

ESTTA Tracking number: **ESTTA593452**

Filing date: **03/19/2014**

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

Proceeding	91212472
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Date	03/19/2014
Attachments	Opposition to Motion for Leave to Amend (F1416181x96B9E).pdf(509005 bytes)

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

In the Matter of Application Serial No. 79/115,344
Mark: BIGINSIGHTS
Published in the Official Gazette on August 27, 2013

PROSPER BUSINESS DEVELOPMENT
CORPORATION,

Opposer,

v.

INTERNATIONAL BUSINESS MACHINES
CORPORATION,

Applicant.

Opposition No. 91/212,472

**APPLICANT’S OPPOSITION TO OPPOSER’S MOTION FOR LEAVE
TO FILE SECOND AMENDED NOTICE OF OPPOSITION**

Applicant International Business Machines Corporation (“Applicant”) submits this memorandum in opposition to the Motion for Leave to File Second Amended Notice of Opposition Instanter filed by Opposer Prosper Business Development Corporation (“Opposer”).

Opposer disingenuously claims that the proposed Second Amended Notice of Opposition was filed merely to correct an error in an exhibit (Opp.’s Mot., Dkt. No. 13 (“Opp. Br.”) at 2) and is nothing more than a “cosmetic” change from the First Amended Notice of Opposition (*id.* at 3). In fact, Opposer’s proposed Second Amended Notice of Opposition represents an attempt to improperly add to the opposition claims that Opposer is prohibited from asserting and claims that have no factual basis. Opposer already had pleaded and dropped an unsupportable claim for dilution of a mark that is not at all famous. It now seeks to add an equally unsupported claim—and one that was not identified in either of Opposer’s two prior pleadings—for likelihood of confusion as to two classes of goods and services that are not included in the First Amended

Notice of Opposition, which is the current operative pleading. Opposer's attempt to add the new ground of likelihood of confusion and new goods and services to the operative pleading is barred substantively because it is legally insufficient and procedurally under 37 CFR § 2.107(b) and TBMP §§ 315, 507.01. As such, the motion should be denied and this opposition should proceed based on the allegations of the First Amended Notice of Opposition solely against the Class 35 services in the opposed Application.

I. PROCEDURAL BACKGROUND

A. Opposer's Original Notice of Opposition

On May 21, 2012, Applicant filed, under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (the "Madrid Protocol"), Application Serial No. 79/115,344 (the "Application") to register BIGINSIGHTS ("Applicant's Mark") in Classes 9, 35 and 42 based on Section 66(a) of the Trademark Act, 15 U.S.C. § 1141f, for the purpose of extending protection of an international trademark registration to the United States. (*See* Application filed as Ex. B to Opp.'s Not. of Opp., Dkt. No. 1.)

On September 11, 2013, Opposer, represented by experienced trademark counsel, filed a Notice of Opposition to the Application based on Opposer's claim of rights in the mark BIGINSIGHT. (Dkt. No. 1, "Not. of Opp.") The two grounds for opposition as stated in the ESTTA cover form were (1) priority and likelihood of confusion pursuant to Section 2(d) of the Trademark Act, and (2) dilution pursuant to Section 43(c) of the Trademark Act. (*Id.*) The Notice of Opposition attached to the ESTTA form made clear that Opposer's claim of likelihood of confusion related solely and exclusively to the Class 35 services in the Application. (*Id.* ¶¶ 10, 12.) Indeed, there were no allegations supporting any such claim against any other classes of goods or services. (*See id.*) Opposer's claim of dilution related solely to the Class 9 and 42

goods and services in the Application. (*Id.* ¶ 17.) *See Hunt Control Sys. Inc. v. Koninklijke Philips Elecs. N.V.*, 98 U.S.P.Q.2d 1558, 1561 (T.T.A.B. 2011) (noting that the Board “must consider both the ESTTA-generated notice of opposition form *and opposer’s attached notice of opposition* as constituting the entire operative complaint”) (emphasis added).

