

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT
OF THE TTAB

Mailed:
March 31, 2004

Paper No. 24
Bottorff

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

James S. McNider III

v.

VATAX Reclaim Ltd.

Cancellation No. 92030582

Bruce A. Tassan of Tassan Law Firm for James S. McNider III.

Robert L. Haines of Sherman & Shalloway for VATAX Reclaim Ltd.

Before Seeherman, Walters and Bottorff, Administrative Trademark Judges.

Opinion by Bottorff, Administrative Trademark Judge:

VATAX Reclaim Ltd. (respondent), a United Kingdom company, owns Principal Register Registration No. 2,261,786, which is of the mark VATAX (in typed form) for "value added tax recovery and refund consultation services."¹

¹ The registration was issued on July 20, 1999, and is based on use in commerce under Trademark Act Section 1(a), 15 U.S.C. §1051(a). January 1, 1994 is alleged in the registration as the date of first use of the mark anywhere and as the date of first use of the mark in commerce.

James S. McNider III (petitioner) has petitioned to cancel respondent's registration on the ground that the registered mark is merely descriptive of the services recited in the registration. Trademark Act Section 2(e)(1), 15 U.S.C. §1052(e)(1). Respondent filed an answer in which it denied the salient allegations of the petition to cancel.

Petitioner presented evidence at trial, but respondent did not. Petitioner filed a brief on the case, but respondent did not. No oral hearing was requested. We deny the petition to cancel.

The evidence of record in this case consists of the testimony deposition of petitioner James S. McNider III, with exhibits, and the testimony deposition of petitioner's witness Joel Timothy Winks, who is currently a tax consultant with Pricewaterhouse Coopers specializing in Virginia taxes and who formerly was an assistant commissioner for tax policy with the Virginia Department of Taxation. (Winks Depo. at 3-4.)²

² Petitioner also submitted, via notice of reliance, the affidavit of Maria Hardison, a legal assistant at petitioner's counsel's law firm, with exhibits thereto consisting of printouts from Internet websites which she accessed and printed out. However, an affidavit may be submitted as trial testimony only upon written stipulation of the parties. Trademark Rule 2.123(b), 37 C.F.R. §2.123(b). No such stipulation is of record. Moreover, the Internet printouts themselves are not printed publications and they therefore may not be made of record via notice of reliance. See Trademark Rule 2.122(e), 37 C.F.R. 2.122(e); *Plyboo America Inc. v. Smith & Fong Co.*, 51 USPQ2d 1633, 1634 n.3 (TTAB 1999); *Raccioppi v. Apogee Inc.*, 47 USPQ2d 1368, 1370 (TTAB 1998). Accordingly, Ms. Hardison's affidavit

Petitioner is a lawyer practicing in Hampton, Virginia who specializes in Virginia tax law and does business under the trade name Virginia Tax Consultants. (McNider Depo. at 4, 7, 11.) He owns the Internet domain name registration for "vatax.com." (*Id.* at 10 and Exh. C; Winks Depo. at 5-6.) In an e-mail communication of August 24, 1999, respondent notified petitioner of respondent's ownership of the registration of the mark VATAX involved herein, and requested that petitioner cease use of the vatax.com domain name. (McNider Depo., Exh. C.) Based on these facts, we find that petitioner has standing to petition to cancel respondent's registration. *See, e.g., Lipton Industries, Inc. v. Ralston Purina Company*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

We turn now to petitioner's pleaded ground for cancellation, i.e., mere descriptiveness. A term is deemed to be merely descriptive of goods or services, within the meaning of Trademark Act Section 2(e)(1), if it forthwith conveys an immediate idea of an ingredient, quality, characteristic, feature, function, purpose or use of the goods or services. *See, e.g., In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987), and *In re Abcor Development Corp.*, 588 F.2d 811, 200 USPQ 215, 217-18 (CCPA 1978).

and the exhibits attached thereto have not been properly made of record, and we give them no consideration herein.

Whether a term is merely descriptive is determined not in the abstract, but in relation to the goods or services for which registration is sought, the context in which it is being used on or in connection with those goods or services, and the possible significance that the term would have to the average purchaser of the goods or services because of the manner of its use. *In re Bright-Crest, Ltd.*, 204 USPQ 591, 593 (TTAB 1979).

In essence, it is petitioner's contention that the value added tax is commonly abbreviated as VAT and is referred to descriptively as the "VAT tax," and that VATAX is merely a telescoped version of "VAT tax." According to petitioner, the omission of the second "t" in "VAT tax" does not change the commercial impression of the term, and VATAX therefore is as merely descriptive of respondent's services as "VAT tax" is.³ We are not persuaded.

