

**THIS OPINION IS NOT A
PRECEDENT OF
THE T.T.A.B.**

Mailed: October 17, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

CaseCentral, Inc.

v.

NextPoint, Inc.

Opposition No. 91198858

William J. Frimel of Heffernan Seubert & French, LLP, for
CaseCentral.

Daliah Saper of Saper Law Offices, LLC, for NextPoint, Inc.

Before Grendel, Ritchie, and Hightower, Administrative
Trademark Judges.

Opinion by Ritchie, Administrative Trademark Judge:

Opposer in this case is CaseCentral, Inc. (opposer).
Applicant is NextPoint, Inc. (applicant). The mark at issue
for opposition is PRESERVATION CLOUD, in standard character
form, which was filed on an intent-to-use basis for
"Providing temporary use of a web-based software application
for use in grid computing capacity for litigation support
services and graphical presentation services, namely, image
generation, viewing and manipulation, text and metadata
extraction, batch file format converting, batch data

uploading and downloading, search engine and search index generation, pdf generation and support, html file previewing, and mobile/smartphone compatibility," in International Class 42 on January 28, 2010, and disclaiming the exclusive right to use the term "cloud" apart from the mark as shown.

Opposer initiated the opposition on March 7, 2011 alleging that PRESERVATION CLOUD is "merely descriptive" of the service for which applicant seeks registration of "cloud computing for the preservation of certain types of data found on the internet." (Notice at Para. 18, emphasis in original). Opposer additionally brought the opposition on the ground that applicant lacks a bona fide intent to use the mark PRESERVATION CLOUD in association with the applied-for services, stating that "on information and belief obtained from Nextpoint's own internal emails, Nextpoint has no intention of using the Mark." *Id.* at para. 6.

Applicant denied the salient allegations of the notice of opposition in its answer, and included affirmative defenses of failure to state a claim and unclean hands.¹ Both parties submitted briefs, and opposer submitted a reply

¹ The first affirmative defense was raised with regard to the claim of lack of bona fide intent to use, and we address it therein. The second claims that opposer "has unclean hands in that it claims rights to a domain name for purposes of securing standing that it does not own, and that was only acquired through its agent for purposes of forestalling Applicant's legitimate use of the Preservation Cloud mark." To the extent this is an argument on standing, we address opposer's standing in that section. To the extent this is beyond that scope, applicant has not elaborated.

brief. For the reasons discussed herein, we sustain the opposition on the ground of mere descriptiveness only.

The Record and Evidentiary Issues

The record in this proceeding consists of the pleadings and the file of the PRESERVATION CLOUD application. 37 C.F.R. § 2.122(b). The record also includes the testimonial depositions of Michael Beumer, applicant's Director of Marketing, and Rakesh Madhava, applicant's founder and CEO, both designated confidential pursuant to the parties' protective order, dated December 3, 2012, with exhibits attached. In addition, opposer submitted a notice of reliance dated October 5, 2012, and applicant submitted a notice of reliance dated December 6, 2012. Both notices of reliance include some information designated confidential pursuant to the parties' protective order.

With its brief, opposer submitted a request for judicial notice of an excerpt of a declaration of opposer's attorney Willam J. Frimel "filed in a litigation between Opposer and Applicant styled *Nextpoint, Inc. v. CaseCentral, Inc.*, Case No. 10-CV-3515 (N.D. Ill., Jun. 8, 2010)." Applicant objected to the request as being untimely and as inappropriate subject matter for judicial notice. In reply, opposer stated that applicant had suffered no prejudice, and that courts, including the Board, have taken judicial notice of official records, citing for example *American Optical Corp. v. American Olean Tile Co., Inc.* 169 USPQ 123 (TTAB 1971) (taking judicial notice of a certificate of good

standing from a United States District Court). It is correct that testimony from another proceeding or from a court action between the same parties may be offered as evidence. 37 CFR § 2.122(f). However, that rule is "[b]y order of the Trademark Trial and Appeal Board" where "relevant" and "subject, however, to the right of any adverse party to recall or demand the recall for examination or cross-examination" of a witness. *Id.* Opposer's attorney's declaration was not timely submitted such as to allow any examination or cross-examination by applicant. Accordingly, the objection is sustained and we have not considered the testimony therein.²

