

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
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Mailed: December 8, 2011

Opposition No. 91200355

Motorola Mobility, Inc.,
Motorola Trademark Holdings,
LLC

v.

NEXTEL COMMUNICATIONS, INC.

Before Zervas, Bergsman and Shaw,
Administrative Trademark Judges.

By the Board:

Nextel Communications, Inc.¹ ("applicant" or "Nextel")

filed for registration of the sound mark described as follows:

The mark is a sound. The mark
consists of a tone at 1800 Hz
played at a cadence of 24
milliseconds (ms) ON, 24 ms OFF,
24 ms ON, 24 ms OFF, 48 ms ON.

for the following services in International Class 38:

telecommunication services, namely, electronic, electric
and digital transmission of voice, data, pictures, music,
video, and other electronic information via wireless
networks; two-way radio services; electronic transmission
of voice, text, images, data, music and information by
means of two-way radios, mobile radios, cellular
telephones, digital cellular telephones, mobile
telephones, handheld units, namely, personal computers and

¹ Inasmuch as a change of name to Nextel Communications, Inc. was recorded on March 22, 2006 (prior to institution of this proceeding) with the Assignment Branch of this Office at reel/frame 3274/0503, this proceeding was instituted in the wrong name of applicant.

digital assistants (PDAs), dispatch radios, and pagers; paging services; transmission of positioning, tracking, monitoring and security data via wireless communications devices; mobile telephone communication services; wireless Internet access services; wireless data services for mobile devices via a wireless network for the purpose of sending and receiving electronic mail, facsimiles, data, images, music, information, text, numeric messaging and text messaging and for accessing a global communications network; telecommunication services, namely, providing user access to telephone and Internet wired or wireless networks for the transmission of voice, data, images, music or video via a combination of persistent interconnection and instant interconnection/instant interrupt technologies; wireless communications service.²

Motorola Mobility, Inc. and Motorola Trademark Holdings, LLC. ("opposers" or "Motorola") oppose registration on the grounds of 1) mere descriptiveness and lack of distinctiveness; 2) failure to function as a mark, 3) functionality, 4) issue preclusion and claim preclusion, 5) non-use, and 6) fraud on the USPTO. Opposers assert that Motorola Mobility, Inc. "manufactures and sells a wide range of communications products, including a full line of handsets that incorporate a push-to-talk walkie-talkie feature into a cellular telephone handset" (notice of opposition, para. 1), and that Motorola Trademark Holdings, LLC is "a holding company for various Motorola trademarks and is responsible for licensing trademarks to Motorola Mobility, Inc." (notice of opposition, para. 2).

² Application Serial No. 78575442, filed February 25, 2005, based on use of the mark in commerce pursuant to Trademark Act § 1(a), claiming a date of first use anywhere and date of first use in commerce of May 16, 1997, and claiming acquired distinctiveness pursuant to Trademark Act § 2(f).

In lieu of filing an answer, applicant filed a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) directed to opposers' functionality, preclusion and fraud claims.³ The motion has been fully briefed.

By way of background, while Nextel's application being opposed herein was suspended in examination, the Board ruled on Opposition No. 91164353, brought by Nextel against registration of Motorola's "chirp" sound mark - the same sound that Nextel seeks to register in the application opposed herein - for "cellular telephones and two-way radios" in International Class 9. *See Nextel Communications Inc. v. Motorola Inc.*, 91 USPQ2d 1393 (TTAB 2009). The Board sustained said opposition for the following reasons:

1) with respect to "two-way radios," applying the preclusive effect of its nonprecedential decision sustaining Opposition No. 91161817 (*Nextel Communications, Inc. v.*

The parties' briefs indicate that the sound is an operational alert tone that, under certain circumstances, is emitted by Motorola-manufactured communications devices.

³ On the due date to file its answer, August 3, 2011, applicant mistakenly filed the motion to dismiss in Opposition No. 91200324, a proceeding wherein a different entity, Southern Communications Services, Inc., opposes the same application. On August 5, 2011, applicant filed, concurrently with its motion to dismiss, a "motion to correct proceeding number associated with timely lodged motion to dismiss." The Board has the discretion to entertain the motion to dismiss. Opposers responded to the motion to dismiss on the merits thereof, and did not raise an objection based on untimeliness.

