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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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Party	Plaintiff CaseCentral, Inc.
Correspondence Address	WILLIAM J FRIMEL HEFFERNAN SEUBERT & FRENCH LLP 1075 CURTIS STREET MENLO PARK, CA 94025 UNITED STATES bill@hsflp.com
Submission	Brief on Merits for Plaintiff
Filer's Name	William J. Frimel
Filer's e-mail	bill@hsflp.com
Signature	/William J. Frimel/
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

CASECENTRAL, INC.,	)	)	Mark: PRESERVATION
	)	)	CLOUD
	Opposer,)	
		)	Serial No.: 77/922,469
vs.)	
		)	Opposition No. 91198858
NEXTPOINT, INC.,)	
)	
	Applicant.	)	Published in the Official
		)	Gazette on November 9, 2010
)	

OPPOSER CASECENTRAL, INC.'S OPENING BRIEF ON THE CASE

William J. Frimel
Heffernan Seubert & French LLP
1075 Curtis Street
Menlo Park, CA 94025
Telephone: (650) 322-3048
Facsimile: (650) 322-2976
bill@hsflp.com
Attorneys for Opposer CaseCentral, Inc.

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Pursuant to 37 C.F.R. § 2.128(a), and the parties' Stipulation Extending Time to File Briefs on the Case dated March 20, 2013, Opposer CaseCentral, Inc. ("CaseCentral") hereby submits the following Opening Brief on the Case.

INTRODUCTION

CaseCentral and Applicant Nextpoint, Inc. ("Nextpoint") are both in the online litigation support business. One of Nextpoint's offerings is a software tool that archives and indexes data from websites, blogs, Twitter and Facebook (the "Archiving Service"). In late 2009 and early January 2010, Nextpoint was considering using the name "Preservation Cloud" for the Archiving Service. Nextpoint thus (1) applied for the PRESERVATION CLOUD mark (the "Mark") on an "intent to use" basis under 15 U.S.C. § 1051(b), along with two other marks, DISCOVERY CLOUD and TRIAL CLOUD; and (2) began using the name "Preservation Cloud" on its website and in "e-mail blasts," *i.e.*, mass marketing e-mails.

However, in late January 2010, Nextpoint learned that CaseCentral's founder, Christopher Kruse, owned the domain name www.preservationcloud.com. In March 2010, Nextpoint attempted to buy the domain name from Kruse by contacting Kruse using a fictitious identity, but Kruse declined. Thus, Nextpoint's management decided to change the Archiving Service's name to "Cloud Preservation." Accordingly, Nextpoint applied for the CLOUD PRESERVATION mark in April 2010, and ceased mentioning "Preservation Cloud" on its website and e-mail blasts. Today, no Nextpoint customer is using a service called "Preservation Cloud."

Also in March 2010, CaseCentral applied to register the marks EDISCOVERY CLOUD and CASECENTRAL EDISCOVERY CLOUD (the “CaseCentral Marks”). In June 2010, Nextpoint filed suit against CaseCentral in federal court, claiming that CaseCentral was infringing a number of purported Nextpoint trademarks, including the Mark, via CaseCentral’s use of the CaseCentral Marks. When CaseCentral pointed out that Nextpoint did not appear to be using the Mark in commerce, Nextpoint promptly dismissed its lawsuit. In October 2010, the U.S. Patent and Trademark Office (“USPTO”) refused to register Nextpoint’s DISCOVERY CLOUD and TRIAL CLOUD marks in International Class 42, on the ground that those marks merely described the features of Nextpoint’s litigation support offerings. CaseCentral filed this Opposition in March 2011, to resolve the parties’ apparent dispute regarding CaseCentral’s right to use the term “cloud” in reference to litigation discovery-related software.

Registration of the Mark should be denied on two grounds.

First, as made clear by the documentary record and Nextpoint’s witnesses’ testimony, the term “Preservation Cloud” simply describes the Archiving Service’s function — to preserve online data by means of “cloud computing,” *i.e.*, by storing the data, and making it accessible, on an online server as opposed to the data owner’s local computer hard drive. *See Int’l. Bus. Machs. Corp. v. Visentin*, No. 11 Civ. 399, 2011 WL 672025, *5 (S.D.N.Y. Feb. 16, 2011) (“Cloud computing allows businesses and individuals to use the Internet to access software programs, applications, and data from computer data centers managed by providers such as IBM and HP.”).

In Nextpoint’s words, the Archiving Service is intended to meet “the challenge of *preserving* data generated on the internet.” (Opposer’s Notice of Reliance No. 1, Oct. 5,

2012 (“Opp. NOR”), Exh. 10 (emphasis added).) According to Nextpoint CEO Rakesh Madhava, the names of Nextpoint’s services all have “the word cloud in them” because “[a]ll of [Nextpoint’s] products are deployed in Amazon Web Services’ cloud computing environment” (Dep. of Rakesh Madhava, Dec. 3, 2012 (“Madhava Dep.”), 7:21-8:1; *see also id.* at 10:21-23 (“Cloud Preservation is a service specifically to collect data from the cloud”)).

Nextpoint has further asserted that it still has a product called “Preservation Cloud” that is distinct from the Archiving Service. The evidence does not support this claim, but regardless of whether it is accurate, (1) Nextpoint’s witnesses admitted that Nextpoint is not using the Mark to designate that allegedly separate product in communicating with actual and potential customers; and (2) the purported “Preservation Cloud” service, per Nextpoint’s description, also preserves data by means of cloud computing, and therefore the Mark is descriptive of that service.

Because the Mark merely describes the Archiving Service’s functions, the Mark is not eligible for registration. *See, e.g., In re Chamber of Commerce*, 675 F.3d 1297, 1301, 102 U.S.P.Q.2d 1217 (Fed. Cir. 2012) (because “NATIONAL CHAMBER is a mark that might be viewed as descriptive of services that are nationwide in scope and relate to chambers of commerce,” registration of mark properly refused, on the ground that it was merely descriptive).

Second, Nextpoint has no bona fide intent to use the Mark in commerce. As described above, Nextpoint (1) decided, in March 2010, to name the Archiving Service “Cloud Preservation,” rather than “Preservation Cloud”; (2) does not presently use the name “Preservation Cloud” to designate any of its offerings; and (3) has not provided any

competent evidence that it intends to do so in the future. *See Boston Red Sox Baseball Club Ltd. Pshp. v. Sherman*, 88 U.S.P.Q.2d 1581, 2008 WL 4149008, *6 (TTAB Sept. 9, 2008) (registration of mark refused, because “applicant lacked a bona fide intent to use the mark on the identified goods”).

Nextpoint’s witnesses asserted that Nextpoint intends to use the Mark to designate its offerings at an unknown future date, but Nextpoint’s mere subjective expression of intent to use the Mark does not meet the bona fide intent requirement. *See Bobosky v. Adidas AG*, 843 F. Supp. 2d 1134, 1140 (D. Or. 2011) (applicant’s “subjective testimony about [its] state of mind cannot demonstrate that [it] possessed a bona fide intent to use” the mark at issue) (citing *Lane Ltd. v. Jackson Int’l. Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (TTAB Nov. 29, 1994)). As there is no documentary evidence reflecting Nextpoint’s alleged intent to use the Mark in the future, registration of the Mark should be refused.

