

2010

## Ten Federal Circuit Cases from 2009 that Veterans Benefits Attorneys Should Know

Miguel F. Eaton

Sumon Dantiki  
sumon.dantiki@yale.edu

Paul P. Gugliuzza  
prgugliuzza@law.ufl.edu

Follow this and additional works at: <http://digitalcommons.wcl.american.edu/aulr>



Part of the [Military, War and Peace Commons](#)

---

### Recommended Citation

Eaton, Miguel F. et al. "Ten Federal Circuit Cases from 2009 that Veterans Benefits Attorneys Should Know." American University Law Review 59, no.4 (April 2010): 1155-1198.

This Area Summary is brought to you for free and open access by the Washington College of Law Journals & Law Reviews at Digital Commons @ American University Washington College of Law. It has been accepted for inclusion in American University Law Review by an authorized administrator of Digital Commons @ American University Washington College of Law. For more information, please contact [fbrown@wcl.american.edu](mailto:fbrown@wcl.american.edu).

---

# Ten Federal Circuit Cases from 2009 that Veterans Benefits Attorneys Should Know

## **Keywords**

Supreme Court cases, Nine Federal Circuit cases, Veterans claims, The Department of Veterans Affairs

---

---

## 2009 TRADEMARK LAW DECISIONS OF THE FEDERAL CIRCUIT

REBECCA GAN\*

### TABLE OF CONTENTS

Introduction.....	1115
I. Substantive Trademark Issues.....	1117
A. Fraud on the Trademark Office .....	1117
B. Primarily Geographically Deceptively Misdescriptive Marks.....	1121
C. Genericness.....	1125
D. Likelihood of Confusion .....	1128
E. False Association .....	1132
F. Use in Commerce .....	1135
II. Procedural Trademark Issues .....	1138
A. Admissibility of Evidence and Standing in TTAB Proceedings .....	1138
B. Res Judicata.....	1142
C. Contract Estoppel in Opposition Proceedings .....	1146
D. Failure to Prosecute.....	1147
E. Common Law Rights .....	1149
F. Statements of Use .....	1150
Conclusion .....	1153

---

\* J.D., *American University Washington College of Law*, 2001. Ms. Gan is a former United States Patent and Trademark Office Examining Attorney now in private practice in Washington, D.C. She would like to thank Oron Gan, Paz Gan, and Diane B. Melnick for providing support and feedback during the writing of this Area Summary.

## INTRODUCTION

In 2009, the United States Court of Appeals for the Federal Circuit issued sixteen trademark decisions<sup>1</sup> and designated nine of those sixteen decisions as precedential.<sup>2</sup> These cases consist of appeals from the United States Trademark Trial and Appeal Board<sup>3</sup> (TTAB or “the Board”) and federal district courts.<sup>4</sup>

Of the nine precedential trademark decisions, six dealt with primarily substantive issues<sup>5</sup> while three involved primarily procedural

---

1. *In re Sones*, No. 2009-1140, 2009 U.S. App. LEXIS 28198, 93 U.S.P.Q.2d (BNA) 1118 (Fed. Cir. Dec. 23, 2009); *Am. Rice, Inc. v. Dunmore Prop. S.A.*, No. 2009-1313, 2009 U.S. App. LEXIS 25467 (Fed. Cir. Nov. 16, 2009); *In re 1800Mattress.com IP, LLC*, 586 F.3d 1359, 92 U.S.P.Q.2d (BNA) 1682 (Fed. Cir. 2009); *Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 92 U.S.P.Q.2d (BNA) 1626 (Fed. Cir. 2009); *Vita-Mix Corp. v. Basic Holding Inc.*, 581 F.3d 1317, 92 U.S.P.Q.2d (BNA) 1340 (Fed. Cir. 2009); *In re Inca Textiles, LLC*, No. 2008-1443, 2009 U.S. App. LEXIS 19656 (Fed. Cir. Sep. 2, 2009); *In re Bose Corp.*, 580 F.3d 1240, 91 U.S.P.Q.2d (BNA) 1938 (Fed. Cir. 2009); *Cipriani Group, Inc. v. Orient-Express Hotels Inc.*, 331 F. App'x 749 (Fed. Cir. 2009) (per curiam); *In re Hotels.com, L.P.*, 573 F.3d 1300, 91 U.S.P.Q.2d (BNA) 1532 (Fed. Cir. 2009); *In re Northland Organic Foods Corp.*, 337 F. App'x 878 (Fed. Cir. 2009); *In re Shinnecock Smoke Shop*, 571 F.3d 1171, 91 U.S.P.Q.2d (BNA) 1218 (Fed. Cir. 2009); *McZeal v. Sprint Nextel Corp.*, 335 F. App'x 966, 84 U.S.P.Q.2d (BNA) 1315 (Fed. Cir. 2009); *In re Spirits Int'l, N.V.*, 563 F.3d 1347, 90 U.S.P.Q.2d (BNA) 1489 (Fed. Cir. 2009); *Bishop v. Flournoy*, 319 F. App'x 897 (Fed. Cir. 2009); *Aycock Eng'g, Inc. v. Airflite, Inc.*, 560 F.3d 1350, 90 U.S.P.Q.2d (BNA) 1301 (Fed. Cir. 2009); *Holt's Co. v. Virgin Enter. Ltd.*, 309 F. App'x 412 (Fed. Cir. 2009) (per curiam).

2. *In re Sones*, 2009 U.S. App. LEXIS 28198, 93 U.S.P.Q.2d (BNA) 1118; *1800Mattress.com*, 586 F.3d 1359, 92 U.S.P.Q.2d (BNA) 1682; *Cold War Museum*, 586 F.3d 1352, 92 U.S.P.Q.2d (BNA) 1626; *Vita-Mix Corp.*, 581 F.3d 1317, 92 U.S.P.Q.2d (BNA) 1340; *Bose*, 580 F.3d 1240, 91 U.S.P.Q.2d (BNA) 1938; *In re Hotels.com*, 573 F.3d 1300, 91 U.S.P.Q.2d (BNA) 1532; *In re Shinnecock Smoke Shop*, 571 F.3d 1171, 91 U.S.P.Q.2d (BNA) 1218; *In re Spirits Int'l*, 563 F.3d 1347, 90 U.S.P.Q.2d (BNA) 1489; *Aycock Eng'g, Inc.*, 560 F.3d 1350, 90 U.S.P.Q.2d (BNA) 1301.

3. *In re Sones*, 2009 U.S. App. LEXIS 28198, at \*1, 93 U.S.P.Q.2d (BNA) at 1119; *Am. Rice*, 2009 U.S. App. LEXIS 25467, at \*1; *In re 1800Mattress.com*, 586 F.3d at 1360-61, 92 U.S.P.Q.2d (BNA) at 1682; *Cold War Museum*, 586 F.3d at 1354, 92 U.S.P.Q.2d (BNA) at 1627; *In re Inca Textiles, LLC*, 2009 U.S. App. LEXIS 19656, at \*1; *In re Bose Corp.*, 580 F.3d at 1242, 91 U.S.P.Q.2d (BNA) at 1938; *Cipriani Group, Inc.*, 331 F. App'x at 749; *In re Hotels.com*, 573 F.3d at 1301, 91 U.S.P.Q.2d (BNA) at 1533; *Northland Organic Foods Corp.*, 337 F. App'x at 878; *In re Shinnecock Smoke Shop*, 571 F.3d at 1172, 91 U.S.P.Q.2d (BNA) at 1219; *In re Spirits Int'l*, 563 F.3d at 1349, 90 U.S.P.Q.2d (BNA) at 1490; *Bishop*, 319 F. App'x at 897; *Aycock Eng'g Inc.*, 560 F.3d at 1353, 90 U.S.P.Q.2d (BNA) at 1302; *Holt's Co.*, 309 F. App'x at 412.

4. *Vita-Mix Corp.*, 581 F.3d at 1320, 92 U.S.P.Q.2d (BNA) at 1342; *McZeal*, 335 F. App'x at 966, 84 U.S.P.Q.2d (BNA) at 1316.

5. *In re 1800Mattress.com*, 586 F.3d 1359, 92 U.S.P.Q.2d (BNA) 1682 (genericness); *In re Bose Corp.*, 580 F.3d 1240, 91 U.S.P.Q.2d (BNA) 1938 (fraud on the trademark office); *In re Hotels.com*, 573 F.3d 1300, 91 U.S.P.Q.2d (BNA) 1532 (genericness); *In re Shinnecock Smoke Shop*, 571 F.3d 1171, 91 U.S.P.Q.2d (BNA) 1218 (false association); *Spirits Int'l*, 563 F.3d 1347, 90 U.S.P.Q.2d (BNA) 1489 (primarily geographically deceptively misdescriptive marks); *Aycock Eng'g Inc.*, 560 F.3d 1350, 90 U.S.P.Q.2d (BNA) 1301 (use in commerce).

issues.<sup>6</sup> As is typical, the Federal Circuit largely adopted the findings of the lower tribunals, affirming nine of the sixteen decisions on appeal.<sup>7</sup>

While the Federal Circuit largely affirmed the TTAB in 2009, the court also redirected the Board in several decisions that, in effect, eased the burden of trademark owners and the trademark bar.<sup>8</sup>

In *In re Bose Corp.*,<sup>9</sup> the Federal Circuit held that a trademark owner commits fraud on the Trademark Office when obtaining or maintaining a registration only when the owner knowingly makes a false, material representation with the intent to deceive the Office.<sup>10</sup> In contrast, the TTAB had been employing a lower, constructive knowledge standard for finding fraud.<sup>11</sup>

Also of note, in *In re Sones*,<sup>12</sup> the Circuit loosened the validity requirements for web-based specimens for goods, finding that Internet specimens do not need to show a photograph of the goods to be a valid specimen of use.<sup>13</sup> Prior to the Circuit's *In re Sones* decision, the Trademark Office had been requiring trademark applicants submitting web-based specimens to provide a photograph of the goods wherein the goods are displayed in close proximity to the applied-for mark and ordering information.<sup>14</sup>

---

6. *In re Sones*, 2009 U.S. App. LEXIS 28198, 93 U.S.P.Q.2d (BNA) 1118 (statement of use requirements for web-based specimens for goods); *Cold War Museum*, 586 F.3d 1352, 92 U.S.P.Q.2d (BNA) 1626 (admissibility of prosecution file evidence); *Vita-Mix Corp.*, 581 F.3d 1317, 92 U.S.P.Q.2d (BNA) 1340 (common law rights).

7. *Am. Rice*, 2009 U.S. App. LEXIS 25467, at \*1; *In re 1800Mattress.com*, 586 F.3d at 1361, 92 U.S.P.Q.2d (BNA) at 1682; *Inca Textiles, LLC*, 2009 U.S. App. LEXIS 19656, at \*1; *Cipriani Group, Inc.*, 331 F. App'x at 749; *Hotels.com*, 573 F.3d at 1301, 91 U.S.P.Q.2d (BNA) at 1533; *Northland Organic Foods Corp.*, 337 F. App'x at 878; *Shinnecock Smoke Shop*, 571 F.3d at 1172, 91 U.S.P.Q.2d (BNA) at 1219; *Aycock Eng'g, Inc.*, 560 F.3d at 1353, 90 U.S.P.Q.2d (BNA) at 1302; *Holt's Co.*, 309 F. App'x at 412.

8. See, e.g., *In re Sones*, 2009 U.S. App. LEXIS 28198, at \*1, 93 U.S.P.Q.2d (BNA) at 1119 (weakening requirements for web-based specimens of use in commerce for goods); *Cold War Museum*, 586 F.3d at 1356, 92 U.S.P.Q.2d (BNA) at 1628 (mandating that a trademark prosecution record is automatically part of the record in TTAB proceedings); *In re Bose Corp.*, 580 F.3d at 1242, 91 U.S.P.Q.2d (BNA) at 1938 (raising the bar for finding fraud on the Trademark Office); *In re Spirits Int'l*, 563 F.3d at 1349, 90 U.S.P.Q.2d (BNA) at 1490 (heightening the burden on the Trademark Office to find a mark primarily geographically deceptively misdescriptive); *Bishop*, 319 F. App'x at 900 (admissions against interest in a TTAB proceeding might support standing to bring an opposition proceeding).

9. 580 F.3d 1240, 91 U.S.P.Q.2d (BNA) 1938 (Fed. Cir. 2009).

10. *Id.* at 1244–45, 91 U.S.P.Q.2d (BNA) at 1940–41.

11. *Id.* at 1244, 91 U.S.P.Q.2d (BNA) at 1940.

12. No. 2009-1140, 2009 U.S. App. LEXIS 28198, 93 U.S.P.Q.2d (BNA) 1118 (Fed. Cir. Dec. 23, 2009).

13. *Id.* at \*17, 93 U.S.P.Q.2d (BNA) at 1123.

14. *Id.* at \*7–12, 93 U.S.P.Q.2d (BNA) at 1121–22.

Each of the Federal Circuit's 2009 trademark decisions are discussed in detail below.

## I. SUBSTANTIVE TRADEMARK ISSUES

### A. *Fraud on the Trademark Office*

In perhaps the most stinging rebuke on the TTAB of 2009, the Circuit censured the Board for overusing the f-word: fraud. In *In re Bose Corp.*,<sup>15</sup> the Circuit reversed the Board's decision finding fraud on the Trademark Office based on an inaccurate registration renewal document.<sup>16</sup>

Bose Corporation, the maker of popular high-end electronics equipment including the WAVE line that once encompassed audio tape recorders and players, brought an opposition proceeding against Hexawave, Inc.'s application for HEXAWAVE in connection with various electronic goods.<sup>17</sup>

Hexawave, Inc. counterclaimed that Bose was no longer making audio tape recorders and players under the WAVE mark, and as such, had committed fraud on the Trademark Office in 2001 when it renewed its registration for WAVE in connection with audio tape recorders and players.<sup>18</sup>

The TTAB explicitly found that Bose stopped manufacturing audio tape recorders and players in the late 1990s and that Bose's general counsel knew the company had stopped manufacture of these goods, but still chose to sign the registration renewal<sup>19</sup> (which asserts that the mark is still in use for these goods).<sup>20</sup> Because the TTAB held that Bose had committed fraud, it voided Bose's *entire* registration.<sup>21</sup>

The Circuit began its opinion in *In re Bose* with a veritable homily on trademark fraud jurisprudence. The court explained that a moving party in cancellation proceedings must prove its fraud charges "to the hilt," with clear and convincing evidence.<sup>22</sup> The court further noted that fraud in renewal occurs when "an applicant

15. 580 F.3d 1240, 91 U.S.P.Q.2d (BNA) 1938 (Fed. Cir. 2009).

