

July 13, 2007

United States Patent and Trademark Office
Trademark Trial and Appeal Board
P.O. Box 1451
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Re: Opposer: Digi International Inc.
Applicant: DigiPos Systems Inc.
Opposition No.: 91163719
Serial No.: 76/561,585
Our File No.: 51307-469997

CERTIFICATE OF MAILING
37 C.F.R. 1.8

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Dear Sir/Madam:

Enclosed for filing please find the following:

1. Opposer's Reply Brief, with Certificate of Service

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07-16-2007

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INTRODUCTION

Pursuant to Trademark Rule 2.128, 37 CFR § 2.128, Opposer Digi International Inc. (hereafter “Opposer” or “Digi”) submits this reply to Applicant’ trial brief.

Because many of the arguments set forth in Applicant’ brief are based on false statements and misinterpretations of the evidentiary records, Opposer will first rebut several assertions made by the Applicant in its Statement of Facts, and then rebut the Arguments put forth by the Applicant and respond to objections raised by the Applicant. Opposer will attempt to rebut the statements made by the Applicant in the order in they appear in the brief, even though the topics do not always appear to fall under the designated heading.

REBUTTAL TO APPLICANT’S STATEMENT OF FACTS

A. GENERAL

Contrary to the Applicant’s statement at Page 4, Paragraph 4 of Applicant’s Brief, the parties do not “coexist peacefully in the United States marketplace (as well as worldwide).” Opposer has opposed registration of Applicant’s mark in the Applicant in the European Community Trademark Office and has recently prevailed in a consolidated opposition in the U.K. Trademark Office, which is now under appeal. This dispute is ongoing in many areas of the world. Contrary to Mr. Leaper’s statement that the parties operate in “two very, very different worlds”, the parties operate in the same world, all to the detriment of Opposer, who has very senior rights in the DIGI mark.

With regard to Paragraph 6, the fact that consumers cannot purchase the Applicant’s goods from Opposer, or vice versa, is completely irrelevant and inane. How many competitors sell each other’s products?

With regard to Applicant's assertion at Paragraph 8 that Opposer "pointedly and aggressively refers to itself as "DIGI" throughout the proceedings", the Opposer Digi International Inc. responds that it has referred to itself as "DIGI" for many, many years before the Applicant even came in to existence, as evidenced by press releases and other materials dating back approximately twenty years. Opposer suspects that the Applicant also refers to itself as "DIGIPOS".

Other points made by the Applicant in this section will be addressed in detail below.

B. GOODS

As evidenced by the record, and as fully explained in Opposer's brief, the goods of the two parties are closely related and, in some cases, identical. The goods of the respective parties are often used side-by-side in a point-of-sale ("POS") system. The Opposer's product that is shown by the Applicant in its Brief at Page 11, namely, the DIGI NEO® product, is the perfect example of how Opposer's products are often used side-by-side with the products such as the Applicant's. The DIGI NEO product is a multiport serial card that is installed in a server, at the point of sale, to increase the number of serial devices (such as screens, card readers, scanners and other peripheral products pictured on page 3 of Applicant's Brief) that can be plugged in to the server.

C. OPPOSER'S REGISTERED TRADEMARKS

The Applicant accuses the Opposer of being imprecise as to which registered trademarks it is relying on in bringing this opposition and of failing to identify the "registered goods" which are at issue. To the contrary, the Opposer has clearly identified all of its marks consisting of or including the term DIGI that are registered in the U.S. Patent Trademark Office, has made those registrations of record, and has made of record evidence of use of all of the marks identified.

Opposer has also provided a good deal of explanation of the products associated with the marks are used in the retail POS industry through extensive testimony of Joel Young, and through its exhibits entered in the record through testimony by both Mr. Young and Jan McBride.

Unfortunately, the applicable page limit rule prohibits the Opposer from providing the Applicant with a detailed description of every product that it sells within the body of its Brief, but Opposer believes it has provided more than enough information for the Applicant to understand the nature and uses of its products.

