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

Proceeding	91198858
Party	Defendant NextPoint Inc.
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CASECENTRAL, INC.,)	Opposition No. 91198858
)	
Opposer,)	
)	Mark: PRESERVATION CLOUD
vs.)	
)	Appl. S/N: 77/922,469
NEXTPPOINT, INC.,)	Filed: January 28, 2010
)	Published: November 9, 2010
Applicant.)	

ANSWER TO NOTICE OF OPPOSITION AND AFFIRMATIVE DEFENSES

CaseCentral, Inc. (“CaseCentral”), a corporation organized under the laws of the State of California, believes that it would be damaged by registration of the above-referenced mark, and hereby opposes the same. As grounds for its opposition, CaseCentral alleges as follows:

1. CaseCentral is a California corporation with its principal place of business at 50 California Street, San Francisco, California 94111.

ANSWER: Admitted.

2. Nextpoint is an Illinois corporation with its principal place of business at 4043 North Ravenswood Avenue, Suite 317, Chicago, Illinois 60613.

ANSWER: Admitted.

3. CaseCentral is an online litigation support software provider. On August 25, 2008, CaseCentral’s Chairman, Christopher Kruse, purchased the internet domain name www.preservationcloud.com.

ANSWER: Upon information and belief, Paragraph No. 3 is admitted.

4. In January 2010, Nextpoint, which is also in the online litigation support business, was in the process of developing what it called a “web archiving service that securely captures and indexes data from websites, blogs, Twitter and Facebook feeds” (the “Archiving Service”). Nextpoint’s Archiving Service makes use of “cloud computing,” *i.e.*,

a means whereby the internet is used to efficiently access processing power and storage on an on-demand basis, to capture and store this data.

ANSWER: Applicant admits that it offers a software tool for use in archiving and indexing data from websites, blogs, Twitter and Facebook, that said tool utilizes cloud computing, and that Applicant was developing said tool in January, 2010. Applicant denies any remaining allegations in Paragraph No. 4.

5. Nextpoint initially contemplated using the www.preservationcloud.com domain name to market the Archiving Service, and calling the product “Preservation Cloud.” However, on January 19, 2010, Nextpoint’s Chief Executive Officer, Rakesh Madhava, learned that CaseCentral’s Christopher Kruse owned the www.preservationcloud.com domain name.

ANSWER: Applicant admits that it has contemplated and does contemplate using www.preservationcloud.com in association with its business. Applicant further admits that Christopher Kruse, an individual, presently owns the domain name www.preservationcloud.com, which is parked, and that Mr. Madhava learned of this fact on January 19, 2010. Applicant denies any remaining allegations in Paragraph No. 5, and any inferences Opposer may attempt to draw from the above admissions.

6. Nonetheless, apparently hoping Nextpoint could obtain the domain name, on January 28, 2010, Nextpoint applied to the United States Patent and Trademark Office (“USPTO”) to register the PRESERVATION CLOUD trademark (the “Mark”). Nextpoint sought to register the Mark in International Classes 39 and 42. Nextpoint based its application on its alleged intent to use the Mark in commerce, pursuant to 15 U.S.C. § 1051(b). To date, Nextpoint has not filed a statement verifying that it has used the Mark under 15 U.S.C. § 1051(d), and CaseCentral is not aware of any such use. In fact, on information and belief obtained from Nextpoint’s own internal e-mails, Nextpoint has no intention of using the Mark.

ANSWER: Applicant admits that it applied for registration of PRESERVATION CLOUD on January 28, 2010 for use in connection with services in classes 39 and 42, admits that said application was filed under Section 1(b), and admits that it has not yet filed a statement

of use with respect to said application. Applicant is without knowledge sufficient to admit or deny what CaseCentral is or is not aware of. Applicant denies any remaining allegations in Paragraph No. 6.

7. On the same date, Nextpoint applied to register two other marks, DISCOVERY CLOUD (Serial No. 77/922,478) and TRIAL CLOUD (Serial No. 77/922,489).

ANSWER: Assuming that “the same date” refers to January 28, 2010, Applicant admits the allegations set forth in Paragraph No. 7. Otherwise, the allegation is denied.

