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

Proceeding	91173003
Party	Plaintiff Apple Computer, Inc. Apple Computer, Inc. ,
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Attorney Docket No. 20750-041500US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In re: Application Ser. No. 78/762,928
Published: August 1, 2006
Mark: **PODFITNESS**

In re: Application Ser. No. 78/775,610
Published: August 22, 2006
Mark: **PODFITNESS.COM & Design**

In re: Application Ser. No. 78/787,637
Published: September 5, 2006
Mark: **PODPOCKET**

In re: Application Ser. No. 78/800,739
Published: September 5, 2006
Mark: **PODWORKOUT**

APPLE INC.,

Opposer,

vs.

PODFITNESS, INC.,

Applicant.

Opposition No. 91/173,003

OPPOSER'S REQUEST FOR CLARIFICATION AND/OR RECONSIDERATION OF ORDER

I. INTRODUCTION

Apple Inc. filed oppositions to four pending applications filed by PodFitness, Inc. for the marks **PODFITNESS, PODFITNESS.COM & Design, PODPOCKET** and **PODWORKOUT,** ("The PodFitness Marks"), which oppositions have been consolidated into the present opposition proceeding. Inasmuch as Apple also has filed a civil action against PodFitness and is presently litigating its claims, *inter alia*, for trademark infringement and dilution based on its use of these same marks, Apple previously moved the Board for, and was granted, a suspension of these proceedings pending disposition of *Apple Computer, Inc. v. Podfitness, Inc.*, now pending in the United States District Court for the Northern District of California.

The Board and the District Court evidently viewed the issue raised in Apple's previous motion similarly, as the very same day that the Interlocutory Attorney issued the Order dated May 10, 2007, granting Apple's motion to suspend, the District Court granted its own order, denying PodFitness' motion to stay the civil proceeding. See Exhibit A. Apple's claims against PodFitness therefore continue to be litigated in District Court. Once a judgment is entered in Court, the present proceeding likely will be rendered moot, as one of the prayers for relief made in the Complaint is expressly that the Court enter an order directing the Trademark Office to enter judgment in Apple's favor in the opposition and to refuse registration of Applicant's marks. As the Interlocutory Attorney properly recognized, a "[c]ourt decision may bind a party in an administrative Board proceeding." Order at p.3, citing Vol. 5, J. McCarthy, McCarthy on Trademarks and Unfair Competition, 32:49 (4th ed.).

II. REQUEST FOR CLARIFICATION OR RECONSIDERATION

Although she granted Apple's request for suspension of this proceeding, the Interlocutory Attorney nevertheless ordered that Opposer "advise the Board of any related cases on an ongoing

basis throughout the pendency of this case." She later ordered Apple to "inform the Board of any opposition in which opposer also has brought allegations similar to those made in the action pending before the district court, namely that consumers associate the term POD with opposer and are thus likely to be confused by the user of marks employing the term POD by Applicant." While Apple, of course, wishes to comply with all orders from the Board, it must respectfully request clarification and/or reconsideration of this requirement.

A. There Are No Other Related Cases

First, Apple does not believe any other cases are "related" to the present case. While the Interlocutory Attorney did not define the term "related", Applicant understands this to be similar to the definition used by the U.S. District Court for the Northern District of California, that is:

> Rule 3-12. Related Cases.
>
> (a) **Definition of Related Cases**. An action is related to another when:
> (1) The actions concern substantially the same parties, property, transaction or event; and
> (2) It appears likely that there will be an unduly burdensome duplication of labor and expense or conflicting results if the cases are conducted before different judges."

The related cases against PodFitness' applications have already been consolidated herein, and Opposer is not aware of any other related cases.[1] Any other oppositions Apple has filed involve different parties and different marks, and do not fall within the confines of Rule 3-12, or any other commonly-recognized definition of a "related case." If the Board would like Apple to report any additional, related cases it may file in the future against PodFitness, it could certainly comply. However, because Apple believes there are no other pending, related cases there appears to be no present reporting requirement under the Order.

