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

Proceeding	91166487
Party	Plaintiff Hasbro, Inc.
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Attachments	Cross Motion For Summary Judgment.PDF (15 pages)(178805 bytes)

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

In the Matter of Application Serial No. 78/359,895
Filed: January 30, 2004
For the Mark: MEMORY MAGIC in International Class 28
Published in the Official Gazette: May 10, 2005 at TM 330

HASBRO, INC.	:	
	:	
Opposer,	:	
	:	
v.	:	Opposition No. 91/166,487
	:	
CREATIVE ACTION LLC,	:	
	:	
Applicant.	:	

OPPOSER’S CROSS MOTION FOR SUMMARY JUDGMENT

Opposer Hasbro, Inc. (“Hasbro”) respectfully submits this cross motion for summary judgment on its claim to restrict the application of Applicant Creative Action LLC (“Creative Action”) under Trademark Act Section 18, 15 U.S.C. Section 1068. This motion is related to and made as a cross-motion to that of Creative Action for summary judgment on its counterclaim.

Preliminary Statement

An inspection of Creative Action’s Memory Magic product¹ and the deposition testimony of Dr. Ronni Sterns, Creative Action’s founder and CEO, make clear that Creative Action did not properly describe its product when it filed its intent-to-use application. The

¹ Photographs of the Memory Magic product and its instructions are attached to the Declaration of Claire Frost as Exhibit 1. Hasbro will, of the Board prefers, submit an actual sample of the product.

Memory Magic product is a therapeutic device rather than a game and, as such, it has little in common with Hasbro's famous MEMORY[®] game for children. Once Hasbro and its counsel was able to obtain a sample Applicant's product and take the deposition of Dr. Sterns, it became clear that there is little to no likelihood of confusion between the Hasbro's children's game and Creation Action's actual product.

All that is needed to resolve this proceeding is for Applicant's description to be modified and restricted so that it accurately describes Applicant's product. Since the product is before the Board, along with the testimony of Applicant's president and its interrogatory responses, the Board is able to make its own assessment of the product without further testimony and to amend the description to make it accurately conform to what is being sold.

That is what Section 18 was intended to do: to provide a mechanism to resolve a potential opposition simply and efficiently by modifying and restricting the product description to conform to reality. Better yet, it can be done without further discovery and as a matter of law, and thereby end this proceeding.

Facts

I. BACKGROUND TO THIS PROCEEDING

This proceeding was started on the basis of potential confusion between Applicant's MEMORY MAGIC and Hasbro's MEMORY[®] trademarks, based on the description of Applicant's product as a game in its intent-to-use application. When Hasbro's counsel was finally given a sample of Applicant's product in October 2009 and was finally able to take the deposition of its principal, it became clear that the products were not at all alike and that Applicant's product had been misdescribed in the application. Hasbro subsequently moved to amend its Notice of Opposition to replace its likelihood of confusion claims with a claim to restrict and/ or modify Applicant's description of goods pursuant to Section 18 of the Lanham

Act, 15 U.S.C. § 1068 and a claim for lack of bona fide intent to use pursuant to 15 U.S.C. § 1051(b).

In its May 13, 2010 Order (“May 13 Order,” Docket # 58), the Board held that Hasbro adequately pleaded its amended claims and granted Hasbro’s motion to amend. Of Hasbro’s Section 18 claim, the Board stated: “Hasbro has pleaded facts, which, if proven would establish the necessary elements for a claim for restriction under Section 18”: namely, “that the proposed restriction would serve to avoid any likelihood of confusion with respect to [Hasbro’s] registered marks and that Creative [Action] does not use the mark on the goods identified in its application because the mark is not a game....” *Id.* at 8. This claim is the subject of the instant cross motion for summary judgment and, since the product and Creative Action’s own description of it are before the Board, there is no disputed issue of fact as to the nature and proper description of the product.

II. THE PARTIES' PRODUCTS

Hasbro's MEMORY[®] trademark is used on a game directed to preschool children. It uses colorful images rather than text, is played by matching images, and is played competitively for fun. It is sold principally through mass retailers at an inexpensive price point (about \$7 a unit). See Declaration of Peter Kristoffy (“Kristoffy Decl.”), submitted in support of Hasbro’s Motion to Amend ¶¶ 4-6.²

The principal dictionary definitions of "game" are "1. an amusement or pastime: *children's games*. 2. the material or equipment used in playing certain games 3. a competitive activity involving skill, chance, or endurance on the part of two or more persons who play according to a set of rules, usually for their own amusement or for that of spectators."

