

TTAB

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



SAINT-GOBAIN ABRASIVES, INC.,

Box TTAB

10-10-2002

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #34

Petitioner,

Cancellation No. 92040794

v.

UNOVA INDUSTRIAL AUTOMATION
SYSTEMS, INC.

Respondent.

TRADEMARK TRIAL AND
APPEAL BOARD
02 OCT 24 AM 9:27

CERTIFICATE OF MAILING

I HEREBY CERTIFY THAT THIS CORRESPONDENCE IS BEING DEPOSITED WITH THE UNITED STATES POSTAL SERVICE AS FIRST CLASS MAIL IN AN ENVELOPE ADDRESSED TO: ASSISTANT COMMISSIONER FOR TRADEMARKS, 2900 CRYSTAL DRIVE, ARLINGTON, VA 22202-3513 ON October 8, 2002.

Dawn Large
DAWN LARGE

RESPONDENT'S RESPONSIVE BRIEF TO PETITIONER'S
CROSS-MOTION & REPLY BRIEF

Respondent now hereby responds to the cross-motion and replies hereto in support of its original Motion for Dismissal.

LACHES AND ACQUIESCENCE

The Petitioner has raised the cross-motion of preventing Respondent from possibly raising affirmative defenses of laches and acquiescence. Even after 60 years, the petitioner believes it has the right to provide an inadequate pleading and be entitled to a full hearing because of its naked assertions of functionality. Such is not the case.

In its motion, Saint-Gobain contends that it "is claiming that the Periphery Stripe is functional and therefore void *ab initio*" and that it "explicitly asserts that the Periphery Stripe is functional." It should be clearly understood that this is the first time that the functionality of a periphery stripe is asserted. Nowhere in the original petition does it assert that a periphery stripe or

band about the disc or wheel is functional. Respondent feels that it has been shadow boxing with this Petitioner because after three petitions, and oppositions, nowhere before has it committed to claiming that a periphery band is being asserted as functional.¹

As of today, there is no assertion in the Petition that a periphery stripe about the disc or wheel is functional as a matter of law. Petitioner has merely asserted stripes in general are functional. Moreover, Petitioner has not alleged that any competitor of Respondent uses said mark in a functional manner. Moreover, Petitioner has not alleged that Respondent uses its own mark in a functional manner. There is not a single allegation that a band about the periphery of the product has a functional characteristic that is "essential to the use or purpose of the product or if it affects the cost or quality of the product." Petitioner cites TraFFix Devices, Inc. v. Marketing Displays Inc. 532 U.S. 23, 33, 58 USPQ 2d 1001, 1006, (2001) but does not apply the quoted language to the case at hand because it can't. The key words here are "essential" and "affecting the cost or quality". Applicant's markings are not a configuration of the goods, it is painted onto the product. The product, namely the wheel or disk, functions perfectly fine without such a marking. The addition of the marking provides no cost saving. It, in fact, adds cost to the product. The quality of the product is not affected by the added paint marking of the trademark.

Petitioner cites several bald assertions without any factual allegations of functions for the periphery stripe. These functions, which are barely comprehensible if they exist, are only incidental to the mark. Thousands or other markings can accomplish the same functions. An incidental function, such as those mentioned, is not essential to the use or purpose of the product. The applicant is trying to find a function that is incidental to the product and by its bootstraps now is stating that the mark is void *ab initio*. A mere bald assertion without one iota of factual allegation

¹ Please also see related Opposition 91/150,173 and Cancellation No. 92/040,569.

is not sufficient reason to bar any equitable defenses much less avoid the incontestable provisions of the trademark law.

Respondent is under the impression that any *de facto* function however incidental or minor is a function that qualifies under the amended Trademark Statute. This is not the correct reading. Section 1052 (e) of the Trademark Statute states that “any matter that, as a whole, is functional.” Otherwise it shall not be refused registration.

Petitioner wants the TTAB to just ignore the important language of the statute “as a whole” and apparently replace it with “any functionality whatsoever no matter how incidental or contrived”. This is plainly not the law. The new edition of the TMEP recognizes the present statute is a codification of what the TTAB and the courts have already determined. Function that is essential or affect costs or quality is not protectable, i.e. *de jure* functionality. Other incidental functions, i.e. *de facto* functions, are not a bar to registration. While the TMEP has been change, it still recognizes that *de facto* functionality is not a bar to registration. See section 1202.02 (a) (iii)(B), last paragraph.

Petitioner cites that an examiner, in general, will no longer make the distinction in Office actions which refuse registration based on functionality, and then extracts from this that the legal distinctions between *de facto* functionality and *de jure* functionality no longer exists. This extraction is without legal support and is senseless. The petitioner is trying to interpret functionality in such a broad sense that all trademarks will be subject to a functional attack and this is plainly nonsense and should not be tolerated.

The cases cited in TMEP section 1202(a)(iii)(B), In re Ennco Display Systems Inc. 56 USPQ 2d, 1279, 1282 (TTAB 2000) and In re Parkway Machine Corp. 52 USPQ2d 1628 1631, n. 4 (TTAB 1999) were both decided and released for publication after the 1998 Trademark Statutory amendments were in effect and both cases discuss in detail the difference between *de facto*

and *de jure*. There is just no case law in support of petitioner's interpretation that any function no matter how contrived or incidental is enough to 1) bar laches and acquiescence defenses and 2) allow for a full hearing on a cancellation 60 years after the issuance of the registration.

