

**THIS OPINION IS NOT A
PRECEDENT OF THE TTAB**

Hearing: April 18, 2007

Mailed: September 11, 2007

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Diamonique Corporation

v.

Diamonair USA, Inc.

Opposition No. 91163668
to application Serial No. 78365990
filed on February 11, 2004

Manny D. Pokotilow of Caesar, Rivese, Bernstein, Cohen &
Pokotilow, Ltd. for Diamonique Corporation.

John D. Cromie of Connell Foley LLP for Diamonair USA, Inc.

Before Hohein, Hairston, and Bergsman, Administrative
Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

Diamonair USA, Inc. filed an intent-to-use application for the mark DIAMONICE, in standard character form, for "jewelry with or without precious, semiprecious, simulated or synthetic stones," in Class 14, on February 11, 2004 (Serial No. 78365990). Diamonique Corporation opposed the registration of applicant's mark on the ground of priority of use and likelihood of confusion under Section 2(d) of the Lanham Act, 15 U.S.C. §1052(d). Opposer alleged that applicant's mark DIAMONICE for "jewelry with or without precious, semiprecious, simulated or synthetic stones" so

resembles opposer's registered trademarks set forth below as to be likely to cause confusion:

Registration No. 1,532,950 for the mark DIAMONIQUE, in typed drawing form, for "jewelry with simulated gemstones, namely white and colored simulated gemstones, including simulated diamonds" registered on April 4, 1989 (Section 8 affidavit accepted and Section 15 affidavit acknowledged); and,

Registration No. 1,538,103 for the mark DIAMONIQUE, in typed drawing form, for "precious stones, namely, colored and white simulated diamonds for use in jewelry other than school class rings, recognition jewelry and sports award jewelry," registered on May 9, 1989 (Section 8 affidavit accepted and Section 15 affidavit acknowledged).

Applicant denied the salient allegations of the notice of opposition, and pleaded, *inter alia*, the affirmative defense of laches and the prior registration (*Morehouse*) defense. Both opposer and applicant have filed briefs and an oral hearing was held. For the reasons set forth below, we sustain the opposition.

The Record

By operation of the rules, the record includes the pleadings and the application file for applicant's mark. The record also includes the following testimony and evidence:

A. Opposer's evidence.

1. Testimony deposition of Neal Grabow, opposer's Executive Vice President, General Counsel, and Secretary, with attached exhibits;

2. A notice of reliance on the following items:
 - a. Certified copies showing that opposer's pleaded DIAMONIQUE registrations are subsisting and owned by opposer;
 - b. Applicant's Responses to Opposer's Interrogatory Nos. 2-5, 11, 12, 16, and 23(k), (s) and (t); and,
 - c. Applicant's Responses to Opposer's Request for Admission Nos. 1 and 2.

B. Applicant's evidence.

1. Testimony deposition of Susan Lanza, applicant's Vice President of Operations, with attached exhibits;
2. A notice of reliance on the following items:¹
 - a. A copy of cancelled Registration No. 1,626,466 for the mark DIAMONICE for "jewelry with our without precious, semiprecious, simulated or synthetic stones";
 - b. A second copy of cancelled Registration No. 1,626,466 from the Trademark Electronic Search System purportedly to show the status of the registration;

¹ That particular items were filed pursuant to a notice of reliance does not mean that they have been properly made of record. In fact, opposer has lodged objections to several of the listed items. See the discussion *infra*.

- c. A copy of applicant's DIAMONICE trademark application at issue from the Trademark Electronic Search System;
- d. A photograph of DIAMONICE trademark in use;
- e. Photocopies of documents showing the DIAMONICE trademark in use;
- f. A copy of Thomson & Thomson Research Report for trademarks containing the prefix "diam";
- g. A copy of opposer's Registration No. 2662986 for the mark DIAMONIQUE (stylized) for "home shopping services in the field of jewelry through the use of television, telephone and the Internet" from the Trademark Electronic Search System;
- h. A copy of opposer's Registration No. 2662984 for the mark DIAMONIQUE for "jewelry" from the Trademark Electronic Search System; and,
- i. Opposer's Objections and Responses to Applicant's First Set of Interrogatories.

Evidentiary and Procedural Issues

A. Opposer's Registrations

Opposer pleaded ownership of the two DIAMONIQUE registrations identified in its notice of opposition. During the testimony of deposition of Neal Grabow, opposer

also properly introduced into evidence six (6) additional DIAMONIQUE registrations, listed below, which include the term DIAMONIQUE:

1. Registration No. 2490674 for the mark DISCOVER DIAMONIQUE for "home shopping services in the field of general merchandise by means of cable television," in Class 35, registered on September 18, 2001;
2. Registration No. 2662984 for the mark DIAMONIQUE (stylized) for "jewelry," in Class 14, registered on December 17, 2002;
3. Registration No. 2662986 for the mark DIAMONIQUE (stylized) for "home shopping services in the field of jewelry through the use of television, telephone and the Internet," in Class 35; registered on December 17, 2002;
4. Registration No. 2827488 for the mark DIAMONIQUE RINGS ON THE OTHER HAND for "home shopping services in the field of jewelry through the use of television, telephone and the Internet," in Class 35, registered on March 30, 2004;
5. Registration No. 2873798 for the mark DIAMONIQUE DAYS for "home shopping services in the field of jewelry through the use of television, telephone

and the Internet," in Class 35, registered on August 17, 2004; and,

6. Registration No. 2910024 for the mark DIAMONIQUE WEEK for "home shopping services in the field of jewelry through the use of television, telephone and the Internet," in Class 35, registered on December 14, 2004.

