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THIS DECISION IS NOT
CITABLE AS PRECEDENT
OF THE TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

HASBRO, INC.

v.

MITCHELL W. GOLDMAN

Opposition No. 91152638
to Application Serial No. 76206220
filed on 02/07/2001

Kim J. Landsman & Nicole G. Tell of Patterson, Belknap, Webb
& Tyler for Hasbro, Inc.

Marsha G. Gentner of Jacobson Holman PLLC for Mitchell W.
Goldman.

Before Hairston, Drost and Walsh, Administrative Trademark
Judges.

Opinion by Walsh, Administrative Trademark Judge:

Hasbro, Inc. (Hasbro), opposer and counterclaim
respondent, has opposed the intent-to-use application of
Mitchell W. Goldman (Goldman), applicant and counterclaim
petitioner, filed on February 7, 2001. Goldman has applied
to register COTTON CANDY CLOUD CASTLE on the Principal

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Register for "toys, namely, dolls, dollhouses, doll cases, doll furniture, action figures and cases and accessories therefor, plush toys, bath toys, puppets, children['s] (sic) multiple activity toys, ride-on toys, musical toys, toy building and construction blocks, children's wire construction and art activity toys, construction toys, game tables, children's activity tables containing manipulative toys which convert to easels, cube-type, jigsaw, and manipulative puzzles, doll costumes, costume masks, battery-powered computer game with lcd screen which features animation and sound effects, board games, electronic educational game machines for children, and manipulative games, in International Class 28.¹ The Goldman application was published for opposition on March 26, 2002, and Hasbro filed its opposition on July 24, 2002.

Hasbro alleges likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d) as the ground for opposition.² In asserting this ground Hasbro relies on

¹ When published the application also included services in International Class 41, specifically, "entertainment, namely, production of interactive, animated stories and programs." Hasbro did not oppose the application in Class 41, and a registration subsequently issued for the Class 41 services as Registration No. 2,828,465.

² In the Notice of Opposition, Hasbro also referred to Section 2(a) of the Trademark Act, 15 U.S.C. § 1052(a), in an apparent attempt to assert "false association" between the Goldman mark and Hasbro as an additional ground for opposition. However, Hasbro did not present any evidence or argument in support of such a ground. Therefore, we conclude that Hasbro has abandoned any ground under Section 2(a).

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its ownership of U.S. Registration No. 1,296,526, issued September 18, 1984, for COTTON CANDY for goods in International Class 28 identified as "toy pony" as well as common law rights based on use of the registered COTTON CANDY mark.³ The Hasbro COTTON CANDY registration, which issued on September 18, 1984, specifies a date of first use of October 4, 1982; the registration has been maintained to the present.

Goldman has denied the essential allegations in Hasbro's notice of opposition and counterclaimed for cancellation of the Hasbro COTTON CANDY registration on the grounds that: (1) Hasbro has abandoned the COTTON CANDY mark; (2) Hasbro committed fraud in Hasbro's filings of its "Combined Declarations under Sections 8 and 15" with respect to the Hasbro registration on September 26, 1989; and (3) Hasbro failed to file a specimen showing "current" use of the COTTON CANDY mark as of the date the declarations were filed. Hasbro has denied the essential allegations in the Goldman counterclaim.

The record consists of: the pleadings; the PTO files for the opposed Goldman application and the Hasbro

³ In its testimony and briefs Hasbro makes several references to its use of certain "Castle" marks, including MY LITTLE PONY DREAM CASTLE and CELEBRATION CASTLE. In its pleadings Hasbro has not alleged a likelihood of confusion with respect to or otherwise even mentioned any "Castle" mark. Accordingly, we have not considered any Hasbro claims with respect to likelihood of confusion with any "Castle" mark in this decision.

registration which is the subject of the counterclaim for cancellation; and the transcript of the testimonial deposition of Hasbro witness, Valerie Jurries, Hasbro's Vice President of Girls' Toys Marketing, including Hasbro's Exhibits 1-38 and Goldman's Exhibits 1-7 offered during the examination and cross examination of Ms. Jurries.