[1] While PodFitness has filed oppositions to Apple's own applications for other marks, those cases have not been consolidated herein, as they involve completely different marks and issues, and no efficiency would be gained by consolidation.

B. No Mechanism Exists For a Reporting Requirement in a Suspended Case

Apple is aware of no appropriate mechanism for administering an ongoing reporting requirement on a party to disclose similar allegations made in other opposition proceedings. To Apple's knowledge, no governing rules exist, either from the Board or in the federal rules. The absence of any governing mechanism is particularly compelling reason not to impose a reporting requirement here, where the case has already been suspended and may very likely never be fully litigated before the Board.

If the Board believes a discrete factual issue common to multiple opposition proceedings could be determined and then applied in multiple cases, analytically, the doctrine of collateral estoppel would seem to be the possible tool. However, estoppel is raised as an affirmative defense, not as an affirmative duty. Moreover, in light of the fact-specific nature of the likelihood of confusion analysis, the various differences between marks and the parties' goods and services in different cases makes the estoppel doctrine difficult, if not impossible, to apply. See, e.g., *Trek Bicycle Corp. v. Fier*, 56 USPQ2d 1527 (TTAB 2000) (declining to use collateral estoppel based on decision in prior case, when marks under consideration are different); *FirstHealth of the Carolinas Inc. v. CareFirst of Maryland, Inc.*, 81 USPQ2d 1919 n.1 (Fed. Cir. 2007) ("We do not decide whether the Board's likelihood of confusion and dilution findings would have a preclusive effect on the same issues in some hypothetical future litigation; indeed they may not.") *citing Jim Bean Brands Co. v Beamish & Crawford, Ltd.*, 937 F.2d 729, 734, 736 (2d Cir. 1991) (holding that the issue of likelihood of confusion in a prior cancellation proceeding was sufficiently different from the issue of likelihood of confusion presented in subsequent litigation such that the Board's finding did not have preclusive effect."); *Miss Universe L.P. v. Community Marketing Inc.*, 82 U.S.P.Q.2d 1562 (TTAB 2007) ("To the extent the applicant is arguing that this prior case has some sort of res judicata or collateral estoppel

effect in the present case, such contention is without merit given the differences in the marks and goods at issue in the prior case."). The inapplicability of collateral estoppel is even more apparent here, where the factual allegation identified by the Interlocutory Attorney, i.e., "that consumers associate the term POD with opposer and are thus likely to be confused by the user of marks employing the term POD by Applicant," is not a determination made in the abstract but in light of the particular goods and services at issue.

The lack of a procedural mechanism as well as the only dubious application of the collateral estoppel doctrine militates against compelling a reporting requirement on Apple here.

C. Other, Non-Related Cases Involving Apple Have Minimal, or No Relevance To the Issues Here

To the extent the second sentence of the Order quoted above is meant to define a "related case" as any case in which Apple has made the specific allegation "that consumers have come to identify POD with Apple," Opposer respectfully requests reconsideration as it does not understand how such information would assist the Board in determining the merits of this case.

As the Board is well aware, the determination of likelihood of confusion involves analysis of a host of factors, including, foremost, a comparison of the parties' marks and of the goods or services with which the respective marks are used. This analysis must be made on a case-by-case basis. Thus, Apple's rights against PodFitness' marks herein will necessarily be analyzed separately from its rights that may be asserted against a third party involving a different mark.

