

2008

2007 Trademark Law Decisions of the Federal Circuit

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2007 Trademark Law Decisions of the Federal Circuit

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2007 TRADEMARK LAW DECISIONS OF THE FEDERAL CIRCUIT

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TABLE OF CONTENTS

Introduction.....	1040
I. Substantive Trademark Issues.....	1041
A. Genericness.....	1041
1. <i>In re Reed Elsevier Properties Inc.</i>	1041
B. Mere Descriptiveness.....	1043
1. <i>In re Bayer Aktiengesellschaft</i>	1043
2. <i>In re Finisar Corp.</i>	1046
C. Likelihood of Confusion	1047
1. <i>Stichting Lodestar v. Austin, Nichols & Co.</i>	1048
2. <i>National Rural Electric Cooperative Association v.</i> <i>Suzlon Wind Energy Corp.</i>	1051
3. <i>China Healthways Institute, Inc. v. Wang</i>	1053
D. Definition of Goods.....	1055
1. <i>In re Omega SA</i>	1055
E. Use v. Use in Commerce	1058
1. <i>First Niagara Insurance Brokers, Inc. v. First Niagara</i> <i>Financial Group, Inc.</i>	1058
F. No “Excusable Neglect”	1060
1. <i>FirstHealth of Carolinas, Inc. v. Carefirst of Maryland,</i> <i>Inc.</i>	1060
2. <i>Fischer v. Anderson and Fischer v. Quad International</i> <i>Inc.</i>	1063
G. Notice of Appeal/Writ of Mandamus.....	1065
1. <i>In re Rockwell Medical Technologies, Inc.</i>	1065

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II. Procedural Issues.....	1066
A. Res Judicata.....	1066
1. <i>In re Bose Corp.</i>	1066
2. <i>International Flora Technologies, Ltd. v. Desert Whale</i> <i>Jojoba Co.</i>	1068
B. Failure to State a Claim	1070
1. <i>McZeal v. Sprint Nextel Corp.</i>	1070
C. Standing.....	1072
1. <i>McDermott v. San Francisco Women's Motorcycle</i> <i>Contingent</i>	1072
Conclusion	1073

INTRODUCTION

During 2007, the United States Court of Appeals for the Federal Circuit (“Federal Circuit”) issued fifteen trademark decisions, eleven on substantive issues and four on procedural issues, which was a relatively active year.¹ However, only a few are precedential decisions.² While most of the court’s decisions readily affirmed the Trademark Trial and Appeal Board (“TTAB” or “Board”), there are a few decisions that are particularly noteworthy where the Federal Circuit disagreed with either the TTAB’s interpretation or holding.

For example, in *In re Bayer Aktiengesellschaft*,³ the Federal Circuit reversed the Board’s refusal to consider foreign-based online news sources as evidence of United States public perception, finding that even information originating from foreign sources may be relevant to United States consumers’ impressions of a proposed mark if such information is available on the Internet.⁴

In another case, the Federal Circuit clarified that mere use in the United States, not use in U.S. commerce, is sufficient to sustain an opposition before the Board.⁵ It further noted (albeit in a footnote)

1. By comparison, the court issued seventeen decisions in 2003, thirteen decisions in 2004, twelve decisions in 2005, and ten decisions in 2006.

2. See *McZeal v. Sprint Nextel Corp.*, 501 F.3d 1354, 1355 (Fed. Cir. 2007) (failure to state a claim); *In re Omega SA*, 494 F.3d 1362, 1363 (Fed. Cir. 2007) (definition of goods); *China Healthways Inst., Inc. v. Wang*, 491 F.3d 1337, 1339 (Fed. Cir. 2007) (likelihood of confusion); *In re Bayer Aktiengesellschaft*, 488 F.3d 960, 962 (Fed. Cir. 2007) (mere descriptiveness); *In re Reed Elsevier Props. Inc.*, 482 F.3d 1376, 1377 (Fed. Cir. 2007) (genericness); *FirstHealth of the Carolinas, Inc. v. Carefirst of Md., Inc.*, 479 F.3d 825, 830 (Fed. Cir. 2007) (excusable neglect); *In re Bose Corp.*, 476 F.3d 1331, 1332 (Fed. Cir. 2007) (res judicata); *First Niagara Ins. Brokers, Inc. v. First Niagara Fin. Group, Inc.*, 476 F.3d 867, 871 (Fed. Cir. 2007) (mere use versus use in commerce).

3. 488 F.3d at 960.

4. *Id.* at 969.

5. *First Niagara*, 476 F.3d at 871.

that the Board should apply the correct legal standard even where the parties allege the higher, incorrect standard.⁶

In the only written opinion involving the likelihood of confusion analysis, the Federal Circuit reversed the TTAB's finding that the mark CHI PLUS did not infringe upon the mark CHI (design) for identical goods, finding the Board had improperly dissected the marks and failed to accord sufficient weight to fame evidence.⁷

Disturbingly, a few opinions involved errors by counsel. The Federal Circuit affirmed two Board holdings finding no "excusable neglect" for failure to meet deadlines.⁸ However, in an opinion affirmed per curiam, the Federal Circuit did not disturb the Board's acceptance of a late-filed brief or relief from untimely admission responses, in that case looking beyond procedural defects as the merits of the case would be subserved.⁹

Overall, most of the Federal Circuit's decisions affirmed the Board's holdings save for the few noted above and discussed herein, consistent with the great deference the court gives to agency decisions.

I. SUBSTANTIVE TRADEMARK ISSUES

A. *Genericness*

1. *In re Reed Elsevier Properties Inc.*¹⁰

In *In re Reed Elsevier Properties Inc.*,¹¹ the Federal Circuit affirmed the Board's refusal to register the trademark WWW.LAWYERS.COM as generic, confirming that the U.S. Patent and Trademark Office ("USPTO") can look beyond the goods and services recited in a trademark application to determine whether a mark is descriptive or generic.¹²

In 1998, Reed Elsevier ("Reed") applied to register WWW.LAWYERS.COM as a trademark for "[p]roviding access to an online interactive database featuring information exchange in the

6. *Id.* at 871 n.1.

7. *China Healthways*, 491 F.3d at 1341.

8. *FirstHealth of the Carolinas, Inc. v. Carefirst of Md., Inc.*, 479 F.3d 825, 828–30 (Fed. Cir. 2007); *Fischer v. Anderson*, No. 2007-1152, 2007 WL 2947324, at *3 (Fed. Cir. Oct. 10, 2007).

9. *Stichting Lodestar v. Austin Nichols & Co.*, 214 F. App'x 979 (Fed. Cir. 2007) (per curiam).

10. 482 F.3d 1376 (Fed. Cir. 2007).

11. *Id.*

12. *Id.* at 1378.

fields of law, lawyers, legal news, and legal services.”¹³ After determining that the website at WWW.LAWYERS.COM allows users to research lawyers, ask questions of lawyers and contact lawyers,¹⁴ the examining attorney rejected the mark as generic of the services identified in Reed’s trademark application.¹⁵

In what became one of the main issues on appeal, Reed attempted to salvage its application by deleting “lawyers,” leaving only “information exchange . . . in the fields of law, legal news, and legal services” in its recital of goods and services, and re-submitted its application for registration on the Supplemental Register.¹⁶ The examining attorney again rejected the application based on genericness.¹⁷ The Board affirmed the examining attorney’s ultimate refusal, finding that information about legal services is “inextricably” related to information about lawyers, and that the public would perceive the mark WWW.LAWYERS.COM as primarily referring to information about lawyers.¹⁸

On appeal, the Federal Circuit reviewed whether the evidence substantially supported the Board’s finding that WWW.LAWYERS.COM constitutes a generic mark.¹⁹ Reed did not dispute that the public would perceive WWW.LAWYERS.COM as primarily relating to lawyers.²⁰ The issue on appeal was whether the Board had erred in considering all of the services offered at www.lawyers.com in finding its mark generic.²¹ According to Reed, the Board should have limited its inquiry to whether WWW.LAWYERS.COM is generic for information about legal news and legal services.²²

13. *Id.*

14. *Id.* at 1377.

15. *Id.* at 1378. To prove that a mark is generic, the Federal Circuit follows a two-step inquiry: “First, what is the genus of goods or services at issue? Second, is the term sought to be registered . . . understood by the relevant public primarily to refer to that genus of goods or services?” *Id.* (citing *H. Marvin Ginn Corp. v. Int’l Ass’n of Fire Chiefs, Inc.*, 782 F.2d 987, 990 (Fed. Cir. 1986)).

16. *Id.* at 1377–78. Descriptive trademarks may be registered on the Supplemental Register if they have not yet acquired secondary meaning. JEROME GILSON & ANNE GILSON LALONDE, TRADEMARK MANUAL OF EXAMINING PROCEDURE (TMPEP) § 1212.02(c) (4th ed. 2005).

17. *Reed*, 482 F.3d at 1378.

18. *Id.*

19. *Id.* The issue of genericness is treated by the Federal Circuit as a question of fact. *Id.* The Federal Circuit reviews questions of fact by asking whether the Board’s decision is supported by substantial evidence. *Id.*

20. *Id.* at 1379–80.

21. *Id.* at 1379.

22. *Id.* at 1378–79.

The Federal Circuit concluded that that the evidence substantially supported the Board's holding.²³ It held that the Board (1) properly reviewed the website at WWW.LAWYERS.COM in order to give meaning to the term "legal services" and (2) properly determined that a necessary facet of legal services is information about lawyers.²⁴ The court therefore agreed with the Board that information about legal services is "inextricably intertwined" with information about lawyers²⁵ and rejected Reed's argument that the Board had considered services outside the scope of "information exchange in the field of . . . legal services."²⁶ Once the Federal Circuit found that the genus encompassed information about lawyers, it found that substantial evidence supported the Board's finding that the public would understand WWW.LAWYERS.COM to primarily relate to the genus of services at issue.²⁷

Reed may not involve a novel application of the genericness test. However, it does remind practitioners that the Board may look beyond the goods and services recited in a trademark application to inform its decision on whether a mark is descriptive or generic.²⁸

B. *Mere Descriptiveness*

1. *In re Bayer Aktiengesellschaft*²⁹

*In re Bayer Aktiengesellschaft*³⁰ posed the question of whether ASPIRINA is merely descriptive of aspirin and analgesic goods and therefore not allowable as a trademark.³¹ This case presents an interesting study into the weight accorded to various forms of evidence, especially foreign articles accessible over the Internet, and highlights the difficulty of appealing a factual determination by the Board due to the Federal Circuit's deferential "substantial evidence" standard of review.³²

23. *Id.* at 1378.

24. *Id.*

25. *Id.* at 1379.

26. *Id.* at 1378.

27. *Id.* at 1380.