16. *Id.* at 1242, 91 U.S.P.Q.2d (BNA) at 1938.

17. *Id.*, 91 U.S.P.Q.2d (BNA) at 1938–39.

18. *Id.* at 1242–43, 91 U.S.P.Q.2d (BNA) at 1939.

19. Bose argued that because customers still had their audio tape recorders and players repaired by Bose, and because the repairs necessitated transport back and forth to consumers, Bose's General Counsel reasonably believed the goods were still within the stream of interstate commerce, and accordingly no deception towards the Office was intended. *Id.* at 1242, 91 U.S.P.Q.2d (BNA) at 1939.

20. *Id.* at 1242, 91 U.S.P.Q.2d (BNA) at 1939.

21. *Id.*, 91 U.S.P.Q.2d (BNA) at 1938.

22. *Id.* at 1243, 91 U.S.P.Q.2d (BNA) at 1939.

*knowingly* makes false, material representations of fact in connection with his application.”<sup>23</sup> Absent a showing of knowingly making inaccurate or misleading statements, even a material misrepresentation does not constitute fraud under the Trademark Act warranting cancellation of the registration at issue.<sup>24</sup> The Board had largely (and correctly in the Circuit’s eyes) required a showing that any deception effected on the Trademark Office was *willful* in order to constitute fraud on the Office.<sup>25</sup> The Circuit contrasted the *willful* standard with a stricter standard requiring proof of intent or specific intent to deceive before cancelling a trademark registration, noting that five of the eleven circuits had required that a cancellation movant provide evidence of specific intent to deceive the Trademark Office.<sup>26</sup> However, the court noted that the Board gradually began to chip away at the higher standard of fraud<sup>27</sup> to implement a lower,

---

23. See *id.*, 91 U.S.P.Q.2d (BNA) at 1939 (citing *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 48 (Fed. Cir. 1986)) (emphasis added).

24. See *id.*, 91 U.S.P.Q.2d (BNA) at 1939–40 (citing *King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 1011 n.4, 212 U.S.P.Q. 801, 803 n.4 (C.C.P.A. 1981)).

25. See *id.* at 1243, 91 U.S.P.Q.2d (BNA) at 1940 (following “the statute and case law, the Board had consistently and correctly acknowledged that there is a material legal distinction between a false representation and a fraudulent one, the latter involving an intent to deceive, whereas the former may be occasioned by a misunderstanding, an inadvertence, a mere negligent omission, or the like” (internal quotations and citations omitted)).

26. *Id.* at 1243–44, 91 U.S.P.Q.2d (BNA) at 1940.

27. The Circuit chastised the Board for ignoring the “long line of precedents from the Board itself, from [the Circuit], and from other circuit courts” requiring specific intent to deceive in order to find fraudulent conduct in *Medinol* and the post-*Medinol* cancellation proceedings. *Id.* at 1244, 91 U.S.P.Q.2d (BNA) at 1940. However, from whence was this lowered “should have known” standard born? Although the Circuit in *In re Bose* dances around it, the Board based its *Medinol* standard on the Circuit’s handling of *Torres*, 808 F.2d 46, 1 U.S.P.Q.2d (BNA) 1483. In *Torres*, a wine and spirits manufacturer had obtained a composite word and design mark registration for use in connection with wine, vermouth, and champagne. *Id.* at 47, 1 U.S.P.Q.2d (BNA) at 1483. The Registrant subsequently changed the design element in its mark and stopped making sparkling wine and spirits under the mark. *Id.*, 1 U.S.P.Q.2d (BNA) at 1483. However, when the Registrant tried to renew his registration, he submitted a sworn declaration with his renewal application asserting that he was still using the original registered mark in connection with wine, sparkling wine, and spirits, and as his specimen of use, he attached an old label showing the registered mark as an example of how the mark was currently “in use in interstate commerce.” *Id.* at 48, 1 U.S.P.Q.2d (BNA) at 1484. The *Torres* Circuit iterated that when a trademark registrant files a verified renewal application stating that a mark is currently in use when “he knows or should know that he is not using the mark as registered . . . he has knowingly attempted to mislead the PTO.” *Id.* at 49, 1 U.S.P.Q.2d (BNA) at 1485.

The Circuit asserted that the Board was ignoring the facts of the *Torres* case because it was clear that the *Torres* registrant knew he was deceiving the PTO. However, the *Torres* Court was not willing to concede that *Torres* fully appreciated that his conduct was deceitful, hence the constructive knowledge language. The reality is that many companies, even larger companies like Bose, handle trademark prosecution and/or renewals in-house. The person signing registration maintenance

constructive knowledge standard (simple negligence standard). Specifically, in the Board's 2003 decision in *Medinol Ltd. v. Neuro Vasx, Inc.*,<sup>28</sup> the TTAB held that "[a] trademark applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration which it *knows or should know to be false or misleading*."<sup>29</sup>

The Circuit opined that "the principle that the standard for finding intent to deceive is stricter than the standard for negligence or gross negligence" in patent inequitable conduct cases is applicable to trademark fraud cases.<sup>30</sup> Accordingly, the court held that "a trademark is obtained fraudulently under the [Trademark] Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the [Trademark Office]."<sup>31</sup> The court further noted that "direct evidence of deceptive intent is rarely available," and thus allowed for inferring intent to deceive from "indirect and circumstantial evidence."<sup>32</sup> However, the Circuit took pains to remind the Board (and the trademark bar) that this indirect and circumstantial evidence must still be "clear and convincing" evidence.<sup>33</sup>

Applying this holding to the *In re Bose* facts, the Circuit<sup>34</sup> agreed that Bose's general counsel made false statements to the Trademark Office by stating that the WAVE mark was still in use for audio tape recorders and players despite his knowledge that Bose stopped making those products four or five years before he filed the renewal application.<sup>35</sup> The Circuit, noting that Bose had not contested that

---

documents may be a non-lawyer, or like in *In re Bose*, a non-trademark lawyer who is unfamiliar with the particularities of practice before the Trademark Office. The *Torres* court and the TTAB seemed to signal a greater level of accountability for companies making sworn statements before the Office, one that seems to comport with the indefinite lifespan of trademark protection. It may be that the Board went too far, but they had a little help from the Federal Circuit.

28. No. 92040535, 2003 TTAB LEXIS 227, 67 U.S.P.Q.2d (BNA) 1205 (T.T.A.B. 2003), *abrogated by* DaimlerChrysler Corp. v. Am. Motors Corp., No. 92045099, 2010 TTAB LEXIS 14 (T.T.A.B. 2010).

29. *Id.* at \*13, 67 U.S.P.Q.2d at 1209 (emphasis added).

30. *In re Bose*, 580 F.3d at 1244, 91 U.S.P.Q.2d (BNA) at 1941.

31. *Id.* at 1245, 91 U.S.P.Q.2d (BNA) at 1941. It is assumed that here the Circuit means that fraud is effected when a trademark applicant obtains registration, *or a trademark owner maintains registration*, by means of false, material representation(s) made with the intent to deceive the Trademark Office.

32. *Id.* at 1245, 91 U.S.P.Q.2d (BNA) at 1941.

33. *Id.*, 91 U.S.P.Q.2d (BNA) at 1941.

34. The original appellee Hexawave did not appear and the court granted the Office leave to stand in as the appellee in Circuit proceedings. *Id.* at 1243, 91 U.S.P.Q.2d (BNA) at 1939.

35. *Id.* at 1246, 91 U.S.P.Q.2d (BNA) at 1942.



the statement was material,<sup>36</sup> concluded that Bose had, in fact, made a material misrepresentation to the Trademark Office.<sup>37</sup>

The Circuit, however, pointed to the general counsel's statement "under oath" that he believed that the repairing of old WAVE audio tape recorders and players and returning the repaired goods met the "use in commerce" standard for trademark renewal at the time he signed the renewal application.<sup>38</sup> The Circuit proclaimed that "[u]nless the challenger [here the TTAB] can point to evidence to support an inference of deceptive intent, it has failed to satisfy the clear and convincing evidence standard required to establish a fraud claim."<sup>39</sup>

Characterizing the general counsel's behavior as "occasioned by an honest misunderstanding or inadvertence," the Circuit held that the Board had erred in finding that Bose had committed fraud in its renewal application and by subsequently cancelling the WAVE mark in its entirety.<sup>40</sup> The Circuit then remanded the case so that the Board could restrict the registration's covered goods<sup>41</sup> to exclude audio tape recorders and players.<sup>42</sup>

---

36. It is quite interesting that the Circuit would take pains to point out that it would not discuss materiality when Bose had not contested materiality. It seems inarguable that stating the registered mark is in use for the goods as listed in the registration certificate is a material statement. A statement that the mark is in use is the *raison d'être* of the renewal application and the registration. If the mark is not in use, the Registrant cannot maintain registration, absent the filing and acceptance of a declaration of excusable non-use. Excusable non-use does, however, occur in limited circumstances. See 15 U.S.C. § 1058(b)(2) (2006); *Ex parte* Kelley-How-Thomson Co., 1958 WL 5895, 118 U.S.P.Q. 40 (Comm'r Patents June 24, 1958).

37. *In re Bose*, 580 F.3d at 1246, 91 U.S.P.Q.2d (BNA) at 1942.

38. *Id.*, 91 U.S.P.Q.2d (BNA) at 1942.

39. *Id.*, 91 U.S.P.Q.2d (BNA) at 1942.

40. *Id.*, 91 U.S.P.Q.2d (BNA) at 1942.

41. *Id.* at 1247, 91 U.S.P.Q.2d (BNA) at 1942 ("We agree with the Board, however, that because the WAVE mark is no longer in use on audio tape recorders and players, the registration needs to be restricted to reflect commercial reality.").

42. Perhaps those rendering the greatest sighs of relief in the post-*Bose* world are trademark practitioners with international clients who register their marks in the United States based on foreign registrations or pursuant to the Madrid Protocol. Foreign applicants often have registrations or Madrid applications for everything *and* the kitchen sink. They are not required to submit any evidence that their marks are actually in use prior to registration, but they do have to aver that they have a bona fide intent to use the mark in commerce in the United States. See 15 U.S.C. §§ 1126(e), 1141(5) (2006). Particularly with Madrid requests for extension of protection, U.S. practitioners often handle these matters for foreign counsel, and thus might not even correspond with the foreign "client" directly. As a result, trademark prosecution attorneys in the United States are often not in the best position to assess the veracity of a foreign client's statements regarding whether goods or services are being produced or provided under a given mark at the time of registration or renewal.

*B. Primarily Geographically Deceptively Misdescriptive Marks*

In *In re Spirits International, N.V.*,<sup>43</sup> the Circuit vacated the Board's finding that the Applicant's mark was primarily geographically deceptively misdescriptive of the origin of the goods (vodka) and remanded the case back to the TTAB for reconsideration.<sup>44</sup>

Spirits International N.V. filed a trademark application for MOSKOVSKAYA (of or from Moscow) in connection with vodka in 1993.<sup>45</sup> The assigned Trademark Examining Attorney first examined the mark under the doctrine of foreign equivalents.<sup>46</sup> The doctrine of foreign equivalents states that foreign language marks generally must be translated into English to determine whether a mark (1) is primarily merely descriptive, (2) presents a likelihood of confusion with a registered mark, or (3) is primarily geographically deceptively misdescriptive or geographically descriptive.<sup>47</sup>

The Examining Attorney required a translation statement of the MOSKOVSKAYA mark into English included in the record and requested the applicant to indicate whether the applicant's vodka would be manufactured, produced, or sold in Moscow, or would have any other connection to Moscow.<sup>48</sup> The Applicant admitted "nyet" under sworn declaration, and, in 2006, the Trademark Office denied registration under 15 U.S.C. § 1052(e)(3), which prohibits the registration of marks that are primarily geographically deceptively misdescriptive of the goods.<sup>49</sup>

In order to make a prima facie showing that an applied-for mark is primarily geographically deceptively misdescriptive, the Trademark Office must show that:

- (1) the mark's primary significance is a generally known geographic location; (2) the relevant public would be likely to believe that the goods originate in the place named in the mark . . .

43. 563 F.3d 1347, 90 U.S.P.Q.2d (BNA) 1489 (Fed. Cir. 2009).

44. *Id.* at 1349, 90 U.S.P.Q.2d (BNA) at 1490.

45. *Id.* at 1349–50, 90 U.S.P.Q.2d (BNA) at 1490.

46. *Id.* at 1350, 90 U.S.P.Q.2d (BNA) at 1490.

47. *See id.* at 1351–52, 90 U.S.P.Q.2d (BNA) at 1491–92 (citing 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:34 (4th ed. 2009) ("Under the 'doctrine of foreign equivalents,' foreign words from common languages are translated into English . . ."); *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondée en 1772*, 396 F.3d 1369, 1377, 73 U.S.P.Q.2d (BNA) 1689, 1696 (Fed. Cir. 2005); *In re N. Paper Mills*, 64 F.2d 998, 998–99, 17 U.S.P.Q. (BNA) 492, 493 (C.C.P.A. 1933).

48. *In re Spirits Int'l*, 563 F.3d at 1350, 90 U.S.P.Q.2d (BNA) at 1490.

49. *Id.*, 90 U.S.P.Q.2d (BNA) at 1490. The Applicant's registration was suspended for twelve years, while the Trademark Office disposed of third-party applications that the Office felt might bar applicant's mark from registering pursuant to section 2(d) of the Trademark Act as confusingly similar marks. *Id.*, 90 U.S.P.Q.2d (BNA) at 1490.

when in fact the goods do not come from that place; and (3) that the misrepresentation is a material factor in the consumer's decision.<sup>50</sup>

On appeal to the Board, Spirits proffered a mall-intercept survey and argued that the survey demonstrated that "the meaning of the mark is arbitrary because the term would not be translated into English by consumers, and that its geographic meaning would be lost on the public."<sup>51</sup>

The TTAB applied the doctrine of foreign equivalents and noted the translation of the MOSKOVSKAYA mark into English was "of or from Moscow," satisfying the first prong of the primarily geographically deceptively misdescriptive test.<sup>52</sup> The Board accepted the evidence proffered by the Examining Attorney that Moscow is famous for vodka, satisfying the second prong of the test.<sup>53</sup> Finally, the Board concluded that the Examining Attorney had met his burden as to the third prong by submitting evidence that Moscow was famous for high-quality vodka to the extent that the public would be materially influenced to purchase applicant's vodka by virtue of the MOSKOVSKAYA mark.<sup>54</sup>

The Board noted that the United States has approximately 706,000 Russian speakers and concluded that at least one significant group of Americans would—upon viewing the MOSKOVSKAYA mark—perceive a connection to Moscow and its storied vodka tradition and be influenced in their purchasing decision by virtue of the "Moscow" connotation.<sup>55</sup> After faulting the Applicant's mall-intercept survey for failing to include Russian speakers, the TTAB found that the Examining Attorney had met his burden under the primarily geographically deceptively misdescriptive test and affirmed the refusal to register.<sup>56</sup>

The Circuit roundly rejected the Board's decision. First, the court reminded the Board that the doctrine of foreign equivalents is not an absolute; that is, some marks would not be translated from the foreign language into English because they have established alternative meanings (e.g., "Cordon Bleu" for the famous culinary

---

50. *Id.*, 90 U.S.P.Q.2d (BNA) at 1490–91.

