

parties had no further communication until 2001.

Despite an affidavit procured by Defendants from Pringle on September 5, 2003, that MCS “from February, 1972, until about July, 2001, [MCS] operated under and used the trademarks, service marks and trade names of MISTER COFFEE,” Pringle in a subsequent, October 7, 2003 deposition⁴ stated that this affidavit was misleading:

[Referring to the affidavit, this says] ‘from 1972 until July 2001, I used the name Mister - Coffee, but this is — this might lead you to believe that we were doing business, selling products as Mister Coffee up until July, 2001, and that was certainly not true... (Transcript pg.85; hence “T85”).’

This document [i.e., the affidavit] was made by [Defendant’s counsel] supposedly for the reason of having me ...say that I was not doing business in Anne Arundel County [as indicated in a later paragraph of the affidavit.] ...I think I was tricked into signing this document.... I don’t read them as carefully as a lawyer does. (T86) ...I didn’t continue to advertise. As soon as I sold to Cory, I moved out of the warehouse, and I sold my three vans...(T87) [In 1993, Pringle discussed selling the mark to Mr. Hale but between 1993 and 2001, the two had no contact....Pringle] never promised Mr. Hale or anyone else.. that [he] would use the trademarks during the time from 1993 and 2001... I didn’t hear from him again until 2001. So I didn’t have any agreement with him in 2001 when he called me on the phone and said he wanted to buy the agreement.... [T]here was no understanding about any marks, keeping anything alive with Mr. Hale.” (T97-98)

At Hale’s request, in July 2001, Pringle did go to a retail store, acquire some coffee and tea, then sell these to two friends so as to generate two “Mister Coffee” receipts in the suburban Virginia

September 9, 1993. The contract preliminarily identifies only the Maryland service mark to be sold, but the balance of the contract also refers to “trade marks and service marks.” However, the affidavits and depositions of Pringle, which have been provided to the Court, make no distinction as to his intent to sell both trademarks and service marks.

⁴ At the hearing on these motions, Defendant’s counsel objected to the admissibility of the Pringle deposition. Plaintiffs counsel responded that the deposition should be admissible under Rule 2-419(c) as it properly was taken in connection with a Virginia “court” proceeding, before the Virginia State Corporation Commission. Cf., National Home Ins.Co. v. State Corp. Commis., 838 F. Supp. 1104 (E.D. Va. 1993). After the hearing, however, Defendant’s counsel withdrew this objection in his letter of February 6, 2004. Therefore, this Court considers the deposition.

area. (T36-39)⁵ But, Pringle had “no intent to go back into the business” (Ti 9) of selling coffee and similar products. Rather, he intended to continue owning the rights to the trade and service marks (T89) and to sell these last corporate assets so as possibly to “break even” from his cost of registering them. (T94)

Although MCS’ agreement to sell most of its corporate assets in May 1993 included a - covenant not to compete” for 5 years with the purchase, this covenant was limited only to the - geographic areas of “Washington D.C. and Northern Virginia.” Thus, Pringle and MCS voluntarily chose not to continue this business in Maryland. Joint exhibit 1 of current hearing.

In a second, post-deposition affidavit, Pringle emphasized:

After September 1993, I did not attempt to sell the MISTER COFFEE mark to any other person or entity. ...I had no intention of resuming the business between 1993 and 2001 and during that time I conducted no business, conducted no advertising, and provided no goods -or services under the MISTER COFFEE mark.

Deposition of Glenn Pringle, dated October 11,2003- Exhibit B to Plaintiffs Reply to Defendant’s Opposition to [Plaintiffs] Motion for Summary Judgment.

Finally, it should be noted that Defendants point to the use of an internet domain name, MisterCoffee.com, “pursuant to Mister Coffee & Services, Inc. and the [parties’ Canadian litigation] Settlement Agreement...” See Defendant’s Motion for Summary Judgment, exhibit B - affidavit of Robert Hale, paragraphs 3 & 5.

Based on the 2001 assignment of rights from MCS, defendant 148977 Canada, Inc. on May 30,2002, filed to renew Maryland trade mark and service mark registration for “MISTER COFFEE.” This renewal was granted to defendant 148977 Canada, Inc. via renewal registrations 2002-0098 and 2002-0099. This litigation, challenging the registration renewals, was filed shortly afterwards by Plaintiff.