Information about other cases where Apple has made a similar factual allegation, among its many other allegations raised in a Notice of Opposition, plainly would have extremely limited relevance, if any at all. As is apparent from the Notice of Oppositions consolidated herein, Apple's belief that PodFitness' marks are likely to confuse consumers is based on Apple's rights (1) first, in its famous IPOD marks, (POD being the dominant component of Applicant's marks,

and the additional terms, i.e. FITNESS, WORKOUT, POCKET being generic terms); (2) secondly, in the mark shown in its prior pending application for POD, and, (3) finally, on the fact that consumers have come to identify POD for certain goods and services with Apple, so that use of a composite mark comprised of the dominant component POD with a generic term is likely to cause consumer confusion with Apple's marks. All of the Apple's allegations made herein also are specifically directed at the four particular marks at issue in this consolidated proceeding, and are based on the particular goods and services with which Applicant's mark will be used, which, in this case, are goods and services related to handheld electronic media players, the goods with which Apple uses its famous **IPOD** mark. These allegations would have no applicability in another case.

D. It Is Not Reasonable or Necessary to Impose a Reporting Requirement on Apple in a Suspended Case

To the extent the Board's order appearing to set a continuing obligation on Apple is based on the efficiency concerns raised in Applicant's Opposition to Apple's Motion to Suspend, Apple respectfully suggests the Board has already expressed its disagreement with Applicant's Opposition, and with valid reasons. First, in light of the civil action now proceeding between the parties, this Opposition may never be litigated before the Board, and no efficiency is therefore gained by requiring the reporting of information that may be completely unnecessary.

Further, as noted above, since the determinations of trademark infringement and dilution are plainly fact-specific and Applicant's "POD-formative" marks are presumably not the same as other POD-formative marks which Apple may be opposing in other cases, no efficiency would be gained by having the one particular issue, i.e., whether consumers have come to associate POD with Apple, extracted from Apple's oppositions and separately considered. Moreover, such a determination of a underlying factual matter, even if alleged in multiple matters, has no relevance in the abstract, but only as it relates to the infringement or dilution analysis to be

undertaken in a particular case, that is, with due regard to the similarity of the parties' respective marks and the relatedness of their goods and services.

Finally, to the extent the Board intended to order an ongoing reporting requirement on Apple in this now suspended proceeding, and despite the factual variables and differences that may be at issue in any particular case and the lack of any efficiency gained by such a requirement, Apple requests reconsideration in light of the burden such a requirement would impose on Opposer, as well as on the Board itself. Apple enforces its trademark rights by filing trademark oppositions on a case by case basis; some of these are, of course, fully litigated, while some are withdrawn or otherwise resolved shortly after the oppositions are filed. Requiring Apple to report about allegations that may not be litigated would likely result in unnecessary paperwork and information being provided to the Board and confuse the issues that actually need to be decided in any given opposition. There would be no convenient mechanism for Opposer to identify and report to the Board about allegations made in any of these proceedings, and Opposer would be forced to spend additional time and resources setting up such a procedure, --all for the purposes of a suspended proceeding--and which would be of limited evidentiary value, as described above.

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III. CONCLUSION

For all of these reasons, and because there is no reasonable basis for failing to follow the usual practice mandating suspension of all activities in this proceeding pending final disposition of the civil action, Apple respectfully requests that Board clarify and/or reconsider its May 10, 2007, Order and excuse Apple from any apparent ongoing reporting requirement to the Board.

Date: June 29, 2007

Respectfully submitted,

TOWNSEND *and* TOWNSEND *and* CREW LLP

By: _____

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CERTIFICATE OF SERVICE

I hereby certify that on June 29, 2007, I caused the foregoing **OPPOSER'S REQUEST FOR CLARIFICATION AND/OR RECONSIDERATION OF ORDER 37 C.F.R. §2.117(a)** to be served by United States mail, postage prepaid, in an envelope addressed to:

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EXHIBIT A

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

APPLE COMPUTER, INC.,

Plaintiff,

v.

PODFITNESS, INC., and DOES 1-100, inclusive,

Defendants.

