ESTTA Tracking number: **ESTTA295962**
Filing date: **07/17/2009**

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

Proceeding	91174641
Party	Defendant PLMIC, LLC
Correspondence Address	EDWARD HAFFER SHEEHAN PHINNEY BASS & GREEN P.A. 1000 ELM STREET, P.O. BOX 3701 MANCHESTER, NH 03105-3701 UNITED STATES ipadm@sheehan.com, ehaffer@sheehan.com
Submission	Rebuttal Brief
Filer's Name	Edward A. Haffer
Filer's e-mail	ehaffer@sheehan.com, ecote@sheehan.com
Signature	/Edward A. Haffer/
Date	07/17/2009
Attachments	09-07-17 reply brief.pdf (9 pages)(494712 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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PARAMETRIC TECHNOLOGY CORPORATION, **Opposer** **v.** **PLMIC, LLC,** **Applicant**	**Opp. No. 91174641**

PLMIC, LLC, **Opposer** **v.** **PARAMETRIC TECHNOLOGY CORPORATION,** **Applicant**	**Opp. No. 91177168**

REPLY BRIEF OF PLMIC, LLC

TABLE OF CONTENTS

I. PARTIES' POSITIONS TO DATE ---------- 2

II. ARGUMENT ---------- 2

A. *PTC'S ARGUMENT OF FRAUD IS INVALID* ---------- 2

B. *AT THE LEAST, PLMIC'S PRIOR USE CONSTITUTED "ANALOGOUS" TRADEMARK USE SO AS TO ESTABLISH PRIORITY FOR PURPOSES OF ITS OPPOSITION TO PTC'S APPLICATION* ---------- 4

C. *THE AYCOCK CASE SUPPORTS PLMIC, NOT PTC. UNDER AYCOCK, PLMIC'S PRIOR USE IS SUFFICIENT NOT ONLY TO ESTABLISH PRIORITY, BUT ALSO TO ENTITLE IT TO REGISTRATION* ---------- 6

III. SUMMARY ---------- 8

CERTIFICATE OF SERVICE ---------- 9

TABLE OF AUTHORITIES

Cases

Aycock Engineering Co. v. Airflite Inc., 560 F.3d 1350 (Fed. Cir. 2009) 6, 7

Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036 (9th Cir. 1999) 3

Intermed Commc'ns, Inc. v. Chaney, 197 USPQ 501 (TTAB 1977)..... 7

Medinol Ltd. v. Neuro Vasx, Inc., 67 U.S.P.Q.2d 1205 (TTAB 2003)..... 3

Sinclair Oil Corp. v. Kendrick, 85 U.S.P.Q.2d 1032 (TTAB 2007)..... 3

Other Authorities

McCarthy on Trademarks and Unfair Competition, §20.16, pp. 20-41 – 20-42 (4th ed., 2009)..... 5

I. PARTIES' POSITIONS TO DATE

The Opening Brief of each party sets out its Description of the Record, Statement of the Issues, and Recitation of Facts.

In a nutshell, PLMIC's position is that: (1) its Opposition should be sustained because of its priority of use of FLEXPLM, the mark in question; (2) the Opposition of Parametric Technology Corporation ("PTC") should be denied because PLMIC's prior use is sufficient not only to establish priority, but also to entitle it to registration; and (3) a good-faith mistake by a layperson without counsel as to what constitutes trademark usage — a mistake that was discovered and corrected in these proceedings — does not constitute grounds to invalidate PLMIC's application.

PTC's position is essentially the opposite.

II. ARGUMENT

A. *PTC'S ARGUMENT OF FRAUD IS INVALID.*

PTC argues (at 4 of its Reply) that PLMIC's assertions of use in its application were "false and fraudulent." The argument is invalid. As PLMIC explained in its Opening Brief (at 11-12):

