

ESTTA Tracking number: **ESTTA701277**

Filing date: **10/09/2015**

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

|                        |  |
|------------------------|--|
| Proceeding             | 91220292   |
| Party                  | Plaintiff<br>Swatch AG (Swatch SA) (Swatch Ltd)  |
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| Date                   | 10/09/2015   |
| Attachments            | Switch Motion for Recon 10-7-15.pdf(54353 bytes )<br>Ex. A Switch Mot Recon.pdf(47098 bytes )  |

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

SWATCH AG (SWATCH SA)  
(SWATCH LTD.),

Opposer,

v.

THE SPARK AGENCY, INC.,

Applicant.

Mark: SWITCH

Opp. No.: 91,220,292

Serial No.: 86/267,771

**OPPOSER'S MOTION FOR PARTIAL RECONSIDERATION OF THE BOARD'S  
SEPTEMBER 9, 2015 ORDER DENYING SUMMARY JUDGMENT**

Opposer Swatch AG (“Swatch”) respectfully moves the Board for reconsideration of a portion of the Board’s September 9, 2015 Order. Reconsideration is being sought on the narrow question of whether Applicant waived its abandonment counterclaim by failing to promptly plead it in the first action between the parties.<sup>1</sup> This portion of the Board’s decision is particularly ripe for reconsideration, as it relies on a legal basis not raised by the Applicant. Opposer therefore did not earlier have the opportunity to respond.

The standard for abandonment is well-settled. A mark is abandoned when it has been discontinued with intent not to resume such use. Since intent is often difficult to prove, the law provides an alternative method of establishing abandonment. If a party can show three or more

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<sup>1</sup> Swatch’s motion [No. 6] had also sought summary judgment under the doctrine of res judicata arguing that the marks SW:TCH and SWITCH create the same commercial impression. Swatch does not seek reconsideration of this portion of the Board’s ruling.

years of non-use, the party is entitled to a presumption (“Presumption”) that there was no intent to resume use. The availability of the Presumption, however, does not mean that a party must wait three years before bringing an abandonment claim. There is no dispute that grounds for an abandonment claim may exist in advance of the three year period. 15 USC § 1064 (a registration may be cancelled “at any time if the registered mark . . . has been abandoned”). For marks that are registered under Section 44, an abandonment defense may be claimed at any time after a mark registers, notwithstanding that the Presumption is not available until three years after the mark registers. *Imperial Tobacco, Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 1579 (Fed. Cir. 1990) (“a section 44(e) registration, like any other registration, may be cancelled on the ground of abandonment of the mark at any time”).

The Board’s decision fails to distinguish that although the Presumption is not available until three years after a Section 44 registration issues, a party is entitled to bring a claim for abandonment even before three years has passed. Indeed, once a Section 44 registration issues, the registration may immediately be challenged as abandoned. *Id.* (“A section 44(e) registrant is merely granted a dispensation from actual use prior to registration, but after registration, there is no dispensation of use requirements”). The only difference is that if a party pursues an abandonment claim before the three year period has elapsed, it must show that use of the mark has been discontinued *and* there is no intent to resume such use.

This distinction is vital in this case. In the earlier proceeding, the Applicant did not base its abandonment argument on the fact that a specific amount of time had passed since Swatch had used the SWATCH mark. Rather the grounds for Applicant’s abandonment argument was that the services being performed by Swatch (regardless of how long) could not possibly qualify as “advertising services” because they were only being performed for entities that purportedly

were related to Swatch (or under its umbrella), and were not being offered to the general public or third parties. This argument challenges whether Swatch’s advertising services satisfy the use in commerce requirement, and is not dependent on any period of time elapsing. In its Trial Brief Applicant argued:

In addition, the “advertising agencies” for which Opposer’s SWATCH mark is registered (Reg. No. 3,799,562) are non-existent in the United States. Opposer provides nothing more than negotiation and coordination between third-party advertising agencies and various companies owned by The Swatch Group Limited or that otherwise fall under the Swatch umbrella.

Ex. A, App.’s Tr. Br. at 1 and 9.

There is no dispute that Applicant discovered the grounds for its abandonment argument (that Swatch was purportedly only offering advertising services for related companies) on April 5, 2013, which was before its testimony period opened. *See* Ex. A, App.’s Tr. Br. at 9, citing the April 5, 2013 testimony transcript. Applicant did not have to wait three years (after registration) to assert a claim on these grounds. Applicant had sufficient knowledge to amend its pleading and assert an abandonment claim prior to the close of its testimony period. Its decision not to do so at that time resulted in the waiver of this claim under Rule 2.106(b)(2)(i).