In view thereof, applicant's "motion to correct" is granted. However, applicant is advised to properly caption any future motions and briefs filed herein.

Motorola, Inc., Serial No. 78235618 (TTAB February 27, 2008)), wherein the Board found that Motorola's applied-for sound mark, described as

...an electronic chirp consisting of a tone at 911 Hz played at a cadence of 25 ms ON, 25 ms OFF, 25 ms ON, 25 ms OFF, 50 ms ON

failed to function as a mark for said goods; and

2) with respect to "cellular telephones," finding that the sound mark was not inherently distinctive and had not acquired distinctiveness for these goods.

In its opinion, the Board made no finding as to whether the sound mark had acquired distinctiveness in connection with Nextel's services, noting that that issue was not before it.

Analysis

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint. To survive a motion to dismiss, a plaintiff need only allege sufficient factual matter as would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding,⁴ and (2) a valid ground exists for opposing or cancelling the mark. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213

⁴ Opposers' standing is not at issue with respect to the motion to dismiss. Moreover, in paragraphs 36 and 37 of the notice of opposition, opposers sufficiently set forth allegations which, if proved, would establish that opposers have a real interest in this proceeding and a reasonable belief in damage. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999).

USPQ 185, 187 (CCPA 1982). See also TBMP § 503.02 (3d ed. 2011). Specifically, "a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662, 129 S.Ct. 1937, 1949-50 (2009), quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of the plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1862 (TTAB 2007).

Functionality

Trademark Act § 2(e)(5) precludes registration of "any matter that, as a whole, is functional." Functional matter cannot be protected as a trademark. A mark that is determined to comprise matter that, as a whole is functional, within the meaning of Trademark Act § 2(e)(5), may not be registered, and an attempt to show acquired distinctiveness is of no avail.

The Supreme Court has clarified that a product feature is functional if it is "essential to the use or purpose of the article or if it affects the cost or quality of the article." *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165, 34

USPQ2d 1161, 1163-64 (1995); *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 214 USPQ 1, 4 n.10 (1982).

Opposers' allegations are as follows:

25. The Chirp Tone is functional when used in connection with the applied-for communications services. The Chirp Tone is an operational alert tone when used in connection with services provided via Motorola's proprietary iDEN[®] handsets and iDEN[®] infrastructure. The Chirp Tone provides an audible alert signal that the walkie-talkie service is enabled and that a channel is available for communications. The Chirp Tone is embedded into the iDEN[®] handsets and is essential to the provision of services provided via use of those handsets in the communications services context. Although Motorola, as the iDEN[®] handset manufacturer, affirmatively chose the Chirp Tone despite available alternative tones, the Chirp Tone is functional at the iDEN[®] service provider level because it cannot be removed or altered by iDEN[®] push-to-talk walkie-talkie communications services providers, such as Nextel and Southern, or by end-user consumers. Motorola's customers who offer iDEN[®]-based push-to-talk walkie-talkie communications services to consumers, including Nextel and Southern, could not provide these services without utilizing the Chirp Tone. As a result, the Chirp Tone is essential to the use or purpose of the applied-for services, and it affects the cost or quality of the applied-for services. Nextel's registration of the Chirp Tone, and its associated presumption of exclusive rights to use the Chirp Tone, would place its competitors who also provide communications services via Motorola's iDEN[®] handsets and iDEN[®] infrastructure at a significant non-reputation-related competitive disadvantage.

26. As a result, the Chirp Tone is functional with respect to the applied-for services and should be denied registration under 15 U.S.C. § 1052(e)(5).

The pleading sufficiently sets forth a claim that the mark comprises matter that is functional within the meaning of Trademark Act § 2(e)(5). See TBMP § 309.03(c)(2) (3d ed. 2011).

Issue Preclusion and Claim Preclusion

Opposers' allegations are as follows:

27. The Board sustained Nextel's opposition to Motorola's Chirp Tone trademark application in a June 12, 2009 precedential decision... That proceeding involved the identical sound mark, namely, the Chirp Tone. In that proceeding, the Board held that the Chirp Tone was not registrable on the Principal Register because it was not inherently distinctive and had not acquired distinctiveness a (sic) trademark in connection with the applied-for goods. The services identified in Nextel's Chirp Tone service mark application at issue in this proceeding are inextricably related to the goods identified in Motorola's Chirp Tone trademark application. Nextel provides those services via Motorola's iDEN[®] handsets and iDEN[®] infrastructure. In fact, Nextel's applied-for communications services are sold to consumers as a package together with Motorola's iDEN[®] handsets. Consequently, the Chirp Tone cannot be deemed non-distinctive and unregistrable as a mark in connection with the goods, on one hand, while at the same time be deemed distinctive and registrable in connection with the related services, on the other hand.