28. *See In re Univ. Fed. Credit Union*, No. 78439822, 2007 WL 2219700, at *3 (T.T.A.B. July 23, 2007) ("[I]t is appropriate for the Board to consider the applicant's website to understand the meaning of the goods of the services for which registration is sought.").

29. 488 F.3d 960 (Fed. Cir. 2007).

30. *Id.*

31. *Id.* at 962.

32. *See id.* at 970 ("Under the deferential substantial evidence standard of review . . . [w]here two different conclusions may be warranted based on the evidence of record, the Board's decision to favor one conclusion over the other is the

Bayer is the owner of the mark ASPIRINA for aspirin and analgesic goods in thirty-four countries worldwide.³³ In 2003, Bayer filed an intent-to-use application to register ASPIRINA in connection with aspirin and analgesic goods in the United States.³⁴ Both the examining attorney and the Board rejected the application for ASPIRINA as merely descriptive of the goods at issue and Bayer appealed to the Federal Circuit.³⁵

The issue on appeal was whether substantial evidence supported the Board's finding that ASPIRINA is merely descriptive of aspirin and analgesic goods.³⁶ In line with established precedent, the Federal Circuit stated that "[a] term is merely descriptive if it immediately conveys knowledge of a quality, feature, function, or characteristic of the goods or services with which it is used."³⁷ Also in line with established precedent, the Federal Circuit analyzed both the term itself and how it is perceived in a marketplace context by average purchasers of the goods.³⁸

As to the appearance, sound and meaning of the term ASPIRINA, the Federal Circuit found that the mere addition of the letter "A" is "insufficient to transform ASPIRINA into an inherently distinctive mark for analgesics."³⁹ It held that (1) the appearance is virtually identical to the generic term aspirin and therefore immediately conveys the characteristics of the goods, and that (2) the meaning is identical because both ASPIRINA and aspirin identify analgesic goods.⁴⁰ Lastly, the Federal Circuit remarked that slight differences in pronunciation cannot overcome the substantial evidence that ASPIRINA is merely descriptive of aspirin.⁴¹

Taken in its marketplace context, the Federal Circuit likewise found substantial evidence to support the Board's holding that ASPIRINA is merely descriptive.⁴² The examining attorney proffered a wide array of evidence showing the descriptive nature of the term

type of decision that must be sustained by this court as supported by substantial evidence.").

33. *Id.* (Newman, J., dissenting).

34. *Id.* at 962.

35. *Id.* at 963. The Board held that "consumers will view ASPIRINA as merely a variation or misspelling of the generic term aspirin and determined that the terms are close in sound, appearance, and meaning [and] that ASPIRINA immediately conveys the impression that Bayer's analgesics are aspirin-based products." *Id.*

36. *Id.* at 964.

37. *Id.* at 963.

38. *Id.* at 964.

39. *Id.* at 965.

40. *Id.*

41. *Id.*

42. *Id.* at 970.

ASPIRINA, including online translation results, paper dictionary results, search engine results, and foreign and domestic online news articles.⁴³ In evaluating the record, the Federal Circuit found substantial evidence that ASPIRINA is used as the Spanish language equivalent of the generic term aspirin and would therefore be perceived by the United States public as merely descriptive of aspirin and analgesic goods.⁴⁴

In reviewing the Board's holding, the Federal Circuit reaffirmed the principle that Internet evidence is generally admissible in trademark disputes as indicative of public perception and also provided significant insight into the probative value of each type of Internet evidence before it.⁴⁵

The court first reaffirmed the principle that free online translation results are admissible as evidence of public perception.⁴⁶ It next held, in line with the lower courts, that Google search results are of "little value" because they do not illustrate the full context in which the mark appears.⁴⁷ Last, and perhaps most significant, the Federal Circuit reversed the Board's refusal to consider foreign-based online news sources as evidence of United States public perception.⁴⁸ The court held that the Internet is a growing resource for news and that "[i]nformation originating on foreign websites or in foreign news publications that are accessible to the United States public may be relevant to discern United States consumer impression of a proposed mark."⁴⁹ This statement should end disparate treatment of the issue by examiners and the TTAB⁵⁰ and is already being cited by the TTAB for this proposition.⁵¹

43. *Id.* at 965–70.

44. *Id.* at 970. Although the Federal Circuit explicitly declined to undertake an analysis of foreign equivalents, Judge Newman, in dissent, criticized the majority for relying on evidence showing the term ASPIRINA to be the foreign equivalent of a generic term and then using that evidence to support its finding of mere descriptiveness. *Id.* at 973.

45. *See id.* at 966 ("Internet evidence is generally admissible and may be considered for purposes of evaluating a trademark.") (citation omitted); *see also* GILSON & LALONDE, *supra* note 16, § 710.01(b) ("Articles downloaded from the Internet are admissible as evidence of information available to the general public, and of the way in which a term is being used by the public. However, the weight given to this evidence must be carefully evaluated, because the source is often unknown.").

46. *In re Bayer*, 488 F.3d at 966 (noting that if the public accesses such services, they are probative of public perception).

47. *Id.* at 967.

48. *Id.* at 969.

49. *Id.*

50. *Compare In re Bayer Aktiengesellschaft*, No. 78212751, 2005 WL 3395183, at *3 n.3 (T.T.A.B. Dec. 1, 2005) (noting that U.S. consumers are exposed to translations of foreign websites), *with In re King Koil Licensing Co.*, No. 76565486,

2. *In re Finisar Corp.*⁵²

In *In re Finisar Corp.*,⁵³ the Federal Circuit affirmed, per curiam, the Board's holding that SMARTSFP is merely descriptive of optical transceivers.⁵⁴ The Board's analysis involves a straightforward application of the descriptiveness test, illustrating the difference between a descriptive and suggestive mark.⁵⁵

A mark is descriptive if "it immediately conveys information concerning a quality, characteristic, function, ingredient, attribute or feature of the product or service in connection with which it is used, or intended to be used."⁵⁶ The mark must be considered in relation to the goods and services listed in the application and in light of the average purchaser's perception of the mark.⁵⁷

The issue on appeal was whether SFP and SMART, taken together, are merely descriptive of optical receivers.⁵⁸ While the Board noted that SFP is an acronym for "small form-factor pluggable" optical receivers,⁵⁹ Finisar argued that average consumers are unaware of the acronym SFP and would not immediately connect SFP with optical receivers.⁶⁰ The Board responded that *ordinary customers of Finisar's goods*—the proper standard—would immediately recognize the term

2006 WL 639160, at *2 (T.T.A.B. Mar. 2, 2006) (refusing to consider that U.S. consumers would turn to foreign websites), and *In re Remacle*, No. 75932290, 2002 WL 31563187, at *2-3 (T.T.A.B. Nov. 18, 2002) (reversing a decision in which foreign materials were used as evidence against the applicant).

51. See, e.g., *In re The Univ. of B.C.*, No. 78700787, 2007 WL 3095398 (T.T.A.B. Oct. 18, 2007); *In re Johnson & Johnson, Inc.*, No. 78518703, 2007 WL 2972210 (T.T.A.B. Sept. 20, 2007); *In re SJP, LLC*, No. 76620345, 2007 WL 2698287 (T.T.A.B. Aug. 31, 2007); *In re Grape Tech. Group, Inc.*, No. 76578484, 2007 WL 2344676 (T.T.A.B. Aug. 2, 2007); *In re Salzgitter Flachstahl GMBH*, No. 79007387, 2007 WL 1893923, at *5 (T.T.A.B. June 27, 2007) ("The Federal Circuit recently endorsed and encouraged the use of these foreign Internet publications.").

52. 223 F. App'x 984 (Fed. Cir. 2007).

53. *Id.*

54. *Id.* at 985.

55. *In re Finisar Corp.*, 78 U.S.P.Q.2d 1618, 1619 (T.T.A.B. 2006), *aff'd*, 223 F. App'x 984 (Fed. Cir. 2007).

56. *Id.* (citation omitted).

57. *Id.*

58. *Id.* at 1618-19. Optical receivers are "highly automated devices that imitate human intelligence by self monitoring and reporting operational and diagnostic information." *Id.* at 1621.

59. *Id.* at 1619. In so doing, the Board relied on the website <http://www.acronymfinder.com>. *Id.* This website is similar to Wikipedia insofar as users can develop and edit their own entries. See generally John L. Welch, The Board's Eye-View: Six Potential Pitfalls in Trademark Prosecution 13-15, http://www.ll-a.com/welch/ATD_Six_Pitfalls.pdf (questioning the reliability of the acronym website).

60. *Finisar Corp.*, 78 U.S.P.Q.2d at 1619.

as referring to Finisar's optical receivers.⁶¹ Accordingly, the Board found SFP descriptive of optical transceivers.⁶²

Next, the Board observed that the definition of SMART includes "highly automated" and "containing electronic control devices."⁶³ The Board also found significant evidence in the form of third-party websites showing "smart" in connection with transceivers.⁶⁴ Finisar again took the query out of context, arguing that "smart" is a broad and general term that does not immediately convey a consistent meaning.⁶⁵ However, in the context of optical receivers, the Board found that SMART immediately conveyed the characteristic that Finisar's goods are "highly automated and capable of computing information."⁶⁶ Accordingly, the Board found that the term SMART is also merely descriptive when used in connection with optical receivers.⁶⁷

The Board ultimately held that the "straightforward combination" of SMARTSFP does not create an incongruous or unique commercial impression, or require mental pause or thought to determine the nature of the goods.⁶⁸ Thus, SMARTSFP is merely descriptive of automated optical transceivers.⁶⁹ This case serves as a reminder that acronyms can be found merely descriptive⁷⁰ and that two descriptive terms, when presented in a "straightforward combination" without design elements, do not automatically become a suggestive mark.⁷¹

C. Likelihood of Confusion

The Federal Circuit issued three opinions in 2007 involving claims of a likelihood of confusion.⁷² Two of these opinions were issued per curiam affirming the Board's holdings, demonstrating the Federal

61. *Id.* at 1620.

62. *Id.*

63. *Id.*

64. *Id.* at 1622.

65. *Id.* at 1621.

66. *Id.*

67. *Id.* at 1620.

68. *Id.* at 1623.

69. *Id.*

70. *See, e.g., In re Sanofi-Aventis*, No. 78278816, 2006 WL 2303376, at *6 (T.T.A.B. July 24, 2006) ("[E]ven acronyms may be merely descriptive of an applicant's goods or services." (citation omitted)).

71. *Finisar Corp.*, 78 U.S.P.Q.2d at 1623.

72. *See China Healthways Inst., Inc. v. Wang*, 491 F.3d 1337 (Fed. Cir. 2007); *Nat'l Rural Elec. Coop. Ass'n v. Suzlon Wind Energy Corp.*, 214 F. App'x 987 (Fed. Cir. 2007); *Stichting Lodestar v. Austin, Nichols & Co.*, 214 F. App'x 979 (Fed. Cir. 2007).

