

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

LAF Enterprises, Inc.
v.
Lauren Enterprises

Cancellation No. 22,554

Norman E. Lehrer for LAF Enterprises, Inc.

Paul F. Prestia of Ratner & Prestia for Lauren Enterprises.

Before Hanak, Hohein and Hairston, Administrative Trademark Judges.

Opinion by Hanak, Administrative Trademark Judge:

On January 24, 1994 LAF Enterprises, Inc. (petitioner) filed a petition to cancel Registration No. 1,047,312 owned by Lauren Enterprises (respondent). This registration -- which issued on August 31, 1976 -- is for the mark FRANCHISE for "equipment sold as a unit for playing a board game." The sole ground for the petition for cancellation was petitioner's contention that respondent "has abandoned the registered mark FRANCHISE by discontinuing use of said mark for a period of at least two years with no intent to resume said use." (Petition paragraph 3). Furthermore, petitioner

alleged that it "is likely to be damaged by continuance of said registration in that petitioner intends to use the trademark FRANCHI\$IT for games and petitioner's legal use of said mark will be impaired by the continued registration of said abandoned mark of respondent." (Petition paragraph 4).

Respondent filed an answer which, among other things, denied the allegations of paragraphs 3 and 4 of the petition of cancellation.

Both parties filed trial briefs. Neither party requested an oral hearing. At the outset, three matters deserve clarification.

First, in 1996 respondent failed to renew its Registration No. 1,047,312. However, as explained in orders of this Board dated October 2, 1997 and December 3, 1997, both parties elected to have the Board issue a decision in this cancellation proceeding.

Second, both parties have objected to much of the evidence submitted by the other party. We find these objections to be lacking in merit. In this regard, we note that in their briefs, both parties have wisely waived most of their objections. (Petitioner's brief page 6; Respondent's brief page 15). To be perfectly clear, we find that contrary to respondent's objection, the deposition of Loren Fossie (president of petitioner) was properly noticed and taken by petitioner. Moreover, the sole purpose of Ms.

Fossie's deposition was to prove opposer's standing, which standing has otherwise been established. Likewise, we find that respondent has, pursuant to Trademark Rule 2.120(j)(4), properly introduced into evidence other pages from the discovery deposition of respondent's principal (Edward Uva) which should in fairness be considered so as to not make misleading those pages of Mr. Uva's discovery deposition which were offered into evidence by petitioner. This ruling specifically allows the introduction into evidence of page 105 of the Uva discovery deposition, the sole page to which petitioner still maintains an objection. (Petitioner's brief page 6). With regard to page 105, it is petitioner's position that "neither [respondent's] game board nor the box ... are part of the record," and thus respondent "should not be allowed to testify as to them." (Petitioner's brief page 7). To cut to the quick, petitioner elected to put into evidence selected pages from the Uva discovery deposition. Some of these pages dealt with how respondent did (or did not) use its FRANCHISE mark. In fairness, respondent is entitled to submit additional pages from its discovery deposition which afford this Board a more complete understanding of respondent's use of its FRANCHISE mark. Moreover, while it is true, as petitioner alleges, that respondent did not put into evidence its FRANCHISE game board and box, what petitioner fails to note is that

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petitioner itself attached photocopies of various sides of respondent's FRANCHISE box to petitioner's motion for summary judgment. In its summary judgment decision of April 6, 1996, this Board reproduced at page 3 a portion of the bottom side of respondent's box. This reproduction was taken from materials submitted by petitioner in support of petitioner's motion for summary judgment. This reproduction (shown again below) in the Board's summary judgment decision of April 5, 1996 is an important part of said decision. The entire decision, including the reproduction, forms part of the record in this case. See 1B J. Moore, J. Lucas and T. Currier, Moore's Federal Practice Section 0.404[1] (2d ed. 1984).