² This declaration is re-submitted as Frost Decl. Exh. 2.

THE RANDOM HOUSE DICTIONARY OF THE ENGLISH LANGUAGE 582 (Unabridged Ed. 1983).

The Memory Magic product is none of those; it is not an amusement or pastime, nor is it a competitive activity. Quite simply, Applicant's product is *not* a game and, as Dr. Sterns simply and frankly noted of Memory Magic: "We no longer call it a game." Sterns Dep. 110:9.³

Memory Magic is instead, as Dr. Sterns testified, "a comprehensive therapeutic intervention for groups of people with cognitive impairments which includes dementia, stroke, head trauma, and behavior problems." Sterns Dep. 38:18-21. Its therapeutic nature is also shown by the fact that Creative Action advertises it as such and provides Medicare reimbursement codes for its purchase. See Frost Decl. Exhs. 4-6; Sterns Dep. 46:7-8 ("it's reimbursable in therapy from one to four people").

Creative Action took great pains to design its product to appeal to and be used by the elderly and to avoid anything that would make it look like a children's game. For example, the product comes in a

[p]lain cardboard box . . . by design. We wanted to make it therapeutic and non-toy like. We didn't want anyone -- people with dementia -- getting confused by a lot of colors, so that was really -- I was laughing, but that is by design. And we didn't want staff to be confused by colors either.

Sterns Dep. 37:18 – 38:1.

The product was developed with a \$1.5 million grant from the National Institutes of Health. Sterns Dep. 47:21-22; 103:11-13. Creative Action's goal was

to develop a program that would happily engage large groups of people with dementia for an hour at a time and lessen behavior problems so staff could get a respite and be happy as well. What I believe we have, but we

³ The deposition of Dr. Ronni Sterns, Creative Action's president and CEO, was originally noticed for June 2006 and finally taken on October 20, 2009. The transcript of it will be cited herein as "Sterns Dep." followed by the page and line numbers of the transcript. Relevant excerpts are attached as Frost Decl. Exh. 3.

haven't shown yet, is a program that keeps people with dementia at the same level of dementia longer because it uses aspects of memory that they have remaining, which is not short-term memory. They don't have short-term memory. That's the problem with dementia. It's a loss of, among other things, short-term memory.

Sterns Dep. 46:20 – 47:6.

It is also not a game because it very deliberately avoids any competitive nature.

When asked whether Memory Magic had a "winner," Dr. Sterns answered:

Absolutely not. There's no winner. None. That is a major point. What happens with winning and losing, it generates negative emotions and you get people getting very upset, and that's not good for the residents, for the other residents, or for staff. . . . [i]t's failure free. Whatever level of dementia you're at -- I can't say about very late stages and people who are curled up and are just not responsive, but outside of that, whatever level you're at, it lets you do whatever you can do so you feel good about it, and you don't feel as though you're in competition with the next person.

Sterns Dep. 50:10-24.

Memory Magic is quite clearly targeted, as specified by the grant from National Institute on Aging of the National Institutes of Health, "toward older adults in long-term care settings with dementia, and staff people who are caregivers in those facilities. That was clearly what the grant stated." Sterns Dep. 103:14-17, 164:7-15 (Unlike Hasbro's MEMORY[®] game, which "is targeted to children and looks like it's for children," Memory Magic is "for people with dementia and long-term health care facilities.").

Hasbro's MEMORY[®] game and Creative Action's Memory Magic therapy do not compete. Sterns Dep. 117:21-23. They are not even appropriate for the same age group, and Dr. Sterns testified that there "couldn't possibly be" "any overlap of potential customers" "because there's a requirement in long-term care to have age appropriate products, and products that are for three- and four-year-olds and are very colorful like that are no longer deemed appropriate, and the state surveyors may come in and give the facility big problems." Sterns Dep. 117:24 –

118:6.

Not surprisingly, the products are not in the same channels of trade. Hasbro's MEMORY[®] game is sold primarily by mass market retailers. Memory Magic is sold by direct sales to nursing homes/adult day care centers and, rarely, to families of elderly persons with dementia. Sterns Dep. 120:13-17, 121:4-6, 9-11. Memory Magic's price point is in a whole other league than the MEMORY[®] game: \$339 for Memory Magic vs. \$7 for the MEMORY[®] game.

