

THIS OPINION  
IS NOT A PRECEDENT  
OF THE TTAB

Mailed: September 10, 2008

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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Volkswagen AG  
v.  
Venture Works Inc.

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Opposition No. 91167392  
to application Serial No. 78456228  
filed on July 25, 2004

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Stewart L. Gitler, Hoffman, Wasson & Gitler, P.C. for  
Volkswagen AG.

Venture Works Inc., *pro se*.

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Before Kuhlke, Cataldo and Taylor, Administrative Trademark  
Judges.

Opinion by Taylor, Administrative Trademark Judge:

Venture Works Inc. has filed an application to register  
on the Principal Register the mark VW (in stylized format),  
shown below,



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for "providing business consulting services with respect to the establishment and operation of new and existing businesses" in International Class 35.<sup>1</sup>

Registration has been opposed by Volkswagen AG. Opposer, in its notice of opposition, specifically alleges that it is and has, at all relevant times, been actively engaged in the design, manufacture, development, marketing, and sale of a wide range of products and services, including, but not limited to, chemicals, paint, polishes, greases, plasters, metals, motors, tools, scientific apparatus, medical equipment, automobiles, precious metals, firearms, musical instruments, paper goods, rubber goods, leather goods, building materials, furniture, household and building materials, furniture, household and kitchen utensils, camouflage nets, yarn threads, textile goods, clothing, games and toys, carpets, lace items, foods, drinks, alcoholic beverages, and all facets of services ("collectively the VW goods and services"), and that it has provided these goods and services under the marks, VW and VW

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<sup>1</sup> Serial No. 78456228, filed on July 25, 2004, and asserting June 2, 1989 as the date of first use of the mark anywhere and in commerce. The application includes the following color statements: The color(s) Blue and grey is/are claimed as a feature of the mark. The mark consists of (The mark consists in part of [sic]) a stylized representation of the letters "V" and "W" in the colors blue and grey.

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and design; that it has used the VW and VW and design marks<sup>2</sup> on the VW goods and services in commerce since as least as early as 1956, long prior to the July 26, 2004 filing date of applicant's application; and that it is the owner of U.S. Registration Nos. 0653695, 0790959, 2818615 and 2849974 and others for the VW goods and services and that these registrations are valid, subsisting, unrevoked and uncanceled. Opposer further alleges that as a result of extensive use and advertising by Opposer, the trademarks VW and VW and design have become famous as defined in 15 U.S.C. §1125(c), such that the marks have come to identify opposer's goods and services and distinguish them from the goods of others, and that applicant's VW (stylized) mark so resembles opposer's previously used and registered VW and VW and design marks, as to be likely, when applied to the services set forth in applicant's application, to cause confusion, mistake or deception as to the source of the services.

Additionally, opposer alleges that its VW and VW and design marks are famous and that applicant's use of the mark VW (stylized) will be likely to cause dilution of opposer's famous and distinctive marks, VW and VW and design.

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<sup>2</sup> The design marks are:  and , lined for the color blue, although no claim is made to color.

Applicant, in its answer, denied the essential allegations of the notice of opposition. Applicant also pleaded the affirmative defense of laches based on its prior ownership of a registration for the same mark and services as those listed in the involved application.

***THE RECORD***

By operation of Trademark Rule 2.122, 37 C.F.R. §2.122, the record in this case includes the pleadings and the file of involved application Serial No. 78456228. In addition, during its assigned testimony period, opposer submitted, the testimony depositions (with exhibits) of Ron Stach, opposer's general manager of dealer development, and Linda Scipione, opposer's paralegal. Opposer also submitted two notices of reliance (filed May 11, 2007 and June 7, 2007 respectively); the first on copies prepared and issued by the Patent and Trademark Office ("Office") showing current status and title of pleaded Registration Nos. 0653695, 0790959, 2818615 and 2849974, and the second on applicant's responses to opposer's first set of interrogatories.

