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Mailed: January 23, 2004  
Paper No. 82  
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UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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United States Olympic Committee  
v.  
Kayser-Roth Corporation  
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Cancellation No. 92021648  
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James L. Bikoff and David K. Heasley of Silverberg,  
Goldman & Bikoff for United States Olympic Committee.

Laura E. Goldbard of Stroock & Stroock & Lavan for  
Kayser-Roth Corporation.  
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Before Simms, Seeherman and Walters, Administrative  
Trademark Judges.

Opinion by Walters, Administrative Trademark Judge:

On March 10, 1993, United States Olympic Committee  
filed its petition to cancel the registration of Kayser-  
Roth Corporation for the mark OLYMPIC CHAMPION for "polo  
shirts, sweat pants, sweat shirts, and athletic shirts

and running pants for men, women and children," in International Class 25.<sup>1</sup>

As grounds for cancellation, petitioner asserted that since long before filing its registration renewal application on July 21, 1991, respondent has not used the mark in Registration No. 287,322, OLYMPIC CHAMPION, on or in connection with the manufacture or sale of the goods identified therein, namely, "polo shirts, sweat pants, sweat shirts, and athletic shirts and running pants for men, women and children"; that for several years respondent's only use of the mark has been in connection with the manufacture and sale of socks; that respondent has not used the mark on or in connection with the goods identified in the registration for a period of at least two years; that respondent has no intention of resuming use of OLYMPIC CHAMPION on or in connection with the identified goods; and that, therefore, respondent has abandoned the mark for the goods in Registration No. 287,322.<sup>2</sup>

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<sup>1</sup> Registration No. 287,322, registered September 22, 1931 and renewed four times to date.

<sup>2</sup> The petition to cancel contains allegations regarding Section 110 of the Amateur Sports Act of 1978, 36 U.S.C. §374(3)-(4). However, the parties agree that, at the time this statutory provision was first enacted, respondent's registration and use of its mark OLYMPIC CHAMPION for the goods identified in the registration were permitted by the grandfather provisions of the statute. Therefore, we consider these allegations as relevant only in relation to establishing petitioner's

Respondent, in its answer, denied the salient allegations of the claim and affirmatively asserted laches, estoppel and acquiescence.<sup>3</sup>

*The Record*

The record consists, in part, of the pleadings and the file of the involved registration. The record also consists of the following:

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statutory right to exclusive use of the term OLYMPIC as provided therein, and to establishing respondent's statutory right to maintain the registration at issue herein, provided there is no abandonment or other basis under the Trademark Act for cancellation.

To the extent that petitioner is arguing that respondent has abandoned the mark and therefore any prospective use of the mark on the goods identified in the registration would be in violation of the Amateur Sports Act of 1978, such an argument is unnecessary and not properly before the Board in this proceeding.

To the extent that petitioner is arguing that respondent's use of its mark on socks is contrary to the statute, this issue is, likewise, not before the Board in this proceeding. See Board order of June 30, 1998, footnote 5.

The petition also contains allegations that seemingly pertain to dilution, "false association" and likelihood of confusion. These do not appear as separate, properly pleaded claims and, further, the issues were not tried. See also Board order of June 30, 1998, footnote 2. Further, likelihood of confusion is not available as a basis for a petition to cancel this registration because the registration is more than five years old. See Section 14 of the Trademark Act, 15 U.S.C. 1064. Therefore, we have considered these allegations as relevant only to standing, not as distinct grounds for cancellation.

<sup>3</sup> Respondent asserted several affirmative defenses that are not relevant to this proceeding and, so, have not been considered, i.e., that respondent has priority and that a likelihood of confusion exists between its mark and the marks in petitioner's pleaded registrations; and that it is legally authorized to use its OLYMPIC CHAMPION mark on socks. We consider evidence of respondent's use of OLYMPIC CHAMPION on socks only to the extent that it has relevance to the commercial exploitation of the involved mark in connection with respondent's dealings with the Sara Lee Corporation. See also Board denial of motion for summary judgment, June 30, 1998, footnote 5.

- The certified status and title copies of petitioner's Registrations Nos. 1,458,432 (U.S.A. OLYMPICS and design), 968,566 (OLYMPIC) and 980,734 (UNITED STATES OLYMPIC COMMITTEE and design). (Petitioner's notice of reliance.)
- Various specified responses of respondent to petitioner's interrogatories and requests for admissions and advertisements and articles excerpted from copies of *Olympian* magazine.<sup>4</sup> (Petitioner's notice of reliance.)
- The discovery depositions of Jerome A. Perlmutter, respondent's vice president and general counsel, Neal J. Stevens, trade marketing manager for Food/Drug/Mass for respondent, and Jack O. Watson,

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<sup>4</sup> Also included in petitioner's notice of reliance were various specified responses of respondent to petitioner's request for documents and excerpts allegedly from petitioner's website.