B. Opposer’s First Amended Notice of Opposition

On January 17, 2014, apparently recognizing that Opposer’s BIGINSIGHT mark did not have the requisite fame required to establish dilution, Opposer filed an Amended Notice of Opposition withdrawing the claim of dilution. (Dkt. No. 9, “First Am. Not. of Opp.”) In doing so, Opposer withdrew the basis for any claims against Applicant’s Mark in Classes 9 and 42. Other than the removal of the allegation of dilution (paragraph 17 of the original Notice of Opposition), and a change to Exhibit B,¹ the First Amended Notice of Opposition is identical to the original. As in the original Notice of Opposition, the likelihood of confusion claim in the First Amended Notice of Opposition relates solely to Class 35 of the Application, which in fact is the only class for which Opposer’s BIGINSIGHT mark is registered. There are no allegations in the First Amended Notice of Opposition that address Applicant’s Class 9 and 42 goods and services. There are no allegations that apply any of the likelihood of confusion factors to Applicant’s Mark in Classes 9 and 42. Indeed there is no mention of Class 9 or 42 in the First Amended Notice of Opposition. A reading of the First Amended Notice of Opposition makes it clear that the only claim asserted is likelihood of confusion under Section 2(d) of the Trademark

¹ As Opposer explains in its motion, Opposer attached the wrong exhibit as Exhibit B to the First Amended Notice of Opposition. (*See Opp. Br.* at 2.)

Act. And the only goods or services in the Application covered by the First Amended Notice of Opposition are Applicant's services in Class 35. (*Id.* ¶¶ 10, 12.)²

C. Opposer's Second Amended Notice of Opposition

Later on January 17, 2014, Opposer filed a Second Amended Notice of Opposition. (Dkt. No. 10, "Second Am. Not. of Opp.")³ Like the First Amended Notice of Opposition, the Second Amended Notice of Opposition omits the dilution claim and asserts only a claim of likelihood of confusion under Section 2(d) of the Trademark Act. However, the Second Amended Notice of Opposition differs from the First Amended Notice of Opposition in that it alleges—for the first time in any pleading—a likelihood of confusion between Opposer's registered mark in Class 35 and Applicant's Mark in Classes 9 and 42. (*Id.* ¶¶ 10, 12.) Specifically, in the Second Amended Notice of Opposition, Opposer has added the following claim against new goods and services:

Opposer further opposes the use of the mark for the goods described in Class 009 and 042 as such use further contributes to the likelihood of confusion because the described goods and services are attendant to the goods and services described in Class 35. Consumers of the services described in Class 35 are often the same targeted consumers of the goods described in Class 009 and 042 and it is highly likely they will confuse the source of the goods described in Class 35 with the source of those goods described in Class 009 and 042.

² Although paragraph 17 of the First Amended Notice of Opposition states that "Applicant's mark should be refused from registration under the Lanham Act for all International Classes set forth in its Application," given that there are no factual allegations concerning or claims made against Classes 9 and 42 and that the substantive allegations and claims in the First Amended Notice of Opposition concern only Class 35, this language cannot be said to create a cause of action against unidentified classes of goods. *See Doyle v. Al Johnson's Swedish Restaurant & Butik, Inc.*, 101 U.S.P.Q.2d 1780, 1782 (T.T.A.B. 2012) ("'[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice' and are not accepted as true") (quoting *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)).

³ Opposer's Second Amended Notice of Opposition is submitted as Exhibit C to Opposer's Brief (Dkt. No. 13).

(*Id.* ¶ 12.)

D. The Board’s February 20, 2014 Order

On February 20, 2014, the Board issued an order accepting Opposer’s “amended notice of opposition” as the operative pleading, noting Opposer’s right under Federal Rule of Civil Procedure 15(a)(1) to amend its pleading once as a matter of course prior to Applicant’s filing of an answer. (Dkt. No. 11, “Feb. 20 Order.”) However, the Board’s order did not specify which of the two amended pleadings filed on the same day was the operative pleading.

E. The Board’s February 27, 2014 Order

On February 27, 2014, the Board vacated the Feb. 20 Order, accepted the First Amended Notice of Opposition as the operative complaint, and gave no consideration to the Second Amended Notice of Opposition, which was filed without either Applicant’s written consent or leave of the Board. (Dkt. No. 12, “Feb. 27 Order.”) The Board also noted that because Applicant filed its Application pursuant to Trademark Act Section 66(a), 15 U.S.C. § 1141f, Opposer “may not (1) amend the complaint to add an entirely new claim, (2) seek to rely on an additional registration in support of an existing Trademark Act Section 2(d), 15 U.S.C. Section 1052(d) claim, or, (3) after the time for filing an opposition has expired, add goods or services to the proceeding[.]” (*Id.*)

F. Opposer’s Motion to File a Second Amended Notice of Opposition

On March 4, 2014, Opposer filed the pending motion for leave to file a second amended complaint that would be identical to the Second Amended Notice of Opposition previously filed

but given no consideration by the Board. (Opp. Br., Dkt. No. 13.)⁴ In its motion, Opposer misrepresents that the proposed amended pleading would do no more than rectify an error concerning an incorrect exhibit filed with the First Amended Notice of Opposition (*see id.* at 2) and would differ “only cosmetically from the [First] Amended Notice of Opposition” (*id.* at 3).

