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Hearing:
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Paper No. 40
TJQ

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Midmark Corporation
v.
Ritter-IBW Dentalsysteme GmbH

Cancellation No. 25,720

Thomas W. Flynn and Steven D.A. McCarthy of Biebel & French
for Midmark Corporation.

J. Scott Evans of Adams, Schwartz & Evans for Ritter-IBW
Dentalsysteme GmbH.

Before Simms, Quinn and Hohein, Administrative Trademark
Judges.

Opinion by Quinn, Administrative Trademark Judge:

Midmark Corporation has petitioned to cancel the
registration owned by Ritter-IBW Dentalsysteme GmbH for the
mark shown below

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for "dental, medical and surgical equipment and appliances, namely, foot and motor-pump operated chairs and tables; stools; equipment stands or units; dental and bone surgery engines; dental handpieces; cuspidors; syringes; cauteries; pulp testers; mouth lamps and mirrors; examination, treatment and surgical tables; sterilizers; x-ray machines; electrosurgical apparatus; diathermy lights; office lights for dental and medical use; air compressors for dental and medical use; and lathes for dental and medical use."¹ As grounds for cancellation, petitioner alleges that it intends to use the mark RITTER in connection with dental examination chairs and other dental equipment; that it has filed an application, Serial No. 75/170,487, to register the mark RITTER for such goods which is likely to be rejected on the basis of respondent's registration; and that respondent's mark has been abandoned due to nonuse with no intent to resume use.

Respondent, in its answer, has denied the salient allegations of the petition.

The record consists of the pleadings; the file of the involved registration; trial testimony, with related exhibits, taken by each party; a certified copy of a

¹ Registration No. 853,719, issued July 30, 1968; renewed.

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registration owned by petitioner,² an assignment relating thereto, a certified copy of an application owned by petitioner,³ an Office action relating thereto,⁴ and answers to certain of petitioner's interrogatories, all introduced by way of petitioner's notice of reliance; and answers to certain of respondent's interrogatories relied upon in respondent's notice of reliance.⁵ Both parties filed

² Registration No. 1,451,997, issued August 11, 1997 pursuant to Section 2(f) of the Trademark Act, of the mark RITTER for "medical products, equipment and appliances, namely, physicians' examination tables, proctology tables, podiatry chairs and tables, stools, physicians' equipment cabinets, stands, units and counters, and accessories and replacement items and parts therefor"; Sections 8 and 15 affidavits filed.

³ Application Serial No. 75/170,487, filed September 23, 1996, to register the mark RITTER for "dental examination chairs, dental handpieces, sterilization units for dental instruments, dental articulators, dental bite trays, dental impression trays, and surgical and medical examination lights."

⁴ The Office, on October 2, 1997, suspended action on the application pending the disposition of this cancellation proceeding.

⁵ Petitioner filed, on October 26, 2001 (i.e., after the oral hearing), a paper captioned "newly discovered evidence." Petitioner asserts that respondent has been in bankruptcy in Germany since January 10, 2001, and that this fact goes to respondent's lack of intent to resume use. Respondent filed a response, wherein respondent admits that it filed for bankruptcy in January 2001, but that this fact is irrelevant to whether respondent abandoned its mark on or before the date of the filing of the petition for cancellation (November 19, 1996). Respondent also asserts that the bankruptcy filing supports its argument that its efforts to use the RITTER mark were hampered by on-going financial concerns, and that any nonuse of the RITTER mark after November 19, 1996 is excusable.

Inasmuch as the evidence was filed after the close of trial, we decline to consider it. We hasten to add that, in any event, even if considered, it is not persuasive of a different result.

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briefs⁶ and both were represented by counsel at an oral hearing before the Board.⁷

Before turning to the merits of this case, we need to address the parties' misconception (made apparent by their briefs and at oral argument), regarding the relevant time period that may be considered in determining the abandonment issue herein. The petition for cancellation sets forth a broadly-worded claim of abandonment, that is, respondent has abandoned the registered mark "by discontinuing use of said mark with no intent to resume said use." No specific time period of abandonment was set forth. The undisputed date of respondent's last sale is January 12, 1996 (see below); the petition was filed on November 19, 1996. Although respondent has couched some of its arguments in terms of nonuse between the date of the last sale and the date of filing of the petition, the Board may consider evidence of nonuse even through the end of trial. And, indeed, respondent itself has testified about events as recent as the year 2000 in its attempt to show that any nonuse was not accompanied by an intent not to resume such use. As noted above, the abandonment claim as

⁶ Petitioner, in its brief (footnotes 1 and 2), renewed certain evidentiary objections. Because the evidence is relevant to our determination of the merits herein, the objections are overruled. We have considered all of the evidence in reaching our decision.

