

**THIS OPINION IS NOT A
PRECEDENT OF THE TTAB**

Mailed:
March 19, 2012
Bucher

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Apple, Inc.

v.

Sector Labs, LLC

Opposition No. 91176027
against Serial No. 78215335

Marie C. Seibel and Margaret C. McHugh of Kilpatrick
Townsend & Stockton LLP for Apple, Inc.

Ana I. Christian, of Law Offices of Ana I. Christian for
Sector Labs, LLC.

Before Bucher, Taylor and Wellington, Administrative
Trademark Judges.

Opinion by Bucher, Administrative Trademark Judge:

Sector Labs, LLC seeks registration on the Principal
Register of the mark **VIDEO POD** (*in standard character
format*) for "video projectors using an optical means to
reproduce moving picture signals on a remote surface, for
business and entertainment purposes" in International Class
9.¹

¹ Application Serial No. 78215335 was filed on February 14, 2003, based upon applicant's allegation of a *bona fide* intention to use the mark in commerce. No claim is made to the exclusive right to use the word "Video" apart from the mark as shown.

Apple, Inc. has opposed this application on the ground that the applied-for mark is a merely descriptive term under Section 2(e)(1) of the Act, 15 U.S.C. § 1052(e)(1), and alternatively, on the ground of priority of use and likelihood of confusion, alleging that applicant's mark, when used in connection with the identified goods, so resembles the following registered marks:

IPOD for "portable and handheld digital electronic devices for recording, organizing, transmitting, manipulating, and reviewing audio files; computer software for use in organizing, transmitting, manipulating, and reviewing audio files on portable and handheld digital electronic devices" in International Class 9;² and

IPOD for "portable and handheld digital electronic devices for recording, organizing, transmitting, manipulating, and reviewing text, data, and audio files; computer software for use in organizing, transmitting, manipulating, and reviewing text, data, and audio files on portable and handheld digital electronic devices" in International Class 9;³

as to be likely to cause confusion, to cause mistake or to deceive, under Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d).⁴

² Registration No. 2835698 issued on April 27, 2004; Section 8 affidavit accepted and Section 15 affidavit acknowledged.

³ Registration No. 3089360 issued on May 9, 2006; Section 8 affidavit accepted and Section 15 affidavit acknowledged.

⁴ During the course of this litigation, both parties have brought claims and raised defenses that we will not deal with in this opinion. Although opposer alleged a likelihood of dilution under Section 43(c) [see original Notice of Opposition of March 6, 2007, ¶¶ 12-14, TTABVue Entry #1; and ¶¶ 15-17 of first amended pleading of August 20, 2009, TTABVue Entry #34], and fraud [see second amended Notice of Opposition of November 19,

Respondent, in its answer, denied all the salient allegations of the notice of opposition.

I. THE RECORD

In addition to the pleadings, the file of Sector Labs LLC's opposed application Serial No. 78215335 is part of the record without any action by the parties. Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b). Opposer introduced into evidence the trial testimony (designated "CONFIDENTIAL"), taken on September 8, 2010, of Thomas La Perle, Assistant Secretary, Legal, for Apple Inc., and having attached thirty-five exhibits [TTABVue Entry ## 82-84]. Additionally, on September 20, 2010, opposer filed its first Notice of Reliance with Exhibits 1 through 213 [TTABVue Entry ## 63-68] and its Second Notice of Reliance, dated May 2, 2011, with Exhibits 214 through 222. [TTABVue Entry # 81].

2009, ¶¶19-25, TTABVue Entry #41] approved by the Board on May 19, 2010 [TTABVue Entry #56]; and applicant raised affirmative defenses of estoppel, waiver, laches and unclean hands [see applicant's answer to amended notice of opposition dated November 25, 2009, ¶¶ G-I, TTABVue Entry #42]; inasmuch as these claims and defenses are not discussed in the final briefs, we treat them as having been waived.

On November 19, 2010, Applicant filed its Notice of Reliance [TTABVue Entries ## 70-71].⁵ Additionally, applicant introduced into evidence the trial testimony taken on November 15, 2010, of Daniel Kokin, President and Founder of Sector Labs, LLC, and having attached applicant's Exhibit Nos. 1-5 and opposer's Exhibits A-J [TTABVue Entries ## 79-80].

Both parties have fully briefed the issues remaining before the Board.⁶

II. PRELIMINARY MATTERS

Each of the parties has raised objections to our consideration of various portions of the record.

Opposer objects on the basis of hearsay to copies of the online contributions of anonymous Internet bloggers that applicant has placed into the record.⁷ Applicant quotes at length from bloggers' criticisms of the fact that Apple even

⁵ We note that although opposer had earlier asked [TTABVue Entries ## 72, 77] that this untimely filing be stricken from the record, in an order of April 1, 2011 [TTABVue Entry #78], the Board found excusable neglect and therefore we have considered this evidence in reaching our final determination.

⁶ We note that the Board has also denied two successive motions for summary judgment filed by opposer. Opposer's first summary judgment motion was filed on January 13, 2009 [TTABVue Entry ##21-25], based on Section 2(d), denied on July 22, 2009 [TTABVue Entry #31], and opposer's second summary judgment motion was filed on November 19, 2009 [TTABVue Entry #40], based on Section 2(e)(1), denied on April 20, 2010 [TTABVue Entry #55].

⁷ Opposer's reply brief at 16-17 [TTABVue Entry #89].

filed this opposition. Applicant uses these blogs in an effort to buttress its position that members of the relevant public would never associate applicant's "Video Pod" mark with **Apple** or **IPOD**.

Apart from whether or not this represents a large or small number of persons commenting on this particular litigation, we accord no weight to the harsh criticisms of Apple from anonymous bloggers. It is commonplace in the cyberworld for public officials and commercial establishments to be maligned by intemperate users of the blogosphere who hide behind anonymity or pseudonymity as a cloak of protection. Hence, even if we should choose not to exclude these comments under the hearsay rule, given their inherent unreliability, we find substantially no credibility, trustworthiness or probative value in these blogs on the issues before us, and especially as to whether prospective consumers would find the parties' marks confusingly similar and/or would be confused about the source of applicant's named goods.

Opposer has also objected to Exhibits 2 and 3 from Mr. Kokin's trial deposition, as well as any transcript

testimony about these exhibits.⁸ Opposer argues that applicant is attempting to introduce evidence at trial that it failed to produce in discovery.

Consistent with its identification of goods in the application as filed, applicant invariably took the position throughout the discovery phase of this proceeding, that the only goods it intended to sell under its **VIDEO POD** mark would be "video projectors using an optical means to reproduce moving picture signals on a remote surface, for business and entertainment purposes."⁹

Specifically, opposer's Request for Documents #2 asked for "all documents referring or relating to" the named goods to be sold under the **VIDEO POD** mark.¹⁰ Opposer asked for documents and propounded interrogatories about any proposed or actual agreements involving the named projectors.¹¹

⁸ See opposer's motion to exclude certain portions of the testimony deposition of D. Kokin [TTABVue Entry # 85] and declaration of M. Seibel in support of opposer's motion to exclude portions of D. Kokin's testimony [TTABVue Entry # 86].

⁹ See Seibel Decl., Ex. A at 2; Ex B at 2; and Ex. E at No. 1 [TTABVue Entry # 86].

¹⁰ DOCUMENT REQUEST NO. 2: All Documents or things referring or relating to goods offered or intended to be offered by You or services provided or intended to be provided by You under Your Mark.

RESPONSE TO REQUEST NO. 2: 1. Brochure page **v6.pdf**; Video Pod product brochure page.

¹¹ DOCUMENT REQUEST NO. 33: All documents or things referring or relating to any proposed or actual agreements for the advertising, promotion, sponsorship and/or endorsement of the goods/services You promote or intend to promote under

Opposer asked for any written or printed materials used to display, market or label these projectors.¹² Opposer also

Your Mark in any channel of trade.

