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Mailed: August 26, 2008

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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International Beauty Exchange
v.
GIP.C.I, Inc.

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Cancellation No. 92045813
to Registration No. 2781794
issued on November 11, 2003

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Martin P. Hoffman of Hoffman Wasson & Gitler for International Beauty Exchange.

Chie-Young Chyang, Esq. for GIP.C.I, Inc.

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Before Walters, Walsh and Cataldo, Administrative Trademark Judges.

Opinion by Walters, Administrative Trademark Judge:

International Beauty Exchange filed its petition to cancel the registration of GIP.C.I., Inc. for the mark SURE WHITE for "cosmetics, namely, soap, skin gel, skin whitening creams, sunscreen, skin moisturizing serum, skin lotion not sold, distributed, or otherwise promoted through grocery, drug, or convenience stores," in International Class 3.[1]

[1] Registration No. 2781794, issued November 11, 2003.

The registration includes a disclaimer of WHITE apart from the mark as a whole.

As a ground for the petition, petitioner asserts that respondent's mark, when applied to respondent's goods, so resembles petitioner's previously used mark SURE WHITE for skin care products as to be likely to cause confusion, under Section 2(d) of the Trademark Act.

Petitioner also asserts fraud as a ground for the petition, alleging that respondent was petitioner's customer for petitioner's SURE WHITE skin care products; that respondent had actual knowledge of petitioner's prior right in the confusingly similar mark SURE WHITE for skin care products; that respondent knowingly misstated a material fact upon which the USPTO relied in granting the subject registration when respondent averred in its application that "no other person, firm, corporation, or association has the right to use the mark in commerce."

Respondent, in its answer, denied the salient allegations of the claim and asserted fraud and laches as affirmative defenses, alleging that respondent is, in fact, the owner of the SURE WHITE mark for skin care products; that petitioner has been respondent's customer for such goods under the SURE WHITE mark; and that petitioner filed a trademark application on March 7, 2006, in which it knowingly made the material false statement that it owns the

mark; and that petitioner waited more than five years after knowing of respondent's mark to file this petition to cancel.

The Record

The record consists of the pleadings; the file of the involved registration; the testimony deposition by petitioner of Jacob Aini, a principal and officer of petitioner, with accompanying exhibits; and the testimony deposition by respondent of Gary McHeileh, a principal and officer of respondent, with accompanying exhibits.[2] Both parties filed briefs on the case.

As a procedural matter, we note that petitioner attached to its reply brief documents allegedly pertaining to proceedings in France. This evidence is untimely and has not been considered. Our decision would remain the same even if we had considered this evidence. Not only is the alleged court document in the French language with no English translation, but foreign trademark registration and proceedings relative thereto are irrelevant to the registrability of marks in the United States.

Factual Findings

Petitioner has established that it is a wholesaler of, *inter alia*, skin care products; that it has bought skin care

[2] Documents submitted by the parties with their original pleadings are not of record for purposes of this decision and have not been considered

products identified by the mark SURE WHITE; and that it has sold these products to retailers, including to Home Boys Inc., a company related to petitioner. Petitioner is principally located in the New York City metropolitan area. In both the testimony of petitioner's witness, Jacob Aini, and the invoices and other documents attached thereto as exhibits, petitioner's asserted mark was referred to variously as SURE WHITE and SURE AND WHITE. It is unclear whether these references are to different marks identifying different products, or whether one of these references is a misstatement.

Respondent has established that it is a wholesaler of, *inter alia*, skin care products; that it has bought skin care products identified by the mark SURE WHITE; and that it has sold these products to retailers. Respondent is principally located in the Miami metropolitan area.

The record establishes that SURE WHITE is a trademark that is used to identify a line of skin care products; that these products are manufactured, bottled and labeled in Switzerland and shipped to, *inter alia*, the United States for sale; and that, as wholesalers and importers, both petitioner and respondent have received shipments of the SURE WHITE product from Switzerland. The record also

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to the extent that they are not duplicated by exhibits submitted during the trial period.

establishes that the SURE WHITE product packaging design was developed in Switzerland and communications in this regard were with Peter Dürst, located in Switzerland, by both parties.

The evidence establishes that the parties have, over the years, conducted business with one another; that their business dealings are informal in that they have no written agreements with each other; and that they have often bartered products rather than exchanging money for products shipped between them.

The record is conflicting regarding the timing of the development and use of the mark SURE WHITE for skin care products and, as between the parties, who owns the mark in the United States. At this point, we note that both parties have presented evidence about registration of SURE WHITE in France and sales of products identified by the mark SURE WHITE and other marks outside the United States. To the extent that either party seeks to rely on trademark registration, or use in connection with sales of skin care products, of this or any other mark outside the United States, such evidence is irrelevant to the issue of registrability in the United States and we make no factual findings in this regard.

We find that the testimony of Mr. Aini and the exhibits accompanying that testimony are, at times, vague and that

this evidence falls short of establishing that petitioner developed the mark SURE WHITE for use in the United States in connection with skin care products or that petitioner exercises control over the use of the mark SURE WHITE for skin care products or over the quality or manufacture of such products. Respondent pointed out numerous contradictions and inconsistencies in petitioner's testimony and evidence, to which petitioner did not directly respond.

