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

Proceeding	92054573
Party	Defendant Ortronics, Inc.
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Attachments	REPLY MEMORANDUM IN SUPPORT OF REGISTRANT'S MOTION FOR SUMMARY JUDGMENT.pdf (12 pages)(71944 bytes) Supplemental Declaration of Shawn S. Smith.pdf (3 pages)(92420 bytes) Exhibit RR to Supplemental Smith Declaration.pdf (3 pages)(270248 bytes) Exhibit SS to Supplemental Smith Declaration.pdf (2 pages)(188034 bytes) Exhibit TT to Supplemental Smith Declaration.pdf (2 pages)(166462 bytes) Exhibit UU to Supplemental Smith Declaration.pdf (12 pages)(400678 bytes) Exhibit VV to Supplemental Smith Declaration.pdf (19 pages)(1491804 bytes) Exhibit WW to Supplemental Smith Declaration.pdf (16 pages)(895862 bytes) Exhibit XX to Supplemental Smith Declaration.pdf (13 pages)(1012237 bytes) Exhibit YY to Supplemental Smith Declaration.pdf (11 pages)(810349 bytes) Exhibit ZZ to Supplemental Smith Declaration.pdf (12 pages)(922780 bytes) Exhibit AAA to Supplemental Smith Declaration.pdf (5 pages)(313968 bytes) Exhibit BBB to Supplemental Smith Declaration.pdf (12 pages)(969113 bytes) Exhibit CCC to Supplemental Smith Declaration.pdf (9 pages)(769441 bytes) Exhibit DDD to Supplemental Smith Declaration.pdf (11 pages)(920524 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Registration Nos.:	3,998,542 and 3,998,543
For the Marks:	LAYER ZERO and LAYER 0
Date of Issue:	July 19, 2011

LAYERZERO POWER SYSTEMS, INC.	)	
	)	
Petitioner,	)	Cancellation No.: 92054573
	)	
v.	)	
	)	
ORTRONICS, INC.,	)	
	)	
Registrant,	)	

REPLY MEMORANDUM IN SUPPORT OF
REGISTRANT'S MOTION FOR SUMMARY JUDGMENT

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1. Introduction

Petitioner does not controvert Registrant's evidence demonstrating (i) the parties' Goods are expensive, highly technical and purchased only after careful, deliberate and lengthy purchasing processes; (ii) the parties' target purchasers are different, mutually exclusive, discriminating and sophisticated professionals who have an in-depth understanding of the respective Goods and the source of those Goods; and (iii) the parties' Goods are specifically different, non-competitive, and travel in different channels of trade. These undisputed facts dictate summary judgment of no likelihood of confusion. Petitioner argues the marks are similar, the Goods are "closely related", and there is one instance of alleged actual confusion by Petitioner's long-time consultant. But these arguments do not controvert the above-mentioned undisputed facts, and do not preclude summary judgment.[1]

2. Petitioner Concedes the Parties' Goods are Expensive and Purchased Only After Careful, Lengthy Purchasing Processes by Sophisticated Professionals

Petitioner does not dispute that its Goods (i) are highly technical, customized power distribution equipment that deliver uninterrupted power to mission critical operations and, as such, are an extremely important purchase made only after careful consideration of the reliability and dependability of Petitioner and its Goods (Reg. Br., 1-4); (ii) can cost hundreds of thousands of dollars (Reg. Br., 4); and (iii) are sold to sophisticated, professional purchasers after a lengthy, individualized sales process through which purchasers understand the complex, unique features and source of Petitioner's Goods. (Reg. Br., 4-7.) Nor does Petitioner dispute that Registrant's Goods (i) are technically sophisticated, customer-configured racks and cabinets used to organize structured cabling and network equipment (Reg. Br., 7-9); (ii) can cost several thousand dollars, and are typically sold in transactions involving sales of Petitioner's Goods within the range of $9,000 to $500,000 dollars (Reg. Br., 9); and (iii) are sold to sophisticated purchasers after a lengthy, individualized sales process (Reg. Br., 10-11).

The sophistication of the parties' professional purchasers, and the undisputed care exercised by such purchasers, weigh decisively in Registrant's favor and dictate summary judgment of no likelihood of confusion. *See*

[1] Registrant's Memorandum in Support of its Motion for Summary Judgment [D.I. #17] is referenced as "Reg. Br.", and Petitioner's Memorandum in Opposition to Registrant's Motion for Summary Judgment [D.I. #34] is referenced as "Opp." All capitalized terms not defined herein are defined in Reg. Br. The lettered Exhibits RR-DDD referenced herein are appended to the Supplemental Declaration of Shawn S. Smith filed herewith. All other lettered Exhibits referenced herein are appended to the Smith Declaration [D.I. #19]. The numbered Exhibits referenced herein are Petitioner's Exhibits that were filed together with its Memorandum in Opposition.

Elec. Design & Sales Inc. v. Elec. Data Syst. Corp., 21 U.S.P.Q.2d 1388, 1392 (Fed. Cir. 1992)(purchaser "sophistication is important and often dispositive because '[s]ophisticated consumers may be expected to exercise greater care.'"). *See also id.* ("There is always less likelihood of confusion where goods are expensive and purchased after careful consideration.")

3. <u>The Parties' Goods Indisputably Travel in Different Channels of Trade and Are Sold To Different Purchasers</u>

Petitioner argues the "channels of trade are in material dispute" (Opp., 17), but fails to controvert Registrant's evidence establishing (i) the individuals that evaluate and decide to purchase Petitioner's Goods are facilities engineering and real estate professionals; (ii) the individuals that evaluate and decide to purchase Registrant's Goods are datacenter or network managers; (iii) these two classes of individuals are different and mutually exclusive; and (iv) the parties' Goods are specifically different and non-competitive, and therefore travel in separate channels of trade and are sold to different purchasers. (Reg. Br., 6-7, 9-11, 12-17.)

Petitioner attempts to create an issue of fact by arguing there is "an overlapping group of end-users (owners/operators of datacenters)" and "an overlapping group of electrical contractors" involved in "the same 'project-based' contracting process." (Opp., 17.) But this is legally irrelevant because Petitioner's evidence of overlap is at an institutional level and does not identify specific purchasers. *Elec. Design & Sales Inc.*, 21 U.S.P.Q.2d at 1390 (Fed. Cir. 1992)("The likelihood of confusion must be shown to exist not in a purchasing ***institution***, but in a 'customer or purchaser.'")(emphasis in original). Further, Petitioner's argument is belied by the testimony of its Rule 30(b)(6) witnesses who unequivocally testified that Petitioner's target purchasers are facilities managers, facilities engineers, and corporate real estate professionals, "not computing guys". (Reg. Br., 6-7; Ex. L, 12:21-13:20; Ex. K, 61:10-63:4, 99:25-100:2.) When pressed to identify the individuals who made the purchasing decisions at the vast majority of its customers, Petitioner's president Bhanoo did not identify a single datacenter or network manager, IT professional, or electrical contractor. (Ex. K, 112:22-130:19.) The purchasers of Registrant's Goods, on the other hand, indisputably are datacenter or network managers. (Reg. Br., 9-11.)

Petitioner's argument that "the purchasing decision dichotomy" between datacenter managers and facility managers "is breaking down" does not controvert the undisputed fact that the parties sell to different and mutually

exclusive individuals. (Opp., 18.) Whether datacenter or network managers are interested in racks and cabinets that reduce cooling costs and, in turn, energy consumption, does not change the fact that there is no evidence they make the decisions to purchase Petitioner's Goods.

Petitioner argues that for two of its customers – Digital Realty Trust and Sentinel Data Centers – the purchasing decision makers "tend to be the upper level management – not the facility or datacenter managers." (Opp., 18.) First, this argument is belied by Bhanoo's testimony where he unambiguously stated the purchaser of Petitioner's Goods at Sentinel was the construction company (Tishman Construction), not Sentinel's "upper level management". *See Sinskey v. Pharmacia Ophthalmics*, 25 U.S.P.Q.2d 1290, 1293 (Fed. Cir. 1992), *abrogated in part on other grounds by Pfaff v. Wells Elecs.*, 48 U.S.P.Q.2d 1641, 1646-47 (U.S. 1998)("A party cannot create an issue of fact by supplying an affidavit contradicting his prior deposition testimony, without explaining the contradiction or attempting to resolve the disparity."); *Wanlass v. Gen. Elec. Co.*, 46 U.S.P.Q.2d 1915, 1922 (Fed. Cir. 1998)(same). Second, Bhanoo's post-deposition declaration that the purchasing decision makers "tend to be" upper level management is itself ambiguous and does not controvert his undisputed testimony that Petitioner's target purchasers are facilities managers, facilities engineers, and corporate real estate professionals (like Tishman Construction). (Reg. Br., 6-7.) Bhanoo also points to three "smaller, non-traditional customers" (Careerbuilder.com, Pearson Education and Starwood Hotels) and argues the purchasing decision-makers are "typically the Chief Information Officer ['CIO']". (Opp., 18.) Again, Bhanoo's post-deposition statement is itself ambiguous because it merely states the purchasers are "typically" a CIO, and thus implies this is the case for some of the three customers, but not others. Further, Bhanoo's self-serving declaration is contradictory stating, on the one hand, that the three customers are "smaller, non-traditional customers", and on the other hand, that "[c]ustomers like these are likely to remain a significant portion of LayzerZero's business …." (Bhanoo Dec., ¶ 41.)

Although there is no evidence that the same purchasing decision-makers encounter both parties' Goods in the context of a purchasing decision, in the unlikely event this were to occur, there is no dispute such an encounter would occur in the context of an individualized, lengthy sales process leaving no room for misunderstanding about the sources of the parties' Goods. *See supra*, pp. 1-2. Bearing in mind the level of sophistication of the relevant purchasers, the expensive, technically-sophisticated Goods, and the conditions under which purchases are made, it is

inconceivable there would be a likelihood of confusion. *PerkinElmer Health Sci., Inc. v. Atlas Database Software Corp.*, 2011 WL 7005538 at *19 (T.T.A.B. Dec. 22, 2011)(non-precedential)(Ex. VV)(software for medical records did not travel in same channels as software for laboratory management because even if the same individuals did encounter the mark and products "they would do so only in the context of a thoughtful purchasing process leaving no room for misunderstanding about the sources of the respective software.").

Petitioner attempts to create an issue of fact by claiming it has direct, post-sale interactions with datacenter managers. (Opp., 18-19.) However, Petitioner's alleged interactions with datacenter managers are irrelevant to the likelihood of confusion inquiry for two reasons. First, it is undisputed that Petitioner's actual and target ***purchasers*** are not datacenter managers. *Supra*, pp. 2-3. *Astra Pharm. Prods., Inc. v. Beckman Inst., Inc.*, 220 U.S.P.Q. 786, 790 (1st Cir. 1983)("If likelihood of confusion exists, it must be based on the confusion of some relevant person; i.e., a customer or purchaser."). Second, Petitioner has not proffered any evidence that datacenter managers are involved in the ***purchase*** of Petitioner's Goods, and therefore they are not "relevant persons" for assessing whether there is a likelihood of confusion. *Supra*, p. 2-3. *Elec. Design & Sales, Inc.*, 21 U.S.P.Q.2d at 1391-92 (end-users of product who have no involvement in purchasing decision are not "relevant persons" for confusion inquiry).

Petitioner's argument that the parties market and sell their Goods to a broadly defined "datacenter market" (Opp., 8-9) and have attended three of the same trade shows and experienced some overlap in visitors at such shows on an institutional level (Opp., 9-10), misses the mark. The relevant inquiry is not whether the parties sell to the same institutions, but whether they sell to the same individuals in those institutions. *Elec. Design & Sales, Inc.*, 21 U.S.P.Q.2d at 1390. Mere attendance at the same trade shows is insufficient to establish a likelihood of confusion where the parties sell to different individuals in the companies attending such shows. *See, e.g., Gen. Cable Techs. Corp. v. Nat'l Rural Elec. Coop. Ass'n*, 2009 TTAB LEXIS 483, *25-26 (T.T.A.B. June 25, 2009)(non-precedential)(Ex. WW)(opposition dismissed where parties advertised in same publications and exhibited at trade show directly next to one another but sold to different individuals in the purchasing organizations); *Alliance Tech. Servs. v. Alliance Mach. Sys. Int'l, Inc.*, 2006 TTAB LEXIS 370, *16-17 (T.T.A.B. Aug. 16, 2006)(non-precedential)(Ex. XX)(no confusion despite attendance at same trade shows and overlap in customers where majority of sales were made to different individuals at the customers).

4. <u>The Parties' Goods are Indisputably Different in Nature, are Used for Entirely Different Purposes, and Do Not Compete in Any Way</u>

Despite the stark contrast in the nature and use of the parties' Goods, Petitioner argues "a reasonable fact finder could conclude the goods are complementary or used together …." (Opp., 15.) However, "the test is not that goods and services must be related if used together." *Packard Press, Inc. v. Hewlett-Packard Co.*, 56 U.S.P.Q.2d 1351, 1355 (Fed. Cir. 2000); *see also Shen Mfg. Co., Inc.* 73 U.S.P.Q.2d 1350, 1355-56 (Fed. Cir. 2004)("That two goods are used together … does not, in itself, justify a finding of relatedness."). Petitioner does not controvert Registrant's evidence that the parties' Goods are significantly different in nature, are used for entirely different purposes, and do not compete in any way. (Reg. Br., 1-3, 7-9, 12-15.) Further, there is no evidence that Petitioner's Goods require Registrant's Goods to perform their functions, and vice versa. Nor is there any evidence that use of Petitioner's Goods requires Registrant's Goods, and vice versa. Rather, Petitioner's Goods switch between power sources to ensure uninterrupted power for, and distribute the power downstream to, critical loads. Registrant's Goods have nothing to do with power supply, switching between power supplies, or distributing power. Nor are Registrant's Goods "critical loads". Rather, they are racks and cabinets that do not require Petitioner's Goods for their use and functionality, and vice versa.

Petitioner argues the parties' Goods are complementary because Petitioner's Goods might supply electrical power used downstream by third-party products mounted in Registrant's racks and cabinets (Opp., 5, 14), or that Registrant's cable pathway products might carry power cables that receive power from Petitioner's Goods. (Opp., 5, n.3.) But under this rationale, any product that uses electrical power, or that deploys another product that uses electrical power, would be complementary to Petitioner's Goods. The mere possibility that both parties' Goods may be located in the same datacenter whitespace does not create an issue of fact as to whether the Goods are complementary. *See Sbs Prod. Inc. v. Sterling Plastic & Rubber Prod. Inc.*, 8 U.S.P.Q.2d 1147, 1150 (T.T.A.B. 1988)(no confusion between industrial products bearing identical mark despite being located in close proximity in same industrial facilities). *See also Astra Pharm. Prods., Inc.*, 220 U.S.P.Q. 786, 790 (blood analyzer and drugs both used in hospital but not complementary); *Edwards Lifesciences Corp. v. VigiLanz Corp.*, 94 U.S.P.Q.2d 1399, 1411-12 (T.T.A.B. 2010)(heart monitors and computer monitoring systems both used in hospitals but not

complimentary); *S. C. Johnson & Son, Inc. v. Johnson*, 121 U.S.P.Q. 63, 68-69 (6th Cir. 1959), *cert. denied*, 123 U.S.P.Q. 590 (U.S. 1959)(wet mops and floor wax both used in "floor maintenance field" but not complementary); *In re British Bulldog, Ltd*., 224 U.S.P.Q. 854, 856 (T.T.A.B. 1984)(men's underwear and shoes both worn by same persons at same time but not complementary); *Toro Mfg. Corp. v. Gleason Works*, 177 U.S.P.Q. 330, 331 (C.C.P.A. 1973)(lawn mowers have gears but they are not complementary).

Petitioner surmises the parties' Goods "coexist side by side or in close proximity in the white space of a datacenter." (Opp., 5.) Petitioner's only evidentiary support is the Bhanoo, Galm and Mosman Declarations. Bhanoo's and Galm's Declarations are carefully drafted to state they personally observed "products of Registrant", but do not identify those products.[2] (Bhanoo Dec., ¶ 22; Galm Dec., ¶ 4.) Similarly, Mosman merely states "[i]t would not be unusual …" to find the parties' Goods side by side, but fails to state that he ever saw this. (Mosman Dec., ¶ 22.) Such innuendo and speculation does not create a factual dispute. *McLellan v. Smith*, 439 F.3d 137, 144 (2d Cir. 2006)(Ex. YY)("The nonmoving party cannot defeat summary judgment by simply showing 'that there is some metaphysical doubt as to the material facts' … or by factual argument based on conjecture or surmise")(*citing Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986)); *Scotto v. Almenas*, 143 F.3d 105, 114 (2d Cir. 1998)(Ex. ZZ)("The non-moving party may not rely on conclusory allegations or unsubstantiated speculation.").

Petitioner claims that purchasers are likely to believe the parties' Goods originate from the same source because Registrant sells "power injectors", and Registrant's affiliate Electrorack sells "rack mounted power strips", both under different marks not at issue in this case. (Opp., 6, 14.) But Petitioner does not sell either power injectors or rack mountable power strips, and these products are dramatically different than Petitioner's Goods. Registrant's power injectors, a/k/a power over Ethernet ("POE") patch panels, are small devices that transmit both data and power over Ethernet cabling to allow a cable to provide data and power to products that are not easily accessible, such as security cameras or wireless access points. (Exs. RR, SS.) Registrant's affiliate Electrorack sells rack mounted power strips that mount on a rack to provide additional electrical sockets. (Ex. TT.) There is no dispute that

[2] Bhanoo describes on the same page "Registrant's products as identified in the registrations …", and therefore could have identified those Goods if, in fact, he had personally observed them, but he did not. (Bhanoo Dec., ¶ 20.)

Petitioner does not sell power injectors, rack mountable power strips, or power strips of any sort, that these goods are entirely different in function and use than any of Petitioner's Goods, and that these goods do not compete in any way with Petitioner's Goods. Accordingly, there is no basis to conclude either party's sophisticated, professional purchasers, would reasonably assume Petitioner's Goods and Registrant's Goods emanate from the same source based on Registrant's and its affiliate's sale of power injectors and power strips under marks not at issue in this case. Petitioner's selection of words that allegedly describe Petitioner's Goods along with power injectors and strips (i.e. "power distribution units", "PDUs", and "power distribution products") does not create an issue of fact as to whether they are related.[3] *See In re Sungard Dev. Corp.*, 1999 WL 381033, *3-*4 (T.T.A.B. June 4, 1998)(Ex. AAA)(non-precedential)(declining to interpret "computer programs" to include "all types of computer programs" because the term is broad and "thousands of computer programs are sold in today's marketplace for diverse purposes). *See also In Re The W.W. Henry Co., L.P.*, 82 U.S.P.Q.2d 1213, 1215 (T.T.A.B. 2007)("to demonstrate that goods are related, it is not sufficient that a particular term may be found which may broadly describe the goods."); *Gen. Elec. Co. v. Graham Magnetics Inc.*, 197 U.S.P.Q. 690, 694 (T.T.A.B. 1977)("It is [] not enough to find one term that may generically describe the goods. More must be shown ….").

Petitioner's argument that rack mountable power strips are within its zone of expansion also is meritless. (Opp., 14; Bhanoo Dec., ¶ 26.) Petitioner does not sell any rack mountable products, much less power strips, and has no current plans to develop or sell any rack mountable products. (Ex. UU, 168:22-173:7.) At most, Petitioner anticipates "possibly developing" some unknown rack mountable products in the future. (Ex. UU, 173:4-7; Bhanoo Dec., ¶ 26.) Such conjecture is insufficient to create a disputed issue of fact. *See S. C. Johnson & Son, Inc. v. Johnson*, 81 U.S.P.Q. 509, 513 (2d Cir. 1949), *cert. denied*, 83 U.S.P.Q. 543 (U.S. 1949)(plaintiff not allowed to "reach a choking hand into a market not its own" unless it could make a strong showing of probable expansion).

Petitioner's argument that Schneider Electric's introduction of a pre-constructed datacenter creates an issue of fact as to whether purchasers would perceive the parties' Goods as emanating from the same source also is baseless. (Opp., 8, 14-15; Bhanoo Dec., ¶ 43.) Schneider's pre-constructed datacenter is an entirely different product than either party's Goods, and therefore fails to prove that any purchasers have become conditioned to perceive the

[3] There is no evidence that anyone has ever described Registrant's power injectors with any of these terms.

parties' different Goods as coming from the same source. *See In Re Optical Sensors Inc.*, 2007 WL 2415745 (T.T.A.B. Aug. 13, 2007)(Ex. BBB)(non-precedential)(ambulatory blood pressure monitoring equipment and non-invasive hemodynamic monitoring equipment not related despite evidence of other products that combine blood pressure and hemodynamic monitoring equipment into integrated systems).

Petitioner's reliance on *In re Toshiba Medical Sys. Corp.*, 91 U.S.P.Q.2d 1266 (T.T.A.B. 2009), *Envirotech Corp. v. Nat'l Serv. Indus., Inc.*, 197 U.S.P.Q. 292 (T.T.A.B. 1977), and *HRL Assocs. v. Weiss Assocs. Inc.*, 12 U.S.P.Q.2d 1819 (T.T.A.B. 1989), is misplaced. In *Toshiba*, MRI and ultrasound machines were complementary because they were used by the same physician on the same patient "as part of a common diagnostic approach", and that same physician was involved in the purchasing decision for both parties' goods. 91 U.S.P.Q.2d at 1268. Similarly, in *Envirotech*, lighting fixtures and pollution control equipment were complementary because the former were "installed as an integral part of or in very close and obvious association with" the latter.[4] 197 U.S.P.Q. at 295. Further, Petitioner acknowledges that in *Envirotech* "the goods of both parties were purchased by the same end-users." (Opp., 15.) In this case, neither party's Goods require the other for their use or functionality and are decidedly not complementary. Moreover, the parties' purchasers are indisputably different and mutually exclusive. *See supra*, pp. 2-4. *HRL*, on the other hand, is an initial interest confusion case, involving directly competitive software. Consumer sophistication did not control in *HRL* because of the potential that "opposer may be precluded from further consideration by the potential purchaser in his or her buying decision (which may, in turn, prevent opposer from making a sale)" as a result of the initial interest confusion. 12 U.S.P.Q.2d at 1823. Here, Petitioner admits the parties' Goods do not compete in any way (Ex. UU, 168:9-24). Thus, even if potential purchasers were initially confused (which there is no evidence of) they would not –and indeed could not—substitute one party's Goods for the other.