RESPONSE TO REQUEST NO. 33: **Naka.ppt** (rough draft) created for a proposed joint venture with Nakamichi America Corp. Sector ultimately met with Dean Miller, the acting President/Director, Int'l Marketing. Created May 29, 2002.

* * *

INTERROGATORY NO. 8: Identify all documents referring or relating to proposed or actual agreements for the advertisement, promotion, sponsorship, and/or endorsement of the goods/services You promote or intend to promote under Your Mark in any channel of trade.

RESPONSE TO INTERROGATORY NO. 8: Document **Naka.ppt** (attached) is a Powerpoint (rough draft) created for a proposed joint venture with Nakamichi America Corp. Sector ultimately met with Dean Miller, the acting President/Director, Int'l Marketing. Created May 29, 2002
FIRST SUPPLEMENTAL RESPONSE: Sector objects to the interrogatory to the extent that it is vague, ambiguous or burdensome. Sector also objects to the extent that information sought is protected under a claim of trade secret and/or confidentiality.

The information PowerPoint (**Naka.ppt**) was provided in error. The proposed relationship with Nakamichi America Corp. predated the development of the VIDEO POD. Sector requests that the OPPOSER remove said document.

As stated in Sector Labs' response to interrogatories 4 and 5, a few attempts were made to develop marketing, manufacturing, and distribution partnerships with Sojitz, Microtek, and Funai; however none of the proposed joint ventures were successfully agreed upon.

Sector continues to identify documents and reserves the right to supplement the identification of documents with respect to INTERROGATORY No. [8].

¹² INTERROGATORY NO. 15: Identify all labeling, packaging, displays, or other written and printed materials that have been or will be used to display, market, and/or label each good offered and/or service provided under Your Mark.

RESPONSE TO INTERROGATORY NO. 15: Sector has insufficient information to answer this question. Sector will make this information available in the event that any additional information is found to exist.

FIRST SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 15: Sector objects to the interrogatory to the extent that it is vague, ambiguous, and burdensome. Sector also objects to the extent that information sought is protected under a claim of trade

asked for any documents concerning intended or actual customers for the projectors.¹³

Nonetheless, when applicant took the testimonial deposition of its president, Daniel Kokin, on November 15,

secret and/or confidentiality.

Sector will supplement this response as documents are identified.

¹³ DOCUMENT REQUEST NO. 14: Documents sufficient to identify all categories of actual or intended purchasers (e.g. retailers, general public, wholesalers, individual consumers) of each category of good and/or service advertised, distributed, provided or sold or intended to be advertised, distributed, provided or sold by You or on Your behalf under Your Mark.

RESPONSE TO REQUEST NO. 14: Sector has insufficient information to answer this question. Sector will make this information available in the event that any additional information is found to exist.

* * *

INTERROGATORY NO. 16: Identify the actual or intended categories of purchasers (e.g. retailers, general public, wholesalers, individual consumers) of each category of good and/or service that is or will be advertised, distributed, provided or sold by You or on Your behalf under Your Mark.

RESPONSE TO INTERROGATORY NO. 16: Sector has insufficient information to identify the intended categories of purchasers of each category of goods and/or services that will be advertised, distributed, provided or sold by Sector or on Sector's behalf under the VIDEO POD mark.

FIRST SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 16: Sector objects to the interrogatory to the extent that it is vague, ambiguous, and burdensome. Sector also objects to the extent that information sought is protected under a claim of trade secret and/or confidentiality.

As stated in interrogatories 4 and 5, Sector plans to use the resources of a marketing/manufacturing/distribution partner. The actual or intended categories of purchasers will ultimately depend on the type of joint venture. For example, if Sector may choose to sell and distribute products under the VIDEO POD mark. If so, Sector may choose to sell directly to consumers, in addition to wholesale and retail channels.

Sector's second supplemental response will provide more information.

2010, two of the five exhibits introduced by applicant's counsel had not been produced to opposer during discovery. The first document is entitled "Video pod, Request for Proposal," dated July 8, 2002, seemingly created at a time when applicant was seeking a development partner. This document describes the projector and displays many aspects of applicant's "Video Pod" devices.¹⁴ The second document is entitled "Video Pod, Preliminary Product Description / Demonstration Unit Development / Beta Unit Development," dated August 21, 2002 (six weeks after the above document), which similarly describes and displays applicant's "Video Pod" projectors and purports to describe "the market from which the Pod will find its highest levels of demand."¹⁵

Opposer's counsel objected immediately and on the record to the surprising introduction of these exhibits.¹⁶ In spite of what seem to be unambiguous discovery requests, applicant never produced these two exhibits in its initial or in any supplemental production.

In the face of opposer's case under Section 2(e)(1) of the Act, applicant effectively altered the weight of the

¹⁴ TTABVue Entry # 79, Exhibit 2.

¹⁵ TTABVue Entry # 79, Exhibit 3 at pp. 5, 11-12.

¹⁶ D. Kokin Depo. at 11 and 13, Ex. 2 and 3 [TTABVue Entry #79].

record and charted a new course for the litigation. In stark contrast to earlier discovery and litigation responses, where applicant was adamant that it had chosen the name "Video Pod" because of the product's "pod-like shape," these exhibits support allegations that applicant considered other "non-pod-like" configurations for the "Video Pod" product. In fact, during trial, applicant referred to these two documents as evidence supporting a conclusion that the final planned iteration of the product form was not necessarily pod-shaped.

Because Exhibits 2 and 3 were plainly encompassed by opposer's discovery requests and yet were never produced to opposer, opposer was denied the opportunity to conduct further meaningful discovery on or timely evaluate the importance of these documents.

While applicant concedes that these documents were "inadvertently not produced in discovery," it argues that the exhibits and related testimony should be considered inasmuch as they are relevant, related to other documents in the record and that opposer will not be harmed by their consideration.¹⁷ We disagree.

¹⁷ Applicant's trial brief at 4 [TTABVue Entry # 88].

These two trial documents stressing non-pod-like configurations, if admitted and unrefuted, contradict applicant's earlier, unchanging position during discovery and pretrial motions that a significant characteristic of the involved goods was their "pod-like shape."¹⁸ Applicant has not provided substantial justification for its failure to disclose these documents during discovery. With the degree of surprise and potential harm to opposer represented by these documents, the mere fact that opposer had an opportunity to cross-examine Mr. Kokin does not provide an adequate remedy. In fact, to permit applicant to rely upon these documents and Mr. Kokin's related testimony would be to countenance the very type of unfair trial tactic that the Federal Rules¹⁹ and the Board's precedent²⁰ are meant to

¹⁸ Although it should also be noted that *many* of the images in both documents retain an overall configuration or form that would accurately be described as "pod-shaped."

¹⁹ Fed. R. Civ. P. 37(c)(1): "If a party fails to provide information ... as required by Rule 26(a) or (e), the party is not allowed to use that information ... to supply evidence at a trial ... unless the failure was substantially justified or is harmless."

²⁰ See *Super Valu Stores Inc. v. Exxon Corp.*, 11 USPQ2d 1539, 1543 (TTAB 1989) (party may not refuse to answer interrogatories by claiming confidentiality and then introduce responsive information during its trial period); *Presto Products Inc. v. Nice-Pak Products Inc.*, 9 USPQ2d 1895, 1896 n.5 (TTAB 1988) (trademark search report not produced under attorney-client privilege, albeit rightfully withheld, still cannot be relied upon to support motion for summary judgment); *ConAgra Inc. v. Saavedra*, 4 USPQ2d 1245, 1247 n.6 (TTAB 1987) (exhibits demonstrating pronunciation not produced during discovery, though encompassed by discovery requests, excluded from consideration); and *National Aeronautics and Space Administration v. Bully Hill*

prevent. Accordingly, these exhibits and their related testimony have been excluded from consideration in this proceeding.