On the other hand, the testimony of Mr. McHeileh and the related exhibits for respondent were clear and the documentary evidence supports Mr. McHeileh's testimony. Thus, we find the evidence establishes that respondent developed the mark SURE WHITE for use in the United States in connection with skin care products; that respondent developed the packaging, ordered and controlled the manufacture of, and developed and controlled the promotion of SURE WHITE skin care products in the United States. Respondent did this in partnership with Mr. Dürst, who was located in Switzerland and who later became the agent, rather than the partner, of respondent.

The evidence also establishes that some shipments of the SURE WHITE skin care products from Switzerland went to respondent directly, some shipments went to petitioner directly, and some shipments went to respondent via petitioner and to petitioner via respondent. However, at

all times, shipments from Switzerland were at the behest of respondent, who exercised control over the manufacture of the skin care products, the design of the packaging therefor, and the use of the mark SURE WHITE in connection therewith.

Standing

A plaintiff must have "a 'real interest' in the outcome of a proceeding in order to have standing." *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). "To establish a reasonable basis for a belief that one is damaged by the registration sought to be cancelled, a petition may assert a likelihood of confusion which is not wholly without merit." *Lipton Industries v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).[3] Petitioner is a wholesaler of skin care products and it has bought and sold such products identified by the mark SURE WHITE. Therefore, we conclude that petitioner has established its standing in this proceeding.

Burden of Proof

Petitioner, as the plaintiff herein, bears the burden of proof with respect to its claims of priority of use, likelihood of confusion and fraud. See, e.g., *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305

[3] Because of the linguistic and functional similarities of the opposition and cancellation provisions of the Lanham Act, "we construe

(Fed. Cir. 2002) ("[t]he burden of proof rests with the opposer … to produce sufficient evidence to support the ultimate conclusion of [priority of use] and likelihood of confusion"); *Sanyo Watch Co., Inc. v. Sanyo Elec. Co., Ltd.*, 691 F.2d 1019, 215 USPQ 833, 834 (Fed. Cir. 1982) ("[a]s the opposer in this proceeding, appellant bears the burden of proof which encompasses not only the ultimate burden of persuasion, but also the obligation of going forward with sufficient proof of the material allegations of the Notice of Opposition, which, if not countered, negates appellee's right to a registration"); and *Clinton Detergent Co. v. Proctor & Gamble Co.*, 302 F.2d 745, 133 USPQ 520, 522 (CCPA 1962) ("[o]pposer … has the burden of proof to establish that applicant does not have the right to register its mark").

Petitioner must establish its pleaded case of priority and likelihood of confusion by a preponderance of the evidence. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1848 (Fed. Cir. 2000). In order for a plaintiff to prevail on a claim of likelihood of confusion, petitioner must prove it has proprietary rights in the term it relies upon to demonstrate likelihood of confusion as to source.

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the requirements of those two sections of the Lanham Act consistently." *Ritchie*, 50 USPQ2d at 1025 n. 2.

The standard of proof for a fraud claim is the rigorous clear-and-convincing-evidence standard, and it is strictly applied. *Standard Knitting Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917, 1926 (TTAB 2006); *Smith International Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981). *See also Torres v. Cantine Torresella S.r.L.*, 808 F.2d 46, 1 USPQ2d 1483, 1484-85 (Fed. Cir. 1986); *Medinol Ltd. v. Neuro Vasx Inc.*, 67 USPQ2d 1205, 1209 (TTAB 2003); *Mister Leonard Inc. v. Jacques Leonard Couture Inc.*, 23 USPQ2d 1064 (TTAB 1992); *First International Services Corp. v. Chuckles Inc.*, 5 USPQ2d 1628, 1636 (TTAB 1988).

Analysis

While petitioner has raised numerous issues in this case, the primary issue concerns who owns the mark in the subject registration. Petitioner attempts to show that respondent's use of the mark SURE WHITE in connection with skin care products inured to petitioner's benefit by maintaining that petitioner authorized respondent to use the mark. Both parties agree that, while they have conducted business with one another for several years, they have never had any written agreements between them. Thus, any authorization must have been the result of an implied license. "It is irrelevant whether the parties thought of the arrangement at the time in terms of an implied license. The test for whether or not an implied license existed is

based solely on the objective conduct of the parties." *Villanova University v. Villanova Educational Foundation Inc.*, 123 F. Supp.2d 293, 58 USPQ2d 1207, 1219 (E.D. Pa. 2000). Here, the objective conduct of the parties does not support the existence of an implied license from petitioner to respondent. Rather, the evidence supports the finding that respondent is the owner of the mark SURE WHITE for skin care products in the United States and, thus, any implied license runs from the respondent, as owner, to the petitioner, as licensee.

It was incumbent upon petitioner to submit evidence to demonstrate its proprietary rights in its claimed mark. Petitioner, having the burden of proof herein, failed to meet its burden in this cancellation proceeding. In view thereof, it is not necessary for us to further consider petitioner's claims of priority and likelihood of confusion or fraud; nor to consider respondent's affirmative defenses of laches and fraud.

Decision: The petition to cancel is denied.