No. C 06-5805 SBA
ORDER
[Docket No. 31]

Before the Court is defendant Podfitness Inc.'s motion to stay this action pending the outcome of an opposition proceeding initiated by plaintiff Apple Computer Inc. before the Trademark Trial and Appeal Board [Docket No. 31]. After reading and considering the arguments presented by the parties, the Court finds this matter appropriate for resolution without a hearing. *See* Fed. R. Civ. P.. 78. For the reasons that follow, the Court DENIES Podfitness's motion to stay.

BACKGROUND

Podfitness offers individualized workout routines that can be downloaded to a user's iPod from Podfitness's website, *podfitness.com*. On September 21, 2006, plaintiff Apple Computer, Inc. filed a complaint against Podfitness alleging eight separate causes of action under both federal and state statutes for trademark infringement, trademark dilution, trade dress infringement, unfair competition, false designation of origin, and misleading advertising. Opp. at 5:6-9. In addition to the

Exhibit A

claim that Podfitness's "PODFITNESS" mark (the registration of which Apple is currently opposing before the Trademark Trial and Appeal Board) infringes Apple's "IPOD" trademark, Apples alleges that Podfitness has engaged in numerous tortious activities for the purpose of creating confusion as to the source of Podfitness's goods and services, and creating a false impression of an association with Apple and Apple's products. Such activities allegedly include the running of advertisements featuring Apple CEO Steve Jobs's name and mimicking Apple's award-winning "silhouette" commercials, the direct copying of Apple's recognized white earbud trade dress, and the use of Apple's IPOD mark as a metatag, as a sponsored search engine keyword, and in domain names.[1] *Id.* at 3:1-11. Apple further alleges that Podfitness requires its subscribers to use Apple's proprietary iTunes software in conjunction with its own derivative application in order to access its services, thereby violating licensing and developer agreements in place between the parties. *Id.* In short, the gravamen of Apple's lawsuit is that "[Podfitness]'s entire marketing strategy appears to consist of hitching its wagon to Apple's star." *Id.* at 5:14-15.

Podfitness moves to stay this action pending the outcome of the opposition proceeding initiated by Apple opposing the federal registration of Podfitness's PODFITNESS, PODFITNESS.COM, PODPOCKET, and PODWORKOUT marks. Mot. to Stay at 2:2-6. Podfitness argues that since the likelihood of confusion of Podfitness's POD-formative marks is central to all of Apple's claims, this Court should stay this case pending the outcome of the Trademark Trial and Appeal Board's ("TTAB") determination of whether Podfitness's marks are registrable since the TTAB's analysis will necessarily adjudicate Apple's likelihood of confusion contentions. *Id.* at 2:6-15. Furthermore, Podfitness claims that Apple has initiated numerous other oppositions before the TTAB seeking to preclude others from registering trademarks containing word combinations which include the term "POD," and therefor a stay will further the interests of judicial economy because the TTAB's decision will comprehensively adjudicate Apple's right to preclude others from using POD-formative marks. *Id.* Opp.at 2-6:8.

[1]Apple alleges that Podfitness has registered the domain names *ipodfitness.com* and *ipodworkouts.com* in bad faith.

LEGAL STANDARD

Under the primary jurisdiction doctrine, the court should stay proceedings which are properly within the jurisdiction of, and are in fact presently under consideration by, an agency with extensive regulatory powers over the subject matter and the parties involved. *Industrial Communications Sys. v. Pacific Tel. Tel. Co.*, 505 F.2d 152 (9th Cir. 1974). "Primary jurisdiction thus recognizes that even though Congress has not empowered an agency to pass on the legal issues presented by a case involving issues of federal law, the agency's expertise may, nevertheless, prove helpful to the court in resolving difficult factual issues." *Johnson v. Nyack Hosp.*, 964 F.2d 116, 122 (2d Cir. 1992). The doctrine allows an agency to "pass on factual issues that require specialized, technical knowledge." *Id.* at 122-23.

