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

Proceeding	91175892
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MICROSOFT CORPORATION,	)	
	)	
Opposer,	)	Opposition No. 91175892
	)	(Consolidated with Opposition No. 91175893)
v.	)	
	)	Serial Nos.    78/938513
MARK T. DANIEL,	)	78/930482
	)	
Applicant.	)	Attorney Docket Nos. 664005.898
_____	)	664005.899

**OPPOSER MICROSOFT'S OPPOSITION TO RULE 12 MOTION**

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I. Introduction

Opposer Microsoft Corporation (“Opposer”) submits the following opposition in response to Applicant Mark T. Daniel’s (“Applicant” or “Daniel”) motion to dismiss and motion to strike filed pursuant to Federal Rules of Civil Procedure 12(b) and 12(f) and U.S. Patent and Trademark Office Rule 2.116. Daniel filed the present motion to dismiss and strike without regard to the controlling case law, established U.S. Patent and Trademark Office procedure, and clear instruction from the U.S. Trademark Trial and Appeal Board (“Board”) May 8, 2007 Order in these proceedings that show Opposer’s Amended Notice of Opposition are sufficient and not subject to dismissal or being struck.

Daniel argues that (i) Opposer does not allege analogous trademark use prior to Daniel’s earliest intent-to-use application filed July 16, 2006, (ii) Opposer’s allegations of Daniel’s bad faith filings are not sufficiently plead, and (iii) Opposer lacks standing under the Paris Convention to claim priority to its German trademark application and registration for its ZUNE mark.

As shown below, and contrary to Daniel’s arguments, (i) Opposer plainly alleges priority back to at least July 11, 2006 from analogous trademark use of Opposer and wide-spread third-party publications creating public identification of Opposer with its ZUNE mark, (ii) Opposer sufficiently pleads under the controlling case law that Daniel’s intent-to-use applications for the ZUNESLEEVE and ZUNEGEAR marks are bad faith filings void *ab initio*, pleading facts that if proven show Opposer’s superior legal rights in the ZUNE mark, a basis to infer Daniel’s knowledge of Opposer’s superior rights in the ZUNE mark at the time Daniel made his intent-to-use filings, and a basis to infer that Daniel filed his applications with the bad faith intent to refer to Opposer’s ZUNE mark, goods and services, and (iii) Opposer squarely fits within the plain language of Lanham Act Section 44, 15 U.S.C. § 1126, for claiming priority to Opposer’s German trademark application and registration for its ZUNE mark, as Opposer has a bona fide and effective commercial establishment in Germany.

Daniel's motion appears to be another delay tactic to avoid answering the direct and salient allegations in Opposer's Amended Notices of Opposition. Daniel failed in his attempt to suspend these proceedings, and now attempts to delay further with the present motion to dismiss and strike, which has no foundation in the law or facts. Opposer asks the Board to deny Daniel's motion and to force Daniel to answer Opposer's Amended Notice of Opposition.

## II. Procedural Background

Opposer filed Notices of Opposition on February 27, 2007, opposing Daniel's intent-to-use applications for the marks ZUNEGEAR and ZUNESLEEVE, which were filed on July 16, 2006 and July 26, 2006, respectively. The bases of the oppositions are, *inter alia*, Opposer's priority in the ZUNE mark for the same goods and services applied for by Daniel, the marks as applied to the goods in Daniel's applications are confusingly similar to Opposer's ZUNE goods and services, and Daniel's applications are void *ab initio* because they were filed in bad faith with knowledge of Opposer's adoption of the ZUNE mark.

On April 9, 2007, Daniel filed a motion to suspend the opposition proceedings pending the outcome of Opposer's pleaded trademark applications for the ZUNE mark. On May 8, 2007, the Board denied Daniel's motion to suspend. In doing so, the Board recognized that Opposer "asserts priority on two grounds: (1) the priority filing date of its pleaded applications; and (2) the concept of 'use analogous to trademark use,' in which the junior user of a mark claims priority on the basis of activity that occurs prior to the date of first use of the senior user but which is therefore supported by 'open and notorious' public use."

