he Board ... should defer to the more fulsome record upon which the District Court relied to draw its conclusions.” The Board, however, observed 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.”

10. Internet Evidence

a. *In re Mueller Sports Medicine, Inc.*, 126 USPQ2d 1584 (TTAB 2018). Observing that there are no precedential decisions regarding an examining attorney’s failure to properly submit Internet evidence, the Board ruled that for both applicants and examining

attorneys such evidence must include the URL and the date the webpage was accessed. If an examining attorney fails to do so and the applicant does not object, “the Board will consider the website for whatever probative value it may have.” If the applicant fails to do so without objection from the examining attorney, the Board may consider the objection waived. Until *Safer Inc. v. OMS Invs. Inc.*, there was no requirement that a propounding party include the web address when introducing a webpage into evidence in an *inter partes* proceeding. [See Trademark Rule 2.122(e)]. The Board extended those requirements not only to examining attorneys, but to applicants in *ex parte* proceedings as well. “Similar to the submission of third-party registrations, Examining Attorneys have a responsibility to make sure that applicants properly submit Internet evidence. If the applicant’s response includes Internet evidence without a URL or date it was printed, the examining attorney must object to the evidence in the first Office action following the response and advise the applicant as to the proper way to make the Internet evidence of record.”

b. *In re I-Coat Company, LLC*, 126 USPQ2d 1730 (TTAB 2018). *In In re Mueller Sports Medicine*, the Board held that internet evidence submitted by an examining attorney that did not include the date of access and the pertinent URL was objectionable. In this case, the Board made clear that *Mueller* extends to trademark applicants as well as examining attorneys. Here, the evidence at issue was submitted by the applicant. Since applicant’s faulty submission occurred prior to issuance of the *Mueller* decision, however, the Board decided to consider the evidence. Nonetheless, the Board affirmed Section 2(d) refusals of the mark INDIGO in standard character form and design forms (one in black-and-white, the other in color, with AR disclaimed) for “optical lenses, namely, corrective lenses sold through eye care



professionals,” in view of the registered mark INDIGO for sports goggles and sunglasses. Third-party website and registration evidence established that sunglasses and optical lenses travel in the same channels of trade. Assuming *arguendo* that the purchasers of the involved goods will be more careful purchasers – seeking vision correction and vision enhancement by eye protection – the Board observed once again that even careful, sophisticated consumers are likely to believe that such goods emanate from the same source when sold under identical or similar marks.

II. INTER PARTES CASES

A. United States Court of Appeals for the Federal Circuit

1. Section 2(e)(4) Primarily Merely a Surname

a. *Teresa H. Earnhardt v. Kerry Earnhardt, Inc.*, 123 USPQ2d 1411 (Fed. Cir. 2017). Teresa H. Earnhardt, widow of race car driver Dale Earnhardt, opposed the application of Kerry Earnhardt, Inc. (KEI) to register the mark EARNHARDT COLLECTION for “furniture” and “custom construction of homes,” claiming a likelihood of confusion with her registered mark DALE EARNHARDT for a variety of goods and services, and also alleging that the mark EARNHARDT COLLECTION is primarily merely a surname under Section 2(e)(4). The Board ruled in favor of KEI on both claims. Teresa Earnhardt appealed on only the Section 2(e)(4) ground. The CAFC reversed the Board’s decision on the Section 2(e)(4) claim because the Board’s findings as to the significance of the term of “collection” were unclear as to whether it confined its analysis to only a genericness inquiry. The court directed the Board, on remand, to determine “(1) whether the term ‘collection’ is merely descriptive of KEI’s furniture and custom home construction services, and (2) the primary significance of the mark as a whole to the purchasing public.”

2. Genericness

a. *Royal Crown Company, Inc. and Dr. Pepper/Seven Up, Inc. v. The Coca-Cola Company*, 127 USPQ2d 1041 (TTAB 2018). The CAFC vacated the TTAB’s nonprecedential decision of May 23, 2016, in which the Board found that Opposers Royal Crown and Dr. Pepper/Seven-Up failed to prove that the term ZERO is generic for soft drinks, sports drinks, and energy drinks. The Board also found that Applicant Coca-Cola had established acquired distinctiveness in the term ZERO for soft drinks and sports drinks. The appellate court, however, ruled that the Board “erred in its legal framing” of the genericness issue and erred in failing to assess the level of descriptiveness of the term ZERO. It ruled that the Board “asked the wrong question” in determining the genericness of ZERO: “it failed to consider that ‘a term can be generic for a genus of goods or services if the relevant public . . . understands the term to refer to a key aspect of that genus.’” “The Board . . . must consider whether ZERO is generic because it refers to a key aspect of at least a sub-group or type of the claimed beverage goods.” Furthermore, the Board “must make an express finding regarding the degree of the mark’s (sic) descriptiveness on the scale ranging from generic to merely descriptive, and it must explain how its assessment of the evidentiary record reflects that finding.” The court remanded the case to the Board for application of the proper standards.

