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

Proceeding	92051757
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

PHOENIX TRADING, INC., dba AMERCARE PRODUCTS INC, a Washington Corporation, Petitioner, vs. LOOPS LLC, a Delaware limited liability company, Registrant.	Cancellation No.: 92051757 **REGISTRANT'S MOTION FOR JUDGMENT ON THE PLEADINGS [FRCP 12(c)] AND MEMORANDUM IN SUPPORT THEREOF** Mark: "Designed for Prison Safety" Reg. No.: 3,424,838 Mark: Trade Dress Reg. No.: 3,430,304 Mark: Trade Dress Reg. No.: 3,430,305

LOOPS LLC ("Registrant"), by and through its undersigned counsel, hereby moves for judgment in its favor dismissing the present Cancellation pursuant to 37 C.F.R. §§ 2.116 and 2.127, and Fed. R. Civ. P. 12(c), for the following reasons based on all pleadings, papers and orders of record in this case.

I. INTRODUCTION

On November 19, 2009, Petitioner PHOENIX TRADING, INC. ("Petitioner") filed a Petition for Cancellation (the "Petition") seeking cancellation of the following marks alleging:

1. Registrant's mark DESIGNED FOR PRISON SAFETY registered on the Supplemental Register, Reg. No. 3,424,838 (the "'838 Mark") is merely descriptive;

2. Registrant's trade dress registered on the Principal Register, Reg. No. 3,430,304 (the "'304 Mark") is *de jure* functional; and

3. Registrant's trade dress registered on the Principal Register, Reg. No. 3,430,305 (the "'305 Mark") is *de jure* functional.

In the Petition, Petitioner argues the '838 Mark is merely descriptive because it: a) prevents competitors, including Petitioner, from effectively marketing and selling toothbrushes and dental floss to prisons; and b) inhibits the freedom of public entities to fully and accurately describe in their bid solicitations the type and characteristics of toothbrushes and dental floss they desire for their prisons. Petition, ¶¶ 15-16.

Petitioner argues the '304 Mark is *de jure* functional because its trade dress elements for a toothbrush with: a) a rounded handle; b) a barbell shape; and c) bowed and tapered sides (collectively, the "'304 Elements") are also included in the claims of Registrant's utility patent, Pat. No. 7,334,286 (the "'286 Patent"), which Registrant was prosecuting concurrently with the '304 Mark. Petition, ¶¶ 21-24. Petitioner further claims that this concurrent prosecution constitutes fraud on the USPTO because, according to Petitioner, Registrant made material misrepresentations in its application for the '304 Mark by claiming the '304 Elements *were not* functional while claiming in the '286 Patent those same elements *were* functional. Petition, ¶¶ 27-28.

Petitioner argues the '305 Mark is *de jure* functional because its trade dress elements for a toothbrush with dot and relief patterns (the "'305 Elements") are also included in the claims of the '286 Patent, which Registrant was prosecuting concurrently with the '305 Mark. Petition, ¶¶ 35-38. Petitioner further claims that this concurrent prosecution constitutes fraud on the USPTO because, according to Petitioner, Registrant made material misrepresentations in its application for the '305 Mark by claiming the '305 Elements *were not* functional while claiming in the '286 Patent those same elements *were* functional. Petition, ¶¶ 41-42.

Registrant has filed an Answer to the Petition which denies the foregoing allegations. However, for purposes of this motion, Petitioner's well-pleaded factual allegations are accepted as true. *Ava Enterprises v. P.A.C. Trading Group, Inc.*, 86 USPQ2d 1659, 1660 (TTAB 2008).

II. PROCEDURAL LEGAL STANDARDS

A. Rule 12(c) And Rule 12(b)(6) Motions Compared

A Rule 12(c) motion and a Rule 12(b)(6) motion raise the same challenge; i.e., whether the

complaint states a claim upon which relief can be granted. Both assume the well-pleaded allegations in the complaint are true. Both motions may only be granted where, as here, on the facts deemed admitted, there is no genuine issue of material fact to be resolved, and the moving party is entitled to judgment as a matter of law. *Ava Enterprises*, 86 USPQ2d at 1660 (citing *Baroid Drilling Fluids, Inc. v. Sun Drilling Prods.*, 24 USPQ 1048 (TTAB 1992).

Similarly, Rule 12(b)(6) and 12(c) motions can be used when a plaintiff has included allegations in the complaint that, on their face, disclose some absolute defense or bar to recovery: "If the pleadings establish facts compelling a decision one way, that is as good as if depositions and other expensively obtained evidence on summary judgment establishes the identical facts." *Weisbuch v. County of Los Angeles,* 119 F3d 778, 783, fn. 1 (9th Cir. 1997); see also *Hensley Mfg. v. ProPride, Inc.*, 579 F3d 603, 613 (6th Cir. 2009).

