

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB

SEPT 30, 98

Hearing:
September 25, 1997

Paper No. 22
RLS/TAF

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

TGC International, Inc.

v.

Novus Marketing, Inc.

Opposition No. 96,993
to application Serial No. 74/463,461
filed on November 26, 1993

John A. Clifford of Merchant, Gould, Smith, Edell, Welter &
Schmidt, P.A. for TGC International, Inc.

Jana P. Gonzalez of Meagher & Geer, PLLP for Novus
Marketing, Inc.

Before Sams, Simms and Walters, Administrative Trademark
Judges.

Opinion by Simms, Administrative Trademark Judge:

TGC International, Inc. (opposer), a Canadian
corporation, has opposed the application of Novus Marketing,
Inc. (applicant), a Minnesota corporation, to register the
mark NOVUS MARKETING, INC. for direct response advertising
services for others, namely, placing advertisements in print
media; list brokerage; list management; and bartering the

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goods and services of others.¹ In the notice of opposition, opposer has asserted that it and its predecessors (Novus, Inc. and Novus Franchising, Inc.) have used the mark NOVUS since 1974; that opposer is the world's largest franchisor of automotive glass repair and replacement services; that opposer owns six registrations all containing the word NOVUS for various goods and services such as insurance claims administration, repair of windshields, polymerizable material for glass repair, plastic polish and windshield repair kits; that the mark NOVUS is famous and well-known throughout the United States; that opposer offers marketing assistance to its franchisees; and that its franchisees advertise in print media and use direct response advertising. Opposer alleges that applicant's mark used in connection with applicant's services so resembles opposer's previously used and registered mark as to be likely to cause confusion, to cause mistake or to deceive.² In its answer, applicant has denied the essential allegations of the opposition and has asserted that the term NOVUS is "common" and that it cannot be "distinctive". Applicant has also

¹ Application Serial No. 74/463,461, filed November 26, 1993, based upon use in commerce since on or before January 1, 1987. In the application, the words "MARKETING, INC." have been disclaimed.

² We also note that, in Paragraph 11 of its pleading, opposer asserted that registration to applicant "will result in damage to Opposer under the provisions of §2(a)..." However, opposer has not pressed any Section 2(a) claim. Therefore, no further consideration will be given to this claim.

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asserted that opposer's claim is barred by the defenses of laches and estoppel.³

The record of this case consists of an official record filed with the Minnesota state government (a Uniform Franchise Offering Circular), submitted with applicant's notice of reliance; and testimony and exhibits taken by both parties. The parties have submitted briefs and an oral hearing was held.

The Record

According to the testimony of Ms. Sandra Henderson, general counsel and chief administrative officer of Novus, Inc., a wholly owned subsidiary of opposer, Novus, Inc. is the largest franchisor in the field of windshield repair and replacement. Founded in 1972, Novus, Inc. originally sold windshield repair kits but has grown to be a large franchisor having 474 franchisees in the United States which conduct windshield repair and/or replacement business. According to Ms. Henderson, Novus, Inc. promotes its business to insurance companies, utilities, government, to automobile fleet owners (rental car companies, automobile dealers, etc.) and to the general public by a number of means including television, radio, print media, direct mail, billboard advertising and the Yellow Pages. Franchisees of Novus, Inc. pay two percent of their gross sales into an

³ Applicant has offered no testimony or evidence concerning these

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advertising fund. Novus, Inc. provides marketing assistance to its franchisees, which, according to Ms. Henderson, includes placing direct response advertising for its franchisees as well as "list management" for offering or managing mailing lists. Over the last 25 years, Novus, Inc. and its franchisees have replaced over 18 million windshields.

According to Ms. Henderson, receptionists have told her that they receive ten to twenty phone calls per month intended for applicant.⁴ An exhibit shows that applicant's Yellow Pages listing is sandwiched between listings for Novus, Inc. in the Minneapolis phone directory. Because of these calls, applicant's phone number is included in the receptionists' desktop phone directory.

Applicant took the testimony of Scott Jagodzinski, its chief operating officer. Applicant, which began using its mark in 1987, is engaged in print media buying, list

affirmative defenses.

⁴ Applicant has objected to this testimony of misdirected phone calls by the general counsel on the basis of lack of foundation and hearsay. Even if considered, however, applicant maintains that these calls are not evidence of actual confusion and, in any event, are *de minimis*. Because it appears that the receptionists report to the general counsel, we will consider this evidence. See *Finance Co. of America v. BankAmerica Corp.*, 205 USPQ 1016, 1035 (TTAB 1979, amended 1980), *aff'd. unpub'd.*, Appeal No. 80-558 (Feb. 12, 1981, CCPA)(testimony allowed from employees involved in receipt or tabulation of misdirected mail or calls, from solicitors, and from a bank official who detailed matters occurring in his sphere of operations). See also, *Roux Laboratories, Inc. v. La Cade Products Co.*, 192 USPQ 458, 460-61 (TTAB 1976) and *Procter & Gamble Co. v. Keystone Automotive Warehouse, Inc.*, 191 USPQ 468, 471 (TTAB 1976).