On the other side of the coin, applicant objects to much of opposer's cross-examination testimony from this same deposition of Mr. Kokin. One of the most frequent objections is that certain questions posed by opposer's counsel "called for speculation." These objections were timely asserted by Mr. Kellar, applicant's counsel and effectively warned the witness to avoid any speculation. Nonetheless, Mr. Kokin proceeded to answer many of the objected-to questions based upon his personal knowledge. Significantly all of those topics were relevant to issues raised by opposer in this litigation - likelihood of confusion, descriptiveness, and the veracity of the witness - and all of them topics anticipated by applicant's counsel during Mr. Kokin's direct examination testimony.

Applicant also interposed objections to Mr. Kokin's testimony on the basis of relevance and hearsay (at 55). As to those objections, the most significant exchange during

Vineyards Inc., 3 USPQ2d 1671, 1672 n.3 (TTAB 1987) (opposer's exhibits identified in applicant's brief as within the scope of documents requested by applicant but not produced by opposer during discovery, excluded from consideration). See also TBMP § 527.01(e), Note 2.

this portion of this cross-examination testimony (at 55-56) related back to the topic of "color compatibility" between applicant's intended video projector and large players in the field such as **X-Box, Apple, Sony, Nintendo**, etc. This is relevant subject matter raised by opposer's Exhibit E, and discussed earlier by applicant's witness (at 44). As to applicant's objections to opposer's Exhibit E (at 43), we conclude from Mr. Kokin's own testimony that Mr. Damir Perge controls an important source of funds for applicant's product development.²¹ We find that Mr. Kokin did receive a copy of Mr. Perge's email and read its contents. From the copy of this colorful email document, we conclude only that

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- ²¹ Q: [Stewart Kellar (redirect)]: " ... I want to turn your attention to Plaintiff's Exhibit E. It's an e-mail from Damir Perge. Now, can you explain to me again who is Damir?
- A: [Daniel Kokin]: Damir Perge was the fund manager for Tesla Capital, the investment group I became a portfolio member of.
- Q: Was he a member of Sector Labs?
- A: Only in the sense that he considers - considered himself the founder because he helped fund us.
- Q: Was he listed as a member in the operating agreement for Sector Labs?
- A: I cannot recall.
- Q: Okay. Did he have any final authority with regard to the form of the product that you intended to introduce to market?
- A: Only in the sense that he - only in the sense that if he didn't like what he saw, we would lose our funding. Kokin Depo. 84-85.

In other documentary evidence in the record, Mr. Perge is clearly identified as a "Co-Founder" of applicant and "Tribe Chieftain," Managing Partner of Tesla Capital, LLC and CEO of

one of applicant's critical sources of funding was offering his opinions on the benefits to applicant of "color compatibility" with equipment from **Xbox, Apple, Sony** and **Nintendo**. Hence, while we find this email exchange to be relevant and highly related to Mr. Kokin's testimony on direct examination, we agree with applicant it should be treated as hearsay, meaning that we cannot accept it for the truth of the matter asserted as to the benefits of color compatibility. In a similar fashion, we find that the relevance, reliability and probative value of any other email exchanges that Mr. Kokin had with third parties (e.g., Mr. John Chaisson,²² Mr. Hoffman Hibbet,²³ Ms. Natalia Daniel,²⁴ etc.) is weighed in light of the nature of their involvement with Sector Labs and/or their relationship with

Futuredex. See *naka.ppt*, final page at TTABVue # 80, p.20 of 138.

²² At one point, Executive Vice President of applicant. Applicant's Exhibit 4, p. 2. "John is responsible for strategic business management, corporate and organizational development and strategic relationships for Sector Labs. see *naka.ppt*, final page at TTABVue #80, p.20 of 138. Consistent with Mr. Kokin's testimony (at 85), he is also described as "active as a strategic advisor." TTABVue #80, p.28 of 138; and "advisor, Board Member." TTABVue #80, p.87 of 138.

²³ Former Chief Operating Officer of applicant. Applicant's Exhibit 4, p. 2. He has been described as an electrical engineer who offers business consulting services "for early stage companies." TTABVue #80, p.28 of 138; "advisor, Board Member," TTABVue #80, p.87 of 138; as well as the colorful a.k.a. of "Texas Chainsaw Oil Tumbleweed Millionaire and Man of Mystery." TTABVue #80, p.100 of 138.

²⁴ An ex-girlfriend of Mr. Kokin. Kokin Depo. 56-58, 61, 87 [TTABVue Entry # 79].

Mr. Kokin. In this context, we agree with applicant that the email exchanges should all be treated as hearsay, meaning that we conclude only that the exchanges took place, and that we cannot accept them for the truth of the matters asserted therein. On balance, however, we find no fault with the scope of the questions posed by opposer's counsel during this cross-examination - including cross-examination directed to these emails of record. Accordingly, we do not strike any portion of the cross-examination testimony or related exhibits, but consider them solely as evidence that certain communications took place as corroborated by the testimony of this deponent.

Applicant has objected to many of opposer's unpleaded registrations inasmuch as they were not pleaded in any of the Notices of Opposition. However, opposer did not introduce these registrations for purposes of establishing priority under Section 2(d) likelihood of confusion, but only to attempt to show the relatedness of the goods, and to support Apple's arguments as to the natural zone of expansion for opposer's **IPOD** media device and **IPOD** marks. See *Safer Inc. v. OMS Invs. Inc.*, 94 USPQ2d 1031, 1035 (TTAB 2010) (unpleaded registrations could not be used as a basis for the opposition, but like third-party registrations, they should be considered for "whatever probative value" they may

lend to opposer's showing under the *du Pont* factors in its case in chief).

Applicant also has objected to the errata sheet submitted by opposer's primary witness, Thomas La Perle. Applicant argues that with the submission of his errata sheet, Mr. La Perle made substantive changes to his testimony. We disagree. For example, we note Mr. La Perle's correction that during his testimony, surely he said "an Apple" (not "a Apple"), and that with the transcription, the reporter had inadvertently changed the meaning of his testimony with the insertion of an errant comma (i.e., " ... product comes[,] out ... ").²⁵ Overall, we find nothing untoward about the thirteen minor corrections Mr. La Perle made to 135 pages of transcribed testimony.²⁶

Finally, as to applicant's objection to the fact that Mr. La Perle's entire testimony was marked "Confidential," we agree with opposer's contention that " ... the testimony clearly addressed sensitive items, such as Apple's marketing plans and other confidential data, that provide Apple with an advantage in a highly competitive industry." However,

²⁵ TTABVue Entry # 82.

²⁶ Interestingly, this appears to be fewer corrections than applicant's primary witness, Mr. Kokin, made to far fewer pages of his own testimony.

only in very rare instances should an entire submission be deemed confidential. TBMP § 703.01(p); 37 C.F.R. § 2.126(c); TBMP §§ 120.02 and 412.04. In fact, opposer has referenced key parts of this testimony (e.g., figures of annual gross sales and advertising expenditures) in its public brief.²⁷ Accordingly, we request that opposer submit for the public record within thirty days of this decision a redacted version of Mr. La Perle's testimony, employing a rule of reasonableness to decide which pages or portions of deposition transcript pages need to be redacted in order to protect sensitive, confidential information.

III. FACTUAL FINDINGS

As legend would have it, Apple was launched from a Silicon Valley garage in the 1970s. After kicking off the personal computer revolution, opposer moved into a variety of other areas involving consumer electronic devices. Apple remains one of the most innovative enterprises in the world, having enjoyed tremendous success in industries such as computer hardware and software, consumer electronic devices

²⁷ Most of these annual gross sales figures and advertising expenditures are also drawn from publicly-available documents included in the TTABVue public record in the form of opposer's Notices of Reliance.

and digital media.²⁸ Opposer's nation-wide distribution is handled through its own retail and online stores as well as an extensive network of authorized distributors and resellers.²⁹ Apple generated over \$151.7 billion in net sales revenue between 2001 and 2009, of which approximately \$88 billion resulted from sales to customers in the United States.³⁰

In addition to the federal registrations upon which the opposition is based, the record also contains copies of another ten of Apple's U.S. trademark registrations, for **IPOD** (class 9);³¹ **IPOD** (class 25);³² **IPOD** (classes 9 and 22);³³ **iPod** (classes 9, 16, 28, 35, 39, 41 and 42);³⁴ **IPOD CLASSIC**

²⁸ La Perle Depo. 10:3-11 [TTABVue Entry # 82].