Petitioner has cited many irrelevant cases to muddy the waters. Firstly, its citation of Goodyear Tire & Rubber Co. v. Inerco Tire Corp. 49 USPQ2d 1705 (TTAB, 1998) is misplaced. Lack of distinctiveness is not an issue for an incontestable mark that has been on the register for 60 years. Incontestable status bars contesting descriptiveness issues and other lack of distinctiveness issue.

Petitioner's citation of TBC Corp. v. Grand Prix Ltd. 12 USPQ 2d 1311 (TTAB, 1989) is misleading. The TTAB states in this case that in a proceeding based on descriptiveness or fraud, the equitable defenses of laches, acquiescence or estoppel are not applicable. The case does not stand for barring laches or acquiescence defenses in any matter where the mark is void *ab initio*. Even so, in this matter, the *de facto* functional claims do not render the matter void *ab initio* and thus the case is inapplicable.

Furthermore, its arguments against our "evidence" and reliance on Oland's [1971] Breweries LTD. V. Miller Brewing Co. 189 USPQ 481, 483 n.2 (TTAB 1975) is misplaced. The fact that certain evidence is provided by a Canadian attorney is a distinction without meaning. The exhibits show that the present petitioner knew about the present U.S. registration as early as 1967 and did nothing in the U.S. The evidence submitted is not about the rights in Canada but to show that petitioner knew about the present U.S. registration. Petitioner also asserts that Respondent cannot rely on evidence outside the scope of the pleadings. However, the Board can, under §503.04 of the TMBP, include outside evidence and can treat the present motion for summary judgment.

The Petitioner is labeling its claims as "functional" as a ploy to get around the laches and acquiescence defense. It is implying that all functional assertions thus must be *de jure* and thus must render such trademarks void *ab initio*. However, this logical leaping is not correctly grounded in fact. It is true that the law changed to include functional trademarks as a grounds to cancel a mark at any time and to refuse a registration if the mark as a whole is functional. However the definition of "functional" as set forth in the 1998 law must be placed in the proper context. After all, all trademarks are "functional" by serving the purpose of identifying the source of the goods. So it appears certain that Congress did not intend all marks to be denied registration or to be allowed to be cancelled at any time.

The function must be *de jure*, i.e. the function must be inherent in the product or packaging that embodies a design feature which is superior to other available designs. It must be essential to the to the use or purpose of the product or must affect the cost or quality of the product. The "functional" aspect of the mark must be an inherent function or a utility to the entire mark as a whole.

The Petitioner on the other hand is grasping for *de facto* functions to an otherwise arbitrary and non-functional mark. One, if creative, can always attribute a function to a mark. Even the most famous Coca-Cola mark placed on a clear bottle may have its bottom edge "indicate" that the bottle is approximately half filled. The top edge of the Coca-Cola mark may indicate another fill fraction of the bottle. Thus, finding a function attributable to the mark does not make the mark inherently functional. The courts have long recognized and still recognize the differences between *de jure* functionality and incidental or *de facto* functionality which does not bar registration. See In re Todd co. Inc. 129 USPQ 410 (CCPA, 1961) and In re Encco Display Systems Inc. *supra* and In re Parkway Machine Corp. *supra*.

Petitioner argues that its pleadings provide proper notice of function. However, the Petitioner has contrived three different and unrelated functions, grit size, replacement, and speed, without alleging one iota of a real factual basis for such functional claims. This searching and contriving of different functional attributes which may have a functional characteristic to bypass the incontestability aspect of section 15 is not what Congress had in mind. Nor should this searching and creating of functions be used to bypass any affirmative defenses of laches and acquiescence which may, and should, be raised if Respondent's pending Motion to Dismiss is denied.

Petitioner has delayed this proceeding for **62 years!!** As stated in the original Motion to Dismiss, Respondent's marketing employees, CEOs, CFOs have come and gone, have made entire careers, retired and passed on. Records of historical age have been destroyed. Witnesses have come to the company, grew old and have passed on. The entire business has been bought and sold. Offices have been built and razed. More than a mere passage of time has taken place. Respondent filed and renewed other related registrations, built a business and built goodwill for over half a century and did not adopt alternative or other trademarks for marketing its abrasive wheels and disks.

Putting the Respondent in such a Petition to Cancel after 60 years of notice places the Respondent at a severe disadvantage due to destruction of records and passing of witnesses after this extreme delay. A mere de facto functional assertion should not 1: be grounds to proceed further in this cancellation and 2: should not be grounds to prevent raising the aforementioned equitable defenses.

As such, the affirmative defenses should not be stricken and in fact, this entire proceeding should be dismissed with prejudice due to this extreme and unreasonable delay.

Respectfully submitted,

REISING, ETHINGTON, BARNES, KISSELLE,
LEARMAN & McCULLOCH, P.C.

A handwritten signature in black ink, appearing to read "Steven L. Permut", written over a horizontal line.

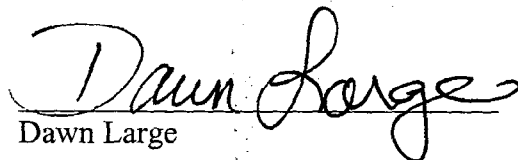
Date: October 8, 2002

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PROOF OF SERVICE

I hereby certify that a copy of the foregoing **RESPONDENT'S RESPONSIVE BRIEF TO PETITIONER'S CROSS-MOTION & REPLY BRIEF** was served by first class mail, postage pre-paid, on counsel of record for Petitioner and the Assistant Commissioner for Trademarks at the following addresses on **October 8, 2002**:

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