Circuit's deferential "substantial evidence" standard of review for the Board's factual findings.⁷³

I. *Stichting Lodestar v. Austin, Nichols & Co.*⁷⁴

In *Stichting Lodestar v. Austin, Nichols & Co.*,⁷⁵ the Federal Circuit affirmed, per curiam, the Board's decision that applicant Stichting's mark WILD GEESE for beers, colas, and alcoholic beverages infringed upon opposer Austin, Nichols & Co.'s ("Austin Nichols") mark WILD TURKEY for various alcoholic beverages.⁷⁶

Before addressing the substantive issue presented by this case, the Board addressed numerous mistakes committed by Austin Nichols throughout the opposition proceeding.⁷⁷ Fortunately for Austin Nichols, failures to timely submit its admissions responses and main brief did not affect it in the present case, as the Board (and Federal Circuit) were willing to look beyond procedural defects as the merits of the case would be subserved.⁷⁸

Austin Nichols failed to timely serve its responses to applicant's first set of admissions.⁷⁹ As a result, Austin Nichols was faced with multiple default admissions and moved the Board to accept its late responses.⁸⁰ The Board treated its motion as one to withdraw its default admissions under Federal Rule 36(b).⁸¹ Federal Rule 36(b) asks whether "the merits of the action will be subserved" by the motion to withdraw and whether the party opposing the motion will be prejudiced by the withdrawal.⁸² Because some of the applicant's questions asked Austin Nichols to admit facts that were patently untrue—i.e., that WILD TURKEY is *not* used in connection with whiskey—the Board found that the merits of the case would be

73. In the likelihood of confusion analysis in the Federal Circuit, the Board's conclusion on each confusion factor is a factual determination reviewed under the "substantial evidence" standard of review while the ultimate legal conclusion as to whether confusion is likely—which involves a weighing of the factors—is reviewed de novo. *China Healthways*, 491 F.3d at 1339.

74. 214 F. App'x 979 (Fed. Cir. 2007).

75. *Id.*

76. *Austin, Nichols & Co. v. Stichting Lodestar*, No. 91155165, 2006 WL 236409, at *1.

77. *Id.* at *1–2 (T.T.A.B. Jan. 17, 2006).

78. See *infra* notes 79–87 and accompanying text (explaining the Board's reasoning).

79. *Austin, Nichols & Co.*, 2006 WL 236409, at *1.

80. *Id.* at *1–2.

81. *Id.* at *2.

82. See FED. R. CIV. P. 36(b) (stating that admissions may be withdrawn if "the merits of the action will be subserved thereby and the party who obtained the admission fails to satisfy the court that withdrawal or amendment will prejudice that party in maintaining the action or defense on the merits.").

subverted by the withdrawal of Austin Nichols' admissions.⁸³ It also found that the applicant would not be prejudiced by the withdrawal.⁸⁴

Austin Nichols also submitted its main brief on the case two days late.⁸⁵ Its brief was due on a Saturday and counsel for Austin Nichols did not submit the brief until the following Monday.⁸⁶ Taking Austin Nichols' excuse at face value that the delay was not willful, the Board accepted Austin Nichols brief "because it benefits the Board in its ability to make a just determination of the case to have the briefs of both parties of record."⁸⁷

In applying the likelihood of confusion factors,⁸⁸ the Board focused on the following factors, often considered the most important of the thirteen factors: (1) fame of the prior mark, (2) similarities between the marks, and (3) similarities between the goods and/or services.⁸⁹

Of great importance to Austin Nichols was the fame of the WILD TURKEY mark.⁹⁰ The Board emphasized Austin Nichols' length of use (over sixty years), widespread sales (\$65 million and 500,000 cases of whiskey sold), advertising expenditures (over \$10 million), strong brand identity, point-of-sale marketing, and media exposure.⁹¹

83. *Austin, Nichols & Co.*, 2006 WL 236409, at *2.

84. *Id.*

85. *Id.* at *3.

86. *Id.*

87. *Id.*

88. The Federal Circuit applies a thirteen-factor test to determine whether consumer confusion is likely, which considers the following factors:

(1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation[,] and commercial impression[;] (2) [t]he similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use[;] (3) [t]he similarity or dissimilarity of established, likely-to-continue trade channels[;] (4) [t]he conditions under which and buyers to whom sales are made, i.e. "impulse" vs. careful, sophisticated purchasing[;] (5) [t]he fame of the prior mark (sales, advertising, length of use)[;] (6) [t]he number and nature of similar marks in use on similar goods[;] (7) [t]he nature and extent of any actual confusion[;] (8) [t]he length of time during and conditions under which there has been concurrent use without evidence of actual confusion[;] (9) [t]he variety of goods on which a mark is or is not used (house mark, "family" mark, product mark)[;] (10) [t]he market interface between applicant and the owner of a prior mark[;] (11) [t]he extent to which applicant has a right to exclude others from use of its mark on its goods[;] (12) [t]he extent of potential confusion, i.e., whether *de minimis* or substantial[;] and] (13) [a]ny other established fact probative of the effect of use.

In re E.I. DuPont DeNemours & Co., 476 F.2d 1357, 1361 (C.C.P.A. 1973).

89. *Austin, Nichols & Co.*, 2006 WL 236409, at *6-7.

90. *See id.* (underscoring the importance of fame as one of the *DuPont* factors used for determining consumer confusion).

91. *Id.*

Stichting did not present any rebuttal evidence, and the Board found the WILD TURKEY mark famous and entitled to broad protection.⁹²

Citing well-settled law, the Board noted that goods need not be identical or directly competitive to be considered similar.⁹³ However, the Board found that the goods in the parties' registrations, beer and alcoholic beverages, were identical or nearly identical.⁹⁴ Given the great similarity between the goods, the Board found that two additional *DuPont* factors—the marketing channels and class of purchasers—also favored Austin Nichols.⁹⁵

On the issue of the similarity of the marks, the Board found that WILD GEESE and WILD TURKEY are similar “when compared in their entireties in terms of appearance, sound, connotation and commercial impression.”⁹⁶ Specifically, it found that each mark contained the word WILD in combination with a game bird, which gave rise to a confusingly similar commercial impression when used in connection with beer and alcoholic beverages.⁹⁷

The Board was unswayed by Stichting's arguments on the (dis)similarity of the marks. First, Stichting dissected the marks in its analysis,⁹⁸ violating the long-standing anti-dissection rule of trademark law.⁹⁹ Stichting also proffered third-party registrations, ostensibly showing that the common term WILD has “ordinary significance” in the field of beverages.¹⁰⁰ However, the Board found that the word WILD in the third party registrations had disparate meanings and connotations and therefore carried little weight.¹⁰¹

Given Austin Nichols' strong showing on five of the likelihood of confusion factors, the Board concluded that Stichting's mark was barred from registration under § 2(d) of the Federal Trademark Act.¹⁰²

92. *Id.* at *7.

93. *See id.* (opining that the goods need only be related in some manner such that consumers encountering the goods in the marketplace could believe that they come from the same source (citing *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565 (Fed. Cir. 1984))).

94. *Id.*

95. *Id.* at *8.

96. *Id.*

97. *Id.* at *8–10.

98. *Id.* at *10.

99. *See In re Nat'l Data Corp.*, 753 F.2d 1056, 1058 (Fed. Cir. 1985) (stating that “marks must be compared in their entireties and must be considered in connection with the particular goods or services for which they are used” (citation omitted)).

100. *Austin, Nichols & Co.*, 2006 WL 236409, at *9.

101. *Id.*

102. *Id.* at *10; *see infra* note 179.

2. National Rural Electric Cooperative Association v. Suzlon Wind Energy Corp.¹⁰³

In *National Rural Electric Cooperative Association v. Suzlon Wind Energy Corp.*,¹⁰⁴ yet another per curiam decision, the Federal Circuit affirmed the Board's holding that Suzlon Wind Energy Corporation's ("Suzlon") design mark did not infringe the design mark of National Rural Electric Cooperative Association ("National Rural").¹⁰⁵

This case began as a cancellation proceeding before the Trademark Trial and Appeals Board in 2004.¹⁰⁶ National Rural petitioned to cancel Suzlon's mark on the basis that confusion was likely between its mark:¹⁰⁷



and Suzlon's mark:¹⁰⁸



The Board first assessed the similarity of the marks in terms of appearance, sound, and connotation, finding differences in the appearance of the marks because Suzlon's mark consists of three lines versus National Rural's five.¹⁰⁹ The Board also found differences in connotation, finding that the marks are abstract and, therefore, open to endless interpretation by consumers.¹¹⁰ On the question of sound, the Board said it would be "remiss" to overlook the "important difference" of an arbitrary word mark in Suzlon's design.¹¹¹ National Rural argued that some of its association members display their name underneath the National Rural logo, much like Suzlon's mark, but

103. 214 F. App'x 987 (Fed. Cir. 2007).

104. *Id.*

105. *Id.* at *1.

106. Nat'l Rural Elec. Coop. Ass'n v. Suzlon Wind Energy Corp., 78 U.S.P.Q.2d 1881, 1882 (T.T.A.B. 2006).

107. *Id.*

108. *Id.* at 1882–83.

109. *Id.* at 1884.

110. *Id.*

111. *Id.*

the Board was not convinced.¹¹² Overall, the Board found the degree of similarity “not great.”¹¹³

On the relatedness of the goods and services, the Board is bound by those identified in the parties’ registrations.¹¹⁴ National Rural’s registration covers publications, workshops, seminars, and association services in the field of rural electrification, while Suzlon’s registration covers wind turbines and their components.¹¹⁵

National Rural argued that the goods are directly related, noting that its associational services include wind energy counseling and stressing Suzlon’s admission that “the goods and services used with the respective marks fall in the energy industry.”¹¹⁶ However, the Board rejected this assertion, concluding that even a passing review of the goods and services revealed that they were neither identical nor closely related.¹¹⁷ The Board further noted that “[m]erely because parties operate in the same broad industry does not, by itself, establish that their goods and services are related.”¹¹⁸ Accordingly, the Board found that the goods and services were at best “tenuously” related.¹¹⁹

When considering the sophistication of consumers and the care taken in purchasing the parties’ goods and services, the Board found that purchasers of wind turbines and energy cooperatives are sophisticated and exercise care in purchasing turbines and joining energy associations.¹²⁰ These factors favored Suzlon.¹²¹

National Rural proffered evidence that one of its customers saw Suzlon’s mark and thought it belonged to National Rural.¹²² Even though actual confusion is normally afforded great weight in the confusion analysis,¹²³ the Board was not swayed by the evidence. In this “single instance of alleged actual confusion,” the customer had

112. *Id.*

113. *Id.*

114. *Id.* (relying on *Paula Payne Prods. Co. v. Johnson Publ’g Co.*, 473 F.2d 901 (C.C.P.A. 1973), to show that using only the description of goods and services provided in the registration is a well-established TTAB practice).