5. <u>There is No Evidence of Actual Confusion Confirming That Confusion is Not Likely</u>

Despite arguing the parties have a 40% overlap in Petitioner's customer base, a 20% overlap in "intermediate purchasers", and 65% overlap in Petitioner's customer base visiting Registrant's trade show exhibits,

[4] In contrast to Petitioner's assertion, in *Envirotech* the words "in close association" did not mean "in close proximity" (Opp., 15), but rather meant that one product was required for use with the other to meet specifications. *Id.* at 294. There is no evidence the Goods in this case are ever installed "in close association".

over a three year period (Opp., 9-10), Petitioner cannot point to a single instance of actual customer confusion. Rather, Petitioner alleges that Mosman, a long-time consulting engineer and "huge supporter of [Petitioner] from day one" (Ex. K, 142:18-19), experienced confusion after encountering Registrant's literature. (Opp., 10-11.) But this argument fails for several reasons. First, it is undisputed that neither Mosman nor his consulting firm is a purchaser of Petitioner's Goods, and therefore the alleged inquiry indisputably did not result in a commercial injury. (Ex. K, 147:25-148:6, 156:17-157:8.) *Lang v. Ret. Living Pub. Co., Inc.*, 21 U.S.P.Q.2d 104, 1046 (2d. Cir. 1991). Moreover, Petitioner does not dispute that Mosman has continued to recommend Petitioner's Goods, and, therefore, Petitioner was not damaged by any alleged misunderstanding. (Ex. K, 150:22-24.) *See V&S Vin Spirit Aktiebolag v. Absolute Publ'g USA Inc.*, 2005 WL 3272828, *8 (S.D.N.Y. Nov. 22, 2005)(Ex. CCC)(no likelihood of confusion where actual confusion did not have "any impact on consumers' choices to the detriment of the company."). And assuming *arguendo* that Mosman was actually confused, this isolated instance is *de minimis*, and insufficient to justify a finding of likelihood of confusion. *Savin Corp. v. Savin Group*, 73 U.S.P.Q.2d 1273,1285 (2d Cir. 2004). Indeed, despite an alleged "major" overlap in customers (Opp., 9), Petitioner's identification of only <u>one</u> instance of suspected actual confusion confirms that confusion is not likely. *Hayden Switch and Instr., Inc. et al. v. Rexnord, Inc.*, 4 U.S.P.Q.2d 1510, 1517 (D. Conn. 1987)(where "plaintiffs were able to produce only one witness who even suggested the possibility of confusion; ***the inability to produce any other credible witnesses confirms that confusion is not likely***.")(emphasis added).

Unable to prove an instance of actual confusion, Petitioner's argument devolves into speculation about the ***likelihood*** of initial interest confusion. (Opp., 24)("This leaves open the distinct ***possibility*** that Registrant's use of marks similar to the trade designations of LayerZero could cause initial interest confusion ….")(emphasis added). Not only does the ***possibility*** of initial interest confusion not create an issue of fact as to ***actual*** confusion, but Petitioner's initial interest theory also fails in light of the lack of relation between the parties' Goods, the sophistication of the parties' respective purchasers, and the careful, deliberate and lengthy purchasing processes. *See, e.g., Sensient Techs. v. Sensory Effects*, 96 U.S.P.Q.2d 1164, 1172 (8th Cir. 2010)(rejecting initial interest confusion argument for similar goods where customers are sophisticated and exercise a relatively high degree of care); *Checkpoint Sys. Inc. v. Check Point Software Techs.*, 60 U.S.P.Q.2d 1609, 1627 (3d Cir. 2001)(where products are

dissimilar and consumers exercise high degree of care, "some initial confusion will not likely facilitate free riding on the goodwill of another mark, or otherwise harm the user claiming infringement.").

6. Petitioner's Purported Trade Name Rights Do Not Preclude Summary Judgment

Although analysis of the similarity of the marks is unnecessary to granting summary judgment of no likelihood of confusion in view of the *DuPont* factors addressed above (Reg. Br., 19-20), Petitioner attempts to skirt the differences between its trademark "LayerZero Power Systems, Inc." and Registrant's Marks by asserting its purported rights in the abbreviated trade name "LayerZero". (Opp., 3-4). But Petitioner fails to identify any evidence establishing rights in the "LayerZero" trade name prior to the September 26, 2008 filing date of Registrant's Marks. The only evidence Petitioner cites is Bhanoo' s conclusory statement that Petitioner "has done business under the trade names 'LayerZero' … continuously since its founding in 2001." (Bhanoo Dec., ¶ 11.) This conclusory allegation is insufficient to create an issue of fact as to prior trade name rights. *Z Prods., Inc. v. SNR Prods., Inc.*, 2011 U.S. Dist. LEXIS 95304, *15-16 (M.D. Fla. Aug. 18, 2011)(Ex. DDD)(conclusory assertion of trademark usage without specific supporting facts does not create an issue of fact as to prior rights). Bhanoo cites to Ex. 23 for evidentiary support, but none of the documents in the exhibit prove usage prior to Registrant's September 26, 2008 filing date. Two of the documents are dated after Registrant's filing date (LZPS_000271 and 002896 are dated 2009 and 2012, respectively), another is an undated picture (LZPS_000039), and the other is a web page dated "2008" (LZPS_001075-1076), but without a month and day the web page does not establish trade name rights prior to Registrant's September 26, 2008 filing date. (Ex. 23.) *See EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 213 U.S.P.Q. 597 n. 5 (T.T.A.B. 1982)(where the earliest date of documentary evidence is a year, and the month and day are unknown, the Board will not presume any date earlier than the last day of that year).

7. Conclusion

For the foregoing reasons and those set forth in Registrant's Memorandum in Support of its Motion for Summary Judgment [D.I. #16], Registrant's Motion for Summary Judgment should be granted.

Date: February 13, 2013

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 13, 2013, the foregoing document was submitted for filing to the Trademark Trial and Appeal Board through the ESTTA system and a copy of this paper has been served on Petitioner LayerZero Power Systems, Inc. on this date via e-mail to:

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ORTRONICS, INC.,	)	
	)	
Registrant,	)	

SUPPLEMENTAL DECLARATION OF SHAWN S. SMITH

I, Shawn S. Smith, pursuant to the requirements of 28 U.S.C. § 1746, declare that the following is true and correct.

1. I am an attorney with the law firm of McCarter & English, LLP, of Hartford, Connecticut, attorneys of record for Registrant, Ortronics, Inc. ("Registrant") in this cancellation proceeding. I make this Supplemental Declaration in support of Ortronics, Inc.'s Motion for Summary Judgment. I have personal knowledge of the matters set forth in this Declaration.

2. Attached hereto as **Exhibit RR** is a true and accurate copy of an excerpt of the 2011/2012 Legrand Ortronics Data Communications Catalog bearing bates stamps ORTR000991 and ORTR001046.

3. Attached hereto as **Exhibit SS** is a true and accurate copy of the first page of the Wikipedia article "Power Over Ethernet," http://en.wikipedia.org/wiki/Power_over_Ethernet (last visited Feb. 13, 2013).

4. Attached hereto as **Exhibit TT** is a true and accurate copy of the first page of the Wikipedia article "Power Strip," http://en.wikipedia.org/wiki/Power_strip (last visited Feb. 13, 2013).

5. Attached hereto as **Exhibit UU** is a true and accurate copy of pages from the transcript of the deposition of Milind Bhanoo.

6. Attached hereto as **Exhibit VV** is a true and accurate copy of *PerkinElmer Health Sci., Inc. v. Atlas Database Software Corp.*, 2011 WL 7005538 (T.T.A.B. Dec. 22, 2011).

7. Attached hereto as **Exhibit WW** is a true and accurate copy of *Gen. Cable Techs. Corp. v. Nat'l Rural Elec. Coop. Ass'n*, 2009 TTAB LEXIS 483 (T.T.A.B. June 25, 2009).

8. Attached hereto as **Exhibit XX** is a true and accurate copy of *Alliance Tech. Servs. v. Alliance Mach. Sys. Int'l, Inc.*, 2006 TTAB LEXIS 370 (T.T.A.B. Aug. 16, 2006).

9. Attached hereto as **Exhibit YY** is a true and accurate copy of *McLellan v. Smith,* 439 F.3d 137 (2d. Cir. 2006).

10. Attached hereto as **Exhibit ZZ** is a true and accurate copy of *Scotto v. Almenas,* 143 F.3d 105 (2d Cir. 1998).

11. Attached hereto as **Exhibit AAA** is a true and accurate copy of *In re Sungard Dev. Corp.*, 1999 WL 381033 (T.T.A.B. June 4, 1998).

12. Attached hereto as **Exhibit BBB** is a true and accurate copy of *In re Optical Sensors Inc.*, 2007 WL 2415745 (T.T.A.B. Aug. 13, 2007).

13. Attached hereto as **Exhibit CCC** is a true and accurate copy of *V&S Vin Spirit Aktiebolag v. Absolute Publ'g USA Inc.,* 2005 WL 3272828 (S.D.N.Y. Nov. 22, 2005).

14. Attached hereto as **Exhibit DDD** is a true and accurate copy of *Z Prods., Inc. v. SNR Prods., Inc.,* 2011 U.S. Dist. LEXIS 95304§ (M.D. Fla. Aug. 18, 2011).

I declare under the penalty of perjury that the foregoing is true and correct.

Dated: February 13, 2013

Shawn S. Smith

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served on Petitioner LayerZero Power Systems, Inc. on the date indicated below via e-mail to:

Raymond Rundelli, Esq.
Juliet P. Castrovinci, Esq.
CALFEE, HALTER & GRISWOLD LLP
The Calfee Building
1405 East Sixth Street
Cleveland, OH 44114-1607
rrundelli@calfee.com
jcastrovinci@calfee.com

Dated: February 13, 2013

/Mark D. Giarratana/
Mark. D. Giarratana

EXHIBIT RR

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

2011/2012 CATALOG

DATA COMMUNICATIONS

legrand®

Ortronics

designed to be better.™

ORTR000991

legrand® | Ortronics

CLARITY® POE PATCH PANEL

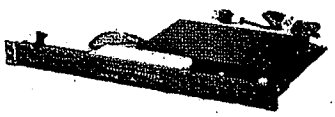
NOTE: All Ortronics product dimensions are listed by width, height and depth unless specified otherwise.

Perfect for VoIP, wireless access points, security cameras and more, Ortronics® Clarity PoE Patch Panel eliminates the need for a separate power supply and is the most cost effective way to deploy power where it is not easily accessible. It is available as a single unit or can be purchased in stages to delay the cost of the power until you're ready. And, the panel is designed to allow easy access to cable terminations even when active.

- Compliant with IEEE 802.3af power specifications
- LED indicators on front of panel easily identify the real time powering status of each port
- Serial port provides installer detailed information and control of each port
- Order as a single unit that includes 16-port panel, PoE controller and power supply or as separate components for a staged deployment
- Clarity PoE panels only occupy 1 rack space
- 260 watt power supply supports IEEE 802.3af maximum of 15.4 watts per channel measured at the IDC
- Utilizes standard 110 termination
- Meets TIA/EIA-568-B.2 Category 5e component specifications
- Center tuned Clarity technology for elevated performance
- More transparent signal path when used with Clarity cords
- Supplied label fields and icon compatible

Clarity® PoE Patch Panel

OR-PP5ECM516



PART NO.	DESCRIPTION
OR-PP5ECM516	Clarity 5E 16-port PoE powered panel, 260 watt, 1.75"x 19" x 10.5", 1 rack unit, T568A/B
OR-PP5EUPF16	Clarity 5E 16-port PoE panel, without power or controller, 1.75" x 19", 1 rack unit, T568A/B
OR-PPS2601U	Power supply, 260 watt, with output cable, for use with OR-PP5EUPF16
OR-CMS161U	Control module for 16-port PoE, for use with OR-PP5EUPF16

For additional product availability visit www.legrand.us/ortronics or contact sales at 800-934-5432

EXHIBIT SS

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

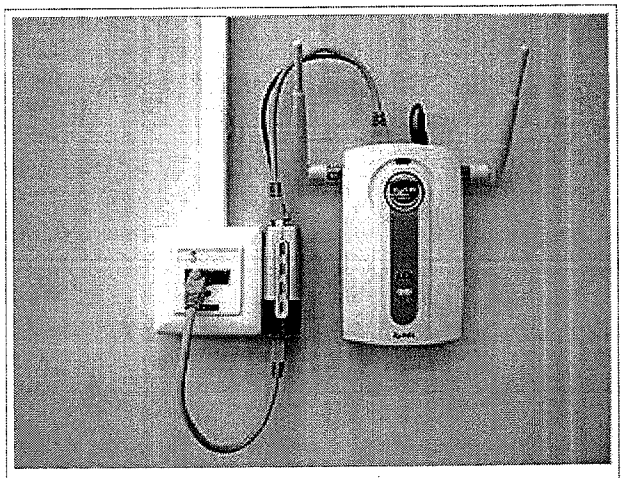
Exhibit Offered by Ortronics, Inc.

Power over Ethernet

From Wikipedia, the free encyclopedia

Power over Ethernet or **PoE** describes a standardized system to pass electrical power along with data on Ethernet cabling. This allows a single cable to provide both data connection and electrical power to such devices as network hubs or closed-circuit TV cameras. Unlike standards such as Universal Serial Bus which also power devices over the data cables, PoE allows long cable lengths. Extra pairs of wire, not used for data transmission, are used for power. Up to 25 watts is available for a device, depending on the version of the standard in use.

Numerous non-standard schemes had been used prior to PoE standardization to provide power over Ethernet cabling. Some are still in active use.



Given a single Power over Ethernet connection (single gray cable looping below), a PoE splitter provides both data (gray cable looping above) and power (black cable also looping above) connections for a wireless access point. The splitter is the silver and black box in the middle, between the wiring box on the left and the access point (with its two antennas) on the right. The PoE connection eliminates the need for a nearby power outlet.

Contents

- 1 Standard development
- 2 Comparison with other integrated data and power standards
- 3 Uses
- 4 Terminology
  - 4.1 Power sourcing equipment
  - 4.2 Powered device
- 5 Power management features and integration
  - 5.1 Switch power features
  - 5.2 Integrating EEE and PoE
- 6 Standard implementation
  - 6.1 Powering devices
  - 6.2 Configuration via Ethernet layer 2 LLDP
- 7 Non-standard implementations
  - 7.1 Cisco
  - 7.2 PowerDsine
  - 7.3 Passive
  - 7.4 High Wattage, 56V
- 8 Power capacity limits
- 9 See also
- 10 References
- 11 External links

EXHIBIT TT

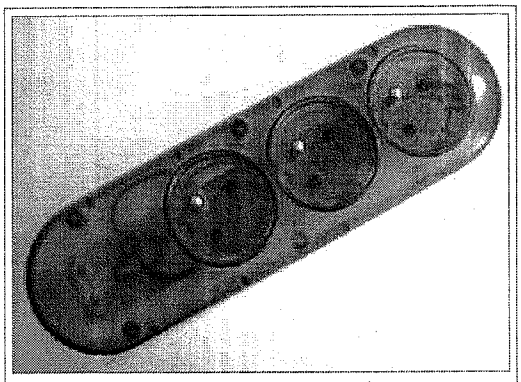
Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

Power strip

From Wikipedia, the free encyclopedia

A **power strip** (also known as an **extension block, power board, plug board, trailer lead** and by many other variations) is a block of electrical sockets that attaches to the end of a flexible cable (typically with a mains plug on the other end), allowing multiple electrical devices to be powered from a single electrical socket. Power strips are often used when many electrical devices are in proximity, such as for audio/video and computer systems. Power strips often include a circuit breaker to safely limit the electric current flowing through them.



Basic French/Belgian power strip (power cable not shown)

Contents

- 1 Control
- 2 Indication
- 3 Energy-saving features and standby power
- 4 Socket arrangement
- 5 Surge protection and filtering
  - 5.1 Daisy chaining and surge protection
- 6 Overload protection
- 7 Safety
  - 7.1 US regulations
  - 7.2 EU and UK regulations
- 8 History
- 9 See also
- 10 References
- 11 External links

Control

Power strips can include a switch to turn all devices on and off. Some have outlets which are individually switched. "Master/slave" strips can detect one "master" device being turned on or off (such as the PC itself in a computer setup, or a TV in a home theatre) and turn everything else on or off accordingly.

Remote control strips allow a group of devices to be switched remotely, often over the Internet. These types of power strips are usually used in a data center, to allow computer systems or other devices to be remotely restarted.

Illuminated power switch on a power strip

EXHIBIT UU

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

1 IN THE UNITED STATES PATENT & TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD
2
3 In the Matter of Registration Nos.: 3,998,542
and 3,998,543,
4 For the Marks: LAYERZERO and LAYER 0
Issued on : July 19, 2011
5
6 LAYERZERO POWER SYSTEMS, INC.
7 Petitioner,
8 vs. Cancellation No. 92054573
9 ORTRONICS, INC.,
10 Registrant.
11 - - - - -
12 30(b)(6) DEPOSITION OF
13 MILIND BHANOO
14
15 Taken on Wednesday, July 18, 2012, at 9:32
16 a.m.
17 At the Offices of:
18 Calfee, Halter & Griswold, LLP
19 1405 East Sixth Street
20 Cleveland, Ohio 44114
21
22 Before Kimberly K. Giel, a Registered
23 Professional Reporter and Notary Public in and
24 for the State of Ohio
25 - - - - -

1 APPEARANCES:
2
3 On behalf of the Petitioner:
4 Calfee, Halter & Griswold, LLP, by
5 RAYMOND RUNDELLI, ESQ.
6 JULIET P. CASTROVINCI, ESQ.
7 1405 East Sixth Street
8 Cleveland, Ohio 44114
9 (216) 662-8200
10
11 On behalf of the Registrant:
12 McCarter & English, by
13 MARK D. GIARRATANA, ESQ.
14 SHAWN SMITH, ESQ.
15 185 Asylum Street
16 Hartford, Connecticut 06103
17 (860) 275-6719
18 - - - - -
19 ALSO PRESENT:
20 James M. Galm
21 - - - - -
22 - - - - -
23 (Thereupon, Deposition Exhibits-
24 1 through 4 were marked for identification.)
25 - - - - -

1 MILIND BHANOO, of lawful age, called for
2 examination, as provided by the Federal Rules of
3 Civil Procedure, being by me first duly sworn, as
4 hereinafter certified, deposed and said as
5 follows:
6 EXAMINATION OF MILIND BHANOO
7 BY-MR.GIARRATANA:
8 Q Could you state your full name
9 for the record?
10 A Milind Bhanoo.
11 Q Could you spell that please?
12 A M I L I N D, B H A N O O.
13 Q My name is Mark Giarratana. I'm
14 an attorney with McCarter & English and we
15 represent Ortronics, Inc. in this trademark
16 cancellation before the U.S. Trademark &
17 Patent Office.
18 A Good morning.
19 Q Good morning. I'm going to place
20 before you what's been marked previously with
21 Exhibit Number 1, which is a Renotice of
22 30(b)(6) Deposition of Petitioner and ask if
23 you've seen that prior to today?
24 A Yes, I have.
25 Q Okay. And did you also review,

1 Mr. Bhanoo, the topics for deposition which
2 are identified on pages 5 through 8 of that
3 document?
4 A Yes, I have.
5 Q And I'm also going to place
6 before you now what's been previously marked
7 with Exhibit Number 2, and I'm going to
8 represent that this is an e-mail from your
9 attorney to our office indicating the topics
10 on which you would be prepared to testify and
11 ask if you could take a look at that and
12 confirm that you are prepared to testify on
13 those topics indicated?
14 A Yes, I am.
15 Q Okay. And do you understand that
16 this is a deposition under the Federal Rules
17 of Civil Procedure 30(b)(6) whereby you are
18 designated as a corporate representative and
19 your answers are answers -- excuse me, the
20 answers that you will provide to the questions
21 today will be answers on behalf of the
22 corporation?
23 A Yes.
24 Q Okay. And when I refer to the
25 corporation, I'm referring to the petitioner,

1 LayerZero Power Systems, Inc. Do you
2 understand that?
3 A Yes, I do.
4 Q Okay. Mr. Bhanoo, could you
5 identify for us your current position with
6 LayerZero Power Systems, Inc.?
7 A President.
8 Q And how long have you held that
9 position?
10 A Just over 11 years.
11 Q And are you a founder of the
12 company?
13 A Yes, I am.
14 Q Have you been the president ever
15 since you founded the company?
16 A Yes.
17 Q Were you the sole founder of the
18 company or did someone else start the venture
19 with you?
20 A Two of us started together.
21 Q And who is the other cofounder?
22 A James Galm.
23 Q And Mr. Galm, what is his
24 position with the company?
25 A He's vice president.

