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

JIMLAR CORPORATION
v.
THE ARMY AND AIR FORCE EXCHANGE SERVICE
August 6, 1992
***1** Issued: July 23, 1992

Opposition No. 83,984 to application Serial No. 74/031,110, filed February 21, 1990

Robert L. Epstein, Harold James, and the firm of James and Franklin for Jimlar Corporation.

Anthony T. Lane, Department of the Army, Office of the Judge Advocate General for The Army and Air Force Exchange Service.

Before Simms, Seeherman and Hohein

Commissioners

Opinion by Hohein

Member

Applicant, The Army and Air Force Exchange Service, has filed an application to register the mark "A CLUB" and design, in the form reproduced below, for "athletic shoes". [FN1]

Opposer, Jimlar Corporation, has opposed registration on the basis that it is the owner of a pending application to register "the mark A-CLUB for footwear"; [FN2] that action on the application "was suspended on September 20, 1990 pending disposition of applicant's application, with an indication that if applicant's application matures into a registration, [the] same will be cited against opposer's application"; that since prior to the June 1, 1988 dates of first use alleged in applicant's application, "opposer has used a composite trademark including A-CLUB in commerce on footwear"; that, "through such use, the public and trade have come to associate opposer's composite mark including A-CLUB, and opposer's trademark A-CLUB which forms a prominent portion thereof [,] with opposer and opposer has become the owner of the composite mark including A-CLUB and the trademark A-CLUB for use on footwear"; and that "[t]he mark which applicant seeks to register, on one hand, and opposer's composite mark including A-CLUB, on the other hand, and trademark A-CLUB are so similar in appearance and in commercial impression that, when applied to applicant's athletic shoes, applicant's mark is likely to cause confusion or to cause mistake or to deceive the purchasing public".

Applicant, in its answer, has admitted that opposer submitted an

application to register the mark "A-CLUB" for footwear and that action thereon has been suspended as alleged by opposer, but the remaining allegations set forth in the notice of opposition have been denied.

The record consists of the pleadings; the file of applicant's involved application; the testimony, on behalf of opposer, of its executive vice president and secretary, Laurence Tarica; [FN3] and the testimony, on behalf of applicant, of the senior buyer for its footwear division, Claude Mikulecky, and that of the retail manager for applicant's post exchange at Fort Dix, New Jersey, Sabine Ellis-Brown. The parties have filed briefs, but an oral hearing was not requested. [FN4]

In view of the facts that the literal portions of the parties' marks are the same and create identical commercial impressions, applicant concedes in its brief that contemporaneous use of such marks is likely to cause confusion, mistake or deception since "the goods are similar" and "the trade channels are not mutually exclusive". The principal issue to be decided, therefore, is which party has priority of use. [FN5]

***2** According to the record, opposer "is engaged in the business of styling and sourcing footwear from around the world and distributing it" in the United States and other countries. Such footwear includes casual, dress and athletic shoes for men, women and children. Opposer, which was founded in 1958 as a footwear importing company, is headquartered in Great Neck, New York. The headquarters, which is its only United States facility, consists of a showroom and administrative offices. Opposer's overseas facilities consist of a wholly- owned subsidiary in Hong Kong and liaison representative offices in Pusan, Korea and Taichung, Taiwan.

In developing its footwear, opposer's teams of designers first do market research in styling. After translating the results thereof into specifications, opposer's design teams visit opposer's overseas facilities to determine the subcontracting factories from which opposer will purchase its products. Sample products are created, usually in the factories opposer purchases its goods from, and are then revised by the design teams. Once the final samples are produced, they are sent to opposer's salespeople, who present the samples to prospective purchasers to obtain orders which opposer then fills. Between one and 101 samples of each particular style are made, with the sample styles being shown by opposer's salespeople to prospective clients at trade fairs, in the showroom of opposer's headquarters facility or at opposer's overseas offices. [FN6] When an order is taken, a purchase order is generated for production of the goods. After the goods are manufactured, an invoice is sent to the customer at the time the goods are shipped.

