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

Proceeding	92051170
Party	Defendant O2 HOLDINGS LIMITED
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Submission	Opposition/Response to Motion
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

O2Micro International Ltd.	Cancellation No. 92051170
Petitioner,	Mark: O2
v.	Reg. No. 2231093
O2 Holdings, Ltd.	
Registrant.	

REGISTRANT'S RESPONSE TO PETITIONER'S MOTION TO STRIKE AND REGISTRANT'S MOTION FOR SUMMARY JUDGMENT OR ALTERNATIVELY TO AMEND ITS ANSWER

Registrant, O2 Holdings, Ltd., ("Registrant"), by and through its attorneys Baker & Rannells, PA, hereby responds to Petitioner's, O2Micro International Ltd., ("Petitioner") Motion to Strike Registrant second, third, fifth and sixth Affirmative Defenses. Registrant also moves for summary judgment pursuant to Fed. R. Civ. P. 56 on the basis that Petitioner's Motion to Strike amounts to an admission that it lacks standing. Alternatively, Registrant moves to amend its Answer to add a Seventh affirmative defense that Petitioner lacks standing. Registrant requests suspension of this matter pending disposition of this Motion.

A. Petitioner's Motion to Strike

Generally, motions to strike affirmative defenses are not favored, and matter will not be stricken unless such matter clearly has no bearing upon the issues in the case. See *Harsco Corp. v. Electrical Sciences Inc.*, 9 USPQ2d 1570 (TTAB 1988); 2A *Moore's Federal Practice* 912.2112] (2d ed. 1985); and Wright & Miller, *Federal Practice and Procedure:* Civil 2d Section 1380 (1990). The primary purpose of the pleadings, under the Federal Rules of Civil

Procedure, is to give fair notice of the claims or defenses asserted. See TBMP Sections 312.03 and 318.02(b); and *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45 (TTAB 1985). Thus, the Board, in its discretion, may decline to strike even objectionable pleadings where their inclusion will not prejudice the adverse party, but rather will provide fuller notice of the basis for a claim or defense. *See Harsco Corp. v. Electrical Sciences Inc., supra;* and *Moore's Federal Practice, supra.*

Here, Registrant's Affirmative Defenses are proper because they assert claims and defenses regarding Petitioner's registrations and to Petitioner's failure to establish standing. Petitioner makes a convoluted argument that Registrant, as defendant, cannot raise issues regarding Petitioner's registrations because they were not pleaded, but then insists that it had standing to file its Petition because of them.[1] Petitioner cannot have it both ways.

Registrant will briefly respond to each of the arguments raised by Petitioner against the Affirmative Defenses at issue.

1. **Registrant's Second Affirmative Defense**

Petitioner claims that Registrant's Second Affirmative Defense regarding laches should be stricken because it did not plead its prior trademarks as grounds it its Petition, but only identified them as they relate to its standing and potential damage.[2] While it is generally true that a laches defense may not be maintained against claims such of fraud, here Registrant's defense of laches goes directly to the issues of Petitioner's standing and its claim of damages. Without trademarks or registrations at issue, Petitioner has no claim to damages. Identifying them in order to claim damages therefrom puts them at issue.

[1] It is very revealing that Petitioner did not move to strike Registrant's Fourth Affirmative Defense of unclean hands.
[2] Petitioner incorrectly states that the only ground raised in its Petition was fraud, when it also pleaded abandonment.

By having identified them and by stating that Petitioner has dates of first use of its marks prior to Registrant, Petitioner potentially raises the issues of likelihood of confusion and priority between its marks and Registrant's Registration for the mark "O2", Reg. No. 2231093 ("Registrant's Registration"). The parties' marks have coexisted for many years now without incident and the affirmative defense of laches is thus properly raised here. Petitioner has never before taken action against Registrant's registrations, and no instance of actual confusion is ever known to have occurred.

Petitioner tries cleverly to avoid issues resulting from its Petition by claiming that it is only asserting fraud for which laches is not a defense. Petitioner cannot avoid the fact, however, that it makes a claim of priority in Paragraph 14 of its Petition ("Petitioner has been or will continue to be damaged by the existence of the O2 Registration because Petitioner has used its O2Micro trademarks since prior to the date of first use claimed in the O2 Registration...") and that by identifying them they are part of the case.

As such, Registrant's Second Affirmative Defense should not be stricken.