DESCRIPTION OF THE RECORD

The evidence of record consists of (1) Opposer’s Notice of Reliance No. 1, submitted on October 5, 2012; (2) Applicant’s Notice of Reliance No. 1, submitted on December 6, 2012; (3) the trial depositions of Nextpoint’s Rakesh Madhava and Michael Beumer, which were taken on December 3, 2012 and submitted pursuant to Opposer’s Notice of Filing of Deposition Transcripts dated January 18, 2013; and (4) Opposer’s Request for Judicial Notice (“RJN”) dated April 4, 2013.

The exhibits to Opposer’s and Applicant’s Notices of Reliance were submitted pursuant to the parties’ Stipulation to Authenticity of Previously Produced Documents (Opp. NOR, Exh. 1) and Stipulation to Authenticity of Website Printouts (*id.* Exh. 2).

Finally, because the full, non-condensed versions of Messrs. Madhava's and Beumer's transcripts were not available at the time CaseCentral filed its Notice of Filing of Deposition Transcripts, Opposer is submitting, concurrently with this brief, a Supplemental Notice of Filing of Deposition Transcripts that contains the full versions of those transcripts.

STATEMENT OF FACTS

A. Nextpoint Initially Considers Calling its Archiving Service "Preservation Cloud"

In late 2009, Nextpoint was in the process of developing what it calls "a software tool for use in archiving and indexing data from websites, blogs, Twitter and Facebook," which "utilizes cloud computing." (Opp. NOR, Exh. 16, ¶ 4.) Nextpoint initially considered calling the Archiving Service "Preservation Cloud," and thus researched the possibility of obtaining the domain name "preservationcloud.com" to market the Archiving Service. (Opp. NOR, Exh. 8, at 2; Madhava Dep. 28:23-29:14.) Nextpoint began mentioning "Preservation Cloud" on its website and in "e-mail blasts," *i.e.*, mass marketing e-mails to customers. (Dep. of Michael Beumer ("Beumer Dep."), 3:18-4:6.)

Nextpoint, at the time, described Preservation Cloud as utilizing a "cloud computing platform." (Applicant's Notice of Reliance No. 1, Dec. 6, 2012 ("App. NOR"), Exh. 4, at 3; *see also id.* Exh. 5, at 1 (Preservation Cloud "leverages cloud computing technology to realize more cost-effective preservation of confidential data"); *id.* Exh. 6 (Preservation Cloud is part of Nextpoint's "cloud-based platform").) Further, Nextpoint's 2009 and early 2010 marketing materials described Preservation Cloud as a "storage and processing resource to preserve and manage large volumes of ESI," *i.e.*,

electronically stored information. (*Id.* Exh. 4, at 3; *see also id.* Exh. 5, at 1 (Preservation Cloud’s purpose is the “preservation of confidential data”).)

On January 19, 2010, Nextpoint’s CEO, Rakesh Madhava, learned that CaseCentral’s founder, Christopher Kruse, owned the preservationcloud.com domain name. (Opp. NOR, Exh. 8, at 1.) Despite learning this, Nextpoint applied to the USPTO to register the Mark on January 28, 2010, along with two other marks, DISCOVERY CLOUD and TRIAL CLOUD, on an “intent to use” basis under 15 U.S.C. § 1051(b). (*Id.* Exh. 23; *id.* Exh. 16, at ¶ 7.) In March 2010, Nextpoint’s marketing director, Michael Beumer, attempted to buy the domain name from Kruse, by contacting Kruse using Beumer’s wife’s e-mail address and not disclosing Beumer’s affiliation with Nextpoint, but Kruse declined. (*Id.* Exh. 14, at 2.) In a March 10 e-mail, Beumer advised Madhava and others at Nextpoint that, as a result of Kruse’s refusal to sell the domain name, “[i]t is a shame we can’t get preservation.” (*Id.* at 3).

B. Nextpoint Adopts “Cloud Preservation” as the Name of its Archiving Service

Due to Kruse’s ownership of preservationcloud.com, Madhava decided that Nextpoint would not use the name “Preservation Cloud” for the Archiving Service. (Madhava Dep. 28:23-29:16.) Instead, “Cloud Preservation,” Nextpoint’s management agreed, better described the functionality of the Archiving Service. In a March 2010 e-mail, Nextpoint’s Vice President of Research and Development, Ben Wolf, stated that “CloudPreservation might actually be a bit more accurate for this product.” (Opp. NOR, Exh. 14, at 3.) Madhava added that “[o]ne thing I like about cloudpreservation is we decided to market a non legal [sic] specific usage” (*Id.* at 4).

In keeping with this decision, Nextpoint ceased mentioning “Preservation Cloud” on its website (*see* Beumer Dep. 15:4-15; *see also* Opp. NOR, Exh. 3 (Nextpoint’s website’s front page, as of December 2012)), and stopped referencing “Preservation Cloud” in its marketing “e-mail blasts” (Beumer Dep. 18:24-19:9). Nextpoint replaced “Preservation Cloud” with “Cloud Preservation” on its website. (Opp. NOR, Exh. 3.) At present, no Nextpoint client is using a service called “Preservation Cloud” (Madhava Dep. 28:8-22), although Madhava claimed that Nextpoint may begin calling one of its services “Preservation Cloud” at an unknown future date (*id.* at 22:2-4).

On April 23, 2010, Nextpoint applied to register the CLOUD PRESERVATION mark, stating that CLOUD PRESERVATION was intended to identify “a web-based software application that permits the archiving . . . of information and data that is transmitted and displayed on-line” — *i.e.*, a web-based, or “cloud”-based, application for the preservation of online data. (Opp. NOR, Exh. 9, at 2.)

In a June 2010 press release, Nextpoint “announce[d] the BETA release of Cloud Preservation, a revolutionary web archiving service that securely captures and indexes data from Websites, blogs, Twitter and Facebook feeds.” (*Id.* Exh. 10.) Cloud Preservation, Nextpoint stated, is intended to meet “the challenge of preserving data generated on the internet.” (*Id.*) Cloud Preservation does this, according to Nextpoint’s current marketing materials, by “securely archiv[ing] and index[ing] . . . your data in the cloud.” (*Id.* Exh. 4 (capitalization removed).) With Cloud Preservation, Nextpoint says, “[p]reserving your organization’s web content is just a few simple steps away,” and “[y]our preserved data will be there when you need it.” (*Id.*)

According to Nextpoint, Cloud Preservation operates “in the cloud” because it is “100% Web-based,” with “no installation necessary.” (*Id.*; *see also id.* Exh. 7 (“Nextpoint [is] the nation’s leading provider of cloud-based technology products”); *id.* Exh. 10 (“Our world-class, cloud-based platform answers the unique legal, regulatory, and compliance requirements posed by data stored ‘in the cloud’”).)

C. Nextpoint Files Suit Against CaseCentral for Allegedly Infringing the Mark, but Voluntarily Dismisses the Action

On June 8, 2010, Nextpoint filed a lawsuit against CaseCentral in the United States District Court for the Northern District of Illinois (the “Nextpoint Action”), claiming, *inter alia*, that CaseCentral had infringed the Mark, and Nextpoint’s DISCOVERY CLOUD and TRIAL CLOUD marks, by applying to register and using the marks EDISCOVERY CLOUD and CASECENTRAL EDISCOVERY CLOUD. (*Id.* Exh. 16, ¶ 11.)

