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

Proceeding	91157315
Party	Plaintiff BOSE CORPORATION
Correspondence Address	CHARLES HIEKEN FISH & RICHARDSON P.C. 225 FRANKLIN STREET BOSTON, MA 02110-2804
Submission	Reply in Support of Motion
Filer's Name	Amy L. Brosius
Filer's e-mail	brosius@fr.com, escott@fr.com
Signature	/Amy L. Brosius/
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Application Serial No. 76/304,063
For the Mark HEXAWAVE
Published in the Official Gazette on May 18, 2003

Bose Corporation, Opposer, v. Hexawave, Inc., Applicant.	Opposition No. 91157315

REPLY BRIEF OF OPPOSER AND BRIEF OF OPPOSER-DEFENDANT IN THE COUNTERCLAIM

Charles Hieken
Cynthia Johnson Walden
Amy L. Brosius
FISH & RICHARDSON P.C.
225 Franklin Street
Boston, MA 02110
Tele. (617) 542-5070
Fax: (617) 421-698

Attorneys for Opposer,
BOSE CORPORATION

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A. THE APPLICANT'S "HEXAWAVE" MARK IS CONFUSINGLY SIMILAR TO THE FAMOUS BOSE "WAVE" AND "ACOUSTIC WAVE" MARKS WHERE IT SHARES THE ENTIRETY OF THE INCONTESTABLY REGISTERED, FAMOUS BOSE "WAVE" MARK, AND INCORPORATES SALIENT PORTIONS OF THE INCONTESTABLY REGISTERED, FAMOUS BOSE "ACOUSTIC WAVE" MARK

Applicant does not dispute that the Bose WAVE and ACOUSTIC WAVE marks are famous, and that famous marks "thus enjoy a wide latitude of legal protection." *Recot, Inc. v. M.C. Becton*, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000) (citations omitted). Applicant merely contends that Bose has given inappropriate weight to the fame of the Bose marks, and suggests that the Bose marks, though famous, are weak. First of all, it is well settled that that the fame of an opposer's mark, if it exists, plays a "dominant role in the process of balancing the DuPont factors." *Id.* (omission of internal quotation marks).

> Although fame alone cannot overwhelm the other DuPont factors as a matter of law, *see University of Notre Dame Du Lac v. J.C. Gourmet Food Imports Co., Inc.*, 703 F.2d 1372, 217 USPQ 505 (Fed.Cir.1983), fame deserves its full measure of weight in assessing likelihood of confusion.

Id. In addition, famous marks are by their very nature strong. *Id.* ("When an opposer's trademark is a strong, famous mark, it can never be 'of little consequence.'"). Thus, Applicant's assertion that the Bose marks are not distinctive and are diluted are unsupported.

In fact, Applicant's HEXAWAVE mark and the Bose WAVE and ACOUSTIC WAVE marks are highly similar. The parties' marks share a similar pronunciation and make a similar auditory impression because Applicant's HEXAWAVE mark incorporates the entirety of the incontestably registered, famous Bose WAVE mark, and salient portions of the incontestably registered, famous Bose ACOUSTIC WAVE. Even if the fame of the Bose WAVE and

ACOUSTIC WAVE marks did not play a "dominant role in the process of balancing the DuPont factors," which it does, *see id.*, it is abundantly clear that the Applicant's HEXAWAVE mark and the Bose WAVE and ACOUSTIC WAVE marks are confusingly similar. The fact that the Bose WAVE and ACOUSTIC WAVE marks are famous only further supports that conclusion.

B. APPLICANT'S GOODS AND THE BOSE GOODS ARE IDENTICAL OR HIGHLY SIMILAR AND APPLICANT HAS FAILED TO PROVIDE ANY EVIDENCE THAT THESE GOODS ARE DIFFERENT, OR THAT THE CHANNELS OF TRADE AND CLASS OF POTENTIAL PURCHASERS FOR THESE GOODS ARE DIFFERENT FROM THAT OF BOSE

Similarity of the goods is to be determined solely by looking to the goods identified by Applicant in its application.

> The authority is legion that the question of registrability of an applicant's mark must be decided on the basis of the identification of goods set forth in the application *regardless of what the record may reveal as to the particular nature of an applicant's goods*, the particular channels of trade or the class of purchasers to which the sales of the goods are directed.