During its assigned testimony period, applicant also submitted two notices of reliance, both filed July 20, 2007. These notices were the subject of motions to exclude evidence that were decided by Board order on November 23, 2007, and which were denied in part. Accordingly, as regards the first notice, applicant may rely on copies

prepared and issued by the Office showing current status and title of Registration Nos. 1582892 and 1566306 and a copy of the file history of Registration No. 1582892. As regards the second notice, applicant may rely on opposer's responses to applicant's first and second set of interrogatories and, because they are already of record, applicant's answer and applicant's responses to opposer's first set of interrogatories.

***DISCUSSION***

**Opposer's Standing and Priority of Use**

Inasmuch as opposer has properly made its pleaded registrations of record, we find that opposer has established its standing to oppose registration of applicant's mark. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); and *Lipton Industries, Inc. v Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 105 (CCPA 1982). Moreover, because opposer's pleaded registrations are of record, Section 2(d) priority is not an issue in this case as to the goods and services identified in those registrations.<sup>3</sup> See *King Candy Co. v. Eunice*

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<sup>3</sup> Applicant maintains in its brief that in its pleaded U.S. Registration No. 2818615, opposer "seems to recite virtually everything that a company might aspire to offer including a very broad recitation to encompass business consulting services with its basis being foreign rights. Its U.S. registration is dated March 2, 2004, which post-dates my original registration by 14 years." (Br., p. 7). By this applicant appears to be asserting priority. Such an assertion is an impermissible collateral attack on the validity of pleaded registration No. 2818615, which

King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

**Likelihood of Confusion**

Our determination of the issue of likelihood of confusion is based on an analysis of all the probative facts in evidence that are relevant to the factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In considering the evidence of record on these factors, we keep in mind that "[t]he fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks." *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976).

In keeping with the arguments of the parties, we will focus our discussion of the issue of likelihood of confusion on that registration of opposer's which is closest to the mark for which applicant is seeking registration for the most similar services, namely, opposer's Registration No. 2818615 for VW, in typed or standard character format, for

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will not be heard in the absence of a counterclaim. See Trademark Rule 2.106(b)(ii) and TBMP § 313.01 (2d ed. rev. 2004) and the cases cited therein. Accordingly, this argument will not be further considered. Moreover, as stated above, priority is not in issue in this case because opposer has made its pleaded registration of record.

"business management and consultation" in International Class 35.

Similarity of the Services/Trade Channels/Purchasers

We first consider the *du Pont* factors which pertain to the similarity or dissimilarity of the services, channels of trade and classes of purchasers. It is well settled that likelihood of confusion is determined on the basis of the services as identified in the application and in the pleaded registration. *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 62 USPQ2d 1001, 1004 (Fed. Cir. 2002). Where the services in the application and/or pleaded registration are broadly identified as to their nature and type (as is the case herein with opposer's identification), such that there is an absence of any restrictions as to the channels of trade and no limitation as to the classes of purchasers, it is presumed that in scope the recitation of services encompasses not only all the services of the nature and type described therein, but that the identified services are offered in all channels of trade which would be normal therefor, and that they would be purchased by all potential buyers thereof. In *re Elbaum*, 211 USPQ 639, 640 (TTAB 1981).

Herein, the services identified in opposer's pleaded registration are "business management and consultation." The services identified in applicant's application are

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"providing business consulting services with respect to the establishment and operation of new and existing businesses." Although applicant's business consulting services are restricted to those involving the establishment and operation of new and existing businesses, opposer's recitation contains no such restriction. As such, we must assume that opposer's broadly worded business consultation services encompasses all types of these services including applicant's consulting services in the field of the establishment and operation of new and existing businesses. We thus find the parties' services legally identical.