3. Ownership

a. *Sheila Lyons, DVM v. The American College of Veterinary Sports Medicine and Rehabilitation*, 123 USPQ2d 1024 (Fed. Cir. 2017). The CAFC upheld the TTAB’s decision granting a petition for cancellation of a Supplemental Registration for the mark THE AMERICAN COLLEGE OF VETERINARY SPORTS MEDICINE AND REHABILITATION for various “veterinary education services.” The court found no error in the framework applied by the Board in resolving this ownership dispute, a framework developed for

situations in which a member of a group has departed and (in the absence of a formal agreement governing ownership of the mark) both the member and the remnant group claim ownership of the mark. The three main factors for consideration are “(1) the parties’ objective intentions or expectations; (2) who the public associates with the mark; and (3) to whom the public looks to stand behind the quality of goods or services offered under the mark.” The court ruled that substantial evidence supported the Board’s findings that Registrant Sheila Lyons never owned the mark, and it ratified the Board’s conclusion that her underlying application was void *ab initio*.

B. Trademark Trial and Appeal Board

1. Section 2(d) Likelihood of Confusion

a. Likelihood of Confusion Found

i. *Tao Licensing, LLC v. Bender Consulting Ltd. d/b/a Asian Pacific Beverages*, 125 USPQ2d 1043 (TTAB 2017). The Board granted a petition for cancellation of a registration for the mark TAO VODKA for “alcoholic beverages except beer” (VODKA disclaimed) on two grounds: nonuse and likelihood of confusion with petitioner’s registered and famous mark TAO for restaurant and nightclub services. As to the Section 2(d) claim, the Board found the “something more” required to establish that alcoholic beverages and restaurant services are related in the facts that petitioner uses its TAO mark to promote alcoholic beverages and sometimes engages in joint promotional efforts with vodka manufacturers, and in respondent’s “eyebrow-raising activities” in choosing its mark after petitioner refused to purchase its vodka, including adoption of a font very similar to the font used by petitioner, showing that respondent itself “believed that consumers would view respondent’s vodka and petitioner’s services as related.” [The nonuse claim is discussed below in Section II.B.6.b.].

b. Likelihood of Confusion Not Found

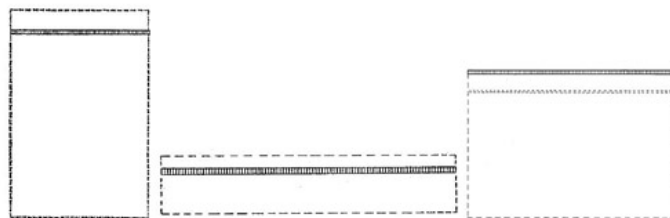
i. *Bell’s Brewery, Inc. v. Innovation Brewing*, 125 USPQ2d 1340 (TTAB 2017). The Board dismissed this opposition to registration of the mark INNOVATION BREWING for beer, finding that Opposer Bell’s Brewery had failed to prove a likelihood of confusion with the registered mark INSPIRED BREWING, also for beer (the word BREWING being disclaimed in each mark). Opposer Bell’s also pled likely confusion with its common law mark BOTTLING INNOVATION SINCE 1985, but it failed to raise that argument in its brief and so the Board deemed that claim to be waived. In its reply brief, Bell’s for the first time asserted that confusion is likely under a “conjoint use” analysis: that the opposed mark INNOVATION BREWING combines elements of both of its marks. The Board, however, found that opposer had failed to plead a conjoint use claim, and further that the issue of conjoint use had not been tried by consent. In any case, Opposer Bell’s failed to prove the extent of any conjoint use. “We hold that a likelihood of confusion claim based on the claimant’s use of two marks conjointly must be pleaded clearly enough to provide fair notice of the claim to the defendant. Our holding is analogous to our familiar requirement that a plaintiff must plead reliance on a family of marks.”

ii. *RxD Media, LLC v. IP Application Development LLC*, 125 USPQ2d 1801 (TTAB 2018). The Board dismissed this Section 2(d) opposition to registration of the mark IPAD for various business and computer services, including storage and retrieval of data. Opposer RxD Media claimed prior use of the identical mark for overlapping services. Because RxD Media relied on common law rights, it was required to establish that its mark was distinctive, either inherently or through acquired distinctiveness, prior to applicant’s actual or constructive use date. Even though the opposed applications were published under the provisions of Section 2(f) - a concession by applicant that its IPAD mark is not inherently distinctive - applicant was still entitled to rely on its foreign filing dates (in 2009 and 2010) for purposes of priority. RxD Media claimed use since September 1, 2007, but the evidence showed that applicant was using only the “IPAD.mobi logo” shown here, and RxD Media did not establish that the term IPAD creates a separate commercial impression from the composite logo. In any event, RxMedia failed to prove a proprietary interest in the term: it neither asserted or proved that IPAD is inherently distinctive, and as to acquired distinctiveness, there was no evidence that the relevant public, as of July 16, 2009, understood the primary significance of IPAD to be a source-identifier rather than a descriptor of opposer’s services.

