

EXHIBIT

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

In the matter of Application Serial No. 75/845,350, INTELLIWEAR
Published in the *Official Gazette* on October 30, 2001

MARK D. TANNEN,)
)
Opposer,)
)
v.)
)
JAY MACK,)
)
Applicant.)

Opposition No. 91151109



05-21-2002

U.S. Patent & TMO/tm Mail Rcpt Dt. #34

**OPPOSER'S MEMORANDUM IN OPPOSITION TO APPLICANT'S MOTION TO
DISMISS FOR LACK OF SUBJECT MATTER JURISDICTION OR
IN THE ALTERNATIVE FOR SUMMARY JUDGMENT**

TRADEMARK TRIAL AND
APPEAL BOARD
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Opposer, Mark D. Tannen doing business as American Intelliware ("Opposer" or American Intelliware), respectfully submits this memorandum in support of its opposition to Applicant, Jay Mack's (hereinafter "Applicant" or "Jay Mack") Motion to Dismiss For Lack of Subject Matter Jurisdiction, or in the Alternative for Summary Judgment.

PRELIMINARY STATEMENT

Contrary to Applicant's assertions, Opposer has standing to oppose Applicant's pending intent-to-use application Serial No. 75/845,350 for the mark INTELLIWEAR because he is the owner of the marks AMERICAN INTELLIWEAR, AI AMERICAN INTELLIWEAR and Design and variants at common law as a result of his own use of these marks for many years prior to the filing date of the application at issue and based, in part, on the use of these marks by a predecessor in interest that assigned the marks to him. In addition, Mr. Tannen is owner of United States Trademark Registration No. 1,347,429 which was registered in the United States Patent and Trademark Office on July 9, 1985 and which was assigned to him prior to June 1994. That assignment was made manifest by a subsequent Assignment document recorded with the Assignment Branch of the United States Patent and Trademark Office. Had Applicant pursued any discovery in this matter, he certainly would have learned of that transfer of intellectual property to Opposer before burdening the Board with this baseless motion.

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Accordingly, Opposer possesses a real interest in this proceeding and a reasonable basis for his belief of damages resulting from the registration of Applicant's mark. Opposer thus has standing, the Board has subject matter jurisdiction and the Motion to Dismiss should be denied.

With respect to Applicant's alternative motion for summary judgment, Opposer has standing as discussed and Applicant's motion for summary judgment on the issues of standing, likelihood of confusion and abandonment presents numerous contested issues of material fact which preclude the issuance of summary judgment in Applicant's favor. Indeed, disputed issues of material fact include among others: (i) when the assignment of the mark AMERICAN INTELLIWARE and AI AMERICAN INTELLIWARE and Design occurred (ii) the similarity between the marks; (iii) the related and complementary nature of the parties respective goods; (iv) the strength of Mr. Tannen's marks; (v) the common trade channels; and (vi) the continuous use of the AMERICAN INTELLIWARE Marks by Mr. Tannen without any intent whatsoever to abandon the marks. The findings that the Board must make to ultimately determine as a matter of law the issues of standing, likelihood of confusion and abandonment are wrought with numerous, complex and disputed issues of material fact that bar summary judgment in favor of Applicant. Alternatively, if there are no material issues of fact then inapposite to Applicant's position, there is a strong likelihood of confusion between the applied for mark INTELLIWEAR and Opposer's marks AMERICAN INTELLIWARE, AI AMERICAN INTELLIWARE and Design and variants based on similarities between the parties marks, the relatedness of the goods and common channels of trade. In support of its opposition, Opposer has submitted the Declaration of Mark D. Tannen which is incorporated herein by reference (hereinafter "Tannen ¶____").

STATEMENT OF FACTS

I. THE PARTIES

1. Opposer, Mark D. Tannen, is an individual, doing business as American Intellware and having a business address at P.O. Box 199, New York, New York 10044-204. American Intellware is a sole proprietorship. (See Tannen ¶1 and Ex. 8)

2. On information and belief, Applicant, Jay Mack is an individual residing at 5495 Pinehurst Drive, Riverside, California 92504.

II. THE APPLICATION AT ISSUE

3. On information and belief, on December 1, 1999, Applicant filed Application Serial No. 75/845,350 for registration of the mark INTELLIWEAR for "wearable computer hardware and computer software, namely, wearable micro processor-powered computers and associated software used for hands free data entry, data storage, data retrieval and data processing, and used for electronic messaging and for connecting to the Internet" in International Class 9, based on an intent-to-use the mark for such goods. That application was published for opposition on October 30, 3001.

III. THE PLEADINGS

4. On February 27, 2002, Opposer filed a Notice of Opposition against Applicant's United States Application serial No. 75/845,350 for the mark INTELLIWEAR. (See Tannen ¶ 19, Ex. 8)

5. Opposer asserted the following in its Notice of Opposition:

3. Opposer has also used the mark AMERICAN INTELLIWARE, AI AMERICAN INTELLIWARE and Design or variants thereof on and in connection with such desktop and portable computer hardware and software systems, services and manuals since at least as early as June 15, 1984. Opposer's AMERICAN INTELLIWARE and AI AMERICAN INTELLIWARE and Design marks are inherently distinctive. Since a date long prior to the filing date of the above identified application and continuing through the present, the marks AMERICAN INTELLIWARE and AI AMERICAN INTELLIWARE and Design have been identified with Opposer and have appeared on a significant amount of product packaging, and advertisements for Opposer's goods and services.

4. As a result of the long, extensive and continuous development, marketing, advertising, sale, use and promotion of products bearing or services rendered under Opposer's marks, AMERICAN INTELLIWARE and AI AMERICAN INTELLIWARE and Design have acquired substantial consumer recognition, possess a favorable reputation and distinctiveness with an invaluable amount of goodwill, solely signifying Opposer as the source of computer hardware and software systems, computer software, services and/or related manuals and have become assets of considerable value to Opposer.