The Ninth Circuit has held that a determination under the doctrine of primary jurisdiction of whether or not a court should stay a proceeding which is under consideration by an agency depends on the extent and amount of regulatory powers vested in the agency. *See, e.g., Industrial Communication Sys.*, 505 F.2d at 156 (finding the California Public Utilities Commission had primary jurisdiction over antitrust action by operators of one-way signaling businesses against telephone companies because the agency was charged with regulating the complex industry and that the district court could obtain the benefit of the agency's expertise in ascertaining, interpreting and distilling the facts and circumstances underlying the legal issues).

ANALYSIS

Podfitness submits that a stay of this action pending the TTAB's decision will "promote a uniform and efficient adjudication of the parties' rights, while, at the same time, avoiding the potential for inconsistent judicial determinations concerning Apple Computer's rights to preclude others from using pod-formative marks." Mot. to Stay at 2:12-15. Apple counters that, since the TTAB's decision will only determine the *registrability* of Podfitness's marks, this Court will still have to adjudicate Apple's claims for trademark infringement, dilution, false advertising and unfair competition regardless of the substance of the TTAB's determinations, and therefore a stay would only serve to delay the resolution of these issues, perhaps for years. Opp. at 6:25-7:13.

There is little caselaw within the Ninth Circuit applying the doctrine of primary jurisdiction to cases involving trademark infringement. The Second Circuit is the only circuit court to have reached this issue. In *Goya Foods, Inc. v. Tropicana Products, Inc.*, 846 F.2d 848 (2d Cir.1988), the court considered whether it should stay proceedings involving issues of validity and infringement pending the outcome of a decision by the PTO. In deciding not to enter the stay the court reasoned:

> If a district court action involves *only* the issue of whether a mark is entitled to registration and if subject matter jurisdiction is available, the doctrine of primary jurisdiction might well be applicable . . . . But where, as in the pending case, a district court suit concerns infringement, the interest of prompt adjudication far outweighs the value of having the views of the PTO. Whether a litigant is seeking to halt an alleged infringement or, as in this case, seeking a declaration of non-infringement, it is entitled to have the infringement issue resolved promptly so that it may conduct its business affairs in accordance with the court' s determination of its rights.

Id. at 854-55 (citations omitted)(emphasis added). The present case similarly concerns other legal issues, in addition to trademark infringement, that cannot be determined by the TTAB, such as dilution, unfair competition, and false advertising. The only other Northern District case to have touched upon this issue post-*Goya* is *Freecyclesunnyvale v. Freecycle Network, Inc.*, No. C 06-00324 CW, 2006 WL 870688, *6 (N.D. Cal. April 4, 2006) (Wilken, J.), in which the court noted that "[t]he PTO cannot decide issues of trademark infringement; this is a matter that must be decided in a court"(holding that plaintiff need not first exhaust administrative remedies by waiting for the results of its opposition to the trademark application before filing declaratory relief action in district court) (citing *Goya Foods*, 846 F.2d at 853-54). Similarly, in this case, the TTAB is incapable of resolving all of the issues between the parties. Granting a stay would only serve to postpone resolution of these issues, potentially for years, forcing the Court to eventually adjudicate what will inevitably be by then stale factual claims, and will in the interim allow Podfitness to continue its allegedly infringing activity unfettered.[2] Therefore, the Court denies Podfitness's Motion to Stay.

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[2]In an apparent act of desperation, in its reply brief Podfitness states that "[i]n a good faith effort to place proper focus on the real issue," if the stay is granted, Podfitness will agree to cease its allegedly infringing activities by changing its advertising and other practices during the pendency of the stay. Reply at 2:9-12. The Court gives no consideration to this curious offer; motion practice is no place for bartering the settlement of claim.

CONCLUSION

For the forgoing reasons, IT IS HEREBY ORDERED THAT Defendants' Motion to Stay [Docket No. 31] is DENIED.

IT IS SO ORDERED.

Date: 5/9/07

Saundra Brown Armstrong
United States District Judge