28. The doctrine of issue preclusion operates as a bar to Nextel's pending application to register the Chirp Tone as a service mark:

- (a) The issues in the present Chirp Tone service mark opposition are identical to the issues in the prior Chirp Tone trademark opposition, namely, whether the Chirp Tone is distinctive and functions as a mark.
- (b) The issues were actually litigated in the prior Chirp Tone trademark opposition, resulting in a final judgment against Motorola's Chirp Tone trademark application.
- (c) The determination of the issues of distinctiveness and trademark use was necessary to the resulting judgment, namely, that the Chirp Tone was non-distinctive and did not function as a mark.
- (d) The party defending against preclusion had a full and fair opportunity to litigate the issues. In fact, as the party in the position as the plaintiff/opposer in the prior Chirp Tone trademark opposition... Nextel was the party who asserted and successfully proved the issues of non-distinctiveness and failure to function as a mark. In direct contrast to its prior position, upheld by the Board, Nextel now seeks to re-litigate these issues and prove that the Chirp Tone is distinctive and registrable on the Principal Register.

29. The doctrine of claim preclusion operates as a bar to Nextel's pending application to register the Chirp Tone as a service mark:

(a) There is an identity of the parties. ...

(b) There was an earlier final judgment on the merits. ...

(c) The second claim is based on the same set of transactional facts as the first. The identical Chirp Tone is at issue in both proceedings. The proceedings involve the same issues and the same set of transactional facts, namely, whether the Chirp Tone that is emitted by Motorola's iDEN[®] handsets during the course of Nextel's applied-for communications services is distinctive and functions as a mark that is registrable on the Principal Register. Due to the relatedness between the iDEN[®] handsets and the iDEN[®]-based communications services, there is no distinguishable difference between Motorola's use of the Chirp Tone in connection with the goods at issue in the prior proceeding and Nextel's use of the Chirp Tone in connection with the applied-for services.

30. As a result, the Chirp Tone is unregistrable under the doctrines of issue preclusion and claim preclusion.

By way of these allegations, opposers have put applicant on adequate notice with respect to the ground for opposition that they are asserting, namely, that registration of the sound mark for the identified services is barred by the operation of claim preclusion or issue preclusion, and have sufficiently set forth the underlying factual allegations relevant to the required elements of these doctrines. Moreover, as the Board's primary reviewing court has acknowledged, these doctrines form a sound basis for opposing a registration. *See Mayer/Berkshire Corp. v. Berkshire Fashions*, 424 F.3d 1229, 76 USPQ2d 1310 (Fed. Cir. 2005); TBMP § 309.03(c)(19) (3d ed. 2011).

Fraud

Fraud in obtaining a trademark registration occurs "when an applicant knowingly makes false, material representations of fact in connection with his application." *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986); *Mister Leonard Inc. v. Jacques Leonard Couture Inc.*, 23 USPQ2d 1064, 1065 (TTAB 1992). Fraud must be pleaded with particularity. See *King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981). A claim of fraud on the USPTO must include allegations that applicant knowingly made a false, material representation, in securing and/or maintaining its registration, with the intent to deceive the USPTO. See *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009); TBMP § 309.03(c)(17) (3d ed. 2011).

Opposers' first fraud claim stems from allegations that applicant, as of the filing date of its use-based application, was not using its mark on all of the identified services. The pertinent allegations are as follows:

33. ... As of the February 25, 2005 filing date of the use-based Chirp Tone service mark application... Nextel had not made service mark use of the Chirp Tone in connection with any services other than, at most, two-way radio services offered via Motorola's, or its licensee's, iDEN® handsets and iDEN® infrastructure. Consequently, Nextel's claim that the Chirp Tone was used as a service mark in connection with the additional non-iDEN® services identified in the application was false... That false statement was material because the U.S.P.T.O. would not have allowed the application to proceed as a use-based application as to those services if it was aware that the mark was not in use therewith. However, the U.S.P.T.O. relied on that false statement and Nextel obtained a

benefit that it would not have otherwise received, namely, publication of the Chirp Tone service mark application with the falsely-claimed services. Upon information and belief, Nextel knowingly and intentionally made that false material statement with the intent to deceive the U.S.P.T.O.