51. *In re Spirits Int'l N.V.*, No. 74382759, 2008 TTAB LEXIS 6, at \*9, 86 U.S.P.Q.2d (BNA) 1078, 1081 (T.T.A.B. 2008).

52. *In re Spirits Int'l*, 563 F.3d at 1350, 90 U.S.P.Q.2d (BNA) at 1491.

53. *Id.*, 90 U.S.P.Q.2d (BNA) at 1491.

54. *Id.*, 90 U.S.P.Q.2d (BNA) at 1491.

55. *Id.* at 1351, 90 U.S.P.Q.2d (BNA) at 1491.

56. *Id.*, 90 U.S.P.Q.2d (BNA) at 1491.

school) or because the language is so rare.<sup>57</sup> Of course, if consumers would not stop and translate “MOSKOVSKAYA,” then the primarily geographically deceptively misdescriptive specter would never be raised.<sup>58</sup>

Next, the Circuit essentially said that the Board did not understand the primarily geographically deceptively misdescriptive test provision of the Trademark Act and set about correcting them.<sup>59</sup> Section 2(e)(3) was added to the Lanham Act by the North American Free Trade (NAFTA) Implementation Act in 1993.<sup>60</sup> Prior to NAFTA, primarily geographically deceptively misdescriptive marks were analyzed pursuant to Trademark Act section 2(e)(2), the provision that deals with geographically descriptive marks.<sup>61</sup> Under section 2(e)(2), there is no requirement that the Trademark Office evidence that a customer’s purchasing decision is materially affected by the geographically deceptively misdescriptive mark.<sup>62</sup> Under the “new” section 2(e)(3) provision, geographically deceptively misdescriptive marks are treated like deceptive marks pursuant to Trademark Act section 2(a); accordingly, the Trademark Office must show that the deception effected by the mark is material—that consumers are more likely to purchase something because they believe it be from the geographic location referenced.<sup>63</sup>

The Circuit, acknowledging that it had not spelled out the criteria for materiality in its post-NAFTA decisions, opined that materiality under section 2(e)(3) requires the Trademark Office to show first, that “a substantial portion of the relevant consumers” be deceived, and second, that because of this deception, those consumers would be influenced in their purchasing decision.<sup>64</sup> The court found that

---

57. *Id.* at 1352, 90 U.S.P.Q.2d (BNA) at 1492 (citing *Cont’l Nut Co. v. Cordon Bleu*, 494 F.2d 1397, 1398, 181 U.S.P.Q. (BNA) 647, 648 (C.C.P.A. 1974); *In re Tia Maria, Inc.*, 188 U.S.P.Q. (BNA) 524, 525–26 (T.T.A.B. 1975)).

58. In other words, if the average consumer would not stop and make the connection between “MOSKOVSKAYA” and “Moscow,” then the Applicant’s mark is not capable of deceiving the consumer by purporting a connection between Applicant’s vodka and Moscow.

59. *In re Spirits Int’l*, 563 F.3d at 1352–55, 90 U.S.P.Q.2d (BNA) at 1492–94.

60. *Id.* at 1352, 90 U.S.P.Q.2d (BNA) at 1492.

61. *Id.*, 90 U.S.P.Q.2d (BNA) at 1492.

62. *Id.* at 1353, 90 U.S.P.Q.2d (BNA) at 1492.

63. *Id.*, 90 U.S.P.Q.2d (BNA) at 1492. Of course, the Board asserted that it did apply this test, it just agreed with the Examining Attorney’s take on the matter, that is, that consumers would be more likely to purchase vodka coming from Moscow, Russia, than, say, Peoria, Illinois.

64. *Id.*, 90 U.S.P.Q.2d (BNA) at 1493; *see also id.*, 90 U.S.P.Q.2d (BNA) at 1493 (noting that the governing case on primarily geographically deceptively misdescriptive marks, *In re California Innovations, Inc.*, 329 F.3d 1334, 66 U.S.P.Q.2d (BNA) 1853 (Fed. Cir. 2003), “did not address the question of whether the

the TTAB erred in not considering this proportionality in its determination that the deception would be material in the relevant consumers' purchasing decisions.<sup>65</sup> The court seemed to imply that the Board may have framed the class of relevant consumers too narrowly, and thus too hastily concluded that deception would occur.<sup>66</sup> Accordingly, the Circuit remanded to the TTAB to consider whether a "substantial portion of the relevant consumers would be materially influenced in the decision to purchase the product or service by the geographic meaning of the mark."<sup>67</sup>

### C. Genericness

The Federal Circuit addressed two cases regarding refusals of registration based on genericness in 2009. In *In re 1800Mattress.com*,<sup>68</sup> the Circuit affirmed the Board's decision upholding a generic refusal of the mark MATTRESS.COM on the Supplemental Register for "online retail store services in the field of mattresses, beds, and bedding."<sup>69</sup>

---

materiality test of subsection (e)(3) embodies a requirement that a significant portion of the relevant consumers be deceived").

65. *Id.* at 1357, 90 U.S.P.Q.2d (BNA) at 1496.

66. *See id.*, 90 U.S.P.Q.2d (BNA) at 1496 ("The problem with the Board's decision is that it elsewhere rejected a requirement of proportionality, and discussed instead the fact that Russian is a 'common, modern language[] of the world [that] will be spoken or understood by an appreciable number of U.S. consumers for the product or service at issue,' but 'failed to consider whether Russian speakers were a 'substantial portion of the intended audience'").

67. *Id.*, 90 U.S.P.Q.2d (BNA) at 1495–96. It is curious that the court did not take the Board to task for affirming a decision based on an inapposite test. The Applicant's goods are vodka, a spirit. Applicant's application is based on intent-to-use, and accordingly, his application should have been refused pursuant to section 2(a)'s prohibition on the registration of a designation that includes "a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods." 15 U.S.C. § 1052(a) (2006). The Examining Attorney should have refused registration not under the "deceptive" prong of section 2(a) or under the primarily geographically deceptively misdescriptive prong of section 2(e)(3), but under the deceptive "geographical indication" portion of section 2(a). *See* USPTO Trademark Examination Guide 1-06, Geographical Indications Used on Wines and Spirits (May 9, 2006), <http://www.uspto.gov/trademarks/resources/exam/examguide1-06.jsp> (last visited Apr. 7, 2010) (noting that if a section 2(a) "wines and spirits" refusal is issued, then section 2(a) deceptive and section 2(e)(3) refusals are not necessary).

According to the Circuit, a rejection under either prong would distill to the same test. *In re Spirits Int'l*, 563 F.3d at 1353, 90 U.S.P.Q.2d (BNA) at 1493 ("The 'addition of a materiality inquiry [to subsection (e)(3)] equates this test with the elevated standard applied under section 1052(a)' . . . . Since the NAFTA Act, the deceptiveness of the mark must be material under subsection (e)(3) just as it is under subsection (a)." (internal citations omitted)). However, if the Circuit were going to remand, it is curious that they did not direct the office to analyze the case under the proper section of the Trademark Act.

68. 586 F.3d 1359, 92 U.S.P.Q.2d (BNA) 1682 (Fed. Cir. 2009).

69. *Id.* at 1361, 92 U.S.P.Q.2d (BNA) at 1682.

Dial-A-Mattress, 1800Mattress.com IP, LLC's predecessor-in-interest, began its attempt to register MATTRESS.COM in connection with "online retail store services in the field of mattresses, beds, and bedding" in 2005.<sup>70</sup> More than two years later, the Trademark Office "finally" refused registration pursuant to section 23(c) of the Trademark Act on the basis of genericness.<sup>71</sup> Dial-A-Mattress appealed to the TTAB who affirmed the Office's findings, noting that "mattress" identified the very nature of Applicant's business—selling mattresses—and that the juxtaposition of "mattress" and ".com" did not yield a registrable, non-generic whole.<sup>72</sup>

Not surprisingly, the Board was not lulled by the Applicant's argument that the ".com" in MATTRESS.COM called forth connotations of "comfort" or "comfortable" for the relevant purchasing public rather than a domain name extension.<sup>73</sup>

On appeal, the Applicant further argued that MATTRESS.COM may be generic for "online mattress stores," but that the record contained no evidence that MATTRESS.COM is generic for "online retail store services in the field of mattresses, beds, and bedding," the identified services of record.<sup>74</sup> Moreover, the Applicant argued that because brick and mortar mattress establishments also used "mattress.com" in their domain names, the applied-for mark was not generic.<sup>75</sup>

As the Circuit noted, an applied-for mark is considered generic if relevant consumers use the mark to refer to the general kind or genus of goods or services with which the Applicant seeks protection.<sup>76</sup> Thus, to assess genericness one must conduct a two-step inquiry: (1) What is the general kind of goods or services at issue in the case at bar?; and (2) Is the applied-for mark understood by the general public to refer to the general kinds of goods or services at bar?<sup>77</sup> Here, the court concluded that mattresses are the goods being sold by Applicant, and the mattress-consuming public would view

---

70. *Id.*, 92 U.S.P.Q.2d (BNA) at 1682.

71. *Id.*, 92 U.S.P.Q.2d (BNA) 1682.

72. *Id.*, 92 U.S.P.Q.2d (BNA) at 1682–83.

73. *Id.*, 92 U.S.P.Q.2d (BNA) at 1683.

74. *Id.* at 1362, 92 U.S.P.Q.2d (BNA) at 1683.

75. *Id.*, 92 U.S.P.Q.2d (BNA) at 1683–84.

76. *Id.* at 1362–63, 92 U.S.P.Q.2d (BNA) at 1684 (citing *H. Marvin Ginn Corp. v. Int'l Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 989–90, 228 U.S.P.Q. (BNA) 528, 530 (Fed. Cir. 1986)).

77. *Id.* at 1363, 92 U.S.P.Q.2d (BNA) at 1684.

MATTRESS.COM as “no more than the sum of its constituent parts.”<sup>78</sup>

Accordingly, the Circuit found that 1800Mattress.com IP, LLC had submitted no evidence to support its theory that consumers view “.com” as shorthand for comfort or comfortable, such that the addition of “.com” to “mattress” effected a registrable, non-generic term.<sup>79</sup> As such, the Circuit affirmed the Board’s refusal to register MATTRESS.COM.<sup>80</sup>

In *In re Hotels.com (Hotels.com III)*,<sup>81</sup> the Federal Circuit affirmed the Board’s decision finding HOTELS.COM to be generic for Applicant’s travel-related services.

The Applicant, Hotels.com, L.P., a popular online booking agent, continued its crusade to register its HOTELS.COM mark,<sup>82</sup> here in standard characters, in connection with “making reservations and bookings for temporary lodging for others.”<sup>83</sup> The Trademark Examining Attorney denied Applicant’s attempt to register the mark registered pursuant to a claim of acquired distinctiveness under Lanham Act section 2(f).<sup>84</sup> Moreover, the Examining Attorney issued a warning that the mark appeared to be generic for the services at issue, *inter alia*, booking hotels for others.<sup>85</sup>

On appeal, the TTAB took the unusual step of finding that the mark was generic, but simultaneously finding that the evidence submitted in support of acquired distinctiveness, while flawed, was

---

78. *Id.*, 92 U.S.P.Q.2d (BNA) at 1684. The Applicant did not contest that “mattress” and “.com” were generic terms. The Applicant’s ultimately unsuccessful argument was that the marriage of “mattress” and “.com” created a subjective compound phrase. *Cf. id.* at 1362, 92 U.S.P.Q.2d (BNA) at 1683 (“[A]ccording to the PTO . . . the separate terms ‘mattress’ and ‘.com’ in combination have a meaning identical to the common meaning of the separate components.”).

79. *Id.* at 1364, 92 U.S.P.Q.2d (BNA) at 1685.

80. *Id.*, 92 U.S.P.Q.2d (BNA) at 1685.

81. 573 F.3d 1300, 91 U.S.P.Q.2d (BNA) 1532 (Fed. Cir. 2009).

82. As noted in the Board decision, the issues in the current standard character mark application were the subject of a prior Board decision regarding Hotels.com, L.P.’s previous application for a mark comprising “HOTELS.COM” and a bellboy design element. *In re Hotels.com, L.P. (Hotels.com II)*, No. 78277681, 2008 TTAB LEXIS 60, at \*2–3, 87 U.S.P.Q.2d (BNA) 1100, 1102 (T.T.A.B. Mar. 24, 2008) (citing *In re Hotels.com, L.P. (Hotels.com I)*, No. 76414272 (T.T.A.B. Sept. 11, 2006) (not precedential), available at <http://www.uspto.gov/web/offices/com/sol/foia/ttab/other/2006/76414272.pdf>. In the composite mark decision, the Board upheld the Trademark Office’s requirement that Hotels.com, L.P. disclaim the “generic” literal matter “HOTELS.COM.” *Hotels.com I*, No. 76414272, at 32. Hotels.com, L.P., did not appeal the Board’s first decision, and eventually complied with the disclaimer requirement allowing the applied-for mark to register on the Principal Register. *Hotels.com II*, 2008 TTAB LEXIS 60, at \*2–4, 87 U.S.P.Q.2d (BNA) at 1101–02.

83. *Hotels.com III*, 573 F.3d at 1301, 91 U.S.P.Q.2d (BNA) at 1533.

84. *Id.*, 91 U.S.P.Q.2d (BNA) at 1533.