⁷ Respondent's motion to suspend, filed August 28, 2001, is moot.

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pleaded in the petition for cancellation is not restricted to any particular time frame. Thus, the issue of abandonment of respondent's mark during the time after the filing of the petition is an issue that was impliedly tried by the parties. Cf.: P.A.B. Produits et Appareils de Beaute v. Satinine Societa In Nome Collettivo di S.A. e.M. Usellini, 570 F.2d 328, 196 USPQ 801 (CCPA 1978) [registrant that proved use within two years preceding date of petition in response to allegation of nonuse "for two consecutive years immediately prior hereto" and did not learn that record "would suggest" nonuse over two year period running beyond petition date, and that this nonuse constituted prima facie abandonment that had not been rebutted, so that mark was deemed abandoned, until Board rendered its opinion, was deprived of procedural due process rights].

Respondent's mark was in jeopardy from the admitted date of last use, January 12, 1996, and this proceeding, as shown by the way the parties tried the case, did not stop the later years of nonuse from running against respondent. Accordingly, we have based our decision on the entire record adduced through the time of trial, including evidence of events up to and including the year 2000 which bear on the abandonment claim.

FACTS

The material facts surrounding the activities of respondent are undisputed. Rather, the controversy in this case centers on the legal implications that arise from those facts.

The record establishes that both parties trace their claims to the RITTER mark back to the Ritter Dental Manufacturing Co., organized around 1893. In the words of respondent, "the RITTER trademark for dental products and Registration 813,719 have a tortured history." (brief, p. 2) In the 1920's, Ritter Dental Manufacturing Co. founded a subsidiary, Ritter AG, to manufacture and sell RITTER products in Europe. The involved registration was obtained in 1968 by a successor to Ritter Dental Manufacturing Co., namely Ritter Pfauder Corporation. In 1968, Ritter Pfauder Corporation merged with Taylor Instruments Companies and changed its name to Sybron Corporation. In a 1985 agreement, Sybron Corporation assigned the registration to Ritter AG, and provided that Ritter AG use RITTER only on dental products. Ritter AG subsequently entered into bankruptcy in Germany, and then was purchased out of bankruptcy by Ritter GmbH. The purchase provided that Ritter GmbH took title to the involved registration. In 1992, Ritter GmbH formed a subsidiary corporation in the

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United States by the name of Ritter Dental Equipment, Inc. In 1995, Ritter GmbH went bankrupt, and in the same year, was purchased out of bankruptcy by Ritter-IBW Dentalsysteme GmbH, and the involved registration was assigned to the present respondent.

Shortly after acquiring Ritter GmbH, respondent determined that the financial difficulties of Ritter GmbH would require the dismantling of the United States subsidiary, Ritter Dental Equipment, Inc. Ritter Dental Equipment, Inc.'s last sale of dental equipment under the mark RITTER was made on January 12, 1996. Around the time the subsidiary ceased business, its president made arrangements for an unrelated entity, Four Star Dental Equipment Service, to provide repair service for previously-sold RITTER dental equipment in the United States. Mr. Reiling testified that respondent shipped to the United States replacement parts for its products twice in November 1996.

Although Sybron Corporation assigned the RITTER mark and registration for dental products to Ritter AG in 1985, Sybron Corporation continued to sell medical equipment under the RITTER mark through a subsidiary corporation, Libel-Flarschein Company. Libel-Flarschein Company sold some of its medical equipment to Midmark Corporation, petitioner

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herein, and Midmark continues to sell the equipment under the RITTER mark. As noted above, petitioner owns, by way of assignment from Libel-Flarschein, Registration No. 1,451,997 for the mark RITTER for "medical products, equipment and appliances, namely, physicians' examination tables, proctology tables, podiatry chairs and tables, stools, physicians' equipment cabinets, stands, units and counters, and accessories and replacement items and parts therefor."

