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

Proceeding	91204259
Party	Plaintiff Valhalla Motion Pictures, Inc.
Correspondence Address	MICHAEL K GRACE GRACE GRACE LLP 790 E COLORADO BLVD, SUITE 797 PASADENA, CA 91101 UNITED STATES mgrace@gracelaw.com
Submission	Brief on Merits for Plaintiff
Filer's Name	Pamela D. Deitchle
Filer's e-mail	pdeitchle@gracelaw.com, mgrace@gracelaw.com, ip@gracelaw.com
Signature	/Pamela D. Deitchle/
Date	03/16/2015
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Serial Nos. 77/948,333; 77/948,895; and 85/310,089

Valhalla Game Studio's Marks: VALHALLA GAME STUDIOS; VALHALLA GAME STUDIOS and Design; Valhalla Motion Pictures' mark: VALHALLA ENTERTAINMENT

VALHALLA MOTION PICTURES, INC.,

Opposer;

v.

Opposition No. 91204259
(parent case)

VALHALLA GAME STUDIOS CO. LTD.,

Applicant.

VALHALLA GAME STUDIOS CO. LTD.,

Opposer;

v.

Opposition No. 91206662

VALHALLA MOTION PICTURES, INC.,

Applicant.

OPPOSER'S REPLY BRIEF IN PARENT CASE

Pursuant to Rule 2.128, Opposer Valhalla Motion Pictures, Inc. ("VMP") submits its reply brief in support of its opposition to registration of VALHALLA GAME STUDIOS and VALHALLA GAME STUDIOS & Viking ship Design.

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EVIDENTIARY OBJECTIONS

VMP objects to the following evidence offered by VGS in the parent case:

1. Third party registrations incorporating the term “Valhalla.” Third-party registrations are “not evidence of what happens in the market place or that customers are familiar with them.” *AMF Inc. v. Am. Leisure Prods., Inc.*, 474 F.2d 1403, 177 U.S.P.Q. 268 (CCPA 1973). The Board requires evidence of actual use of the third party marks if those marks are to be introduced as evidence of a crowded field or that a mark is weak. *In re Mighty Leaf Tea*, 601 F.3d 1342, 1347, 94 U.S.P.Q.2d 1257 (Fed. Cir. 2010) (“The mere citation of third party registrations is not proof of third party uses for the purpose of showing a crowded field and relative weakness.”).

2. Document # 31, Exhs. 1-7: webpages about Viking ships. This evidence is hearsay, irrelevant, and lacks foundation. FRE 401, 402, 801, 802 & 901. VMP also object to these exhibits to the extent they are offered as expert opinions, as VGS did not make any expert witness disclosures and the authors of those exhibits were not identified as witnesses. FRE 701 & 702.

3. Document # 48, Exh. 1: “E3 2014: Devil’s Third”. The video lacks foundation and has not been authenticated. FRE 901.


ARGUMENT

VGS has failed to refute the evidence and applicable law presented in the opening brief. The Board should sustain VMP’s Opposition based on a likelihood confusion caused by the simultaneous use and registration of VMP’s marks



as used in connection with motion picture and television production and related services, and VGS’s



proposed VAHALLA GAME STUDIOS and  marks as used in video game software development and related goods and services.

VGS's failure to acknowledge the evidence cannot shield it from the inescapable conclusion that consumers are likely to be confused as to the source of VGS's proposed video game software, because VGS has adopted virtually identical word marks and designs for use on services that are closely related to VMP's services. The consumers overlap and the channels are virtually the same. The Opposition should be sustained.

I. The VMP Marks Are Visible To Consumers and Are Strong.

VGS's statement that VMP's marks are not visible to consumers is curious given that on its own initiative, VGS submitted evidence of VMP's VALHALLA MOTION PICTURES and VALHALLA ENTERTAINMENT marks as they appear in the credits of VMP's authorized entertainment productions. (Doc. # 49, Exhs.1 & 2). The record also is replete with instances where VMP's marks appear in connection with its television productions, comic books, and motion picture productions. (Doc. # 40, Exhs. 59-62 & 66).