In the May 8, 2007 Order, the Board consolidated the oppositions and stated that Daniel's earliest possible priority date is the filing date of his earliest intent-to-use application, July 16, 2006, and that Opposer's pleaded first date of actual trademark use was November 14, 2006, with other analogous trademark use occurring on or in July 2006. For purposes of priority by tacking, the Board instructed Opposer to amend its Notices of Opposition to plead analogous trademark use prior to Applicant's July 16, 2006 filing date.

In response to the Board's May 8, 2007 Order, Opposer filed Amended Notices of Opposition on May 11, 2007, specifically pleading analogous trademark use by Opposer and third-party publications and discussion resulting in an identification in the mind of the consuming public between the ZUNE mark and Opposer's ZUNE goods and services since at least July 11, 2006. Amended Notices of Opposition ¶ 6.

Daniel then filed the present motions to dismiss and strike on August 15, 2007 arguing that Opposer's Amended Notices of Opposition do not adequately plead prior analogous trademark use per the Board's May 8, 2007 Order, that Opposer's allegations of Daniel's bad faith filings are inadequate, and that Opposer does not benefit from Section 44 priority from its German application and registration for the ZUNE mark. As explained below, none of Daniel's arguments have merit and should therefore be denied.

### III. Motion to Dismiss Standard Is a Heavy Burden for Daniel

On a motion to dismiss, the Board construes all allegations of material fact as true and draws all reasonable inferences in favor of the plaintiff. *No. 84 Employer-Teamster Joint Council Pension Trust Fund v. Am. W. Holding Corp.*, 320 F.3d 920, 931 (9th Cir. 2003) (denying Rule 12(b) motion to dismiss fraud claims). A complaint should not be dismissed unless it appears beyond a doubt that the plaintiff cannot prove any set of facts in support of the claim that would entitle him or her to relief. *Id.* Here, Daniel's arguments not only fail to meet his heavy burden under Rule 12, they are without basis in law or fact.

### IV. Opposer Properly Alleges Priority Based on Analogous Trademark Use

Daniel's first argument that Opposer does not adequately plead analogous trademark use shows a fundamental misunderstanding of the controlling case law. Daniel argues that because Opposer did not plead "actual use in commerce before July 2006" that Opposer's Amended Notices of Opposition do not comport to the Board's May 8, 2007 Order requiring Opposer to plead "use analogous to trademark use" prior to Daniel's earliest intent-to-use application filed on July 16, 2006. This argument ignores the difference between actual use on goods and

analogous trademark use. Opposer's Amended Notices of Opposition plainly allege priority from analogous trademark use tacked to Opposer's actual trademark use. Daniel's motion to dismiss Opposer's Amended Notices of Opposition should be denied.

*A. Analogous Trademark Use Such as Advertisements or Promotions Are a Proper Basis for Priority*

It is well settled that an opposition to an application may be based on the prior use of a term in a manner analogous to trademark use. *See National Cable Television Association, Inc. v. American Cinema Editors, Inc.*, 937 F.3d 1572, 1578 (Fed. Cir. 1991) ("opposition may be based on use of a term in manner analogous to trademark use, such as in advertising"). In pleading analogous trademark use, the Board requires analogous use "of such a nature and extent as to create public identification of the target term with the opposer's product or service." *Dyneer Corp. v. Automotive Products plc*, 37 U.S.P.Q.2d 1251, 1375 (T.T.A.B. 1995). "The cases on analogous use have not required that the opposer proffer survey evidence or other direct evidence of the consuming public's identification of the target word or phrase with the opposer as the source of a given product or service." *Id.* "Instead, the fact finder may infer the fact of identification on the basis of indirect evidence regarding the opposer's use of the word or phrase in advertising brochures, catalogs, newspaper ads, and articles in newspapers and trade publications." *Id.*; *see also Dyneer*, 37 U.S.P.Q.2d at 1254 (the analogous trademark use must be alleged to "create an association of the term with a single source, even if anonymous").