Generally, a party may not make of record by notice of reliance documents obtained from another party pursuant to a document production request. See Trademark Rule 2.120(j)(3)(ii), 37 C.F.R. 2.120(j)(3)(ii). However, petitioner has not submitted documents per se; rather, petitioner has submitted respondent's responses to specified document production requests wherein respondent has stated it does not have the requested records. Substantively similar statements are the subject of stipulated admissions made by respondent and respondent has not objected to this notice of reliance. Thus, this evidence has been considered.

Excerpts from the Internet are not printed publications which may be introduced by notice of reliance and, thus, this evidence has not been considered. See, *In re Total Quality Group Inc.*, 51 USPQ2d 1474 (TTAB 1999); and *Raccioppi v. Apogee Inc.*, 47 USPQ2d 1368 (TTAB 1998). Even if this evidence had been properly introduced by means of testimony by the person who downloaded it, it indicates, at most, that some of the public using the Internet may have been exposed to the information

former vice president for marketing in respondent's sock division, all with accompanying exhibits.<sup>5</sup>

(Petitioner's notices of reliance.)

- The affidavits of Jerome A. Perlmutter and Neal J. Stevens, submitted in connection with petitioner's earlier motion for summary judgment, and resubmitted during trial per the parties' stipulation.

(Respondent's notice of reliance.)

- A discovery stipulation between the parties; additional various responses by respondent to petitioner's interrogatories and requests for production of documents<sup>6</sup> and for admissions; and the declaration of Leon Porter, Jr., formerly of Sara Lee Corporation. (Petitioner's supplemental notice of reliance on rebuttal.)<sup>7</sup>

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contained in the excerpts. However, it would be hearsay as to the statements contained in the excerpts.

<sup>5</sup> The discovery deposition of Mr. Watson was submitted by stipulation of the parties, but the record contains no such stipulation for the discovery depositions of Mr. Perlmutter and Mr. Stevens. However, the record does contain a copy of a letter from respondent's counsel suggesting the use of discovery matter in lieu of testimony depositions. Further, respondent has not objected to the introduction of these discovery depositions and, in referencing statements made therein, has treated them as being of record. Thus, we infer respondent's consent to the submission of the Perlmutter and Stevens discovery depositions and have considered them to be part of the record.

<sup>6</sup> See footnote 4, *infra*.

<sup>7</sup> On April 26, 2002, respondent filed a motion to strike Exhibit L from petitioner's rebuttal notice of reliance, which motion was opposed by petitioner. Exhibit L is a printout from respondent's website. On July

Both parties filed briefs on the case but a hearing was not requested.

*Factual Findings*

Petitioner, United States Olympic Committee, is the owner of the valid and subsisting pleaded registrations containing the term OLYMPIC for a variety of goods and services, and it has specific rights in the term OLYMPIC, as provided in Section 110 of the Amateur Sports Act of 1978, 36 U.S.C. §374(3)-(4).

Respondent's registration herein issued originally on September 22, 1931 and has been maintained to date. Thus, it falls within the exception, or grandfather provision, of Section 110 of the Amateur Sports Act of 1978, 36 U.S.C. §374(3)-(4), which petitioner concedes, although petitioner contends that the mark has been

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17, 2002, the Board granted respondent's motion and the exhibit was stricken. We now consider petitioner's motion for reconsideration, filed August 16, 2002, which was opposed by respondent. We have not considered petitioner's reply brief in connection therewith, which is within the Board's discretion. We do not find an error in the Board's decision and, thus, we deny petitioner's motion for reconsideration and Exhibit L has not been considered by the Board. We hasten to add that, had this exhibit been considered, our decision in this case would remain the same.

A declaration, in this case of Leon Porter, is not the proper means for making Mr. Porter's statements of record. However, while respondent expressly objected to Exhibit L of petitioner's rebuttal notice of reliance, respondent did not object to the Leon Porter declaration and, in its brief (p. 26), simply argued that it is of no probative value. Therefore, we have considered Mr. Porter's declaration; however, we agree with respondent that it is of little, if any, probative value.

abandoned and, thus, the registration should be cancelled.

