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EXHIBITS

March 20, 2002

Trademark Trial and Appeal Board
Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513


03-22-2002
U.S. Patent & TMO/TM Mail Rcpt Dt. #70


Re: Resubmission of Motion

Sir:

The undersigned submitted a Motion on March 5, 2002 together with a Certificate of Service for the Motion. Counsel for PC Club, the Opposer, has advised us that in the service copy they received, not all of the exhibits were enclosed. Applicant's are resubmitting the Motion together with all of the attachment again in the event that the original Motion, as submitted to the TTAB, did not include all of the identified attachments and as a mechanism for re-starting the time period for the Opposer PC Club to respond to this Motion. A Certificate of Service of this resubmission is attached hereto. The resubmission of this Motion includes a copy of the original submitted motion and all of the identified attachments and a copy of the original Certificate of Service.

For the reasons set forth in the attached Motion, Eastern again requests that the Board enforce the existing settlement agreement between the parties in the form of Exhibit F attached hereto. Such relief is necessary to avoid additional prejudice to Eastern in the form of additional costs and fees.

Respectfully submitted,


Blynn L. Shideler

BLS/mnd
Enclosures

Opposition No. 117,612
Attorney Docket No.: 1925-000791

Date March 5, 2002
Case Docket No. 1925-000791

BOX TTAB
COMMISSIONER FOR TRADEMARKS
2900 CRYSTAL DRIVE
ARLINGTON, VA 22202-3513



03-22-2002
U.S. Patent & TMO/c/TM Mail Rcpt Dt. #70

Sir:

Transmitted herewith for filing with the United States Patent and Trademark Office is:

APPLICANT: Eastern Software Corporation

FOR: **Opposition: PC CLUB v. EASTERN SOFTWARE CORPORATION**

INCLUDING: Transmittal Form in Triplicate; Applicant's Combined Motion to Enforce Settlement Agreement and Brief in Support Thereof

The Commissioner of Patents and Trademarks is hereby authorized to charge any additional payment of the fees associated with this communication to Deposit Account No. 23-0650. Please refund any overpayment to Deposit Account No. 23-0650.

The original and two copies of this transmittal sheet are enclosed.

Respectfully submitted,
WEBB ZIESENHEIM LOGSDON
ORKIN & HANSON, P.C.

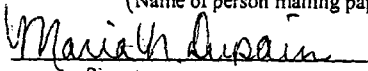
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I hereby certify that this correspondence is being deposited with the United States Postal Service as Express mail in an envelope addressed to the Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3513 on March 5, 2002.

Maria N. Dupain

(Name of person mailing paper)

 03/05/02
Signature Date

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

PC CLUB,

Opposer,

v.

EASTERN SOFTWARE CORPORATION,

Applicant.

Opposition No. 117,612



03-22-2002

U.S. Patent & TMO/TM Mail Rpt Dt. #70

BOX TTAB
Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513

**APPLICANT'S COMBINED MOTION
TO ENFORCE SETTLEMENT AGREEMENT
AND BRIEF IN SUPPORT THEREOF**

Motion to Enforce Settlement Agreement

Applicant Eastern Software Corporation ("Eastern"), pursuant to 37 C.F.R. § 2.127, hereby moves for the enforcement of the settlement agreement which has been entered into by the parties. In support of this motion, Eastern sets forth the following facts:

1. On or about February 18, 2000, Opposer PC Club filed the present opposition proceeding.
2. In June 2000, counsel for both parties commenced discussions concerning the possibility of settlement based upon the different fields of use for the respective marks of the parties.
3. In early July 2000, counsel for PC Club was provided with information concerning the different field of use of Eastern's trademark. Having reviewed this information,

counsel for PC Club telephoned counsel for Eastern and proposed settlement terms. See Declaration of Amanda Mai Dwight at ¶ 3 (Exhibit A hereto).

4. Counsel for Eastern confirmed to counsel for PC Club that its proposed settlement offer was acceptable. This settlement was based upon the following agreed upon terms:

- the parties agreed that there is no likelihood of confusion between the marks as currently used;
- Eastern would continue to utilize the mark EMPOWER for the relevant goods (computer programs for client/server applications and database management in the field of financial mortgages);
- Eastern would agree not to use the mark EMPOWER on computers or computer hardware.

