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

RE: TRADEMARK REGISTRATION OF CONUSA CORPORATION
92-267
April 13, 1993
***1** Petition Filed: August 7, 1992

For: TREX
Registration No. 1,358,262
Issued: September 3, 1985

Robert M. Anderson

Acting Assistant Commissioner for Trademarks

On Petition

Conusa Corporation has petitioned the Commissioner to review the denial of its Section 8 declaration of nonuse and direct acceptance of the declaration. 37 C.F.R. § § 2.146 and 2.165(b), provide authority for the requested review.

Facts

The above registration issued on September 3, 1985 for the mark TREX for "candy suckers on a stick, chewing gum, and bubble gum." Pursuant to Section 8 of the Trademark Act, 15 U.S.C. § 1058, registrant was required to file, between September 3, 1990 and September 3, 1991, 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.

September 3, 1991, petitioner filed, pursuant to Section 8 of the Trademark Act, a declaration of nonuse of the mark. The identification of any goods or services was omitted. The following reasons were stated for excusing nonuse:

(1) Registrant had previously used the mark in commerce in the USA, but due to unforeseen commercial circumstances, such use subsequently ceased.

(2) Registrant has never ceased using the mark and has no intention to abandon same.

(3) Registrant hopes to be able to market its products within the very near future in the United States.

(4) Registrant used the mark in Israel, Spain and Portugal and sample packaging showing the use in these countries are attached.

By letter dated December 24, 1991, the affidavit/renewal examiner advised petitioner that acceptance of the declaration was withheld because the identification of goods was omitted. Since the statutory period for filing the declaration had expired, petitioner was notified that the registration would be cancelled.

On May 8, 1992, petitioner responded by arguing that "neither the statute nor the trademark rules require that Section 8 Affidavits of Non-Use recite a statement of goods. Trademark Rule 2.162(f), which pertains to Affidavits of Non-Use requires that registrant recite facts which support the reasons for non-use."

By letter dated June 9, 1992, the affidavit/renewal examiner reiterated that the goods must be listed in a Section 8 affidavit (or declaration), even though the mark is not in use in commerce, and that since the statutory period has expired, the registration would be cancelled. Moreover, the affidavit/renewal examiner stated that "[d]ecreased demand for the product or services and its resultant withdrawal from the market does not constitute special circumstances which excuse the nonuse within either the letter or the spirit of the statute." [FN1]

***2** Petitioner filed its petition on August 7, 1992.

Decision

1. Omission of Goods

Section 8 of the Trademark Act in part states:

> 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 setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce and attaching to the affidavit a specimen or facsimile showing current use of the mark, 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)

The Trademark Law Revision Act of 1988 (the TLRA) amended the requirements for the content of an affidavit (or declaration) of use under Section 8. The new provision, recited above, expressly requires that an affidavit (or declaration) of use identify the specific goods or services on or in connection with which the mark is in use in commerce. However, the new provision was not changed with respect to an affidavit (or declaration) of nonuse and, hence, still does not expressly require a recitation of goods when putting forth a showing of excusable nonuse. The legislative history of the TLRA does not indicate whether the Congress intended that there be a requirement that Section 8 affidavits (or declarations) of nonuse state the goods or services for which nonuse applies.

Trademark Rule 2.162(e) concerning use affidavits (and declarations) and Trademark Rule 2.162(f) concerning nonuse affidavits (and declarations) also do not contain consistent language. While Trademark Rule 2.162(e) expressly requires a "list the goods or services recited in the registration on or in connection with which the mark is in use in commerce ...," Trademark Rule 2.162(f) does not contain the same

express requirement, but instead, is worded as follows:

If the registered mark is not in use in commerce on or in connection with the goods or services recited in the registration, recite facts to show that nonuse as to those goods or services is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark as to those goods or services. If the facts recited are found insufficient, further evidence or explanation may be submitted and considered even though filed after the sixth year has expired....

However, Examination Guide 3-89 does require setting forth the goods or services when asserting excusable nonuse in a Section 8 affidavit (or declaration.) [FN2] Inasmuch as this requirement from the Guide is more restrictive than requirementsexpressed in either the statute or the Trademark Rules, the requirement from the Guide will not be followed. Hence, if the registrant elects to present an explanation of excusable nonuse, the affidavit (or declaration), as initially filed, does not have to recite goods or services pertaining to the nonuse of the mark in commerce. [FN3] Thus, the fact that the Section 8 declaration in this instance failed to identify any goods recited in the registration will not result in cancellation of the registration.

2. Excusable Nonuse

***3** 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 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 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 (or declaration) was designed to eliminate from the Register those marks which are considered to be in nonuse of this type.

The averments contained in petitioner's Section 8 declaration are insufficient to meet the burden of showing the existence of special circumstances excusing nonuse. First, petitioner states that the mark had been previously used in the U.S., but that use ceased due to "unforeseen commercial circumstances." However, no specific facts are

put forth concerning when and why use of the mark in commerce ceased. Similarly, petitioner does not supply any facts about the efforts to use the mark in commerce and does not give any specific reasons why efforts have been unsuccessful. Moreover, "unforeseen commercial circumstances" is not a special circumstance that excuses nonuse within the meaning of the statute.

Second, the tenuous statement that petitioner "hopes to be able to market its products within the very near future in the United States" similarly does not state any facts showing excusable nonuse. For example, petitioner does not indicate what steps are being taken to put the mark back in use in commerce and when use of mark in commerce may be expected to be resumed.

Finally, petitioner has not explained why the unspecified use of the mark in Israel, Spain and Portugal has any bearing upon the issues of nonuse and abandonment of mark in commerce that can be regulated by the Congress.

***4** Because petitioner has not shown that the nonuse is due to special circumstances which excuse the nonuse, the refusal to accept the Section 8 declaration was proper.

Accordingly, the petition is denied. The registration will remain cancelled. The file will be forwarded to the Post Registration Section for further action consistent with this decision.

FN1. Petitioner acknowledges understanding this ground for refusal. Footnote 1 of the petition states: "In the second official letter mailed on June 9, 1992, the Examiner sets forth a new substantive refusal for denying Registrant's Affidavit of Non-Use. She stated that the reasons set forth for "non-use" did not constitute special circumstances." Moreover, Section IV. of the petition (pages 6 and 7) presents arguments against this ground for refusal.

FN2. Examination Guide 3-89, titled "Implementation of the Trademark Law Revision Act of 1988 and the Amended Rules of Practice in Trademark Cases," issued as a supplement to the Trademark Manual of Examining Procedure and appeared in the Official Gazette on November 21, 1989, 1108 TMOG 30. At page 52 the Guide states: "[I]f the registrant elects to present an explanation of excusable nonuse, this explanation must also relate to specific goods or services. * * * If the registrant fails to provide ... a satisfactory explanation as to nonuse as to any goods or services in the registration, those goods or services will be cancelled from the registration. If the original affidavit of use fails to specify the goods and services, the registrant may not amend the affidavit to correct this omission after the expiration of the period during which the affidavit is due."

FN3. However, the affidavit/renewal examiner may require a clarification of those goods or services for which excusable nonuse is asserted. This clarification may be provided after the sixth year of registration.

32 U.S.P.Q.2d 1857

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