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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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Submission	Reply in Support of Motion
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Date	09/01/2010
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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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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. CREATIVE ACTION LLC, Applicant.	Opposition No. 91/166,487

REPLY MEMORANDUM IN FURTHER SUPPORT OF OPPOSER'S AMENDED CROSS MOTION FOR SUMMARY JUDGMENT

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Opposer Hasbro, Inc. ("Hasbro") respectfully submits this Reply Memorandum of Law in further support of its cross motion for summary judgment on its Section 18 claim to amend and restrict the description of goods for the MEMORY MAGIC mark of Applicant Creative Action ("Creative Action").

I. INTRODUCTION

One simple, indisputable fact survives Creative Action's barrage of procedural arguments against summary judgment on Hasbro's Section 18 claim: If Creative Action had described its product in its application with the accuracy that it did in discovery, this Opposition would not have been commenced.

All that is required to bring this Opposition to a close with no impairment of Creative Action's rights is for the Board to use its power under Section 18 to correct the inaccurate categorization of the product in Class 28 and the misdescription of the product as a game. It can do this based on the product itself and Creative Action's sworn descriptions of it in interrogatory responses and deposition testimony. As demonstrated in Hasbro's opening papers, Creative Action's verbatim responses to interrogatories asking for an identification of the goods sold, channels of trade, and intended market could be synthesized in the following description:

> 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 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.

(Creative Action Interrogatory Response 2, 2(d), and 2(e), attached to Frost Decl. as Exh. 7.)

If Creative Action's own verified interrogatory responses are not sufficient for summary judgment, the Board has more: it has the deposition testimony of Creative Action's president and the product itself, both of which are before the Board but were not before the Trademark Examiner when Creative Action's intent-to-use application was approved for publication. They confirm that the MEMORY MAGIC product is not a game.

Unwilling to acknowledge on this motion what it has acknowledged in discovery – the simple fact that it does not sell a game or plaything – Creative Action instead throws up a plethora of technical procedural challenges to try to avoid the fair, equitable, efficient, and appropriate resolution of this Opposition that was the purpose of amending Hasbro's Notice of Opposition to add a Section 18 claim and that Hasbro's cross motion requests.

None of Applicant's procedural challenges make sense. Hasbro's cross motion for summary judgment is sufficiently related to Creative Action's seemingly abandoned attempt at summary judgment on its counterclaim[1] to be properly before the Board as a cross motion. Hasbro's suggested description of the goods does not have to be verbatim what is suggested in the Amended Notice of Opposition. Nothing prohibits Hasbro from asserting or the Board from accepting a slight modification of the language in the Notice to accommodate concerns expressed by Creative Action and more readily bring this Opposition to a close.

The cross motion is based on undisputed facts drawn from Creative Action's verified interrogatory responses, testimony, and the actual product, which show that Creative Action's description of the Memory Magic product as a game is inaccurate and that an accurate

[1] Creative Action's motion for summary judgment was based on an argument that Hasbro had admitted that its mark was generic solely because Hasbro had not, in Creative Action's faulty calculation, timely responded to a request to admit genericism. The contention of Hasbro's admission was rejected by the Board and Creative Action did not even bother to submit a reply on its summary judgment motion.

description would avoid any likelihood of confusion with Hasbro's mark. Accordingly, no genuine issues of material fact remain to be resolved on the description of the product.

Finally, Creative Action's contention that the Board must first adjudicate the validity of Hasbro's mark and the likelihood of confusion between Hasbro's products using the MEMORY® mark and the fictitious description of Creative Action's product would eviscerate the efficient means of resolving disputes that Congress sought to achieve with the addition of Section 18 in 1988 to allow the Board the flexibility to take real-world facts into consideration and avoid hypothetical disputes.

II. ARGUMENT

A. Hasbro's Cross Motion Is Relevant To Creative Action's Pending Motion for Summary Judgment.

The first procedural argument Creative Action brings against Hasbro's cross motion is that the cross motion is not relevant to Creative Action's pending motion for summary judgment and that it therefore violates the Board's June 3 and June 8, 2010 orders suspending the Opposition. Section 528.03 of the Trademark Trial and Appeal Board Manual of Procedure, however, specifically cites a cross motion for summary judgment as one example of the type of papers "which are or may be germane to a motion for summary judgment." That is the case here.

