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

Proceeding	91204259
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Serial Nos. 77/948,333; 77/948,895; and 85/310,089

Valhalla Game Studio's Marks: VALHALLA GAME STUDIOS; VALHALLA GAME STUDIOS and Design; Valhalla Motion Pictures' mark: VALHALLA ENTERTAINMENT

VALHALLA MOTION PICTURES, INC.,

Opposer;

v.

Opposition No. 91204259
(parent case)

VALHALLA GAME STUDIOS CO. LTD.,

Applicant.

VALHALLA GAME STUDIOS CO. LTD.,

Opposer;

v.

Opposition No. 91206662

VALHALLA MOTION PICTURES, INC.,

Applicant.

OPPOSER'S TRIAL BRIEF IN PARENT CASE

Opposer Valhalla Motion Pictures, Inc. ("VMP"),¹ owner of the VALHALLA MOTION PICTURES & Viking Ship Design (U.S. Reg. No. 4,212,384) and VALHALLA TELEVISION & Viking Ship Design (U.S. Reg. No. 4,238,523) service marks, hereby submits its trial brief in support of its request that the Board deny the application of Applicant Valhalla Game Studios ("VGS") to register the marks VALHALLA GAME STUDIOS and VALHALLA GAME STUDIOS & Viking Ship Design on the grounds of likelihood of confusion and the doctrine of zone of natural expansion of VMP's business as senior user of the VALHALLA brand in the entertainment industry.

¹ In the entertainment industry, Valhalla Motion Pictures is commonly referred to as "Valhalla." To avoid confusion in this brief, Opposer in the parent action will be referred to as "VMP."

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INTRODUCTION

In this consolidated opposition, Valhalla Motion Pictures (“VMP”) opposes two intent-to-use applications by Valhalla Game Studios (“VGS”) to register the word mark VALHALLA GAME STUDIOS and the composite mark VALHALLA GAME STUDIOS in combination with a Viking Ship design for video games and related goods and services. For nearly 20 years, VMP has used VALHALLA and its distinctive Viking Ship design as its mark to promote production and development of motion pictures, television shows, and comic books that have generated hundreds of millions of dollars and have been seen by tens of millions of people. VMP believes that registration of the nearly identical VALHALLA GAME STUDIOS marks will confuse consumers and that every relevant *du Pont* factor favors sustaining the opposition.

STATEMENT OF THE ISSUES

The issues for trial are:

1. In the parent case, whether the public is likely to be confused, mistaken, or deceived as to the source of the goods and services that VGS proposes to offer under the brands VALHALLA GAME STUDIOS and VALHALLA GAME STUDIOS & Viking Ship Design; and
2. In the child case, whether the application of VMP for VALHALLA ENTERTAINMENT & Viking Ship Design should issue.²

DESCRIPTION OF THE RECORD

Pursuant to Trademark Rule 2.122(b), the record includes VGS’s application file and the pleadings.

VMP has submitted the following evidence:

1. Testimonial deposition, with exhibits attached, of Ben Roberts (VMP’s former Creative Executive and Vice President), taken on December 9, 2013 (Doc. # 39).
2. Testimonial deposition, with exhibits attached, of Phillip Kobylanski (VMP’s Creative Executive), taken on December 10, 2013 (Doc. # 40).

² Pursuant to the Board’s order of August 23, 2014, this brief concerns only the first issue.

3. Testimonial deposition, with exhibits attached, of Julie Thomson (VMP's Chief Financial Officer), taken on December 10, 2013 (Doc. #41).

4. Testimonial deposition, with exhibits attached, of Gale Anne Hurd (VMP's founder and Chief Executive Officer), taken on December 10, 2013 (Doc. # 42)

5. Testimonial deposition, with exhibits attached, of Phillip Kobylanski, taken on October 28, 2014 (Doc. # 50).

6. First Notice of Reliance, copies of certificates of registration and TSDR printouts of U.S. Registrations for VALHALLA MOTION PICTURES & Viking Ship Design and VALHALLA TELEVISION & Viking Ship Design (Doc. # 22).

7. Second Notice of Reliance, Exhibits 1-2, consisting of printed internet website pages (Doc. # 22).

8. Third Notice of Reliance, Exhibits 1-24, consisting of printed internet website pages (Doc. # 43).

9. Fourth Notice of Reliance, Exhibits 1-14, consisting of printed internet website pages (Doc. # 44).

10. Fifth Notice of Reliance, Exhibits 1-10, consisting of printed internet website pages (Doc. # 45).

11. Sixth Notice of Reliance, Exhibit 1, consisting of printed internet website pages (Doc. # 46).

VGS has submitted the following evidence:³

1. Testimonial depositions, with exhibits attached, of Satoshi Kanematsu and Mitsuru Tsutsumi (VGS executives), taken on June 4, 2014 (Doc. # 27).