Despite the identity of the services, applicant essentially attempts to claim that the comparison of the services should not be based on the respective identifications but rather on the basis of the services actually provided by the parties. Applicant particularly argues that there is no likelihood of confusion because opposer does not provide its business consulting services in the general marketplace. Rather, applicant contends that "opposer's provision of services to its own automobile dealers stands in clear contrast to our [applicant's] registration to provide 'business consulting services with respect to the establishment and operation of new and existing businesses.' We offer our services for consulting fees in the open marketplace of commerce to all different

types of businesses (as well as nonprofit organizations).” (Br., p. 6). This argument is unavailing. An applicant may not restrict the scope of the services covered in the pleaded registration by argument or extrinsic evidence. See *In re Bercut-Vandervoort & Co.*, 229 USPQ 763, 764 (TTAB 1986).

Applicant similarly attempts to claim that the parties’ respective goods travel in different trade channels and to different classes of consumers. However, because the identification of services in the pleaded registration is not restricted as to channels of trade or classes of purchasers, as previously noted, we must presume that opposer’s business consulting services will travel in the normal channels of trade for such services and will be offered to all the normal purchasers of such services, including those seeking consultation in the area of establishing and operating new businesses. See *In re Elbaum*, 211 USPQ 639, 640 (TTAB 1981). In short, we find, at a minimum, the channels of trade and classes of purchasers overlap.

We thus find the *du Pont* factors of the similarity of the services, channels of trade and classes of purchasers strongly favor opposer.

Fame

Fame of a prior mark, opposer contends, is another factor weighing in its favor inasmuch as its mark has been used in the United States for over fifty years and because opposer has a presence in all fifty states. In that regard, opposer requests the Board to take judicial notice of the fame of its VW marks. The Board does not, however, take judicial notice of fame of an entity's mark. Instead, fame must be borne out by the evidence of record. See, e.g., *Hard Rock Café Licensing Corp. v Elsea*, 48 USPQ2d 1400, 1406 (TTAB 1998) ("[W]e will not take judicial notice of fame."); and *Bristol-Myers Company v. Texize Chemicals, Inc.*, 168 USPQ 670, 671 (TTAB 1971) (Board refused to take judicial notice that parties were large, diversified corporations and of various other facts relative to their respective operations). Rule 201(b) of the Federal Rules of Evidence provides that "a judicially noticed fact must be one not subject to reasonable dispute in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." Fame of opposer's pleaded mark is neither. Moreover, as applicant points out, opposer submitted no evidence establishing fame of its VW marks. Although opposer did not explicitly refer to the decision of

the Court of Appeals for the Fourth Circuit between opposer and a different defendant in its brief,<sup>4</sup> we note that while opposer's mark was found famous in that proceeding, certainly applicant in this case is not bound by the actions of defendants in another case.<sup>5</sup> Therefore, this *du Pont* factor is neutral.

Similarity or Dissimilarity of the Marks

We next consider the similarity of the marks, keeping in mind that when marks would appear on identical services, as they do here, the degree of similarity necessary to support a conclusion of likely confusion declines. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992). Opposer contends that the marks, in their entirety, are identical, both consisting of the two letters "VW." Opposer further contends that "the stylized nature of Applicant's mark does little to distinguish the fact that both marks are referred to as the "VW mark." (Reply br., p. 1). Applicant, on the other hand, maintains that the stylized representation of its VW mark is not identical to opposer's VW word mark or the design marks relied on by opposer. Its mark, applicant argues "differs in color, configuration, connotation and

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<sup>4</sup> See Applicant's Second Not. of rel., no. 3.

<sup>5</sup> Notably, in the Fourth Circuit decision, fame of opposer's VW mark was an uncontested fact.

overall commercial impression." (Br., p. 4). Although applicant stresses the stylization of its mark as a distinguishing feature, because opposer's mark is registered in typed format, opposer's rights therein encompass the letters "VW" and are not limited to the depiction thereof in any special form. See *Phillips Petroleum Co. v. C. J. Webb, Inc.* 442 F.2d 1376, 170 USPQ 35, 36 (CCPA 1971). As the *Phillips Petroleum* case makes clear, when a word mark is registered in typed form, the Board must consider all reasonable modes of display that could be represented, including the same stylized lettering as that in which applicant's mark appears. The stylized lettering of applicant's mark consequently does not serve to distinguish applicant's mark from opposer's mark.