According to the statements of Jerome Perlmutter, respondent's vice president and general counsel since 1973, from the date of registration until March 1989, respondent, Kayser-Roth Corporation, or its predecessors manufactured and distributed a wide variety of men's, women's and children's clothing identified by the mark OLYMPIC CHAMPION, including the apparel identified in the subject registration (hereinafter "identified apparel" or "identified OLYMPIC CHAMPION apparel"). Mr. Perlmutter explained that the use of the OLYMPIC CHAMPION mark on the identified apparel was controlled, and records kept, by respondent's divisions responsible for the manufacture and distribution of apparel. The identified apparel was sold through retail stores including respondent's Rolane stores, JC Penney, Sears and Wal-Mart.<sup>8</sup>

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<sup>8</sup> In view of Mr. Perlmutter's corporate position as well as his tenure with and personal knowledge of respondent since 1973, we find his statements regarding use of the OLYMPIC CHAMPION mark on the identified goods sufficient to establish such use of the mark from at least 1973 through March 1989. Other than petitioner raising a question about respondent's use on the identified goods for the period 1978 to 1989, petitioner has provided absolutely no evidence suggesting that respondent did not use its mark during that period. We will not infer that respondent stopped using OLYMPIC CHAMPION on the identified apparel from the mere fact that respondent began using the mark on socks in 1978. We find Mr. Perlmutter's explanation as to why respondent has no documents corroborating his testimony to be reasonable and further proof is unnecessary.

In March 1989, as stated by Mr. Perlmutter, respondent sold or liquidated all of its apparel manufacturing operations. Respondent did not retain records, including records pertaining to the identified OLYMPIC CHAMPION apparel, of prior product sales and advertising for those operations sold or liquidated. However, respondent retained ownership of the OLYMPIC CHAMPION mark and the trademark registration herein. Respondent also retained ownership of its Rolane off-price factory outlet stores that sold respondent's surplus apparel, including OLYMPIC CHAMPION apparel and socks. Subsequent to the sale of respondent's apparel manufacturing facilities, the Rolane stores outsourced the manufacture of apparel sold therein.

Since the sale of its apparel manufacturing operation, respondent has principally manufactured and distributed hosiery under a variety of trademarks. Respondent has used the mark OLYMPIC CHAMPION in connection with socks from 1978 to the present.

There is no dispute, and the record clearly establishes, that respondent did not use the OLYMPIC CHAMPION mark on the identified apparel between April 1989 and December 1990. According to the statements of Mr. Stevens, Mr. Watson and Mr. Perlmutter, all of whom

were employed by respondent at the time, nonuse during this period was due to management reorganization and respondent's search for a third-party manufacturer for the identified apparel.

Mr. Jack Watson joined respondent in May 1989 as its vice president of marketing of the sock division. Mr. Watson stated that, at that time, he was not aware of a line of active apparel available under the OLYMPIC CHAMPION mark, but that during 1990 he worked with Mr. Stevens at Rolane to put together such a line. (Watson deposition, p. 28, lns. 17-25 ; p. 29, lns. 1-4.) Mr. Watson stated that it was his responsibility to protect and nurture company trademarks, and that, at the time, he believed the OLYMPIC CHAMPION brand had substantial viability. Regarding the identified OLYMPIC CHAMPION apparel, he instructed Mr. Stevens "in the broadest sense ... to assure that we had an adequate presentation at retail and in [a] sufficient number of stores ... [so that] when a consumer walks up to a particular area of the store in which the products are being merchandised, they get an impression that there is indeed a line of products there." (Watson deposition, p. 44, lns. 7-15.)

Neal Stevens, then marketing director of the Rolane division of Kayser-Roth, placed the first order for the

manufacture of 480 items of the identified apparel items, at a cost of \$1078, with Burlington Sales, Inc.

(Burlington) on December 4, 1990<sup>9</sup>; and he ordered approximately 3000-5000 hang tags bearing the OLYMPIC CHAMPION mark to be attached to the ordered apparel items and also used with subsequent orders. The artwork for the hangtags was developed in-house at Mr. Watson's direction.

Mr. Stevens stated that he placed another order for the identified apparel with Burlington in 1990; and the record includes invoices for orders placed on October 31, 1991, and April 3, 1992. The two October 31, 1991, invoices are each for 480 items (a total of 960 items evenly divided among knit shirts, knit shorts, sweat pants and sweat shirts,) to be shipped to two different Rolane stores. The five April 3, 1992, invoices are each for 12 sweat pants and 12 sweat shirts (total of 120 items) to be shipped to five different Rolane stores, including Williamsburg, Virginia, Martinsburg, West Virginia, and Burlington, North Carolina. The OLYMPIC CHAMPION apparel was displayed for sale on racks in

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<sup>9</sup> The order, which came in two shipments, was for 120 items each of knit shirts, knit shorts, sweat pants and sweat shirts. Shipments went to, inter alia, Greensboro, North Carolina, Marietta, Georgia, and Sawgrass, Florida. [Stevens affidavit, pps. 3-4.]

several Rolane stores with point-of-purchase signs that had been ordered by Mr. Stevens.

