

**THIS OPINION
IS NOT A PRECEDENT
OF THE T.T.A.B.**

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

DUNN

Mailed: November 19, 2009

Opposition No. 91180083

NetApp, Inc.

v.

Millenium Systems Network
Support Corporation

**Before Walters, Grendel, and Bergsman, Administrative
Trademark Judges:**

By the Board:

This case comes up on the following contested matters:

- i. applicant's motion to amend its answer to add a counterclaim to cancel pleaded Registration No. 2085421;
- ii. applicant's motion for summary judgment on the pleaded ground of likelihood of confusion; and
- iii. opposer's motion for summary judgment on the pleaded ground of mere descriptiveness

To briefly recap the chronology of this case, on October 16, 2007 NetApp, Inc. filed a notice of opposition against Section 1(b) application Serial No. 91180083 for the mark NETWORK HEALING APPLIANCE ("NETWORK" and

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"APPLIANCE" disclaimed) for "local area networks" with claims that the mark is merely descriptive of the goods, and that there is a likelihood of confusion with opposer's previously used and registered mark shown below



(NETWORK APPLIANCE disclaimed) for "file servers dedicated to perform a single function and dedicated computer hardware and operating software instructional and user manuals sold therewith" (Registration No. 2085421, renewed August 22, 2007). Applicant filed an answer denying the salient allegations of the notice of opposition, and a counterclaim.

On April 30, 2008, the Board granted opposer's motion to dismiss the counterclaim on the grounds that the descriptiveness claim was time-barred and the functionality claim was not available against a composite mark comprising literal and design elements, and that the counterclaim otherwise was conclusory and failed to allege facts in support of the claims that opposer's mark is generic or abandoned. On July 16, 2009, the Board granted opposer's motion to dismiss applicant's amended counterclaim and,

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because it would be futile, prohibited applicant from filing any other amended pleadings.

On December 15, 2008, the Board denied applicant's motion for summary judgment on the grounds that opposer lacked standing and that opposer's disclaimer of the literal elements of its mark precluded assertion of likelihood of confusion. On February 11, 2009, the Board denied applicant's request for reconsideration.

APPLICANT'S MOTION TO AMEND IS DENIED

With its present motion to amend filed July 19, 2009, applicant asserts that its counterclaim to cancel pleaded Registration No. 2085421 should be accepted based on new facts and circumstances as well as opposer's "continued misuse" of its mark.¹ On a careful reading of the motion, we note that applicant fails to identify any new circumstances warranting its motion for leave to amend the pleadings. The motion is in essence a motion for summary judgment rehashing applicant's previous arguments and reflecting applicant's disagreement with the established law that a disclaimer "does not remove the disclaimed

¹ The Board notes that on July 19, 2009, applicant withdrew an earlier version of the motion, filed July 17, 2009. As a result of the withdrawal, no consideration will be given to the July 17, 2009 paper

matter from the purview of determination of likelihood of confusion." *In re Shell Oil Co.*, 26 USPQ2d 1687, 1687-1689 (Fed. Cir. 1993) (citations omitted).

Notwithstanding the Board's December 15, 2008 order stating that the argument is "wrong as a matter of law", applicant's motion again contends that opposer's disclaimer precludes any consideration of the literal element of the mark in opposer's pleaded registration, and requests an order requiring opposer to amend all references to its mark to state that it is a design mark.

Because applicant presents no basis for the Board to reverse its earlier decision barring further amendment by applicant as futile, applicant's motion to amend its answer to add a counterclaim is denied. Applicant's request that the Board order opposer to amend how it refers to its mark is also denied.

CROSS-MOTIONS FOR SUMMARY JUDGMENT

The party bringing a motion for summary judgment bears the burden of showing the absence of any genuine issue of material fact, and that it is entitled to judgment as a matter of law. See Fed. R. Civ. Pro. 56(c); and *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S. Ct. 2548 (1986). In assessing the motion, the evidence must be viewed in a

light favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. See *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993).

Because the Board will not grant summary judgment on an unpleaded issue, we address applicant's "counter-motion" for summary judgment only to the extent it seeks entry of summary judgment for applicant on the pleaded issue of likelihood of confusion.²

A. Applicant's motion for summary judgment on likelihood of confusion is denied

In support of its motion, applicant contends that opposer does not have a protectable interest in the term NETWORK APPLIANCE because the term is disclaimed in the mark, is generic, is merely descriptive, and has been abandoned by opposer. In addition, applicant argues that there can be no likelihood of confusion because the goods of the parties are not the same and opposer has alleged no instances of actual confusion.