At minimum, the Board’s Order should be clarified to indicate that even if Applicant’s entire abandonment claim is not deemed waived, the Applicant did waive the above-stated **grounds** because it knew of these grounds in advance of the close of its testimony period but did not amend its pleading to assert this claim. *See*, Rule 2.106(b)(2)(i) (“If *grounds* for a counterclaim are learned during the course of the opposition proceeding, the counterclaim shall be pleaded promptly after the *grounds* therefor are learned”) (emphasis added).

In other words, the Applicant should be precluded from now re-arguing that Swatch had abandoned its mark in connection with advertising services on the grounds that Swatch only

offers these services to its related companies. These grounds were known to Applicant at least as early as April 5, 2013, and the Applicant could have amended its pleading at that time to claim abandonment on these grounds. Applicant certainly did not have to wait until three years had passed since the Registration issued before this challenge was available.

For the above reasons, Swatch respectfully requests reconsideration of the Board's September 9, 2015 Order, and asks that the Board find that Applicant waived its abandonment claim under Rule 2.106(b)(2)(i). Opposer also requests that the Board suspend this proceeding pending a ruling on this potentially dispositive motion.

Respectfully submitted for Opposer,

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October 9, 2015

**CERTIFICATE OF FILING AND SERVICE**

I, Jeffrey A. Lindenbaum, hereby certify that I caused a true and correct copy of the foregoing Motion for Reconsideration to be served upon Applicant via its attorney of record:

ANNETTE P. HELLER  
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via first-class mail, postage pre-paid and email. Said service having taken place this 9<sup>th</sup> day of October, 2015.

/Jeffrey A. Lindenbaum/

EXHIBIT A

EXHIBIT A

ESTTA Tracking number: **ESTTA578574**

Filing date: **12/23/2013**

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

|                        |  |
|------------------------|--|
| Proceeding             | 91190380   |
| Party                  | Defendant<br>The Spark Agency, Inc.  |
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| Date                   | 12/23/2013   |
| Attachments            | Spark Agency Trial Brief.pdf(41687 bytes )   |

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

Swatch AG (Swatch SA) (Swatch Ltd.) )  
Opposer, )  
v. ) Opposition No. 91190380  
The Spark Agency, Inc. )  
Applicant. )  
\_\_\_\_\_ )

**TRIAL BRIEF OF APPLICANT THE SPARK AGENCY, INC.**

Applicant The Spark Agency, Inc. hereby files this brief in support of its position that Opposer's Notice of Opposition against Application Serial No. 77/505539 should be dismissed with prejudice.

**TABLE OF AUTHORITIES**

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**I. PRELIMINARY STATEMENT**

Opposer is the owner of the trademark SWATCH. Applicant seeks registration of the trademark SW:TCH (pronounced “switch”). By ignoring common sense and speculating as to consumer behavior, Opposer attempts to convince the Board that Applicant’s mark is too similar in terms of appearance, sound, meaning, and commercial impression to coexist with Opposer’s mark on the Principal Register. However, as explained more fully below, the fact remains that Applicant’s SW:TCH mark and Opposer’s SWATCH mark are wholly distinct from one another.

Opposer also relies heavily on the alleged fame of its SWATCH mark among U.S. consumers. Although the evidence submitted by Opposer may indicate that the SWATCH mark is quite well-known for products and services related to watches and jewelry, Opposer utterly fails to demonstrate how such fame in the consumer fashion industry translates into fame in the corporate advertising agencies industry.

In addition, the “advertising agencies” for which Opposer’s SWATCH mark is registered (Reg. No. 3,799,562) are non-existent in the United States. Opposer provides nothing more than negotiation and coordination between third-party advertising agencies and various companies owned by The Swatch Group Limited or that otherwise fall under the Swatch umbrella.

Finally, contrary to the misleading statements in Opposer’s trial brief, Applicant did not adopt its SW:TCH mark in bad faith for use in connection with the advertising and marketing services outlined in its application.

In view of the above, Opposer’s Notice of Opposition should be dismissed with prejudice and Applicant’s application should be allowed for registration.

## **II. ISSUE PRESENTED FOR REVIEW**

Should the Board dismiss Opposer's opposition to the registration of Applicant's SW:TCH trademark with prejudice on the basis that Opposer has failed to prove that Applicant's mark is likely to cause confusion with Opposer's registered SWATCH trademarks?

## **III. DESCRIPTION OF THE RECORD**

Applicant adopts the Description of the Record set forth by Opposer in its trial brief.

## **IV. STATEMENT OF THE CASE**

Opposer is the owner of a number of federal registrations for the mark SWATCH. The vast majority of these registrations are for products and services related to watches and jewelry. Opposer is also the owner of U.S. Registration No. 3,799,562 for SWATCH for "advertising agencies" in International Class 35.<sup>1</sup> This registration is based on §44(e) and covers at least one hundred other products and services categorized in twenty international classes. There is no evidence in the record that Opposer has actually used the mark SWATCH for "advertising agencies" in the United States.