As noted in its opening brief, VMP is well known in the entertainment industry, as evidenced by the significant publicity that VMP has received in entertainment trades and mass-market publications before and after commencing this proceeding. VMP's productions and marks have been exposed to hundred of millions, if not billions of sets of eyes since the 1990s. VMP's use of its marks has not been sporadic or *de minimis* (as VGS claims), but rather, has been the subject of widespread use, advertisement and acclaim. (Doc. # 43, Exhs. 1-18, 21, 23-24; Doc. # 44, Exhs. 1-10, 14; Doc. # 45, Exhs. 1-6, 8-10; Doc. # 46, Exh. 1).

Finally, as mentioned above, VMP objects to the third-party registrations offered by VGS, because such registrations are not probative of actual commercial use or even that customers are familiar

with them. Perhaps VGS offers the registrations to show that “Valhalla” is a generic term in the entertainment industry, but that position (if true) would conflict with VGS’s simultaneous sworn statement that it has the exclusive rights to the use of its marks for computer software games for entertainment. Likewise, none of the cited registrations mimic VMP’s combination of mark elements in VALHALLA MOTION PICTURES, VALHALLA ENTERTAINMENT, and VALHALLA ENTERTAINMENT. Only VGS has mimicked VMP by adding “Game Studios” after “Valhalla” and using a similar Viking ship design. The similarities are uncanny, too much to be coincidental, and constitute evidence of intentional copying.

II. The Trade Channels and Target Consumers Overlap.

VGS makes several statements about where and how its yet-to-be released products will be marketed and sold in comparison to VMP’s offerings, but it offers no supporting evidence. (Opp. Brief at 14-15). Consequently, those statements must not be considered. TMBP § 704.06(b) (“Factual statements made in a party’s brief on the case can be given no consideration unless they are supported by evidence properly introduced at trial.”); *In re Simulations Publications, Inc.*, 521 F.2d 797, 798, 187 U.S.P.Q. 147 (CCPA 1975) (“Statements in a brief cannot take the place of evidence.”).

The evidence, however, shows -- and VMP does not deny -- that the core demographic for actual consumers of VMP’s products and those of VGS are the same: primarily young adult males. (Doc. # 47 at 43-44, 46). Also, VGS does not dispute that VMP and VGS have marketed their services and sought business opportunities at the same places and at the same times to companies that are interested in developing intellectual property for entertainment purposes, including video games. As the junior, intent-to-use applicant, VGS must give way to VMP’s prior rights.

III. The Marks Are Virtually Identical.

VGS asserts that there is no confusion because the parties’ respective logos use a different typeface and feature slightly different Viking ships sailing in opposite directions. What VGS fails to address, however, is that the additional material must be truly distinguishing and must in fact result in conveying a different overall commercial impression. The record in this case reflects uncanny similarities

and the slight differences noted in VGS's brief do not cause the marks to have different overall commercial impressions as shown below.



VGS does not dispute that the dominant and source-identifying element of the parties' marks -- VALHALLA -- is the same and is fanciful and thus entitled to the highest level of protection as registered mark. VGS offers no explanation as to why consumers would overlook the dominant components VALHALLA and the Viking ship design and then zoom in on the typeface, kind of ship and angle of depiction, and the (disclaimed) term "Game Studios" to separate the commercial impressions of the marks. The marks combine the same three elements to create unitary mark: VALHALLA + image of a Viking ship + disclaimed descriptive terms identifying the entertainment goods and services offered. VGS cannot argue that the descriptive words "Game Studios" distinguish the marks, because those words have been disclaimed. *In re Jack B. Binion*, 2009 WL 5194992, *3, 93 U.S.P.Q.2d 1531 (TTAB 2009) (disclaimed terms serve no source-identifying function); *In re Nett Designs, Inc.*, 236 F.3d 1339, 1341 (Fed. Cir. 2001) (same). Further, VGS's VALHALLA GAME STUDIOS mark consists of standard characters without claiming any particular font size, style, or color. VGS thus claims a right to display its mark in a manner similar to the font, style and color of VMP's marks. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 950 (Fed. Cir. 2000) ("Registrations with typed drawings are not limited to any particular rendition of the mark and, in particular, are not limited to the mark as it is used in commerce.").