2. Testimonial deposition, with exhibits attached, of James Huntley (former marketing director of video game publisher THQ), taken on September 22, 2014 (Doc. # 47).

³ VMP does not concede the relevance or admissibility of evidence submitted by VGS. VMP reserves the right to object to evidence offered by VGS in support of its brief as defendant in the parent case and its brief as plaintiff in the child case.

3. First Notice of Reliance, Exhibits 1-22 consisting of printed internet website pages (Doc. # 31).
4. Second Notice of Reliance, Exhibits 1-34, consisting of copies of certificates of registration and TSDR printouts of U.S. Trademark registrations (Doc. # 32).
5. Third Notice of Reliance, Exhibits 1-19, consisting of copies of certificates of registration and TSDR printouts of U.S. Trademark registrations (Doc. # 33).
6. Fourth Notice of Reliance, Exhibits 1-54, consisting of copies of certificates of registration and TSDR printouts of U.S. Trademark registrations (Doc. # 34).
7. Fifth Notice of Reliance, Exhibits 1-3, consisting of copies of certificates of registration and TSDR printouts of U.S. Trademark registrations (Doc. # 35).
8. Sixth Notice of Reliance, Exhibits 1-32, consisting of copies of certificates of registration and TSDR printouts of U.S. Trademark registrations (Doc. # 36).
9. Seventh Notice of Reliance, Exhibits 1-4, consisting of excerpts and exhibits from the discovery depositions of Gale Anne Hurd (taken April 11, 2013), Kristopher Henigman (taken May 29, 2013), Julie Thomson (taken May 30, 2013), and Ben Roberts (taken July 15, 2013) (Doc. # 37).
10. Eighth Notice of Reliance, Exhibits 1-22, consisting of printed internet website pages (Docket # 38),
11. Ninth Notice of Reliance, Exhibit 1, consisting of an internet web page and video (Doc. # 48).
12. Tenth Notice of Reliance, Exhibits 1-2, consisting of internet web pages and videos (Doc. # 49).

RECITATION OF THE FACTS

I. THE PARTIES.

A. Valhalla Motion Pictures (“VMP”).

Valhalla Motion Pictures is a motion picture, television, comic book, and transmedia development and production company owned and operated by entertainment industry veteran Gale Anne

Hurd, who produced and co-wrote the iconic film *Terminator* and produced the film *Aliens*.⁴ (Doc. # 42 at 5, 8 & 14). “Transmedia” refers to the characteristic of certain creative works to be exploited across a range of media, such as comic books, motion pictures, television series, video games, and tangible products like play action figures, clothing and children’s lunchboxes. (Doc. #42 at 5-6).

VMP’s business is to acquire the intellectual property rights of stories and characters within the action and science fiction genres for development in a variety of entertainment media. (Doc. #42 at 5-6). The VALHALLA MOTION PICTURES & Viking Ship Design, VALHALLA TELEVISION & Viking Ship Design, and VALHALLA ENTERTAINMENT & Viking Ship Design have appeared in the United States and worldwide on some of the most successful motion picture and television programs over the past 20 years, including the blockbuster motion picture *Armageddon* (1998) and the popular films *Virus* (1999), *Clockstoppers* (2002), *Hulk* (2003), *The Punisher* (2004), and *Aeon Flux* (2005). (Doc. #40, Exh. 51). VMP’s television show *The Walking Dead* (2010-present) attracts more than 16 million viewers and is one of the most viewed series on cable television in the United States. (Doc. # 40 at 8 & Exh. 51; Doc. # 44, Exh. 13, Doc. # 45, Exh. 1). VMP also has published popular comic books *Anti*, *Dead Man’s Run*, and *The Scourge*. (Doc. # 40, Exh. 51; Doc. # 42 at 15-16). VMP estimates that domestic box office receipts for its films alone has exceeded \$500 million. (Doc # 41 at 14).