On June 23, 2008, Applicant filed an application under §1(a) for the mark SW:TCH (pronounced "switch") for the following services (Serial No. 77/505539):

Marketing and promotional services, namely, planning, conducting, and organizing mobile marketing exhibits, trade show exhibits, point of sale exhibits, and marketing displays for business meetings and business events for advertising purposes; Design of advertising multimedia presentations and themed graphics for use in marketing campaigns for others for trade shows, business meetings, and business to business events (International Class 35)

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<sup>1</sup> The underlying application was filed under §1(b) on December 13, 2002. On June 18, 2009, the USPTO granted Opposer's petition to convert the filing basis from §1(b) to §44(e).

Custom manufacture of mobile marketing exhibits and trade show exhibits (International Class 40)

Design and development of websites for others (International Class 42)

On May 26, 2009, Opposer filed a Notice of Opposition against Applicant's application on the basis of priority and likelihood of confusion with Opposer's registered SWATCH mark. Applicant seeks dismissal of Opposer's Notice of Opposition with prejudice since Opposer has failed to demonstrate a likelihood of confusion between its SWATCH mark and Applicant's SW:TCH mark.

## **V. LEGAL ARGUMENT**

In every case turning on likelihood of confusion, it is the duty of the Board to find, upon consideration of all the evidence, whether or not confusion appears likely. *In re E.I. du Pont de Nemours & Co.*, 177 U.S.P.Q. 563, 568 (C.C.P.A. 1973). The Lanham Act refers to likelihood of confusion, not the mere possibility thereof. *Bongrain International (American) Corporation v. Delice de France Inc.*, 1 U.S.P.Q.2d 1775, 1779 (Fed. Cir. 1987). Mere possibility of confusion will not, under the law, prevent registration. *Norton Company v. Bear Manufacturing Company*, 169 U.S.P.Q. 44, 45 (C.C.P.A. 1971).

A likelihood of confusion determination is based on the Board's analysis of all of the probative facts in evidence relevant to the issue of likelihood of confusion (the *du Pont* factors). *In re E.I. du Pont de Nemours & Co.*, 177 U.S.P.Q. at 567. "Not all of the *DuPont* factors may be relevant or of equal weight in a given case" and "any one of the factors may control a particular case." *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 1315, 65 U.S.P.Q.2d 1201, 1204 (Fed. Cir. 2003), citing *In re Dixie Rests. Inc.*, 105 F.3d 1405, 1406, 41 U.S.P.Q.2d 1531, 1533 (Fed. Cir. 1997). Therefore, the Board may focus on the factors it finds dispositive. *See*

*Han Beauty Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 1336, 57 U.S.P.Q.2d 1557, 1559 (Fed. Cir. 2001), *citing In re Dixie*, 105 F.3d at 1406.

1. Applicant's SW:TCH Mark is Not Confusingly Similar to Opposer's SWATCH Mark When Compared in Their Entireties.

A determination of similarity or dissimilarity under *du Pont* requires an examination of the marks in their entireties. *In re E.I. du Pont de Nemours & Co.*, 177 U.S.P.Q. 563, 567 (C.C.P.A. 1973). A key issue is the similarity of the marks “as to appearance, sound, connotation, and commercial impression.” *In re Majestic Distilling Co., Inc.*, 65 U.S.P.Q.2d 1201, 1203 (Fed. Cir. 2003). All relevant facts pertaining to appearance, sound, and connotation must be taken into account. *Recot Inc. v. M.C. Becton*, 54 U.S.P.Q.2d 1894, 1899 (Fed. Cir. 2000).

With regard to appearance, Applicant does not dispute that its SW:TCH mark differs from Opposer's SWATCH mark by only a single character. However, Applicant strongly disagrees with Opposer's unsupported characterization of the colon in Applicant's SW:TCH mark as a “place holder for a missing letter.” Opposer's Brief, p. 9. The term “place holder” connotes that the colon refers to something that is irrelevant or unknown. There is absolutely no evidence in the record indicating that the colon is functioning as a place holder. Rather, the colon is an integral, unique, and distinctive visual portion of Applicant's SW:TCH mark that significantly differentiates it from Opposer's SWATCH mark.

Moreover, Opposer asserts that the colon in Applicant's mark is just as likely to be “replaced” with the letter “A” to form the SWATCH mark as it is to imply the letter “I.” Opposer's Brief, p. 9. As explained above, there is no evidence in the record that the colon is meant to be “replaced” with any letter. Moreover, Opposer's assertion is nothing more than pure speculation since Opposer has inexplicably failed to submit any empirical or survey evidence

tending to illustrate such consumer behavior. Nonetheless, common sense dictates that consumers would be substantially more likely to substitute a lowercase letter “i” in place of the colon rather than the letter “a.” A colon unquestionably looks much more like an “i” than an “a” because a colon is skinny like a typical “i” and both characters are comprised of two separate parts separated by a space. In addition, the dot above the “i” is identical to the top dot in the colon. It goes without saying that a colon and an “a” share no features whatsoever.

