

THIS DISPOSITION IS NOT
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U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Claude Jean
v.
Limited Express, Inc. and Structureco, Inc.

Cancellation Nos. 20,428 and 20,511
Opposition No. 87,066

Pierre Phillippe Barkats of Barkats & Associates, Chartered
for Claude Jean.

Frank J. Colucci of Colucci & Umans for Limited Express,
Inc. and Structureco, Inc.

Before Simms, Hanak and Hohein, Administrative Trademark
Judges.

Opinion by Hanak, Administrative Trademark Judge:

In these consolidated proceedings, Claude Jean seeks to
cancel Registration Nos. 1,567,276 and 1,673,086 now owned
by Structureco, Inc. and opposes Application Serial No.
74/123,596 also now owned by Structureco, Inc. The two
registrations and application were originally in the name of
Limited Express, Inc. which subsequently assigned all three
to Structureco, Inc. For ease of reference, Limited

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Express, Inc. and Structureco, Inc. will be referred to collectively as "Structureco."

Registration No. 1,567,276 is for the word mark STRUCTURE for women's pants and tops and men's shorts, pants and tops. Registration No. 1,673,086 is for the word mark STRUCTURE for retail clothing store services. Finally, Application Serial no. 74/123,596 is for the mark STRUCTURE and design for clothing, namely, shirts, sweaters, sweat pants, sweat shirts, pants, shorts, swimwear, jackets, coats, cloth belts, socks and ties and retail clothing store services.

In its petitions for cancellation and notice of opposition, Claude Jean set forth two grounds. First, Claude Jean alleged that long prior to Structureco's alleged first use dates, Claude Jean was "exporting clothing from France to the United States and selling said clothing bearing the mark STRUCTURE in the United States in interstate commerce through a licensee." (Petitions for cancellation and notice of opposition paragraph 1). Claude Jean further alleged that Structureco's marks were either identical to or extremely similar to Claude Jean's mark such that the contemporaneous use of the various marks is likely to result in confusion. Second, Claude Jean alleged that "on information and belief [Structureco], prior to and at the time of filing the [the three] application[s] ... had

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knowledge of [Claude Jean's] prior use and [Claude Jean's] right to use the mark STRUCTURE in commerce and, accordingly, the registration[s] was obtained fraudulently... [and the application was made fraudulently.]"

In response, Structureco denied the pertinent allegations of the petitions for cancellation and notice of opposition and set forth the affirmative defense of abandonment of the mark STRUCTURE by Claude Jean.

These proceedings were initiated in January and February of 1992. To say the least, the file history of these consolidated proceedings is quite large and complex. There have been amendments to the pleadings; numerous discovery disputes; and multiple motions for summary judgment filed by both Claude Jean and Structureco. In view of the complex history of these proceedings, it should be made clear that there are two matters which are not presently before this Board. First, in 1992 Claude Jean filed a motion for summary judgment in Cancellation No. 20,428 seeking cancellation of Registration No. 1,567,276 on the basis that Structureco committed fraud on the PTO by representing to the PTO that it was using the trademark STRUCTURE on women's apparel when in fact Structureco knew that this was a false representation. In an order dated December 29, 1992, this Board denied Claude Jean's motion for summary judgment in Cancellation No. 20,428 because,

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among other reasons, Claude Jean's petition for cancellation did "not plead the type of fraud which forms the basis for Claude Jean's motion for summary judgment." The Board allowed Claude Jean time to amend its petition in Cancellation No. 20,428 to plead with particularly the type of fraud set forth in Claude Jean's motion for summary judgment. As Claude Jean has acknowledged, "Claude Jean is no longer pursuing such a claim" for this particular type of fraud. (Claude Jean's brief page 6, footnote 1).