Opposer did not amend its notice of opposition to include these additional DIAMONIQUE registrations, and applicant did not object to their introduction into evidence. In view of this evidence and applicant's failure to object, we deem opposer's above-noted registrations to be of record and the issue of likelihood of confusion with respect to those registrations to have been tried by implied consent of the parties, and the pleadings are amended accordingly pursuant to Fed. R. Civ. P. 15(b), made applicable to this proceeding by Trademark Rule 2.107(a), 37 CFR §2.107(a).

B. Opposer's objection to applicant's testimony regarding sales of DIAMONICE jewelry.

Opposer objected to the testimony of Susan Lanza regarding the extent of applicant's sales of DIAMONICE jewelry between 1994 and 2003 on the ground that the applicant failed to produce that information during discovery. During discovery, opposer asked applicant to identify the annual dollar volume of jewelry sold under the

DIAMONICE trademark from the date of first use until the present. Applicant stated that it was unable to estimate the annual dollar volume. Applicant's response to opposer's interrogatory reads as follows, so far as is pertinent:

2. Identify each type of goods sold, offered for sale, advertised and/or promoted by Applicant in the United States that bears the mark DIAMONICE and for each good:

* * *

(c) state the annual dollar volume of goods sold under the mark DIAMONICE from the date of first use to the present.

Response:

* * *

Applicant is unable to estimate either the annual dollar volume of goods sold under the "Diamonice" brand from 1990 to present or the annual dollar volume expended by Applicant in the United States in advertising or promoting such goods during this period.²

There is no question that applicant failed to produce the information sought. Applicant's counsel prefaced Ms. Lanza's testimony by representing that the information had not been produced in discovery.

Q. Okay. I show you what's been marked as A-4 [a table setting forth the DIAMONICE sales history to Sears from 1994 through 2003] this morning.

² Ms. Lanza signed the interrogatory responses on behalf of applicant.

I'll represent to counsel that this document had not been produced in discovery previously.³

Ms. Lanza testified that she had calculated applicant's DIAMONICE jewelry sales to Sears by reviewing "the old financial records that I had and I just segregated the sale for Sears from the corporate sales."⁴ In addition, Ms. Lanza also testified that she estimated that 10% of applicant's total sales were for DIAMONICE jewelry.

Q. In connection with your responsibilities at Litton/Diamonair and Diamonair, Inc., do you have the ability to estimate the aggregate net sales figures during the period 1994 to 2003 from all sources?

A. Yes.

Q. And what is that estimated aggregate figure?

A. I would estimate 8 million a year.

Q. And is that based upon your - - is that based upon your -- records available to you?

A. Yes.

Q. And is it based upon your best recollection, based upon your job responsibilities?

* * *

A. Yes.

³ Lanza Dep., p. 24.

⁴ Lanza Dep., p. 60. Sears only purchased DIAMONICE jewelry from applicant. *Id.*

Q. What is your estimate of the total of the aggregate sales volume including the "Diamonice" product line for the period 1994 through 2003?

A. I would estimate it to be about 80 million.

* * *

Q. Can you calculate, to the best of your ability, on a percentage basis what percent of the "Diamonice" sales volume for the period 1994 to 2003, what percent of the aggregate net sales during the same period that the "Diamonice" product line accounted for?

A. I would say, approximately, 10 percent.

Q. Okay. Is that estimate based upon your personal calculation of the net sales figure for the "Diamonice" product line on A-4 and your aggregate estimate of net sales volume for the same ten-year period?

A. Yes.⁵

On cross-examination, Ms. Lanza denied having testified regarding providing an estimate of applicant's total DIAMONICE sales during the ten-year period between 1994 and 2003.

Q. In the response shown on Page 3 in the second paragraph [interrogatory No. 2], it says, "Applicant is unable to estimate either the annual dollar volume of goods sold under the 'Diamonice' brand from 1990 to present or annual dollar volume expended by applicant in

⁵ Lanza Dep., pp. 29-30

advertising," and so on. Isn't that correct?"

* * *

A. Yes.

I believe at the time the question was, you know, did you segregate sales by the name "Diamonice" and in response to that the answer was no.

Q. But you testified today you were able to estimate those sales?

A. I was able to estimate the Sears sales. There is (sic) more sales involved with "Diamonice" that I was not able to estimate.