5. Opposer is also the owner of valid and subsisting U.S. registration No. 1,347,429 for the mark AI AMERICAN INTELLIWARE and Design. The above registration is valid and in force, and incontestable. Hereinafter the above marks, including those registered and/or used in commerce by Opposer, are referred to

individually and collectively as the "AMERICAN INTELLIWARE Marks" which are inherently distinctive.
(See Tannen ¶19, Ex. 8)

6. Opposer further asserted that INTELLIWEAR is likely to cause confusion or mistake or deception, all to Opposer's damage, in that INTELLIWEAR falsely suggests a connection with Opposer, his business and goods/services; or INTELLIWEAR constitutes a false representation that Applicant's goods are approved or sponsored by Opposer or that Applicant's business is connected or affiliated with Opposer or that INTELLIWEAR is a version of Opposer's AMERICAN INTELLIWARE and AI AMERICAN INTELLIWARE and Design. Opposer further opposed the application on the basis that the use and registration of INTELLIWEAR contemporaneously with Opposer's marks AMERICAN INTELLIWARE, AI AMERICAN INTELLIWARE and Design and variants is likely to cause consumer confusion, mistake and deception as to the source of Applicant's goods, all within the meaning of 15 U.S.C. §1052(a) and §1052(d). (See Tannen ¶19, Ex. 8)

7. In view of the foregoing, Opposer also asserted that he would be damaged by the registration of Applicant's claimed mark INTELLIWEAR within the meaning of 15 U.S.C. §1063. (See Tannen ¶19, Ex. 8)

8. On April 26, 2002, Applicant filed and served its Answer and Affirmative Defenses and Applicant's Motion to Dismiss for Lack of Subject Matter Jurisdiction or in the Alternative for Summary Judgment (FED. R. CIV. P. 12(b)(1), FED. R. CIV. P. 56(c)).

IV. OPPOSER'S BUSINESS AND SERVICE MARKS

9. Opposer himself and through his predecessor in interest, has been engaged for almost twenty (20) years in the development marketing and sale of desktop and portable computer hardware and/or software systems, and computer software, including micro-processor-powered computers, manuals, and associated software, and other software and hardware used for or in connection with data entry of graphics, sound and text by means of video, keyboard or hands-free (voice), data storage, data retrieval, and data (graphics and word) processing, and used for or in connection with word processing, faxing, electronic messaging or email, and for or in connection with connecting to networks

of other computers and to the Internet (hereinafter "Computer Hardware and Software Systems"). (See Tannen ¶1-3)

10. Opposer is the owner of American Intelliware, a computer hardware and software systems business that he has operated and managed for many years prior to the filing date of the application at issue. (See Tannen ¶1)

11. Opposer's computer hardware and software systems, computer software, services and manuals have been developed, marketed and/or sold under the marks AMERICAN INTELLIWARE, AI AMERICAN INTELLIWARE and Design or variants in numerous quantities in interstate commerce since at least as early as June 15, 1984, either by a predecessor company that Opposer incorporated in California in 1983, namely, American Intelliware Corporation ("AIC") or himself through his business American Intelliware. (See Tannen ¶2)

12. Continuously since that time either through AIC or through his business American Intelliware, Opposer has advertised, marketed and sold AMERICAN INTELLIWARE and AI AMERICAN INTELLIWARE and Design computer hardware and software systems and related goods and services, including, micro-processor-powered computers, manuals and associated software, and other software and hardware used for or in connection with data entry of graphics, sound and text by means of video, keyboard or hands-free (voice), data storage, data retrieval, and data (graphics and word) processing, and used for or in connection with word processing, faxing, electronic messaging or email, and for or in connection with connecting to networks of other computers and to the Internet. Opposer also renders computer consulting services, system configuration and installation services under the marks. (See Tannen ¶3)

13. Opposer has consistently promoted to the professional consuming public the AMERICAN INTELLIWARE marks through telephones, newspapers, magazines, direct mail, trade shows and over the Internet. Commencing in 2001, Opposer has posted a web site on the Internet to advertise and promote some of its AMERICAN INTELLIWARE products and services. This site is operational twenty-four hours a day, seven days a week. As a result of these efforts, Opposer has sold

over the past several years alone hundreds of computer software products, made-to-order “turnkey” systems of computer hardware and software, training and services to individual and corporate customers. Stemming from tens of thousands of dollars in advertising, marketing and promotion, and other extensive usage, the AMERICAN INTELLIWARE marks have become known to significant members of the professional and multimedia community and represents an asset of inestimable value to Opposer. (See Tannen ¶¶4-5, 12-14, 17; Exs. 5-7).

14. On information and belief, significant members of the professional and multimedia community have come to associate the AMERICAN INTELLIWARE and AMERICAN INTELLIWARE and Design marks with Opposer's and his business American Intelliware. On information and belief, as a result of the long, extensive and continuous development, marketing, advertising, sale, use and promotion of products bearing or services rendered by Opposer under the marks AMERICAN INTELLIWARE and/or AI AMERICAN INTELLIWARE and Design, said marks have acquired significant recognition by the relevant consuming public, possess a favorable reputation and distinctiveness with an invaluable amount of goodwill, solely signifying Opposer and his business American Intelliware as the source of computer hardware and software systems, computer software, computer services and/or related products and services and have become assets of considerable value to Opposer. (See Tannen 6)

15. Opposer also owns a valid U.S. Trademark Registration No. 1,347,429 for the mark AI AMERICAN INTELLIWARE and Design. The registration is valid and in force, and incontestable and serves a prima facie evidence of ownership of the registration and the mark covered by such registration and use in commerce in connection with the goods and services identified in the registration. The above-cited registration is in addition to Opposer's common law trademark rights in AMERICAN INTELLIWARE, AI AMERICAN INTELLIWARE and Design and variants (hereinafter collectively referred to as the AMERICAN INTELLIWARE Marks). (See Tannen ¶7, Ex. 2).