Issues

Defendants’ motion for summary judgment asks this Court to dismiss the Complaint herein because⁶:

- a) declaratory judgment jurisdiction is discretionary and, here, should be denied as Defendants never used the disputed trade or service marks in Anne Arundel County;
- b) declaratory judgment would not “terminate the controversy,” due to the parties’ disputes outside Anne Arundel County;
- c) this Court should defer to the U.S. Patent and Trademark Office as an appropriate

⁵ Defendants also have filed, as parts of exhibits 4 and 7 to their Motion for Summary Judgment, two invoices dated in May 2002, indicating the shipping of goods to Maryland from Canada. However, these have no relevance to the alleged trademark abandonment and registration renewal issues as they do not precede the assignment of rights between MCS and Defendants.

⁶ This Court has reordered and consolidated Defendants’ issues.

administrative forum;

d) there is no “actual or justiciable controversy,” particularly in the absence of actual damages; and,

e) the Complaint fails to join the Secretary of State of Maryland as a “necessary party.”

Plaintiffs motion for summary judgment asks the Court to grant its Complaint’s first three counts⁷, finding that Defendants legitimately could not renew the disputed trade and service marks due to their previous abandonment. It also asks the Court to dismiss the Counterclaim on the grounds of abandonment and laches.

Discussion

1. Defendant’s motion for summary judgment

a. Declaratory judgment and local venue

Defendants initially suggest that this Court should decline to provide declaratory judgment relief because the disputed trademarks have not been used by them in Anne Arundel County.

The Court finds this argument ingenuous because this is not a trademark infringement action per se. Venue and jurisdiction in the county are proper because the complaint focuses on a *trademark -registration* which Defendants undisputedly filed with the Maryland Secretary of State’s Office in Annapolis in Anne Arundel County, Maryland.

b. Declaratory judgment would not “terminate the controversy”

Similarly, the Court finds no merit in the contention that declaratory judgment should not be granted because it would not “terminate the controversy” if the parties might have further litigation in other jurisdictions. This argument willfully misconstrues the concept of “terminating the controversy.” What is sought is not completion of all the parties’ conflicts anywhere in the world; it is sufficient to resolve their conflicts on this particular controversy in Maryland. This Court has the sufficient power to accomplish this end and, therefore, will not prevent Plaintiff from accessing

c. Is exhaustion of administrative remedies via the USPO required?

Next, Defendants contend that this Court should defer to the U.S. Patent Office, as if that federal agency should resolve a dispute of Maryland law as to this state’s trade mark registration statute.

Precedent has made clear “that the mere fact.. .that a state cause of action implicates conduct that occurred in connection with federal patent proceedings is not sufficient for patent preemption to apply.” Method Electronics, Inc. v. Hewlett-Packard Co., Inc., 2000 U.S. Dist. LEXIS 12701, at 7 (D. Ca. 2000), referencing Dow Chemical Co. V. Exxon Corp., 139 F.3d 1470 (Fed. Cir. 1998) where the court focused on the situs of the conduct that formed the heart of

⁷ Plaintiffs do not seek summary judgment on count 4, as to fraud, apparently recognizing that the defendants’ intent would be a fact finder’s question.

the state law claim. Thus, in the present case, the Court does not find that it should defer to the U.S. Patent Office.

d. Is there a justiciable controversy?

Defendants contend that there is no “justiciable controversy” as there currently is no actual conflicting use of the disputed trademarks.

However, this Court finds that the Maryland trademark registration statute itself recognizes a cause of action for resolution of disputes as to trademark *registration* and not simply trademark -infringement. Maryland Code, Business Regulation Art., sec. 1-412.

e. Is the Maryland Secretary of State a necessary party?

Defendants assert that a person may not bring a Circuit Court action to challenge a trademark registration without joining the Maryland Secretary of State in the action as a necessary party.

This Court also finds no merit to this argument. The Maryland trademark registration statute at one time provided for administrative appeals to Circuit Court as to disputed decisions by the Maryland Secretary of State. *Id* at sec 1-408. The repeal of this direct form of judicial review still left intact other statutory provisions, contemplating that parties could obtain Circuit Court orders to invalidate trademark registrations. Clearly, it appears that the legislative intent was the opposite of what Defendants suggest: the legislature sought to save the Secretary from the inconvenience of participation in Court reviews of trademark registrations.

