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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Phillips Beverage Company

Serial No. 75/313,751

Serial No. 75/313,753

Aaron B. Karas and Michael F. Sarney of Helfgott & Karas,
P.C. for Phillips Beverage Company

Elizabeth A. Hughitt, Trademark Examining Attorney, Law
Office 111 (Craig Taylor, Managing Attorney)

Before Chapman, Bucher and Rogers, Administrative Trademark
Judges.

Opinion by Rogers, Administrative Trademark Judge:

Phillips Beverage Company [Phillips], a Minnesota corporation, has filed applications to register the two marks shown below, each for "vodka" in Class 33. Though applicant and the Examining Attorney disagree as to an appropriate description of each mark, they agree that the individual in each portrait is the Polish composer Chopin. In the presentation of each mark, the portrait appears on

the rear of a frosted (opaque) vodka bottle and is visible through a clear oval on the front of the bottle. Also, in the mark on the left, the name CHOPIN appears on the front of the bottle as an overlay.¹



Three months after their filing, Phillips recorded in this Office a document purporting to assign both applications to Podlaska Wytwornia Wodek "POLMOS" [Polmos], a corporation of Poland.² The Examining Attorney originally refused registration to Phillips, under Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d), because of the prior registration, owned by Polmos, of two composite marks, each featuring the name CHOPIN and a portrait of the composer. In addition, the Examining Attorney noted a prior pending

¹ The portrait on the left is the mark in application Serial No. 75/313,751. The portrait on the right is the mark in application Serial No. 75/313,753. Each application was filed June 24, 1997, and alleges dates of first use and first use in commerce of March 1997.

² Recorded in the Assignment Branch at Reel 1637, Frame 0476.

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application owned by Polmos for a composite CHOPIN and portrait mark. Finally, the Examining Attorney made various requirements in each application related to the drawing, the description of each mark, the lining and stippling statements, the asserted failure of the specimens to show use of the respective marks in connection with the identified goods, and an unnecessary disclaimer in application Serial No. 75/313,751.

Later, after Phillips acknowledged that Polmos is the owner of the marks in Poland and recordation of the purported assignment of the involved applications, the Examining Attorney refused registration in each application under Section 1(a) of the Trademark Act, 15 U.S.C. §1051(a), on the ground that the applications are void ab initio. Eventually, the Examining Attorney withdrew the Section 2(d) refusal of registration, in view of the assignment of the applications by Phillips to Polmos, and accepted substitute specimens as sufficient to show use of the marks. The applicant deleted the inappropriate disclaimer.

The Examining Attorney then made final refusals of registration in both applications on the grounds that Phillips was not the owner of the marks when it applied to register them, and because of applicant's failure to comply

with the requirements related to the drawings, descriptions of the marks, and lining and stippling statements.

Applicant has appealed in each application.³ Both applicant and the Examining Attorney filed briefs. An oral hearing was not requested.

We consider, first, the ownership issue. Phillips acknowledges that it is a licensee of Polmos and "the exclusive importer and distributor of goods sold under the [involved] mark[s] pursuant to its agreements with Polmos, producer of the goods in Poland... Polmos is the owner of the mark in Poland."

Applicant, however, contests "the PTO's interpretation of Section 1" as "inconsistent with the rest of the statute," and argues that "it is the registrant of a mark which must be the owner, not necessarily the applicant." Applicant explains that Phillips believed it was entitled to file for registration of the involved marks but, when Polmos objected, Phillips "readily agreed" to assign the applications to Polmos rather than jeopardize their business relationship. Applicant argues that Polmos is now the owner of the applications, as well as the marks, and

³ The issues presented by each appeal are essentially identical, and the facts are similar. Accordingly, in the interest of judicial economy, we consider the appeals together and issue a single opinion.

that continued refusal of registration under Section 1 of the statute "is to the detriment and prejudice of Polmos" and is "contrary to the purpose of Section 1"; that "[t]he concept of an application being 'invalid' is a creation of the Patent and Trademark Office"⁴; and that the *Huang* case⁵ relied on by the Examining Attorney "does not support the position that an application filed by a party that is not the owner cannot be cured by assignment."

Under Section 1(a) of the Trademark Act, it is only the owner of a trademark used in commerce who may file an application to register the mark. Otherwise the application is void for failure to comply with the statutory requirement that an applicant be the owner of the mark sought to be registered. See *Huang, supra*.

The Examining Attorney has correctly explained that, under the law, a licensee, even if an exclusive licensee, is not an owner of a mark and applicant has not established that it is entitled to register its licensor's mark. Likewise, the Examining Attorney has correctly explained that, absent an agreement to the contrary between the

⁴ Specifically, applicant argues "Only registrations can be valid or invalid. An application is merely a vehicle for perfecting a right granted by the statute."

⁵ Huang v. Tzu Chen Food Co. Ltd., 849 F.2d. 1458, 7 USPQ2d 1335 (Fed. Cir. 1988).

parties, an importer or distributor is not entitled to register the mark of a foreign owner.

We are not persuaded by applicant's argument that there is no requirement that an applicant, in contrast to a registrant, be the owner of the applied-for mark and that the concept of a void application is solely "a creation of the Patent and Trademark Office." We need look no further than the *Huang* decision, in which the Court stated "[t]he statute requires ... that the *application be filed in the PTO by the owner*," and thus affirmed "the Board's holding that the *application for registration is void* for failure to comply with Section 1 of the Lanham Act" [emphasis added]. *Huang, supra* at 1336.