Thus, the *du Pont* factor of similarity of the marks favors opposer.

Actual Confusion

Applicant has argued that it is significant that opposer has identified no instances of actual confusion between applicant's and opposer's "VW" marks during the past sixteen years. (Applicant's second not. of rel., No. 5, opposer's response to applicant's second set of interrogatories, no. 8(b)). While it appears that the parties' marks have coexisted for at least sixteen years without either party being aware of any incidents of actual

confusion, this factor is not dispositive inasmuch as evidence of actual confusion is difficult to come by and the evidence of record fails to reveal specifics regarding applicant's volume of sales and the extent of advertising of its business consultation services provided under its VW mark. As opposer correctly points out, the test under Section 2(d) of the Trademark Act is likelihood of confusion rather than actual confusion. See e.g., *Gillette Canada Inc. v. Ranir Corp.*, 23 USPQ 2d 1768, 1774 (TTAB 1992) and the cases cited therein.

Accordingly, the *du Pont* factors of the nature and extent of any actual confusion and the length of time during and conditions under which there has been concurrent use without evidence of actual confusion are neutral.

One final comment made by applicant requires addressing. Applicant maintains that "on two occasions trademark examiners at the United States Patent and Trademark Office determined that they [the parties' respective marks] were not in any way identical or even similar enough to warrant concern." (Br., p. 3). While we are not unsympathetic to applicant's situation, we simply are not bound by the decisions of examining attorneys. The Board must make its own findings of fact, and that duty may not be delegated by adopting the conclusions reached by an examining attorney. In *re Sunmarks, Inc.*, 32 USPQ2d 1470,

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1472 (TTAB 1994); and In re BankAmerica Corp., 231 USPQ 873, 876 (TTAB 1986).

In sum, when all of the relevant *du Pont* factors are considered, we conclude that contemporaneous use by applicant of the mark VW (in stylized form) for providing business consulting services with respect to the establishment and operation of new and existing businesses is likely to cause confusion with opposer's use of its VW mark with respect to business management and consultation.

Given our determination that opposer has priority of use and that there is a likelihood of confusion between the parties' marks, we find it unnecessary to reach a determination on the question of dilution.<sup>6</sup>

**LACHES**

This brings us at last to consider applicant's affirmative defense of laches. The defense of laches is not

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<sup>6</sup> We add that, in any event, opposer's dilution ground would have failed as to pleading and proof. In its pleading, opposer never explicitly alleged that its marks became famous prior to the filing date of the involved application. See *Polaris Industries Inc. v. DC Comics*, 59 USPQ2d 1798 (TTAB 2000). See also, *Toro Co. v. ToroHead Inc.*, 61 USPQ2d 1164 (TTAB 2001). In addition, the fame that must attach to a mark for it to be eligible under the dilution provisions of the Trademark Act is greater than that which qualifies a mark as famous for the *du Pont* analysis of likelihood of confusion. *Toro Co. v. ToroHead Inc.*, 61 USPQ2d at 1170, citing *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 47 USPQ2d 1225, 1239 (1<sup>st</sup> Cir. 1998) ("[T]he standard for fame and distinctiveness required to obtain anti-dilution protection is more rigorous than that required to seek infringement protection."). Since we have already found that, on this record, opposer's marks do not have the *du Pont* analysis fame, then it would follow that they do not have the fame necessary for a dilution claim.

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generally available in an opposition proceeding, but as applicant correctly observes, under certain circumstances it may be considered based upon an opposer's failure to object to an applicant's earlier registration of the same or substantially same mark for the same or substantially similar goods [or services]. See e.g., *Aquion Partners Limited Partnership v. Envirogard Products Ltd.*, 43 USPQ2d 1371 (TTAB 1997). In this case, and as evidenced by the record, applicant owned a prior registration for the same mark covering the same services as those involved in the instant application. We therefore consider applicant's defense of laches.

