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

Proceeding	92051532
Party	Plaintiff PictureCode, LLC
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Attachments	1stAMENDEDPetitiontoCancelDIGITALNINJA.pdf (12 pages)(400290 bytes)

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

In re Registration No. 3,321,797)
Mark: DIGITAL NINJA)
Issued: October 23, 2007)
)
)
PICTURECODE, LLC,) Cancellation No. 92051532
)
Petitioner,) FIRST AMENDED PETITION
) TO CANCEL
v.)
)
JUAN B. MELENDEZ III)
)
Registrant)

FIRST AMENDED PETITION TO CANCEL

PictureCode, LLC (“**Petitioner**”), a Texas limited liability company located and doing business at 7610-B Highway 71 West, Austin, Texas 78735, believes that it has been and/or will be damaged by Registration No. 3,321,797 for DIGITAL NINJA (the “**Registration**”), and hereby petitions to cancel the same under the provisions of 15 U.S.C. § 1064. To Petitioner’s knowledge, the owner of said Registration, Juan B. Melendez III (“**Registrant**”) has a current address of 2008 Grant Ave., Number 1, Redondo Beach, CA 90278.

As grounds for cancellation, Petitioner asserts that:

1. Petitioner designs, builds and sells computer programs used to enhance, edit and process digital photographs and images. Since at least November 5, 2003, Petitioner has sold such software under its NOISE NINJA trademark in interstate commerce.

2. On April 9, 2009, Petitioner filed with the U.S. Patent and Trademark Office (the “**PTO**”) an intent-to-use trademark application (Serial No. 77/710439) (the “**Application**”) to register the mark PHOTO NINJA in international class 009 for the following goods: Computer

programs for creating, enhancing, editing, processing, manipulating, converting, viewing, browsing, managing, indexing, cataloging, sorting, organizing, storing, transferring, synchronizing, printing, and exchanging digital photographs and images; computer programs for creating web photo galleries and albums.

3. On July 7, 2009, Petitioner received an Office Action from the PTO examining attorney refusing to register PHOTO NINJA based on the examining attorney's belief that there is a likelihood of confusion between Petitioner's PHOTO NINJA mark and Registrant's DIGITAL NINJA mark, due to the similarity of the marks and because "the computer programs provided by the applicant and the registrant provide identical functions."

4. On July 29, 2009, Petitioner filed an application to register its NOISE NINJA trademark with the PTO (Serial No. 77/792169) for "computer programs for enhancing, editing and processing digital photographs and images" in international class 009, with a first use in commerce date at least as early as November 5, 2003.

5. Registrant filed the intent-to-use application that eventually matured into the DIGITAL NINJA Registration on July 26, 2006, under Section 1(b) of the Lanham Act, 15 U.S.C. § 1051(a) in international class 009 for the following goods: Children's educational music CDs and DVDs; Cinematographic film; Compact discs featuring Movies, Films, Commercials, Photos, Animation; Computer game discs; Computer game software; **Computer programs for editing images, sound and video**; Exposed camera film; Exposed cinematographic films; Game software; Interactive video game programs; Musical video recordings; Video discs featuring Movies, Films, Commercials, Photos, Animation; Video game software; Videotapes and video disks recorded with animation.

6. On June 19, 2007, Registrant filed with the PTO a Statement of Use in connection with this DIGITAL NINJA application, claiming use of the DIGITAL NINJA mark on or in connection with all goods listed in the application.

7. On October 23, 2007, based on the above described application, Registrant obtained U.S. Registration No. 3,321,797 on the principal register for DIGITAL NINJA in international class 009 for the goods listed in the application and set forth above.

8. Upon information and belief, although Registrant has claimed use of its DIGITAL NINJA mark as of June 19, 2007 on all 14 types of goods included in its application, Registrant has never used and is not using the mark in interstate commerce on or in connection with some or all such goods. Indeed, upon information and belief, Registrant is using and in the past has used the mark exclusively as a service mark for behind-the-scenes production, directing, editing, animation and related services for motion pictures, music videos and commercials, and not to identify the goods listed in its DIGITAL NINJA application or any other type of goods.

