

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

Trademark Trial and Appeal Board

Absormex S.A. de C.V.
v.
Paper Source Company, Inc.

Opposition Nos. 109,904
to application Serial Nos. 75/157817
filed on August 28, 1996

David M. Zeligs for Absormex S.A. de C.V..

Richard A. Ryan for Paper Source Company, Inc.

Before Cissel, Hairston and Holtzman, Administrative
Trademark Judges.

Opinion by Hairston, Administrative Trademark Judge:

Paper Source Company, Inc. (hereinafter referred to as
"Paper Source" or "applicant") has filed an application to
register the mark WISE CHOICE and design as shown below

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for "toilet tissue, facial tissue, paper towels and paper napkins."¹

Registration has been opposed by Absormex S.A. de C.V. (hereinafter referred to as "Absormex" or "opposer"), a Mexican corporation. As grounds for opposition, opposer alleges that prior to the filing date of applicant's application, opposer has used the mark WISE BUY! and design as shown below on bathroom tissue, napkins and paper towels,

and that applicant's WISE CHOICE and design mark so resembles opposer's previously used mark as to be likely to cause confusion, mistake or deception.

Applicant, in its answer, denied the salient allegations in the notice of opposition. Applicant also asserted several affirmative defenses, the following of which it pursued at trial: 1) opposer lacks standing; 2) opposer acquired no rights to the mark WISE BUY! from its

¹ Application Serial No. 75/157,817 was filed on August 28, 1996

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predecessor in interest; 3) any use of WISE BUY! or a similar mark by opposer, or its predecessor in interest, was by permission of applicant; and 4) opposer, or its predecessor in interest, failed to use the mark WISE BUY! continuously, resulting in abandonment of such mark.

The record consists of the pleadings; the deposition testimony, with exhibits, of William Gabrielli, Christopher Edwards and Edwin Edwards; and opposer's notice of reliance on applicant's responses to its discovery requests. Both parties filed briefs on the case, but an oral hearing was not requested.

The record shows that opposer is in the business of selling bathroom tissue, napkins and paper towels in the United States and that opposer is the owner of application Serial No. 75/224,817 for the mark WISE BUY! for these goods. Christopher Edwards, who was President of opposer's predecessor in interest, Paper Sales Co., testified that Paper Sales Co. first used the WISE BUY! mark on bathroom tissue, napkins and paper towels at least as early as October 1995. William Gabrielli, who was a consultant for Paper Sales Co. and is now President of Absormex U.S.A. (opposer's wholly-owned subsidiary), testified that opposer has sold paper products using the WISE BUY! mark through its

on an intent-to-use basis, Section 1(b) of the Trademark Act.

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wholly-owned subsidiary, Absormex U.S.A., and continues to use the mark in commerce.

The record shows that applicant also is in the business of selling bathroom tissue, paper towels and paper napkins. However, applicant has not commenced use of the applied-for mark in connection with these products.

At the outset, we note that there is no dispute with respect to the issue of likelihood of confusion. Applicant concedes on page one of its brief that confusion is likely in this case.² Also, opposer has clearly established the real interest necessary to have standing in this proceeding. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999). Opposer is a competitor in the paper products business and is using the WISE BUY! mark. No more is necessary.

We turn then to the remaining issues raised in this proceeding, namely, priority, ownership and abandonment.

Opposer maintains that Paper Sales Co., Inc. first used the WISE BUY! mark as early as October 1995; that a single, brief period of non-use of the mark by Paper Sales Co. does not constitute abandonment; that Paper Sales Co. assigned

² Applicant states as follows: "Both the WISE CHOICE and WISE BUY! applications seek registration in International Class 16 for the same goods and utilizing essentially the same design. Opposer argues that concurrent use of the similar names with the same design is likely to lead to confusion. Applicant agrees with this position."

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all rights in the mark to opposer in December 1997; and that opposer has continuously used the mark since the assignment.

Applicant, on the other hand, argues that Paper Sales Co. never owned the WISE BUY! mark and thus opposer has no rights in the mark. It is applicant's position that Edwin Edwards, who was a consultant to Paper Sales Co., created the mark and that he allowed Paper Sales Co. initially to use the mark. Applicant argues that Edwin Edwards never transferred ownership of the mark to Paper Sales Co. and that to the extent that Paper Sales Co. had any rights in the mark, it abandoned those rights because from late 1995 to August 1996 Paper Sales Co. made no sales of goods bearing the mark.

