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HRW

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MARCH 9, 99

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Theodore E. Charles

v.

The Guardian Life Insurance Company of America

Cancellation No. 25,414

George E. Kersey for Theodore E. Charles.

Virginia R. Richard of Kane, Dalsimer, Sullivan, Kurucz,
Levy, Eisele and Richard, LLP for The Guardian Life
Insurance Company of America.

Before Hanak, Quinn and Wendel, Administrative Trademark
Judges.

Opinion by Wendel, Administrative Trademark Judge:

Theodore E. Charles has filed a petition to cancel
Registration No. 1,745,375 on the Supplemental Register for
the mark INVESTOR (in the design form shown below) for

"underwriting and administering an annuity insurance plan," pursuant to Section 2(d) of the Trademark Act.¹

INVESTOR

In the petition to cancel, petitioner, "as an individual trading as Investors Marketing and Investors Capital," alleges that prior to respondent's first use of its mark in January 1990, petitioner was using the marks INVESTOR'S MARKETING and INVESTOR'S CAPITAL in commerce in connection with the sales of stocks, bonds, insurance and annuities and that use by respondent of its mark INVESTOR and design is likely to cause confusion with use by petitioner of his marks.

Respondent, in its answer, denied the salient allegations of the petition to cancel and asserted, as affirmative defenses, that the petition fails to state a claim upon which relief can be granted and that, since petitioner's alleged marks are descriptive terms, as a matter of law, respondent's use of its mark cannot cause confusion with those descriptive terms.

The record consists of the file of the involved registration; the trial testimony of Theodore E. Charles in his own behalf and accompanying exhibits; the trial

¹ Reg. No. 1,745,375, issued Jan. 5., 1993, claiming first use dates of Jan. 1990. Section 8 affidavit filed and accepted.

testimony of Peggy Coppola, an officer of respondent, and accompanying exhibits; respondent's first notice of reliance introducing status and title copies of three registrations for marks which include the word INVESTOR owned by respondent and copies of articles reprinted from the Nexis database which refer to or discuss respondent, its wholly-owned subsidiary Guardian Investor Services Corporation and/or its variable annuity fund THE GUARDIAN INVESTOR; respondent's second notice of reliance introducing status and title copies of two additional registrations owned by respondent and one additional article referring to the GUARDIAN INVESTOR variable annuity.² Both parties have filed briefs but an oral hearing was not requested.

In the deposition taken of Theodore E. Charles, petitioner testified that, as of June 1997, he was chairman of Investors Capital Holding Company; that he became involved with forming Investors Marketing Services (IMS) in 1987, which was incorporated in 1989, at which time he was president of the corporation; that IMS was and is a wholesaler of insurance products; that in 1988 IMS began advertising under the names "Investors" and "Investors

² Respondent's motion to strike petitioner's notice of reliance was granted in the Board's order of January 6, 1998 and thus petitioner's notice of reliance and exhibits PA-PJ have been given no consideration. Respondent's motion to strike petitioner's reply brief was denied on April 14, 1998 and thus the reply has been considered.

Marketing Services" in various publications and sending out a monthly newsletter to the agents or brokers it had licensed as well as to potential recruits, using the title INVESTORS; and, that in June 1991 petitioner's counsel responded to a "cease and desist" letter from respondent, in which petitioner's counsel stated that Investor Marketing Services, Inc. had used its INVESTORS and design mark prior to any use by respondent and had the right to continue to do so (Exhibit 10).³ Petitioner introduced a copy of the incorporation document as well as a copy of the Uniform Application for Investment Advisory filed by petitioner in 1996 which listed petitioner's employment history with various companies through the years, including his position as president of Investors Marketing Services since 1987. As evidence of use of the mark INVESTORS, petitioner introduced copies of a newsletter dated September 1989 bearing the heading INVESTORS Marketing Services, Inc., in which references are made to various "Investors" Seminars (Exhibit

³ Respondent has strongly objected to the introduction of this letter as evidence that counsel for respondent had sent cease and desist letters to IMS and as evidence that IMS had advertised in certain publications, as stated in the letter. Respondent contends that it should be stricken as double hearsay. Petitioner argues that the letter is being relied upon only to show that it was sent in response to letters from respondent and not for the truth of the matter asserted therein.