As argued in Hasbro's cross motion and below in section II(G) of this memorandum, a decision on Hasbro's Section 18 claim[2] is the simplest and most efficient means of disposing of this matter because Applicant's product properly described poses no likelihood of confusion with Hasbro's registered mark. Revising that description pursuant to Section 18 would eliminate the need for the far more complicated resolution of disputed facts that, as shown

[2] Hasbro's 15 U.S.C. 1051(b) claim is not part of Hasbro's Cross Motion but would become moot with the correction of Applicant's product description under Section 18.

in opposition to Creative Action's summary judgment motion. It would make the counterclaim moot by eliminating any eliminating any threat to Creative Action's appropriate registration and use of its mark. Accordingly, Hasbro's cross motion is germane to Creative Action's pending motion for summary judgment and its submission was proper.

B. Hasbro's Cross Motion Is Sufficiently Based On Hasbro's Amended Notice Of Opposition.

Creative Action further argues that the cross motion should be denied consideration because it is not based on Hasbro's Amended Notice of Opposition. The Board has already found, by permitting the amendment over Applicant's opposition, that Hasbro's Amended Notice states a claim pursuant to Section 18 of the Lanham Act, which empowers the Board to, inter alia, "modify the application or registration [in an opposition, concurrent use, or cancellation proceeding] by limiting the goods or services specified therein" or "otherwise restrict or rectify with respect to the register the registration of a registered mark." 15 U.S.C. § 1068. The heart of Hasbro's claim is that the description of goods provided in Creative Action's application is inaccurate and should be modified by the Board because (1) the Memory Magic product is not a game and (2) Creative Action's description does not reflect its very particular channels of sales and target market, which clearly distinguish the Memory Magic product from Hasbro's famous MEMORY® game. This is the claim on which Hasbro seeks summary judgment.

A pleading for relief under Section 18 "must include at least a ***general*** statement of the manner in which the goods or services of the pleaded registration or the involved application should be restricted." Space Base, Inc. v. Stadis Corp., 17 U.S.P.Q.2d 1216, 1220 (T.T.A.B. 1990) (emphasis added). Providing specific suggested language, rather than the more minimalist general statement, however, does not prohibit Hasbro from asserting, nor the Board

from accepting, a slight modification from the language of the Notice to accommodate concerns expressed by Creative Action.

C. Hasbro's Proposed Description of Goods Would Remedy the Application's Inaccurate Description of Goods.

The proposed description of goods in Hasbro's cross motion addressed concerns raised by Creative Action in earlier briefing (see Docket #56 at 5) and reprised here ("Applicant's Br.," Docket # 79 at 6).[3] The description proposed in the cross motion differs from that in the Amended Notice by deleting the words or phrases to which Creative Action previously objected. It avoids disputed facts by describing Memory Magic using Creative Action's own words, provided by Creative Action in sworn interrogatory responses. (See Creative Action Interrogatory Response 2, 2(d), and 2(e), attached to Frost Decl. as Exh. 7.)

Creative Action raises no substantive objection to the proposed description of goods set forth in Hasbro's cross motion. What Applicant does instead, paradoxically, is to attack Hasbro's accommodation to its concerns on the procedural grounds that the language differs slightly from that proposed in the Amended Notice.

The argument is logically and legally absurd: Hasbro's accommodation should be welcomed, not attacked, and if the description proposed in the cross motion does in fact closely track the descriptions Creative Action has given in interrogatory responses, it should be accepted. The language of the Amended Notice need not be specific and, if specific, need not be written in stone. Nor is the Board faced with the rigid alternative of accepting or rejecting Hasbro's proposed description verbatim. It has discretion to edit and come up with its own description.

[3] The description can come as no surprise to Creative Action, since it is the same language Hasbro suggested in its Reply Memorandum in Support of Motion to Amend Opposer's Notice of Opposition. (Docket #57 at 6.)

1. Memory Magic Does Not Belong In Class 28

Creative Action argues that Memory Magic is properly classified in Class 28 because the US Acceptable Identification of Goods and Services Manual includes "Game equipment sold as a unit comprised primarily of a playing board and playing cards and also including rules of play, dry erase boards and erasers, markers, a timer and t-shirts" and "Game equipment sold as a unit for playing mind-body emotional and psychological games for adult couples and individuals." Memory Magic is not, however, properly grouped with either of these types of goods. As Hasbro has shown in its Cross Motion, Creative Action's Memory Magic product is not a game at all, but rather a therapeutic activity/ program for people with dementia, head trauma or stroke. It certainly is not what Creative Action suggests in its opposition brief at 12 – a "mind-body emotional and psychological game[] for adult couples" – which appears to be a euphemism for adult sex games.[4]

2. Hasbro Has Challenged The Entirety Of Creative Action's Description of its Product as a "Game."

Creative Action also argues that Hasbro "does not dispute the accuracy of the … portion of Creative Action's identification of goods" that describes Memory Magic as "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." (Applicant's Br. at 10.) That is not correct. Hasbro challenges any use of the term "game" to describe the product because Memory Magic is not a game. (See Cross Motion at 4-7.)

