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November 18, 2013

Berta Hesen-Minten
ThReAdTeDs
De Braak 11
5963 BA Horst-Hegelsom, Netherlands

Re: "Thread Bears" and "Thread Teds by Thread Bears"

Dear Ms. Hesen-Minten,

It is our opinion that the use of the terms "thread bear" or "thread teds" to describe the Teddy Bears you create would not infringe on the Aucoin's trademarks. The facts as we understand them are as follows: you create teddy bears made from various fibers. These teddy bears are commonly referred to as thread teds or thread bears throughout your industry. You have a competitor who makes similar bears. They have registered the trademarks "Thread Bears" and "Thread Teds by Thread Bears." However, in their registration for "Thread Teds by Thread Bears," they have disclaimed both "Thread Teds" and "Thread Bears." Despite this, every time you attempt to sell or advertise your bears, the Aucoin's send the website a trademark infringement take down request. This has severely impacted your ability to sell or advertise your bears.

As a result, you filed an opposition to the Aucoin's trademark "Thread Ted by Thread Bears," arguing that "Thread Teds by Thread Bears" should be canceled because you had used your mark "Thread Teds" in commerce prior to the Aucoin's. However, the Trademark Trial and Appeal Board ("TTAB") stated that you had not provided sufficient evidence to support such a claim. Thus, the TTAB dismissed your opposition. However, in doing so, the TTAB made it clear that the only issue that was decided was the issue of priority. The TTAB unambiguously stated that they were making no determination as to your ability to use the mark, or whether the Aucoin's mark was descriptive.

It should first be noted that a decision of the TTAB is not binding on a district court. *Whopper-Burger v. Burger King Corp.*, 171 U.S.P.Q. 805 (T.T.A.B. 1971). However, a district's decision over a party's right to obtain or retain a trademark registration is binding on the TTAB. *Id.* In other words, you have the right to appeal the decision of the TTAB to a District Court without fear that the TTAB's decision will govern.

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15 U.S.C. § 1056 governs disclaimers within the United States Patent and Trademark Office. Between the statute and the case law, it has long been a fundamental proposition that a registrant of a trademark is precluded from claiming any exclusive right to the disclaimed part of a trademark against any future registrants use of the disclaimed portion. *Warner Patterson Co. v. Malcomb*, 17 C.C.P.A. 984 (C.C.P.A. 1930).

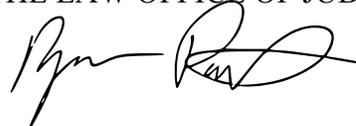
In other words, as a result of the Aucoin's disclaimer of the term "Thread Teds" and "Thread Bears," in Trademark Registration number 4355828, the Aucoin's are precluded from claiming exclusive use over either of the terms. It is irrelevant that the Aucoin's were able to achieve a prior registration for the term "Thread Bears," because their later registration disclaims the use of that term, thereby precluding the Aucoin's from enforcing the term against future users. Therefore, the Aucoin's cannot prevent you from using the term "Thread Ted" or "Thread Bears."

Further, the trademark fair use protects your use of the term "Thread Teds" and "Thread Bears" to describe the bears. Fair use is a defense to trademark infringement and applies when: (1) the use is a non-trademark use; (2) the phrase is descriptive of your goods or services; and (3) the phrase is used fairly and in good faith only to describe your goods or services. *Packman v. Chicago Tribune Co.*, 267 F.3d 628 (7th Cir. 2001).

As previously stated, the Aucoin's disclaimer of the terms "Thread Teds" and "Thread Bears" means that they have no future claim over the exclusivity of those terms because they are descriptive or generic. Further, your use of the term "Thread Teds" or "Thread Bears" to describe Bears made of threads is non-trademark description, used in good faith only to describe your goods. Therefore, you can use the terms "Thread Teds" and "Thread Bears," without causing a likelihood of confusion.

As a result, it is our opinion that you have the right to use the term "Thread Ted" or "Thread Bears" in the sale of your teddy bears. If you should have any further questions please feel free to contact us. As always we remain

Very truly yours,
THE LAW OFFICE OF JUDI SMITH, LLC



Ryan Parrent