

THIS OPINION IS NOT A PRECEDENT
OF THE TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Butler

Mailed: May 15, 2009

Opposition No. 91184213

GALAXY METAL GEAR, INC.

v.

DIRECT ACCESS TECHNOLOGIES, INC.

Before Grendel, Kuhlke, and Cataldo, Administrative Trademark
Judges.

By the Board:

Applicant seeks to register the mark METAL GEAR for "enclosures for external computer hard drives."¹ As grounds for the opposition, opposer alleges that it is the owner of the mark GALAXY METAL GEAR BOX; that it has priority of use of its mark; that both parties purchased their products from a third party, Data Stor; that Data Stor is the real owner and first user of the METAL GEAR mark; and that applicant committed fraud in filing its application by representing that it is the owner and the first user of the mark METAL GEAR. Opposer also alleges that the mark is merely descriptive.

¹ Application Serial No. 78914975, filed on June 22, 2006, claiming a date of first use anywhere and a date of first use in commerce of May 14, 2003. A disclaimer of the term METAL is of record.

In its answer, applicant denies the essential allegations of the notice of opposition and asserts affirmative defenses.

This case now comes up on applicant's fully briefed motion, filed February 23, 2009, for summary judgment in its favor, arguing that it has not committed fraud and that its mark is not merely descriptive.²

As background, applicant states that two of opposer's owners are former employees of applicant who formed opposer to compete with applicant. Applicant also states that it opposed successfully opposer's application to register the mark GALAXY METAL GEAR BOX (Opposition No. 91174214). In support of its motion, applicant argues that it is the creator and owner of the mark METAL GEAR and that it began selling its goods under the mark in the United States in 2003. Applicant argues that its goods were originally manufactured by another entity; that it entered into a business relationship with Data Stor, an Asian company, in 2003 to manufacture the products applicant was already selling; that Data Stor was not selling hard drive enclosures until it began its business relationship with applicant; and that applicant has not bought any product from Data Stor since 2006 because applicant now manufactures its enclosures at its own factory. Applicant explains that, when it first contacted Data Stor, an agreement was reached whereby Data

² Opposer's withdrawal, filed April 15, 2009, of its motion for discovery under Fed. R. Civ. P. 56(f), filed March 20, 2009, is noted. No further consideration is given thereto.

Stor would not sell to any other company in the United States and applicant would have the "exclusivity" on the product.³

Applicant further explains that such an agreement was made because of the propensity of some Asian manufacturers to compete with their own customers. Applicant indicates that Data Stor made sales to another Asian company, Worldwide Marketing, and that Worldwide Marketing apparently sold the product to CompUSA in 2004. Applicant points out that this was almost one year after applicant began selling its products under its mark in the United States. Applicant surmises that perhaps Data Stor did not abide by its agreement of exclusivity to applicant or that it technically adhered to the agreement by selling to another Asian entity and such sales eventually made their way to the United States. Applicant asserts that it did not commit fraud because 1) it is the owner and first user of the mark METAL GEAR and 2) alternatively, in the event the Board finds applicant is not the owner, it believed it was the owner of the mark at the time the application was filed.

With respect to opposer's claim that the mark is merely descriptive, applicant explains that an "external hard drive" is a container into which a hard drive is installed; that the enclosure is then attached to a computer via a connection; that the enclosure has no gears or moving parts; and that the

³ Applicant points out that opposer's witness testified that opposer also entered into an exclusivity promise with Data Stor concerning the goods marked

enclosures are usually made of metal or plastic. Applicant argues that the term METAL GEAR does not convey any idea, characteristic, ingredient, or feature about the enclosures; that opposer's witness answered "No" to the question "Is there anything about the trademark METAL GEAR that makes you think it describes the enclosure"; and that the registrations identified by opposer in its initial disclosures, in support of its position that the mark is merely descriptive, are of limited value because 1) they issued requiring a disclaimer of either "metal" or "gear," but not the complete term, 2) they do not involve the same goods, 3) there is no dictionary definition of "metal gear," and 4) a registration has been allowed for METAL GEAR for "flashlights" with only a disclaimer of the term "METAL."