The proposed amendment, however, differs far more than “cosmetically” from the First Amended Notice of Opposition and does far more than clarify Opposer’s claims and fix an exhibit. Rather, the proposed Second Amended Notice of Opposition differs substantively from the First Amended Notice of Opposition in that it adds a new ground of likelihood of confusion concerning goods and services in Classes 9 and 42 that were not included in the First Amended Notice of Opposition. Opposer’s motion and accompanying affidavit of Opposer’s trademark counsel, Maribeth Deavers, disingenuously omit any reference to the inclusion of both a new claim and new classes to the opposition—a strategy of omission that is not surprising given that, as Opposer was advised in the Feb. 27 Order, Opposer is not permitted to add to the grounds or to the classes of goods and services in this opposition.

II. ARGUMENT

A. **Motion to Amend Standard**

Opposer’s motion does not identify the standards for a motion to amend a pleading and fails to acknowledge that the right to amend a pleading is not unlimited. Amendments that would cause undue prejudice to the non-movant or that are legally insufficient or futile are not

⁴ Opposer’s motion is procedurally deficient because Opposer did not explicitly attach a copy of the proposed amended pleading as required by TBMP § 507.01. Opposer also did not submit a red-lined copy showing the proposed changes as recommended by the Board. *See* TBMP § 507.01. Because Opposer submitted its previously filed (and rejected) Second Amended Notice of Opposition as Exhibit C to its motion, we assume that Opposer’s proposed amended pleading would be identical to the Second Amended Notice of Opposition filed on January 17, 2014 as Docket No. 10.

permissible. *See, e.g., Leatherwood Scopes Int'l Inc. v. Leatherwood*, 63 U.S.P.Q.2d 1699, 1702-03 (T.T.A.B. 2002). Further, where, as here, the moving party seeks to add a new claim, and the proposed pleading thereof is legally insufficient, or would serve no useful purpose, the Board normally will deny the motion for leave to amend. *See* TBMP § 507.02 & n.9 (citing cases).

In connection with applications under the Madrid Protocol such as the Application here, amendments to pleadings are even more circumscribed. “Pleadings in an opposition proceeding against an application filed under section 66(a) of the Act may be amended in the same manner and to the same extent as in a civil action in a United States district court, *except that, once filed, the opposition may not be amended to add to the grounds for opposition or to add to the goods or services subject to opposition.*” 37 CFR § 2.107(b) (emphasis added); *see also* TBMP §§ 315, 507.01 (same). Opposer never even addresses this limitation on its right to amend the Notice of Opposition.

B. The Proposed Amendment Is Legally Insufficient and Futile Because Opposer Is Not Permitted to Add New Claims or New Goods and Services.

Opposer’s motion must be denied: the proposed Second Amended Notice of Opposition is legally insufficient and futile because it adds, for the first time in any pleading, a new claim of likelihood of confusion against Classes 9 and 42 of the Application, in violation of 37 CFR § 2.107(b) and TBMP §§ 315 and 507.01.

As set forth *supra* in Sections I.A. through I.C., Opposer’s original Notice of Opposition asserted a likelihood of confusion claim against Class 35 only, and a dilution claim against Classes 9 and 42 only. (*See* Not. of Opp. ¶¶ 10, 12, 17.) Opposer then amended its pleading to withdraw the dilution claim, such that the First Amended Notice of Opposition—the current operative pleading—asserts only a likelihood of confusion claim, and only against Class 35.

(See First Am. Not. of Opp. ¶¶ 10, 12.) Indeed, in its motion, Opposer admits that it withdrew the claim for dilution, and that the First Amended Notice of Opposition “no longer made specific reference to all three International Classes” set forth in the Application. (Opp. Br. at 2.)