8. In or before March 2010, Michael Beumer, Nextpoint’s Director of Corporate Communications, attempted to buy the www.preservationcloud.com domain name from CaseCentral’s Kruse under false pretenses, by contacting Kruse using Beumer’s wife’s e-mail address, and not disclosing Beumer’s affiliation with Nextpoint. Kruse, however, declined.

ANSWER: Applicant admits that Mr. Beumer inquired about purchasing the www.preservationcloud.com domain name from Mr. Kruse using his wife’s email account and did not mention that he was affiliated with Applicant. Applicant denies any remaining allegations in Paragraph No. 8, and any inferences Opposer may attempt to draw from the above admissions.

9. Upon learning of this, Nextpoint’s CEO, Madhava, decided instead that Nextpoint would purchase the domain name www.cloudpreservation.com, and call the Archiving Service “Cloud Preservation” rather than “Preservation Cloud.”

ANSWER: Applicant admits that it purchased the domain name www.cloudpreservation.com, and that it uses that domain in association with its business services. Applicant denies the remaining allegations set forth in Paragraph No. 9.

10. Accordingly, on April 23, 2010, Nextpoint applied to the USPTO to register the CLOUD PRESERVATION trademark (Serial No. 85/021,489). On June 2, 2010, Nextpoint announced the release of the “beta,” or user testing, version of the Archiving

Service, under the name “Cloud Preservation” — *not* “Preservation Cloud.” On August 3, 2010, Nextpoint announced Cloud Preservation’s full release.

ANSWER: Applicant admits that it applied to register the mark CLOUD PRESERVATION on April 23, 2010, and admits that it launched a product under its CLOUD PRESERVATION mark on June 2, 2010 for beta testing and on August 3, 2010 as a full release. Applicant denies any remaining allegations in Paragraph No. 10, and any inferences Opposer may attempt to draw from the above admissions.

11. On June 8, 2010, Nextpoint filed an action against CaseCentral in the United States District Court for the Northern District of Illinois, *Nextpoint, Inc. v. CaseCentral, Inc.*, Case No. 10-CV-3515 (the “Nextpoint Action”). In that lawsuit, Nextpoint claimed, *inter alia*, that CaseCentral had infringed the Mark by applying to register and using the trademarks EDISCOVERY CLOUD (Serial No. 77/949,557) and CASECENTRAL EDISCOVERY CLOUD (Serial No. 77/949,540).

ANSWER: Applicant admits that on June 8, 2010, it filed an action against Opposer in the United States District Court for the Northern District of Illinois, *Nextpoint, Inc. v. CaseCentral, Inc.*, Case No. 10-CV-3515. Applicant further admits that it claimed that Opposer infringed its family of Cloud Marks (which were defined to include Preservation Cloud, Discovery Cloud and Trial Cloud) through use of the EDISCOVERY CLOUD and CASECENTRAL EDISCOVERY CLOUD marks. Applicant denies the remaining allegations set forth in Paragraph No. 11.

12. On October 27, 2010, the USPTO issued an Office Action refusing to register Nextpoint’s proposed 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.”

ANSWER: Applicant admits that the USPTO withdrew its initial approval of Applicant’s DISCOVERY CLOUD and TRIAL CLOUD applications and, on October 27, 2010, issued a partial non-final office action under Section 2(e)(1) with respect to the Class 42 services

for each application. Applicant states that said office actions speak for themselves and denies the remaining allegations of Paragraph No. 12.

13. On November 9, 2010, the USPTO published the Mark in the Trademark Official Gazette. CaseCentral obtained extensions of its time to oppose the registration of the Mark until March 9, 2011.

ANSWER: Admitted.

14. On February 16, 2011, Nextpoint filed a motion for voluntary dismissal of the Nextpoint Action. On February 22, 2011, the Court in the Nextpoint Action denied Nextpoint's motion, and ordered that Nextpoint had until March 8, 2011 to opt for either dismissing the action with prejudice or proceeding with the litigation.

ANSWER: Admitted.

15. On March 1, 2011, Nextpoint filed a motion for dismissal with prejudice of the Nextpoint Action. The Court granted Nextpoint's motion on March 4, 2011.

ANSWER: Admitted.