> Silvestri [PLMIC'S predecessor in interest, and it sole and managing member] filed the Application on his own and without counsel on March 13, 2006. Silvestri Dep., 17, 18; Silvestri Dep., Exh. 1. When he did, he made a good-faith mistake as to what constitutes trademark usage. He believed in good faith that purchase and registration of the website domain www.flexplm.com — which occurred in July 2004 — qualified. He was wrong. But his error was utterly innocent, and not at all fraudulent. Even Federal District Court judges have made similar mistakes. *See, e.g., Brookfield Communications, Inc. v. West Coast Entertainment Corp.,* 174 F.3d 1036, 1052 (9th Cir. 1999).
>
> PTC (at 10-12) cites to *Sinclair Oil Corp. v. Kendrick*, 85 U.S.P.Q.2d 1032, 1035 (TTAB 2007) and *Medinol Ltd. v. Neuro Vasx, Inc.,* 67 U.S.P.Q.2d 1205 (TTAB 2003). However, neither case supports PTC's argument for invalidation. In *Sinclair Oil*, the Board ruled:
>
>> Fraud in procuring a trademark registration occurs when an applicant **knowingly** makes false, **material** representation of **fact** in connection with an application to register. A party making a fraud claim is under a heavy burden because fraud must be proved by **clear and convincing evidence**, leaving nothing to speculation, conjecture, or surmise. Any doubt must be resolved **against** the party making the claim. [Emphasis added; internal citations omitted.]
>
> Silvestri made no "knowing" misstatement of fact. He filed as a layman without any legal assistance. His mistake was not a mistake of fact; it was a mistake of law — namely, what constituted trademark usage. Nor was his mistake "material." Although the dates he cited were incorrect, his actual first use date — at least as early as March 31, 2005 (*see* Argument B) preceded by roughly one year his filing date of March 13, 2006.

Without a shred of evidence — because there is none — PTC nonetheless argues (at 4 of its Reply) that Silvestri was "aided and abetted by counsel." As shown in the PTO database, Silvestri in effect acted as his own counsel until a lawyer (not the undersigned) appeared on Silvestri's behalf on May 16, 2006, two months **after** Silvestri had filed his application. Also as shown in the PTO database, that counsel withdrew on January 2, 2007, after PTC had filed its Opposition on November 22, 2006; his reason for withdrawal was "[p]otential conflict of

interests." The undersigned counsel did not appear until February 23, 2007. As explained in PLMIC's Opening Brief (at 10):

> As PTC itself notes (at 9), when PLMIC became aware of its mistake it admitted it. It did so in a response to a discovery request by PTC asking for documents that supported PLMIC's Answer that it had "first used FLEX PLM in commerce as early as July 20, 2004." PLMIC responded to this request by saying, "The above answer is mistaken. Mr. Silvestri in fact first used the mark in March 2005. His use of the mark as of July 20, 2004 was in the form of the purchase and registration of the website www.plmic.com [sic, should have been www.flexplm.com]. " Silvestri Dep., 26-28 (Silvestri acknowledging the typo; Silvestri Dep. Exh. 7, Req. 3. *See also* PLMIC's Answer to ¶1 of PTC's Amended Notice of Opposition, and ¶4 of PLMIC's Amended Notice of Opposition — both paragraphs fully addressing in detail Silvestri's mistake about first use in commerce.

B. *AT THE LEAST, PLMIC'S PRIOR USE CONSTITUTED "ANALOGOUS" TRADEMARK USE SO AS TO ESTABLISH PRIORITY FOR PURPOSES OF ITS OPPOSITION TO PTC'S APPLICATION.*

PTC argues (at 7 of its Reply) that "PLMIC has not demonstrated any priority of use, or use analogous to trademark use, over PTC." The argument, however, reads **out** of the evidence what is emphatically **in** it. For example, as PLMIC explained in its Opening Brief (at 2-3):

> More specifically, he [Silvestri] did so by posting on the Internet the availability of certain services described as FlexPLM Advertising Solutions, and attempted to sell those services to AimNet Solutions. Id., 10-11, 13-17; Silvestri Dep., Exhs. 1 and 2. AimNet Solutions declined to buy those particular services, but instead bought other services simultaneously offered by Silvestri relating to search engine optimization and marketing. Id., 10-11; Noseworthy Dep., 5-6. Noseworthy was then a Marketing Program Manager for AimNet; he is now a Senior Marketing Manager for Monster Worldwide, and is Silvestri's brother-in-law. Noseworthy Dep., 4-5. By referring to a website project he was then working on, Noseworthy pinpointed the time of Silvestri's "pitching" FLEXPLM services to AimNet from early February 2005 to March 2005. Id., 5-9; Noseworthy Dep., Exh. 8. In response to a question by PTC's counsel, Noseworthy testified:
>
> > Q. When you said that Jason pitched the FlexPLM services to you in 2005, in what way did he do that? Did he come in and speak with you? Did he call you? Did he write to you? Did he e-mail you?
> >
> > A. ... So when he brought it to me over the phone and showed me the link, and we went through it on the website, I remember saying to him, stop, you need to come in and sit down and talk to me about this. I understand what you are showing me, but I don't understand how it applies to AimNet. You need to come in.

