

# U.S. Trademark Oppositions and Cancellations: They Can Move Faster

In the USA, the Trademark Trial and Appeal Board decides contested cases for registration and cancelation of federally registered trademarks. For a final trial decision, the average time between filing and decision is [36 months](#)<sup>1</sup>. This article is an illustration of one of the author's cases that reached a trial decision in 15 months from filing using the Board's Accelerated Case Resolution Procedure ("ACR").

## Quicker Decisions by the Board

As early as 2011, the Board [proposed](#)<sup>2</sup> Accelerated Case Resolution for the less than 2% of the cases that are not withdrawn, settled or disposed of. In 2012, the Board clarified the ACR procedure in a [pending Opposition](#)<sup>3</sup> and continued to refine the ACR procedure as recently as the [Amended Rules](#)<sup>4</sup> effective January 14, 2017.

ACR applies to three types of contested cases: Oppositions actions filed against trademarks published for opposition before registration, cancelation actions filed against trademark registrations after registration and concurrent use actions involving joint registrations in restricted territories.

If ACR is adopted with the stipulation of both parties, the time to final ruling can be as short as 15 months. After the trial briefs are filed, the Board will generally [issue a decision within fifty days](#) which will be judicially reviewable as set out in 37 CFR §2.145.<sup>5</sup>

ACR is a procedure akin to summary judgment in that the parties can receive a prompt determination of the claims and defenses in their case (14 TTABVue).

## Types of Cases Best Suited for ACR

ACR is not suited for complex cases with many issues. ACR is best suited for cases with

- Single trademark at issue
- Likelihood of confusion is conceded
- Not much discovery is needed from the opposing party
- Priority of use of a mark is the primary disputed fact

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<sup>1</sup> <https://www.uspto.gov/trademarks-application-process/appealing-trademark-decisions/ttab-incoming-filings-and-performance>.

<sup>2</sup> <https://www.uspto.gov/trademarks-application-process/appealing-trademark-decisions/ttab-acr-options>.

<sup>3</sup> *Lebanon Seaboard Corp. v. R & R Turf Supply, Inc.*, Opposition. No. 77,850,120 (TTAB Feb. 8, 2012).

<sup>4</sup> 37 C.F.R. § 81.195 (2016).

<sup>5</sup> *Ballet Tech Foundation, Inc. v. Joyce Theater Foundation, Inc.*, 89 U.S.P.Q.2d, 1266 n. 9 (TTAB 2008).

### **Typical Board Litigation Process without ACR**

Both Opposition actions and Cancellations actions are decided in a litigation process that bears a close resemblance to civil actions in Federal Courts. The discovery process involves interrogatories, requests for document production, requests for admission of facts and law, oral depositions and depositions on written questions of party and nonparty witnesses.

At the Board, the trial process involves testimony and evidence on a paper record without live witness testimony or the actual presence of counsel. The trial record consists of written trial testimony taken deposition style from the parties, public record evidence, discovery evidence from the opposing party, requests for judicial notice and discovery evidence from third parties, and exhibits authenticated by any live pretrial witness. Official records and printed publication are submitted as trial evidence with a Notice of Reliance under Trademark Rule 2.122(e). Trial briefs organize the evidence and law to present to the Administrative Trademark Judges who make the trial ruling.

### **ACR Board Litigation Process**

If both parties agree to the ACR Process, the pretrial time is shortened and the trial is conducted like a modified summary judgment. The Board is empowered to make decisions to resolve question of fact necessary to make a judgment under the law.

Early in the pretrial process Board Attorneys (Interlocutory Attorneys) act for the Board hold a pretrial conference to seek stipulations from the trial counsel. The Board encourages involvement of a Board attorney (Interlocutory Attorney) in framing the stipulations for ACR.

### **Example ACR Case Reached Decision in 15 Months**

The author represented a Petitioner in an ACR case in a Cancellation action in a difficult case that reached a decision in 15 months from filing date. Since the registrant conceded likelihood of confusion, the main issue was which party had a priority of use with an uninterrupted period of use to the present. A minor issue was Petitioner's standing to bring the action, but the Board easily found in favor the standing by the Petitioner. The case involved a registered trademark less than 5 years old for the mark [BIKERS FOR BIKERS FOUNDATION](#).<sup>6</sup> This quick time to trial and decision enabled the Petitioner to get justice for much less than the usual cost.