16. As discussed, the AMERICAN INTELLIWARE Marks have been used continuously on or in connection with the foregoing goods and services. In particular, Opposer developed

and markets under the AMERICAN INTELLIWARE marks STORYBOARDER® [United States Trademark Registration No. 1,355,167] and SCRIPTWRITER® [United States Trademark Registration No. 1,566,821], two software products which are uniquely designed to be intelligent, versatile and cost-effective productivity tools. They have been used extensively by professionals and educators, with a long history of credits over many years and sold under the AMERICAN INTELLIWARE Marks. These were originally two of the first, if not the first, professional multimedia software products on the market, and although they are sold separately, they are also sold together with other software as part of a complete "turnkey" computer system which American Intellware developed and markets under their mark MACFATS® [United States Trademark Registration No. 1,347,428]. (See Tannen ¶12).

17. Since the early 1990's and continuing to this day through his American Intellware business, Opposer bundles software under the AMERICAN INTELLIWARE Marks with many other general software products for a great variety of multimedia software applications, word processing, graphics and Internet connectivity, just to name a few. In addition, he offers through American Intellware a complete "turnkey" system that bundles computer hardware with customers packaged or pre-installed software, their customized software and other software. Opposer also renders services, including consulting services, system configuration and purchasing services, long-term leasing and on-site installation and training. Moreover, each "turnkey" system is customized differently to suit the requirements of particular customers. (See Tannen ¶13).

18. Under the AMERICAN INTELLIWARE marks through Opposer business American Intellware, he bundles "turnkey systems" with just about every kind of computer on many platforms; the configuration simply depends upon the customer's requirements. As such, it is fair to say that Opposer offers a full spectrum of general software and hardware system bundles, of every conceivable make and model, customizing the "turnkey" system bundles with service and support, portability and mobility, or "networkability" as needed by customers. Through American Intellware, Opposer even delivers wearable PDA computers with mobile software to customers, e.g., Kyocera SmartPhones with integrated PDA's (which can easily be worn) with 3G (broadband) secure Sprint PCS

wireless web connectivity, e-mail, graphics, portable databases with handwriting recognition input.

Hence, American Intellware offers a broad variety of products and solutions. (See Tannen ¶14).

19. The AMERICAN INTELLIWARE Marks create a distinctive designation of the origin of Opposer's products and services and are used in connection with goods and services offered or sponsored by Opposer's business. (See Tannen ¶15).

20. As a result of widespread and extensive use of the AMERICAN INTELLIWARE Marks for computer hardware and software systems and related or complementary services and products, Opposer has acquired significant goodwill in the individual AMERICAN INTELLIWARE Marks. On information and belief, because of the use of the AMERICAN INTELLIWARE Marks for a wide variety of products and services, the relevant consumers of Opposer's products and services have come to exclusively associate the term AMERICAN INTELLIWARE with Opposer and his business American Intellware. (See Tannen ¶16).

21. Indeed, the first use of AMERICAN INTELLIWARE in connection with computer products and services was at least as early as 1984, almost 20 years ago. Opposer has promoted to the consuming public many of these marks through newspapers, magazines, direct mail, trade shows and over the Internet. Further, the American Intellware web site alone which has been operational since 2001, twenty-four hours a day, seven days a week, 365 days a year, presents numerous uses of the AMERICAN INTELLIWARE Marks. (See Tannen ¶17, Ex. 5).

22. On information and belief, the relevant public, particularly significant members of the professional and multimedia community, recognizes the AMERICAN INTELLIWARE Marks as being associated with Opposer's on account of such advertising, promotional materials and sale of products and services. Furthermore, over the years, there has been unsolicited press coverage of products sold under the AMERICAN INTELLIWARE Marks in trade publications and on the Internet. (See Tannen ¶18, Exs. 6-7).

23. Prior to the filing of Jay Mack's application on December 1, 1999, Opposer used and promoted many of the AMERICAN INTELLIWARE Marks in such a way as to serve as an

indication of source. Indeed, the INTELLIWARE feature of the AMERICAN INTELLIWARE Marks is itself distinctive as used in connection with computer hardware and software systems and related or complementary products and services. In addition, American Intelliware customers very often verbally abbreviate the name simply as "INTELLIWARE" in a friendly, colloquial way, and is often referred to as "INTELLIWARE" at trade shows. By virtue of Opposer's efforts and the expenditure of money for promotional activities and product development to establish the AMERICAN INTELLIWARE Marks have acquired strong secondary meaning. (See Tannen ¶20).

24. On information and belief, Applicant's intended use of INTELLIWEAR, which is highly evocative of Opposer's Mark, as well as his goods and services in view of the long, extensive and widespread use of the AMERICAN INTELLIWARE Marks, will be very likely to confuse American Intelliware's customers and those familiar with his business, products and services because of the similarity between the marks and goods and services. Indeed, INTELLIWEAR and INTELLIWARE are phonetic equivalents that convey similar impressions to consumers. (See Tannen ¶21).

25. Oppose has accumulated significant goodwill associated with the AMERICAN INTELLIWARE Marks. In the field of computer hardware and software products and services and complementary goods and services, the AMERICAN INTELLIWARE Marks are on information and belief strongly associated with Opposer, and have been so widely used, advertised, and promoted that they are now very strong. (See Tannen ¶25).