We do not find that the letter is inadmissible as hearsay when relied upon solely to show that a letter was written to respondent's counsel by counsel for petitioner in response to prior letters from respondent. We have given no probative weight to the particular statements made in the letter. Respondent's request to strike is denied.

6), of a marketing piece used to recruit agents to sell equity products of Investors Marketing Services, Inc. (Exhibit 7) and of newsletters dated January 1990 (Exhibit 8) and January 1991 (Exhibit 9) bearing the heading INVESTORS Newsletter, with the name Investors Marketing Services, Inc. in smaller print in the line below.

Respondent, by means of its notices of reliance, has established ownership of four registrations on the Principal Register for marks containing as a portion thereof the phrase GUARDIAN INVESTOR.⁴

In the deposition of Peggy Coppola, an officer of both respondent and Guardian Investors Services Corporation (the

⁴ Reg. No. 1,890,167, issued Apr. 18, 1995, for the mark GUARDIAN INVESTOR SERVICES CORPORATION for investment advisory and mutual fund services, namely, managing funds, stocks, and bonds and other investments for institutions and the general public. A disclaimer has been made of the words "Investor Services Corporation."

Reg. No. 1,651,016, issued July 16, 1991, for the mark THE GUARDIAN INVESTOR for underwriting and administering an annuity insurance plan. A disclaimer has been made of the word "Investor."

Reg. No. 1,634,339, issued Feb. 5, 1991, for the mark GUARDIAN INVESTOR SERVICES for investment advisory and mutual fund services namely, managing funds, stocks and bonds and other investments for institutions and the general public. A disclaimer has been made of the words "Investor Services."

Reg. No. 1,634,338, issued Feb. 5., 1991, for the mark GUARDIAN INVESTOR SERVICES and Bull & Bear design for investment advisory and mutual fund services, namely, managing funds, stocks, bonds, and other investments for institutions and the general public. A disclaimer has been made of the words "Investor Services."



Guardian Investor Services

brokers-dealers subsidiary of respondent), Ms. Coppola testified that THE GUARDIAN INVESTOR was developed as a variable annuity in 1990; that the product has been continuously sold since 1990 under both that mark and the INVESTOR and design mark depicted in respondent's Supplemental Registration; that at the time of the deposition there were about 85,000 contract holders in THE GUARDIAN INVESTOR variable annuity; that this annuity has consistently received high ratings; that the annuity is sold through licensed brokers, either respondent's registered representatives or independent brokers who have a selling agreement with respondent; that respondent has spent approximately \$10 million in extensive advertising and promotion of the annuity since 1990 and that respondent's income from sales of the annuity has neared \$2 billion since its introduction; that respondent distributes millions of pieces of promotional materials each year in connection with THE GUARDIAN INVESTOR variable annuity, including, for example, sales kits to brokers and agents, prospectuses to the public, and semi-annual reports to contract holders, all of which show use of the registered INVESTOR and design mark; and that the annuity has received substantial, unsolicited, favorable publicity since its introduction. Ms. Coppola also testified that Investor's Capital Corp.(ICC), of which petitioner is CEO, entered into a

selling agreement with respondent's subsidiary Guardian Insurance & Annuity Company in 1993 permitting ICC brokers to sell THE GUARDIAN INVESTOR annuity and other equity products of respondent and that this agreement remains in effect.

Petitioner maintains that, on the basis of the evidence of use by IMS of the mark INVESTORS since 1987, he has shown that he has prior rights with respect to use of the mark. Petitioner argues that respondent's assertions that petitioner's marks are merely descriptive terms and cannot result in confusion is without merit, since, even if descriptive, the principal feature of both petitioner's and respondent's marks is the word "investor".⁵ Petitioner further asserts that respondent has abandoned its registered mark by nonuse, and has committed fraud on the Office by defending this registration, since all the evidence of record shows use by respondent of the mark INVESTORS in connection with the word GUARDIAN. Petitioner notes that in

⁵ Although petitioner alleged use of the marks INVESTOR'S CAPITAL and INVESTOR'S MARKETING in its petition to cancel, petitioner's evidence is directed to use of the mark INVESTORS. Since, however, respondent has raised no objection to this evidence as not being within the allegations of the pleadings, we find the issue of use of the mark INVESTORS by petitioner to have been tried by the implied consent of the parties and the pleadings to be amended accordingly. FRCP 15(b).