2. <u>Registrant's Third Affirmative Defense</u>

Petitioner claims that Registrant's Third Affirmative Defense regarding estoppel should be stricken for the same reasons. Not only does Registrant has a right to make inquiry into Petitioner's registrations by virtue of being the defendant, but Petitioner's arguments to the USPTO during prosecution of its registrations that there is no likelihood of confusion between the parties' marks and further refutes Petitioner's improbable claim to damages and standing. (See Exhibit A)[3]. "The crux of the matter is . . . whether that belief [that one will be damaged] is <u>reasonable</u> and reflects a real interest in the issue." *Ritchie v. Simpson,* 50 USPQ2d 1023,

[3] On pages 304 of its amendment and argument, Petitioner states, "[D]ue to the differences between the marks, the differences between the parties' goods and their channels of trade, and the high level of sophistication of the parties' customers, there is no likelihood of confusion."

1027 (Fed. Cir. 1999). Petitioner's claim that it will be damaged is not reasonable in light of its own arguments against conflict between the marks and also because Petitioner states that it is not relying on its registrations as a basis for cancellation. Registrant's estoppel defense is proper in light of Petitioner's failure to allege reasonable damages and Registrant's proposed new affirmative defense of lack of standing.

As such Registrant's Third Affirmative Defense should not be stricken.

3. Registrant's Fifth Affirmative Defense

Petitioner claims that Registrant's Fifth Affirmative Defense regarding its reservation of its right to file an Amended Answer with Counterclaims for fraud is not available because Petitioner did not plead a prior registration. Caselaw holds, however, that Registrant may have standing to assert the counterclaim from its position as a defendant in a cancellation initiated by Petitioner. *See Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999); *see also General Mills, Inc. v. Nature's Way Products, Inc., supra* at 841 (" [I]t is clear from the counterclaimant's position as defendant in the opposition that he has a personal stake in the controversy, and it is unnecessary for him to allege likelihood of confusion.") (emphasis added).

As such Registrant's Fifth Affirmative Defense is proper and should not be stricken.

4. Registrant's Sixth Affirmative Defense

Petitioner claims that Registrant's Sixth Affirmative Defense regarding its substitute/additional specimen is redundant, immaterial and insufficient.[4] First, Petitioner's substitute/additional specimen cannot be redundant where it was not raised previously. Second, the substitute/additional specimen, filed within Registrant's renewal grace period, is highly

[4] Petitioner makes two incorrect statements at the outset. First, Registrant filed its substitute/additional specimen with the USPTO Trademark Renewal Unit on September 8th on the SAME day it filed its Answer and had not filed its Answer the day before. Petitioner should check its facts better. Second, Petitioner requests that at a minimum the first sentence of this defense should be stricken. The defense only contains one sentence.

relevant to a cancellation proceeding based on fraud and abandonment as it indisputably shows that Registrant had not abandoned its mark and had continuous use in commerce thereof on multiple goods as identified in its Registration.

Third, the Board simply does not have any jurisdiction over the filing of specimens in support of renewals. While Trademark Rule 2.133(a), 27 CFR §2.133(a) provides that a registration subject to a cancellation proceeding may not be amended without the consent of the other party or upon a motion granted by the Board, here Registrant did not attempt to amend its registration. Rather it merely filed an additional specimen with the Renewal Unit pursuant to TMEP § 1604.12(c)(2) for placement it its file wrapper. Registrant did so prior to filing its Answer, albeit on the same day.

As Petitioner is undoubtedly aware, the institution of proceedings with the Board does not toll the time that a Registrant has to file a renewal for its registration. *See* Trademark Rule 2.134(b) which provides that after the commencement of a cancellation proceeding, if it comes to the attention of the Board that a respondent has permitted its involved registration to expire for failure to file a timely renewal under Section 9 of the Trademark Act, such failure to renew shall be deemed the equivalent of a cancellation by request of respondent without the consent of the adverse party and shall result in judgment being entered there against. *See also Marshall Field & Co. v. Mrs. Fields Cookies* , 11 USPQ2d 1154, 1156 (TTAB 1989); *Nabisco Inc. v. Wm. Wrigley Jr. Co.*, 40 USPQ2d 1251, 1253 (TTAB 1995). Registrant properly and timely filed its substitute/additional specimen in support of its renewal affidavits with the Renewal Unit as required under the Rules.

As such Registrant's Sixth Affirmative Defense is proper and should not be stricken.

B. Registrant's Motion For Summary Judgment or Alternatively to Amend its Answer

Registrant moves for summary judgment on the basis that in its Motion to Strike, Petitioner demonstrates that it does not have standing. Petitioner admits that its registrations are not of record as they were not pleaded. Further its allegation of damages is too remote and speculative to be sustained. Alternatively, Registrant moves for leave to Amend its Answer to add a Seventh Affirmative Defense that Petitioner lacks standing.