With regard to the marks themselves, the Opposer has several times identified the marks it is relying on in this opposition, first in the Notice of Opposition, then through discovery responses, then through the testimony of Joel Young and Jan McBride and the accompanying exhibits, then through the Opposer's Notice of Reliance, and finally in Opposer's Brief. Despite these repeated listings of the mark owned by the Opposer, Applicant seems not to be fully aware of the scope of Opposer's registrations, as evidenced the list of Opposer's marks identified by the Applicant on Pages 8 through 9 of its Brief, where the Applicant has failed to acknowledge Opposer's ownership of the mark DIGI, both in block letter and stylized formats, subject of Reg. Nos. 2630891, 2319992, and 2317478 , and the mark DIGI & DESIGN, subject of Reg. Nos. 2019613, 2200945 and 2369665. The Applicant does list a number of marks that do not include the DIGI formative, and which were not included in the Notice of Opposition, and wonders how these marks can be relevant. The explanation lies is hundreds of pages of exhibits and testimony which clearly explain that these products, such as EDGEPORT, HUBPORT, and others, are sold with the DIGI&DESIGN mark and/or DIGI INTERNATIONAL mark also used on the product or on the package, or both. The products sold under these marks are all advertised in the DIGI Product Catalog where other DIGI Marks are prominently displayed on every page, and are

featured on the DIGI Website, where again other DIGI Marks are prominently displayed, and are sold with all collateral materials, including datasheets, installation guides and warranty sheets, all displaying one or more of the DIGI Marks. In every case the full range of products sold by Opposer is branded with one or more of the DIGI Marks.

Finally, coming to the end of Applicant's section titled "OPPOSER'S REGISTERED TRADEMARKS, at page 12, Opposer must correct the factually inaccurate statement regarding its Zero-Client product, namely, that "There is nothing point-of-sale specific about the Zero-Client product and it functions precisely as a connectivity device". Opposer has entered evidence and testimony that the Zero-Client product sold under the DIGI CONNECTPORT DISPLAY trademark is a terminal solution that eliminates the need for a dedicated PC at the point of sale. (JY 174-180)(DX27, Pg. 11). Applicant knows full well that the DIGI CONNECPORT DISPLAY is far more than a "connectivity device" and that it directly competes in the marketplace with the product sold by Applicant under the brand name "Retail Blade". (Joel Young has provided testimony on this subject at JY 118-120.) Unless the Applicant purports to know more about Digi's products than its Chief Technical Officer, this statement must be viewed as false.

D. COMPETITORS

In this section of its brief, the Applicant claims that Opposer is "in no earthly sense the Applicant's competitor", completely ignoring the evidence that Digi sells products to resellers who bundle Digi's products into POS solutions that directly compete with Applicant's POS solutions, and ignoring evidence of Opposer's direct sales to the same class of customers as those served by Applicant. Finally, the Applicant misquotes Jan McBride as stating that Digi has never lost a sale to the Applicant, when in fact Ms. McBride simply said she had no knowledge

of lost sales and that the topic had not been discussed. (JM 99) Proving lost sales in a market where Opposer is not the sole provider of products is almost impossible and is certainly outside the scope of Ms. McBride's duties as Director of Worldwide Communications for Opposer. Based on the evidence, the Applicant's bald statement that it would be "factually impossible" for the Opposer to lose a sale to the Applicant is false and misleading....in fact, according to Joel Young, the sale of 10,000 terminal servers to Circuit City that Applicant touts on its Website could have been made by the Opposer. (JY 115,117-118)

E. SALES

Opposer has no comments on this section other than to again note that the only sales relevant to this proceeding are U.S. sales, which until very recently 2005/2006 were an insignificant number for the Applicant in the U.S., with most of the recent increase being accounted for by a single sale to the U.S. Army & Air Force Exchange Service. The Opposer and the Applicant are not of equal size in the U.S. marketplace.

F. PROMOTION, ADVERTISING AND TRADE SHOWS

Again, Opposer has little comment on this section other than to note that the parties both attend retail trade shows. Mark Leaper has acknowledged seeing Digi International at a retail trade show. (ML 115,116)

G. CHANNELS OF TRADE

In this section the Applicant again seeks to use evidence of activities outside the U.S. to influence the decision in this case, but Opposer fails to see what the advantage to the Applicant is in this tact. To the extent that the Board is convinced that Applicant seeks to sell product to large retailers, Opposer can only respond that such large retail operations are its target markets as well, as evidenced by the testimony of Jan McBride and Opposer's marketing materials directed to the

Retail/POS sector. Further, the three channels of trade that Applicant identifies at Paragraph 46, Sections 1, b, and c, of Applicant's Brief are identical to those identified by the Opposer as its channels of trade, minus the OEM sector.