The evidence of record shows that the "value added tax" recited in respondent's recitation of services is "a consumption tax system that has primarily been adopted by

³ Petitioner also contends that VATAX itself has been used descriptively or generically by third parties as an abbreviation for "value added tax." However, the evidence upon which petitioner relies for this proposition was not properly made of record and cannot be considered. See *supra* at footnote 2. Moreover, even if this evidence had properly been made of record, it would not aid petitioner's case. These Internet website printouts, which show use of VATAX in Europe and elsewhere as an abbreviation for "value added tax," at best would suggest that Europeans may be familiar with the abbreviation; they do not show that purchasers in the United States understand VATAX to refer to "value added tax."

European Union countries. It taxes companies and individuals on items that each consumes." (McNider Depo. at 4-5.) "It is basically a tax that seeks to tax the value added at each step in the chain of commerce." (Winks Depo. at 4.)

The evidence also establishes that the "abbreviation"⁴ for "value added tax" is VAT. (McNider Depo. at 6; Winks Depo. at 5.)

Petitioner contends that the value added tax also is referred to as the "VAT tax," but the evidence of record does not support that contention. The phrase "VAT tax," as a synonym for "value added tax," appears only twice in the record, and those are petitioner's own uses of the phrase in his deposition (at pages 5 and 6), i.e.: "In addition, there have been a number of legislative proposals that would implement a more traditional VAT tax within the United States"; and

Q. What is the abbreviation for value added tax?

A. VAT.

Q. What does the abbreviation VATAX stand for?

A. The same thing. VAT Tax.

⁴ In their depositions, both witnesses referred to VAT as an "abbreviation" of value added tax. It would appear that VAT is more properly termed an acronym.

Elsewhere in the record, however, the value added tax is referred to merely as VAT, i.e.: "So, if a VAT regime were adopted here..." (Winks Depo. at 5); "Vatax as a name was first used in the UK in 1973 as the name of the first VAT advisory practice. ... a specialised company making 8th and 13th Directive VAT reclaims within the European Union..." (McNider Depo., Exh. C (e-mail from respondent to petitioner)). The specimen in respondent's registration file (which was submitted to the Office as evidence of respondent's use of the mark VATAX in commerce in connection with the recited services) consistently uses VAT, and not "VAT tax," to refer to (or as a shortened way of saying) "value added tax": "How will a VAT charge arise?"; "There may be many other situations where a VAT charge qualifying for deduction may arise. The opportunity for VAT recovery usually applies to services since goods will generally not carry a VAT charge..."; "Any business which incurs VAT abroad can make a claim..."; "Our fees are based on a percentage of the VAT actually recovered"; "...other national governments, seeking ways of raising additional revenue, have introduced versions of VAT, under some guise or other"; "...the credit mechanism inherent in the making of regular VAT returns"; "Where VAT is charged by a supplier..."; "'Foreign' VAT can be recovered by using a special claims procedure..."; and "...obtain refunds of VAT in all territories..."

In short, we are not persuaded on this record that the value added tax is also known as the "VAT tax." Indeed, given that VAT stands for "value added tax," the phrase "VAT tax" would appear to be repetitive, i.e., "value added tax tax." Such a construction seems unlikely, and it is not supported by the record in any event.

Moreover, even if we were to assume that "VAT tax" is understood by the relevant class of purchasers in the United States to refer descriptively to the "value added tax" to which respondent's services pertain, the evidence of record does not support petitioner's contention that those purchasers also would immediately perceive or understand that VATAX is merely a telescoped version of "VAT tax" or that it otherwise refers to the value added tax.⁵ There is no evidence to support petitioner's contention (at page 4 of his trial brief) that "when a purchaser is presented with the use of the term VATAX in association with Registrant's services, the mark clearly conveys information concerning a function, attribute, or feature of Registrant's services, namely, that its services relate to a Value Added Tax." (Emphasis in original.) The very fact that petitioner has had to underline certain letters in order to call attention to them belies petitioner's contention that purchasers,

⁵ The evidence of record suggests that VATAX is likely to be understood by purchasers in the United States to refer to "Virginia Tax."

Cancellation No. 92030582

unaided by such underlining, immediately would perceive that VATAX describes a feature of respondent's services.

For the reasons discussed above, we find that petitioner has failed to meet his burden of proving that VATAX immediately and directly informs purchasers of any feature or characteristic of respondent's recited services. That the term might be merely descriptive of petitioner's services is not dispositive or even relevant to petitioner's pleaded ground for cancellation.

Decision: The petition to cancel is denied.