Opposer sells its products to independent footwear retailers, chain store footwear retailers, department stores and catalog houses as well as to wholesalers. Retailers of opposer's goods are located in all of the states of the United States. Advertising for opposer's goods is conducted in both trade and consumer publications.

In the case of its "A CLUB" mark, one of opposer's design teams came up with the idea of the "A CLUB" concept in the fall of 1987. The

notion was to take a group of products from opposer's American Eagle division and create therefrom a line of casual and rustic footwear to be marketed under the term "A CLUB". A logo was designed in the fall of 1987; the design was presented to the product development people in opposer's Korean office; labels and patches bearing the logo were created; and products displaying the logo made their debut in the United States by December 1987. In particular, patches showing the following logo were created and prominently affixed to the outside shaft of a style of boot known as the Highland:

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Six to 12 pairs of such boots were made as samples by one of the subcontractor factories opposer works with in Korea and were transported to the United States in November 1987. The samples were shown to prospective clients of opposer at a trade fair, sponsored by the Fashion Footwear Association of New York, which was held for several days beginning on December 1, 1987 at the Omni Park Central Hotel in Manhattan. Such trade show, which is conducted four times a year, is attended by exhibitors and their potential clients (retailers) from around the country. Opposer had a "booth," which consisted of a suite of rooms, at the December 1987 trade fair and had several of its salespeople there to exhibit its goods, including the Highland-style boot with the "A CLUB" patch.

***3** While opposer has no records that any orders were taken for the Highland-style boot when it was first displayed at the trade fair in Manhattan, orders therefor were subsequently placed and the goods, in due course, were manufactured and shipped. The earliest documented purchase order and corresponding invoice are dated, respectively, January 5, 1988 and September 9, 1988, and represent a sale of 24 pairs of Highland-style boots to 'Heel and Toe' on Staten Island, New York. Other invoices demonstrate that the earliest shipment of such goods was to Leroy's Shoes and Clothing in Big Bear Lake, California on June 24, 1988, with the last shipment thereof being made to The Shoe Closet in Chicago, Illinois on October 30, 1989. Thus, during a period of between 16 and 17 months, shipments of the Highland-style boot bearing the patch with the "A CLUB" composite mark thereon were continuously made by opposer. In addition, opposer also ran advertisements for such goods showing the mark in the August 1988 editions of the nationally distributed magazines Mademoiselle and Seventeen. The goods were also advertised in the trade publication Footwear News.

Although opposer stopped selling the Highland-style boot after October 1989, Mr. Tarica testified that opposer intended to continue the use of the "A CLUB" mark, promoting it as "a shortened version of American Eagle Club". Specifically, opposer studied the matter of expanding the mark's use; further refined the logo through the spring of 1990; and, in the summer of 1990, expanded the graphics associated with the "A CLUB" name and concept. Opposer, through a licensee, again started to use the mark "A CLUB" on a style of sneaker known as the Playful in June 1990. Such item had the mark molded into the rubber back piece of the outside of the shoe. A cloth label, as depicted on the left below, was affixed to the sock lining of the sneaker beginning about August 1990 and shoeboxes featuring the mark, as depicted on the right below, have always been used to ship the goods.

TABULAR OR GRAPHIC MATERIAL SET FORTH AT THIS POINT IS NOT DISPLAYABLE

Opposer received its earliest order for sneakers of the Playful style from its licensee, Pic 'N Pay Stores Inc. of Charlotte, North Carolina, in late August or early September 1990. Shipments of the Playful-style sneaker to such customer, as shown by the invoices introduced by opposer, first occurred on January 31, 1991 and the goods are still being sold. [FN7] In addition, the shoebox graphics incorporating the "A CLUB" mark have been used on a poster as a point-of-sale display for opposer's footwear products.