H. DIGI INTERNATIONAL

The applicant's repeated assertions in this section and in its Argument that the Opposer does not sell to end users is simply false and the Applicant knows it to be false. The statement is completely contradicted by the evidence. The record shows that the Opposer does sell product directly to end users and, in fact, to the same class of end user that the Applicant sells to. The Opposer has identified end users as purchasers of its products in its Answer's to Applicant's Interrogatories at Nos. 14 and 54, has provided testimony through the depositions of both Joel Young and Jan McBride that it sells to end user customers, and has submitted evidence of a sale to an end user that is direct competitor of one of the Applicant's largest customers in the United States. (DX56).

I. OBJECTION TO REPLY TESTIMONY

The Applicant's objection to reply testimony is completely unfounded and the Applicant's Brief on the Objection, beginning at Page 19, is filled with untruths, misquotes and false accusations.

In his first testimony deposition taken on October 16, 2006, Joel Young, Vice President of Research and Development and Chief Technical Officer for Opposer Digi International Inc., testified that Digi sells products to OEM manufacturers, to resellers and distributors, and to end users. At Page 115 of the transcript, when shown Applicant's Exhibit 31, discussing the Applicant's sale of POS equipment to Circuit City, Mr. Young was asked if Digi provides services to retail customers similar to Circuit City and his answer was "yes." He was also asked

if Digi sells the same type of solutions or applications discussed in applicant's Exhibit 31 to its retail customers, and Mr. Young response was again "yes." (JY 115) At Pages 117-118 of the transcript of this deposition, Mr. Young was again asked to confirm that Digi provides retail solutions similar to those provided by the Applicant in its Exhibit No. 31, Mr. Young again answered in the affirmative. When asked if Digi makes these sales directly to its retail customers or provides them only through a reseller, Mr. Young testified that "we do it both ways, we sell directly to user customers and we also provide it through resellers." (JY 118). While these "end user" retail chain customers more typically purchase Digi's products through a reseller, very large retail chains sometimes make the purchases directly from Digi and Mr. Young, as part of his responsibilities as Chief Technical Officer of Digi International, is responsible for providing technical support for these purchases and has personal knowledge of these transactions.

The following day, on October 17, 2006, Opposer took the deposition of Jan McBride. Ms. McBride is Director of Worldwide Communications for Digi International and is responsible for marketing, advertising and trade shows, public relations and the Digi Website. Ms McBride provided extensive testimony regarding the trademarks owned by Opposer, and information on how Opposer uses the marks on products, on packaging, on its Website and on its marketing and advertising materials. She also testified as to the types and numbers of trade shows attended by Digi every year and on other topics relevant to her position in the company. During cross examination by Applicant's counsel, Applicant's attorney questioned Ms. McBride on the channels of trade through which Digi's products are sold, questioning her on sales to OEMs, distributors, and resellers, ending this segment of questioning by asking "And those are the channels of trade by which Digi International sells its products to the marketplace?", to which Ms. McBride answered "Yes, that's correct" (JM 73). Opposer's attorneys realized that

Applicant's counsel had failed to question Ms. McBride on sales to end users, another established trade channel for Opposer. Therefore, once the cross-examination was complete, Opposer's counsel sought to clarify this point by asking Ms. McBride if Digi also sells to end users. Ms. McBride's answer was "yes", adding that Digi sells directly to "large, large customers who insist on a direct relationship". (JM 101) Applicant's counsel immediately and vigorously objected to Ms. McBride's answer, even though it was completely consistent with the testimony provided by Mr. Young the day before and consistent with Opposer's answers to Applicant's Interrogatories.