115. *Id.* at 1885.

116. *Id.* (quoting National Rural’s brief).

117. *Id.*

118. *Id.* (citing *Saks & Co. v. Snack Food Ass’n*, 12 U.S.P.Q.2d 1833, 1835 (T.T.A.B. 1989)); *see Bose Corp. v. QSC Audio Prods., Inc.*, 293 F.3d 1367, 1376 (Fed. Cir. 2002) (“[A] broad general market category is not a generally reliable test of relatedness of products.”).

119. *Nat’l Rural*, 78 U.S.P.Q.2d at 1886.

120. *Id.*

121. *Id.*

122. *Id.*

123. *Id.* (“A showing of actual confusion would of course be highly probative, if not conclusive, of a high likelihood of confusion.” (quoting *In re Majestic Distilling Co.*, 65 U.S.P.Q.2d 1201, 1205 (Fed. Cir. 2003))).

failed to consider the goods and services offered in connection with the mark.¹²⁴ Accordingly, the Board found the evidence equivocal and insignificant.¹²⁵

Overall, the Board found confusion unlikely.¹²⁶ This is an interesting case where the inclusion of a word in a design mark was an “important difference” in assessing mark similarity.¹²⁷ Further, this case is an instructive example of how goods and services are not necessarily related even when marketed within the same broad industry.

3. *China Healthways Institute, Inc. v. Wang*¹²⁸

The Federal Circuit issued only one written opinion in 2007 involving the likelihood of confusion analysis.¹²⁹ In *China Healthways Institute, Inc. v. Wang*,¹³⁰ the Federal Circuit reversed the Board’s finding that the trademark CHI PLUS does not infringe upon the mark CHI, holding that the marks are confusingly similar and the goods, consumers, and marketing channels identical.¹³¹

This dispute involves competitors who both wished to use the mark CHI in connection with electric massagers.¹³² In 2002, Wang applied for trademark protection for the mark CHI PLUS in connection with electric massage apparatuses.¹³³ China Healthways Institute, Inc. (“China Healthways”) already owned a trademark registration for CHI, in connection with electric therapeutic massagers, and opposed Wang’s application.¹³⁴

In its initial ruling below, the Board rejected China Healthways’ opposition, finding confusion unlikely.¹³⁵ Significantly, the Board found the marks to be dissimilar. The Board “found that ‘CHI’ is a weak component of the marks, and the other components of the marks adequately distinguish them.”¹³⁶ To support its conclusion that CHI was a weak component, the Board found that “chi” means vital energy in Chinese and is suggestive, if not descriptive, of the

124. *Id.* at 1887.

125. *Id.*

126. *Id.*

127. *Id.* at 1884.

128. 491 F.3d 1337 (Fed. Cir. 2007).

129. *Id.* at 1339.

130. *Id.* at 1337.

131. *Id.* at 1341.

132. *Id.* at 1339.

133. *Id.*

134. *Id.*

135. *Id.*

136. *Id.*

massagers.¹³⁷ The Board then found that differences such as the lettering, design elements, and the addition of the word PLUS sufficiently distinguished the two marks.¹³⁸

The issue before the Federal Circuit on appeal turned primarily on the similarity of the marks.¹³⁹ In that appeal, the court found that the Board violated the longstanding anti-dissection rule of trademark law.¹⁴⁰ Specifically, the Federal Circuit rejected a comparison that eliminated portions of marks and then simply compared the remainder.¹⁴¹ Instead, according to the court, the correct comparison involves consideration of the marks in their entirety and in light of their respective commercial impressions.¹⁴²

In particular, the Federal Circuit objected to the Board's disposal of the word mark CHI on the grounds that the word is descriptive and thus a weak component of the overall marks.¹⁴³ The Federal Circuit first explained that the word "chi" does not mean electric massager and is therefore not a descriptive component of the mark.¹⁴⁴ Further, the word CHI is an "integral" and "major component" of both marks,¹⁴⁵ and minor distinctions, such as the lettering, design elements, and the word PLUS¹⁴⁶ did not render the marks dissimilar when viewed in their entirety and in light of their overall commercial impressions.¹⁴⁷

After reversing the Board on its finding of mark similarity, the court further noted that the Board should have accepted China Healthways' evidence of actual confusion "to the extent that it was

137. *Id.* at 1339–40.

138. *Id.* at 1340.

139. *Id.* at 1339.

140. *See id.* at 1340 (noting that trademarks must be examined as a whole, especially when "the overall commercial impression is reasonably based on the entirety of the marks" (citation omitted)).

141. *Id.*

142. *Id.*

143. *Id.* at 1341.

144. *Id.* Interestingly, elsewhere in the opinion the Federal Circuit noted that "[t]he word CHI has significant descriptive aspects that raise the likelihood of confusion and weigh against registration of multiple marks for identical goods." *Id.* at 1340. This belies the principle alluded to by the Board that weak common elements *reduce* the likelihood of confusion. *See, e.g.,* *Cont'l Grain Co. v. Cent. Soya Co.*, No. 95-1249, 1995 WL 649500, at *2 (Fed. Cir. Nov. 6, 1995) ("Where the common element of conflicting marks is 'weak' in the sense that such portion is descriptive, highly suggestive, or is in common use by many sellers in the market, then this reduces the likelihood of confusion." (citation omitted)).

145. *China Healthways*, 491 F.3d at 1340–41.

146. The court noted that the word "plus" normally connotes a superior product, not a wholly different one. *Id.* at 1341.

147. *Id.*

properly proffered.”¹⁴⁸ Additionally, the Federal Circuit found that the Board erred in its assessment of the fame of the mark CHI.¹⁴⁹ Because fame is partially measured by sales volume and length of advertising, and China Healthways had sold tens of thousands of its massagers over more than ten years, the Federal Circuit found that the Board had accorded insufficient weight to CHI on the fame factor.¹⁵⁰

China Healthways may prove to be an important case to watch considering that the Federal Circuit offered conflicting opinions on the descriptiveness of the mark CHI. At one point, the court stated that CHI does not mean electric massagers (and is therefore not descriptive).¹⁵¹ At another, however, it stated that CHI has “significant descriptive aspects.”¹⁵² Taking the final position that CHI is not descriptive, the court’s criticism of the Board’s dissection of the mark is sound. However, if the mark CHI in fact does have significant descriptive aspects, then the Board properly followed Federal Circuit precedent that allows the elimination of weak aspects and comparison of the residue.¹⁵³

D. Definition of Goods

1. In re Omega SA¹⁵⁴

In *In re Omega SA*,¹⁵⁵ the Federal Circuit upheld the USPTO’s refusal to register a mark unless the applicant amended its application to limit its identification of goods to those specifically within International Class 14,¹⁵⁶ even though Omega argued that by virtue of the class identification, the goods would be understood to

148. *Id.* The Federal Circuit did not explain what it meant by “properly proffered.” The court noted that the Board excluded China Healthways’s evidence because it was not introduced during the assigned testimony period. *Id.* The Federal Circuit did not explain whether the Board was correct or whether it should have accepted the evidence outside the assigned period. *Id.*

149. *Id.*

150. *Id.*

151. *Id.*

152. *Id.* at 1340; *see supra* note 144 (highlighting the possible contradiction within the Federal Circuit’s opinion).

153. *See* *Cont’l Grain Co. v. Cent. Soya Co., Inc.*, No. 95-1249, 1995 WL 649500, at *2 (Fed. Cir. Nov. 6, 1995) (“[T]he Board in its analysis acted within the anti-dissection rule under our precedent in analyzing the ‘common weak elements’ of the marks.”).

154. 494 F.3d 1362 (Fed. Cir. 2007).

155. *Id.*

156. The TTAB originally ruled that applicant’s registration was too broad because it potentially applied to goods under both Class 14 and Class 9 of the International Classification for trademark registration. *Id.* at 1363–64.

be automatically limited.¹⁵⁷ Despite Omega's concern that the limitation of the identification of goods in the registration may adversely affect its prior trademark registrations for the same goods that did not include the additional restricting language, the Federal Circuit accepted the USPTO's assurance that the imposition of this requirement in a subsequent registration would not affect existing registrations.¹⁵⁸

Omega applied to register the mark AQUA TERRA in Class 14 for "jewelry, precious stones; watches, watch straps, watch bracelets and parts thereof; chronometers, chronographs, watches made of precious metals, watches partly or entirely set with precious stones in International Class 14."¹⁵⁹ However, the Trademark Attorney rejected the application, stating that "chronographs" can refer to Class 9 time recording devices as well as Class 14 watches.¹⁶⁰

The USPTO referred "to the online *Acceptable Identification of Goods and Services Manual*,¹⁶¹ which identifies 'chronographs for use as specialized time recording apparatuses' as classified in International Class 9, whereas 'chronographs for use as watches' or 'chronographs for use as timepieces' are in International Class 14."¹⁶² Declining to amend its identification, Omega argued that it had "several [existing] registered trademarks in Class 14 for use with 'watches and chronographs' and that the term 'chronographs' includes timepieces such as watches, whether or not 'chronographs' is also used for time recording instruments."¹⁶³ Omega further asserted that because Class 14 does not include time recording instruments, the USPTO's requirement to restrict the definition of goods is inconsistent with its other registrations in Class 14, specifically a parent Swiss registration "based on International Class 14, which includes 'chronographs [watches], 'chronometers,' and 'chronometrical instruments.'"¹⁶⁴ Omega next argued "that the term 'chronograph' is internationally understood in the watch industry, [but did not] dispute that

157. *Id.* at 1364.

158. *Id.* at 1365.

159. *Id.* at 1363 (referencing the original Board decision, *In re Omega SA (Omega I)*, No. 78192104, 2005 WL 3175147, at *1 (T.T.A.B. Nov. 4, 2005)).

160. *Id.* at 1363-64.

161. The United States has adopted the International Classification for the registration of trademarks. GILSON & LALONDE, *supra* note 16, § 1401.02 ("As of September 1, 1973, the international classification of goods and services is the primary classification used by the United States, and it applies to all applications filed on or after September 1, 1973, and their resulting registrations, for all statutory purposes." (citing 37 C.F.R. § 2.85)).

162. *Omega*, 494 F.3d at 1364.

163. *Id.*

164. *Id.* (alteration in original).