Q. But you did provide an estimate today of the total sales, did you not?

A. The sales for Sears, I did.

Q. Well, no, you actually went beyond just Sears, did you not?

A. No, those numbers were for Sears.

Q. I think you went beyond what's shown in Exhibit A-4.

A. I'm sorry. These numbers here?

Q. That's correct.

A. These are our sales to Sears.

Q. That's correct, but you also provided an estimate of total sales of "Diamonice," did you not?

A. No, I did not. I estimated sales for Sears only.⁶

⁶ Lanza Dep., pp. 53-55.

On redirect examination, Ms. Lanza testified that she was confused by opposer's questions regarding applicant's total sales of DIAMONICE jewelry.⁷ However, applicant never clarified what Ms. Lanza was referring to when she estimated that ten percent of applicant's total sales were for DIAMONICE products. More importantly, applicant never addressed or clarified why it did not provide the Sears sales data or Ms. Lanza's ten percent estimate when it responded to opposer's Interrogatory No. 2. In addition, Ms. Lanza admitted that the information upon which she relied in compiling applicant's DIAMONICE sales figures was available to her since the commencement of the opposition.⁸

A party may not properly introduce documents or testimony in its behalf after having refused to make such information available to an adverse party seeking discovery of such information. *Shoe Factory Supplies Co. v. Thermal Engineering Co.*, 207 USPQ 517, 519 n.1 (TTAB 1980). See also *Bison Corp. v. Perfecta Chemie B.V.*, 4 USPQ2d 1718, 1720 (TTAB 1987) ("It is unfair for a party to withhold documents or refuse to answer interrogatories posed by its adversary or, as appears to be the case here, fail to make a complete investigation to locate the information"); *Era*

⁷ Lanza Dep., pp. 61-62.

⁸ Lanza Dep., p. 63. Applicant did not request an opportunity to review the transcript and make any changes in form or substance pursuant to Fed. R. Civ. P. 30(e).

Corp. v. Electronic Realty Associates, Inc., 211 USPQ 734, 737 (TTAB 1981) ("a party . . . is obligated to comply with an adversary's discovery request for the production of documents and cannot . . . introduce as evidence in its behalf documents embraced within the request but which had not been furnished to the requesting party"). To hold otherwise would frustrate the discovery process.

In the case *sub judice*, applicant had the information and the ability to respond to opposer's interrogatory regarding the sale of DIAMONICE jewelry. Applicant did not explain why it did not, or could not, substantively respond to Interrogatory No. 2. Simply put, it appears that applicant did not fully comply with its discovery obligations. Accordingly, applicant's failure to properly respond to opposer's interrogatory precludes applicant from relying at trial on the information it improperly withheld during discovery.

Nonetheless, despite the fact that information regarding the sales of DIAMONICE jewelry was available to it during discovery, applicant argues that Ms. Lanza' testimony should not be stricken because opposer was not prejudiced. Applicant argues that opposer had an opportunity to cross-examine Ms. Lanza and that it had time to respond to the evidence. Applicant relies on *Sports Authority Michigan Inc v. PC Authority Inc.*, 63 USPQ2d 1782, 1789 (TTAB 2002).

However, applicant's reliance on *Sports Authority Michigan Inc.* is misplaced because in that case the underlying information had been properly made of record, albeit in a different format. Moreover, we do not agree that opposer was not prejudiced. By surprising opposer at trial with applicant's sales information, opposer clearly lacked adequate time to prepare a more effective cross-examination and did not have an opportunity to conduct any follow-up discovery regarding those sales figures.

In view of the foregoing, opposer's objection to Ms. Lanza's testimony regarding applicant's sales of DIAMONICE jewelry between 1994 and 2003 is granted, and that testimony will be given no consideration.

C. Opposer's objections to Exhibit 5 of applicant's notice of reliance.⁹

Exhibit 5 of applicant's notice of reliance is a photocopy of advertising and promotional materials displaying the DIAMONICE trademark. Opposer objected to Exhibit 5 on the ground that the exhibits are not proper subject matter for a notice of reliance. See Trademark Rule 2.122, 37 CFR §2.122. However, opposer introduced those documents into evidence and introduced them as Opposer's

⁹ Opposer also made substantive objections to Exhibits 4 and 6 of applicant's notice of reliance. However, applicant withdrew its reliance on those documents.

Exhibit 37 in the Susan Lanza deposition. Accordingly, opposer's objection is moot.