Applicant, as early as 1986, started development of its "A CLUB" mark. Needing a short name to go in a small space on the back of an athletic shoe, the mark "A CLUB" was selected as a shortened version of applicant's "Athletic Club" mark. Applicant obtains the shoes upon which its "A CLUB" mark is placed by having the senior buyer for its footwear division travel to Korea or the Far East at least twice a year. While there, Mr. Mikulecky visits several factories; works with the factories and importers to develop the products; decides what styles to buy; and executes purchase orders for those items. The importers then import the shoes for applicant, bringing the goods to applicant's primary warehouse outside of Atlanta, Georgia, and from there the shoes are distributed to applicant's outlets throughout the world. In the present case, the goods bearing the mark applicant seeks to register were imported for applicant by itsagent, the Envoys division of Kangaroos USA. Various purchase orders for different styles of athletic shoes were placed by applicant with its agent on September 9, 1987 and the shoes, bearing the version of the "A CLUB" mark shown below, were first received by applicant at its Fashion Distribution Center at Fort Gillen in Forest Park, Georgia on January 4, 1988, with other styles arriving on January 13, 1988 and February 29, 1988.

TABULAR OR GRAPHIC MATERIAL SET FORTH AT THIS POINT IS NOT DISPLAYABLE

***4** From its Fashion Distribution Center facility, which is located near Atlanta, applicant ships its athletic shoes, as is the case with other goods it buys, to the stores where it sells its merchandise. Such stores, when located on an Army post, are known as post exchanges ("PXs"), while those situated at an Air Force base are referred to as base exchanges ("BXs"). Applicant, according to Mr. Mikulecky, moves the goods it receives out of its Fashion Distribution Center to its stores within less than a week, in most cases, with its PXs and BXs placing its shoes in racks for sale within two or three days after receiving them.

Customers for applicant's goods include active-duty military personnel, their dependents, military reserves and retirees, and National Guard members. Although PXs and BXs are not open to the general public, their customers nevertheless shop the same retail outlets where civilians purchase consumer goods. Applicant advertises its "A CLUB" shoes in its in-house tabloid, which is distributed to its customers as a handout at the checkout stands in its post and base exchanges.

Although testifying that he provided the June 1, 1988 dates of first use stated in the involved application, Mr. Mikulecky also attested that such dates are in error and that "[t]he actual date of use of the mark by AAFES is in '87 and ... from these documents the actual sales of the product would be '88, early '88". The documents referred to,

however, evidence only internal shipments of the goods to applicant by its agent. The earliest sale to applicant's customers, as indicated by applicant's other witness, Ms. Ellis- Brown, occurred by March 10, 1988. Specifically, with respect to a document indicating a shipment of applicant's "A CLUB" athletic shoes from a distribution warehouse to the PX at Fort Dix, New Jersey, she testified that the shipment left the warehouse on February 10, 1988 and was received at Fort Dix on March 7, 1988. Inasmuch as athletic footwear would be put on the selling floor within two to three days of its receipt, applicant maintains that its "A CLUB" athletic shoes were on sale by at least as early as March 10, 1988. [FN8] Sales of such goods by applicant's retailers have been continuous and, for the most part, have steadily increased. [FN9]

Opposer, as a preliminary matter, argues that applicant "has made no use of its mark in commerce which is legally sufficient to support an application for registration". Specifically, opposer contends that applicant is not the manufacturer or importer of the shoes its sells under its "A CLUB" mark; that it did not contract with the manufacturer of the shoes; and that it failed to exercise any control over the nature and quality of the goods. Opposer consequently concludes that applicant "has not established any right of ownership" in the mark sought to be registered.

While such an issue has not been pleaded, we believe that even if the pleadings could be deemed to be amended under Fed.R.Civ.P. 15(b) to raise the issue, [FN10] there is nothing in the evidentiary record to indicate that applicant is not the owner of the mark it seeks to register because it has not used such mark as its mark in commerce. It is clear, instead, that applicant selected its "A CLUB" mark; participated in the development of the styles of the athletic shoes to which the mark would be applied; and contracted with its agent, the Envoys division of Kangaroos USA, to import the goods, which Envoys had produced for applicant abroad. In view thereof, and since there is nothing to indicate that applicant fails to control the nature and quality of the athletic shoes it sells under its "A CLUB" mark, opposer's contentions to the contrary are without merit.