The main difference between the Rule 12(c) and 12(b)(6) motions is timing. A Rule 12(b)(6) motion is normally brought before filing an answer. A Rule 12(c) motion for judgment on the pleadings is brought after the pleadings are closed. Fed. R. Civ. P. 12(b), (c). Another important difference is that a successful Rule 12(c) motion results in a judgment on the merits and has full res judicata effect whereas a Rule 12(b)(6) motion can be granted with leave to amend. Fed. R. Civ. P. 12(b), (c).

B. Material Properly Considered In Rule 12(c) Challenges

When deciding a Rule 12(c) motion, unless a defense is apparent from matters of which a court may take judicial notice, the court can only consider material inside the four corners of the complaint. *Arpin v. Santa Clara Valley Transp. Agency,* 261 F3d 912, 925 (9th Cir. 2001). Notwithstanding, documents attached to the complaint and incorporated by reference are treated as part of the complaint, not extrinsic evidence, and thus are properly considered on a Rule 12(c) motion. *Voest-Alpine Trading USA Corp. v. Bank of China,* 142 F3d 887, 891, fn. 4 (5th Cir. 1998); see also *Sira v. Morton,* 380 F3d 57, 67 (2nd Cir. 2004).

Additionally, documents not physically attached to the complaint may nonetheless be

considered by the court on a 12(b)(6) motion, and by analogy, a Rule 12(c) motion, if: a) the complaint *refers* to such document; b) the document is "central" to plaintiff's claim; and c) no party questions the authenticity of the copy attached to the motion. *Branch v. Tunnell,* 14 F3d 449, 454 (9th Cir. 1994) (overruled on other grounds in *Galbraith v. County of Santa Clara,* 307 F3d 1119, 1127 (9th Cir. 2002)); *Chambers v. Time Warner, Inc.,* 282 F3d 147, 153, fn. 3 (2nd Cir. 2002) (collecting cases). Likewise, the court may consider the full text of a document that the complaint quotes only in part. *In re Stac Electronics Securities Litig.,* 89 F3d 1399, 1405, fn. 4 (9th Cir. 1996); see also *Dorsey v. Portfolio Equities, Inc.,* 540 F3d 333, 338 (5th Cir. 2008).

Finally, a matter that is properly the subject of judicial notice (c.f., Fed. R. Evid. 201) may be considered along with the complaint when deciding a Rule 12(b)(6) motion, and by analogy, a Rule 12(c) motion. *MGIC Indem. Corp. v. Weisman,* 803 F2d 500, 504 (9th Cir. 1986) (court may take judicial notice of official records and reports without converting Rule 12(b)(6) motion into Rule 56 motion for summary judgment); see also *In re Colonial Mortg. Bankers Corp.,* 324 F3d 12, 16, 19 (1st Cir. 2003); *Henson v. CSC Credit Servs.,* 29 F3d 280, 284 (7th Cir. 1994).

Here, no material issues of fact remain to be resolved and, based on the undisputed facts (supported by unquestionably authentic documents that are either the proper subject of judicial notice, attached to the Petition and incorporated by reference, or partially quoted in the Petition and central to Petitioner's Petition), Registrant is entitled to judgment as a matter of law.

III. ARGUMENT

A. Registrant Is Entitled To Judgment As A Matter Of Law On Petitioner's First Claim For Cancellation Because The '838 Mark Is On The Supplemental Register.

Referencing the language of 15 U.S.C. § 1052(e)(1) and *In re Abcor Dev. Corp.,* 588 F.2d 811 (CCPA 1978), Petitioner urges the Board to cancel Registrant's '838 Mark. Petition, ¶¶ 14-16. However, the plain language of 15 U.S.C. § 1052(e)(1) and the rationale of the *Abcor* case are inapposite here because Registrant's '838 Mark is on the supplemental register.

In support of its Petition to cancel the '838 Mark, Petitioner references 15 U.S.C. §

1052(e)(1) which states clearly, in relevant part:

> No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration ***on the principal register*** on account of its nature unless it-- (e) Consists of a mark which (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them…" Petition, ¶ 14, emphasis added.

Immediately following its cite to § 1052(e)(1), Petitioner cites to *Abcor* listing the major reasons for not protecting such marks ***on the principal register***. Petition, ¶ 15. Petitioner concludes by analogizing the facts present here with the law set forth in § 1052(e)(1) and *Abcor*. Since neither reference is applicable to marks on the supplemental register, Registrant is entitled to judgment as a matter of law.