D. Applicant's prior registration.

Exhibit 1 and Exhibit 2 of applicant's notice of reliance are a photocopy of applicant's prior cancelled Registration No. 1,626,466 for the mark DIAMONICE (Exhibit 1) and a copy of that same registration from the Trademark Electronic Search System (Exhibit 2). Applicant submitted these documents to show that "the DIAMONICE mark was initially registered on December 4, 1990 and its first use in commerce was August 10, 1990" and to show "the status of the original DIAMONICE mark, registered in 1990."¹⁰

A cancelled registration of a party may be made of record in the same manner as a party's active registration. TBMP §704.03(b)(1) (2d ed. rev. March 12, 2004). "A registration owned by any party to a proceeding may be made of record in that proceeding by that party by appropriate identification and introduction during the taking of testimony or by filing a notice of reliance, which shall be accompanied by a copy (original or photocopy) of the registration prepared and issued by the Patent and Trademark Office showing both the current status and current title to the registration." Trademark Rule 2.122(d)(2), 37 CFR §2.122(d)(1). Plain copies of the registration and the

¹⁰ Applicant's Brief, p. 3.

electronic equivalent thereof are not sufficient. *Hewlett-Packard Co. v. Olympus Corp.*, 931 F.2d 1551, 18 USPQ2d 1710, 1713 (Fed. Cir. 1991) (photocopy of registration without status and title information is insufficient to make the registration of record). Although this rule is simple and clear, applicant did not follow it. Accordingly, applicant's copies of its prior cancelled registration have been given no consideration. Evidence not in compliance with the rules will not be considered. *Plantronics Inc. v. Starcom Inc.*, 213 USPQ 699, 700 (TTAB 1982).

Standing

Because opposer has properly made its pleaded registrations of record, opposer has established its standing. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

Priority

Because opposer's pleaded registrations are of record, Section 2(d) priority is not an issue in this case. *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

Likelihood of confusion

Our determination of likelihood of confusion under Section 2(d) of the Lanham Act is based on an analysis of all the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). The relevant *du Pont* factors are discussed below.

Likelihood of Confusion

A. Fame

We turn first to the factor of fame, because this factor plays a dominant role in cases featuring a famous or strong mark. *Kenner Parker Toys Inc. v. Rose Arts Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992). Famous marks are accorded more protection precisely because they are more likely to be remembered and associated in the public mind than a weaker mark. *Id.* Indeed, “[a] strong mark . . . casts a long shadow which competitors must avoid.” *Id.* A famous mark is one “with extensive public recognition and renown.” *Id.* See also *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1694 (Fed. Cir. 2005).

In determining whether a mark is famous, we may consider sales, advertising expenditures, and the length of

time the mark has been used. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1309 (Fed. Cir. 2002); *Blue Man Productions Inc. v. Tarmann*, 75 USPQ2s 1811, 1817 (TTAB 2005). This information, however, must be placed in context (e.g., a comparison of advertising figures with competitive products, market share, reputation of the product, etc.). *Bose Corp. v. QSC Audio Products Inc.*, *supra*.

Opposer is a wholly-owned subsidiary of QVC, Inc.¹¹ QVC sells consumer products through a variety of media, including televised shopping programs, the Internet, mail order services, and retail stores.¹² QVC television programming reaches approximately 87 million U.S. households, or essentially every household that has cable or satellite television.¹³ QVC also maintains retail outlets, including a store at the Mall of America in Minnesota.¹⁴

Opposer, through its predecessor in interest MSB Industries, has been marketing DIAMONIQUE jewelry since 1970.¹⁵ QVC purchased MSB Industries in 1987 because DIAMONIQUE jewelry was QVC's best selling product accounting for approximately \$18 million in annual sales.¹⁶ Opposer,

¹¹ Grabell Dep., p. 7.

¹² Grabell Dep., p. 8.

¹³ Grabell Dep., pp. 8-9.

¹⁴ Grabell Dep., pp. 11-12.

¹⁵ Opposer's Response to Applicant's Interrogatory No. 8.

¹⁶ Grabell Dep., pp. 25-27; Exhibit 10.

through QVC, now sells over \$200 million dollars of DIAMONIQUE jewelry annually.¹⁷ It is the most popular proprietary brand sold at QVC.¹⁸

DIAMONIQUE jewelry is sold through all of the QVC marketing media (*i.e.*, television programming, the website, mail order services, and retail outlets). It is also sold through Target department stores.¹⁹ With respect to the televised programming, QVC is a televised shopping service. It features DIAMONIQUE jewelry in a number of ways: hour long programs dedicated to DIAMONIQUE products; entire days dedicated to DIAMONIQUE products; DIAMONIQUE weeks in which DIAMONIQUE products are featured as special products; and, through the sale of isolated DIAMONIQUE products along with other related products. During the on-air presentations, the DIAMONIQUE mark is used prominently in several places on the television screen. The host or hostess repeatedly mentions the trademark as he/she displays jewelry products.²⁰

¹⁷ Grabell Dep., pp. 27 and 66. Precise sales figures were provided under seal. (Grabell Dep., pp. 74-75; Exhibit 28).

¹⁸ Grabell Dep., p. 64.

¹⁹ Grabell Dep., pp. 28-29.