5. On October 24, 2000, counsel for Eastern forwarded to counsel for PC Club a written settlement agreement which embodied the previously agreed to oral settlement terms. Copies of the cover letter from counsel for Eastern and the written settlement agreement are attached hereto as Exhibit B.

6. Following receipt of the settlement agreement, counsel for PC Club responded to counsel for Eastern by e-mail, indicating that she had some non-significant modifications to the written settlement agreement. See October 26, 2000 e-mail of Amanda Mai Dwight (Exhibit C hereto).

7. By letter dated November 6, 2000, counsel for PC Club set forth its proposed modifications to the written settlement agreement. Counsel for PC Club further wrote:

If these proposed changes are acceptable, please incorporate them into your draft of the Agreement and provide me with two signed originals of the Agreement for execution by our client.

A copy of the November 6, 2000 letter is attached hereto as Exhibit D.

8. By letter dated November 7, 2000, counsel for Eastern accepted the proposed modifications to the written settlement agreement. Specifically, counsel for Eastern wrote:

Thank you for your letter of November 6, 2000. Your proposed changes are acceptable and we have forwarded two originals of the Agreement including the modifications you requested to our client for execution. We will forward the two original Agreements to you upon receipt from our client.

Copies of the November 7, 2000 letter and revised written settlement agreement are attached hereto as Exhibit E.

9. On December 1, 2000, counsel for Eastern sent the revised settlement agreement, executed by Eastern, to counsel for PC Club for execution by PC Club. Copies of the December 1, 2000 letter and the written settlement agreement, executed by Eastern are attached hereto as Exhibit F.

10. Subsequent to December 1, 2000, counsel for the parties corresponded concerning the execution of the written settlement agreement by PC Club. Counsel for PC Club repeatedly informed counsel for Eastern that a settlement had been reached, but PC Club had been prevented from executing the written agreement for various reasons.

11. On March 23, 2001, counsel for PC Club sent the following e-mail message to counsel for Eastern:

I apologize for the delay. A death in my client's family has prevented them from tending to this matter. I have forwarded the settlement to them and they are requested minor changes in the language, which does not change the substance of the agreement.

I have requested they execute the agreement and return it to me by Monday. I will overnight it to you as soon as I get it.

Please do not be alarmed. We have an agreement. Again, I apologize for the delay.

A copy of this March 23, 2001 e-mail message is attached hereto as Exhibit G.

12. To date, PC Club has not executed the written settlement agreement. Moreover, PC Club has now attempted to repudiate the agreement.

13. By means of the November 6, 2000 written agreement (Exhibit B), counsel for Eastern's November 6, 2000 proposed modifications (Exhibit D), and Eastern's November 7, 2000 acceptance of the proposed modifications (Exhibit E), a binding settlement was formed. This was confirmed by the March 23, 2001 e-mail of counsel for PC Club. There was an offer and an acceptance, and thus a binding agreement.

14. Eastern has been prejudiced by PC Club's failure to execute the settlement agreement and its attempts to continue this proceeding. This prejudice includes its continued accumulation of legal fees. This prejudice will continue if the settlement agreement is not enforced.

WHEREFORE, Eastern respectfully requests that the Board enforce the settlement agreement between the parties, in the form of the agreement signed by Eastern and attached hereto as Exhibit F.

Brief in Support of Motion to Enforce Settlement Agreement

A. Factual Background

The facts as set forth above in the Motion to Enforce Settlement Agreement are incorporated herein by reference. These facts may be distilled to the following essential points:

- a. On October 24, 2000, Eastern forwarded a written settlement agreement to PC Club for execution which embodied the oral agreement reached between the parties. See ¶ 5 of Motion.
- b. On November 6, 2000, PC Club provided Eastern with proposed modifications to the written settlement agreement. See ¶ 7 of Motion.
- c. On November 7, 2000, Eastern accepted PC Club's proposed modifications and indicated that signatures would be obtained and forwarded to PC Club. See ¶ 8 of Motion.
- d. The written settlement agreement was signed by Eastern and sent to PC Club. See ¶ 9 of Motion.
- e. On March 23, 2001, PC Club again confirmed that an agreement had been reached. See ¶ 11 of Motion.