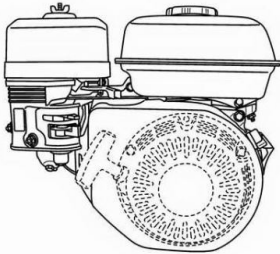


2. Section 2(e)(5) - Functionality

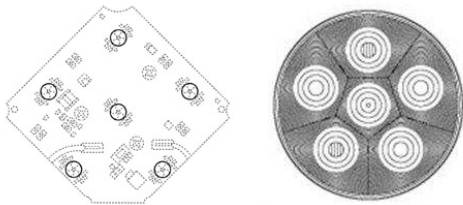
a. *Poly-America, L.P. v. Illinois Tool Works Inc.*, 124 USPQ2d 1508 (TTAB 2017). Once again, a utility patent proved fatal in a Section 2(e)(5) functionality determination, as the Board granted a petition for cancellation of three registrations for plastic bag re-closure strips. Expired U.S. Patent No. 3,054,334, entitled “Bag Closure,” was issued to respondent’s predecessor for an “article such as a pouch or similar container having a new and improved resilient type fastener structure.” In one embodiment, a pair of flanges assist in the separation of the two strips that form the seal. The patent states that “[e]xcellent results may be obtained” when the strips are of a clear color while one or both of the flanges are colored red. Claim 6 of the patent specifically recites that “said flange [is] colored differently than the strips to facilitate identification of the flange and assist in separation of the strips.” The Board found that this language “defines the same features of the registered trademarks as described by Respondent, namely, the colored stripe on the reclosable fastener strips shown in each of the three registrations.” Respondent contended that, even if the Color Line Trademark “may have been intended to have some functional benefits when first conceived a trademark can become non-functional over time.” However, there was no explanation as to how the Color Line Trademark became non-functional.



b. *Kohler Co. v. Honda Giken Kogyo K.K.*, 125 USPQ2d 1468 (TTAB 2017). In an exhaustive 130-page opinion, the Board sustained an opposition to registration of the product configuration shown here, for “engines for use in construction, maintenance and power equipment,” finding the applied-for mark to be functional under Section 2(e)(5) and, alternatively, lacking in acquired distinctiveness. The Board focused in particular on the air cleaner cover, the fuel tank, the carburetor cover, and the fan cover, concluding that the overall appearance of the applied-for mark is essential to the use or purpose of the engine and affects its quality under the *Inwood* test because the engine configuration as a whole “is in its particular shape because it works better in that shape.” Assuming *arguendo* that Honda’s engine design was eligible for registration, the Board went on to consider the issue of acquired distinctiveness, finding that Honda had failed to carry the heavier burden that applies to a product configuration. Third-party uses, deficiencies in Honda’s evidence, unimpressive survey results, and the lack of “look for” advertising undermined Honda’s Section 2(f) claim.



c. *Grote Industries v. Truck-Lite Co., LLC*, 126 USPQ2d 1197 (TTAB 2018). The Board sustained this opposition to registration of the product shown below left, for “Electric lighting fixtures, namely, lights for vehicles,” and granted a petition for cancellation of a registration for the product design shown below right, for “Lighting products for vehicles, namely, a combined stop-turn-tail lamp,” finding that the two designs lacked acquired distinctiveness under Section 2(f). The Board first rejected plaintiff’s claim of functionality under Section 2(e)(5). It found that the design was only incidentally disclosed in defendant’s utility patent, and defendant’s evidence indicated that the design was chosen for aesthetic reasons. As to acquired distinctiveness, defendant submitted sales figures (\$192 million through 2015), trade show attendance data (40-50 shows per year), and print and media statistics (reaching 400,000 customers per year). The Board pointed out, however, that a product’s commercial success may merely indicate the popularity of the product itself, and it found insufficient probative evidence that the primary significance of the design is to identify source. “What is needed – and what is missing from this record – is probative evidence demonstrating that the design presently serves as an indicator of source in the minds of the consuming public.”



3. Section 2(f) Acquired Distinctiveness

a. *Apollo Medical Extrusion Technologies, Inc. v. Medical Extrusion Technologies, Inc.*, 123 USPQ2d 1844 (TTAB 2017). In this enervating brouhaha, the Board sustained an opposition to registration of MEDICAL EXTRUSION TECHNOLOGIES for polyurethanes for use in the manufacture of medical devices, finding applicant’s evidence inadequate to support its Section 2(f) claim of acquired distinctiveness. Dictionary definitions of

the constituent words, numerous examples of third-party use of similar terms, applicant's own usage, and its testimony regarding the descriptiveness of the phrase, convinced the Board that the applied-for mark is highly descriptive of applicant's goods. The examining attorney had accepted applicant's claim of acquired distinctiveness based solely on a declaration of continuous use of the purported mark in commerce since 1990. Of course "the Board is not bound by the Examining Attorney's decision to allow publication of the mark." The Board found that the "nature and number of third-party descriptive uses in the record" demonstrate that applicant's use has not been "substantially exclusive" as is required for a Section 2(f) showing. Moreover, much more evidence, especially direct evidence from relevant purchasers, "would be necessary to show that the designation MEDICAL EXTRUSION TECHNOLOGIES has become distinctive for Applicant's medical extrusion goods."