[4] Registered trademarks with this description of goods include "seducteez" (Serial No. 77960650) and "RELATIONSHIP REF" (Serial No. 85032424).

Further, Hasbro has shown that Creative Action's description of goods is overbroad, because it does not reflect the particular channels of trade through which it is sold or the specialized market for which it is intended. This overbreadth is properly remedied through the Board's equitable power under Section 18. See Eurostar, Inc. v. "Euro-Star" Reitmoden GmbH & Co., 34 U.S.P.Q.2d 1266, 1272 (T.T.A.B. 1995) (Board would restrict registration to certain channels of trade if such restriction would avoid a likelihood of confusion).

D. Hasbro Is Not Required To Prove A Hypothetical Claim In Order To Succeed On Its Section 18 Claim.

Creative Action is also wrong to argue that, in order to succeed on its Section 18 claim, Hasbro must first prove that a likelihood of confusion exists between Hasbro's MEMORY® game and Creative Action's misdescribed goods. Eurostar imposes no such requirement on Hasbro. To the contrary, the point of the decision was to avoid embroiling the Board in hypothetical issues. Eurostar therefore counsels against requiring Hasbro to litigate an entirely hypothetical claim of confusion with the misdescribed goods in order to prove its claim under Section 18.

Neither Eurostar, nor any other case cited by Applicant, nor any case Hasbro has been able to find, has decided that likelihood of confusion must be decided before an accurate description has been determined. The cases have instead held that if likelihood of confusion has already been found, then Section 18 allows the Board to amend a flawed description to comport with commercial reality and thereby avoid an entirely hypothetical likelihood of confusion.

Eurostar rejected prior practice of adjudicating requests for restrictions on descriptions that had "dubious 'commercial significance'" so as to

> virtually eliminate frivolous or harassing restriction proceedings and devote our administrative resources to those kinds of cases intended by the drafters for the amendment: those in which

> restrictions to applications and registrations serve to avoid findings of likelihood of confusion.

Id. at 1270.

Creative Action would turn Eurostar on its head by requiring the Board to engage in an inefficient trial to *establish* likelihood of confusion before it could examine commercial realities to *avoid* having to make such findings. Hasbro's Section 18 claim is tied to the issue of likelihood of confusion because it would allow the Board to avoid having to decide an entirely abstract, hypothetical issue. See IdeasOne, Inc. v. Nationwide Better Health, Inc., 89 U.S.P.Q.2d 1952, 1954 (T.T.A.B. Mar. 12, 2009). Adjudicating Hasbro's Section 18 claim first is consistent with Eurostar and other trends in federal procedure to allow courts to dispose of cases efficiently rather than by a sterile logic. See, e.g., Sinochem Int'l Co. v. Malaysia Int'l Shipping Corp., 549 U.S. 422, 432 (2007) (unanimous Supreme Court holding that courts may decide *forum non conveniens*, personal jurisdiction, or subject matter jurisdiction in any order that makes sense from the perspective of judicial economy).

Hasbro has alleged that the similarity between Hasbro's MEMORY® mark and Creative Action's misdescribed goods may give rise to a likelihood of confusion.[5] Hasbro has also proven that any such confusion will be avoided if the Board exercises its equitable power under Section 18 to revise the description to accurately reflect the Memory Magic product. Deciding that issue will fairly, equitably, and efficiently resolve this Opposition.

[5] Creative Action argues that Hasbro cannot show that a modification of Creative Action's description of goods would avoid a finding of likelihood of confusion because Hasbro has admitted that there is no likelihood of confusion between the parties' *products*. This is nonsense. It is because Creative Action's description of goods fails to reflect the real differences between the parties' products that Hasbro brings this Section 18 claim.

