2008 TRADEMARK DECISIONS
OF THE FEDERAL CIRCUIT

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INTRODUCTION

In 2008, the United States Court of Appeals for the Federal Circuit issued eight trademark decisions and designated one of those eight decisions as precedential. These numbers are significantly lower than in recent years. The cases consist of appeals from the Trademark Trial and Appeal Board ("TTAB"), the United States Court of International Trade, and the United States Court of Federal Claims.

Of the eight trademark decisions, four focused on substantive issues and four primarily involved procedural issues. The Federal Circuit generally adopted the findings of the lower tribunals, affirming all but one of the eight decisions on appeal. The majority of the decisions were resolved based on longstanding precedent.


2. Sakar Int'l, Inc., 516 F.3d 1340.


4. Hainline, 2008 U.S. App. LEXIS 24558, at *1; Farah, 2008 U.S. App. LEXIS 24184, at *1; First Niagara, 294 F. App'x at 610; In re Marisol, 281 F. App'x at 999; Nasalok Coating Corp., 522 F.3d at 1320; In re Centocor, 267 F. App'x at 931.

5. Sakar Int'l, Inc., 516 F.3d at 1340.


7. Hainline, 2008 U.S. App. LEXIS 24558 (likelihood of confusion); First Niagara, 294 F. App'x 609 (priority and likelihood of confusion); In re Marisol, 281 F. App'x 999 (likelihood of confusion); In re Centocor, 267 F. App'x 931 (mere descriptiveness).


9. Sakar Int'l, Inc., 516 F.3d at 1341–42 (reversing the decision of the Court of International Trade).

10. See, e.g., Hainline, 2008 U.S. App. LEXIS 24558, at *3–8 (applying the traditional In re E.I. DuPont DeNemours & Co. likelihood-of-confusion factors); In re Marisol, 281 F. App'x at 999 (same).
impression for the court.\footnote{See, e.g., Nasalok Coating Corp., 522 F.3d 1320 (clarifying when a counterclaim is compulsory in actions for federal trademark infringement); Sakar Int’l, Inc., 516 F.3d 1340 (clarifying that jurisdiction of the Court of International Trade does not extend to challenges to fines issued by the Bureau of Customs and Border Protection based on the importation of counterfeit goods).} In Nasalok Coating Corp. v. Nylok Corp.,\footnote{522 F.3d 1320.} for example, the Federal Circuit held that a claim for cancellation of a trademark registration is not a compulsory counterclaim for a party defending an infringement action in federal court.\footnote{Id. at 1326.} Significantly, TTAB procedure provides that such a counterclaim is compulsory in TTAB proceedings under the same circumstances.\footnote{See U.S. PATENT & TRADEMARK OFFICE, TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TMBP) § 313.01 (2003) (‘‘A defense attacking the validity of any one or more of the registrations pleaded in the petition shall be a compulsory counterclaim if grounds for such counterclaim exist at the time when the answer is filed.’’ (quoting 37 C.F.R. § 2.114(b)(2)(i))); see also Nasalok Coating Corp., 522 F.3d at 1325 n.3 (reminding that TTAB rules do not apply to infringement actions brought in federal district court).} Thus, whether a party has waived its right to challenge a trademark registration after failing to seek cancellation of that registration in a prior proceeding will turn on whether that proceeding was a federal court case or a proceeding before the TTAB.\footnote{Nasalok Coating Corp., 522 F.3d at 1325.}

Also of note, in Sakar International, Inc. v. United States,\footnote{516 F.3d 1340 (Fed. Cir.), cert. denied, 129 S. Ct. 488 (2008).} the Federal Circuit reversed the Court of International Trade’s finding that it had jurisdiction to consider a party’s challenge to a fine issued by the Bureau of Customs and Border Protection for importing counterfeit products.\footnote{Id. at 1350.} The Federal Circuit found that the restrictions on importing counterfeit products did not rise to the level of an “embargo,” and thus the challenge to the fines was not within the limited jurisdiction of the Court of International Trade.\footnote{Id. at 1346–48.}

Each of the Federal Circuit’s 2008 trademark decisions is discussed in detail below.
I. SUBSTANTIVE TRADEMARK ISSUES

A. Likelihood of Confusion

1. Hainline v. Vanity Fair, Inc.19

In Hainline, the Federal Circuit affirmed the TTAB’s decision sustaining the oppositions of Vanity Fair, Inc. (“Vanity Fair”), owner of several VANITY FAIR marks for clothing products, against Kelly C. Hainline’s applications for the marks VANITY N SANITY, VANITY & SANITY, and VANITY INSANITY (the “VANITY INSANITY marks”) for clothing products.20

Hainline sought registration of the VANITY INSANITY marks for a variety of clothing products, including lingerie, loungewear, sleepwear, and underwear.21 Vanity Fair alleged prior use and registration of several VANITY FAIR marks for similar clothing products and filed oppositions against each of Hainline’s applications on the ground of likelihood of confusion under section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d).22

In evaluating Vanity Fair’s claims, the TTAB applied the traditional likelihood-of-confusion factors set forth in In re E.I. DuPont DeNemours & Co.23 Regarding the fame of the prior mark, the fifth DuPont


20. Id. at *1-2.
22. Id. at *1 n.4.
23. Id. at *3; see In re E.I. DuPont DeNemours & Co., 476 F.2d 1357 (C.C.P.A. 1973). Under DuPont, the TTAB considers the following factors, among others, in determining whether there is a likelihood of confusion:

(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.
factor, the TTAB found that the VANITY FAIR mark had achieved a significant degree of fame based on Vanity Fair’s use of the mark on clothing since 1916 and its substantial sales and advertising figures. The TTAB also found that DuPont factors two, three, and four favored Vanity Fair because some of the parties’ goods were legally identical, the parties’ trade channels were presumed identical, and the parties’ goods were ordinary consumer goods purchased by ordinary consumers who would exercise only a normal degree of care in purchasing the goods. Additionally, the TTAB found that the parties’ marks were similar in overall connotation because VANITY was distinctive as to clothing and was thus the dominant element of the parties’ marks, and also VANITY was the first word in the parties’ marks.

The TTAB found that factors six, seven, and eight were neutral. It explained that the strength of the VANITY FAIR mark was not mitigated by third-party use of similar marks for similar goods. Specifically, although Hainline had submitted evidence of certain third-party registrations for the VANITY FAIR mark, these registrations did not constitute evidence of third-party use of the VANITY FAIR mark and none of the registrations covered the goods at issue (i.e., clothing). With respect to actual confusion, the TTAB noted that because Hainline’s applications were based on “intent-to-use,” there was no evidence that she had made significant use of the VANITY INSANITY marks. And because there had not been an opportunity for actual confusion to occur, the lack of actual confusion was not probative.

