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

Proceeding	91157315
Party	Defendant HEXAWAVE Inc. HEXAWAVE Inc. 1F, 2 Prosperity Rd. II Science-Based Industrial Park TWX Hsinchu,
Correspondence Address	MORTON J. ROSENBERG ROSENBERG, KLEIN & LEE, 3458 ELLICOTT CENTER DR STE 101 ELLICOTT CITY, MD 21043-4178
Submission	Other Motions/Papers
Filer's Name	MORTON J. ROSENBERG
Filer's e-mail	RKL@RKLPATLAW.COM
Signature	/MORTON J. ROSENBERG/
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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 March 18, 2003 at TM 278

Bose Corporation, Opposer	*	
	*	Opposition No. 91157315
v.		
	*	Serial No. 76/304,063
Hexawave, Inc., Applicant	*	

REPLY BRIEF OF APPLICANT IN THE COUNTERCLAIM

Morton J. Rosenberg
Jun Y. Lee
Rajiv S. Shah

Rosenberg, Klein & Lee
3458 Ellicott Center Drive, Suite 101
Ellicott City, MD 21043
(410) 465-6678

Attorneys for Applicant,
HEXAWAVE, Inc.

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I. INTRODUCTION

Cancellation of Opposer's Trademark Registration 1,633,789 is proper and warranted as it was fraudulently renewed in bad faith by Opposer couched on a false and material misrepresentation of fact knowingly made in its combined Application for Renewal and Declaration of Use under Sections 9 and 8 of the Trademark Act of 1946, filed January 4, 2001.

II. FACTS

Opposer's registration 1,633,789 is directed to the mark "WAVE" and was originally issued on February 5, 1991 for the following goods:

> Television receivers, video cassette recorders, video cassette players, camcorders, radios, clock radios, audio tape recorders and players, portable radio and cassette recorder combinations, compact stereo systems and portable compact disc players.

(See Registration 1,633,789, OPPOSER'S FIRST NOTICE OF RELIANCE, Exhibit 1).

The listing of goods was amended and sworn to by Bose's General Counsel and Assistant Secretary, Mark E. Sullivan, in a Declaration Under Sections 8 & 15 on February 7, 1996 wherein Mr. Sullivan declared through omission that the mark was no longer in use with respect to television receivers, video cassette

players, and camcorders, and attested that they were still in use with:

> Radios, clock radios, **audio tape recorders and players**, portable radio and cassette recorder combinations, compact stereo systems and portable compact disc players.

(See Declaration Under Sections 8 & 15, Exhibit No. 67, *emphasis added*).

In a Combined Application for Renewal and Declaration of Use Under Sections 9 and 8 of the Trademark Act of 1946 ("Section 9 and 8 Declaration"), verified on December 14, 2000 (also by Mark E. Sullivan as Assistant Secretary) and subsequently filed on January 4, 2001, Mr. Sullivan attested to use of the 1,633,789 mark with the same, unchanged, listing of goods (including tape recorders and players) as in the 1996 Declaration.

Bose had ceased manufacture of audio tape recorders and players in late 1996 or early 1997. (Exhibit No. 71; MS9)[1].

Mr. Sullivan knew in 2001, at the time that he attested under oath to the Section 9 and 8 Declaration that the "WAVE" mark was not and had not been in use in connection with the sale of **audio tape recorders and players** for at least four years since 1997. (MS9).

Mr. Sullivan testified that Bose had "phased out" the audio tape based music systems as early as the end of 1996 and was merely involved in the

[1] We refer to the deposition testimony of Mark Sullivan as MSI. We refer to the continued deposition testimony of Mark Sullivan as MSII.

servicing or repair of said discontinued audio tape models. (*Id.*; MS28).

The servicing repairs involved no substantial alterations to the goods, nor any labeling or affixation of a service mark or otherwise thereto. (MS30). As to affixation of any mark to the shipping containers for return to the owners, the record is devoid of any such markings, despite a promise to produce by Mr. Sullivan. (MS II 18). No shipping containers have been produced by Bose.

Mr. Sullivan testified that when he signed the Section 9 and 8 Declaration, he knew of no plans for Bose to revive the audio tape line of products in the future. (MS II 26). Bose has in fact not revived, made, sold, or marketed any audio tape models of their product under the "WAVE" trademark since late 1996/early 1997. *Id.*

Opposer has taken no steps, since his signing the Section 9 and 8 Declaration in 2000, to remove, update, or supplement his false declaration of use reciting **audio tape recorders and players** despite his acknowledgement that he understood his legal obligation to be truthful and accurate. (MS 33).

