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

RE: TRADEMARK REGISTRATION OF NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY
91-127
April 27, 1991
***1** Petition Filed: March 18, 1991

For: BENEFITS BLUEPRINT
Registration No. 1,288,193
Cancelled: January 23, 1991
Issued: July 31, 1984

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Assistant Commissioner for Trademarks

On Petition

New England Mutual Life Insurance Company 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." Petitioner further requests a waiver of the petition fee. 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 July 31, 1984, for "financial reporting services--namely, providing printed personalized summaries of employee benefits to both businesses and employees." Pursuant to Section 8 of the Trademark Act, 15 U.S.C. § 1058, registrant was required to file, between July 31, 1989 and July 31, 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 January 17, 1990, petitioner filed a declaration pursuant to Section 8 of the Trademark Act, stating that the mark was not in use due to special circumstances and not due to an intent to abandon the mark; that the mark had been used in commerce continuously from the date of publication of the mark until at least June 1, 1987; that registrant had developed a "better product than those goods (sic) on which the mark was being used;" that said better product did not bear the mark; that use of the registered mark was temporarily suspended so as to avoid customer confusion vis-a-vis the goods (sic); that registrant intended to use the mark on a "further product currently being developed;" that the mark will be used on "substantially the same goods (sic)." Included with the declaration was a specimen showing the mark "as it was being used in 1987 prior to the temporary period of nonuse" and "as it will be used when such use resumes." By letter dated May 25, 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 26, 1990, petitioner responded with a supplemental declaration stating that the last date the mark was used in commerce in connection with the services was June 1, 1987; that the reason use of the mark was temporarily suspended was that a software program used in providing the services had become outmoded; that a revised and updated software program had been developed and was scheduled to be ready for pilot testing at two insurance agencies on or about December 3, 1990; that the services to be provided by said agencies with the new program "will be the services of the registration and will use the mark of the registration;" and that if the pilot program were successful, the program would be distributed in the first calendar quarter of 1991, and the services of the registration using the mark of the registration would be provided nationwide at that time. On January 18, 1991, 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 in due course. The registration was cancelled January 23, 1991.

***2** This petition was filed March 18, 1991. On April 29, 1991, petitioner filed a supplement to the petition, supported by a declaration stating that petitioner's software had been revised and had now been refined to the point "where we plan to attach marks to it;" that a flyer announcing petitioner's intent to reintroduce the services under the mark was distributed to petitioner's top 400 insurance agent producers at a meeting on April 20-23, 1991; that petitioner intended to conduct another pilot test to affirm that all problems had been corrected in May of 1991 "in an environment in which we will not attach the marks to the software;" that upon successful completion of the pilot, starting in June, petitioner would introduce software bearing the mark to its 87 agencies who would then use it with prospective consumers; and that petitioner anticipated its use in a minimum of fifty different client locations in the United States by the end of the year.

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)

It has long been clear that a registrant alleging nonuse must do more

than verify its intention to resume use of its 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 its mark, the registrant must demonstrate that special circumstances 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 § 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** A registrant claiming excusable nonuseshould do more than recite circumstances indicating that it is unable to use the mark on or in connection with the goods or services covered by the registration. The registrant must establish that such inability is due to circumstances beyond its control. Thus, a mere statement that a registrant is ill and cannot conduct his business during the illness would not be enough to excuse nonuse unless it is also shown that the business is a one man operation which could not continue without his presence. Abramson, Notes From the Patent Office, 50 T.M.R. 740, 741 (August, 1960).

In the instant case, petitioner contends that nonuse of its mark is excusable because it was necessitated by the revision of a computer program used in rendering the services. Petitioner contends that the revision of computer software is analogous to the retooling of a plant or equipment, which can result in temporary nonuse which is excusable. Trademark Manual of Examining Procedure § 1603.08. It is true that under certain circumstances, retooling of a plant or equipment, or revision of computer software, may excuse nonuse of a mark. However, such retooling or revision can excuse nonuse only if it is due to circumstances beyond the registrant's control. A registrant asserting that nonuse of a mark is excusable due to retooling of equipment or revision of software must show that said equipment or software is essential to the production of goods or rendering of services, and that alternative equipment or software is unavailable on the market. This has not been established in the instant case.

In view of that fact that the mark has not been used for more than four years, the averments contained in petitioner's Section 8 declaration and in the supplemental declarations submitted November 26, 1990 and April 29, 1991, are insufficient to meet the burden of proving the existence of special circumstances excusing nonuse. Although petitioner asserts that "a software program used in providing the services had become outmoded," it has not explained why that particular

software program was essential to the services, nor has it shown that functional replacement software was unavailable on the market. See In re Moorman Manufacturing, supra. Moreover, petitioner has not set forth facts explaining why it was not feasible to render its financial reporting services using existing technology. While petitioner's announcement of the prospective reintroduction of the services to its agents, and its recitation of its continuing efforts to update and test software which is used in rendering the services may establish petitioner's lack of intention to abandon the mark, it does not establish special circumstances that have prevented the rendering of the services under the mark for more than four years. Petitioner's conscious business decision to indefinitely suspend the rendering of its financial reporting services under the mark while it developed and tested new software is not a "special circumstance" that excuses nonuse, within the meaning of the statute.

***4** 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 shall remain cancelled. The petition fee will not be waived, as the petition was not necessitated by an Office error.

33 U.S.P.Q.2d 1532

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