It is important to note that, contrary to Opposing counsels statements in Paragraphs 52 and 54, Ms. McBride never stated that Digi did NOT sell to end users. Ms. McBride simply failed to notice the oversight in the list of trade channels presented to her by opposing counsel during his questioning. Opposing counsel's desperate attempts to manipulate the evidentiary record to keep truthful testimony from being considered by the Board is very disturbing, and his accusing Opposer's counsel of "suggesting to a witness that it sells goods to end users when in fact it does not" (Applicant's Br. Page 20, Paragraph 54) is completely outrageous and completely outside the boundaries of ethical conduct in this proceeding.

After objecting to the clarification of Ms. McBride's testimony record, opposing counsel then demanded to know the identity of the end users who purchased Digi's products. (JM 101-106). Because no protective order was in place between the parties, this information could not be provided on the spot. However, specific information relating to Digi's sales to a large retail enterprise was made of record in the Reply Deposition of Joel Young, taken on March 22, 2007, subject to a stipulated confidentiality order signed by the Applicant's attorney just the day before the reply deposition. Joel Young's reply deposition was taken to rebut several pages of

testimony given without foundation by Mark Leaper regarding the nature of Opposer's products and its channels of trade. Opposer believes that the testimony given by Mr. Young in his second deposition directly rebuts the statements made by Mr. Leaper and was well within the scope of questioning allowed under C.F.R. 2.121 (c). In order to refute Mr. Leaper's testimony that the parties' products "exist in separate worlds" Mr. Young testified in detail as to the similarities of the "worlds" in which the parties products actually exist. The Applicant now objects to the reply testimony of Joel Young, even though it was Applicant's counsel who demanded to know the identity of Opposer's customers. Mr. Young's testimony, both in his first deposition and in his reply deposition, directly refutes many of the statements made by Opposing counsel in Applicant's Brief.

J. DISTRIBUTORS

Again, the Applicant relies on the false premise that there is no overlap in the channels of trade, apparently for the reason that it uses different distributors than Opposer to sell its products. This argument proves nothing. It his the equivalent of saying there is no likelihood of confusion between two lines of clothing bearing an almost identical mark because one line is purchased at Macy's and the other at Bloomingdales.

K. GENERAL POINTS

Opposer has no comment on this section other than to note the name change has not been recorded against the application in the PTO nor has it been made of record in this proceeding.

REBUTTAL TO APPLICANT'S ARGUMENTS

1. Similarity Of Marks.

The Opposer does not understand the Applicant's statement in Paragraph 64 of Applicant's Brief, as it believes it has made it clear that all of Digi's registered marks are in issue

in this proceeding. However, some marks are clearly more relevant than others. Applicant has filed its application in block letter format, adding POS to the registered mark DIGI without any other distinguishing matter. Accordingly, Digi's ownership of registrations for the mark DIGI in standard characters and in a stylized lettering are of primary importance. Still, Opposer's registrations for product marks that begin with the DIGI prefix are also very significant, as they demonstrate that not only do Opposer's customers recognize the DIGI mark and DIGI & Design logo, they also recognize that the Opposer itself often uses the DIGI mark combined with another term to identify its individual products. Examples of such use are the marks DIGIBOARD, DIGI NEO, DIGI ONE, DIGI CONNECT, DIGI CLASSICBOARD, and others. Because customers are used to seeing the DIGI mark used as part of a product name such as DIGIBOARD, they are even more likely to assume a connection or affiliation with the Opposer when viewing a mark such as DIGIPOS, used in connection with closely related products.

Contrary to Applicant's further assertion in Paragraph 64 that Opposer believes it owns DIGI for any computer related good, Opposer well understands the scope of protection it owns in its marks and enforces those rights very judiciously, as evidenced by the limited number of opposition proceedings that it has initiated over the years. Opposer justifiably believes that the scope of protection in its DIGI Marks is sufficient to prevent the registration of a mark such as DIGIPOS, which is distinguished from Opposer's registered DIGI mark only by the addition of a generic acronym that is used by the Opposer itself to describe a line of products in the Retail/POS sector.