Petitioner was a charity that had no registered trademark but had common law rights in the mark BIKERS FOR BIKERS dating from 1990, predating any date on which the registrant could rely. As part of the pretrial conference with the Interlocutory Attorney, the parties agreed to resolve this proceeding by ACR in lieu

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<sup>6</sup> *Bikers for Bikers of Texas, Inc. v. Bikers for Bikers Foundation*, Cancellation No. 92062700 (TTAB Sep. 30, 2016).

of trial so that the case would proceed under the summary judgment model of ACR. See TBMP §702.04(b).

Additionally, the parties stipulated that:

1. The trial and briefing periods will occur in one phase with the evidence filed concurrently with the respective trial briefs.
2. The Board may resolve genuine disputes of material fact in making the final determination on the merits.
3. There is a likelihood of confusion between the parties' marks.
4. A party may conduct direct examination during a discovery deposition of its own witness.
5. Discovery depositions may be used as trial testimony.
6. Testimony of any witness of either party may be stipulated in the form of an affidavit of such witness.

### **The Record at Trial**

Pursuant to the parties' ACR stipulation, testimony was presented by affidavit (or declaration) with accompanying exhibits. By operation of Trademark Rule 2.122(b), 37 C.F.R. 2.122(b), the registration file for the Registrant was included, and the following:

#### **A. Petitioner's Evidence**

- a. Declaration of Phyllis Borroum, member of Petitioner with attached Exhibits (15 TTABVUE 11-3, 14-29).

#### **B. Registrant's Evidence**

- a. Affidavit of Mickey Carter, Respondent's primary Proprietor with attached Exhibits (20 TTABVUE 22-24, 25-59)
- b. Affidavit of Eric Menhart, counsel of record for Registrant with attached exhibits (20 TTABVU 60-64, 65-93).

### **Challenge of Standing**

Registrant challenged Petitioner's standing to file the action. The Board ruled that to establish a standing in a cancellation, a petitioner must show both "[a real interest in the proceedings](#)" as well as a "[reasonable basis for his belief of damage.](#)"<sup>7</sup>

A Declaration submitted with the Petitioner's ACR trial brief established Petitioner's interest in the mark BIKERS FOR BIKERS. It described use of that service mark in connection with its activities as a charitable organization providing emergency assistance with needy bikers and their families for food, clothing, house payments, medical bills and funerals. Moreover, the Board found that Petitioner owned a pending application to register the mark BIKERS FOR BIKERS. Accordingly, the

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<sup>7</sup> *Empresa Cubana Del Tabaco v. Gen. Cigar Co.* 753 F.3d 1270, 111 U.S.P.Q.2d 1058, 1062 (Fed. Cir. 2014).

Board found that Petitioner had a real interest in this proceeding and a reasonable basis for its belief that it would be damaged by the continued registration of Respondent's admittedly confusingly similar mark BIKERS FOR BIKERS FOUNDATION.

### **Priority**

To establish priority on its likelihood of confusion claim, under §2(d) of the Trademark Act, Petitioner must prove that the Registrant owns a "[mark or tradename previously used in the United States . . . and not abandoned.](#)"<sup>8</sup> Petitioner has the burden as plaintiff in the proceeding to establish prior ownership by a [preponderance of the evidence.](#)<sup>9</sup>

The Board held that for the Petitioner to prevail on its priority claim, it must prove that it has a proprietary interest in the mark BIKERS FOR BIKERS and that the interest was obtained prior to the earliest date Registrant can prove use of its mark BIKERS FOR BIKERS FOUNDATION.

The Board held that Petitioner's right may arise from prior common law usage as a mark, prior use as a tradename, prior use analogous to a trademark or service mark, or any other [use sufficient to establish proprietary rights.](#)<sup>10</sup>

### **Petitioner's Predecessor Had Used the Mark Since April 1990**

The Board found that Petitioner was formed as a nonprofit corporation in the state of Texas on June 2, 2014 under the name Bikers for Bikers of Texas, Inc. well after the Registrant's filing date. However, the Board found that Petitioner asserted through its predecessor-in-title that it had used BIKERS FOR BIKERS as a service mark since April 1990.

Despite Registrant's admission to the September 9, 2010 date of first use of its mark identified in its registration, the Board found that the Registrant argues that its evidence "demonstrates use [of its mark] from April of 2009." Although the Registrant can rely on its filing date of its application, the Board found that the Registrant argued it first acquired rights in the mark as of August 2009, essentially the same date as Petitioner's date of first use. The Board found, however, that since this new claim to an asserted first use by the Registrant precedes the first use date in its registration, Registrant faced a heavier evidentiary burden than the usual preponderance of the evidence. The Board said that the Registrant must prove the alleged earlier date by "[clear and convincing evidence.](#)"<sup>11</sup> The Board, however, found the evidence submitted by the Registrant of first use of its mark was August 2009 did not meet the standard of "clear and convincing evidence."