*B. Third Party Press Releases Are Also Sufficient to Establish Priority in a Trademark*

It is equally clear that "even without use directly by the claimant of the rights, the court and the Board generally have recognized that [use of the mark] *only* by the public give rise to protectable rights in the owners of the trade name or mark which the public [has used]." *National Cable Television Association*, 937 F.3d at 1577. "Such public use by others inures to the claimant's benefit and, where this occurs, public use can reasonably be deemed use 'by' that party in the sense of a use on its behalf." *Id.* at 1577-78 & n.3 (citing examples of earlier use by

public of “Bug” nickname for automobile and “Coke” for soft drink that established priority to the claimants despite no such use of the terms by claimants).

Accordingly, use analogous to trademark use from third party articles creating a public identification of Opposer with the ZUNE mark is a sufficient ground for priority and for opposing Daniel’s intent-to-use applications for ZUNEGEAR and ZUNESLEEVE, filed after the public began associating the ZUNE mark with Opposer: “Prior public identification of petitioner with the name ACE for awards from use analogous to service mark usage is a sufficient ground for cancellation....The wide-spread use by persons in the entertainment industry confirms that the acronym ACE is strongly associated with Editors and its achievement awards.” *Id.* at 1578.

*C. Analogous Trademark Use Must Be Followed By Actual Use Within a Commercially Reasonable Time*

The final piece to pleading analogous trademark use is that Opposer must allege actual use within a commercially reasonable time of the analogous trademark use: “With use analogous to trademark use, the proper inquiry generally is whether any delay between such use and actual, technical trademark use is commercially reasonable.” *Dyneer*, 37 U.S.P.Q.2d at 1255. In the case of an applicant who has not made actual, technical trademark use, but instead filed an intent-to-use application following analogous trademark use, the question is “whether applicant engaged in a continuing effort to cultivate an association of the [ZUNE] mark with itself and its goods, and whether the association created by the established use analogous to trademark use ... continued up until the date of filing of applicant’s intent-to-use application.” *Id.* at 1256.

Here, Opposer has alleged both actual, technical trademark use of the ZUNE mark within a commercially reasonable time following the analogous trademark use, and a continuing effort to cultivate an association of its ZUNE mark with itself and its goods and services up until the date of filing of Opposer’s intent-to-use application for the ZUNE mark. Moreover, Opposer has sufficiently plead, in accordance with the Board’s order, analogous trademark use prior to Daniel’s earliest filing date of his intent-to-use trademark application.

D. *Opposer's Amended Notices of Opposition Adequately Plead Priority From Analogous Trademark Use Tacked to Actual Trademark Use*

The Board recognized in its May 8, 2007 Order (“Order”) that Opposer “asserts priority on ... the concept of ‘use analogous to trademark use,’ in which the junior user of a mark claims priority on the basis of activity that occurs prior to the date of first use of the senior user but which is therefore supported by ‘open and notorious’ public use.” Order at 2. The Board noted that Daniel’s earliest possible priority date is July 16, 2006, the filing date of his earliest intent-to-use application. The Board instructed Opposer to amend its Notices of Opposition to “plead use prior [to Applicant’s July 16, 2007 filing date in order] to present a claim of priority based on ‘use analogous to trademark use’” “onto which it could tack its later use [of November 14, 2006].” Order at 2-3.

In response to the Board’s May 8, 2007 Order, Opposer specifically plead analogous trademark use “that has had a substantial impact on the purchasing public, resulting in an identification in the mind of the consuming public between the ZUNE mark and Opposer’s ZUNE goods and services since at least July 11, 2006” from, *inter alia*, Opposer’s “use of its ZUNE mark in preparation for and analogous to formal trademark use at least as early as July 11, 2006” and a “significant amount of third-party discussion and reporting on Internet blogs, discussion forums and on-line new[s] magazines mentioning, referring to and discussing Opposer’s new ZUNE digital music/MP3 player and Opposer’s planned use of ZUNE for a family of products and services ....” Amended Notices of Opposition ¶ 6. The salient paragraphs alleging analogous trademark use are reproduced below, clearly alleging analogous trademark use in the public that created an association between the ZUNE mark and Opposer prior to Daniel’s earliest filing date, July 16, 2006, of his intent-to-use application:

6. Word of Opposer’s selection of ZUNE as the mark for its new digital music/MP3 player began to leak to the public after May 2006, and became known to Applicant, users and the industry at least as early as July 11, 2006. Opposer made use of its ZUNE mark in preparation for and analogous to formal trademark use at least as early as July 11, 2006. Opposer’s adoption and use of ZUNE has had a substantial impact on the purchasing public, resulting in an identification in the mind of the consuming public between the ZUNE mark and Opposer’s ZUNE

goods and services since at least July 11, 2006. For example, throughout the month of July 2006, prior to the filing date of Applicant's intent-to-use application, Opposer's adoption and use of ZUNE resulted in a significant amount of third-party discussion and reporting on Internet blogs, discussion forums and on-line new[s] magazines mentioning, referring to and discussing Opposer's new ZUNE digital music/MP3 player and Opposer's planned use of ZUNE for a family of products and services including, *inter alia*, an on-line music service and an Xbox-like portable video game machine. Opposer officially announced the adoption of its ZUNE mark to the public in July 2006, and since that time Opposer has continuously used the ZUNE mark in commerce to promote its digital media player, accessories therefor and online music and video sales and services.

7. Opposer's common law rights and trademark seniority extend back to at least July 11, 2006. Commencing as early as November 14, 2006, Opposer began offering its ZUNE brand digital media player, accessories therefor and online portable video and music sales and services to the general public.

As is apparent from the above paragraphs, Opposer has alleged, in accordance with the Board's instructions, analogous trademark use dating back to at least July 11, 2006, prior to Daniel's July 16, 2006 intent-to-use filing date, and has alleged actual trademark use of the ZUNE mark within a commercially reasonable time following the analogous trademark use, November 14, 2006. These pleadings of analogous trademark use are sufficient under the controlling case law. Whether under the analogous trademark use from third-party publications discussing Opposer's selection of the ZUNE mark, or Opposer's own use of its ZUNE mark in preparation for and analogous to formal trademark use, Opposer has plead analogous trademark use that had a substantial impact on the purchasing public, resulting in an identification in the mind of the consuming public between the ZUNE mark and Opposer's ZUNE goods and services since at least July 11, 2006. *See, e.g., National Cable Television Association and Dyneer, supra.*

V. Daniel's Intent-to-Use Applications, Filed After the Public Began Associating the ZUNE Mark with Opposer, Are Not a Basis of Priority for Daniel

Daniel cannot use his intent-to-use applications as a basis for priority over Opposer because the evidence supports the strong inference that Daniel learned of Opposer's plans to use the ZUNE mark for its MP3 player through public discussion and articles in the press that

predate Daniel's intent-to-use applications for ZUNEGEAR and ZUNESLEEVE for goods directly related to Opposer's ZUNE MP3 player. *See, e.g., Caesars World, Inc. v. Milanian*, 247 F. Supp. 2d 1171, 1193-94 (D. Nev. 2003); 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION ("MCCARTHY") §§ 16:13 & 19:14.

The courts have no patience for a "pre-emptive intent-to-use-filer" like Daniel, "emphasizing the inequity of the senior user who rushes to the market with a less-than-bona-fide first sale [or rushes in to make a preemptive intent-to-use filing] in an attempt to preempt a competitor who is about to make first sales [or is about to file its own trademark application]." MCCARTHY §§ 16:13 & 19:14 (discussing how the "courts will treat the free rider who rushes in to make a preemptive ITU filing in much the same way as the free rider who rushes in with preemptive sales").