As a preliminary matter, Goldman objected to Hasbro's reliance on Hasbro's COTTON CANDY registration in the opposition based on Hasbro's alleged failure to make a title and status copy of the registration properly of record in the proceeding. Although Hasbro did, in fact, fail to do so, the registration is of record by operation of the Trademark Rules as a result of Goldman's assertion of a counterclaim for cancellation of the Hasbro registration in the proceeding. Specifically, Trademark Rule 2.122(b)(1), 37 C.F.R. § 1.122(b)(1), provides as follows:

(b) *Application files.* (1) The file of each application and registration specified in a notice of interference, of each application or registration specified in the notice of a concurrent use registration proceeding, of the application against which a notice of opposition is filed, or of each registration against which a petition or counterclaim for cancellation is filed form part of the record of the proceeding without any action by the parties and reference may be made to the file for any relevant and competent purpose. (emphasis provided)

Under the rule, the file related to the Hasbro registration becomes part of the record of the proceeding because it is the subject of a counterclaim for cancellation in the proceeding. It is not "of record" merely for the purpose of

the cancellation counterclaim, as Goldman asserts, but for the purpose of the proceeding as a whole, including the opposition.

History of the Hasbro COTTON CANDY Mark

Hasbro presented the history of its use of the registered COTTON CANDY mark through Ms. Jurries' testimony. Hasbro publicized the introduction of its COTTON CANDY mark in late 1982 in its catalog and first shipped products under the COTTON CANDY mark in 1983 in conjunction with Hasbro's broader introduction of the My Little Pony line of products. Ms. Jurries began working with the My Little Pony line in 1988. The line was initially directed to girls in the 3 to 10 age range and later to the 3 to 6 range. Hasbro applied the COTTON CANDY mark to a specific toy pony which was one of the first group of six toy ponies in the My Little Pony line. Over time Hasbro expanded its stable of toy ponies to include over one hundred distinct toy ponies. Hasbro gave each toy pony a different name which it used as the trademark for each of the toy ponies in the My Little Pony line.

According to Ms. Jurries, the toy ponies "came in many different varieties, many different sizes, many different scales." The initial product was a "roto-molded" pony figure formed from two pieces in a pink pastel color with combable hair made from nylon. The initial product was

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available as part of an "assortment" which included six toy ponies, each with its own name, and each packaged in a separate blister pack. Each of the six, including the COTTON CANDY toy pony, was also sold individually in the blister packs. The initial My Little Pony line also included playsets based on the same theme, including the MY LITTLE PONY DREAM CASTLE playset which was introduced in 1984; the playsets were sold separately, but intended for use with the toy ponies. The line also included "softies," that is, plush versions of the toy ponies, including a COTTON CANDY product introduced in 1984, and "baby pony" versions, smaller roto-molded toy ponies, again including a COTTON CANDY product introduced in 1985.

Hasbro offered products in the My Little Pony line continuously from 1983 through 1992, but the sales of the products under the COTTON CANDY mark continued only through Hasbro's 1987 distribution.⁴ The sales of toy ponies under the COTTON CANDY mark for each of the years from 1983

⁴ Goldman objected to certain evidence with regard to Hasbro's use of the COTTON CANDY mark. Specifically, Goldman objected to the use of Hasbro catalogs because only certain pages showing the COTTON CANDY products were produced, but not the entire catalogs. Viewing the evidence of "use" as a whole, that is, Ms. Jurries testimony, excerpts from catalogs, examples of packaging, sales and advertising figures, we conclude that Hasbro has shown use of COTTON CANDY on "toy ponies" from 1983 through 1987, a point which Goldman does not seriously dispute. The relevant pages of the catalogs which Hasbro provided were adequate for the purpose of confirming this use. We do not need the entire catalogs for this purpose, and therefore, we overrule Goldman's objections to the catalog evidence.

through 1987 under the COTTON CANDY mark were commercially significant, consistent with Hasbro's status as a major player in the industry.⁵ Hasbro sold the products through numerous major toy and general merchandise retail outlets. As one would expect with such products, the sales rose and ebbed over this period. Throughout the period, Hasbro added new toy ponies under new names and marks to the line. Ms. Jurries indicates that the new ponies were intended to be "additives" and not substitutes for the existing toy ponies.

