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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Nike Inc.
v.
Nikepal International Inc.

Opposition No. 91124869
to application Serial No. 76123346
filed on September 6, 2000

Kathy J. McKnight of Shaw Pittman, LLP for Nike Inc.

Palminder Sandhu for Nikepal International Inc.

Before Hohein, Hairston and Holtzman, Administrative
Trademark Judges.

Opinion by Hairston, Administrative Trademark Judge:

An application has been filed by Nikepal International Inc. to register the mark NIKEPAL for "import and export agencies and wholesale distributorships featuring scientific, chemical, pharmaceutical, biotechnology testing instruments and glassware for laboratory use, electrical instruments, paper products, and household products and cooking appliances."¹

¹ Application Serial No. 76123346, filed September 6, 2000, alleging a date of first use anywhere of 1992 and date of first use in commerce of May 18, 1998.

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Registration has been opposed by Nike, Inc., which alleges that it is the owner of the trade name, trademark and service mark NIKE; that long prior to the filing date of applicant's application, opposer has used the trade name, trade mark and service mark NIKE for athletic and casual footwear, clothing, sports bags, sporting goods, watches, eyewear, digital electronic equipment, sponsorship of sporting contests and exhibitions, and retail store services; that opposer uses the mark NIKE in combination with other words, including but not limited to NIKE AIR, NIKE TOWN, NIKE GOLF, NIKE SHOP, NIKE INNER ACTIVES, NIKE GRIND, NIKEGODDESS, NIKERUNNING, NIKE ID, NIKE QUEST, NIKEBIZ and NIKE TECHLAB; and that applicant's mark NIKEPAL, when used in connection with applicant's services, so resembles opposer's previously used trade name and mark NIKE as to be likely to cause confusion.

Further, opposer alleges that its mark NIKE became famous prior to the filing date of applicant's application; and that applicant's use of the mark NIKEPAL in connection with applicant's services dilutes the distinctiveness of opposer's mark NIKE within the meaning of Section 43(c) of the Trademark Act. Opposer has pleaded ownership of twenty-nine registrations, most of which cover athletic footwear and clothing. Among the registrations pleaded are: Registration No. 978,952 for the mark NIKE for "athletic

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shoes with spikes and athletic uniforms for use with such shoes; athletic shoes without spikes and athletic uniforms for use with such shoes"; Registration No. 1,214,930 for the mark NIKE for "footwear"; Registration No. 1,277,066 for the mark NIKE for "athletic and casual clothing for men, women and children - namely, shirts, pants, shorts, jackets, warm-up suits, tennis wear, skirts, sweaters, underwear, headwear, socks and wristbands;" Registration No. 1,307,123 for the mark NIKE AIR for "footwear and cushioning elements for footwear soles"; Registration No. 1,153,938 for the mark NIKE for "all-purpose sports bags, travel bags, hand bags and shoulder bags"; Registration No. 1,595,356 for the mark NIKE and swoosh design for "posters"; Registration No. 1,924,353 for the mark NIKE for "binders, student planners, notebooks, portfolio covers, pouches for carrying school materials;" Registration No. 2,196,735 for the mark NIKE for "timepieces of all types, namely watches and chronographs;" Registration No. 2,237,132 for the mark NIKE SHOP for "retail store services in the field of footwear, clothing, sporting goods and accessories;" and Registration No. 2,517,735 for the mark NIKE ALPHA PROJECT and design for "footwear; clothing, namely, anoraks, bodysuits, fitness bras, briefs, caps, dresses, fitness tops, hats, jackets, jerseys, leotards, pants, parkas, shirts, shorts, singlets, skirts, tights, tops, t-shirts, unitards and vests."

Applicant, in its answer, has denied the salient allegations of the notice of opposition.

The record consists of the pleadings; the file of the opposed application; the testimony deposition (with exhibits) of opposer's in-house counsel for corporate and business matters, John F. Coburn III; opposer's first notice of reliance on sixty-four articles from printed publications; opposer's second notice of reliance on applicant's responses to opposer's interrogatories; the testimony deposition (with exhibits) of applicant's president, Palminster S. Sandhu; applicant's second notice of reliance on opposer's responses to applicant's interrogatories and request for production of documents;² and applicant's third notice of reliance on both a copy of a third-party registration, namely Registration No. 1,838,592 for the mark NIKE SOUND for "audio cassette players, combined audio cassette player and radio units and car stereos" and a photocopy of applicant's Articles of Incorporation.