1. Motion for Summary Judgment

Summary judgment is appropriate when there is no genuine issue of material fact in dispute and the moving party is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56(c); *Adickes v. S.H.Kress & Co.,* 398 U.S. 144, 157 (1970). In the present case, there is no genuine issue of material fact that Petitioner lacks standing because it admits in its Motion to Strike that it has not pleaded a prior registration, both parties own incontestable registrations, Petitioner makes no claim that Registrant's Registration would impede its ability to obtain other registrations, and Petitioner has no other applications that are being impeded by the same. Thus, Petitioner's speculative claim to damages must fail as a matter of law.

As stated in Section 528.01 of the TBMP, "the summary judgment procedure is regarded as 'a salutary method of disposition,' and the Board does not hesitate to dispose of cases on summary judgment when appropriate" [citing cases]. The purpose of a summary judgment motion is "judicial economy, that is, to avoid the unnecessary trial where there is no genuine issue of material fact and more evidence than is already available in connection with the summary judgment motion could not reasonably be expected to change the result in the case." Id. The Court of Appeals for the Federal Circuit has encouraged summary disposition of adversary

proceedings before the Trademark Trial and Appeal Board. *See Pure Gold, Inc. v. Syntax (U.S.A.), Inc.*, 222 USPQ 741, 744 (f.n.2) (Fed. Cir. 1984).

Here, despite the "creative lawyering" that abounds in the Petition to Cancel and Motion to Strike, Petitioner has no real interest in this matter. Congress has defined the class of petitioners who have standing in Section 14 of the Lanham Act (15 USC 1064) as "any person who *believes* he is or will be damaged by the registration." This applies to all claims including those based on fraud or abandonment. Standing is a threshold issue such that a petitioner's allegations alone do not establish standing. *Lipton Industries, Inc. v. Ralston Purina Company*, 213 USPQ 185, 188 (C.C.P.A. 1982) (stating that the record must show that the pleadings were not a sham). "The purpose for the requirement of standing is to avoid litigation where there is no real controversy between the parties." *Intersat Corp. v. International Telecommunications Satellite Organization*, 226 USPQ 154, 156 (TTAB 1985).

Petitioner here filed a sham pleading because there is simply no controversy between these parties in the United States. In its Motion to Strike, Petitioner admits it did not plead its registrations. That alone is a sufficient basis on which to find no standing. However, Petitioner also has failed to demonstrate any possible damage to itself because there is simply **no** threat to Petitioner's continued use of its marks or to its incontestable registrations in the United States necessitating resort to the Petition to Cancel. Registrant has never before posed and does not in the future pose a litigation threat to it. Petitioner is a "mere intermeddler" who fails to raise a real controversy in its Petition.

Petitioner's only grounds for cancellation are abandonment, and the case *Torres v. Cantine Torresella S. r. L.*, 808 F. 2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986). Mere caselaw citation and generalized claims of abandonment do not grant a party standing. If Petitioner's

trademarks and registrations are not at issue, then Petitioner has, in fact, no real interest in this matter other than gaining a tactical advantage in pending settlement discussions abroad. *See e.g. Lacoste Alligator S.A. v. Maxoly Inc.*, 91 USPQ2d 1594, 1595 (TTAB 2009); *Eveready Battery Co. v. Green Planet Inc.*, 91 USPQ2d 1511 (TTAB 2009); *Brown Shoe Co., v. Robbins*, 90 USPQ2d 1752 (TTAB 2209).

Even if Petitioner's marks and registrations were effectively pleaded, Petitioner still does not have standing because its claim to damages is utterly ridiculous. To have standing, Petitioner's interest in this case must go beyond that of the general public, and must be a 'real interest.' *See: Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021, 2023 (Fed.Cir. 1987). The 'real interest' requirement stems from a policy of preventing 'mere intermeddlers' who do not raise a real controversy from bringing oppositions or cancellation proceedings in the PTO. *Ritchie v. Simpson,* 50 USPQ2d 1023, 1025 (Fed. Cir. 1999)("The crux of the matter is . . . whether that belief [that one will be damaged] is reasonable and reflects a real interest in the issue." *Id.* at 1027). The "belief of damage" is more than a subjective belief. *Universal Oil Prod. Co. v. Rexall Drug & Chem. Co.*, 174 USPQ 458, 459-60 (CCPA 1972) The belief must have a "reasonable basis in fact." *Id.*

"A petitioner for cancelation of a mark on the ground of abandonment [or fraud] **must first establish damage to itself** as a result of the continued existence of the registration." *Blackstone Corporation v. Allied Paper Inc.*, 176 USPQ 211 (TTAB 1972) (emphasis added). Petitioner fails to introduce direct evidence of any kind to demonstrate that Registrant's Registration has or will impede it.