Ms. Jurries' testimony likewise indicates that Hasbro engaged in significant advertising for the My Little Pony line in general during the 1983 through 1992 period. Ms. Jurries testified that COTTON CANDY appeared in 1983 commercials but otherwise Hasbro provided no specific evidence for the remainder of the 1983 through 1987 period as to the extent to which COTTON CANDY toy ponies were present or featured in the advertising or the extent to which, if at all, the COTTON CANDY mark was either seen or heard through this advertising.

As noted, Hasbro continued its sales of products in the My Little Pony Line through 1992. Hasbro "relaunched" and sold certain of the products in the My Little Pony line from 1996 through 1999. However, the testimony indicates that

⁵ Hasbro has provided detailed unit sales and revenue figures under a claim of confidentiality. It is not necessary to discuss the specific figures for the purposes of this opinion.

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Hasbro discontinued all sales of toy ponies under the COTTON CANDY mark after 1987 and did not sell products under the COTTON CANDY mark during the "relaunch" from 1996 through 1999.

Ms. Jurries testified that Hasbro also produced a movie and two television specials and television programs based on the My Little Pony line. The movie appeared in 1984, and one television special aired in 1986 and another in 1987. Ms. Jurries also states, ". . . and from those television specials we worked to create episodes of My Little Pony and Friends that were aired in the 80s." Hasbro later produced a video based on these programs and the video sold at retail in significant commercial quantities in 1991. As noted, Ms. Jurries, Hasbro's only witness, did not become involved with the My Little Pony line until 1988. As a result, Ms. Jurries had no involvement with the production of the movie or television specials and programs. Hasbro was unable to locate any copies of the movie, television specials or television programs as aired in the 1980s. Hasbro produced only one synopsis of one television program.

Ms. Jurries was involved with the preparation of and viewed the My Little Pony video which was sold in 1991 and testified that COTTON CANDY "was featured" in the video. Ms. Jurries does not explain what she meant by "featured." Once again, Hasbro was unable to locate and did not produce

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a copy of the video. Ms. Jurries also testified that she viewed the television specials in the process of preparing the video. Even as to the video, the record is unclear as to whether Hasbro is alleging that the COTTON CANDY character was merely pictured or whether any verbal references were made to COTTON CANDY.

Goldman has objected to all testimony with regard to the movie, television specials, television programs and the video due to Hasbro's failure to produce copies of any of these materials. The only "evidence" we have of these activities is one synopsis of a program from which the video was allegedly derived and the testimony of a witness who had limited involvement with the totality of the activities and materials, involvement which took place more than ten years before the testimony was taken. Most importantly, we note that Hasbro has neither alleged nor attempted to show any trademark use of COTTON CANDY in conjunction with the movie, television specials, television programs or videos. The limited evidence available suggests that any use which did occur was merely and at most use of COTTON CANDY as a character or character name, and not as mark for any product, and certainly not as a mark for "toy ponies" in International Class 28. While we will not exclude this evidence as Goldman suggests, we attach very little weight

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to the evidence in view of the many limitations on its probative value.

According to Ms. Jurries, Hasbro decided to "rest" the My Little Pony line of products in its entirety in 1992. Ms. Jurries testified that she was involved with that decision and explained the decision as follows, ". . . we always felt that the attributes that were associated with My Little Pony could be brought back into the marketplace at the proper time, so we always looked at My Little Pony as a core brand for us. We were just recommending that we allocate our resources differently for those years." In this and other discussions of the interruptions in sales and future plans for the My Little Pony line, Ms. Jurries makes no mention of the COTTON CANDY mark or of any plans with regard to any intended future uses of the COTTON CANDY mark.

As noted, Hasbro reintroduced the Little Pony line in 1996 and continued to sell products in the line through 1999 when it once again ceased sales. Hasbro has not alleged any use of the COTTON CANDY mark on toy ponies or any other product during this period.

Hasbro again began to sell products in the My Little Pony line in 2003. The 2003 products included a "toy pony" under the COTTON CANDY mark and a playset under the COTTON CANDY CAFE mark. While Hasbro alleges that it showed the products to certain retailers, including Target, in 2002,

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there is no evidence that Hasbro either promoted the COTTON CANDY mark to potential customers or sold products under the COTTON CANDY mark until 2003.