‘chronograph’ can also designate time recording instruments.”¹⁶⁵ Finally, Omega stated that the “limitation of ‘chronograph’ to watches necessarily follows when registration is in International Class 14, [and that it need not be further limited] since the only chronographs in Class 14 are watches.”¹⁶⁶

The Federal Circuit confirmed that the definition of goods in one registration does not taint the definition of similar goods in any other registrations, thereby accepting the USPTO’s arguments that “third parties cannot challenge prior registrations based on terminology used in an ID in a more recent application/registration,” and that there would be no retroactive effect on an applicant’s existing registrations or place those prior registrations at risk.¹⁶⁷ The Federal Circuit held that it is within the USPTO’s “authority to develop particularized definitions that are ‘more extensive and specific than the Alphabetical List of Goods and Services that is published by WIPO [World Intellectual Property Organization]’ . . . and to require compliance with such definitions.”¹⁶⁸ Furthermore, the International Classification does not prohibit the imposition of additional requirements for national registration.¹⁶⁹

Omega expressed concern regarding inconsistent examination requirements that place an inappropriate burden on applicants.¹⁷⁰ The Federal Circuit agreed that consistency is “highly desirable” and that the time and expense of complying with inconsistent applications burdens both the USPTO and the public; however, it found that the requirement in this particular case was not so unreasonable as to justify judicial intervention into the USPTO examination process.¹⁷¹ Finding that the scope of the term “chronographs” is ambiguous for registration purposes because it includes both watches and time recording devices, the Federal Circuit held that the USPTO has “discretion to determine whether and how

165. *Id.*

166. *Id.*

167. *Id.* at 1365 (quoting the brief filed by the USPTO).

168. *Id.* (quoting GILSON & LALONDE, *supra* note 16, § 1402.04) (citation omitted). The court in *Omega* incorrectly attributed the quoted language to § 1401.02(c) of the TMEP. *Id.*

169. *See id.* (illustrating that domestic requirements can differ so long as they do not significantly alter the international classifications); GILSON & LALONDE, *supra* note 16, § 1401.02(c) (“[B]ecause the international list was developed to *classify* goods and services and not to identify specific goods and services, most entries will not be sufficiently definite to use in an identification of goods or services.” (emphasis added)).

170. *Omega*, 494 F.3d at 1365.

171. *Id.*; *see Hyatt v. Boone*, 146 F.3d 1348, 1355 (Fed. Cir. 1998) (“Courts should not readily intervene in the day-to-day operations of an administrative agency.”).

a trademark registration should include a more particularized statement of the goods for which the mark is to be used.”¹⁷² Accordingly, the Federal Circuit held that the Trademark Examining Attorney’s requirement in “determining that the term ‘chronographs’ in the registration should be restricted to those ‘for use as watches’” was within the USPTO’s discretionary authority.¹⁷³

E. Use v. Use in Commerce

1. *First Niagara Insurance Brokers, Inc. v. First Niagara Financial Group, Inc.*¹⁷⁴

In *First Niagara Insurance Brokers, Inc. v. First Niagara Financial Group, Inc.*,¹⁷⁵ the Federal Circuit reversed a TTAB decision dismissing an opposition to intent-to-use applications and clarified that the “use” required to challenge an application for registration is merely “use in the United States” and not “use in commerce.”¹⁷⁶ The TTAB’s analysis of whether the party opposing the trademark’s registration had shown *use in commerce* was unwarranted given the plain language of the applicable statute, which merely requires that the prior mark be “used in the United States by another.”¹⁷⁷

First Niagara Financial Group, Inc. (“FN-US”), an insurance brokerage firm, filed intent-to-use applications at the USPTO for various marks, including the term FIRST NIAGRA, in connection with its insurance brokerage services.¹⁷⁸ First Niagara Insurance Brokers, Inc. (“FN-Canada”), an insurance broker operating out of Canada, opposed each of FN-US’s applications on the basis that FN-US’s marks were likely to cause confusion with its own.¹⁷⁹ FN-Canada did not have any physical presence in the United States, such as offices, employees, or assets.¹⁸⁰ Nor was it licensed to act as an

172. *Omega*, 494 F.3d at 1365.

173. *Id.*

174. 476 F.3d 867 (Fed. Cir. 2007).

175. *Id.*

176. *Id.* at 871.

177. *Id.* at 870 (quoting 15 U.S.C. § 1052(d) (2000)).

178. *Id.* at 869.

179. *Id.* In opposing FN-US’s registration, FN-Canada relied on section 2(d) of the Lanham Act, which provides that a trademark shall be refused registration if it “[c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive.”

15 U.S.C. § 1052(d) (2000) (emphasis added).

180. *First Niagara*, 476 F.3d at 868.

insurance broker in the United States.¹⁸¹ It did, however, both sell insurance policies issued by U.S.-based underwriting companies and sell, through insurance brokers in the United States, policies to U.S. citizens holding Canadian property.¹⁸² FN-Canada does not own any registered U.S. trademarks, but regularly uses several unregistered marks, including FIRST NIAGRA and FIRST NIAGRA INSURANCE BROKERS, in advertising that “spills over” into the United States and in correspondence to customers in the United States.¹⁸³

FN-US argued that FN-Canada “could not establish the priority necessary to prevail on a likelihood-of-confusion claim because it had not used its marks ‘in commerce’ under 15 U.S.C. § 1127.”¹⁸⁴ The TTAB dismissed FN-Canada’s protests, reasoning that any connections FN-Canada has with the United States were “*de minimis* and merely incidental to [FN-Canada’s] rendering of its insurance brokerage services in Canada.”¹⁸⁵ The Board further held that “[s]uch activities do not constitute rendering of insurance brokerage services in either interstate or foreign commerce.”¹⁸⁶

The Federal Circuit reversed, finding that the TTAB erroneously framed the issue as use in commerce regulated by Congress.¹⁸⁷ The court held that such an assumption was unwarranted in light of the plain language of the statute, which requires only that the prior mark be “used in the United States by another.”¹⁸⁸ The privilege to claim priority under section 2(d) based solely on intrastate use of a mark “attaches to all opposers, regardless of whether they are foreign or

181. *Id.*

182. *Id.*

183. *Id.* at 869.

184. *Id.* The referenced section of the Lanham Act defines “use in commerce” as the “bona fide use of a [trade]mark in the ordinary course of trade, and not merely to reserve the right to a mark.” 15 U.S.C. § 1127 (2000).

185. *First Niagara*, 476 F.3d at 869–70 (alteration in original) (quoting *First Niagara Ins. Brokers Inc. v. First Niagara Fin. Group Inc.* (*First Niagara I*), 77 U.S.P.Q.2d 1334, 1344 (T.T.A.B. 2005)).

186. *Id.* at 870 (quoting *First Niagara I*, 77 U.S.P.Q.2d at 1344) (citation omitted).

187. *Id.* at 870–71. Section 45 of the Lanham Act requires that marks be used in commerce in order to be registered. 15 U.S.C. § 1051 (2000).

188. *First Niagara*, 476 F.3d at 870 (citing 15 U.S.C. § 1052(d) (2000)); see *Nat’l Cable Television Ass’n, Inc. v. Am. Cinema Editors, Inc.*, 937 F.2d 1572, 1578 n.4 (Fed. Cir. 1991) (“Were failure to show ‘use in commerce’ a bar to petitioning for cancellation of a registration, a party could never cancel a mark based solely on intrastate use. This is not the law.”). The Federal Circuit in *First Niagara* further noted that even the Board opinion below stated that “[a]n opposer claiming priority under section 2(d) may rely on *use that is strictly intrastate* and not regulable by Congress.” *First Niagara*, 476 F.3d at 871 (quoting *First Niagara I*, 77 U.S.P.Q.2d at 1341 n.15).

domestic.”¹⁸⁹ Accordingly, a foreign opposer can oppose a mark merely by demonstrating *use* of its marks in the United States.¹⁹⁰

The court noted that, despite the plain language of the statute requiring mere use and the precedent of *National Cable Television Association, Inc. v. American Cinema Editors, Inc.*,¹⁹¹ “FN-Canada did not object to FN-US and the Board framing the issue as ‘use in commerce.’”¹⁹² The Board had apparently found that FN-Canada had “waived the right to argue its case on the correct lesser use requirement.”¹⁹³ On appeal, FN-Canada did not challenge the Board’s assumption of waiver, arguing its use satisfied use in commerce.¹⁹⁴ Nonetheless, the Federal Circuit noted in a footnote that, “in future cases where a section 2(d) challenge is mounted, the Board should apply the correct test even where use in interstate or foreign commerce is alleged.”¹⁹⁵ Applying the correct test, the Federal Circuit held that the Board erred in dismissing FN-Canada’s oppositions as the record revealed more than ample use of FN-Canada’s marks in the United States to satisfy the use requirements of section 2(d).¹⁹⁶

F. No “Excusable Neglect”

1. *FirstHealth of Carolinas, Inc. v. Carefirst of Maryland, Inc.*¹⁹⁷

In *FirstHealth of Carolinas, Inc. v. Carefirst of Maryland, Inc.*,¹⁹⁸ the Federal Circuit reviewed a Board decision denying a FirstHealth motion to reopen the testimony period for failure to show “excusable neglect” and dismissing FirstHealth’s counterclaims.¹⁹⁹

FirstHealth filed intent-to-use trademark applications for the mark FIRSTCAROLINACARE in connection with healthcare insurance claims administration and health maintenance organizations (“HMOs”).²⁰⁰ CareFirst opposed both applications, alleging a likelihood of confusion with, and dilution of, its mark CAREFIRST.²⁰¹ FirstHealth counterclaimed against CareFirst, seeking to cancel the

189. *First Niagara*, 476 F.3d at 871.

190. *Id.*

191. 937 F.2d at 1578 n.4.

192. *First Niagara*, 476 F.3d at 871.

193. *Id.*

194. *Id.*

195. *Id.* at 871 n.1.

196. *Id.* at 871.

197. 479 F.3d 825 (Fed. Cir. 2007).

198. *Id.*

199. *Id.* at 827–28.

200. *Id.* at 827.