4. Abandonment

a. *Executive Coach Builders, Inc. v. SPV Coach Company, Inc.*, 123 USPQ2d 1175 (TTAB 2017). The TTAB dismissed this Section 2(d) opposition to registration of the mark ARMBRUSTER STAGEWAY for "vehicles, namely, customized limousines," finding that opposer had abandoned its pleaded mark ARMBRUSTER/STAGEWAY for limousines, prior to applicant's constructive first use date (December 4, 2012). The Board found opposer's testimony and evidence to be riddled with inconsistencies and contradictions as to whether it ever used the mark, and totally lacking as to its intent to resume use. Nonuse: The testimony of opposer's president, the Board observed, was "consistent with a subjective desire to reserve a right in the ARMBRUSTER/STAGEWAY mark." However, "[t]he Lanham Act was not intended to provide a warehouse for unused marks." The Board found by a preponderance of the evidence that the mark "was not used on vehicles in the ordinary course of trade after Opposer purchased the company in 1993." There was no evidence that opposer "developed an intent to resume commercial use of the ARMBRUSTER/STAGEWAY mark in the reasonably foreseeable future within the three-year period of nonuse from 1993 to 1996." The Board concluded that opposer abandoned the subject mark by 1996 and did not resume use of the mark prior to applicant's constructive priority date.

b. *Yazhong Investing Ltd. v. Multi-Media Tech. Ventures, Ltd.*, 126 USPQ2d 1526 (TTAB 2018). The Board granted a petition for cancellation of four registrations for the mark GIDGET for clothing, cosmetics, jewelry, entertainment, and various other goods and services in eight classes, ruling that respondent had discontinued use of the mark with intent not to resume use. Respondent failed to show either activities or special circumstances negating or excusing its nonuse, and its "vaguely explained attempts" to license the mark fell far short of rebutting the presumption of abandonment. All other activities of respondent and its predecessors added up to little more than attempts to secure additional investors. There was no evidence of serious negotiations toward a license agreement. "Respondent's efforts were neither consistent nor sustained, and assertions of discussions concerning the potential use of the mark at some unknown point in the future are insufficient to show an intent to resume use." "Quite simply, the record is devoid of any evidence showing a specific and consistent plan to resume use – to the extent Respondent ever used the GIDGET mark – during a period of at least four years from 2008 through 2012."

5. Genericness

a. *Frito-Lay North America, Inc. v. Princeton Vanguard, LLC*, 124 USPQ2d 1184 (TTAB 2017). On remand from the CAFC, the TTAB again ruled that PRETZEL CRISPS is generic for pretzel crackers. In a May 2015 ruling, the CAFC vacated the Board's earlier decision with instructions to apply the correct legal standard, namely the two-part test set forth in the *Marvin Ginn* decision. The CAFC concluded that the Board had failed to consider evidence of the relevant public's understanding of the term PRETZEL CRISPS as a whole. Furthermore, the Board was directed to give "appropriate consideration to the proffered survey evidence." 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. 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. The Board found that Frito-Lay had proven by a preponderance of the evidence that PRETZEL CRISPS is generic for "pretzel crackers." Assuming *arguendo* that PRETZEL CRISPS is not generic, the Board also found Princeton Vanguard's evidence of acquired distinctiveness insufficient under Section 2(f).

6. Use in Commerce

a. *Sun Hee Jung v. Magic Snow, LLC*, 124 USPQ2d 1041 (TTAB 2017). Because opposer failed to allege use of her mark SULBING in the United States, the Board dismissed her claim of likelihood of confusion under Section 2(d). The Board observed that the "well known mark" doctrine does not provide a basis for a Section 2(d) claim, nor does the United States-Korea Free Trade Agreement (KORUS). Section 2(d) expressly requires that an opposer establish ownership of either a mark registered in the United States or "a mark or trade name previously used in the United States." Therefore opposer's pleading of priority under Section 2(d) was insufficient. As to the non-use claim, opposer alleged that applicant Magic Snow had only one store and thus that applicant's use was intrastate and not in "commerce" as defined by the Trademark Act. The Board, however, pointed out that services need not be rendered in more than one state to satisfy the use-in-commerce requirement. Opposer failed to allege that "Applicant's rendering of its services, in the aggregate, does not have an effect on commerce that is regulable by Congress," but the Board allowed opposer twenty days within which to re-plead her non-use claim.

b. *Tao Licensing, LLC v. Bender Consulting Ltd. d/b/a Asian Pacific Beverages*, 125 USPQ2d 1043 (TTAB 2017). The Board granted a petition for cancellation of a registration for the mark TAO VODKA for "alcoholic beverages except beer" (VODKA disclaimed) on two grounds: nonuse and likelihood of confusion with petitioner's registered and famous mark TAO for restaurant and nightclub services. As to the nonuse claim, respondent conceded that, prior to filing its Statement of Use, it had not sold any goods under the mark TAO VODKA, but it contended that the distribution of samples to three entities – a restaurant, a distributor, and a shareholder of a related entity – sufficed. The Board, however, concluded that 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 Section 2(d) issue is discussed above in Section II.B.1.a.1.].

7. Priority of Use

a. *Julie A. Moreno v. Pro Boxing Supplies, Inc.*, 124 USPQ2d 1028 (TTAB 2017). In a case of first impression, the TTAB ruled that a licensee cannot establish priority based on use of a mark by her licensor. Consequently, the Board dismissed Plaintiff Moreno’s oppositions to registration of the marks shown here and denied her petition for cancellation of a registration for the word mark CASANOVA, all for boxing equipment. Moreno claimed prior rights in the mark CASANOVA for boxing gloves based on her licensor’s use of the mark since 1972, well before applicant Pro Boxing’s priority dates. Pro Boxing challenged Moreno’s standing to bring these proceedings, claiming that the license was invalid because it did not contain a control provision. The Board disagreed, finding quality control to be inherent in the agreement because Moreno was buying the licensed products from Deportes Casanova and simply reselling them. As to priority, the Board was troubled by Moreno’s position: “Allowing a licensee to claim priority for itself in an *inter partes* proceeding based on the licensor’s use of the mark (whether through the license or otherwise) could result in a licensee being able to claim *de facto* ownership of the licensed mark.”