Since at least as early as 2006, VMP expanded its brand from major motion picture production into other media, anticipating the industry trend to exploit transmedia properties. (Doc. # 42 at 15-17; Doc. # 43 at 7-8; Doc. # 40 at 19-21). By identifying and developing intellectual property rights to entertainment properties that can be exploited in movies, television, novels, comic books, web series, and video games, VMP is able to reach larger audiences on a variety of entertainment platforms. To execute this business plan, VMP’s staff members regularly attend and make presentations at worldwide video

⁴ Hurd is a former governor of the Academy of Motion Picture Arts and Sciences (the “Academy”) and currently serves on the Academy’s Science & Technology Council. (Doc. # 43, Exhs. 15-16). She received a star on the Hollywood Walk of Fame in 2012. (Doc #43, Exh. 19). In January 2015, she will receive the prestigious David O. Selznick Achievement Award from the Producers Guild of America in recognition of her lifetime achievements in entertainment, particularly in the action and science fiction genres. (Doc. # 45, Exh. 9-10).

game and technology conferences and multi-genre entertainment industry events, including Comic-Con, the Consumer Electronics Show in Las Vegas, and E3 in Los Angeles to promote VMP's brand, identify potential new partners, and develop business opportunities. (Doc. # 42 at 16-28; Doc. # 40 at 10-14; Doc.# 50 at 6-7, 24-25).

VMP's staff has sought opportunities to adapt VMP's intellectual property into video games or to acquire intellectual property for development in connection with video games. For example, in 2008, VMP had discussions with Electronic Arts, one of the world's largest video game publishers, about potential development projects. (Doc. # 43 at 9-12). In 2009, VMP communicated with Sega about adapting properties for video games and also met with talent agents who specialize in video game content and video game publishing. (Doc. # 43 at 14-19). In 2010, VMP attended E3, one of the largest video game conferences in the world, and subsequently discussed development opportunities with Konami. (Doc. # 43 at 20-24). In 2010, Valhalla also met with video game publisher THQ to discuss developing original intellectual property into video games. (Doc. # 43 at 25-26). Similar efforts continue to the present day. (Doc. # 43 at 26-36; Doc. # 50 at 6-10).

Although VMP's Valhalla brand has not yet appeared on any video games, several entertainment properties developed by VMP and bearing VMP's distinctive brand have been turned into successful video games, including *The Walking Dead*⁵ (Doc. # 47 at 42-43), *Aeon Flux* (Doc. # 42 at 32-33), *Hulk* (Doc. # 42 at 33-35) and *The Punisher*. In fact, *The Punisher* video game was published by THQ, which subsequently worked with VGS on the video game *Devil's Third* prior to THQ's bankruptcy. (Doc. # 42 at 30; Doc. # 47 at 28). By contract, VMP sometimes receives a percentage of revenues based on merchandise, including video games, that are based on VMP's transmedia property productions. (Doc. # 41 at 18-20).

VMP uses its brands on the transmedia that it produces, which are seen by millions of viewers, and VMP also promotes itself to tens of thousands of members of the public online via social networks

⁵ *The Walking Dead* is an excellent example of a transmedia project. It began as a comic book about a post-apocalyptic world with zombies, then was adapted for television, and now is part of a very successful video game franchise and web series. (Doc. #42 at 6-7; Doc. # 40 at 8-9).

like Facebook ([facebook.com/ValhallaEntertainmentInc](https://www.facebook.com/ValhallaEntertainmentInc)) and Twitter ([@ValhallaPics](https://twitter.com/ValhallaPics)) and through its website (valhallamotionpictures.com) and its blog (valhallaentertainment.wordpress.com). (Doc. # 42 at 35-38; Doc. # 43, Exhs. 1-9). News regarding VMP’s business also is regularly published in leading entertainment media outlets like *The Hollywood Reporter*, *Deadline*, *Variety*, and *Los Angeles Times*, where VMP is commonly identified as VALHALLA, VALHALLA MOTION PICTURES, VALHALLA ENTERTAINMENT, and VALHALLA TELEVISION. (See, generally, Doc. # 22, 43, 44, 45, 46).

B. Valhalla Game Studios.

VGS was purportedly founded in 2008. (Doc. # 27 (Kanematsu) at 7). VGS intends to produce video games and video game merchandise, but it has not sold any Valhalla branded video games. (*Id.* at 8-9). In 2010, video game publisher THQ assisted VGS in developing a violent action video game to be named *Devil’s Third*, which was not completed. (Doc. # 47 at 28, 32-34). VGS-branded video games have not been released in the United States. VGS’s founder testified that he attended E3 in Los Angeles and a convention in Germany and that VGS has engaged in pre-advertising for an anticipated release of the *Devil’s Third* video game. The pre-advertising has been in print and online gaming magazines, and online at youtube.com and facebook.com. (Doc. #27 (Kanematsu) at 12-13).