201. *Id.*

trademark registrations for CAREFIRST “based on abandonment due to uncontrolled licensing of the mark and failure to use the mark in connection with services other than HMO services.”²⁰²

The parties had entered into a stipulation extending FirstHealth’s case-in-chief testimony period until January 31, 2004.²⁰³ Nearly a month later, on February 26, 2004, FirstHealth filed a motion to reopen its testimony period to introduce evidence to support its counterclaims, including discovery depositions, responses, and certified copies of third-party registrations.²⁰⁴ FirstHealth listed the birth of counsel’s son, the significant amount of testimony that was taken, time conflicts with counsel’s other matters, and a new paralegal’s docketing error as reasons for its late filing.²⁰⁵ However, the Board denied FirstHealth’s motion to reopen its testimony period, finding that it had not shown excusable neglect.²⁰⁶ Thus, the Board dismissed FirstHealth’s counterclaims for cancellation due to lack of supporting evidence.²⁰⁷ The Federal Circuit noted that the Board, in its initial ruling, “also dismissed CareFirst’s oppositions, finding that there was no likelihood of confusion with or dilution of [CareFirst’s] registered mark.”²⁰⁸

The Federal Circuit’s standard of review when examining whether the Board erred in denying a motion for failure to show excusable neglect is abuse of discretion.²⁰⁹ The court noted that, while the Board’s regulations do allow testimony periods to be reopened upon a showing of “excusable neglect,” they do not articulate the meaning of that term.²¹⁰ As a result of this lack of a definition, FirstHealth argued on appeal that the Board had abused its discretion in applying the factors identified by the Supreme Court in *Pioneer Investment Services Co. v. Brunswick Associates Ltd. Partnership*.²¹¹ The

202. *Id.*

203. *See id.* (noting that the parties’ agreement was made pursuant to 37 C.F.R. § 2.121). This section of the Code of Federal Regulations permits parties to extend testimony periods by agreement and with the permission of the T.T.A.B. 37 C.F.R. § 2.121(c) (2007).

204. *FirstHealth*, 479 F.3d at 827.

205. *Id.*

206. *Id.*

207. *Id.*

208. *Id.* at 828 (citation omitted).

209. *Id.*; *see Hewlett-Packard Co. v. Olympus Corp.*, 931 F.2d 1551, 1552 (Fed. Cir. 1991) (stating that the relevant examination in excusable neglect cases is whether or not the Board abused its discretion when dismissing a motion or claim).

210. *FirstHealth*, 479 F.3d at 829; *see* 37 C.F.R. § 2.116(a) (observing that *inter partes* proceedings before the Board are generally governed by the Federal Rules of Civil Procedure).

211. *FirstHealth*, 479 F.3d at 828. In *Pioneer Inv. Servs. Co. v. Brunswick Assoc. Ltd. P’ship*, 507 U.S. 380 (1993), the Supreme Court laid out a definition for the term

Federal Circuit in *FirstHealth* explained that, under *Pioneer*, the determination of whether a party's neglect is excusable is:

[a]t bottom an equitable one, taking account of all relevant circumstances surrounding the party's omission. These include . . . [1] the danger of prejudice to the [non-moving party], [2] the length of the delay and its potential impact on judicial proceedings, [3] the reason for the delay, including whether it was within the reasonable control of the movant, and [4] whether the movant acted in good faith.²¹²

The Board adopted the *Pioneer* factors for determining excusable neglect in *Pumpkin Ltd. v. Seed Corps.*²¹³ and held that the third factor—the reason for the delay and whether it was within the reasonable control of the movant—is the most important.²¹⁴ The court in *FirstHealth* noted that while the Board was not required to adopt the interpretation of “excusable neglect” set forth in *Pioneer*, doing so was reasonable and the court would defer to that interpretation.²¹⁵

The court found that the Board did not abuse its discretion in denying FirstHealth's motion.²¹⁶ The reasons FirstHealth gave for the delay were wholly within its reasonable control.²¹⁷ The Federal Circuit dismissed FirstHealth's complaint of a “docketing error” as belied by FirstHealth's own reference to the January 31, 2004 deadline in a motion it filed prior to the deadline's expiration.²¹⁸ As to FirstHealth's claim that family matters caused delay, FirstHealth had failed to explain why other authorized individuals in the same firm

“excusable neglect” while examining the Federal Rules of Bankruptcy Procedure. *Id.* at 395.

212. *FirstHealth*, 479 F.3d at 829 (quoting *Pioneer*, 507 U.S. at 395) (footnote omission and alterations in original).

213. 43 U.S.P.Q.2d 1582 (T.T.A.B. 1997). In *Pumpkin*, the Board denied a motion to reopen the testimony period because the reason for delay—a docketing error—was “wholly within the reasonable control of the [the movant],” applying the third factor in *Pioneer*. *Id.* at 1587. Further, the Board noted that its interest in deterring delay due to “sloppy practice or inattention to deadlines” was relevant to the second *Pioneer* factor, and also weighed heavily against a finding of excusable neglect. *Id.* at 1587–88.

214. *Old Nutfield Brewing Co. v. Hudson Valley Brewing Co.*, 65 U.S.P.Q.2d 1701, 1702 (T.T.A.B. 2002) (citing *Pumpkin*, 43 U.S.P.Q.2d at 1586 n.7).

215. *FirstHealth*, 479 F.3d at 829 (citing *Custom Computer Servs., Inc. v. Paychex Props., Inc.*, 337 F.3d 1334, 1336 (Fed. Cir. 2003), as “deferring to the Board's interpretation of ‘mistake’ in the context of 37 C.F.R. § 2.102(b)”).

216. *Id.* at 830.

217. *Id.* at 829–30. The stipulated motion that extended the testimony period to January 31, 2004 accounted for two of the reasons for the delay—FirstHealth's witness schedules and conflicts with counsels' schedules. *Id.*

218. *Id.* at 830.

could not have assumed responsibility for the case.²¹⁹ Finding that, as in *Pumpkin*, the second and third factors weighed against excusable neglect, the Federal Circuit held that the Board did not abuse its discretion in denying FirstHealth's motion to reopen the testimony period.²²⁰

The Federal Circuit also found the Board's finding that FirstHealth failed to prove uncontrolled licensing or failure to use by a preponderance of the evidence was supported by substantial evidence.²²¹ Without the properly excluded evidence, FirstHealth failed to meet its burden of proving abandonment by a preponderance of the evidence.²²²

2. *Fischer v. Anderson*²²³ and *Fischer v. Quad International Inc.*²²⁴

In *Fischer v. Anderson*,²²⁵ the Federal Circuit affirmed the TTAB's denial of Fischer's motion for relief from judgment.²²⁶ The Board granted judgment against Fischer on the pleadings, sustaining Anderson's opposition to Fischer's application for registration of the mark CHLOE VEVRIER and refusing registration of the mark.²²⁷ During the Board proceedings, Fischer was represented by counsel.²²⁸ However, Fischer's new counsel filed a motion for relief from judgment, claiming that prior counsel had been negligent in failing to respond to Anderson's motion for judgment or the Board's show cause order.²²⁹

The Board denied Fischer's motion for relief from judgment because Fischer had not established that her failure to respond to the motion for judgment on the pleadings or the show cause order was

219. *See id.* ("finding that a failure to explain why other authorized individuals could not have assumed responsibility after counsel's death weighed against finding excusable neglect" (citing *HKG Indus., Inc. v. Perma-Pipe, Inc.*, 49 U.S.P.Q.2d 1156 (T.T.A.B. 1998))).

220. *Id.*

221. *See id.* ("Abandonment is a question of fact, and the Board's findings are sustained if supported by substantial evidence." (citing *On-Line Careline, Inc. v. Am. Online, Inc.*, 229 F.3d 1080, 1087 (Fed. Cir. 2000))).

222. *Id.*

223. No. 2007-1152, 2007 WL 2947324, *1 (Fed. Cir. Oct. 10, 2007) [hereinafter *Anderson*]. Only the Westlaw citation is currently available. This case was not selected for publication in the Federal Reporter.

224. No. 2007-1153, 2007 WL 2947323, *1 (Fed. Cir. Oct. 10, 2007) [hereinafter *Quad Int'l, Inc.*]. Only the Westlaw citation is currently available. This case was not selected for publication in the Federal Reporter.

225. No. 2007-1152, 2007 WL 2947324, *1.

226. *Id.* at *1.

227. *Id.*

228. *Id.*

229. *Id.*

the result of “excusable neglect.”²³⁰ She had also failed to establish any other reason to justify relief from the judgment.²³¹ The Board found that Fischer had not established excusable neglect because she was bound by the conduct of her prior counsel under *Pioneer*.²³² The Board also denied Fischer’s motion for reconsideration, and she appealed.²³³

The Federal Circuit affirmed the Board’s decision, finding no merit in the three arguments Fischer presented on appeal.²³⁴ The court found that the Board did not abuse its discretion in considering letters from Fisher’s prior counsel claiming that had he never received Anderson’s motion for judgment or the Board’s order to show cause.²³⁵ The papers at issue were mailed to prior counsel’s correct address and therefore were presumed to have been received.²³⁶ Nor did the Board abuse its discretion in not considering Fischer’s arguments that evidence in the record supported her claim that prior counsel was negligent in failing to respond, as Fischer is bound by the conduct of her prior counsel as a matter of law.²³⁷ Finally, Fischer failed to show “extraordinary circumstances.”²³⁸ Her argument that prior counsel ignored repeated e-mails and telephone calls concerning her application, ignored her new counsel’s requests for her files, and improperly filed letters with the Board despite being fired were not relevant as these actions occurred after the date the Board granted judgment against Fischer on the pleadings.²³⁹

In *Fischer v. Quad International Inc.*,²⁴⁰ the companion case to *Fischer v. Anderson*, the Federal Circuit ruled that Fischer had not presented any arguments different from those presented in her appeal of the TTAB’s decision in the *Anderson* opposition.²⁴¹ Accordingly, the Federal Circuit affirmed the Board’s decision entering judgment

230. *Id.* Excusable neglect must be established under Fed. R. Civ. P. 60(b)(1). *Id.*

231. *Id.*; see FED. R. CIV. P. 60(b)(6).

232. *Anderson*, 2007 WL 2947324, at *1. Under *Pioneer*, the Board “was required to impute to Ms. Fischer her prior counsel’s acts or failures to act, thereby rendering irrelevant any distinction between [prior] counsel’s neglect and any neglect on [Fischer’s] part.” *Id.*; see *Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd. P’ship*, 507 U.S. 380, 396–97 (1993) (stating that clients must be held accountable for the acts and omissions of their attorneys because the attorney is a voluntarily chosen representative).

233. *Anderson*, 2007 WL 2947324, at *2.

234. *Id.* at *2–3.

235. *Id.* at *2.

236. *Id.*

237. *Pioneer*, 507 U.S. at 396–97.

238. *Anderson*, 2007 WL 2947324, at *3.