Second, again with regard to Cancellation No. 20,428, this Board in an order dated August 18, 1994 noted that "to the extent that Claude Jean intends ... to state a separate ground of cancellation, i.e., that Structureco had not used its mark in commerce as of the application filing date ... Claude Jean must plead facts sufficient to support that claim." (Board order page 2, footnote 2). At page 39 of its brief, Structureco has correctly noted that "Claude Jean never amended its pleadings to state a separate ground of cancellation based on nonuse." In his reply brief, Claude Jean has clarified his position by noting that he "is not arguing non-use by Structureco as a basis for cancellation. Instead, Claude Jean is asserting Claude Jean's own prior use as a basis for cancellation." (Claude Jean's reply brief page 14, footnote 8). Thus, with regard to Structurerco's Registration No. 1,567,276, the question of

whether Structureco used the mark STRUCTURE as of the application filing date (February 1, 1989) is an unpleaded issue which is not before this Board. Structureco's dates of first use of STRUCTURE are relevant only in connection with Claude Jean's Section 2(d) claim (i.e. priority of use and likelihood of confusion).

Finally, because this matter was raised at pages 9 and 10 of Structureco's brief, this Board needs to correct an error made in its order of August 18, 1994. In footnote 2 of that order, the Board incorrectly stated, in part, that "if Claude Jean intends to rely on a theory of bad faith adoption [of the mark STRUCTURE by Structureco], he must plead, as a separate ground for cancellation, facts sufficient to support that claim." In point of fact, as previously noted, Claude Jean from the very beginning pleaded with specificity in all three proceedings the allegations that Structureco adopted the mark STRUCTURE with full knowledge of Claude Jean's purported prior rights in the mark and thus Structureco purportedly committed fraud. Structureco has wisely chosen to address at pages 10-20 of its brief the merits of Claude Jean's bad faith/fraud claim, as opposed to merely relying upon the fact that "Claude Jean did not amend his pleadings subsequent to the Board's [partially erroneous] order of August 18, 1994." (Structureco's brief page 9).

The large record in this case includes, among other things, the testimony depositions of Mark Lavine (a former vice-president of "an affiliated company" of Structureco) and Lynda Liuzzo taken by Claude Jean, and the testimony depositions of Michael Weiss (former president of Structureco's predecessor), John Kyees (executive vice-president of Structureco's predecessor) and Phillip Mallott (a former executive vice-president of Structureco) taken by Structureco.¹

Turning to the merits of this proceeding, Structureco has established through the testimony of Mr. Weiss and Mr. Kyees that Structureco first sold apparel with the STRUCTURE trademark affixed thereto in the United States in early 1989. Moreover, Structureco has also established that it first used STRUCTURE as a service mark for retail clothing store services in the United States in the fall of 1989. By

¹ Structureco has moved to strike the deposition testimony of Mark Lavine. Structureco notes that the one exhibit to Mr. Levine's deposition (a Diners Club receipt) was not produced during the discovery period but instead was attached "as an exhibit to Claude Jean's motion for summary judgment dated March 9, 1994." (Structureco's brief page 52). However, Mr. Lavine's deposition was not taken until July 25, 1995, over 1 year and 4 months after the Diners Club receipt was provided to Structureco. Moreover, there is no indication that Claude Jean had knowledge of this Diners Club receipt during the discovery phase. In any event, Structureco has failed to demonstrate any prejudice in the taking of Mr. Lavine's testimony. Finally, it must be remembered that Mr. Lavine was in no way affiliated with Claude Jean, but rather was, as acknowledged by Structureco, "a former merchandise vice president of an affiliated company of Structureco." (Structureco's brief page 5). Accordingly, in reaching our decision, we have considered the deposition testimony of Mr. Lavine.

December 1995, Structureco had opened over 500 STRUCTURE retail stores and had sold over \$2 billion worth of STRUCTURE apparel in the United States.

In contrast, Claude Jean has conceded that there were no sales in the United States of apparel bearing Claude Jean's STRUCTURE trademark in 1987, 1988 or 1989. (Liuzzo deposition pages 85-86, 105). The first sales of apparel bearing Claude Jean's STRUCTURE trademark in the United States did not occur until 1990. Claude Jean's total sales in the United States of the STRUCTURE apparel in 1990 amounted to approximately \$500. (Liuzzo deposition 105). In early 1991 there were additional sales in the United States bearing Claude Jean's STRUCTURE trademark which again totaled approximately \$500. (Liuzzo deposition 106). After early 1991, Claude Jean has conceded that its marketing efforts in the United States were suspended. (Claude Jean's brief page 31).