"Courts have consistently rejected claims by usurpers like [Daniel] who seek to use technical arguments to deprive the natural trademark owner of its rights." *Caesar's World, Inc.*, 247 F. Supp. 2d at 1194. The court in *Caesar's World* flatly rejected the priority claim of an applicant who, like Daniel, appeared to rush out and file an intent-to-use application upon learning through the press of the plaintiff's adoption of the mark. *Id.* The court held that the intent-to-use application filed by the applicant conferred no trademark rights or priority because the press releases upon which the applicant learned of the mark predated the applicant's intent-to-use application. *Id.* The plaintiff had priority because, as a matter of logic, the public's awareness of the mark and association of the mark with plaintiff came *after* the plaintiff's adoption of the mark. *Id.* That the applicant was able to race to the Trademark Office first conferred no trademark rights, as the plaintiff had priority through the public's awareness of plaintiff's adoption of the mark *prior to* the applicant's intent-to-use filing. *Id.*

In rejecting the priority claim of the pre-emptive intent-to-use-filer, the court discussed another case that is factually analogous to the present situation, where the public became aware of the plaintiff's adoption of a trademark through articles in the press and promotions published in anticipation of the construction of a new stadium. *Id.* (discussing *Maryland Stadium Authority*

*v. Becker*, 806 F. Supp. 1236, 25 U.S.P.Q.2d 1469 (D. Md. 1992)). The court found that such public identification of the mark with the true owner (*i.e.*, the plaintiff) “was sufficient to establish priority and confer trademark rights such that it could enjoin the defendant from infringing its mark.” *Id.*

Opposer’s amended pleadings allege facts that, if proven, show that prior to Daniel’s intent-to-use applications, the public (including Daniel) was aware of Opposer’s selection of the ZUNE mark for its soon to be released MP3 player and services and began associating the ZUNE mark with Opposer prior to Daniel rushing out and filing his applications for ZUNEGEAR and ZUNESLEEVE. It strains common sense to think that Daniel had anything other than a bad faith intent to stake a claim on a mark he knew was adopted by Opposer for a major product release (*e.g.*, Opposer’s ZUNE MP3 player), especially when one considers the timing of Daniel’s filing (soon after public announcements leaking Opposer’s adoption of the ZUNE mark) and that Daniel’s goods and services are identical to and/or directly related to the Opposer’s ZUNE goods and services (*e.g.*, carrying cases for MP3 players). Under the case law, these facts, as pleaded, are sufficient to allege that the bad faith filings of Daniel are void *ab initio*.

VI. Opposer Properly Pleads Daniel’s Bad Faith Filing as a Clear Basis to Oppose His Intent-to-Use Applications

Intent-to-use applications are properly stricken based on “bad faith” where an applicant rushes in to make a preemptive intent-to-use filing upon hearing public announcements of an impending launch of a new product or service. Relevant cases hold that the public’s awareness of the Opposer’s new name for the product or service establishes common law rights superior to the free rider who rushes in to make the preemptive intent-to-use filing, and that such a filing by the free rider is made in bad faith. 2 J. MCCARTHY §§ 16:13 & 19:14 (discussing the bad faith preemptive seller and intent-to-use filer); *see, e.g., Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1267 (5th Cir. 1975) (“bad faith attempt to reserve a mark” “based on a desire to secure ownership of a mark and superiority over a competitor” is not “valid use in trade”); *Stern Electronics, Inc. v. Kaufman*, 669 F.2d 852, 857 (2d Cir. 1982) (“bad faith attempt to reserve a

mark” where defendant “attempted only a preemptive use of the mark” to claim priority over a competitor); *Caesars World*, 247 F. Supp. 2d at 1193-94 (bad faith filings of intent-to-use applications void *ab initio*, conferring no priority, where applicant filed for plaintiff’s mark that he learned of through press releases).