Without any likelihood of confusion between the parties' marks, Petitioner has no basis on which it could apprehend future litigation. Petitioner successfully argued to the USPTO that

there was no likelihood of confusion between the parties' marks and that the goods were distinct. (Exhibit A). Petitioner was correct as there has been no conflict between the marks at any time. Petitioner is not a competitor of Registrant as its goods are highly specialized and marketed to wholesalers. Petitioner has thus failed to show that it expects to be or realistically could be injured, and thus that it possesses "real interest" in proceeding. *See See Honda Motor Co. v. Winkelmann*, 90 USPQ2d 1660, 1662 (TTAB 2009); *No Nonsense Fashions, Inc. v. Consolidated Foods Corporation,* 226 USPQ 502 (TTAB 1985). In fact, throughout the years that Petitioner's marks have been on the market in the United States, Registrant never contacted it regarding its use of its marks, and Petitioner never contacted Registrant, nor is there any evidence that their differing goods compete in the same market. Petitioner even fails to assert any claims relating to future business plans or trademark applications.

In its Petition, Petitioner states that it "has been or will continue to be damaged because Registrant's registration could pose an economic threat to Petitioner, its customers, assigns, since it would make possible harassment by litigation." Petitioner is disingenuously laboring under an "apprehension of suit," analogous to a claim that would be used by a declaratory judgment plaintiff. Essentially, Petitioner's petition presents a non-justiciable "controversy" because the Registrant is without right, authority, or power to place the Petitioner's rights in jeopardy in the United States since Petitioner's marks are incontestable. \

Petitioner fails to show how it could possibly apprehend any litigation whatsoever in the United States. Registrant has never sent Petitioner a cease and desist letter nor has it instituted litigation against the Petitioner here. Moreover, the Petitioner was never threatened with litigation by Registrant in the United States at any time in the course of its seven years of doing business here. The parties' activities <u>abroad</u> are irrelevant to the issues here. The parties have

coexisted in the United States for a number of years without any damage resulting to either party and without conflict between them or their respective marks.

The illusion that Petitioner is trying to pass off to the Board as reality is a threat to its continued use of its trademarks in the United States exists because of Registrant's Registration. In fact, there is simply no imminent threat to Petitioner's domestic interests sufficient to justify Petitioner's resort to a petition to cancel. *See Windsurfing Int'l, Inc. v. AMF, Inc.*, 828 F.2d 755, 758 (Fed. Cir. 1987)(stating analogously that no declaratory judgment action for cancellation of trademark can be brought absent an imminent threat of suit for infringement).

For a declaratory judgment action, the test for an "actual case or controversy" has two prongs, both of which must be satisfied in order to establish jurisdiction: (1) has the defendant's conduct created a real and reasonable apprehension of liability on the part of the plaintiff, and (2) has the plaintiff engaged in a course of conduct which has brought it into adversarial conflict with the defendant. *Starter Corp. v. Converse Inc.*, 38 USPQ2d 1947, 1949 (2d Cir. 1996). Similarly, in a cancellation proceeding before the Board, a petitioner lacks standing absent facts that registrant acted in a way to create a reasonable apprehension of imminent litigation or impeded petitioner with regard to its marks and registrations. Neither of these situations exist.

The Petitioner is obviously motivated by the foreign proceedings between the parties, rather than from a real fear of damage to itself in the United States. Petitioner has suffered no impediment to date and none could reasonably occur in the future. Petitioner admits that it was barred from basing its petition to cancel based on Section 2(d) grounds (See Motion page, 2, fn. 1). Registrant is likewise barred. Petitioner's conjecture of "possible harassment by litigation" if the registration is not cancelled is irrational if not blatantly false.

Petitioner's filing of the Petition to Cancel should be seen for what it is: a clever but baseless ploy to strong-arm Registrant into a global settlement on terms more favorable to itself. Summary judgment is appropriate in this case as the following facts are not in dispute: Petitioner affirmatively admits that it has not pleaded a prior trademark or registration as grounds for its Petition, its claim to damages is legally insufficient, and as a result it did not demonstrate that it has standing.

2. Motion to Amend Answer

In the event that its motion for summary judgment is not granted, Registrant alternatively moves for leave to amend its Answer to add an affirmative defense of lack of standing. Registrants' proposed Amended Answer is attached hereto as Exhibit B.