The overall commercial impression is nearly identical, because the dominant components are virtually the same. The visual impact is the same. The overall look and feel is the same. The similarity supports a finding that confusion is likely between VMP's registered marks and VGS's marks for which it seeks registration.

IV. Video Games Are Within VMP's Natural Zone of Expansion.

The “natural zone of expansion” doctrine discussed by VGS refers to instances when a senior user of a mark may prevent others from using the same or similar mark on goods or services that consumers might reasonably expect to come from the senior user in the “normal expansion of business under the mark.”¹ *Mason Eng'g & Design Corp.*, 1985 WL 72027, *6, 225 U.S.P.Q. 956 (TTAB 1985). This doctrine is concerned with likelihood of consumer confusion generated by the actual or potential expansion of related goods or services offered under the senior user's existing mark, not whether the senior user can adopt a *new* mark to use in connection with existing (or new) goods and services.

VGS argues that because VMP has not sold any VALHALLA-branded video game products to date, VMP should be precluded from doing so. VGS has it backwards: The natural zone of expansion doctrine prevents junior users from entering space that a senior user does not currently occupy but that is within a field of “related product[s] that consumers could reasonably believe is manufactured or sponsored by [the senior user].” *McDonald's Corp. v. McBagel's Inc. (McBagel)*, 649 F.Supp. 1268, 1276, 1 U.S.P.Q.2d 1761 (S.D.N.Y. 1986).

An evaluation of the “zone of natural expansion” factors outlined in *Mason Engineering* strongly supports a finding that video games are within VMP's natural zone of expansion.² The video game market is within VMP's primary area of business of producing action-oriented popular entertainment properties in multimedia, television, film, comic books, and online. No new technology or know-how is required. The evidence shows that VMP has been involved in video game production and consulting for several years prior to VGS's formation and has profited financially from those efforts. Those efforts are

¹ By raising the “zone of expansion” argument, VGS appears to concede that VMP has priority with respect to the term “Valhalla” as used in connection with entertainment production services.

² In this case, the test to determine whether VMP's expansion is natural depends on: (1) whether the video game market is a distinct departure from VMP's first area of business, thereby requiring a new technology or know-how, or whether it is merely an extension of the technology involved in the first area of business; (2) the nature and purpose of the goods or services in each area; (3) whether the channels of trade and classes of customers for the two areas of business are the same, so that the goodwill established by the VMP would carry over into the second area; and (4) whether other companies have expanded from one area to the other. *Mason Eng'g & Design Corp.*, 1985 WL 72027 at *6, 225 U.S.P.Q. 956.

expected to expand as the platforms for distributing entertainment -- theatrical release, television, online streaming, tangible media like DVDs, traditional and online publications, and videogames -- become ever more closely congregated.

VGS does not dispute that entertainment production companies are diversifying their media platforms in an effort to maximize the exploitation of intellectual property assets. It is also undisputed that the demographic of VMP's target audiences and the demographic of video game audiences are the substantially the same. Expansion into the video game market is not unexpected for a company like VMP, which has demonstrated a longstanding and successful track record in action-oriented motion picture and television production, web series production, and comic book publishing. If VGS's registrations were to be granted, VGS would be trading off VMP's existing reputation. Moreover, VMP would be unable to market its entertainment properties as video games, a reasonable and probable business expansion. The intention of the expansion doctrine is to prevent such a problem from occurring, which is particularly appropriate in intent-to-use applications in which a new mark may be adopted easily by the junior party.