239. *Id.*

240. No. 2007-1153, 2007 WL 2947323, *1.

241. *Id.* at *1.

against Fischer in the *Quad* opposition based upon the Board's ruling that same day denying her motion for relief from judgment in the *Anderson* opposition.²⁴²

G. Notice of Appeal/Writ of Mandamus

1. In re Rockwell Medical Technologies, Inc.²⁴³

In *In re Rockwell Medical Technologies, Inc.*,²⁴⁴ the Federal Circuit held that a writ of mandamus directing the TTAB to vacate its default judgment, which cancelled a trademark registration, should be construed as a notice of appeal. Accordingly, mandamus relief was not appropriate.²⁴⁵

Advanced Renal Technologies ("ART") petitioned the TTAB to cancel a registration owned by Rockwell Medical Technologies, Inc. ("Rockwell").²⁴⁶ Rockwell did not respond and the Board entered default judgment against Rockwell, canceling the trademark.²⁴⁷ Rockwell appealed and, while on appeal, Rockwell and ART reached a settlement.²⁴⁸ The Federal Circuit remanded, and the parties jointly moved the TTAB to vacate its decision and reinstate the registration.²⁴⁹ The TTAB denied the parties' motion for vacatur, determining the parties had failed to show "extraordinary circumstances," and further denied Rockwell's motion for reconsideration.²⁵⁰

The Federal Circuit noted that Rockwell's petition was clearly intended as a request for relief in the form of a writ of mandamus. However, the court has broad discretion to consider whether such filing constitutes a notice of appeal²⁵¹ and noted that, "to appeal a judgment of the TTAB, the party seeking appeal must file notice that sets forth (1) the name of each party to the proceeding, (2) the judgment, order, or part, thereof being appealed, and (3) the name

242. *Id.*

243. 239 F. App'x 583 (Fed. Cir. 2007).

244. *Id.*

245. *Id.* at 584–85 ("[H]olding that a party seeking a writ bears the burden of proving that it has no other means of attaining the relief, such as by appeal" (citing *Mallard v. U.S. Dist. Ct. for the S.D. of Iowa*, 490 U.S. 296, 309 (1989))); *Bankers Life & Cas. Co. v. Holland*, 346 U.S. 379, 383 (1953) (observing that "whatever may be done without the writ may not be done with it" (citation omitted)).

246. *Rockwell*, 239 F. App'x at *584.

247. *Id.*

248. *Id.*

249. *Id.*

250. *Id.*

251. *Id.* ("[C]ourts should look at the notice afforded by a document rather than a litigant's motivation in filing to determine whether a document constitutes a notice of appeal" (citing *Smith v. Barry*, 502 U.S. 244, 248 (1992))).

of the court to which the appeal is taken.”²⁵² The court found that Rockwell’s petition clearly met these requirements and that Rockwell’s petition was timely if treated as a notice of appeal.²⁵³ Further, the court has jurisdiction over the TTAB’s decision to deny vacatur.²⁵⁴

II. PROCEDURAL ISSUES

A. *Res Judicata*

I. *In re Bose Corp.*²⁵⁵

In *In re Bose Corp. (Bose II)*,²⁵⁶ the Federal Circuit applied the doctrine of res judicata²⁵⁷ to preclude Bose Corporation (“Bose”) from re-applying for trademark protection for the design of a loudspeaker system.²⁵⁸

This case involves a “long and tortuous prosecution history” that spans almost thirty years.²⁵⁹ In sum, Bose had applied for trademark protection for the design of its loudspeaker system in 1977.²⁶⁰ In that application, Bose described its configuration as “an enclosure and its image of substantially pentagonal cross section with a substantially pentagonal-shaped top parallel to a substantially pentagonal-shaped bottom.”²⁶¹ Bose’s loudspeaker system design is depicted below:

252. *Id.* (citing FED. R. APP. P. 3(c)).

253. *Id.*

254. *See id.* (“[A] party to a cancellation proceeding who is dissatisfied with the decision of the TTAB may appeal . . .” (citing 15 U.S.C. § 1071(a) (2000))).

255. 476 F.3d 1331 (Fed. Cir. 2007) [hereinafter *Bose II*].

256. *Id.*

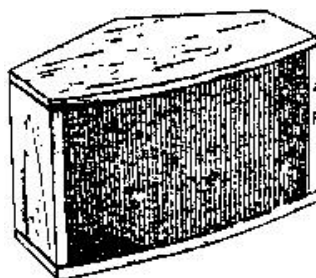
257. *Id.* Res judicata, or claim preclusion, bars re-litigation of the same cause of action. The doctrine applies where (1) the parties are identical, (2) there was a prior final judgment on the merits of the claim at issue, and (3) the merits of the second claim are based on the same set of transactional facts as the first. *See Sharp Kabushiki Kaisha v. ThinkSharp, Inc.*, 448 F.3d 1368, 1370 (Fed. Cir. 2006); *Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, 424 F.3d 1229, 1232 (Fed. Cir. 2005).

258. *Bose II*, 476 F.3d at 1333.

259. *In re Bose Corp.*, No. 74734496, 2005 WL 1787217, at *1 (T.T.A.B. Apr. 26, 2005) (citing *In re Bose Corp.*, 772 F.2d 866 (Fed. Cir. 1985)).

260. *In re Bose Corp. (Bose I)*, 772 F.2d 866, 867 (Fed. Cir. 1985).

261. *Id.*



After multiple appeals and remands, in 1985, the Federal Circuit ultimately found Bose's design functional and not worthy of trademark protection (*Bose I*).²⁶² Among other reasons, it found that Bose's advertisements touted the utilitarian advantages of its pentagonal design and that the pentagonal design was previously subject to a utility patent.²⁶³

In 1995, Bose re-applied for trademark protection for its loudspeaker system design and submitted a revised description of the mark.²⁶⁴ In its application, Bose defined the configuration of its loudspeaker as follows: "[A]n enclosure and its image of substantially pentagonal cross-section with a substantially pentagonal shaped top *with a bowed edge* parallel to a substantially pentagonal-shaped bottom end."²⁶⁵

Bose argued that the additional element of "a bowed edge" in its 1995 trademark application constituted a changed circumstance that would override application of *res judicata*.²⁶⁶ Bose explained that the bowed edge is an "arbitrary flourish" that entitled it to trade dress protection.²⁶⁷ It further argued that its submission of promotional materials demonstrates that Bose does not tout the utilitarian advantage of its bowed design.²⁶⁸ Lastly, Bose argued that new

262. See *Bose II*, 476 F.3d at 1333; see also *Bose I*, 772 F.2d at 867. When determining whether a design mark is functional, the Federal Circuit applies the *Morton-Norwich* factors, which ask (1) whether there is a utility patent showing the utilitarian function of the proposed design, (2) whether the applicant's advertisements disclose the utilitarian advantages of its design, (3) whether there are facts showing the availability of alternative designs; and (4) whether the design is the result of simple or intricate manufacturing procedures. *In re Morton-Norwich Prods, Inc.*, 671 F.2d 1332, 1340-41 (C.C.P.A. 1982).

263. *Bose II*, 476 F.3d at 1333.

264. See *id.* (pointing out the 1995 application).

265. *Id.* (emphasis added).

266. *Id.* (emphasis added).

267. See *In re Bose Corp.*, No. 74734496, 2005 WL 1787217, at *4 n.7 (T.T.A.B. Apr. 26, 2005) (citing Applicant's brief). Bose did not otherwise alter the design of its speaker system in the interim. *Bose II*, 476 F.3d at 1333.

268. *Bose II*, 476 F.3d at 1335.

precedent on functionality changed the analysis of its loudspeaker design.²⁶⁹

On appeal, the Federal Circuit rejected Bose's 1995 application as barred by *res judicata*.²⁷⁰ The Federal Circuit found that the parties to *Bose I* and *Bose II* were identical, that the court had already issued a final opinion as to the functionality of Bose's speaker design, and that the two applications involved the same set of transactional facts.²⁷¹ As to Bose's contention that the circumstances had changed, the court observed that "we expressly acknowledged in *Bose I* that the 'curved front edge' was part of the Bose design in our functionality analysis."²⁷² Regarding the promotional materials, the Federal Circuit stated that the materials demonstrate the utilitarian advantages of the design as a whole.²⁷³ Whether the materials lack language regarding the utility of the "bowed" edge is irrelevant, the court noted, because Bose's application is for the design as a whole and not just the bowed edge.²⁷⁴

Lastly, the Federal Circuit dismissed Bose's argument that the Supreme Court's decision in *TrafFix Devices v. Marketing Displays*,²⁷⁵ altered the functionality analysis.²⁷⁶ *TrafFix* addressed an applicant's attempt to register an arbitrary element of a patented design, not the design as a whole.²⁷⁷ The Federal Circuit found this language inapposite because Bose sought registration of its entire loudspeaker design and not just the bowed edge.²⁷⁸ Having dismissed each of Bose's arguments, the Federal Circuit affirmed the decision below.²⁷⁹

2. *International Flora Technologies, Ltd. v. Desert Whale Jojoba Co.*²⁸⁰

In *International Flora Technologies, Ltd. v. Desert Whale Jojoba Co.*,²⁸¹ the Federal Circuit affirmed, *per curiam*, the Board's holding that International Flora Technologies, Ltd. ("Flora") was barred by *res*

269. Bose argued that the Supreme Court's decision in *TrafFix Devices v. Marketing Displays*, 523 U.S. 23 (2001), changed the functionality analysis because the Court noted that an attempt to protect arbitrary features of a patent—such as a bowed edge—might yield a different result. *Bose II*, 476 F.3d at 1335–36.

270. *Id.* at 1334 (reviewing the Board's decision *de novo*).

271. *Id.* at 1337.

272. *Id.* at 1335–36.

273. *Id.* at 1336–37.

274. *See id.* at 1336 (noting that "bowed" is just another word for "curved").

275. 523 U.S. 23 (2001).

276. *Bose II*, 476 F.3d at 1336.

277. *Id.*

278. *Id.*

279. *Id.* at 1337.

280. 243 F. App'x 619 (Fed. Cir. 2007).

281. *Id.*

judicata from filing a cancellation action against Desert Whale Jojoba Co., Ltd.'s ("Jojoba") mark JOJOBASOMES.²⁸²

Jojoba sought to register JOJOBASOMES in connection with "skin soaps, essential oils for personal use, cosmetics, and hair lotions" in International Class 3.²⁸³ Flora opposed Jojoba's application for JOJOBASOMES based on its ownership of registrations for the marks METASOMES, FLORASOMES, JOJOBEBADS, and JOJOBUTTER in International Classes 1 and 3.²⁸⁴ Flora argued that confusion would likely occur under § 2(d) of the Lanham Act.²⁸⁵

Flora improperly introduced evidence showing ownership of its registrations during the assigned testimony period of the Opposition Proceeding.²⁸⁶ Under prior Rule 2.122(d) of the USPTO,²⁸⁷ Flora was required to make its registrations of record "by appropriate identification and introduction during the taking of testimony or by filing a notice of reliance . . . showing both the current status of and current title to the registration."²⁸⁸ Flora merely attached printouts of its registrations from the USPTO to its opposition brief.²⁸⁹ Because Flora did not satisfy the requirement of Rule 2.122(d), the Board dismissed Flora's opposition as a default judgment.²⁹⁰

Once Jojoba obtained a registration for JOJOBASOMES, Flora petitioned to cancel the mark on the same grounds.²⁹¹ The issue before the Board, and before the Federal Circuit on appeal, was whether the prior default judgment constituted a decision on the merits such that res judicata would bar Flora's cancellation action.²⁹²

Flora argued that its failure to abide by Rule 2.122(d) was a procedural deficiency that did not result in a final judgment being issued on the merits of its claim.²⁹³ However, the Board disagreed and

282. *Id.* at 620; *Int'l Flora Techs., Ltd. v. Desert Whale Jojoba Co.*, No. 92045643, 2006 WL 3192313, *1 (T.T.A.B. Oct. 25, 2006).