II. THE MARKS.

VMP owns and uses the following trademarks in connection with its business (the “Valhalla Marks”):

	<p>Reg. No. 4,212,384⁶ Filed: May 2, 2011 Registered: Sept. 25, 2012</p>	<p>IC 41: Motion picture film production First use: 1997</p>
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⁶ The composite mark and the word mark VALHALLA MOTION PICTURES were registered in 2000 by VMP’s predecessor (Reg. Nos. 2,389,038 and 2,384,466, respectively), but the registrations lapsed for failure to file a statement of use. (Doc. # 50, Exhs. 103 & 104).

	<p>Reg. No. 4,238,523</p> <p>Filed: May 2, 2011</p> <p>Registered: Nov. 6, 2012</p>	<p>IC 41: Television show production.</p> <p>First use: 2012</p>
	<p>Serial No. 85/310,089</p> <p>Filed: May 2, 2011</p>	<p>IC 41: (Based on Use in Commerce) motion picture film production and television show production. First Use: 2010</p> <p>IC 41: (Based on Intent to Use) writing and editing scripts, teleplays and screenplays for others.</p>

The Valhalla Marks and common law trademarks VALHALLA MOTION PICTURES, VALHALLA ENTERTAINMENT, or VALHALLA TELEVISION typically appear in the credits of a motion picture, television, or other entertainment property that VMP develops or produces, as well as on the cover and inside VMP’s comic books, and on VMP’s business proposals and agreements. (Doc. # 50 at 22; Doc. # 42, Exh. 66 & 71; Doc. # 41, Exhs. 50, 60 & 62).

VGS has sought registration of the following marks on an intent-to-use basis (the “VGS Marks”):

<p>VALHALLA GAME STUDIOS</p>	<p>Serial No. 77/948,333</p> <p>Filed: March 2, 2010</p>	<p>IC 9: Computer game programs; Computer game software; Computer software, namely, game engine software for video game development and operation; Video game software.</p> <p>IC 16: Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; Series of computer game hint books.</p> <p>IC 28: Positionable toy figures; Toy action figures.</p> <p>IC 42: Design and development of computer game software and virtual reality software.</p>
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	Serial No. 77/948,895 Filed: March 2, 2010	IC 9: Computer game programs; Computer game software; Computer software, namely, game engine software for video game development and operation; Video game software. IC 16: Series of computer game hint books and strategy guides; printed materials, namely, novels and series of fiction books, comic books and short stories featuring scenes and characters based on video games. IC 28: Positionable toy figures; Toy action figures. IC 42: Design and development of computer game software and virtual reality software.
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VMP's marks were not cited against VGS's 2010 application because the earlier registrations for VALHALLA MOTION PICTURES and VALHALLA MOTION PICTURES & Viking Ship Design were not then in force. VGS has admitted being aware of VMP's blockbuster movie, *Armageddon* (1998), in which the VMP name and logo were prominently featured in the closing credits. (Doc. # 27 (Kanematsu) at 24; (Tsutsumi) at 22).

ARGUMENT

I. STANDING.

An opposer must have a real interest in the outcome of the proceeding and a reasonable belief that its rights would be damaged as a result of registration to have standing to oppose an application for trademark registration. 15 U.S.C. § 1063(a); *Ritchie v. Simpson*, 170 F.3d 1092, 1094-95, 50 U.S.P.Q.2d 1023 (Fed. Cir. 1999). VMP has properly pleaded its registrations of record and also has shown by its extensive common law use, registration of, and application to register its VALHALLA marks that VMP has standing and is not a mere intermeddler. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 945, 55 U.S.P.Q.2d 1842 (Fed. Cir. 2000).

II. PRIORITY.

VMP's Opposition cites three marks:



VALHALLA MOTION PICTURES & Viking Ship Design (Reg. No. 4,212,384) and VALHALLA TELEVISION & Viking Ship Design (Reg. No. 4,238,523), and the goods and services covered by these registrations, are pleaded and part of the record and have priority in time over VGS's applications. *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 1403, 182 U.S.P.Q. 108 (CCPA 1974); (Doc. # 22). VALHALLA MOTION PICTURES was first used in 1997. (Doc. # 22).

VMP has alleged use of VALHALLA ENTERTAINMENT & Viking Ship Design (Serial No. 85/310/089, dated May 2, 2011) in connection with motion picture film production and television show production (Class 41) since at least as early as October 31, 2010.⁷ VMP actually began commercial use as early as January 10, 2010, when VALHALLA ENTERTAINMENT & Viking Ship Design appeared in the closing credits of the television movie *The Wronged Man*. (Doc. 40, Exh 51). That commercial use pre-dates the filing of VGS's intent-to-use applications.