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<sup>8</sup> Trademark Act §2(d), 15 USC 1052(d).

<sup>9</sup> *C.E.G. Metro Traffic Control, Inc. v. Shadow Network, Inc.*, 104 F.3d 336, 41 U.S.P.Q.2d 1369, 1372 (Fed. Cir. 1997).

<sup>10</sup> *Herbko Int'l, Inc. v. Kappa Book, Inc.*, 308 F.3d 1156, 1162-63, 64 U.S.P.Q.2d 1375, 1378 (Fed. Cir. 2002).

<sup>11</sup> *Martahus v. Video Duplication Servs., Inc.*, 3 F.3d 417, 27 U.S.P.Q.2d 1846, 1852 n. 7 (Fed. Cir. 1993).

The Registrant contended that the Petitioner was a recently formed corporate entity that began use of the mark BIKERS FOR BIKERS after the Registrant's use of BIKERS FOR BIKERS FOUNDATION and was taking credit for "purported prior use by a completely unrelated entity that never conferred any trademark rights on Petitioner."

#### **Petitioner's Declaration Established Continuous and Uninterrupted Use**

The Board found that the Declaration of the President of Bikers for Bikers of Texas, Inc. submitted by Petitioner substantiated an entitlement to the earlier use of 1990 by Petitioner as well as continuous and uninterrupted usage from 1990 until well after the first use date claimed by the Registrant.

The Board disposed of the issue of Petitioner's entitlement to transfer rights of the date of first use from one corporation to the next (from Bikers for Bikers, Inc. to Bikers for Bikers of Texas, Inc.). It found in the Declaration of the President that all bank accounts, property, and assets of the un-incorporated organization were transferred to the new corporation, the current Petitioner.

When the second corporation was chartered in Texas after the first corporation forfeited its charter for non-payment of franchise taxes, the Board was faced with the question of whether there was a transfer of title to the trademark and the continuity of the trademark use from the previous corporation. The Board noted that the President testified that "after our new corporation was chartered on March 8, 2001, we transferred all the bank accounts, property, and assets to the corporation (the second corporation)" and that "the new corporation continued to use the name BIKERS FOR BIKERS as our slogan and fundraising sign. We transferred all the funds and property owned by the previous corporation to the new corporation" (from Bikers for Bikers, Inc. to Bikers for Bikers of Texas, Inc.).

#### **Implied Assignment Must Be Proved by Conduct Manifesting an Agreement**

The Registrant argued that there were no written assignment transferring rights in the BIKERS FOR BIKERS mark to the current corporation that was the Petitioner, Bikers for Bikers of Texas, Inc. The Board held that there can still be an implied assignment to transfer with strong evidence of "conduct manifesting agreement." Such implied assignments must "be proven by clear and uncontradicted oral testimony of a person in a position to have knowledge."

#### **Clear and Uncontradicted Testimony of Continuous and Uninterrupted Use**

The Board found that the Declarant provided "clear and uncontradicted oral testimony" of continuous and interrupted use of the mark BIKERS FOR BIKERS from 1990 to the present date. The Board found that given Ms. Borroum's key involvement in the activities provided by closely-related entities over the life of the mark BIKERS FOR BIKERS, she is a person with extensive actual knowledge and found her testimony to be clear. Based on her testimony and other supporting evidence, the Board concluded that the rights in the mark were transferred by

implied assignment and have come to reside in Petitioner Bikers for Bikers of Texas, Inc. which was the Petitioner in the Opposition.

### **Board's Decision**

Considering all the evidence, the Board concluded that the mark BIKERS FOR BIKERS had been in continuous and uninterrupted use by Petitioner and its predecessor-in-interest since as early as 1990. The Board found that Petitioner's credible declaration testimony, together with corroborating evidence, satisfied the burden of proof by a preponderance of the evidence that it had priority of use by an implied assignment from its predecessor-in-interest.

The Board found that the Registrant's assertion of abandonment of the BIKERS FOR BIKERS mark was incorrect since there was neither evidence of any intent to abandon nor evidence of a period of non-use of the mark BIKERS FOR BIKERS by Petitioner, the Petitioner.

Finally, the Board found that Petitioner's date of first use of its BIKERS FOR BIKERS mark was in 1990, many years before any use date that the Registrant proved.

The Board granted the Petition for Cancellation was granted.

### **Key Takeaways**

The use of ACR gave the Petitioner the strategic advantage of reduced and affordable attorneys fees through a streamlined process and shorter time to time to a final decision. Without the use of ACR, the Petitioner would not have been able to register its own mark that was being blocked by the existing almost identical mark.

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