III. BOSE COMMITTED FRAUD WHEN IT FILED A COMBINED SECTION 9 AND SECTION 8 RENEWAL AND DECLARATION OF USE FOR REGISTRATION NO. 1,633,789 SINCE THE MARK WAS NOT IN USE AT THE TIME OF FILING ON ALL OF THE GOODS IDENTIFIED IN THE REGISTRATION.

Fraud is committed when a trademark applicant (or registrant) procures or attempts to maintain a registration based on a statement that is false, or a material misrepresentation, and made knowingly. *See Torres v. Cantine Torrescella S.r.l.,* 808 F.2d 46, 49, 1 USPQ 2d 1483, 1484 (Fed. Cir. 1986).

Bose committed fraud on the U.S. Patent and Trademark Office when it filed its combined Section 9 and Section 8 Declaration of Renewal and Continued Use where a verified statement was made that the "WAVE" mark was used in connection with "audiotape recorders and players".

At the time that the verified statement was made, Bose no longer manufactured and sold products that incorporated "audiotape recorders and players", such products being discontinued some 4 years prior.

Bose has disingenuously referred to the definitions portion of the Lanham Act, 15 USC § 1127, in its Counterclaim argument, stating that "the Lanham Act requires that the mark be applied to goods that are 'sold or transported' in commerce". Bose, although referring to the definition section directed to "use in commerce" has conveniently failed to incorporate the definition section associated with the term "trademark", which states " [a trademark] includes any word, name, symbol or device, or any combination thereof … to identify and distinguish ***his or her goods*** …" 15 U.S.C. § 1127. Thus, the definition of "trademark" does not apply to goods which are owned by another. The "essence is title and ownership." *Standard Pressed Steel Co., v. Midwest Chrome Press Co.*, 183 USPQ 758 (TTAB 1974).

In support of its misleading statements, Bose has cited New England Duplicating Company v. Mendes, indicating that "sales of goods within or from the United States are not necessary to establish trademark ownership; for the purposes of the Lanham Act, transportation alone qualifies". *New England Duplicating Company v. Mendes*, 190 F. 2d, 415, 417 (1st Cir. 1951). The law clarified by the court in the New England Case is not controverted.

Although transportation may qualify as use in commerce, federal courts have further refined the notion of "transportation" with respect to "use in commerce". For example, in Karl Storz Endoscopy-Am., Inc. v. Surgical Techs., Inc., the court held "...a mere repair of a trademarked good, followed by return of the good to the same owner who requested the repair or rebuild, does not constitute a 'use in commerce' of the trademark under the Lanham Act." *Karl Storz Endoscopy-Am., Inc. v Surgical Techs., Inc.*, 285 F3d 848, 62 USPQ2d 1273 (9th Cir. 2002). The decision in this case follows a logical conclusion that is applicable in the present case, where Bose was merely repairing and returning goods to their respective owners.

Furthermore, New England Duplicating Company v. Mendes relied upon by Bose, is clearly distinguishable from the present situation and is wholly irrelevant in view of the facts of the present case. In New England Duplicating Company, there was no question as to ownership of the goods, as in the present case, but rather the issue related to "abandonment" of the mark. The goods which were sold by New England Duplicating Company were goods to which they held

title, during use of the trademark.

In the instant case, the goods were no longer owned by Bose at the time they provided their repair services, but rather by the parties to whom they were sold. However, Bose does not attempt to controvert the fact that the goods were owned by others, apparently brushing this fact aside with the implication that due to the fact that they were the original manufacturer, somehow they retained title in the discontinued audiotape recorders and players. The fact is that the discontinued audio tape recorders and players belonged to third parties and thus "title and ownership" was not in Bose.

The fact is that at the time that the Section 9 and 8 renewal filing was made, that Bose made a verified statement as to "use in Commerce" of the mark when in fact Bose was well aware that it was no longer making, manufacturing and/selling the goods so claimed. This knowing Declaration simply constitutes "fraud" on the USPTO.