On balance, the TTAB found that the DuPont factors weighed in favor of a likelihood of confusion.

On appeal to the Federal Circuit, Hainline first argued that significant differences existed between the VANITY INSANITY marks and the VANITY FAIR mark because Hainline’s marks had “more visual presence and persistence” and were “more visually cutting edge

(12) The extent of potential confusion, i.e., whether de minimis or substantial. (13) Any other established fact probative of the effect of use.

476 F.2d at 1361.
25. Id. at *4.
26. See id. at *5.
27. Id. at *4–5.
28. Id. at *4.
29. Id.
30. Id. at *5.
31. Id.
32. Id. at *6.
and progressive.” The Federal Circuit, however, agreed with the TTAB that the parties’ marks were similar in overall connotation because VANITY was the dominant feature of the parties’ marks and VANITY was distinctive and thus strong as applied to clothing.

The Federal Circuit also rejected Hainline’s challenge to the TTAB’s determination that the VANITY FAIR mark was famous. Hainline argued that Vanity Fair did not prove fame because it had not provided direct evidence of market share, surveys, or consumer recognition of the mark’s fame. The Federal Circuit explained that there was no requirement that Vanity Fair submit direct evidence of fame because the fame of a mark may be measured indirectly by the sales volume and advertising expenditures. Here, Vanity Fair had provided this type of evidence.

Finally, the Federal Circuit dismissed Hainline’s argument that the TTAB erred by not considering third-party registrations for the mark VANITY FAIR. The court explained that the TTAB had considered the third-party registrations, but the registrations did not cover clothing and Hainline did not establish use of the marks covered by the third-party registrations. Therefore, the court explained, the third-party registrations were of minimal probative value.

The Federal Circuit affirmed the TTAB’s decision sustaining Vanity Fair’s oppositions to registration of Hainline’s VANITY INSANITY marks.

2. In re Marisol, LLC

In In re Marisol, the Federal Circuit affirmed, without opinion, the TTAB’s decision, affirming the examining attorney’s final refusal to register Marisol, LLC’s (“Applicant”) mark, DON THE BEACHCOMBER, as a trademark for “alcoholic beverages, namely, rum,” on the ground that the mark was confusingly similar to the previously registered BEACHCOMBER mark for “alcoholic beverages, namely, flavored rum.”

34. Id. at *9.
35. Id. at *10.
36. Id.
37. Id.
38. Id. at *10–11.
39. Id. at *11.
40. Id.
41. Id.
42. 281 F. App’x 999 (Fed. Cir. 2008) (per curiam), aff’g No. 76600374, 2007 WL 2698285 (T.T.A.B. Feb. 6, 2007).
43. Id. at 1000.
In weighing the DuPont likelihood-of-confusion factors, the TTAB first found that the factors of similarity of goods, trade channels and conditions of sale favored a finding of likelihood of confusion. The TTAB explained that the relevant goods were legally identical because Applicant’s goods (rum) encompassed Registrant’s goods (flavored rum). The TTAB also found that because the goods were the same, they were presumed to be sold in the same channels of trade to the same classes of customers. Further, the TTAB determined that some of those consumers would not be “particularly sophisticated or knowledgeable about rum.”

Next, the TTAB found that two additional factors—fame and the extent of third-party use of the mark for similar goods—also weighed in favor of a likelihood of confusion. Although there was no evidence of fame of the BEACHCOMBER mark, the TTAB found that it was an arbitrary mark and was thus entitled to a broader scope of protection than if it were a highly suggestive mark. Additionally, the TTAB noted that there was no evidence of third-party use of BEACHCOMBER marks.

Regarding the similarity of the parties’ marks, the TTAB rejected Applicant’s argument that either the term DON or DON THE was the dominant part of its DON THE BEACHCOMBER mark. Rather, the TTAB found that the term DON was not “entitled to greater weight than BEACHCOMBER, since THE BEACHCOMBER [was] so intrinsically related to DON as an identifier of who DON is.” The TTAB also disagreed with the examining attorney’s position that BEACHCOMBER was the dominant part of Applicant’s mark. The TTAB reasoned that the impression created by Applicant’s mark was the phrase DON THE BEACHCOMBER and, thus, both the name DON and the word BEACHCOMBER had to be given weight.

Applying this analysis, the TTAB held that the similarities far outweighed the dissimilarities between the marks. The TTAB
explained that the word BEACHCOMBER was identical in both marks, BEACHCOMBER was an arbitrary term for rum, there was no evidence of third-party registrations or third-party use of the marks comprising of or containing the BEACHCOMBER term, and Applicant’s DON THE BEACHCOMBER mark did not convey a significantly different meaning or commercial impression than Registrant’s BEACHCOMBER mark. 57

On balance, the TTAB found that there was a likelihood of confusion between the marks and affirmed the decision of the examining attorney. 58 The Federal Circuit, in turn, affirmed the decision of the TTAB. 59

B. Mere Descriptiveness

1. In re Centocor, Inc. 60

In In re Centocor, the Federal Circuit affirmed, without opinion, the TTAB’s decision that Centocor, Inc.’s mark, PROGRAMMED PROTEIN, was merely descriptive of its medical research services relating to DNA and gene synthesis and was thus barred from registration under section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1). 61

Centocor filed an application to register PROGRAMMED PROTEIN for “medical research services relating to DNA and gene synthesis.” 62 The examining attorney refused registration under section 2(e)(1) on the ground that Applicant’s mark was merely descriptive of its services. 63

On appeal to the TTAB, the examining attorney relied on the following dictionary definition for the word “programmed” in support of her decision: “3.(c)(1) to code in an organism’s program (2) to provide with a biological program, <cells programmed to synthesize hemoglobin>; 4. to predetermine the thinking, behavior, or operations of as if by computer programming.” 64 The examining

57. Id. at *7.
58. Id. at *21-22.
60. 267 F. App’x 931 (Fed. Cir. 2008) (per curiam), aff’g No. 78448489, 2006 WL 3540106, at *1 (T.T.A.B. Nov. 9, 2006).
61. Id. at 932.
63. Id. at *1.
64. Id. at *2 (quoting Merriam-Webster’s Online Dictionary, http://www.merriam-webster.com/dictionary/programmed (last visited Jan. 31, 2009)).
attorney also submitted printouts from websites, as well as excerpted articles from various publications, where the phrase “programmed protein” or the words “programmed” and “protein” were used by third parties in medical contexts.\(^65\)