On January 27, 2011, CaseCentral’s counsel wrote to Nextpoint’s counsel. (Opposer’s Req. for Jud. Notice, Apr. 4, 2013, Exh. I to Exh. A.) CaseCentral’s counsel noted that, “[b]y March 2010, the same month in which CaseCentral applied for the CaseCentral Marks . . . , Nextpoint had decided to call its web-based document preservation application ‘Cloud Preservation,’ instead of ‘Preservation Cloud.’” (*Id.* at 2.) “Accordingly,” CaseCentral’s counsel noted, “at the time CaseCentral allegedly began infringing the PRESERVATION CLOUD mark, Nextpoint was not even using that mark to promote its offerings.” (*Id.*)

Shortly afterward, on February 16, 2011, Nextpoint voluntarily dismissed the Nextpoint Action. (Opp. NOR, Exh. 16, ¶ 14.)

D. The USPTO Denies Registration of the DISCOVERY CLOUD and TRIAL CLOUD Marks as to International Class 42

On October 27, 2010, the USPTO advised Nextpoint that the USPTO would not register the DISCOVERY CLOUD and TRIAL CLOUD marks with respect to International Class 42, because “the applied-for mark[s] merely describe[] a function or purpose of [Nextpoint’s] goods and/or services.” (*Id.* Exh. 12, at 2, 5.) This was because DISCOVERY CLOUD and TRIAL CLOUD merely describe services by which “the computer software or cloud will be used in connection with,” respectively, the “discovery portion of litigation work” and “civil litigation, or trial, work.” (*Id.* at 2, 5.) The USPTO cited Nextpoint’s own characterization of its “Discovery Cloud” and “Trial Cloud” services as “leverag[ing] cloud computing technology to elegantly address the challenges of managing large quantities of evidence.” (*Id.* at 5.) Later, the USPTO granted registration of the DISCOVERY CLOUD and TRIAL CLOUD marks with respect to International Class 39 only. (DISCOVERY CLOUD Reg. Certificate, Apr. 24, 2012; TRIAL CLOUD Reg. Certificate, Dec. 13, 2011.)

On March 7, 2011, CaseCentral brought this opposition proceeding, alleging that registration of the Mark should be refused on the grounds that (1) the Mark is merely descriptive of Nextpoint’s goods and services, and (2) Nextpoint lacks a bona fide intent to use the Mark in commerce. (Opp. NOR, Exh. 15, ¶¶ 16-19.)

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ARGUMENT

I. THE MARK IS MERELY DESCRIPTIVE OF NEXTPOINT'S SERVICES

A. The Mark Describes the Use of *Cloud*-Based Technology for the *Preservation* of Online Data

1. Nextpoint's own statements make the descriptive nature of the Mark clear

Nextpoint's marketing materials reflect that the purpose of the Archiving Service — which Nextpoint previously contemplated calling "Preservation Cloud," but now calls "Cloud Preservation" (Madhava Dep. 28:23-29:16) — is to use *cloud*-based technology for the *preservation* of online data.

In Nextpoint's words, the Archiving Service, "Cloud Preservation," is intended to meet "the challenge of preserving data generated on the internet." (Opp. NOR, Exh. 10.) Cloud Preservation does this by "securely archiv[ing] and index[ing] data from . . . websites, blogs, Twitter and Facebook" — *i.e.*, "your data in the cloud." (*Id.* Exh. 4 (capitalization removed).) With Cloud Preservation, Nextpoint says, "[p]reserving your organization's web content is just a few simple steps away," and "[y]our preserved data will be there when you need it." (*Id.*)

Cloud Preservation operates, by definition, "in the cloud," because it is "100% Web-based," with "no installation necessary." (*Id.*; *see also id.* Exh. 7 ("Nextpoint [is] the nation's leading provider of cloud-based technology products"); *id.* Exh. 10 ("Our world-class, cloud-based platform answers the unique legal, regulatory, and compliance requirements posed by data stored 'in the cloud'"); *Int'l. Bus. Machs. Corp.*, 2011 WL 672025, *5 ("Cloud computing allows businesses and individuals to use the Internet to access software programs, applications, and data from computer data centers

managed by providers such as IBM and HP.”); *Smith v. DeParry*, 86 So. 3d 1228, 1234 (Fla. App. 2012) (“Cloud computing is the delivery of computing as a service rather than a product, whereby shared resources, software, and information are provided to computers and other devices as a metered service over a network (typically the Internet).”).)

In the same vein, Nextpoint’s CEO, Madhava, testified that (1) Nextpoint chose “to use the word preservation” in the Mark because “the archiving service . . . is intended to preserve data” (Madhava Dep. 27:17-28:7); and (2) the names of Nextpoint’s services have “the word cloud in them” because “[a]ll of our products are deployed in Amazon Web Services’ cloud computing environment” (*id.* at 7:21-8:1; *see also id.* at 10:21-23 (“Cloud Preservation is a service specifically to collect data from the cloud”).

Similarly, Beumer testified that (1) Nextpoint uses the term “preservation” in “Preservation Cloud” because data “will be preserved there” (Beumer Dep. 24:14-24; *id.* at 26:22-27:1 (Nextpoint “chose the word preservation because Preservation Cloud can preserve a lot of different types of data”)); and (2) Nextpoint “use[s] the term cloud in Preservation Cloud because Preservation Cloud relates to cloud computing,” and “because all of our architecture . . . use[s] the Amazon Web Services iLastic computing cloud” (*id.* at 23:18-24:5).

Nextpoint’s USPTO filings also make clear that the Mark describes the functions of the Archiving Service. In Nextpoint’s application for the CLOUD PRESERVATION mark, which described the service Nextpoint originally intended to use the Mark to designate (Madhava Dep. 28:23-29:14), Nextpoint stated that CLOUD PRESERVATION was meant to identify “a web-based software application that permits the archiving . . . of

information and data that is transmitted and displayed on-line” — *i.e.*, a web-based, or “cloud”-based, application for the preservation of online data. (Opp. NOR, Exh. 9, at 2.)

Under 15 U.S.C. § 1052(e)(1), the registration of a mark must be refused if the mark, “when used on or in connection with the goods of the applicant[,] is merely descriptive . . . of them.” “A term is merely descriptive if it immediately conveys knowledge of a quality, feature, function, or characteristic of the goods or services with which it is used.” *In re Bayer Aktiengesellschaft*, 488 F.3d 960, 963, 82 U.S.P.Q.2d 1828 (Fed. Cir. 2007).

Because the Mark, PRESERVATION CLOUD, describes software that accomplishes the *preservation* of data by means of “*cloud*” computing, the Mark is descriptive of Nextpoint’s services and not entitled to registration. *See In re Chamber of Commerce*, 675 F.3d 1297, 1301 (Fed. Cir. 2012) (because “NATIONAL CHAMBER is a mark that might be viewed as descriptive of services that are nationwide in scope and relate to chambers of commerce,” registration of mark properly refused on the ground that it was descriptive); *In re Steelbuilding.com*, 415 F.3d 1293, 1299, 75 U.S.P.Q.2d 1420 (Fed. Cir. 2005) (“[T]he mark STEELBUILDING.COM was, if not generic, then at least merely descriptive,” because “[t]he applicant’s web site lists as its first feature: ‘Design your steel building with our advanced interactive system,’” and “the retail sale of steel buildings” was “the primary feature of applicant’s services”); *In re Gyulay*, 820 F.2d 1216, 1218, 3 U.S.P.Q.2d 1009 (Fed. Cir. 1987) (because “the term APPLE PIE conveys the key characteristic of the potpourri” developed by applicant, *i.e.*, “its scent,” registration denied on the ground that the mark was merely descriptive).

