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

Proceeding	91200167
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

M2 SOFTWARE, INC.

Opposer,

v.

HIGHER LOGIC, LLC

Applicant.

Opposition No. 91200167

For: **M2 MOBILE
MEMBERSHIP**

Serial Nos.: 85/017,071;85/017,090

**OPPOSER’S REPLY IN SUPPORT OF MOTION FOR LEAVE TO AMEND ITS CONSOLIDATED NOTICE
OF OPPOSITION AND MOTION FOR JUDGMENT AS SANCTION, OR IN THE ALTERNATIVE FOR
SUMMARY JUDGMENT**

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I. INTRODUCTION

1.01 The motion for summary judgment filed by Opposer M2 Software, Inc. (“M2”) should be granted because Opposer is entitled to judgment as a matter of law. In its response, Applicant Higher Logic, LLC (“HL”) has not demonstrated any genuine issues of material fact.

1.02 HL’s August 3, 2012 response (“Response Brief” or “RB”)¹ to M2’s motion served June 28, 2012 (“Opening Motion” or “OM”)² is untimely filed more than 30 days past electronic service. TBMP § 502.02(b). The brief also improperly incorporates attached pages, significantly exceeding page limits. *See Ron Cauldwell Jewelry, Inc. v. Clothestime Clothes, Inc.*, 63 USPQ2d 2009, 2010 (TTAB 2002) (reply brief untimely and exceeded page limit).

1.03 HL’s default in untimely filing a response to the Opening Motion brings its repeated defaults in this proceeding to four (4) total defaults. *See* OM ¶ 3.19. The Board should finally terminate HL’s misguided attempt to circumvent trademark laws by registering the same functional trademark as M2 Software’s senior mark and name, all the while deceiving the PTO’s Examining Organization (by hiding the generic nature of the add-on portions of its identical mark, OM ¶ 2.11) and this Board (as described herein).

1.04 Judgment as a sanction is appropriate. In the alternative, summary judgment should be granted to Opposer, as the record clearly demonstrates that M2 has priority, and that there exists a likelihood of confusion. All other issues, raised speculatively in HL’s Response Brief, rely either on falsifications of HL, or on facts entirely irrelevant here.

¹ On August 6, 2012, Applicant untimely filed *Applicant’s Cross Motion for Summary Judgment and Motion to Compel Discovery And Opposition to Opposer’s Motion for Leave to Amend Its Consolidation [sic] Notice of Opposition and Motion for Summary Judgment as Sanction, or in the Alternative for Summary Judgment (hereinafter the “Response Brief”)*.

² *See* DKT 18, *Opposer’s Motion for Leave to Amend Its Consolidated Notice of Opposition and Motion for Judgment as Sanction, or in the Alternative for Summary Judgment*.

II. APPLICANT HAS CONCEDED THE MOTION TO AMEND, MOTION FOR SUMMARY JUDGMENT, AND MOTION FOR JUDGMENT AS SANCTION, BY ITS UNTIMELY RESPONSE

2.01 With M2's Opening Motion filed and electronically served June 28, 2012 (DKT 17 at 130, "Certificate of Service") and HL's Response Brief filed August 6, 2012 (DKT 19), the Response Brief is tardily filed 39 days after the Opening Motion. The time allowed for a response is 30 days. TBMP § 502.02(b). If a nonmoving party has not given its consent to a motion, but does not file a brief in opposition thereto during the time allowed therefor, the Board, in its discretion, may grant the motion as conceded. See TBMP § 502.04. *See, e.g. Andrew Knight v. Discovery Communications, LLC* (Opp. No. 91166331) (Apr. 27, 2012) (disregarding untimely response to MSJ). The Board should do so here, particularly in light of the fact that this is HL's *fourth* default in this proceeding. OM ¶ 3.19.

2.02 If the Board does not grant M2's motion as conceded, it should strike HL's over-length brief and cross-motion. HL has incorporated an argument chart that comprises 23 single-spaced pages. RB at 20, referencing "Exhibit 28." Such internal direct reference to an extra 23 pages places HL's brief well beyond the limits for a response. 37 C.F.R. § 2.127(a).

2.03 The Board should alternatively grant no consideration to HL's brief and cross-motion for violations of 37 C.F.R. § 2.126, "Form of submissions to the Trademark Trial and Appeal Board." Among many examples, the referenced chart HL asks the Board to incorporate (RB at 20) is set forth in single-space type, a violation of 37 C.F.R. § 2.126(1). Moreover, HL's hundreds of pages of largely un-referenced exhibits are unnumbered and impossible for M2 to accurately reference in a reply brief or response to the cross-motions. This is a violation of 37 C.F.R. § 2.126(5), which requires that "[a]ll pages of a paper submission must be numbered and exhibits shall be identified in the manner prescribed in § 2.123(g)(2)," and the response and cross motions need not be given any consideration by the Board.