(image not available)

Finally, it should be clarified as to which issues are properly before the Board. As previously noted, the only ground for cancellation set forth in the petition was that respondent "abandoned the registered mark FRANCHISE by discontinuing use of said mark for a period of at least two years with no intent of said use." (Petition paragraph 3). At page 4 of its opening trial brief, petitioner clarified its position on respondent's purported nonuse in the following manner: "The record demonstrates absolutely no sales activity of any kind from at least as early as February 26, 1988 when respondent purchased the FRANCHISE trademark to the end of May 1990 when respondent alleges to have sold two to four FRANCHISE FRENZY games. This is clearly more than two years. Nonuse for two years is prima facie evidence of abandonment, 15 USC 1127 ... " However, in its reply brief, petitioner argues that commencing in May 1990, respondent's use of its FRANCHISE trademark "is so small that it cannot be seen with the naked eye." (Reply brief page 8). Moreover, at page 6 of its brief in support of its motion for summary judgment, petitioner argued that respondent's use of its FRANCHISE trademark on the bottom of its box (see the reproduction above) was use in a mere "descriptive sense to inform the reader of the nature or kind of the game within the box." Finally, we note that at page 7 of its opening trial brief, petitioner -- in

discussing the fact that respondent did not make of record its game board or box -- makes the following, hard to understand allegation: "There may be an issue as to how the public sees these words [FRANCHISE FRENZY and FRANHISE?], what it [?] means to them and whether the word or words are being used to convey trademark significance."

To be perfectly clear, we find that the only issue which is properly before this Board is whether respondent's acknowledged nonuse of its FRANCHISE trademark from February 1988 to May 1990 is excusable nonuse or instead is an abandonment of its mark. Petitioner never alleged in its petition for cancellation that respondent's uses of its mark FRANCHISE from May 1990 to the conclusion of the testimony period in this case were "defective uses" in that they were either too small and/or simply descriptive in nature. Moreover, we find that there is nothing in the record to indicate that the sufficiency of respondent's use of its FRANCHISE trademark from May 1990 to the present was tried by the explicit or implicit consent of the parties. Accordingly, we find that the only issue properly before this Board was whether respondent's nonuse of its FRANCHISE mark from February 1988 to May 1990 constituted abandonment of said mark. However, because the Board -- for reasons unclear now -- considered in its summary judgment decision of April 5, 1996 the manners in which respondent used its

FRANCHISE mark, we will at the conclusion of our opinion discuss the second possible prong of petitioner's abandonment claim, namely, that commencing in May 1990, respondent's use of FRANCHISE was "so small that it cannot be seen with the naked eye" (petitioner's reply brief page 8), and that said use was not "as a trademark" but rather was in a "descriptive sense to inform the reader of the nature or kind of game within the box." (Petitioner's brief in support its motion for summary judgment page 6).

We now turn to the merits of the only issue properly before us, namely, whether respondent abandoned its rights in the mark FRANCHISE as the result of its failure to make sales of board games bearing this mark between February 1988 (when respondent purchased Registration No. 1,047,312) and May 1990 when it commenced sales of board games bearing both the marks FRANCHISE FRENZY and FRANCHISE. When the cancellation petition was filed on January 24, 1994, Section 45 of the Lanham Trademark Act 1946 provided, in part, that "nonuse for two consecutive years shall be prima facie evidence of abandonment." (15 U.S.C. 1127). Effective January 1, 1996, the nonuse period was increased from two to three years. However, so as not to give retroactive effect to this statutory change, the nonuse period to be applied in this case shall be two years and not three years.

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Both parties acknowledge that respondent Lauren Enterprises is a sole proprietorship consisting of Edward Uva. Mr. Uva has worked primarily as a carpenter since he was 18. In early 1986, Mr. Uva began developing concepts for a board game. Later that year, he considered two names for his game: FRANCHISE FRENZY and LUCKY LOTTO. By 1987, Mr. Uva had rejected the name LUCKY LOTTO, and had tentatively decided to use the name FRANCHISE FRENZY for his board game. Later that year, Mr. Uva contacted an attorney (Tom Lennox) who conducted a trademark search for the mark FRANCHISE FRENZY. This search revealed Registration No. 1,047,312 for the mark FRACHISE. Mr. Uva proceeded to purchase the FRANCHISE trademark and its registration, and a formal assignment of the trademark and registration to Mr. Uva was executed on February 26, 1988. Mr. Uva acknowledges that commencing on February 26, 1988, the prior owner of said mark and registration (American Brokers Exchange Limited) ceased all use of said mark. While a protective order precludes us from revealing the amount of money which Mr. Uva paid to obtain the FRANCHISE mark and registration, suffice it to say that we deem it to be a substantial sum for an individual working as a carpenter.