> Later he came in, and we sat in my office at AimNet in Holliston, Massachusetts, and he went through it on the computer showing me the website....

For the reasons stated in PLMIC's Opening Brief (at 7-9) and the reasons stated below in Argument C, PLMIC's use of the mark was sufficient to entitle it to registration. But even assuming the contrary *arguendo*, its use was certainly "analogous" to trademark use, and thus was sufficient to establish priority. As McCarthy says:

> [U]se in advertising analogous to trademark use may be sufficient to preclude registration of that term to a subsequent user. Use "analogous" to trademark use means use of a nature and extent such as to create an association of the term with the user's goods. [J. T. McCarty, McCarthy on Trademarks and Unfair Competition, §20.16, pp. 20-41 – 20-42 (4th ed., 2009).]
>
> ———
>
> Similarly, with respect to service marks, it is not required that an opposer or petitioner meet the technical statutory requirements to register in order to successfully prevent or cancel the registration of a junior user. Prior public identification of opposer or petitioner with a designation in use analogous to service mark use is a sufficient ground on which to object. [*Id.* at 20-43 – 20-44 (4th ed., 2009).]

PTC points out (at 7 of its Reply) that PLMIC has no documentary proof of its 2005 use. Silvestri explained why in his deposition (at 14):

> Q. Do you have any records of your advertising FlexPLM services on the Internet in March of 2005?
>
> A. I did, but I can't retrieve that. That was a couple of years ago, the computer crashed. I tried desperately to revive them. I could not do so.
>
> So based on instructions from you, I brought the computer to the Geek Squad which is located in Best Buy. And they tried to recover the system, and they could not either.

See Silvestri Dep. Exh. 2, the Geek Squad bill, which recites "applications cannot be recovered"; and Silvestri Dep. at 14-17 for his related description.[1]

[1] Unlike PTC, neither Silvestri nor PLMIC is a publicly traded company with the kind of resources that would allow for more robust record-keeping. Silvestri turns 30 this month, and thus was 25 in March 2005 (*see* Silvestri Dep., 4-

C. *THE AYCOCK CASE SUPPORTS PLMIC, NOT PTC. UNDER AYCOCK, PLMIC'S PRIOR USE IS SUFFICIENT NOT ONLY TO ESTABLISH PRIORITY, BUT ALSO TO ENTITLE IT TO REGISTRATION.*

PTC argues (at 7 of its Reply) that its position on "use" is supported by *Aycock Engineering Co. v. Airflite Inc.*, 560 F.3d 1350 (Fed. Cir. 2009). To the contrary, *Aycock* supports PLMIC. As explained in its Opening Brief (at 4-6 and 9-11), PLMIC — through Silvestri, its predecessor in interest — was ready, willing, and able to sell FLEXPLM services in March 2005, and in fact made a bona fide attempt to sell FLEXPLM services to AimNet in March 2005, while also engaging in related Internet advertising — i.e., advertising that was worldwide and continuous. These facts are sufficient to pass muster for registration under the *Aycock* standard.

As PTC notes (at 7 of its Reply), although *Aycock* involved the 1970 version of the Lanham Act, the case "also applies to the current (and post-1989) service mark requirement." 560 F.3d at 1358. The Court observed that under both the 1970 and current versions of the law, a mark is in "use in commerce" "when it is used or displayed in advertising of services, and the services are rendered in commerce." Id. Significantly, *Aycock* makes unmistakably clear that services are "rendered" when they are "offered" to the public openly and notoriously. So it is when they are "offered" over the Internet, through which the offer may be considered at any time by virtually anyone in the entire world. *Aycock* also indicates that such an offering is sufficient when just one customer is given an "opportunity" to avail itself of the services. Consider the following excerpts from *Aycock*:

> Without question, advertising or publicizing a service that the applicant intends to perform in the future will not support registration. Instead, the advertising or publicizing must relate to an **existing** service which has already been **offered** to the public. At the very least, in order for an applicant to meet the **use** requirement, there

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5); has only a high-school education, having graduated in 1998 (id., 5), and is the sole member and manager of PLMIC, LLC (id., 4).

must be an open and notorious public **offering** of the services to those for whom the services are intended. [560 F.3d at 1358 (emphasis added; internal citations and quotation marks omitted).]

