

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

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THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB JUNE 29,00
Cancellation No. 28,054

Scangraphics, Inc.

v.

Tangent Systems, Inc.

Before Simms, Quinn and McLeod, Administrative Trademark
Judges.

By the Board:

Scangraphics, Inc. ("petitioner") has filed a petition to cancel the registration of the mark "TANGENT SYSTEMS" issued to Tangent Systems, Inc. ("respondent") for "computer hardware, computer software in the area of document processing, document imaging, and data processing" in International Class 9 and "computer manuals for use with computer hardware and computer software in the area of document processing, document imaging, and data processing" in International Class 16.¹ As grounds for cancellation, petitioner alleges that (1) respondent has not used its

¹ U.S. Registration No. 2,066,916, issued June 3, 1997, from an application filed on April 30, 1996 with a claimed date of first use of February 2, 1984.

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registered mark "TANGENT SYSTEMS" in commerce as required by 15 U.S.C. § 1051 and by 15 U.S.C. § 1127 and (2) respondent's identification of goods provided in its "TANGENT SYSTEMS" registration, namely, U.S. Registration No. 2,066,916, is not in compliance with 15 U.S.C. § 1051 and Trademark Rule 2.33.

This case now comes before the Board on respondent's combined motion (1) to dismiss the allegation that the identification of goods stated in respondent's registration does not comply with 15 U.S.C. § 1051 and Trademark Rule 2.33 on the ground that said allegation fails to state a claim upon which relief may be granted and (2) for summary judgment on the ground that respondent has, as a matter of law, used its mark in commerce as required by 15 U.S.C. §§ 1051 and 1127 of the Lanham Act. The motion has been fully briefed.

We first turn to respondent's motion to dismiss for failure to state a claim. Specifically, respondent seeks to dismiss the allegation contained in Paragraph 7(b) of the petition to cancel which reads as follows:

Defendant's identification of the goods in said Reg. No. 2,066,916 and its application Ser. No. 75/096,595 are not in compliance with 15 USC 1051 nor in compliance with Trademark Rule 2.33.

In support of its motion, respondent argues petitioner has failed to allege why the description of goods in respondent's registration is defective and/or not in compliance with the cited statute and rule. Respondent notes that the only provision in 15 U.S.C. § 1051 concerning identification of goods states that the applicant must identify in a written application "the goods on or in connection with which the mark is used." Respondent further notes that Trademark Rule 2.33 states that "in an application under Section 1(a) of the Act the particular goods and services on or in connection with which the mark is used" should be specified.² Respondent argues that since petitioner does not allege that respondent has failed to provide an identification of goods or how respondent's stated identification of goods is defective, petitioner has not stated a claim upon which relief may be granted. In view thereof, respondent seeks to dismiss the allegation contained in Paragraph 7(b) of the petition to cancel.

In response, petitioner argues that it has pleaded facts which, if proved, show that petitioner has standing and is not a mere intermeddler. Further, petitioner

² Respondent has misconstrued Trademark Rule 2.33 which only requires that the statements provided in a trademark application, including the identification of goods and/or services on or in connection with which an applicant uses or intends to use its mark, are to be verified via affidavit or declaration. The Board notes that it is Trademark Rule 2.32 which requires an applicant to specify the particular goods and/or services on or in connection with which applicant uses or intends to use its mark.

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contends that it does not need to prove the grounds for cancellation pleaded in its petition to cancel in order to overcome a motion to dismiss and that it is self-evident that if the facts pleaded are proved, respondent's registration will be canceled.

In reviewing a pleading for purposes of a motion to dismiss for failure to state a claim upon which relief may be granted, the Board must assume that all of petitioner's well pleaded allegations are true and construe the petition to cancel in a light most favorable to petitioner. Dismissal will be granted only if it appears that petitioner is entitled to no relief under any set of facts which could be proved in support of its claim. *Stanspec Co. v. American Chain & Cable Co., Inc.*, 531 F.2d 563, 189 USPQ 420 (CCPA 1976). Consequently, in order to withstand respondent's motion to dismiss for failure to state a claim upon which relief may be granted, petitioner need only allege in the petition to cancel such facts as would, if proved, establish that petitioner has standing to challenge respondent's right to maintain its registration and set forth a statutory ground for canceling the registration. *See Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1029, 213 USPQ 185 (CCPA 1982).

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Respondent has raised no question as to petitioner's standing, and the Board is of the opinion that petitioner clearly has alleged sufficient facts to show standing. See *Jewelers Vigilance Committee, Inc. v. Ulhenberg Corp.*, 853 F.2d 888, 7 UPSQ2d 1628 (Fed. Cir. 1988).

The issue before us then is whether petitioner has pleaded legally sufficient facts to set forth its ground to cancel in Paragraph 7(b) of its petition to cancel.

Unlike a situation where a party seeks, under Section 18 of the Trademark Act, to "partially cancel" or restrict a registration to conform to the actual goods and/or services on or connection with which the mark is allegedly used by a party, see *Eurostar Inc. v. "Euro-Star" Reitmodem GmbH & Co. KG*, 34 USPQ2d 1266 (TTAB 1994), petitioner here has merely pleaded that respondent's identification of goods does not comply with the provisions of 15 U.S.C. § 1051 and Trademark Rule 2.33. In pertinent part, 15 U.S.C. § 1051 requires that an application shall include specification of, among other things, the goods in connection with which the mark is used. See 15 U.S.C. § 1051(a)(2). Trademark Rule 2.33, in relevant part, provides that a party verify, through an affidavit or declaration, the statements provided in a trademark application which include the specification of the goods and/or services on or in connection with which the

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mark is used or intended to be used. See Trademark Rule 2.33.

