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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

National Association of Certified Home Inspectors, Inc.
v.
American Society of Home Inspectors, Inc.

Opposition No. 91166484
to application Serial No. 78325337

Mark S. Cohen of Cohen Horner, LLP for National Association
of Certified Home Inspectors, Inc.

Harry S. Rosenthal, Esq. for American Society of Home
Inspectors, Inc.

Before Grendel, Drost, and Walsh, Administrative Trademark
Judges.

Opinion by Drost, Administrative Trademark Judge:

On November 10, 2003, applicant, American Society of
Home Inspectors, Inc. (ASHI), filed an intent-to-use
application (Ser. No. 78325337) to register the mark THE
ASHI EXPERIENCE, in standard character form, for
"dissemination of advertising for others in the field of
professional home inspection services" in Class 35. After
the mark was published for opposition on July 5, 2005,
opposer (National Association of Certified Home Inspectors,
Inc. or NACHI), filed a notice of opposition. The

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opposition is based on opposer's allegation that: (1) "NACHI is the owner of a common-law trademark for 'HI Experience,' a marketing slogan that NACHI and NACHI certified inspectors use" and (2) "NACHI attempted to register 'HI Experience' with the U.S. Patent and Trademark Office by filing an application for registration on October 6, 2003. Trademark Application Serial No. 76549251... [It] will be published in the Official Gazette on September 6, 2005." Notice of Opposition at 1-2.

Opposer alleges that "[c]onfusion, mistake, or deception is likely because (i) both NACHI and ASHI are organizations of Home Inspectors, and (ii) both trademarks use the combination of letters 'HI' followed by the word 'experience' to denote services related to home inspection." Notice of Opposition at 3.

Applicant denied the salient allegations of the notice of opposition and filed a counterclaim with the appropriate fee seeking "cancellation and dismissal of opposer['s] application." Answer at 6.

Opposer responded to the counterclaim by essentially denying the allegations of applicant's counterclaim. It pointed out that the USPTO "approved NACHI's application for 'HI Experience' on November 29th, 2005 (U.S.P.T.O. Reg. No. 3,019,043)." Answer to Counterclaim at 1. The registration is for the term HI EXPERIENCE in typed or standard character

form for "home inspection" services in Class 42. Opposer also moved to dismiss the counterclaim on the ground that applicant failed to plead priority of use.¹

The Record and Evidentiary Issues

The record consists of the pleadings; the file of the involved application; and the testimonial deposition of Nick Gromicko, the registration's owner, with exhibits.² The parties also agree that the testimonial deposition of Robert Paterkiewicz, applicant's executive director, with exhibits and the testimonial deposition of Frank Lesh, applicant's president, are of record. Opposer's Brief at 5; Applicant's Brief at 6; Opposer's Reply Brief at 5. Applicant also argues that its trademark for the mark ASHI is in the record as well as its trademark application for the mark THE ASHI EXPERIENCE. Inasmuch as applicant's THE ASHI EXPERIENCE trademark is the mark that is being opposed in this proceeding, it is already of record. 37 CFR § 2.122(b)(1). Applicant's trademark registration for ASHI was introduced during the Paterkiewicz deposition, and therefore it too is of record.³ Opposer submitted a notice of reliance on its

¹ Applicant's Answer and Counterclaim was filed on October 15, 2005. Application Serial No. 76549251 did not issue as Registration No. 3019043 until November 29, 2005.

² On April 28, 2008, the board denied applicant's motion for involuntary dismissal for failing to take testimony inasmuch as this deposition was timely submitted.

³ Opposer's motion to strike "any mention of the ASHI mark, or testimony regarding the ASHI mark [as] wholly irrelevant" is denied. Applicant's ownership of the mark ASHI is not irrelevant to its attempt to register the mark THE ASHI EXPERIENCE.

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"First Set of Interrogatories, Requests for Admissions, Request for Production of Documents; Applicant's responses thereto; and documents produced by Applicant in response thereto." Brief at 5. Also, a status and title copy of Registration No. 3019043 is of record as Gromicko Ex. 5.