Ms. Jurries also provided testimony regarding the collectors' market for the My Little Pony and COTTON CANDY products. She indicated that such a market existed and that collectors and fans contacted her and other Hasbro employees "over the years." The witness also introduced materials obtained from various Internet sites on May 5, 2003, indicating that parties other than Hasbro offered items from the My Little Pony line for sale to collectors.

The hallelnet.com site appears to offer seven COTTON CANDY toy ponies for sale, six of which are identified as originating outside the United States. The site includes a pricing guide which indicates the price of COTTON CANDY toy ponies at \$2 to \$10. The site refers to dozens of other ponies in the My Little Pony line indicating no particular emphasis on COTTON CANDY. The recycledtoys.com site shows three COTTON CANDY toy ponies for sale for prices from \$7 to \$9 among many other ponies in the line once again. The tripod.com site indicates one COTTON CANDY toy pony for sale along with dozens of other ponies in the line. The fortunecity.com site shows one COTTON CANDY toy pony for sale for \$4. The record does not indicate whether other ponies were available at this site.

Hasbro also provided pages from eBay showing offers to sell twelve COTTON CANDY toy ponies at prices under \$5 with the exception of two prices at \$8.50 and \$65. There is no indication as to whether other toy ponies were available for sale.

Hasbro has not alleged nor shown that it is in any way involved with the sale of toy ponies in the collector market. By definition, the "collector" and eBay sales are resales of used or recycled products. Furthermore, the evidence of record is from 2003, and the offers for sale are very small in number.

Goldman's Evidence

Goldman's key evidence is his application.⁶ As noted, the application was filed on February 7, 2001. In addition to denying that there is a likelihood of confusion, Goldman asserts priority as of that date under Trademark Act Section 7(c), 15 U.S.C. § 1057(c).

The Counterclaim for Cancellation

As noted, Goldman has counterclaimed for cancellation of the Hasbro COTTON CANDY registration based on abandonment, fraud and failure to provide current specimens in a Hasbro post-registration filing. If we decide to cancel the Hasbro registration based on Hasbro's abandonment

⁶ Goldman correctly notes in his brief that he is also entitled potentially to rely on 7 exhibits introduced during the cross examination of Ms. Jurries.

of the COTTON CANDY mark on the basis Goldman alleges, such a decision would be dispositive of the Hasbro opposition as well. That determination would negate the priority Hasbro must demonstrate to succeed with its likelihood of confusion claim in the opposition. AmBRIT Inc. v. Kraft Inc., 812 F.2d 1531, 1 USPQ2d 1161, 1178 (11th Cir. 1986). Therefore, we will address the Goldman counterclaim for cancellation first.

Standing

In its answer to the Goldman counterclaim (paragraph 15) Hasbro asserts that Goldman lacks standing to assert the counterclaim. In its reply brief Hasbro states: "As a preliminary matter, if the TTAB finds that there is no likelihood of confusion between Hasbro's and Applicant's marks, then applicant will not be damaged by Hasbro's registration and has no standing to allege cancellation of Hasbro's registration." Hasbro Reply Brief at 7. Goldman argues that he has the right to present separate, alternative claims, such as denying that there is a likelihood of confusion and challenging Hasbro's rights through a counterclaim for cancellation, under Rule 8(d) of the Federal Rules of Civil Procedure. Goldman Reply Brief at 3.

The contradiction lies in Hasbro's position. Hasbro cannot have it both ways, that is, it cannot attack the

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Goldman application relying on its COTTON CANDY registration, and at the same time, bar Goldman from challenging the registration. Goldman has standing to challenge the Hasbro registration for the simple reason that Hasbro is relying on that registration in asserting likelihood of confusion in its opposition to the Goldman application. Thus Goldman has a real interest in seeking to cancel the registration. TBMP § 309.03(b)(2nd ed. rev. 2004); Tonka Corporation v. Tonka Tools, Inc., 229 USPQ 857, 859 (TTAB 1986) (“Petitioner has a real interest in seeking to cancel a registration that has been asserted, even defensively, against it in U.S. District Court.”). Accordingly, we conclude that Goldman has standing to bring the counterclaim.