By analogy, Defendants’ position might require that the Administrator of the Maryland Motor Vehicle Administration be found a necessary party for any disputed transaction as to a motor vehicle’s title because the MVA issued the vehicle’s title and registration. Clearly, this argument is untenable.

For all these reasons, the Court will deny Defendants’ motion for summary judgment as a matter of a law.

2. Plaintiffs motion for summary judgment

a. Maryland’s standard for “abandonment”of trade marks⁸

Maryland’s Court of Appeals considered the issue of trade mark abandonment in two main cases many years ago: Corkran. Hill & Co. v. A.H. Kuhlemann Co., 136 Md. 525 (1920) and Sherwood Co., Inc. v. Sherwood Distilling Co., 177 Md. 455 (1939).⁹ Corkran summarizes the law on the point as follows:

An abandonment is the voluntary and intentional disuse or nonuser of the trade-mark.

⁸ While both trade and service marks are at issue here, unless stated otherwise, this Court generally will refer to both collectively as “trade marks” for discussion purposes, as the same rules apply for the purposes of this Opinion

⁹ Sherwood actually was considered previously by the Court at 173 Md. 173 (1937) in an earlier phase of litigation. Unless otherwise indicated, this Court for simplicity refers only to the second appeal, which recapped the first holding within its text.

Such intention may be inferred from circumstances necessarily pointing to an intention to abandon, but an actual intention to permanently give up the use of the trade-mark is necessary to constitute an abandonment.... Mere disuse, though for a considerable period in the absence of an intentional abandonment will not amount to an abandonment, nor will it destroy trademark rights, unless the mark has ceased to be distinctive, and the good will associated with it has passed away, or the mark has become identified with other goods. [Citations omitted.] ...The suspension [of use of the trade-mark] must be presumptively at least attributed to indisposition¹⁰ or inability, rather than to an intention to abandon valuable rights...and] it is incumbent upon those alleging the defense of abandonment to show that the right had been relinquished to the public by clear and convincing evidence. [Citations omitted.]

Plaintiff criticizes Defendants for asking the Court to rely on this case law, calling it “an antiquated legal standard that has been widely phased-out” Plaintiff’s Reply to Defendant’s Opposition to [Plaintiff’s] Motion for Summary Judgment, note 5. Instead, Plaintiff suggests that the Court should adopt the Restatement (Third) of Unfair Competition, recognizing that “trademark abandonment occurs when a party ceases using the trademark with an intent not to resume use of the mark.” Plaintiff points out that 29 states by statute have adopted a similar definition of trademark abandonment.

While this Court agrees that the modern restatement might be more clear and “business friendly” than the Maryland appellate holdings of 65 years ago, the job of updating legal standards generally should be left to the legislature. Therefore, this Court will adhere to the principles of *stare decisis* and apply the existing rule. However, this Court may not share Defendants’ view of the Maryland rule.

In reviewing the Maryland rule, this Court notes that the facts of Corkran and Sherwood differ from those in the present case. Both Corkran and Sherwood involved a situation in which the originator of a trademark interrupted its use of the mark; in each case, a competitor began use of the disputed mark and the originator then reasserted its rights to the mark.

In Sherwood, Mr. Hahn the putative owner of the disputed trademark testified as follows about his desire in 1924 to sell his business:

Prohibition by that time looked like it was here to stay. The future looked extremely dark and doubtful. ...I then...turned my account and everything over and my books [to an attorney for sale]...and I forgot my mistake in getting into the whiskey business.

¹⁰ The early Maryland cases to so use the term “indisposition” do not explicitly define it. However, examples cited suggest that it may indicate the now uncommon connotation of illness, rather than an excusable whim. See, e.g., Landav v. Zoning Appeals Board, 173 Md. 460, 470 (1938), following Corkran supra. and citing Barnett v. Dickinson. 93 Md. 258 (1901) in which the “indisposition” was evidenced by the party’s “being in delicate health, under medical advice...compelled to be absent from the city from time to time, but never for any prolonged period, or with the intention of abandoning in any way the occupation of the house aforesaid as her residence.” Barnett. Supra.

Sherwood (II). 177 Md. 455, 460 (1939). Originally, in considering this situation, the high court stated “it is agreed that abandonment under compulsion may not foreclose a right to resume when the compulsion is lifted.” Sherwood (I), 173 Md. 173, 178 (1937). No further discussion of the abandonment was offered, as the case was remanded. However, after the remand, the Court of Appeals in revisiting the question stated that

the evidence before us shows that Mr. Haim and his associates intended to abandon, and did abandon, the use of the ‘Sherwood’ trade-name and trade-marks at the time of the sale” of the business’ inventory in 1924. They relinquished their interest in the whiskey business, and acquiesced in [another business’] use of the name and marks not only during prohibition, but also for two years thereafter.