*A. Direct Evidence of Knowledge and Intent Is Not Needed*

To adequately state a claim for Daniel’s bad faith filings, Opposer does not need to allege or prove direct evidence of Daniel’s knowledge or intent. Such knowledge and intent may be inferred from the circumstances surrounding Daniel’s filing of his intent-to-use applications. For example, in *Stern Electronics*, the court found that defendants’ attempt to preemptively secure a competitor’s trademark was “a bad faith attempt to reserve a mark” where the evidence inferred that the defendants learned of the plaintiff’s planned use of the mark “Scrabble” and rushed out to try and preemptively secure trademark rights in the mark. 669 F.2d at 857. The court did not require direct evidence that the defendants actually learned of the plaintiff’s planned use of the mark; instead, the court took a common sense approach, observing that “it would be a truly remarkable coincidence if defendants independently thought of the name ‘Scrabble’ [for the same goods as plaintiff].... It is more likely that defendants sought to appropriate the trademark with the expectation that they would later imitate [plaintiff’s goods].” *Id.*

Similarly, in *Caesar’s World*, the court found that the applicant of an intent-to-use application had acted in “bad faith” by filing the application for a mark he learned of through press releases. *Id.* at 1191, 1194. The applicant in *Caesar’s World* learned of the plaintiff’s mark through the press and then rushed out to preemptively file an intent-to-use application in order to capitalize on the plaintiff’s failure to have a trademark application or registration for the mark. *Id.* Again, the court did not require direct evidence of bad faith or intent; rather, the court concluded that the applicant knew of the plaintiff’s planned use of the mark from the publicity surrounding plaintiff’s selection of the mark and that bad faith was clearly inferred from the applicant’s timing of his intent-to-use application for plaintiff’s mark in plaintiff’s goods and

services. *Id.* at 1191, 1193-94. “It strains credibility to believe” that the applicant had anything other than a bad faith intent when he filed his intent-to-use applications for a mark he “anticipates (or expects) will be” used by the first adopter of the mark for the exact goods and services listed in the applicant’s intent-to-use applications. *Id.* at 1182-83.

This common sense approach of inferring bad faith is in line with the TTAB’s recent decisions in finding actual knowledge or specific intent to defraud the Trademark Office from circumstantial evidence. “The specific or actual intent of [applicant] is not material to the question of fraud .... ‘proof of specific intent to commit fraud is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false.’” *Standard Knitting Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 U.S.P.Q.2d 1917, 1928 (T.T.A.B. 2006) (quoting *Medinol Ltd. v. Neuro Vasx Inc.*, 67 U.S.P.Q.2d 1205, 1209 (T.T.A.B. 2003)).

While Opposer’s allegations are not “fraud on the Trademark Office,” the rationale of the *Medinol* cases should apply to Opposer’s allegation of Daniel’s bad faith filing: Opposer is unlikely to have direct evidence of Daniel’s actual knowledge or specific intent, but the circumstantial evidence as specifically plead in the Amended Notices of Opposition clearly support the inference that Daniel filed his ZUNEGEAR and ZUNESLEEVE applications with a bad faith intent to preempt Applicant’s rights in the trademarks.

*B. Opposer’s Amended Pleadings Meet the Particularity Requirements*

“The primary purpose of the pleadings, under the Federal Rules of Civil Procedure, is to give fair notice of the claims or defenses asserted.” *Ohio State University v. Ohio University*, 51 U.S.P.Q.2d 1289, 1292 (T.T.A.B. 1999) (denying motion to dismiss fraud claims). The notice function of pleadings does not require Opposer to prove its case in the Notice of Opposition; instead, the rules only require that Opposer “include enough detail to give [Applicant] fair notice of the basis for each claim.” TBMP § 309.03(a)(2) & n.107 (“since function of pleadings is to give fair notice of claim, a party is allowed reasonable latitude in its statement of its claims”); *see*

*Conley v. Gibson*, 355 U.S. 41, 47-48 (1957) (“[T]he Federal Rules of Civil Procedure do not require a claimant to set out in detail the facts upon which he bases his claim. To the contrary, all the Rules require is a ‘short and plain statement of the claim’ that will give the defendant fair notice of what the plaintiff’s claim is and the grounds upon which it rests.”) (internal citation omitted).

