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

Proceeding	91212993
Party	Defendant Empirical Financial Services
Correspondence Address	WENDY PETERSON NOT JUST PATENTS PO BOX 18716 MINNEAPOLIS, MN 55418-0716 UNITED STATES wsp@NJPLS.com
Submission	Opposition/Response to Motion
Filer's Name	Wendy Peterson
Filer's e-mail	wsp@NJPLS.com
Signature	/Wendy Peterson/
Date	12/09/2013
Attachments	Objection to Motion to Dismiss EMPIRICAL SYSTEMS counterclaim.pdf(38355 bytes)

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

In the matter of Trademark Application Serial No. 85478892

For the mark: EMPIRICAL

Date Published in the Official Gazette: Jun. 18, 2013

Opposition No. 91203384(parent)

Cancellation No. 92055549

Opposition No. 91204762

Opposition No. 91205142

Opposition No. 91205144

Opposition No. 91212993

Empirical Concepts Inc., Opposer v. Empirical Financial Services, Applicant

OBJECTION TO MOTION TO DISMISS COUNTERCLAIM

Wealth maintains an objection to the Motion to Dismiss the Counterclaim.

Wealth has claimed very specific facts that are subject to dispute in the counterclaim that Concepts has not used EMPIRICAL SYSTEMS in commerce as required under the statute. Wealth also maintains that contrary to what Concepts claims, marks do have to have an open and public element and be used in ordinary trade before a first use in commerce can be claimed.

Nonuse

1. Wealth alleges the fact that Concepts has not used the mark EMPIRICAL SYSTEMS in commerce. Nonuse is literally not using a mark in commerce, a fact. This is not a legal conclusion, it is a fact. Nonuse is not an allegation of fraud.

- a. Wealth alleges that discovery responses from Concepts allege that Concepts admits themselves that they has no evidence of uses in commerce beyond what is on their web site and what is in USPTO documents. Wealth alleges that neither of these sources are proof that the mark was used in commerce; no use (not even a mention in a document provided by Concepts) is a sign of nonuse. Using the term ‘specimen’ in the Motion to Dismiss is misleading, Wealth is not referring to the examiner’s decision. The alleged use submitted by Concepts could be an acceptable ‘use in commerce’ had the product actually been openly and publicly used in commerce. The argument is not that the specimen is not the right type, the argument is that it has not actually been used in commerce. This is a fact that will be shown to be true that will lead to the legal conclusion of nonuse.
- b. Concepts does not claim that they have made sales or that they have transported the goods or that there has been any public use of the mark, the only claim is that the specimen is acceptable for prosecution which is not Wealth’s argument. Public use is required for both sales or for transportation. In assessing trademark rights stemming from transportation of the goods, courts have required an element of public awareness of the use. *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1265, 185 USPQ 1, 4 (5th Cir. 1975)(“Secret, undisclosed internal shipments are generally inadequate to support the denomination ‘use.’”); *New England Duplicating Co. v. Mendes*, supra, at 153(“[E]vidence showing, first, adoption, and, second, use in a way sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of the adopter of the mark, is competent to establish ownership, even without evidence of actual sales”). See also, 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition §19:118 (4th ed. 2005)(“It seems clear that ‘transportation,’ as an alternative to ‘sale,’ requires the same elements of open and public use before customers.”).
- c. Concepts footnote that they submitted further evidence consisting of a “confidential Power Point presentation to The Department of Homeland Security that displayed several screenshots displaying the EMPIRICAL SYSTEMS mark” is an admission against interest. A confidential PowerPoint presentation to Homeland Security is not

an open and public use. This late answer to the discovery request is also an admission against interest as to the sufficiency of Concepts' discovery responses.

Fraud

2. Wealth alleges that Concepts fraudulently created a specimen just to acquire a registration. The nonuse is a fact that is being alleged and has already been admitted by Concepts in their discovery responses.
 - a. Again, Concepts is incorrect in its assertion that a mark does not have to be public. The controlling factor for "use in commerce", however, is whether there has been some element of open or public use of the mark by the owner during the transfer, such that it might be viewed by potential purchasers of the goods. See *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 185 USPQ 1 (5th Cir. 1975); 2 J. McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 19:118 (4th ed. 1997).
 - b. The remaining elements of fraud were pleaded.

Unclean Hands/Fraud

3. Wealth is alleging the fact that Concepts has made use of the same screenshot in another proceeding to be a use in commerce for a completely different mark, EMPIRICAL FINANCIALS. This is an alleged fact, not a legal conclusion. The facts that unclean hands is typically used as an affirmative defense does not preclude its use as a ground for cancellation if it is a ground that shows that the applicant was not entitled to a registration, but perhaps the ground should be labelled as another act of fraud.
 - a. Both marks by Concepts, EMPIRICAL FINANCIALS and EMPIRICAL SYSTEMS are involved in this same consolidated proceedings. Concepts was likely being partially truthful when they claimed that the screenshot that said EMPIRICAL SYSTEMS was for EMPIRICAL FINANCIALS. It was likely exactly the same software but the name change for that particular screenshot had been done wrong. Using the same software under a bunch of different names to create specimens of use for the purpose of

deceiving the USPTO into granting registrations perhaps should have been labelled as fraud but should not be dismissed.

Wealth asks that the counterclaim for cancellation be maintained on all counts and, if required, that Wealth amend the claim of unclean hands to be a claim of fraud.

Submitted By: /Wendy Peterson/

Date: December 9, 2013

Wendy Peterson, Attorney for Wealth, Empirical Financial Services

CERTIFICATE OF SERVICE

I hereby certify that on December 9, 2013, the foregoing was served upon Concepts by first class mail to:

Empirical Concepts, Inc.
Clifton E. McCann
Thompson Hine LLP
1919 M Street, N.W., Suite 700
Washington, DC 20036-1600

By: /Wendy Peterson/

Date: December 9, 2013

Wendy Peterson, Attorney for Concepts, Empirical Financial Services