Now, in the proposed Second Amended Notice of Opposition, Opposer seeks to add Classes 9 and 42 back to the opposition—not as a dilution claim as in the original pleading, but as new subjects of a new likelihood of confusion claim. (See Second Am. Not. of Opp. ¶¶ 10, 12.) This is directly contrary to law. The TTAB regulations concerning the right to amend oppositions against an application under the Madrid Protocol are clear on their face. As set forth in 37 CFR § 2.107(b), “once filed, the opposition may not be amended to add to the grounds for opposition or to add to the goods or services subject to opposition.” *Accord* TBMP §§ 315, 507.01 (same); *O.C. Seacrets, Inc. v. Hotelplan Italia S.p.A.*, 95 U.S.P.Q.2d 1327 (T.T.A.B. 2010) (denying motion to amend notice of opposition because proposed amendment would raise a new ground for opposition to an application under the Madrid Protocol). The proposed amendment by Opposer is directly at odds with the clear and unambiguous language of the regulation. Since the amendment clearly is futile in light of the clear prohibitions on amending oppositions directed to applications under the Madrid Protocol, the motion must be denied.

That Classes 9 and 42 were included in the original Notice of Opposition does not create a loophole to allow the amendment. The operative pleading and the one that must be looked at to determine if the proposed amendment adds new claims or new goods and services is the First Amended Notice of Opposition. See *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1365 (Fed. Cir. 2000) (“It is hornbook law that an amended complaint complete in itself and making no reference to nor adopting any portion of a prior complaint renders the latter functus officio.”)

(quoting *Kelley v. Crosfield Catalysts*, 135 F.3d 1202, 1205 (7th Cir. 1998)); *id.* (“A pleading that has been amended under Rule 15(a) [of the Federal Rules of Civil Procedure] supersedes the pleading it modifies Once an amended pleading is interposed, the original pleading no longer performs any function in the case”) (quoting 6 Charles Alan Wright, Arthur R. Miller & Mary Kay Kane, *Federal Practice and Procedure* § 1476 (2d ed. 1990)). And as Opposer recognizes, the operative pleading asserts no claims against Applicant’s Mark in Classes 9 and 42. (Opp. Br. at 2.)

Further, the motion must be denied because, as evidenced by Opposer’s own pleadings, the claim for likelihood of confusion against the Application’s Class 9 and 42 goods and services is legally insufficient. Any suggestion by Opposer that the failure to include a likelihood of confusion claim against the Application in Classes 9 and 42 was inadvertent cannot be credited. Opposer is not acting *pro se*; it is being represented by trademark counsel. That counsel had the opportunity not once, but twice, to allege a likelihood of confusion between Opposer’s mark and Applicant’s Mark in Classes 9 and 42. But Opposer neither asserted such a claim in the original Notice of Opposition nor in the First Amended Notice of Opposition. Why? Because in light of Opposer’s limited registration of its BIGINSIGHT mark to Class 35 services, there was no good faith basis for asserting such claims. *See* 3 McCarthy on Trademarks and Unfair Competition § 20:15 (4th ed., updated Mar. 2014) (“where opposer owns a registration, one compares only the goods as listed in opposer’s registration with the goods listed in the application”) (citing *CBS, Inc. v. Morrow*, 708 F.2d 1579, 218 U.S.P.Q. 198 (Fed. Cir. 1983) (Court, in reviewing Board decision, looks only to the goods or services recited in applicant’s application vis-à-vis those in opposer’s registration, regardless of actual usage of the parties)). The Board should not allow Opposer to add claims that it knows are not supported by fact or law.

Perhaps recognizing that its amendment runs afoul of the TTAB rules, Opposer does not address any of these issues even after the Board specifically pointed out in its Feb. 27 Order the limits on amending oppositions to applications under the Madrid Protocol. Instead, Opposer tries to suggest that its amendment is permitted because it was in response to what Opposer claims was Applicant's "functional equivalent" of moving for a more definitive statement under Federal Rule of Civil Procedure 15(e) and TBMP § 505. (Opp. Br. at 3 & Ex. B.) But whether or not Applicant sought clarification of the First Amended Notice of Opposition does not change the limitations on Opposer's ability to amend an opposition directed at an application under the Madrid Protocol. (*See supra*, Sections II.A. & II.B.)

III. CONCLUSION

For the reasons stated above, Applicant respectfully requests that the Board deny Opposer's motion, confirm that the First Amended Notice of Opposition is the operative pleading in this opposition, and confirm that the opposition is limited to a claim for likelihood of confusion addressed solely to the Class 35 services in the Application.

Dated: New York, New York
March 19, 2014

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of March, 2014, I caused a true and correct copy of the foregoing APPLICANT'S OPPOSITION TO OPPOSER'S MOTION FOR LEAVE TO FILE SECOND AMENDED NOTICE OF OPPOSITION to be served by First Class Mail, postage prepaid, on Opposer by serving a copy of the same on Opposer's counsel:

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