1. Opposer’s Amended Notices Plead Facts That, if Proven, Show Daniel Filed His Applications in Bad Faith

Here, not only has Opposer given Daniel fair notice of the basis of the claims against him, Opposer has specifically plead facts that, if proven, establish that Daniel filed his intent-to-use applications in bad faith and are therefore void *ab initio*; namely:

- Opposer had superior legal rights to the same or confusingly similar mark at the time Daniel filed his intent-to-use applications;
- Daniel knew of Opposer’s superior legal rights to the mark at the time Daniel filed his intent-to-use applications, or had no reasonable basis for believing otherwise; and
- Daniel filed his intent-to-use applications with the intent to refer to Opposer’s mark and goods and services, or had no reasonable basis for believing otherwise.

Amended Notice of Opposition ¶¶ 6-9, 12-19; *see Caesar’s World and Maryland Stadium Authority, supra*; *cf. Ohio State University*, 51 U.S.P.Q.2d at 1293.

In its Amended Notices of Opposition, Opposer lays out the factual predicates with specificity proving that Daniel filed his intent-to-use applications with bad faith intent to capitalize on his knowledge of Opposer’s adoption of the ZUNE mark and the pending release of Opposer’s ZUNE MP3 player. These pleadings meet even the most stringent test of particularity, identifying the circumstances of the alleged fraud in a way that Daniel can prepare an adequate answer. *See, e.g., Cooper v. Pickett*, 137 F.3d 616, 627-28 (9th Cir. 1998). Opposer does not need to allege the specific information actually received or known to Daniel when he

filed his intent-to-use applications; instead, Rule 9 only requires that “knowledge ... may be averred generally.” *Id.* at 628. Daniel’s bad faith intent and knowledge may be inferred from the circumstances of his intent-to-use filings. *Standard Knitting, Stern Electronics, and Caesar’s World, supra.*

2. Opposer’s Amended Notices Plead Opposer’s Superior Rights and Daniel’s Knowledge Thereof

Opposer’s Amended Notices of Opposition adequately plead Daniel’s bad faith filings, showing a basis for Opposer’s superior legal rights in the ZUNE mark (¶¶ 6-9), a basis to infer Daniel’s knowledge of Opposer’s superior rights in the ZUNE mark at the time Daniel made his intent-to-use filings (¶¶ 6-9, 12-13), and a basis to infer that Daniel filed his applications with the bad faith intent to refer to Opposer’s ZUNE mark, goods and services (¶¶ 6-9, 12-19).

For example, Opposer alleges, *inter alia*, that Daniel filed his intent-to-use applications for ZUNESLEEVE and ZUNEGEAR within weeks of widespread public announcements and discussions of Opposer’s selection of the ZUNE mark for its highly anticipated MP3 player (¶¶ 6, 12-13), that Daniel intended his ZUNESLEEVE and ZUNEGEAR marks to refer to Opposer’s ZUNE products and services (¶ 14), that Daniel filed for carrying cases intended to be used with Opposer’s ZUNE MP3 player (¶ 15), and that Daniel’s ZUNESLEEVE and ZUNEGEAR marks are confusingly and deceptively similar to Opposer’s ZUNE mark for the goods listed in Daniel’s applications (¶¶ 17-19). All of these allegations, if proven, show that Daniel filed his applications with knowledge of Opposer’s adoption and the ZUNE mark (or that Daniel has no reasonable basis for arguing otherwise) and that Daniel’s applications are therefore void *ab initio* (¶ 16).

Accordingly, Daniel’s motions to dismiss or strike Opposer’s pleadings should be denied; Opposer more than sufficiently pleads the circumstances and facts surrounding Daniel’s bad faith filings of his intent-to-use applications intended to usurp Opposer’s rights in the ZUNE mark for goods and services related to Opposer’s ZUNE MP3 player. Opposer has identified the circumstances of Daniel’s bad faith filings to allow Daniel to properly answer the allegations.

## VII. Opposer Has Standing Under the Paris Convention

Daniel's argument that Opposer is not entitled to priority under the Paris Convention is without merit. Opposer fits squarely within the statutory definition and established Trademark Office practice for an entity that is entitled to claim such priority.