Finally, we agree with opposer, and we will not consider, applicant's attorney's discussion in its brief (p. 15) apparently concerning an alleged conversation with Mr. Gromicko regarding a possible settlement of the case. Fed. R. Evid. 408.

Standing

If an opposer has submitted status and title copies of its federal trademark registrations, we would find that the opposer has established its standing to oppose. See, e.g., *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); and *Fort James Operating Co. v. Royal Paper Converting Inc.*, 83 USPQ2d 1624, 1626 (TTAB 2007). Also, in view of an opposer's ownership of this registration, priority would not be an issue in the opposition. See *King Candy Co. v. Eunice King's Kitchen*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974). However, in this case, the only opposer is the National Association of Certified Home Inspectors, Inc., who alleges that it is the "owner of a common-law trademark for 'HI Experience'" and that it has "attempted to register 'HI Experience' with the

U.S. Patent and Trademark Office." Notice of Opposition at

1. In its answer to the counterclaim (p. 1), opposer alleges that "NACHI's Application for 'HI Experience'" was approved by the USPTO. Opposer's status and title copy of the registration lists the owner as "Gromicko, Nick (United States individual)."⁴ A license agreement submitted by opposer between NACHI (licensee) and Nick Gromicko (licensor) provides that Mr. Gromicko is the "owner of U.S. trademark application Registration No. 3,019,043" and that he has allowed "Licensee to use the mark free of charge under an informal, oral licensee" and that through the agreement he "grants a non-exclusive, royalty-free license to Licensee to use the mark 'HI EXPERIENCE' to the fullest extent allowed by law." Gromicko Ex. 9.⁵ Therefore, despite opposer's statements to the contrary, opposer's evidence establishes that NACHI is not the owner of the mark HI EXPERIENCE. NACHI, formerly incorporated in Pennsylvania, is now a non-profit corporation of the State of Colorado with tax-exempt status. Gromicko Exhibits 2-4. The owner of the registration is Nick Gromicko, who has either informally or formally, licensed opposer to use the mark. Mr. Gromicko is "an unpaid volunteer" of NACHI and

⁴ Our review of the USPTO's assignment records do not indicate that the registration has been subsequently assigned.

⁵ Mr. Gromicko's deposition was taken on November 8, 2006. The license agreement between Mr. Gromicko and NACHI (Ex. 9) was executed on November 7, 2006.

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its founder and the only member of its board or directors. Gromicko dep. at 7. He is not an employee of NACHI and he has "never been paid directly or indirectly or compensated in any way by NACHI for the volunteer work" he does. Gromicko dep. at 7. Obviously, if Mr. Gromicko, as the owner of an allegedly confusingly similar registration, was a party to this proceeding, he would have standing. But Mr. Gromicko is not a party.

Therefore, we must look to NACHI's status. There is no evidence that NACHI is an exclusive licensee. It is clear that an exclusive licensee has standing to bring an opposition. *J.L. Prescott Co. v. Blue Cross Laboratories (Inc.)*, 216 USPQ 1127, 1128 (TTAB 1982). Again, while opposer argues that it is "the sole user of Gromicko's mark HI EXPERIENCE" (Brief at 7), the license agreement makes it clear that opposer does not have the status of an exclusive licensee. See also Gromicko dep. at 16-17 ("Q. Did you have some kind of agreement with NACHI regarding using this mark? A. Yes. They can use it any way they want").

However, the case law suggests that a non-exclusive licensee may also have standing to bring an opposition proceeding.

We note at the outset that although the three opposers filed this opposition jointly, each must prove its own standing and a ground for opposition. With this principle in mind, we turn first to the threshold issue of opposers' standing. A plaintiff may show that it has standing to bring an action under Section 2(d) of

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the Trademark Act of 1946, 15 U.S.C. 1052(d), i.e., may show that it has a "real interest" in the proceeding, by alleging, and thereafter proving at trial, that it has a real commercial interest in its own mark or trade name, plus a reasonable basis for its belief that it would be damaged by the registration in question. See: *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982), and *Selva and Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 217 USPQ 641 (CAFC 1983). The latter may include, for example, allegations, and then proof at trial, that plaintiff's belief in likelihood of confusion is not wholly without merit. It is obvious that opposer Chemical New York, as owner of the "PRONTO" marks and registrations, and opposer Chemical Bank, as licensee and user of the marks, have such a "real interest" in this proceeding.