1 A And I don't recall his name.
2 Q Did he run away from the booth
3 after that?
4 A He apologized. He said I didn't
5 want to, you know, didn't want to upset
6 anyone. I wasn't upset. I was just telling
7 him that there was a situation brewing and so
8 he took off.
9 Q Now, your company doesn't compete
10 with Ortronics in any way, does it?
11 A I have not seen that yet. And I
12 say that because the history of every cabinet
13 and rack manufacturer in our industry so far
14 is that they start with rack level, cabinet
15 level type products, but eventually customers
16 will ask them or they see the market as a
17 lucrative market, but they end up going into
18 rack level PDUs, power distribution units.
19 And if and when they do, they become our
20 competitors because they're in the same space
21 as we are with regards to distributing power.
22 Q Does your company sell rack level
23 PDUs?
24 A Not yet.
25 Q Okay. Is it a plan of yours to

1 sell rack level PDUs?
2 A It's always been in our, what's
3 it called, in our product space. Any time
4 power distribution on the raised floor to
5 critical power systems is involved, that's in
6 our product space.
7 Q So currently today is my
8 understanding correct that your company is not
9 competing with rack mounted PDUs?
10 A Correct.
11 Q But you're concerned that in the
12 future you might get into rack mounted PDUs
13 and then you would be competing with rack
14 mounted PDUs?
15 A Correct. And there's a history
16 to that. It's not just something I dreamt up.
17 If you look at where we started with our
18 upstream mid level static transfer switch
19 product, we when we started the company had no
20 grand designs of being a power distribution
21 company. But our customers came to us and
22 they said, We like the way you guys do things,
23 we like the way you do business, we like the
24 way you're positioning yourselves with all the
25 monitoring and reliability, but it's not

1 sufficient just to do static transfer
2 switches. We want you to do distribution. So
3 believer it or not, kicking and screaming we
4 got into the distribution business. But they
5 like our products so much that they keep
6 asking us to go further and further
7 downstream. So we started with static
8 switches, then we got into bulk mid level
9 power distribution units, then the remote
10 panels, and guess what. We're at RPPs now,
11 remote power panels, which is one level
12 removed, as I was describing to you at Coit
13 Road, one level removed from the actual
14 cabinet that houses the servers themselves.
15 So the next logical progression would be for
16 our customers to say, you know, we have your
17 monitoring system that monitors from your bulk
18 static transfer switch all the way down to
19 your RPPs. Why don't you guys extend yourself
20 all the way into the racks, and now with one
21 click of one button we'll be able to see the
22 entire infrastructure of power delivery to our
23 computers. And that's a logical progression
24 which I fully anticipate will happen.
25 Q So do you see yourself or your

1 company developing monitoring products that
2 are going to go down to rack mounted PDUs or
3 do you see yourselves as actually developing
4 and selling the rack mounted PDUs?
5 A There are three things that will
6 get involved with rack mount. One we've
7 already started on as of 2004 or 2005, let's
8 just say 2004. It's a little fuzzy, but
9 that's about right. The rack mounted static
10 transfer switch. Texas Instruments asked us
11 to develop one. They had told us that they
12 would consider buying something like 700 of
13 them. We had been approached by a consulting
14 engineering firm to design one for them
15 because one of their large customers wanted to
16 buy them.
17 For reasons of capacity and,
18 design capacity and manufacturing capacity, we
19 decided to not go after that. We developed
20 cut sheets. I have cut sheets in my computer
21 for rack mounted switches, I have
22 specifications. We procured product for it.
23 We designed the first enclosure. We were in
24 the midst of designing controls for it when we
25 pulled the plug on it because there were

1 demands being made on our other core products
2 that we couldn't support with the limited
3 resources we had. So that's been an interest
4 of ours, rack mounted static switches. The
5 same people that are now selling rack mounted
6 static switches are augmenting their products
7 with rack mounted PDUs. So in addition to
8 static switches, they're adding power
9 distribution elements to it. Same thing that
10 happened at the bulk level to us is already
11 happening at the rack level to manufacturers
12 of transfer switches. And examples of that
13 would be APC, Schneider Electric. They're a
14 division of Schneider Electric. Emerson has
15 rack mounted products. Gosh, what's the name
16 of the company. In any case, there's a few of
17 these competitors out there. We know we're
18 going to be asked. It's just a matter of time
19 before we'll be asked to do it.
20 Q So these are competitors of yours
21 that are selling both rack mounted static
22 transfer switches and rack mounted PDUs?
23 A Yeah, as well as static switches
24 and PDUs in the space that we currently
25 occupy.

1 Q Right now, if I understand you
2 correctly, you are upstream of the rack?
3 A Yes.
4 Q But you anticipate possibly
5 developing products that are going to be rack
6 mounted?
7 A Precisely.
8 Q Thank you.
9 MR. RUNDELLI: I'll interject as
10 well. When this gets written up, I'm going
11 to -- it's my intent to designate everything
12 that he talks about future plans will be
13 designated as commercially sensitive trade
14 secret. I don't want anybody to get caught by
15 surprise under the protective order.
16 MR. GIARRATANA: That's totally
17 understandable, right. You know, I haven't
18 looked at the protective order to see
19 technically how you do it. I have no desire
20 to reveal your confidential secret information
21 to Ortronics. Maybe during a break we can
22 talk about how you want to do that.
23 MR. RUNDELLI: Sure.
24 MR. GIARRATANA: Sometimes it's a
25 little bit cumbersome if we designate the

EXHIBIT VV

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

2011 WL 7005538 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

PerkinElmer Health Sciences, Inc.
v.
Atlas Database Software Corp.

Cancellation No. 92046554
December 22, 2011
Hearing: May 10, 20

*1 I. Stephen Samuels of Samuels & Hiebert for PerkinElmer Health Sciences, Inc.
Christopher J. McHattie of The McHattie Law Firm for Atlas Database Software Corp.

Before Quinn, Taylor and Ritchie
Administrative Trademark Judges
Opinion by Quinn
Administrative Trademark Judge:

PerkinElmer Health Sciences, Inc. ("petitioner") filed a petition to cancel a registration owned by Atlas Database Software Corp. ("respondent") of the mark LABWORKS (in typed form) for "computer software and manuals therefore [sic] for use in connection with medical records, patient information, clinical histories, clinical task workflow, radiology and laboratory test ordering and results reporting, and providing remote access to the foregoing between users" (in International Class 9); and "application service provider featuring software for use in connection with medical records, patient information, clinical histories, clinical task workflow, radiology and laboratory test ordering and results reporting, and providing remote access to the foregoing between users; computer software consultation, design for others and development" (in International Class 42). [1] As grounds for cancellation, petitioner alleges that respondent's mark, when used in connection with respondent's goods and/or services, so resembles petitioner's previously used mark LABWORKS for computer software for laboratory information management, namely software for maintaining and managing a database of information pertaining to laboratory procedures, for planning, scheduling, tracking and evaluating laboratory events and procedures, for maintaining records of laboratory procedure data, for reporting information about the status and results of laboratory procedures, and for the transfer of data to and from laboratory instruments; and for computer software consultation, design and development for others, as to be likely to cause confusion under Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d).

Respondent, in its answer, denied the salient allegations of likelihood of confusion. Respondent also asserted several affirmative defenses, including laches.

Evidentiary Objections

Petitioner raised more than two dozen separate objections, covering nine pages of argument. Respondent, for its part, raised close to four dozen separate objections, covering fifteen pages of argument. Many of the parties' objections relate to admissibility (e.g., hearsay), while others relate to relevance and probative value.

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*2 The evidentiary record in this case is voluminous, with over one thousand pages of testimony, and hundreds of exhibits. This has been a vigorously litigated proceeding. We have read and considered the entire record in making our decision, according the testimony and other evidence whatever probative value it merits.

Most of petitioner's objections are grounded on hearsay. Suffice it to say that, in reading the record, we have kept in mind the hearsay nature of some of respondent's evidence; in those cases, we have not considered the evidence to prove the truth of the matter asserted in the objected-to exhibits, but rather for the effect it would have on the relevant public. To the extent that any of respondent's testimony was not based on personal knowledge, but appeared to be somewhat speculative, we have considered petitioner's objections in giving the testimony its appropriate probative value.

Insofar as respondent's objections are concerned, we have considered petitioner's testimony and evidence regarding events continuing on after respondent's date of first use so, to that extent, respondent's objection thereto is overruled. Many of respondent's other objections are based on hearsay, and we have considered the evidence not for the truth of the matter asserted in the objected-to exhibits, but rather for the effect it would have on the relevant public. We also have considered respondent's objections grounded on lack of personal knowledge, lack of foundation and/or lack of authentication and, when appropriate, have weighed the evidence in light of the objections.

Suffice it to say that none of the respective party's objected-to evidence is outcome determinative, either if considered individually or collectively. Therefore, we see no reason to belabor this opinion with a detailed discussion of them. In sum, we have considered the entire record with an eye on the parties' objections, and accorded the evidence whatever probative weight it merits.

The Record

The record consists of the file of the involved registration; the pleadings; trial testimony, with related exhibits, taken by each party; a certified copy of petitioner's pending application, official records of the state of Delaware, third-party registrations, and respondent's responses to certain of petitioner's interrogatories, all introduced by way of petitioner's notice of reliance; and third-party registrations, petitioner's responses to certain of respondent's interrogatories and request for admissions, respondent's own responses to certain of petitioner's interrogatories, as provided by Trademark Rule 2.120(j)(5), and excerpts of printed publications, all made of record by way of respondent's notices of reliance. Both parties filed briefs, and both were represented by counsel at an oral hearing.

The Parties

Michael Epton, founder of petitioner's original predecessor in interest, worked for the New Orleans Health Department as a chemist, before being employed by the Sewage and Water Board of New Orleans in various positions, including as a chemist and a water purification supervisorlaboratory director. In the mid-1980's, Mr. Epton began developing software to automate the control and management of laboratory instruments used in environmental laboratories dealing with sewage and water facilities. This type of software is categorized as a "laboratory information management system," commonly referred to by the generic acronym "LIMS," which functions to manage the flow of samples through a laboratory, to control the interfacing of laboratory instruments, and to generate results from the raw data. Prior to the automation afforded by this type of software, a laboratory would order tests on paper, raw data from instruments would be recorded by hand in notebooks, calculations would be made by hand, and results would be reported in writing or by phone.

*3 Petitioner's LABWORKS software was first used in environmental labs because those were the ones most familiar to Mr. Epton:
During the time period 1986 to 1995, did AAS [a predecessor of petitioner] actively try to market its LABWORKS software program to hospital or medical or clinical testing labs?

Not to my knowledge.

Why was that?

We had many customers that were familiar to us. We were selling our products to - over time, you know, our customer base was growing. We never ruled out selling anything to anybody. But the medical and clinical customers were not familiar. And we had plenty of business. We were growing rapidly. We sold to the people we were familiar with. It was a business decision. (Epton dep. II, p. 10).

Mr. Epton went on to explain that he never made calls or completed any sales to clinical laboratories[2]:

> I think it was a business decision made by AAS to - well, we had lots of customers, customers that we were familiar with, customers who had made us aware of the feature sets that were relevant to their business. And we were selling software. We were growing our business. We had plenty of work. And so we made a business decision to sell to the customers we were familiar with. We never ruled out any particular kind of customer, that I know of. (Epton dep. II, pp. 126-27).

Michael Lehtola, one of petitioner's salespersons, confirmed that petitioner's core markets are environmental water and waste water plant laboratories, and process control laboratories. Although some of petitioner's competitors may have licensed their LIMS software to clinical and medical laboratories, petitioner never did. (Lehtola dep. I, p. 29). Further, Mr. Lehtola is unaware of any sales by petitioner to medical laboratories. (Lehtola dep. II, p. 33). According to Mr. Lehtola, all LIMS software have similar functions, no matter the type of laboratory in which the software is used. (Lehtola dep. I, p. 65). "My software provided features that would provide a lab to log in samples, order tests on those samples, enter results against those tests, and prepare and produce reports." (Lehtola dep. I, p. 239). Insofar as testing ordering and reporting is concerned, since 1998, petitioner provided remote access to the ordering and results reporting between users. (Lehtola dep. I, p. 241).

Respondent is essentially in the business of the development and sale of software used to connect medical reference laboratories to physicians, thereby allowing doctors or other clinicians to order medical tests from a lab and receive results electronically. Respondent realized that two major medical laboratories, Quest and LabCorp, were offering software to physicians so that the physicians could easily order tests from those labs. As explained by Robert Gregory, respondent's senior vice president of corporate strategy, respondent developed its software in the mid1990's to assist other medical reference laboratories in the sale of their services to doctors and hospitals in the community by automating the entry of test orders and the return of individual patient test results to those physicians and hospitals. (Gregory dep., pp. 294-95). Mr. Gregory then identified a target audience comprising hospitals with their own medical labs; "hospital outreach" occurs when hospitals sell their medical testing services to physicians outside of the hospital setting by using the extra capacity contained within the hospitals' own medical laboratories. Respondent marketed its connectivity software to hospitals and other commercial medical testing laboratories as a way for them to compete with Quest and LabCorp labs. (Gregory dep., pp. 93-96). Respondent's software, which facilitates electronic order entry and the delivery of test results, is functional only in the medical lab environment. (Gregory dep., p. 113). Respondent's customers include Cleveland Clinic, University of Virginia Medical Center, Vanderbilt University Medical Center and Mayo Clinic. (Gregory dep., p. 224).

***4** Prior to the events leading up to this proceeding (as discussed *infra*), the parties were entirely unaware of one another and the use of the other's mark.

Standing

Petitioner has demonstrated its standing to bring this cancellation proceeding against the involved registration. In particular, petitioner's application Serial No. 78579196, filed March 3, 2005, to register the mark LABWORKS, was refused registration

under Section 2(d) on the basis of respondent's Registration No. 2833981 sought to be cancelled in this proceeding. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). Further, petitioner has shown use of its mark LABWORKS, and that it is not a mere intermeddler. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); and *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999).

Priority

As an initial matter, respondent raises the issue that petitioner is not the owner of the mark. We will spend little time on this red herring, given Mr. Epton's clear and unambiguous testimony (with supporting documents) about the adoption of the mark LABWORKS and the chain of title of the mark. Mr. Epton and his wife formed Automated Systems Design, Inc. ("ASD") in 1985, and adopted the mark LABWORKS. In 1988, ASD transferred all of its assets, including the mark LABWORKS, to Analytical Automation Specialists, Inc. ("AAS"). In 2001, AAS merged into PerkinElmer LIMS, Inc., and the corporate name was changed to PerkinElmer Labworks, Inc. This entity merged in 2004 into PerkinElmer LAS, Inc., and in 2008, the corporate name was changed to PerkinElmer Health Services, Inc., which is the named petitioner.

Based on the record, we find that petitioner's ownership of the mark LABWORKS, through use by predecessors in interest, has been unbroken since the mark was adopted.

As to priority, respondent has established March 1, 1996 as the date for its first use of the mark LABWORKS in connection with its goods and services. Thus, in order to establish priority, petitioner must prove an earlier date of first use.

Respondent essentially contends that each party has priority in its own respective areas of use: "both Registrant and Petitioner have an assertable right of priority in connection with their own specific niche of use." (Brief, p. 21). "In 1996, AAS [petitioner's predecessor in interest] was not likely to expand its use to include the uses made by Registrant." (Brief, p. 22).

To establish priority, petitioner is relying on its common law rights as shown by its actual use in connection with computer software and related services.

Mr. Epton testified that he created petitioner's LABWORKS software during 1985-86. The first sale and shipment of the software under the mark occurred on February 14, 1986; the first customer was O.H. Materials, an environmental engineering company engaged in the testing of soil samples and samples of water and hazardous waste for chemicals and contaminants that could impact human health. (Epton dep. I, pp. 35-40). Petitioner installed the software and configured it, in consultation with the customer's professionals, so that petitioner's software met the needs of the customer's testing laboratory. Mr. Epton's personal lab book lists the various sales of the software in every year through May, 1998. Mr. Epton, in his testimony, chronicled a long list of petitioner's customers, namely environmental governmental laboratories testing various water and soil samples for contaminants posing a threat to human health. Given Mr. Epton's work experience with the City of New Orleans in the area of water and waste water, it is not surprising that through the years most of petitioner's customers have been environmental laboratories, testing water and waste water. As indicated earlier, "we [petitioner] made a business decision to sell to the customers we were familiar with."

***5** As petitioner's business grew, other types of industrial laboratories utilized petitioner's software. Petitioner has identified seven major industries for customers for its software: water and wastewater; process control; power generation; environmental; forensics; food and beverage; and public (local, state and federal governments) health departments. (Lehtola dep. I, p. 123; ex. P-121).[3]

Based on the record before us (including the specific wording of the identification of goods in petitioner's application), we find, for purposes of this proceeding, that petitioner has established the following prior rights based on its common law use:
Computer software for laboratory information management, namely software for maintaining and managing a database of information pertaining to laboratory procedures, for planning, scheduling, tracking and evaluating laboratory events and

procedures, for maintaining records of laboratory procedure data, for reporting information about the status and results of laboratory procedures, and for the transfer of data to and from laboratory instruments in the fields of environmental, water and waste water, utilities, process control, forensics, food and beverage, and agriculture; and

Computer software consultation, design and development for laboratories in the fields of environmental, water and waste water, utilities, process control, forensics, food and beverage, and agriculture.

In each software application petitioner's goods have been used by laboratories in testing samples for contaminants that may impact human health.

We do not see the need to discuss respondent's remarks directed to the doctrine of natural expansion. (Brief, pp. 22-29). *See Electronic Data Systems Corp. v. EDSA Micro Corp.,* 23 USPQ 1460 (TTAB 1992). Petitioner did not rely on the doctrine in its discussion of the issues; further, respondent states that "there is no evidence of record to indicate that Petitioner, even today markets this type of software [connectivity software for use by medical testing laboratories]." (Brief, p. 24). We agree with this assessment and, thus, see no need to resort to natural expansion when considering the similarity between the goods. [4]

As to petitioner's services, respondent goes so far as to contend that petitioner has failed to establish common law rights for any services. Respondent argues that any services "were rendered under the AAS brand in connection with modifying the LABWORKS brands product," essentially concluding that petitioner either lacks common law rights for services, or that any such rights did not accrue until after respondent's first use. (Brief, p. 38).

Contrary to respondent's contention, the record supports petitioner's claim of use of its mark LABWORKS in connection with its services since at least as early as 1995. Mr. Epton testified that petitioner's software was usually configured to best fit the operations of a particular laboratory situation. In addition, petitioner must integrate its software with other software that the customer already was using:

> ***6** [I]n most cases, it has to do with integrating to other software that customers may be using, such as for tracking and manufacturing processes, or it could be financial software. You know, many organizations have an overall organizational computing environment, of which LABWORKS is one part. And integrating with the rest of that usually involved having to perform consulting roles to determine what needs to be done, what options exist for doing it, and then to negotiate and agree upon a plan and a price to do it.

Mr. Epton went on to indicate that petitioner's services "sometimes involve creating software modification," and that "the computer software consultation, design for others and development services" were rendered in 1995 and 1996 by AAS, one of petitioner's predecessors in interest. (Epton dep. II, pp. 40-41).

Mr. Epton's testimony is clear and unambiguous regarding this use. Oral testimony, even of a single witness, if "sufficiently probative," may be enough to prove priority. *Powermatics, Inc. v. Glebe Roofing Products Co.,* 341 F.2d 127, 144 USPQ 430 (CCPA 1965); and *4U Co. of America, Inc. v. Naas Foods, Inc.,* 175 USPQ 251 (TTAB 1972). In the present case, Mr. Epton's testimony is not "characterized by contradictions, inconsistencies and indefiniteness," but rather carries with it "conviction of its accuracy and applicability." *B.R. Baker Co. v. Lebow Bros.,* 150 F.2d 580, 66 USPQ 232 (CCPA 1945). Further, the oral testimony is buttressed by documentary evidence; a booklet on AAS's goods and services states, for example, that "[w]e can help you with network definition, hardware acquisition, installation, configuration, training and support," and "[i]f other software is required, we provide the professional analysis and programming resources." (Ex. P-74). *See Elder Mfg. Co. v. International Shoe Co., 194 F.2d 114, 92 USPQ 330* (CCPA 1952).

Accordingly, we find priority, based on common law rights, in favor of petitioner on the specific goods and services identified above.

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LIKELIHOOD OF CONFUSION

Our determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. *In re E. I. du Pont de Nemours & Co.,* 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Petitioner has the burden to establish that there is a likelihood of confusion by a preponderance of the evidence. In any likelihood of confusion analysis, however, two key considerations are the similarities between the marks and the similarities between the goods and/or services. *See Federated Foods, Inc. v. Ft. Howard Paper Co.,* 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). These factors, and the other relevant *du Pont* factors in the proceeding now before us, will be discussed in this decision.

*7 Petitioner contends that the marks are identical, and that the goods and/or services are closely related, concluding that "the evidence shows that almost all of the relevant DuPont factors favor or strongly favor Petitioner PerkinElmer." (Brief, p. 54).

Respondent's position may be summarized as follows:
Petitioner and Registrant have each used the LABWORKS mark for over 14 years in their respective industries without even being aware of each other and without even a hint of actual confusion or a likelihood of confusion. Indeed, before the Office action in issue, neither party knew that the other even used the LABWORKS mark in connection with its software. This "dispute" only exists because Petitioner overreached with its identification of its goods during the prosecution of its trademark application to register its use of the LABWORKS mark and then refused to acknowledge that its only plausible claim to the LABWORKS mark is in the "industrial" LIMS marketplace. (Brief, p. 10).

*****

The reality is that both the goods of Petitioner and the goods of Registrant are software for use with computer hardware that functions in a laboratory environment but after that gross similarity, the similarity ends. The type of laboratory is different. The functions are different. The purposes are different. The customers are different. (Brief, p. 16).

According to respondent, the parties' goods "solve two completely different problems." (Brief, p. 19). While the parties both market software products related to laboratories, these laboratories "perform completely different functions in completely different marketplaces." (Brief, p. 31).

As one of the starting points of our likelihood of confusion analysis, it is instructive to look to the guidelines set forth in TMEP §1402.03(d) (8th ed. 2011) regarding identifying computer programs with specificity. The section states in relevant part:

> Any identification of goods for computer programs must be sufficiently specific to permit determinations with respect to likelihood of confusion. The purpose of requiring specificity in identifying computer programs is to avoid the issuance of unnecessary refusals of registration under [Section 2(d)] where the actual goods of the parties are not related and there is no conflict in the marketplace ... Due to the proliferation and degree of specialization of computer programs, broad specifications ... will not be accepted, unless the particular function or purpose of the program in that field is indicated ... **Generally, an identification for "computer software" will be acceptable as long as *both* the function/purpose *and* the field are set forth.** (emphasis added).

In the present case, petitioner's identification of its goods in its application indicates the software's function/purpose as used in laboratories. The identification does not specify, however, the fields of industry in which the laboratories operate. This situation is contrasted with respondent's identification, which includes terminology indicating that the software is for use in the medical/clinical field.