Determining Priority

In its main brief Hasbro states the following with regard to the potential cancellation of its COTTON CANDY registration: “Even if Hasbro were to lose its original registration for the COTTON CANDY mark, because Hasbro reintroduced the mark in 2002, and has used the mark in commerce since at least 2002, Hasbro’s use of the mark in connection with toys precedes any proposed use of COTTON CANDY CLOUD CASTLE by applicant which has not yet used the mark for use with (sic) toys. Accordingly, regardless of registration status, Hasbro is the senior user of the COTTON

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CANDY trademark and therefore has priority over that mark." Hasbro Brief at 6. Hasbro appears to continue to make this argument in its reply brief: "Finally, even if the TTAB cancels Hasbro's registration, Applicant's trademark registration should still not issue. Hasbro has shown sufficient evidence that it is the senior user of its COTTON CANDY mark." Hasbro Reply Brief at 8.

In Goldman's reply to Hasbro's main brief he points out, "The opposed application, however, is an intent-to-use application under § 1(b) of the Trademark Act. An intent-to-use applicant may can (sic) rely on the filing date of that application for purposes of establishing priority in an opposition to that application." Goldman Reply Brief at 9.

Goldman is entirely correct on this critical point. The Board addressed this fundamental issue in Zirco Corp. v. American Telephone and Telegraph Co., 21 USPQ2d 1542, 1544 (TTAB 1991) shortly after the intent-to-use system took effect. After discussing the purposes of the intent-to-use legislation and the importance of the constructive use date within that scheme, the Board stated:

With these being the aims of the constructive use provision, there can be no doubt but that the right to rely upon the constructive use date comes into existence with the filing of the intent-to-use application and that an intent-to-use applicant can rely upon this date in an opposition brought by a third party asserting common law rights.

Id. See also Larami Corp. v. Talk to Me Programs Inc., 36 USPQ2d 1840, 1845 (TTAB 1995)(distinguishes application of Section 7(c) in Board registration proceedings from district court infringement actions). Therefore, for the purposes of our decision here, Goldman is entitled to rely on its filing date of February 7, 2001 in the determination of priority.

Abandonment

Section 45 of the Trademark Act, 15 U.S.C. § 1057, provides, in pertinent part:

Abandonment. A mark shall be deemed to be "abandoned" when either of the following occurs:

(1) 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 in the ordinary course of trade, and not made merely to reserve a right in a mark.

The party asserting abandonment bears the burden of establishing the case by a preponderance of the evidence. Evidence of nonuse for three consecutive years establishes a prima facie case and shifts the burden to the party contesting the abandonment either to disprove the showing of nonuse or to show intent to resume use. Auburn Farms Inc. v. McKee Foods Corp., 51 USPQ2d 1439, 1442 (TTAB 1999). While the burden to produce evidence shifts, the burden of persuasion by a preponderance of the evidence remains with the party asserting abandonment. Rivard v. Linville, 133

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F.3rd 1446, 45 USPQ2d 1374, 1376 (Fed. Cir. 1998). See
Cerveceria Centroamericana S.A. v. Cerveceria India Inc.,
892 F.2d 1021, 13 USPQ2d 1307, 1312 (Fed. Cir. 1989).

Goldman asserts the following in his counterclaim;

2. Prior to the filing date of the present opposition, Opposer ceased use of the COTTON CANDY mark in commerce in connection with the goods set forth in the '526 Registration - i.e. "toy pony" - for a period of at least three consecutive years."

3. Prior to February 7, 2001, Opposer ceased use of the COTTON CANDY mark in commerce in connection with the goods set forth in the '526 Registration - i.e. "toy pony" - for a period of at least three consecutive years."

4. As of the time Opposer had ceased use of the COTTON CANDY mark in commerce in connection with a toy pony, Opposer did not have a then present intent to resume such use of the COTTON CANDY mark.

In his main brief Goldman states, "It is undisputed that Hasbro ceased marketing, distribution and sale of toy ponies under the COTTON CANDY mark for some sixteen consecutive years through and including the March 16, 2002, date of publication of the opposed application." Goldman Brief at 16.