2. The USPTO’s rationale for refusing to register the DISCOVERY CLOUD and TRIAL CLOUD marks in Class 42 requires the same result with respect to the Mark

As stated above, the USPTO refused to register the DISCOVERY CLOUD and TRIAL CLOUD marks with respect to International Class 42, because “the applied-for mark[s] merely describe[] a function or purpose of [Nextpoint’s] goods and/or services.” (Opp. NOR, Exh. 12, at 2, 5.) This was because DISCOVERY CLOUD and TRIAL CLOUD merely describe services by which “the computer software or cloud will be used in connection with,” respectively, the “discovery portion of litigation work” and “civil litigation, or trial, work.” (*Id.* at 2, 5.) The USPTO cited Nextpoint’s own characterization of its Discovery Cloud and Trial Cloud services as “leverag[ing] cloud computing technology to elegantly address the challenges of managing large quantities of evidence.” (*Id.* at 5.)

Nextpoint’s witnesses’ testimony and internal documents reflect that (1) Nextpoint considered, but ultimately decided against, using the Mark to designate the Archiving Service (*id.* Exh. 8, at 2; Madhava Dep. 28:23-29:14); and (2) the Archiving Service’s purpose is to *preserve* data by means of *cloud* computing (Opp. NOR, Exhs. 4, 7, 10; Madhava Dep. 7:21-8:1, 27:17-28:7; Beumer Dep. 23:18-24:5, 24:14-24). Because the Mark does nothing more than describe the Archiving Service’s functionality, the USPTO’s reasoning in refusing to register the DISCOVERY CLOUD and TRIAL CLOUD marks supports refusing to register the Mark as well.

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B. Nextpoint Has No Separate Service Called “Preservation Cloud,” But Even Assuming Such a Service Exists, Its Purpose Is Also to *Preserve Data via the Cloud*

1. Nextpoint’s claim that “Preservation Cloud” is a service distinct from “Cloud Preservation” is not credible

a. Nextpoint’s documents and testimony reflect that Nextpoint has no presently-existing service called “Preservation Cloud”

In deposition testimony, Nextpoint’s Madhava and Beumer asserted that “Preservation Cloud” and “Cloud Preservation” actually describe two distinct services offered by Nextpoint. Preservation Cloud, Beumer claimed, is intended to provide “low-cost simple storage,” meaning storage of data “that you know you aren’t going to access actively.” (Beumer Dep. 13:7-18.) Beumer testified that Preservation Cloud “does not actively crawl websites” to obtain that data (*id.* at 14:21-23), and does not store data retrieved from social media and websites (*id.* at 14:13-23; *see also* Madhava Dep. 25:10-26:16 (same)). Cloud Preservation, by contrast, “actively crawl[s] and archive[s] . . . data that’s in social media outlets and on websites and blogs.” (Beumer Dep. 14:13-20.)

However, Nextpoint’s claim that it offers a distinct “Preservation Cloud” service is not supported by the evidence. Rather, the evidence reflects that Nextpoint (1) considered using the name “Preservation Cloud” for its Archiving Service, but in 2010 abandoned that idea in favor of calling the Archiving Service “Cloud Preservation,” and (2) does not presently use “Preservation Cloud” for any other purpose.

First, a May 2, 2011 e-mail from Madhava to a prospective Nextpoint customer reveals the inaccuracy of the purported “Cloud Preservation” versus “Preservation Cloud” distinction. In that e-mail, Madhava describes “Preservation Cloud” as relating to “social media and website archiving” (Madhava Dep. Exh. 2) — contrary to Beumer’s

and Madhava's claims that Preservation Cloud does not archive social media and website data (Beumer Dep. 14:13-23; Madhava Dep. 24:9-25:6). When this inconsistency was pointed out to him, Madhava at first asserted that his May 2011 e-mail was inaccurate, but then stated that he "could have" used the phrase "Preservation Cloud" "to see if Preservation Cloud had a better market reaction than Cloud Preservation." (Madhava Dep. 25:10-26:16.) The more plausible explanation for Madhava's e-mail, of course, is that "Preservation Cloud" is simply the original, but now-discarded, name for the application currently called Cloud Preservation.

Second, Nextpoint does not mention Preservation Cloud on its website (Beumer Dep. 15:4-15; *see also* Opp. NOR, Exh. 3 (Nextpoint's website's front page, as of December 2012)), although it does reference Cloud Preservation (*id.* Exh. 3). This is because, Madhava testified, Preservation Cloud "is currently not a primary area of focus for our marketing efforts" (Madhava Dep. 22:5-14.) Supposedly, according to Beumer, Nextpoint intends to use the Mark on its website again, but Beumer was unable to say when Nextpoint plans to do so. (Beumer Dep. 18:4-23.) Nor does Nextpoint mention Preservation Cloud in its "e-mail blasts," *i.e.*, its mass e-mails for marketing purposes. (*Id.* at 18:24-19:9.)

Third, Madhava admitted that none of Nextpoint's clients is currently using a service called "Preservation Cloud" — rather, "they are using a long-term storage service for the use case that we are intending Preservation Cloud to be." (Madhava Dep. 28:8-22; *see also id.* at 22:2-4 ("We are anticipating having a product that would fill the functionality we've described as Preservation Cloud."); *id.* at 11:11-13 ("[W]e are not as

part of our current marketing lineup discussing Preservation Cloud as a discrete service.”.)

Finally, Nextpoint’s internal e-mails reflect that Nextpoint decided against using “Preservation Cloud” as a name for any of its services. In March 2010, Beumer informed Nextpoint’s management that CaseCentral’s Kruse would not sell the preservationcloud.com domain name, and stated that “[i]t is a shame we can’t get preservation.” (Opp. NOR, Exh. 14, at 2). Nextpoint’s Ben Wolf stated that “CloudPreservation might actually be a bit more accurate for this product” (*id.* at 3), and Madhava added that “[o]ne thing I like about cloudpreservation is we decided to market a non legal [sic] specific usage” (*id.* at 4).

b. Nextpoint’s evidence is not to the contrary

In Madhava’s deposition, Nextpoint introduced two documents that use the term “Preservation Cloud,” in an apparent effort to show that Nextpoint continues to use the Mark to designate its services today, or at least intends to do so at some future time. (Madhava Dep. Exh. 1, at 1; Exh. 2, at 3.) However, these documents do not support Nextpoint’s position.

The first of the documents introduced by Nextpoint was a blog post by Madhava dated January 27, 2010, which stated that “[w]e are also rolling out Preservation Cloud pricing at \$1/GB per month.” (*Id.* Exh. 1, at 1.) However, this blog post is dated before March 2010 — the month in which, as noted above, the evidence reflects that Nextpoint chose to use the name “Cloud Preservation,” rather than “Preservation Cloud,” for the Archiving Service. (Opp. NOR, Exh. 14, at 2-4.) Thus, this document does not show

that Nextpoint continues to call any of its services “Preservation Cloud” today, or intends to do so going forward.

The second such document was a Nextpoint brochure that, in describing a separate service, “Trial Cloud,” stated that Trial Cloud “[o]ffers seamless integration from Preservation Cloud and Discovery Cloud” (Madhava Dep. Exh. 2, at 3.) This document, Madhava admitted, is not available on Nextpoint’s website. (*Id.* at 30:2-11.) Madhava was not sure when the document was created or used (*id.* at 31:2-7), but believed it was “from the first quarter of 2010” (*id.* at 31:2-5) — again, before the evidence shows that Nextpoint decided to stop using the “Preservation Cloud” name.