III. APPLICANT'S RESPONSE RELIES CENTRALLY UPON FALSIFICATIONS

3.01 For its late, unnumbered response that violates several Board rules for submissions, HL chooses to avoid any legitimate discussion of the merits of M2's motions for summary judgment or judgment as a sanction. Instead, HL launches a stream of red herrings of non-material, specious facts. The Board must see through HL's response and cross-motions. As set forth below, the "facts" that HL attempts to present are demonstrably false, and are irrelevant to the Board's review of M2's motion for summary judgment or judgment as a sanction.

A. Applicant's Misconduct In Litigation of False Pretexting and Trespass

3.02 A central red herring launched by HL relies on inaccurate information obtained through misconduct of HL's counsel in discovery. HL's counsel, presumably in her first litigation or Board proceeding,³ breached all societal norms of business practice or civilized legal proceedings by deploying a hired thug to M2's business office address to commit a variety of criminal offenses, including false pretexting and trespass, and to slander M2's business name and reputation. See *Decl. of Officer in Support of Reply and Response to Cross-Motions* ("DOSR") filed as Docket 23 as **Exhibit A**, at ¶ 8; *Declaration of DDO Partner In Support of Reply and Response to Cross-Motions* ("DECLDDO"), filed as Docket 24 as **Exhibit B**, at ¶¶ 2-10.

3.03 Such misconduct crossed the line from an ordinary discovery investigation into criminal violation, when HL deployed its thug to invent a false pretext in order to gain financial and other information from M2, a direct competitor. Pretexting is a federal criminal offense,⁴

³ http://www.lvbusinesspress.com/articles/2009/04/27/news/iq_28259073.txt ("I don't litigate").

⁴ Pretexting is a practice where an individual lies about her identity in order to obtain confidential or privileged information that he or she is not entitled to. Pretexting for financial data is a federal offense under the Gramm-Leach-Bliley Act. 15 U.S.C. §§ 6801-6809 (2005). See, e.g., Tresa Baldas, 'Pretexting' Scandal Sends Chill Through Bar (Sept. 20, 2006), at <http://www.law.com/jsp/article.jsp?id=1158682105822>.

and when directed by an attorney is grounds for disbarment.⁵ See *Midwest Motor Sports v. Arctic Cat Sales, Inc.*, 347 F.3d 693, 699-701 (8th Cir. 2003).⁶ The Board should not take such criminal offenses in discovery lightly, and should sustain this opposition as a sanction.

B. Applicant Submits Facts to the Board That It Knows to be False, Because Applicant Uses Opposer's Same Address of Record Here

3.04 HL's pretexting was in fact wholly unnecessary, as HL was already well-aware of the validity of M2's address because it is *the address of record here*. HL has tried a number of strange, odd, and bad faith tactics to create a record of abandonment that it knows to be false. For example, even though the parties have stipulated to electronic service in this proceeding [DKT 10, at 2], HL has sought to serve its papers via Certified Mail. DOSR ¶¶ 2, 8, **Exh. 2** at 4-5. Because it has even received Certified Mail receipts from M2 on delivery, HL is blatantly misleading the Board in claiming that it still believes M2's address of record to be invalid. *Id.*

3.05 All allegations of HL attempting to show M2 has abandoned its business are either knowingly false, or merely demonstrate that HL misunderstands modern business practice in the Internet era. For example, it is hardly necessary to have a store-front with signage⁷ for a

⁵ See, e.g., *Bar Counsel v. Kevin P. Curry*, No. SJC-09904, Massachusetts Lawyers Weekly No. 10-025-08 (Mass. Feb. 6. 2008) (attorney disbarred); *Bar Counsel v. Gary C. Crossen*, No. SJC 09905, Massachusetts Lawyers Weekly No. 10-026-08 (Mass. Feb. 6, 2008) (attorney disbarred).

⁶ See also Fed. R. Civ. Pr. 60(b) (any judgment may be vacated where there is a "fraud, misrepresentation, or other misconduct of an adverse party.")