In its brief Hasbro effectively concedes that it ceased use of the COTTON CANDY mark for a period well in excess of three consecutive years. It states, "Applicant's only evidence of abandonment of the COTTON CANDY trademark by Hasbro is the lack of sales by Hasbro of the COTTON CANDY toy pony for several years after 1987 (citation omitted).

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However a mark is deemed abandoned, for purposes of the Trademark Act, only when the owner of the mark discontinues use of the mark in commerce '**with an intent not to resume use.**' 15 U.S.C. § 1127 (emphasis added). Here Hasbro has established evidence that it always intended to resume—and consistent with that intent, did resume—use of the COTTON CANDY trademark."⁷ Hasbro Brief at 4. Hasbro argues further, "True to its intent to resume use of the COTTON CANDY mark, Hasbro relaunched the MY LITTLE PONY line in fall 2002 and a COTTON CANDY toy pony and two new playsets (COTTON CANDY CAFE and CELEBRATION CASTLE) were among the offerings." Id. at 5.

In the absence of any real dispute as to whether Hasbro discontinued use for three consecutive years prior to February 7, 2001, we must look to the evidence of record to determine whether Hasbro has shown an intent to resume use of the COTTON CANDY mark on toy ponies during the break in use from 1987 through 2002. A mere statement from the registrant that it intended to resume use during the period of nonuse is generally entitled to little weight. Imperial

⁷ Ms. Jurries confirmed in cross examination (page 122) that Hasbro discontinued use from 1987 until 2002:

- Q, From 1987 through 2002 Hasbro did not distribute or sell a toy pony under the name Cotton Candy; that's correct, isn't it?
A. Through 1987?
Q. 1987 through 2002.
A. No, we didn't.

Tobacco Ltd. v. Philip Morris Inc., 899 F.2d 1575, 14 USPQ2d 1390, 1394 (Fed. Cir. 1990) ("In every contested abandonment case, the respondent denies an intention to abandon its mark; otherwise there would be no contest.").

In arguing that it had an intent to resume use Hasbro emphasizes: (1) that it "recycled" the various My Little Pony characters; (2) that Hasbro considered the My Little Pony line, including its original characters, such as COTTON CANDY, a "core brand" for the company; (3) that Hasbro "re-released" the 1991 video "featuring" the original toy ponies, including COTTON CANDY; and (4) that an avid collector's market existed for the sale of the original toy ponies including COTTON CANDY in the years following 1987.

Id.

Goldman, on the other hand, argues that Hasbro has offered no evidence of its intent to resume use. Goldman notes, in particular, that Ms. Jurries' testimony regarding Hasbro's decision to rest the My Little Pony line addresses its intent in 1992, five years after it had discontinued use of COTTON CANDY and its intent only with regard to the My Little Pony line, in general, and not the COTTON CANDY mark, in particular. Goldman also notes that the video was sold in 1991 followed by more than ten years of nonuse, and that the "evidence" regarding the video is of questionable value.

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First, we address Hasbro's claim that its practice of recycling the My Little Pony line was evidence of its intent to resume use. Hasbro cites four pages of Ms. Jurries' testimony in connection with this argument, pages 18, 35, 144 and 178. Nowhere in this testimony does the witness talk about "recycling" character names, and nowhere in this testimony does the witness refer to Hasbro's intentions with regard to COTTON CANDY, in particular. The testimony at most indicates an intent expressed in 1992 to bring back the My Little Pony line at some unspecified point in the future. There is no mention of the original six ponies or of any of the over 100 ponies in the My Little Pony line in this testimony. We conclude that this testimony does not show an intent to resume use of the COTTON CANDY mark on toy ponies.

Secondly, with regard to Hasbro's "core brand" argument, again Hasbro points to pages 35 and 144 of Ms. Jurries testimony as indicating its intention to resume use of the COTTON CANDY mark. And again, the testimony merely indicates at most a general intention to bring back the My Little Pony line at an unspecified time in the future with no specific mention of COTTON CANDY or any of the other six original toy ponies or any of the other 100 or more toy ponies. We conclude that this testimony does not show an intent to resume use of the COTTON CANDY mark on toy ponies.