In order to prevail on the affirmative defense of laches, a defendant must establish that there was undue or unreasonable delay by the plaintiff in asserting its rights, and material prejudice as a result of the delay. See *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001); and *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.* 971 F.2d 732, 23 USPQ 1701, 1703 (Fed. Cir. 1991). As regards the undue delay, the mark applicant now seeks to register was according to applicant's pleading and evidence, the subject of a prior registration that existed from 1990 until its was cancelled pursuant to Section 8 of the Trademark Act for applicant's inadvertent failure to

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renew. We therefore note that the mark applicant now seeks to register was published for opposition in 1990 and thereafter was registered for 10 years without objection from opposer.

As to the additional element of material prejudice required to establish laches, applicant contends that its mark has been the centerpiece of the company image for 19 years, having been used on stationary and promotional information materials since 1989 and prominently featured on applicant's website since 1997. If it is prevented from obtaining a registration, applicant goes on to argue, such would significantly detract from its image, destroy its investment in that image and significantly prejudice its relationship with existing and potential customers.

As the Board in *Aquion Partners* pointed out that:

[M]ere delay in asserting a trademark right does not constitute laches. Rather, a party asserting laches must show not only unreasonable delay but also circumstances compelling enough to give rise to estoppel, that is, that the party asserting the defense has relied upon the delay to its detriment.

Here, the only evidence offered by applicant which bears on the issue of material prejudice is the declaration of its president, which attest, inter alia, to applicant's own use of its mark since 1980, and furnishes applicant's sales figures under the mark from 1980 to 1995. An examination of the sales figures shows that applicant's annual sales for each of the years from 1984 to 1995 were roughly half the amount of its annual sales for the years 1981, 1982, and 1983. This evidence, without more, is insufficient to show the lack

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of a genuine issue of material fact as to whether applicant has been materially prejudiced by opposer's delay (if unreasonable delay is established) in objecting to registration of the mark RAINFRESH and design by applicant.

*Aquion Partners*, 43 USPQ2d at 1373. Here, even if we assume that opposer's failure to object to the earlier application by applicant which matured into its now cancelled registration for the same mark for the same services during the life of such registration constitutes an unreasonable delay by opposer in asserting its rights, applicant has not demonstrated that it has detrimentally relied or otherwise suffered material prejudice as the result of such delay. In other words, applicant neither asserted nor introduced one shred of evidence showing that it changed its position to its detriment regarding advertising and promoting its business consulting services under its VW (stylized) mark in reliance on petitioner's delay. See *Fishking Processors, Inc. v. Fisher King Seafoods, Ltd.*, 83 USPQ2d 1762, 1766 (TTAB 2007).

We accordingly find that applicant has failed to established its affirmative defense of laches.

Finally, even if applicant had established laches, which it did not, if confusion is inevitable, then the defense of laches is not applicable under any circumstances. *Ultra-White Co., Inc. v. Johnson Chemical Industries, Inc.*, 465 F.2d 891, 175 USPQ 166 (CCPA 1972); and *Reflange Inc. v.*

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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 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 in the marketplace. *Turner v. Hops Grill & Bar, Inc.*, 52 USPQ 1310, 1313 (TTAB 1999), citing *Coach House Restaurant Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 19 USPQ 1401, 1409 (11<sup>th</sup> Cir. 1991). In the present case, the record clearly establishes inevitable confusion. That is, the marks are identical and the services are legally identical.

**Decision:** Opposer's VW mark for business and management consultation is likely to cause confusion with petitioner's mark VW (stylized) for providing business consulting services with respect to the establishment and operation of new and existing businesses. We deny applicant's laches defense. The opposition is sustained.