2. Even assuming “Preservation Cloud” is a separate service, its purpose is to preserve data via cloud computing, and thus the Mark remains descriptive of Nextpoint’s services

Even if Nextpoint’s claim that “Preservation Cloud” and “Cloud Preservation” are distinct applications is credible, the evidence makes clear that Preservation Cloud, like Cloud Preservation, uses *cloud*-based technology for the purpose of *preserving* documents. Accordingly, the Mark remains descriptive of services offered by Nextpoint.

Nextpoint’s marketing materials (which, as noted above, date from before Nextpoint adopted the name “Cloud Preservation” in March 2010) describe Preservation Cloud as utilizing a “cloud computing platform.” (App. NOR, Exh. 4, at 3; *see also id.* Exh. 5, at 1 (Preservation Cloud “leverages cloud computing technology to realize more cost-effective preservation of confidential data”); *id.* Exh. 6 (Preservation Cloud is part of Nextpoint’s “cloud-based platform”).)

Further, Nextpoint’s Madhava described Preservation Cloud as “a low-cost, long-term storage solution that would allow” “law firms, corporations, and governments” with

“electronic data pertinent to their litigations” to “preserve that data.” (Madhava Dep. 5:1-11; *see also id.* at 26:6-7 (Preservation Cloud is “meant to preserve data from the collections phase”). Similarly, Nextpoint’s marketing materials describe Preservation Cloud as a “storage and processing resource to preserve and manage large volumes of ESI,” *i.e.*, electronically stored information. (App. NOR, Exh. 4, at 3; *see also id.* Exh. 5, at 1 (Preservation Cloud’s purpose is the “preservation of confidential data”).)

Accordingly, even if Nextpoint does offer a separate service called “Preservation Cloud,” the Mark merely describes the functions of that service, and thus the Mark is not eligible for registration. *In re Chamber of Commerce*, 675 F.3d at 1301; *In re Steelbuilding.com*, 415 F.3d at 1299; *In re Gyulay*, 820 F.2d at 1218.

II. NEXTPOINT HAS NO BONA FIDE INTENT TO USE THE MARK IN COMMERCE

“A bona fide intent to use the mark in commerce is a statutory requirement of a valid intent-to-use trademark application under § 1(b) of the Lanham Act.” *Bobosky*, 843 F. Supp. 2d at 1140; *see also* 15 U.S.C. § 1051(b)(1) (a “person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may request registration of its trademark on the principal register”).

“[T]he lack of” a “bona fide intent to use the . . . mark in commerce” “is . . . a ground on which [an opposer] may oppose [an applicant’s] application.” *Aktieselskabet AF 21. November 2001 v. Fame Jeans Inc.*, 525 F.3d 8, 21 (D.C. Cir. 2008). The lack of the requisite intent precludes registration, whether the applicant lacked the intent to use the mark at the time of the application, or intended to use the mark at one time but no longer plans to do so. *See Spirits Int’l., B.V. v. S.S. Taris Zeytin Ve Zeytinyagi Tarim Satis Kooperatifleri Birliđi*, 99 U.S.P.Q.2d 1545, 2011 WL 2909909, *3 (TTAB Jul. 6,

2011) (registration will be refused if the “applicant lacked on the filing date of the application, or now lacks, a bona fide intent to use the mark on the identified goods”).

Nextpoint’s “subjective testimony about [its] state of mind cannot demonstrate that [it] possessed a bona fide intent to use” the Mark. *Bobosky*, 843 F. Supp. 2d at 1140 (citing *Lane Ltd. v. Jackson Int’l. Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (TTAB 1994)). Rather, “an applicant demonstrates [its] bona fide intent to use by producing ‘a written plan of action’ for a new product or service.” *Id.* (citing 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 19:14, at 19-46, 47 (4th ed. Rev. 2011)). “By itself, the absence of contemporaneous documents indicating an intent to use is sufficient to prove an applicant’s lack of intent.” *Id.* (citing *Commodore Elecs. Ltd. v. Cbm Kabushiki Kaisha*, 26 U.S.P.Q. 2d 1503, 1507 (TTAB 1993)).

Accordingly, although Madhava and Beumer asserted that Nextpoint, while it is not currently using the Mark to designate its services (Madhava Dep. 28:8-22; Beumer Dep. 20:15-21:7), intends to use it in such a way in the future (Madhava Dep. 22:2-4; Beumer Dep. 18:4-9), that testimony is irrelevant to whether Nextpoint has a bona fide intent to use the Mark in commerce. The record (1) contains no “written plan” by Nextpoint to use the Mark going forward; and (2) supports the conclusion that, although Nextpoint may have considered calling one of its products “Preservation Cloud” in 2009 and early 2010, Nextpoint has abandoned any intent to do so:

- When Nextpoint learned that CaseCentral’s Kruse owned the preservationcloud.com domain name and would not sell it to Nextpoint, internal Nextpoint e-mails reflect that Beumer stated “[i]t is a shame we can’t get preservation,” Nextpoint’s Wolf said that “CloudPreservation might actually be a bit more accurate for

this product” than Preservation Cloud, and Madhava noted that “one thing [Madhava] like[d] about cloudpreservation is” that Nextpoint could use the name to denote “a non legal [sic] specific usage” (Opp. NOR, Exh. 14, at 3-4.) Further, Madhava stated that Nextpoint chose not to call the Archiving Service “Preservation Cloud” specifically because Kruse owned the preservationcloud.com domain name. (Madhava Dep. 28:23-29:16.)

- In keeping with this decision, Nextpoint ceased mentioning “Preservation Cloud” on its website. (Beumer Dep. 15:4-15; *see also* Opp. NOR, Exh. 3 (Nextpoint’s website’s front page, as of December 2012).) Nextpoint also stopped referencing “Preservation Cloud” in its marketing “e-mail blasts.” (Beumer Dep. 18:24-19:9.)

- Shortly after deciding not to use “Preservation Cloud” as the name for the Archiving Service in March 2010 (Opp. NOR, Exh. 14, at 3-4), Nextpoint applied for the CLOUD PRESERVATION mark in April 2010 (*id.* Exh. 9).

- No Nextpoint client is presently using a service called “Preservation Cloud.” (Madhava Dep. 28:8-22.) Despite Nextpoint’s witnesses’ claim that Nextpoint intends to use the name “Preservation Cloud” going forward, neither Madhava nor Beumer could say when Nextpoint intends to do so. (*Id.* at 22:2-4; Beumer Dep. 18:4-23.)

- Nextpoint filed suit against CaseCentral in June 2010, claiming, *inter alia*, that CaseCentral infringed the Mark. (Opp. NOR, Exh. 16, ¶ 11.) But when CaseCentral pointed out that Nextpoint was not using the Mark (RJN, Exh. I to Exh. A), Nextpoint voluntarily dismissed its action shortly afterward (Opp. NOR, Exh. 16, ¶ 14).

- Nextpoint’s witnesses’ testimony in describing Nextpoint’s alleged use of the Mark was contradictory and not credible. Initially, Madhava claimed that Nextpoint’s alleged service “Preservation Cloud” was not used to store data from social media and websites. (Madhava Dep. 24:9-25:6.) However, when shown an e-mail in which he asserted that “Preservation Cloud” related to “social media and website archiving” (*id.* Exh. 2), Madhava stated first that this e-mail was inaccurate (*id.* at 25:19-21), and then claimed he made this statement “to see if Preservation Cloud had a better market reaction than Cloud Preservation” (*id.* at 26:9-10).