Thirdly, with respect to Hasbro's claim that the release of the My Little Pony video in 1991 evidenced its intent to resume use of the COTTON CANDY mark on toy ponies, here too we find the evidence lacking. As noted, the evidence consists of one synopsis of a television program which was a precursor to the video and the testimony of a witness more than ten years after the fact that COTTON CANDY was "featured" in the video. The evidence, by its nature, is of limited probative value. At most, this evidence indicates possible use of COTTON CANDY as either a character or character name in a video, not as a trademark for a video or any other product. Hasbro does not even argue that there is trademark use of any kind here, and there is no indication of any use or of any intentions with regard to future use of COTTON CANDY as a mark for toy ponies in this evidence.

Lastly, with regard to the collector market, the evidence is limited to a brief statement that a market existed and the materials on web sites described above. The evidence from the web sites, in fact, is from a period in 2003 after Hasbro had begun its current use of the COTTON CANDY mark. This limited evidence of the behavior of third parties is in no way probative of what Hasbro's intentions were with regard to any future use of COTTON CANDY on toy ponies from 1987 to 2002.

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Based on our review of the record as a whole, we conclude that Goldman established by a preponderance of the evidence that Hasbro discontinued use of the COTTON CANDY mark on toy ponies for at least three consecutive years prior to the February 7, 2001 filing date of Goldman's application and that Hasbro did not have an intention to resume use of the COTTON CANDY mark on toy ponies at the time it discontinued use in 1987 and until a time well after the filing of the Goldman application on February 7, 2001.

In reaching this conclusion, in addition to the factors discussed, we have taken into account the length of nonuse, approximately 15 years. This is a lengthy period of nonuse. Also, we have considered Hasbro's eventual "resumption" of use after the filing of and publication of the Goldman application, and we conclude that this recent use is not significant for purposes of our conclusion regarding abandonment. The mark was already abandoned when Hasbro undertook this use. Therefore, the recent use is a new beginning, rather than a true resumption of use.

Accordingly, we conclude that Hasbro had abandoned the COTTON CANDY mark as used on toy ponies as of the filing date of the Goldman application, February 7, 2001.

Fraud

Goldman also claims that Hasbro committed fraud in the filing of the "Combined Declarations under Sections 8 & 9"

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with regard to the Hasbro COTTON CANDY registration in September of 1989. Specifically, Goldman alleges that the Hasbro statements in the Combined Declarations that the mark had been "in continuous use in interstate commerce among the several states of the United States for five consecutive years from September 18, 1984 to the present [September 18, 1989] on or in connection with a toy pony," as well as the Hasbro statement that the COTTON CANDY mark "was still in use in such interstate commerce, as evidenced by the accompanying current specimen" were false.

For purposes of the Trademark Act, an applicant or registrant commits fraud by knowingly making a false statement as to a material fact in conjunction with a trademark application or registration. Mister Leonard Inc. v. Jacques Leonard Couture Inc., 23 USPQ2d 1064, 1065 (TTAB 1992). Thus the statement in question: (1) must be false; (2) must be made with knowledge that it is false; and (3) it must be material. There is no doubt that the statements in question here are material. In particular, the statement that the mark is currently in use is fundamental to the requirement for the filing of declarations under Section 8 & 9 of the Trademark Act. Also, Goldman correctly points out that, under the cases, the requirement that the statement be made with knowledge that it is false has been construed to include circumstances where the applicant or registrant knew

or "should have known" that it was false. Torres v. Cantine Torresella S.r.L., 808 F.2d 46, 1 USPQ2d 1483, 1484-85 (Fed. Cir. 1986); Medinol Ltd. v. Neuro Vasx Inc., 67 USPQ2d 1205, 1209 (TTAB 2003).

Mr. Donald Robbins signed the Combined Declarations on behalf of Hasbro. There is no testimony from Mr. Robbins in this proceeding. Accordingly, we have nothing in the record through which we can determine Mr. Robbins' basis for signing the declarations which included the statements at issue here. Goldman bases his claim that the statements were false on the testimony of Ms. Jurries. Ms. Jurries did testify that Hasbro did not sell or distribute toy ponies under the COTTON CANDY mark after 1987.⁸ Ms. Jurries also testified that she was not contacted concerning the preparation of the Combined Declarations⁹ and that she was a "product manager" in 1989 and that there were more senior people in the marketing department responsible for the My Little Pony line at that time.¹⁰

Also, on cross examination Ms. Jurries testified that the COTTON CANDY mark was also used as a "cutie mark" on another toy pony known primarily by another name which Ms. Jurries could not recall.¹¹ Ms. Jurries indicated that the

⁸ See n. 7 supra.