The Federal Rules of Civil Procedure strongly favor granting leave to amend pleadings. Fed. R. Civ. P. 15 (a)(2)("The court should freely give leave when justice so requires.") *see also* 37 C.F.R. §2.107 ("Pleadings in an opposition proceeding ...may be amended in the same manner and to the same extent as in a civil action in a United States district court"). The Supreme Court has stated that "[i]f the underlying facts or circumstances relied upon by a [moving party] may be a proper subject for relief, he ought to be afforded an opportunity to test his claim on the merits." *Foman v. Davis*, 372 U.S. 179, 182 (1962). Likewise, the Board "liberally grants leave to amend pleadings at any stage of a proceedings when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties." T.B.M.P § 507.02.

Registrant should be allowed at the least to amend its Answer to add a Seventh affirmative defense of lack of standing.

C. Conclusion

Registrant requests that the Board deny Petitioner's Motion in its entirety and grant Registrant's Motion for Summary Judgment dismissing this matter, or alternatively grant Registrant leave to amend its Answer.

Dated: October 14, 2009

BAKER AND RANNELLS, PA

By: _____

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EXHIBIT A

S/N 78/161291
L/O 113
E/A REGAN, J. Brendan

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Trademark Application of:	O_2MICRO INTERNATIONAL LIMITED	)
Serial No.:	78/161291	)
Filing Date:	SEPTEMBER 6, 2002	)
Mark:	O2MICRO, plus design	)
Class:	INT. 9	)
Examining Attorney:	J. Brendan Regan Law Office 113	))

Docket: O2MTM126US

BOX RESPONSE NO FEE
Commissioner for Trademarks
2900 Crystal Drive
Arlington VA 22202-3513

08-01-2003
U.S. Patent & TMOfc/TM Mail Rcpt Dt. #11

AMENDMENT A

This Amendment is being filed in response to the Official Action mailed February 2, 2003. Please amend the above identified Application as follows:

Please add the following statement to the Application:

--The drawing is lined for the color red, and color is claimed as a feature of the mark.--

REMARKS

The Examining Attorney has required the addition of a statement as to the lining shown in the drawing of the mark. Applicant has added a statement in this regard.

In response to the Examining Attorney's inquiry, Applicant advises that the term "O2MICRO" does not have any significance in the Applicant's industry or as applied to the

Applicant's goods. The Examining Attorney's attention is drawn to the materials enclosed herewith in response to the requirement for samples of advertisements or promotional materials which are submitted in response to other requirements made in the Official Action, but also are intended to provide the additional information requested for use in examination of the application with respect to the term's meaning, if any.

Applicant encloses a specimen showing use of the mark in commerce in connection with the goods identified in the Application together with a Declaration under 37 C.F.R. §2.20 in support of the submission.

HOUSE MARK

With respect to the class 9 identification of goods, the Examining Attorney has required submission of appropriate evidence substantiating broad use of the trademark in order to show use as a house mark. Accordingly, enclosed herewith are sample materials showing the wide variety of integrated circuits sold by Applicant under the "O2MICRO plus design" trademark. The TTAB has held that evidence of use on only three products does not justify characterizing a mark as a house mark *In re Astra Merck Inc.*, 50 USPQ2d 1216 (TTAB 1999). Applicant submits that the enclosed are sufficient evidence of use of "O2MICRO plus design" in connection with well over a dozen integrated circuit products, comprising a full line of integrated circuits in class 9 to support house mark status. For example, the enclosed describe integrated circuits for power control, power management, power conversion, audio power, audio control, reproduction of compressed digital audio recordings, PC card control, wireless transmission of data, lighting, smart card reader control, cardbus control, battery charging, and a family of security-based ICs.

The Examining Attorney has stated that "integrated circuits for computers" is a very narrow range of goods and thus not appropriate for house mark coverage. Applicant submits that there is a wide, if not infinite, variety of integrated circuits used in computers today and more types will be developed in the future. Indeed, in the prosecution of other Applications by Applicant for such goods, the Office has initially found the term "integrated circuits for computers" to be indefinite.

In addition, Applicant notes that its co-pending Application Serial No. 78/161262 which also identifies "house mark for a full line of integrated circuits" has been allowed and published for opposition purposes.

Based on the foregoing, no amendment to the class 9 identification of goods is believed necessary.

SECTION 2(d) ISSUES

The Examining Attorney has identified Serial No. 78050312 as a potential citation. Applicant notes that the Application has now been abandoned. Thus, this potential citation should be removed as a ground for suspension of the within Application.[1]

The Examining Attorney has refused registration under Section 2(d) in view of U.S. Registration No. 2231093 for "O2" (the '093 Registration). As an initial matter, Applicant notes that it has obtained registration or allowance for several marks containing "O2MICRO" based on applications filed after issuance of the '093 Registration (see Registrations 2710421 and 2575266 and Applications 78/027933 and 78/161273). In addition, Applicant submits that due to the differences between the marks, the differences between the parties' goods and their channels of

[1] Applicant advises that even if the potential citation were revived it would not remain as a bar to registration as it is owned by a company that is closely related to Applicant.

trade, and the high level of sophistication of the parties' customers, there is no likelihood of confusion.