all other of registrant's registrations the phrase "Investor Services" or the word "Investor" has been disclaimed.⁶

As its initial defense, respondent contends that petitioner has failed to establish his standing to bring this action. Respondent argues that petitioner has not proved that petitioner, "trading as Investors Marketing or Investors Capital," has ever used the word "investors" or a stylized combination word/design mark which includes the word "investors" in commerce. Respondent notes that although petitioner may be titular president of and a consultant for IMS, there is no evidence of record of petitioner's ownership interest in the company. Respondent argues that the assertion of the potential rights of the

⁶ Respondent points out that the issues of fraud and abandonment have been raised for the first time in petitioner's brief. Upon review of the trial record, we find it clear that these claims were not only not raised in the original pleadings of petitioner, but also were not tried by either express or implied consent. See FRCP 15(b). Accordingly, petitioner's arguments with respect to its claims of fraud and abandonment have been given no consideration. While we do not find these claims so specious as to be considered violative of Rule 11, as argued by respondent, we note that respondent is entirely correct in its arguments that more than one trademark may be used at the same time without the loss of the source indicating function of each portion. See *Procter & Gamble Co. v. Keystone Automotive Warehouse, Inc.*, 191 USPQ 468 (TTAB 1976). Thus, the fact that respondent may use GUARDIAN in close proximity to its registered INVESTOR and design mark is not indicative of abandonment or nonuse of the registered mark in itself.

Furthermore, the fact that "Investor" or "Investor Services" has been disclaimed in other registrations of respondent is no more than cumulative evidence of the descriptive nature of the term "Investor," as has already been acknowledged by respondent's registration of its INVESTOR and design mark on the Supplemental Register.

third party IMS does not give petitioner standing.⁷

Respondent also argues that petitioner has failed to show any likelihood of damage to him as a result of the continued registration of respondent's mark as is necessary for standing. Finally, on the issue of standing, respondent maintains that since petitioner is relying upon an unregistered term, petitioner must prove either that the term is inherently distinctive or that the mark has acquired distinctiveness prior to respondent's first use, a burden which respondent argues petitioner has failed to meet.

Petitioner, in his response with respect to the standing issue, states that he is not only chairman of Investors Capital Holding Company but also president of IMS and employed by it. Petitioner claims that Exhibits 6 and 7 substantiate his use of the mark "Investors Marketing" and "Investor's Capital" prior to 1990 and that the advertisements placed in various publications in 1988 and 1989 were at his instruction. Petitioner insists that the record is "full of references to the use by Petitioner (or

⁷ Respondent points to the following testimony during cross-examination of Mr. Charles by respondent's counsel:

Q. And this action is brought on your own personal behalf, in your own name, correct?

A. Correct, and on behalf of Investors Marketing Services.

Q. And what is your relationship with Investors Marketing Services that you would bring an action on in your own name?

A. I'm employed by Investors Marketing Services as well and receive fees as a consultant.

[Charles Tr. 31].

any third party on behalf of which Petitioner claims to assert the rights) of the marks INVESTOR, INVESTORS MARKETING AND INVESTORS CAPITAL..." [Reply p.12].

All that is necessary to establish standing under present day standards is that petitioner has a real interest in the proceeding beyond that of the general public. See *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021 (Fed. Cir. 1987); *Lipton Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). However, a party cannot assert the rights of a third party unless it can establish that it has legitimate reasons for asserting the claim in its own behalf. See *Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 853 F.2d 888, 7 USPQ2d 1628 (Fed. Cir. 1988). The fact that a person is an officer of a corporation, without any evidence of commercial activity or use of the pleaded mark in his own behalf rather than by the corporation, is not sufficient to establish standing for that person, as an individual. See *Societe Civile des Domaines Dourthe Freres v. S.A. Consortium Vinicole De Bordeaux et De La Gironde*, 6 USPQ2d 1205 (TTAB 1988).
therein.

Petitioner in this case claims that the evidence demonstrates use by him of the pleaded (or tried) marks and potential damage to him, as is sufficient to establish standing for him as an individual. In addition, however,

petitioner claims the right to assert the rights of the third party IMS. Thus, the question before us is whether petitioner has shown any commercial activity in his own behalf in connection with the marks upon which he relies or whether ownership and use of the marks lies solely with IMS and petitioner has no legitimate reasons for asserting a claim as an individual.