Octocom Sys., Inc. v. Houston Computer Servs., Inc., 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) (emphasis added); *see also SquirtCo v. Tomy Corp.*, 216 USPQ 937, 940 (Fed. Cir. 1983); *Tuxedo Monopoly, Inc. v. General Mills Fun Group, Inc.*, 209 USPQ 986, 988 (CCPA 1981).

Despite the appearance of identical goods such goods as "amplifiers" and "tuners" in both parties' identifications, Applicant contends that its goods are different where they allegedly are "circuit/component level electronics." Applicant's Brief p. 17. However, Applicant's identification of goods makes no such distinction, and none of Applicant's interrogatory responses clarify the nature of Applicant's specific "amplifier" or "tuner" goods in this manner, nor any of the other goods that appear in Applicant's identification such as "transistor"; "mixer"; "downconverter"; "transceiver"; "transmitter"; "receiver"; and "antenna" which are highly similar, on their face, to the goods that appear in the Bose WAVE and ACOUSTIC WAVE

registrations. In fact, Applicant's interrogatory responses do not mention any of these goods by name anywhere. Opposer's Notice of Reliance, Exs. 5 and 6. Even if Applicant had provided evidence that its "amplifier", "tuner" and other goods are distinguishable from those of Bose, critically, no such clarification or restriction on the field of use or the nature and purpose of Applicant's goods is reflected in Applicant's identification of goods. Registration of Applicant's mark as it stands now would confer on Applicant the exclusive right to use HEXAWAVE on goods identical to or highly similar to those of Bose, thus damaging Bose.

Similarly, Applicant's argument that the channels of trade and class of potential purchasers for the parties' goods are different is also unpersuasive where it is premised on the unsupported distinctions alleged by Applicant to exist among Applicant's goods and the Bose goods. Applicant took no testimony on the subject of channels of trade or class of potential purchasers of Applicant's goods, therefore, Applicant's assertions in its brief with respect to the typical purchaser of Applicant's goods are wholly unsupported. Moreover, since the question of registrability is to be made "on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to . . . the particular channels of trade or the class of purchasers to which the sales of the goods are directed", *see Octocom*, 16 USPQ2d at 1787, the channels of trade and intended purchasers for Applicant's "amplifiers" and "tuners" and other goods that are highly similar to the Bose goods, must be presumed to be identical to the channels of trade and class of potential consumers of the Bose "amplifiers" and "radio tuners" and other goods. *See CBS, Inc. v. Morrow*, 218 USPQ 198, 199 (Fed. Cir. 1983) (finding that the likelihood of confusion analysis involves "consideration of the goods named in the application and in opposer's registration and, in the absence of specific limitations in the application and

registration, on consideration of the normal and usual channels of trade and methods of distribution").

C. ACTUAL CONFUSION IS NOT NECESSARY FOR FINDING LIKELIHOOD OF CONFUSION

It is well settled that actual confusion is not necessary for a finding of likelihood of confusion.

> While evidence of actual confusion factors into the DuPont analysis, the test under §1052(d) is likelihood of confusion, not actual confusion. Hence, a showing of actual confusion is not necessary to establish a likelihood of confusion.

Herbko Int'l, Inc. v. Kappa Books, Inc., 64 USPQ2d 1375, 1380 (Fed. Cir. 2002) (citing *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 218 USPQ 390, 396 (Fed. Cir. 1983)); *see also Carefirst of Md., Inc. v. Firsthealth of the Carolinas, Inc.*, 77 USPQ2d 1492, 1511 (TTAB 2005) (citing *Weiss Assocs., Inc. v. HRL Assocs., Inc.*, 14 USPQ2d 1840, 1842-43 (Fed. Cir. 1990)).

> Moreover, the lack of any occurrences of actual confusion is not dispositive inasmuch as evidence thereof is notoriously difficult to come by and, in any event, the test under Section 2(d) of the Trademark Act is likelihood of confusion rather than actual confusion.

Gillette Can., Inc. v. Ranir Corp., 23 USPQ2d 1768, 1774 (TTAB 1992).