²⁰ Grabell Dep., pp. 30-32; Exhibit 12. As part of opposer's confidential testimony, Mr. Grabell testified as to the value of television air time during which products are sold (*i.e.*, the value of what it would cost to acquire the air time on other television channels to reach the same number of viewers). (Grabell Dep., pp. 76-77; Exhibit 29). Since the testimony was confidential, we cannot discuss the exact figures, but we can say the value of the air time dedicated to DIAMONIQUE jewelry was significant.

Well-known designers and celebrities, such as Judith Ripka, Nolan Miller, Joan Rivers, Morgan Fairchild, and Carol Channing have worked with opposer to create and sell DIAMONIQUE designer jewelry.²¹

DIAMONIQUE jewelry is advertised on QVC programming, in TV GUIDE magazine, in QVC program guides that are inserted in each package of QVC products that are shipped to customers, and in television spots appearing on other television networks.²² In 2004, QVC shipped over 100 million packages. DIAMONIQUE advertisements, therefore, appeared in 100 million program guides shipped with the packages.²³

DIAMONIQUE jewelry has been mentioned in the following news articles about QVC:²⁴

1. *USA Today* (July 14, 1998), Money Section, "Who's Who Among Dealmakers, Breakers."

What home shoppers buy: Jewelry is the best-selling product line for home shopping channels. On Diamonique Day last year, QVC sold 7,304 Marquise fake-diamond rings in 13 minutes. Total sales were \$1.1 million or \$84,615 per minute. Diamoniques (sic) are QVC's answer to Home Shopping Network's cubic zirconia (sic).²⁵

²¹ Grabell Dep., pp. 36-37; Exhibits 19 and 20.

²² Grabell Dep., pp. 43-44.

²³ Grabell Dep., p. 45.

²⁴ Grabell, Dep., pp. 56-68; Exhibits 21-27.

²⁵ Grabell Dep. Exhibit 21.

2. *Contra Cost Times* (February 19, 1996), Time Out Section, "When It Comes To High Fashion, Faux Is The Way To Go."

QVC's Diamonique line of cubic zirconia (sic) jewelry has been "a huge money maker" for the home shopping network, says spokeswoman Ellen Rubin.²⁶

3. *Omaha World Herald* (February 26, 1998), Fashion Section, "Faux Sparklers Sub For Diamonds."

Unlike previous look-alikes, cubic zirconia (commonly known by the brand name Diamonique) has maintained its position as an affordable alternative. And its popularity keeps growing.

* * *

It was QVC, in fact, that gave CZ [cubic zirconium] its first big push into the jewelry boxes of the American public.²⁷

4. *New York Times* (September 6, 2002), Section F, "Journeys; For Sleep-Deprived Shoppers, A Pilgrimage To QVC."

As at Disneyland, the final stop was the gift shop. It was filled with products that I could identify from my TV memory: Quacker Factory appliquéd sweaters, Diamonique tennis bracelets, Nick Chavez Perfect Plus shampoo, Cook's Essentials deep fryers.²⁸

Based on our review of the evidence, we find that the mark DIAMONIQUE has achieved a degree of recognition as a mark for jewelry, such that it would be viewed as a strong and distinctive mark. However, we cannot find on this record that U.S. consumers have been so exposed to the mark,

²⁶ Grabell Dep. Exhibit 22.

²⁷ Grabell Dep. Exhibit 23.

²⁸ Grabell Dep. Exhibit 26.

or that they are so aware of it, that it can be considered a famous mark as contemplated by the case law.

In view of the extreme deference that a famous mark is accorded, and the dominant role fame plays in the likelihood of confusion analysis, a plaintiff asserting that its mark is famous has a duty to clearly prove fame. *Blue Man Productions Inc. v. Tarmann*, 75 USPQ2d 1811, 1819 (TTAB 2005). In the case *sub judice*, opposer's evidence falls short of proving that its mark is famous, in part, because opposer failed to put its sales and advertising figures in context with those of competitors or provide information regarding its market share for jewelry products. In addition, we are not sure whether consumers recognize QVC, rather than DIAMONIQUE.

In reaching this conclusion, we are mindful of our decision in *Dominique Corporation v. Wieck Family, Ltd.*, (Opposition No. 91123296, unpublished, April 21, 2004) wherein we found that the mark DOMINIQUE is a well-known mark for jewelry (a finding of fact which is not inconsistent with our finding in this proceeding). In the prior case, opposer submitted an expert report based upon a mall intercept survey to corroborate the degree of consumer recognition.

In view of the foregoing, we find that the strength of opposer's mark is a factor that favors opposer, but not to the extent that it would if the mark were truly famous.

B. The similarity or dissimilarity and nature of the goods.²⁹

Opposer registered the mark DIAMONIQUE for the following goods:

"Jewelry with simulated gemstones, namely white and colored simulated gemstones, including simulated diamonds" (Registration No. 1,532,950);

"Precious stones, namely, colored and white simulated diamonds for use in jewelry other than school class rings, recognition jewelry and sports award jewelry" (Registration No. 1,538,103); and,

"Jewelry" (Registration No. 2662984).