During 1988, Mr. Uva continued working on the "mechanics" for his board game. In addition, he had outside printers and artists developing the art work for his game.

Finally, during 1988 Mr. Uva worked with individuals at the Wharton School at the University of Pennsylvania in developing his board game.

The record -- namely, the selected pages of Mr. Uva's discovery deposition submitted by both parties -- is silent as to Mr. Uva's activities during 1989. However, by early May 1990, Mr. Uva had in his possession in final form 1,000 boxes for his board game; enough finished materials to assemble 500 of the board games themselves; and 50 pre-assembled, boxed board games. In May 1990 Mr. Uva attended a trade show in Valley Forge, Pennsylvania where he sold approximately two to four of his board games which bore the mark FRANCHISE FRENZY in a prominent fashion and which also bore the mark FRANCHISE in a secondary fashion. The manners of use by Mr. Uva trading as Lauren Enterprises of the marks FRANCHISE FRENZY and FRANCHISE will be discussed at greater length later in this opinion. From May 1990 until his discovery deposition of December 15, 1994, Mr. Uva had sold approximately 100 FRANCHISE FRENZY/FRANCHISE board games to purchasers located in New York, New Jersey, Pennsylvania, Maryland and Virginia.

The period of nonuse alleged by petitioner spans just slightly over two years and two months, namely, from the latter part of February 1988 to early May 1990. While respondent does not dispute that there were no sales by

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respondent of its FRANCHISE FRENZY/FRANCHISE board game prior to early May 1990, we find in reviewing the totality of respondent's activities during this time period that said activities are sufficient to demonstrate that respondent's "nonuse is excusable" and that, hence, respondent "has overcome the presumption that its nonuse was coupled with an 'intent not to resume use,' or ... an 'intent to abandon.'" Imperial Tobacco Ltd. v. Philip Morris Inc., 899 F.2d 1575, 14 USPQ2d 1390, 1395 (Fed. Cir. 1990). During the nonuse period of approximately two years and two months, it must be remembered that respondent paid a considerable amount of money to obtain rights to the FRANCHISE mark and registration; that respondent continued to work on developing his game; that respondent retained the services of outside artists and printers; that respondent consulted with individuals at Wharton School at University of Pennsylvania; and that respondent incurred the expenses of preparing 1,000 game boxes, 500 sets of games, and 50 fully assembled and boxed games. Moreover, respondent was undertaking all of these activities while working full time as a carpenter. Viewed in this context, we find that respondent's nonuse of the mark FRANCHISE during a period of just over two years and two months was fully justifiable and amply demonstrates that respondent had no intent to abandon

the mark FRANCHISE for which it had paid a substantial amount of money.

Having found that respondent's nonuse during the period from late February 1988 to early May 1990 is justifiable, we will now consider the second possible prong of petitioner's abandonment claim, namely, that commencing in May 1990, respondent's use of FRANCHISE was "so small that it cannot be seen with the naked eye" (petitioner's reply brief page 8), and that said use was not "as a trademark" but rather was in a "descriptive sense to inform the reader of the nature or kind of game within the box." (Petitioner's brief in support of its motion for summary judgment page 6). See also petitioner's brief page 7. ("There may be an issue as to how the public sees these words, what it means to them and whether the word or words are being used to convey trademark significance."). We note that in order to properly decide the merits of this second prong, we have to review the photocopies of respondent's game box which were attached as exhibits to petitioner's motion for summary judgment. If we accepted petitioner's allegation that respondent's game box (and presumably copies of said box) are not part of the record (petitioner's brief page 7), then we would be left with only Mr. Uva's description of the box. (Uva dep. 104-105).