Accordingly, the evidence reflects that, at present, Nextpoint has no bona fide intent to use the Mark to designate its offerings. As such, registration of the Mark should be denied. *See Bobosky*, 843 F. Supp. 2d at 1140 (because plaintiff “effectively concedes that he lacked the bona fide intent to use WE NOT ME” mark on clothing items, his purported marks were invalid); *Caesars World Inc. v. Milanian*, 247 F. Supp. 2d 1171, 1183-84 (D. Nev. 2003) (defendant’s trademark “applications are filed on an intent-to-use basis, which requires a good faith bona fide intent to use the marks in connection with the sale of goods or services,” and his purported marks were invalid, as “there was no way he would ever be able to show proof of use” of the marks “in connection with an actual hotel or casino”); *Spirits Int’l.*, 2011 WL 2909909, *4 (because “applicant has supplied no documentary evidence regarding its intent to use its mark on any alcoholic beverages,” registration of mark refused).

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III. CASECENTRAL IS REASONABLY LIKELY TO BE DAMAGED BY NEXTPOINT'S USE OF THE MARK

As noted above, CaseCentral applied for the EDISCOVERY CLOUD and CASECENTRAL EDISCOVERY CLOUD marks in March 2010 (Opp. NOR, Exh. 16, ¶ 11), and Nextpoint filed suit in June 2010 claiming CaseCentral's use of those marks infringed, *inter alia*, the Mark (*id.*). Moreover, CaseCentral's founder, Kruse, registered the domain name preservationcloud.com (*id.* ¶ 4), and Nextpoint attempted to purchase that domain name (*id.* ¶ 8). Further, CaseCentral and Nextpoint are both in the online litigation support business. (*Id.* ¶¶ 3-4; *see also* Madhava Dep. 5:1-11 (Nextpoint's offerings, among other things, "store electronic data pertinent to . . . litigation[]").)

Based on the similar marks being used by the parties, Nextpoint's litigation against CaseCentral based on the alleged infringement of the Mark, and the parties' similar lines of business, CaseCentral is reasonably likely to be damaged if Nextpoint is permitted to register and use the Mark. *See Spirits Int'l.*, 2011 WL 2909909, *3 ("[T]he arguable similarities in the marks," MOSKOVSKAYA and MOSKINISI, "and the arguable relatedness of the goods is sufficient for us to find that opposer has met the statutory requirement of establishing a reasonable belief of damage"); *Toufigh v. Persona Parfum, Inc.*, 95 U.S.P.Q. 1872, 2010 WL 2783900, *2 (TTAB Jun. 30, 2010) ("[P]etitioner has shown that he has a real interest in the proceeding, *i.e.*, is not an intermeddler, by the fact that he has filed an application to register the trademark ECSTASY.").

//

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Date: April 4, 2013

Respectfully submitted,

/s/ William J. Frimel

William J. Frimel
Heffernan Seubert & French LLP
1075 Curtis Street
Menlo Park, CA 94025
Telephone: (650) 322-3048
Facsimile: (650) 322-2976
bill@hsflp.com

Attorneys for Opposer CaseCentral, Inc.

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

CASECENTRAL, INC.,)	
	)	Mark: PRESERVATION
	)	CLOUD
)	
Opposer,)	
	)	Serial No.: 77/922,469
vs.)	
	)	Opposition No. 91198858
NEXTPOINT, INC.,)	
)	
)	
Applicant.	)	Published in the Official
	)	Gazette on November 9, 2010
)	

OPPOSER CASECENTRAL, INC.’S REQUEST FOR JUDICIAL NOTICE

Pursuant to Fed. R. Evid. 201 and TBMP § 704.12, Opposer CaseCentral, Inc. (“CaseCentral”) hereby requests judicial notice of Exhibit A hereto, an excerpt from the publicly available Declaration of William J. Frimel dated February 18, 2011, which was filed in the litigation between Opposer and Applicant styled *Nextpoint, Inc. v. CaseCentral, Inc.* , Case No. 10-CV-3515 (N.D. Ill., Jun. 8, 2010).

Dated: April 4, 2013



WILLIAM J. FRIMEL
Attorneys for Opposer
CASECENTRAL, INC.

EXHIBIT A



Bill Frimel
1075 Curtis Street
Menlo Park, CA 94025
Tele: (650) 322-3048

April 4, 2013

Via E-mail

Richard L. Miller II, Esq.
Novack and Macey LLP
100 North Riverside Plaza
Chicago, IL 60606

Re: *Nextpoint, Inc. v. CaseCentral, Inc.*, Case No. 10-cv-03515

Dear Richard:

I write in regard to Nextpoint's Complaint filed on June 8, 2010 in this matter ("Complaint"). Upon our review of the pleadings, discovery responses and documents produced in this matter, it appears that Nextpoint failed to conduct an "inquiry reasonable under the circumstances" regarding the pertinent law and facts prior to filing the Complaint, that the Complaint's factual contentions lack evidentiary support, and that the apparent purpose of this lawsuit is solely to harass CaseCentral.

This constitutes a violation of Fed. R. Civ. P. 11, and at the very least entitles CaseCentral to an award of attorney's fees pursuant to 15 U.S.C. § 1117(a). Accordingly, I write to request that Nextpoint withdraw the Complaint.

I. The PRESERVATION CLOUD Mark

In the Complaint, Nextpoint claims that CaseCentral infringed Nextpoint's PRESERVATION CLOUD mark by applying for and using the EDISCOVERY CLOUD and CASECENTRAL EDISCOVERY CLOUD marks (the "CaseCentral Marks"). (Compl. ¶ 40.) This contention lacks factual and legal support, and documents produced by Nextpoint reflect that Nextpoint was aware of this at the time it filed the Complaint.

On or before January 19, 2010, Nextpoint's CEO, Rakesh Madhava, became aware that CaseCentral owned the "preservationcloud.com" domain name. (See NEXT 3372-73.) Accordingly, contrary to Nextpoint's response to CaseCentral's Requests for Admissions, Nextpoint knew that CaseCentral owned this domain name before Nextpoint applied to register the PRESERVATION CLOUD mark with the USPTO on January 28, 2010. (See Resp. to Def.'s Req. for Admissions, Dec. 17, 2010, at 3.)

In February 2010, Nextpoint's Michael Beumer attempted to buy the preservationcloud.com domain name from CaseCentral under false pretenses, by using his wife's e-mail account and

not disclosing his true identity. (See NEXT 1008-11.) Christopher Kruse of CaseCentral declined the offer. (*Id.*)

By March 2010, the same month in which CaseCentral applied for the CaseCentral Marks (Compl. ¶ 40), Nextpoint had decided to call its web-based document preservation application “Cloud Preservation,” instead of “Preservation Cloud” (NEXT 1008-11). Nextpoint released the Beta version of “Cloud Preservation” in June 2010 (NEXT 1097), and released the full version in August 2010 (NEXT 980-81) — a fact not disclosed in the Complaint.

Accordingly, it appears that, at the time CaseCentral allegedly began infringing the PRESERVATION CLOUD mark, Nextpoint was not even using that mark to promote its offerings. This renders inaccurate many of the Complaint’s allegations, including Nextpoint’s claims that “Nextpoint has adopted and has been using . . . PRESERVATION CLOUD in connection with the promotion and sale of the Software Services” (Compl. ¶ 29), and that “Nextpoint prominently features the Cloud Marks on its website at www.nextpoint.com” (*id.* ¶ 34).