⁹ Jurries testimony at 134-135.

¹⁰ Jurries testimony at 177-178.

¹¹ Jurries Testimony at 142-43. Ms. Jurries explained "cutie marks" in response to a question as to how different ponies in

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use of COTTON CANDY as a "cutie mark" on another pony in the line took place "in the late 80s." This obviously could include 1989. It appears that this use of COTTON CANDY was something other than the use she testified about on direct examination, and unrelated to the sales figures she provided, all of which related to the toy pony named COTTON CANDY.

The evidence, as a whole, indicates some ambiguity as to whether Hasbro's statement that the mark was in use in 1989 was or was not false. The evidence suggests that Mr. Robbins may have had a reasonable basis for believing that the COTTON CANDY mark was in use at the time he executed the Combined Declarations in 1989. Due to her subordinate position at the time, Ms. Jurries may not have had the same information. Even Ms. Jurries' own testimony regarding the use of COTTON CANDY as a "cutie mark" in the "late 80s" contributes to this ambiguity.

In similar cases where we have found fraud it is generally clear that the statement in question is false. Usually the registrant admits that the statement is false, or the record otherwise clearly establishes that the relevant statement is false. See, e.g., Torres v. Cantine

the My Little Pony line could be distinguished from one another: "They could be identified from what we refer to as a cutie mark, which is a decoration on the pony, usually the hind quarter, sometimes all over the pony." Jurries Testimony at 10.

Torresella S.r.L., 1 USPQ2d at 1484-85; Medinol Ltd. v. Neuro Vasx Inc., 67 USPQ2d at 1209; First International Services Corp. v. Chuckles Inc., 5 USPQ2d 1628, 1636 (TTAB 1988). Here we do not have that kind of clarity. On the contrary, we have genuine ambiguity. In the absence of more definitive evidence that the statements by Hasbro were false, we conclude, on this record, that Hasbro did not commit fraud. Smith International Inc. v. Olin Corp., 209 USPQ 1033, 1044 (TTAB 1981) ("It thus appears that the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.").

The Specimen of "Current" Use

Goldman also asserts fraud on the basis that the specimen of use Hasbro provided with the Combined Declarations was improper because it did not show current use of the mark at the time the declarations were filed. This ground is truly part and parcel of the claims of abandonment and fraud. The acceptability of the specimen, as alleged here, is not a separate ground for cancellation. As the Board observed in a similar context, "Moreover, fairness dictates that the ex parte question of the sufficiency of the specimen not be the basis for sustaining an opposition." Century 21 Real Estate Corp. v. Century

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Life of America, 10 USPQ2d 2034, 2035 (TTAB 1989). See Granny's Submarine Sandwiches, Inc. v. Granny's Kitchen, Inc., 199 USPQ 564, 567-68 (TTAB 1978). Cf. Torres, 1 USPQ2d at 1483-84. Accordingly, we reject Goldman's claim seeking cancellation based on the submission of an improper specimen.

Conclusion

In sum, on the basis of the entire record we conclude that Hasbro discontinued use of the COTTON CANDY mark on toy ponies for a period of well over three years prior to the February 7, 2001 filing date of the Goldman application without an intent to resume use of the COTTON CANDY mark on toy ponies. Accordingly, Hasbro abandoned its rights in the COTTON CANDY mark prior to the filing date of the Goldman application, and therefore, Hasbro's COTTON CANDY registration must be cancelled. We conclude further that Hasbro only began its subsequent use of the COTTON CANDY mark on toy ponies after the February 7, 2001 filing date of the Goldman application. Consequently, Hasbro lacks the priority necessary to maintain its opposition to the Goldman application. AmBRIT Inc. v. Kraft Inc., 1 USPQ2d at 1178.

Decision: Goldman's counterclaim for cancellation of Registration No. 1,296,526 is granted, and Hasbro's opposition to Application Serial No. 76206220 is dismissed.