Considering first the notices appearing on the sides of respondent's game board boxes (FRANCHISE and FRANCHISE FRENZY are registered trademarks USPTO of Lauren Enterprises), we find that if these notices were the only uses of FRANCHISE in connection with respondent's board game, that such uses, because of the small lettering, would not inform buyers that FRANCHISE is a trademark of respondent. However, as previously depicted in this opinion and in this Board's decision of April 5, 1996, respondent, commencing in May 1990, has made a far more prominent use of its FRANCHISE mark on the box for its board game. This use depicts the mark FRANCHISE in medium size lettering, and it reads as follows: Lauren Enterprises Franchise Board Game. As depicted in this manner, FRANCHISE is arguably being used as a trademark, and it could be so perceived by buyers of respondent's board game. Respondent, by depicting its mark FRANCHISE with its trade name (Lauren Enterprises) preceding it, and with the generic term (board game) following it, has made what could be considered to be trademark use of the term FRANCHISE. While in an ideal world, it would no doubt have been helpful if respondent had depicted FRANCHISE in all capital letters and placed the generic "board game" in all lower case letters, respondent's failure to do so does mean that it did not arguably make trademark use of FRANCHISE or that purchasers would not regard such use as

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trademark use. Moreover, while it is true that beneath the words "Lauren Enterprises Franchise Board Game" there appear the words "120 franchise cards," there also appear the words "6 Franchise fact sheets." (emphasis added). It must be remembered that the burden is upon petitioner to demonstrate abandonment by a preponderance of the evidence and we find, in light of the above, that petitioner has failed to do so.

Furthermore, with regard to petitioner's claim that respondent's use of FRANCHISE was in a "descriptive sense," two additional points need to be made. When the petition for cancellation was filed, the registration for FRANCHISE was over five years old, and thus petitioner could not and did not set forth a legally sufficient claim that FRANCHISE was merely descriptive. While a cancellation petitioner is free to argue that a part of a registered mark is descriptive, it may not argue that the entire mark is descriptive if the registration is over five years old. Cf. In re National Data Corp., 753 F.2d 1056, 224 USPQ 749, 752 (Fed. Cir. 1985). Respondent's registration of FRANCHISE consists, obviously, of just one word. Because the registration was over five years old when the cancellation petition was filed, petitioner could not attack (and in its cancellation petition did not attack) the registration on the basis that FRANCHISE is descriptive of a type of board game because such an attack would be an attack

on the entirety of the registered mark. Second, even assuming for the sake of argument that petitioner could have attacked the registered mark FRANCHISE on the basis that it was descriptive, petitioner put in absolutely no evidence demonstrating that the word FRANCHISE is descriptive of a type of board game.

Both parties have acknowledged that one product, in this case a board game, may have more than one trademark. (Respondent's brief page 9; petitioner's reply brief page 5). Indeed, it has been noted that "in today's marketing environment ... the practice of using multiple marks on a product is probably more the rule than the exception," and that "there is nothing in our jurisprudence which obligates a trademark owner, in order to avoid abandonment of its registered mark, to use the mark by itself." General Foods v. Ito Yokado, 219 USPQ 822, 824 (TTAB 1983).

There can be no dispute that respondent's primary trademark for its board game is FRANCHISE FRENZY. However, by use of the phrase "Lauren Enterprises Franchise Board Game," respondent arguably has also made trademark use of FRANCHISE per se. Moreover, the two trademark registration notices previously discussed, while not sufficient by themselves to show trademark use of FRANCHISE, lend some small additional support to the conclusion that buyers of

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respondent's board game would view FRANCHISE as secondary mark.

In summary, we find that respondent's nonuse of its FRANCHISE mark from late February 1988 to early May 1990 was excusable, and that thereafter, respondent made use of FRANCHISE as a secondary trademark to its primary trademark FRANCHISE FRENZY. Accordingly, respondent did not abandon its registered mark FRANCHISE.

Decision: The petition for cancellation is denied.

E. W. Hanak

G. D. Hohein

P. T. Hairston
Administrative Trademark
Judges, Trademark Trial
and Appeal Board.