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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	79147426
Applicant	KTM-Sportmotorcycle AG
Applied for Mark	E SPEED
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Date	07/12/2016

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In re Trademark application of:

Applicant: KTM-Sportmotorcycle AG
Serial No.: 79/147,426
Filing Date: September 11, 2013
Mark: E SPEED and design
Law Office: 103
Examining Attorney: Gina Hayes
Attorney Docket No.: SC&PT0126WOUS

Commissioner for Trademarks
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

APPLICANT'S REPLY BRIEF

TABLE OF AUTHORITIES

Cases

<i>In re Bay State Brewing Company, Inc.</i> , 117 U.S.P.Q.2d 1958 (TTAB 2016)	6
<i>In re Donnay International, Societe Anonyme</i> , 31 U.S.P.Q.2d 1953 (TTAB 1994).....	5
<i>In re E.I. du Pont de Nemours & Co.</i> , 476 F.2d 1357 (CCPA 1973).....	4, 5, 6
<i>In re Four Seasons Hotel Ltd.</i> , 987 F.2d 1565 (Fed. Cir. 1993)	4
<i>In re Mastic Inc.</i> , 829 F.2d 1114 (Fed. Cir. 1987)	6
<i>In re N.A.D. Inc.</i> , 754 F.2d 996 (Fed. Cir. 1985).....	4

Other Authorities

TMEP 1207(d)(viii)	4, 5
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I. Introduction

Applicant has appealed to the Trademark Trial and Appeal Board (TTAB) from the final decision mailed December 15, 2014 refusing registration of the applied-for mark under Section 2(d) of the Trademark Act with respect to International Classes 7 and 12. Applicant's appeal brief was filed on August 14, 2015 ("Opening Brief"). On February 22, 2016, the Examining Attorney's brief was filed. On March 14, 2016, Applicant submitted a request for remand based on a Consent Agreement between the Applicant and the Registrant dated February 2, 2016 ("the Consent Agreement"). On remand, the Examiner issued a new final Office Action on March 30, 2016 in which she found the Consent Agreement insufficient to overcome the refusal of registration. On June 22, 2016, the Board issued an order denying Applicant and Examining Attorney the opportunity to file supplemental appeal briefs and directing Applicant to use this reply brief to provide its arguments supporting the persuasiveness of the consent agreement and address the Examining Attorney's arguments and evidence regarding this document. Accordingly, Applicant now presents its arguments in reply to the Examining Attorney's brief and in response to the Examiner's March 30, 2016 Office Action.

II. Section 2(d) Refusal - Likelihood of Confusion

In the Examining Attorney's brief and in new final refusal mailed March 30, 2016, the Examining Attorney maintained her refusal of the applied-for mark with respect to International Classes 7 and 12 in the prior Office Action mailed June 2, 2014 as being confusingly similar to the mark ESPEED of US Registration No. 4192491. In addition, in

the new final refusal, the Examining Attorney asserts that the Consent Agreement is a “naked” consent and does not tip the scale in favor of registrability.

III. Argument

With regard to the factors considered in making a determination of likelihood of confusion under Section 2(d) of the Trademark Act, the Examining Attorney continues to maintain the arguments asserted in the December 15, 2014 Office Action. In response, Applicant stands by its arguments made in the Opening Brief. In particular, as explained in detail in that brief, Applicant asserts (1) that Applicant’s E SPEED mark, when properly considered in its entirety, is not likely to be confused with Registrant’s mark because the “e” of Applicant’s mark is of a distinctive orange color and the term SPEED of Applicant’s mark consists of a highly stylized font which create a completely different commercial impression than Registrant’s mark, and (2) that Applicant’s goods and Registrant’s goods do not overlap. Based on these differences alone, there is no likelihood of confusion, and Applicant respectfully requests that the Board reverse the Examiner’s decision.