⁷ Details about square footage or signage are not even relevant here, in a fanciful trademark case involving software and technology and not a retail storefront. With an inherently distinctive mark, a senior trademark owner is not required to demonstrate secondary meaning. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) ("The general rule regarding distinctiveness is clear: An identifying mark is distinctive and capable of being protected if it *either* (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning.") (emphasis in original); *McGregor Doniger, Inc. v. Drizzle, Inc.*, 599 F.2d 1126, 1132 (2d Cir. 1979) ("Thus, for example, the relatively small size of a senior user's advertising budget or sales volume will not diminish the strength of its valid mark, and the scope of protection accorded to the mark will not be narrowed because of such evidence."). See also *In re Shell Oil Co.*, 992 F.2d 1204, 1207-1208 (Fed. Cir. 1993) ("the rights flowing from federal registration do not vary with the size of the registrant").

company to have a viable and profitable business in the modern Internet era, particularly in the software and information technology field.⁸

3.06 M2 Software provides software and services to a variety of client firms throughout the United States and the world, and provides a substantial amount of its services electronically. DOSR ¶ 10; DECLDDO ¶¶ 5-6. HL claims M2’s smaller but targeted scale in the IT field means that M2 “does not have a valid business operation.” RB at 17. HL could not be more wrong. HL makes its argument by ignoring undisputed evidence of ongoing use, including samples of M2’s current revenue receipts. *See, e.g.,* OM, Exhibit A, *Declaration of Officer (“DeclOpp.”)*, **Exh. 10** at 102-104; *Id.* at 96-100.

3.07 HL gets wrong virtually every verifiable fact it submits to the Board, suggesting intentional misrepresentation rather than an ordinary infrequent inadvertent mistake. For example, HL launches a wild diatribe claiming that M2 somehow “misrepresented” its domicile as being Delaware, and is in fact a California corporation. RB at 21 n. 24. As accurately set forth in this proceeding – and as shown in HL’s *own evidence* it did not review before its frivolous motions to the Board – M2 is indeed a Delaware corporation. RB, Ex. 1 (“Jurisdiction: Delaware”).⁹

3.08 HL’s next wild claim is that M2 is not a valid business because it does not “list a toll-free number as would be expected of a commercially active business.” RB at 4, 8. Not

⁸ *See, e.g.,* Christodoulides, George, *Branding in the Post-Internet Era*, University of Birmingham (2009), DOI: 10.1177/1470593108100071, at 141 (“It would have been inconceivable, just a decade ago, that a virtual brand (Google) with no physical presence would top the FT/Millward Brown Optimor Global Brands Rankings 2008 with an estimated brand value of \$86.1 b, outperforming brands with generations of heritage and success such as Coca Cola”), available at <http://mtq.sagepub.com/cgi/content/abstract/9/1/141>.

⁹ M2 is a Delaware corporation in good standing, properly registered in good standing as a foreign corporation in other states including California. RB Ex. 1. Applicant’s argument concerning M2’s registration in particular jurisdictions for occupational licenses or permits is inapplicable for various reasons, but such municipal and state topics are well beyond the scope of this federal proceeding. *See, e.g. Kraft, Inc. v. Balin*, 209 USPQ 877, 880 (TTAB 1981) (although parties stipulated to introduction of state registration, said registration is incompetent to prove anything material to opposition proceeding).

only is HL's viewpoint outdated, it is simply wrong about the facts because M2 *does* maintain a toll-free number. That number, **800-M2SOF-08**, includes the valuable **M2**[®] trademark at issue here, which HL is improperly seeking to register alongside merely generic matter. DOSR ¶ 10.

3.09 HL also launches false and slanderous allegations that M2 Software's business is "bogus" because there is an "extra space" in the "phony" electronic mail address advertised on M2 Software's website. RB at 6. Yet this address is also M2's address of record in this proceeding, by which HL has consistently communicated. HL is either intentionally misleading the Board, or truly has a core unawareness of modern businesses protocol with Internet advertising. RB at 3-4. While Applicant claims that adding an extra space to an email address makes it a "sham" and "phony," in fact this is standard practice for modern companies. Adding a space to an email address is an *intentional* step, promoted by the Federal Trade Commission as an effective measure to prevent robotic harvesting of email addresses.¹⁰

3.10 HL's "facts" demonstrating supposed abandonment are out-of-this-world, and are wasting the time of the parties and the Board in requiring response to each ridiculous notion.

