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

RE: TRADEMARK APPLICATIONS OF CIRCUIT CITY STORES WEST COAST, INC.
96-292; 96-293; 96-294; 96-295; 96-296
October 4, 1996
***1** Petitions Filed: September 20, 1996

For: CARMAX
Serial No. 75-078562
Filing Date: March 26, 1996

For: THE CARMAX ADVANTAGE
Serial No. 75-078653
Filing Date: March 26, 1996

For: COME TO CARMAX AND DRIVE HOME A BARGAIN
Serial No. 75-078808
Filing Date: March 26, 1996

For: MISCELLANEOUS DESIGN
Serial No. 75-078816
Filing Date: March 26, 1996

For: THE NEW WAY TO BUY CARS
Serial No. 75-083917
Filing Date: April 4, 1996

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On Petition

Circuit City Stores West Coast, Inc. has petitioned the Commissioner to permit filing of an Amendment to Allege Use after approval of the mark for publication, but prior to actual publication. Trademark Rules 2.146(a)(3), 2.146(a)(5), and 2.148 provide authority for the requested review.

FACTS

The above-identified applications were filed under Section 1(b) of the Trademark Act, based upon the Applicant's bona fide intention to

use the marks in commerce. All of the subject applications have been approved for publication in the Official Gaxette.

Applicant is a wholly-owned subsidiary of Circuit City Stores, Inc. For business reasons, Applicant wishes to transfer ownership of the subject applications to another of Circuit City Stores, Inc.'s subsidiaries.

On potition, Applicant seeks to: (1) waive application of 37 C.F.R. § 2.76(a); (2) remove the above-identified applications from publication status; and (3) restore jurisdiction to the respective Examining Attorneys, so that an Amendment to Allege Use may be filed for each application.

ANALYSIS

Trademark Rules 2.146(a)(5) and 2.148 permit the Commissioner to waive any provision of the Rules which is not a provision of the statute, where: (1) an extraordinary situation exists; (2) justice requires; and (3) no other party is injured thereby. All three conditions must be satisfied before a waiver is granted.

Trademark Rule 2.76(a), 37 C.F.R. § 2.76(a), prohibits the filing of an Amendment to Allege Use after an application has been approved for publication. There is no similar statutory prohibition in the Trademark Act.

Petitioner requests relief from Rule 2.76(a) because the value of its marks is likely to increase significantly in connection with an advertising campaign scheduled for November, 1996. Since the potential tax consequence of increased value of the proposed marks is significant, Petitioner has arranged for valuation of all the above-identified marks as of September 1, 1996. It is therefore important that the marks be transferred as close to the valuation date of September 1, 1996 as possible. [FN1]

***2** Since the provisions of Rule 2.76(a) are not a requirement of the statute, in appropriate circumstances, the Commissioner has the authority to waive their application. The Patent and Trademark Office has now had several years' experience with intent-to-use applications, and with the filing of amendments to allege use, and has had the opportunity to observe the effect of Trademark Rule 2.76(a). The Office has found that the strict time limit set by the rule has, in some instances, created more administrative difficulties than those it was designed to avoid. [In recognition of this fact, the Office has already suspended application of Trademark Rule 2.76(a) with respect to the time limit within which an Amendment to Allege Use may be filed after an Examining Attorney's final refusal to register. [FN2] See 1156 TMOG 12, November 2, 1993.] Therefore, as long as an application can be removed from the publication cycle, on petition it is appropriate to grant relief from Trademark Rule 2.76(a) when the application has been approved for publication but has not yet been published. For cases which cannot be withdrawn from the publication cycle priorto actual publication of the mark in the Official Gazette, the application must either be republished or the Applicant must file a Statement of Use

after issuance of the Notice of Allowance. [FN3]

With regard to the petition at hand, it is clear that the factual situation identified by the Petitioner is sufficiently rare as to constitute an extraordinary circumstance. Furthermore, Petitioner does not seek to avoid compliance with any of the rules dictating actual publication, but only wishes to enter the publication phase at a later date. No other party will be injured by later publication because, although the marks have been approved for publication, they have not actually been published. [FN4] Finally, justice requires waiver of the Rule, because the Petitioner will suffer injury should its request be denied.

DECISION

The petition is granted. The subject applications will be withdrawn from publication and jurisdiction restored to the respective Examining Attorneys. Applicant has thirty (30) days from the date of this decision in which to file an Amendment to Allege Use for each application. If the Amendments to Allege Use are not filed within this time period, the applications will be processed for publication as if the respective petitions had not been filed.

FN1. Section 10 of the Trademark Act, 15 U.S.C. § 1060, permits transfer of an intent-to-use application prior to filing an Amendment to Allege Use or a Statement of Use, when the application is transferred "to a successor to the business of the Applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing." Since no other assets are intended to be transferred with the subject applications, this exception is not applicable to Applicant's proposed transfers.

FN2. Effective November 2, 1993, the Office waived application of Rule 2.76(a) to address the situation where an applicant filed an appeal to the Trademark Trial and Appeal Board ("Board") six months after issuance of a Final refusal and, subsequently, filed an Amendment to Allege Use ("AAU"). Prior to waiver of the Rule, in this situation applicants were forced to pursue appeals that might otherwise be moot had the Examining Attorney been given the opportunity to examine the AAU. Although Amendments to Allege Use are now considered timely even if filed during the pendency of an ex parte appeal, the Board retains jurisdiction over the application once an appeal is filed. The Board may, in its discretion, suspend action on the appeal and remand the application to the Examining Attorney for consideration of the AAU. Alternatively, the Board may continue action on the appeal, thus deferring examination of the AAU until after disposition of the appeal.

FN3. In this latter instance, the Applicant may request that the Amendment to Allege Use be treated as a Statement of Use.

FN4. As of the petition filing date, two applications, Serial Nos. 75-

078562 and 75-078653, had actually been assigned a publication date.

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