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*8 After review of the extensive record, and the comments made in response to questions at the oral hearing, the Board, quite frankly, cannot help but wonder if this case could have been settled with some tweaking of the respective identifications of goods/services in petitioner's application and respondent's registration.[5] Such action, we believe, might have gone a long way in convincing the examining attorney that the contemporaneous registration of the marks was appropriate. Be that as it may, we are tasked with deciding, based on the record before us, the issue of likelihood of confusion; we now turn to the *du Pont* analysis.

The Marks

Petitioner's mark LABWORKS and respondent's mark LABWORKS are identical in every respect, namely in sound, appearance, meaning and commercial impression. Respondent "conced[es] that Registrant's LABWORKS mark and Petitioner's LABWORKS mark are literally identical." (Brief, p. 29). Although not raised as an affirmative defense, respondent, for the first time in its brief, alleges that petitioner's mark is merely descriptive. We decline to consider respondent's claim inasmuch as it neither was pled as a "defense" in the answer nor tried by the parties under Fed. R. Civ. P. 15(b); for respondent to raise it for the first time in the brief at final hearing is manifestly untimely. Thus, we have given respondent's allegation no consideration. *See, e.g., Hornby v. TJX Companies Inc.*, 87 USPQ2d 1411, 1415 (TTAB 2008); and *Chicago Corp. v. North American Chicago Corp.*, 20 USPQ2d 1715, 1717 n.5 (TTAB 1991). *See generally* TBMP §314 (3d ed. 2011). So as to be clear, we consider petitioner's mark to be inherently distinctive.

The identity between the marks is a factor that weighs heavily in favor of a finding of likelihood of confusion.

Fame

Petitioner argues that its mark is "quite strong and well-known." (Brief, pp. 49-50). To the extent petitioner's claim may be construed as a claim of fame, we begin by noting that fame of the prior mark plays a dominant role in likelihood of confusion cases featuring a famous mark. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton,* 214 F.3d 1322, 54 USPQ2d 1894 (Fed. Cir. 2000); and *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992). Because of the extreme deference accorded to a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting fame to clearly prove it. *Lacoste Alligator S.A. v. Maxoly Inc.*, 91 USPQ2d 1594, 1597 (TTAB 2009); and *Leading Jewelers Guild Inc. v. LJOW Holdings LLC,* 82 USPQ2d 1901, 1904 (TTAB 2007).

*9 Petitioner's mark has been in use since 1986; during that time period, petitioner made over 500 sales of its software. Sales revenue for goods and services sold under the mark LABWORKS, from 2002 through 2008, total about $46 million. Petitioner has advertised its products every year since 1986 (but no promotional expenditure numbers have been introduced), and petitioner has appeared at the annual Pittsburgh Conference ("PITTCON") trade show from 1988 to 2009; this is the largest trade show and technical conference of analytical chemists in the country. (Epton dep. I, p. 140). Further, petitioner has occasionally been the subject of unsolicited publicity in industry publications.

The record establishes that petitioner has enjoyed a degree of success with its goods and services sold under its mark LABWORKS. We have no way to gauge the degree, however, inasmuch as petitioner has not given us any context in which to do so. *See Bose Corp. v. QSC Audio Products Inc.*, 63 USPQ2d at 1309. Accordingly, we find that the record falls short of proving fame as contemplated by case law and, thus, decline to confer on petitioner's mark the exalted status of "famous."

This factor is neutral.

Third-Party Mark Usage

This factor bears on the degree of distinctiveness of petitioner's mark for purposes of the likelihood of confusion analysis. By relying on third-party uses and registrations of LABWORKS marks, or variants of "LABS-" or "-WORKS" formative marks in

connection with laboratory goods and services, respondent would have us conclude that petitioner's mark is entitled to a limited scope of protection that does not extend to respondent's mark for its goods and services.

If the common elements of conflicting marks are words that are suggestive (i.e., "weak"), then this reduces the likelihood of confusion. *See, e.g., Keebler Co. v. Murray Bakery Products,* 866 F.2d 1386, 9 USPQ2d 1736 (Fed. Cir. 1989) (PECAN SANDIES and PECAN SHORTEES); *Magnaflux Corp. v. Sonoflux Corp.,* 231 F.2d 669, 109 USPQ 313 (CCPA 1956) (MAGAFLUX and SONOFLUX); and *Land-O-Nod Co. v. Paulison,* 220 USPQ 61 (TTAB 1983) (CHIROPRACTIC and CHIRO-MATIC).

The Board has, in the past, given weight to evidence of widespread and significant use by third parties of marks containing elements in common with the involved marks when considering claims of likelihood of confusion, because such evidence may demonstrate that confusion is not, in reality, likely to occur in the marketplace. *See Miles Laboratories Inc. v. Naturally Vitamin Supplements Inc.,* 1 USPQ2d 1445, 1462 (TTAB 1987).

In support of its argument on this factor, respondent introduced an electronic search report of the Office's database showing three live third-party registrations of the mark LABWORKS. (Respondent's Ex. R-31). The registrations cover software marketed to architects and designers for designing the physical layout of laboratories (RN 2766229 of the mark LABWORKS); installation, servicing, maintenance and repair of food, chemical, veterinary and medical laboratory equipment (RN 4044750 of the mark LABWORKS EQUIPMENT SERVICE, INC.); and inventory software for tracking inventory in a laboratory (RN 2031087 of the mark LABWORKS).

***10** Given the dictionary meanings of the commonly used and understood terms "lab" and "works," there is little hesitation in finding that the mark LABWORKS is suggestive when used in connection with goods and/or services that manage laboratory workload. However, the registrations, in and of themselves, fail to prove that "LABWORKS" is a commercially weak term. Absent evidence of actual use, third-party registrations have little probative value because they are not evidence that the marks are in use on a commercial scale or that the public has become familiar with them. *See Smith Bros. Mfg. Co. v. Stone Mfg. Co.,* 476 F.2d 1004, 177 USPQ 462, 463 (CCPA 1973); and *Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana Inc.,* 98 USPQ2d 1921, 1934 (TTAB 2011). Even respondent acknowledges that "these [registrations] have no probative value." (Brief, p. 44).

Mr. Epton was asked about his knowledge of competitors that use "LAB" as the first term in their marks for LIMS software; he suspected that there were "many" uses, and that he was aware of "several." (Epton dep. II, pp. 117-18). Respondent also introduced, through the testimony of Jack Baldini, twenty examples of advertisements for a variety of laboratory products, all of which are identified with marks starting with "LAB-" or ending with "-WORKS."

To state the obvious, it is not surprising that several marks used in the laboratory industry would begin with the term "LABS." However, although we have carefully considered the evidence of third-party usage, we find that it is not persuasive in meaningfully diminishing the distinctiveness of petitioner's mark. Firstly, we point out that none of the marks is identical to petitioner's mark LABWORKS, as is the case with respondent's mark. Secondly, respondent has not furnished any evidence regarding the extent of use of the marks by these third parties so that we might gauge the exposure to relevant customers. *See Carl Karcher Enterprises Inc. v. Stars Restaurants Corp.,* 35 USPQ2d 1125, 1131 (TTAB 1995). Thus, this evidence is entitled to limited probative value.

In sum, there is a lack of probative evidence demonstrating that the term LABWORKS has been so commonly used that petitioner's mark is only entitled to a narrow scope of protection.

This *du Pont* factor is neutral in our likelihood of confusion determination.

The Goods and/or Services

Given that the marks are identical, the parties have focused a significant portion of their attention on the *du Pont* factor of the similarity/dissimilarity between the goods and/or services. In considering this *du Pont* factor, we initially note that where essentially identical marks are involved, as is the case here, the degree of similarity between the parties' goods and/or services that is required to support a finding of likelihood of confusion declines. *In re Shell Oil Co.,* 992 F.2d 1204, 26 USPQ2d 1687, 16881689 (Fed. Cir. 1993) ("even when the goods or services are not competitive or intrinsically related, the use of identical marks can lead to the assumption that there is a common source"); *Time Warner Entertainment Co. v. Jones,* 65 USPQ2d 1650 (TTAB 2002); and *In re Opus One Inc.,* 60 USPQ2d 1812 (TTAB 2001). It is only necessary that there be a viable relationship between the two to support a finding of likelihood of confusion. *In re Concordia International Forwarding Corp.,* 222 USPQ 355, 356 (TTAB 1983). The issue here, of course, is not whether purchasers would confuse the parties' goods and/or services, but rather whether there is a likelihood of confusion as to the source of these goods and/or services. *In re Rexel Inc.,* 223 USPQ 830 (TTAB 1984).

***11** So as to be clear, in considering this factor, we are comparing the following goods and services: Petitioner's (common law rights):
Computer software for laboratory information management, namely software for maintaining and managing a database of information pertaining to laboratory procedures, for planning, scheduling, tracking and evaluating laboratory events and procedures, for maintaining records of laboratory procedure data, for reporting information about the status and results of laboratory procedures, and for the transfer of data to and from laboratory instruments in the fields of environmental, water and waste water, utilities, process control, forensics, food and beverage, and agriculture; and

Computer software consultation, design and development for laboratories in the fields of environmental, water and waste water, utilities, process control, forensics, food and beverage, and agriculture.

Respondent's (identification in the involved registration):
computer software and manuals therefor for use in connection with medical records, patient information, clinical histories, clinical task workflow, radiology and laboratory test ordering and results reporting, and providing remote access to the foregoing between users; and

application service provider featuring software for use in connection with medical records, patient information, clinical histories, clinical task workflow, radiology and laboratory test ordering and results reporting, and providing remote access to the foregoing between users; computer software consultation, design for others and development.

Goods

In considering the goods, an initial matter involves the scope of respondent's identification as set forth in its involved registration. Petitioner urges the Board to interpret respondent's identification of computer software "as covering software for use in connection with each listed item separately, not software for use only in connection with all six of the individually listed items." (emphasis in original). According to petitioner, the identification "covers computer software for use in connection with laboratory test ordering and results reporting," and "also covers computer software for use in connection with each of the other five individually listed items." (emphasis in original). (Petitioner's Brief, p. 15). Petitioner then attempts to make the point that the terminology "laboratory test ordering and results ordering" standing alone is broadly worded, and thus overlaps with petitioner's software.

We do not share petitioner's parsing of respondent's identification of goods. Rather, we agree with respondent's view that is entirely consistent with the record: "That description, in its ordinary meaning suggests that 'laboratory tests' are those performed in a medical context other than 'radiology' tests. There is no comma between 'radiology' and 'laboratory test.'" (Brief, p. 37). The identification includes the terminology "medical," "patient," "clinical" and "radiology." It is clear to us that, in the

context of the other items in the identification of goods, the term "laboratory test" refers to medical laboratory tests. *See* TMEP §1402.01(a) (8th ed. 2011) ("In general, commas should be used in the identification to separate items within a particular category of goods or services.").

***12** We now turn to consider the parties' goods. Petitioner's goods are, at bottom, software to manage workflow and information in a laboratory setting. As noted earlier, the genesis of petitioner's product, a member of the genre of computer software called "laboratory information management system" ("LIMS"), derived from Mr. Epton's work in an environmental laboratory and his desire to manage the laboratory's workflow through automation: "The program I created ... was software for tracking work being performed in a laboratory, for ordering analyses to be performed on samples, for entering results of that analyses, for producing reports related to samples and analyses." (Epton dep. I; pp. 18-20.). Mr. Lehtola confirmed these functions: "My software provided features which would permit a laboratory to log in samples, order tests on those samples, enter results against those tests, either manually or from an instrument, and prepare and produce reports." (Lehtola dep. I, p. 239). Petitioner's brochure, used in 1996, states that "LABWORKS is a PC based Laboratory Information Management System," and "Basic operations are sample login, tracking, results entry, reporting and invoicing." (Ex. P-77). Petitioner touted certain efficiencies afforded by its software, including making entry of data automatic; reducing typographical and clerical error, and paperwork; providing tight, effective organization of the laboratory; and providing the laboratory manager with a better overall view of the laboratory. (Epton dep. I, ex. P-67).

The record includes an article "Market Analyses and Perspectives - The Global LIMS Market: Standing Out in the Crowd" (May 1996) prepared by Strategic Directions International, Inc., which describes itself as the "leading international management consulting firm in the highly specialized field of analytical instruments." The article describes goods of the type sold by petitioner: "Computers are used in the analytical laboratory to perform two basic tasks: collecting and analyzing data generated by laboratory instruments, and managing information about the work of the lab itself. Laboratories generate large amounts of information. A Laboratory Information Management System (LIMS) allows the laboratory to manage large sample loads more efficiently and productively, streamlining workflow and resulting in an overall cost reduction for the lab. Consequently, a LIMS has become an essential component of laboratories." (Epton dep., Ex. R-1).

Although Mr. Epton was fully conversant with laboratory information management systems (LIMS), he was unfamiliar with the acronym "LIS," meaning "laboratory information system," the type of system, most commonly used in medical testing laboratories, to which respondent's software connects.

Mr. Gregory, familiar with both LIS ("laboratory information system") and LIMS ("laboratory information management system"), articulated the differences between the two:

> ***13** LIS is a system which we encounter regularly in hospital laboratories and also in commercial laboratories, which is a specialized information technology solution designed to help the hospital that is doing medical testing on patients manage the work flow associated with taking in test orders and the specimens associated with them for specific patients, managing the process of getting those specimens to the right instruments, having the right tests performed on those specimens using those instruments, also then getting back the results, ensuring that the results are properly subject to quality control, using operations within the LIS, and then reporting out those results to the physicians who have ordered those testing for those patients. They tend to be patient-centric. In fact, they are. They have to be, because all of the work that's being performed in that context is being performed for - on a work flow that is directed for - to a specific order with one or more tests associated with that order for a specific patient ordered by a physician. So all of the work flow is very oriented toward dealing with specific specimens associated with patients and delivering the results associated with those test requests. All of it is done by LISs and, in fact, everything that we interface with when we do an electronic interface to sending orders and/or to get out results electronically is with LIS systems. LIMS systems are more flexible, much more open-ended types of environments. They are specialized IT solutions that can handle work flows that are oriented toward samples, typically, and not oriented generally toward patients. And basically, as I said before, they are oriented toward batches of

> samples, or in the case of a clinical trial, they may be oriented toward basically subjects in a study, all of whom are in a particular batch or in a particular category by definition. They are not, to my knowledge, patientcentric. That is not the way they work. And while they have a lot more flexibility in terms of how they can be designed, that is to say that you can create work flows in them to do specific kinds of things, they tend not to work very well in the medical testing laboratory, because LISs are much more really built to work in that way. You can create a wide-ranging test catalog, a patient-centric master patient index and a patient-centric approach, and in LIS, it's really, out of the box, much more capable of being used by clinical laboratories than a LIMS system. (Gregory dep., pp. 99-102).

The primary purpose of respondent's software is to connect the IT systems of medical laboratories with the IT systems of hospitals and physicians in order to allow remote medical test order entry and reporting. Respondent's LABWORKS software routinely interfaces with LIS systems in order to facilitate remote electronic entry of testing orders and to report the final results of such testing in connection with a specific identifiable patient. Respondent's LABWORKS software is not able to connect to laboratory instruments, prepare worklists for lab technicians, or take raw data to produce the results eventually reported to doctors ordering tests.

***14** Respondent itself acknowledges, while arguing that there is no likely confusion, that "[b]oth Registrant and Petitioner market software products related to laboratories." (Brief, p. 31). Indeed, that is the simple reality in this case, namely that both parties' goods are software for use in a laboratory environment. But, that is where the similarity ends. The mere fact that the parties' goods fall under the broad category of software for use in laboratories is not a sufficient basis upon which to find that they are related for purposes of likelihood of confusion. *See In re W.W. Henry Co.,* 82 USPQ2d 1213, 1215 (TTAB 2007); and *Harvey Hubbell Inc. v. Tokyo Seimitsu Co., Ltd.,* 188 USPQ 517, 520 (TTAB 1975). The goods perform different functions and are used for different purposes. In a nutshell, petitioner's goods control the workflow in environmental and industrial laboratories; respondent's goods connect patient records and medical laboratory test orders and results with physicians and other clinicians. Further, as will be discussed in a later section of this decision, the software is used by different types of laboratories. It is difficult for a LIMS vendor to come over to the LIS space in the medical field. (Gregory dep., p. 121). And, respondent's software is not even a LIS, but rather an application that interfaces with LIS systems in the medical laboratory field.

In its attempt to show that the goods are related, petitioner introduced excerpts of more than twenty thirdparty websites showing that each entity markets its software to both medical and non-medical testing laboratories (including public health labs). (Sousa dep., exs. P-1 through P-22). For example, P-12 shows that LabLite, in marketing its software and consulting services, indicates that its customers include "water and waste water treatment plants, universities, pharmaceutical, petrochemical, medical, manufacturing, genetic, food testing, environmental, research, mining, and more." We also recognize that in the same trade magazine an article about petitioner's LABWORKS software appeared on the same page as an article about a competitor's LIMS software that is marketed to clinical labs. (Lehtola dep. II, p. 133).

Petitioner also submitted twelve use-based third-party registrations showing that each of the marks covers software and services intended for use by a variety of different laboratories, including both medical and non-medical testing laboratories. (Notice of Reliance, NR-11 through NR-22).

The evidence of third-party uses and registrations to show a relationship between the goods is not persuasive. It is not surprising that a single entity may offer its goods to a variety of customers in different fields, both medical and non-medical. However, this evidence fails to establish that the same specific types of software involved herein - laboratory information management systems to manage workflow in environmental and industrial laboratories on the one hand, and connectivity software connecting patient records and medical laboratory test orders and results with physicians on the other - ever emanate from the same source.

***15** In the course of its business, respondent has assisted medical laboratories using respondent's LABWORKS software in notifying public health departments when medical test results show a highly contagious disease; governmental regulations

require such notification. Although this capability of communicating with public health entities is not actively marketed to respondent's customers, the feature is "in [respondent's] arsenal." (Gregory dep., pp. 311314). Respondent's website for its LABWORKS software indicates that respondent's Public Health Division is a "related" division with its own website. (Sousa ex. P-32). The exhibit indicates that respondent established a centralized data-brokering capability through its data center, which receives reports to determine if the incidents are reportable. If they are, respondent will report them to the appropriate public health department through respondent's public health link, or "PHIL." Thus, respondent has linked its LABWORKS software customers to public health departments to assist the customers in complying with reporting regulations. However, it would appear that contact between respondent and public health departments is made through respondent's PHIL software. The following appears on respondent's website, quoting Mr. Gregory:

> Atlas is approaching private-sector laboratories that it has worked with on the LabWorks side of the equation, he says. LabWorks is an order-entry solution that outreach programs use. To make this strategy workable, Atlas is establishing a centralized databrokering capability through its data center in Agoura Hills, Calif. The Center will receive incident reports that come out of any laboratory information system enrolled in the program. We'll take those incident reports, filtered to determine that they are in fact reportable incidents, and then broker them to the appropriate local health department that is supposed to receive that report by statute, Gregory says. We call this the public health information link or PHIL.

Although we recognize the importance of the relationship between medical testing laboratories and public health departments, the simple fact is that these classes of customers are different.

In view of the above, we find that the parties' goods are specifically different, serving very specific and distinct purposes and functions. The dissimilarity between the goods weighs in favor of respondent.

Services

As indicated above, petitioner has established prior common law rights in its mark for computer software consultation, design and development for laboratories in the fields of environmental, water and waste water, power generation, process control, forensics, food and beverage, and agriculture.

Registrant's services are identified as "application service provider featuring software for use in connection with medical records, patient information, clinical histories, clinical task workflow, radiology and laboratory test ordering and results reporting, and providing remote access to the foregoing between users; computer software consultation, design for others and development."

***16** The presence of a semicolon in respondent's recitation of services is significant for purposes of the likelihood of confusion analysis. *See Cunningham v. Laser Golf Corp.*, 55 USPQ2d at 1846 ("the identification of goods/services stated in the registration ... frames the issue"). Thus, respondent's services are construed to include separate categories of services comprising "application service provider featuring software for use in connection with medical records, patient information, clinical histories, clinical task workflow, radiology and laboratory test ordering and results reporting, and providing remote access to the foregoing between users" *and* "computer software consultation, design for others and development." That is to say, the "computer software consultation, design for others and development" services are set apart from the remainder of the recitation by a semicolon, and these services therefore stand alone, and constitute separate services to be compared to petitioner's services for purposes of our analysis under the second *du Pont* factor. *See* TMEP §1402.01(a) (8th ed. 2011) ("Semicolons should generally be used to separate distinct categories of goods and services within a single class."). Accordingly, for purposes of comparing petitioner's services to respondent's services, we will focus on the broadly worded "computer software consultation, design for others and development" services portion of the recitation set forth in respondent's registration.

Where the services in an involved registration are broadly identified as to their nature and type, as is the case herein, such that there is an absence of any restrictions as to the channels of trade and no limitation as to the classes of purchasers, it is presumed that in scope the recitation of services encompasses all the services of the nature and type described therein, that the identified services are offered in all channels of trade which would be normal therefor, and that they would be purchased by all potential buyers thereof. *Paula Payne Products Co. v. Johnson Publishing Co.*, 473 F.2d 901, 177 USPQ 76 (CCPA 1973); *Kalart Co. v. Camera-Mart, Inc.*, 258 F.2d 956, 119 USPQ 139 (CCPA 1958); and *In re Elbaum*, 211 USPQ 639 (TTAB 1981).

Thus, respondent's "computer software consultation, design for others and development" is presumed to encompass all types of these services and that they would be offered in all trade channels which would be normal therefor. Accordingly, these services would include the identical type of services rendered by petitioner. Moreover, the trade channels would necessarily include the same trade channels and purchasers as those of petitioner's services, including environmental and other industrial laboratories.

***17** The fact that respondent's other services recited in the registration are delineated for the medical laboratory setting is irrelevant. The broadly worded "computer software consultation, design for others and development" services are separated from the more specifically worded portion of the recitation by a semi-colon. Thus, the limitation included in the first portion of respondent's recitation to medical testing laboratories does not extend to the later separate portion.