9. Specific to Petitioner's interests, upon information and belief, Registrant was not as of the filing date for its Statement of Use, and is not currently using, its DIGITAL NINJA mark on or in connection with "computer programs for editing images, sound and video."

10. Petitioner has been and will continue to be damaged by the existence of Registrant's DIGITAL NINJA Registration because (a) Petitioner's Application to register PHOTO NINJA has been refused due to Registrant's DIGITAL NINJA Registration, (b) Petitioner's application to register NOISE NINJA is likely to be refused due to Registrant's DIGITAL NINJA Registration, and (c) Registrant's DIGITAL NINJA mark is likely to cause confusion with Petitioner's senior NOISE NINJA mark.

First Basis for Cancellation – Fraud

11. Petitioner realleges and incorporates herein by reference the paragraphs above.

12. Registrant's June 19, 2007, Statement of Use included a sworn declaration signed under penalty of perjury by Juan B. Melendez III, stating that Registrant was, as of such date, using its DIGITAL NINJA trademark in commerce "on or in connection with all goods . . . listed in the application or Notice of Allowance."

13. Upon information and belief, as of June 19, 2007, Registrant was not using, is not currently using, and has never used, the DIGITAL NINJA trademark in commerce on or in connection with some or all of the goods listed in its application.

14. Specific to Petitioner's interest, Registrant was not, as of June 19, 2007 using its DIGITAL NINJA mark on or in connection with "computer_programs for editing images, sound and video" in interstate commerce.

15. The specific facts in support of the foregoing paragraphs 13 and 14 are as follows:

A. In a July 13, 2009 conversation with Jim Christian, Petitioner's founder and owner, regarding the parties' respective rights, Mr. Melendez stated that had not been selling software under the DIGITAL NINJA mark. Mr. Melendez further offered that he "might" use the mark in connection with such a product in the future.

B. On August 10, 2009, Petitioner's Attorney, Katherine Klammer Madianos, was contacted by attorney Bob Lawson (California Bar Member) on behalf of Mr. Melendez. Mr. Lawson said that Mr. Melendez was interested in entering into an agreement setting forth the parties' respective rights, including the following general terms: (1) Mr. Melendez would amend his DIGITAL NINJA registration to delete the software goods; (2)

Petitioner would agree to allow Mr. Melendez to file a new application to register DIGITAL NINJA for the services Mr. Melendez had in fact provided in connection with the mark, and (3) Petitioner would pay for a “couple of hours” of Mr. Melendez’s attorney’s time. Mr. Lauson indicated that he would prepare a written agreement and provide it to Ms. Madianos within a week. Ms. Madianos never received any such writing and became aware on August 20, 2009 that Mr. Lauson’s services had been terminated by Mr. Melendez.

C. On October 5, 2009, Ms. Madianos received an email from Mr. Thomas Chan, the second attorney retained by Mr. Melendez in connection with this matter, with the following text in the subject field: “Digital Ninja LLC - Photo Master Software.” Attached to this email was a copy of Mr. Melendez’s alleged “image editing software,” a “read me” file with installation instructions for the program, and a mock-up “purchase order” for the program, addressed to Petitioner and Petitioner’s attorney Katherine Klammer Madianos. These materials did not demonstrate use of the DIGITAL NINJA trademark on software; to the contrary, the software was identified in various locations as “PhotoMaster,” “Photo Master,” or “Image Utility.” In addition, the program appeared to have been packaged together or modified the night before it was sent to Petitioner, and was not a finished, commercially ready software product.

D. In his December 21, 2009 deposition, Mr. Melendez testified that the PhotoMaster software product provided as set forth in paragraph 15 C above had been created and first sold in 2008, well after the June 19, 2007 filing date of the Statement of Use he submitted in connection with the DIGITAL NINJA trademark application. In addition, Mr. Melendez confirmed that fewer than 25 – and possibly fewer than 10 -- copies of the PhotoMaster software have ever been sold, and that the only effort he made to promote this software was via a text message or email sent to friends.