16. CaseCentral respectfully requests that registration of the Mark be refused on two grounds. *First*, as noted above, Nextpoint applied to register the Mark on the basis that Nextpoint intended to use it in commerce, under Section 1051(b). However, shortly after applying to register the Mark, Nextpoint decided *not* to use the Mark in commerce.

ANSWER: Applicant admits that Opposer has requested that registration of Applicant's PRESERVATION CLOUD mark be refused on two grounds, and that one of those grounds is that Applicant applied to register PRESERVATION CLOUD on the basis that it intended to use PRESERVATION CLOUD in commerce, under Section 1051(b), and then shortly after applying to register PRESERVATION CLOUD, Applicant decided *not* to use PRESERVATION CLOUD in commerce. Answering further, Applicant states that this is not a cognizable ground for an opposition, and that an opposition on this ground would be unnecessary because the statement of use requirement would sufficiently protect against

such purported conduct. Furthermore, Applicant specifically denies that it has decided not to use PRESERVATION CLOUD in commerce.

17. As described above, Nextpoint may have initially intended to call its Archiving Service “Preservation Cloud.” However, in or before March 2010, in light of CaseCentral’s CEO’s ownership of the www.preservationcloud.com domain name, Nextpoint chose to call the Archiving Service “Cloud Preservation” instead. On information and belief, Nextpoint does not use, or plan to use, the Mark to identify any of its other goods or services. Accordingly, registration on an “intent to use” basis under 15 U.S.C. § 1051(b) would be improper.

ANSWER: Applicant admits that registration on an “intent to use” basis under 15 U.S.C. §1051(b) would be improper, however notes that *application* on such a basis is not improper. Answering further, Applicant states that registration is and will be proper once Applicant files its statement of use. Applicant denies the remaining allegations of Paragraph No. 17.

18. *Second*, under 15 U.S.C. § 1052(e)(1), the Mark does not qualify for registration, because it is merely descriptive of Nextpoint’s goods and services. The phrase “Preservation Cloud,” as discussed above, merely describes Nextpoint’s use of *cloud* computing for the *preservation* of certain types of data found on the internet. Accordingly, registration of the Mark should be refused, for the same reasons on which the USPTO previously relied in refusing to register Nextpoint’s DISCOVERY CLOUD and TRIAL CLOUD marks.

ANSWER: Denied.

19. CaseCentral believes it will be damaged if the Mark is registered, because the registration of the Mark will facilitate Nextpoint’s assertion of rights under the Mark against CaseCentral, as attempted in the Nextpoint Action and elsewhere, and Nextpoint’s claim that CaseCentral is not permitted to use the CaseCentral Marks in commerce. CaseCentral may also be damaged because registration of the Mark may affect CaseCentral’s ability to use the www.preservationcloud.com domain name to promote its business.

ANSWER: Applicant is without knowledge sufficient to admit or deny whether registration of its PRESERVATION CLOUD mark would affect Opposer’s use of “the CaseCentral Marks,” as this is an undefined term. Applicant denies the remaining allegations in

Paragraph No. 19. Answering further, Applicant states that Opposer does not own the www.preservationcloud.com domain name and, thus, has no rights that registration could affect. Additionally, Applicant notes that the www.preservationcloud.com domain name has been parked by its owner and is not being used in any manner related to Opposer, let alone as a source identifier for any services offered by Opposer.

AFFIRMATIVE DEFENSES

For its affirmative defense, applicant states as follows:

Affirmative Defense No. 1 – Failure to state a claim

Opposer bases its Opposition on the ground that Applicant has “decided not to use” the PRESERVATION CLOUD mark after having filed it with the intent to use it. Thus, Opposer does not allege fraud, because Opposer alleges that Applicant had the requisite intent when it filed its application and verification statement. Opposer also does not allege non-use, because no use is required at this point in the application process. Accordingly, Opposer’s allegation of its first ground do not present a recognizable ground for opposition.

Affirmative Defense No. 2 – Unclean Hands

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.

Respectfully submitted,

NEXTPOINT, INC.

Date: April 18, 2011

/John A. Cullis/

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CERTIFICATE OF SERVICE

I, Mike R. Turner, an attorney, state that I deposited a true and correct copy of the foregoing *Answer to Notice of Opposition and Affirmative Defenses* into a U.S. Mail receptacle, postage pre-paid to the following counsel of record on April 18, 2011:

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