283. *See Int'l Flora Techs.*, 2006 WL 3192313, at *1 (citing the registration application).

284. *Id.*

285. *Id.*; *see supra* note 179.

286. *Int'l Flora Techs.*, 2006 WL 3192313, at *2.

287. 37 C.F.R. § 2.122(d) (2007).

288. *Id.* at 2.122(d)(2).

289. *Int'l Flora Techs.*, 2006 WL 3192313, at *2.

290. *Id.*

291. *Id.* at *1.

292. *Id.* As noted in *supra* note 257, a second suit is barred by res judicata if (1) the parties are identical, (2) the same set of transactional facts are at issue, and (3) a final judgment has already been issued on the merits of the claim at issue. The Board did not discuss in great detail requirements (1) and (2), which were easily met.

293. *Id.* at *2.

dismissed Flora's petition to cancel, holding that "even default judgments give rise to res judicata."²⁹⁴

Notable for today's practitioner, the circumstances that resulted in Flora's default judgment are no longer relevant. On August 31, 2007, Rule 2.122(d) was amended to allow a party to attach photocopies of its registrations to original opposition and cancellation proceedings.²⁹⁵ Although the appeal was decided by the Federal Circuit on September 10, 2007, the amendment could not assist Flora because the amendment only applied to proceedings commenced on or after August 31, 2007.²⁹⁶

B. Failure to State a Claim

I. McZeal v. Sprint Nextel Corp.²⁹⁷

The Federal Circuit considered only one case during the 2007 term on appeal from the federal district courts.²⁹⁸ In *McZeal v. Sprint Nextel Corp.*,²⁹⁹ the Federal Circuit reversed the Southern District of Texas on two straightforward procedural questions involving pleading requirements and genericness, reiterating the low pleading threshold for trademark infringement claims, especially in cases where a plaintiff proceeds pro se.³⁰⁰

In *McZeal*, the pro se plaintiff submitted a ninety-five page complaint claiming infringement of his patent and trademark rights to INTERNATIONAL WALKIE TALKIE.³⁰¹ After the plaintiff's hearing for a preliminary injunction, the District Court for the Southern District of Texas dismissed the complaint under Federal

294. *Id.* at *3 (citing *Int'l Nutrition Co. v. Horphag Research Ltd.*, 55 U.S.P.Q. 1492, 1494 (Fed. Cir. 2000)).

295. See *Miscellaneous Changes to Trademark Trial and Appeal Board Rules*, 72 Fed. Reg. 42242 (Aug. 1, 2007), available at http://www.uspto.gov/web/offices/com/sol/notices/72fr42242_FinalRuleChart.pdf.

296. *Id.*

297. 501 F.3d 1354 (Fed. Cir. 2007).

298. See *id.* (reviewing dismissal by the lower court for failure to state a claim); 28 U.S.C. § 1295(a) (2000) (providing that "[t]he United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction (1) of an appeal from a *final decision* of a district court of the United States" for patent disputes under 28 U.S.C. § 1338 (emphasis added)); see also *Entegris, Inc. v. Pall Corp.*, 490 F.3d 1340, 1346 (Fed. Cir. 2007) (holding that the Federal Circuit did not have jurisdiction over the parties' claims under the final judgment rule because the contempt order was not final). *McZeal* involved both patent and trademark claims and therefore jurisdiction was proper. *McZeal*, 501 F.3d at 1354.

299. 501 F.3d 1354 (Fed. Cir. 2007).

300. *Id.* at 1358-59.

301. *Id.* at 1355.

Rule 12(b)(6) because “[t]here just aren’t any facts” supporting the plaintiff’s patent and trademark infringement claim.³⁰²

Citing Fifth Circuit precedent, the Federal Circuit observed that a claim can be dismissed under Rule 12(b)(6) if a plaintiff fails to allege facts in support of his claim that would entitle him to relief.³⁰³ Additionally, the Federal Circuit cited Supreme Court and Fifth Circuit precedent applying a lower pleading standard for pro se plaintiffs.³⁰⁴

In the context of a motion to dismiss a claim of trademark infringement, the Federal Circuit stated that:

a plaintiff must plead that a defendant uses a designation in interstate commerce and in connection with goods or services where the designation is likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of the defendant with another person, and the plaintiff has been or is likely to be damaged by these acts.³⁰⁵

In reviewing the complaint, the Federal Circuit found that the plaintiff alleged that: (1) Sprint Nextel uses the INTERNATIONAL WALKIE TALKIE mark (2) for identical telecom services, (3) which is likely to confuse consumers (4) as to the source of the plaintiff’s identical mark and (5) which is causing the plaintiff irreparable economic loss.³⁰⁶ This, according to the Federal Circuit, clearly met the pleading requirement of 12(b)(6) for pro se litigants.³⁰⁷

The Federal Circuit also noted that the Southern District of Texas improperly observed in its order that the INTERNATIONAL WALKIE TALKIE mark is generic.³⁰⁸ Genericness is a question of fact improperly resolved on a motion to dismiss.³⁰⁹

302. *Id.*

303. *Id.* at 1356 (citing *Taylor v. Books A Million, Inc.*, 296 F.3d 376, 378 (5th Cir. 2002)).

304. *Id.* (citing *Hughes v. Rowe*, 449 U.S. 5 (1980); *Miller v. Stanmore*, 636 F.2d 986, 988 (5th Cir. 1981)).

305. *Id.* at 1358 (citation omitted).

306. *Id.*

307. *Id.*

308. *Id.*; see *McZeal v. Sprint Nextel Corp.*, No. H-06-1775 2006 WL 4792779, at *1 (S.D. Tex. June 20, 2006).

309. *McZeal*, 501 F.3d at 1358.

C. *Standing*

1. *McDermott v. San Francisco Women's Motorcycle Contingent*³¹⁰

In *McDermott v. San Francisco Women's Motorcycle Contingent*,³¹¹ the Federal Circuit affirmed the Board's dismissal of an opposition to a motorcycle group's application to register the trademark DYKES ON BIKES for lack of standing.³¹²

The San Francisco Women's Motorcycle Contingent ("SFWMC") applied to register the mark DYKES ON BIKES for education and entertainment services.³¹³ Initially the examiner refused to register the mark, stating that the word "dyke" was disparaging to lesbians.³¹⁴ After the Board remanded the case, the examiner considered additional evidence and approved the application for publication.³¹⁵ Michael J. McDermott timely opposed and SFWMC moved to dismiss the opposition for lack of standing and failure to state a legal basis for the opposition.³¹⁶ The Board granted SFWMC's motion to dismiss, holding that McDermott lacked standing to oppose the mark's registration because he failed to establish a reasonable belief that the registration would cause him damage.³¹⁷

McDermott challenged the mark as "disparaging based on the inclusion of the term 'dykes'" and also "alleged that it is comprised of scandalous and immoral material because the mark in full is associated with a pattern of illegal activity by the group applying for registration of the mark."³¹⁸

McDermott, however, had not shown that he would be damaged by the registration. He could not show that he possesses a trait or characteristic that is clearly and directly implicated in the proposed mark because McDermott is a man and the registration would have

310. 240 F. App'x 865 (Fed. Cir. 2007). The Federal Circuit opinion is not published. However, the TTAB's decision is citable as precedent. 81 U.S.P.Q.2d 1212 (T.T.A.B. 2006).

311. 240 F. App'x 865.

312. *Id.* at 867 (holding that standing is a question of law and thereby reviewing the Board's decision de novo (citing *Isr. Bio-Eng'g Project v. Amgen, Inc.*, 475 F.3d 1256, 1262-63 (Fed. Cir. 2007))).

313. *Id.* at 866.

314. *Id.* No trademark shall be refused registration on the count of its nature unless it "[c]onsists of or comprises immoral, deceptive, or scandalous matter." 15 U.S.C. § 1052(a) (2006).

315. *McDermott*, 240 F. App'x at 866.

316. *Id.* at 866-67.

317. *Id.* at 867. The court did not find that McDermott had sufficiently pled a "real interest" under *Ritchie v. Simpson*, 170 F.3d 1092 (Fed. Cir. 1999). *Id.*

318. *McDermott*, 240 F. App'x at 867.

no “implications” for a man.³¹⁹ Nor did McDermott make any claim in his opposition papers or present evidence demonstrating that others share his belief.³²⁰ Finding no other basis to provide McDermott with sufficient standing to enable him to oppose the registration, the Federal Circuit affirmed the Board’s dismissal of the opposition for lack of standing.³²¹

CONCLUSION

While many of the Federal Circuit opinions simply affirmed Board decisions, the court did not hesitate to clarify the law (as to mere use being sufficient to oppose an application)³²²—or redirect the Board’s thinking (such as consideration of foreign information available on the Internet)³²³—where the court clearly disagreed with the Board’s decision. On issues of the mechanics of obtaining the registration, the court appropriately deferred to the Board. The one case the Federal Circuit considered from a district court was reversed,³²⁴ reiterating the low pleading threshold in federal court, particularly from pro se plaintiffs. While many of the cases were decided on long-standing precedent, they are nonetheless instructive for today’s practitioner.

319. *Id.* In *Ritchie*, the court explained that an opposer of a mark’s registration must have both a real interest in the proceedings and a reasonable basis for a belief that he would be damaged by the registration. *Id.* (citing *Ritchie*, 170 F.3d at 1095). “[O]ne method of establishing the reasonableness of belief of damage for purposes of standing is for the opposer to allege he possesses a trait or characteristic that is clearly and directly implicated in the proposed mark.” *Id.* (quoting *Ritchie*, 170 F.3d at 1098).

320. *Id.* In *Ritchie*, the court stated that “[a]nother means that may be used to demonstrate the reasonableness of . . . belief of damage is to allege that others also share the same belief of harm’ . . . as demonstrated through surveys, petitions, or affidavits from public interest groups.” 170 F.3d at 1098.

321. *McDermott*, 240 F. App’x at 868.

322. *See supra* notes 175–196 and accompanying text.

323. *See supra* notes 30–51 and accompanying text.

324. *See supra* notes 299–309 and accompanying text.