III. THE APPLICATION'S INACCURATE DESCRIPTION OF THE MEMORY MAGIC PRODUCT

Creative Action applied to register its mark in Class 28, which is for toys and sporting goods, further delineated as "Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees." The product is described as follows in its application:

therapeutic game in the nature of a trivia game and a bingo game for engaging persons with memory loss consisting of game cards that contain answers to questions and calling cards that contain questions and information related thereto.

This description is inaccurate. It also suggests similarities, and raises the specter of likelihood of confusion, between MEMORY[®] and Memory Magic where none in fact exist.

As shown above, the product does not belong in Class 28, because it is not a game, plaything, or sporting article. It is a therapeutic activity kit that more properly belongs in Class 10 as a medical apparatus. Its medical function is clearly indicated by the fact that Creative Action advertises the reimbursement codes that can be used to obtain Medicare/Medicaid reimbursement for the product's purchase. See Frost Decl. Exh. 4-6.

An alternate description that accurately reflects Applicant's actual product can be derived directly from Creative Action's interrogatory responses. In its response to interrogatory

2 seeking a description of its goods, Creative Action described the Memory Magic product as follows:

Activity/program for groups and for people with dementia, head trauma or stroke living in long term care facilities or attending adult day care centers and older adults with these cognitive impairments living at home and staff training programs related to the MEMORY MAGIC activity.

(Creative Action Interrogatory Response 2, attached to Frost Decl. as Exh. 7.) Creative Action also stated that the channels of trade for Memory Magic are “trade show exhibits, direct marketing, and distributors of products to health and long term care industries” (Creative Action Interrogatory Response 2(d), Frost Decl. Exh. 7), and that the intended market for Memory Magic is “long-term care facilities, adult day care centers, home health care agencies, psychiatric hospitals and units, and care givers of older adults with dementia, head trauma or stroke who live at home” (Creative Action Interrogatory Response 2(e), Frost Decl. Exh. 7).

Combined as follows, these statements by Creative Action would constitute an accurate identification of goods:

Activity/ program for groups and for people with dementia, head trauma or stroke living in long term care facilities or attending adult day care centers and older adults with these cognitive impairments living at home and staff training programs related to the MEMORY MAGIC activity, marketed to long-term care facilities, adult day care centers, home health care agencies, psychiatric hospitals and units, and care givers of older adults with dementia, head trauma or stroke who live at home through trade show exhibits, direct marketing, and distributors of products to health and long term care industries.

This description, which accurately reflects the significant differences between the parties products, would avoid any likelihood of confusion with Hasbro’s preschool game.

Argument

This cross motion for summary judgment is governed by Fed. R. Civ. P. 56. “The burden is on a party moving for summary judgment to show the absence of any genuine issue of material fact and that it is entitled to judgment as a matter of law. [citation omitted]. The evidence of record and any inferences which may be drawn from the underlying undisputed facts must be viewed in the light most favorable to the nonmoving party.” Warner-Lambert Co. v. Sports Solutions, Inc., 39 U.S.P.Q.2d 1686, 1690 (T.T.A.B. 1996) (citing Olde Tyme Foods, Inc. v. Roundy’s Inc., 961 F.2d 200, 22 U.S.P.Q. 2d 1542 (Fed. Cir. 1992)).

Where, as here, there is no genuine issue of material facts, “summary judgment is a salutary method of disposition” which facilitates the “just, speedy and inexpensive” determination of an action. Sweats Fashions Inc. v. Pannill Knitting Co., 833 F.2d 1560, 1562, 4 USPQ2d 1793 (Fed. Cir. 1987), quoting Celotex Corp. v. Catrett, 477 U.S. 317, 106 S.Ct. 2548, 2555, 91 L.Ed.2d 265 (1986).

Here, there is no disputed fact because the only relevant facts are (1) what the product is and (2) its intended market and customer. Both can be resolved by simply examining the product and how Applicant itself has described it in marketing materials, its president’s deposition, and its interrogatory responses.

I. HASBRO IS ENTITLED TO JUDGMENT AS A MATTER OF LAW ON ITS SECTION 18 CLAIM.

Even drawing all inferences in favor of Creative Action, Creative Action’s own sworn testimony shows that there are no genuine issues of material fact regarding Hasbro’s Section 18 claim.