Mr. Stevens stated that he personally chose the manufacturer, set the quality and design manufacturing specifications, monitored the manufacturing process, and kept track of the inventory in the various Rolane retail stores. Of the previously noted orders, he placed the initial orders with Burlington and directed Rolane's buyers to place subsequent orders. Mr. Stevens acknowledged that it was not the usual practice for him to place specific manufacturing orders; rather, that the usual practice was for Rolane's buyers to place such orders. He noted that the number of identified OLYMPIC CHAMPION apparel items ordered was based on the number that the stores needed and could hold in their inventory. Mr. Stevens stated that the entire inventory of the identified OLYMPIC CHAMPION apparel was depleted in 1993 and that, from 1990 through 1993, respondent sold approximately 1500 items of the identified apparel.

Thus, the record establishes that from December 1990 until March 1993, first Mr. Stevens and then Rolane's buyers ordered the identified OLYMPIC CHAMPION apparel from third-party manufacturers. The manufacturers attached to the apparel hangtags bearing the OLYMPIC

CHAMPION mark and Rolane sold the so-labeled apparel in several of its stores. Respondent sold the Rolane chain in April 1994. There is no evidence of any sales of the identified OLYMPIC CHAMPION apparel subsequent to 1993.

Other than the invoiced items of record, there is no evidence of volume or dollar amount of sales, nor is there any evidence of advertising or other promotion of the mark in connection with the identified OLYMPIC CHAMPION apparel. By stipulation, the parties have agreed to the following facts, inter alia, regarding respondent's records of its use of the OLYMPIC CHAMPION mark in connection with the identified apparel:

For the period December 1, 1990 through December 31, 1993, respondent has no information or documents establishing the dollar or unit amount, location or dates of retail sales of the goods, or advertising expenditures in connection with such sales; and

For the period January 1, 1994 through September 30, 2001, respondent has no information or documents establishing advertising expenditures or efforts made to use the mark on the identified goods, nor has respondent so used the mark on such goods.

Additionally, respondent has admitted that it is not currently (at the time of trial) using the mark on the goods identified in the subject registration. Mr. Perlmutter reported that, during the pendency of this

cancellation proceeding,<sup>10</sup> respondent's retail customers have not purchased non-hosiery goods identified by the mark OLYMPIC CHAMPION; but that, throughout the 1990's to the present, respondent has maintained its intention to use the mark on the identified apparel when this proceeding is concluded.

In support of its allegation of a continuing intention to use the OLYMPIC CHAMPION mark on the identified apparel and of the continuing goodwill in the mark, respondent points to an agreement dated October 15, 1991, between respondent and Sara Lee Corporation. In the agreement, Sara Lee Corporation agreed to purchase for \$2.5 million the OLYMPIC CHAMPION mark and the subject registration provided that respondent also obtained a registration of the mark for socks. Respondent was unable to obtain a registration of the mark for socks<sup>11</sup> and the sale to Sara Lee Corporation was not concluded.

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<sup>10</sup> As previously stated, the petition to cancel this registration was filed on March 10, 1993.

<sup>11</sup> In a nonprecedential decision (*In re Kayser-Roth Corporation*, Application Serial No. 74121389, August 27, 1993), the Board affirmed on appeal the refusal to register respondent's mark OLYMPIC CHAMPION for, inter alia, socks, on the ground of likelihood of confusion with several registered marks owned by petitioner herein. In that decision, the Board found that socks have attributes in common with the identified apparel and are goods of "the same class" as the identified apparel. Thus, the Board concluded that expansion of use of the mark from the identified apparel to socks was lawful under Section 110(c) of the 1950

In support of its contention that use of the mark herein during the pendency of this proceeding was not possible because existing and potential purchasers, i.e., retail outlets, were uneasy about potential liability to petitioner, respondent refers to Exhibit 4 to Mr. Watson's deposition. This exhibit is a letter dated July 26, 1991 from respondent's Mr. Perlmutter to FEDCO, a customer of respondent, stating respondent's belief in its right to the OLYPMIC CHAMPION mark and its right to register the mark for socks; and stating that if FEDCO places an order with respondent for socks, respondent will indemnify and hold harmless FEDCO from any trademark infringement claim brought by petitioner herein.<sup>12</sup>

#### *Analysis*

##### 1. Standing

The standing question is a threshold inquiry made by the Board in every inter partes case. In *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999), the Federal Circuit has enunciated liberal threshold for determining standing, i.e., whether one's belief that one

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Amateur Sports Act, 36 U.S.C. §380, and was not made unlawful by the 1978 amendments thereto.