² We note that in an order issued July 1, 2004 opposer's motion to strike applicant's first notice of reliance was granted as conceded. In view thereof, we have not considered the material accompanying that notice of reliance in reaching our decision herein. With respect to applicant's second notice of reliance, we note that although responses to a request for production of documents generally are not proper subject matter for a notice of reliance, opposer has not objected thereto. Rather, opposer refers to the responses at page 7 of its brief on the case. Therefore, we consider opposer to have stipulated the responses into the record.

The case has been fully briefed, but no oral hearing was requested.

Evidentiary objection

Before turning to the facts and merits of the case, we must consider opposer's objection to much of applicant's cross-examination of opposer's witness, Mr. Coburn. Opposer contends that many of the questions asked by applicant were improper because they were outside the scope of direct examination. Opposer's direct examination centered on opposer's adoption and use of the NIKE mark, opposer's registrations, and opposer's sales and advertising. On cross-examination, Mr. Coburn was asked to provide the number of letters in the marks NIKE and NIKEPAL; he was asked several questions regarding the third-party registration of the mark NIKE SOUND and any instances of confusion with respect to NIKE and NIKE SOUND.

Opposer has offered no case law or other support for its contention that the cross-examination questions were improper. Moreover, inasmuch as opposer's witness Mr. Coburn testified concerning the NIKE mark, we see nothing improper in applicant asking Mr. Coburn such questions. Thus, opposer's objection to the cross-examination testimony is not well-taken.

The Parties

Opposer, Nike, Inc., was founded by Phil Knight and Bill Bowerman in 1968. Opposer first used the NIKE mark on footwear which was targeted to track athletes. Opposer has since expanded use of the NIKE mark and now sells hats, T-shirts, shorts, socks and other kinds of clothing. In addition, opposer sells sporting goods such as balls, hockey equipment, and protective gear; notebooks and binders; eyewear; watches; and electronic devices under the NIKE mark. Opposer also operates over 100 retail stores in the United States under the NIKE mark. Opposer is a sponsor of many sporting events, including the Olympics, and since the late 1980's opposer has licensed use of the NIKE mark on many products not related to athletic footwear such as pencils, pens, notepads, hats, cups, mugs, name tags, and "Frisbees." Opposer has been involved in many charitable activities and, in particular, activities designed to promote sports and physical education in school systems throughout the United States.

Opposer sells its NIKE products throughout the world and in 140 different countries. Between 1979 and 2003 opposer's worldwide sales totaled \$103,350,955,000 and for the same period its U.S. sales totaled \$57,876,260,000.

Opposer advertises its NIKE products and retail store services in magazines, newspapers, and leaflets and on

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billboards, radio, and television. Opposer also uses endorsements with such athletes as Tiger Woods (golf), Michael Jordan (basketball), Derek Jeter (baseball) and Mia Hamm (soccer). Between 1985 and 2003 opposer's worldwide advertising figures (which exclude athletic endorsement expenditures) totaled \$3,080,600,000 and between 1979 and 2003 opposer's U.S. advertising figures totaled \$10,517,162,000.

Since 1996 opposer has received intense scrutiny and media attention because of concerns about the working conditions in the foreign factories where opposer's products are manufactured. Opposer also receives considerable attention as the result of its association with famous athletes.

Over the years, opposer has acquired Cole Haan, which is a premier producer of footwear; Hurley International, which is a teen lifestyle and alternative action sports brand apparel and footwear company; and Converse, which is an athletic footwear, apparel and equipment company.

Under notice of reliance, opposer submitted sixty-four articles from printed publications which discuss opposer's enormous success and rapid sales growth since 1968; and its relationships with famous athletes such as Tiger Woods and Michael Jordan.

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In July 2000 Financial Times ranked the NIKE brand no. 30 in the world among "billion dollar brands" with a brand value of \$8.0 billion; and in August 2003 Business Week magazine ranked the NIKE brand no. 33 in the world with a brand value of \$8.17 billion.

Applicant Nikepal International Inc. is in the business of supplying products, equipment and instruments to scientific laboratories and utility companies. Among the items applicant supplies are syringes, fluid sampling pumps, syringe carrying cases, valves and plug caps, scales and balances and gas cylinders. According to opposer's president, Mr. Sandhu, the products are used by skilled personnel only such as technicians and lab personnel. The products range in price from \$5.00 to \$10,000.00.