B. Argument

As is set forth above, a binding contract was entered into by Eastern and PC Club. There was a written offer on October 24 by Eastern, a counter-offer by PC Club on November 6 and an acceptance on November 7 by Eastern. PC Club confirmed the existing agreement again on March 23. A contract was formed. Eastern's November 7, 2000 acceptance of PC Club's counter-offer was unambiguous and did not change or qualify the terms of the counter-offer. Restatement (Second) of Contracts §§ 39, 58, 59. There can be no dispute that a binding contract was formed at least on November 7, 2000. Id.

Specifically, PC Club responded to the initial offer of Eastern with minor proposed changes. See Exhibit D. PC Club wrote that "[i]f these proposed changes are

acceptable, please incorporate them into your draft of the Agreement and provide me with two signed originals of the Agreement for execution by our client.” Id. This response of PC Club unquestionably constituted a counter offer. Eastern responded to this counter-offer as follows:

Thank you for your letter of November 6, 2000. Your proposed changes are acceptable and we have forwarded two originals of the Agreement including the modifications you requested to our client for execution. We will forward the two original Agreements to you upon receipt from our client.

Exhibit E (letter). This constituted an acceptance of the counter-offer and resulted in the formation of a binding contract.

The courts of California, the domicile of PC Club, regard a settlement agreement as tantamount to a judgment. Gorman v. Holte, 164 Cal. App. 3d 984, 988, 211 Cal. Rptr. 34, 37 (1985). In the absence of a showing of fraud or undue influence, a settlement is decisive of the rights of the parties thereto and operates as a bar to the reopening of the original controversy. Shriver v. Kuchel, 113 Cal. App. 2d 421, 425, 248 P.2d 35, 38 (1952).

Likewise, public policy favors the amicable resolution of trademark disputes without resort to the courts. Winchester Drive In Theatre, Inc. v. Warner Bros. Pictures Distributing Corp., 797 F.2d 799 (9th Cir. 1986). In Visa International Service Association v. Bankcard Holders of America, 784 F.2d 1472, 1473 (9th the court opined that a party entering into a settlement agreement with respect to a trademark “will be held to his contract unless enforcement of the contract would result in injury to the public through confusion”. In Wells Cargo Inc. v. Wells Cargo Inc., 606 F.2d 961, 965 (C.C.P.A. 1979), the court stated that “if there is a policy favoring challenges to trademark validity, it has been viewed as outweighed by the policy favoring settlements.” There is a judicial policy of encouraging extra-judicial settlement of trademark litigation. Courts will balance “the public interest against confusion, one of the

significant purposes of trademark law, against the interest in enforcing contracts.” T&T Manufacturing Co. v. A.T. Cross Company, 587 F.2d 533, 539 (1st Cir. 1978).

In the present case, the terms of the settlement agreement recite that public confusion will not occur due to the different products on which the marks are used. See Exhibits B and E. As was discussed above, both parties consented to these terms and thus agreed that no confusion was likely. See supra, pp. 2-4.

PC Club also cannot argue that there exists inadequate consideration for the settlement agreement. When two parties take action that is a compromise from their initial position, such action constitutes “sufficient consideration for a new promise and is a bar to all inquiry as to the merits of the original claim, so long as the compromise agreement is made in good faith of a claim honestly asserted.” Union Collection Co. v. Buckman, 150 Cal. 159, 163, 88 P. 708, 710 (1907). Consideration also existed due to Eastern’s agreement not to expand its use of the “EMPOWER” mark onto computers and computer hardware like that of PC Club.


Eastern manifested its acceptance of PC Club’s counter-offer on November 7, 2000. This acceptance formed a binding contract. Restatement (Second) of Contracts § 50. PC Club further indicated that an agreement existed, and at no time asserted that a signed agreement was a prerequisite to a binding settlement.

C. Conclusion

For the foregoing reasons, Eastern requests that the Board enforce the existing settlement agreement between the parties in the form of Exhibit F hereto. Such relief is necessary to avoid additional prejudice to Eastern in the form of additional costs and fees.

Respectfully submitted,

Dated: March 5, 2002



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Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing *Applicant's Combined Motion to Enforce Settlement Agreement and Brief in Support Thereof* was served this 5th day of March 2001, by first class mail, postage prepaid upon the following counsel for Opposer:

Amanda V. Dwight
LEVIN & HAWES
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Laguna Beach, CA 92651



Attorney for Applicant