<sup>12</sup> Mr. Watson stated that a reference in the letter to OLYMPIC CHAMPION as a style name on a recently discontinued product line referred to the fact that OLYMPIC CHAMPION had been elevated from a sub-brand, or style, of socks to a free-standing brand with an array of style offerings.

will be (is) damaged by the registration is reasonable and reflects a real interest in the case. *See also Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021, 2023 (Fed. Cir. 1987); and *Lipton Industries, Inc. v. Ralston Purina Company*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

Petitioner has submitted evidence of its ownership of several registrations incorporating the term "Olympic" for either the same or related goods as those identified in the subject registration. Additionally, petitioner has submitted evidence of its use of the "Olympic" mark and referenced Section 110 of the Amateur Sports Act of 1978, 36 U.S.C. §374(3)-(4), which gives petitioner certain exclusive rights with respect to the term "Olympic." We consider this evidence as sufficient to establish petitioner's interest and, therefore, standing in this proceeding.

## 2. Abandonment

Before considering the factual issue of abandonment in the case before us, we consider two questions regarding the applicable law in this case. First, we note petitioner's statement in its brief (p. 12), which is disputed by respondent (brief, p. 15-16), that the applicable law for establishing a prima facie case of

abandonment herein is the law in existence at the time of filing this petition to cancel, citing *Cerveceria Modelo, S.A. de C.V. v. R.B. Marco & Sons, Inc.*, 55 USPQ2d 1298 (TTAB 1999). Section 45 of the Trademark Act, 15 U.S.C. §1127, states "[n]onuse [of a mark] for 3 consecutive years shall be prima facie evidence of abandonment." Section 45 of the Trademark Act was amended, effective January 1, 1996, to extend the minimum period of nonuse required to establish a prima facie case of abandonment from two to three consecutive years of nonuse. P.L. 103-465 §§521, 523, 108 Stat. 4809 (1994). We disagree with petitioner's statement and apply the law now in effect. In this regard, we note the following statement by our primary reviewing court in an analogous situation, *U.S. Olympic Committee v. Toy Truck Lines Inc.*, 237 F.3d 1331, 1334, 57 USPQ2d 1380, 1382 (Fed. Cir. 2001)<sup>13</sup>:

It was improper for the Board to refuse to consider the 1998 enactment. The general rule is that a tribunal must apply the law as it exists at the time of the decision. See *Saint Francis College v. Al-Khazraji*, 481 U.S. 604, 608, 107 S.Ct. 2022, 95 L.Ed.2d 582 (1987) ("The usual rule is that federal cases should be decided in accordance with the law existing at the time of decision.") Although this rule is subject to exceptions when justice requires, such as when vested rights are materially affected by the

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<sup>13</sup> Although the quoted case pertains to an amendment to the Amateur Sports Act of 1978, the legal principle establishing which version of the particular law to apply is directly applicable herein.

change in law, *Landraf v. USI Film Prods.*, 511 U.S. 244, 265, 114 S.Ct. 1483, 128 L.Ed.2d 224 (1994), no such reason has been proffered by Toy Truck Lines. Since this application was based solely on "intent to use," with no representation of actual use, there is no suggestion of the existence of any vested property right or investment in trademark use. *Cf. id.* at 270, 114 S.Ct. 1483 (determination of statutory retroactivity requires consideration of "whether the new provision attaches new legal consequences to events completed before its enactment"). In this case there is no suggestion that application of the 1998 Act would impair any rights possessed before the enactment, increase Toy Truck's liability, or impose new duties for any past conduct. *See id.* at 280, 114 S.Ct. 1483; *Lowry v. Secretary of Health and Human Services*, 189 F.3d 1378, 1380-81 (Fed. Cir. 1999). The Board was promptly advised of the new statute and its direct relationship to trademark use of "Pan American." The USOC's opposition to Toy Truck's application for registration could not be denied without consideration of the effect of the 1998 Act.

The case of *Cerveceria Modelo, S.A. de C.V. v. R.B. Marco & Sons, Inc.*, *supra*, was decided before the quoted Federal Circuit decision. Thus, we can only presume either that the Board's statement therein on this point of law is inconsistent with the Federal Circuit's decision and overruled thereby, or that there were facts that warranted an exception to the general rule requiring the Board to apply the law in effect at the time of decision. We find no such extenuating circumstances in this case, particularly where the trial in this case was subsequent to the effective date of the amendment, the

law has been liberalized in favor of respondent, and respondent's ownership of its registration is clearly a vested property right.