THE MARKS ARE DISSIMILAR

"When it is the entirety of the marks that is perceived by the public, it is the entirety of the marks that must be compared." *Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ 1471, 1473 (Fed. Cir. 1992). The cited Registration is for a mark that comprises only the letter "O" followed by the numeral "2." Applicant's mark is for the composite "O2MICRO plus design." Thus, a comparison of the entirety of marks shows that the sound, appearance and meaning of the registered mark is different from that of the applicant's mark.

Most significantly, the term "O2" or "O_2" alone has a very different sound, appearance and meaning as compared to the composite "O2MICRO." The term "O2" is a symbol for oxygen and thus has a generally understood meaning. On the other hand, the term "O2MICRO" is a coined term and does not have any particular meaning other than as a trademark. Indeed, the obvious translation to "oxygen micro" does not have any particular meaning.

Based on the foregoing, Applicant submits that due to the differences in the sound, appearance and meaning of the marks and the different overall commercial impressions created thereby, there is no likelihood of confusion between the registered mark and the applicant's mark.

THE GOODS ARE DISSIMILAR

The goods identified in the '093 registration are computer hardware and computer operating system software and instructional manuals therefore sold as a unit therewith. On the

other hand, applicant's goods, comprise integrated circuits. Thus, although the goods identified in the'093 registration comprise computer products they do not include any integrated circuits or other controlling devices. Thus, the goods are different from Applicant's integrated circuits.

Furthermore, and specifically with respect to the computer fields, the TTAB has stated that "[it] is important to note that, in order to support a holding of likelihood of confusion, there must be some similarity between the goods and services at issue [herein] beyond the fact that each involve the use of computers. In view of the fact that computers are useful and/or are used in almost every facet of the world of business, commerce, medicine, law, etc., it is obvious that distinctions must be made. *Reynolds & Reynolds Co. v. I.E. Systems, Inc.*, 5 U.S.P.Q.2d 1749 at 1751 (T.T.A.B. 1987). In *Reynolds* the Board held that Opposer's operations software was not similar to Applicant's applications software.

Similarly, in *In re Quadram Corp*, 228 U.S.P.Q. 863 (T.T.A.B. 1985), on which the Board relied in *Reynolds*, the Board held:

> "As a result of the veritable explosion of technology in the computer field over the last several years and the almost limitless number of specialized products and specialized uses in this industry, we think that a per se rule relating to source confusion vis-a-vis computer hardware and computer software is simply too rigid and restrictive an approach and fails to consider the realities of the marketplace." *Id.*, at 865. *See also Information Resources v. X*Press Information*, 6 U.S.P.Q.2d 1038 (T.T.A.B. 1988).

In this case, although both the Applicant's goods and the goods in the potential citation are within the broad field of computers, the goods themselves are so different that the fact that they have a common element, i.e. they both are for computers, is not enough to deem them

similar. Accordingly, there is minimal, if any, likelihood of confusion between the parties' marks when used in connection with their respective goods.

PURCHASERS ARE DISSIMILAR

The identification of goods in the within application comprises integrated circuits for computers. Such goods are not sold to consumers but to original equipment manufacturers for inclusion in computer products. Thus, the Applicant's channels of trade are different from the channels of trade for consumer products, namely the computer products of the '093 registration.

Even assuming, *arguendo,* that the parties' respective goods are somehow related, the following case demonstrates a finding of no likelihood of confusion between even *identical* marks and goods or services that are similar to each other.

The Second Circuit held in *Vitarroz Corp. v. Borden, Inc.*, 209 U.S.P.Q. 969 (2nd Cir. 1981) that the virtually identical marks BRAVOS for crackers and BRAVOS for tortilla chips were not confusingly similar. A decision which, as much as any decision could, emphasizes that a finding of confusing similarity requires much more than mere similarity or even identity of marks. The Court held that it was not significant that both products would be sold in the same retail food stores; rather the determinative factor was that they were directed to different customers. The Court concluded that confusion was not likely, holding that a "per se rule based on similarity of marks and the competition between products could be justified only if we could say with reasonable certainty that the injury to the plaintiff is inevitable," Id. at 975. And, there is no more basis for a belief that confusion or detriment would be "inevitable" in the instant case than in *Vitarroz*. As in *Vitarroz*, and as discussed above, the parties' goods are directed to different customers.