15 U.S.C. § 1094 states specifically:

> The provisions of this Act shall govern so far as applicable applications for registration and registrations on the supplemental register as well as those on the principal register, ***but applications for and registrations on the supplemental register shall not be subject to*** or receive the advantages of sections 1(b), 2(e), 2(f), 7(b), 7(c), 12(a), 13 to 18, inclusive, 22, 33, and 42 of this Act [15 USC § §1051(b), ***1052(e)***, (f), 1057(b), (c), 1062(a), 1063-1068, 1072, 1115, 1124]. [emphasis added].

Indeed, as the Board is well aware, the supplemental register was *specifically designed* for registering marks that are descriptive. Therefore, Petitioner's claim that the '838 Mark should be cancelled because it is merely descriptive is untenable, and should be dismissed with prejudice forthwith.

B. Registrant Is Entitled To Judgment As A Matter Of Law On Petitioner's Fourth And Fifth Claims Because The '305 Mark Is Not *de jure* Functional.

A product feature is functional and cannot serve as a trademark "if the feature is essential to the use or purpose of the article or if it affects the cost or quality of the article." *TrafFix Devices Inc. v. Marketing Displays Inc.*, 532 U.S. 23, 58 USPQ2d 1001, 1006 (2001) citing *Qualitex Co. v. Jacobson Products Co*, 514 U.S. 159, 34 USPQ2d 1161 (1995) quoting *Inwood*

Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844, 214 USPQ 1, 4 n.10 (1982). The Court in *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 213 USPQ 9 (CCPA 1982), set forth four factors to be considered in determining whether a product design is functional:

(1) the existence of a utility patent that discloses the utilitarian advantages of the design;

(2) the touting by the originator of the design in advertising material of the utilitarian advantages of the design;

(3) facts showing the unavailability to competitors of alternative designs; and

(4) facts indicating that the design results from a relatively simple or cheap method of manufacturing the product.

The Supreme Court's decision in *TrafFix* has not altered the Morton-Norwich analysis. *See Valu Engineering, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 61 USPQ2d 1422, 1427 (Fed. Cir. 2002).

1. The Existence Of A Utility Patent That Discloses The Utilitarian Advantages Of The Design – *Morton-Norwich Factor One.*

Petitioner's Fourth Claim For Cancellation is based entirely on this factor of the Morton-Norwich analysis. Petitioner alleges that the dot relief patterns described in the '305 Mark are "protected" by the '286 Patent, and as a consequence, the '305 Mark is *de jure* functional. Petition, ¶¶ 35-38. Petitioner's argument that the '305 Mark should be cancelled because the dot relief "patterns" claimed in the '305 Mark are "protected" by the '286 Patent demonstrates Petitioner's misunderstanding of both trade dress and patent principles under U.S. law.

The '286 Patent does not seek to *protect* the *specific pattern* of dot reliefs of Registrant's product; rather the '305 Mark does so as a source identifier. And the '305 Mark does not seek to *protect* the *function* of those dot reliefs; rather the '286 Patent does so inasmuch as set forth in a claim. As such, Registrant is entitled to separate protection under trade dress and patent laws for both.

The unabridged claim language of the '305 Mark is as follows:

"The mark consists of the three symmetrical dot pattern reliefs depicted on the brush; the top of the toothbrush (the non-bristle side) bears two symmetrical dot pattern reliefs and the bottom of the toothbrush (the bristle side) bears one symmetrical dot pattern relief; the top back end comprising a series of symmetrically placed protruding dots of graduated size, appearing in an arrangement of nine rows of two, three, or four dots, with each row located next to and in parallel with a row containing plus or minus one dot, the diameter and height of the dots of the top back end pattern decreasing progressively from the back end toward the middle of the top side, with the dots closest to the back end having a diameter of approximately 1.5 mm and the dots furthest from the back end having a diameter of approximately 1 mm; the top middle pattern comprising a series of seven rows of protruding dots of uniform size, the rows contain either one or two dots, and being arranged in an alternating pattern with the first and last rows each containing only one dot; and the bottom back end pattern comprising a series of seven rows of protruding dots of uniform size, these rows containing two, three, or four dots, with each row being located next to and in parallel with a row containing plus or minus one dot."

The '305 Mark is a trade dress mark. "'Trade dress' involves the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques." *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (1983) citing *SK & F Co. v. Premo Pharmaceutical Laboratories, Inc.*, 481 F. Supp. 1184, 1187 (stating that "[t]rade dress is a complex composite of features" including, *inter alia*, size, color, texture, and graphics, which must "be considered together, not separately"), *aff'd*, 625 F.2d 1055 (3d Cir. 1980); 1 J.T. McCarthy, Trademarks & Unfair Competition § 8.1, at 230-31 (1973).