***5** Turning now to the principal issue of which party has priority of use, we observe that the earliest date upon which applicant seeks to rely is March 10, 1988, when athletic shoes bearing its "A CLUB" mark were placed on display for sale in the PX it operates at Fort Dix. [FN11] Assuming, without presently deciding, that applicant's March 10, 1988 date of first use has been established by clear and convincing evidence, [FN12] opposer may nevertheless prevail in this proceeding, even though its technical trademark use of its "A CLUB" mark on any of the shipments of its casual footwear to its customers would be subsequent to that of applicant, [FN13] if it establishes, as argued in its brief, prior use analogous to trademark use which may be tacked to the technical trademark use it made when shipments of its "A CLUB" footwear were later resumed. We believe that opposer, upon the law and facts, has demonstrated that it is entitled to do so and that opposer accordingly has priority of use.

The Board, in this regard, stated in Flatly v. Trump, 11 USPQ2d 1284, 1287-90 (TTAB 1989) that:

> It is well established that a plaintiff in a proceeding such as

this need not establish prior use of a designation in a technical trademark or service mark manner in order to prevail when the proceeding is based on the ground of likelihood of confusion, mistake, or deception under Section 2(d) of the Act, it being sufficient for the purpose that plaintiff establish priority of use of the designation in connection with a product or service in interstate or intrastate commerce in a manner analogous to trademark or service mark use, i.e., use as a grade mark, use in advertising, use as the salient feature of a trade name, or any other manner of public use, provided that the use has resulted in the development of a trade identity, i.e., is an open and public use of such nature and extent as to create, in the mind of the relevant purchasing public, an association of the designation with the plaintiff's goods or services. See: Otto Roth & Co. v. Universal Foods Corp., 640 F.2d 1317, 209 USPQ 40 (CCPA 1981); Jim Dandy Co. v. Martha White Foods, Inc., 458 F.2d 1397, 173 UPSQ 673 (CCPA 1972); Lever Brothers Co. v. Nobio Products, Inc., 103 F.2d 917, 41 USPQ 677 (CCPA 1939); Beebe v. Bangor Punta Operations, Inc., 190 UPSQ 297 (TTAB 1976); Philip Morris Inc. v. Rembrandt Tobacco Corporation (Overseas) Ltd., 185 USPQ 823 (TTAB 1975); La Maur, Inc. v. Wella Corp., 177 USPQ 271 (TTAB 1973); and Maidenform, Inc. v. Bestform Foundations, Inc., 161 USPQ 805 (TTAB 1969).....
See also Malcolm Nicol & Co. Inc. v. Witco Corp., 881 F.2d 1063, 11 USPQ2d 1638, 1639 (Fed.Cir.1989); and Caesars World, Inc. v. On-Line Systems Inc., 209 USPQ 334, 336 (TTAB 1980).

***6** In the present case, we concur with opposer that the display of a sample of its Highland-style boot, which had affixed thereto a patch prominently featuring the term "A CLUB," at an industry trade fair or show in Manhattan beginning on December 1, 1987 constitutes use analogous to trademark use upon which opposer can rely. Such use, which in essence is a form of advertising for the product, is plainly an open and public use of the "A CLUB" designation. The trade show display of the Highland-style boot, with the patch illustrating the "A CLUB" mark conspicuously appearing on the product, would be expected to have had a significant impact on prospective customers for opposer's boots. Notably, it was of a sufficient nature and extent as to create, in the mind of the potential purchasers of opposer's goods who attended the several-day affair, an association of the "A CLUB" designation with opposer's goods, especially in light of the fact that orders for the goods followed relatively shortly thereafter. See, e.g., Novel ID v. Hyman Products Inc., 768 F.Supp. 717, 11 USPQ2d 1138, 1141 (C.D.Calif.1989) [exhibition of mark in conjunction with product at trade show, along with attendant publicity, created prior protectible trademark right]; Geo. Washington Mint, Inc. v. Washington Mint, Inc., 349 F.Supp. 255, 176 USPQ 251, 253-55 (S.D.N.Y.1972) [sample products bearing mark and advertising thereof, used in taking orders for goods, sufficient to establish priority]; and Duramold Aircraft Corp. v. Timm Aircraft Corp., 62 UPSQ 387, 388 (Comm'r Pats.1944) [use of mark on demonstrator model of goods and for publicity purposes results in acquisition of priority].