Allegations that an applicant provided false information as to a critical element of the application, such as the identification of goods or services which defines the scope of the rights that an applicant claims, may form the basis for a claim of fraud on the USPTO. See *Grand Canyon West Ranch LLC v. Hualapai Tribe*, 88 USPQ2d 1501, 1509 (TTAB 2008). Here, opposers sufficiently set forth a claim of fraud through their allegations that applicant, as of the filing date of its application, knowingly and with intent to deceive the USPTO asserted use of its mark in connection with certain services. Inasmuch as opposer's allegations regarding specific activities leading up to and relevant to the filing and examination of applicant's subject application, alleged in detail as "factual background" in its pleading, set forth, in part, a factual basis for opposer's allegations, the fraud claim is not made solely on information and belief.

Opposers' second fraud claim stems from allegations that applicant knew that a competitor used the mark when it submitted a declaration, in connection with a claim of acquired distinctiveness under Trademark Act § 2(f), alleging that it

had made substantially exclusive and continuous use in commerce of its mark. The pertinent allegations are as follows:

34. Moreover, on April 29, 2010, Nextel submitted a declaration alleging that it had made "substantially exclusive and continuous use in commerce" of the Chirp Tone. Nextel made this statement under oath in connection with an acquired distinctiveness claim under Section 2(f) relating to the iDEN®-based services identified in the Chirp Tone service mark application. However, Nextel submitted this claim despite actual knowledge that its largest iDEN® competitor, Southern, also used the Chirp Tone in connection with its directly competing iDEN®-based push-to-talk walkie-talkie services. ... Nextel's April 29, 2010 statement made under oath that its use of the Chirp Tone was "substantially exclusive" was knowingly false. That knowingly false statement was material at this juncture because the Board had already held that sound marks such as the Chirp Tone were not registrable without a showing of acquired distinctiveness. The U.S.P.T.O. would not have allowed the application to proceed as to those services if it was aware that Nextel's use was not "substantially exclusive." ... Upon information and belief, Nextel knowingly and intentionally made that false material statement with the intent to deceive the U.S.P.T.O.

35. As a result, ... the two-way radio services, which are iDEN®-based services that utilize an audible Chirp Tone in the ordinary course of the services and therefore require proof of acquired distinctiveness, were fraudulently claimed to be in substantially exclusive use despite Nextel's actual knowledge that its competitor, Southern, used the Chirp Tone in connection with its directly competing iDEN®-based services.

Here, opposers sufficiently set forth a claim of fraud by alleging that applicant provided false information as to a critical element of a claim that a mark has acquired distinctiveness under Trademark Act § 2(f), namely, whether applicant's use of the mark had been "substantially exclusive and continuous use in commerce." As with the first fraud

claim, opposer's allegations regarding specific activities leading up to and relevant to the filing and examination of applicant's subject application set forth, in part, a factual basis for opposer's allegations; thus, the fraud claim is not made solely on information and belief.

In summary, the notice of opposition sufficiently pleads opposers' standing, and the grounds of functionality, preclusion and fraud, and therefore states a claim upon which relief may be granted. In view thereof, applicant's motion to dismiss is denied.

Schedule

Flowing from the Board's inherent authority to schedule the disposition of the cases on its docket is the power to suspend proceedings, which the Board may exercise upon its own initiative. See TBMP § 510.01 (3d ed. 2011). The Board has determined that it is in the interest of judicial economy for the parties to avoid incurring the costs of discovery and trial inasmuch as the possibility exists that this proceeding may be decided as a matter of law.

In view thereof, proceedings remain suspended.

Applicant is allowed until thirty (30) days from the mailing date of this order in which to file its answer to the notice of opposition.

The parties are allowed until sixty (60) days from the mailing date of this order in which to file herein cross-

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motions for summary judgment pursuant to Fed. R. Civ. P. 56, on the issue of res judicata and/or collateral estoppel. See Trademark Rule 2.127(e)(1); TBMP § 528.02 (3d ed. 2011).

Briefing of said motion(s) shall be governed by Trademark Rule 2.127(e)(1).