D. DOUBTS AS TO LIKELIHOOD OF CONFUSION SHOULD BE RESOLVED AGAINST THE APPLICANT

There is a presumption that any doubts should be resolved against Applicant in this case, because Bose has shown that the parties' marks are similar and their goods closely related. Furthermore, Applicant does not dispute the fame of the Bose WAVE and ACOUSTIC WAVE marks, and "all doubt as to whether confusion, mistake, or deception is likely . . . to be resolved against the newcomer, especially where the established mark is one which is famous." *See Kenner Parker Toys, Inc. v. Rose Art Indus., Inc.*, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992)

(citing *Nina Ricci, S.A.R.L. v. ETF Enters., Inc.*, 12 USPQ2d 1901, 1904 (Fed. Cir. 1989) (quoting *Planters Nut & Chocolate Co. v. Crown Nut Co.*, 134 USPQ 504, 511 (CCPA 1962))).

E. BOSE ESTABLISHED A PRIMA FACIE CASE OF FRAUD AGAINST APPLICANT'S APPLICATION AND APPLICANT HAS FAILED TO REBUT THE PRESUMPTION OF FRAUD

Contrary to Applicant's assertions, Bose has set forth a *prima facie* case of fraud, which Applicant has failed to rebut, that the statement made by Applicant in its Declaration of Use submitted with in connection with the HEXAWAVE application that Applicant is using the mark in commerce for all of the goods specified in the application, was false, knowingly made, and material.

Applicant points to its response to Bose Interrogatory No. 1 as evidence that Applicant was using HEXAWAVE for all of the goods identified in the application. Applicant's Brief, p. 28. Bose Interrogatory No. 1 requests that Applicant "identify all documents relating" to the "circumstances under which Applicant selected Applicant's mark" and Applicant points to its response that identified: "[a] document relating to Applicant's adoption of the mark is United States Trademark 1,954,458 issued 6 February 1996, directed to a design only mark directed for use in connection with "compound semiconductor devices consisting of an integrated circuit, MMIC (microwave monolithic integrated circuit), tuner, transistor, mixer, amplifier, down converter, transceiver, transmitter, radio frequency switch, antenna, and alumina substrate." Opposer's Notice of Reliance, Ex. 5. However, this statement is completely irrelevant and has no bearing on the question of whether Applicant used HEXAWAVE on all of the goods identified in the application, because Reg. No. 1,954,458 is for a design mark owned by Applicant, not for a HEXAWAVE mark. Rather, it is the telling answer offered by Applicant, and to-date unsupplemented, in response to Bose Interrogatory No. 5, asking Applicant to:

> Identify and provide a detailed description of every product manufactured, licensed for manufacture or sold by or on behalf of Applicant since the inception of Applicant's business that bears Applicant's Mark.

Bose Interrogatory No. 5, Opposer's Notice of Reliance, Ex. 4 (emphasis added). Applicant's response was limited to "electric components and modules, such as GaAs power field effect transistors, GaAs MIMC switches." Opposer's Notice of Reliance, Ex. 5. Even in its supplemental response, Applicant did not identify each of the goods that appear in the application. Opposer's Notice of Reliance, Ex. 6 (Confidential). Applicant's argument that its responses were "partial" and "not intended to be an exhaustive list" are unpersuasive, where the Bose interrogatory request was clear and the goods included in Applicant's identification are not lengthy and could have been easily identified in response to the Bose Interrogatory. Moreover, Applicant did not supplement its Interrogatory responses and took no testimony in this proceeding.

Applicant's final contention, that Bose has not shown that Applicant's false statement was made knowingly, is also unsupported. On the contrary, the facts affirmatively support the conclusion that Applicant made the false statement in its declaration of use knowingly. The declaration of use submitted with the application was signed by the President of Applicant and averred that the mark was in use on all of the goods. This situation is identical to the situation in *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 U.S.P.Q.2d 1205 (TTAB 2003) where the Board determined that the President of a company who signed a statement of use was in a position to know, or he should have known, that the goods identified in the application were in use, particularly where, like here, the identification of goods was not lengthy or overly technical. *See Medinol*, 67 USPQ2d at 1209-10.

Thus where Applicant has failed to provide any relevant evidence to rebut the *prima facie* showing of fraud by Bose that Applicant was not using the HEXAWAVE mark in connection with

each of the goods identified in the application at the time the application was filed, contrary to the statements made in its application, Applicant's HEXAWAVE application should be deemed void.