Applicant's motion is supported by the declaration of Gary Chen, a former employee of Data Stor stating, in relevant part, 1) that he understood applicant to have "... the exclusive right to sell METAL GEAR enclosures in the United States," 2) that Worldwide Marketing was one of his customers when he was at Data Stor, 3) that he was the first person at Data Stor to sell hard drive enclosures to Worldwide Marketing, and 4) that "[t]he first sale of hard drive enclosures were made to Worldwide Marketing in 2004." The motion is also supported by the declaration of one of applicant's officers, Patrick Wang, who states, among other things, that applicant first began selling enclosures under the

GALAXY METAL GEAR BOX and that the witness further testified that it would

METAL GEAR mark in the United States on or about May 14, 2003; that he personally created the mark; that applicant is the owner of the mark; that opposer is owned in part by two former employees of applicant; and that applicant occasionally receives communications from customers about what they thought were applicant's products when, in fact, they were not. Also submitted are a copy of portions of the transcript of the deposition of opposer's 30(b)(6) witness and vice president, Antonio Tan, and a copy of opposer's initial disclosures.

In response, opposer argues that applicant never owned the mark METAL GEAR but was, instead, one of two United States distributors for Data Stor. Opposer, asserting that it is the other U.S. distributor, disputes applicant's claim of being an "exclusive distributor," and argues further that, even if applicant were the "exclusive distributor," such a position does not make applicant the owner of the mark. Opposer argues that applicant has not produced any agreement between it and Data Stor confirming applicant's ownership of the mark and that the declaration of Mr. Chen as to his understanding of applicant's "exclusive right" contradicts the declaration of Mr. Wang as to applicant's ownership of the mark. Opposer contends that Data Stor's action demonstrates that Data Stor thought it owned the mark METAL GEAR. Opposer lists those actions as: selling "Metal Gear" enclosures to opposer; selling "Metal Gear" enclosures to

be reasonable to rely on such promise from Data Stor.

Worldwide Marketing with knowledge that such enclosures were being sold to CompUSA; and selling "Metal Gear" enclosures to applicant.

With respect to its claim that METAL GEAR is merely descriptive, opposer argues the two individual words are descriptive and their combination results in a descriptive term. Opposer contends that the goods are made of metal and have been primarily metal since 2003; that the term "metal" is disclaimed by applicant; and that the term "metal" is disclaimed by others. Opposer argues that the term "gear" means "goods" or "equipment"; that the term "gear" has been disclaimed by others; and that a hard drive enclosure is a piece of equipment. Opposer argues that the combination of the terms to form METAL GEAR describes "a piece of equipment that is metal."

Opposer's response is supported by the declaration of its attorney, Kenneth Tanji, Jr., introducing excerpts from the depositions of Momo Chen, another former sales representative of Data Stor, and Antonio Tan, opposer's 30(b)(6) witness, as well as dictionary definitions of "metal," "gear" and "equipment" printed from the Merriam Webster website. Ms. Chen testified, among other things, that Data Stor's sales to Worldwide Marketing are "... the same as selling to CompUSA" because "... Worldwide Marketing is a branch office of CompUSA in Taiwan..." Mr. Tan testified, among other things, that opposer "... was going to get exclusivity on the Galaxy Metal Gear" mark from Data Stor.