Chemical New York Corp. v. Conmar Form Systems, Inc., 1

USPQ2d 1139, 1142 (TTAB 1986) (emphasis added).

To the contrary, SGA's claims of priority of use, coupled with its pleading of likelihood of confusion, constitute a legally sufficient pleading of SGA's claim that it has a real interest in the proceeding and, therefore, standing to pursue the opposition. This is so even if SGA's use of the two pleaded marks is as a licensee or distributor for WSC, for a plaintiff may have standing in a case brought under Section 2(d) of the Trademark Act even if it does not claim ownership of the assertedly similar mark, or the right to control its use.

William & Scott Co. v. Earl's Restaurants Ltd., 30 USPQ2d

1870, 1872 n.2 (TTAB 1994) (citation omitted). Accord

Universal Oil Products Co. v. Rexall Drug And Chemical Co.,

463 F.2d 1122, 174 USPQ 458, 459 (CCPA 1972) ("As the parent

corporation of a wholly owned subsidiary, appellant can

reasonably believe that damage to the subsidiary will

naturally lead to financial injury to itself").

Assuming that, as a non-exclusive licensee, opposer has standing to bring this opposition, it is clear that, as a

licensee and non-owner of the mark, opposer is not entitled to rely on the registration's Section 7(b) presumptions. 15 U.S.C. § 1057(b). See TBMP § 704.03(b)(1)(B) (2d ed. rev. 2004) (Section 7(b) presumptions accorded to a registration on the Principal Register accrue only to the benefit of the owner of the registration, and hence come into play only when the registration is made of record by its owner"). See, e.g., *Chemical New York*, 1 USPQ2d at 1142 ("Priority of use does not arise as an issue as against Chemical New York in view of said party's ownership of the 'PRONTO' registrations... However, inasmuch as opposer Chemical Bank is not the owner of the registrations, and hence cannot rely on them herein..., it was incumbent upon Chemical Bank to prove priority of use in order to prevail upon its claim under Section 2(d)") and *Fuld Bros., Inc. v. Carpet Technical Service Institute, Inc.*, 174 USPQ 473, 475-76 (TTAB 1972) ("Notwithstanding the relationship of Associated Just Distributors, Inc. to petitioner, it is nevertheless a separate legal entity, it is the record owner of the registration, and, in view of the express language of Section 5 of the Statute, only the registrant can rely upon the prima facie presumptions afforded a registration under Section 7(b)").⁶ Therefore, we proceed to the next issue.

⁶ After the briefs were filed, applicant filed a motion seeking "clarification of the identity and status of opposer" as a result of third-party litigation. According to applicant's motion

Priority

Opposer has alleged that there is a likelihood of confusion between the mark HI EXPERIENCE and THE ASHI EXPERIENCE when they are used in association with home inspection-related services. "Opposer, as plaintiff in the opposition proceeding, bears the burden of proving, by a preponderance of the evidence, its asserted grounds of (i) priority and likelihood of confusion..." *Genesco Inc. v. Martz*, 66 USPQ2d 1260, 1267 (TTAB 2003). The key issue here is whether plaintiff has shown that it has priority. As discussed above, opposer cannot rely on ownership of a registration because it is not the owner of the registration. Instead, opposer must show use of the mark prior to applicant's priority date. This application was filed on November 10, 2003. Applicant can rely on this date as its constructive use date. See *Larami Corp. v. Talk To Me Programs Inc.*, 36 USPQ2d 1840, 1844-1845 (TTAB 1995) and *Zirco Corp. v. American Telephone and Telegraph Co.*, 21 USPQ2d 1542, 1544 (TTAB 1992). Therefore, applicant has a priority date at least as early as November 10, 2003.