VMP has established priority over VGS because VMP's commercial use of VALHALLA pre-dates the March 2, 2010 filing date of VGS's intent-to-use applications by over a decade.

III. LIKELIHOOD OF CONFUSION.

A. Legal Standard.

The Lanham Act prohibits registration of a mark that would be likely to cause confusion, mistake or deception in light of prior marks. 15 U.S.C. § 1052(d). The Board analyzes likelihood of confusion based on all of the probative facts in evidence that are relevant to the factors set forth in *In re E. I. du*

⁷ VMP also seeks registration of this mark in connection with writing and editing scripts, teleplays and screenplays for others (Class 42) on an intent-to-use basis. This mark is the subject of the child case in this consolidated opposition proceeding, which VGS has brought.

Pont de Nemours & Co., 476 F.2d 1357 (CCPA 1973) (“*du Pont*”): (1) the similarity of the marks; (2) the similarity of the goods or services designated in the application to the goods with which the prior mark or family is associated; (3) the respective channels of trade; (4) the conditions of sale and the intended customers; (5) the strength and scope of the prior mark or family of marks; (6) the number and nature of similar marks in use on similar goods; (7) any evidence of actual confusion or the absence thereof; (8) the length of time and conditions under which there has been concurrent use without evidence of actual confusion; (9) the variety of goods on which the mark is or is not used (*e.g.*, house mark, “family” mark, product mark); (10) the market interface between applicant and the owner of a prior mark; (11) the extent to which applicant has the right to exclude others from use of the mark on its goods; (12) the extent of potential confusion; and (13) any other established fact probative of the effect of use.

“[N]ot all of the *du Pont* factors may be relevant or equal weight in a given case, and any one of the factors may control a particular case.” *In re Majestic Distilling*, 315 F.3d 1311, 1315, 65 U.S.P.Q.2d 1201 (Fed. Cir. 2003). Also, “while [the Board] must consider each factor for which it has evidence, [it] may focus its analysis on dispositive factors, such as similarity of the marks and relatedness of the goods [and services].” *Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 1336, 57 U.S.P.Q.2d 1557 (Fed. Cir. 2001). It is noteworthy that any doubt as to the similarity of the marks is to be resolved against the junior user. *In re Hyper Shoppes (Ohio), Inc.*, 837 F.2d 463, 464-65 (Fed. Cir. 1988); *see Interstate Brands Corp. v. Mckee Foods Corp.*, 53 U.S.P.Q.2d 1910, 2000 WL 187204, *6 (TTAB. 2000) (“[O]ne who adopts a mark similar to the mark of another for the same or closely related goods or services does so at his own peril, and any doubt as to the similarity of the marks must be resolved against him.”).

B. The *du Pont* Factors Weigh In VMP’s Favor.

The relevant *du Pont* factors strongly weigh in favor of sustaining VMP’s Opposition to the applications to register VGS’s VALHALLA GAME STUDIOS marks.

1. The Marks Convey the Same Commercial Impression.

The test for the first *du Pont* factor is not whether the marks are distinguishable when examined side-by-side, “but rather whether the marks are sufficiently similar in terms of their overall commercial

impression that confusion as to the source of the goods and services offered under the respective marks is likely to result.” *Mag Instrument, Inc. v. The Brinkmann Corp.*, 96 U.S.P.Q.2d 1701, 2010 WL 3253200, at *10 (TTAB 2010) (finding that “MAG-NUM STAR and MAGNUM MAXFIRE are highly similar in appearance, sound, and connotation”).

Here, the VALHALLA GAME STUDIOS and VALHALLA GAME STUDIOS & Viking Ship Design marks are nearly identical to VMP’s Marks:

<u>VMP’s Marks</u>	<u>VGS’s Marks</u>
	
<p>VALHALLA MOTION PICTURES</p> <p>VALHALLA ENTERTAINMENT</p> <p>VALHALLA TELEVISION</p>	<p>VALHALLA GAME STUDIOS</p>

The overall commercial impressions are the same: an image of a Viking Ship cresting a wave at sea that is above text containing the key word “Valhalla.” Based on the evidence that VGS had prior knowledge of VMP’s brand, it appears that VGS simply took VMP’s concept, changed the ship design, and replaced the terms “TELEVISION”, “ENTERTAINMENT”, and “MOTION PICTURES” with the term “GAME STUDIOS”. The similarities are highly unusual. VGS, however, denies any copying. (Doc. # 27 (Kanematsu) at 29-30).