E. There Are No Genuine Issues Of Material Fact Because Hasbro's Cross Motion Is Based On Creative Action's Uncontested Testimony

Creative Action is unable to cite any authority for the proposition that genuine issues of material fact exist and preclude summary judgment where a motion for summary judgment is premised on the uncontested testimony of the non-movant (here, Creative Action). In fact, reason and case law support the opposite conclusion. See, e.g., Nike, Inc. v. Bordes, No. 91178960, 2009 WL 4086583 at * 6 (T.T.A.B. Sept. 30, 2009); Universal City Studios, LLP v. Brost, No. 91153683, 2004 WL 1957207 at * 3 (T.T.A.B. Aug. 18, 2004). Creative Action's uncontroverted testimony and the actual Memory Magic product provide the Board with all facts needed to reach a decision on Hasbro's Section 18 claim.

F. Creative Action's Counterclaim Will Be Moot When Its Product Description Is Appropriately Revised.

Creative Action's counterclaim to cancel Hasbro's registration will be moot if the possibility of likelihood of confusion is eliminated by correcting Applicant's product description. Section 18 was designed to serve such a purpose of avoiding unnecessary and complicated proceedings when a simple correction will settle the dispute.

Creative Action's argument that its standing is "inherent in its position as defendant in the original opposition proceeding" relies on inapposite cases that address the question of an applicant's standing in the midst of ongoing opposition, not after the opposer's claims have been resolved,[6] or are otherwise distinguishable.

The Court of Customs and Patent Appeals held in Lipton Indus., Inc. v. Ralston Purina Co., 670 F.2d 1024, 1029 (C.C.P.A. 1982) that "[t]o establish a reasonable basis for a

[6] See General Mills, Inc. v. Nature's Way Products, Inc., 202 U.S.P.Q. 840, 841 (T.T.A.B. 1979); Bankamerica Corp. v. Invest America, 5 U.S.P.Q.2d 1076, 1078 (T.T.A.B. 1987); Ohio State Univ. v. Ohio Univ., 51 U.S.P.Q.2d 1289, 1293 (T.T.A.B. 1999); Ceccato v. Manifattura Lane Gaetano Marzotto & Figli S.p.A., 32 U.S.P.Q.2d 1192, 1195 n.7 (T.T.A.B. 1994) (cited in Applicant's Br. at 14-15).

belief that one is damaged by the registration sought to be canceled" – a showing required to establish standing – "a petitioner may assert a likelihood of confusion that is not wholly without merit" or "a rejection of an application during prosecution." Creative Action's application was not rejected during prosecution, Creative Action has never alleged likelihood of confusion between the marks, and, moreover, Hasbro does not allege likelihood of confusion between the marks as actually used, so Lipton does not support Applicant's standing.

In Syntex (U.S.A.) Inc. v. E. R. Squibb & Sons Inc., 14 U.S.P.Q.2d 1879, 1881 (T.T.A.B. 1990), a likelihood of confusion opposition was dismissed with prejudice for failure to prosecute. The applicant/counterclaimant nonetheless successfully argued that it retained standing to bring its counterclaim because opposer's continued registration "may be asserted against applicant in the context of a court action or even another proceeding before the Board."

That is not the case here. Hasbro affirmatively stated in its Amended Notice at ¶ 12 that the "requested restriction and modification of the Application pursuant to Section 18 of the Lanham Act, 15 U.S.C. § 1068, will avoid any likelihood of harm to Opposer by avoiding any likelihood of confusion with Opposer's MEMORY mark." If the Board grants Hasbro's Section 18 claim and revises Creative Action's description of goods accordingly, the allegation and the Board's judgment on it will necessarily determine that the revised description does not create any likelihood of confusion with Hasbro's MEMORY® mark. As such, no claim will linger to cloud Creative Action's continued use of its mark, and Creative Action will no longer have standing to bring its counterclaim.

III. CONCLUSION

For the foregoing reasons, the Board should grant summary judgment on Hasbro's Section 18 claim to correct the description of Applicant's goods and dismiss the remaining claims and counterclaims as moot.

Dated: August 24, 2010

Respectfully submitted,

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ELECTRONIC MAILING CERTIFICATE

I hereby certify that the foregoing **Reply Memorandum In Further Support Of Opposer's Amended Cross Motion For Summary Judgment** is being submitted electronically through the Electronic System for the Trademark Trial and Appeal Board ("ESTTA") on this 24th day of August, 2010.

Kim J. Landsman

Kim J. Landsman

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Reply Memorandum In Further Support Of Opposer's Amended Cross Motion For Summary Judgment** was served by electronic mail on August 24, 2010, on the following counsel for Applicant:

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Kim J. Landsman

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