In Paragraph 70 of Applicant's Brief, the Applicant argues that the mark cannot be dissected. The Federal Circuit in National Data Corp., 753 F.2d 1056, 224 U.S.P.Q. 749 (C.A. Fed., 1985) upheld the Board's finding of a likelihood of confusion between the marks

THE CASH MANAGEMENT EXCHANGE and CASH MANAGEMENT ACCOUNT, stating “there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on consideration of the marks in their entireties.” In the instant case, the Applicant seeks to distinguish its mark by the addition of a generic acronym that is also used by the Opposer to identify its Retail/POS product line. Far from distinguishing the two marks, the addition of POS to Opposer’s registered DIGI mark makes confusion almost inevitable.

Opposer notes that if you take away the logos associated with the parties’ marks in the photos inserted at Paragraph 71 of Applicant’s brief (the logos not being at issue in this proceeding), and compare only the word marks, taking into consideration the font used by each, the Applicant’s mark is nothing more than the registered mark as shown in Reg. No.

2,317,478 **Digi**, and others, followed by the generic acronym **POS**.

2. The similarity or dissimilarity of the goods or services.

In this section of its Brief, at Paragraph 74, the Applicant objects that the Opposer has “avoided discussion of the specialized “connectivity” goods claimed in its registrations....” This could not be further from the truth. Opposer has provided a wealth of information regarding its products, through responses to discovery and through hundreds pages of exhibits and through extensive testimony provided by the Joel Young. Opposer does not see how it could be reasonably required to provide more explanation of its products than it has already. Contrary to the Applicant’s assertion that the Opposer does not have “coverage” for the goods claimed by the Applicant, the descriptions of goods and services specified in the Opposer’s twenty-eight (28) registered DIGI marks all cover goods and services that are closely related to the Applicant’s goods.

It is well settled that goods need not be identical or even competitive in nature to support a finding of likelihood of confusion. Instead, it is sufficient that the goods are related in some manner and/or that the circumstances surrounding their marketing are such that they would be likely to be encountered by the same persons under situations that would give rise, because of the marks employed in connection therewith, to the mistaken belief that they originate from or are in some way associated with the same producer or provider. Total Quality Group Inc., In Re, 51 U.S.P.Q.2d 1474, 1999 WL 588248 (Trademark Tr. & App. Bd. 1999), citing In re International Telephone & Telegraph Corp., 197 USPQ 910, 911 (TTAB 1978).

3. The similarity or dissimilarity of established, likely - to -continue trade channels.

In this section of the Applicant's Brief, opposing counsel repeats many of the same false and misleading statements there were included in the Trade Channels section of its Statement of Facts, which have been thoroughly rebutted above. The statements relating to the Opposer's supposed lack of sales to "end users" is in direct contradiction to the evidence. The statement in Paragraph 78 that the parties have no customers in common cannot be considered as neither party has produced a full list of its customers and therefore it cannot be known whether or not they have sold to the same customers.

The record clearly shows that there is overlap in both the channels of trade through which the products are sold and overlap in the class of customers who purchase the products. Unless Applicant's counsel is accusing both Mr. Young and Ms. McBride of providing false testimony under oath, there is absolutely no basis for its repeated assertions that Digi does not sell to "end users". The testimony of both Joel Young and Jan McBride, and the Exhibits entered into the record through these depositions, establish beyond a doubt that Digi makes direct sales not only to end users but to the same class of end users that Applicant sells to. The facts show that the

Applicant and the Opposer sell products to large retailers, both directly and through resellers and systems integrators, for use in point-of-sale systems at checkout points. The only difference between the trade channels used by the two parties is the ratio of sales made directly to retailers compared to those made through resellers and distributors. Opposer sells the majority of its POS products to retailers through resellers, who bundle the products to come up with a complete POS system, or through distributors who fill orders from end users through the stock they order from Digi. Opposer also sells a small percentage of product directly to retailers. Applicant, on the other hand, acts as its own reseller in the majority of its sales, bundling its products with the products of others to sell a complete POS system to end users. In addition, Applicant also sells a percentage of its products to retailers through resellers and distributors. Very simply, whether the products are purchased through a reseller, a distributor, or directly from the Applicant or the Opposer, the products still end up as part of a POS system at the end user retail site.