²⁹ La Perle Depo. 10:19-11:4 [TTABVue Entry # 82].

³⁰ Opposer's Not. Of Rel. 1 - See Ex. 1 at 12, 18, Internet 12 and 16 of 87, TTABVue Entry # 63 (48 and 52 of 300); Ex. 2 at 13, 19, Internet 11 and 15 of 84, TTABVue Entry # 63 (135 and 139 of 300); Ex. 3 at 15, 23, Internet 17 and 25 of 122, TTABVue Entry # 63 (226 and 234 of 300); Ex. 4 at 15, 26, Internet 16 and 27 of 115, TTABVue Entry # 64 (49 and 60 of 300); Ex. 5 at 19, 47, Internet 19 and 47 of 97, TTABVue Entry # 64 (168 and 196 of 300); Ex. 6 at 12, 35, Internet 14 and 37 of 128, TTABVue Entry # 64 (261 and 284 of 300); Ex. 7 at 11, 36, Internet 13 and 38 of 98, TTABVue Entry # 65 (90 and 115 of 300); and Ex. 8 at 14, 35, 41, Internet 14, 37 and 43 of 99, TTABVue Entry # 65 (191, 214 and 220 of 300).


³¹ Registration No. 3341191 issued on November 20, 2007.

³² Registration No. 3823241 issued on July 20, 2010.

³³ Registration No. 3497047 issued on September 2, 2008.

³⁴ Registration No. 3741470 issued on January 26, 2010.

(class 9);³⁵ **IPOD TOUCH** (class 9);³⁶ **IPOD NANO** (class 9);³⁷

 (class 9);³⁸ **IPOD SHUFFLE** (class 9);³⁹ and **POD** (class 9).

Applicant is a concept and development company founded in September 2001. Daniel Kokin, co-founder and President of Sector Labs, founded the company with an eye on the digital viewer and projection devices market. However, the only product applicant currently markets is an unrelated plumbing device that is offered for sale on applicant's website. Over the past decade, a number of concepts and designs have been displayed on applicant's website as it sought investors for its product concepts. At the time the record closed in this prolonged litigation, applicant had still not brought to market the "video projector for the masses" envisioned by applicant and described in the identification of goods in this intent-to-use application.⁴⁰

³⁵ Registration No. 3517722 issued on October 14, 2008.

³⁶ Registration No. 3489972 issued on August 19, 2008.

³⁷ Registration No. 3192683 issued on January 2, 2007.

³⁸ Registration No. 3341286 issued on November 20, 2007.

³⁹ Registration No. 3453564 issued on June 24, 2008.

⁴⁰ See also applicant's brief at 5.

IV. ANALYSIS

A. Opposer's Standing

Because opposer's registrations are of record, opposer has established its standing. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); and *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

Accordingly, there is no question but that opposer has established a real interest in preventing the registration of applicant's mark and, therefore, pursuant to the controlling case law, opposer may also object to the registration of applicant's mark as being merely descriptive. *See Coach Services, Inc. v. Triumph Learning LLC*, 96 USPQ2d 1600 (TTAB 2010).

B. Is Applicant's mark merely descriptive?

A mark is merely descriptive, and therefore unregistrable pursuant to the provisions of Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1), if it immediately conveys "knowledge of a quality, feature, function, or characteristic of the goods or services." *In re Bayer Aktiengesellschaft*, 488 F.3d 960, 82 USPQ2d 1828, 1831 (Fed. Cir. 2007) [**ASPIRINA** is merely descriptive

of analgesic product]. See also *In re MBNA America Bank N.A.*, 340 F.3d 1328, 67 USPQ2d 1778, 1780 (Fed. Cir. 2003) [**MONTANA SERIES** and **PHILADELPHIA CARD** are merely descriptive of applicant's "affinity" credit card services; a "mark is merely descriptive if the ultimate consumers immediately associate it with a quality or characteristic of the product or service"]; *In re Nett Designs, Inc.*, 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001) [**THE ULTIMATE BIKE RACK** is merely descriptive of bicycle racks]; *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009, 1009 (Fed. Cir. 1987) [**APPLE PIE** is merely descriptive of a potpourri mixture]; and *In re Quik-Print Copy Shops, Inc.*, 616 F.2d 523, 205 USPQ 505, 507 (CCPA 1980). To be "merely descriptive," a term need only describe a single significant quality or property of the goods. *Gyulay*, 3 USPQ2d at 1009. Descriptiveness of a mark is not considered in the abstract, but in relation to the particular goods for which registration is sought. That is, when we analyze the evidence of record, we must keep in mind that the test is not whether prospective purchasers can guess what applicant's goods are after seeing only applicant's mark. *In re Abcor Development Corp.*, 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978) [**GASBADGE** merely descriptive of a "gas monitoring badge"; "Appellant's

abstract test is deficient - not only in denying consideration of evidence of the advertising materials directed to its goods, but in failing to require consideration of its mark 'when applied to the goods' as required by statute."]. Rather, the question is whether someone who knows what the goods are will understand the mark to convey information about them. *In re Tower Tech, Inc.*, 64 USPQ2d 1314, 1316-1317 (TTAB 2002); and *In re Patent & Trademark Services Inc.*, 49 USPQ2d 1537, 1539 (TTAB 1998).

In addition to considering the applied-for mark in relation to the goods for which registration is sought, the proper test for descriptiveness also considers the context in which the mark is used and the significance that the mark is likely to have on the average purchaser encountering the goods in the marketplace. *In re Omaha National Corp.*, 819 F.2d 1117, 2 USPQ2d 1859 (Fed. Cir. 1987); *In re Pennzoil Products Co.*, 20 USPQ2d 1753 (TTAB 1991); and *In re Engineering Systems Corp.*, 2 USPQ2d 1075 (TTAB 1986).

A mark is suggestive, and therefore registrable on the Principal Register without a showing of acquired distinctiveness, if imagination, thought or perception is required to reach a conclusion on the nature of the goods.

"Whether a given mark is suggestive or merely descriptive depends on whether the mark 'immediately conveys ... knowledge of the ingredients, qualities, or characteristics of the goods ... with which it is used,' or whether 'imagination, thought, or perception is required to reach a conclusion on the nature of the goods.'" (citation omitted) *In re Gyulay*, 3 USPQ2d at 1009; *In re Home Builders Association of Greenville*, 18 USPQ2d 1313 (TTAB 1990); and *In re American Greetings Corp.*, 226 USPQ 365 (TTAB 1985).

Hence, the first substantive question before us is whether the term **VIDEO POD** conveys information about a significant characteristic, purpose, function or use of applicant's goods with the immediacy and particularity required by the Trademark Act.

Applicant has disclaimed the word "Video" inasmuch as the involved goods are identified as "video projectors," and hence the word "video" would be a highly descriptive designation for the identified goods. However, the parties disagree over whether the applied-for term as a whole, "Video Pod," is merely descriptive of applicant's intended products.

We begin by noting that a composite term consisting of a combination of descriptive terms is itself merely

descriptive if it fails to evoke any new or unique commercial impression. The first word in applicant's mark is "video." Inasmuch as its goods are "video projectors," it takes little analysis to agree that applicant appropriately disclaimed this highly descriptive, if not generic, wording.

Hence, our determination under Section 2(e)(1) of the Trademark Act turns on the connotation of the word "Pod" to someone who is acquainted with the involved goods, and whether the combination of "Video" and "Pod" immediately conveys knowledge of a significant form or feature of the goods.