85. *Id.*, 91 U.S.P.Q.2d (BNA) at 1533.

substantial enough to support the section 2(f) claim.<sup>86</sup> The Board asserted that if the Applicant were to prevail on appeal to the Circuit on the issue of genericness, the evidence of acquired distinctiveness was sufficient.<sup>87</sup>

The Applicant argued that hotel chains, not the Applicant, provide lodging and meals to the Applicant's customers; there is, thus, an additional mental step at play, making the mark a non-generic term in connection with the stated services.<sup>88</sup> Moreover, the Applicant asserted that the fusion of "HOTELS" with ".COM" creates a non-generic whole that, coupled with the survey evidence and sworn declarations introduced on appeal<sup>89</sup> clearly indicates that the mark functions as a source indicator for Applicant's services.<sup>90</sup>

The TTAB relied on sundry definitions of the term of "HOTEL," websites of third-party entities offering hotel services, printouts from Applicant's website evidencing that Applicant helped its customers find "hotels," and third-party usage of "hotel" domain names.<sup>91</sup> The Board asserted that because "hotels" are the focus of Applicant services, and because ".com" is a generic suffix that signifies an online commercial presence, the aggregate expression "HOTELS.COM" has "the same [generic] meaning as the word 'hotels' by itself."<sup>92</sup>

The court agreed with the Board that "the generic term 'hotels' did not lose its generic character by placement in the domain name HOTELS.COM."<sup>93</sup> Additionally, the Circuit found that the Board

---

86. *Id.*, 91 U.S.P.Q.2d (BNA) at 1533.

87. This would seem impossible. Most issues of genericness revolve around marks that teeter perilously on the brink between highly descriptive and purely generic. The Board takes the position that HOTELS.COM is generic, and thus, not capable of functioning as a trade or service mark. At the same time, they seem to be saying that if the Circuit thinks the mark falls on the highly descriptive side, the mark can be registered pursuant to section 2(f). However, highly descriptive marks have a justifiably high hurdle to jump to establish acquired distinctiveness. The Board sharply attacked the nature and quantity of the evidence presented by the Applicant in support of its section 2(f) claim. How can they then say that the evidence is substantial enough to allow registration on the Principal Register?

88. *See Hotels.com III*, 573 F.3d at 1301, 91 U.S.P.Q.2d (BNA) at 1533 (arguing that "the mark is not generic because the website HOTELS.COM does not provide lodging and meals for its users and is not synonymous with the word 'hotel'").

89. The Circuit did chastise the Board for its apparently "unwarranted" "total rejection" of Applicant's rebuttal evidence, but found that the Board's disregard of this evidence did not "negate the TTAB's ultimate conclusion." *Id.* at 1305, 91 U.S.P.Q.2d (BNA) at 1536.

90. *Id.*, 91 U.S.P.Q.2d (BNA) at 1537.

91. *Id.* at 1303, 91 U.S.P.Q.2d (BNA) at 1535.

92. *Id.* at 1304, 91 U.S.P.Q.2d (BNA) at 1535.

93. *See id.*, 91 U.S.P.Q.2d (BNA) at 1535 (citing *In re Reed Elsevier Prop., Inc.*, 482 F.3d 1376, 1377, 82 U.S.P.Q.2d (BNA) 1378 (Fed. Cir. 2007) (finding that LAWYERS.COM is generic for an online database providing information for and about lawyers)).



reasonably gave controlling weight to the large number of similar usages of “hotel” domain names as well as common meaning and dictionary evidence that “hotels” and “.com” are generic terms, and that the Board’s findings were supported by substantial evidence.<sup>94</sup>

#### *D. Likelihood of Confusion*

Two of the Circuit’s 2009 trademark law decisions considered appeals involving refusals to register based on likelihood of confusion, and in both cases, the Circuit agreed with the Board. In *In re Northland Organic Foods Corp.*,<sup>95</sup> the Circuit affirmed the Board’s decision upholding the Trademark Office’s partial refusal to register the Applicant’s mark in certain international classes of goods and services.<sup>96</sup>

Applicant Northland Organic Foods Corp. sought registration of the mark SEED TO PLATE and the associated design for sundry goods and services.<sup>97</sup> The Trademark Office refused registration as to International Classes 16, 42, and 44 pursuant to section 2(d) of the Trademark Act, finding a likelihood of confusion with Trademark Registration No. 3,047,968 for SEED TO PLATE A COMMUNITY PARTNERSHIP IN CARING.<sup>98</sup>

To determine whether a likelihood of confusion exists between an applied-for mark and a registered mark, the TTAB applied the criteria established in *In re E.I. DuPont DeNemours & Co.*<sup>99</sup> The TTAB affirmed the Office’s decision, finding that the marks were confusingly similar because “SEED TO PLATE” is the dominant

94. *Id.* at 1305–06, 91 U.S.P.Q.2d (BNA) at 1537.

95. 337 F. App’x 878 (Fed. Cir. 2009).

96. *Id.* at 879.

97. *Id.*

98. *Id.*

99. 476 F.2d 1357, 1361, 177 U.S.P.Q. (BNA) 563, 567 (C.C.P.A. 1973). The criteria include: “(1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation, and commercial impression. (2) The 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) The similarity or dissimilarity of established, likely-to-continue trade channels. (4) The conditions under which and buyers to whom sales are made, i.e., “impulse” vs. careful, sophisticated purchasing. (5) The fame of the prior mark (sales, advertising, length of use). (6) The number and nature of similar marks in use on similar goods. (7) The nature and extent of any actual confusion. (8) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion. (9) The variety of goods on which a mark is or is not used (house mark, ‘family mark,’ product mark). (10) The market interface between applicant and the owner of a prior mark . . . . (11) The extent to which applicant has a right to exclude others from use of its mark on its goods. (12) The extent of potential confusion, i.e., whether de minimis or substantial. (13) Any other established fact probative of the effect of use.” *Id.*, 177 U.S.P.Q. at 567. The TTAB is not required to analyze all of the *DuPont* factors in every case. *Id.* at 1361–62.

literal matter in both the applied-for and registered marks, and that the parties' goods and services were related based on third-party registrations of record, evidencing that "numerous entities" provided "books, magazines, educational services, and information services" under the same mark.<sup>100</sup> Additionally, the TTAB found that Registrant's identified services of "planting, growing, and harvesting crops" served the same class of purchasers via the same channels of trade as Northland's consumers.<sup>101</sup>

On appeal, Northland did not contest that the parties' goods and services were related or that the trade channels and classes of customers overlapped.<sup>102</sup> Instead, Northland argued that the marks were actually very different, and that the TTAB erred by: (1) ignoring the differing design elements present in the applied-for and registered marks; and (2) giving no weight to the additional wording present in the registered mark, A COMMUNITY PARTNERSHIP IN CARING.<sup>103</sup>

The Circuit reiterated the long-standing principle that in considering the commercial impression of a mark—although all features of a mark must be considered—one feature may be more dominant than other features and thus may be accorded more weight.<sup>104</sup> Typically, the literal portion of a mark is treated as more dominant than any design matter in a composite mark.<sup>105</sup> Similarly, non-descriptive wording is treated as more significant than any descriptive or generic wording present in a compound mark.<sup>106</sup> According to the Circuit, it is "not necessary for the commercial impressions to be identical in order to sustain a finding of likelihood

---

100. *In re Northland*, 337 F. App'x at 880.

101. *Id.*

102. *Id.* at 882. Northland waxed poetically that the registered mark "creates the impression of a community who comes together to grow its own food as a result of the use of an image of a man and a woman tending a garden along with the words 'A Community Partnership in Caring,'" whereas the applied-for mark "creates the impression that the food that is placed on one's plate will be of the highest quality due to [Northland's] fastidious supervision of the production cycle from its earliest stage when the food one [sic] the plate was merely a seed." *Id.*

103. *Id.*

104. *Id.* at 881 (citing *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1570, 218 U.S.P. Q. (BNA) 390, 395 (Fed. Cir. 1983)).

105. See *In re Appetito Provisions Co.*, No. 423,405, 1987 TTAB LEXIS 47, at \*1, 3 U.S.P.Q.2d (BNA) 1553, 1553-54 (T.T.A.B. July 1, 1987) (remarking that consumers are more likely to remember the word element of the mark APPÉTITO than the related design elements).

106. See *In re J.M. Originals Inc.*, No. 530,739, 1987 TTAB LEXIS 21, at \*3-5, 6 U.S.P.Q.2d (BNA) 1393, 1394 (T.T.A.B. Oct. 20, 1987) (indicating that the likelihood of confusion analysis should not turn on common, descriptive wording, particularly when such wording has been disclaimed by the applicant).

of confusion.”<sup>107</sup> Thus, “[i]n view of the identity of the words of the [dominant portion] of the marks,” the Board’s finding, uncontested by Northland, that the parties’ goods and services are related, and the determination that their trade channels and customers overlap, the court found that the Board did not err in partially refusing registration based on a likelihood of confusion with the registered mark.<sup>108</sup>

In *In re Inca Textiles*,<sup>109</sup> the Circuit affirmed the Board’s decision upholding the Trademark Office’s refusal to register Applicant’s mark INCA MAMA.<sup>110</sup>

Inca Textiles, LLC sought registration of the mark INCA MAMA in connection with, *inter alia*, maternity clothing.<sup>111</sup> The Trademark Office refused registration pursuant to Lanham Act section 2(d), asserting a likelihood of confusion with U.S. Registration No. 2735016 for INCA GIRL and the associated design for sundry articles of clothing.<sup>112</sup> The Trademark Examining Attorney argued that the marks were similar because INCA is the dominant literal portion in both the applied-for mark and the registered mark, the goods are highly related because clothing manufacturers frequently produce both maternity and nonmaternity wear, and that maternity and nonmaternity wear are often sold in the same retail establishments.<sup>113</sup>

On appeal to the Circuit, the Applicant argued that the Board improperly dissected the registered mark.<sup>114</sup> Specifically, Inca Textiles argued that because the wording INCA GIRL appears in small lettering above the female design element’s head and on her shirt, the word portion of the mark is likely to be seen as the female character’s name and not a source-identifier.<sup>115</sup> The Applicant further argued that the TTAB erred in ruling that the parties’ goods were closely related, noting that the Nice Agreement for classification of trademarks, to which the United States is a party, lists clothing and maternity clothing as separate categories.<sup>116</sup> Finally, the Applicant argued that the trade channels were not similar because, in their

---

107. *In re Northland*, 337 F. App’x at 882 (citing *In re Research & Trading Corp.*, 793 F.2d 1276, 1278, 230 U.S.P.Q. (BNA) 49, 50 (Fed. Cir. 1986)).

108. *Id.*

109. No. 2008-1443, 2009 U.S. App. LEXIS 19656 (Fed. Cir. Sept. 2, 2009).

110. *Id.* at \*1.

111. *Id.*

112. *Id.* at \*1–2.

113. *Id.* at \*2.

114. *Id.* at \*5.

115. *Id.* at \*4.

116. *Id.* at \*5–6.

(unsupported) estimation, consumers do not purchase maternity wear online.<sup>117</sup>

The Circuit noted that doubts as to the likelihood of confusion between two marks should be resolved in favor of the prior user of the mark.<sup>118</sup> The court further noted that “classification [of the goods or services in an application or cited registration] is wholly irrelevant to the issue of registrability.”<sup>119</sup> The court found that the Board had properly “considered the cited mark in its entirety”<sup>120</sup> and that it did not commit reversible error in opining that “maternity clothing is sufficiently similar to women’s clothing in general” as to engender source confusion when sold in the same retail environment.<sup>121</sup> Finally, avoiding addressing the Applicant’s bald assertion that pregnant women and their loved ones do not shop for maternity clothing online, the Circuit pointed to third-party registrations for brick and mortar stores selling both maternity and nonmaternity wear as evidence that Applicant’s and Registrant’s goods swim in the same trade channels.<sup>122</sup>

#### *E. False Association*

In *In re Shinnecock Smoke Shop*,<sup>123</sup> the Circuit affirmed the Board’s decision upholding the Trademark Office’s section 2(a) false association refusal of Applicant’s applications for marks comprising the word SHINNECOCK and design elements pursuant to section 2(a).<sup>124</sup> The Board agreed with the Trademark Examining Attorney that the Applicant’s marks falsely suggested a connection with the Shinnecock Nation.<sup>125</sup>

---

117. *Id.* at \*7.

118. *Id.* at \*4 (citing *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 1265, 62 U.S.P.Q.2d (BNA) 1001, 1003 (Fed. Cir. 2002)).

119. *Id.* at \*6 (citing *Jean Patou, Inc. v. Theon*, 9 F.3d 971, 975, 29 U.S.P.Q.2d (BNA) 1771, 1774 (Fed. Cir. 1993)).

120. *Id.* at \*5. The court also noted that the TTAB had “observed that in some of the appearances of INCA GIRL only the words were shown in association with women’s clothing.” *Id.* The Board also concluded that there is a likelihood of confusion as to the source of the goods bearing the marks INCA MAMA and INCA GIRL, *with or without the design.* *Id.* at \*7. This conclusion seems overstated. After all, the INCA MAMA mark is registered with a rather elaborate design element. How can the TTAB rule on likelihood of confusion with a mark that is not before them? The crux of its argument is really that the words dominate the design element, which is a long-standing general principle in trademark law. *In re Appetito Provisions Co.*, No. 423,405, 1987 TTAB LEXIS 47, at \*3, 3 U.S.P.Q.2d (BNA) 1553, 1554 (T.T.A.B. 1987).

121. *In re Inca Textiles*, 2009 U.S. App. LEXIS 19656, at \*6.

122. *Id.* at \*7.

123. 571 F.3d 1171, 91 U.S.P.Q.2d (BNA) 1218 (Fed. Cir. 2009).

124. *Id.* at 1172, 91 U.S.P.Q.2d (BNA) at 1219.

125. *Id.*, 91 U.S.P.Q.2d (BNA) at 1219.

Jonathan K. Smith, an on-reservation member of the Shinnecock Indian Nation and sole proprietor of the Shinnecock Smoke Shop, filed two trademark applications for SHINNECOCK and differing designs in connection with cigarettes.<sup>126</sup> The Trademark Office refused registration on the grounds that Smith's use of the Shinnecock name falsely suggested a connection between Smith's cigarettes and Smith's tribe, the Shinnecock Indian Nation of eastern Long Island, New York.<sup>127</sup>

Section 2(a) of the Trademark Act bars, *inter alia*, the registration of a mark that consists of or comprises matter that may falsely suggest a connection with a person or entity, such as an Indian tribe, or institution.<sup>128</sup> To succeed on a claim that a given trademark violates section 2(a)'s prohibition on false suggestion of connection, the Trademark Office (or an opposing party in an *inter partes* proceeding) must establish the following:

- (1) [T]hat the mark [at issue] is the same as, or a close approximation of, the name or identity previously used by another person or institution;
- (2) [that] the mark would be recognized as such, in that it points uniquely and unmistakably to that person or institution;
- (3) [that] the person or institution named by the mark is not connected with the activities performed by applicant under the mark; and
- (4) [that] the fame or reputation of the person or institution is such that, when the mark is used with the applicant's

---

126. *Id.*, 91 U.S.P.Q.2d (BNA) at 1219.

127. *Id.*, 91 U.S.P.Q.2d (BNA) at 1219.