In addition, the Consent Agreement further supports a determination that there is no likelihood of confusion. As the Court of Appeals for the Federal Circuit has repeatedly held, consent agreements should be given great weight, and the USPTO should not substitute its judgment regarding the likelihood of confusion for the judgment of “those on the firing line.” TMEP 1207.01(d)(viii); *In re Four Seasons Hotel Ltd.*, 987 F.2d 1565, 1567-68 (Fed. Cir. 1993) (finding no likelihood of confusion and reversing TTAB decision not to register mark where parties had submitted a consent agreement); *In re N.A.D. Inc.*, 754 F.2d 996, 998-999 (Fed. Cir. 1985); and *In re E.I. du Pont de*

Nemours & Co., 476 F.2d 1357, 1362 (CCPA 1973). This is because “the parties themselves are in a better position to assess the realities of the marketplace than either the Patent and Trademark Office or the courts.” *In re Donnay International, Societe Anonyme*, 31 U.S.P.Q.2d 1953 (TTAB 1994). Here, Applicant and Registrant have submitted a Consent Agreement and that agreement, along with the differences in the marks and the listed goods discussed in Applicant’s Opening Brief, support a finding that there is no likelihood of confusion.

The Examining Attorney is correct in noting that “naked” consents may carry little weight. But the Examiner is incorrect in characterizing the consent in this case as a “naked” consent and in affording it little (if any) weight.

As noted in the TMEP, “naked” consent agreements are “agreements that contain little more than a prior registrant’s consent to registration of an applied-for mark and possibly a mere statement that source confusion is believed to be unlikely.” TMEP 1207.01(d)(viii). But the Consent Agreement submitted in this case is much more. In particular, it includes limitations on the use of Applicant’s mark and an agreement by the parties to take reasonable steps to avoid confusion in the future.

The Examining Attorney argues that the limitations on Applicant’s use are not sufficient because the agreement does not limit registrant’s use of the mark. But it is inherent in the very existence of the agreement that Registrant has agreed not to engage in overlapping use of the marks. See *DuPont*, 476 F.2d at 1362 (“It can be safely taken as a fundamental that reputable businessmen-users of valuable trademarks have no interest in *causing* public confusion.”).

Similarly, the Examining Attorney argues that the agreement by the parties to avoid future confusion is insufficient. But, again, the Federal Circuit has held otherwise. In *DuPont*, the Court quoted its predecessor in noting that “there can be no better assurance of the absence of any likelihood of confusion, mistake or deception than the parties’ promises to avoid any activity which might lead to such likelihood.” 476 F.2d at 1363 (finding sufficient an agreement “to take any further actions and execute any further agreements needed to carry out the spirit and intent of this agreement”).

Accordingly, the Consent Agreement is not “naked” and should be afforded “great weight” in the likelihood of confusion analysis. Further, even if the Consent Agreement at issue were “naked” (which it is not), it is still “significant additional evidence in support of the applicant’s position” because, as discussed in Applicant’s Opening Brief, the other evidence of record establishes that the two uses can exist without confusion. *In re Mastic Inc.*, 829 F.2d 1114, 1117 (Fed. Cir. 1987).

The Examining Attorney relies heavily on the recent TTAB decision in *In re Bay State Brewing Company, Inc.* holding that a consent agreement was outweighed by the other relevant likelihood of confusion factors. 117 U.S.P.Q.2d 1958 (TTAB 2016). But that case is distinguishable from the situation at hand. In *Bay State*, the marks were virtually identical standard character marks and the goods were identical and the consent agreement did not place any meaningful restrictions on the use of the marks by the parties. But in this case, as discussed in Applicant’s Opening Brief and above, there are significant differences between the marks, including distinctive stylization in Applicant’s applied-for mark, and the agreement itself lays out the differences between

the goods to be used with the two marks. Thus, unlike in *Bay State*, the Consent Agreement here **does** tip the balance in favor of Applicant.

IV. Conclusion

For the foregoing reasons, Applicant respectfully requests that the Examining Attorney's final refusal of Applicant's Class 7 and 12 goods under Section 2(d) of the Trademark Act be reversed and the applied-for mark be approved for publication for opposition.

Respectfully submitted,

RENNER, OTTO, BOISSELLE & SKLAR, LLP

/Don W. Bulson/

Dated: July 12, 2016

By _____

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