

US: TRADE MARKS

**Registration cancelled
for de minimis use**

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In September, in *Adidas AG v Christian Fellowship Church*, the Trademark Trial and Appeal Board (TTAB) issued a non-precedential, but potentially instructive, opinion in which it sustained a petition for cancellation on the grounds of non-use. The case analysed whether sales of only a small number of goods by Christian Fellowship Church constituted “use in commerce” under the Trademark Act.

Adidas had filed a trade mark application for the mark Adizero, which was refused based upon a likelihood of confusion with two trade mark registrations owned by the respondent, Christian Fellowship Church, for the mark Add A Zero (one stylised and one in standard letters). Adidas subsequently filed a petition for cancellation, claiming, among other things, that the registrations were void ab initio because the subject marks were not in use in interstate commerce as of the filing date of the underlying use-based applications.

During the cancellation proceedings, the TTAB explored the extent to which the respondent had used its Add A Zero marks. The evidence showed that the respondent operated a church in Illinois which had a book store in the basement where it sold “a modest quantity” of shirts and caps embroidered with the Add A Zero mark. Such sales included approximately 60 Add A Zero caps and 70 Add A Zero shirts which were sold between January 9 2005 (the date of first use recited in the Add A Zero trade mark registrations) through March 5 2005 and no additional sales before the March 23 2005 filing of the use-based applications for the subject marks. All sales of the Add A Zero shirts and caps during that period were made to purchasers who were physically present at the respondent’s Illinois bookstore.

To counter Adidas’ allegations of non-use, Christian Fellowship Church pointed to sales of one shirt and one cap made on January 30 2005 and two caps made on February 22 2005 to customers who may have lived outside of Illinois and to offers to sell Add A Zero branded merchandise to out-of-state parishioners. The TTAB, however, found that the sale of two caps at a minimal cost made in the state of Illinois to a customer who lives in a different state “... does not affect commerce that Congress can regulate such that the transaction would constitute use in commerce for purposes of registration”. The TTAB would not allow the respondent to rely on the fact that its products *could* have been purchased by people who reside outside the state as evidence of a sale that could arguably affect interstate commerce. As such, respondent was left with the sale in Illinois of two caps to a Wisconsin resident as its only evidence of a use in interstate commerce. This sale was considered by the TTAB to be *de minimis* and insufficient to show use that affects interstate commerce.

Although the decision in *Adidas AG* is not precedential, it may serve as an indicator as to how the TTAB will decide future cases where a registrant has only sold a relatively small amount of goods and where those sales are local. Caution is warranted for trade mark owners when basing a use-based trade mark application on the sale of only a few of the products to be identified in their applications. Similarly, parties seeking to cancel a trade mark registration based on non-use would be wise to explore the amount of products that a registrant had sold under the mark at issue.