26. Since Opposer has advertised and marketed his products under the AMERICAN INTELLIWARE Marks for more than 15 years, it would indeed be costly and damaging to American Intelliware if Applicant marketed and sold products under the designation INTELLIWEAR at a nearby booth at the same trade show, or if he were able to market similar products in the same magazine pages under the mark INTELLIWEAR because of the likelihood of confusion that could result. (See Tannen ¶27).

V. ASSIGNMENT OF AMERICAN INTELLIWARE TRADEMARKS

27. As discussed, Opposer is the owner of U.S. Registration No. 1,347,429 for the mark AI AMERICAN INTELLIWARE and Design. (See Tannen ¶7, Ex. 2).

28. On March 2, 1990, AIC at a Board of Director's meeting approved the transfer of title of all its trademarks, copyrights and intellectual properties worldwide to Opposer, in good faith. (See Tannen ¶8, Ex. 3).

29. The assignment of AIC's intellectual property to Opposer, including United States Trademark Registration No. 1,347,429, occurred prior to June 1, 1994, and was later reflected in the form of an Assignment document on June 30, 1995, which was recorded with the Assignment Branch of the United States Patent and Trademark Office on July 28, 1995. (See Tannen ¶9, Ex. 4).

30. Opposer owns valid and lawful rights in and to AMERICAN INTELLIWARE Marks, including the registration for AI AMERICAN INTELLIWARE and Design which is valid, subsisting, and in full force and effect and constitutes prima facie evidence of Opposer's ownership of that mark in connection with the goods and services identified in the registration. The registrations are in addition to Opposer's extensive common law trademark rights in the AMERICAN INTELLIWARE Marks. (See Tannen ¶10).

ARGUMENT

VI. OPPOSER HAS LEGAL STANDING TO OPPOSE APPLICANT'S MARK

A. Standard On Motion To Dismiss For Standing

The elements necessary to assert an allegation for standing are: (1) a belief that the opposer will suffer some kind of damage if the mark is registered; (2) a real interest in the proceedings; and (3) a reasonable basis for his belief of damage. See Ritchie v. Simpson, 170 F.3d 1092, 1095 (Fed. Cir. 1999). For purposes of ruling on a motion to dismiss for want of standing, a reviewing court must accept as true all well-pled and material allegation of the complaint, and must construe the complaint in favor of the complaining party. See id. at 1097.

The sole basis for Applicant's motion to dismiss is that that Opposer is allegedly not the real party in interest and has no legal standing to oppose Applicant's mark on the basis of the ownership of the registered mark AI AMERICAN INTELLIWARE and Design. Based on the allegation in the Notice of Opposition, Opposer has standing because he has asserted a real interest in the matter and a belief that he will be damaged by the registration of Applicant's mark. Indeed, the argument is without merit and also disregards Opposer's common law trademark rights asserted in the Notice of Opposition as well as the assignment of the marks from American Intellware Corporation to Mr. Tannen prior to June, 1994. (See Tannen ¶¶7-10, Exs. 2-4) Indeed, Mr. Tannen is the real party in interest because he owns the AMERICAN INTELLIWARE Marks and common law rights in and to the AMERICAN INTELLIWARE Marks and is the owner of AI AMERICAN INTELLIWARE and Design, Reg. No. 1,347,429 on the basis of a proper assignment that pre-dates the suspension of American Intellware Corporation.

1. Opposer Will Suffer Damage

Section 13 of the Lanham Act provides that any person who believes that he would be damaged by the registration of a mark upon the principal register may file an opposition. See Id. Opposer specifically asserted that he would be damaged by the registration of Applicant's claimed mark INTELLIWEAR within the meaning of 15 U.S.C. §1063. Indeed, Opposer has priority of use and believes that he will likely be damaged by the registration of INTELLIWARE in part, because of the similarities between the marks and related nature of the parties respective goods and services is likely to cause confusion, thereby, undermining the exclusivity, distinctiveness and control that Opposer has over its own mark.

In addition, Opposer is threatened with damage to its hard earned and well established business reputation and goodwill, and destruction of the distinctiveness of AMERICAN INTELLIWARE Marks which it has taken years to acquire. This damage is intangible and difficult, if not impossible, to value in monetary terms. The injury caused by Applicant's registration would be irreparable.

Moreover, in trademark infringement actions under the Lanham Act, a showing of likelihood of confusion constitutes the necessary showing that the plaintiff is threatened with irreparable harm. See Bristol-Meyers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1038 (2d Cir. 1992); Hasbro, Inc. v. Lanard Toys, Inc., 858 F.2d 70, 73 (2d Cir. 1988); Charles of the Ritz Group, Ltd. v. Quality King Distrib., Inc., 832 F.2d 1317, 1321 (2d Cir. 1987). There can be no questions that Opposer believes that he will be damaged by the registration of Applicant's mark.

2. Opposer Has A Real Interest In The Proceeding

Under to the real interest requirement, to have standing an opposer is required to have a legitimate personal interest in the opposition, i.e., a direct and personal stake in the outcome of the opposition. See Ritchie, 170 F.3d at 1095. Contrary to Applicant's arguments, Opposer owns common law rights in and to the AMERICAN INTELLIWARE Marks as a result of his use of mark since the early 1990s and as such has standing to oppose. See, e.g., Wyndham Co. v. Wyndham Hotel Co., 608 N.Y.S.2d 182, 182 (N.Y. App. Div. 1994); Quabaug Rubber Co. v. Fabiano Shoe Co., Inc., 567 F.2d 154, 160 (1st Cir. 1977).