The second issue pertains to the statement by respondent, and disputed by petitioner, that, in determining the issue of abandonment, only nonuse of respondent's mark in connection with the identified apparel occurring prior to commencement of this cancellation proceeding may be considered; and that, therefore, respondent objects to petitioner's reliance on certain specified evidence which pertains to respondent's use or nonuse of its mark subsequent to March 10, 1993, the filing date of the petition to cancel. Respondent implies that this is a per se rule and cites the cases of *P.A.B. Produits et Appareils de Beaute v. Satinine Societa In Nome Collecttivo di S.A. e.M. Usellini* ("*P.A.B.*"), 570 F.2d 328, 332, 196 USPQ 801, 804 (CCPA 1978) and *7-11 Sales, Inc. v. Perma, S.A.*, 225 USPQ 170, 171 (TTAB 1984) in support of its position. However, neither of these cases posit a per se rule in this regard. Rather, in *P.A.B.* the petition alleged nonuse for two consecutive years immediately prior to the filing of the petition to cancel and petitioner sought to extend

the two-year period to the date of the close of testimony. The court stated the following (at 332):

Normally, if evidence were submitted on an issue without objection by registrant, and both sides presented arguments thereon, then, in accordance with Fed.R.Civ.P. 15(b), (*footnote omitted*) the Petition for Cancellation would be treated as amended to conform to the evidence. ... Based on the proceeding below, we do not believe that registrant had fair notice that petitioner was attempting to establish a two-year period of nonuse beginning July 12, 1973.

In *7-11 Sales*, the Board, citing *P.A.B.*, stated the following:

We note that the petition for cancellation alleged non-use of the registered marks for the two-year period preceding petitioner's commencement of use of the CHEN YU mark on or about Nov. 3, 1980. Thus, the pleaded period of non-use is from Nov. 3, 1978 to Nov. 3, 1980. The evidence of record ... relates to the two years preceding the commencement of this cancellation petition on June 28, 1982, a period from June 28, 1980 through June 28, 1982. However, since respondent did not object to the discrepancy between the pleaded period of non-use and the period of non-use covered by the evidence of record and since respondent, in fact, has presented arguments relating to the two year period of non-use preceding the commencement of the cancellation proceeding, the petition for cancellation is treated as amended to conform to the evidence.

Clearly, whether we consider use or non-use subsequent to the commencement of the cancellation proceeding is a factual determination as to what was

pleaded and what was tried. In this case, the petition to cancel states, in relevant part, the following:

[L]ong before filing [on July 21, 1991] for renewal of [the registration at issue herein], Kayser-Roth abandoned use of the mark OLYMPIC CHAMPION on and in conjunction with the manufacture and sale of [the identified apparel]. Moreover, Kayser-Roth has for several years been exclusively a manufacturer of socks and hosiery, and Kayser-Roth's only use of the mark OLYMPIC CHAMPION has been on and in conjunction with the manufacture and sale of socks.

This general pleaded language can be reasonably construed to encompass a period from at least three years before the filing of the renewal application (to establish a prima facie case of abandonment) to the filing of the petition on March 10, 1993. Petitioner's interrogatories and respondent's answers addressed respondent's use from at least 1978 to the date of response to the discovery requests; and both petitioner and respondent addressed the issue of respondent's use of the OLYMPIC CHAMPION mark on the identified apparel, as well as reasons for nonuse, for the entire period up to and including the trial in this case. We find that the issue of abandonment for the period from the filing of the petition through trial herein was tried by the

implied consent of the parties.<sup>14</sup> Therefore, in determining whether petitioner has established prima facie abandonment by respondent of the mark herein, we have considered the entire period up to and including trial. In this regard, we conclude that respondent's objection to the specified evidence pertaining to use of its mark subsequent to the commencement of this proceeding is not well taken and petitioner's evidence has been considered.

We turn now to the pleaded issue in the petition to cancel, whether respondent's mark OLYMPIC CHAMPION has been abandoned in connection with the goods identified in the subject registration. A mark is deemed to be abandoned, for purposes of the Trademark Act, when the course of conduct of the owner of the mark causes the mark to lose its significance as an indication of origin. Section 45 of the Trademark Act, 15 U.S.C. §1127. This course of conduct includes acts of omission as well as acts of commission. Further, abandonment of a registered mark cannot be reversed by subsequent re-adoption of a mark. *Parfums Nautee Ltd. v. American International*

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<sup>14</sup> Mr. Stevens acknowledged that it was unusual for him to personally place manufacturing orders, but he also explained that outsourcing was necessary because respondent no longer owned apparel manufacturing facilities. Mr. Stevens placed manufacturing orders only within the

*Industries*, 22 USPQ2d 1306, 1310 (TTAB 1992) and cases cited therein.