Standing

Generally, an opposer must only show a "personal interest in the outcome of the proceeding" as well as "a reasonable basis for belief of damage." *See Books on Tape Inc. v. The Booktape Corp.*, 836 F.2d 519, 5 USPQ2d 1301, 1302 (Fed. Cir. 1987) (petitioner, as a competitor of respondent, "clearly has an interest in the outcome beyond that of the public in general and has standing"). It is not necessary that an opposer allege or establish its own prior rights in the mark at issue. *Id.* Opposer here alleges in its opposition as follows:

CaseCentral is an online litigation support software provider. On August 25, 2008,

² We hasten to add that, due to the nature of the declaration, with regard to the claims made in this opposition, we would not find it to change our decision.

CaseCentral's Chairman, Christopher, Kruse, purchased the internet domain name *www.preservationcloud.com*. (Notice at para. 3).

Applicant responded to this allegation in its answer with the following statement:

Upon information and belief, Paragraph No. 3 is admitted. (Answer at para. 3).

That applicant is also "in the online litigation support business," is supported by its CEO's description of the company:

Nextpoint develops a suite of cloud-based software services and consulting services around those that enable attorneys to effectively manage electronic information in their matters. (Madhava depo. at 3).

Applicant further describes itself as doing "litigation support," indeed entitling its marketing brochure "Experience Next Generation Litigation Support."³ Accordingly, we find that opposer is a competitor of applicant and has standing to bring this action.

We find that opposer has established its standing in this action.

Merely Descriptive

A term is deemed to be merely descriptive of goods or services, within the meaning of Section 2(e)(1), if it forthwith conveys an immediate idea of an ingredient, quality, characteristic, feature, function, purpose or use

³ Citation from Nextpoint brochure, included with applicant's December 6, 2012 Notice of Reliance, at page 11 of 77.

of the goods or services. See *In re Chamber of Commerce of the U.S.*, 675 F.3d 1297, 102 USPQ2d 1217, 1219 (Fed. Cir. 2012), citing *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987). That a term may have other meanings in different contexts is not controlling. *In re Bright-Crest, Ltd.*, 204 USPQ 591, 593 (TTAB 1979). Moreover, it is settled that “[t]he question is not whether someone presented with only the mark could guess what the goods or services are. Rather, the question is whether someone who knows what the goods or services are will understand the mark to convey information about them.” *DuoProSS Meditech Corp. v. Inviro Medical Devices, Ltd.*, 695 F.3d 1247, 103 USPQ2d 1753, 1757 (Fed. Cir. 2012) (citation omitted); *In re Tower Tech Inc.*, 64 USPQ2d 1314, 1316-17 (TTAB 2002). If, on the other hand, a mark requires imagination, thought, and perception to arrive at the qualities or characteristics of the goods or services, then the mark is suggestive. *In re MBNA America Bank N.A.*, 340 F.3d 1328, 67 USPQ2d 1778, 1780 (Fed. Cir. 2003). In order for a mark to be characterized as “merely descriptive” under Section 2(e)(1), it is not necessary that the mark immediately convey an idea of each and every specific feature of the applicant’s goods or services. It is sufficient that one significant attribute, function or property be described. See *In re H.U.D.D.L.E.*, 216 USPQ 358 (TTAB 1982); *In re MBAssociates*, 180 USPQ 338 (TTAB 1973).

We consider a composite mark in its entirety. A composite of descriptive terms is registrable only if as a unitary mark it has a separate, non-descriptive meaning. *In re Colonial Stores, Inc.*, 394 F.2d 549, 157 USPQ 382 (CCPA 1968) (holding SUGAR & SPICE not merely descriptive of bakery products). Accordingly, we look to the plain meaning of the words. We take judicial notice⁴ of the following relevant portions of the terms "preservation" and "cloud":

Preservation: (preserve: to keep safe from injury, harm, or destruction: protect).

Cloud: a great cloud or multitude; the computers and connections that support cloud computing < storing files in the *cloud* >.