As the claim language of the '305 Mark clearly demonstrates, the trade dress protection Registrant received from the USPTO is for the *specific overall appearance* of the three symmetrical dot relief patterns described in that claim. The trade dress claim is highly detailed and particularly describes the placement, number, size and arrangement of the dots in each of the three dot relief patterns.[1]

Nowhere in the '286 Patent, much less the abbreviated claim language Petitioner recites in paragraph 37 of the Petition, does Registrant claim the highly detailed, specific arrangement of dot relief patterns described in the claim of the '305 Mark have any utility or function. Rather,

[1] Registrant's "dot relief design" claim is vastly more detailed than the simple "bullet-shaped earplug" at issue in *In re Howard Leight Industries, LLC*, 80 USPQ2d 1507 (TTAB 2006).

the '286 Patent claims the "irregular surface" created by the dots has utility; not their specific pattern, number, size, and shape.[2]

Furthermore, even if it could be said that certain of the aspects of the '305 Mark are functional, or even many of them combined, courts have repeatedly recognized that "one may have a protectable [trade dress] interest in a combination of features or elements that includes one or more functional features." 807 F.2d 1136, 1143 (1986) citing *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir. 1983); *John H. Harland Co.* 711 F.2d at 984; *In re Morton-Norwich Products*, 671 F.2d at 1339; *Dallas Cowboys Cheerleaders v. Pussycat Cinema*, 604 F.2d 200, 203-04 (2d Cir. 1979); *Truck Equipment Service Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1217 (8th Cir.), cert. denied, 429 U.S. 861 (1976); cf. infra. *Freixenet*, 731 F.2d at 153 (combination of non-protectable and distinctive elements may constitute protectable trade dress).

Again, "[i]t is the overall physical appearance of [Registrant's] trade dress which is critical." *Ciba-Geigy Corp. v. Bolar Pharmaceuticals Co.*, 747 F.2d 844, 851 (3d Cir. 1984), cert. denied, 471 U.S. 1137 (1985); *Freixenet, S.A. v. Admiral Wine & Liquor Co.*, 731 F.2d 148, 153 (3d Cir. 1984) ("total package"). Trade dress law does not permit selective dissection of a claim to prove overall functionality. The specific combination of all of the features of the '305 Mark, functional and distinctive, is what the USPTO granted Registrant trade dress protection for; not simply an "irregular surface" on a toothbrush like Petitioner urges.

Based on this analysis alone, Petitioner's Fourth' Claim for Cancellation must fail.

2. *Remaining Morton-Norwich Factors.*

Petitioner has pled no facts in the Petition that speak to the other three Morton-Norwich factors. However, suffice it to say, it would be completely illogical to believe that any advertising touting the utilitarian benefits of a *specific overall appearance* of the three symmetrical dot relief patterns described in the '305 Mark would exist. Therefore, discovery conducted to this matter

[2] Registrant's "dot relief design" claim is also unlike the "dual-spring design" claim at issue in *TrafFix;* there, the "dual-spring design" was *also* the central advance claimed in the expired utility patents. 58 USPQ at 1005.

would result in judicial and economic waste. Similarly, it would be illogical to suggest that any discoverable facts exist as to the unavailability of alternative designs. In other words, a fact finder can plainly recognize the ease with which competitors, including Petitioner, could change the *specific overall appearance*. And further, one can readily discern that the highly specific design is not related to a relatively simple or cheap method of manufacturing.

Accordingly, Registrant is entitled to judgment as a matter of law on Petitioner's Fourth Claim for Cancellation. Since Petitioner's Fifth Claim for Cancellation depends on the Board's finding that the '305 Mark is *de jure* functional, Registrant is entitled to judgment as a matter of law on that claim for the same reasons set forth herein.

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C. Registrant Is Entitled To Judgment As A Matter Of Law On Petitioner's Second And Third Claims For Cancellation Because The '304 Mark Is Not *de jure* Functional.

1. The Existence Of A Utility Patent That Discloses The Utilitarian Advantages Of The Design – *Morton-Norwich Factor Number One.*

Petitioner's Second and Third Claims For Cancellation are also based entirely on this factor of the Morton-Norwich analysis and they fail for the same reasons Petitioner's Fourth and Fifth Claims for Cancellation fail. More specifically, Petitioner alleges that the features described in the '304 Mark are "protected" by the '286 Patent, and as a consequence, the '304 Mark is *de jure* functional. Petition, ¶¶ 21-24. Again, the '304 trade dress claim is directed to an *overall appearance* including a very detailed account of features such as a *rear end portion being larger than the front end portion*. As such again, '286 patent would not and does not suggest that the specific *overall appearance* including all recited features taken together could be related to some functionality. Therefore, Registrant is entitled to separate protection under trade dress and patent laws.