128. 15 U.S.C. § 1052(a) (2006); see *In re White*, No. 78175476, 2004 WL 2202268, at \*1, 73 U.S.P.Q.2d (BNA) 1713, 1715 (T.T.A.B. 2004) (refusing to register APACHE for use in connection with cigarettes because the name falsely suggested a connection with Apache tribes). Generally, the hot topic involving section 2(a) disparagement claims and Indian tribes centers around challenging trademark protections for sports teams' marks that appropriate Native American names and imagery in a manner that many consider to be offensive or disparaging. See *Harjo v. Pro-Football Inc.*, 50 U.S.P.Q.2d 1705 (T.T.A.B. 1999), *rev'd on other grounds*, 284 F. Supp. 2d 96, 68 U.S.P.Q.2d (BNA) 1225 (D.D.C. 2003), *rev'd*, 415 F.3d 44, 75 U.S.P.Q.2d (BNA) 1525 (D.C. Cir. 2005) (per curiam), *motion for summary judgment granted*, 567 F. Supp. 2d 46, 87 U.S.P.Q.2d 1891 (BNA) (D.D.C. 2008), *affirmed in part*, 565 F.3d 880, 90 U.S.P.Q.2d 1593 (BNA) (D.C. Cir. 2009), *cert. denied*, 130 S. Ct. 631 (2009). Although the TTAB initially granted Harjo's petition for cancellation of Pro-Football's REDSKINS and REDSKINETTES trademark registrations on disparagement grounds under section 2(a), *id.* at 1749, the district court for the District of Columbia reversed the TTAB, holding that the doctrine of laches barred Harjo's claims because she had waited eight years past the age of majority to file for cancellation. *Pro-Football v. Harjo*, 284 F. Supp. 2d 96, 145. The district court's decision led to a series of appeals that address the laches issue, but the disparagement question did not reach the Federal Circuit.

goods or services, a connection with the person or institution would be presumed.<sup>129</sup>

The Board asserted that the Shinnecock Indian Nation “has been a state-recognized tribe for over 200 years”;<sup>130</sup> (2) that the wording SHINNECOCK has no other significance than as the name of the tribe; and that mere membership in a tribe or even the tribe’s awareness of Smith’s marketing of the cigarettes under the Shinnecock name was not enough to obviate a section 2(a) refusal.<sup>131</sup> To overcome a false association refusal, Smith needed to demonstrate that the Shinnecock Nation *endorsed* or *sponsored* the sale of his cigarettes, not merely that they were aware of it.<sup>132</sup> Finally, the TTAB opined that the Shinnecock Indian Nation and its Shinnecock name are well-known and that “[because] Indian tribes, in general, are known to manufacture and market cigarettes,” consumers of Smith’s Shinnecock cigarettes were likely to “mistakenly presume the existence of a commercial connection between [Smith’s] cigarettes and the Shinnecock tribe.”<sup>133</sup>

In support of his opposition to the section 2(a) refusal, Smith introduced a creative but ultimately ill-fated argument that, because the U.S. Trademark Register is replete with registrations for marks owned by non-Indians containing tribal names or the names of famous Indians,<sup>134</sup> the Trademark Office’s refusal of his Shinnecock cigarette applications constituted racial discrimination in violation of Smith’s constitutional due process and equal protection rights under the Fifth Amendment of the U.S. Constitution.<sup>135</sup> The TTAB quickly disposed of Smith’s discrimination claim, reasoning that the existence of registrations for marks containing Indian names was either because the goods or services in question were not those that consumers were likely to believe the tribe would provide, or because

---

129. *In re White*, 2004 WL 2202268, at \*6, 73 U.S.P.Q.2d (BNA) at 1718; *In re Sloppy Joe’s Int’l Inc.*, No. 74345270, 1997 WL 424966, at \*3, 43 U.S.P.Q.2d (BNA) 1350, 1353 (T.T.A.B. 1997).

130. *In re Shinnecock Smoke Shop*, No. 78918061, 2008 WL 4354159, at \*4 (T.T.A.B. Sept. 10, 2008).

131. *Id.* at \*4–5.

132. *Id.*

133. *Id.*

134. *Id.* at \*7; *see, e.g.*, U.S. Reg. No. 1447929 (using the mark SHINNECOCK HILLS GOLF CLUB for country club and restaurant services); U.S. Reg. No. 2739914 (registering the mark 1891 SHINNECOCK for golf clothing and equipment); U.S. Reg. No. 2417630 (registering the mark TUSCARORA for cigars); U.S. Reg. No. 2396499 (using the mark CAYUGA for fishing reels); U.S. Reg. No. 2274143 (using the mark GERONIMO for tobacco leaves); and U.S. Reg. No. 2968623 (having the mark CRAZY HORSE for cigarettes).

135. *In re Shinnecock*, 2008 WL 4354159, at \*5.

the Office had erred in allowing registration of the applied-for marks, and not because of racial bias.<sup>136</sup>

On appeal to the Circuit, the Applicant did not contest that his marks falsely suggested a connection with the Shinnecock tribe, but instead contested whether the tribe was “an institution” pursuant to section 2(a) of the Trademark Act.<sup>137</sup> He further repeated his arguments of racial discrimination and equal protection violations by the Trademark Office.<sup>138</sup> The Circuit did not give weight to either of these arguments and found that the Board did not err in affirming the Examining Attorney’s “legitimate, nondiscriminatory reasons for denying registration.”<sup>139</sup>

With respect to the Trademark Office’s allowance of other SHINNECOCK marks on the trademark register, the Circuit asserted that even if the applicant were correct and the marks were registered in contravention of section 2(a) of the Trademark Act, “[i]t does not follow that the proper remedy for such mischief is to grant Applicant’s marks.”<sup>140</sup>

#### F. Use in Commerce

In *Aycock Engineering Inc. v. Airflite Inc.*,<sup>141</sup> a majority of the Circuit panel affirmed the TTAB’s decision cancelling Aycock Engineering’s service mark registration for failure to use the mark in commerce.<sup>142</sup>

William Aycock was a man with a dream: chartering flights for passengers who wished to travel by air taxi. He conceived of his middleman service in the late 1940s<sup>143</sup> and christened it “Airflite.”<sup>144</sup> At that time, he believed he would need at least 300 participating air taxi operators to make his dream a reality.<sup>145</sup> In the mid-1960s, he formed Aycock Engineering, Inc., and in 1970, he advertised his air-taxi-operator network to Federal Aviation Administration-certified air taxi pilots, some of whom entered into agreements with Aycock to

---

136. *Id.* at \*7 (“The fact that . . . some marks have been registered . . . in violation of the governing statutory standard does not mean that the [Patent and Trademark Office] must forgo applying the standard in all other cases.” (quoting *In re Boulevard Entm’t Inc.*, 338 F.3d 1336, 1343, 67 U.S.P.Q.2d (BNA) 1475, 1480 (Fed. Cir. 2003))).

137. *In re Shinnecock Smoke Shop*, 571 F.3d 1171, 1173, 91 U.S.P.Q.2d (BNA) 1218, 1219 (Fed. Cir. 2009).

138. *Id.* at 1174, 91 U.S.P.Q.2d (BNA) at 1220–21.

139. *Id.* at 1174–75, 91 U.S.P.Q.2d (BNA) at 1221.

140. *Id.* at 1175, 91 U.S.P.Q.2d (BNA) at 1221.

141. 560 F.3d 1350, 90 U.S.P.Q.2d (BNA) 1301 (Fed. Cir. 2009).

142. *Id.* at 1353, 90 U.S.P.Q.2d (BNA) at 1302.

143. *Id.*, 90 U.S.P.Q.2d (BNA) at 1302.

144. *Id.*, 90 U.S.P.Q.2d (BNA) at 1302.

145. *Id.*, 90 U.S.P.Q.2d (BNA) at 1303.

provide air taxi services.<sup>146</sup> That same year, Aycock applied to register the AIRFLITE mark with the Trademark Office. The mark matured into registration on the Supplemental Register in 1974.<sup>147</sup>

Unfortunately, Aycock could not make his AIRFLITE service fly. Throughout the history of Aycock Engineering, he was never able to keep more than twelve contracted pilots at a time. More importantly, he never advertised his AIRFLITE services to the general public and thus never arranged for air taxi transport for a single passenger.<sup>148</sup> Still, Mr. Aycock maintained his service mark, which he renewed in 1994.<sup>149</sup> In 2001, however, Airflite, Inc. grounded Aycock's dream through a cancellation proceeding in which Airflite argued that Aycock had not truly used his AIRFLITE mark in commerce prior to registration.<sup>150</sup> The Board agreed with Airflite, and cancelled Mr. Aycock's AIRFLITE registration.<sup>151</sup>

On appeal, the Circuit began by analyzing the services for which Aycock had registered the AIRFLITE mark to determine if the mark had been used in commerce pursuant to the statute.<sup>152</sup> The Circuit, like the Board, held that Aycock's services were "limited to regulating, coordinating, operating, or administering a system to book flights on airplanes."<sup>153</sup>

Under section 45 of the Trademark Act, service marks satisfy the "use in commerce" requirement when: (1) a mark is "used or displayed in the sale or advertising of services" and (2) either (i) "the services are "rendered in commerce" or (ii) "the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services."<sup>154</sup> When a registered mark does not satisfy this use requirement, it is void ab initio.<sup>155</sup>

---

146. *Id.*, 90 U.S.P.Q.2d (BNA) at 1303.

147. *Id.* at 1354, 90 U.S.P.Q.2d (BNA) at 1303.

148. Aycock had also registered two toll-free numbers for use by the public, but there was no evidence that these numbers were ever used or that Aycock ever spoke to a potential passenger about making a reservation. *Id.* at 1361, 90 U.S.P.Q.2d (BNA) at 1308-09.

149. *Id.* at 1354, 90 U.S.P.Q.2d (BNA) at 1303.

150. *Id.*, 90 U.S.P.Q.2d (BNA) at 1303.

151. *Id.*, 90 U.S.P.Q.2d (BNA) at 1303.

152. *See id.* at 1355, 90 U.S.P.Q.2d (BNA) at 1304 ("A prerequisite to deciding the use requirement issue . . . involves defining the recitation of services in the application.").

153. *Id.*, 90 U.S.P.Q.2d (BNA) at 1304.

154. 15 U.S.C. § 1127 (2006).

155. *Aycock*, 560 F.3d at 1357, 90 U.S.P.Q.2d (BNA) at 1305 (citing *Gay Toys, Inc. v. McDonald's Corp.*, 585 F.2d 1067, 1068, 199 U.S.P.Q. (BNA) 722, 723 (C.C.P.A. 1978)).



Aycock argued that setting up the network was sufficient to comply with the use in commerce requirement.<sup>156</sup> The Circuit deemed Aycock's efforts to put the AIRFLITE dream in flight mere "preparatory stages" of a service's development<sup>157</sup> and stated that, absent a showing that the services were actually offered to the public, the use in commerce requirement could not be met.<sup>158</sup> Accordingly, the court affirmed the Board's cancellation of Aycock's mark.<sup>159</sup>

Judge Newman passionately defended Aycock's predicament.<sup>160</sup> She argued that the Trademark Office had crafted Aycock's recitation of services based on Aycock's description of his services during prosecution, the specimens of use submitted with his application, and the recitation of services as mandated by the Examining Attorney.<sup>161</sup> Noting that Aycock acquiesced in the final recitation of services after many exchanges with the Trademark Office, Judge Newman concluded that "[i]f indeed a flaw in the registration is now discovered, after thirty-five years,<sup>162</sup> it should be clarified and corrected, not voided ab initio."<sup>163</sup> Judge Newman determined that the issue of whether the recruitment of air taxi operators constitutes a "registrable service" was improperly considered by the Board because it was not raised in the cancellation proceeding and was not briefed by either party.<sup>164</sup> Finally, Judge Newman asserted that "the service of recruiting air taxi operators and

---

156. *Id.* at 1355, 90 U.S.P.Q.2d (BNA) at 1304.

157. *See id.* at 1361, 90 U.S.P.Q.2d (BNA) at 1309 ("That Mr. Aycock advertised to, contracted with, and was paid by air taxi operators does not transform the service from its preparatory stages to being rendered in commerce. Instead, these actions were Mr. Aycock's attempts to build the service's infrastructure, which, when completed, could then be offered to the public (and thus 'rendered in commerce').").

158. *Id.*, 90 U.S.P.Q.2d (BNA) at 1309.

159. *Id.* at 1362, 90 U.S.P.Q.2d (BNA) at 1309. The court, however, did not address Airflite, Inc.'s abandonment and fraud claims. *See id.* at 1354 n.5, 90 U.S.P.Q.2d (BNA) at 1303 n.5 (stating that the TTAB declined to rule on the issues of abandonment and fraud claims since it cancelled the AIRFLITE mark).

160. *See id.* at 1362, 90 U.S.P.Q.2d (BNA) at 1310 (Newman, J., dissenting) ("The cancellation of this long-standing registration is seriously flawed, and is seriously unjust.").

161. *Id.*, 90 U.S.P.Q.2d (BNA) at 1309.

162. The majority opinion also expressed some regret for Aycock and his lost dream. *See id.* at 1362 n.12, 90 U.S.P.Q.2d (BNA) at 1309 n.12 (majority opinion) ("We find it unfortunate that Mr. Aycock lost his AIRFLITE service mark after the USPTO granted him a registration over thirty years ago. But under the federal trademark and service mark registration system, no period of years exists beyond which a mark holder becomes immune from invalidation under the use requirement."). The Aycock majority suggested that Aycock might find some shelter from this "harsh reality" under common law trademark doctrine. *Id.*, 90 U.S.P.Q.2d (BNA) at 1309 n.12.

163. *Id.* at 1362, 90 U.S.P.Q.2d (BNA) at 1310 (Newman, J., dissenting).