In its counterclaim argument, Bose refers to the "extensive testimony" from its witness Mark Sullivan that at the time the Section 9/8 was signed and filed, Bose was servicing the discontinued audiotape recorder and player component. Bose is correct in stating that Applicant does not controvert the services provided by Bose in its alleged "repairing" of the discontinued audiotape recorders and players, owned by another. The fact is that at the time the repair services were provided, Bose was only a bailee of the goods and not the owner of the goods in any remote sense. One can hardly be said to be making use of one's mark on or in

connection with someone else's goods. *See* 15 U.S.C. § 1127; *Standard Pressed Steel Company v. Midwest Chrome Process Company*, 183 USPQ 758 (TTAB 1974).

Bose has admitted that at the time of the Section 9/8 filing that they no longer manufactured or sold the goods in question. Bose has admitted that at the time of the filing of the Section 9/8 that Bose was only involved in repair services of the goods. Bose may or may not have a right to a service mark with regard to repair services, however, this is of no consequence in the instant case.

Bose comes to the meritless conclusion that the holding of Standard Pressed Steel Co., v. Midwest Chrome Press Co. does not apply because Bose was the "original manufacturer." The Standard Pressed Steel Co., v. Midwest Chrome Press Co. case is directly on point with respect to the present case facts. In that case the Standard Company was performing an electroplating on goods (which it did not sell, did not manufacture and did not own). Bose now is claiming ownership of a trademark on goods which at the time that the Section 9/8 was filed did not sell, did not manufacture and furthermore and did not own. The board decided that use of a mark in this manner does not necessarily afford a party trademark rights vis-à-vis those goods.

Bose in the Counterclaim argument has made the irrelevant statement that "Bose is the original manufacturer and source of the audiotape recorder and player goods". As the Board has clearly emphasized in their decision in Standard Pressed Steel Co., v. Midwest Chrome Process Company, "[t]he essence is title and

ownership." *Standard Pressed Steel Company v. Midwest Chrome Process* Company, 183 USPQ 758 (TTAB 1974). Thus, the statement by Bose is wholly inconsequential since at the time that the Section 9/8 was filed Bose was not the "owner" of the goods and merely provided "repair services" for the goods owned by another. It is irrefutable that at the time the Section 9/8 was signed and filed, that Bose was well aware that it was not manufacturing the goods, nor selling the goods in commerce.

Bose has made the statement that "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' ...". The fact that the "WAVE" mark remained on the products is irrelevant due to the fact that at the time that the repair process was ongoing (after the signing of the Section 9/8) the goods in fact were not being manufactured or sold by Bose under the "WAVE" mark.

With regard to Bose providing evidence that some customers paid for such goods bearing the "WAVE" mark to be repaired and transported back to them. This is a misleading statement in that what the customers were paying for was "repair services" and certainly not for the goods for which they had already purchased and owned.

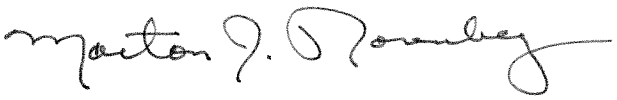
Bose has not controverted the evidence that they are not owners of the goods upon which repair services were provided. Bose has taken the position that

their repair services provided to owners of the goods constitutes "use in commerce". This position taken by Bose is in direct opposition to the statute and case law.

CONCLUSION

Wherefore for the reasons set forth above HEXAWAVE respectfully requests that this Opposition be dismissed and Registration Number 1,633,789 be canceled.

Respectfully submitted,



Morton J. Rosenberg
Jun Y. Lee
Rajiv S. Shah

Rosenberg, Klein & Lee
3458 Ellicott Center Drive
Suite 101
Ellicott City, MD 21043

Attorneys for Applicant
HEXAWAVE, Inc.

CERTIFICATE OF ELECTRONIC FILING

I HEREBY CERTIFY under 37 CFR § 1.8(a) that this correspondence is being electronically submitted to the Trademark Trial and Appeal Board on the date shown below.

11 August 2006
Date of Deposit

Morton J. Rosenberg
Morton J. Rosenberg

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 11th day of August 2006, a copy of the foregoing Applicant's Main Brief was mailed, first-class, postage prepaid, to Charles Hieken, Esquire and Amy L. Brosius, Esquire, Fish & Richardson P.C., 225 Franklin Street, Boston, MA 02110-2804.

Morton J. Rosenberg