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

Proceeding	91245272
Party	Defendant Alibaba Group Holding Limited
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

AMER GROUP INC.,

Opposer,

v.

ALIBABA GROUP HOLDING LIMITED,

Applicant.

Opposition No.: 91245272

Application Serial No.: 87/628,472

Mark: ALIPAY

Publication Date: August 14, 2018

**APPLICANT’S REPLY TO OPPOSER’S RESPONSE IN OPPOSITION TO
APPLICANT’S MOTION TO SUSPEND PROCEEDING**

Pursuant to 37 C.F.R. § 2.117(a) and TMBP §§ 502.02(b) and 510.02(a), Applicant Alibaba Group Holding Limited (“Alibaba”), through its undersigned attorneys, hereby respectfully submits this reply (“Reply”) to Opposer Amer Group Inc.’s (“Amer”) Response in Opposition to Applicant’s Motion to Suspend Proceeding (“Opposition”) (Dkt. 7) and in further support of Alibaba’s Motion to Suspend Proceeding (“Motion to Suspend”) (Dkt. 6). In its Opposition, Amer argues that (1) the outcome of Opposition No. 91233862 (the “Alibaba Opposition”) will have no bearing on the present proceeding (Opposition No. 91245272) (the “Amer Opposition”); and (2) judicial economy will not be served by suspending the Amer Opposition. Alibaba respectfully disagrees and addresses each of Amer’s contentions as follows.

I. By Amer’s Own Admission, The Final Determination of the Alibaba Opposition Will Have a Direct Bearing on the Issues Before the Board in This Proceeding

Amer argues that Alibaba’s characterizations of the similarities of the proceedings is misleading. This is simply not true. As a preliminary matter, this unsupported assertion

appears to contradict Amer's own allegations in its Notice of Opposition in this proceeding. Indeed, Amer explicitly cites to and exhibits a copy of the Notice of Opposition filed in the Alibaba Opposition to its Notice of Opposition filed in this proceeding. Dkt. 1, Notice of Opposition, ¶ 2, Ex. B. The only reasonable explanation for referencing the Alibaba Opposition in Amer's Notice of Opposition is because the proceedings are indisputably connected. Further, Amer refers to the Alibaba Opposition as a "related" proceeding in its Opposition to the Motion to Suspend. Dkt. 7, Opposition, Pg. 1.

As advised in Alibaba's Motion to Suspend, the proceedings involve the *same exact parties, the substantially same marks, and the nearly identical issue of likelihood of confusion*. Both Alibaba and Amer are parties to the proceedings. There are no other parties involved in either proceeding. The marks at issue in the oppositions are substantively, if not exactly, the same, *i.e.*, the marks ALIPAY and APAY are subject to both actions. In fact, Amer admits that the marks are the same in its Notice of Opposition in this proceeding. Specifically, Amer alleges that Alibaba's Application No. 87/628472, which is subject to this proceeding, is for "Applicant's Mark" defined by Amer as the mark that forms the basis of the Alibaba Opposition. Dkt. 1, Notice of Opposition, ¶¶ 3 and 5. And, both proceedings involve Amer's APAY mark as reflected in Application No. 86/821,204. Thus, as Amer rightfully acknowledges in its Notice of Opposition, the marks at issue are the same in both proceedings.

Amer asserts that the goods and services listed in the subject Application No. 87/628472 for the mark ALIPAY are broader than the goods and services covered by Alibaba's registrations asserted in the Alibaba Opposition. While the goods and services may be broader in the subject application, they overlap with a number of the goods and services in

Alibaba's registrations asserted in the Alibaba Opposition. Further, the services that are most relevant to the issue of likelihood of confusion in both proceedings are listed in both Application No. 87/628472 (which is subject to this proceeding) as well as one or more of Alibaba's registrations asserted in the Alibaba Opposition. Such relevant services include, for example, payment processing services, credit card services, funds transfer services, financial services in the nature of billing and payment processing services, and variations of the same.

Amer further contends that the issue of likelihood of confusion is not the same in the proceedings because the strength of Alibaba's mark is not of concern in the Amer Opposition. Strength of the mark is only one factor out of a multitude of factors considered in a likelihood of confusion analysis. *See In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (C.C.P.A. 1973). As Amer points out in its Opposition, the likelihood of confusion factor with respect to the similarity or dissimilarity of the marks is still a contested fact in the Alibaba Opposition. Consequently, the Board's decision on the similarity or dissimilarity of the marks in the Alibaba Opposition, which are substantially the same marks at issue in this proceeding, will certainly have a bearing on the determination of the similarity or dissimilarity of the marks in the Amer Opposition, and which will ultimately influence whether or not there is a finding of likelihood of confusion. *See Other Tel. Co. v. Conn. Nat'l Tel. Co.*, 181 U.S.P.Q. (BNA) 125, 127 (Trademark Trial & App. Bd. February 11, 1974) ("It is clear therefore that the final determination of the civil suit will directly affect the resolution of the issue of likelihood of confusion which is involved in the proceeding before the Trademark Trial and Appeal Board."). Any decision made by the Board concerning likelihood of confusion in the Alibaba Opposition will have a preclusive effect on the same

issue in the Amer Opposition. *See Miller Brewing Company v. Coy International Corporation*, 230 USPQ 675 (TTAB 1986).