Likelihood of confusion may be found based on *any* item that comes within the identification of goods and/or services in the involved registration. *Tuxedo Monopoly, Inc. v. General Mills Fun Group*, 648 F.2d 1335, 209 USPQ 986, 988 (CCPA 1981). Accordingly, we find that petitioner's services are related to respondent's "computer software consultation, design for others and development" services so that, when rendered under identical marks, confusion among purchasers is likely to occur. The identity between the marks and the legally identical services (again, as recited in the registration) outweigh the sophistication of the purchasing decision (*see* discussion, *infra*).

The legal identity between the services weighs in favor of petitioner.

Trade Channels and Classes of Purchasers

Petitioner identified seven major industries for customers for its software: water and wastewater; process control; power generation; environmental; forensics; food and beverage; and agricultural. (Lehtola dep. I, p. 123; ex. P-121). In saying this, we recognize that petitioner's software is used by public health departments; but in each instance, save one, the laboratories are testing environmental samples. The record is replete with examples of petitioner's software being used to test water and soil samples by various state and local government environmental testing labs, and other government agencies such as the U.S. Department of Agriculture and the Environmental Protection Agency to detect contaminants that may be harmful to human health.

Respondent's customers are testing laboratories in the medical field, and have included Cleveland Clinic, University of Virginia Medical Center, Vanderbilt University Medical Center and Mayo Clinic.

The potential customers for the parties' goods and services are, in very general terms, testing laboratories, but that is where the similarity ends. To be sure, the record is devoid of evidence to show that there is *any* overlap in purchasers. That is to say, the software is directed to different purchasers.

The record includes, however, one instance when petitioner's software has been used to run tests on human blood to detect lead that can cause lead poisoning. This essentially is the only example, a public health laboratory, to which petitioner points in identifying common purchasers (potential and actual) of the parties' software. The State of Michigan Department of Public Health purchased a license to use petitioner's software to automate its laboratory and manage the testing of human blood to detect lead. (Epton dep. I, pp. 130-31; dep. II, pp. 84-87; Lehtola dep., pp. 146-148). The date of this sale is not reflected in the record.

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*18 In this regard, petitioner states that "[m]ost telling is the evidence that both parties offered to sell their LABWORKS software to public health laboratories." (Reply Brief, p. 8). Indeed, respondent discussed selling its LABWORKS software to the Los Angeles Department of Public Health. We also recognize that respondent has discussed the utility of its software in veterinary, toxicology and clinical trial laboratories. However, the simple fact is that respondent never has consummated a sale other than to medical testing laboratories, a fact reflected in its recitation of services.

Petitioner's LABWORKS software also has been used by one customer (Kennecott Utah Copper Corp. in 1992) to support testing of urine to ensure safety in its mining operations. (Lehtola dep. I, pp. 33-35).

In sum, the record shows one use of petitioner's software by a public health laboratory to test blood, and that respondent had discussions, but no sale, with a single public health laboratory. Any perceived overlap in this field is insufficient upon which to base a finding that there are common purchasers for the parties' goods.

Petitioner makes the point at every opportunity to assert that there is nothing to prevent its software from being used in clinical labs to test human blood, urine and tissue. (Epton dep. I, pp. 127-128). In doing so, petitioner points out that similar equipment and instruments are used in both environmental and clinical labs, and the record supports this assertion. According to petitioner, it does not matter when using petitioner's software whether the laboratory instruments are testing blood, urine, tissue, water or soil. (Lehtola dep. I, pp. 61-65). Mr. Epton testified that "I know of no reason we could not interface any computerized instrument," including those used in testing blood, urine and human tissues. (Epton dep. II, p. 9; p. 11). Mr. Epton recalled that customers have wanted to use petitioner's software for new purposes not even envisioned by petitioner, such as analyzing jet fuels and spills at military bases. (Epton dep. I, p. 191). Petitioner has not actively promoted its LABWORKS software for other uses, but such uses "could be going on without our knowledge," and "we heard tales" of other uses. (Epton dep. II, pp. 91-92). Mr. Lehtola insists that petitioner's software could be configured to work in any laboratory, including hospital, medical and clinical. Mr. Lehtola essentially asserts that petitioner's software would be useful in any lab that receives samples, orders tests and receives reports. (Lehtola dep. I, p. 35; pp. 40-41; p. 123).

Although petitioner insists that its potential customers include public health laboratories performing clinical analyses, this insistence is undercut by the fact that its customers in the field amounted to a single one, namely the Michigan state lab testing human blood for the presence of lead. At most, a second use involved the testing of urine for mining safety by a private mining company. On cross-examination, when Mr. Epton was asked if he could identify a single customer of petitioner that was not in the water and waste water, environmental, process control, food and beverage, chemical, utilities, transportation or agricultural industries, he answered "No." (Epton dep. II, p. 104). Mr. Lehtola is not aware of any sales by petitioner to medical labs. (Lehtola dep. II, p. 33).

*19 Although petitioner never ruled out configuring its software to run in clinical laboratories, it never did so. As highlighted by respondent's evidence, entry into the medical laboratory field can be challenging; there are numerous hurdles to jump, including knowledge of medical testing codes, HIPPAA requirements, Medicare and Medicaid, and health insurance payment frameworks.[6] Outside of the environmental and industrial laboratory settings, any use by petitioner appears, by and large, to be de minimis at best, and theoretical at worst. Further, to the degree that there could ever be an overlap in public health labs, as noted above, the likelihood of confusion would be de minimis. *Electronic Design & Sales, Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713, 21 USPQ2d 1388, 1392 (Fed. Cir. 1992) ("the mere purchase of the goods and services of both parties by the same institution does not, by itself, establish similarity of trade channels or overlap of customers ... the likelihood of confusion must be shown to exist not in a purchasing *institution,* but in 'a customer or purchaser.'" (emphasis in original)).

Petitioner and respondent do not attend the same trade conferences to market their respective LABWORKS software, and the parties advertise in different trade publications; this comes as no surprise inasmuch as their products are targeted at different classes of purchasers.

When all of the testimony and evidence is considered, we find that the parties' goods are sold in different trade channels to different customers. In sum, the same individuals do not encounter the mark and products or, even if they did (as in, for example, a public health lab), they would do so only in the context of a thoughtful purchasing process leaving no room for misunderstanding about the sources of the respective software (as discussed *infra*). *See Edwards Lifesciences Corp. v. VigiLanz Corp.*, 94 USPQ2d 1399, 1411-13 (TTAB 2010).

The dissimilarity between trade channels and classes of purchasers weighs in favor of respondent. [7]

Conditions of Sale/Sophistication of Purchasers

As a first point, respondent attempts to confine petitioner to its argument made during prosecution of its application. When faced with the Section 2(d) refusal based on respondent's registration, petitioner argued that there was no likelihood of confusion between the marks "because the parties' respective goods are different." Petitioner further alleged: "[The parties'] customers would typically be sophisticated specialists within their respective fields, and would not be easily susceptible to confusion. None of the pertinent goods would be purchased on impulse, or without careful consideration of the party standing behind them." (Response to Office action, 3/23/06).

***20** Petitioner's statements were made in an attempt to avoid the need for this cancellation action if it could overcome the examining attorney's refusal of registration. We have considered petitioner's prior statements as illuminative of shade and tone in the total picture of likelihood of confusion, but nothing more than that. *See Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151 (CCPA 1978); and *Anthony's Pizza & Pasta International, Inc. v. Anthony's Pizza Holding Co.*, 95 USPQ2d 1271, 1281 (TTAB 2009).

In any event, the record establishes that the purchase of either of the parties' software involves a thoughtful decision; the same applies to the parties' services. This high degree of care when making the purchasing decision is not surprising given the nature of the goods, as well as their relatively expensive cost. [8] The relevant purchasing public for the laboratory goods and services comprises laboratory managers, scientists and other laboratory professionals. In many instances, whether in matters of detecting water and soil contaminants hazardous to public health, or of a patient's blood test, there is much at stake. Further, the software involves setup and customization to match a customer's needs. Simply put, these products are not "off-the-shelf" ones that are bought on impulse, but rather are bought after careful thought.

Mr. Lehtola testified that "I've sold systems anywhere that from the first contact with a customer to the invoice was nine years, all the way to probably less than a month, maybe two weeks, and then all across the board in between there." (Lehtola dep. II, p. 53). Mr. Lehtola further stated that he dealt with many types of professional people in the buying process, ranging from laboratory owners and managers, to bench chemists. (Lehtola dep. I, p. 239). Mr. Epton echoed these comments, indicating that sales to public health laboratories included discussions with "engineers, consultant, bureaucratic officials who had roles in purchasing and approving purchases." (Epton dep. II, p. 35).

Mr. Gregory stressed the need for respondent to intelligently discuss the customer's needs prior to purchase, especially given that "[l]aboratorians, in my experience anyway, are a very demanding and exacting lot." (Gregory dep., p. 143). Mr. Gregory testified that he discussed purchases with the potential customer's IT department, chief executive officer, chief financial officer and physicians, among other professionals. (Gregory dep., p. 324).

Based on the record and the nature of the products and services, we find that they are likely to be bought only after careful consideration by persons who are quite knowledgeable about what and from whom they are buying. *See Electronic Design & Sales, Inc. v. Electronic Data Systems Corp.*, 21 USPQ2d at 1392; *Astra Pharmaceutical Products, Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 220 USPQ 786, 791 (1st Cir. 1983); *Dynamics Research Corp. v. Langenau Mfg. Co.*, 704 F.2d 1575, 217 USPQ 649 651 (Fed. Cir. 1983); and *Edwards Lifesciences Corp. v. VigiLanz Corp.*, 94 USPQ2d at 1413. In sum, the purchase

of the parties' respective goods and services entails a thoughtful decision made by knowledgeable purchasers; the conditions of sale significantly diminishes the likelihood of confusion.

*21 This factor weighs in respondent's favor.

Actual Confusion

Respondent points to the coexistence of the involved marks for a period of over 14 years without any reported instances of actual confusion between them. Respondent highlights the fact that neither party had ever heard of the other party or the other's mark until respondent's mark was cited by the examining attorney as a bar to registration of petitioner's applied-for mark. Mr. Gregory indicates that respondent never received any cease and desist letter from petitioner, that there have been no misdirected communications and that he is unaware of any use of the parties' goods in the same laboratory. (Gregory dep., pp. 185; 187-89).

A showing of actual confusion would of course be highly probative, if not conclusive, of a likelihood of confusion. The opposite is not true, however. The lack of evidence of actual confusion carries little weight. *J.C. Hall Co. v. Hallmark Cards, Inc.,* 340 F.2d 960, 144 USPQ 435, 438 (CCPA 1965). In any event, while there is some evidence bearing on the extent of petitioner's use, the record is devoid of probative evidence regarding the extent of use of respondent's mark. Firstly, while respondent points to 14 years of contemporaneous use of the marks since 1996, Mr. Gregory stated that respondent did not actively market its LABWORKS brand product until 2003. (Gregory dep., p. 86). Secondly, although Mr. Gregory testified that respondent enjoys a 20% market share (Gregory dep., p. 163), no further information was introduced to give context to this figure. That is to say, neither respondent's sales under the mark or advertising expenditures for promotional efforts are of record. Thus, we are unable to accurately gauge whether there has been a meaningful opportunity for confusion to have occurred in the marketplace. Notwithstanding the above, proof of actual confusion is not necessary to establish likelihood of confusion. *Giant Food, Inc. v. Nation's Foodservice, Inc.,* 218 USPQ at 396. Nevertheless, it is "instructive" that the parties were totally unaware of one another until the Office raised respondent's registration as a bar to registration of petitioner's mark. *See Sheller-Globe Corp. v. Scott Paper Co.,* 204 USPQ 329, 333 (TTAB 1979).

Accordingly, the eighth *du Pont* factor involving the length of time during and conditions under which there has been contemporaneous use without evidence of actual confusion is considered neutral.

Laches

The affirmative defense of laches was pleaded in the answer, and is the only pleaded defense that respondent maintained in its brief. Respondent contends that petitioner unreasonably delayed in bringing this cancellation proceeding. More specifically, respondent contends: "petitioner filed the instant cancellation proceeding 10 years after [respondent] began use of its mark; 3 years 7 months and 14 days after respondent filed for its registration; and 2 years 10 months and 4 days after [respondent's] application was published for opposition." (Brief, p. 52). Respondent further asserts that petitioner has not explained the reasons for its delay, and that respondent, during the delay, continued to develop the goodwill built around its mark.

*22 We agree with petitioner's assessment that laches has not been established. Laches is generally available against a Section 2(d) claim of likelihood of confusion, the only exception being when confusion is inevitable. *National Cable Television Assn. Inc. v. American Cinema Editors Inc.,* 973 F.2d 1572, 19 USPQ2d 1424 (Fed. Cir. 1991). In order to prevail on the affirmative defense of laches, a defendant must establish that there was undue or unreasonable delay by the plaintiff in asserting its rights, and prejudice to the defendant resulting from the delay. *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France,* 245 F.3d 1359, 58 USPQ2d 1460 (Fed. Cir. 2001). Mere delay in asserting a trademark-related right does not necessarily result in changed conditions sufficient to support the defense of laches. There must also have been some detriment due to the delay. *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France,* 58 USPQ2d at 1463.

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Respondent's Registration No. 2833981 issued on April 20, 2004. There is no evidence to suggest that petitioner had actual knowledge of respondent's mark until respondent's registration was cited as a Section 2(d) bar in an Office action dated May 1, 2006. However, petitioner is charged with constructive notice of the registration when it issued on April 20, 2004. *Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 USPQ2d 1203, 1210 (TTAB 2006), *aff'd unpublished opinion,* Appeal Nos. 2006-1366 and 1367 (Fed. Cir. Dec. 6, 2006); and *Christian Broadcasting Network Inc. v. ABS-CBN International,* 84 USPQ2d 1560, 1572 (TTAB 2007). The petition for cancellation was filed on October 31, 2006, approximately 2 1/2 years later.

Firstly, we find that the time period between the issue date of respondent's registration and the filing of petitioner's petition for cancellation does not constitute unreasonable delay. Secondly, we find that respondent's proofs fall short of establishing detriment due to the delay. *Hornby v. TJX Companies Inc.*, 87 USPQ2d 1411, 1419 (TTAB 2008). Although respondent asserts that it built up goodwill during the alleged delay, the record is devoid of sales figures, advertising expenditures, and the like; in the absence of such facts, it is impossible to assess the detriment, if any, suffered during the alleged delay.

Accordingly, respondent's affirmative defense of laches fails.

Conclusion

The evidentiary record in this case is substantial, and the arguments are numerous. We have carefully considered all of the evidence made of record pertaining to the issue of likelihood of confusion, as well as all of the parties' arguments related thereto, including any evidence and arguments not specifically discussed in this opinion.

***23** With respect to the goods, the identity between the marks weighs heavily in petitioner's favor. However, the dissimilarity between the goods, trade channels and classes of purchasers are factors that weigh in favor of respondent. Further, the thoughtful purchasing decision made by discriminating purchasers is a significant factor in respondent's favor. On balance, we find that the *du Pont* factors weigh in favor of respondent, and a finding of no likelihood of confusion.

Keeping in mind that petitioner has the burden of proof of establishing its likelihood of confusion claim by a preponderance of the evidence, we see petitioner's likelihood of confusion claim regarding the goods as amounting to only a speculative, theoretical possibility, notwithstanding that identical marks are involved. Language by our primary reviewing court is helpful in resolving the likelihood of confusion issue with respect to the goods in this case:

> We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with de minimis situations but with the practicalities of the commercial world, with which the trademark laws deal.

Electronic Design & Sales Inc. v. Electronic Data Systems Corp., 21 USPQ2d at 1391, *citing Witco Chemical Co. v. Whitfield Chemical Co., Inc.*, 418 F.2d 1403, 1405, 164 USPQ 43, 44-45 (CCPA 1969), *aff'g* 153 USPQ 412 (TTAB 1967).

The likelihood of confusion between the marks when used in connection with the parties' services is a different matter. As explained above, a portion of respondent's recitation of services, "computer software consultation, design for others and development," is worded in an extremely broad manner. These broadly worded services overlap with the services previously rendered by petitioner under the identical mark. Accordingly, petitioner has established a likelihood of confusion between the marks for the parties' services.

Decision

The petition to cancel is granted as to the services in Class 42, and denied as to the goods in Class 9. Accordingly, Class 42 will be cancelled from Registration No. 2833981 in due course.

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Footnotes

1 Registration No. 2833981, issued April 20, 2004; Section 8 affidavit accepted.

2 A clinical laboratory analyzes "samples of materials from patients in relation to [the] practice of medicine." (Epton dep. II, p. 72).

3 Except in one instance (*see infra*), these public health departments tested environmental samples such as water and soil.

4 In saying this, we note the absence of probative evidence to show that in 1996, when respondent first used its mark, the type of petitioner's software used in environmental labs would naturally expand to use in medical labs. *See Electronic Data Systems Corp. v. EDSA Micro Corp.*, 23 USPQ2d at 1463-64 ("Before the doctrine of natural expansion may be invoked by [the plaintiff], it must be shown that the new goods, i.e., the extension of the line of business from that which pre-existed [the defendant's] arrival, evolved from the manufacturing and marketing activities of [the plaintiff] and did not result from the acquisition of a new business by a diversifying company."). We recognize that some of petitioner's competitors may have sold their LIMS software to clinical laboratories in later years; but, as is readily apparent from this record, petitioner itself has not expanded its use to clinical laboratories.

5 In narrowing petitioner's common law rights in this proceeding to software for use in laboratories in the fields of environmental, water and waste water, utilities, process control, forensics, food and beverage, and agriculture, we do not mean to suggest that this would be the only acceptable identification that might convince the examining attorney to withdraw the refusal. It may well be that the examining attorney would be persuaded to withdraw the refusal if, as respondent suggests, petitioner's identification of goods were limited to use in laboratories in "environmental and industrial" fields.

6 Petitioner's software does not actually utilize any test codes in its applications. (Epton dep. II, p. 149).

7 With respect to the services, the broadly worded recitation "computer software consultation, design for others and development" does not bear any limitations as to trade channels and purchasers. Thus, as pointed out earlier, given the similarity of respondent's services to petitioner's services, it is presumed that the parties' services are rendered in the same trade channels to the same classes of purchasers.

8 An early edition of petitioner's software was listed at $17,500. (Epton dep. I, p. 95, ex. P-48). Respondent's evidence does not include the price of its goods or services.

2011 WL 7005538 (Trademark Tr. & App. Bd.)

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EXHIBIT WW

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

Citation # 1
2009 TTAB Lexis 483

General Cable Technologies Corporation v. National Rural Electric Cooperative Association

Opposition No. 91165554 to Application Serial No. 78337966 filed on December 8, 2003

Trademark Trial and Appeal Board

2009 TTAB LEXIS 483

June 11, 2009, Hearing

June 25, 2009, Decided

CORE TERMS: opposer, cable, software, electric, cooperative, wire, consumer, channels, vendor, customer, registration, specification, similarity, deposition, famous, fame, electrical, purchaser, advertising, initiative, energy, users, inventory, interface, format, logo, technology, dissimilarity, confidential, purchasing

DISPOSITION:
[*1]

Decision: The opposition is dismissed and the application will register in due course.

Also, as explained above, within thirty days of the mailing date of this decision, the parties are ordered to resubmit a redacted copy of all testimony and exhibits submitted under seal, including their briefs, with only those portions which truly need to be kept under seal redacted, failing which the entire record will be made public.

COUNSEL:
Timothy D. Pecsenye of Blank Rome LLP for General Cable Technologies Corporation.

Elizabeth C. Buckingham of Dorsey & Whitney LLP for National Rural Electric Cooperative Association.

JUDGES: Before Hairston, Walsh and Bergsman, Administrative Trademark Judges

OPINION BY: BERGSMAN

OPINION:
THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Opinion by Bergsman, Administrative Trademark Judge:

National Rural Electric Cooperative Association ("applicant") filed a use-based application for the design mark shown below for services ultimately identified as "promoting the interests of electric cooperatives by promulgating standards for uniform data formatting to facilitate the transfer of data between software applications," in Class 35.

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In **[*2]** the application, applicant described its marks as "three arcs forming a boomerang" and it claimed March 1, 2001 as its date of first use of the mark anywhere and in commerce.

General Cable Technologies Corporation ("opposer) opposed the registration of applicant's mark on the ground of priority of use and likelihood of confusion under Section 2(d) of the Trademark Act of 1946, 15 U.S.C. §1052(d). n1 Specifically, opposer alleged that it is the owner of ten registrations for variations of what it refers to as the "Roleaux" design mark shown below for, *inter alia*, the following goods and services:

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Wire and cable for energy and electrical applications, namely bare and insulated electrical wire and cable, interlocked armored cable, buried and aerial trunk cable, distribution and drop cable, plenum cables, electrical power instrumentation and control cable, electrical aluminum cable, and low, medium and high voltage power transmission cable, in Class 9; n2

Mail order and internet catalog services featuring electrical wire and cable, in Class 35; n3 and,

Design for others of electrical wire and cable products, **[*3]** in Class 42. n4

- - - - - - - - - - - - - - Footnotes - - - - - - - - - - - - - - -

n1 Opposer also alleged that applicant's mark does not function as a service mark because applicant licenses its mark to third parties as a certification mark. However, because opposer did not reference this ground of opposition in its brief, or at the oral hearing, we find that opposer has waived it.
n2 Registration No. 2654145, issued November 26, 2002; Sections 8 and 15 affidavits accepted and acknowledged. We did not set forth the entire description of goods. We listed the most relevant products.
n3 Registration No. 2811285, issued February 3, 2004; Sections 8 and 15 affidavits accepted and acknowledged.
n4 Registration No. 2735482, issued July 8, 2003; Sections 8 and 15 affidavits accepted and acknowledged.

- - - - - - - - - - - - End Footnotes- - - - - - - - - - - - - -

Because the mark in the three above-noted registrations is closer to applicant's mark than opposer's other marks, we have focused our likelihood of confusion analysis on these marks, as well as on services that opposer contends fall within the natural **[*4]** scope of expansion of its registered marks.

Applicant denied the salient allegations in the notice of opposition.