164. *Id.* at 1363, 90 U.S.P.Q.2d (BNA) at 1310.

contracting with them is indeed a registrable service[.]” and therefore “Aycock was not engaging in advance publicity, but was performing the registered service.”<sup>165</sup>

## II. PROCEDURAL TRADEMARK ISSUES

### *A. Admissibility of Evidence and Standing in TTAB Proceedings*

The Circuit dealt with two cases regarding the introduction and admissibility of evidence and standing, reversing the Board in both instances. In *Cold War Museum Inc. v. Cold War Air Museum Inc.*,<sup>166</sup> the Federal Circuit reversed the TTAB’s decision in a cancellation battle between two dueling museums specializing in Cold War artifacts. Francis Gary Powers, Jr. sought and received registration of the mark THE COLD WAR MUSEUM in connection with museum services, pursuant to section 2(f) of the Lanham Act, by submitting evidence that his descriptive mark had acquired distinctiveness.<sup>167</sup>

In the course of prosecuting the application, Mr. Powers submitted a record of over 200 pages of material to support his claim that his mark had become distinctive through substantially exclusive and continuous use in commerce for, at least, the previous five years.<sup>168</sup> Three years after Mr. Powers’s mark was registered, Cold War Air Museum Inc. moved to cancel Mr. Powers’s mark, arguing that the mark was merely descriptive or generic for museum services, and therefore, registration was permitted in error.<sup>169</sup> Mr. Powers argued that the Trademark Office had evaluated the evidence of acquired distinctiveness proffered during prosecution and that the mark had been approved for registration with a section 2(f) claim.<sup>170</sup> Accordingly, he asserted that the registered mark should be

---

165. *Id.* at 1363–64, 90 U.S.P.Q.2d (BNA) at 1310–11. Judge Newman seems to argue that the Office should have read the services more liberally or allowed Aycock to amend the recitation in order to keep the registration from being cancelled.

166. 586 F.3d 1352, 92 U.S.P.Q.2d (BNA) 1626 (Fed. Cir. 2009).

167. *Id.* at 1354, 92 U.S.P.Q.2d (BNA) at 1627. Section 2 of the Lanham Act states that nothing prevents an applicant from registering a distinctive mark of the applicant’s goods in commerce. 15 U.S.C. § 1052(f) (2006). 37 C.F.R. § 2.41(b) lists three types of evidence that an applicant may use to establish the requirements of distinctiveness as defined in the governing statute: (1) A claim of ownership of one or more prior registrations on the Principal Register of the same mark for goods or services that are the same as or related to those named in the pending application; (2) A statement verified by the applicant that the mark has become distinctive of the applicant’s goods or services by reason of substantially exclusive and continuous use in commerce by the applicant for the five years before the date when the claim of distinctiveness is made; (3) Actual evidence of acquired distinctiveness.

168. *Cold War*, 586 F.3d at 1355, 92 U.S.P.Q.2d (BNA) at 1627.

169. *Id.*, 92 U.S.P.Q.2d (BNA) at 1627.

170. *Id.*, 92 U.S.P.Q.2d (BNA) at 1627.

presumed valid.<sup>171</sup> Although the Board acknowledged that the issue of acquired distinctiveness had been raised and resolved in the Registrant's favor during the application process, the Board faulted Mr. Powers for not resubmitting the evidence proffered during prosecution during the cancellation proceedings.<sup>172</sup> The Board used this failure to resubmit evidence as a basis to exclude the evidence of acquired distinctiveness altogether.<sup>173</sup> Having excluded the only evidence Mr. Powers had provided, the Board asserted that Mr. Powers had not met his burden, found in favor of the petitioner museum, and cancelled "The Cold War Museum" mark.<sup>174</sup>

The Circuit was decidedly chilly to the Board's Cold War decision. First, the court attacked the Board's decision to ignore the ample evidence of acquired distinctiveness in the application file. They pointed to the "clear" and "unambiguous" nature of governing statute 37 C.F.R. § 2.122(b) regarding the treatment of application files:<sup>175</sup>

The file . . . of each registration against which a petition . . . for cancellation is filed forms part of the record and the proceeding without any action by the parties and reference may be made to the file for any relevant and competent purpose.<sup>176</sup>

Accordingly, the Circuit stated, the Board had no excuse for excluding the evidence, as the statute makes clear that Mr. Powers did not have to submit any additional evidence to ensure that the Board would consider his submissions in support of his acquired distinctiveness claim.<sup>177</sup>

Next, the court examined the Board's treatment of the distinctiveness issue. According to the Circuit, the Cold War Air Museum was so focused on the *descriptiveness* of the Registrant's mark that they did not adequately address Mr. Powers's claim of acquired

---

171. *Id.*, 92 U.S.P.Q.2d (BNA) at 1627.

172. *Id.* at 1355–56, 92 U.S.P.Q.2d (BNA) at 1627–28.

173. *Id.*, 92 U.S.P.Q.2d (BNA) at 1627–28.

174. *Id.* at 1356, 92 U.S.P.Q.2d (BNA) at 1627–28.

175. *Id.*, 92 U.S.P.Q.2d (BNA) at 1628.

176. *Id.*, 92 U.S.P.Q.2d (BNA) at 1628.

177. *Id.* at 1357, 92 U.S.P.Q.2d (BNA) at 1628–29. The Board attempted to draw a distinction between the application file, without defining what they considered an "application file" to be comprised of, and filings made subsequent to the initial application but during the course of prosecution of the applied-for mark. In support of this distinction, the Board cited its decision in an opposition proceeding, *British Seagull Ltd. v. Brunswick Corp.*, No. 80,900, 1993 WL 409141, at \*1, 28 U.S.P.Q.2d (BNA) 1197 (T.T.A.B. Aug. 6, 1993), which the Board claimed had been "affirmed" by the Federal Circuit in *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 32 U.S.P.Q.2d (BNA) 1120 (Fed. Cir. 1994). The Circuit denied ever affirming any Board finding on evidentiary issues or distinctiveness in *British Seagull. Cold War*, 586 F.3d at 1357 n.4, 92 U.S.P.Q.2d (BNA) at 1629 n.4.

*distinctiveness*.<sup>178</sup> However, Mr. Powers, by submitting a claim of acquired distinctiveness, had already acknowledged that his mark *is* descriptive.<sup>179</sup> The court faulted the Board for failing to identify the Air Museum's conflation of the descriptiveness and distinctiveness issues.<sup>180</sup>

Finally, the court rebuked the Board on the "less than precise" discussion of the shifting burdens contained within a cancellation proceeding, noting that the movant in a cancellation proceeding must first evidence a prima facie case that the registration is invalid, in the instant case, that the applied-for mark had not acquired distinctiveness.<sup>181</sup> If a prima facie case is shown, then, and only then, does the Registrant have a burden to produce additional evidentiary support to defend the registration.<sup>182</sup> Similarly, in rendering its ultimate decision in a cancellation proceeding, the Board must determine whether the petitioner has satisfied the burden of persuasion that the mark was registered in error based on all the evidence of record, both from the application file and information made of record during the course of the cancellation action.<sup>183</sup> Here, the court determined that the Board erred in its analysis in several ways: first, in incorrectly finding a prima facie case where the Air Museum did not address acquired distinctiveness; second, in superimposing on the Registrant a duty not found in the statute to re-proffer evidence of acquired distinctiveness; and finally, in concluding that the Air Museum had met its burden of persuasion.<sup>184</sup> The court reversed the Board's decision, finding that the Board erred

---

178. *Id.* at 1358, 92 U.S.P.Q.2d (BNA) at 1629 ("Air Museum failed to present any evidence whatsoever relating to the distinctiveness of the mark.").

179. *See id.*, 92 U.S.P.Q.2d (BNA) at 1629 ("Where an applicant seeks registration on the basis of a Section 2(f) claim, the mark's descriptiveness is a nonissue; an applicant's reliance on Section 2(f) during prosecution presumes that the mark is descriptive.")

180. *Id.*, 92 U.S.P.Q.2d (BNA) at 1629 ("Air Museum failed even to *argue* that the mark had not acquired distinctiveness. Instead Air Museum's arguments and evidence related exclusively to the mark's descriptiveness, which . . . is irrelevant to the validity of a Section 2(f) registration. Because Air Museum failed to even argue the issue of acquired distinctiveness in its petition for cancellation, it failed to rebut the registration's presumption of validity. Therefore, the Board erred as a matter of law in concluding that Air Museum had established a prima facie case that the mark had not acquired distinctiveness.") *Id.*

181. *See id.*, 92 U.S.P.Q.2d at 1629 ("Given Air Museum's failure to rebut the registration's presumption of validity, the Board also erred as a matter of law in shifting the 'burden' to the Cold War Museum.").

182. *See id.*, 92 U.S.P.Q.2d (BNA) at 1629 ("In a cancellation proceeding, unlike an opposition, the registration has a presumption of validity." (citing 15 U.S.C. § 1057(b) (2006))).

183. *See id.*, 92 U.S.P.Q.2d (BNA) at 1630.

184. *Id.*, 92 U.S.P.Q.2d (BNA) at 1629-30.

as a matter of law in concluding that the Air Museum established a prima facie case that the registered mark had not acquired distinctiveness.<sup>185</sup>

In the next case, *Bishop v. Flournoy*,<sup>186</sup> Applicant Flournoy sought registration of the marks “100% ART” and ONEHUNDREDPERCENT ART in connection with International Class 16 goods, including, *inter alia*, paintings and printed informational cards in the field of art.<sup>187</sup> Bishop, an artist, opposed both applications, arguing that he had standing to oppose Flournoy’s applications, that he had priority of use over Flournoy, and that Flournoy had committed fraud on the Trademark Office in prosecuting her applications.<sup>188</sup> He attached evidence to his notices of opposition.<sup>189</sup>

Flournoy argued that Bishop had not established any right to relief, though she acknowledged that she had known that Bishop was using both marks in connection with his artwork.<sup>190</sup> Bishop, representing himself, did not properly introduce evidence during the period for taking testimony. Instead, Bishop attached evidence to his trial briefs.<sup>191</sup> Flournoy did not submit a response.<sup>192</sup> Bishop then filed reply briefs arguing that the Board should grant judgment in his favor because Flournoy had not briefed the TTAB.<sup>193</sup> The Board refused to consider either the evidence attached to his notices of opposition<sup>194</sup> or his trial briefs because the evidence was not submitted at the proper phase of the opposition proceeding.<sup>195</sup> In addition, the Board found that Bishop had not proven his standing or pleaded any ground for relief.<sup>196</sup>

Bishop appealed to the Federal Circuit pursuant to 28 U.S.C. § 1295(a)(4)(B).<sup>197</sup> The Circuit reviewed the standing and legal determinations de novo.<sup>198</sup> The court noted that in a cancellation

---

185. *Id.* at 1359, 92 U.S.P.Q.2d (BNA) at 1630.

186. 319 F. App’x. 897 (Fed. Cir. 2009).

187. *Id.* at 898.

188. *Id.*

189. *Id.*

190. *Id.*

191. *Id.*

192. *Id.* at 898.

193. *Id.*

194. The TTAB consolidated the two opposition proceedings. *Id.*

195. *Id.* at 899.

196. *Id.*

197. *Id.*

198. *Id.*

petition,<sup>199</sup> a movant need only evidence a reasonable belief that he will be damaged by the registration of the mark.<sup>200</sup> According to the Circuit, this “is not a rigorous requirement.”<sup>201</sup> The Circuit found that Flournoy’s admission that she knew Bishop was using the applied-for marks in connection with his artwork constituted statements against interest.<sup>202</sup> While acknowledging that Bishop’s evidence was properly excluded by the Board, the Circuit asserted that Flournoy’s admissions against interest may have established “standing and fraud or likelihood of confusion.”<sup>203</sup> Accordingly, the Circuit remanded to the TTAB to determine whether Flournoy’s admissions satisfied Bishop’s burden of proof.<sup>204</sup>

### *B. Res Judicata*

The Circuit decided two trademark appeals involving res judicata. In *American Rice, Inc. v. Dunmore Properties S.A.*,<sup>205</sup> the Circuit agreed with the Board that American Rice’s cancellations claims were precluded under res judicata. In 1982, American Rice, Inc. (“ARI”), one of the largest rice millers in the United States, registered the mark “ABU BINT” in the United States for use in connection with rice.<sup>206</sup> ABU BINT translates from Arabic into English as “Father of a Girl.”<sup>207</sup> In 2002, Dunmore registered “BINT ALARAB,” or “Arab’s girl,” in connection with rice.<sup>208</sup> In 2003, ARI moved for cancellation of the BINT ALARAB mark based on trademark infringement, as well as trademark dilution, of its ABU BINT mark.<sup>209</sup> Before the discovery period in the 2003 cancellation proceedings ended, ARI withdrew its petition for cancellation.<sup>210</sup> Because ARI had withdrawn its petition without Dunmore’s consent, the TTAB dismissed ARI’s petition with prejudice in 2004.<sup>211</sup>

---

199. Of course, this was an opposition proceeding, not a cancellation proceeding. Presumably, the standard should be the same for an opposition proceeding given that registered marks have the presumption of validity. *Id.*

200. *Id.* at 900 (citing *Ritchie v. Simpson*, 170 F.3d 1092, 1095, 50 U.S.P.Q.2d (BNA) 1023, 1025 (Fed. Cir. 1999)).

201. *Id.*

202. *See id.* (“[S]tatements in pleadings may have evidentiary value as admissions against interest by the party that made them.” (quoting T.B.M.P. § 704.06(a))).

203. *Id.*

204. *Id.*

205. 2009 U.S. App. LEXIS 25467 (Fed. Cir. Nov. 16, 2009) (per curiam).

206. *Id.* at \*1.

207. *Id.* at \*2 n.1.

208. *Id.* at \*1.

209. *Id.* at \*2.

210. *Id.*

211. *Id.*

In 2007, ARI filed a new petition for cancellation of the BINT ALARAB mark, again alleging trade confusion and trademark dilution.<sup>212</sup> Dunmore subsequently filed a motion to dismiss, arguing that ARI's petition was barred by res judicata.<sup>213</sup> On appeal to the TTAB, the Board treated Dunmore's motion as a motion for summary judgment on the grounds that Dunmore's motion relied on matters outside the 2007 pleadings, such as the Board's 2004 dismissal order.<sup>214</sup>

Possibly attempting to avoid the res judicata claim, ARI amended its cancellation petition to include a claim that Dunmore had committed fraud on the Trademark Office during prosecution of its BINT ALARAB application and requested time to conduct discovery on its claims.<sup>215</sup> The Board denied ARI's motion for time to conduct discovery and granted Dunmore's motion for summary judgment in 2009.<sup>216</sup> ARI subsequently appealed to the Federal Circuit.<sup>217</sup>

The court reviewed *de novo* the Board's finding of res judicata and its ruling on Dunmore's summary judgment; the court also reviewed for abuse of discretion the Board's denial of ARI's motion for time to conduct discovery.<sup>218</sup>

Res judicata refers to related legal concepts: claim preclusion and issue preclusion.<sup>219</sup> Claim preclusion provides that a party cannot newly litigate a matter if a court determined that the matter should have been raised in earlier litigation, but was not.<sup>220</sup> Issue preclusion bars a party from litigating a matter if the matter has been litigated and decided previously.<sup>221</sup> In the case at bar, ARI's petition for cancellation was never actually litigated and decided; thus, claim preclusion is the basis for Dunmore's res judicata defense.<sup>222</sup>

The test for claim preclusion, as articulated by the Circuit, precludes a claim when: (1) the parties are identical; (2) "there was

---

212. *Id.*

213. *Id.*

214. *Id.* at \*2-3.