By virtue of an assignment from AIC prior to its suspension in 1994, that was made manifest by an assignment document in 1995, Opposer is the owner of all AMERICAN INTELLIWARE rights and title to the AMERICAN INTELLIWARE Marks, including the Registration No. 1,347,429 for AI AMERICAN INTELLIWARE and Design. (See Tannen ¶¶ 7-10, Exs. 2-4)

Applicant alleges that the assignment of ownership of the mark to Opposer executed on June 30, 1995 by the original registrant, American Intellware Corporation, a California corporation at the time of the assignment, was executed after the June 1, 1994 suspension of the American Intellware Corporation's corporate powers, rights, and privileges. Applicant therefore argues that the American Intellware Corporation did not have the power to transfer its assets, including its marks or registration, to Opposer after June 1, 1994.

However, an assignment in writing is not necessary to pass common law rights in a trademark. See J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition §18:4 (4th ed.

2000); Speed Prods. Co. v. Tinnerman Prods, Inc., 179 F.2d 778, 782 (2d Cir. 1949); Gaylord Bros., Inc. v. Strobel Products Co., 140 U.S.P.Q. 72, 74 (T.T.A.B. 1963) Indeed, if there is no documentary evidence of an assignment, it may be proven by the clear and uncontradicted oral testimony of a person in a position to have actual knowledge. Id. Here, Opposer Mark Tannen has declared that an assignment of the marks from American Intellware Corporation to him was undertaken before 1994 and he as acting President effected that assignment. Moreover, there is documentary evidence supporting the assignment prior to 1994, namely the corporate meeting minutes of March 2, 1990 (See Tannen Ex. 3). At the time the corporate meeting minutes were executed, American Intellware Corporation was a California corporation with the power to transfer its assets, including its rights in the AI AMERICAN INTELLIWARE and Design mark and in the registration to the mark, to Opposer. Opposer therefore owns the AI AMERICAN INTELLIWARE and Design mark and its registration. Insofar as amending record ownership of the AI AMERICAN INTELLIWARE registration, that was subsequently made manifest and recorded with the Trademark Office in June 1995. Thus, the actual assignment occurred prior to any suspension of American Intellware Corporation on June 1, 1994.

Alternatively, even if the assignment is considered void and/or American Intellware Corporation abandoned the marks, Opposer has since long prior to the filing date of the Application at issue used and continues to use the AMERICAN INTELLIWARE Marks in commerce and owns common law rights in and to the marks. Because the parties both sell computer products and are competitors, Opposer has a real interest in the outcome of this proceeding. He is not a mere intermeddler and the motion to dismiss and for summary judgment on the basis that Opposer lacks standing should be denied.

3. Opposer Has A Reasonable Basis For His Belief In Damage

With respect the reasonable basis for Opposer's belief of damages, Opposer has asserted proprietary rights in and to the AMERICAN INTELLIWARE Marks in the Notice of Opposition and that the marks at issue are similar, the goods related, that confusion is likely and that he is likely to be

damaged by the registration. Opposer has asserted a reasonable basis for his belief that he will be damaged by such registration and thus his standing to oppose the mark.

Opposer has a real interest in the outcome of this proceeding. He is not a mere intermeddler and the motion to dismiss and for summary judgment on the basis that Opposer lacks standing should be denied.

VII. SUMMARY JUDGMENT FOR THE MOVANT IS NOT APPROPRIATE THERE ARE GENUINE ISSUES OF MATERIAL FACT

Summary judgment is appropriate only when the movant has established that there is no genuine issue as to any material fact and that, under those undisputed facts, the movant is entitled to judgment as a matter of law. See Lincoln Logs, Ltd. v. Lincoln Pre-Cut Log Homes, Inc., 971 F.2d 732, 734, 23 U.S.P.Q.2d 1701, 1703 (Fed. Cir. 1992) (citations omitted). An issue is material when its resolution would affect the outcome of the proceeding under governing law. See Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 106 S. Ct. 2505, 2510 (1986). A fact is genuinely in dispute if the evidence of record is such that a reasonable fact finder could return a verdict in favor of the nonmoving party. Id. The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine issues of material fact exist, and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most favorable to the nonmoving party. See Salacuse v. Ginger Spirits, Inc., 44 U.S.P.Q. 2d 1415, 1418 (T.T.A.B. 1997), citing Opryland USA, Inc. v. Great American Music, Show, Inc., 970 F.2d 847, 23 U.S.P.Q.2d 1471 (Fed. Cir. 1992); Olde Tyme Foods, Inc. v. Roundy's, Inc., 961 F.2d 200, 202, 22 U.S.P.Q.2d 1542, ___ (Fed. Cir. 1992). Given the fact that likelihood of confusion is a mixed question of fact and law, it is often deemed an issue inappropriate for disposition on summary judgment. See, e.g., In re Dixie Restaurants, 105 F.3d 1405, 1406, 41 U.S.P.Q. 2D 1531, 1533 (Fed. Cir. 1997); Wendt v. Host Int'l, Inc., 125 F.3d 806, 812, 44 U.S.P.Q. 2d 1189, 1993 (9th Cir. 1997).

**VIII. APPLICANT'S MARK IS LIKELY TO BE
CONFUSED WITH OPPOSER'S MARKS**

In its Notice of Opposition, Opposer pleads that INTELLIWEAR is likely to be confused with Opposer's AMERICAN INTELLIWARE Marks in view of the marks' strength, the similarities between the marks at issue, their overall commercial impressions, and the complementary and related nature of the parties' respective services, to name just a few factors. Genuine issues of material fact unquestionably exist concerning likelihood of confusion which must be resolved by trial.

The Court in In re E.I. DuPont DeNemours & Co., 476 F.2d 1357, 1361, 177 U.S.P.Q. 563, 567 (C.C.P.A. 1973) identified thirteen factors to be considered in determining likelihood of confusion. These individual factors are fact intensive and in the context of this case, raise numerous issues of material fact, thereby rendering this case entirely inappropriate for summary judgment.