C. Applicant Admits Receiving Service, Then Falsely Claims to the Board It Was Not Served Confidential Exhibits Included In The Same Email

3.11 HL's next falsification to the Board is that M2 "failed to serve" M2's confidential exhibits. RB at 21. This is demonstrably false. HL has admitted receiving service of the Opening Motion. RB at 20. This could not have occurred without also receiving the confidential exhibit which was served in the *same email service*, as stipulated by the parties [DKT 10, at 2]

¹⁰ See, e.g., *Email Address Harvesting and the Effectiveness of Anti-Spam Filters, A Report by the Federal Trade Commission's Division of Marketing Practices* (November 2005), available at www.ftc.gov/opa/2005/11/spamharvest.pdf, at 1 ("The 'masking' of an email address involves altering the appearance of an email address so that it is understandable by a person who sees the address, but less likely to be discernable by automated harvesting software. For example, to mask * * * 'johndoe@ftc.gov,' the words 'at' and 'dot' can be written out, and segments of the email address **can be separated by spaces**. The masked version of the address would appear as 'johndoe at ftc dot gov.' The study found that the 'masking' of an email address was very effective in thwarting harvesting.") (emphasis added).

pursuant to 37 C.F.R § 2.119(b)(6). *See* DOSR ¶¶ 2-4, **Exh. 1** at 2. Applicant is either intentionally misleading the Board, or is confused about multiple email attachments.

D. The Rights Flowing From Federal Registration Do Not Vary With Size of Registrant

3.12 HL also argues that because M2 operates on a smaller scale, it has abandoned rights to its own distinctive coined trademark symbol that M2 created and has used for 21 years. RB at 16. This is not the law. “However, the rights flowing from federal registration do not vary with the size of the registrant; a small business that meets the statutory requirement of providing its services ‘in commerce,’ 15 U.S.C. § 1051(a)(1), is not rationed, because it is small, in the rights secured by the Lanham Act.” *In re Shell Oil Co.*, 992 F.2d 1204 (Fed. Cir.1993).¹¹

3.13 HL then argues that M2 has not shown use on “goods” even while HL does not dispute, for example, M2’s use of the **M2**[®] trademark on website ads, or on contracts identifying services [*DeclOpp.*, **Exh. 10** at 107-129]. *See* RB at 12. HL simply ignores the evidence of its *own exhibits*, which also identifies use of the **M2**[®] brand on product screens – an acceptable product mark use – for the RLMS software. *See, e.g.* RB, Exh. 25 at Ex. 1 and Ex. 2. The fact that HL’s submitted pages showing computer screens with the **M2**[®] logo are the most blurred-out portions of HL’s submission is only further indication of HL’s bad faith tactics here. *Compare,*

¹¹ In seeking to diminish M2’s IT rights, HL attempts to focus on a different, secondary side business of M2 in interactive music products. RB at 14, 16. This is a side business reflecting the music interests of M2’s owner that has generated a fraction of revenues of M2’s main IT business providing enterprise solutions and services, and *is not relied-upon in this case* concerning HL’s applications that directly intersect M2’s *primary* business of enterprise solutions. *See* OM at 14 n. 8; *DeclOpp.* **Exh. 10** at 96-99. M2’s side business is not abandoned, however, merely because it is not relevant here and need not create additional burden for the Board by discovery concerning the different, secondary business of Opposer. *See* TBMP § 414 (11). M2 Software has consistently and continuously used its mark in both businesses, for 21 years. *See, e.g., DeclOpp.* **Exh. 10** at 99; DOSR ¶ 3, **Exh. 3** at 7, **Exh. 4** at 9-10.

e.g., Trademark Document Retrieval (TDR) files of the actual exemplars, U.S. Reg. No. 1,931,182, shown at DOSR **Exh. 6** at 18.¹²

E. Applicant Misstates the Abandonment Standard, Which is Not Met Here

3.14 “[A]s a threshold matter, abandonment requires *complete* cessation or discontinuance of trademark use.” *Electro Source v. Brandess-Kalt-Aetna Group, Inc.*, 458 F. 3d 931, 938 (2006) (emphasis in original), citing *Doebblers’ Pa. Hybrids, Inc. v. Doebler*, 442 F.3d 812, 823 (3d Cir. 2006) (holding that a trademark was not abandoned because “[t]he simple fact is that the use of [the trademark] never ceased.”) M2 has consistently and continuously provided its goods and services under its established M2[®] brand, including in both its enterprise solutions and interactive music businesses, and including in major trade shows. *See e.g.* DOSR **Exh. 4** at 9-10 (M2[®] brand at 2010 MIDEM show). This hardly demonstrates cessation of trademark use.