While these very minimal sales in the United States of apparel bearing Claude Jean's STRUCTURE trademark occurred long after Structureco's first use of STRUCTURE as both a trademark and as a service mark, nevertheless, Claude Jean argues that "actual sales are not necessarily the only way to establish first use for the purposes of priority." (Claude Jean's brief page 28). Claude Jean contends that its "priority begins at least as early as the shipment of

samples [of Claude Jean's STRUCTURE shirts] to his licensee's marketing representative in the United States, Lynda Liuzzo, which occurred shortly after September 8, 1987, the date on which Ms. Liuzzo signed the marketing agreement." (Claude Jean's brief page 25).

However, Claude Jean does acknowledge that "the qualifying first shipment [for priority purposes] must be, of course, followed by 'activity or circumstances that would tend to establish a continuing effort or intent to place the products so shipped on the market on a commercial scale.'" [Claude Jean's brief page 29 citing Weight Watchers International v. Rokeach, 211 USPQ 700, 710 (TTAB 1981)].

We find that Ms. Liuzzo's activities were, at all times, insufficient to establish in the United States priority for Claude Jean in the mark STRUCTURE.

During the 1980's and early 1990, Ms. Liuzzo worked as a waitress and later as a manager of various restaurants. During approximately 1985 or 1986, Ms. Liuzzo and a friend sold unspecified types of apparel to "appointment clientele" in an apartment building in Chicago. Most of the sales of this unspecified apparel were made by "word of mouth" to acquaintances of Ms. Liuzzo and her friend. This business lasted approximately a year or a year and a half. (Liuzzo deposition pages 8-10).

During a trip to Paris, Ms. Liuzzo attended a clothing show and met her uncle, who was "involved with a company called Jacques Lauran International." (Luizzo deposition page 12). Thereafter, Ms. Liuzzo entered into a "Marketing Representative Contract" with Jacques Lauran International. In the contract, Jacques Lauran is described as the "worldwide license-holder for the STRUCTURE trademark." The contract was issued in France on September 8, 1987, and shortly thereafter Ms. Liuzzo signed the contract.

At this point three things should be clarified. First, the Marketing Representative Contract makes no mention whatsoever of Claude Jean. Second, there is nothing in the record to indicate that Jacques Lauran International is a licensee of or has any other relationship with Claude Jean. Finally, Ms. Luizzo acknowledged that she never had an agreement with Claude Jean. (Luizzo deposition page 84). Thus, as a preliminary matter, there is an evidentiary gap which precludes us from find that the activities of Ms. Luizzo in attempting to sell STRUCTURE shirts in the United States inured to the benefit of Claude Jean. While Ms. Luizzo's activities may have inured to the benefit of Jaques Lauran International, there is simply nothing in the record to demonstrate these activities in turn inured to the benefit of Claude Jean.

However, even assuming for the sake of argument that Ms. Luizzo's activities in the United States in attempting to sell STRUCTURE shirts inured to the benefit of Claude Jean, we find that her activities were, in their totality, simply insufficient to establish priority on behalf of Claude Jean over Structureco. At the outset, we note that until the 1990 sales, there is no written material documenting any of Ms. Luizzo's purported activities during 1987, 1988 or 1989 (other than, of course, the aforementioned Marketing Representative Contract). Moreover, we note that Ms. Luizzo's testimony has, for the most part, been quite vague as to dates and the specifics of her activities. For example, Ms. Luizzo was unable to recall when she received her first "samples" of STRUCTURE shirts other than to note that "it had to be within a year's period" of the September 8, 1987 date appearing on the Marketing Representative Contract. (Luizzo deposition pages 15-16). If Ms. Luizzo's very vague recollection was off by even a few months, then it could well have had been that she did not even receive "samples" of STRUCTURE shirts from Jacques Laurant International until after Structureco commenced use of STRUCTURE on apparel in early 1989.