**A. APPLICANT'S MARK AND OPPOSER'S AMERICAN
INTELLIWARE MARKS ARE SIMILAR (Dupont Factor 1)**

Applicant's alleges that INTELLIWEAR is not similar to the AMERICAN INTELLIWARE Marks.¹ Specifically, Applicant also argues that the only similarity between the competing marks is the component INTELLI, and that the mere sharing of the prefix is wholly insufficient to create a likelihood of confusion between the INTELLIWEAR mark and the AMERICAN INTELLIWARE Marks. Applicant argues that marks may not be dissected in determining confusing similarity, citing Massey Junior College, Inc. v. Fashion Institute of Tech., 492 F.2d 1399, 1402 (C.C.P.A. 1974). However, Applicant's argument ignores that it is appropriate, in comparing marks in the infringement context, to recognize that one feature of a mark may have more significance than another, and in such a case there is nothing improper in giving greater weight to the dominant feature. See

¹ Applicant argues that the two Examining Attorneys for Applicant's application for the mark INTELLIWEAR did not find the mark to be confusingly similar to Opposer's AI AMERICAN INTELLIWARE and Design mark. However, Applicant provides no evidence to show that the Examining Attorneys considered the AI AMERICAN INTELLIWARE and Design Mark in the course of the examination of Applicant's application. Moreover, even if it could be shown that the Examining Attorneys did not find Applicant's mark and the AI AMERICAN INTELLIWARE and Design mark confusingly similar, this fact would not be relevant as a matter of law to the similarity between Applicant's mark and Opposer's AI AMERICAN INTELLIWARE and Design mark or Opposer's AMERICAN INTELLIWARE mark.

Somerset Distilling, Inc. v. Speymalt Whiskey Distributors Ltd., 14 U.S.P.Q. 2d 1539, 1542 (T.T.A.B. 1989).

The dominant feature of a mark is that which has the greater strength or origin-indicating power, inherent or acquired. Descriptive or generic components, having little or no source identifying significance, are generally treated as less significant in the analysis. See Henri's Food Prods. Co. v. Kraft, Inc., 717 F.2d 352, 356 (7th Cir. 1983). The same principle applies here and highlights the likelihood of confusion between INTELLIWEAR and the AMERICAN INTELLIWARE Marks. Clearly, the dominant feature of the AMERICAN INTELLIWARE Marks is INTELLIWARE, rather than the descriptive component "AMERICAN." As such, the dominant feature of the AMERICAN INTELLIWARE Marks, INTELLIWARE, is not merely similar, but actually identical in sound, to Applicant's INTELLIWEAR. INTELLIWARE is also extremely similar in appearance to INTELLIWEAR and conveys a similar commercial impression.

Applicant, nonetheless, argues that the component "WEAR" of Applicant's marks and the component "WARE" of the AMERICAN INTELLIWARE Marks are dissimilar. Specifically, Applicant argues that the INTELLIWEAR mark for "wearable computer hardware and computer software..." suggests "a product to be worn", and that Opposer's AMERICAN INTELLIWARE Marks suggest "items of the same material or type, such as tableware, earthenware, silverware, etc.". However, it is clear that the component "WARE", when viewed in combination with the component "INTELLI" in Opposer's AMERICAN INTELLIWARE Marks suggests computer hardware and software, rather than tableware, earthenware, and silverware. Applicant's mark INTELLIWEAR is a mark for "wearable computer hardware and computer software...". Accordingly, Applicant's mark creates a commercial impression that is very similar or virtually identical to Opposer's AMERICAN INTELLIWARE Marks.

INTELLIWEAR as used by Applicant has an inherent impact on the consumer which enhances the confusion or deceptive similarity between the marks at issue, particularly as used in connection with computer related goods and services. Arguably, it creates a commercial impression that is virtually identical to the commercial impression created by the AMERICAN INTELLIWARE Marks.

In sum, whether the marks in this case are similar in appearance and pronunciation or convey similar commercial impressions in the minds of the relevant consuming public are questions of fact under DuPont. This issue is not appropriate for summary judgment.

B. THE GOODS AT ISSUE ARE SIMILAR (DuPont Factor 2)

Applicant states that Applicant's and Opposer's marks are both related to computer software, but alleges that the function of the goods provided by Applicant and Opposer is distinct so that no likelihood of confusion is possible. Applicant baldly asserts that "the computer software programs supposedly offered under the AMERICAN INTELLIWARE Marks are entirely different from that of Applicant's products."

Applicant's argument disregards the fact that goods and services need not be identical or even competitive in order to support a finding of likelihood of confusion. It is enough that goods or services are related *in some manner* or that the circumstances surrounding their marketing are such that they would be likely to be *encountered by the same persons* under circumstances which could give rise to a mistaken belief that they originate from or are in some way associated with the same source or that there is an association between each party. In re Melville Corp., 18 U.S.P.Q.2d 1386, 1388 (T.T.A.B. 1991) (citations omitted; emphasis added).

Furthermore, Opposer's goods and services and the INTELLIWEAR goods and services are highly related. The INTELLIWEAR mark may be used for goods and services which relate to wearable computer hardware and computer software, namely, wearable microprocessor-powered computers and associated software used for hands free data entry, data storage, data retrieval, data processing, and for electronic messaging and connecting to the Internet. Opposer's goods and services are geared towards desktop and portable computer hardware and/or software systems and computer software. Clearly, Applicant in this case is offering goods and services which are closely related to Opposer's or at least complement Opposer's goods. Moreover, Opposer even delivers wearable PDA computers with mobile software to customers, e.g., Kyocera SmartPhones with integrated PDA's (which can easily be worn) with 3G (broadband) secure Sprint PCS wireless web connectivity, e-mail, graphics,

portable databases with handwriting recognition input. Hence, American Intelliware offers a broad variety of products and solutions. (See Tannen ¶14). This fact enormously increases the possibility of confusion between Opposer's AMERICAN INTELLIWARE Marks and INTELLIWEAR.