II. COUNTERCLAIM ARGUMENT

A. COUNTERCLAIM FACTS

On January 26, 2006 Bose took the testimonial deposition of Mr. Mark Sullivan, General Counsel and Assistant Secretary of Bose Corporation. Mr. Sullivan testified that Bose introduced the ACOUSTIC WAVE Music System (hereinafter referred to as the "ACOUSTIC WAVE Music System I") product in late 1984 and the ACOUSTIC WAVE Music System II as a second generation product sometime later. Declaration of Mark Sullivan, p. 8[1]. Mr. Sullivan testified that the ACOUSTIC WAVE Music System I and ACOUSTIC WAVE Music System II are AM/FM tuner radio products both containing cassette tape recorders and players. MS7-8. Mr. Sullivan identified various marketing pieces, user guides, and photographs for these products, which show the location of the cassette tape deck on these products. MS8-10, Exs. 68-70. Mr. Sullivan identified the "WAVE" trademark appearing on the lower right hand side of the top of these products. MS9-10, Ex. 70. Mr. Sullivan testified that the ACOUSTIC WAVE Music System is often referred to as the "Wave." MS10.

Mr. Sullivan testified that the ACOUSTIC WAVE Music System II with a cassette tape recorder and player was phased out in favor of a CD player version sometime in late 1996 or early 1997, and that Bose continued to sell off inventory of the ACOUSTIC WAVE Music System II for approximately six months to a year. MS9. Mr. Sullivan testified that Bose was involved in a program of repairing ACOUSTIC WAVE Music System I and II products on behalf of customers. Mr. Sullivan testified that the repair process involves the customer

[1] We refer to the January 26, 2006 deposition of Mark Sullivan as "MS."

contacting Bose, obtaining a "return authorization" number, shipping the product to Bose, Bose repairing the product, and shipping the product back to the cutsomer. MS28-29. Mr. Sullivan testified that Bose does not re-label or make any alteration to the product, apart from the technical repair. MS30.

Mr. Sullivan testified that Bose keeps records in the normal course of business about this repair program. MS12. Mr. Sullivan testified that he has access to such records, and identified a number of documents that show repairs made to the ACOUSTIC WAVE Music System I and II by Bose during the years 2000 through 2005 on behalf of customers. MS12-14, Exs. 72-73. Mr. Sullivan testified that for products that were still under warranty, customers would not have to pay for the repairs to their products, but if the product was no longer under warranty, customers would pay for the repair. MS14-15. Mr. Sullivan also testified that during 2001 Bose repaired numerous ACOUSTIC WAVE Music System I and II products and transported them back to customers. MS12-14, Exs. 72-73.

Mr. Sullivan testified that he signed a declaration of use in connection with the Combined Section 8 and Section 9 Renewal and Declaration of Use for the Bose WAVE registration, Reg. No. 1,633,789. MS11. Mr. Sullivan testified that the statement made in the Section 8 and Section 9 declaration, "The mark shown in Registration No. 1,633,789 owned by the above-identified registrant, is in use in commerce on or in connection with all of the goods identified with the registration; radios, clock radios, audiotape recorders and players"[2] MS 11, Ex. 74. Mr. Sullivan testified that that statement was true at the time he signed the declaration. Id. Mr. Sullivan testified that he knew at the time he signed the document that Bose was involved in the

[2] The full statement from the Sec. 8/9 declaration is "...radios, clock radios, audiotape recorders and players, portable radio and cassette recorder combinations, compact stereo systems, and portable compact disc players." Mr. Sullivan was only asked to read a limited highlighted portion of this text. MS 11, Ex. 74.

program of repairing ACOUSTIC WAVE Music System I and II products, which contain a tape cassette player and recorder. Id.

B. BOSE DID NOT COMMIT FRAUD WHEN IT FILED A COMBINED SECTION 8 AND SECTION 9 RENEWAL AND DECLARATION OF USE FOR REG. NO. 1,633,789 BECAUSE THE MARK WAS IN USE AT THE TIME ON ALL OF THE GOODS IDENTIFIED IN THE REGISTRATION

Fraud is committed when a trademark applicant procures or attempts to maintain a registration based on a statement that is (1) false; (2) a material representation; and (3) made knowingly. *See Torres v. Cantine Torresella S.r.l.*, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986); *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 USPQ2d 1205, 1209 (TTAB 2003); *Mister Leonard, Inc. v. Jacques Leonard Couture, Inc.*, 23 USPQ2d 1064, 1065 (TTAB 1992). Applicant alleges that Bose committed fraud when it filed its Combined Section 8 and Section 9 Declaration of Renewal and Continued Use (hereinafter the "Bose Sec. 8/9") where the document avers use by Bose of the WAVE mark in connection with "audio tape recorders and players" and Applicant alleges that Bose was no longer manufacturing and selling products that incorporate these goods.