The minor alterations by VGS are insufficient to create a distinctive consumer impression. The presence of an identical distinctive term as the first part of two marks is strong evidence of similarity. *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 1372 (Fed.

Cir. 2005) (VEUVE ROYALE is confusingly similar to VEUVE CLICQUOT because the prominent arbitrary term “veuve” appears first); *Presto Prods. Inc. v. Nice-Pak Prods. Inc.*, 9 U.S.P.Q.2d 1895, 1988 WL 252340, *3 (TTAB 1988) (“[I]t is often the first part of the mark which is most likely impressed upon the mind of a purchaser remembered.”); *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 876, 23 U.S.P.Q.2d 1698 (Fed. Cir. 1992) (“Thus, upon encountering each mark, consumers must first notice this identical lead word.”). Further, when a mark consists of both distinctive terms and those that have been disclaimed, the distinctive terms are deemed dominant while the disclaimed terms serve no source-identifying function. *In re Jack B. Binion*, 93 U.S.P.Q.2d 1531, 2009 WL 5194992, *3 (TTAB 2009); *In re Nett Designs, Inc.*, 236 F.3d 1339, 1341, 57 U.S.P.Q.2d 1564 (Fed. Cir. 2001).

Here, VMP has disclaimed “Motion Pictures”, “Television,” and “Entertainment” while VGS has disclaimed “Game Studios.” It is undisputed by the parties that the term “Valhalla” and the design of a Viking Ship constitute arbitrary marks with respect to entertainment-related goods and services. Thus, the only dominant, source-identifying element of the parties’ marks -- VALHALLA -- is the same and is arbitrary. This element of the mark is what consumers are likely to recall and what is likely to cause confusion in the marketplace among consumers and members of the entertainment industry who see VALHALLA GAME STUDIOS, alone or in connection with a Viking Ship design, and who reasonably assume that the video game offered under that brand originates from or has been approved by VMP, which has senior rights to VALHALLA (alone and in connection with a Viking Ship design) followed by the descriptive terms “Motion Pictures,” “Television” and “Entertainment.”

2. The Goods/Services, Customers, and Marketing Channels Overlap.

These factors address whether there is a likelihood of confusion as to the *source* of goods and services. *L’Oreal S.A. v. Marcon*, 102 U.S.P.Q.2d 1434, 2012 WL 1267956, *5 (TTAB 2012). It is well accepted that “[t]he services and goods need not be identical to find likelihood of confusion[.]” *In re Accelerate s.a.l.*, 101 U.S.P.Q.2d 2047, 2012 WL 684459, *3 (TTAB 2012); *Giant Food, Inc., v. Nation’s Foodservice, Inc.*, 710 F.2d 1565, 1571, 218 U.S.P.Q. 390 (Fed. Cir. 1983) (grocery goods and fast food restaurant services sufficiently similar that confusion is likely). A trademark owner’s rights will extend to

a “related product that consumers could reasonably believe is manufactured or sponsored by [the mark owner].” *McDonald's Corp. v. McBagel's Inc. (McBagel)*, 649 F.Supp. 1268, 1 U.S.P.Q.2d 1761, 1767 (S.D.N.Y. 1986). The respective goods and services only need to be somewhat related or the marketing conditions be such that they could be encountered by the same purchasers under circumstances that could give rise to the mistaken belief that the services come from a common source. *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 1567-68, 223 U.S.P.Q. 1289 (Fed. Cir. 1984) (bread and cheese); *In re Majestic Distilling*, 315 F.3d at 1316 (malt liquor and tequila). When analyzing channels of trade, courts examine how the services are sold, how the services are marketed, and who the targeted consumers are. *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1370, 101 U.S.P.Q.2d 1713 (Fed. Cir. 2012).

Here, VMP's marks have appeared on a variety of media: motion pictures, television shows, comic books, and multimedia projects and websites featuring web series entertainment. VMP markets its services and has sought business at the annual E3 trade show in Los Angeles; VGS also has sent company representatives there. VMP and VGS had business dealings with video game publisher THQ. VMP maintains a high profile in traditional media outlets, as well as a massive online VALHALLA presence. The parties target the same types of customers. In fact, a representative from VGS's former production partner, THQ, noted that there is a “strong overlap” between the people who would play VGS's game and who also would watch a television show like *The Walking Dead*. In his words, the core consumer is “about the same.” (Doc. # 47 at 43-44, 46). VMP believes that its core demographic is male aged 18-49, which is consistent with the former THQ marketing manager's testimony that the demographic for the gaming community is about the same. (Doc. # 40 at 21-22; Doc. # 42 at 7, 32; Doc. # 47 at 45-46).