Even assuming that Applicant's goods and services are dissimilar and unrelated to Opposer's, consumers are likely to believe that Opposer is connected to Applicant's operation or services in some way, if not directly, then by authorizing or sponsoring Applicant's goods or services because of the strength of Opposer's AMERICAN INTELLIWARE Marks and because Opposer uses its marks on or in connection with a wide variety of goods and services in the computer field. See McDonald's Corp. v. McClain, 37 U.S.P.Q.2d 1274, 1276 (T.T.A.B. 1995) (legal services v. food services likelihood of confusion found due to strength of "Mc" marks and use of marks on a wide variety of goods and services).

Therefore, there is at least a question of fact as to whether Applicant's goods and services are dissimilar and unrelated to Opposer's.

C. THE RELEVANT CONSUMING PUBLIC IS LIKELY TO CONFUSE APPLICANT'S INTELLIWEAR MARK WITH OPPOSER'S AMERICAN INTELLIWARE MARKS (DuPont Factors 4 and 10)

Applicant argues that purchasers of computer software programs are "highly discriminating customers" and that "buyers of computer software programs are capable of distinguishing the goods at issue." Applicant further alleges that there is a difference in the target markets because of the supposed difference between the goods. Both of Applicants' arguments are meritless.

Applicant provides no support for his conclusory statement that purchasers of computer software are "highly discriminating". In fact, the reverse is very likely true. The Census Bureau has found that 54 million households—51 percent of the nation's households—had at least one computer in August 2000, a nine percent increase from 42 percent in December 1998, with a rapidly increasing use of the Internet. See <http://www.census.gov/population/www/socdemo/computer.html>. These data clearly indicate that the market for the sale of computer software is enormous. It would be preposterous to assert that over half of the of the nation's households are "highly discriminating consumers." Applicant's

allegation that Applicant's goods and services and Opposer's goods and services are directed at different target markets is equally incorrect. In particular, Applicant states that Applicant's goods are sold to individuals who want "portability and mobility," and asserts that "a typical purchaser of Opposer's goods ... are [*sic*] prospective story writers, screen writers or other people who would like to get involved in writing or publication or the film industry." In fact, Opposer's target market is not as limited as Applicant states, but includes a broad range of customers in the professional and multimedia markets. This broad market of purchasers of software goods, includes individuals who like Applicant's customers want "portability and mobility".

The likelihood of confusion is therefore very great, and consumers will be led to the mistaken belief that the goods sold and the services offered under the respective marks originate from the same source. The degree of sophistication of the consumers and the market interface between Applicant and Opposer are both DuPont factors that either favor Opposer or remain an issue of fact not suitable for disposition on summary judgment.

D. THE FAME OF OPPOSER'S MARK (Du Pont Factor 5)

Applicant alleges that Opposer's AMERICAN INTELLIWARE Marks is "not famous" because an Internet search for "AMERICAN INTELLIWARE" allegedly resulted in only four hits. However, the fame of a mark is determined by considering a number of factors, including sales of products or services associated with the mark as well as advertising and length of use of the mark. See DuPont, 476 F.2d at 1361. As stated, Opposer has used the mark since at least as early as June 15, 1984. Opposer has sold products and services associated with the marks since that time, and has invested considerably in advertising expenses. Evidence of advertising expenditures should be considered to determine whether recognition and fame of a mark is achieved. See J & J Snack Foods Corp. v. McDonald's Corp., 932 F.2d 1460, 1463, 18 U.S.P.Q.2d 1889, 1891-92 (Fed. Cir. 1991). Contrary to what Applicant suggests, there is no minimum requirement for the number of hits resulting from an Internet search for the mark to establish fame or distinctiveness of the mark. Moreover, Opposer has received unsolicited media coverage referring to his AMERICAN INTELLIWARE products.

Opposer's mark is very strong and entitled to a broad scope of protection, particularly when there is a limited number of "INTELLIWARE" marks on the Principal Register. The fame and strength of Opposer's marks are DuPont factors that either favor Opposer or remain issues of fact not suitable for disposition on summary judgment.

(i) **Opposer's Marks Are Strong and Entitled To A Broad Scope of Protection**

Applicant alleges that Opposer's AMERICAN INTELLIWARE Marks are not strong and not entitled to a broad scope of protection because (1) a search of the United States Patent and Trademark Office (hereinafter 'USPTO') online database revealed 280 registrations which include the letters INTELLI as part of the marks in the computer field; and (2) Opposer allegedly has not used the AI AMERICAN INTELLIWARE and Design mark since June 1, 1994 and has abandoned the mark. These arguments are meritless.

With regard to Applicant's first point, the number of registrations that include a part of a mark is not relevant to the strength of the mark as a whole, nor does it establish logically or as a matter of law that the public understands the AMERICAN INTELLIWARE Marks not to be strong in general, or more particularly, when used in the computer field. "Third party registrations and computerized search reports are incompetent evidence by themselves to prove use of the marks listed therein, or that the public has been exposed to them." Directed Electronics, Inc. v. National Computers Plus, Inc., 1999 TTAB LEXIS 236 at *2 n.2 (TTAB June 3, 1999); see also Lloyd's Food Products, Inc. v. Eli's Inc., 987 F.2d 766, 768, 25 U.S.P.Q.2d 2027, 2029 (Fed. Cir. 1993).