4. The conditions under which and buyers to whom sales are made, i.e., “impulse” vs. careful, sophisticated purchasing.

Neither parties’ identification of goods are limited to classes of purchasers. Accordingly, normal consumers must be included as prospective purchasers of the goods. Centraz Industries, Inc. v. Spartan Chemical Company, Inc., 77 U.S.P.Q.2d 1698, 2006 WL 236413 (Trademark Tr. & App. Bd. 2006). There is no evidence in the record that the relevant consumers or users are so sophisticated as to be immune from confusion.

Further, the Board and a number of courts have frequently found that even sophisticated purchasers can be confused. In Total Quality Group Inc., *supra*, the Board held that “even careful purchasers are not immune from source confusion. We find this to be especially the case here where the marks are substantially identical and the goods are related.” See: In re Linkvest, S.A., 24 USPQ2d 1716 (TTAB 1992); In re TIE/Communications Inc., 5 USPQ2d 1457 (TTAB

1987); and In re Graphics Technology Corp., 222 USPQ 179 (TTAB 1984). “[B]eing skilled in one's art does not necessarily preclude mistaking one trademark for another.” See Russ Berrie & Co. v. Jerry Elsner Co., 482 F. Supp. 980, 205 U.S.P.Q. 320 (S.D.N.Y. 1980).

In addition, the notion of likelihood of confusion encompasses not only purchaser confusion, but also user confusion, and “a likelihood of confusion among users...is fully capable of supporting a denial of registration under Section 2(d) of the Trademark Act.” In re Artic Electronics Co., 220 USPQ 836, 838 (TTAB 1983). There is nothing on the record to support a claim that the store clerks and cashiers at retail establishments who use the products sold by Applicant and by Opposer are so sophisticated to be unlikely to be confused by the similarity in the product names.

5. The fame of the prior mark.

While the Opposer is well known and widely recognized in the relevant industry, it is not required to prove fame of its marks in order to prevail in this opposition. Opposer has used the DIGI mark for more than twenty years and has produced evidence of such use, as well as evidence of hundreds of millions of dollars in sales, and evidence of extensive marketing and promotional marketing activities.

Contrary to the Applicant's assertions, the DIGI mark does serve as an indicator of a single source within the relevant industry. As evidence of this fact, Opposer notes that the Applicant has produced a list of companies that it considers to be competitors, as well as list of resellers and distributors that handle its products. The Opposer has also produced lists of OEM manufacturers to whom it sells products, and lists of resellers and distributors, as well as lists of attendees at trade shows. In all of the lists of companies entered into evidence by both parties, companies active in the computer industry in general and the POS sector in particular, there is

not a single other entity whose name incorporates the DIGI mark, other than the Applicant. Further, the Applicant has not entered into evidence even one other competing or related product used in the POS industry that incorporates the DIGI formative, again with the exception of Applicant's own DigiPos products. To the best of Opposer's knowledge there is no other company operating in this industry under a name that includes DIGI, other than Applicant. The Opposer's Digi International name and its family of DIGI Marks have been distinctive in this industry for many years and clearly serve as an indicator of source.

6. The number and nature of similar marks in use on similar goods.

In reference to the Applicant's own topic heading identified above, it has supplied no evidence of any "use" of similar marks on similar goods. The Applicant mentions many times the thousand "DIGI" marks it located on the Register, but again makes no attempt to separate those marks that are actually comprised of the words "digital" or "digit" from those using the DIGI formative. Applicant makes the argument that this evidence of third party registrations without evidence of third party use may be competent to show that a term has descriptive or suggestive significance. Opposer's registrations for the DIGI mark in standard characters is prima facie evidence that the DIGI mark is not descriptive, and many of the Opposer's registrations are no longer subject to challenge on that basis. While the Digi Marks may be suggestive, rather than arbitrary, suggestive marks are often given a broad scope of protection. In fact, the Courts have often held that the best marks may be highly suggestive. See Van Camp Sea Food Co. v. Alexander B. Stewart Organizations, 50 F.2d 976 (C.C.P.A. 1931). See also Continental Scale Corp. v. Weight Watchers International, Inc., 517 F.2d 1378, 186 U.S.P.Q. 321 (C.C.P.A. 1975) ("[A]s we have often pointed out and as is very well understood, suggestive

words may be and frequently are very good trademarks.”). The fact that a mark is suggestive does mean that others may adopt the same or a closely similar for mark for use on similar goods.