Among other evidence, Centocor submitted a business plan describing its anticipated services under the PROGRAMMED PROTEIN mark, a hit list of excerpted articles from the GOOGLE search engine, and search results from the websites of the “Top 10 Pharmaceutical companies” and from the “On-Line Medical Dictionary.”\(^66\) In addition, Centocor submitted the following dictionary definition regarding the word “protein”: “1. any of numerous naturally occurring extremely complex substances that consist of amino acid residues joined by peptide bonds, contain the elements carbon, hydrogen, nitrogen, oxygen, usually sulfur, and occasionally other elements... and include many essential biological compounds.”\(^67\)

Based on a review of Centocor’s business plan, the TTAB noted that Centocor’s services would involve the design and development of protein pharmaceuticals and that the proteins were produced “by programming the sequence into the synthetic DNA and expressing it in host cells.”\(^68\) Accordingly, the TTAB found that “protein” was descriptive of Centocor’s services because it was the resulting product of the services, and that “programmed” was similarly descriptive because it was the means by which the services create the product.\(^69\) Additionally, the TTAB found that these terms together did not create a “unique or incongruous combination.”\(^70\) Rather, the TTAB concluded that, when combined, these terms did not lose their descriptive significance but, in fact, made clear that Centocor intended to produce programmed protein.\(^71\)

In finding the PROGRAMMED PROTEIN mark descriptive of Centocor’s services, the TTAB explained that the mere fact that Centocor was the first and only user of the specific combination PROGRAMMED PROTEIN “did not support registration if the only significance conveyed by the phrase is merely descriptive.”\(^72\) The

\(^{65}\) Id.

\(^{66}\) Id. at *3.

\(^{67}\) Id. (quoting Merriam-Webster’s Online Dictionary, http://www.merriam-webster.com/dictionary/protein (last visited Jan. 31, 2009)).

\(^{68}\) Id. at *4.

\(^{69}\) Id.

\(^{70}\) Id.

\(^{71}\) Id. (emphasis added).

\(^{72}\) Id.
TTAB also rejected Centocor’s argument that because the PROGRAMMED PROTEIN mark did not create one single, immediately understood meaning of the mark, it was not merely descriptive. The TTAB explained that it must look at the mark as used in connection with Centocor’s identified medical services relating to DNA and gene synthesis. The TTAB held that “[t]he fact that a term may have meanings other than the one relevant to the services in issue here is not controlling.” In this case, the TTAB concluded that it was sufficient that a purpose or feature of Centocor’s services was included within the meaning of the term.

In sum, considering PROGRAMMED PROTEIN as a whole, the TTAB found that the evidence of record established a prima facie case that the mark was descriptive, and that the mark “immediately describe[d] . . . a significant feature or function of [Centocor’s] services, namely the provision of programmed proteins.” Accordingly, the TTAB affirmed the examining attorney’s refusal to register the mark under section 2(e)(1), and, in turn, the Federal Circuit affirmed the TTAB’s decision.

C. Priority of Use

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

In First Niagara, the Federal Circuit affirmed, without opinion, the TTAB’s decision dismissing certain opposition proceedings and sustaining others filed by First National Insurance Brokers, Inc. (“FN-Canada”) against First Niagara Financial Group, Inc. (“FN-US”) based on FN-US’s applications to register several marks incorporating FIRST NATIONAL for insurance, leasing, and banking services. The Federal Circuit had reversed an earlier TTAB decision in this case on the ground that the “use” required to challenge an application for registration on the grounds of priority and likelihood
of confusion was merely “use in the United States,” not “use in commerce.”

Because the TTAB had mistakenly applied the higher standard of “use in commerce,” the Federal Circuit remanded the case to the TTAB.

FN-US, a U.S.-based insurance brokerage firm, filed intent-to-use applications for a number of marks encompassing the term FIRST NIAGARA for various leasing, banking, insurance, and financial services.

FN-Canada, a Canada-based insurance broker, opposed each of FN-US’s applications on the basis that FN-US’s marks were likely to cause confusion with FN-Canada’s prior unregistered (i.e., common law) marks, including the marks FIRST NIAGARA and FIRST NIAGARA INSURANCE BROKERS for insurance and financial services.

FN-Canada did not have any offices, employees, or assets in the United States, and it was not licensed to act as an insurance broker in the United States. It did, however, sell insurance policies issued by United States-based underwriting companies, and it sold policies to United States citizens with Canadian property through insurance brokers in the United States. Additionally, FN-Canada used its FIRST NIAGARA marks in advertising that spilled over into the United States and in correspondence to customers in the United States.

When the TTAB first heard this case on October 21, 2005, FN-US argued that FN-Canada could not establish the priority needed to prevail on a likelihood-of-confusion claim because it had not used its marks “in commerce” in the United States under 15 U.S.C. § 1127.

The TTAB agreed, finding that any connections FN-Canada had with the United States were de minimis and “merely incidental to FN-Canada’s rendering of its insurance brokerage services in Canada.” The TTAB further held that FN-Canada’s activities did not constitute

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83. Id.
84. Id. at 868–69.
85. Id. at 869.
86. Id. at 868.
87. Id.
88. Id. at 869.
89. Id.
90. Id. at 869–70 (quoting First Niagara Ins. Brokers, Inc. v. First Niagara Fin. Group, Inc. (Niagara TTAB Decision I), Nos. 91122072, 91122224, 91122193, 91122450, 91122712, 91150237, 77 U.S.P.Q.2d 1334, 1344 (T.T.A.B. Oct. 21, 2005)).
rendering of insurance brokerage services in either interstate or foreign commerce.\textsuperscript{91}

The Federal Circuit reversed, finding that the TTAB erroneously framed the issue as “use in commerce” regulated by Congress, as opposed to “use in the United States.”\textsuperscript{92} The court held that such an assumption was unwarranted due to the plain language of the statute, which requires only that the prior mark be “used in the United States by another.”\textsuperscript{93} According to the Federal Circuit, the privilege to claim priority under section 2(d), based only on intrastate use of a mark, “attaches to all opposers, regardless of whether they are foreign or domestic.”\textsuperscript{94} Accordingly, a foreign opposer like FN-Canada is entitled to oppose a mark merely by demonstrating use of its mark in the United States.\textsuperscript{95} Applying this test, the Federal Circuit held that the TTAB erroneously dismissed FN-Canada’s oppositions as the record revealed “more than ample” use of FN-Canada’s marks in the United States to satisfy the use requirements of section 2(d). The Federal Circuit remanded the case to the TTAB for further proceedings consistent with its opinion.\textsuperscript{96}