b. *Kemi Organics, LLC v. Rakesh Gupta*, 126 USPQ2d 1601 (TTAB 2018). The Board granted this petition for cancellation of a registration for the mark KEMI OYL for cosmetics and personal care products, finding the mark likely to cause confusion with opposer’s identical mark previously used for overlapping goods. In stipulating to invoke the Board’s Accelerated Case Resolution procedure, the parties agreed that the sole issue for resolution was priority but that respondent could pursue its affirmative defense of laches. As to priority: Petitioner’s principal witness testified that petitioner sold hair and skin care products under the KEMI OYL mark for more than thirty years, that the products are sold throughout the United States, and that annual sales for the years 2010 through 2016 have been in the six-figure range. Respondent contended that petitioner’s testimony failed to establish that the KEMI OYL mark was in continuous use, but the Board pointed out that “continuous use is not required to establish petitioner’s priority.” [The laches issue is discussed in Section II.B.8.b., below.]

8. Laches

a. *TPI Holdings, Inc. v. TrailerTrader.com, LLC and Trailer Central LLC*, 126 USPQ2d 1409 (TTAB 2018). The Board dismissed this petition for cancellation of a Supplemental Registration for the mark TRAILERTRADERS.COM for advertising and informational services in the field of trailers, ruling that petitioner unreasonably delayed for more than four years before filing its petition, and finding that petitioner could not prove that confusion was inevitable between respondent’s mark and its alleged but unproven family of

“- TRADER” marks. Although the issuance of a Supplemental Registration is published in the *Official Gazette*, that does not constitute constructive notice of a claim to rights in the mark. Here, laches began to run on October 29, 2012, the date that Petitioner had actual notice of the Supplemental Registration. This cancellation proceeding was commenced on December 8, 2016, more than four years later, a period of delay that is “within the realm of time found to be sufficient for purposes of laches.” Petitioner’s asserted excuses for its delay had little or no merit, or were unsubstantiated. The Board found that respondent and its predecessor made significant efforts to grow their businesses, and consequently that cancellation of respondent’s registration would result in severe economic prejudice. The Board recognized that laches cannot serve as a bar to a Section 2(d) claim when confusion is inevitable, but that issue was moot because Petitioner failed to prove a likelihood of confusion.

b. *Kemi Organics, LLC v. Rakesh Gupta*, 126 USPQ2d 1601 (TTAB 2018). In stipulating to invoke the Board’s Accelerated Case Resolution procedure, the parties agreed that the sole issue for resolution was priority but that respondent could pursue its affirmative defense of laches. [The issue of priority is discussed above in Section II.B.7.b]. As to laches, although petitioner’s delay in filing its petition for cancellation was a bit less than three years, shorter and slightly longer periods of delay have sufficed to support a laches defense. Noting respondent’s negligible sales and his inaction after July 2014, the Board found petitioner’s delay to be not unreasonable, and it concluded that respondent failed to prove its laches defense.

9. Procedural Issues

a. Arbitrability

i. *Yufan Hu v. TJ Food Service, LLC*, 123 USPQ2d 1777 (TTAB 2017). The Board suspended this opposition proceeding in view of an LLC operating agreement that called for arbitration of any dispute between the members of the WHN Food Service LLC arising out of or relating to the agreement. The particular dispute centered on the issue of ownership of the mark LATEA and whether Applicant TJ Food Service transferred its ownership of the mark to the LLC when it became a member thereof. The Board concluded that since applicant’s contribution was made pursuant to the operating agreement – which authorized a member’s contribution of any cash, property, labor, or services to obtain an equity position in the WHN LLC – the nature of applicant’s contribution “arguably falls within the purview of the arbitration clause.” The Board noted that the Trademark Act provides the Board with authority to determine only the right to register marks, but it may consider the construction or validity of an agreement, and the Act does not contain language expressly exempting such determinations from being decided by arbitration. “Because one cannot register a mark that it does not own, the ownership issue is central to deciding the registrability of the mark in dispute. . . . Accordingly, the issue of whether the WHN Operating Agreement is determinative of ownership rights in the mark is arbitrable.” The Board suspended the proceeding for 60 days, with the proceeding to be resumed unless an arbitration had been commenced on the ownership issues.

b. Court-Ordered Transfer of Ownership of Application

i. *Piano Wellness, LLC v. Charlotte K. Williams*, 126 USPQ2d 1739 (TTAB 2018). The United States District Court for the District of New Jersey issued a Final Judgment ordering the Commissioner of the USPTO to “transfer” to Piano Wellness LLC the application of Charlotte K. Williams to register the mark KEYBOARD WELLNESS.COM for “Computer education training services.” The Board concluded that the directive to “transfer the application” fell outside the court’s statutory authority to rectify the register under Section 37 of the Trademark Act, which is limited to registrations and does not encompass pending applications. The Board proposed three solutions: first, the court could direct Applicant Williams to assign the application to opposer and to record the assignment; the Board could amend the ownership of an application pursuant to the Board’s authority under Section 18 to “register the mark or marks for the person or persons entitled thereto, as the rights of the parties . . . may be established in the proceedings; or the Board could sustain the opposition – which would have the effect of an abandonment of the application. The Board allowed applicant thirty days in which to inform the Board as to which of three alternatives it wished to pursue.