In reply, applicant argues that opposer does not have standing with respect to its claim of fraud based on applicant's purported lack of ownership because opposer does not claim it owns the mark METAL GEAR but instead claims the mark is owned by a third party.⁴ Applicant argues that there is no evidence it was an exclusive distributor of the goods for Data Stor. Rather, according to applicant, Data Stor was applicant's "private label" manufacturer, not the owner of the mark, and the evidence supporting this fact is not contradicted by opposer. Thus, applicant argues, because it is the owner of the mark, there is no fraud. In addition, applicant argues that, even if the Board finds applicant is not the owner of the mark, opposer has not introduced any evidence showing that applicant had no reasonable and honest basis for believing the truth of its claim of ownership, especially given the fact that applicant was selling the goods under the mark before Data Stor. Applicant argues that opposer's evidence of descriptiveness does not raise a genuine issue of material fact. Applicant contends that there is nothing descriptive about its combination of terms with respect to the goods; that when the term "gear" is disclaimed in the evidence submitted by opposer, it is preceded by an adjective used to describe the type of equipment (e.g., "fishing gear"); and

⁴ The Board notes, however, that opposer's claim is one of fraud based on applicant's purported lack of ownership and first use of the mark in the United States. Thus, the claim is somewhat more complicated in terms of proof and in determining opposer's purported lack of standing.

applicant's disclaimer of the term "metal" is of no significance when the composite mark is registrable.

As a preliminary matter, opposer objects to applicant's introduction of the deposition of opposer's 30(b)(6) witness, Mr. Tan with respect to Mr. Tan's statements to the effect that the term METAL GEAR does not convey any idea of the functions, ingredients, features, or characteristics of the goods at issue. More particularly, opposer argues that Mr. Tan is not competent to testify because the questions call for legal conclusions. In response, applicant argues that Mr. Tan is one of opposer's officers and that, because opposer purchased enclosures, he is competent to testify on whether the term METAL GEAR is descriptive of the enclosures. Applicant surmises that Mr. Tan's testimony that the term is not descriptive of enclosures undermines opposer's case and is the reason opposer is objecting to this portion of Mr. Tan's testimony.

Opposer's objection is overruled. Opposer produced Mr. Tan as the most knowledgeable witness, Mr. Tan is an officer of the company and opposer's business includes the sale of hard drive enclosures. Thus, Mr. Tan is presumed to have knowledge of the industry in which opposer operates.

In a motion for summary judgment, the moving party has the burden of establishing the absence of any genuine issue of material fact and that it is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56. A genuine dispute with respect to

a material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question in favor of the non-moving party. See *Opryland USA Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). Thus, all doubts as to whether any particular factual issues are genuinely in dispute must be resolved in the light most favorable to the non-moving party. See *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

We emphasize that we must view the evidence in the light most favorable to the non-moving party and draw all inferences in favor of the non-moving party (in this case, opposer) since opposing factual inferences may arise from the same set of undisputed subsidiary facts. *Id.* Our responsibility, in deciding a motion for summary judgment, is not to determine who will ultimately prevail or who has the stronger position; it is solely to determine whether there are any genuine issues of material fact that would preclude judgment before trial.

Here, at a minimum, genuine issues of material fact exist with respect to applicant's relationship with Data Stor and, thus, applicant's ownership of the mark. Consequently, genuine issues of material fact exist as to whether applicant committed fraud and applicant's intent to do so, if indeed fraud is found. In addition, genuine issues of material fact exist with respect whether the term METAL GEAR is merely descriptive of the goods. Accordingly, applicant's motion for summary judgment is denied.

The Board notes that the cases involving questions of intent are often unsuited for resolution by summary judgment. See, e.g., *Copelands' Enterprises Inc. v. CNV Inc.*, 945 F.2d 1563, 20 USPQ2d 1295, 1299 (Fed. Cir. 1991). Thus, the parties are not to file any further summary judgment motions.

Proceedings are resumed. The discovery period closed on January 25, 2009. Remaining, operative dates are reset as follows:

Plaintiff's Pretrial Disclosures	6/5/2009
Plaintiff's 30-day Trial Period Ends	7/20/2009
Defendant's Pretrial Disclosures	8/4/2009
Defendant's 30-day Trial Period Ends	9/18/2009
Plaintiff's Rebuttal Disclosures	10/3/2009
Plaintiff's 15-day Rebuttal Period Ends	11/2/2009

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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