Petitioner has testified that he became involved with forming Investors Marketing Services in 1987 and that this company began advertising in 1988 in various publications, and also began issuing a newsletter at that time. In 1989 the company was incorporated, and as shown by the incorporation document made of record, petitioner and Janice Charles were the sole officers and directors listed for the company. The only evidence of actual use of the mark INVESTORS (or INVESTORS Marketing Services, Inc.) which has been demonstrated, however, is in connection with newsletters issued since 1989, presumably after incorporation because the corporation was so identified in the newsletters.

Regardless of the limited evidence of use, however, we find that petitioner has adequately shown that he, as an individual, has a real interest in this proceeding. He has testified as to his participation in the founding of Investors Marketing Services and in the advertising by this

entity under the names "Investors" and "Investors Marketing Services" beginning in 1988. Thus, at this point, petitioner was directly involved in the commercial activity with respect to use of the pleaded (or tried) marks. When the company was incorporated in 1989 and use of the marks switched to the corporation, petitioner was the principal officer of the corporation. Although petitioner has introduced no written evidence to prove that use of the marks by IMS inured to his benefit, either by means of his ownership of the marks and licensing to IMS or his ownership of IMS, we find that his major involvement in the predecessor company and later in IMS is sufficient to presume at least an implied license from petitioner to IMS for use of the marks. Cf. *In re Briggs*, 229 USPQ 76 (TTAB 1986) [since applicant had established his adoption and use of mark as an individual and the later oral license of mark to corporation of which he was president, applicant effectively controlled quality of services offered under mark, and use by corporation inured to benefit of applicant]. Accordingly, we find that petitioner has adequately demonstrated the real interest necessary to establish his standing to seek cancellation of respondent's registration.

We find, however, that petitioner has failed to meet his burden of proof with respect to the issue of likelihood

of confusion. Even without resolving the issue of priority or the questions raised by respondent with respect to petitioner's proof that the term INVESTORS, as used by petitioner or IMS, either was inherently distinctive or had acquired distinctiveness, we find petitioner's case to be insufficient.

In the first place, the term INVESTORS is, at the very least, highly suggestive when used in connection with goods or services related to the investment field. Thus, petitioner's mark cannot be considered to have strong trademark significance and cannot be relied upon as the determinative factor, in itself, in resolving the issue of likelihood of confusion, although petitioner apparently believes this to be the case. See *Tektronix, Inc. v. Daktronics, Inc.*, 534 F.2d 915, 189 USPQ 693 (CCPA 1976); *In re Hamilton Bank*, 222 USPQ 174 (TTAB 1984). Second, the only use of the mark INVESTORS shown by the evidence of record is in connection with a newsletter sent to broker-agents and arguably in connection with the seminars offered therein. As such, the only proven use of the mark is for the limited purposes of recruitment, training and general dispensing of information, by means of a newsletter or seminars, to brokers or agents, a sophisticated level of purchasers. There is no evidence of use by petitioner or IMS of INVESTORS, or any version thereof, as a mark in

connection with the sale of stocks, bonds, insurance and annuities to the general public.

Thus, we find such disparity between the services with which respondent uses its registered INVESTOR and design mark and the publications or seminars intended only for brokers with which petitioner uses its INVESTORS mark as to preclude any holding of likelihood of confusion. There is no need to go into the issues of whether or not petitioner has the burden of demonstrating acquired distinctiveness for the mark used by IMS and whether or not this acquired distinctiveness must be prior to respondent's first use of its mark or prior to respondent's mark's having acquired distinctiveness.⁸ See Perma Ceram Enterprises Inc. v. Preco Industries Ltd., 23 USPQ2d 1134 (TTAB 1992)

Decision: The petition to cancel is dismissed.

E. W. Hanak

T. J. Quinn

H. R. Wendel
Trademark Administrative Judges,
Trademark Trial and Appeal Board

⁸ In view of our decision, we have no need to consider the equitable defenses argued by respondent in its brief. We would note, however, that these defenses also were not raised in the pleadings, and do not appear to have been tried either by express or implied consent of the parties.

Cancellation No. 25,414