c. Motion to Add Counterclaim

i. *Jive Software, Inc. v. Jive Communications, Inc.*, 125 USPQ2d 1175 (TTAB 2017). In this consolidated opposition and cancellation proceeding, the Board considered whether an answer may be amended to add an omitted counterclaim “when justice so requires,” or whether under FRCP 15 a compulsory counterclaim must be pleaded in the original answer (unless based on newly discovered grounds). The Board ruled that the failure to plead a compulsory counterclaim in an original answer is not a per se bar to its later assertion in the same proceeding. “The rules require compulsory counterclaims to be pleaded in the answer, if known, but under Fed. R. Civ. P. 15(a), where justice requires, answers may be amended to add an omitted compulsory counterclaim, subject to the same rules applicable to other amendments to pleadings.” The Board found that Applicant Jive Communications did not unduly delay by waiting two years after filing its answer to introduce the counterclaim. The extent of Applicant’s delay was limited to the brief period of time during which the case was not suspended (due to settlement negotiations). Neither party pointed to any evidence of prejudice caused by the short delay. “Although it would have been better practice for Applicant to plead the counterclaim with its original answer, Applicant’s forbearance from filing an amendment as a matter of course, or later with a motion for leave to amend was not unreasonable.”

d. Compulsory Counterclaims

i. *Freki Corporation N.V. d.b.a. Pinnacle Sports Worldwide v. Pinnacle Entertainment, Inc.*, 126 USPQ2d 1697 (TTAB 2018). The Board granted in part this respondent’s motion for summary judgment on the ground of claim preclusion, finding that petitioner Freki’s claim of abandonment due to naked licensing was a compulsory counterclaim that should have been pleaded in a prior proceeding between the same two parties. However, the Board ruled that Freki’s claims of nonuse, fraud, and abandonment for nonuse were not precluded by the prior judgment. When a party seeks to preclude a defendant in a first action

from bringing certain claims in a second action the rules of defendant preclusion apply. As defendant in the prior proceeding, Freki pleaded the affirmative defense of naked licensing. Pinnacle withdrew its petition for cancellation without consent, resulting dismissal with prejudice. Freki subsequently filed a petition to cancel Pinnacle's registrations, alleging nonuse, abandonment through nonuse, abandonment via naked licensing, and fraud. Naked licensing is an attack on the validity of a registration, and because Freki knew of the basis for the counterclaim when it filed its answer in the first proceeding, its failure to counterclaim serves as a bar to bringing that claim as a plaintiff in the new action. However, the record did not indicate that Freki was aware of the other grounds during the first proceeding.

e. Timeliness Issues Under 2017 Rule Changes

i. Motion for Summary Judgment

A. *KID-Systeme GmbH v. Türk Hava Yollari Teknik Anonim Sirket*, 125 USPQ2d 1415 (TTAB 2018). On June 29, 2017, the day its pretrial disclosures were due, Opposer Kid-Systeme filed a motion to reopen the time to file a motion for summary judgment. Trademark Rule 2.127(e)(1), as amended in January 2017, provides that a summary judgment motion must be filed "prior to the deadline for pretrial disclosures, as originally set or reset." The Board noted that "prior to" means no later than the day before the deadline. Although opposer's summary judgment motion was late, the Board chose to consider the motion and to treat the motion to reopen as moot. Before January 14, 2017, the deadline for filing a motion for summary judgment was "prior to the commencement of the first testimony period, as originally set or as reset." In January 2017, that was changed to "prior to the deadline for pretrial disclosures, as originally set or reset." The Board looked kindly on applicant and its predicament, pointing to the Notice of Proposed Rulemaking of April 4, 2016, which states: "[A]ny issues 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."

ii. Motion for Judgment on the Pleadings

A. *Shared, LLC v. SharedSpaceofAtlanta, LLC*, 125 USPQ2d 1143 (TTAB 2017). The Board was not so forgiving to this tardy party. It denied an FRCP 12(c) motion for judgment on the pleadings, directed at applicant's counterclaims, because the motion was untimely. The Board followed its established practice of applying to motions for judgment on the pleadings the same deadline applicable to summary judgment motions under recently amended Rule 2.127(e)(1). Before January 14, 2017, the deadline for filing a summary judgment motion was, according to that Rule, "prior to the commencement of the first testimony period, as originally set or as reset." That Rule was amended as of January 14, 2017, and clarified on July 21, 2017, to provide that a summary judgment motion "must be filed before the day of the deadline for pretrial disclosures for the first testimony period, as originally set or as reset." Applying the new summary judgment deadline to the subject FRCP 12(c) motion, the Board ruled that a motion for judgment on the pleadings must likewise be filed before the day of

the deadline for pretrial disclosures for the first testimony period, as originally set or as reset. Here, the deadline for opposer's pretrial disclosures was August 7, 2017 (fifteen days before the opening of opposer's testimony period on August 22). Opposer's motion filed on August 19, 2017 was therefore untimely.