Despite these activities, the TTAB held [in *Intermed Commc'ns, Inc. v. Chaney*, 197 USPQ 501 (TTAB 1977)] that the applicant failed to meet the **use** requirement because the services described in the application were not **offered**, promoted, advertised **or rendered** [note the "or"]... in commerce. The TTAB stated that the statute requires not only the display of the mark in the sale or advertising of services but also the **rendition** of those services in order to constitute use of the service mark in commerce. The TTAB further explained that adopting a mark accompanied by mere preparations to begin its use is insufficient for service mark registration, and that in order for the **use** requirement to be met, there must be "an open and notorious public **offering** of the services to those for whom the services are intended. [*Id.* at 1359 (emphasis added; internal citations and quotation marks omitted).]

It is well settled that advertising of a service, without performance of a service, will not support registration.... The **use** in advertising which creates a right in a service mark must be advertising which relates to an **existing** service which has already been **offered** to the public. [*Id.* at 1360 (emphasis added; internal citations and quotation marks omitted).]

In order to decide whether the second element [rendering of services in commerce] is met, we must determine whether Mr. Aycock ever gave **an intended customer** [note the singular] the **opportunity** to use his AIRFLITE service. In other words, we must determine if Mr. Aycock made an open and notorious **rendering, or offering**, of his service to the public. Upon review, we conclude that the TTAB's determination that Mr. Aycock failed to offer his service to the public is supported by substantial evidence, because he never gave **anyone** an **opportunity** to use his AIRFLITE service to make a charter flight reservation. Instead, Mr. Aycock merely took sporadic steps in preparing to offer his service to the public. [*Id.* at 1360 (emphasis added; internal citation omitted).]

In order for Mr. Aycock to satisfy the **use** requirement, more was required. Mr. Aycock had to develop his company to the point where he made an open and notorious public **offering** of his AIRFLITE service to intended customers. However, at no point in time did Mr. Aycock give **a potential customer** the **chance** to use his AIRFLITE service. He never arranged for a **single flight** between **a customer** and an air taxi operator. [*Id.* at 1361 (emphasis added; internal citation omitted).]

> Nothing in the record suggests that Mr. Aycock ever gave potential customers an **opportunity** to use the phone lines to make flight reservations, or that **a single customer** seeking to book a flight actually called the toll-free number.[2] The record also fails to indicate that Mr. Aycock, or anyone else associated with Aycock Engineering ever spoke with **a member of the general public** about making a flight reservation through the AIRFLITE service.
>
> That Mr. Aycock advertised to, contracted with, and was paid by air taxi operators does not transform the service from its preparatory stages to being rendered in commerce. Instead, these actions were Mr. Aycock's attempts to build the service's infrastructure, which, when completed, could then be **offered** to the public (**and thus "rendered in commerce"**). [*Id.* at 1361 (emphasis added).]

Because at least as early as March 31, 2005, PLMIC's FlexPLM services were offered to the public openly and notoriously over the Internet — through which the offer could be considered at any time by virtually anyone in the entire world — and because AimNet in particular had a clear opportunity to purchase those services then, they were "rendered in commerce." PLMIC is therefore entitled to registration of the FLEXPLM mark.

III. SUMMARY

For the foregoing reasons and those stated in its Opening Brief, PLMIC respectfully submits that its Opposition should be sustained, and PTC's Opposition should be denied. PTC's contention for invalidation of PLMIC's Application should likewise be denied.

By virtue of his sales efforts to AimNet at least as early as March 2005 and his related advertising of FLEXPLM over the Internet — advertising that was (and is) worldwide and continuous — Mr. Silvestri established priority of use of FLEXPLM. His use preceded PTC's by at least two months. As Silvestri's successor in interest, PLMIC has the benefit of that priority.

On a related point, PLMIC also respectfully submits that its Motion to Amend

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[2] "Mr. Aycock planned to advertise his service, ... and to have those interested in using the service call a toll-free phone number to schedule reservations.... [However,] the record does not suggest that Mr. Aycock ever gave the public an opportunity to use the toll-free numbers [that he had obtained] to book reservations...." *Id.*, at 1353-54.

Application — so as to specify that its first use and first use-in-commerce dates were at least as early as March 31, 2005 — should be granted.

Respectfully submitted,
PLMIC, LLC,
By its attorneys,
Sheehan Phinney Bass & Green, P.A.

July 17, 2009

By: _____
Edward A. Haffer
1000 Elm Street
P.O. Box 3701
Manchester, NH 03105-3701
T: 603-627-8115
F: 603-641-2352
E: ehaffer@sheehan.com

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was mailed this date to Thomas V. Smurzynski, Esq., Lahive & Cockfield, LLP, One Post Office Square, Boston, MA 02109.

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Edward A. Haffer