E. The website for Mr. Melendez's company (www.digitalninja.us) does not make any mention of software, computer programs, or any other types of goods for sale under the DIGITAL NINJA name or otherwise. To the contrary, the website details the various *services* Mr. Melendez offers under his DIGITAL NINJA mark. Furthermore, Mr. Melendez confirmed in his deposition that his website has never mentioned software or other products, and he has never made software products available for download anywhere on the Internet.

F. Petitioner's founder and owner, Jim Christian, has conducted significant online research regarding Mr. Melendez's use of the DIGITAL NINJA mark, and has been unable to locate any third-party discussion, product review, advertising, offer for sale, opportunity to download or any mention whatsoever of a DIGITAL NINJA software product or use of the DIGITAL NINJA mark on or in connection with software, computer programs, or goods of any kind.

G. A professional third-party in-use investigation ordered by Petitioner failed to uncover any use at any time of DIGITAL NINJA in connection with software or computer programs of any kind.

H. In his December 21, 2009 deposition, PictureCode's attorney Kenneth Parker asked Mr. Melendez a series of questions aimed at determining which of the 14 goods listed in DIGITAL NINJA trademark registration were sold as August 13, 2003. The following exchange occurred:

Q: What computer programs for editing images, sound, and video are on that product that is evidenced by the receipt you're talking about?

A. I don't recall exactly as far as the contents of it, but the receipt is for everything for that day that I became incorporated.

Q. So the disk had exposed camera film on it?

A. Uh-huh.

Q. It had exposed cinemagraphic film?

A. Yes.

Q. It had game software on it?

A. Yes.

Q. It had interactive video game programs on it?

A. Yes.

Q. It had musical video recordings?

A. Uh-huh, yes. **Are we going through the whole list, is that the case here? Because I'll just say yes.**

Similarly, on information and belief, Mr. Melendez told the PTO examiner whatever he thought was necessary to push his DIGITAL NINJA trademark application through to registration. Mr. Melendez was clearly under the mistaken belief that as long as he succeeded in obtaining a trademark registration, the misrepresentations he made to the PTO along the way would not be subject to review and therefore did whatever was necessary to obtain a registration.

16. Upon information and belief, Registrant's claims of use in its Statement of Use were false at the time they were made in that, among other things, the only software for editing images, sound and video Registrant sold was not sold until 2008 and were not sold commercially.

17. Registrant's misrepresentation in its Statement of Use of the goods on which it was using its DIGITAL NINJA mark was a material misstatement of fact.

18. Upon information and belief, Mr. Melendez knew when he executed the Statement of Use that Registrant was not at that time using the DIGITAL NINJA trademark in commerce on or in connection with all of the goods listed in its application, including but not limited to "computer programs for editing images, sound and video." Mr. Melendez is the individual owner and operator of his company Digital Ninja, LLC, and knew all its operations at all times. Mr. Melendez knew when he executed the Statement of Use that he was not selling computer programs for editing images, sound and video.

19. Upon information and belief, said false statement was made knowingly and with the intent to deceive authorized agents of the PTO and induce them to grant the Registration.

20. Upon information and belief, reasonably relying upon the truth of Registrant's material false statements, the PTO did, in fact, grant the DIGITAL NINJA Registration to Registrant. Upon information and belief, the PTO would not have granted Registration No. 3,321,797 absent Registrant's knowingly false statements.

21. As such, the Registration was obtained fraudulently and should be cancelled and declared void ab initio.

Second Basis for Cancellation – Non-Use

22. Petitioner realleges and incorporates herein by reference the paragraphs above.

23. Upon information and belief, Registrant has never used its DIGITAL NINJA trademark in connection with some or all of the goods listed in its Registration.

24. Upon information and belief, Registrant's use of its DIGITAL NINJA mark has been solely in connection with behind-the-scenes production, directing, editing, animation and related *services* for motion pictures, music videos and commercials.