V. There Is No Evidence To Support VGS's Contentions Re: Video Game Pricing & Consumer Sophistication.

VGS argues that confusion is not likely, because it contends that video games are costly and, consequently, video game consumers would make careful customers and be able to distinguish between Valhalla Motion Pictures and Valhalla Game Studios. (Opp. Brief at 22-23). VGS, however, cites no evidence to support its contentions regarding consumer sophistication, pricing, or the level of care likely to be exercised by consumers. (*Id.*). Those statements must not be given any weight. "Factual statements made in a party's brief on the case can be given no consideration unless they are supported by evidence properly introduced at trial." TMBP § 704.06(b); *In re Simulations Publications, Inc.*, 521 F.2d at 798. Here, where the marks are virtually identical and marketed to the same consumers in the same way and through the same channels, the likelihood of confusion is great.

VI. The Absence of Evidence of Actual Confusion Is Not Fatal To VMP's Opposition.

It well-settled that the relevant test is likelihood of confusion, not actual confusion; thus, it is

unnecessary to show actual confusion to establish likelihood of confusion. *Herbko Int'l, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 1165 (Fed. Cir. 2002). The absence of evidence of actual confusion simply is not fatal to VMP's Opposition, especially given that VGS has yet to sell any products using the confusingly similar marks in the United States. Indeed, it would be extraordinary to find evidence of actual confusion prior to commercial release of a product.

VII. VGS's Intent Is Relevant.

Finally, VGS claims that it has no intent to be associated with VMP or to capitalize on the goodwill generated by VMP's use of the VALHALLA family of marks in the entertainment industry. The evidence, however, points strongly to a different conclusion. Despite an infinite number of potential source identifiers, VGS happened to combine the same key elements as VMP and in the same way to create a nearly identical mark. VGS's claim that its selection of marks is a mere coincidence rings hollow and strains credulity.

Even were VGS's intent innocent, however, the Board has long held that the "lack of intent to trade on or copy another's mark will not prevent a finding of likelihood of confusion if the actual impression created by the mark is likely to cause confusion." *Greyhound Corp. v. Both Worlds Inc.*, 1988 WL 252489, *6, 6 U.S.P.Q.2d 1635 (TTAB 1988); *Time Warner Entertainment Co. v. Jones*, 2002 WL 1628168, *11 n.25, 65 U.S.P.Q.2d 1650 (TTAB 2002) ("the fact that applicant apparently adopted her mark in good faith does not weigh in applicant's favor in our likelihood of confusion analysis"). There is overwhelming evidence that VGS's use of its marks is likely to cause confusion.

CONCLUSION

In its opening brief, VMP demonstrated that there is a likelihood of confusion between



on the one hand and



VALHALLA GAME STUDIOS because

of the similarity of the commercial impression of the marks, the similar products, the same channels of

trade, and serious questions about VGS's alleged good faith in adopting a very similar mark despite evidence of prior knowledge of VMP's marks. VGS paradoxically insists that there is no likelihood of confusion in the parent case, but that there is a likelihood of confusion between the two marks in the child case:



VGS cannot have it both ways. Prudence dictates that VGS should adopt a new mark to avoid confusion with VMP, but VGS has rejected prudence, thus forcing VMP to bring this matter to the Board for its prudential judgment. To protect VMP's investment in its brand over nearly 20 years and to protect the public from deception, this Board should sustain the Opposition and deny the intent-to-use applications for VALHALLA GAME STUDIOS & Viking Ship Design and the word mark VALHALLA GAME STUDIOS.

/s/ Pamela D. Deitchle

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Michael K. Grace (Cal. SBN 126737)
mgrace@gracelaw.com
Pamela D. Deitchle (Cal. SBN 222649)
pdeitchle@gracelaw.com
GRACE+GRACE LLP
790 E. Colorado Blvd., Suite 797
Pasadena, CA 91101
Telephone: 626.696.2450
Facsimile: 626.696.1559
Attorneys for Opposer Valhalla Motion Pictures, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on March 16, 2015, a true and complete copy of the foregoing OPPOSER'S REPLY BRIEF IN PARENT CASE has been served on Opposer by electronic mail addressed to

Marvin Gelfand
mgelfand@weintraub.com
Weintraub Tobin Chediak Coleman Groding
9665 Wilshire Blvd., 9th Floor
Beverly Hills, CA 90212

/s/ Pamela D. Deitchle

Pamela D. Deitchle