Based on the foregoing, Applicant submits that the parties' respective purchasers are so different that even if the marks were identical, which they are not, there is no likelihood of confusion between the parties' marks.

PURCHASERS ARE SOPHISTICATED

The Applicant's goods are highly specialized. In particular, the purchasers of the applicant's goods would be sophisticated in their field and a purchase would be made only after careful consideration of the products. *Save-A-Stop, Inc. v. Sav-A-Stop, Inc.*, 230 Ark. 319, 322 S.W.2d 454, 121 U.S.P.Q. 232 (1959) (professional buyers "should be capable of a reasonable degree of discrimination"). "The rule in such cases appears to permit a greater degree of similarity in names than may be permitted where trade is with the public-at-large." *id.* In addition, Applicant's goods are likely to be high priced and include an ongoing relationship.

When buyers are wholesalers who buy the product in order to incorporate it into a consumer item, it has been held that the relevant buyer class consists of the sophisticated wholesalers, not the ultimate consumers of the finished product. *McCarthy on Trademarks and Unfair Competition*, §23:101; *Continental Plastic Containers Inc. v. Owens Brockway Plastic Products, Inc.*, 141 F.3d 1073, 46 U.S.P.Q.2d 1277 (Fed. Cir. 1998). Thus, the purchasers of Applicant's goods, original equipment manufacturers, which are at least as sophisticated as wholesalers and probably more sophisticated, are not likely to be confused as to the source of the goods.

Moreover, cases have specifically identified types of purchasers as being "sophisticated" and less likely to be confused including a holding that confusion would not extend to customers who are manufacturers, "...for such buyers know the persons with whom they deal." *Federal*

Tel. & Radio Corp. v. Federal Television Corp., 180 F.2d 250, 84 U.S.P.Q. 394 (2d Cir. 1950); and "It would labor the obvious to explain that no one but a 'sophisticated' buyer would ever purchase a miniature relay. *General Controls Co. v. HI-G, Inc.*, 212 F. Supp. 152, 136 U.S.P.Q. 570 (D. Conn. 1962); "[T]he wholesale purchasers may be characterized as sophisticated buyers because . . . sales to these parties are likely to be the culmination of long-term negotiations, direct communications between the parties and ongoing contact." *Continental Plastic Containers Inc. v. Owens Brockway Plastic Products, Inc.*, 141 F.3d 1073, 46 U.S.P.Q.2d 1277 (Fed. Cir.1998).

Similarly, purchasers of Applicant's goods, namely original equipment manufacturers, are sophisticated purchasers who are not likely to be confused as to the source of Applicant's goods. Thus, there is minimal if any likelihood of confusion between the parties' respective marks.

Based on the foregoing, Applicant submits that due to the differences between the marks, the differences between the parties' goods and their channels of trade, and the high level of sophistication of the parties' customers, there is no likelihood of confusion.

Accordingly, the objections raised by the Examining Attorney now having been met, it is respectfully requested that the Application be accepted for publication.

Please charge any additional fees or credit any overpayment to our Deposit Account No. 50-2121.

Respectfully submitted,

Teresa C. Tucker
Attorney for Applicant

EXHIBIT B

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

O2Micro International Ltd.	Cancellation No. 92051170
Petitioner,	Mark: O2
v.	Reg. No. 2231093
O2 Holdings, Ltd.	
Registrant.	

AMENDED ANSWER TO PETITION TO CANCEL REGISTRATION

Registrant, O2 Holdings, Ltd., ("Registrant"), by and through its attorneys Baker & Rannells, PA, for its Answer and Affirmative Defenses to the Petition to Cancel Registration of the Petitioner, O2Micro International Ltd., ("Petitioner"), alleges on knowledge as to its own acts and otherwise upon information and belief as follows:

With respect to the introductory paragraph of the Petition to Cancel Registration, Registrant states that it has insufficient knowledge or information upon which to form a belief as to the corporate information of Petitioner and it denies that Petitioner will be damaged by Registration No. 2231093.

1. Registrant has insufficient knowledge or information upon which to form a belief concerning the allegations contained in Paragraph 1 of the Petition to Cancel Registration with respect to Petitioner's family of trademarks ("Petitioner's Marks").

2. Registrant has insufficient knowledge or information upon which to form a belief concerning the allegations contained in Paragraph 2 of the Petition to Cancel Registration

3. Registrant admits that Petitioner and Registrant are parties to trademark opposition proceedings in other countries with respect to trademarks comprising the term "O2."