“Under Trademark Act Section 18, 15 U.S.C. Section 1068, the Board has equitable power to, in whole or in part, ‘restrict the goods or services identified in an application

or registration,’ or to ‘otherwise restrict or rectify ... the registration of a registered mark.’” May 13 Order at 7, citing TBMP Section 309.03(d).

This language was put in place as part of the Trademark Law Revision Act of 1988 to give the Board the flexibility to take real-world facts into consideration in its decisions. The amendment was recommended by the United States Trademark Association (now INTA) because prior law was too limiting:

Current law puts the Board in a straightjacket, bound by the goods and services descriptions in the relevant applications and registrations.... Not surprisingly, the Board often decides the likelihood of confusion issue on hypothetical, not real world, grounds.

The Commission believes that perpetuating this artificial environment is undesirable. Actual product and trade channel differences are highly relevant and often determinative in court proceedings. The Board should be able to consider them as well, and to modify a description if it would avoid likelihood of confusion.

THE UNITED STATES TRADEMARK ASSOCIATION TRADEMARK REVIEW
COMMISSION *REPORT AND RECOMMENDATIONS TO USTA PRESIDENT AND BOARD
OF DIRECTORS*, 77 TRADEMARK REP. 452 (1987)

During deliberation on the bill, the Senate Judiciary Committee also averred that the Board would benefit from the ability to consider “marketplace realities” rather than simply “hypothetical facts”:

Section 18 will permit the Board to base determinations of likelihood of confusion on marketplace realities rather than on hypothetical facts.... In addition, it gives the Board flexibility when addressing the goods or services identified in an intent-to-use application. For example, if testimony about the intended use results in a factual determination that the goods or services specified in the application are stated too broadly, the Board would be permitted to modify the identification accordingly.

Staff of Senate Comm. on the Judiciary, 100th Cong., Report on Trademark Law Revision Act of 1988 (Comm. Print 1988).

In order to restrict an application under Section 18, a party must prove that “(i) the entry of a proposed restriction to the goods or services in its opponent’s application or registration will avoid a finding of likelihood of confusion and (ii) the opponent is not using its mark on those goods or services that will be effectively excluded from the application or registration if the proposed restriction is entered.” See Eurostar, Inc. v. “Euro-Star” Reitmoden GMBH & Co. KG, 34 U.S.P.Q.2d 1266, 1270 (T.T.A.B. 1994).

A. Creative Action is Not Using Its Mark On The Goods That Will Be Effectively Excluded from Its Application.

Creative Action is not using its mark on the goods that will be effectively excluded from its application by Hasbro’s proposed restriction, because, as discussed above, Memory Magic is not actually a game. See, e.g., Sterns Dep. 100:9 (“We no longer call it a game.”); 37:18 – 38:1 (“We wanted to make it ... non-toy like.”); 50:10 (“There’s no winner.”). It is, instead, “a comprehensive therapeutic intervention” (Sterns Dep. 38:18) or therapeutic “activity/ program” (Creative Action Interrogatory Response 2) and this is reflected in the restriction proposed by Hasbro.

This distinction is made evident by Creative Action’s own sworn testimony. As such, there is no genuine issue of material fact to be resolved by the Board. See, e.g., Nike, Inc. v. Bordes, No. 91178960, 2009 WL 4086583 at * 6 (T.T.A.B. Sept. 30, 2009) (granting summary judgment on claim that applicant’s proposed mark was geographically descriptive, where applicant’s own testimony suggested mark was tied to geographical location); Universal City Studios, LLP v. Brost, No. 91153683, 2004 WL 1957207 at * 3 (T.T.A.B. Aug. 18, 2004)

(granting summary judgment on claim that applicant did not use the applied-for mark in commerce before filing application, where applicant admitted such in deposition testimony).

B. Entry of Hasbro's Proposed Restriction Will Avoid Any Likelihood of Confusion.

By inaccurately describing the Memory Magic product as a game, Creative Action's application suggests a false similarity between Memory Magic and Hasbro's MEMORY[®] game. The inaccurate description of goods in Memory Magic's application also fails to identify the significant differences between the two products. The application's suggestion of false similarity and failure to identify true differences thus raises the specter of likelihood of confusion between Memory Magic and Hasbro's famous MEMORY[®] mark.⁴

The restriction proposed by Hasbro, however, will avoid any likelihood of confusion by accurately reflecting the significant differences between Memory Magic and MEMORY[®]. The proposed restriction:

- Properly re-categorizes the mark as a medical apparatus, rather than a game (as discussed immediately above);
- Accurately describes Memory Magic's intended users, namely, people with dementia, head trauma or stroke living in long term care facilities or attending adult day care centers and older adults with these cognitive impairments living at home (see Creative Action Interrogatory Response 2; see also Sterns Dep. 38:18-21, 103:14-17, 164:7-15);

⁴ Although Hasbro must prove, as an element of its Section 18 claim, that the proposed restriction will avoid any likelihood of confusion between the parties' marks, Hasbro need not prove likelihood of confusion between Creative Action's inaccurate description of Memory Magic and Hasbro's MEMORY[®] mark as a condition precedent. Such a requirement would embroil the Board in abstract, hypothetical issues, precisely what Section 18 was designed to avoid. See IdeasOne, Inc v. Nationwide Better Health, Inc., No. 92049636, 2009 T.T.A.B. LEXIS 86 at * 8 (T.T.A.B. Mar. 12, 2009).

- Accurately describes Memory Magic’s intended purchasers, namely, long-term care facilities, adult day care centers, home health care agencies, psychiatric hospitals and units, and care givers of older adults with dementia, head trauma or stroke who live at home (see Creative Action Interrogatory Response 2(e); see also Sterns Dep. 103:14-17, 120:13-17, 121:4-6, 121:9-11, 164:7-15); and
- Accurately describes Memory Magic’s channels of trade, namely, trade show exhibits, direct marketing, and distributors of products to health and long term care industries (see Creative Action Interrogatory Response 2(d); see also Sterns Dep. 120:13-17, 121:4-6, 121:9-11).

As discussed above, the proposed restriction thus makes clear that MEMORY[®] and Memory Magic are fundamentally different products, with markedly different intended users, intended purchasers, and channels of trade. Because every element of the proposed distinction is supported by Creative Action’s own sworn testimony, and because confusion will be impossible between the proposed description of Memory Magic and Hasbro’s MEMORY[®] mark, no genuine issue of material fact requires resolution. As such, the Board should grant Hasbro’s cross motion for summary judgment on its claim to restrict Creative Action’s application under Trademark Act Section 18.

**II. JUDGMENT ON HASBRO’S SECTION 18 CLAIM
WILL RENDER CREATIVE ACTION’S COUNTERCLAIM MOOT.**

While a counterclaim is not automatically dismissed when an opposition is resolved, it can only survive if the counterclaimant demonstrates that he continues to have standing by showing that he has “a reasonable basis for a belief that [he] is damaged by the registration sought to be cancelled.” Lipton Indus., Inc. v. Ralston Purina Co., 670 F.2d 1024,

1029, 213 U.S.P.Q. 185 (C.C.P.A. 1982). This requirement is satisfied if the counterclaimant asserts “a likelihood of confusion which is not wholly without merit” or “a rejection of an application during prosecution.” Id.

If the Board exercises its equitable power under Section 18 to amend Creative Action’s registration, Creative Action will not be able to assert either a likelihood of confusion with Hasbro’s MEMORY® mark or a rejection of an application during prosecution. Accordingly, if the Board grants Hasbro’s cross motion for summary judgment, it should dismiss Creative Action’s counterclaim as moot.

CONCLUSION

For the foregoing reasons, the Board should grant Hasbro’s motion for summary judgment, amend and limit the description of Creative Action’s product accordingly, and dismiss the counterclaim as moot.

Dated: July 8, 2010

Respectfully submitted,

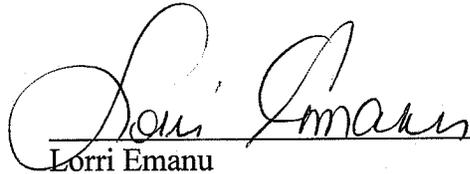


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ELECTRONIC MAILING CERTIFICATE

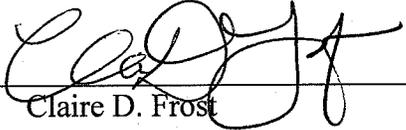
I hereby certify that the **Opposer's Cross Motion For Summary Judgment** is being submitted electronically through the Electronic System for the Trademark Trial and Appeal Board ("ESTTA") on this 8th day of July, 2010.


Lorri Emanu

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Opposer's Cross Motion for Summary Judgment** was served by electronic mail on July 8, 2010, on the following counsel for Applicant:

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Claire D. Frost