In responding to opposer's discovery requests, applicant has repeatedly explained its use of the word "pod" by reference to "pod-shaped" or a "pod-like appearance" of its video projectors:

- "Sector intends to sell **pod-shaped** video projectors under the VIDEO POD mark."⁴¹
- "The VIDEO POD mark is believed to have been used to **describe** its associated device back in 2002 The VIDEO POD mark is still used to **describe** its associated device."⁴²
- "While 'POD' denotes a **pod-like appearance**, the 'VIDEO' portion of the VIDEO POD mark specifically

⁴¹ Opposer's Not. of Rel. 1, Ex. 209 (Response to Interrogatory No. 1) [TTABVue Entry # 68, 240 of 295].

⁴² Opposer's Not. of Rel. 1, Ex. 209 (Response to Interrogatory No. 2) [TTABVue Entry # 68, 240 of 295].

informs consumers about the product's ability to store, record, or transmit video."⁴³

- "The VIDEO POD Mark was/is intended to denote both form and function. The 'VIDEO' portion of the VIDEO POD Mark clearly indicates that goods and/or services under the VIDEO POD Mark have the ability to playback, record, and/or store video content. The 'Pod' portion of the VIDEO POD Mark is intended to convey a **pod-like** and/or **pod-shaped form factor**."⁴⁴
- " ... It was sometime during April or May [2002] the team noticed that many of the **form factors were pod-like** in their appearance. The project was subsequently referred to as the 'Pod' or 'Video Pod.' "⁴⁵
- "The 'Pod' portion of the VIDEO POD Mark is intended to convey a **pod-like** and/or **pod-shaped form factor**."⁴⁶

Then in applicant's attempts to defeat opposer's motion for summary judgment on the question of likelihood of confusion, applicant made a series of statements undercutting its current arguments against a finding of mere descriptiveness:

- "While the other prototypes were being innovated, sometime in mid-2002, as this last incarnation was taking shape, the lab began calling it the Video Pod, **as a description of its shape and function**."⁴⁷

⁴³ Opposer's Not. of Rel. 1, Ex. 206 (Response to Request for Admission No. 15) [TTABVue Entry # 68, 216 of 295].

⁴⁴ Opposer's Not. of Rel. 1, Ex. 209 (Response to Interrogatory No. 20) [TTABVue Entry # 68, 242 of 295].

⁴⁵ Opposer's Not. of Rel. 1, Ex. 210 (Supplemental Response to Interrogatory No. 2) [TTABVue Entry # 68, 252 of 295].

⁴⁶ Opposer's Not. of Rel. 1, Ex. 209 (Response to Interrogatory No. 21) [TTABVue Entry # 68, 243 of 295].

⁴⁷ March 16, 2009 Declaration of Daniel Kokin in Support of Sector's Response to Apple's Motion for Summary Judgment and Sector's Cross-Motion for Summary Judgment, ¶ 8 (emphasis added). See TTABVue Entry # 27. Applicant's founder, Daniel Kokin, confirmed the descriptive nature of the term VIDEO POD in his

- "Contrary to Apple's assertions, the Video Pod was **named for its pod shape** and had nothing to do with the iPod. The Video Pod is oval shaped, approximately twelve inches in diameter with speakers on each side that bulge out, **creating a pod shape.**"⁴⁸
- "Staying true to the organic, biomorphic natural shapes of the predecessor designs, the Product became a **pod-like oval shape.**"⁴⁹
- "The design, staying true to the organic, biomorphic, natural shapes of its predecessors in the lab, turned into a **pod-like** device, with its **shape very closely resembling a pod.**"⁵⁰

However, after Mr. Kokin presumably became more aware of the potential harm to applicant's chances of obtaining a registration based on such explanations, he recalled in his testimony having been inspired by the parallels between his dream of a family of video products and "pods" of whales,⁵¹ or even a scene involving an "escape pod" from the movie "2001. A Space Odyssey" (1968)⁵² We find these tardy explanations to be most unconvincing.

declaration to support Applicant's response to Apple's first Motion for Summary Judgment and Applicant's Cross-Motion for Summary Judgment.

⁴⁸ Sector's March 16, 2009 Response to Apple's Motion for Summary Judgment and Sector's Cross-Motion for Summary Judgment at 1. See TTABVue Entry # 27.

⁴⁹ Sector's March 16, 2009 Response to Apple's Motion for Summary Judgment and Sector's Cross-Motion for Summary Judgment at 3. See TTABVue Entry # 27.

⁵⁰ March 16, 2009 Declaration of Daniel Kokin in Support of Sector's Response to Apple's Motion for Summary Judgment and Sector's Cross-Motion for Summary Judgment, ¶ 8. See TTABVue Entry # 27.

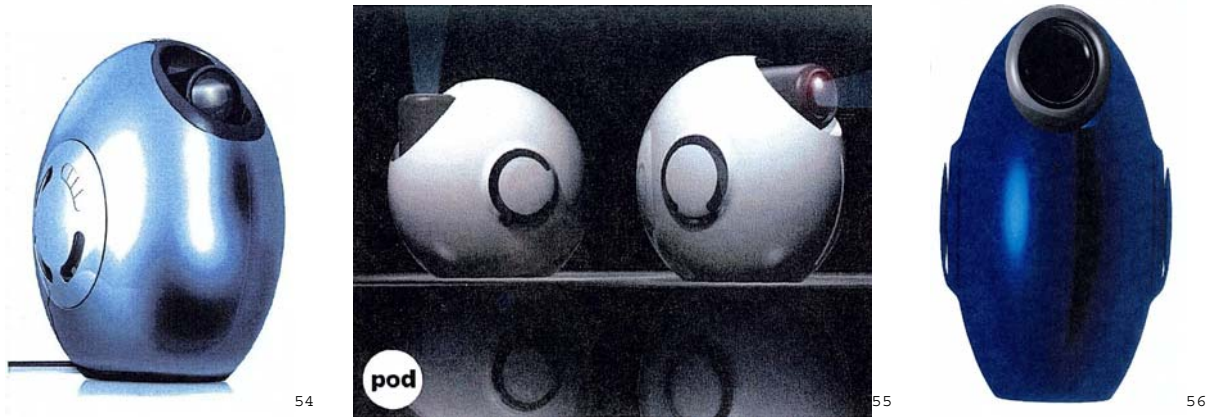
⁵¹ Kokin Depo. at 21-22; 47-48 [TTABVue Entry # 79].

⁵² Kokin Depo. at 20, 49 [TTABVue Entry # 79].

Before the more interesting explanations pointing to Stanley Kubrick and Arthur C. Clarke, or the obscure references to families of whales, applicant had offered several more prosaic explanations for the origins of the term "pod." As seen in the discovery statements recited above, the "oval" shape of applicant's most frequently pictured prototypes during the odyssey of 2002 clearly had the dictionary connotation of 'a rounded enclosure where the length/height exceeding any other dimension.' With the origins of this word in "organic, biomorphic, natural" seed vessels (e.g., pea "pods"), the word "pod" has historically been used in connection with an elongated enclosure. Dictionary definitions seem to suggest that in recent years, as applied to science, it has become short for a detachable unit having a special function (space capsules, etc.).⁵³

Certainly, in the period immediately prior to filing this application, applicant was using visual representations of the proposed video projector having a shape that Mr. Kokin has repeatedly described as "pod-shaped form factor":

⁵³ In describing another video projector he "invented" in 2000, Mr. Kokin describes a mockup the "size of a pack of cigarettes" having a "small, kind of all-in-one, encapsulated type of appearance." Even if not necessarily fitting the "rounded edges" theme, it seems to fit with this latter connotation of a detachable unit. Kokin Depo. at 19-20. See also claim that Mr. Kokin "invent[ed] the world's smallest micro-digital projector." see naka.ppt, final page at TTABVue # 80, p.20 of 138.