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brokerage and list management services. In connection with its media buying services, applicant buys direct response print advertisements for its clients in newspapers and magazines, and, with respect to its list services, markets customer files to its clients. Applicant's services are rendered to executives at direct marketing companies such as Nordic Track, Select Comfort, Gateway 2000 and Sharper Image, and the mark is not exposed to the general public (Jagodzinski dep., 8). Applicant has over 100 customers.

When asked about third-party uses of the mark or name NOVUS, Mr. Jagodzinski testified that he knew of Novus Financial Network, and that some inquiries have been received concerning applicant's relationship, if any, to that entity (dep., 38). However, applicant has never received phone calls or misdirected mail intended for opposer.

According to applicant's testimony, applicant does not engage in the franchising business. The witness conceded opposer's prior use, but maintains that confusion is unlikely because the parties are engaged in different and non-competing activities.

Applicant's record also consists of a copy of the Uniform Offering Circular for Prospective Franchisees filed in March 1996 with the State of Minnesota. In this statement, opposer indicated that it "knows of no rights

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held by others, nor any infringing uses that could materially affect [franchisees'] use of any of [opposer's marks]."

According to the testimony of Ms. Jennifer Jasper, a receptionist working for applicant, she has never received any calls or mail which was intended for opposer or one of opposer's affiliated companies.

Arguments of the Parties

Opposer argues that the evidence shows that it is a franchisor and that it also provides business support and marketing services to its franchisees under the mark. Opposer argues that applicant, too, provides marketing assistance to businesses. Both parties, therefore, provide such services as purchasing print advertising and offering mailing lists. Opposer points out that applicant's identification of services is not restricted as to channels of trade or class of purchasers.

With respect to the marks, opposer maintains that its mark is famous in the field with about 500 franchisees offering windshield repair and replacement services, and that NOVUS is the dominant part of both parties' marks. Since there is no evidence of third-party use and because opposer contends there has been actual confusion, opposer asks that the opposition be sustained.

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Applicant, on the other hand, argues that opposer's registrations pertain to windshield repair and replacement goods and services, and that opposer's advertising services are rendered to those who own and operate its glass repair franchisees. In other words, opposer's media services are not offered to the general public, applicant maintains, and opposer's franchisees must be assumed to know the entity which is rendering marketing assistance to them and are not likely to be confused.⁵ Applicant maintains that there is no overlap in potential purchasers because it offers its direct marketing services to the direct advertising market, and, more particularly, to marketing directors of direct marketing companies. Because the purchasers of applicant's services are not impulse purchasers but high-level executives who use care before spending considerable sums on advertising services, applicant argues that confusion is not likely. Finally, applicant argues that the incidents of misdirected calls and mail, if considered by the Board, do not constitute actual confusion if caused by inattentiveness by the caller or by the letter-sender.

Opinion

First, it is well established that priority is not an issue in an opposition where the opposer makes of record its

⁵ In its reply brief, 7, opposer maintains that franchisees are among the group of people who may be confused by the use of applicant's mark.

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valid and subsisting registrations. *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Of course, opposer may also rely on its common law use of the pleaded mark NOVUS, and applicant does not dispute opposer's priority with respect to this use. Of course, we must determine the issue of likelihood of confusion on the basis not only of the pleaded registrations but also on the basis of whatever common law uses opposer has shown. *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 216 USPQ 937, 939 (Fed. Cir. 1983).

Upon careful review of this record, we believe that, although the dominant parts of the respective marks are clearly similar, opposer's marketing services rendered only to its franchisees, and applicant's advertising services, are sufficiently unrelated as to channels of trade and potential purchasers that confusion is unlikely. As applicant has pointed out, opposer's services are offered only to its franchisees, who must be considered relatively sophisticated purchasers who know with whom they are dealing. They are not likely to contact applicant to provide advertising services, but will contact the franchisor for marketing assistance. Even considering applicant's description broadly, as we must, we believe it unlikely that any of opposer's advertising customers will be confused.

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While there is evidence of misdirected phone calls in the Minneapolis area, we believe that those calls can largely be explained by the placement of applicant's Yellow Pages listing between those of Novus, Inc. In any event, the testimony is not precise enough for us to conclude that the phone calls were instances of actual confusion.

As to opposer's pleaded registrations relating to windshield repair and replacement goods and services, we conclude that those goods and services are simply too unrelated to applicant's direct response advertising services to be likely to cause confusion.

Decision: The opposition is dismissed.

J. D. Sams

R. L. Simms

C. E. Walters
Administrative Trademark
Judges, Trademark Trial
and Appeal Board