iii. Service and Filing of Expert Disclosures

A. *Monster Energy Company v. William J. Martin*, 125 USPQ2d 1774 (TTAB 2018). Respondent Martin quixotically moved to strike Petitioner Monster Energy Company's notice of expert disclosure and to preclude the testimony of the named expert. The Board denied both motions, finding the notice to be timely and pointing out that Respondent may request additional time to take discovery of the expert. Petitioner served its notice of expert disclosure on time, but when it (unnecessarily) filed the notice with the Board it stated an correct proceeding number. Petitioner promptly informed the Board of the error. The Board ruled in favor of Petitioner: "In the context of discovery, the Board has made clear that an 'obvious typographical error' should not operate to derail the discovery process, and that it expects parties who become aware of such an error to cooperate so as to avoid unnecessary delay and increased costs." Martin pointed to a seeming clash of the applicable Rules regarding the deadline for service of written discovery and the date for notice of expert witnesses (both thirty days before the close of discovery), arguably precluding Martin from serving written discovery regarding the expert. The Board, however, found no reason to preclude the expert's testimony, since Respondent Martin may request additional time for discovery.

iv. Service of Discovery Requests

A. *Estudi Moline Dissey, S.L. v. BioUrn Incorporated*, 123 USPQ2d 1268 (TTAB 2017). Again addressing the changes wrought by the revised TTAB Rules that came into effect on January 14, 2017, the Board found that the petitioner had served its discovery requests too late. Rule 2.120 now requires that written discovery requests be served early enough in the discovery period that responses will be due no later than the close of discovery. Here, the last day to serve discovery (31 days before the end of the discovery period, not counting the day of service) was February 19, 2017. Because that was a Sunday, petitioner concluded that it had until Monday, February 20, to timely serve its discovery requests. Not so, said the Board. The Board noted, however, that petitioner's delay of one day in serving its discovery requests appears to have arisen from a misunderstanding of how Rule 2.196 applies to the revised discovery rules. The Board therefore chose to reopen discovery so that petitioner's previously served written discovery requests could be considered timely.

B. *Trans-High Corp. v. JFC Tobacco Corp.*, 127 USPQ2d 1175 (TTAB 2018). The Board granted Applicant JFC Tobacco's motion to extend discovery, filed on the last day of the discovery period, to allow it to receive responses to its late-served written discovery requests and to respond belatedly to Opposer Trans-High's discovery demands. As to JFC's written discovery, Trans-High argued that JFC must show "excusable neglect" since it missed the written discovery deadline, but the Board ruled that the lesser, "good faith" standard applied. JFC pointed out that it encountered some delays during the proceeding due to

the 2017 Puerto Rico hurricane, making it difficult for counsel to reach JFC. It noted that it had not requested any other extensions of time and argued that it would be prejudiced if it did not receive responses to its discovery requests. The Board pointed out that, under Rule 2.120(a)(2)(iv), the Board may grant limited extensions of the discovery period. Under FRCP 6(b)(1)(A), the appropriate standard for allowing an extension of a specific time period prior to its expiration is “good faith.” In that regard, JFC’s request was timely. The Board found no evidence of bad faith on JFC’s part. Due to the impact of the hurricane and the difficulty for counsel to reach JFC over the holiday period in order to respond to Trans-High’s discovery requests, the Board concluded that JFC had demonstrated the requisite good cause.

v. Motion to Use Third-Party Discovery Deposition

A. *Azalea Health Innovations, Inc. v. Rural Health Care, Inc.*, 125 USPQ2d 1236 (TTAB 2017). The Board refused to allow Applicant Rural Health to submit 13 non-party discovery deposition transcripts by way of notice of reliance, but because the 2017 amendments to the TTAB Rule changed the time for making a motion to allow use of a non-party discovery deposition, the Board allowed applicant to take oral cross-examination of nine of the witnesses. Applicant contended that the depositions were being used for impeachment purposes, but four concerned individuals for whom Opposer did not submit trial declarations. Therefore there was no trial testimony to impeach, and the Board granted Opposer’s motion to strike these transcripts from the record. As to the other nine, applicant did not avail itself of the opportunity to cross-examine these witnesses. Applicant had two options: (1) file a motion at the time of its pre-trial disclosures seeking Board approval of its use of the discovery depositions, or (2) file a motion claiming exceptional circumstances. See Rule 2.120(k)(2). Applicant did neither. The Board therefore granted the motion to strike these nine discovery depositions. However, the Board observed that prior to the Rule changes of January 24, 2017, the motion could be made at the time of the offer of the deposition into evidence (*i.e.*, during the testimony period), and it decided to construe applicant’s response to opposer’s motion to strike as a motion to re-open the period for electing and taking cross-examination of these nine witnesses.

vi. Motion to Strike Testimonial Declarations

A. *Barclays Capital Inc. v. Tiger Lily Ventures Ltd.*, 124 USPQ2d 1160 (TTAB 2017). Tiger Lily Ventures Ltd. moved to strike certain testimony and evidence submitted by Barclays Capital Inc. during the latter’s case-in-chief, on both procedural and substantive grounds. The Board struck some of Barclays’ evidence but refused to rule regarding the admissibility of two testimonial declarations, deferring that question until trial. The Board pointed out that objections to admissibility are considered by the Board only at final hearing. Tiger Lily maintained that the issue should be decided immediately because under Rule 2.123(c) a “cost-shifting burden” has been imposed on the party who wishes to cross-examine the declarant, and these costs could be saved by an early ruling. The Board was unmoved. Just as prior to the Rule change, Tiger Lily need not cross-examine the declarants in order to lodge its objections: it could forego cross examination and still raise the matter in its final brief. “Thus there is not necessarily a cost-shifting burden incurred solely for raising substantive objections.”