Applicant is seeking to register DIAMONICE for the following goods:

"Jewelry with or without precious, semiprecious, simulated or synthetic stones."

The goods are virtually identical, and applicant does not argue otherwise. Accordingly, this *du Pont* factor favors finding that there is a likelihood of confusion.

C. The similarity or dissimilarity of established, likely-to-continue trade channels and buyers to whom sales are made.

It is well settled that likelihood of confusion is determined on the basis of the goods as they are identified

²⁹ Because we have essentially identical goods in the three (3) DIAMONIQUE registrations listed below, we do not need to consider the registrations for opposer's services in connection with the similarity or dissimilarity and nature of the goods and services.

in the application and in the pleaded registrations. *Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261, 62 USPQ2d 1001, 1004 (Fed. Cir. 2002). Because there is no limitation or restriction in the description of goods in the application and opposer's registrations, the goods are presumed to travel in the same channels of trade to the same class of purchasers. *Id.* at 62 USPQ2d at 1005. See also *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990).

Applicant's arguments regarding the actual channels of trade for its jewelry products cannot limit the broad description of goods in the application. In view thereof, the channels of trade and classes of consumers are factors that favor a finding of likelihood of confusion.

D. The number and nature of similar marks in use on similar goods.

Applicant introduced four (4) active third-party registrations and two (2) cancelled third-party registrations with marks featuring a "diamon" or "diamond" prefix for jewelry³⁰ to show that the "diamon" and "diamond"

³⁰ Lanza Dep., Exhibit A-5. Applicant also introduced one of opposer's pleaded registrations (Registration No. 1532950), one cancelled registration owned by opposer's predecessor MSB Industries, Inc. (Registration No. 1463424), and one registration owned by applicant's predecessor Litton Systems, Inc. (Registration No. 1787467). (Lanza Dep., pp. 8 and 12). In addition, applicant introduced six pending applications and fifteen (15) abandoned applications filed by third parties, and one (1) pending application filed by applicant and two (2) pending applications filed by opposer. Finally, there was one (1) pending third-party application for airline transportation

prefix are descriptive and, therefore, weak when used in connection with jewelry.³¹ In addition, Ms. Lanza testified that applicant has been using the marks DIAMONAIR, DIAMONEE, and DIAMONICE in connection with jewelry,³² and that applicant has competitors called Diamond Essence, Diamonte, and Diamonelle.³³ Accordingly, applicant argues that "[t]he presence of similar marks in use on similar goods significantly undermines Opponent's (sic) argument that the DIAMONICE mark is likely to cause confusion as to source with the DIAMONIQUE mark."

Even if we were to accept applicant's position that the six third-party registrations with marks featuring "diamon" or "diamond" prefixes are evidence that such prefixes are descriptive, opposer's evidence regarding the marketing of its DIAMONIQUE jewelry has established that the mark DIAMONIQUE is a strong and distinctive mark.

Applicant's evidence of its use of the marks DIAMONAIR and DIAMONEE and its competitors' use of Diamond Essence, Diamonte, and Diamonelle falls short of persuading us that the use of those marks and/or trade names is so pervasive as to affect the strength of opposer's mark. Simply put, there is no evidence regarding the extent of either the sales or

services. Applications are evidence only of the fact that the applications had been filed.

³¹ Applicant's Brief, pp. 11-12.

³² Lanza Dep., pp. 31-32.

³³ Lanza Dep., p. 32.

advertising of the third-party marks in connection with jewelry and, thus, there is no evidence as to their market strength.

In view of the foregoing, this *du Pont* factor favors a finding of likelihood of confusion.

E. The similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression.

We now turn to the *du Pont* factor focusing on the similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression. *In re E. I. du Pont De Nemours & Co., supra.* Where, as in this case, the marks appear on identical goods, the degree of similarity between the marks that is necessary to support a finding of likelihood of confusion declines. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992).

The marks each consist of a single, three-syllable word of similar length (DIAMONIQUE is ten letters and DIAMONICE is nine letters) in which the first two syllables are identical. The third syllable in both marks starts with the letter "i" and ends with the letter "e." The only difference are the letters "qu" in DIAMONIQUE and the letter "c" in DIAMONICE. Accordingly, the marks are similar in appearance.

As to sound, both marks begin with the same prefix "diamon" but the final syllables are different: "ique" (ēk) versus "ice" (īs). In view of the identity of the "diamon" prefix, however, the marks are somewhat similar in sound.

Both marks are coined words without readily understood meanings. Neither party submitted any evidence as to the meanings of their marks. The "ique" suffix and the "ice" suffix do not create a meaning for the marks that one could easily derive or verbalize. On the other hand, with respect to the commercial impression engendered by the marks, the "diamon" prefix for marks used in connection with jewelry suggests diamond. The "ique" suffix in opposer's DIAMONIQUE mark calls to mind the word "unique." The relevant meaning of "unique" is "being without like or equal: single in kind or excellence."³⁴ Thus, the commercial impression engendered by the mark DIAMONIQUE is that of a unique diamond.