As indicated above, the last sale of respondent's RITTER dental equipment occurred in January 1996. In the next month, February 1996, Peter Reiling, respondent's export manager, visited the United States and attended the Mid-Winter Meeting of the Chicago Dental Society. According to Mr. Reiling, this meeting is a large dental trade show where manufacturers and suppliers exhibit their dental equipment. The purpose of Mr. Reiling's trip was "to find out and use the machine, to settle Ritter Dental Equipment, to close Ritter Dental Equipment, and especially to avoid bankruptcy of Ritter Dental Equipment, Inc." (dep., p. 12). Mr. Reiling testified that he met with the former president of Ritter Dental Equipment, Inc., Richard Koch, and respondent's attorney in the United States, Erik Groves. Mr. Reiling also indicated that respondent handed

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out brochures at the meeting, and contacted at least three dental equipment companies to see about the possibility of a joint venture. (Reiling dep., p. 13). Respondent did not rent a booth at the meeting and did not display or offer any dental equipment for sale there. Mr. Reiling was asked what respondent learned at the meeting about the prospects for sales of its products in the U.S. market (dep., pp. 18-19):

Well, we realized again that the present equipment was not so--not so appropriate for the American market, price wise, technical wise. We have a very high standard of technology, and normally they look for more simpler units, which of course also cheaper implies.

Respondent met with representatives of the three companies it had contacted. After the meetings, Mr. Groves followed up with letters to the three companies, reiterating respondent's continued interest in a joint venture. As a result, respondent's general manager, Hans Wünschel, traveled in May 1996 to the United States to meet with one of the companies, Matrix Medical, Inc. According to Mr. Groves, discussions "never got to the actual negotiation phase." (dep., 33). Mr. Wünschel also visited "at least" two dental practices "where Ritter products had been sold to follow up with the dentists about the product." (Groves

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dep., p. 19). Mr. Reiling testified that "some shipments of spare parts were made afterwards" to these dentists. (dep., p. 20, exs. 9-11).

In February 1997, Mr. Wünschel attended the Mid-Winter Meeting of the Chicago Dental Society on behalf of respondent. Prior thereto, respondent sent letters to three dental equipment companies in the hope of generating interest in its products. The letters began as follows: "We hope that the name of Ritter is still known to you although in recent years we have lessened our business in the United States." Respondent displayed a "multimedia cart system" bearing the RITTER mark at a booth maintained by an unrelated entity, Cygnus Imaging. In addition, Mr. Wünschel met with a representative of another company (Beaver State Dental) to discuss joint venture possibilities between the two, but nothing ever developed.

Cygnus Imaging also rented a booth at a dental trade show held in Washington, D.C. in October 1997, and allowed respondent to display its multimedia cart at the show.

Respondent itself rented booths at the February 1998, February 1999 and February 2000 Mid-Winter Meetings of the Chicago Dental Society where respondent displayed its "dental unit" and the "multimedia cart system." Product literature was made available at the booths. Mr. Reiling

testified that one of the reasons for the trade show appearances was "to show that Ritter is still present," (dep., p. 39), and "to show that Ritter's still alive." (dep., p. 47). Mr. Reiling estimated that the trade show appearances cost \$8,000-\$12,000 each. Other than the trade show appearances, respondent has not promoted its product in the United States.

Mr. Reiling maintains that respondent was in a position to fill any orders for its equipment, and that there never were any discussions to discontinue sales in the United States.

ANALYSIS

A federal registration of a trademark may be canceled if the mark is abandoned. Section 45 of the Trademark Act provides, in pertinent part, that a mark is abandoned when the following occurs:

When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for three consecutive years shall be prima facie evidence of abandonment. "Use" of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

A petitioner claiming abandonment has the burden of establishing the case by a preponderance of the evidence.

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Introduction of evidence of nonuse of the mark for three consecutive years constitutes a prima facie showing of abandonment and shifts the burden to the party contesting the abandonment to show either evidence to disprove the underlying facts triggering the presumption of three years nonuse, or evidence of an intent to resume use to disprove the presumed fact of no intent to resume use. *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990); *Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989); and *Stromgren Supports, Inc. v. Bike Athletic Company*, 43 USPQ2d 1100 (TTAB 1997). The burden of persuasion remains with the petitioner to prove abandonment by a preponderance of the evidence. *On-line Careline Inc. v. America Online Inc.*, 229 F.3d 1080, 56 USPQ2d 1471 (Fed. Cir. 2000).

We first turn to consider petitioner's standing to bring the petition for cancellation. Of record is a certified copy of petitioner's Registration No. 1,451,997 for the mark RITTER for, among other things, "physicians' examination tables, proctology tables, podiatry chairs and tables, [and] stools." Petitioner also made of record a certified copy of its application Serial No. 75/170,487, filed September 23, 1996, to register the mark RITTER for

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"dental examination chairs, dental handpieces, sterilization units for dental instruments, dental articulators, dental bite trays, dental impression trays, and surgical and medical examination lamps." Petitioner further introduced a certified copy of an Office action dated October 2, 1997 wherein action on petitioner's application was suspended pending the disposition of this cancellation proceeding.