We are likewise unpersuaded by applicant's attempt to distinguish *Huang*. Applicant argues that *Huang* applies only in cases "where no attempt is made to correct the ownership of the application." The argument, however, relies on dicta and ignores the following unequivocal statement by the Federal Circuit: "No authority has been cited for excusing noncompliance with 15 U.S.C. §1051. Neither the Board nor the courts can waive this statutory requirement." *Huang, supra*, at 1336. The Court then wrote, "we need not decide whether, under the unusual

circumstances of this case, the Commissioner in his discretion could have allowed correction." *Id.*

Applicant argues that the assignment from Phillips to Polmos is just the type of "correction" contemplated by the Court. We are not convinced. Moreover, even if we were to accept counsel's view of the *Huang* dictum, i.e., that the Commissioner could allow correction of the designation of ownership in circumstances presented by the *Huang* case, recordation of an assignment would not necessarily equate to action by the Commissioner.

The Office's Assignment Branch routinely accepts for recordation as assignments those documents submitted for recording and listed in the required cover sheets as assignments. Recordation of a purported assignment is a ministerial function of the Office. There is no substantive examination of the document or the circumstances of the purported transfer, regarding legal effect or validity. See Patent and Trademark Rule 3.54, 37 C.F.R. §3.54. The *Huang* dictum suggests a more direct action by the Commissioner, insofar as it specifically contemplates exercise of the Commissioner's discretion.⁶

⁶ *Cf.* Trademark Rule 2.146(a)(5) and 2.148, 37 C.F.R. §§2.146(a)(5) and 2.148, which contemplate exercise of discretion by the Commissioner upon petition. We do not, by this reference, reach any conclusion regarding whether the Commissioner has authority to grant applicant relief under the circumstances

In addition to its argument regarding Section 1, applicant argues that the courts have been willing to order transfer of a trademark application filed by a non-owner to the rightful owner, and that the Board has done so in the context of an inter partes proceeding under Section 18 of the Trademark Act [15 U.S.C. §1068]. In this regard, applicant cites Matusalem v. Ron Matusalem, 872 F.2d 1547, 10 USPQ2d 2014 (11th Cir. 1989), and Chapman v. Mill Valley Cotton, 17 USPQ2d 1414 (TTAB 1990). Applicant goes on to argue that "if the Board has the authority in an inter partes proceeding [to transfer to the owner of a mark an application filed by a non-owner] it must also have such authority in an ex parte proceeding."

However, the *Matusalem* case is inapposite because it does not deal with Section 18 or the authority of the Board to act in an ex parte case. In regard to the *Chapman* case, as the Examining Attorney notes, and applicant's counsel acknowledges, that was an inter partes case. Section 18 of the statute, as amended by the Trademark Law Revision Act, provides the Board with authority to determine which party, as between or among those involved in an inter partes

presented by this case or whether, presuming the existence of such authority, the Commissioner would have done so. We merely seek to illustrate the difference between the ministerial act of recording an assignment and the exercise of discretion by the Commissioner in the context of granting a petition.

proceeding, is entitled to registration of a mark or marks; but under the plain language of this section of the statute, it is authority exercisable only in inter partes cases. Applicant provides no basis in law for its argument to the contrary.

We affirm the refusal of registration on the ground that the applications are void ab initio because applicant was not the owner of the marks.

In order to render a complete decision, we turn to the Examining Attorney's requirements that the applicant submit amended drawings, amended descriptions of its marks, and amended lining and stippling statements. We acknowledge applicant's statements that, in essence, applicant is willing to negotiate with the Examining Attorney on whatever amendments are necessary, but that it would be wasteful to do so unless applicant receives a favorable ruling on the ownership refusal. While the argument is not illogical, it is impractical and contrary to the Rules of Practice in Trademark Cases, i.e., Part Two of Title 37 of the C.F.R. See, e.g., Trademark Rule 2.64(a); and TMEP Section 1106.01.

The Examining Attorney is entirely correct in stating that the Office cannot allow piecemeal prosecution of applications. Once an application has been considered and

decided on appeal, the application will not be reopened except for entry of a disclaimer. See Trademark Rule 2.142(g), 37 C.F.R. §2.142(g). Thus, had we reversed the substantive refusal of registration, we would not have remanded the application for further examination in regard to the outstanding requirements. Accordingly, we also refuse registration for applicant's failure to comply with the Examining Attorney's requirements.

We note, specifically, that the requirement for an amended drawing is appropriate and that the applicant has not contested the Examining Attorney's contention that the Office has been consistent in its requirements for drawings of marks which, like applicant's, are "visible through a window on frosted beverage bottles." Of course, the mark description and lining and stippling statement must match the drawing and the existing descriptions and statements are inappropriate because they are relevant only to the current improper drawings.

Decision: The refusal to register the marks on the ground that each application was void ab initio is affirmed; and the refusal of registration for applicant's failure to comply with requirements for proper drawings,

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mark descriptions, and lining and stippling statements,
also is affirmed.

B. A. Chapman

D. E. Bucher

G. F. Rogers

Administrative Trademark
Judges, Trademark Trial
and Appeal Board