3.15 HL falls far short of the stringent standard for demonstrating abandonment of a trademark subject of M2’s investment and use for 21 years. *See Cumulus Media, Inc. v. Clear Channel Commc’ns, Inc.*, 304 F.3d 1167, 1175 (11th Cir.2002) (“Because a finding of abandonment works an involuntary forfeiture of rights, federal courts uniformly agree that defendants asserting an abandonment defense face a ‘stringent,’ ‘heavy,’ or ‘strict burden of proof.’”).

¹² The case cited by HL concerning M2’s interactive music segment is inapposite because it did not involve M2’s primary field of enterprise solutions relevant here. *See M2 Software, Inc. v. Madacy Entm’t (SFX)*, 421 F.3d 1073, 1076 (9th Cir. 2005), *cert denied*, 547 U.S. 1069 (2006) (“*Madacy-SFX*”) (trial was limited to only “general consumer” segment of business). Moreover, the restrictive “mistaken identity” standard of that case contradicts the Federal Circuit standard for determination of likelihood of confusion, and is not applicable here. *Cf. Madacy-SFX* at 1089 (trademark protection limited to requiring that clients *already doing business with* the senior trademark owner would “*mistakenly believe* that they were *dealing with*” the larger junior user) (emph. added) *with Taco Cabana Int’l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1121 (5th Cir. 1991), *aff’d Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992) (finding similar “mistaken identity” standard would identify only a “rather silly mistake”...the “issue is not whether consumers can read signs * * * that identify different restaurants”); *Recot, Inc. v. Becton*, 214 F.3d 1322, 1329 (Fed. Cir. 2000) (“[E]ven if the goods in question are different from, and thus not related to, one another in kind, the same goods can be related in the mind of the consuming public as to the origin of the goods.”).

3.16 The undisputed evidence, uncontroverted and simply ignored by HL, demonstrates that M2 has never ceased use and continues to use its coined **M2**[®] trademark in connection with the goods and services of its registrations. See OM, Exh. A, **Exh. 10** at 102-104 (sample of 2012 revenue receipts), DECLDDO ¶ 11; DOSR **Exh. 3** at 7, **Exh. 4** at 9-10.

3.17 M2's diligent enforcement of its trademark is yet another factor that demonstrates it has not abandoned its trademark. See, e.g., *United States Jaycees v Philadelphia Jaycees*, 639 F.2d 134, 139 (3d Cir. 1981) ("On the contrary, this and other legal efforts of the [senior trademark owner] definitely indicate an intent to retain exclusive use of its marks").

3.18 It is also clear from the uncontroverted evidence that M2 has no intent whatsoever to abandon its valuable business name and trademark, which is the required standard. 15 U.S.C. §1127. See *Crash Dummy Movie, LLC v. Mattel, Inc.*, 2010 U.S. App. LEXIS 7774 (Fed. Cir. 2010). HL can offer only frivolous arguments and conclusory statements asserting that M2 has somehow abandoned its trademark subject of 21 years of use and investment.

3.19 Such arguments fall far short of creating any genuine issue of material fact.¹³ HL fails to address the central, pertinent fact: that the applied-for goods, by the plain language of the application, directly intersect the registered goods and services of M2. See OM, at ¶ 4.38.¹⁴

Dated: August 15, 2012
Chicago, Illinois

Respectfully submitted,
M2 SOFTWARE, INC.
BY: s/David Escamilla/
David Escamilla
President and C.E.O.

OPPOSER

¹³ Collateral attacks on a registration are impermissible in a Board opposition, and should be disregarded. See *Fort James Operating Co. v. Royal Paper Converting Inc.*, 83 USPQ2d 1624, 1626 n.1 (TTAB 2007).

¹⁴ Rather than address the merits of this contention, HL attempts to rewrite its description to a vague definition of social networking applications [RB at 24] that in reality is merely an emerging sub-category of the same overall type of database business management applications M2 has provided under the senior functionally identical **M2**[®] brand for 21 years. See OM ¶ 2.09; *DeclOpp*. ¶¶ 8, 11; **Exh. 3** at 19.

EXHIBIT A

[FILED SEPARATELY UNDER SEAL PURSUANT TO TTAB STANDARD PROTECTIVE ORDER]

EXHIBIT B

[FILED SEPARATELY UNDER SEAL PURSUANT TO TTAB STANDARD PROTECTIVE ORDER]

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument is being served on August 15, 2012, by electronic service, pursuant to the parties' agreement under Trademark Rule 2.119(b)(6), upon the defendant / Applicant at its address of record.

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