There is no evidence of how VGS intends to make its video game available to consumers, because VGS has made no sales. It is reasonable to assume, however, that video games and associated merchandise will be offered for purchase online and in traditional brick-and-mortar stores, where items bearing VMP's Marks are now being sold. Because the operative element of their respective marks is VALHALLA, confusion by customers in online and physical stores is inevitable.

Accordingly, consumers likely will be confused as to the source of goods/services bearing the VGS Marks when VGS finally releases a product. Millions of people have seen the VALHALLA MOTION PICTURES, VALHALLA ENTERTAINMENT, and VALHALLA TELEVISION marks displayed in a wide range of media and in some of the most popular entertainment properties over the past 20 years, including *Armageddon*, *Hulk*, and *The Walking Dead*. There would be massive confusion among consumers who encountered a video game branded under VALHALLA GAME STUDIOS given the prior and existing widespread use by VMP of VALHALLA MOTION PICTURES, VALHALLA ENTERTAINMENT, and VALHALLA TELEVISION for a variety of VMP's entertainment properties.

3. The Valhalla Marks Are Strong and Well Known.

This factor considers how well-known the senior user's mark is in the marketplace. As the senior mark becomes more well-known to the public, the likelihood of confusion increases and the threshold for proving confusion goes down, as a means to dis-incentivize free riders. *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 353 (Fed. Cir. 1992) ("As a mark's fame increases, the [Lanham] Act's tolerance for similarities in competing marks falls."); *Nina Ricci, S.A.R.L. v. E.T.F. Enters., Inc.*, 889 F.2d 1070, 1074 (Fed. Cir. 1989) ("[T]here is no excuse for even approaching the well-known trademark of a competitor . . . and that all doubt as to whether confusion, mistake, or deception is likely is to be resolved against the newcomer[.]").

Here, VGS is a junior user that has adopted the name, look, and feel of VMP's well-known marks that are seen by millions of people each week and have been seen by tens of millions of theatregoers since 1998. VMP regularly receives press attention by media outlets targeting a young adult or "gamer" audience. (Doc. # 43, Exhs. 17, 21, 23-24; Doc. # 44, Exhs. 6-8, 14; Doc. # 45, Exh. 5, Doc. # 46, Exh. 1). VMP also receives substantial mass-media entertainment publicity. (Doc. # 43, Exhs. 10-16, 18-19; Doc. # 44, Exhs. 1-5, 9-10; Doc. # 45, Exhs. 1-4, 6, 8-10). There can be little doubt that VGS is seeking a free ride on VMP's well-known VALHALLA name and the Viking Ship Design. As the newcomer to the field, VGS has an infinity of marks and designs from which to choose to promote its goods without mimicking VMP or trading off its goodwill. This factor weighs in VMP's favor.

4. The Entertainment Field Is Not Crowded with VALHALLA-brands.

VMP owns the only federal trademark registrations incorporating the term “Valhalla” in connection with entertainment services in international class 41. The term “Valhalla” is not commonly used by third parties to promote goods or services in the entertainment marketplace.

VGS has made of record copies of many third party registrations of marks that include the term “Valhalla,” ostensibly to show that the term is widely used. Third party registrations alone, however, are not evidence of actual use and do not prove that a term is widely used in the industry. *In re Mighty Leaf Tea*, 601 F.3d 1342, 1347, 94 U.S.P.Q.2d 1257 (Fed. Cir. 2010) (“The mere citation of third party registrations is not proof of third party uses for the purpose of showing a crowded field and relative weakness. “While third party registrations may be used to demonstrate that a portion of a mark is suggestive or descriptive, they cannot justify the registration of another confusingly similar mark.” *In Re Chica, Inc.*, 84 U.S.P.Q.2d 1845, 2007 WL 2344668, * 5 (TTAB 2007) (internal quotations and citation omitted).

None of the third party marks display their marks in the same manner as VMP: VALHALLA immediately followed by “Motion Pictures”, “Entertainment”, or “Television.” VGS mimics VMP by adding “Game Studios” after “Valhalla.” VGS’s use of “Valhalla” with “Game Studios” creates marks that are similar in meaning and impression to Valhalla’s Marks and that are likely to cause confusion.