Preliminary Issues

A. Improper designation of confidential testimony and evidence.

Opposer introduced into evidence the discovery depositions of applicant's Rule 30(b)(6) witnesses, Martin E. Gordon and Gary A. McNaughton, and the testimony deposition of Lisa Lawson, opposer's Vice President of Corporate Communications, under seal without any attempt to delineate the truly confidential portions by redaction. However, the parties cannot shield from public information that which is not appropriately confidential. *See* Trademark Rule 2.27(d) and (e). It is readily apparent that most of the testimony submitted under seal is not confidential. Within thirty days of the mailing date of this decision, the parties are ordered to resubmit a redacted copy of the discovery and testimony depositions with attached exhibits submitted under seal with only those portions which truly need to be kept under seal redacted. The redacted copy will be placed in the public record. If the parties fail to make this submission as to any sealed deposition, the entire deposition and **[*5]** exhibits will become part of the public record.

B. Evidence attached to briefs.

Opposer submitted its main brief with evidentiary attachments comprising duplicates of evidence and testimony previously filed during the assigned testimony periods. Evidence which was timely filed during the parties' trial periods need not, and should not, be resubmitted. *Life Zone Inc. v. Middleman Group, Inc.*, 87 USPQ2d 1953, 1955 (TTAB 2008); *Entm't Group Ltd. v. Nintendo of Am. Inc.*, 45 USPQ2d 2021, 2022 (TTAB 1998). Opposer seems to be under the impression that attaching previously-filed evidence to a brief is a courtesy or a convenience to the Board. It is neither. When considering a case for final disposition, the entire record is readily available to the panel. Because we must determine whether such attachments are properly of record, Trademark Rule 2.123(l), citation to the attachment requires examination of the attachment and then an attempt to locate the same evidence in the record developed during trial, requiring more time and effort than would have been necessary if citations were directly to the trial record. Accordingly, we did not consider the **[*6]** attachments to opposer's brief. We only considered the evidence that was timely filed during the assigned testimony periods.

The Record

By rule, the record includes applicant's application file and the pleadings. Trademark Rule 2.122(b), 37 CFR §2.122(b).

A. Opposer's evidence.

1. A notice of reliance on copies of opposer's pleaded registrations prepared and issued by the U.S. Patent and Trademark Office showing both the current status of and the current title to the registrations;

2. Notices of reliance on applicant's responses to selected interrogatories and requests for admission;

3. A notice of reliance on the following discovery depositions:

a. Martin E. Gordon, applicant's Research Project Manager, with attached exhibits; and,

b. Gary A. McNaughton, an engineering consultant with Cornice Engineering, a contractor engaged by applicant, with attached exhibits; and,

4. The testimony deposition of Lisa Lawson, opposer's Vice President of Corporate Communications, with attached exhibits.

B. Applicant's evidence.

1. The testimony deposition of Robert D. Saint, applicant's principal engineer, with attached exhibits; and,

2. The testimony **[*7]** deposition of Gary A. McNaughton with attached exhibits.

The Parties

A. Opposer.

Opposer is a leading global developer and manufacturer of wire and cable. Opposer, through its predecessors, has manufactured and sold wire and cable for over 150 years. It has operated as an independent public company since 1997. n5

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n5 Opposer's 2005 Form 10-K, pp. 3 and 5-6, filed with the U.S. Securities and Exchange Commission attached as part of Exhibit 1 to the Lawson Dep.

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Opposer's operations are divided into three main segments: (1) energy; (2) industrial & specialty; and (3) communications.

> Energy cable products include low-, medium - and high-voltage power distribution and power transmission products for overhead and buried applications. Industrial & specialty wire and cable products conduct electrical current for industrial, OEM, commercial and residential power and control applications. Communications wire and cable products transmit low-voltage signals for voice and data applications. n6

[*8]

The principal market for opposer's energy cable products are power utilities such as rural electric associations. n7

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n6 *Id.*
n7 *Id* at 5.

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In addition to wire and cable products, opposer supplies its customers with a managed inventory system wherein customers may monitor and maintain inventory, as well as other inventory control, product ordering and information distribution systems. n8

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n8 Lawson Dep., pp. 27-30.

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Opposer's Roleaux design mark is a housemark used in connection with all of opposer's products and services since 1927. It is placed on all of opposer's products, packaging, literature and advertising and promotional materials. n9

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n9 Lawson Dep., pp. 25-27.

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[*9]

B. Applicant.

Applicant is a trade association for electric cooperatives. An electric cooperative is an energy utility owned by the customers. There is no stock. The customers vote for an individual to represent them on the board of directors. n10 Applicant promotes the interests of electric cooperatives by lobbying legislative bodies, providing technical expertise, education and training in engineering, human relations, information technology and the law. n11 Companies that sell goods and services to electric cooperatives (hereinafter "vendors") may join applicant as associate members. n12

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n10 Gordon Dep., pp. 15, 23-24.
n11 Gordon Dep., pp. 19-20, 21; Saint Dep., pp. 9-11.
n12 Gordon Dep., pp. 25-26, 28; McNaughton Testimony Dep., p. 16.

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Applicant's mark is the logo for the MultiSpeak initiative. n13 MultiSpeak is a project to develop standards for data format and exchange. The purpose of the initiative is to reduce the cost and effort necessary to integrate different software **[*10]** applications. n14

> [Applicant's] MultiSpeak Specification is an industry-wide software standard that facilitates interoperability of diverse business and automation applications used in electric utilities.
>
> * * *
>
> MultiSpeak is a specification for the automation of business processes and the exchange of data among software applications commonly applied in utilities. The foundation of the specification is an agreement on the details of the data objects that need to be exchanged to more fully integrate disparate software applications. ***The MultiSpeak specification is intended to assist vendors and utilities to develop interfaces that enable software products from a variety of vendors to interoperate without the need for extensive custom interface development.*** (Emphasis added).

* * *

MultiSpeak defines data objects and specifies message structures so that vendors or utilities can write a single, common interface that facilitates communication with another type of software. n15

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n13 Gordon Dep., p. 50.
n14 McNaughton Testimony Dep., pp. 7, 13; Gordon Dep., pp. 50, 52, 64, 89, 93 and 107; Saint Dep., pp. 12-14. **[*11]**

n15 McNaughton Testimony Dep., Exhibit 22.

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Electric cooperatives benefit from industry-wide software standards for data format and exchange as follows:

1. It facilitates a high level of application integration;

2. It minimizes expensive and maintenance-intensive custom interfaces;

3. It allows utilities to focus on the best software application available rather than interface-type issues; and,

4. It reduces the deployment time and risk in implementing new software. n16

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n16 *Id.*

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Software developers benefit from industry-wide software standards for data format and exchange as follows:

1. It reduces the time spent in developing and maintaining custom interfaces;

2. It frees programmers to develop better applications;

3. It facilitates the release and implementation of new products; and,

4. It increases the willingness of utilities to invest in new software applications. **[*12]**

n17

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n17 *Id.*

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The MultiSpeak initiative has three types of membership: (1) vendor members comprising software vendors; (2) auditing members comprising service providers (*e.g.*, consultants or system integrators); and (3) utilities. n18 Representative vendor members include IBM, Oracle, and Siemens. n19

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n18 McNaughton Testimony Dep., pp. 16-17, 23; Saint Dep., p. 16.
n19 McNaughton Dep., Exhibit 22; Saint Dep., pp. 18-19.

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Applicant first used its logo in the March 2001 issue of *Rural Electrification*, applicant's magazine for electric cooperatives. n20 The logo has been in continuous use since its first use. n21 Only applicant may use the logo as a stand alone mark. n22 Vendors may use the logo in combination with other matter pursuant to a license to indicate membership in the MultiSpeak initiative, to indicate **[*13]** that a product is in compliance with the MultiSpeak specification or to indicate that a company or person has achieved specific training in connection with the MultiSpeak specification. n23

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n20 Gordon Dep., p. 62.
n21 McNaughton Testimony Dep., p. 19.
n22 McNaughton Testimony Dep., pp. 19-20.
n23 McNaughton Testimony Dep., p. 20.

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Applicant actively promotes the MultiSpeak initiative at electric utility industry conferences, trade shows and other meetings because the success of the project depends upon the willingness of software vendors to support the standard and the willingness of utilities to demand compliance with the MultiSpeak standards. n24

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n24 McNaughton Testimony Dep., p. 10; Saint Dep., pp. 14-15.

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Standing

Because opposer has properly made its pleaded registrations of record, opposer has **[*14]** established its standing. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

Priority

Because opposer's pleaded registrations are of record, Section 2(d) priority is not an issue in this case as to the marks and the services covered by the registrations. *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). *See also, In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003).

A. The fame of opposer's marks.

This *du Pont* factor requires us to consider the fame of opposer's mark. Fame, if it exists, plays a dominant role in the likelihood of confusion analysis because famous marks enjoy a broad **[*15]** scope of protection or exclusivity of use. A famous mark has extensive public recognition and renown. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992).

Fame may be measured indirectly by the volume of sales and advertising expenditures of the goods and services identified by the marks at issue, "by the length of time those indicia of commercial awareness have been evident," widespread critical assessments and through notice by independent sources of the products identified by the marks, as well as the general reputation of the products and services. *Bose Corp. v. QSC Audio Products Inc.*, 63 USPQ2d at 1305-1306 and 1309. Although raw numbers of product sales and advertising expenses may have sufficed in the past to prove fame of a mark, raw numbers alone may be misleading. Some context in which to place raw statistics may be necessary (*e.g.*, the substantiality of the sales or advertising **[*16]** figures for comparable types of products or services). *Bose Corp. v. QSC Audio Products Inc.*, 63 USPQ2d at 1309.

We have considered the following testimony and evidence in determining whether opposer's mark is famous:

1. Opposer has been using its mark since 1927; n25

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n25 Lawson Dep., p. 25.

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2. Opposer has made substantial sales of wire and cable in the United States during the five years preceding Ms. Lawson's testimony: n26

YearNet Sales	
2007	$ 1.8 billion
2006	$ 1.5 billion
2005	$ 952 million
2004	$ 788 million
2003	$ 615 million

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n26 Lawson Dep., Exhibit 1 (Opposer's 2007 Annual Report, Bates No. 1767). Opposer reported worldwide revenues, but Ms. Lawson testified that 40% of opposer's sales are from the United States. (Lawson Dep., p. 9). The figures listed above are U.S. sales.

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3. Opposer has extensively advertised its products: n27

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n27 Lawson Dep., pp. 21-23; Exhibit 1 (Opposer's 2007 K-1 Form, Bates No. 1331). Out of an abundance of caustion, we have not listed the actual advertising figures because we are not clear whether they are truly confidential.

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4. While opposer vies with Southwire as the largest manufacturer of wire and cable in the United States, it is the largest supplier of energy cable in the United States. n28

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n28 Lawson Dep., p. 33.

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Based on our review of the evidence, we find that opposer's Roleaux design mark has achieved a high degree of recognition as a mark for wire and cable products, such that the mark would be viewed as a strong and distinctive mark. However, we cannot find on this record that the relevant U.S. consumers have been so exposed to the mark, or that they are so aware **[*18]** of it, that it can be considered a famous mark as contemplated by the case law. In view of the extreme deference that a famous mark is accorded, and the dominant role fame plays in the likelihood of confusion analysis, a plaintiff asserting that its mark is famous has a duty to clearly prove fame. *Leading Jewelers Guild Inc. v. LJOW Holdings LLC*, 82 USPQ2d 1901, 1904 (TTAB 2007); *Blue Man Productions Inc. v. Tarmann*, 75 USPQ2d 1811, 1819 (TTAB 2005).

In this case, opposer's evidence falls short of proving that its mark is famous because opposer's mark is primarily displayed in connection with the trade name General Cable as shown below. n29

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n29 Lawson Dep., Exhibits 1-5, 8-12. We note that in some of the packaging presented in Lawson Dep. Exhibit 7 the Roleaux design mark is displayed in an ornamental manner; but that appears to be the exception rather than the rule.

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Furthermore, the industry publications about opposer introduced into evidence **[*19]** (Lawson Deposition Exhibit 5) do not reference the design mark although it may appear next to the trade name.

The problem with opposer's evidentiary showing on the issue of fame is that there is nothing that demonstrates that the Roleaux design mark has any renown independent of the trade name General Cable. *Cf. Bose Corp. v. QSC Audio Products Inc.*, 63 USPQ2d at 1308 ("If a product mark used in tandem with a famous house mark . . . has independent trademark significance, it should not be a great burden to substantiate the point"). The nature and context in which the mark is used is a reliable measure of mark independence, as is the strength of the public reputation of the product mark. *Id.* As indicated above, there is very little evidence that opposer's Roleaux mark is used as a stand alone mark or that it has any recognition separate and apart from opposer's trade name. Because we will not infer fame, we find that although the strength of opposer's mark is a factor that favors opposer, opposer's mark does not rise to the level of a famous mark.

B. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and **[*20]** commercial impression.

We now turn to the *du Pont* likelihood of confusion factor focusing on the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *In re E. I. du Pont De Nemours & Co.*, 177 USPQ at 567. The marks at issue are arbitrary designs. As such, they are perceived graphically, rather than being spoken or read: that is, they are not translated into words. In fact, neither party references the designs in their advertising and promotional materials (*e.g.*, there is no look for advertising). Moreover, neither party submitted any evidence concerning how consumers perceive the respective marks. Accordingly, the similarity or dissimilarity of the marks must be analyzed simply on the visual similarity of the marks. *Daimler-Benz A.G. v. Ford Motor Co.*, 143 USPQ 453, 456 (TTAB 1964). *See also General Foods Corp. v. Ito Yokado Co. Inc.*, 219 USPQ 822, 828 (TTAB 1983) (the comparison of design marks comes down to a "subjective 'eye ball' reaction"). Comparing each of the marks in their entireties, we find that applicant's mark is similar to opposer's mark. **[*21]** While a close visual inspection of the marks reveals some differences, the overall impressions created by the marks are similar (*i.e.*, intersecting arcs forming a circular triangle).

C. The similarity or dissimilarity and nature of the products and services described in the application and registrations.

As noted above, opposer three most relevant registrations cover wire and cable, sales services in connection with wire and cable including providing customers with access to inventory control systems, and designing wire and cable. Applicant seeks to register its mark for what are essentially

trade association services for electric cooperative (*i.e.*, a form of electric utilities) in the nature of "promulgating standards for uniform data formatting to facilitate the transfer of data between software applications." On their face, the services of applicant appear to be different from the goods and services of opposer in terms of their character and use. Accordingly, it is incumbent upon opposer to show that its respective goods and services and applicant's services are related in some manner and/or the conditions surrounding the marketing thereof are such that they would **[*22]** be likely to be encountered by the same person under circumstances that could give rise (because of the marks) to the mistaken belief that they originate from or are in some way associated with the same source. *Champion International Corp. v. Genova, Inc.*, 199 USPQ 301, 305 (TTAB 1978).

Opposer's testimony and argument is directed almost exclusively to the similarity of trade channels and class of consumers. n30 While both opposer and applicant sell their goods and services to electric cooperatives, that does not change the distinctly different character and use of their goods and services. Opposer's contention that the channels of trade and classes of consumers are the same does not address the similarity of the goods and services themselves. "The mere fact that two products may move in the same channels of trade to the same class of purchasers does not, ipso facto, prove that there is a definite relationship between the goods." *Champion International Corp. v. Genova, Inc.*, 199 USPQ at 305. *See also Canada Dry Corp. v. American Home Products Corp..*, 468 F.2d 207, 175 USPQ 557 (CCPA 1972) (despite the fact that applicant's laundry detergent **[*23]** is sold in the same channels of trade to the same consumers as opposer's soft drinks, the two products are so different in their essential character and purpose that there is no likelihood of confusion); *Alliance Mfg. Co., Inc. v. Chicago Musical Instrument Co.*, 184 USPQ 118, 121 (TTAB 1974). As discussed more fully below, there is no evidence of record to show that the goods and services of the parties will come to the attention of the same types of actual or potential consumers or users suggesting a common origin.

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n30 Lisa Lawson testified that opposer provides its customers with access to a vendor managed inventory system which automatically keeps track of the wire and cable the customer has on hand and replenishes the supply as appropriate. (Lawson Dep., pp. 27-28). Opposer also provides an online system where customers may check inventory, receive reports and access product data sheets. (Lawson Dep., pp. 28-29). We find that these services are ancillary to the sale of opposer's wire and cable and that they are not related to promulgating software specifications for data format and exchange.

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In view of the foregoing, we find that applicant's services are not related to opposer's goods and services.

D. The similarity or dissimilarity of likely-to-continue trade channels and classes of consumers or users.

The channels of trade and classes of consumers or users factor involves how and to whom the goods and services at issue are sold or marketed. We must determine, therefore, whether there is likely to be an overlap between the respective purchasers/users of the goods and services of the parties to confuse actual and potential purchasers/users. *Electronic Design & Sales v. Electronic Data Systems*, 954 F.2d 713, 21 USPQ2d 1388, 1390 (fed. Cir. 1992).

> [W]here both applicant's goods and opposer's services are marketed and sold in the medical and certain other fields, it is error to deny registration simply because "applicant sells some of its goods in some of the same fields in which opposer provides

> its services," without determining who are the "relevant persons" within each corporate customer. This is especially true where, as here, the Board acknowledged that "applicant's goods are specifically different and noncompetitive." [Internal **[*25]** citations omitted].
>
> Thus, although the two parties conduct business not only in the same fields but also with some of the same companies, the mere purchase of the goods and services by both parties by the same institution does not, by itself, establish similarity of trade channels, or overlap of customers. The likelihood of confusion must be shown to exist not in a purchasing *institution*, but in "customer or purchaser." [Internal citations omitted] (Emphasis in the original).

Electronic Design & Sales v. Electronic Data Systems, 21 USPQ2d at 1391.

It's clear from the record that both parties market products and services or otherwise interact with electric cooperatives. Applicant uses its mark to identify the MultiSpeak initiative for developing software standards for use by electric cooperatives and software suppliers. Opposer sells wire and cable to electric cooperatives, including members of applicant. In fact, opposer was formerly an associate member of applicant. Opposer and applicant attend the same trade shows and place advertisements in the same publications.

> Indeed, at at least one IEEE trade show, [applicant's] and [opposer's] **[*26]** booths, which both prominently displayed their respective [marks], the Roleaux Mark and the NR Mark that Applicant uses in connection with its MultiSpeak initiative, were located directly next to one another. n31

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n31 Opposer's Brief, p. 22.

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Because opposer and applicant market their goods and services to electric cooperatives through the same media, opposer contends that the channels of trade and classes of consumers are identical. n32 The problem with opposer's argument is that opposer presumes that the same people who buy wire and cable for an electric cooperative are also involved with the software used by electric cooperatives. There is no evidence regarding the organization of electric cooperatives that establishes that the persons in charge of information technology are also responsible for purchasing wire and cable. Considering the obvious complexity involved in distributing electricity and managing an electric cooperative, it is inconceivable that the individuals in charge of information technology **[*27]** are also involved with purchasing wire and cable. Based on this record, there is no basis for us to presume that the same people in charge of information technology are also the same individuals who purchase wire and cable. *Electronic Design & Sales v. Electronic Data Systems*, 21 USPQ2d at 1391 ("it cannot be presumed . . . that the general computer services are selected by the same individuals who select battery chargers and power supplies"). Therefore, the mere fact that both parties market their goods and services to electric cooperatives through the same media does not establish that actual and potential purchasers from electric cooperatives would be the same.

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n32 Opposer's Brief, pp. 46-50.

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In view of the foregoing, we find that that channels of trade and classes of consumers are different notwithstanding that both parties market their goods and services to electric cooperative through the same media.

E. Degree of consumer care.

The degree of care that relevant consumers exercise **[*28]** in purchasing opposer's wire and cable products and utilizing applicant's specialized software standards weighs against finding that there is a likelihood of confusion. We are convinced that electric cooperatives and software vendors interested in applicant's software standards exercise a very high degree of care before agreeing to use the standard. The use of applicant's software standards involve considerable planning that requires that electric cooperatives and software vendors have a specific purpose or plan for implementing the standards. This entails educating cooperatives and vendors regarding the benefits of standard specifications for data format and exchange. n33

> Q. What have you done to convince companies like IBM and Oracle to become members?
>
> A. Well, I show them that we have developed a specification that they can use, that can be - - a standardized specification that they can use to do their integration so they don't have to do customized integration, and point out that we are also encouraging utilities to specify MultiSpeak usage when they buy software, so if one of their customers specifies MultiSpeak, if they already have it, already utilizing it, they **[*29]** can comply with that request.
>
> A. When you make this pitch, what happens?
>
> Q. Well, they either agree or disagree. And, you know, they don't join on the spot. It's not like they sign up and have their - - you know, it not that type of operation.
>
>> But the people that I talk to that go to these trade shows is usually not the decision maker. So they have to take it back to their corporate decision makers, which are sometimes marketing people, sometimes software development people. It varies by company. n34

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n33 Saint Dep., pp. 14-15; McNaughton Testimony Dep., pp. 10-11.
n34 Saint Dep., pp. 20-21.

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Applicant uses knowledgeable engineers to promote the benefits of the standardized software data formats and the electric cooperatives and software vendors have equally knowledgeable personnel evaluating the costs and benefits of a standardized interface. Because of the technology involved and the personal marketing necessary to promote standard software protocols, the electrical cooperatives **[*30]** and software vendors know that they are dealing with applicant as the source of the software standards.

By the same token, we find that opposer's purchasers undoubtedly exercise a high degree of care in purchasing wire and cable, especially the electric utilities that purchase opposer's energy related products. Opposer's wire and cable are specialized products that are undoubtedly purchased in bulk after significant research and comparison of competing products.

We therefore find that the parties' products and services are purchased after careful consideration by person who are knowledgeable about the goods and services and their source.