In order to meet the first of its burdens of proof, opposer must be able to show that it has used its mark prior

(p.2), "Opposer NACHI agreed, among other things, to change its name to 'InterNACHI.'" The board denied applicant's request for clarification. Order dated April 29, 2008 at 3. The request is not relevant to whether Mr. Gromicko or NACHI is the owner of the '043 registration.

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to applicant's November 10, 2003, priority date. Opposer's witness testified as follows on the subject of NACHI's or the registrant's use of the mark:

Q. Okay. Let me ask you a couple of questions about this. First of all, when you said the first use of the HI Experience was in February of 2001, do you recall how you were using it at that time?

A. It has been on our front page of our Web site for as long as I can remember.

Q. And when you say "our Web site," do you mean NACHI.org?

A. Yes.

Q. Are there other ways in which NACHI has used that trademark?

A. Not that I can think of offhand.

Gromicko dep. at 11.

Q. The mark HI Experience, did NACHI allow its members to use that mark in connection with their own marketing efforts?

A. Yes.

Q. Is there a written policy that allows that?

A. Yes. It's on our Web site somewhere.

Gromicko dep. at 13. *See also Id.* at 20 (The mark has "been continuously on our site for as long as I can remember").

Q. Okay. You indicate that NACHI's first use of HI Experience was February 14, 2001. How did that first use occur?

A. I would guess that it was on our Web site somewhere.

Q. Okay. Now, you said you guessed, but do you have any documents to indicate that that was used on your website on February 14, 2001.

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A. No, but everyone can procure that themselves. They can - there are sites that record the front page of all Web sites forever, so you can go back in time and look at anyone's home page at any time.

Gromicko dep. at 31.

Opposer did not provide any exhibits to its witness's testimony that would support Mr. Gromicko's testimony.

"[O]ral testimony, if sufficiently probative, is normally satisfactory to establish priority of use in a trademark proceeding." *Powermatics, Inc. v. Globe Roofing Products Co.*, 341 F.2d 127, 144 USPQ 430, 432 (CCPA 1965). Such testimony should "not be characterized by contradictions, inconsistencies and indefiniteness but should carry with it conviction of its accuracy and applicability." *B.R. Baker Co. v. Lebow Bros.*, 150 F.2d 580, 66 USPQ 232, 236 (CCPA 1945). See also *Liqwacon Corp. v. Browning-Ferris Industries, Inc.*, 203 USPQ 305, 316 (TTAB 1979) ("It is settled that oral testimony in situations such as this one where documentary evidence may be insufficient or unavailable for various reasons may be sufficient to establish both prior and continuous use of a designation providing that the testimony is by a witness or witnesses personally conversant with the facts, and that it is clear, convincing, consistent, and sufficiently circumstantial to convince the trier of fact of the probative value thereof").

In this case, we cannot find that Mr. Gromicko's testimony meets this standard. The uncorroborated testimony

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was vague with very few details. It is not clear how the term HI EXPERIENCE was used on the website and what specific services were associated with the term. In this case, we do not find that this vague and general testimony very persuasive. See *Elder Mfg. Co. v. International Shoe Co.*, 194 F.2d 114, 92 USPQ 330, 333 (CCPA 1952) ("The testimony shows [appellant] carried on an extensive business and sold collars on a large scale. However, there is no evidence of any advertising or of sales of any product to any particular customers, nor is there any evidence which would indicate use of the trade mark 'Mark Twain' on collars prior to October 1, 1921, except the oral testimony of the three witnesses aforementioned. The only specimen produced showing use of the mark was the above-mentioned collar which was manufactured in 1937"). Therefore, we conclude that opposer has not met its burden of establishing a date of use prior to applicant's date of November 10, 2003.

Other Issues

We note that applicant has petitioned to cancel the '043 registration while it was an application. We do not reach this issue inasmuch as opposer is not the owner of the registration and it cannot rely on the registration in this proceeding. In addition, the owner of the mark is not a party to defend the registration.

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Therefore, primarily because of the fact that the owner of the registration is not involved in this proceeding, we dismiss the counterclaim to cancel as moot.

Furthermore, because opposer has not shown that it has priority, we do not address its claim of likelihood of confusion.

Decision: The opposition is dismissed.