The prevailing view is that since abandonment is in the nature of a complete forfeiture, it carries a strict burden of proof. *P.A.B. Produits et Appareils de Beaute v. Santinine Societa, supra*; *The Nestle Company Inc. v. Nash-Finch Co.*, 4 USPQ2d 1085, 1089 (TTAB 1987); and *Girard Polly-Pig, Inc. v. Polly-Pig by Knapp, Inc.*, 217 USPQ 1338 (TTAB 1983). Moreover, petitioner bears the ultimate burden of proof of abandonment by a preponderance of the evidence. See, *Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ2d 1307, 1309 (Fed. Cir. 1989). Only upon such a showing does the burden of persuasion shift to respondent to come forward with evidence. *Id.* at 1312.

Petitioner contends that respondent has not made bona fide use in the ordinary course of trade of the mark OLYMPIC CHAMPION on the apparel items identified in the subject registration. Petitioner argues that an inference of abandonment should be drawn from respondent's lack of documentation showing use of the mark through 1991; that the shipments of OLYMPIC CHAMPION

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context of reestablishing the product line and then turned that task over to Rolane buyers.

apparel initiated by Mr. Stevens were merely "small sporadic shipments ... undertaken not to develop a product line or consumer good will, but only to maintain token use of the Trademark" [Petitioner's brief, p. 13]; and that respondent's sales from 1990 to 1993 do not demonstrate the required "commercial use of the type common to the particular industry in question" [Petitioner's brief, p. 14, citing *Chance v. Pac-Tel Teletrac, Inc.*, 242 F.3d 1151, 31 USPQ2d 1768 (9<sup>th</sup> Cir. 2001)].

Petitioner also contends that respondent's attempted sale of the mark to Sara Lee Corporation does not evidence an intent to resume use of, or retain good will in, the mark, noting that when the sale to Sara Lee Corporation was not consummated, respondent made no further effort to use the mark in a commercially viable manner, or to license or assign the mark. Petitioner argues that this cancellation proceeding does not excuse respondent's non-use of the mark on apparel.<sup>15</sup> Petitioner contends that respondent's sale of the manufacturing portion of its business is "strong proof it had no intent to resume use of the mark" [Petitioner's brief, p.20];

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<sup>15</sup> Petitioner contends that such an excuse is an affirmative defense that was not pleaded and, further, respondent has the burden of proving an excuse for non-use of its mark that it has not met.

and that respondent has no documentation evidencing plans to resume use of the mark.

Respondent contends that it has sufficiently established its use of the mark on the identified goods with an intent to continue use of the mark; that its period of non-use in 1989-1990 was excusable due to its change in management and the sale of its manufacturing facilities, which required a search for a third-party manufacturer; and that its non-use since the commencement of this cancellation proceeding is excusable because it is due primarily to the reluctance of respondent's customers, i.e., retail outlets, to purchase OLYMPIC CHAMPION items during the pendency of the cancellation proceeding.<sup>16</sup>

Respondent points out that its registration is presumed valid and contends that petitioner has failed to establish its allegation of abandonment by a preponderance of evidence. Respondent states that respondent's use of its mark on the identified apparel

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<sup>16</sup> Respondent states in its brief that it has begun marketing its goods via the Internet. However, the trial record contains no evidence in support of this statement. Respondent also states that it "has conducted serious negotiations with a major apparel manufacturer to license or assign the mark ... after the conclusion of this proceeding" [Perlmutter affidavit, para. 15, Brief, p. 13]. However, we find this vague statement insufficient to find as a fact that respondent has been actively seeking to license or sell the OLYMPIC CHAMPION mark for the goods identified in the subject registration.

prior to the commencement of this proceeding, as demonstrated on this record, is bona fide use in the ordinary course of trade; and that respondent's continuous use of the OLYMPIC CHAMPION mark on closely related goods, i.e., socks, prevents a finding of prima facie abandonment. Respondent contends that it has always been aware of the value of the mark and has always intended to continue and resume its use of the mark for the identified goods, as evidenced by its agreement with Sara Lee Corporation, its use of the mark on related goods, its use on the identified apparel until 1993, and its printing of over 3000 hang tags to affix to apparel items for retail sale.

The facts in evidence of respondent's use, nonuse and intentions in connection therewith lend themselves to review as several sequential "events" or time periods from which, considered together, we may determine whether petitioner has established abandonment by a preponderance of the evidence. First, we consider petitioner's allegation of abandonment for the period from 1978 to March 1989. As previously stated, respondent's vice president and general counsel, Jerome Perlmutter, provided credible testimony explaining respondent's lack of records and establishing the commercial use of the

mark on the identified apparel from at least 1978 to March 1989. Thus, petitioner has not met its burden of showing nonuse for that period of time. Nor do we draw any inferences of abandonment from the mere fact that respondent sold or liquidated its apparel manufacturing facilities in March 1989.