Interestingly, even after Mr. Kokin introduced mental images of whales and *A Space Odyssey*, Mr. Kokin again agreed (November 15, 2010) that the word "Pod" does indeed describe the pod-like nature of the applied-for video players:

Q. Okay. If I can turn your attention to paragraph 8, this declaration states as follows:

*The design, staying true to the organic, biomorphic, natural **shapes** of its predecessors in the lab, turned into a **pod**-like device, with its **shape** very closely resembling a **pod**. While the other prototypes were being innovated, sometime in mid-2002, as this last incarnation was taking shape, the lab began calling it the Video **Pod**, as a description of its **shape** and function. A true and correct copy of the final shape and design known as the Video **Pod**, with use of the mark as intended, is attached hereto as Exhibit 4.*

Do you see that?

A. Yes, I do.

* * *

Q. *When you used the term "pod" in that paragraph, what were you referring to?*

A. *I was referring to its shape.*⁵⁷

⁵⁴ Applicant's Exhibit A, brochure_page_v6_copy.pdf, TTABVue # 79, p.204 of 300.

⁵⁵ Exhibit 3 at p.22 of 33 [TTABVue Entry # 79, p. 159 of 300].

⁵⁶ Exhibit 3 at p.23 of 33 [TTABVue Entry # 79, p. 160 of 300].

This Research & Development document of the "Video Pod" (Revision 6) dated February 19, 2003, contained multiple images of the "last incarnation" of the "Video Pod" not unlike those images reproduced above.

Accordingly, we find that the evidence supports the conclusion that the term "Video Pod" is merely descriptive of a pod-shaped video player, and the applied-for term is therefore unregistrable on the Principal Register absent a showing of acquired distinctiveness. Inasmuch as applicant has never used this mark in commerce for the claimed goods, the "Video Pod" term cannot have acquired distinctiveness. Accordingly, we sustain the opposition based upon Section 2(e)(1) of the Act, and registration is hereby denied to applicant.

C. *Alternatively, has opposer proven a likelihood of confusion?*

In the interest of completeness, we will also consider, in the alternative - should we be reversed on the issue of descriptiveness - whether opposer has demonstrated a

⁵⁷ Kokin Depo. of November 15, 2010, at p.38, of 33 [TTABVue Entry # 79, p. 42 of 300], and Ex. B [TTABVue Entry # 79, p. 207 of 300]. In this testimony of late-2010, Mr. Kokin was reflecting on his earlier declaration (early-2009) in opposition to opposer's first summary judgment motion.

likelihood of confusion herein with applicant's mark, which we will presume to be highly suggestive.

1. Priority

Because opposer's pleaded registrations are of record, Section 2(d) priority is not an issue in this case as to the mark and the products covered by the registrations. *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

2. Likelihood of Confusion

We turn, then, to the issue of likelihood of confusion under Section 2(d) of the Trademark Act. Our determination must be based upon our analysis of all of the probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *See In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). *See also In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003).

a. The fame of opposer's marks

This *du Pont* factor requires us to consider the fame of opposer's mark. Fame, if it exists, plays a dominant role in the likelihood of confusion analysis because famous marks enjoy a broad scope of protection. A famous mark has

extensive public recognition and renown. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000); and *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992).

Fame may be measured indirectly by the volume of sales and advertising expenditures of the goods identified by the marks at issue, "by the length of time those indicia of commercial awareness have been evident," widespread critical assessments and through notice by independent sources of the products identified by the marks, as well as the general reputation of the products and services. *Bose Corp. v. QSC Audio Products Inc.*, 63 USPQ2d at 1305-1306, 1309.

Moreover, because of the extreme deference that we accord a famous mark in terms of the wide latitude of legal protection it receives, it is the duty of the party asserting that its mark is famous to clearly prove it. *Leading Jewelers Guild Inc. v. LJOW Holdings LLC*, 82 USPQ2d 1901, 1904 (TTAB 2007). Opposer introduced into the record extensive evidence in order to establish the fame of its mark.

We recounted above a brief history of more than forty years of successes associated with opposer. Among Apple's many successful products is the **IPOD** media player. Opposer argues that as a result of extensive sales, advertising, and unsolicited media attention, Apple's **IPOD** mark and the associated media player are recognized and associated strongly with Apple -- both in the United States and throughout the entire world.

Apple announced the **IPOD** music player on October 23, 2001, and sent out its first shipments of the product on November 10, 2001. Initially, the **IPOD** was a portable music player capable of storing and playing up to 1000 songs from a pocket-sized device.⁵⁸ The product was an immediate and enormous success, and sales of **IPOD** media players increased dramatically over time, as set out below.⁵⁹

⁵⁸ La Perle Depo. 41, Ex. 8; Opposer's Not. of Rel. 1, Ex. 1 at 2, and Ex. 14.

⁵⁹ La Perle Depo. 85-90; and Exs. 31-35; Opposer's Not. Of Rel. 1 - See Ex. 1 at 23, Internet 20 of 87, TTABVue Entry # 63 (56 of 300); Ex. 2 at 25, Internet 19 of 84, TTABVue Entry # 63 (143 of 300); Ex. 3 at 28, Internet 30 of 122, TTABVue Entry # 63 (239 of 300); Ex. 4 at 31, Internet 32 of 115, TTABVue Entry # 64 (65 of 300); Ex. 5 at 54, Internet 54 of 97, TTABVue Entry # 64 (203 of 300); Ex. 6 at 42, Internet 44 of 128, TTABVue Entry # 64 (291 of 300); Ex. 7 at 41, Internet 43 of 98, TTABVue Entry # 65 (120 of 300); and Ex. 8 at 41, Internet 43 of 99, TTABVue Entry # 65 (220 of 300).

Fiscal Year [Ending Sept]	iPod Units Sold	iPod Revenue
2002	381,000	\$ 143 million
2003	939,000	\$ 345 million
2004	4,416,000	\$ 1.306 billion
2005	22,497,000	\$ 4.540 billion
2006	39,409,000	\$ 7.676 billion
2007	51,630,000	\$ 8.305 billion
2008	54,828,000	\$ 9.153 billion
2009	54,132,000	\$ 8.091 billion

On April 9, 2007, Apple announced that 100 million **IPOD** media players had been sold.⁶⁰ As of September 2010, some 250 million units of **IPOD** media players had been sold.⁶¹ Inasmuch as Apple's annual SEC Form 10-K shows that opposer realizes about 45% of its gross sales overseas, the units and revenue in the United States would comprise more than half of the volume shown above.⁶²

The first **IPOD** released in November 2001 was primarily a digital music playing device. The product has evolved through the ability to store and display photos (October 26,

⁶⁰ Opposer's Not. of Rel. 1, Ex. 110.

⁶¹ La Perle Depo. 83-84; Opposer's Not. of Rel. 1, Ex. 1 at 19-20, 48, Ex. 2 at 18-19, 48, Ex. 3 at 30-31, 73, Ex. 4 at 32, 70, Ex. 5 at 54 and 82, Ex. 6 at 44-45, 67, Ex. 7 at 43, 65, and Ex. 8 at 43, 66.

⁶² See footnote 30, *supra*.

2004)⁶³ and having video capabilities (October 12, 2005).⁶⁴ Over the last decade, Apple has released successive generations of its **IPOD** device having ever-more sophisticated functionalities such that it is now more accurately characterized as a handheld digital content device as opposed to solely a music player.⁶⁵ The full line of **IPOD** products include the **IPOD CLASSIC**, the **IPOD NANO**, the **IPOD TOUCH**, and the **IPOD SHUFFLE**, having varying price points and capabilities.⁶⁶ The current suggested retail prices vary between \$50 and \$400, with all but the lowest end **IPOD SHUFFLE** device capable of playing video.⁶⁷

Opposer has used its **IPOD** mark continuously since the November 2001 launch of the media player.⁶⁸ On each of the over 250 million **IPOD** media players sold by the time the record in this case closed, the **IPOD** mark always appeared on the packaging and on the product itself.⁶⁹ This product is distributed online through opposer's Apple Store, through

⁶³ La Perle Depo. 50-51, Ex.13; Opposer's Not. Of Rel. 1, Ex. 131.