On remand, based on the Federal Circuit’s decision, the TTAB found that FN-Canada had established priority of use for each of its pleaded FIRST NIAGARA marks used in connection with insurance services.\textsuperscript{97} The TTAB then turned to the issue of likelihood of confusion, applying the following DuPont factors:\textsuperscript{98} (1) similarity of the marks, (2) similarity of the services, (3) actual confusion, (4) intent, (5) trade channels, (6) classes of purchasers, and (7) conditions under which purchases are made.\textsuperscript{99} Regarding the similarity of the marks, the TTAB found that FIRST NIAGARA was the dominant portion of each of the parties’ marks, that each of the parties’ marks began with the term FIRST NIAGARA, and that the other wording in each of the parties’ marks was merely descriptive, if not generic, and had been disclaimed.\textsuperscript{100} Based on these and other

\textsuperscript{91} Id. at 870 (quoting Niagara TTAB Decision I, Nos. 91122072, 91122224, 91122193, 91122450, 91122712, 91150237, 77 U.S.P.Q.2d at 1344).
\textsuperscript{92} Id. at 871.
\textsuperscript{93} Id. at 870 (quoting 15 U.S.C. § 1052(d) (2006)).
\textsuperscript{94} Id. at 871.
\textsuperscript{95} Id.
\textsuperscript{96} Id.
\textsuperscript{97} First Niagara Ins. Brokers, Inc. v. First Niagara Fin. Group, Inc. (Niagara TTAB Decision II), Nos. 91122072, 91122224, 91122193, 91122450, 91122712, 91150237, slip op. at 9–10 (T.T.A.B. June 6, 2007), aff’d, 294 F. App’x 609 (Fed. Cir. 2008).
\textsuperscript{98} See supra note 23 (listing the DuPont factors).
\textsuperscript{99} Niagara TTAB Decision II, slip op. at 11–28.
\textsuperscript{100} Id. at 12–13.
facts, the TTAB found that the similarities of the parties’ marks weighed strongly in FN-Canada’s favor.\textsuperscript{101}

Regarding the parties’ services, the TTAB first considered the three applications owned by FN-Canada covering services in Class 36 and various leasing services in other classes.\textsuperscript{102} Finding that the parties’ insurance-related services were identical, the TTAB concluded that the similarity-of-goods factor weighed strongly in FN-Canada’s favor in relation to the insurance services covered by these applications.\textsuperscript{103} However, the TTAB also found that there was no evidence of record that FN-Canada offered the leasing services covered by those three applications or that the leasing services were sufficiently related to its insurance services to cause a likelihood of confusion.\textsuperscript{104} Accordingly, the TTAB held that the similarity-of-goods factor weighed in favor of FN-US for the leasing and related services in Classes 35, 37, and 39 in those three applications.\textsuperscript{105}

Turning to the remaining three applications, which covered only banking services in Class 36, the TTAB rejected FN-Canada’s argument that such services were related to its insurance services, finding that there was insufficient evidence of record to establish a connection between FN-Canada’s insurance services and either FN-US’s retail banking services or its electronic banking services.\textsuperscript{106} Accordingly, the TTAB found that the similarity-of-goods factor weighed in FN-US’s favor for banking services.\textsuperscript{107}

FN-Canada contended that the record contained significant evidence of actual confusion noting that from July 2000 to July 2002 FN-Canada received 2600 emails intended for FN-US.\textsuperscript{108} FN-US admitted that its clients had mistakenly sent emails to FN-Canada. However, FN-US argued that the misdirected emails were the result of similarities in the parties’ email addresses, as opposed to any confusion as to the source of the parties’ insurance services.\textsuperscript{109} The TTAB held that, because the parties were relatively small local businesses, the number of misdirected emails was significant. This problem, however, had occurred during a two-year period commencing shortly after FN-Canada implemented its new email

\begin{itemize}
\item \textsuperscript{101} Id. at 16.
\item \textsuperscript{102} Id. at 17–18.
\item \textsuperscript{103} Id. at 18.
\item \textsuperscript{104} Id.
\item \textsuperscript{105} Id. at 18–23.
\item \textsuperscript{106} Id. at 23.
\item \textsuperscript{107} Id. at 23.
\item \textsuperscript{108} Id.
\item \textsuperscript{109} See id. at 23–24 (noting that FN-Canada’s domain name was “firstniagara.com” and FN-US’s domain name was “first-niagara.com”).
\end{itemize}
system using the “firstniagara.com” domain name, and thus at least some of the errors were likely the result of a typing error.\footnote{Id. at 25–26.} Further, the TTAB found that the likelihood of more than initial-interest confusion was extremely limited because FN-Canada was not licensed to provide insurance services in the United States and FN-US was not licensed to provide insurance services in Canada.\footnote{Id. at 26.} Accordingly, although the TTAB found that the actual confusion shown in the record favored FN-Canada, the mitigating factors involved made this factor of little probative value.\footnote{Id. at 27.}

As to intent, FN-Canada argued that the similarities in the marks and the geographic proximity of the parties’ businesses to each other established FN-US intended to trade on FN-Canada’s goodwill.\footnote{Id.} However, the TTAB found that there was no evidence of such intent, and it refused to infer such intent “from the mere facts of both businesses using marks strongly suggestive of their respective geographic locations.”\footnote{Id. at 27–28.}

Finally, the TTAB presumed that the insurance services offered by the parties were rendered through the same channels of trade.\footnote{Id. at 28.} However, with respect to FN-US’s banking and leasing services, there was no evidence in the record of the channels of trade, and thus the TTAB drew no conclusions in this regard.\footnote{Id. at 29.} As to the classes of customers, the TTAB found that there was no evidence in the record that the relevant public was more limited than the general public, and thus this factor weighed in favor of a likelihood of confusion.\footnote{Id.} However, because the TTAB found that insurance, leasing, and banking services were likely to involve some degree of care due to their relative expense, the care likely used in purchasing such services mitigated against a likelihood of confusion.\footnote{Id.}

Based on the analysis above, the TTAB concluded that because of the substantial similarities between the commercial impressions of the parties’ FIRST NIAGARA marks, their concurrent use of the identical marks on the identical insurance services in the same trade channels and to the same classes of purchasers, a likelihood of confusion existed as to insurance services.\footnote{Id. at 29.} On the other hand, the
TTAB also concluded that despite the substantial similarities in the commercial impressions of the parties’ marks, FN-Canada had not established that its insurance services were sufficiently related to FN-US’s leasing and/or banking services to create a likelihood of confusion as to those particular services. Thus, the TTAB sustained FN-Canada’s oppositions to the three applications covering insurance and leasing services as to the services in Class 36 (i.e., the insurance services), but dismissed the oppositions as to the remaining services. Further, the TTAB dismissed the oppositions to the three applications covering only banking services. The Federal Circuit affirmed the TTAB’s decision in its entirety.