Moreover, we find that as featured on the patch attached to the Highland- style boot, the designation "A CLUB" was so conspicuously used as to create a separate and distinct commercial impression. As such, the term "A CLUB" functioned per se as a mark for the goods to which it was affixed. While applicant asserts that the design elements in the composite "A CLUB" mark, including the words "BY AMERICAN

EAGLE," preclude opposer from tacking its subsequently discontinued use of such mark to its later use of the "A CLUB" mark for sneakers, we think that because the term "A CLUB" in the composite mark separately functioned as a mark for boots, and inasmuch as such goods are substantially identical products to sneakers, tacking of the earlier use of the "A CLUB" mark for boots to the later use thereof for sneakers is permissible.

Specifically, the separate and distinct commercial impression created by the manner in which the term "A CLUB" was used in the composite mark for boots functioned as a mark which is the legal equivalent of, or indistinguishable from, the "A CLUB" mark opposer uses in connection with sneakers. See Van Dyne- Crotty Inc. v. Wear-Guard Corp., 926 F.2d 1156, 17 USPQ2d 1866, 1868 (Fed.Cir.1991). Buyers of opposer's footwear would consider the "A CLUB" designations to be the same mark since, in each case, the word "CLUB" is superimposed over a capital letter "A" in a virtually identical manner, thereby creating the same continuing commercial impression. Similarly, the types of goods on which the designations "A CLUB" have been used by opposer are substantially identical. See Big Blue Products Inc. v. International Business Machines Corp., 19 UPSQ2d 1072, 1075 (TTAB 1991). Here, the record shows, and applicant in its brief does not contend otherwise, that the boots and sneakers sold by opposer are both items of casual footwear which have been marketed to the same types of retailers. Such goods consequently would be sold through the same channels of trade to the same classes of purchasers, including the military personnel, dependents and retirees who would purchase applicant's athletic shoes.

***7** Accordingly, since contemporaneous use of the mark "A CLUB" by opposer on casual footwear and the mark "A CLUB" and design by applicant on athletic shoes would be likely to cause confusion, mistake or deception, as admitted by applicant, and inasmuch as opposer has demonstrated that it has priority in view of a prior use analogous to trademark use which it can permissibly tack to its subsequent technical trademark use, applicant is not entitled to registration.

Decision: The opposition is sustained and registration to applicant is refused.

R.L. Simms

E.J. Seeherman

G.D. Hohein

Members, Trademark Trial and Appeal Board

FN1. Ser. No. 74/031,110, filed on February 21, 1990, which alleges dates of first use of June 1, 1988.

FN2. Ser. No. 74/062,037, filed on May 17, 1990, which is "based on a bona fide intention to use A-CLUB in commerce and setting forth ... use of a composite trademark including A-CLUB in commerce".

FN3. Applicant, on November 14, 1991, filed a motion to strike certain portions of Mr. Tarica's oral deposition, which was taken on August 28, 1991, on the ground that the testimony is hearsay and thus violates Fed.R.Evid. 802. The Board, in an order issued on February 6, 1992, indicated that consideration of the motion would be deferred until final hearing and applicant, in its brief on the case, has renewed its hearsay objections. Since, however, the objections raised by applicant are not well taken for the reasons set forth by opposer in the timely response received on November 29, 1991, the motion to strike is denied. Nevertheless, even if the testimony sought to be stricken by applicant were excluded as violative of Fed.R.Evid. 802, the exclusion thereof would make no difference in the outcome of this proceeding.

FN4. Although the parties, in their pleadings and briefs, have referred to the marks which they have actually used and/or are using by the designation "A- CLUB," we note that the evidentiary record, as detailed in the discussion thereof which follows in this opinion, discloses that neither party has made use of a mark which includes a hyphen. Consequently, we have considered opposer's reference to its use of its "A-CLUB" mark to signify a mark which superimposes the word "CLUB" over a capital letter "A" and have treated applicant's utilization of the term "A-CLUB" as a shortened designation for the "A CLUB" and design mark it seeks to register. The pleadings, in pertinent part, have accordingly been deemed to be so amended pursuant to Fed.R.Civ.P. 15(b).