vii. Admissibility of Uncorroborated Internet Evidence

A. *WeaponX Performance Products Ltd. v. Weapon X Motorsports, Inc.*, 126 USPQ2d 1034 (TTAB 2018). The Board dismissed this Section 2(d) opposition to registration of the mark WEAPON X MOTORSPORTS for various automotive parts, automotive body kits, and conversion services, finding that Opposer failed to prove priority. Opposer relied on several Internet webpages in attempting to show prior use of the mark WEAPONX, but the factual statements made on those webpages are hearsay and opposer failed to provide corroborating testimony. Applicant was unable to show actual use of its mark earlier than its filing date of October 29, 2013, but it was entitled to rely on that date as its constructive first use date. Opposer relied solely on its Internet evidence submitted with its notice of reliance. However, Internet evidence is admissible only for what it shows on its face, not for proof of any matter stated therein. “[A]ssertions appearing in the printouts submitted by Opposer under notice of reliance cannot be used to demonstrate its priority without testimony corroborating the truth of this matter.” Opposer failed to provide such testimony. In any event, the Internet evidence did not prove that opposer owned the mark or that the mark was in actual use before applicant’s priority date. Therefore, opposer could not prevail on its Section 2(d) claim.

10. Discovery and Motion Practice

a. Location for Cross-Examination

i. *United States Postal Service v. RPost Communication Limited*, 124 USPQ2d 1045 (TTAB 2017). Opposer USPS submitted the testimony declarations of four witnesses, all located in the Washington, D.C. area. Applicant RPost served a notice to cross-examine these witnesses in Santa Monica, California. USPS moved to quash the notice of election and to require RPost to conduct the cross-examinations in Washington, D.C. The Board granted the motion. The Board noted that Rule 2.123(a)(1), effective on January 14, 2017, allows testimony in declaration or affidavit form, subject to the right of an adverse party to “elect to take and bear the expense of oral cross-examination of that witness.” The witnesses must be made “available” for cross-examination. The intent of the Rule change was to add “no burden” on the proffering party in terms of additional travel or attorney expense in connection with producing its witness for oral cross-examination. However, the other party now bears the expense of the court reporter and any necessary accommodations for the taking of the cross-examination. Here, if RPost’s notice of election were approved, not only would opposer face additional travel expenses, but opposer’s witnesses would face the added burden of missing two or more days of work to travel to Santa Monica. Moreover, under the old Rule, had the direct testimony of these witnesses been taken in Washington, D.C., RPost’s counsel would have had to travel there to conduct cross-examination. Thus the application of the new Rule does not impose any new travel burden on RPost.

b. Motion to Disqualify TTAB

i. *Prospector Capital Partners, Inc. v. DTTM Operations LLC*, 123 USPQ2d 1832 (TTAB 2017). The Board denied petitioner’s motion to disqualify the TTAB

from hearing this cancellation proceeding involving several registrations for the mark TRUMP. Petitioner contended that because President Trump owns an interest in the challenged registrations, the Board was incapable of fairly adjudicating the issues before it, since the Board's judges are appointed by the Secretary of Commerce, who is hired and fired by the President. The Board found no basis for petitioner's assertion that the TTAB lacks the independence necessary to make unbiased decisions in this proceeding. First, the judicial qualification provision of 28 USC Section 455, which petitioner invoked, is inapplicable because the Board is not a "court" as defined in Section 451. Second, a "presumption of regularity attaches to the procedure of government agencies," and to any order issued by an agency. Petitioner provided no facts to support its suspicions that the President or the Secretary of Commerce has asserted or will assert improper influence on the Board. Finally, the Board pointed out that to the extent petitioner is dissatisfied with any final decision of the Board, it may seek judicial review, either before the Federal Circuit or by way of civil action in a federal district court. These courts are part of the judicial branch of our government, which is independent of the executive and legislative branches.

c. Motion to Strike Pretrial Disclosures and Exclude Testimony

i. *Kate Spade LLC v. Thatch, LLC*, 126 USPQ2d 1098 (TTAB 2018).

The Board denied Opposer Kate Spade's motion to strike Applicant Thatch's pretrial disclosures and to exclude three subsequently-filed testimony declarations, rejecting Spade's assertion that Thatch failed to timely supplement its initial disclosures to identify the three declarants. Because the testimony related to third-party use of marks similar to applicant's marks, Thatch's identification of the witnesses after trial had begun was sufficient and timely. In its initial disclosures, Applicant Thatch stated it might use at trial "[d]ocuments reflecting third party use and registration of marks similar to Applicant's." During Spade's trial period, Thatch supplemented its initial disclosures to state that it would rely on one particular witness as well as "third-party witnesses to be determined" to authenticate use of third-party marks. Thatch also served Opposer Spade with documents demonstrating third-party use. In its pre-trial disclosures, Thatch named all three witnesses. Spade argued that it had been denied discovery and that cross-examination was not sufficient. The Board was unmoved: "Based on the limited nature of the testimony regarding third party use, broad discovery is unnecessary. Opposer is free to challenge the evidence about third party use. Any need for Opposer to have learned about Applicant's evidence earlier could have been addressed months ago and Opposer has only its own inaction to blame."