II. PROCEDURAL TRADEMARK ISSUES

A. Subject Matter Jurisdiction

1. Sakar International, Inc. v. United States

In Sakar International, Inc., the Federal Circuit reversed the decision of the United States Court of International Trade, which had held that it had jurisdiction over Sakar International, Inc.’s (“Sakar”) challenge to a fine imposed by the Bureau of Customs and Border Protection (“Customs”) for importing counterfeit products into the United States. The Federal Circuit determined that Sakar’s challenge did not fall within the limited jurisdiction of the Court of International Trade.

In 2002, Sakar attempted to import into the United States 500 personal digital assistant (“PDA”) travel chargers and 2311 PDA mini-keyboards that had been manufactured in China. Customs determined that the goods were counterfeit because the travel chargers bore the “UL” trademark registered to Underwriters Laboratories and the mini-keyboards displayed the “Flying Window” trademark of Microsoft Corporation. Customs seized the goods...
pursuant to the Tariff Act of 1930, as amended, 19 U.S.C. § 1526(e), which provided that "any . . . merchandise bearing a counterfeit mark . . . imported into the United States . . . shall be seized and, in the absence of the written consent of the trademark owner, forfeited for violations of the customs laws." In a letter, Customs notified Sakar of the seizure and informed Sakar that the goods would be forfeited and disposed of, unless the trademark owners consented in writing to the importation within thirty days. The goods were destroyed because Customs did not receive the requisite consents.

Customs used its discretion under 19 U.S.C. § 1526(f) to fine Sakar $381,500, a fine that was double the amount Customs evaluated to be the goods' manufacturer's suggested retail price ("MSRP"). Responding to a petition by Sakar, Customs reduced the fine by fifty percent to $190,750, and later further reduced the fine to $67,775 based on a recalculation of the MSRP. Customs notified Sakar of this reduction in a letter, which stated that "the letter constituted the 'final administrative review' available to Sakar" and that Customs would accept no further petitions.

Sakar filed suit in the Court of International Trade, alleging in its complaint that Customs had acted contrary to law in its calculation of the MSRP of the seized goods and in its conclusion that the goods were counterfeit. Sakar's complaint alleged that jurisdiction was proper based on several provisions of 28 U.S.C. § 1581. The court found proper jurisdiction only under § 1581(i)(4) as it relates to § 1581(i)(3). As the court noted, § 1581(i)(3) provided in relevant part:

"... (3) embargoes or other quantitative restrictions on the importation of merchandise for reasons other than the protection of the public health or safety; or (4)"

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129. Id.
131. Sakar Int'l, Inc., 516 F.3d at 1342.
132. Id.
133. Id.
134. Id. at 1342–43.
135. Id. at 1343.
136. Id. (citing Sakar Int'l, Inc. v. United States (Sakar USCIT Decision), 466 F. Supp. 2d 1333, 1336–37 (Ct. Int'l Trade 2006), rev'd, 516 F.3d 1340 (Fed. Cir. 2008), cert. denied, 129 S. Ct. 488 (2008)).
137. Id.
138. Id. (citing Sakar USCIT Decision, 466 F. Supp. 2d at 1337–46).
administration and enforcement with respect to the matters referred to in paragraphs (1)-(3) of this subsection.\textsuperscript{139}

The Court of International Trade determined that Custom’s seizure of Sakar’s goods amounted to an “embargo” within the meaning of § 1581(i)(3) and thus held that jurisdiction was proper.\textsuperscript{140}

On appeal, the Federal Circuit looked to the Supreme Court’s holding in \textit{K Mart Corp. v. Cartier, Inc.}\textsuperscript{141} as it related to the jurisdictional question at issue.\textsuperscript{142} The Federal Circuit noted that, in that case, the Supreme Court held that the word ‘embargo’ should be interpreted based upon its ordinary meaning, which is “a governmentally imposed [quantitative] restriction—of zero—on the importation of merchandise.”\textsuperscript{143} The Federal Circuit further noted the Supreme Court’s explanation that

[an importation prohibition is not an embargo if rather than reflecting a governmental restriction on the quantity of a particular product that will enter, it merely provides a mechanism by which a private party might, at its own option, enlist the Government’s aid in restricting the quantity of imports in order to enforce a private right.\textsuperscript{144}

Furthermore, the Federal Circuit noted the Supreme Court’s reasoning that 19 U.S.C. § 1526(a)—the statute at issue in that case—is very different from an embargo because “[t]he trademark owner has the sole authority to decide that all products bearing its trademark will enter or that none will, and to decide what entity may import them, under what conditions, and for what purpose.”\textsuperscript{145}

In Sakar, the government argued that the holding in \textit{K Mart} regarding 19 U.S.C. § 1526(a) applied with equal force to 19 U.S.C. § 1526(e) because a seizure of goods under § 1526(e) is not an

\textsuperscript{139} Id. (quoting 19 U.S.C. § 1581(i)(3) (2000)).
\textsuperscript{140} Sakar Int’l, Inc., 516 F.3d at 1343. The Court of International Trade also considered whether, under court Rule 12(b)(5), Sakar International’s complaint stated a claim on which relief could be granted. Id. at 1343–44; see also Ct. Int’l Trade R. 12(b)(5) (permitting a party to assert by motion the defense of “failure to state a claim upon which relief can be granted”). Because the Federal Circuit did not reach this issue on appeal, however, we do not address it in this Article.
\textsuperscript{141} 485 U.S. 176 (1988).
\textsuperscript{142} Sakar Int’l, Inc., 516 F.3d at 1345.
\textsuperscript{143} Id. (quoting \textit{K Mart}, 485 U.S. at 185).
\textsuperscript{144} Id. (quoting \textit{K Mart}, 485 U.S. at 185).
\textsuperscript{145} Id. (quoting \textit{K Mart}, 485 U.S. at 186); see also 19 U.S.C. § 1526(a) (2006) (“[i]t shall be unlawful to import into the United States any merchandise of foreign manufacture if such merchandise, or the label, sign, print, package, wrapper, or receptacle, bears a trademark owned by a citizen of, or by a corporation organized within, the United States, and registered in the Patent and Trademark Office . . . unless written consent of the owner of such trademark is produced at the time of making entry.”).
embargo because it is not a governmentally imposed quantitative restriction on the importation of merchandise. In response, Sakar argued that § 1526(e) completely bans the importation of counterfeit goods and thus was, in fact, an embargo.