Applicant argues that the term "cloud" is too vague and indeed too technical to be understood by its consumers as referring to its services. Nevertheless, applicant saw fit to disclaim "cloud" during prosecution. This constitutes a tacit admission by applicant of its descriptive value. See *Bass Pro Trademarks, L.L.C. v. Sportsman's Warehouse, Inc.*, 89 USPQ2d 1844, 1851 (TTAB 2008) ("Both parties disclaimed the exclusive right to use the term 'Sportman's Warehouse' in their respective registrations in response to requirements by the Examining Attorneys during the examination of their respective applications. Under these circumstances, the disclaimer may be considered an admission

⁴ www.Merriam-Webster.com (11th ed. 2011). The Board may take judicial notice of dictionary definitions. *University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co.*, 213 USPQ 594, 596, (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).

by the parties that the term 'Sportsman's Warehouse' is merely descriptive." [citations omitted]). Applicant also admitted in the parties' prior civil litigation that it intended to disclaim the term "cloud" apart from its mark:

Request for Admission 11: Admit that Nextpoint makes no claim to the exclusive right to use the word "cloud," separate or apart from the phrases "Discovery Cloud," "Trial Cloud," or Preservation Cloud."

Response: Plaintiff [Nextpoint] admits this Request.

Applicant has used both "cloud" and "preserve" or "preservation" repeatedly in both testimony and marketing materials to describe its PRESERVATION CLOUD service. Applicant's CEO referred to it as a "long-term storage solution . . . to **preserve** that data."⁵ (Madhava depo. at 5), further noting, "[a]ll of our products are deployed in Amazon web services **cloud** computing environment." *Id.* at 7-8. Mr. Madhava testified further as to the descriptive nature of the mark:

Q: You considered using the word cloud in the name Preservation Cloud because Preservation Cloud concerns data in the **cloud**, is that correct?

A: Correct.

Q: Did you choose to use the word preservation because the archiving service we're talking about is intended to **preserve** data?

A: Yes.

Id. at 26-27.

⁵ Unless otherwise stated, the references are added here in bold for ease of reference and were not emphasized in the original.

Similarly, applicant's Director of Marketing referred to the descriptive nature of the term, stating, regarding the name,

We wanted to make sure that that was something that was going to be known in all our products, that was coming from Nextpoint and they were **cloud** based . . . and all the things that we feel like **cloud** computing gets us." (Beumer depo. at 23).

Further regarding the term "preservation" he stated:

"it's basically a storage, you know, as I said . . . it will be **preserved** there" (*Id.* at 24).
"There's a broad area of **preservation** . . ." (*Id.* at 25).

Applicant's brochure, like its witnesses, describes the PRESERVATION CLOUD product using both the words "preservation" and "cloud":

PRESERVATION CLOUD
Nextpoint Preservation Cloud delivers highly secure, instantly scalable **storage** and processing resources to preserve and manage large volumes of ESI. Nextpoint leverages **cloud** computing technology to realize more cost-effective **preservation** of confidential data. Drastically reduce capital and operating expenditures. [sic]

Accordingly, the testimony and documentary evidence from applicant describes and denotes the term PRESERVATION CLOUD in regard to the applied-for services as descriptive. Third-party uses made of record by opposer also show the term "preservation cloud" used in a descriptive manner:

The A Register: Archiving and the cloud: Cloud is everywhere. Every day we read news about new cloud applications and new cloud providers. But will it really solve all our problems? . . . Specifically for cloud storage, some studies reveal it could be up to 75 per cent [sic] less expensive than keeping the data in internal storage.

Cloud storage for archiving and long-term preservation: Long-term preservation and archiving in public clouds also involves the need for a long-term and effective relationship with the provider and this can lead to a number of challengers such as the supplier going out of business. . . .

The SNOA's cloud Archive SIG is also working to create a description of different profiles for cloud archive and long-term preservation services. This aims to simplify the classification of the services delivered by cloud providers in different profiles like digital cloud archive, digital cloud **preservation cloud** and backup cloud.

www.theregister.co.uk.

DLF Digital Library Federation: Digital **Preservation Cloud** Services for Libraries and Archives: The amount of digital assets, whether born digital or digitized objects from analog and paper artifacts, is growing rapidly. Unlike companies which are required to retain their records for a relatively short period of time to comply with the Sarbanes-Oxley Act, national archives and digital libraries have to face daunting challenges of long-term preservation. Indeed, in order to fulfill the mission to provide discovery and access to digital asserts over a long period of time, institutions must develop strategies and mechanisms to effectively preserving [sic] these assets. . . .