⁶⁴ La Perle Depo. 39, 49-50, Exs. 14 and 15; Opposer's Not. of Rel. 1, Ex. 132.

⁶⁵ La Perle Depo. 39; Opposer's Not. of Rel. 1, Ex. 14, 102-116, 131, 132.

⁶⁶ La Perle Depo. 42-43, 49-50, Ex.13; Opposer's Not. of Rel. 1, Ex. 14 at 19-20, 48, Ex. 2 at 18-19, 48.

⁶⁷ La Perle Depo. 49-50, 54-55, and Ex. 13.

⁶⁸ La Perle Depo. 41-42, Ex. 8 and Ex. 13; Opposer's Not. of Rel. 1, Ex. 119.

⁶⁹ La Perle Depo. 42.

third-party distributors and through national retailers such as **Circuit City, Sears, Best Buy, Costco, Target, Amazon.com** and **Wal★Mart**.⁷⁰ Consumers are also able to purchase the **IPOD** media player at Apple's brick-and-mortar stores. In fact, there are now more than 230 such stores in the United States.

The record shows that opposer has spent significant amounts of money advertising and promoting its goods and services under the **IPOD** mark, as seen below:

Fiscal Year [Ending Sept]	Advertising Expenditures
<i>2001</i>	\$ 261 million
<i>2002</i>	\$ 209 million
<i>2003</i>	\$ 193 million
<i>2004</i>	\$ 206 million
<i>2005</i>	\$ 287 million
<i>2006</i>	\$ 338 million
<i>2007</i>	\$ 467 million
<i>2008</i>	\$ 486 million
<i>2009</i>	\$ 501 million

Although detailed advertising figures remain confidential, we note that Apple's sales of **IPOD** players constituted 34% of net sales in 2007, 28% in 2008, and 22% in 2009. Accordingly, we conclude that a large portion of

⁷⁰ La Perle Depo. 39, 79-80, 83; Opposer's Not. of Rel. 1, Exs.

the above totals was devoted to promoting the **IPOD** media player, as one of the company's key products.⁷¹ Apple's advertising campaign has included regularly issued press releases,⁷² outdoor billboards, posters and other outdoor advertisements, as well as prominent advertisements in popular magazines such as *The New Yorker*, *Wired*, *Fortune*, *Esquire*, *Newsweek*, *Time*, *Business Week*, *Sports Illustrated*, *Vanity Fair*, *Vogue*, and *Rolling Stone*,⁷³ commercials on television networks such as ABC, NBC, MSNBC, MTV, ESPN and others, and on Internet websites such as apple.com, the Apple Store, and the iTunes Store,⁷⁴ and has undoubtedly reached a large portion of the United States public.

Apple's **IPOD** media player has consistently attracted widespread, unsolicited attention from national and local media outlets. The dozens of articles appearing in national publications that have been made a part of this extensive record include excerpts from *The Wall Street Journal*, *The*

122-129.

⁷¹ La Perle Depo. 69-70, 85-86, 90-92, Ex. 2 at 2-3, Exs. 31-35; Opposer's Not. of Rel. 1, Ex. 1 at 48, Ex. 2 at 48, Ex. 3 at 73, Ex.4 at 70, Ex. 5 at 82, Ex. 6 at 67, Ex. 7 at 65 and Ex. 8 at 66.

⁷² Opposer's Not. Of Rel. 1, Ex. 14, 102 to 116, 131 & 132.

⁷³ La Perle Depo. 70-73, Ex. 25; Opposer's Not. of Rel. 1, Ex. 141.

⁷⁴ La Perle Depo. 46-47, 78-79, 81-83, Ex. 6; Opposer's Not. of Rel. 1, Exs. 119-121, 134, 136-137, 185-188.

*New York Times, Time, Newsweek, USA Today, Fortune, Business Week, MacWorld and PC World.*⁷⁵

The unsolicited attention to the **IPOD** media player started with its launch. Walter Mossberg praised the **IPOD** media player in *The Wall Street Journal*.⁷⁶ As sales of the **IPOD** grew exponentially, the unsolicited media coverage kept pace. For example, the May 12, 2003, edition of *Fortune* magazine featured a cover story on Apple's success in moving into the music business, with the cover photograph showing musician Sheryl Crow standing with an **IPOD** media player, and Apple's founder, the late Steve Jobs, sitting beside her listening to the **IPOD** through those iconic white earbuds.⁷⁷



⁷⁵ Representative samples are found in Opposer's Not. of Rel. 1, Exs. 143-182. See also Exs. 47-100.

⁷⁶ "Apple Brings Its Flair for Smart Designs to Digital Music Player," *The Wall Street Journal*, November 1, 2001; La Perle Depo. 44-46, Ex. 10, 79; Opposer's Not. of Rel. 1, Ex. 149.

⁷⁷ La Perle Depo. 47-49, Ex. 12; Opposer's Not. of Rel. 1, Ex. 144.

Several years later (June 27, 2005), the following excerpt appeared in another *Fortune* magazine article entitled "It's iPod's Revolution":

"We Just Live In it," author Andy Serwer stated: "[i]t's hard to recall any branded recreational product that has carried the cultural oomph that the iPod now has. The Hula-Hoop was a fad ... As for the Walkman, the iPod's mobile-music ancestor, it generated massive sales. But it never impacted behavior or peripheral markets quite the way the iPod has."⁷⁸

Based upon the entire record, we find that opposer's **IPOD** mark is famous in the United States for purposes of likelihood of confusion. The record shows that the **IPOD** transformed Apple, changed the way hundreds of millions of consumers interact with their music, and when the advent of this device is combined with the availability of the iTunes Store, has revolutionized the music industry itself. In fact, applicant seems to concede the most critical point in our likelihood of confusion analysis, namely, that the **IPOD** mark is famous.⁷⁹

b. Similarity of the marks

We turn then to the *du Pont* factor dealing with the similarity or dissimilarity of the marks in their entireties

⁷⁸ La Perle Depo. 47-48, Ex. 12; Opposer's Not. of Rel. 1, Ex. 174.

⁷⁹ Opposer's Not. of Rel. 1, Ex. 205, at 6, and Ex 206, at 5.

as to appearance, sound, connotation and commercial impression. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). The test under this *du Pont* factor is whether the marks are sufficiently similar that confusion as to the source of the goods and/or services offered under the respective marks is likely to result.

We find that applicant's **VIDEO POD** mark is similar to opposer's famous, coined **IPOD** mark. The "Pod" component of opposer's famous mark was arbitrary upon adoption and after years of widespread usage, the term "Pod" even moved into the vernacular as a slang term used to refer to the **IPOD** products.⁸⁰ We have noted above the highly descriptive nature of the word "video" when used in connection with applicant's intended goods. Otherwise, the **VIDEO POD** designation incorporates the most prominent component of Apple's famous **IPOD** mark. Apart from Apple's ownership of a trademark registration for the mark **POD** alone for portable and handheld digital electronic devices, the record does not show third-party use or registrations for "Pod"-formative

⁸⁰ Opposer's Not. of Rel. 1, Exs. 46-100.

marks on similar electronic devices in International Class 9.⁸¹

As also noted above, when comparing the marks, the extraordinary fame of Apple's **IPOD** mark weighs heavily against applicant, because "[a]s the fame of a mark increases, the degree of similarity between the marks necessary to support a conclusion of likely confusion declines." *Starbucks US. Brands*, 78 USPQ2d at 1750.