The Federal Circuit sided with the government because, under § 1526(e), the trademark owner possesses the ultimate control over whether counterfeit merchandise is imported. Specifically, the court explained that § 1526(e) sets forth a two-step process in which (1) Customs seizes illegally imported counterfeit merchandise, and (2) Customs forfeits that merchandise, unless the trademark owner consents to the importation. Thus, because the counterfeit merchandise may enter the United States with the consent of the trademark owner, the court found that § 1526(e) does not constitute an embargo under K Mart.

As such, the Federal Circuit held that the Court of International Trade lacked jurisdiction over Sakar’s suit and vacated and remanded the decision with the instruction that the Court of International Trade dismiss the complaint for lack of jurisdiction.

2. Siler v. United States

In Siler, the Federal Circuit affirmed the decision of the United States Court of Federal Claims, finding, among other things, that the Court of Federal Claims lacks jurisdiction to hear trademark disputes.

Stanley R. Siler had filed an action in the Court of Federal Claims alleging that the United States, through the U.S. courts, had “damaged” his copyright and trademark (1) “by breach of duty, breach of trust, with fraudulent intent, done through negligence,” and (2) “by engaging in unfair trade practices and unfair competition.” More precisely, Siler claimed that, in prior legal actions, “various state and federal courts did not rule on his motions, did not give him an opportunity to appear and/or be heard, and that

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146. Sak Int’l, Inc., 516 F.3d at 1345.
147. Id. at 1345-46.
148. Id. at 1347 (emphasis added).
149. Id.
150. Id. at 1348.
151. Id. at 1350.
153. Id. at *1.
154. Id.
the government seized his property and had him arrested. In response to Siler’s claims, the Court of Federal Claims dismissed the complaint for lack of jurisdiction under the Tucker Act. Additionally, the Court of Federal Claims determined that any allegations that the government had infringed Siler’s copyright or trademark under 28 U.S.C. § 1498(b) failed to state a claim upon which relief could be granted. As a result, the complaint was subject to dismissal under rule 12(b)(6) of the Civil Rules of Federal Procedure.

On appeal, the Federal Circuit held that the Court of Federal Claims’ dismissal of Siler’s complaint was proper. First, the Federal Circuit found that Siler’s allegations about the actions and rulings of various courts were not within the jurisdictional grant of § 1491(a)(1). In short, the Court of Federal Claims had no authority to review the decisions of the courts in which Siler had previously filed complaints. Rather, Siler should have sought review of the other courts’ decisions through the appellate process of each such court. Second, the Federal Circuit found that the lower court did not err by noting that a trademark infringement claim was subject to dismissal for failure to state a claim upon which relief could be granted. This was because no statute grants the Court of Federal Claims jurisdiction over trademark claims.

The Federal Circuit affirmed the decision of the Court of Federal Claims to dismiss the action.

155. Id. at *1-2.
156. Id. at *2; see Tucker Act, 28 U.S.C. § 1491(a)(1) (2006) (granting jurisdiction to the Court of Federal Claims to render judgment upon various claims against the United States).
157. 28 U.S.C. § 1498(b) (2006) (“[W]henever the copyright in any work protected under the copyright laws of the United States shall be infringed by the United States . . . the exclusive action which may be brought for such infringement shall be an action by the copyright owner against the United States in the Court of Federal Claims for the recovery of his reasonable and entire compensation as damages for such infringement . . . .”).
159. Id.; see also Ct. Fed. Cl. R. 12(b)(6) (listing “failure to state a claim upon which relief can be granted” as a valid defense by motion). Due to the limited scope of this Article, the copyright-related holding of this case is not discussed.
161. Id. at *3.
162. Id.
163. Id.
164. Id.
165. Id.
166. Id. at *4.
B. Res Judicata, Collateral Estoppel, and Standing

1. Nasalok Coating Corp. v. Nylok Corp.\textsuperscript{167}

In Nasalok, the Federal Circuit affirmed the TTAB’s summary judgment grant in favor of Nylok Corp. (“Nylok”) and held that Nasalok Coating Corp.’s (“Nasalok”) claims were barred by res judicata (claim preclusion).\textsuperscript{168}

Both parties manufactured “self-locking fasteners using nylon locking elements.”\textsuperscript{169} Nasalok, a Korean corporation, sold products to multiple U.S.-based companies.\textsuperscript{170} Nylok, a U.S. corporation, owned federal trademark Registration No. 2,398,840 (“the ‘840 Registration”) for “a patch of the color blue on a selected number of threads of an externally threaded fastener, with the blue patch extending more than 90 degrees and less than 360 degrees around the circumference of the fastener.”\textsuperscript{171} The designated use for the mark was on “metal externally threaded fasteners.”\textsuperscript{172} The design mark appears below:

\begin{center}
\includegraphics[width=0.5\textwidth]{design_mark.png}
\end{center}

Initially, Nylok filed a complaint against Nasalok in the United States District Court for the Northern District of Illinois and alleged infringement of several trademarks, one of which was the ‘840 Registration.\textsuperscript{173} Due to Nasalok’s failure to enter an appearance in district court, the district court entered a default judgment and an injunction against Nasalok that prohibited the company from selling, importing, and promoting or advertising any self-locking fastener with a nylon locking element having the color blue or any confusingly

\textsuperscript{168} Id. at 1330.
\textsuperscript{169} Id. at 1322.
\textsuperscript{170} Id.
\textsuperscript{171} Id.
\textsuperscript{172} Id.
\textsuperscript{173} Id.
similar color. The order also stated that Nylok was the owner of the ‘840 Registration and that the trademark was valid and enforceable. Nasalok did not appeal that order.

After five months passed, Nasalok petitioned the TTAB, alleging that

the ['840 Registration] [was] invalid because it [was] functional, a phantom mark, descriptive, generic, not distinctive, and ornamental; that Nylok’s use had not been substantially exclusive; and that Nylok fraudulently obtained the ‘840 Registration by stating in its amended application that the mark had become distinctive of [its] goods through substantially exclusive and continuous use in interstate commerce for five years.