However, if we again give Ms. Luizzo's vague recollection the benefit of the doubt and assume that she received the "samples" of STRUCTURE shirts prior to 1989,

her activities in attempting to promote their sale were, to say the least, extremely limited and quite ineffective inasmuch as the first sales did not occur until 1990, and indeed when they did occur, these sales were, in commercial terms, minimal (i.e. about \$1000). Ms. Luizzo testified that in the late 1980's, while working full time at a restaurant, she would "three, four times a week ... spend sometime" on the STRUCTURE shirts. (Luizzo deposition page 24). This does not mean that on three or four occasions per week she actually visited a potential customer for STRUCTURE shirts. Rather, it simply means that three or four times per week she would attempt "to find somebody" or "try to follow up to make plans." (Luizzo deposition page 24). Again, there is no documentation whatsoever showing that Ms. Luizzo spent any time promoting STRUCTURE shirts during 1987, 1988 or 1989. Ms. Luizzo further testified that she showed STRUCTURE shirts at the Chicago Merchandise Mart and that this showing she thought "had to be '89," although she did not "really remember." Indeed, she could not even remember the season when this first show purportedly occurred or what the weather was like when this show purportedly occurred. (Luizzo deposition page 26). What is clear is that Ms. Luizzo acknowledged that at this show and at two subsequent shows she did not take any orders for STRUCTURE shirts. (Luizzo deposition page 87). Moreover,

Ms. Luizzo also stated that when she attended these three shows, the listing for her booth was under the name of Jacques Lauran International and not under the STRUCTURE trademark. (Luizzo deposition page 89). Indeed, there is nothing in the record to indicate that the name Claude Jean appeared in connection with any of Ms. Luizzo's activities from 1987 to the present. Ms. Luizzo was clear that at no time did she engage in advertising in newspapers or magazines or on TV or radio for STRUCTURE shirts. (Luizzo deposition page 107). Finally, Ms. Luizzo conceded that at no time did she make any profit in connection with the very limited sales of STUCTURE shirts which occurred in 1990 and 1991. (Luizzo deposition page 119).

In considering Ms. Luizzo's activities, it must be remembered that Claude Jean has consistently alleged that its mark STRUCTURE was and is famous in the United States. (Claude Jean's brief page 36). If Claude Jean's mark STRUCTURE was indeed famous in the United States, we seriously doubt that Claude Jean would have allowed its purported licensee Jacques Lauran International to appoint as its marketing representative for the largest market in the world (the United States) a person who had very minimal prior experience in the apparel industry and a person who was working full time in the restaurant business. Moreover, if Claude Jean's STRUCTURE mark was indeed famous in the

United States for apparel, then it is hard to explain why Ms. Luizzo could not make any sales of apparel bearing this famous mark during 1987, 1988 and 1989, and that thereafter in 1990 and 1991, she could make only minimal sales of about \$1000. Finally, it should be noted that Claude Jean previously owned Registration No. 1,189,990 for the mark STRUCTURE and design for, among other goods, shirts. This United States registration issued on February 16, 1982. However, Claude Jean has put in no testimony or other evidence explaining why he failed to file a section 8 affidavit by February 1988 to maintain this registration if indeed Claude Jean's mark was in use in the United States through the activities of Ms. Luizzo.

Before concluding our discussion of Ms. Luizzo's activities, we note that in his reply brief Claude Jean raises the supplemental argument that "in addition, the activities of Lynda Luizzo constitute a 'use analogous to trademark use.'" (Claude Jean's reply brief page 12). It is clear "that activities claimed to constitute analogous [trademark] use must have substantial impact on the purchasing public." T.A.B. Systems v. PacTel Teletrac, 77 F.3d 1372, 37 USPQ2d 1879, 1882 (Fed. Cir. 1996). Moreover, Ms. Luizzo's activities not only "must have reached a substantial portion of the public that might be expected to purchase the [goods]," but in addition, her activities must

be "of sufficient clarity and repetition to create the required identification" of a single source with the mark STRUCTURE. PacTel Teletrac, 37 USPQ2d at 1883. We find that Ms. Luizzo's very minimal activities fall far short of meeting the "analogous use" test as set forth in PacTel Teletrac.