F. No instances of actual confusion.

Opposer and applicant have been concurrently using their marks since March 2001. Applicant argues that during the period that the parties have been concurrently using their marks on purportedly related goods and services and in purportedly identical channels of trade in connection with the same classes of consumers there have been no reported instances of actual confusion. n35 On the other hand, opposer argues that evidence of actual confusion is not necessary to prove likelihood of confusion and that **[*31]** since applicant is rendering a trade association type service, people will be less likely to report confusion. n36

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n35 Applicant's Brief, p. 11.
n36 Opposer's Reply Brief, pp. 15-18. Opposer also asserts that applicant did not prove its date of first use and, thus, there is no basis for asserting that there has been any concurrent use. However, as indicated above, applicant has been continuously using its mark since March 2001. (Gordon Dep., p. 62; McNaughton Testimony Dep., p. 19). *See National Bank Book Co. v. Leather Crafted Products, Inc.*, 218 USPQ 826, 828 (TTAB 1993) (oral testimony may be sufficient to prove the first use of a party's mark when it is based on personal knowledge, it is clear and convincing, and it has not be contradicted); *Liqwacon Corp. v. Browing-Ferris Industries, Inc.*, 203 USPQ 305, 316 (TTAB 1979); *GAF Corp. v. Anatox Analytical Services, Inc.*, 192 USPQ 576, 577 (TTAB 1976).

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Where the parties have coexisted in the marketplace **[*32]** under circumstances where there has been an opportunity for confusion to have occurred, the lack of any reported instances of confusion is a factor that the Board may consider. *G.H. Mumm & Cie v. Desnoes & Geddes, Ltd.*, 917 F.2d 1292, 16 USPQ2d 1635, 1638 (Fed. Cir. 1990) (despite over a decade of marketing in the United States, opposer was unable to offer any evidence of actual confusion); *Mr. Hero Sandwich Systems, Inc. v. Roman Meal Co.*, 781 F.2d 884, 228 USPQ 364, 367 (Fed. Cir. 1986) (the concurrent use of the marks for approximately 20 years without any reported instances of confusion suggests that the marks are not likely to cause confusion); *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974) (absence of confusion for over 20 years supports finding that confusion is not likely). Because we have previously found that the channels of trade and classes of consumers are different, there has not been a meaningful opportunity for confusion to have occurred and, therefore, the lack of any reported instances of confusion is a neutral *du Pont* factor.

G. Balancing the factors.

In **[*33]** view of the facts that applicant's services are so different from opposer's goods and services, that applicant's services and opposer's goods and services move in different channels and are sold to different classes of consumers, and that the purchasers/users and potential purchasers/users of the goods and services at issue exercise a high degree of care, we find that there is no likelihood of confusion by the contemporary use of applicant's design mark and opposer's Roleaux marks. We reach this conclusion despite the strength of opposer's Roleaux marks and the similarity of the marks of the parties. We also note the interesting role played by the lack of any reported instances of actual confusion under the facts in this case. Had we accepted opposer's contention that the channels of trade and classes of consumers are identical, then the lack of any reported instances of confusion would suggest that there is no likelihood of confusion. However, the lack of any reported instances of confusion actually supports our finding that the channels of trade and classes of consumers are different.

Legal Topics:

For related research and practice materials, see the following legal topics:
Trademark LawProtection of RightsRegistrationFederal RegistrationTrademark LawU.S. Trademark Trial & Appeal Board ProceedingsOppositionsGroundsTrademark LawU.S. Trademark Trial & Appeal Board ProceedingsOppositionsStanding

GRAPHIC:
Illustrations 1 and 2, no caption; Logo, no caption

EXHIBIT XX

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

Citation # 2
2006 TTAB Lexis 370

Alliance Technical Services, Inc. v. Alliance Machine Systems International, Inc.

Opposition No. 91159099 to application Serial No. 76381608 filed on March 13, 2002

Trademark Trial and Appeal Board

2006 TTAB LEXIS 370

January 19, 2006, Hearing

August 16, 2006, Decided

CORE TERMS: opposer, plant, customer, corrugated, software, machine, integrated, purchaser, corrugated paper, purchasing, box, lengthy, third-party, finishing, machinery, similarity, overlap, sophisticated, misdirected, engineers, registration, sophistication, manufacturing, corrugator, handling, selling, entity, marketplace, technology, buy

DISPOSITION:
[*1]

Decision: The opposition is dismissed.

COUNSEL:
Eric O. Haugen of Haugen Law Firm for Alliance Technical Services, Inc.

J. Thomas Vitt and Andrew J. Cosgrove of Dorsey & Whitney for Alliance Machine Systems International, Inc.

JUDGES: Before Quinn, Hairston and Kuhlke, Administrative Trademark Judges.

OPINION BY: QUINN

OPINION:
THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE TTAB

Opinion by Quinn, Administrative Trademark Judge:

An application was filed by Alliance Machine Systems International, Inc. to register the mark shown below

Link to Image Link to Image

for "material handling products for the paperboard packaging and corrugated industries, namely, folder/gluers, stackers, pre-feeders, loaders, conveyors, and bundle-handlers." n1

n1 Application Serial No. 76381608, filed March 13, 2002, based on allegations of first use anywhere and first use in commerce at least as early as February 2000.

Alliance Technical Services, Inc. opposed registration under Section 2(d) of the Trademark Act on the ground that applicant's mark, as used in connection with applicant's goods, so resembles opposer's previously used mark ALLIANCE for software for use in a variety **[*2]** of applications in the corrugated paper industry, and for repair and maintenance services performed on machines in the corrugated paper industry, as to be likely to cause confusion.

Applicant, in its answer, denied the salient allegations of the notice of opposition.

The record consists of the pleadings; the file of the involved application; trial testimony, with related exhibits, taken by each party; stipulated affidavit testimony with related exhibits; a copy of opposer's pending application to register the mark ALLIANCE, and applicant's responses to certain of opposer's requests for admission, all introduced in opposer's notice of reliance; and copies of third-party registrations made of record by way of applicant's notice of reliance. Both parties filed briefs, and both were represented by counsel at an oral hearing held before the Board.

The Parties

Opposer is engaged in supplying software for equipment in the corrugated paper industry (90 percent of opposer's revenues). Opposer also is engaged in the repair and maintenance of equipment in the corrugated paper industry (10 percent of opposer's revenues). Opposer's software ranges in price from $ 5,000 to over $ **[*3]** 3 million. Daniel P. White, opposer's executive vice president, testified that opposer promotes its goods and services in trade magazines, as well as through appearances at trade shows.

Applicant manufactures and sells machinery used on the finishing side of corrugated box plants; applicant does not sell corrugating machines and is not involved in the corrugating side of the business. Rick Wilkinson, applicant's vice president of sales and marketing, testified that applicant's machinery ranges in price from $ 30,000 to over $ 1 million. The goods are promoted in advertisements in trade publications and at trade shows.

Priority of Use

We first turn to the issue of priority. Opposer does not own a registration, but rather is relying upon common law rights. n2 Opposer, as noted above, pleaded rights in the mark ALLIANCE; the notice of opposition did not include reference to other marks that opposer has used, such as ALLIANCE TECHNICAL SERVICES INC. or variations thereof. Nevertheless, it is clear that the parties, at trial, litigated the issues of priority and likelihood of confusion with respect to opposer's marks ALLIANCE as well as ALLIANCE TECHNICAL SERVICES INC. (with **[*4]** or without a design feature). Inasmuch as opposer's rights in the mark ALLIANCE TECHNICAL SERVICES INC. (with or without a design feature) were tried by the consent of the parties, we will treat the mark as if it had been pleaded in the notice of opposition. Fed. R. Civ. P. 15(b). See also TBMP § 507.03(b) (2d ed. rev. 2004).

n2 Opposer's application serial no. 76581610 to register the mark ALLIANCE is currently suspended pending a final determination in the present proceeding.

We find that opposer has established prior common law rights in its marks ALLIANCE *per se*, and ALLIANCE TECHNICAL SERVICES INC. (with or without a design). n3 Mr. White's testimony, coupled with the exhibits, support opposer's priority claim. Although applicant vigorously contests opposer's use of ALLIANCE standing alone, exhibit nos. 2-9 show such use. Mr. White also testified that while opposer is disciplined about calling itself by its formal corporate name, customers

routinely refer to opposer as "Alliance."

n3 Applicant, in its brief (pp. 8-9), seems willing to concede that opposer has rights in its logo mark.

Further, and more specifically, the **[*5]** testimony and evidence establish prior use of these marks in connection with software for the corrugated paper industry, and with repair and maintenance services for the corrugated paper industry.

Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In any likelihood of confusion analysis, two key considerations are the similarities or dissimilarities between the marks and the similarities or dissimilarities between the goods and/or services. Federated Foods, Inc. v. Fort Howard Paper Co., 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). "Not all of the factors may be relevant or of equal weight in a given case," and "any one of the factors may control a particular case." In re Majestic Distilling Co., Inc., 315 F.3d 1311, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003), citing In re Dixie Restaurants Inc., 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

After reviewing the record, we conclude that the marketplace realities **[*6]** make confusion unlikely to occur. Opposer's goods and services and applicant's goods are specifically different and noncompetitive. This factor, coupled with the detailed, lengthy and personal nature of the purchasing process, the high cost of the involved goods, and the sophistication of purchasers, make it unlikely for confusion to occur. Kellogg Co. v. Pack 'em Enterprises Inc., 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991) [any single factor may play a dominant role in a likelihood of confusion analysis].

The Marks

In comparing opposer's mark ALLIANCE with applicant's mark ALLIANCE and design, there is no significant difference between the two. The marks are identical in sound and meaning. The only difference between the marks is the design feature in applicant's mark. However, this design feature is clearly subordinate to the literal portion of applicant's mark, and does not serve to sufficiently distinguish the marks in terms of appearance or commercial impression.

When comparing applicant's mark with opposer's mark ALLIANCE TECHNICAL SERVICES INC. (with or without a design), we likewise find that the marks are similar. In comparing the marks, we **[*7]** have not ignored either the "TECHNICAL SERVICES INC." portion of opposer's mark or, when used, the design feature. However, while we have considered the marks in their entireties, it is well settled that one feature of a mark may be more significant than another, and it is not improper, for rational reasons, to give more weight to this dominant feature in determining the commercial impression created by the mark. See In re National Data Corp., 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985). With opposer's mark ALLIANCE TECHNICAL SERVICES, INC. (with or without a design), the arbitrary portion "ALLIANCE" dominates the mark. This portion of the mark is most likely to be remembered by purchasers and will be used in calling for opposer's goods and services. And, as shown by the record, opposer's mark is often shortened to just ALLIANCE.

We find that any differences between the marks are outweighed by the similarities. In sum, the parties' marks are similar in sound, appearance, meaning and commercial impression.

The similarities between the marks favor opposer.

Goods and/or Services

Mr. Wilkinson explained the industry in which both parties operate. Corrugated **[*8]** material is durable cardboard used to make boxes, packaging, and displays. Corrugated material is composed of two sheets of cardboard with a fluted wave between the sheets, and this material is made into a structural package. The manufacture of corrugated packaging, according to Mr. Wilkinson, is divided into two parts: 1) the manufacture of corrugated sheets from paper on a corrugated machine, typically called a "corrugator"; and 2) the finishing of the corrugated sheet material by cutting, folding, gluing and printing the material to make a finished product. Simply put, as Mr. Wilkinson explains it, the corrugating side of the business creates the corrugated board, and the finishing side of the business takes the corrugated board and turns it into a box, the finished product. According to Mr. Wilkinson, corrugating plants take paper, put it in a machine called a "corrugator," and the plant makes the board on the corrugator. Once the board is made, it's die cut into pieces that are moved down to the finishing machines. Mr. Wilkinson states that applicant's "machines go in front of and behind finishing machines that would die cut, fold and glue these boxes." (Wilkinson dep., p. 11). **[*9]** Mr. Wilkinson further testified that some manufacturing plants have both corrugators and finishing line equipment, while some plants have just a corragator, and other plants have just finishing line equipment for the corrugated material. Opposer's software is directed in large part to the corrugating side of the plant, whereas applicant's machines are used in the finishing side of the plant.

Mr. Wilkinson also testified that the corrugated paper industry has two major segments. The first group, referred to as "integrateds," comprise a few Fortune 500 companies that own forestland, paper mills and corrugated manufacturing plants. These companies include Georgia Pacific, International Paper and Weyerhaeuser. The second group, known as "independents," usually are privately-owned companies that operate one or more corrugated box plants. Unlike the "integrateds," the "independents" are not in the business of making paper to turn into boxes; they simply make boxes.

As shown by the record, opposer sells software for the corrugated paper industry, and supplies aftermarket machine support services. Mr. White testified that "we don't make the machinery, we make the software, we provide the **[*10]** network services that allow the machinery to communicate back and forth." Mr. White went on to state, "in the machinery service side of the business we can and do help our customers keep specific materials handling machines running." (White dep., pp. 12-13). Mr. White estimates that 90 percent of opposer's revenues flow from the sales of its software, while the remaining 10 percent of revenues are from its machinery support services.

With respect to software, opposer installs the software at the factory level for use in machines on the factory floor. Mr. White described the software's application as follows: "I would say manufacturing business management would be the fairest general descriptor, manufacturing business management, not accounting, not payroll, everything else." (White dep., p. 165). Opposer sells a variety of software applications "enabling plants to monitor and control virtually all resources more efficiently." (White dep., ex. no. 7). The applications serve a range of functions, including monitoring corrugator production schedules; providing inventory on a real-time basis; maximizing corrugator productivity while minimizing trim; preparing load tags for finished **[*11]** product; monitoring machines; and scheduling deliveries. (White dep., ex. no. 9).

On the services side, Mr. White testified that opposer has 75-100 customers; most of opposer's customers are repeat customers, and most of the revenues come from the large "integrateds." According to opposer's "Products & Services Summary," opposer "specializes in providing high quality on-site service products to the corrugated industry on Marquip equipment, extending from detailed machinery tune-ups to retrofits, rebuilds, installations and training." (White dep., ex. no. 7). Mr. White testified that opposer also has repaired equipment of other manufacturers, specifically naming four; the evidence suggests, however, that opposer's services are focused on equipment manufactured by Marquip. In this connection, Mr. White testified that 80-90 percent of

opposer's services' revenues relate to work on Marquip equipment.

With respect to applicant's goods, Mr. Wilkinson testified that with the exception of its folder gluers, all of applicant's equipment may be characterized as "material handling equipment." Mr. Wilkinson defines such equipment as "equipment that handles stacks of corrugated, delivers them **[*12]** to the machines, takes the individual blanks away from the machine and generally creates a stack to be shipped to the end user." (Wilkinson dep., p. 16). Mr. Wilkinson further testified that 85% of applicant's sales of its material handling machines are to the seven "integrateds;" and approximately 80% of applicant's specialty folder gluers are sold to "independents."

We acknowledge that the parties' goods and opposer's services are sold in the same industry, namely the corrugated paper industry. Nevertheless, there are significant and specific differences between opposer's software and applicant's material handling equipment. The involved goods relate to different aspects of the corrugated paper business. Further, opposer's services, as actually rendered in the field, concentrate on one manufacturer's equipment. And, we might add, opposer's services constitute only 10 percent of opposer's total revenues.

We recognize that applicant's machinery, not unlike most modern manufacturing equipment, uses embedded software for automation purposes. Given the sophistication of the respective software and equipment, however, we do not find this connection to be dispositive of the likelihood **[*13]** of confusion issue.

In sum, opposer's goods and services are specifically different from and noncompetitive with applicant's goods. This factor favors applicant.

Third-Party Use

Applicant contends that opposer's mark is weak based on 1) opposer's relatively modest sales figures and modest promotional expenditures, and 2) the fact that opposer is just one of "dozens" of companies that use the term ALLIANCE.

As part of its evidence relating to this factor, applicant has relied upon exhibits accompanying the affidavit of Andrew Cosgrove, submitted in connection with the parties' stipulation of facts.

The stipulation indicates that it was submitted to provide "a savings of time and expense," and that the affidavit and accompanying exhibits "are properly offered for admission and to be made of record as stipulated trial testimony." The stipulation lastly states that "Opposer does not waive any objections to the Affidavit and its accompanying documents on any other grounds, including relevance, admissibility, and timeliness."

Mr. Cosgrove, in his affidavit, states that he is an attorney with the law firm representing applicant, and that the documents accompanying his affidavit **[*14]** "are printouts that were published on the Internet and were accessed by this Affiant at the Internet address included on the printouts on the date included on the printouts."

Opposer contends that the exhibits are not self-authenticating, but rather are unauthenticated Internet documents. Opposer has moved to strike the Internet exhibits, stating that "such documents may be introduced into evidence through the testimony of a person who can properly authenticate and identify the subject materials" and that the exhibits "are not printed publications, and are not allowed to be made of record by a Notice of Reliance." (Reply Brief, p. 6).

The objection is overruled inasmuch as Mr. Cosgrove, in his affidavit, authenticated the Internet evidence. The evidence consists of excerpts of third-party websites. This Internet evidence, however, is entitled to minimum probative value. There are no corroborating facts regarding the extent of the third-party uses of ALLIANCE. That is to say, the record is devoid of information

regarding sales, market share, promotional efforts, and the like under the third-party marks. Thus, we cannot ascertain whether the marks have made an impact in the marketplace, **[*15]** or that customers are even familiar with the uses. See, e.g., Carl Karcher Enterprises Inc. v. Stars Restaurants Corp., 35 USPQ2d 1125, 1131 (TTAB 1995).

Applicant more specifically points to two other uses of ALLIANCE by entities in the corrugated paper industry. Mark Duchesne, applicant's president and chief executive officer, testified that he was aware of two third-party uses of ALLIANCE in the industry. He identified Alliance Packaging, a corrugated manufacturer located in the state of Washington that has been using that name since 2001; and Alliance Group, an association of corrugated box manufacturers.

These two third-party uses likewise are entitled to minimal probative value. Again, there is no evidence regarding the extent of these uses or that customers are familiar with them. Standing alone, the existence of these uses does little to impact the distinctiveness of opposer's mark for its goods and services.

Applicant also introduced nineteen third-party registrations for ALLIANCE or ALLIANCE formative marks. The third-party registration evidence is of no value. Firstly, the registrations are not evidence of use of the marks shown therein. Thus, they are not **[*16]** proof that consumers are familiar with such marks so as to be accustomed to the existence of similar marks in the marketplace, and as a result are able to distinguish between the ALLIANCE marks based on slight differences between them. Smith Bros. Mfg. Co. v. Stone Mfg. Co., 476 F.2d 1004, 177 USPQ 462 (CCPA 1973); and Richardson-Vicks, Inc. v. Franklin Mint Corp., 216 USPQ 989 (TTAB 1982). Secondly, none of the registrations specifically covers goods or services in the corrugated paper industry.

In sum, applicant's evidence hardly establishes that opposer's rights to exclude others from using the term ALLIANCE is, in applicant's words, "necessarily very limited." In our du Pont analysis, this factor is neutral.

Trade Channels

Opposer's goods and applicant's goods travel in similar trade channels, albeit specifically distinct. While both parties operate in the corrugated paper industry, the goods move in distinct trade channels within the industry. Admittedly, both parties advertise in the same trade publications, and attend the same trade shows. However, with respect to the "integrateds," to whom sales comprise the majority of revenues **[*17]** flowing from sales of the parties' goods, information technology (IT) professionals purchase opposer's computer software, whereas engineers buy applicant's equipment. See Electronic Design & Sales Inc. v. Electronic Data Systems Corp., 954 F.2d 713, 21 USPQ2d 1388, 1391 (Fed. Cir. 1992) ["[a]lthough the two parties conduct business not only in the same fields but also with some of the same companies, the mere purchase of the goods and services of both parties by the same institution does not, by itself, establish similarity of trade channels or overlap of customers."].

As for the "independents," the parties' goods are bought by the plant owners. Thus, there would appear to be an overlap in this situation. Further, with respect to opposer's services, there appears to be an overlap in both the "integrateds" (where engineers would make the purchasing decision) and the "independents" (where plant owners make the purchasing decision).

This factor cuts both ways depending on the specific situation.

Conditions of Sale and Classes of Purchasers

Applicant has expended significant effort to show that the involved goods are expensive and that the purchasing process, **[*18]** involving sophisticated purchasers, is lengthy, detailed and highly personal in nature.

As will be apparent from the discussion below, this du Pont factor weighs heavily in applicant's favor. See In re Shell Oil, 992 F.2d 1206, 26 USPQ2d 1687, 1688 [the various du Pont factors "may play more or less weighty roles in any particular determination"]. "Indeed, any one of the factors may control a particular case." In re Dixie Restaurants Inc., 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997), citing In re du Pont, 177 USPQ at 567. Simply put, the marketplace realities make confusion unlikely to occur.

Mr. White testified that opposer's software could range in price from $ 5,000 to over $ 3 million for a substantial implementation. As in the case of applicant's sales, opposer engages in face-to-face meetings, and opposer routinely makes site visits to the prospective customers' plants. The software sales require technical analysis and customization efforts with the customer's information technology department. As Mr. White stated, "Typically you're dealing with the IT or information technology systems department at a corporate level." (White **[*19]** dep., p. 167). The sales process may take as little as thirty days, or as long as a few months: "So I would say never less than 30 days, typically months, and I think a year is the extreme at the other end, and then you've got those who you're not entirely certain are ever going to buy." (White dep., p. 172).

Mr. Wilkinson explained that applicant sells large, expensive and sophisticated material handling machinery used in the finishing side of a corrugated box plant. Applicant sells specialty folder gluers ($ 600,000-$ 1 million); load formers ($ 40,000); automatic pre-feeders ($ 80,000-$ 200,000); stackers ($ 300,000-$ 450,000); bundle breakers ($ 60,000-$ 80,000); and inverters and rotators ($ 30,000).

As noted earlier, 85 percent of applicant's sales are made to the "integrateds." According to Mr. Wilkinson, applicant stays in direct contact with the "integrateds" on a weekly basis; these regular contacts increase if there is a project under consideration. For the "integrateds," the sales process ranges from around three months to three years. The process includes in-person visits to the plant to meet with the customer, resulting in a detailed written sales proposal with technical **[*20]** specifications and drawings. The sales process with "independents" usually takes a shorter period of time to complete, but the process still involves face-to-face meetings and detailed written proposals. That sales process may even be more personal in nature inasmuch as it involves a major investment by the plant owner that may transform the "independent's" business.

Mr. Wilkinson confirms that applicant, in selling its goods, deals with plant engineers and maintenance supervisors. The "integrateds" generally have an experienced team that deals with applicant in negotiating the various terms of the sale. In selling goods to "independents," applicant often deals directly with the owner of the company. In either event, Mr. Wilkinson maintains that customers and their purchasing personnel are sophisticated and knowledgeable about the corrugated equipment that is being purchased.