Daniel's claim that Opposer lacks standing under Section 44 of the Lanham Act, 15 U.S.C. § 1126, ignores the plain language of Section 44 and the established practice of the U.S. Patent and Trademark Office. The Board has clearly stated "that a corporation domiciled in the United States is entitled to claim the benefits of Section 44(d) provided that it has a bona fide and effective commercial establishment in one of the countries, other than the United States, described in Section 44(b)." *In re ETA Systems Inc.*, 2 U.S.P.Q.2d 1367, 1368 (T.T.A.B. 1987) (discussing *In re International Barrier Corp.*, 231 U.S.P.Q. 310 (T.T.A.B. 1986)).<sup>1</sup>

The TMEP explains that "[a]n applicant may have as many countries of origin as meet the test for country of origin set forth in § 44(c)" which defines the applicant's country of origin as, *inter alia*, "the country in which he has a bona fide and effective industrial or commercial establishment ..." TMEP § 1002.04. "Normally a statement by the applicant or the applicant's attorney that the applicant has a bona fide and effective industrial or commercial establishment in the relevant country will be sufficient to establish that the country is the applicant's country of origin. This statement does not have to be verified." TMEP § 1002.04. "Relevant factors include the presence of production facilities, business offices and personnel." TMEP § 1002.04.

Opposer has a bona fide and effective commercial establishment in Germany, the country where Opposer's priority trademark application was filed and registered for its ZUNE mark. For example, Opposer has, *inter alia*, facilities, offices and personnel in Aachen, Germany.

Daniel's claim that Opposer is not entitled to priority from its German application and registration for its ZUNE mark is fundamentally wrong and should be denied. A modicum of

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<sup>1</sup> Daniel's cited cases are inapposite. For example, *United Rum Merchants Ltd. v. Distillers Corp.* dealt with a person trying to claim priority to a foreign application for a different mark in the United States. 9 USPQ2d 1481, 1483-84 (TTAB 1988). There is no question that Opposer's German trademark application and registration is for the same ZUNE mark applied for in the United States.

research by Daniel, an attorney registered in Virginia, would have revealed that his argument has no basis in law or fact. As such, Daniel's arguments should be viewed as a delay tactic to avoid answering the salient allegations found in Opposer's Amended Notices of Opposition.

VIII. Opposer's Paris Convention Priority Gives Basis to Oppose and to Deny Motion to Dismiss

The Board recognized in its May 8, 2007 Order that Opposer's priority claim has an independent basis on the priority filing date of its pleaded applications, namely a Section 44(d)/(e) priority claim to its German application and registration for the ZUNE mark. Indeed, Opposer's use-based Application Serial No. 78/977970 for ZUNE has been approved, published without opposition and will issue soon as a registration with the May 29, 2006 priority date. Thus, Opposer's Paris Convention priority claim provides an independent basis to oppose Daniel's applications and an independent basis to deny his Motion to Dismiss.

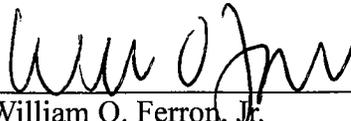
IX. Conclusion

Daniel's motion to dismiss the Amended Notices of Opposition should be denied for the reasons discussed above. Opposer has adequately plead priority based on its analogous trademark and on its Paris Convention filing date. Likewise, Daniel's motion to dismiss or strike Opposer's pleadings regarding Daniel's bad faith filings should be denied. Opposer sufficiently pleads with particularity Daniel's bad faith in filing his intent-to-use applications, and that he knew (or should have known) of Opposer's senior rights to the ZUNE mark. This is an established basis in the case law for opposing a trademark application.

Thus, Opposer asks that the Board deny Daniel's motion and require him to Answer without further delay.

DATED this 24<sup>th</sup> day of September, 2007.

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 4<sup>th</sup> day of September, 2007, the foregoing OPPOSER  
MICROSOFT'S OPPOSITION TO RULE 12 MOTION was served upon Applicant by depositing same  
with the U.S. Postal Service, first-class postage prepaid, addressed as follows:

Mark T. Daniel  
2316 York Road SW  
Roanoke, VA 24015-3906

  
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Robyn Granger