The unabridged claim language of the '304 Mark is as follows:

> "The mark consists of a three-dimensional, overall appearance of a toothbrush featuring a smoothly rounded handle, having a top aspect which is generally barbell shaped with the rear end portion being larger than the front end portion and with a narrow intermediate portion smoothly interconnecting both ends, and a side aspect being slightly bowed and smoothly tapered toward its rear end."

Petitioner misinterprets the first *Morton-Norwich* factor assuming that the mere presence of similar language in the '286 Patent automatically equates to an admission of functionality for a given element. The plain language of that factor forecloses that possibility: it is the "existence of a utility patent that discloses *the utilitarian advantages* of the design," not the simple disclosure of a design that is strong evidence of functionality. There exists no requirement in the Patent Act or the Patent Rules that all elements in a patent, whether in the claims or the disclosure, be functional. To the contrary, the Supreme Court's holding in *TrafFix* makes it clear that features described in patent claims may also be protectable trade dress: "In a case where a manufacturer seeks to protect arbitrary, incidental, or ornamental aspects of features of a product found in the patent claims, such as arbitrary curves in the legs or an ornamental patter painted on the springs, a different result might obtain. There the manufacturer could perhaps prove that those aspects do not serve a purpose within the terms of the utility patent." 58 USPQ2d at 1007.

As stated herein, a trade dress source identifier involves the total image of the product as set forth in the '304 claim description. Petitioner, in its Petition to Cancel, attempts to parcel out portions of the '304 description and argue functionality of the bit portion. This attempt is legally flawed since the entire claim must be considered. Rather, it is readily obvious that all features taken together, to include, *the rear end portion being larger than the front end portion*, and a *tapered* side aspect, are not related to functionality.

Based on this analysis alone, Petitioner's Second' Claim for Cancellation must fail.

2. *Remaining Morton-Norwich Factors.*

Again, Petitioner has pled no facts in its Second Claim that speak to the other three Morton-Norwich factors, and thus, Registrant will not perform an in-depth Morton-Norwich analysis here. Suffice it to say, it would be illogical to believe that any facts exist, discoverable or

not discoverable, as to Registrant touting advantages of a detailed description of an overall appearance as in the '304 claim description. Similarly is would be illogical to believe any facts exists that speak to the unavailability of alternative designs, when clearly changing one of detailed features in the '304 could be made easily. Yet further, it would be entirely illogical to suggest that discoverable facts exists evidencing that the exact detailed '304 description was a result of a simple way to manufacture.

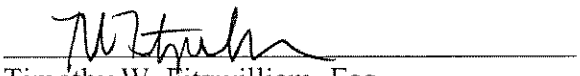
Accordingly, for the reasons set forth above, Registrant is entitled to judgment as a matter of law on Petitioner's Second Claim for Cancellation. Since Petitioner's Third Claim for Cancellation depends on the Board's finding that the '305 Mark is *de jure* functional, Registrant is entitled to judgment as a matter of law on that claim for the same reasons set forth herein.

III. CONCLUSION

For the reasons stated above, Registrant respectfully requests that its Motion for Judgment on the Pleadings be granted in its entirety.

Respectfully submitted,

Dated: July 30, 2010



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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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SHORT TITLE: PHOENIX TRADING, INC. v. LOOPS, LLC

DECLARATION OF SERVICE BY E-MAIL AND FACSIMILE

I, Kari Moyer-Henry, declare as follows:

1. I am an associate of Timothy Fitzwilliam, Esq., counsel for Registrant, LOOPS LLC in the above-entitled matter. My work address is 10935 Vista Sorrento Parkway, Suite 370, San Diego, California 92130. I am over the age of 18, and I am not a party to this action.

2. On July 30, 2010, I personally e-mailed and faxed the following documents:

REGISTRANT'S MOTION FOR JUDGMENT ON THE PLEADINGS [FRCP 12(C)] AND MEMORANDUM IN SUPPORT THEREOF

to the following person and/or entity:

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I declare under penalty of perjury that the foregoing is true and correct. Executed this 30th day of July, 2010, at San Diego, California.

Respectfully submitted,

Dated: July 30, 2010

Kari Moyer-Henry

PROOF OF SERVICE