Sherwood (II). 177 Md. 455, at 463 (1939). While the ultimate decision in Sherwood (II) relies not on abandonment *per se* but on the absence of public confusion about the marks, the Court here seems to have recognized that an owner’s pronouncement of “no intention of resuming the business” could suffice for a finding of abandonment.

The Corkran holding states “[a]n abandonment is the *voluntary and intentional* disuse or nonuser of the trade-mark. Such intention may be inferred from circumstances...”; emphasis added. But, this reference to circumstantial evidence certainly does not preclude the Court’s consideration of a direct statement as evidence of an intent to abandon. Cf., Greyhound Corp. v. Rothman, 84 F. Supp. 233, at 240 (D.C. Md. 1949), holding “abandonment depends upon intention, either express or implied as evidence by words or conduct.”

This Court agrees with Plaintiff that an intent to abandon does not require an affirmative public renunciation of the trademark, nor does it require the explicit use of the words “I abandon this trademark.” All that is needed is “the voluntary and intentional disuse...of the trade-mark” for a sufficient period of time. How much time is required for such disuse? While Maryland case law does not specify a length of time, this Court finds that the 8 years alleged herein— *if clear evidence of intent is found*— would be more than sufficient.

In *dicta*, the Sherwood court suggested that an unexcused period of disuse possibly could suffice to indicate abandonment after as little as two and one-half years. Sherwood, *supra* at 462, citing Tygert-Allen Fertilizer v. J.F. Tygert Co., 191 Pa. 336, 43 A. 224. Maryland’s statute on trademark abandonment, first enacted in 1954, confirms that, despite registration, a trademark may be abandoned in less than the 10 year allowable registration period, although it does not specify how much less time. See Chapter 63, Laws of Maryland (1954), enacting Maryland Code, Art. 41, sec. 87H(4)(a), now recodified as Business Regulation Art., sec. 1-4 12 (a)(4).

By analogy, a trademark originator who knew of a competitor’s use of a disputed mark, but failed to take action, may be barred from relief by limitations after 3 years. See Maryland Code, Courts and Jud. Proceedings Art., sec. 5-101. A more strained analogy might look to the common law principle that a missing person may be presumed dead after 7 years and his estate disbursed. See Krell v. Maryland Drvdock Co., 184 Md. 428 (1945). By such reasoning, this Court finds that no reasonable fact finder could infer a merely temporary suspension of trademark use, in the absence of circumstances preventing or excusing the use, such as those discussed in Sheridan, *supra*.

Thus whittled down, the remaining more specific issues are these: Does the evidence offered for summary judgment 1) as to Pringle’s intent to sell the trade mark, and 2) as to the alleged pendency of that transaction, permit a finding of “clear and convincing” intent to abandon the trademark or of an excuse for disuse, as required by Corkran?

In considering these points, the Court recognizes that the summary judgment standard of “no material dispute of facts” requires the Court to consider the evidence in the light most favorable to the nonmoving party— here, the Defendants. Additionally, this Court takes note that

[A] dispute over a non-material fact will not preclude summary judgment. ...[But], [c]redibility is not an issue to be determined on summary judgment. In granting or denying a motion for summary judgment, a judge makes no findings of fact [but only rulings of law]...[T]he procedure merely determines whether there is a triable issue of fact.

King v. Bankerd, 303 Md. 98, at 111(1985).

Is a material dispute of facts created by Pringle’s first affidavit, which he claims he was “tricked” into signing? Again, this affidavit stated that MCS “from February, 1972, until about July, 2001,...operated under and used the trademarks, service marks and trade names of MISTER COFFEE.” This Court finds this affidavit ambiguous and conclusory in the nature of a pleading. Therefore, it cannot suffice to provide specific facts needed to defeat the Plaintiffs summary judgment motion. The facts which must be examined for summary judgment purposes are the specific details which support or fail to support such conclusory allegations.

Pringle’s affidavit and deposition clearly confirm the intent never to resume the coffee service business himself. (See facts, discussed at pp. 2-3 of this Opinion.)