Within this context, the question is whether Cloud Computing paradigm can help digital archivists and librarians to meet the challenges of preservation. *Diglib.org.*

ITProPortal: Future Evolution of Data Protection is Data Retention and **Preservation Cloud**, Says Sepaton CEO:

The future evolution of data protection is the cloud of data retention and preservation - a

shared services model applied to long term storage that is implemented within the enterprise. . . . The data **preservation cloud** is going to be next big thing [sic] and data deduplication helps to make this possible. [sic].

ITOProPortal.com

Information Playground: Global High-Tech Innovation: Research Papers Moving to the Cloud: Public clouds that specifically target digital preservation have a different set of requirements than a public cloud like Amazon EC2 for example. The focus in a "**preservation cloud**" is longevity, and the administrators of said cloud must think like digital curators.

Stevetodd.typepad.com

Plus Ultra: Third-Party **Preservation** In a **Cloud** Computing Paradigm: Can the nonparty cloud computing vendor be sanctioned? . . .

One of the very reasons that the Internet was early depicted as a **cloud** is that, while it creates the potential to access a wide variety of interconnected resources, it also obscures what is available.

Hastings Business Law Journal Vol. 8:1 p191-197.

Digital Library Federation Fall Forum 2011: Digital **Preservation Cloud** Services for Libraries and Archives: This session outlines some of the ways in which cloud services could be a solution for ongoing digital preservation needs among library and archive institutions.

Dartmouthpreservation.blogpost.com/2011/11

Applicant meanwhile submitted evidence to show that the term "cloud" is not clearly understood in the technical world. However, that being said, it is clear from the evidence, including the evidence submitted by applicant, as set forth below, that although it may not be completely agreed upon what exactly the "cloud" means, and certainly

not everyone may understand what the technology does or means, it is widely understood as referring to online computing:

InfoWorld: It's official: 'Cloud computing' is now meaningless By David Linthicum I think we've officially lost the war on defining the core attributes of **cloud** computing so that businesses and IT can make proper use of it. It's now in the hands of marketing organizations and PR firms who, I'm sure, will take the concept on a rather wild ride over the next few years.
www.infoworld.com; created 8-10-2011.

Wakefield: Citrix Cloud Survey Guide: August 2012: Partly Cloudy-About Cloud Computing: While "the cloud" may be the tech buzzword of the year, many Americans are hazy on what the **cloud** actually is. According to Wakefield Research for Citrix, there is a significant disconnect between what Americans know, and what they actually do, when it comes to cloud computing. . . . Lesson 1: the **cloud** is a thing of today, and it's intended for everyone.

The NIST Definition of Cloud Computing: Authors: Peter Mell and Tim Grance: Version 15, 10-7-09; National Institutes of Standards and Technology, Information Technology Laboratory. Cloud computing is still an evolving paradigm.
Definition of **Cloud** Computing: **Cloud** computing is a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.

Finally, applicant submitted third-party registrations with similar services to show that the term "cloud" is not merely descriptive. However, we find this evidence to be lacking. Of the registrations submitted, four are unitary terms, where no disclaimer would be required (INVESTCLOUD, EVENTCLOUD, CLOUDPASSAGE, and LABCLOUD); two are registered

on the Supplemental Register (INVOICE CLOUD and IMAGECLOUD); and one is registered with acquired distinctiveness in full (SERVICE CLOUD). Only one where a disclaimer might have been required has none, and is registered on the Principal Register (CLOUD FOR COURTS). Thus we do not find that the Office has a policy of finding the term "cloud" in this context to be suggestive rather than descriptive.

Rather, we have no doubt that a consumer would understand "PRESERVATION CLOUD," used in connection with applicant's services, as directly conveying information about them, namely, that they are intended to preserve information online (in the "cloud"). See *In re Tower Tech Inc.*, 64 USPQ2d at 1316-17; see also *In re Conductive Services, Inc.*, 220 USPQ 84, 86 (TTAB 1983). Therefore, we find that the mark is merely descriptive of the recited services, and we affirm this refusal to register.