In support of its motion for summary judgment, Nylok argued that res judicata barred Nasalok from claiming that the ‘840 Registration was invalid because Nasalok had not asserted an invalidity claim in the earlier infringement action. The TTAB granted Nylok’s motion, holding that res judicata barred Nasalok’s petition to cancel because (1) the infringement action and the petition involved the same parties, (2) a final judgment on the merits had been made on the infringement action, and (3) the cancellation petition arose out of the same transactional facts as those present in the civil action.

On appeal, the Federal Circuit first determined that Nasalok’s claim of trademark invalidity was not a compulsory counterclaim in the trademark infringement action in the district court. The court reasoned that the subject matter of Nylok’s infringement claim in the first action and the subject matter of Nasalok’s invalidity claim in the second action did not arise out of the same “transaction or occurrence.” Specifically, the “essential facts” that Nylok alleged in its infringement action—its ownership of the mark and Nasalok’s alleged infringement—did not form the basis of Nasalok’s cancellation claim. In addition, the Federal Circuit cited various policy reasons for the position that invalidity defenses should not be

174. Id.
175. Id.
176. Id.
178. Nasalok Coating Corp., 522 F.3d at 1322.
179. Id. at 1322–23.
180. Id. at 1323 (citing Jet, Inc. v. Sewage Aeration Sys., 223 F.3d 1360, 1362 (Fed. Cir. 2000) (establishing a three-part test for claim preclusion)).
181. Id. at 1325–26 (quoting Fed. R. Civ. P. 13(a)(1)(A)).
182. Id. at 1326.
treated as compulsory counterclaims.\textsuperscript{183} For example, the Federal Circuit noted that it may be “difficult to anticipate . . . new products and future disputes that may later arise between . . . two parties . . . [so] a defendant in [a] first infringement suit should not be precluded from raising invalidity of the mark in the second action simply because it was not raised as a counterclaim in the first action.”\textsuperscript{184} The court noted further that “treating challenges to trademark validity as compulsory counterclaims to infringement actions would violate the well-established policy of freely allowing challenges to the validity of claimed intellectual property protection.”\textsuperscript{185} In holding that a claim for cancellation of a trademark registration was not a compulsory counterclaim for a party defending against an infringement action in district court, the Federal Circuit acknowledged its departure from TTAB precedent and procedure, which provides that such a counterclaim is compulsory in TTAB proceedings under the same circumstances.\textsuperscript{186}

Second, the Federal Circuit determined that the later action collaterally attacked the judgment of the first action.\textsuperscript{187} The court observed that allowing Nasalok to challenge the validity of the ‘840 Registration, which granted Nylok the rights to use “a patch of color blue on a selected number of threads of an externally threaded fastener,” would effectively undo the district court’s injunction order in the infringement action.\textsuperscript{188} Claim preclusion was thus necessary to protect the earlier judgment.\textsuperscript{189} The court rejected Nasalok’s argument that preclusion should not apply to an injunction resulting from a default judgment, stating that “[i]t is well established that ‘[a] default judgment can operate as res judicata in appropriate circumstances.’”\textsuperscript{190} Because the trademark invalidity claim constituted a collateral attack on the district court’s judgment in the earlier suit, the Federal Circuit held that res judicata barred Nasalok’s claim and affirmed the TTAB’s grant of summary judgment in favor of Nylok.\textsuperscript{191}

\textsuperscript{183} Id. at 1327.
\textsuperscript{184} Id.
\textsuperscript{185} Id.; see also Lear, Inc. v. Adkins, 395 U.S. 653, 674 (1969) (repudiating the rule of patent licensee estoppel, under which a licensee is prohibited from challenging the validity of the patent that is the basis for the license because of “the strong federal policy favoring the full and free use of ideas in the public domain”).
\textsuperscript{186} Nasalok Coating Corp., 522 F.3d at 1325 n.3; see also supra note 14 (discussing TTAB rules regarding compulsory counterclaims).
\textsuperscript{187} Id. at 1326–29.
\textsuperscript{188} Id.
\textsuperscript{189} Id. at 1329.
\textsuperscript{190} Id. (quoting Sharp Kabushiki Kaisha v. Thinksharp, 448 F.3d 1368, 1371 (Fed. Cir. 2006)).
\textsuperscript{191} Id. at 1330.
Circuit Judge Newman concurred in the judgment, stating that while she agreed with the majority's affirmation of the TTAB's judgment, she would do so because "Nasalok's claim for cancellation [was] precluded by the judgment against Nasalok" in the district court. She asserted that the question of whether Nasalok's trademark invalidity claim was a compulsory counterclaim was irrelevant because "the TTAB recognized [that] the cancellation proceeding raise[d] the same grounds of invalidity that were before the district court." Thus, Judge Newman reasoned that the validity of the mark "was decided and was not appealed." Judge Newman contended that the majority's thorough discussion of compulsory counterclaims was irrelevant and that precedent did not broadly authorize relitigation in the PTO issues that were decided finally in the district court between the same parties. Judge Newman also criticized the majority opinion's reliance on patent public policy, explaining that patent and trademark public policy did not share the same objectives. In sum, Judge Newman agreed that Nasalok's petition to cancel should be dismissed, but determined that it should be dismissed on the ground of basic claim preclusion.

2. Farah v. Pramil S.R.L.

In Farah, the Federal Circuit affirmed the TTAB's cancellation of Michel Farah's trademark registration based on Pramil S.R.L.'s ("Pramil") prior registration for the same mark. It also rejected Farah's arguments that Pramil lacked standing, that it was collaterally estopped from asserting the grounds for cancellation, and that it failed to carry its burden of proof for priority of use and continuous use of the mark during the cancellation proceeding.

Farah applied to register, in connection with certain cosmetics, the mark OMIC PLUS. Pramil petitioned to cancel the registration, alleging priority of use for the mark OMIC for cosmetics and that a likelihood of confusion existed between the OMIC mark and Farah's

192. Id. (Newman, C.J., concurring).
193. Id.
194. Id.
195. Id. at 1331.
196. Id.
197. Id.
198. Id.
200. Id. at *1.
201. Id. at *4–11.
202. Id. at *1.
OMIC PLUS mark. While the TTAB case was pending, Farah’s exclusive licensee—Gapardis Health and Beauty, Inc. (“Gapardis”)—filed an infringement action against Pramil and Pramil’s U.S. distributor in the United States District Court for the Southern District of Florida. Pramil did not respond to the complaint, and a default judgment was entered for Gapardis, permanently enjoining Pramil from using the mark OMIC PLUS. Farah moved for summary judgment before the TTAB, alleging that the district court’s injunction had eliminated Pramil’s standing and that Pramil was collaterally estopped from asserting the grounds for cancellation. The TTAB denied Farah’s motion, and, after finding that Pramil had established priority of use and likelihood of confusion, subsequently granted the cancellation of Farah’s registration. Farah appealed, arguing (1) that the district court’s judgment barred Pramil from maintaining its cancellation petition because it lacked standing after the permanent injunction and (2) the district court’s default judgment collaterally estopped Pramil from asserting the cancellation claim. Additionally, Farah argued that Pramil failed to meet its burden of proof in its cancellation proceeding for both priority of use and continuous use of its mark.