But what about Pringle’s intent to sell the mark to another business which might so use it? Pringle and MCS in 1993 made one effort to sell the trademark to defendant Hale. But, then, Pringle “did not attempt to sell the MISTER COFFEE mark to any other person or entity” for eight years. He made no follow up with Hale or the other defendants and they had “no understanding.”

Plaintiff suggests that the unexecuted agreement itself to sell the MISTER COFFEE mark did not constitute “use” in the sense of publicly showing the mark in service or on goods. However, Defendants counter that the sale agreement under Maryland law could be considered complete when it was agreed orally.

Maryland’s Court of Appeals long ago ruled that

The question whether the parties negotiating a contract intended to be bound by their oral agreement but contemplated a written instrument merely as evidence of their agreement, or whether they did not intend to bind themselves until a contract was prepared and signed by them, must be decided from the facts and circumstances of each particular case. . . .A contract, to be final, must extend to all the terms which the parties intended to introduce, and material terms cannot be left for future settlement.

Peoples Drug Stores v. Fenton, 191 Md. 489, at 493-494(1948); citations omitted. When a contract is unambiguous, its interpretation properly is a matter of law for the court and not a

question of fact for a jury. E.g., Sperling v. Terry 214 Md. 367 (1957). With these principles in mind, this Court proceeds to consider undisputed evidence as to the terms of the alleged contract for sale of the trademarks.

In Pringle's testimony during the Virginia proceeding¹¹, he also testified as follows:

Q:...Do you recall making the statement... "When I sold the business, I called [defendant Hale] on the telephone and I said.. .I had the trademark for sale, and that's when he said 'Fine, I'll buy it'"?

A: Yes.

Q: Wouldn't from that you conclude that you did have an agreement with Mr. Hale...?

A: Yes.

Q: And that you did have and you did do whatever was necessary to maintain those particular marks?

A: Well, there was nothing necessary to do to maintain those marks except to not sell them -to somebody else.

Q: And so as a result, you put those trademarks in your garage, and you didn't sell them to somebody else?

A: That's right, that's what I did.

Defendant's Motion To Supplement, Exhibit B, T-196-197. This testimony by Pringle, offered by Defendants, shows Pringle's intent to contract in 1993. But, it is silent as to his subsequent intent.

Plaintiff has offered additional testimony as to his later intent from the same transcript, as follows:

Q: ...So, from 1993 until 2001, you and Mr. Hale had no contact. Is that correct?

A: I don't recall any contact.

Q: And in 1993, Mr. Hale did not buy the trademarks from you?...

¹¹ Defendants provided a partial transcript, which the Court has permitted, pursuant to Defendants' Motion to Supplement, filed February 23, 2004. Similarly, Plaintiff in its Opposition to Defendants' Motion to Supplement, filed March 1, 2004, has offered additional portions of the same transcript, which the Court also has permitted and included here.

A: That's right.

Q: Did you ever in that period ...have any contact with anyone else at Mr. Hale's company?

A: ...No, I didn't.

Q: Okay, after Mr. Hale did not buy the trademarks in 1993, did you try to sell the trademarks to anybody else?

A: No. I could have tried, but I didn't.

Q: At any time did you tell Mr. Hale that you wanted to work for him or one of his companies?

A: Not to my knowledge.

Q: ...Did you ever offer to sell goods and services to a close network of friends for Mr. Hale?

A: ...No, I didn't. We didn't talk about that [in 1993]....

Q: Were you ever employed by Mr. Hale at any time?

A: No, I wasn't.

Q: ...During this period from 1993 to July 2001, did you ever report to Mr. Hale about your activities?

A: No, I didn't...

A: They (Aramark to whom Pringle sold other business assets) didn't have to put the no-compete agreement in there as far as I was concerned, because I wasn't going back into business.

Q: Why?

A: Because I'm retired.

Q: People when they retire sometimes like to continue doing business.

A: Well, I'm not— That's true, sir, but I'm not "some people."

Q: So when you decided to retire, you really didn't want to continue doing any work at

all?

A: Right...

A: As far as I was concerned, it [the trademark] was there to go, it was there to sell if I wanted to sell it, I didn't want to hold it for Mr. Hale.

Q: Okay, so you weren't...

A: Mr. Hale didn't stop me from selling it to anybody else.