Further, to the extent that the Opposer’s Digi marks were not highly distinctive at the times they were adopted, the marks have acquired additional distinctiveness through more than twenty years of continuous use in the marketplace.

7. The nature and extent of any actual confusion.

The Applicant, who has failed to conduct anything beyond a direct hit search prior to adoption of the mark “DIGIPOS”, is now chastising the Opposer for not conducting a survey to establish likelihood of confusion. Opposer must remind the Applicant that this is an action before the Trademark Trial and Appeal Board and the Board has stressed that while it is receptive to survey evidence, such evidence is not mandatory to establish a likelihood of confusion where other evidence exists. The Board will not draw a negative inference from a party's failure to offer survey evidence. Hilson Research, Inc. v. Society for Human Resources Management, 27 U.S.P.Q.2d 1423, 1435-36 (T.T.A.B. 1993). McDonald's Corp. v. McClain, 37 U.S.P.Q.2d 1274 (T.T.A.B. 1995) (“Neither party is obligated, in a proceeding before the Board, to spend the effort and expense to obtain such evidence.”).

Likelihood of confusion, not actual confusion, is the standard by which the matter must be decided. That is, confusion may be “likely” even though there is no evidence of actual confusion in the past. Walgreen Co. v. Knoll Pharmaceutical Co., 162 U.S.P.Q. 609, 1969 WL 9142 (T.T.A.B. 1969); Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Ctr., 109 F.3d 275, 42 U.S.P.Q.2d 1173 (6th Cir. 1997) (“Due to the difficulty of securing evidence of actual confusion, a lack of such evidence is rarely significant.”). It is well established that actual confusion is difficult to prove. Opposer has no way of knowing how many of its customers may

have purchased products from DigiPoS under the false impression that they were purchasing Opposer's products or that Applicant is somewhat associated or affiliated with the Opposer. Further, the Applicant's presence in the U.S. market has been so minimal until just recently, that the Applicant's claim that the parties have coexisted for five years without confusion is simply meaningless. Opposer believes that if Applicant's business in the U.S. continues to expand, confusion is not only likely but is inevitable.

8. The variety of goods on which a mark is or is not used (house mark, family mark, product mark.)

Opposer's trial brief sets forth in detail how it has met the criteria for claiming a family of "DIGI" marks and therefore Opposer will not comment further on this section.

9. The extent of potential confusion, i.e., whether de minimus of substantial.

The Opposer has sold product within the POS sector under one or more of the DIGI Marks for more than twenty years and the Retail/POS is currently a major growth sector for Opposer. Having a competitor selling products under a name that is comprised solely of the registered DIGI mark joined by the generic descriptor of the product line, namely, "POS", is a situation that can lead to significant, not de minimus, confusion.

10. Any other established fact probative of the effect of use.

Again, the Applicant is attempting to twist the Opposer's words to suit its own purposes. Opposer did not accuse the Applicant of filing "ahead of a 'national advertising campaign'", but was merely citing relevant case law where such action had been taken. Similarly, the Opposer's lack of knowledge of the Applicant is not at issue. It is the Applicant's failure to conduct a proper search and thereby learn of the Opposer's rights in the DIGI Marks that is at issue. Finally, with regard to Applicant's assertion that there has been no policing of Opposer's marks

simply because none of the actions have resulted in full blown litigation, Opposer can only respond that reasonable people often come to reasonable resolutions.

CONCLUSION

For the reasons set forth above, and those set forth in Opposer's trial brief, Opposer respectfully requests that the Board sustain the opposition and refuse registration for the mark DIGIPOS shown in application Serial No. 76/561,585.

Date: July 13, 2007

Respectfully submitted,



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CERTIFICATE OF SERVICE

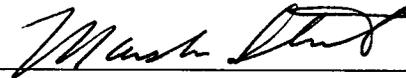
I hereby certify that a true copy of the BRIEF FOR OPPOSER was served on July 13, 2007, by first class mail, postage prepaid, on the following attorneys for Applicant:

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