Respondent has provided an identification of goods which lists the goods in connection with which its mark is used and a verification of the same which has been accepted by this Office. Accordingly, we find that respondent has satisfied the provisions of 15 U.S.C. § 1051 and Trademark Rule 2.33. In view thereof, we find that petitioner's conclusory allegations are legally insufficient to state a claim upon which relief may be granted.

Accordingly, respondent's motion to dismiss the allegation that the identification of goods provided in respondent's registration does not comply with 15 U.S.C. § 1051 and Trademark Rule 2.33 is hereby granted.

We next turn to respondent's motion for summary judgment. In support of its motion, respondent argues that there are no genuine issues of material fact with respect to respondent's use of its mark in commerce, as required and defined by 15 U.S.C. §§ 1051 and 1127.

As evidence in support its motion, respondent has submitted the affidavit of Stephen Mack, respondent's president, which attests to the continuous use of respondent's registered "TANGENT SYSTEMS" mark in commerce on or in connection with computer hardware, computer software, and printed manuals associated therewith since

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February 1984. Attached as exhibits to Mr. Mack's affidavit are, among other things, (1) labels bearing respondent's "TANGENT SYSTEMS" mark which are placed on packaging for respondent's computer products, (2) photocopies of the title page and spine of respondent's computer manuals which bear respondent's "TANGENT SYSTEMS" mark, (3) a photocopy of a sheet of labels used on respondent's computer hardware which displays respondent's "TANGENT SYSTEMS" mark, (4) a photocopy of the packaging of respondent's computer software product bearing the "TANGENT SYSTEMS" mark, (5) copies of respondent's procurement and licensing agreements with third parties for respondent's computer hardware and software products, demonstrating use of the mark in interstate commerce, (6) copies of invoices for sale of respondent's computer hardware and software product which bear respondent's trademark and which demonstrate sales of respondent's goods as early as February 1984.

Petitioner has submitted no contravening evidence to show that there is a genuine factual dispute for trial. Instead, petitioner has filed the affidavit of its counsel, Mr. Frederick Olssen, which attests that (1) the exhibits provided by respondent do not show use of respondent's mark as a trademark, but rather, as a trade name and (2) the documents submitted with Mr. Mack's affidavit are irrelevant

because there is no evidence establishing dates of use of the products referred to in such documents.

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). A dispute as to a material fact issue is genuine only if a reasonable fact finder viewing the entire record could resolve the dispute in favor of the nonmoving party. See *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). In deciding a motion for summary judgment, the Board must view the evidence in the light most favorable to the nonmovant, and must draw all reasonable inferences from underlying facts in favor of the nonmovant. *Id.*

A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986), and *Sweats Fashions Inc. v. Pannill Knitting Co. Inc.*, 833 F.2d 1560, 4 USPQ2d 1793 (Fed. Cir. 1987). When the moving party's motion is supported by evidence sufficient, if unopposed, to indicate that there is no genuine issue of material fact, and that the moving party is entitled to judgment, the burden shifts to the nonmoving party to demonstrate the existence of specific genuinely

disputed facts which must be resolved at trial. The nonmoving party may not rest on the mere allegations of its pleadings and assertions of counsel, but must designate specific portions of the record or produce additional affidavit evidence showing the existence of a genuine issue of material fact for trial. If the nonmoving party does not so respond, summary judgment, if appropriate, shall be entered in the moving party's favor. Fed. R. Civ. P. 56(c).

We find that respondent has carried its burden of showing *prima facie* the absence of any genuine issue of material fact, and that it is entitled to judgment as a matter of law. On this record, there is no dispute that respondent has used its "TANGENT SYSTEMS" mark as a trademark and such usage has occurred in commerce as required by 15 U.S.C. § 1051 and by 15 U.S.C. § 1127.³ In particular, the Board finds that respondent's use of its "TANGENT SYSTEMS" mark on the labels and packaging for its

³ In pertinent part, 15 U.S.C. Section 1051 provides that, when filing a use-based trademark application, an applicant must include a statement specifying the goods in connection with which the mark is used. Such statement must be verified by the applicant and must state that the mark is in use in commerce. See 15 U.S.C. § 1051(a)(2) and (3).

15 U.S.C. Section 1127 of the Lanham Act specifically provides, in relevant part, that "a mark shall be deemed to be in use in commerce--

(1) on goods when--

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce.

(emphasis added).

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computer goods, as well as on the goods themselves, functions as proper trademark use. Moreover, the procurement and licensing agreements, as well as the sales invoices, provided by respondent demonstrate that respondent has used its mark in commerce at least as early as February 1984. Concededly, respondent has submitted some evidence which may show "TANGENT SYSTEMS" as a trade name. However, there is no prohibition against using a term or phrase as both a trade name and a trademark. See e.g., *In re Walker Process Equipment, Inc.*, 233 F.2d 329, 110 USPQ 41 (CCPA 1956), *aff'g* 102 USPQ 443 (Comm'r Pats. 1954). As such, any trade name uses by respondent do not negate respondent's proper and proven trademark usage. We find therefore that respondent has, as a matter of law, used its "TANGENT SYSTEMS" mark in commerce, as required by 15 U.S.C. §§ 1051 and 1127.

In view thereof, respondent's motion for summary judgment is granted.

Because the Board finds in favor of respondent with respect to both grounds for cancellation alleged in the petition to cancel, judgment is entered in favor of respondent and the petition to cancel is hereby dismissed with prejudice.

R. L. Simms

T. J. Quinn

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L. K. McLeod

Administrative Trademark
Judges, Trademark Trial
and Appeal Board