Plaintiffs Opposition to Defendants' Motion to Supplement, T 106-108, 172, and 200-201

This Court finds that the various expressions of Pringle's intent, even in the light most favorable to Defendants, permit only one finding as a matter of law as to the status of the Pringle/Hale contract discussion in 1993: These parties apparently "did not intend to bind themselves until a contract was prepared and signed by them," as contemplated in Peoples Drug Stores, *supra*. This is demonstrated by the facts: 1) that parties' 1993 phone contract concluded with the plan of sending a written agreement; 2) that they took no other action to implement the alleged contract within a reasonable period other than preparing the written agreement; 3) that when this was not completed within a reasonable time, Pringle avowedly decided he had "no agreement with Mr. Hale;" 4) that he "didn't want to hold" the trademarks for Mr. Hale; and, 5) that "Mr. Hale didn't stop me from selling it to anyone else." Maryland's high court has recognized, "It is hornbook law that an offer of no specified duration must be accepted within a time reasonable under the circumstances or the offer will lapse and a subsequent attempt to accept will be of no effect." Barnes v. Euster, 240 Md. 603, 606 (1965); citations omitted.

Elsewhere in the Virginia hearing transcript, Pringle was led into agreeing that the eventual 2001 agreement was "sort of the continuation of 1993" and "felt like the [1993] deal was being finally consummated after all that time." Defendants' Motion to Supplement, T 198-199. This Court, however, does not find that the "sort of ...continuation" and "felt like" testimony satisfies an objective basis for finding a complete contract, effective in 1993, in light of Pringle's statements that there was "no agreement" completed at that time and that he was not prevented from selling the trademarks to any third party.

Did the possible pendency of the 1993 contract itself represent a continuation of Pringle's "use" of the trademarks in business with the public? Even in the light of inferences most favorable to Defendants, this Court does not find this. Pringle admittedly in this time made no sales, offered no services, did no advertising and—as to marketing the trademarks themselves after 1993—he has stated, "I could have tried, but I didn't." His decision, that he "wasn't going back into business" and "wasn't going to do any work at all," thus, extended to the non-marketing of the trademarks as well.¹²

¹² At one point in Pringle's deposition, asked about abandonment, he said: I guess if I drove my car out to the dump and left it, that would be abandoning a car. ...But, if I left the car in the garage, I don't think that would be called abandoning it. It would just mean I wasn't driving it any more. [*Question: ...So as far as the trademarks are concerned, using your analogy,*

This Court holds that the fact that Hale, 8 years later, eventually contacted Pringle-- and that this reportedly “felt like” the same contract— could not suffice literally to make it the same contract, much less to make it retroactively effective in relation to third-parties or the public. There are at least four (4) independent reasons for this finding: 1) As discussed above, Pringle has testified clearly and reasonably that he considered the 1993 contract to have lapsed and not to have been binding on him, regardless of his later “feeling.” Barnes. supra. 2) The 2001 contract, when made, was based on terms which appear materially different from that discussed in 1993. -- The new contract apparently was conditioned upon Pringle’s agreement to go and complete some additional sales in the year 2001. 3) The new contract included assignment of MCS’ trademark, while the original offer related only to the service mark. 4) And, significantly, the parties differ in that the original contract would have been with “Mister Coffee And Services, Inc.” (MCSI), while the new contract was with defendant 148977 Canada, Inc.

On this latter point, Maryland’s high court has held:

It is...clear that one of the necessary terms to any proposed contract is the person with whom the contract is to be made; consequently, an offer made to one person cannot be accepted by another. [Citations omitted.] And, as a party has a right to contract with whom he pleases, it makes no difference whether it was important for the offeror to contract with one person rather than another. [Citation omitted.] ... [Therefore, when a new party is offered to a contract...] after such substitution [it] merely constituted a new offer...Routzahn v. Cromer, 220 Md. 65, 69 (1959).

Defendants argued, as to this latter point, that parties’ “standing” was not properly raised by Plaintiffs motion for summary judgment. But, this Court finds that the issue properly was raised by Plaintiffs contention that the 2001 contract was a new one.

Defendants also argue and defendant Hale states in his affidavit that MCSI and defendant 148977 Canada, Inc. are “related companies,” implying that this is sufficient to connect the 1993 and 2001 contracts. This Court is aware of the concept of “related companies” for purposes of the federal Lanham Act, Section 1055 and related sections. “Related company,” under that statute means “any person whose use of a mark is controlled by the owner of the mark with respect to the nature and quality of the goods and services...in connection with which the mark is used “ Id sec. 1127. Such a related company also may be referred to as a “licensee.” Reddy

did you intend to take them to the dump and throw them away...?] .. .No, I intended to keep them in the garage. Pringle deposition, at T100.