The Federal Circuit first rejected Farah’s argument that Pramil lacked standing in the cancellation proceeding after the district court’s judgment. Under 15 U.S.C. § 1064, a petition to cancel a registration of a mark may be filed “by any person who believes that he is or will be damaged . . . by the registration of a mark.” When the TTAB applied this standard, it found that Pramil’s use of the OMIC mark for cosmetics was sufficient to establish a direct

203. Id. at *2.
204. Id. at *2–3.
205. Id. at *3.
206. Id.
207. Id. (citing Farah v. Pramil S.R.L. (Farah TTAB Decision), No. 92032341, 2008 WL 853844 (T.T.A.B. Jan. 29, 2008)).
208. Id. at *4.
209. Id. at *4.
210. Id. at *5; see also Ritchie v. Simpson, 170 F.3d 1092, 1095 (Fed. Cir. 1999) (explaining that an opposer must meet these two judicially created requirements to establish standing under the Lanham Act); Int’l Order of Job’s Daughters v. Lindeburg & Co., 727 F.2d 1087, 1092 (Fed. Cir. 1984) (noting that there is no requirement that damage be proved for an opposer to establish standing).
commercial interest in the mark; thus, Pramil had standing to petition to cancel Farah’s OMIC PLUS mark for cosmetics.\textsuperscript{213} The TTAB also noted that the district court’s injunction did not prohibit Pramil from using its OMIC mark; rather, the injunction simply ordered Pramil not to use the OMIC PLUS mark or any reproduction, copy, or colorable imitation thereof.\textsuperscript{214} The Federal Circuit found no error in the TTAB’s conclusion regarding Pramil’s standing to file the cancellation petition.\textsuperscript{215}

On the issue of collateral estoppel, the Federal Circuit explained that collateral estoppel precludes “the relitigation of issues only when those issues were ‘actually litigated’ in a prior lawsuit,” but the underlying issues cannot be litigated when a default judgment is issued.\textsuperscript{216} Thus, the Federal Circuit affirmed the TTAB’s finding that the district court’s default judgment did not collaterally estop Pramil from pursuing the cancellation proceeding.\textsuperscript{217}

The court also dismissed Farah’s argument that Pramil failed to carry its burden of proof for the priority-of-use element of its petition to cancel because Farah did not establish that Pramil applied its mark to the goods themselves or that the goods were sold to the public.\textsuperscript{218} Under section 45 of the Lanham Act,\textsuperscript{219} the term “use in commerce” means “the bona fide use of a mark in the ordinary course of trade.”\textsuperscript{220} The Federal Circuit explained,

\begin{quote}
[A] mark is “use[d] in commerce,” when: (1) “it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale,” and (2) “the goods are sold or transported in commerce.”\textsuperscript{221}
\end{quote}

Thus, the court noted, under the statute, Pramil need not make a showing of either (1) an application of the mark to the goods themselves or (2) that the goods were sold to the public.\textsuperscript{222} The

\begin{footnotesize}
\begin{tabular}{l}
214. Id. at *5–6. \\
215. Id. at *6. \\
216. Id. at *7; see Lee ex rel. Lee v. United States, 124 F.3d 1291, 1295 (Fed. Cir. 1997) (explaining that, when a judgment is issued in a case as the result of a default, that judgment cannot serve to preclude further litigation of the issues of that case under the doctrine of collateral estoppel because those underlying issues have not yet been litigated). \\
218. Id. at *8–9. \\
220. Id. \\
221. Farah, 2008 U.S. App. LEXIS 24184, at *8–9 (quoting § 1127). \\
222. Id. at *8.
\end{tabular}
\end{footnotesize}
TTAB found that Pramil’s prior use was established by proof that 6000 units of [its] OMIC product were sold in 1994 to a company in Florida.

During the TTAB proceeding, Pramil’s witness testified that “OMIC” was marked on these products. In addition, the invoice for that sale identified the products with the OMIC mark and the current product packaging clearly displayed the mark. Because Farah did not provide any evidence to the contrary in support of its argument, the Federal Circuit affirmed the TTAB’s decision regarding Pramil’s priority of use.

Finally, the Federal Circuit rejected Farah’s allegation that Pramil had not proven its continuous use of the mark. Farah asserted that Pramil’s evidence showed use of the mark only from 1994 to 1996 and from 2000 to 2004, and that, because of an unexplained four-year gap, Pramil failed to carry its burden of establishing continuous use of its mark. The TTAB stated that abandonment is a defense to evidence of prior use so Farah bore the burden to prove abandonment. The TTAB found that Pramil’s witness explained gap and “testified that Pramil’s use of the mark ha[d] been continuous since 1994, with no interruption.” Farah offered no contrary evidence; the TTAB consequently held that Farah failed to prove an abandonment defense. The Federal Circuit affirmed this holding and also rejected Farah’s argument that the witness testimony was not enough to prove Pramil’s continuous use of the mark. The Federal Circuit thus denied Farah’s appeal and affirmed the TTAB’s decision to cancel Farah’s application to register his mark.

CONCLUSION

With respect to trademark decisions, the Federal Circuit was relatively quiet in 2008. The court chose to issue only one precedential decision, and three of the four decisions by the court
on substantive trademark issues were issued without opinion. 235 Nevertheless, the Federal Circuit’s analyses of the lower tribunal’s decisions in these cases—especially its disagreement with and clarification of certain issues in the lower tribunals’ decisions—should be of interest to practitioners. Of particular importance are the court’s finding in Nasalok that counterclaims for cancellation of a trademark registration are not compulsory in cases where infringement has been asserted, 236 and the court’s reversal in Sakar International, Inc., of the Court of International Trade’s decision asserting jurisdiction over challenges to fines issued in connection with the seizure of counterfeit goods. 237

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236. See supra Part I.B.1 (discussing the Federal Circuit’s affirmation of the decision of the TTAB).

237. See supra Part II.A.1 (discussing the Federal Circuit’s reversal of the decision of the Court of International Trade).