We find that the evidence of record establishes that petitioner has standing, that is, that petitioner has a real interest in the outcome of this proceeding, and that petitioner has a reasonable belief of damage. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999).

The record shows that only one of respondent's dental units was sold between January 1996 and October 2000 (the date of the close of respondent's testimony period), the last sale taking place on January 12, 1996. Although there were two shipments of spare parts in November 1996, the simple fact remains that respondent's dental unit, that is, the product covered by the involved registration, has not been the subject of a sale since January 12, 1996.

Further, replacement parts (such as the "PC board", Reiling dep., p. 21) are not listed in the identification of goods in the involved registration. Likewise, the "multimedia

cart system," the subject of two shipments to Cygnus Imaging for display at Cygnus Imaging's booths at the 1997 meetings in Chicago and Washington, does not appear to be encompassed within the identification of goods in respondent's registration.⁸ See: Imperial Tobacco Ltd. v. Philip Morris Inc., supra, [marketing strategy to sell "incidental" goods (rather than the goods listed in the registration) did not excuse nonuse of mark on listed goods]. Cf.: On-line Careline Inc. v. America Online Inc., supra, [registered mark was used "in accordance with the registration," hence, no abandonment].

It has been clearly established that the period of nonuse of the mark is almost five years. Thus, the critical issue in this case is whether the use as of January 12, 1996 was discontinued with intent not to resume use. We find that the circumstances surrounding respondent's nonuse warrant a finding that the nonuse was accompanied by an intent not to resume use of the mark RITTER.

Although respondent appeared at six trade shows (one in each of the years 1996, 1998, 1999 and 2000, and two in 1997), not even a single sale was consummated. Further,

⁸ Such computerized hardware undoubtedly did not even exist when the registration issued in 1968.

although respondent contacted a few entities in the trade regarding the possibility of a joint venture, there were virtually no follow-up discussions, and not a single joint venture was ever formed. Mr. Reiling testified that respondent was developing a new strategy for marketing its dental unit in this country, "to find out how we can continue the presence in the American market." (dep., p. 48). Mr. Reiling conceded, however, that selling its equipment in this country is "very hard" (dep., p. 66). Mr. Reiling reiterated this thought when he stated that when respondent took over from its bankrupt predecessor in 1995, "it's [a] very critical situation to start after bankruptcy. So you need to convince people again to cooperate, and it's hard work. And that's also why I'm here because in America we are [a] foreign company and the work is even harder and it takes a long time to enter again." (dep., p. 72).

Respondent does not own or lease any land, nor does it have a permanent place of business in the United States. It has no employees or business representatives in this country. Although Mr. Reiling testified that respondent could fulfill an order for its dental unit if such order were placed, it is clear that there was no market for the product.

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In this connection, the most telling facts regarding respondent's intent not to resume use involve respondent's recognition that its dental unit, that is, the product specifically identified in the involved registration, was not a viable product in the United States market. As indicated earlier, Mr. Reiling stated that respondent "realized again that the present equipment was not so--not so appropriate for the American market, price wise, technical wise" and that American dentists normally "look for more simpler units, which of course also cheaper implies." (dep., pp. 18-19) In response to a question as to whether respondent had designed any equipment specifically for the United States, Mr. Reiling answered: "Not yet. But it's clear that we need something." (dep., p. 68).

The circumstances convince us that respondent's activities between 1996-2000 were sporadic in nature and were only casual, half-hearted attempts to consummate a sale. At best, respondent's activities are consistent with a maintenance program, in Mr. Reiling's words, "to show that Ritter's still around," rather than the bona fide use of the mark in the ordinary course of trade. Given respondent's explicit recognition that its dental equipment was ill-suited to the American market, respondent's failure

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to address this problem is troublesome. Respondent never undertook any design changes to make its equipment marketable, with the result of not even a single sale during a period running almost five years. Rather, respondent merely made an appearance at a single trade show per year (two in 1997), with little more accomplished than letting others know that "Ritter is still present." (Reiling dep., p. 39). See: Rivard v. Linville, 133 F.3d 1446, 45 USPQ 1374, 1377 (Fed. Cir. 1998) ["His [respondent's] actions are not those that a reasonable businessman would take pursuant to a plan to use the mark."]. We agree with petitioner's assessment that respondent's "lack of interest in developing products which would meet demand in the United States, despite knowledge of a lack of demand for its current products, is inconsistent with an intent to resume use of the abandoned mark in this country." (reply brief, p. 6).

Decision: The petition for cancellation is granted, and Registration No. 853,719 will be canceled in due course.