This Court find this subjective sense of ownership insufficient to counter the objective facts of abandonment. Following the analogy, even a car locked in a garage for many years will suffer loss of its market value, despite its owner’s fondness.

Unlike the expression of an intent to accept, reject, or disregard a contract for which a subjective intent may be dispositive, a determination of abandonment is a legal conclusion for which Pringle’s lay opinion cannot be dispositive. The legal determination of abandonment must rest both on findings of the objective facts of disuse and findings of the intent which motivated the disuse. Corkran, supra. When these are undisputed, a disclaimer of their legal effect must be ineffective.

Communications v. Environmental Action, 477 F. Supp. 936, at 944 (D.D.C. 1979).

However, this Court recognizes that trademark licensee status does not equate to an agency relationship for every contractual purpose. E.g., State v. Cottman Transmissions, 81 Md.App. 714, at 734-734, incl. note 16 (1991). This Court has found the evidence clear and convincing that a different party and other different terms were presented to Pringle in 2001 -- in effect, a materially different contract offer. Therefore, to avoid summary judgment on this point, Defendants are required to respond with contrary evidence. Having failed in this burden, summary judgment is appropriate. Cf. Fare Deals. Ltd. v. World Choice Travel.Com. Inc., 180 F. Supp. 2d 678, 685 (D.Md.2001).

For these reasons, this Court will grant Plaintiffs motion for summary judgment on the issue of abandonment as to counts 1-3 of the Complaint.

b. The significance of the “MisterCoffee.com” domain name

Defendants also base a claim for “use” of the trademark on the existence of the internet domain name, “MISTERCOFFEE.COM,” which reportedly has been online since September 1999 and which is protected by the parties’ settlement agreement as to previous Canadian litigation. This legal question appears to be one of first impression in Maryland.

This Court does not find the domain name to be use of the disputed Maryland trademark sufficient to avoid the abandonment finding for two reasons:

1) This domain name never was used by Pringle and MCS in connection with the Maryland trademark and, therefore, Defendants’ use of the domain name could not be tacked on to save the trademarks abandoned by Pringle and MCS.

2) However, the evidence provided on summary judgment does not even suffice to prove use in connection with trade or services in Maryland of the domain name by the named defendants. The mere existence of such an internet site does not suffice to show actual use for any business, as a matter of common sense and as discovered to the chagrin of hordes of “dot.bust” stock investors.

Compare American Information Corporation v. American Infometrics. Inc., 139 F. Supp. 2d 696, 699-700 (D.Md. 2001), holding that “[a]n entirely passive Web site cannot create jurisdiction in Maryland simply because it is theoretically available to Web users in Maryland and everywhere else. [Citations omitted.] ...Even a passive Web site that uses someone else’s trademark as an address does not necessarily generate jurisdiction.. [Citations omitted.]... [This is particularly true] in the absence of any showing that anyone in Maryland has ever [used the Web site].”

c. Plaintiffs motion for summary judgment as to the Counterclaim

Plaintiff contends that Defendants’ counterclaims of unfair competition, false designation of origin, and reverse confusion under the Lanham Act are barred, insofar as they arise from assignment from Pringle and MCS, due to the abandonment of the mark in 1993 and laches.

Defendants claim that Pringle and MCS began using the Mister Coffee name in 1972, before Plaintiffs. According to Defendants, Pringle and MCS maintained a chain of title to the mark and did not abandon it, as evidenced by the registration renewal in 2002 and the mistercoffee.com website. Defendants contend that Plaintiffs registration of the mark in 1974

post-dated Defendants' use and Plaintiff has been unfairly competing with Defendant and violating the Lanham Act for the past thirty years.