215. *Id.* at \*3.

216. *Id.*

217. *Id.*

218. *Id.*

219. *Id.* at \*4 (citing RESTATEMENT (SECOND) OF JUDGMENTS, CH. 3, INTRODUCTORY NOTE (1982)).

220. *Id.* (citing *Nevada v. United States*, 463 U.S. 110, 129-30 (1983) (noting that claim preclusion also bars the bringing of "any other admissible matter" which might have been brought in the original action)).

221. *See id.* (citing 18 CHARLES ALAN WRIGHT, ARTHUR R. MILLER & EDWARD H. COOPER, FEDERAL PRACTICE AND PROCEDURE § 4402 (2d ed. 2002) (describing issue preclusion, also known as collateral estoppel, as "the effect of foreclosing relitigation of matters that have once been litigated and decided")).

222. *Id.* at \*4-5.

earlier final judgment on the merits of the claim”; and (3) the new claim is based on the same set of transactional facts as the first.<sup>223</sup>

Neither ARI nor Dunmore contested that the parties were the same as in the 2004 cancellation action or that the Board had dismissed ARI’s petition with prejudice.<sup>224</sup> The only issue the Circuit had to decide on appeal was whether the 2007 petition for cancellation on grounds of trade confusion, trademark dilution, and fraud was based on the same set of transactional facts as ARI’s 2003 petition.<sup>225</sup> ARI argued that its new petition for cancellation necessarily would be based on material facts that occurred post-2003, but that it needed additional discovery to fully uncover these new material facts.<sup>226</sup> ARI further argued that it is Dunmore’s burden, not ARI’s, to prove that no new facts had occurred since the dismissal of the 2003 petition.<sup>227</sup>

The Circuit noted that ARI’s 2007 petition was almost identical to its 2003 petition. Accordingly, the court found that there was nothing to suggest that the 2007 petition was based on facts outside the transactional facts contained in the 2003 petition.<sup>228</sup> The court was unfazed by the fraud claim, which was new to the 2007 petition, noting that ARI was alleging that Dunmore had committed fraud in 2000 and 2001 during the BINT ALARAB application process.<sup>229</sup> The Circuit held that the fraud allegations were also claim-precluded because the alleged fraud could have been raised in the 2003 cancellation petition.<sup>230</sup>

Finally, regarding the motion for time for additional discovery, the Circuit held that ARI’s motion for discovery was misplaced. ARI was not seeking discovery to obtain facts to refute the *res judicata* claim but rather to bolster its 2007 petition.<sup>231</sup> Accordingly, the Circuit ruled that the Board did not err in either denying the motion for time to conduct discovery or finding that the 2007 petition was barred by *res judicata*.<sup>232</sup>

---

223. *Id.* at \*5 (Jet, Inc. v. Sewage Aeration Sys., 223 F.3d 1360, 1362, 55 U.S.P.Q.2d (BNA) 1854, 1856 (Fed. Cir. 2000)).

224. *Id.*

225. *Id.* at \*5–6.

226. *Id.* at \*6.

227. *Id.*

228. *See id.* (“ARI’s 2007 Petition is, with the exception of a single minor, nonmaterial word change, identical to its 2003 Petition . . . [and] paragraphs 1–10 and 18–23 of ARI’s amended 2007 Amended Petition are identical to the paragraphs of the 2007 Petition and, with again a single nonmaterial exception, likewise identical to those of the 2003 Petition.”).

229. *Id.* at \*7.

230. *Id.* at \*7–8.

231. *Id.* at \*8–10.

232. *Id.* at \*10.



In *Holt's Co. v. Virgin Enterprises Ltd.*,<sup>233</sup> the Circuit affirmed the TTAB's holding without opinion. Holt's Co. had applied to register the mark ASHTON VIRGIN SUN GROWN—in standard characters—in connection with cigars.<sup>234</sup> Virgin Enterprises opposed registration on grounds of likelihood of confusion and trademark dilution with Virgin Enterprises' thirty-eight previously registered VIRGIN marks for sundry goods and services.<sup>235</sup> Although Holt's Co. denied Virgin Enterprises' allegations, Virgin moved for summary judgment by arguing that—due to the Board's prior decision in a related case—claim preclusion and res judicata barred Holt's Co.'s ASHTON VIRGIN SUN GROWN mark from registration based on.<sup>236</sup>

Specifically, Holt's Co. had previously sought registration for ASHTON CABINET VSG VIRGIN SUN GROWN and the associated design.<sup>237</sup> Virgin opposed registration, and Holt's Co. did not file an answer.<sup>238</sup> The Board entered a default judgment in Virgin's favor.<sup>239</sup>

In support of its motion for summary judgment, Virgin argued that Holt's Co.'s application for ASHTON VIRGIN SUN GROWN was based on the same transactional facts as its previous ASHTON CABINET VSG VIRGIN SUN GROWN and associated design application because the parties to the previous opposition were the same, the goods were the same, and the marks were legally identical.<sup>240</sup> Holt's Co. countered that because the current applied-for mark and their dismissed applied-for mark are not identical—the wording is different and the dismissed application was for a design mark—unique separate transactional or operative facts exist in the current application<sup>241</sup> such that res judicata could not apply.<sup>242</sup> The Board's analysis revolved around the commonalities between Holt's Co. applied-for mark and the drawing in the dismissed application.<sup>243</sup> Specifically, the Board cited *Institut National Des*

---

233. 309 F. App'x 412, 2009 WL 279054, at \*1 (Fed. Cir. Feb. 6, 2009) (per curiam).

234. *Virgin Enter. Ltd. v. Holt's Co.*, No. 91176609, 2008 WL 885888, at \*1. (T.T.A.B. Feb. 8, 2009).

235. *Id.*

236. *Id.* at \*1, \*3. Given that the TTAB issued a default judgment, no claims were litigated or decided in the prior Board decision.

237. *Id.* at \*1.

238. *Id.*

239. *Id.*

240. *Id.* at \*2.

241. *Id.*

242. *Id.* Holt's Co. also argued that res judicata should not preclude their claim because their previous "out-sourced" counsel made them do it. The Board did not address this claim. *Id.*

243. *Id.* at \*3.

*Appellations d'Origine v. Brown-Forman Corp.*<sup>244</sup> for the proposition that the Board must determine whether the commercial impression of a mark is the same as the mark involved in the current proceeding to determine whether or not the res judicata claim preclusion doctrine is triggered.<sup>245</sup>

In *Holt's Co.*, the Board asserted that Holt's Co.'s ASHTON VIRGIN SUN GROWN mark had evolved from the ASHTON CABINET VSG VIRGIN SUN GROWN and associated design mark and that the deletion of the design element and the literal matter CABINET VSG were minor alterations that did not sufficiently change the commercial impression of Holt's Co.'s mark to allow registration.<sup>246</sup> Accordingly, the Board granted Virgin's summary judgment motion and denied registration of the ASHTON VIRGIN SUN GROWN mark.<sup>247</sup>

### *C. Contract Estoppel in Opposition Proceedings*

In *Cipriani Group, Inc. v. Orient-Express Hotels Inc.*,<sup>248</sup> the Circuit upheld the Board's decision without opinion.<sup>249</sup> Cipriani Group filed applications for CIPRIANI in connection with real estate and food-related services.<sup>250</sup> Orient-Express Hotels Inc. and Hotel Cipriani S.r.l. separately opposed registration, arguing that Cipriani Group's application was barred by a previously executed settlement agreement and the likelihood of confusion with previously registered (Orient-Express) and common-law (Hotel Cipriani) trademarks.<sup>251</sup> Cipriani Group countered that the settlement agreement did not preclude registration of its CIPRIANI mark and asserted unclean hands as an affirmative defense.<sup>252</sup> The Board consolidated the separate opposition proceedings, and the opposers subsequently moved for summary judgment.<sup>253</sup> The Board looked to the plain language of the settlement agreement, which provided that "[applicant] may conduct any business it chooses to engage in, provided that it is designated . . . as CIPRIANI with the identity of the

244. No. 97417, 1998 WL 650076, at \*1, 47 U.S.P.Q.2d 1875, 1894 (T.T.A.B. 1998).

245. *Holt's Co.*, 2008 WL 885888, at \*3.

246. *Id.*

247. *Id.* at \*4.

248. 331 F. App'x 749 (Fed. Cir. 2009) (per curiam).

249. *Id.*

250. *Orient-Express Hotels Inc. v. Cipriani Group*, No. 91176217, 2008 WL 2385984, at \*1 (T.T.A.B. May 27, 2008), *aff'd*, 331 F. App'x 749 (Fed. Cir. 2009) (per curiam).

251. *Id.* at \*1.

252. *Id.*

253. *Id.*

product or service offered or any other descriptive terms or name except use of the word HOTEL in connection therewith.”<sup>254</sup> The Board found that this language barred registration of Cipriani Group’s CIPRIANI mark because the settlement agreement forbade Cipriani Group’s use of the mark CIPRIANI without additional literal matter.<sup>255</sup>

The Board briefly addressed Cipriani Group’s unclean hands defense, which centered around Orient-Express Hotels Inc. and Hotel Cipriani S.r.l.’s use and registration of CIPRIANI marks outside the United States and their actions to prevent Cipriani Group from using marks containing CIPRIANI with or without additional literal matter outside the United States.<sup>256</sup> Because the settlement agreement was silent as to use or registration by either Cipriani Group or Orient-Express Hotels Inc. and Hotel Cipriani S.r.l. outside the United States, the Board found that Cipriani Group had not proved its affirmative defense of unclean hands.<sup>257</sup>

#### *D. Failure to Prosecute*

In *McZeal v. Sprint Nextel Corp.*,<sup>258</sup> McZeal, doing business as International Walkie Talkie, brought suit against Sprint Nextel and Nextel Communications in the U.S. District Court for the Southern District of Texas, alleging, among other claims, patent and trademark infringement.<sup>259</sup> Specifically, International Walkie Talkie alleged that Sprint and Nextel had infringed his service mark registration for “INTERNATIONAL WALKIE TALKIE,” U.S. Registration No. 3,016,449.<sup>260</sup> McZeal represented himself as International Walkie Talkie in the Texas court proceedings.<sup>261</sup> During the first stage of the infringement proceedings, the Southern District of Texas dismissed International Walkie Talkie’s case for failure to state a claim upon which relief could be granted and for want of prosecution.<sup>262</sup> The Federal Circuit initially found that International Walkie Talkie

---

254. *Id.* at \*2.

255. *Cipriani*, 2008 WL 2385984, at \*4.

256. *See id.* (“On its face, the [settlement] agreement does not address actions taken by opposers outside the United States”).

257. *Id.* at \*4–5. Having disposed of the contract estoppel claim and the unclean hands defense, the Board did not address the opposers’ claims of likelihood of confusion and the adequacy of Cipriani Group’s specimens of record, though it noted that alleged error on the part of the Trademark Office—i.e., accepting insufficient specimens—is not proper grounds for an opposition. *Id.* at \*5.

258. 335 F. App’x 966, 84 U.S.P.Q.2d (BNA) 1315 (Fed. Cir. 2009) (*McZeal II*).

259. *Id.* at 966–67.

260. *Id.* at 967.

261. *Id.*

262. *Id.*

had stated enough of a claim to survive Sprint's summary judgment motion, and vacated and remanded the case back to the district court to allow International Walkie Talkie the opportunity for discovery on the nature of Sprint's allegedly infringing electronics device.<sup>263</sup>

The district judge voiced her disdain for the Circuit's decision to vacate her order and remand the case. In oral argument, the district judge asserted that she was "actually comfortable simply holding the same way [she] held last time," called the Circuit's decision to remand and vacate "absurd," and deemed that the Circuit's order "[did] not run to the rational faculties."<sup>264</sup>

In order to speed up the proceedings, the district court ordered International Walkie Talkie to provide a list of all websites used by International Walkie Talkie from 2005–2008 and a precise description of "how, when, and where" it had used its International Walkie Talkie mark.<sup>265</sup> Sprint was required to provide the "extent and timings of all uses by Sprint Nextel" of the International Walkie Talkie mark.<sup>266</sup>

McZeal, still *pro se* on behalf of International Walkie Talkie, did not comply with the district court's order and showed up late to his next scheduled hearing in March 2009.<sup>267</sup> At the hearing, the district court chastised International Walkie Talkie (and the Federal Circuit), saying "[b]ecause I was obliged by a gross error in the Court of Appeals to readdress this case, I did. I asked you [International Walkie Talkie] to do a few fairly straightforward, simple things that would have helped Sprint understand what you thought you were doing."<sup>268</sup> Finding that International Walkie Talkie had "produced nothing," "failed to respond to inquiries by defense counsel," and "did not appear at the hearing," the district court issued a dismissal order based on both International Walkie Talkie's purported failure to state a claim and want of prosecution, i.e., not complying with the Court's production order.<sup>269</sup>

Unsurprisingly, the Federal Circuit did not take kindly to the district court's unfettered criticism. The Circuit found that Texas judge had improperly dismissed International Walkie Talkie's case based on a failure to state a claim, "disregarding [the Federal

---

263. *Id.*; *McZeal v. Sprint Nextel Corp.*, 501 F.3d 1354, 1358–59, 84 U.S.P.Q.2d 1315, 1318–19 (Fed. Cir. 2007) (*McZeal I*).

264. *McZeal II*, 335 F. App'x at 967.

265. *Id.* at 968.

266. *Id.* (internal quotation marks omitted).

267. *Id.*

268. *Id.*

269. *Id.*

Circuit's] prior mandate."<sup>270</sup> However, the Circuit found that Texas's dismissal of International Walkie Talkie's claim for want of prosecution did not constitute an abuse of discretion given International Walkie Talkie's "contumacious conduct"<sup>271</sup> comprising violations of multiple orders and its failure to timely attend the March 2009 hearing.<sup>272</sup>

The Circuit ultimately affirmed the dismissal with prejudice of International Walkie Talkie's case for want of prosecution.<sup>273</sup>

### *E. Common Law Rights*

In *Vita-Mix Corp. v. Basic Holding Inc.*,<sup>274</sup> the Federal Circuit upheld the U.S. District Court for the Northern District of Ohio's finding of no trademark infringement.<sup>275</sup>

This case stems from alleged patent and trademark infringement of one of the legendary home appliance manufacturer's blender models, the VITA-MIX 5000.<sup>276</sup> Basic Holding markets several competitor blenders, including the BLENDER SOLUTIONS 5000.<sup>277</sup> Vita-Mix registered VITA-MIX in connection with "electric food processors and electric food blenders for domestic and commercial use."<sup>278</sup> It had never attempted to register the VITA-MIX mark with the numeric matter "5000."<sup>279</sup> On appeal, Vita-Mix argued that its common law rights in the "5000" numeric matter had been infringed by Basic's BLENDER SOLUTIONS 5000.<sup>280</sup>

In order to analyze whether Vita-Mix's common law rights had been infringed, the Circuit first had to determine whether Vita-Mix actually had common law protection as to "5000."<sup>281</sup> Vita-Mix had the

---

270. See *id.* at 968 (citing *Briggs v. Pa. R.R. Co.*, 334 U.S. 304, 306 (1948) (noting "an inferior court has no power or authority to deviate from the mandate issued by an appellate court")).