5. Contemporary Use and Actual Confusion.

It is not necessary to show actual confusion in establishing likelihood of confusion, especially when the applicant has not yet begun to use the mark in commerce. *Giant Food, Inc.*, 710 F.2d at 1571; *Schering-Plough Healthcare Prods., Inc. v. Ing-Jing Huang*, 84 U.S.P.Q.2d 1323, 2007 WL 1751193, at *6 (TTAB 2007) (“[T]o state the obvious, there has not been any opportunity for actual confusion in the marketplace”). Here, there is no evidence of actual confusion, because VGS has not yet made a commercial use of its marks. There is a substantial risk of confusion if VGS’s applications are granted given the similarity of the marks, trade channels, marketing, consumers, and goods and services for all of the reasons described above.

6. Video Games Are Within VMP's Natural Zone of Expansion.

Although VMP's VALHALLA brand has not yet appeared on any video games, such a use is within the natural zone of expansion of VMP's trademark rights, especially give the "transmedia" nature of VMP's productions in the entertainment industry in the past decade. Under the natural zone of expansion doctrine, the "first user of a mark in connection with particular goods or services possesses superior rights in the mark not only as against subsequent users of the same or similar mark for the same or similar goods or services, but also as against subsequent users of the same or similar mark for any goods or services which purchasers might reasonably expect to emanate from it in the normal expansion of its business under the mark." *Mason Engineering and Design Corp. v. Mateson Chemical Corp.*, 225 U.S.P.Q. 956, 1985 WL 72027, *6 (TTAB 1985).

Whether expansion would be natural depends on (1) whether the video game market is a distinct departure from VMP's first area of business, thereby requiring a new technology or know-how, or whether it is merely an extension of the technology involved in the first area of business; (2) the nature and purpose of the goods or services in each area; (3) whether the channels of trade and classes of customers for the two areas of business are the same, so that the goodwill established by the VMP would carry over into the second area; and (4) whether other companies have expanded from one area to the other. *Id.*

Since at least 2008 -- years before VGS filed its trademark applications in March 2010 -- VMP has been actively engaged in developing opportunities to enter Valhalla-branded goods into the video game segment of the entertainment market. (Doc. # 43 at 9-36; Doc. # 50 at 6-10; Doc. # 42 at 16-28). VMP's transmedia productions (like *The Walking Dead*, *The Punisher*, and *The Incredible Hulk*) have been adapted for video games by others with VMP participating in and profiting from some of those third-party adaptations, even though in those cases the VALHALLA brand does not appear on the video game itself. (Doc. # 42 at 21-22; Doc. # 41 at 18-20; Doc. # 47 at 42-43). There can be no doubt that expanding successful Valhalla-branded movies, television shows, comic books, and web series into video games is not an unexpected or unnatural expansion for VMP.

As the newcomer to the marketplace, it is incumbent on VGS not to usurp the rights of the senior user, VMP, or to prevent VMP from expanding into video games as a natural outgrowth of its entertainment productions on the big screen, on television, and online and in comic books.

CONCLUSION

VMP has opposed VGS's two intent-to-use applications to register the word mark VALHALLA GAME STUDIOS and the composite mark VALHALLA GAME STUDIOS and Viking Ship Design for video games and related goods and services because there is a likelihood of confusion with VMP's family of VALHALLA marks for motion picture, television, online and comic book properties in the transmedia world of entertainment. For nearly 20 years, VMP has used VALHALLA and its distinctive Viking Ship Design as its marks to promote production and development of motion pictures, television shows, and comic books that have been seen by tens of millions of people and are well known in the entertainment industry. Newcomer VGS admits that it was aware of VMP's action film blockbuster -- even to the point of being inspired by it years prior to the filing of the VGS application in 2010 -- but VGS vacuously insists that there would be no likelihood of confusion, even though video games are closely related in the minds of consumers to motion pictures and television shows and often feature comic book characters. Analysis of the *duPont* factors belies this unfounded belief, and the doctrine of the natural zone of expansion supports the conclusion that the applications of newcomer VGS to register VALHALLA GAME STUDIOS and VALHALLA GAME STUDIOS and Viking Ship Design should be denied. Opposer Valhalla Motion Pictures, Inc. respectfully requests that the pending applications of VGS be denied.

/s/ Pamela D. Deitchle

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CERTIFICATE OF SERVICE

I hereby certify that on January 6, 2015, a true and complete copy of the foregoing OPPOSER'S TRIAL BRIEF IN PARENT CASE has been served on Opposer by electronic mail addressed to

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