The equitable doctrine of laches may bar an otherwise valid claim of infringement if the claimant substantially delays prosecution of the claim without excuse. Lyons Partnership, L.P. v. Morris Costumes, Inc., 243 F.3d 789 (4th Cir. 2001); *see also* Briggs v. Wix Corp., 308 F.Supp. 162 (D.C. Ill. 1969). In the instant case, Defendants have provided no evidence that they attempted to halt Plaintiffs use of the mark for thirty years¹³ or that they were prevented from doing so, despite knowing about its use. To allow Defendants' counterclaim now would unduly prejudice Plaintiffs. Under Maryland law, the inference that Pringle and MCS abandoned the marks only is strengthened by Defendants' averment that Plaintiffs made conflicting use of essentially similar marks in the same period; many years ago, the Sherwood court stated:

the acquiescence of an original proprietor of a trade-mark in the use of it by another is evidence of an abandonment. If the owner of a trade-mark stands by and allows others to use it under such circumstances that his continued attitude of non-interference may reasonably be inferred he can not cause others, who have acted upon the strength of his silence and inaction, to lose the results of their work and the money they have expended. [Citation omitted.] Nonuser of a trade-mark by the original owner, together with an extensive use of it by any one else, constitutes abandonment and confers upon the appropriator the exclusive right to it.

Sherwood, *supra* at 462. Where the appropriator effectively has relied on this acquiescence far in excess of the three (3) year period of limitations, laches will be recognized as a defense. E.g., Ver Brycke v. Ver Brycke 150 Md.App. 623 (2003).

Additionally, whether or not Defendants or their assignors made some attempt to prevent Plaintiffs use of the mark for thirty years, abandonment destroys prior use of a trademark. Emergency One, Inc. v. American Eagle Fire Apparatus Co., 332 F.3d 264 (4th Cir. 2003) *citing* J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, §~ 16:1, 16.18(4th ed. 2003). Consistent with the findings *supra* the existence of the mistercoffee.com domain name does not suffice to prevent abandonment of the mark. Further, the registration renewal in 2002 does not evidence an unbroken chain of title to the mark because Defendants' predecessors Pringle and MCS abandoned the mark in 1993 when they failed to reach a complete sale agreement, chose no longer to attempt any sale of the mark, and chose never to resume use of the marks in business. Thus, as this Court has found above, the marks were abandoned by Pringle and MCS, whose vestigial rights were not acquired by Defendants until 2001.

An Order consistent with the foregoing Opinion is attached.

¹³ While Defendants in their Answer and memoranda have claimed insufficient knowledge to admit the use which Plaintiffs have alleged and supported with affidavits, this failure to offer contradictory evidence leaves the Court to consider Plaintiffs use as an undisputed fact.

PHILIP CAROOM, JUDGE

cc: all counsel

SUNBEAM PRODUCTS, INC.

* **INTHE**

Plaintiff

* **CIRCUIT COURT**

*

vs.

* **FOR**

148977 CANADA, INC. and

*

ANNE ARUNDEL COUNTY

ROBERT HALE

*

CASE NO. C-02-85666

Defendants

**ORDER AS TO MOTIONS FOR SUMMARY JUDGMENT AND
PROVIDING DECLARATORY RELIEF**

For the reasons stated in the foregoing Opinion, it is on this 8th of March, 2004, by the Circuit Court for Anne Arundel County, Maryland, ORDERED:

1. That Defendant's Motion to Supplement the record herein is granted, as is Plaintiffs counter request to supplement contained in Plaintiffs Opposition to that motion;

2. That Defendants' Motion for Summary Judgment hereby is denied;

3. That Plaintiffs Motion for Summary Judgment, seeking dismissal of the Counterclaim, hereby is granted;

4. That Plaintiffs Motion for Summary Judgment as to Counts 1, 11 and III of its Complaint is granted, as follows:

a. That the Court hereby declares that there is no material dispute of fact that Mister Coffee Services, Inc.["MCS"] abandoned use of the trade mark and service mark "Mister Coffee" in the State of Maryland prior to 2001, despite MCS' ownership of Maryland trademark registration number 1992-7442 and Maryland service mark registration number 1992-S2956; and

b. That, due to this Court's finding of abandonment of Maryland trademark registration number 1992-7442 and Maryland service mark registration number 1992-S2956, this Court hereby gives notice to the Secretary of State of Maryland pursuant to Maryland Code, Business Regulation Article, sec. 1-412(a) that said marks were abandoned prior to 2001 and, therefore, that renewal registrations 2002-0098 and 2002-0099 were granted improperly to defendant 148977 Canada. Inc.

5. That, as to the remaining count IV of the Complaint herein, the parties shall proceed as previously directed by pretrial order herein, unless the matter previously is settled.

PHILIP CAROOM, JUDGE

cc: all counsel
Secretary of State of the State of Maryland