As a reasonable pre-filing investigation would have revealed, Nextpoint’s claim that CaseCentral infringed a trademark Nextpoint was not even using during the relevant time period is meritless. See *S Indus., Inc. v. Centra 2000, Inc.*, 249 F.3d 625, 627 (7th Cir. 2001) (attorneys’ fees properly awarded to defendant where plaintiff “had no product to protect from infringement,” and plaintiff “failed to produce evidence of a single sale of ‘Sentra’ brand computer software or hardware”); *S Indus., Inc. v. Stone Age Equipment, Inc.*, 12 F. Supp. 2d 796, 819 (N.D. Ill. 1998) (because plaintiff “has no proof that the Stoller companies ever made or sold a STEALTH shoe — the very subject of the alleged infringement,” attorneys’ fees awarded to defendant); see also *Top Tobacco, L.P. v. N. Atlantic Operating Co.*, No. 06 C 950, 2007 WL 1149220, *2 (N.D. Ill. Apr. 17, 2007) (plaintiff’s trademark infringement claim based on defendant’s use of phrase “Fresh-Top Canister” entitled defendant to attorneys’ fees, because defendant “stopped using ‘Fresh-Top Canister’ on its price lists before [plaintiff] filed suit”).

II. CaseCentral’s November 2009 Press Release

A. Nextpoint Has No Evidence of Any False Statement

Nextpoint’s Complaint asserts that CaseCentral falsely claimed, in a November 17, 2009 press release, that “Case Central operates the industry’s first litigation support and eDiscovery software delivered via multi-tenant Cloud Computing/SaaS.” (Compl. ¶ 17.) This statement, the Complaint asserts, was false, because “Nextpoint has extensively promoted and licensed the Software Services in the marketplace since late 2006.” (*Id.*) This claim is not supported by any reasonable view of the facts or law.

A reasonable investigation would have revealed that CaseCentral has provided “litigation support and eDiscovery software” via “SaaS” since 1998.¹ The Complaint itself admits that CaseCentral was founded in 1993 (*id.* ¶ 7), and publicly available documents confirm that CaseCentral had been delivering its software in a Software as a Service (“SaaS”) format, *i.e.*, making it available via the internet, for years before Nextpoint’s formation.

For example, the following documents are available on the internet:

- A 1999 CaseCentral presentation stated that CaseCentral offers a “complete, Internet-based document hosting and litigation management system.” See CC 7850-59, also available at <http://www.thefreelibrary.com/Deposition+Repository+Hosting+to+Debut+Through+Strategic+Partnership...-a055246929>.
- A 2004 NetSuite marketing document stated that “No one has ever had to convince CaseCentral of the merits of a hosted ASP solution: Its whole business is based on that model. The San Francisco-based company provides litigation and case management services for law firms[,] . . . enabling them to go online to access, search, review and manage their case documents.” See www.mykeystonebusiness.com/site/pdf/CaseCentral.pdf.
- A 2005 CaseCentral press release stated that “CaseCentral introduced the first online litigation document repository in 1998 and established itself as the first on-demand application service provider (ASP) focused solely on the legal market.” See CC 7860-64, also available at <http://www.casecentral.com/pr-finalist-american-business-awards.php>.

As these and other public documents make plain, Nextpoint’s alleged “promotion and licensing of the Software Services in the marketplace since late 2006” does not render the challenged statement in CaseCentral’s press release false.

Moreover, Nextpoint’s discovery responses suggest that Nextpoint itself does not even endorse the Complaint’s theory that CaseCentral’s November 2009 release was false because Nextpoint launched its “Software Services” in 2006. In its response to CaseCentral’s Interrogatories, Nextpoint stated that *Lexis and WestLaw* — but not Nextpoint — provided online litigation support services before CaseCentral did. (Answers to Def.’s Interrogs., Set One, Dec. 17, 2010, at 2.)

Finally, to the extent Nextpoint is claiming that CaseCentral’s press release implies that CaseCentral “is . . . the only provider of web-based software for litigation and trial support services” (*id.* at 3), such a theory objectively lacks merit. The quoted passage nowhere portrays

¹ The Complaint misquotes the relevant passage, which says only that CaseCentral has delivered its software via “multi-tenant SaaS,” not “multi-tenant *Cloud Computing/SaaS*.” (See <http://www.casecentral.com/pr-amlaw-survey.php> (emphasis added).)

CaseCentral as the “only” litigation support software provider via multi-tenant SaaS, and it would make no sense for CaseCentral to say it was the “industry’s *first*” to offer litigation support software via multi-tenant SaaS if no one else had subsequently done the same.

B. Nextpoint Has No Evidence of Consumer Deception

Because Nextpoint cannot show that the challenged statement in the November 2009 press release was false, Nextpoint must prove “actual consumer deception” to state a false advertising claim based on the release under the Lanham Act — *i.e.*, that this statement actually caused consumers to use CaseCentral’s offerings instead of Nextpoint’s. See *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 820 (7th Cir. 1999) (“[W]hen the statement is literally true or ambiguous, the plaintiff must prove that the statement is misleading in context by demonstrated actual consumer confusion.”).

Nothing in Nextpoint’s Complaint, discovery responses, or document production suggests that customers actually used CaseCentral’s services instead of Nextpoint’s based on the November 2009 press release, or indeed that the press release affected consumers’ behavior in any manner whatsoever. In fact, Nextpoint’s discovery responses reveal that Nextpoint has not even *investigated* whether the November 17 release caused consumers to use CaseCentral’s services instead of Nextpoint’s. (See Pl.’s Resp. to Def.’s Reqs. for Adm., Set One, Dec. 17, 2010, at 4 (admitting Nextpoint has performed no studies on whether consumers have confused the parties’ offerings).)

This casts doubt on the merits of, and Nextpoint’s good faith in bringing, its false advertising claim. See, *e.g.*, *First Health Grp. Corp. v. United Payors & United Providers, Inc.*, 95 F. Supp. 2d 845, 848 (N.D. Ill. 2000) (summary judgment granted to defendant in false advertising case, because “Plaintiff has no evidence that any hospital ceased doing business with it because it believed that it would receive comparable steering from defendant”).

III. CaseCentral’s Alleged Unfair Competition

Nextpoint asserts that CaseCentral’s application for and use of the CaseCentral Marks constituted unfair competition under the Lanham Act. (Compl. ¶¶ 56-62.) “To state a claim of unfair competition under the Lanham Act,” Nextpoint must show that (1) the Nextpoint Marks are “protectable, and (2) [CaseCentral’s] use of the mark[s] is likely to cause confusion among consumers.” *Flentye v. Kathrein*, 485 F. Supp. 2d 903, 917 (N.D. Ill. 2007). “Likelihood of confusion is generally measured by (1) the similarity of the marks; (2) similarity of the products or services at issue; (3) area and manner of concurrent use; (4) sophistication of consumers; (5) strength of complainant’s mark; (6) actual confusion; and (7) intent of the defendant[] to palm off its product as that of another.” *Id.* (internal quotation marks and citation omitted).

A. The Nextpoint Marks Are Not Protectable

As you know, the U.S. Patent and Trademark Office (“USPTO”) has rejected Nextpoint’s application to register the DISCOVERY CLOUD and TRIAL CLOUD marks, on the ground that

those marks “merely describe[] a function or purpose of [Nextpoint’s] goods and/or services” because they describe a process whereby “computer software or cloud will be used in connection with . . . [a] portion of litigation work.” (U.S. Patent & Trademark Offc., Offc. Action About Applicant’s Trademark App., No. 77922478, Oct. 27, 2010.)