Having determined that Ms. Luizzo's activities in the United States were not sufficient to give Claude Jean priority over Structureco vis-a-vis the mark STRUCTURE, we turn to a consideration of whether Claude Jean has established that prior to Structureco's first use of STRUCTURE in early 1989, Claude Jean's mark STRUCTURE was famous in the United States based upon his use of that mark in France. Claude Jean's claim that his mark was famous in the United States based upon its use in France not only forms the second prong of Claude Jean's priority claim, but also constitutes the basis for Claude Jean's claim that Structureco committed fraud on the PTO. Claude Jean has articulated his two claims in the following manner: (1) "Since Claude Jean's use of STRUCTURE in France was famous in the United States, he is entitled to priority based on his use of the mark in France". (Claude Jean's brief page 35); and (2) "Structureco fraudulently procured the two registrations [and presumably fraudulently filed the application] for STRUCTURE by failing to disclose in its

applications that the mark was a French mark well-known in the United States". (Claude Jean's brief page 39). To be perfectly clear, Claude Jean has acknowledged that "in general, foreign uses of a mark are insufficient to establish priority over a later domestic use of the mark. ... However, there is an exception to this rule in the case of marks that are famous and thus are known to the American public," citing Person's Co. Ltd. v. Christman, 900 F.2d 1565, 14 USPQ2d 1477 (Fed. Cir. 1990). (Claude Jean's brief page 35). In Person's, the Court noted that "knowledge of a foreign use does not preclude good faith adoption and use in the United States," with two possible exceptions, one of which is relied upon by Claude Jean, namely, where "the foreign mark is famous here [in the United States]." Person's, 14 USPQ2d at 1480-81.

To be blunt, not only has Claude Jean failed to establish that his mark STRUCTURE was at any time famous in the United States, but in addition, Claude Jean has failed to establish that his mark STRUCTURE was at any time famous in France. Claude Jean has simply not made of record any evidence showing the extent of sales of his STRUCTURE apparel in France. Moreover, Claude Jean has not made of record any evidence showing the extent of advertising dollars or francs spent in France promoting Claude Jean's STRUCTURE apparel. Thus, not only has Claude failed to

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prove that his mark STRUCTURE is or was famous in the United States, Claude Jean has failed to prove that his mark is or was famous in France.

To be perfectly clear, Claude Jean has referred to a study showing "that between 1983 and 1990, American citizens made VAT [value added tax] refund claims from French customs for STRUCTURE clothing bought in France and valued at more than \$62,000." (Claude Jean's brief page 36). In response, Structureco has noted that this "sales summary is the sole evidence Claude Jean relies on to argue his use of the mark STRUCTURE in France was famous in the United States."

Structureco then goes on to note that "sales of \$62,006 over the course of eight years to 196 United States domiciliaries does not constitute use of a mark such that it is a famous mark." (Structureco's brief page 48).

We are in agreement with Structureco's analysis of this study. Sales of approximately \$62,000 of STRUCTURE apparel in France to fewer than 200 American domiciliaries over an eight year period not only does not demonstrate that Claude Jean's mark STUCTURE is famous in the United States, but indeed his rather minimal figures suggest just the opposite. That is to say, if Claude Jean's STRUCTURE mark was truly

famous in France, we would expect that there would be substantially more sales of STRUCTURE apparel to American domiciliaries during the course of eight years.²

Having found that Claude Jean has not established priority in the mark STRUCTURE and has not established that Structureco committed fraud on the PTO in filing its three applications, we elect not to consider Structureco's defense that Claude Jean abandoned the mark STRUCTURE. See American Paging Inc. v. American Mobilphone Inc., 13 USPQ2d 2036, 2039 (TTAB 1989), aff'd 17 USPQ2d 1726 (Fed. Cir. 1990) and cases cited therein.

² Claude Jean has made the totally unsupported claim that "actual sales [of STRUCTURE apparel in France to America domiciliaries] would be even higher since a substantial number of purchasers do not file a VAT refund claim when they depart France." (Claude Jean's brief page 36). Given the fact that there is no support in the record for this allegation by Claude Jean, we have given no weight to it. However, our conclusion regarding that lack of fame of Claude Jean's STRUCTURE mark in both France and the United States would be the same even if Claude Jean's sales figures were somewhat times higher than \$62,000.

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Decision: The petitions for cancellation and opposition are dismissed.

R. L. Simms

E. W. Hanak

G. D. Hohein
Administrative
Trademark Judges,
Trademark trial and
Appeal Board

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