25. As such, the Registration was improperly granted and should be cancelled and declared void ab initio.

Third Basis for Cancellation – Abandonment

26. Petitioner realleges and incorporates herein by reference the paragraphs above.

27. As stated above, upon information and belief, Registrant has never used the DIGITAL NINJA trademark on or in connection with “computer programs for editing images, sound and video.” However, even if Registrant did at some point use the DIGITAL NINJA trademark on such goods, upon information and belief, Registrant is not currently using its DIGITAL NINJA trademark in commerce on or in connection with such goods, has made no such use for a period of several years, and has no bona fide intent to use its DIGITAL NINJA mark on or in connection with such goods in the future.

28. On information and belief, Registrant's DIGITAL NINJA mark has, due to its lack of use in connection with “computer programs for editing images, sound and video,” lost all capacity as a source indicator for such goods.

29. As such, Registrant has abandoned its DIGITAL NINJA trademark with respect to “computer programs for editing images, sound and video.”

Fourth Basis for Cancellation – Likelihood of Confusion

30. Petitioner realleges and incorporates herein by reference the paragraphs above.

31. As stated above, upon information and belief, Registrant has never used the DIGITAL NINJA trademark on or in connection with “computer programs for editing images, sound and video.” However, if Registrant has used or is using its DIGITAL NINJA trademark on such goods, such use is likely to cause confusion with Petitioner’s senior NOISE NINJA trademark.

32. Petitioner, since at least November 5, 2003, has been, and is now, using its inherently distinctive NOISE NINJA trademark in interstate commerce in connection with the sale of computer programs used to enhance, edit and process digital photographs and images. Said use has been valid and continuous since said date of first use and has not been abandoned. Petitioner’s NOISE NINJA mark is symbolic of extensive good will and consumer recognition built up by Petitioner through substantial amounts of time and effort in advertising and promotion.

33. On information and belief, Registrant made no use of its DIGITAL NINJA mark on or in connection with “computer programs for editing images, sound and video” in commerce prior to Petitioner’s first use in commerce of its NOISE NINJA mark. In fact, Registrant’s claimed first use of its DIGITAL NINJA mark anywhere, as set forth in its Statement of Use, is December 1, 2006, more than three years after Petitioner’s first use in commerce of its NOISE NINJA trademark.

34. In view of the similarity of Petitioner’s NOISE NINJA mark with Registrant’s DIGITAL NINJA mark, the overlapping and related nature of the goods in connection with which such marks are registered and/or used, and the fact that Petitioner’s use of its NOISE NINJA mark in interstate commerce was prior to any use by Registrant of its DIGITAL NINJA mark on computer programs for editing images, sound and video, Registrant’s DIGITAL NINJA mark is likely to cause confusion, or to cause mistake or to deceive consumers with respect to the

following goods included in Registrant's Registration: Computer programs for editing images, sound and video.

35. This likelihood of confusion and the resulting damage to Petitioner will continue until Registrant's DIGITAL NINJA Registration is cancelled with respect to "computer programs for editing images, sound and video."

WHEREFORE, Petitioner prays that Registration No. 3,321,797 be cancelled in its entirety because it was obtained by fraudulent representations to the United States Patent and Trademark Office and because Registrant has not used the mark on or in connection with some or all of the goods listed in its Registration. In the alternative, Petitioner prays that Registration No. 3,321,797 be cancelled in part, specifically with respect to "computer programs for editing images, sound and video" because: (1) the mark was never used by Registrant on or in connection with such goods, (2) if Registrant has ever made use of the DIGITAL NINJA mark on such goods, said mark has been subsequently abandoned by Registrant with respect thereto, and/or (3) any use by Registrant of its DIGITAL NINJA mark on such goods is likely to cause confusion with Petitioner's senior NOISE NINJA trademark. Petitioner further requests such further relief as may be just and proper including its costs associated with this action.

Dated: January 11, 2009

Respectfully Submitted,

/Kenneth G. Parker/

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Certificate of Service

Pursuant to C.F.R. § 2.111, and by agreement of the parties I hereby certify that a true and correct copy of the foregoing First Amended Petition to Cancel was served, via electronic mail, on Registrant Juan B. Melendez III, at the following electronic mail addresses: DNShogun@gmail.com, juan@digitalninja.us, and shogun@digitalninja.us

/Katherine K. Madianos/
Katherine Klammer Madianos, Esq.
Attorney for PictureCode, LLC