Even more, the Board has already made certain factual and legal determinations in the Alibaba Opposition, which may have a bearing on the outcome of the Amer Opposition. As mentioned in the Opposition, the Board has already considered and decided Alibaba's motion for summary judgment in the Alibaba Opposition (*see* Dkt. 17, Opposition No. 91233862). In its decision, the Board found that Alibaba's pleaded registrations established standing. And, the Board determined that Alibaba had removed priority as an issue with respect to the registered marks asserted in the opposition and goods/services recited therein. The determination with respect to priority is, in particular, relevant to this proceeding, as it may have a bearing on whether Amer has priority in this action, and may support certain defenses or claims available to Alibaba in this opposition.

The fact that this proceeding is based on an additional ground, namely, Amer's allegation that Alibaba lacks a bona fide intent to use the mark in connection with all of the goods and services listed in the application, does not negate the fact that the outcome of the Alibaba Opposition will have a direct bearing on the Amer Opposition with respect to the likelihood of confusion ground. Notably, the standard is only whether the prior proceeding will have some *bearing* on the later proceeding and not whether it will be dispositive. *See* 37 C.F.R. § 2.117(a) (emphasis added); *see also Arcadia Group Brands Ltd. v. Studio Moderna SA*, 2011 TTAB LEXIS 413, *7 (Trademark Trial & App. Bd. January 6, 2011); *Soc'y of Mexican Am. Eng'rs & Scientists, Inc. v. GVR Pub. Rels. Agency, Inc.*, 2002 TTAB LEXIS 697, *10 (Trademark Trial & App. Bd. November 06, 2002).

Also, Alibaba's Motion to Suspend is not premature. Amer argues that whether the Alibaba Opposition will have an impact on the Amer Opposition is unclear at this point because Alibaba has not submitted its Answer setting forth its position with respect to Amer's claims. Irrespective of Alibaba's Answer, the Alibaba Opposition will have an obvious bearing on the issue of likelihood of confusion in this proceeding, as discussed above. And, Alibaba should not have to expend time and resources to answer or otherwise respond to allegations that may otherwise be determined or dismissed in view of the earlier filed proceeding. As such, Alibaba's Motion to Suspend is timely.

Again, "[u]nless there are unusual circumstances, the Board will suspend proceedings in the case before it if the final determination of the other proceeding may have a bearing on the issues before the Board." TBMP § 510.02(a); *see, e.g., New Orleans Louisiana Saints LLC v. Who Dat? Inc.*, 99 USPQ2d 1550, 1552 (TTAB 2011) (civil action need not be dispositive of Board proceeding, but only needs to have a bearing on issues before the Board); *General Motors Corp v. Cadillac Club Fashions, Inc.*, 22 USPQ2d 1933, 1936-37 (TTAB 1992) (relief sought in federal district court included an order directing Office to cancel registration involved in cancellation proceeding); *Other Telephone Co. v. Connecticut National Telephone Co.*, 181 USPQ 125, 126-27 (TTAB 1974) (decision in civil action for infringement and unfair competition would have bearing on outcome of Trademark Act § 2(d) claim before Board), *pet. denied*, 181 USPQ 779 (Comm'r 1974). Also, the Board will often order suspension of the other proceeding pending disposition of the proceeding that appears closest to issuance of a final decision. *See id.* Given that the commencement of the trial period is imminent in the Alibaba Opposition, this proceeding should be suspended pending the disposition of the same.

As established herein and in the Motion to Suspend, there can be no dispute that the Alibaba Opposition will have a bearing on the Amer Opposition, and therefore the Board should grant Alibaba's request for suspension.

II. Judicial Economy Will Be Served by Suspending This Proceeding

Amer argues that there is no judicial economy achieved by suspending the present proceeding. Amer bases its argument on the unfounded contention that the Alibaba Opposition will not have a bearing on the Amer Opposition. However, as explained above, the final determination of the Alibaba Opposition will have a direct bearing on this proceeding. Judicial economy will be served by granting Alibaba's Motion to Suspend because such a ruling would avoid duplicative efforts by the Board and the possibility of the Board reaching inconsistent conclusions. *See Soc'y of Mexican Am. Eng'rs & Scientists, Inc.*, 2002 TTAB LEXIS 697 at *11-12; *New Orleans Louisiana Saints LLC & NFL Props. LLC*, 2011 TTAB LEXIS 208 at *4. Thus, the Board should suspend the Amer Opposition in the interests of economy and consistency.

III. Conclusion

For the reasons discussed above and in the Motion to Suspend, Applicant respectfully reiterates its request that the Board suspend this proceeding pending final determination of the Alibaba Opposition. In the event that the Board does not grant a suspension, Alibaba respectfully requests that it be allowed additional time (thirty (30) days) to file an Answer or otherwise respond to the Notice of Opposition in this proceeding.

Date: March 19, 2019

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing Applicant's Reply to Opposer's Response in Opposition to Applicant's Motion to Suspend Proceeding upon Opposer by causing a true and correct copy thereof to be sent on March 19, 2019, by electronic mail, to counsel for Opposer, as indicated below.

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