Mr. Sandhu testified that he settled on the mark NIKEPAL because he "was inspired by [the] meaning [of the word Nike]" and he combined the word Nike with the first three letters of his given name. (Dep., p. 8). Applicant promotes its services by sending emails to existing customers and distributing catalogs and brochures to both existing and potential customers.

Priority

During the testimony of opposer's witness Mr. Coburn, opposer introduced copies of the twenty-nine registrations pleaded in the notice of opposition. Further, Mr. Coburn

testified that opposer is the owner of each of the registrations and that each registration is in full force and effect. Thus, priority is not in issue with respect to the marks consisting of and/or comprising NIKE for the goods and services identified in the pleaded registrations. King Candy Co. v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

Likelihood of Confusion

This brings us to the issue of likelihood of confusion. Our likelihood of confusion determination is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in In re E. I. duPont de Nemours and Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

At the outset, we note that in its brief on the case, applicant has focused its arguments on the likelihood of confusion between its mark NIKE and applicant's mark NIKEPAL. In this regard, we acknowledge that the substantial sales and advertising by opposer of its NIKE brand products and the many years opposer has continuously used such mark for athletic shoes, clothing and sporting goods establish the fame of the mark. The fame of opposer's NIKE mark entitles it to a broad scope of protection against competing marks. See Nina Ricci S.A.R.L. v. E.T.F. Enterprises, 889 F.2d 1070, 1074, 12 USPQ2d 1901, 1904 (Fed. Cir. 1989).

Nonetheless, based upon careful consideration of the record and arguments before us, we find that opposer's goods and services are not commercially related to the services set forth in applicant's application such that the use of the involved marks in connection with the respective goods and services would be likely to cause confusion.

Opposer acknowledges that it "does not produce or sell scientific, chemical, pharmaceutical or biotechnology testing instruments or glassware for laboratory uses, nor does it import or distribute such products." (Brief, p. 27). However, opposer points out that applicant's application also covers the import, export and distribution of electrical instruments, paper products, household products and cooking appliances. In particular, opposer maintains that:

The term "household products" could include innumerable items and the term "household" itself is contrary to the assertions that Applicant's products are supplied to only scientific laboratories. Similarly, the terms 'paper products,' 'cooking appliances' and electrical instruments' could include a wide variety of items, including those which the public would associate with Opposer. Not only does Opposer use its mark on paper products such as posters, binders, student planners, notebooks and portfolio covers, Opposer also uses its mark on collateral products which it has given away as promotional items for many years. These include pens, pencils, cups, mugs, name tags and flying discs. Consumers familiar with Opposer and its well-known NIKE mark would associate many types of paper and household products, certain electrical instruments and perhaps even cooking appliances of some type with Opposer and believe, contrary to fact, that

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Opposer is using or has licensed its mark for these products.

(Brief, p. 28)

The problem with opposer's argument is that applicant's application does not cover electrical instruments, paper products, cooking appliances, and household products themselves, but rather import, export and distribution services featuring these products. In this regard, it is well settled that the issue of likelihood of confusion in a proceeding such as this must be determined on the basis of the goods and/or services specified in the subject application vis-à-vis those set forth in opposer's registration(s). See Octocom Systems Inc. v. Houston Computer Services Inc., 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990); and Canadian Imperial Bank, N.A. v. Wells Fargo Bank, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987).

In the present case, applicant's recitation of services reads "import and export agencies and wholesale distributorships featuring scientific, chemical, pharmaceutical, biotechnology testing instruments and glassware for laboratory use, electrical instruments, paper products, and household products and cooking appliances." Opposer's registrations cover athletic footwear, clothing, sporting goods, retail store services in the field of footwear and athletic clothing, posters, school supplies, watches and chronographs. This record contains no evidence

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or testimony upon which we could base the conclusion that consumers would assume that the goods and services covered by opposer's registrations, on the one hand, and applicant's services, on the other hand, are offered by the same entity. The mere fact that the services in applicant's application are broad enough to encompass the import, export and distribution of goods that opposer offers, i.e., posters (paper products) and mugs (household items), is not a sufficient basis to find that opposer's goods and applicant's services are commercially related. There is no evidence that any companies offer the kinds of goods and services set forth in opposer's registrations and the kinds of services set forth in applicant's application.