The law is well settled that an applicant cannot collaterally attack opposer's registration in the absence of a counterclaim for cancellation. Trademark Rule §2.106(b); *NASDAQ Stock Market Inc. v. Antarctica S.r.l.*,

² Applicant's motion for summary judgment does not address opposer's claim that applicant's mark is merely descriptive.

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69 USPQ2d 1718, 1728 (TTAB 1998) *citing Contour Chair-Lounge Co. v. The Englander Co.*, 324 F.2d 186, 139 USPQ 285, 287 (CCPA 1963) (“[T]his is an opposition only and in an opposition, this court has always held that the validity of the opposer's registrations are not open to [collateral] attack”) and *Cosmetically Yours, Inc. v. Clairol, Inc.*, 424 F.2d 1385, 165 USPQ 515, 517 (CCPA 1970) (“As long as the registration relied upon by an opposer in an opposition proceeding remains uncanceled, it is treated as valid and entitled to the statutory presumptions”). Accordingly, we construe applicant's argument as contending that, because the term NETWORK APPLIANCE is generic or merely descriptive, opposer's mark NETWORK APPLIANCE and design is a weak mark entitled to only a narrow scope of protection.

With respect to applicant's argument that opposer does not allege instances of actual confusion, the Board notes that applicant does not allege that the goods listed in its Section 1(b) application are in use in commerce, and thus there has been no opportunity for actual confusion. Nor is actual confusion a necessary factor in determining likelihood of confusion. *Weiss Associates Inc. v. HRL Associates Inc.*, 902 F.2d 1546, 14 USPQ2d 1840, 1843 (Fed. Cir. 1990).

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With respect to applicant's argument that the local area networks listed in its application are not the same as the file servers listed in opposer's registration, applicant does not argue that there is no relationship between the goods, but merely that they are not identical goods.

Upon careful consideration of the evidence, the Board finds that applicant has failed to carry its burden of establishing that it is entitled to judgment as a matter of law on the claim of likelihood of confusion. At a minimum, applicant has failed to demonstrate the absence of a genuine issue of material fact as to the dissimilarity of the marks or the goods. Accordingly, applicant's motion for summary judgment is denied.

B. Opposer's motion for summary judgment on mere descriptiveness is denied

In support of its motion for summary judgment on the claim that applicant's mark NETWORK HEALING APPLIANCE is merely descriptive of the "local area networks" listed in the application, opposer notes that the terms NETWORK and APPLIANCE have already been disclaimed by applicant, and contends that the term HEALING is used by both applicant and others in the industry to describe local area networks.

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The issue of whether a mark is descriptive involves consumer perception and whether consumers are predisposed towards equating the mark with the source of the recited goods or services. See *In re MBNA Am. Bank, N.A.*, 340 F.3d 1328, 1332, 67 USPQ2d 1778 (Fed. Cir. 2003). Therefore, our principal reviewing court has often stated that this is a question of fact. See *In re Nett Designs, Inc.*, 236 F.3d 1339, 1341, 57 USPQ2d 1564 (Fed. Cir. 2001). Here, opposer submits the declaration of attorney Leigha Wilbur and exhibits, including the March 4, 2007 statement made by applicant in response to an office action that "'Healing Appliance' is used in the sense of a device that fixes." (Ex. B).

Applicant contends that opposer has failed to carry its burden of proof because the bulk of its evidence refers to the term "SELF-HEALING" and not the term HEALING which appears in applicant's mark, because the evidence does not show use of either term in connection with the local area networks listed in the opposed application, and because the term HEALING as used in applicant's mark NETWORK HEALING APPLIANCE is merely suggestive.

Upon careful consideration of the evidence, the Board finds that opposer has failed to carry its burden of establishing that it is entitled to judgment as a matter of

law on the claim of mere descriptiveness. At a minimum, opposer has failed to demonstrate the absence of a genuine issue of material fact as to whether the mark NETWORK HEALING APPLIANCE is descriptive as applied to applicant's goods. Accordingly, opposer's motion for summary judgment is denied.³

PROCEEDINGS ARE RESUMED AND TRIAL DATES ARE RESET

Proceedings herein are resumed and discovery, disclosure, and trial dates are reset as follows:

Discovery Closes	12/11/09
Plaintiff's Pretrial Disclosures	1/25/10
Plaintiff's 30-day Trial Period Ends	3/11/10
Defendant's Pretrial Disclosures	3/26/10
Defendant's 30-day Trial Period Ends	5/10/10
Plaintiff's Rebuttal Disclosures	5/25/10
Plaintiff's 15-day Rebuttal Period Ends	6/24/10

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

³ The parties should note that evidence submitted in support of or in opposition to a motion for summary judgment is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced in evidence during the appropriate trial period. See *Levi Strauss & Co. v. R. Joseph Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993).

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Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.