FN5. Preliminarily, we note in this regard that, under Section 7(c) of the Trademark Act, the filing date of opposer's intent-to-use application for the mark "A-CLUB" for footwear provides opposer with a constructive use date, upon which it presently can rely, of May 17, 1990. See Zirco Corp. v. American Tel. & Tel. Co., 21 USPQ2d 1542, 1544 (TTAB 1991). However, while applicant has admitted the filing of such application, the date of constructive use provided thereby is subsequent to any of the dates of first use upon which applicant may possibly rely including, at the latest, the February 21, 1990 filing date of its involved application. Opposer, therefore, cannot prevail in this proceeding on the basis of its ownership of its intent-to-use application. It is entitled, instead, to have the opposition sustained only if it proves an actual date of first use or use analogous to trademark use which is earlier than any date of first use which may be proven or relied upon by applicant.

FN6. For example, opposer created samples of approximately 2,000 styles of footwear in 1988, but took orders for and produced only 250 styles.

FN7. On cross-examination, Mr. Tarica explained that opposer transacts business as both a principal and as an agent. In the case of the orders and shipments of the Highland-style boot, opposer acted as a principal, selling the goods manufactured and imported for it by the subcontractor it owns, to third parties who had ordered the goods from opposer's American Eagle division. With respect to the Playful-style sneaker, however, opposer acts as an agent for its licensee, who actually

purchases the goods and takes title thereto directly from opposer's subcontractors rather than from opposer itself. Opposer charges certain commissions for facilitating the transactions and also charges its licensee a royalty for use of the "A CLUB" mark, which is separately noted on the invoices it sends to its licensee. On redirect, Mr. Tarica further testified that when opposer acts as a agent, it monitors and controls both the manner in which its mark is used on the goods and the nature and quality of those products.

FN8. The witness, however, did not actually testify to such date since she was not stationed at Fort Dix until July 1990. Instead, she based her testimony on her review of the shipping document, her personal knowledge of the filing system used to keep the PX's records and the seasonal nature of the particular goods involved.

FN9. According to applicant's Exhibit E, sales of its goods to its retailers have been as follows:

Period	Pairs	Amount
January--June 1988	5,732	$103,119
July--December 1988	18,640	$335,334
January--June 1989	18,782	$337,888
July--December 1989	1,560	$28,065
January--June 1990	109,870	$2,347,840
July--December 1990	136,361	$2,491,166

FN10. Although applicant, in its brief, responded to the merits of opposer's argument, the lines of questioning pursued by counsel for the parties at the depositions of the witnesses indicate that the issue now sought to be raised by opposer plainly was not tried by the express or implied consent of the parties.

FN11. Applicant's earlier activities, such as the execution of purchase orders for the goods through its agent and the agent's subsequent importation of the goods for applicant, are simply internal transactions which, not being sufficiently public in character, would not suffice to establish any earlier dates of first use. See, e.g., Sears, Roebuck & Co. v. Mannington Mills, Inc., 138 UPSQ 261, 262 (TTAB 1963) [shipment of goods bearing mark from manufacturer to retailer does not constitute trademark use by retailer or create any rights in the mark in the retailer, even though goods are manufactured to retailer's specifications and mark is applied to goods by manufacturer pursuant to retailer's instructions].

FN12. See Hydro-Dynamics Inc. v. George Putnam & Co. Inc., 811 F.2d 1470, 1 UPSQ2d 1772, 1773-74 (Fed.Cir.1987).

FN13. As mentioned earlier, opposer's first shipment to a customer of the Highland-style boot, with its "A CLUB" patch affixed thereto on the

outside shaft of the product, took place on June 24, 1988, with the last such shipment occurring on October 30, 1989. After a hiatus of approximately 15 months, a shipment to its licensee of the Playful-style sneaker, which featured the mark on both the sock label of the goods and the boxes therefor, commenced on January 31, 1991 and have continued since then.

24 U.S.P.Q.2d 1216

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