The Court will surely agree with this assessment. DISCOVERY CLOUD and TRIAL CLOUD simply describe the use of cloud computing for, respectively, discovery and trial purposes. The same is plainly true of the PRESERVATION CLOUD mark, which — quite apart from the fact that Nextpoint does not appear to have used it during the relevant time period — describes the use of cloud computing for document preservation. *See, e.g., Spraying Sys. Co. v. Delavan, Inc.*, 975 F.2d 387, 392-93 (7th Cir. 1992) (plaintiff’s “-JET” marks were descriptive, because the term “jet” described “a high-velocity fluid stream forced under pressure out of a small-diameter opening or nozzle”); *Best Vacuum, Inc. v. Ian Design, Inc.*, No. 04 C 2249, 2005 WL 1185817, *3 (N.D. Ill. Jan. 18, 2005) (“Best Vacuum” was descriptive because “‘best’ has a pre-existing or primary meaning and serves to describe the goods, *i.e.*, vacuums, associated with the mark”).

Because the Nextpoint Marks are merely descriptive, Nextpoint must show that the Nextpoint Marks have acquired secondary meaning, *i.e.*, that the public associates the Nextpoint Marks with Nextpoint. *See Platinum Home Mortg. Corp. v. Platinum Fin. Grp., Inc.*, 149 F.3d 722, 728 (7th Cir. 1998) (“To be entitled to protection under trademark law, a claimant must demonstrate that its descriptive trade name has acquired secondary meaning that identifies the inherent distinctiveness of its mark.”).

Although Nextpoint appears to be using the DISCOVERY CLOUD and TRIAL CLOUD marks, our review of Nextpoint’s discovery responses and document production uncovered no evidence that the *public* associates those marks with Nextpoint. Accordingly, it is highly unlikely that the Court will find Nextpoint’s marks to be protectable. *See, e.g., Spraying Sys. Co.*, 975 F.2d at 393 (summary judgment properly granted on secondary meaning issue, because “evidence of sales, advertising and use is entirely circumstantial, and courts have noted that this type of evidence alone is often insufficient to establish secondary meaning”).

B. There Is No Likelihood of Confusion

Even if Nextpoint can establish that the Nextpoint Marks are protectable, Nextpoint cannot show that CaseCentral’s application for and use of the CaseCentral Marks is likely to create consumer confusion.

This is the case for, among others, the following reasons: (1) CaseCentral and Nextpoint market their services to highly sophisticated institutional customers; (2) the Nextpoint Marks are descriptive and thus not strong marks; (3) there is no evidence, nor has Nextpoint even attempted to obtain evidence, of actual consumer confusion; and (4) there is no evidence that CaseCentral intended to “pass its products off” as those of Nextpoint. *See, e.g., Libman Co. v. Vining Indus., Inc.*, 69 F.3d 1360, 1394 (7th Cir. 1996) (“It should not have been very hard for [plaintiff] to find some satisfied owners of its brooms and confront them with [defendant’s] . . . broom and see whether they thought it was the same brand of broom,” and “[w]ithout such

Richard L. Miller II, Esq.
April 4, 2013
Page 6

evidence it would be pure speculation to conclude that anyone . . . could have been misled into believing that the [competing brooms] . . . were one and the same brand.”); *Top Tobacco, L.P. v. N. Atlantic Operating Co.*, No. 06 C 950, 2007 WL 118527, *6 (N.D. Ill. Jan. 4, 2007) (plaintiff’s “admi[ssion] that it has no evidence of actual confusion” and “fail[ure] to conduct a consumer survey,” coupled with the facts that “there is no evidence that [defendant] began using the mark in an effort to pass off its products as those of [plaintiff],” and plaintiff’s “mark is not particularly strong,” warranted summary judgment on unfair competition claim).

Because a reasonable pre-filing investigation would have revealed that Nextpoint’s claims are baseless, and the apparent purpose of this lawsuit is simply to burden and harass CaseCentral, the filing of the Complaint subjects Nextpoint to sanctions under Fed. R. Civ. P. 11. At the very least, if Nextpoint continues to pursue this action despite the Complaint’s objective lack of merit, CaseCentral will surely be entitled to attorney’s fees pursuant to 15 U.S.C. § 1117(a). We therefore request that Nextpoint withdraw the Complaint.

Very truly yours,

HEFFERNAN SEUBERT & FRENCH LLP

A handwritten signature in black ink, appearing to read 'Bill Frimel', written in a cursive style.

Bill Frimel

(Enclosures)

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

CASECENTRAL, INC.,)	
	)	Mark: PRESERVATION
	)	CLOUD
Opposer,)	
	)	Serial No.: 77/922,469
vs.)	
	)	Opposition No. 91198858
NEXTPPOINT, INC.,)	
)	
Applicant.	)	Published in the Official
	)	Gazette on November 9, 2010
)	

**OPPOSER CASECENTRAL, INC.’S SUPPLEMENTAL NOTICE OF FILING
DEPOSITION TRANSCRIPTS**

Pursuant to 37 C.F.R. § 2.123, Opposer CaseCentral, Inc. (“CaseCentral”) hereby submits the full, non-condensed versions of the deposition transcripts previously filed by CaseCentral on January 18, 2013. At the time CaseCentral filed its prior Notice of Filing of Deposition Transcripts on January 18, only the condensed versions of the transcripts listed below were available. However, the attached full versions later became available to CaseCentral.

The transcripts referenced below, and the exhibits attached thereto, are submitted on a confidential basis pursuant to the Stipulated Order as to Provisions for Protecting Confidentiality of Information Revealed During Board Proceeding, filed previously on October 5, 2012, and therefore do not appear in this redacted version.

<u>Exhibit</u>	<u>Description</u>
1	Transcript of the Deposition of Michael J. Beumer, Dec. 3, 2012 (does not appear in publicly available version due to confidentiality of testimony)

2	Transcript of the Deposition of Rakesh Madhava, Dec. 3, 2012 (does not appear in publicly available version due to confidentiality of testimony)
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Dated: April 4, 2013



WILLIAM J. FRIMEL
Attorneys for Opposer
CASECENTRAL, INC.

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

CASECENTRAL, INC.,)	
	)	Mark: PRESERVATION
	)	CLOUD
)	
Opposer,)	
	)	Serial No.: 77/922,469
vs.)	
	)	Opposition No. 91198858
NEXTPPOINT, INC.,)	
)	
)	
Applicant.	)	Published in the Official
	)	Gazette on November 9, 2010
)	

CERTIFICATE OF SERVICE

I, Christopher R. Edgar, am over the age of eighteen and not a party to the above-referenced action. On April 4, 2013, I served the following document by FedEx overnight delivery:

OPPOSER CASECENTRAL, INC.’S OPENING BRIEF ON THE CASE

OPPOSER CASECENTRAL, INC.’S REQUEST FOR JUDICIAL NOTICE

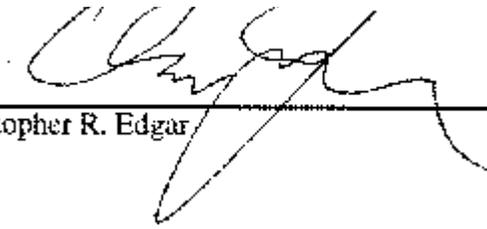
OPPOSER CASECENTRAL, INC.’S SUPPLEMENTAL NOTICE OF FILING DEPOSITION TRANSCRIPTS

I served the foregoing document by FedEx overnight delivery on the counsel listed below:

Daliah Saper, Esq.
Saper Law Offices
505 N. LaSalle, Suite 350
Chicago, IL 60654
Attorneys for Applicant Nextpoint, Inc.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: April 4, 2013



Christopher R. Edgar