Second, we look at the time period from March 1989 to April 1993. Respondent has admitted that the mark was not used in connection with the identified apparel from March 1989 to December 1990. However, respondent has provided testimony from several witnesses regarding the sale of respondent's manufacturing facilities, changes in management, and a search for outsourcing the manufacture of the identified apparel during this period. Standing alone, this twenty-one month period of nonuse is insufficient to establish a prima facie case of abandonment. Further, respondent has provided a reasonable explanation for its nonuse of the mark from March 1989 to December 1990. We find this explanation adequate to rebut any inference of abandonment during this period and we draw no inference of an intent during this time not to resume use of the mark.

From December 1990 through April 1993, the evidence establishes that approximately 1500 items of the

identified OLYMPIC CHAMPION apparel were sold at a limited number of respondent's Rolane stores. The question with regard to respondent's use of its mark during this time period is whether it is a meaningful commercial-scale use of the mark. In this regard, we note the case of *Persons Co. Ltd. v. Christman*, 900 F.2d 1565, 14 USPQ2d 1477 (Fed. Cir. 1990), *affirming* 9 USPQ2d 1477 (TTAB 1988), wherein the appellant argued that abandonment was established by Christman's intermittent sales during a four-year period, the paucity of orders to replenish the inventory during that period, and the lack of significant sales to commercial outlets. However, the court found that such circumstances do not necessarily imply abandonment and that appellant did not establish abandonment. The court stated (14 USPQ2d at 1481) that "there is no rule of law that the owner of a trademark must reach a particular level of success, measured either by the size of the market or by its own level of sales, to avoid abandoning a mark." See also, *Wallpaper Manufacturers Ltd. v. Crown Wallpapering Corp.*, 680 F.2d 755, 759, 214 USPQ 327, 329 (CCPA 1982).

In the case before us, respondent's witness, Mr. Stevens, explained that the number and frequency of respondent's manufacturing orders were consistent with

replacing inventory as it was sold. On this record we have no basis for concluding that respondent's sales of 1500 items over a twenty-eight month period were mere token use. The burden is on petitioner to establish abandonment and, in keeping therewith, petitioner has not established a context within the relevant industry, or within respondent's own ordinary business practices, that would indicate that respondent's sales are not meaningful commercial sales. Thus, we find that respondent's use of its mark on the identified apparel from December 1990 to April 1993 is use within the meaning of the Trademark Act and there is no abandonment for this time period.

Considering now the period from April 1993 to the time of trial, respondent has admitted that it has not used the OLYMPIC CHAMPION mark on the identified apparel. This is substantially more than the three-year period required to establish a prima facie case of abandonment. Thus, respondent must prove its intent to resume use of the mark. Respondent must establish more than a vague intent to resume use. Respondent has pointed to its purchase agreement with Sara Lee Corporation, which was entered into and cancelled before the filing of this petition. Respondent then vaguely mentions other negotiations with one or more third parties to sell or

license the mark and registration herein, although no specific evidence is submitted. Respondent also points to the letter from respondent to FEDCO, a hosiery customer, as evidence of an alleged unwillingness by prospective purchasers to buy OLYMPIC CHAMPION products during the pendency of this proceeding. Additionally, respondent points to its use of the mark on socks as evidence of its intent to resume use of the mark on the identified apparel.

We find that respondent has not met its burden of establishing its continuing intent to resume use of the mark on the identified apparel. Respondent has shown no specific actions taken to plan for resumption of use at the conclusion of the proceeding. Although related products, we do not find adequate support for concluding that respondent's use of the mark on socks is any indication of its intent to resume use of the mark on the identified apparel. The Sara Lee Corporation agreement was prior to the commencement of this proceeding and respondent has provided no evidence of specific action taken to further sell or license the mark for the identified apparel. While the FEDCO letter is indirect evidence of customer discomfort, it pertains to socks, it is only a single customer, and, despite FEDCO's apparent

concern, respondent is still using the mark on socks. There is no evidence from prospective customers regarding any discomfort about purchasing the identified apparel under the OLYMPIC CHAMPION mark. Finally, the evidence clearly establishing that respondent has become principally a manufacturer of hosiery and has continued to use the OLYMPIC CHAMPION mark on socks does not establish its intention to resume use of the mark on the identified apparel in the absence of a business plan or some other clear and specific actions evidencing such intention. Thus, we find that respondent has not rebutted the prima facie case of abandonment based on nonuse of the mark on the identified apparel since 1993.

*Decision:* The petition to cancel is granted.