Further, we recognize that opposer's registrations and applicant's application contain no limitations with respect to purchasers and channels of trade. Even in the absence of any limitations, however, we are not persuaded that opposer's goods and services and the services set forth in applicant's application are related. It is not enough that some of the purchasers of applicant's services may also be purchasers of opposer's athletic footwear, clothing, sporting goods, posters, school supplies, and retail store services. Similarly, while we recognize that both opposer and applicant may do business on the Internet, this does not

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establish that opposer's goods and services and the services in applicant's application are related.

We also recognize that the licensing of commercial trademarks for use on "collateral" products which are unrelated in nature to those goods or services on which the marks are normally used is a common practice. Indeed, the record shows that opposer has extensively licensed the use of its NIKE mark on collateral products such as pens, pencils, cups, mugs, name tags, and "Frisbees." However, opposer has offered no evidence on which to base the conclusion that the services covered by applicant's application represent a natural area for the collateral use of opposer's mark NIKE. Compare: *In re Phillips-Van Heusen Corp.*, 228 USPQ 949 (TTAB 1986) [The record showed that at least thirteen third parties who owned registrations for marks for restaurant services had also registered those same marks for clothing, and the Board held that clothing, especially shirts, is a natural area for the "collateral product" use of commercial trademarks]. In this case, there is no evidence that companies which offer athletic footwear, clothing, and sporting goods license their marks for the kind of services recited in applicant's application. In view of the foregoing, we find that opposer's goods and services and the services recited in applicant's application are not commercially related.

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We turn next to the marks. Opposer's mark is NIKE; applicant's mark is NIKEPAL. We find that the additional element PAL in applicant's mark is not sufficient to distinguish the marks. Although marks must be compared in their entireties, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark. In re National Data Corp., 753 F.2d 1056, 224 USPQ 749 (USPQ 1985). In this case, NIKE is the dominant element of applicant's mark which is identical to opposer's mark in its entirety. It is often the first part of a mark which is most likely to be impressed upon the mind of a purchaser and remembered. Presto Products Inc. v. Nice-Pak Products Inc., 9 USPQ2d 1895 (1988). Thus, when we consider the marks in their entireties, we find that they are similar in sound, appearance, connotation and overall commercial impression.

Although we have given opposer's mark NIKE the substantial weight that must be accorded famous marks, and found the involved marks to be similar, in view of the significant differences in the parties' respective goods and services, we find that confusion is not likely.

Dilution

We turn next to the ground of dilution. In order to establish dilution, the use alleged to dilute a mark must be commercial and in commerce. Also, a party must prove that

its mark became famous prior to the filing date of the applicant's application; that its mark is extremely famous; and that the mark will be diluted. See *Toro Co. v. ToroHead Inc.*, 61 USPQ2d 1164 (TTAB 2001).

At the outset, we note that it is clear from the record that applicant's use of its mark is commercial and in commerce. In addition, we have no hesitation in finding that opposer's mark NIKE is famous for dilution purposes. The evidence of record clearly supports the finding that the public associates the mark NIKE with opposer. Also, there is no question that opposer's mark became famous prior to the filing date of applicant's application. As of July 2000 Financial Times ranked NIKE no. 30 in the world in brand value. In addition, opposer introduced over thirty articles dated prior to the filing date of applicant's application which discuss opposer and the success of the NIKE brand.

In this case, however, we are not persuaded that opposer's mark NIKE will be diluted. In determining whether the mark will be diluted, the Board looks to the similarity of the marks, the renown of the party claiming fame and whether purchasers are likely to associate two different products and/or services with the mark even if they are not confused as to the different origins of the products and/or services. *Toro Co.*, 61 USPQ2d at 1183.

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As we have already found, opposer's mark NIKE is extremely famous such that the public in general associates the term "Nike" with opposer. With respect to the similarity of the marks, "for dilution purposes, a party must prove more than confusing similarity, it must show that the marks are identical or 'very or substantially similar.'" Toro Co., 61 USPQ2d at 1183, quoting Nabisco, Inc. v. PF Brands Inc., 191 F.3d 208, 218, 51 USPQ2d 1882, 1889 (5th Cir. 2001). While the marks NIKE and NIKEPAL are similar, we find that they are not substantially similar for dilution purposes. Although the term NIKE appears in both marks, applicant's mark adds the term PAL. This results in a mark which has a sufficiently different overall commercial impression. Thus, we find that the marks NIKE and NIKEPAL are not very or substantially similar, and thus there is no dilution.

Decision: The opposition is dismissed on the grounds of likelihood of confusion and dilution.