4. Registrant admits that on September 19, 1996 Registrant's predecessor in interest, Silicon Graphics, inc. filed an application with the United States Patent and Trademark Office ("USPTO") for the mark "O2," ("Registrant's Mark"), serial number 75268580 in Class 9 for "computer hardware and computer operating system software, and instructional manuals therefore sold as a unit therewith," which subsequently matured into Registration Number 2331093 (the "O2 Registration").

5. Registrant admits that on October 29, 2007, Registration Number 2331093 was assigned to Registrant and recorded with the USPTO at Reel 3649, Frame 0527. .

6. Registrant admits that on March 9, 2009, it filed a Combined Declaration of Use in Commerce & Application for Renewal of registration of Registrant's Mark under Sections 8 & 9 ("Renewal Application") and claimed use of the mark in commerce in connection with all of the goods recited in the O2 Registration. Registrant has insufficient knowledge or information upon which to form a belief concerning the remainder of the allegations contained in Paragraph 6 of the Petition to Cancel Registration

7. Registrant denies each and every allegation contained in Paragraph 7 of the Petition to Cancel Registration.

8. Registrant denies each and every allegation contained in Paragraph 8 of the Petition to Cancel Registration.

9. Registrant denies each and every allegation contained in Paragraph 9 of the Petition to Cancel Registration.

10. Registrant denies each and every allegation contained in Paragraph 10 of the Petition to Cancel Registration.

11. Registrant denies each and every allegation contained in Paragraph 11 of the Petition to Cancel Registration.

12. Registrant admits that the Renewal was granted for the O2 Registration but Registrant denies the remainder of the allegations contained in Paragraph 12 of the Petition to Cancel Registration

13. Registrant denies each and every allegation contained in Paragraph 13 of the Petition to Cancel Registration.

14. Registrant denies each and every allegation contained in Paragraph 14 of the Petition to Cancel Registration.

AFFIRMATIVE DEFENSES

1. As and for a first defense, the Petition to Cancel fails to state a claim upon which relief can be granted

2. As and for a second defense, the Petition to Cancel is barred by the doctrines of laches and waiver in that the Petitioner's Marks have coexisted with Registrant's Mark since at least 2001 without prior objection from Petitioner.

3. As and for a third defense, the Petition to Cancel is barred by the doctrine of estoppel in that the United States Patent and Trademark Office ("USPTO") issued an office action with regard to one of Petitioner's applications in which the Examining Attorney cited Registrant's Mark in a 2(d) refusal to register. Teresa Tucker, the attorney who filed the instant Petition to Cancel, successfully responded that Registrant's Mark and Petitioner's Mark were so dissimilar in name and with respect to the goods on which each party used its Mark that no

likelihood of confusion was likely to occur. The Examining Attorney at the USPTO relied on the statements of Ms. Tucker, removed the 2(d) citation and allowed Petitioner's Mark to register.

4. As and for a fourth defense, the Petition to Cancel is barred in whole or in part by the unclean hands doctrine as the parties are involved in other litigation in Europe in which they indicated mutual desires to settle, and Petitioner instituted this litigation purely as a settlement tactic.

5. As and for a fifth defense, Petitioner may have committed fraud on the USPTO for failure to use one of its Marks in association with its goods by not either directly applying its Mark on its goods or on its point of sale material, or the like; Applicant reserves the right to file an Amended Answer with Counterclaims after discovery commences and discoverable evidence is produced of said fraud.

6. As and for a sixth defense, Registrant denies the allegations in paragraphs six (6) through thirteen (13) of the Petition to Cancel, but affirmatively states that a substitute/additional specimen has been submitted showing Registrant's goods bearing Registrant's Mark on its goods that was in use in commerce within one year before the end of the ten-year period after the date of registration pursuant to TMEP § 1604.12(c)(2).

7. As and for a sixth defense, Petitioner lacks standing.

BAKER AND RANNELLS, PA

By: /s/ Linda Kurth

Stephen L. Baker
Linda Kurth
Attorneys for Registrant
575 Route 28, Suite 102
Raritan, New Jersey 08869
(908) 722-5640

CERTIFICATE OF SERVICE

I hereby certify that a copy of Registrant's Response to Petitioner's Motion to Strike Registrant's Affirmative Defenses and Registrant's Motion for Summary Judgment or Alternatively to Amend its Answer in re O2Micro International Ltd. v. O2 Holdings, Ltd., Cancellation Number 92051770 was forwarded by email and first class mail, postage prepaid, on this 14th day of October, 2009 to the attorneys for the Petitioner at the following address:

Teresa C. Tucker
Grossman, Tucker, Perreault & Pfleger, PLLC
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ttucker@gtpp.com

/s/ Linda Kurth
Linda Kurth