Here, Applicant has provided this panel with a bare list of marks which employ the term INTELLI. There has been no effort to show that any of these marks are being used or the scope and manner of use, if any. This showing is wholly inadequate to undermine the strength of the AMERICAN INTELLIWARE. The burden is on Applicant to establish that the public perceives INTELLI to be a weak or generic designation when used to identify goods and services related to computer software and hardware. That burden has not been met. See e.g., In re Montrachet S.A., 878 F.2d 375, 377, 11

U.S.P.Q.2d 1393, 1394 (Fed. Cir. 1989); Dan Robbins & Associates, Inc. v. Questor Corp., 599 F.2d 1009, 1014, 202 U.S.P.Q. 100,105-106 (C.C.P.A. 1979).

While there are additional DuPont factors which could be addressed in favor of Opposer, the foregoing as well as the overlap of established trade channels (DuPont factor 3) are the primary points on which Opposer bases its claims of likelihood of confusion and on which Opposer submits there are material issues of fact which must be resolved at trial.

IX. OPPOSER HAS NOT ABANDONED THE MARK

Applicant's second point has already been addressed *supra*. in the context of the discussion on Opposer's legal standing. Opposer has used in commerce the AMERICAN INTELLIWARE Marks continuously since at least as early as June 15, 1984 and/or for many years prior to Applicant. The rights in the AI AMERICAN INTELLIWARE and Design mark and in the registration to the mark were assigned to Opposer, well before the alleged June 1, 1994 suspension of the assignor American Intellware Corporation's corporate powers, rights, and privileges. Accordingly, at the time of the assignment, American Intellware Corporation was a California corporation with the power to transfer its assets, including its rights in the AI AMERICAN INTELLIWARE and Design mark and in the registration to the mark, to Opposer. Moreover, as discussed *supra* in Section IV., Applicant has not filed any declaration supporting the factual allegation that Opposer does not own the AI AMERICAN INTELLIWARE and Design mark. Therefore, the evidence is at least sufficient to raise material issues of fact whether the mark has been abandoned and therefore to bar Applicant's motion for summary judgment. Furthermore, as discussed above, in light of Opposer's continued use prior to and/or after the June 1, 1994 date, the mark cannot be deemed to have been abandoned even without considering the evidence of the assignment to Opposer of the AI AMERICAN INTELLIWARE and Design mark, since the assignment of the mark on June 30, 1995 should be deemed retroactively valid.

Opposer submits that Opposer's AMERICAN INTELLIWARE Marks are strong and entitled to a broad scope of protection such that Applicant should be denied registration of its INTELLIWEAR mark. The strength of Opposer's AMERICAN INTELLIWARE Marks is based on the

long, extensive, and continuous use of the marks and unsolicited press coverage. Without question, the evidence that Opposer intends to present at trial is at least sufficient to raise material issues of fact concerning the distinctiveness of the AMERICAN INTELLIWARE Marks barring Applicant's motion for summary judgment.

X. IN THE ALTERNATIVE, SUMMARY JUDGMENT FOR THE OPPOSER IS APPROPRIATE

If the Board concludes, upon motion for summary judgment, that there is no genuine issue of material fact, but that it is the nonmoving party, rather than the moving party, that is entitled to summary judgment as a matter of law, the Board may, in appropriate cases, enter summary judgment in favor of the nonmoving party. Trademark and Trial Appeal Board Manual of Procedure § 528.08. See also Sprinklets Water Center inc. v. McKesson Corp., 25 U.S.P.Q.2d 1441 (E.D. Mich. 1992); Visa Int'l Service Ass'n v. Life-Code Systems, Inc., 220 U.S.P.Q. 740 (T.T.A.B. 1983). Summary judgment sua sponte for the nonmoving party is appropriate so long as the losing party was on notice that she had to come forward with all of her evidence. See Celotex Corp. v. Catrett, 477 U.S. 317, 326, 106 S. Ct. 2548, ___ (1986).

In the present case, the Board may conclude that there is no question as to the fact that Opposer has legal standing. Similarly, the Board may conclude that there is no genuine issue as to the fact that there is a strong likelihood of confusion due to the similarity of Applicant's and Opposer's marks, the similarity of the goods and services provided by Applicant and Opposer, the evident overlap in the target consumer markets for the two markets and the strength of Opposer's mark. Finally, the Board may conclude that there is no genuine issue as to the fact that Opposer's mark has not been abandoned. In this case, the Board may properly enter summary judgment for Opposer even in the absence of a cross-motion for summary judgment on Opposer's part.

CONCLUSION

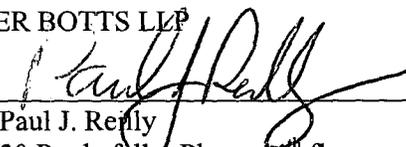
As shown herein, there are a great number of material disputed issues of fact in this proceeding which are inappropriate for resolution by summary judgment. Therefore, Applicant's Motion for Summary Judgment should be denied. Alternatively, should the Board determine that there are no

issues of fact, Opposer asserts that the summary judgment should be issued in favor of Opposer based on similarities between the marks, the relatedness of the goods and common channels of trade.

Respectfully submitted,

BAKER BOTTS LLP

Dated: May 16, 2002

By: 

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CERTIFICATE OF MAIL AND SERVICE

I hereby certify that the foregoing, OPPOSER'S MEMORANDUM IN OPPOSITION TO APPLICANT'S MOTION FOR TO DISMISS FOR LACK OF SUBJECT MATTER JURISDICTION OR IN THE ALTERNATIVE FOR SUMMARY JUDGMENT was deposited with the United States Postal Service as First Class mail in an envelope with sufficient postage, addressed to:

Box TTAB NO FEE
Assistant Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513

and a true and correct copy of the foregoing was served on Applicant's attorneys of record via the United States Postal Service as First Class mail, in an envelope with sufficient postage, addressed to following:

Robert T. Daunt
DAVIS & SCHROEDER
215 W. Franklin Street, 4th Floor
Post Office Box 3080
Monterey, California 93942

on May 16, 2002.

By: _____


Paul J. Reilly