If common sense is indeed relevant to the issue of likelihood of confusion, then it quickly becomes apparent that the meaning, connotation, and commercial impressions of the marks at issue are wholly distinct from one another. SWATCH has no English language meaning, and seeing that the vast majority of Opposer’s products and services revolve around watches and jewelry, it is reasonable to assume that most consumers would perceive Opposer’s mark to merely consist of the generic word “watch” preceded by the letter “s.” On the other hand, in the exceedingly likely event that consumers would perceive and pronounce Applicant’s SW:TCH mark as “switch,”<sup>2</sup> the literal meaning and associated connotations of this common English language word have nothing to do with those of SWATCH.

Finally, there is no evidence in the record that Opposer has ever adopted, used, or applied to register SWATCH with a colon or other punctuation mark. As such, consumers would not be conditioned to seeing Opposer’s mark with punctuation and would tend not to associate Applicant’s SW:TCH mark with Opposer’s SWATCH mark.

In light of Opposer’s failure to demonstrate any meaningful similarities between its SWATCH mark and Applicant’s SW:TCH mark in terms of appearance, sound, meaning, or

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<sup>2</sup> In fact, Applicant is the owner of U.S. Registration No. 3,469,006 for SWITCH LIBERATE YOUR BRAND for services identical to those listed in its application for SW:TCH.

commercial impression, this *du Pont* factor weighs heavily in favor of dismissing Opposer's Notice of Opposition with prejudice.

2. Opposer's SWATCH Mark is Not Famous for "Advertising Agencies."

Opposer dedicates seven pages of its trial brief to arguing that its SWATCH mark is famous for purposes of a likelihood of confusion analysis. Opposer's Brief, pp. 14-20.

Although the facts and financial figures offered by Opposer certainly seem quite impressive at first glance, *none* of them have any relationship to the "advertising agencies" services for which Opposer's SWATCH mark is registered. *Id.* All of the information, data, financials, unsolicited media attention, and accolades provided by Opposer have solely to do with the advertising, marketing, promotion, sale, and distribution of watches and jewelry to the general public. *Id.* It would be a huge and unsubstantiated leap to attach Opposer's alleged fame in the consumer fashion industry to the completely unrelated corporate advertising agency industry. In other words, the Board should not automatically equate fame in one industry to fame in another industry, especially when no evidence has been presented as to the relationship between the industries and whether it is common for a single source to operate in both industries under the same trademark. Therefore, the Board should give Opposer's evidence of alleged fame no weight at all.

3. The Services Recited in Applicant's Application for SW:TCH are Unrelated to the Services Provided by Opposer.

Nearly all of the registrations owned by Opposer for the SWATCH mark are for products and services related to watches and jewelry. Nowhere in its trial brief does Opposer argue that the services recited in Applicant's application for SW:TCH are similar or related to any of these particular products and services. Rather, Opposer almost exclusively relies on its registration for SWATCH for "advertising agencies," in International Class 35 (Registration No. 3,799,562).

Applicant notes that Opposer's registration is based on §44(e) and encompasses at least one hundred other products and services in twenty international classes. Opposer has no use of the SWATCH mark in the United States in connection with many of the products and services listed in the registration. Furlan Dep., 135:14 – 140:2.

Although Applicant is aware that Opposer's registration is *prima facie* evidence of Opposer's ownership and use of the SWATCH mark in connection with the products and services recited in the registration, the record is crystal clear that Opposer does not operate any advertising agencies in the United States under the SWATCH name. Furlan Dep., 124:20-25, 127:11-25. Opposer also does not provide marketing and advertising services to third-parties under the SWATCH name outside of the various companies and subsidiaries that operate under Opposer's umbrella. Furlan Dep., 131:7-12, 141:1 - 142:4.

4. Applicant Did Not Adopt the SWATCH Mark in Bad-Faith.

Opposer argues that Applicant adopted its SWATCH mark in bad faith because it was aware of Opposer's SWATCH mark at the time of adoption. Opposer's Brief, p. 24. Opposer's statement is intentionally misleading to the Board since it fails to mention that Applicant was only aware of Opposer as a manufacturer and retailer of watches, not as an alleged advertising agency. Quigley Disc. Tr., 82:5-23. Therefore, the Board should completely disregard Opposer's "evidence" of bad faith in its entirety.

5. The Remaining *du Pont* Factors

Although Opposer addresses all of the other *du Pont* factors in its trial brief, there has been no direct evidence presented on any of them by either Opposer or Applicant. Therefore, the Board should consider these factors neutral.