The "ice" suffix in applicant's mark DIAMONICE when used in connection with jewelry is a slang term meaning "diamonds."³⁵ Thus, the commercial impression engendered by applicant's mark DIAMONICE is diamonds. We find, therefore,

³⁴ Webster's Third New International Dictionary of the English Language Unabridged, p. 2500 (1993). The Board may take judicial notice of dictionary definitions. *University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co.*, 213 USPQ 594 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed Cir. 1983).

³⁵ Webster's Third New International Dictionary of the English Language Unabridged, p. 1119 (1993).

that the commercial impressions engendered by the marks is also somewhat similar.

Ultimately, we must consider the marks in their entirety, keeping in mind that a side-by-side comparison is not the test. The "focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of the trademarks." *Baseball America Inc. v. Powerplay Sports Ltd.*, 71 USPQ2d 1844, 1848 (TTAB 2004). Considering the marks in this context, we conclude that they are more similar than dissimilar. In view thereof, this *du Pont* factor weighs in favor of a finding that there is a likelihood of confusion.

F. Actual confusion.

Susan Lanza testified that applicant, and its predecessor in interest, have used the mark DIAMONICE in connection with cubic zirconium jewelry continuously since 1990 in direct marketing applications and in Sears and other department stores.³⁶ In addition, applicant has an Internet site through which it is selling DIAMONICE jewelry.³⁷ During her twenty years working for applicant and its predecessor, Ms. Lanza testified that she is unaware of any reported instances of confusion resulting from the simultaneous use of the marks DIAMONIQUE and DIAMONICE.³⁸

³⁶ Lanza Dep., pp. 13-16.

³⁷ Lanza Dep., p. 31.

³⁸ Lanza Dep., pp. 37-39.

Likewise, opposer is unaware of any reported instances of confusion resulting from the concurrent use of the parties' marks.³⁹ Applicant contends that "[g]iven the length of the presence of both marks on the market, and the substantial period of concurrent use, there has been ample time for Opposer to be able to show actual confusion, if it were to exist."⁴⁰

The absence of reported instances of actual confusion is relevant when the record indicates appreciable and continuous use of applicant's mark for a significant period of time in the same markets as those served by opposer. *Gillette Canada Inc. v. Ranir Corp.*, 23 USPQ2d 1768, 1774 (TTAB 1992). See also *Jockey International Inc. v. Mallory & Church Corp.*, 25 USPQ2d 1233, 1237 (TTAB 1992). In other words, there must have been an opportunity for confusion to have occurred. While there is some overlap in the channels of trade because both parties sell their products through department stores, there is no evidence regarding the extent of applicant's sales or advertising from which we can draw any inferences from the lack of any reported instances of actual confusion. Accordingly, the lack of any reported instances of actual confusion is a neutral factor.

³⁹ Opposer's Response to Applicant's Interrogatory No. 16.

⁴⁰ Applicant's Brief, p. 13.

G. Balancing the factors.

Upon considering and balancing all of the relevant *du Pont* factors (e.g., the similarity of the marks, the strength of opposer's mark, the identity of the goods, channels of trade, and classes of consumers), we find that there is a likelihood of confusion between the marks at issue.

Affirmative Defenses

A. Prior registration defense.

Applicant contends that the because it is the owner of a registration for the mark DIAMONAIR (script style) for jewelry,⁴¹ opposer cannot be damaged by the registration of DIAMONICE for jewelry, citing *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 160 USPQ 715 (CCPA 1969). The prior registration or *Morehouse* defense provides that an opposer cannot be damaged by the registration of a mark for particular goods or services if the applicant owns an existing registration for the same or substantially identical mark for the same or substantially identical goods. *Morehouse Mfg. Corp. v. J. Strickland & Co.*, *supra* at 160 USPQ at 717. The court explained the principle of the defense as follows (emphasis added):

⁴¹ Registration No. 2930801, issued March 8, 2005. Pursuant to the Board's Order dated March 16, 2006, applicant's testimony period closed on June 18, 2006.

[A]s a matter of law, the opposer cannot be damaged, within the meaning of section 13 of the statute, by the issuance to the applicant of a second registration where applicant already has an existing registration of the same mark for the same goods. Implicit in this are the corollaries that if opposer cannot procure the cancellation of the existing registration it cannot prevent the granting of the second registration; that there is no added damage from the second registration of the same mark if the goods named in it are in fact the same; and if there is not added damage, there is no ground for sustaining the opposition.

160 USPQ at 717.

The prior registration defense fails because applicant did not introduce the DIAMONAIR registration and because DIAMONAIR is not the same, or substantially the same, mark as DIAMONICE. In our discussion on page 14, we explained how a party may introduce a registration it owns into evidence. During the testimony deposition of Susan Lanza on June 8, 2006, applicant introduced a number of applications, including applicant's DIAMONAIR application.⁴² Applicant did not even introduce a hard copy of the DIAMONAIR registration, let alone a copy showing current status and title.