Opposer has demonstrated through the testimony of Messrs. Gabrielli and C. Edwards and documentary evidence that Paper Sales Co. first used the WISE BUY! mark at least as early as October 1995.³ Although it appears that Edwin Edwards, who was a consultant to Paper Sales Co., created the mark, it was Paper Sales Co. which made first use of the mark. It is well settled that rights in a trademark are obtained through actual use of the mark in connection with goods or services, so Paper Sales Co., rather than Edwin Edwards, can claim first use and therefor ownership of the

³ The earliest date on which applicant may rely is August 28, 1996, the filing date of its intent-to-use application.

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mark. See J. T. McCarthy, McCarthy on Trademarks and Unfair Competition, §16.03 (4th ed. 1999).

We turn next to applicant's contention that opposer is not the owner of the mark because it did not properly acquire rights from Paper Sales Co. In particular, applicant argues on page 10 of its brief that "assignments of trademarks can only be done in writing. Here no such writing has been alleged or proven to exist."

It is not necessary to have a trademark assignment in writing in order to transfer common law rights in a trademark. *Speed Products Co. v. Tinnerman Products, Inc.*, 179 F.2d 778, 83 USPQ 490 (2d Cir. 1949). Absent documentary evidence of an assignment, proof may be shown by the clear and uncontradicted oral testimony of a person in a position to have actual knowledge the assignment. *Sun Valley Co. v. Sun Valley Mfg. Co.*, 167 USPQ 304 (TTAB 1970); *Diebold, Inc. v. Multra-Guard, Inc.*, 189 USPQ 119 (TTAB 1975).

Christopher Edwards, who was President of Paper Sales Co., and Mr. Gabrielli, who was a consultant for Paper Sales Co. and is now President of Absormex U.S.A., opposer's wholly owned subsidiary, have both testified that Paper Sales assigned its rights to the WISE BUY! mark to opposer at the end of 1997. Both persons were in a position to have

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actual knowledge of the assignment and their testimony is uncontradicted.

Inasmuch as the written assignment by Paper Sales Co. to Absormex S.A. de C.V. and Paper Sales Co., Inc. was first submitted as an exhibit to its reply brief, it is not properly of record. However, the Board finds that an assignment agreement existed between the two companies based on the uncontradicted oral testimony of Messrs. C. Edwards and Gabrielli.

We now turn to applicant's allegation that Paper Sales Co. abandoned any rights it had in the WISE BUY! mark. Applicant bases this allegation on the testimony of Edwin Edwards, who testified that Paper Sales did not make any sales of products bearing the WISE BUY! mark during the time period between late 1995 and August 1996. Edwin Edwards also testified that Paper Sales Co. was experiencing financial difficulties and had no supply of product to sell.

Because abandonment of a trademark is in the nature of a forfeiture, it must be strictly proved. Evidence of abandonment must be clear and convincing. *Prudential Ins. Co. v. Gibraltar Financial Corp.*, 694 F.2d 1150, 1156 (9th Cir. 1982), *United States Jaycees v. Philadelphia Jaycees*, 639 F.2d 134, 139 (3d Cir. 1981). The Lanham Act defines "abandonment" as follows:

A mark shall be deemed to be "abandoned" if either of the following occurs:

- (1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. "Use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in the mark.
- (2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph. (15 U.S.C. § 1127)

Applicant has failed to establish that Paper Sales Co. abandoned its rights to the WISE BUY! mark. The time period that applicant alleges Paper Sales did not use the mark amounts to little more than one year. Thus, any non-use for this time period would not trigger the presumption of intent not to resume use of the mark based on three consecutive years of non-use. Furthermore, applicant has not sufficiently demonstrated that Paper Sales Co. intended not to resume use of the mark during any of the alleged period of non-use. We note in this regard that applicant's own witness has testified regarding Paper Sales Co.'s financial difficulties and lack of product to sell during the period of non-use. See *Kardex Systems, Inc. v Sistemco N.V.*, 583 F. Supp. 803, 221 USPQ 977 (D.C. Me. 1984)(seller's non-use was

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excused by financial difficulties); *Saratoga Vichy Spring Co. v. Lehman*, 625 F.2d 1037, 208 USPQ 175 (2d Cir. 1980).

In view of the foregoing, we find that opposer has established priority of use and that it is the owner of the WI\$E BUY! mark. Inasmuch as applicant has conceded the issue of likelihood of confusion with respect to the WISE BUY! and WISE CHOICE marks, we find that contemporaneous use of these marks is likely to cause confusion.

Decision: The opposition is sustained.

R. F. Cissel

P. T. Hairston

T. E. Holtzman
Administrative Trademark Judges
Trademark Trial and Appeal Board