Commissioner of Patents and Trademarks
Patent and Trademark Office (P.T.O.)

RE: TRADEMARK REGISTRATION OF PARMALAT S.P.A.
91-98
August 16, 1991
***1** Petition Filed: January 10, 1991

For: SANTAL
Registration No. 1,270,159
Issued: March 13, 1984

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Assistant Commissioner for Trademarks

On Petition

Parmalat S.p.A. has petitioned the Commissioner to review the decision of the Post Registration Affidavit-Renewal Examiner refusing to accept its declaration pursuant to Section 8 of the Trademark Act as sufficient to establish that nonuse of the mark was excusable due to "special circumstances." Trademark Rules 2.146(a)(2) and 2.165(b), 37 C.F.R. § § 2.146(a)(2) and 2.165(b), provide authority for the requested review.

Facts

The above registration issued on March 13, 1984, for the mark SANTAL (stylized) for "fruit juices and vegetable juices." Pursuant to Section 8 of the Trademark Act, 15 U.S.C. § 1058, registrant was required to file, between March 13, 1989 and March 13, 1990, an affidavit or declaration either (1) attesting to continued use of the mark in commerce, or (2) admitting nonuse and explaining the circumstances which made nonuse excusable.

On February 28, 1990, petitioner filed a declaration pursuant to Section 8 of the Trademark Act. The declaration stated that the mark was still in use in international commerce outside the United States on fruit juices; that nonuse of the mark in commerce with the United States or in interstate commerce within the United States is a result of an inability of registrant to find a distributor; and that registrant intends to market the goods under the mark in commerce with the United States or in interstate commerce within the United States "as soon as commercial conditions enable such use." Included with the declaration was a "specimen" showing the mark as used in international commerce. By letter dated May 14, 1990, the Affidavit-Renewal Examiner advised petitioner that acceptance of the declaration was withheld and that additional information was required before a determination as to the acceptability of nonuse could be made. Petitioner was required to submit a verified statement indicating the last date of use of the mark, the full reason for nonuse, the steps being taken toward resumption of use, and the approximate date on which such use may

reasonably be expected to resume.

On November 1, 1990, petitioner filed a request for reconsideration with a supplemental declaration stating that the last shipments of goods bearing the mark to the United States were in December of 1986; that a fall in the value of the dollar made the product temporarily noncompetitive in the United States; that registrant had been unable to arrange for distribution of the products; that registrant had made shipments of samples of the goods under the mark to various potential distributors and marketers of the product; that registrant expects to restore trade in the product under the mark with the United States within the year 1991; that the mark was presently in use in several countries throughout the world; and that registrant believed that the nonuse of the mark was only a temporary commercial necessity beyond the control of registrant which would be overcome in short order.

***2** On December 10, 1990, the Affidavit-Renewal Examiner notified petitioner that the reasons given for nonuse of the mark were not special circumstances which excused nonuse, and that the registration would be cancelled. This petition was filed January 10, 1991.

Decision

Section 8 of the Trademark Act, 15 U.S.C. § 1058, states, in part:

> The registration of any mark under the provisions of this Act shall be cancelled by the Commissioner at the end of six years following its date, unless within one year next preceding the expiration of such six years the registrant shall file in the Patent and Trademark Office an affidavit ... showing that said mark is in use in commerce ... or showing that any nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark.... (emphasis added)

For statutory purposes, the word "commerce" means "all commerce which may lawfully be regulated by Congress." Section 45 of the Trademark Act, 15 U.S.C. § 1127. Thus, a showing of use in "international commerce outside the United States" does not satisfy the requirements of the statute.

Petitioner contends that its declaration of nonuse should be accepted because there is a "substantial indication that it is the intent of the Registrant to maintain the registration," relying on Wallpaper Manufacturers, Ltd. v. Crown Wallcovering Corp., 214 USPQ 327 (C.C.P.A.1982). That case is readily distinguishable from the instant case in that it involved a petition to cancel a registration by an adverse party, pursuant to Section 14 of the Trademark Act, 15 U.S.C. § 1064, rather than a Section 8 affidavit. Section 8 of the Act explicitly places the burden of showing that nonuse is excusable on the registrant. It has long been clear that a registrant alleging nonuse must do more than verify its intention to resume use of the mark. Such a registrant must make a showing sufficient to satisfy both parts of the test for excusable nonuse. This means that, in addition to negating the inference that nonuse is due to an intention to abandon the mark, the registrant must demonstrate that special circumstances exist which excuse nonuse. Ex parte Kelley-How-Thomson Co., 118 USPQ 40 (Comm'r

Pats.1958).

Since "showing" implies proof, merely stating that special circumstances exist and there is no intention to abandon the mark is not enough. Sufficient facts must be set forth to demonstrate clearly that nonuse is due to some special circumstance beyond a registrant's control or "forced by outside causes." In re Moorman Manufacturing Co., 203 USPQ 712 (Comm'r Pats.1979). For example, compulsory nonuse resulting from a government regulation, such as the prohibition against the sale of liquor, might be excusable. Illness, fire or other catastrophe could also result in temporary nonuse which is excusable. Trademark Manual of Examining Procedure Section 1603.08. However, ordinary changes in social or economic conditions, such as decreased demand for a product, do not excuse nonuse. Ex parte Astra Pharmaceutical Products, Inc., 118 USPQ 368 (Comm'r Pats.1958); Ex parte Denver Chemical Mfg. Co., 118 USPQ 106 (Comm'r Pats.1958). In fact, the Section 8 affidavit was designed to eliminate from the Register those marks which are considered to be in nonuse of this type.

***3** In view of the fact that the mark has not been used in over four years, the averments contained in petitioner's Section 8 declaration and in the supplemental declaration submitted with the request for reconsideration on November 1, 1990, are insufficient to meet the burden of proving the existence of special circumstances excusing nonuse. While petitioner asserts that it is actively engaged in searching for a new distributor, it has supplied no reasons why its efforts have so far been unsuccessful, nor has it set forth facts showing that such a distributor is truly unavailable. Although petitioner states that it expects to "restore trade in the products under the mark with the United States within the year 1991," it has not set forth any facts or reasons which support this statement. See In re Moorman Manufacturing, supra. While petitioner's shipment of samples of its product to potential distributors and marketers may tend to establish a lack of an intention to abandon use of the mark, it does not establish the existence of special circumstances which excuse nonuse. Petitioner's conscious business decision to indefinitely suspend use of the mark on the goods recited in the registration because it is "temporarily noncompetitive" is not a "special circumstance" that excuses nonuse, within the meaning of the statute.

Since petitioner has not shown that the nonuse of the mark is due to "special circumstances" beyond its control, it has not satisfied the requirements of Section 8. The Affidavit-Renewal Examiner's refusal to accept the declaration was proper.

Accordingly, the petition is denied. The registration file will be forwarded to the Post Registration Section to be cancelled in due course.

32 U.S.P.Q.2d 1860

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