271. *Id.* at 969. The district court noted that International Walkie Talkie had filed thirteen civil actions and six bankruptcies, all of which were ultimately dismissed for failure to state a claim or for want of prosecution. *Id.* at 968.

272. *Id.* at 969–70.

273. *Id.* at 970.

274. 581 F.3d 1317, 92 U.S.P.Q.2d (BNA) 1340 (Fed. Cir. 2009).

275. *Id.* at 1320, 92 U.S.P.Q.2d (BNA) at 1342.

276. *Id.* at 1320–21, 92 U.S.P.Q.2d (BNA) at 1342–43.

277. *Id.* at 1321, 92 U.S.P.Q.2d (BNA) at 1343.

278. U.S. Registration No. 2021896 (Dec. 10, 1996).

279. *Vita-Mix*, 581 F.3d at 1329, 92 U.S.P.Q.2d (BNA) at 1349. Nor has Vita-Mix tried to trademark any of its other products with numeric names, e.g., the "VITA-MIX 3600," the "VITA-MIX 4500," or the "VITA-MIX 5200." *Id.* at 1330, 92 U.S.P.Q.2d (BNA) at 1350.

280. *Id.* at 1329, 92 U.S.P.Q.2d (BNA) at 1349.

281. *Id.* at 1329–30, 92 U.S.P.Q.2d (BNA) at 1349.

burden of proving that “5000” was inherently distinctive or had acquired secondary protection.<sup>282</sup>

It is a well-established principle in trademark law that model numbers—i.e., numbers that serve as grade designations rather than as source-indicators—are generally not protectable as trademarks.<sup>283</sup> Here, Vita-Mix admitted that it does not use the “5000” matter in commerce other than as VITA-MIX 5000 and “that the number 5000 functions only to distinguish the blender from previous Vita-Mix [blenders] on the market.”<sup>284</sup> The Circuit therefore concluded that Vita-Mix had no trademark rights in the “5000” literal matter to be protected from infringement.<sup>285</sup> The Circuit went further to state that, like Vita-Mix, Basic had not used “5000” in a trademark sense either. The court noted that Basic’s website referred to “5000” as a model number, and Basic’s product packaging for its “Blender Solutions” did not mention “5000” in the product name.<sup>286</sup>

Vita-Mix argued that they were not required to show either that they had a valid trademark mark in “5000” or that Basic had used the “5000” in a source-indicating sense.<sup>287</sup> Instead, Vita-Mix argued that it only had to prove that a likelihood of confusion had occurred between their 5000 “mark” and Basic’s 5000 “mark.”<sup>288</sup> The Circuit quickly shredded this argument, opining, “Vita-Mix is incorrect as a matter of law” and “[w]ithout a protected trademark use, Vita-Mix cannot make a prima facie case of trademark infringement as a matter of law.”<sup>289</sup>

---

282. *Id.*, 92 U.S.P.Q.2d (BNA) at 1349.

283. *See In re Dana Corp.*, No. 655454, 1989 WL 274389, at \*1, \*3, \*12, U.S.P.Q.2d (BNA) 1748, 1748-49 (T.T.A.B. July 19, 1989) (holding that “5-469X” was unregistrable for universal joint couplings and the evidence was insufficient to establish distinctiveness and thus recognition as a mark); *cf. In re Petersen Mfg. Co.*, 1986 WL 83664, at \*2-3, 229 U.S.P.Q. (BNA) 466, 468 (T.T.A.B. Mar. 27, 1986) (noting that some model designations can, through use and promotion, also be perceived as marks indicating origin).

284. *Vita-Mix*, 581 F.3d at 1330, 92 U.S.P.Q.2d (BNA) at 1350.

285. *Id.*, 92 U.S.P.Q.2d (BNA) at 1350. The court noted that “5000” refers to the wattage of the blender. *Id.* at 1331, 92 U.S.P.Q.2d (BNA) at 1350.

286. *Id.* at 1331, 92 U.S.P.Q.2d (BNA) at 1350. Basic contended that the “5000” corresponded to a suggested price for the product, i.e., \$50.00. *Id.*, 92 U.S.P.Q.2d (BNA) at 1350.

287. *Id.*, 92 U.S.P.Q.2d (BNA) at 1350.

288. *Id.*, 92 U.S.P.Q.2d (BNA) at 1350.

289. *Id.*, 92 U.S.P.Q.2d (BNA) at 1350.

*F. Statements of Use*

In *In re Sones*,<sup>290</sup> the Circuit vacated the TTAB's decision upholding the Trademark Office's refusal to register based on an insufficient specimen of use in commerce.<sup>291</sup>

Michael Sones submitted an intent-to-use application for the mark ONE NATION UNDER GOD in connection with "charity bracelets."<sup>292</sup> After the mark had been published for public opposition, Sones submitted a Statement of Use with attendant specimens in the form of two web pages that indicate that "ONE NATION UNDER GOD™" charity bracelets could be added to a virtual shopping cart and purchased for two dollars each.<sup>293</sup> However, the web pages did not display any picture of the bracelets.<sup>294</sup>

The Trademark Office refused registration, citing sections 904.06(a)–(b) of the Trademark Manual of Examining Procedure (TMEP), which provides that catalogs or similar specimens, such as a display, associated with the offered goods "include[] a picture of the relevant goods."<sup>295</sup> The Office invited Sones to submit a substitute alternative specimen that included a picture of the Applicant's goods along with the mark, which Sones did not do.<sup>296</sup> The Board upheld the Office's refusal, noting that Sones's specimens did not offer a photograph of the mark displayed with a picture of the goods.<sup>297</sup>

Sones appealed to the Circuit, asserting that the Trademark Office had improperly exacted a "bright-line rule" that specimens of use comprising website images must include a picture of the goods.<sup>298</sup> The court proclaimed that it could "see no reason why websites must necessarily have pictures to associate a trademark with the goods being sold."<sup>299</sup> The Circuit noted that the Trademark Office's photograph requirement for web-based specimens of use seemed to

---

290. 590 F.3d 1282, 93 U.S.P.Q.2d (BNA) 1118 (Fed. Cir. 2009).

291. *Id.* at 1289, 93 U.S.P.Q.2d (BNA) at 1119.

292. *Id.* at 1283, 93 U.S.P.Q.2d (BNA) at 1119.

293. *Id.*, 93 U.S.P.Q.2d (BNA) at 1119–20.

294. *Id.*, 93 U.S.P.Q.2d (BNA) at 1120.

295. *Id.* at 1284–85, 93 U.S.P.Q.2d (BNA) at 1120.

296. *Id.* at 1283–84, 93 U.S.P.Q.2d (BNA) at 1120.

297. *Id.* at 1284, 93 U.S.P.Q.2d (BNA) at 1120. Sones decided not to submit a substitute specimen, one assumes, because he did not possess a specimen that included the actual bracelets prior to his Statement of Use filing date. On the same day that the Board ruled against his application, Sones filed a use-based application for the mark "ONE NATION UNDER GOD" for "charity bracelets" and submitted a picture of the bracelets next to the word ONE NATION UNDER GOD with relevant ordering information. This time, however, Sones listed his first use date as January 23, 2008. *Id.* at n.2, 93 U.S.P.Q.2d (BNA) at 1120.

298. *Id.* at 1284, 93 U.S.P.Q.2d (BNA) at 1120.

299. *Id.* at 1288, 93 U.S.P.Q.2d (BNA) at 1123.

be borne of the Office's misunderstanding of *Lands' End, Inc. v. Manbeck*.<sup>300</sup>

In *Lands' End*, the district court analyzed a specimen of use for the mark "KETCH" in connection with purses.<sup>301</sup> Lands' End, the mail order clothing company, submitted a specimen comprised of a page of its catalog that showed a picture of a purse, a description of the purse, and displayed the applied-for mark.<sup>302</sup> The *Lands' End* district court found that this specimen was an acceptable specimen of use because it constituted a point of sale display of the mark in connection with the goods in question.<sup>303</sup> The district court specifically noted that it was finding that the KETCH specimen was a point of sale display because "Lands' End's use of the term KETCH—with the picture of the purse and corresponding description—constitutes a display associated with the goods," and further noted that the catalog pages included both a photograph and description of the goods.<sup>304</sup>

Inspired by the district court's *Lands' End* decision, the Trademark Office rewrote its TMEP to include sections discussing requirements for catalogs.<sup>305</sup> The Trademark Office stated that an Applicant's catalog will qualify as a valid specimen of use if: "(1) it includes a picture of the relevant goods, (2) it includes the mark sufficiently near the picture of the goods . . . , and (3) it includes information necessary to order the goods." For a catalog to qualify as a valid specimen of use, the Office required the Applicant to: (1) "include a picture of the relevant goods;" (2) ["show] the mark sufficiently near the picture of the goods;" and (3) include ordering information.<sup>306</sup>

The Circuit asserted that the Board's photograph requirement had "no basis in trademark statute or policy."<sup>307</sup> Accordingly, it held that "the test for an acceptable website-based specimen, just as any other specimen, is simply that it must in some way evince that the mark is 'associated' with the goods and serves as an indicator of source."<sup>308</sup> The Circuit asserted that in making this determination, the Office should consider whether the web pages in the application "have a 'point of sale nature' . . . and whether the . . . inherent characteristics

---

300. *Id.* at 1285, 93 U.S.P.Q.2d (BNA) at 1121 (citing *Lands' End, Inc. v. Manbeck*, 797 F. Supp. 511, 24 U.S.P.Q.2d (BNA) 1314 (E.D. Va. 1992)).

301. 797 F. Supp. at 512, 24 U.S.P.Q.2d (BNA) at 1315.

302. *Id.* at 513, 24 U.S.P.Q.2d (BNA) at 1315.

303. *Id.* at 514, 24 U.S.P.Q.2d (BNA) at 1316.

304. *Id.*, 24 U.S.P.Q.2d (BNA) at 1316.

305. *In re Sones*, 590 F.3d at 1285, 93 U.S.P.Q.2d (BNA) at 1121.

306. *Id.* at 1285–86, 93 U.S.P.Q.2d (BNA) at 1121.

307. *Id.* at 1287, 93 U.S.P.Q.2d (BNA) at 1122.

308. *Id.* at 1288, 93 U.S.P.Q.2d (BNA) at 1123.



of the goods are recognizable from the textual description” provided.<sup>309</sup> Accordingly, the Circuit vacated and remanded back to the Board to reconsider Sones’s specimen of use.<sup>310</sup>

#### CONCLUSION

2009 signified a year of pruning back against what the Circuit seemed to feel was overreaching by lower tribunals, particularly as to the TTAB. The court issued nine precedential decisions.<sup>311</sup> For the trademark bar, it was a banner year at the Circuit, with the court raising the standard for finding fraud on the Trademark Office in *Bose*,<sup>312</sup> mandating that the Office hold proportionality paramount in foreign equivalent determinations in *Spirits*,<sup>313</sup> and lowering the standard for web-based specimens for goods in *Sones*.<sup>314</sup>

---

309. *Id.* at 1289, 93 U.S.P.Q.2d (BNA) at 1124. The Federal Circuit noted that “charity bracelet” is listed in the Trademark Officer’s Acceptable Identification of Goods and Services Manual and seemed to suggest that the usage of this term meant that the Applicant need not provide any additional language in order to constitute a point of sale, even in the absence of a photograph of the goods. *Id.*, 93 U.S.P.Q.2d at 1124 (stating “the more standard the product, the less comprehensive the textual description need be”).

310. *Id.*, 93 U.S.P.Q.2d (BNA) at 1124. Federal Circuit Judge Newman dissented from the decision, asserting that the appeal should have been dismissed as moot because of Sones’s second application for the ONE NATION UNDER GOD mark. *Id.* at 1289–90, 93 U.S.P.Q.2d (BNA) at 1124–25 (Newman, J., dissenting). Newman asserted that the Circuit’s decision was but “an elaborate opinion [] on a non-issue for an absent controversy[,]” because Sones’s second application “complied” with the Office’s photograph requirement. *Id.*, 93 U.S.P.Q.2d (BNA) at 1124. The majority felt this second application did not moot the appeal because the second application provided a later constructive use date. *Id.* at 1289 n.1, 93 U.S.P.Q.2d (BNA) at 1124–25.

311. *In re Sones*, No. 2009–1140, 2009 WL 5085349, 93 U.S.P.Q.2d (BNA) 1118 (Fed. Cir. 2009); *In re 1800Mattress.com IP LLC*, 586 F.3d 1359, 92 U.S.P.Q.2d (BNA) 1682 (Fed. Cir. 2009); *Cold War Museum v. Cold War Air Museum Inc.*, 586 F.3d 1352, 92 U.S.P.Q.2d (BNA) 1626 (Fed. Cir. 2009); *Vita-Mix Corp. v. Basic Holding Inc.*, 581 F.3d 1317, 92 U.S.P.Q.2d 1340 (Fed. Cir. 2009); *In re Bose Corp.*, 580 F.3d 1240, 91 U.S.P.Q.2d (BNA) 1938 (Fed. Cir. 2009); *In re Hotels.com L.P.*, 573 F.3d 1300, 91 U.S.P.Q.2d (BNA) 1532 (Fed. Cir. 2009); *In re Shinnecock Smoke Shop*, 571 F.3d 1171, 91 U.S.P.Q.2d (BNA) 1218 (Fed. Cir. 2009); *In re Spirits Int’l, N.V.*, 563 F.3d 1347, 90 U.S.P.Q.2d (BNA) 1489 (Fed. Cir. 2009); *Aycock Eng’g, Inc. v. Airflite, Inc.*, 560 F.3d 1350, 90 U.S.P.Q.2d (BNA) 1301 (Fed. Cir. 2009).

312. *See supra* Part I.A.I (discussing the Federal Circuit’s reversal of the TTAB’s decision).

313. *See supra* Part I.B.I (discussing the Federal Circuit’s reversal and remand of the TTAB’s decision).

314. *See supra* Part II.F.I (discussing the Federal Circuit’s vacating and remanding the TTAB’s decision).