Aside therefrom, the mark DIAMONAIR and DIAMONICE are neither the same, nor substantially the same marks. Thus,

⁴² Lanza Dep., Exhibit A-5.

the DIAMONAIR registration carries no presumption that further damage cannot flow from its registration.

B. Classic laches.

A *prima facie* defense of laches requires a showing of (1) unreasonable delay in asserting one's rights against another, and (2) material prejudice to the latter as a result of the delay. *Aquion Partners L.P. v. Envirogard Products ltd.*, 43 UPSQ2d 1371, 1373 (TTAB 1997). The unreasonable delay by opposer in asserting rights may be based on opposer's failure to object to an applicant's earlier registration of substantially the same mark for substantially the same goods. *Id.*

[W]e do not see any inequity in allowing applicant to assert, and attempt to prove, the defense of laches. The mark applicant now seeks to register was, according to applicant's pleading and summary judgment evidence, the subject of a prior registration which existed from 1971 until 1991, when it expired due to applicant's inadvertent failure to renew it. The important point is that the mark applicant now seeks to register was published for opposition in 1971 and thereafter was registered for 20 years without objections from opposer.

Id. See also *National Cable Television Association, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 UPSQ2d 1424, 1432 (Fed. Cir. 1991) (laches runs from the time action could be taken against the trademark rights of another). Because applicant failed to properly introduce

its prior cancelled registration, there is no prior registration from which applicant may prove opposer's unreasonable delay in asserting its rights,⁴³ and therefore the laches defense must fail.

Even assuming that applicant had properly introduced its prior cancelled registration and had proven that opposer's delay in asserting its rights was unreasonable, the laches defense would still fail because applicant failed to show that it has been prejudiced by opposer's delay. Prejudice may be as simple as the development of goodwill built around a mark during petitioner's delay.

Prejudice is generally shown by the fact that in reliance on petitioner's silence, respondent built up a valuable business and goodwill around the mark during the time petitioner never objected. [Citation omitted].

Alfacell Corp. v. Anticancer Inc., 71 USPQ2d 1301, 1307 (TTAB 2004). See also *Johanna Farms, Inc. v. Citrus Bowl, Inc.*, 199 USPQ 16, 28 (E.D.N.Y. 1978) (equity aids the innocent user from a claimant who unreasonably delayed in asserting its rights while the innocent user exploited and strengthened its mark). In the case *sub judice*, applicant's evidence regarding its use of the mark DIAMONICE has been stricken because of applicant's failure to provide that information during discovery. Accordingly, there is no evidence regarding the extent of applicant's use to support

⁴³ See the discussion on pages 13-14.

its claim that it has been prejudiced by opposer's purported unreasonable delay in asserting its rights. With respect to its laches claim, applicant has the burden of proof. *Aquion Partners L.P. v. Envirogard Products Ltd., supra.* Without evidence regarding the extent of its use of the mark DIAMONICE, applicant has failed to prove that it relied on opposer's delay to its detriment. *Aquion Partners L.P. v. Envirogard Products Ltd., supra* at 1374 (declaration of president furnishing declining sales figures fails to create a genuine issue of material fact regarding whether applicant has been materially prejudiced by opposer's delay).

In view of the foregoing, the equitable defense of laches does not apply in this case.

C. Inevitability of confusion.

Although we have determined that laches does not apply in this case, we shall turn our attention, for the sake of completeness, to the matter of whether confusion between the parties' marks is inevitable. If confusion is inevitable, then the defense of laches is not applicable under any circumstances. *Ultra-White Co., Inc. v. Johns Chemical Industries, Inc.*, 465 F.2d 891, 175 UPSQ 166 (CCPA 1972); *Reflange Inc. v. R-Con International*, 17 USPQ2d 1125, 1131 (TTAB 1990) ("It is not necessary to discuss this theory because it is well established that equitable defenses such

as laches and estoppel will not be considered and applied where, as here, the marks of the parties are identical and the goods are the same or essentially the same"). This is so because any injury to applicant caused by opposer's delay is outweighed by the public's interest in preventing confusion. *Turner v. Hops Grill & Bar, Inc.*, 52 USPQ2d 1310, 1313 (TTAB 1999), citing *Coach House Restaurant Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 19 USPQ2d 1401, 1409 (11th Cir. 1991).

Although there is a likelihood of confusion between opposer's DIAMONIQUE mark for jewelry and applicant's DIAMONICE mark for jewelry, we find that the evidence of record does not establish that confusion is inevitable. While we have found the marks to be sufficiently similar to be likely to cause confusion, they are not identical. Thus, we do not view confusion between the parties' marks to be inevitable.

Decision: Applicant's laches defense is denied. The opposition is sustained and registration to applicant is refused.