Lack of Bona Fide Intent to Use

Opposer has the burden of demonstrating by a preponderance of the evidence that applicant lacked a bona fide intent to use the mark at the time it filed its application. We base our determination on objective evidence of all the circumstances. *The Saul Zaentz Co. dba Tolkien Enterprises v. Joseph M. Bumb*, 95 USPQ2d 1723 (TTAB 2010); *Swatch AG (Swatch SA) (Swatch Ltd.) v. M.Z. Berger & Co.*, ___ USPQ2d ___, Opposition No. 91187092 (TTAB Sept. 30, 2013); J. Thomas McCarthy, 3 McCarthy on Trademarks and Unfair Competition § 19:14 (4th ed. updated Sept. 2013). We

look to the filing date of the application, although sufficiently contemporaneous evidence may be considered. *Boston Red Sox Baseball Club Limited Partnership v. Brad Francis Sherman*, 88 USPQ2d 1581, 1587 (TTAB 2008); *Lane Ltd. v. Jackson Int'l Trading Co.*, 33 USPQ2d 1351, 1355 (TTAB 1994) ("we find that this correspondence, which occurred in October-December 1992, was sufficiently contemporaneous to the application filing date in January 1992 to serve as corroboration of the applicant's declaration in the application of a bona fide intention to use the mark in commerce").

Opposer claims that applicant lacks a bona fide intent to use the mark PRESERVATION CLOUD for its applied-for services because, since filing the application, applicant has instead set up a service under the mark CLOUD PRESERVATION. Applicant strenuously denies this allegation, and both witnesses for applicant attested to an intent to use the mark at the time of filing and to a continued intent to use the mark. (Beumer depo. at 6 and Madhava depo. at 4). The record also includes brochures and webpages from applicant's website, both from before the filing date, and after, promoting PRESERVATION CLOUD as identifying a service by applicant.

Press Release Nov. 12, 2009, Nextpoint's
Litigation Technology is now: Nextpoint
Preservation Cloud . . . Nextpoint Discovery Cloud
. . . Nextpoint Trial Cloud.
www.nextpoint.com.

frank: The Nextpoint Blog: November 12, 2009
Our new products, Nextpoint Preservation Clouds [sic] and Nextpoint Discovery Clouds, build upon our industry re-defining Trial Preparation Platform, now called Nextpoint Trial Clouds for consistency across our product line
Nextpoint Preservation Cloud: Highly secure, instantly scalable storage and processing resource to preserve and manage large volumes of ESI.
<http://nextpointblog.com/2009/11/12>.

frank: The Nextpoint Blog: Democratizing Litigation Technology: January 27, 2010. We are also rolling out Preservation Cloud pricing at \$1/GB per month. You can get all of the details here on our pricing page.
<http://nextpointblog.com>.

PRESERVATION DISCOVERY TRIAL ABOUT US
ABOUT US

Enter Nextpoint Cloud:
Our Discovery Cloud and Preservation Cloud have been deployed and are being utilized by a select group of customers.
www.nextpoint.com.

PRESERVATION DISCOVERY TRIAL ABOUT US
Breakthrough Pricing: Nextpoint leverages the power of cloud computing to deliver next-generation litigation technology to all our customers - from solo practitioners to the largest multi-national corporation - at one revolutionary price.

PRESERVATION CLOUD
DISCOVERY CLOUD
TRIAL CLOUD
www.nextpoint.com "Archived by Cloud Preservation™ on Mon Nov 22, 2010"

Trialcloud: Offers seamless integration from Preservation Cloud and Discovery Cloud and no charge for native file processing with our entire platform.
Nextpoint Trial Cloud © 2011 Nextpoint, Inc.

We find that there is sufficient documentary evidence, showing promotional efforts by applicant with regard to the

Opposition No. 91198858

PRESERVATION CLOUD mark for the applied-for services contemporaneous with the application filing date. Accordingly, opposer has failed to make a prima facie case of lack of bona fide intent to use the mark on the applied-for services, and the opposition is dismissed on this ground.

DECISION: The opposition is sustained on the ground that the mark is merely descriptive, but denied on the ground that applicant lacks a bona fide intent to use the mark on the applied-for services.