For a mark to be in use, the Lanham Act requires that the mark be applied to goods that are "sold or transported" in commerce. 15 USC § 1127.

> [S]ales of goods within or from the United States are not necessary to establish trademark ownership; for purposes of the Lanham Act, transportation alone qualifies. *See New England Duplicating Co. v. Mendes*, 190 F.2d 415, 417 (1st Cir. 1951) ("The use of the disjunctive 'or' between 'sold' and 'transported' leaves no doubt that a transportation . . . is enough to constitute a 'use' even without a sale.").

Gen. Healthcare Ltd.v. Qashat, 70 USPQ2d 1566, 1568 (1st Cir. 2004); *see also* 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 19:118 (4th ed. 2006).

Bose has made of record extensive testimony from its witness Mr. Mark Sullivan that at the time the Sec. 8/9 was signed and filed, Bose was repairing ACOUSTIC WAVE Music

System goods that contained the audio tape recorder and player component and that bore the WAVE mark, and transporting these repaired goods back to customers. Thus, the statement made in the Sec. 8/9 was true on its face.

Applicant does not attempt to controvert any of the evidence presented by Bose with respect to its repair program of the ACOUSTIC WAVE Music System I and II products containing the audio tape recorders and players which bear the WAVE mark. Instead, Applicant alleges that the Bose repair program in effect at the time the Bose Sec. 8/9 was filed was insufficient to support use of the WAVE mark in commerce and in support cites *Standard Pressed Steel Co., v. Midweast Chrome Process Co.*, 183 USPQ 758 (TTAB 1974) for the proposition that because the goods repaired by Bose belong to the customers at the time they are repaired, Bose is merely a bailee of these goods, and no trademark use can inure to the benefit of Bose as a result of its repairing these goods and transporting them back to customers.

Applicant's argument is meritless. The *Standard* case is entirely distinguishable from the present situation. The applicant in *Standard* was performing electroplating on goods which it did not sell and had never manufactured. *Standard*, 183 USPQ at 761. It merely applied its trademark to boxes in which it placed the electroplated goods before shipping them back to the parties who sought applicant's services. *Id.* The Board observed that use of a mark in this manner does not necessarily afford a party trademark rights vis-à-vis those goods. *Id.* at 765. Here, by contrast, Bose is the original manufacturer and source of the audio tape recorder and player goods. Bose itself placed the WAVE mark on the products, and the WAVE mark remains on the products throughout the repair process and during the time the goods are transported back to customers, thus constituting use in commerce of the WAVE mark in connection with "audio tape recorders and players" in 2001 when Mr. Sullivan signed the Sec. 8/9.

Even if sales were required in order for there to be use of the WAVE mark on the ACOUSTIC WAVE Music System I and II products, which they are not, *see Gen. Healthcare Ltd.*, 70 USPQ2d at 1568, Bose provided evidence that some customers paid for such goods bearing the WAVE mark to be repaired and transported back to them. MS28-30, Ex. 73.

Because Applicant has failed to prove this threshold element, namely, Bose that the statement made was indeed false, Applicant's counterclaim of fraud against Reg. No. 1,633,789 must be dismissed.

CONCLUSION

For the foregoing reasons, the opposition should be sustained, and Applicant's counterclaim dismissed.

Respectfully submitted,

Date: July 31, 2006

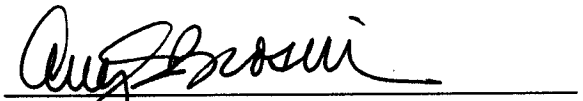
Charles Hieken
Cynthia Johnson Walden
Amy L. Brosius
FISH & RICHARDSON P.C.
225 Franklin Street
Boston, Massachusetts 02110-2804
Telephone: (617) 542-5070
Facsimile: (617) 542-8906

Attorneys for Opposer
Bose Corporation

CERTIFICATE OF SERVICE

This is to certify that on this 31st day of July 2006, a true copy of the REPLY BRIEF OF OPPOSER AND BRIEF OF OPPOSER-DEFENDANT IN THE COUNTERCLAIM has been sent by First Class mail, postage prepaid to the below-identified counsel for Applicant, at his place of business:

Morton J. Rosenberg, Esq.
Rosenberg, Klein & Lee
3458 Ellicott Center Dr., Suite 101
Ellicott City, MD 21043-4178



Amy L. Brosius

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