

Blog Post

When Abandonment Isn't Abandonment: Use of an “Abandoned” Mark by a Subsidiary

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The Trademark Trial and Appeal Board (the Board) recently held that AT&T Mobility, LLC (AT&T) had sufficient interest in its almost completely moribund CINGULAR name to oppose two pending trademark applications filed by an unrelated party. *AT&T Mobility, LLC v. Mark Thomann and Dormitus Brands, LLC*, Opposition No. 91218108 (TTAB February 10, 2020).

Applicant Dormitus Brands, LLC owned two pending trademark applications for the mark CINGULAR for cellular phones and related accessories. AT&T opposed them, arguing that AT&T's predecessor in interest launched the CINGULAR brand for cellular phone services, devices, and accessories as early as 2001 and that, although those goods and services were offered to the public under the AT&T name starting in 2007, the CINGULAR name and identity is still closely associated with AT&T. It was undisputed that AT&T's registered CINGULAR marks were cancelled.

Applicant defended its applications by arguing that AT&T abandoned the CINGULAR mark when it stopped offering and providing cellular phone service under that name when it rebranded to AT&T in 2007.

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The question before the Board in this part of the bifurcated opposition was whether AT&T had standing to oppose the Applicant's pending applications. The Board held that it did.

STANDING GENERALLY

To establish standing, an Opposer must prove that it has a "real interest" in the proceeding beyond that of a mere intermeddler, and a "reasonable basis" for a belief that it likely will be damaged by the issuance of the mark at issue. A "real interest" is a direct and personal stake in the outcome of the proceeding. A reasonable basis for a belief in likely damage can be shown by establishing a direct commercial interest.

In this case, AT&T's four claims included a claim of false suggestion of a connection under Section 2(a) of the Lanham Act, 15 USC § 1052(a). Section 2(a) relates to a party's *name or identity*, rather than party's trademark. As a result, the Board explained that it saw "no categorical legal bar precluding a corporate or institutional plaintiff from claiming, in a Board proceeding, a false suggestion of a connection with its trade name, where, as here, its allegations of standing are based on alleged injury from an unauthorized use of a mark that falsely suggests a connection with its persona."

Standing Based On Trade Name Use By AT&T's Subsidiary

The question then became: is the name CINGULAR being used at all, and if so, can AT&T claim such use? AT&T's corporate structure, and that of its sister corporations and subsidiaries, resolved this issue. In 2007, Opposer legally changed its name from Cingular Wireless LLC to AT&T Mobility LLC., but controlled a subsidiary named "New Cingular Wireless PCS, LLC" ("New Cingular"), which used "Cingular" as its trade name. The Board further found that New Cingular Wireless PCS, LLC, as "Cingular," conducts the business of AT&T's mobility division, including holding the businesses' FCC

licenses, entering into contracts with wireless customers, and entering into leases with property owners.

Applicant countered that this type of use on formal legal documents is not the type of customer-facing interaction contemplated by a § 2(a) claim. However, the Board disagreed. Instead, the Board held that, since the name appeared on contracts or licenses, and was viewed by those with whom New Cingular has entered into these agreements, such as professionals interested in the construction of cell towers as well as retail consumers purchasing cell phone wireless services under the AT&T Next program, the name “Cingular” was known by the public.

On the issue of whether the use of “Cingular” as a trade name by New Cingular gave AT&T standing in the opposition, the Board held that a parent corporation of a wholly owned subsidiary “can reasonably believe that damage to the subsidiary will naturally lead to financial injury to itself.” Here, AT&T established that it owned a majority interest in AT&T Mobility II LLC, which itself owned a 100% interest in New Cingular. As a result, the Board held that “[a]ccordingly, Opposer has established the necessary relationship to New Cingular such that it ‘can reasonably believe that damage to the subsidiary will naturally lead to financial injury to itself.’” Thus, the Board concluded that Opposer had proven that it has standing to pursue its false connection claim under § 2(a), as well as the other grounds set forth in the Opposition (because, in the words of the Board, “once an opposer meets the requirements for standing on one claim, it can rely on any available statutory grounds for opposition”).

The Board then set a schedule for discovery and trial of the substantive issues in the case.

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There was no question that New Cingular conducted business, and that it is a wholly owned subsidiary of AT&T Mobility, LLC. Further, it is uncontroversial that the parent of a wholly-owned subsidiary should have standing to stand as an opposer in an opposition proceeding. The most notable issue is the Board's conclusion that use of the corporate name "New Cingular Wireless PCS, LLC" on various legal documents created use of the trade name "Cingular." Perhaps the Board simply frowns on cases such as this, where third parties seek to revive old, abandoned trademarks to trade off their old glory.

A more interesting issue not reached by the Board is whether Opposer would have had standing to oppose the CINGULAR applications merely because consumers associate the mark CINGULAR with AT&T, even without the activities New Cingular – that is, residual association between AT&T and CINGULAR.

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