Accordingly, this critical *du Pont* factor favors a finding of likelihood of confusion.

c. Relationship of the goods

A key part of applicant's argument on likelihood of confusion is that it has priority over Apple in the "field of video projection." Certainly, opposer cannot argue that its **IPOD** devices had the ability to play videos on February 14, 2003. Nonetheless, in the context of the parties' dueling claims of priority, opposer counters that video projectors are within its natural expansion of trade. Under this doctrine, the first user of a mark in connection with particular goods possesses superior rights in the mark as against subsequent users of the same or a similar mark for any goods which purchasers might reasonably expect to

⁸¹ Not. Of Rel. 1, Ex. 213.

emanate from it in the normal expansion of its business under the mark.

This Board has recently found that applying this doctrine requires a specific analysis that often does not appreciably add to our understanding of the relatedness of the goods. Accordingly, we do not find it outcome determinative that opposer may not have used its **IPOD** mark on video devices in 2003. Rather, we choose to treat this as part-and-parcel of the *du Pont* factor focused on the relatedness of the goods. See *General Mills Inc. v. Fage Dairy Processing Industry SA*, 100 USPQ2d 1584, 1598 n.28 (TTAB 2011).

Specifically, we find that the goodwill established by Apple in the area of music players would carry over into the area of video projectors. That is, the reasonably prudent consumers familiar with opposer's **IPOD** device in February 2003 - had they seen an electronic video device being sold under **VIDEO POD** - would have confused its source. This direction from audio to video was clearly not a distinct departure from Apple's digital media empire. Specifically, the dozens of articles in this extensive record lauding the iconic nature of the **IPOD** media player reinforce the idea that Apple, throughout the tenure of the late Steve Jobs,

has been on the cutting edge of technology and consumer trends.

From our vantage point, it is clear that in our digital age, moving the capabilities of a device from simply audio to audio and video is a natural extension of the technology. Clearly, the record herein demonstrates that both the channels of trade and classes of customers for audio players and video display devices are the same. With the wonderful benefit of 20:20 hindsight, adding digital photography and then video to this audio device seems quite logical.

However, the question of what should be deemed to be "natural" in the relevant trade in February 2003 is tricky business. In order to protect its famous mark, it should not be incumbent upon opposer to prove, counter-intuitively, that in February 2003, before the sale of its millionth **iPod** device, everyone with a digital musical player was anticipating the arrival of a media device having the capabilities (video and otherwise) of a much later generation **IPOD TOUCH** – perhaps the 300 millionth media device bearing the **IPOD** mark.

Rather, we find based on the entire record that the goods identified in applicant's "Video Pod" application are

highly related to the goods offered by opposer and its licensees under the **IPOD** mark.

Applicant has admitted that Apple uses the **IPOD** mark for portable and handheld media devices for both entertainment and business purposes, and that indeed the products are related.⁸² Applicant has admitted to "limited compatibility" (e.g., connecting with correct fittings to video-output capable devices). "The goods identified in the **VIDEO POD** Trademark Application are, can or will be used in connection with the handheld and portable media devices that Apple promotes under the **IPOD** Mark ... "⁸³

During the entire relevant time period covered by the discovery and trial of this case, applicant was exploring a number of related video display products (e.g., a lamp/desk video and a StretchVision television) having explicit docking capabilities for **IPOD** devices. As seen in applicant's continuing development of this concept between 2002 and 2010, when the trial record closed in this litigation, applicant's president concedes that applicant's

⁸² Opposer's Not. of Rel. 1, Ex. 206 (Response to Request for Admission Nos. 4, 5, 9, 10 and 23) [TTABVue Entry # 68, 215, 217 of 295].

⁸³ Opposer's Not. of Rel. 1, Ex. 206 (Response to Request for Admission Nos. 17 and 18) [TTABVue Entry # 68, 216 of 295]

projectors were to be designed to be compatible with Apple's **IPOD** media player devices.

Both opposer and competing third parties manufacturers (e.g., **TOSHIBA**, **DELL**, **POLAROID**, etc.) have been using the same mark with both video/movie projectors and handheld audio/video players.⁸⁴ Apple also licenses its **IPOD** mark to its MFi licensees for use with applicant's precise goods, i.e., video projectors.⁸⁵



Optoma EP-PK-101
Pico Pocket Projector



86

ViewSonic PJ258D
projector



87

SHOWWX Laser Pico
Projector



88

In fact, as seen above, it is possible that members of the public could purchase applicant's intended video

⁸⁴ Opposer's Not. of Rel. 1, Exs. 27-45.

⁸⁵ La Perle Depo. 58-65, Exs. 18-22, Opposer's Not. of Rel. 1, Exs. 138-140.

⁸⁶ La Perle Depo., Ex. 16.

⁸⁷ La Perle Depo., Ex. 21. We also note that Mr. Kokin testified that he would think of ViewSonic as one of applicant's competitors for its video projector, and that "it's a logical combination of features" for such projector manufacturers to make their products compatible with the popular IPOD Device. Kokin depo. 62-63.

⁸⁸ La Perle Depo., Ex. 22.

projector to be used in connection with Apple's devices, including the **IPOD** media player.

Accordingly, even without finding a strict overlap of the goods on which opposer has a clear priority, and without resorting to a finding of natural expansion of trade to expand the scope of its priority claim, we find, based only upon the close relationship of the goods, this critical *du Pont* factor also favors a finding of likelihood of confusion.

d. The similarity of trade channels

Based on this entire record, we must presume that the goods identified in applicant's identification of goods will travel in identical channels of trade as do Apple's goods and services. *See Starbucks US. Brands*, 78 USPQ2d at 1751; *Hewlett-Packard*, 62 USPQ2d at 1005. Furthermore, applicant has admitted that its product was intended for sale in "traditional consumer electronic oriented distribution and retail channels."⁸⁹ Applicant identified **Best Buy**, **Target**, **Circuit City** and **Wal★Mart** as being among the retail stores through which it wanted ultimately to sell its **VIDEO POD** products. This would place them quite close to Apple's **IPOD** products.⁹⁰

⁸⁹ Opposer's Not. of Rel. 1, Exs. 208-209, Interrog. No. 4.

⁹⁰ Opposer's Not. of Rel. 1, Exs. 194, 195 at 5; Kokin Depo. 40-41.

We also find that as to the conditions under which and buyers to whom sales are made, these respective items would be sold to the same class of ordinary consumers. Accordingly, these critical *du Pont* factors also favor a finding of likelihood of confusion.

e. Inherent strength of IPOD mark

As to the *du Pont* factor focusing on the number and nature of similar marks in use on similar goods, as we saw above in our discussion of the fame of opposer's **IPOD** mark, Apple's **IPOD** mark is a conceptually strong mark deserving of broad protection. This is a coined, fanciful mark as applied to Apple's goods and services, making it entitled to broad protection. See *Stork Rest. v. Sahati*, 76 USPQ 374 (9th Cir. 1948). There are no indications that third parties use the word "POD" in connection with similar electronic devices. Furthermore, Apple has made consistent efforts to protect the exclusivity of its **IPOD** mark. We find nothing in this extensive record suggesting that Apple does not enjoy exclusive use of its **IPOD** mark with the relevant goods in International Class 9.⁹¹

⁹¹ Opposer's Not. of Rel. 1, Ex. 213; La Perle Depo. 66-67, Ex. 23.

f. The variety of goods on which IPOD is used

The evidence of record show that over the years, the **IPOD** mark has been used on a growing family of products. Over almost a dozen years, this famous mark has appeared on several generations of devices sold to hundreds of millions of consumers.

Conclusion on Likelihood of confusion

In the event that the **VIDEO POD** mark should be found not to be merely descriptive, our findings above that Apple's **IPOD** mark is inherently strong and most famous, that the respective marks are similar, that the **IPOD** mark has been used on a family of products and related accessories, that these respective goods are related and would travel through some identical trade channels to the same classes of ordinary consumers, on balance, support the finding that the proposed use of **VIDEO POD** on applicant's goods would result in a likelihood of confusion with the **IPOD** mark.

Decision: The opposition to the registration of the **VIDEO POD** mark is hereby sustained under both Section 2(e)(1) and Section 2(d) of the Lanham Act.