As previously noted, while the parties conduct business in the same industry with some of the same companies, the mere purchase of the goods and/or services of both parties by the same institution does not, by itself, establish similarity of trade channels or overlap of customers. "The likelihood of confusion **[*21]** must be shown to exist not in a purchasing *institution*, but in a 'customer or purchaser.'" Electronic Design & Sales Inc. v. Electronic Data Systems Corp., 21 USPQ2d at 1391 (emphasis in original).

Insofar as the "integrateds" are concerned, opposer, in selling its software, deals with the information technology department. Applicant, in negotiating with the "integrateds," deals with a purchasing team that generally includes a director of corporate purchasing who negotiates commercial aspects of the sale, a director of manufacturing or engineering services who handles the technical details of the purchase, as well as plant managers and engineers. Thus, there is no overlap.

With respect to the "independents," both parties deal with the owners of the companies. The

owners may be a second or third generation family member who has owned and operated a corrugated box plant. In each instance, the purchasers are knowledgeable about the industry. After a lengthy, personal sales process, these purchasers know with whom they are dealing.

Insofar as opposer's services are concerned, in rendering its services to the "integrateds," opposer's contacts include plant engineers **[*22]** and plant maintenance supervisors. With respect to the "independents," opposer deals directly with the owners. Thus, there is an overlap here with applicant's customers. The record shows, however, that repair and maintenance services constitute only about 10 percent of opposer's business. Thus, any overlap is de minimis. In any event, these plant owners are very sophisticated customers.

Given the detailed, lengthy and personal nature of the purchasing process, and the high cost of the involved goods, as well as the sophistication of the purchasers, confusion is not likely to occur. Mr. White essentially admitted as much when he testified, in pertinent part, as follows (dep. pp. 175-79):

> Do you think that it's even remotely possible that somebody could go through the [purchasing] process you've just described thinking that you're not Alliance Technical but, instead, are Alliance Machine Systems?
>
> If--your--your question assumes something that actually is the problem. **In answering your question, no.** But the real problem is could I conceivably lose the opportunity to ever get an opportunity to make the initial contact with that customer because they assume that somehow **[*23]** I'm affiliated with not just a competitor but that there is some relationship and they can't or won't buy, and, again, it's anecdotal. I don't have a paper trail, but a--a potential client in Germany, just to illustrate, we were trying to set up a meeting with someone who is an original equipment manufacturer in Germany. It's just another supplier. He's not even a converter, and he would be in a position to create opportunity for us as sort of an add-on, our systems would complement his systems, and we were trying to set up the meeting, his initial reaction or question is why on earth would I take a meeting with a competitor, and his assumption was that somehow we were related to Alliance Machine Systems International, who competes with his concern.
>
> Now, obviously, if I'm relaying all this--all of this to you, we had this conversation with this client who took the meeting.
>
> I don't know how many meetings, to be frank, that I haven't been invited to because people based on misinformation or confusion never gave us the opportunity.
>
> The fairest answer to a fair question is could anyone--**it's virtually impossible that if we got to a point in the process where we were [*24] here that anyone would be confused.** We have some anecdotal, internal hearsay. I completely respect that, honest face or not, if I can't prove it and--and, obviously, there's got to be a standard for that, it's just what I'm saying...It's almost a suffocating association because of the disparity in size between the two entities, and--and given that there never was anyone but us as Alliance preceding their use of the name, the assumption for the longest time, from 2000--and I don't even want to suggest that we're past it because we still have these episodes that would suggest some kind of confusion at some level. There is the assumption at Weyerhaeuser, of all places, and any sane person at Weyerhaeuser would know us as separate entities. But the question was casual, was what is the association? Did they buy you? Did you buy them? And it makes the smaller entity the more nervous because you sort of disappear in all the noise and confusion of this.
>
> So our reality is that we won't get those opportunities. You know, can I--do I have

paper trails like I do with the misdirected payments? No. I mean, I'm not going to waste anyone's time saying I can prove something that I can only **[*25]** relate based on anecdotal conversations, but the issue for me is getting that opportunity...

So I would acknowledge it's unlikely once we get to a certain point in the sales process that there could be confusion. Our concern is in what may or may not be happening when they're coming up with that short list of vendors to invite, and I've got too many instances where I found out after the fact that assumptions were made, that I'm not going to exclusively attribute to your client's use of Alliance, but I know of instances where there were near misses, and I can only know about those near misses because someone says so-and-so thought there was some relationship between your two companies or what have you.

So it isn't even necessarily our competitors. It's such a small group of suppliers that the fact that two of us would bother to have the same name implies because it's such--if our customer base were 20 million instead of --instead of 2,000, and it's even less than that when you start lumping those plants that are controlled by a single buying entity...

But that would be the fairest--thank you for allowing me the answer because it was lengthy, but the concern of **[*26]** the problem as I perceive it is before we get to the point where there's a lot of contact. (emphasis added)

Mr. White further testified (pp. 231-232):

Are you aware of any evidence of somebody buying one of [applicant's machines] or any of these other pieces of capital equipment thinking that [applicant] was [opposer]?

I'm not aware, no.

Would you agree with me that's pretty unlikely?

I would grant you that.

What I'm looking for is whether there's any evidence that you're aware of a customer or potential customer seeing [applicant's] logo on a machine and then being confused by that use and thinking there's an affiliation between the two companies?

Well, depending on their visual acuity, and I have--I'm nearsighted severely--

I'm not asking for speculation. I'm asking for a real life example if you're aware of that ever happening?

Oh, my--no, I'm not aware of it ever happening.

As shown by the above testimony, Mr. White essentially concedes that in view of the lengthy negotiating process leading up to a sale, prospective customers are not likely to be confused as to source. Thus, at least at the point of purchase after **[*27]** a lengthy buying process, Mr. White recognizes that confusion is not likely to occur among purchasers. See Amalgamated Bank of New York v. Amalgamated Trust & Savings Bank, 842 F.2d 1270, 6 USPQ2d 1305, 1308 (Fed. Cir. 1988); and Bongrain International Corp. v. Delice de France Inc., 811 F.2d 1479, 1 USPQ2d 1775

(Fed. Cir. 1987) [Businessmen in the marketplace are in a better position to know the real life situation than bureaucrats or judges.].

We fully agree with Mr. White's assessment. That is to say, given the detailed, lengthy and personal nature of the sales process, and the high cost of the involved goods, as well as the sophistication of the purchasers, confusion is not likely to occur. Sales of the parties' specifically different and noncompetitive goods occur only after long-term negotiations, direct communications and on-going contacts between the seller and the sophisticated buyer. See Continental Plastic Containers Inc. v. Owens Brockway Plastic Products, Inc., 141 F.3d 1073, 46 USPQ2d 1277, 1282 (Fed. Cir. 1998) ["[T]he wholesale purchasers may be characterized as sophisticated buyers because...sales to these parties are likely **[*28]** to be the culmination of long-term negotiations, direct communications between the parties and ongoing contact...These purchasers are very unlikely to be confused over the source of the bottles."]. See also Electronic Design & Sales, Inc. v. Electronic Data Systems Corp., 21 USPQ2d at 1388; Dynamics Research Corp. v. Langenau Mfg. Co., 704 F.2d 1575, 217 USPQ 649 (Fed. Cir. 1983); and Hewlett-Packard Co. v. Human Performance Measurement, Inc., 23 USPQ2d 1390 (TTAB 1991).

On the other hand, Mr. White is concerned about what he perceives to be initial confusion. (White dep., pp. 179). Many courts have recognized the initial interest confusion theory, even though no actual sale is finally completed as a result of the confusion, as a form of likelihood of confusion which is actionable. See HRL Associates, Inc. v. Weiss Associates, Inc., 12 USPQ2d 1819 (TTAB 1989), *aff'd on other grounds*, 902 F.2d 1546, 14 USPQ 2d 1840 (Fed. Cir. 1990) [Board found that the likelihood of initial interest, pre-sale confusion overcame the sophisticated purchaser defense; on appeal, the Federal Circuit expressly avoided reaching the issue **[*29]** of initial interest confusion]. See generally J. T. McCarthy, McCarthy on Trademarks and Unfair Competition, § 23:6 (4<th> ed. 2004). However, as is the case in any inter partes proceeding involving likelihood of confusion, the plaintiff has the burden of proof to show, by a preponderance of the evidence, that it is entitled to prevail on its claim. Initial interest confusion, even when the marks are similar, will not be assumed, but rather must be proven by the evidence. The problem with opposer's theory, however, is that the record falls short of proving initial interest confusion. Mr. White's testimony is telling on this point (p. 180):

> Are you aware, Mr. White, of a single incident in the United States where you didn't get an opportunity to bid for a software project because of this issue with Alliance Machine?
>
> I, myself, at the moment am not aware of that specific consequence being the result of what I just described to you.

As readily conceded by Mr. White, his theory is supported not by probative evidence that has been introduced into the record, but rather by mere anecdotal statements. The claim of initial interest confusion is too speculative on **[*30]** which to base a finding of likelihood of confusion in this case. At most, the record in support of initial interest confusion is de minimis and weak.

In sum, the record shows that when selling their respective goods to the large "integrateds," opposer and applicant generally are dealing with different purchasing agents of the same business: opposer negotiates with information technology professionals while applicant deals with engineers. We recognize that when opposer is selling its services to the "integrateds," it is likely to be dealing with engineers as well. And, when the parties are selling to the "independents," they are likely to be dealing with the same purchasing agent, namely the owner of the plant. As shown by the evidence, however, any overlap involves only a de minimis number of individuals. Moreover, these purchasers are very sophisticated and, after a lengthy buying process, they certainly know with whom they are dealing. "Where the purchasers are the same, their sophistication is important and often dispositive because '[s]ophisticated consumers may be expected to exercise greater care.'"

Electronic Design & Sales Inc. v. Electronic Data Systems Corp., 21 USPQ2d at 1392, **[*31]** citing Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482, 212 USPQ 246, 252 (1st Cir. 1981).

The conditions of expensive sales and the sophistication of purchasers is a du Pont factor that weighs heavily in applicant's favor. Further, as noted earlier, the parties' goods are specifically different and noncompetitive. "There is always less likelihood of confusion where goods are expensive and purchased after careful consideration." Electronic Design & Sales Inc. v. Electronic Data Systems Corp., 21 USPQ2d at 1392, citing Astra Pharmaceutical Products v. Beckman Instruments, 718 F.2d 1201, 220 USPQ 786, 790 (1st Cir. 1983). Indeed, this factor principally controls the result in the present case. In re Dixie Restaurants Inc., 41 USPQ2d at 1533. See Dynamics Research Corp. v. Langenau Mfg. Co., 217 USPQ at 649 [Court affirmed conclusion that because the marks are used on goods that are quite different and sold to different, discriminating customers, there is no likelihood of confusion even though both parties used the identical mark DRC.].

Actual Confusion

Opposer, in connection with **[*32]** this factor, has introduced evidence that it characterizes as "substantial." (Brief, p. 23). Opposer points to "misdirected payments, attempts to put charges through on credit cards believed to be associated with the wrong party, misdirected inquiries based upon materials affixed to machines sold by Applicant and serviced by Opposer, and the like." Id. Opposer claims that it never experienced, during a ten-year period, any confusion-based problems until applicant began using its ALLIANCE mark. As asserted by opposer, a showing of actual confusion is highly probative of a likelihood of confusion. In re Majestic Drilling Co., 65 USPQ2d at 1205.

Applicant claims that over a period of five years of contemporaneous use, "there has not been one example of real, relevant trademark confusion." (Brief, p. 18). Applicant dismisses opposer's evidence as comprising "a few isolated instances of misdirected payments, almost all by the large integrated companies, and most occurring several years ago, shortly after [applicant's] name change." (Brief, pp. 18-19). Applicant further criticizes opposer's evidence on the grounds that three of the purported instances of actual confusion **[*33]** involve foreign entities; that the documents in support of opposer's claim constitute inadmissible hearsay; and that the evidence falls short of showing actual trademark confusion. Applicant further contends that, to the extent opposer's evidence shows actual confusion, the confusion is de minimis.

Although we have considered all of the purported instances of actual confusion, the three involving foreign entities are entitled to less probative weight than the others. We say this after taking into account differences in language, and the significant point that the likelihood of confusion analysis centers on domestic customers.

As to applicant's hearsay objection, hearsay is an out-of-court statement offered to prove the truth of the matter asserted. Fed. R. Evid. 801(c). Courts have responded to the hearsay objection in varying ways. See generally, J.T. McCarthy, McCarthy on Trademarks and Unfair Competition, § 23:15 (4<th> ed. 2004).

We have not considered Mr. White's testimony and relevant exhibits for the truth of the matter asserted. We have accepted the testimony and evidence to show, however, that opposer received misdirected **[*34]** payments and inquiries that were meant for applicant. Thus, we deem the testimony and evidence to be admissible.

As to the probative value of the testimony and evidence, Mr. White indicated that he did not know the identities of the specific persons making the mistakes, or the reason why the persons made the mistakes. In the absence of such corroborating evidence about these misdirected payments and inquiries, we are reluctant to place significant weight on this evidence. Had the specific individuals

who were purportedly confused been identified and made available for cross-examination, they could have explained their reasons for their misdirected communications. While Mr. White testified, not surprisingly, that the reason for the misdirected communications was the similarity between the marks and the goods and/or services sold thereunder, we would prefer to hear it from the individuals themselves. See Toys "R" Us, Inc. v. Lamps R Us, 219 USPQ 340 (TTAB 1983) [While sales clerk's testimony is not excluded as hearsay, the evidence has little weight if there is no evidence to indicate whether "the reason for the question as to affiliation was the result of the similarity **[*35]** of the marks."].

In sum, we have accorded only minimal weight to opposer's evidence on this factor. We also agree with applicant that such occurrences are so few in number, over a period of five years of contemporaneous use, that they are de minimis.

This factor is neutral.

Conclusion

Based on the record before us, we see opposer's likelihood of confusion claim as amounting to only a speculative, theoretical possibility. Language by our primary reviewing court is helpful in resolving the likelihood of confusion controversy in this case:

> We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with de minimis situations but with the practicalities of the commercial world, with which the trademark laws deal.

Electronic Design & Sales Inc. v. Electronic Data Systems Corp., 21 USPQ2d at 1391, *citing* Witco Chemical Co. v. Whitfield Chemical Co., Inc., 418 F.2d 1403, 1405, 164 USPQ 43, 44-45 (CCPA 1969), *aff'g* 153 USPQ 412 (TTAB 1967).

We have carefully considered all of the evidence pertaining to the relevant duPont factors, as well as all of the parties' arguments **[*36]** with respect thereto (including any evidence and arguments not specifically discussed in this opinion), and we conclude that opposer has not proved its Section 2(d) claim of likelihood of confusion, as based on its common law rights.

Legal Topics:

For related research and practice materials, see the following legal topics:
Trademark LawLikelihood of ConfusionSimilarityAppearance, Meaning & SoundGeneral OverviewTrademark LawU.S. Trademark Trial & Appeal Board ProceedingsOppositionsGroundsTrademark LawU.S. Trademark Trial & Appeal Board ProceedingsOppositionsStanding

GRAPHIC:
Illustration 1, no caption

EXHIBIT YY

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

439 F.3d 137
United States Court of Appeals,
Second Circuit.

Frank McCLELLAN, Plaintiff-Appellant,
v.
Steven SMITH, Individually and in His Official Capacity as Police Officer of the City of Rensselaer, Defendant-Appellee,
City of Rensselaer, Defendant.

Docket No. 04-5996-CV. | Argued: Sept. 15, 2005. | Decided: Feb. 24, 2006.

Synopsis
Background: Arrestee brought action pursuant to § 1983 against police officer alleging Fourth Amendment violations arising from his arrest and prosecution following an altercation between arrestee and officer. The United States District Court for the Northern District of New York, Hood, J., granted officer's motion for summary judgment, and appeal was taken.

Holdings: The Court of Appeals, Miner, Circuit Judge, held that:

[1] presumption of probable cause arising from grand jury indictment was inapplicable to arrestee's claims pursuant to § 1983 against police officer for false arrest, unlawful imprisonment, and unreasonable search and seizure;

[2] presumption of probable cause arising from grand jury indictment applied to arrestee's claims against police officer for malicious prosecution;

[3] genuine issues of material fact existed as to whether police officer secured indictment against arrestee through bad faith or perjury;

[4] as a matter of first impression, presumption of probable cause arising from second grand jury indictment was not negated by the return of a "No True Bill" by first grand jury; and

[5] genuine issues of material fact precluded summary judgment on qualified immunity grounds.

Vacated and remanded.

West Headnotes (10)

[1] Civil Rights
Criminal Law Enforcement; Prisons

Under New York law, presumption of probable cause arising from grand jury indictment was inapplicable to arrestee's claims pursuant to § 1983 against police officer for false arrest, unlawful imprisonment, and unreasonable search and seizure. 42 U.S.C.A. § 1983.

13 Cases that cite this headnote

[2] Malicious Prosecution
Finding of Grand Jury

Under New York law, presumption of probable cause arising from grand jury indictment applied to arrestee's claims against police officer for malicious prosecution.

10 Cases that cite this headnote

[3] Malicious Prosecution
Necessity

Under New York law, the absence of probable cause is an essential element of a claim for malicious prosecution.

13 Cases that cite this headnote

[4] Malicious Prosecution
Finding of Grand Jury

Under New York law, because an indictment gives rise to a presumption that probable cause exists, if plaintiff is to succeed in his malicious prosecution action after he has been indicted, he must rebut that presumption by establishing that the indictment was produced by fraud, perjury, the suppression of evidence or other police conduct undertaken in bad faith.

32 Cases that cite this headnote

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[5] **Federal Civil Procedure**
Tort Cases in General

Under New York law, genuine issues of material fact existed as to whether police officer secured indictment against arrestee through bad faith or perjury, precluding summary judgment for police officer on defense of presumption to probable cause in malicious prosecution claim brought by arrestee.

35 Cases that cite this headnote

[6] **Malicious Prosecution**
Finding of Grand Jury

Under New York law concerning arrestee's malicious prosecution claim against police officer, presumption of probable cause arising from second grand jury indictment was not negated by the return of a "No True Bill" by first grand jury, where newly discovered evidence was presented to the court that authorized the presentation of arrestee's case to the second grand jury.

9 Cases that cite this headnote

[7] **Civil Rights**
Good Faith and Reasonableness; Knowledge and Clarity of Law; Motive and Intent, in General

The doctrine of qualified immunity offers protection for government officials performing discretionary functions from liability for civil damages insofar as their conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known.

30 Cases that cite this headnote

[8] **Civil Rights**
Good Faith and Reasonableness; Knowledge and Clarity of Law; Motive and Intent, in General

Qualified immunity extends to protect a government actor if it was objectively reasonable for him to believe that his actions were lawful at the time of the challenged act.

6 Cases that cite this headnote

[9] **Civil Rights**
Sheriffs, Police, and Other Peace Officers

An arresting officer is entitled to qualified immunity as a matter of law if the undisputed facts and all permissible inferences favorable to the plaintiff show that officers of reasonable competence could disagree on whether the probable cause test was met.

31 Cases that cite this headnote

[10] **Federal Civil Procedure**
Civil Rights Cases in General

Genuine issues of material fact existed as to whether it was objectively reasonable for officer to believe that probable cause existed to arrest arrestee for resisting arrest and disorderly conduct, precluding summary judgment for police officer on basis of qualified immunity in arrestee's § 1983 claims against police officer alleging Fourth Amendment violations arising from his arrest and prosecution. U.S.C.A. Const.Amend. 4; 42 U.S.C.A. § 1983.

48 Cases that cite this headnote

Attorneys and Law Firms

*139 Lee D. Greenstein, Albany, NY, for Plaintiff-Appellant.

Gregory S. Mills, Clifton Park, NY, for Defendant-Appellee.

Before: MINER, WESLEY, Circuit Judges, and RAKOFF, District Judge. [1]

Opinion

MINER, Circuit Judge.

Plaintiff-appellant Frank McClellan ("McClellan") appeals from a summary judgment and an order denying reconsideration entered in the United States District Court

for the Northern District of New York (Hood, *J.*)[2] in favor of defendant-appellee Steven Smith ("Smith"), a police officer employed by the City of Rensselaer[3] but not on duty at the time of the events giving rise to this action. The action was brought pursuant to 42 U.S.C. § 1983 to redress alleged Fourth Amendment violations related to the arrest and prosecution of McClellan following an altercation involving Smith and McClellan. The violations were pleaded in claims against Smith for false arrest, malicious prosecution, unlawful search and seizure, and unlawful imprisonment. In decisions following cross-motions for summary judgment and a motion by McClellan for reconsideration, the District Court determined that all the Fourth Amendment claims related to the underlying assault charges were barred by the grand jury indictment of plaintiff and that the Fourth Amendment claims derived from the resisting arrest and disorderly conduct charges, as well as the false arrest claim related to the assault charges, were barred in any event by the doctrine of qualified immunity. For the reasons that follow, we vacate the judgment and order of the District Court and remand for further proceedings consistent herewith.

BACKGROUND

I. *The Confrontation and Altercation*

The parties give somewhat different versions of the confrontation and ensuing ***140** altercation that resulted in McClellan's arrest and prosecution. Because the differences are critical to the disposition of this appeal, we set them forth separately.

A. McClellan's Version

On November 16, 2000, at 7:30 P.M., McClellan was unloading grocery bags from his automobile, which was parked directly in front of his house at 95 Washington Avenue, Rensselaer, New York. He was standing as close as possible to his car while unloading the bags and handing them to his girlfriend, Michelle Cristo, who carried them into the house. At some point in the unloading process, as McClellan was leaning into the driver's side with the door open and his back to Washington Avenue, Smith drove by in the lane where McClellan was parked. As he passed, Smith honked his horn and gestured to McClellan with his middle finger. McClellan returned the gesture, whereupon Smith abruptly turned his car around in a driveway a short distance away and drove back toward McClellan. As McClellan finished unloading and closed his car door, Smith suddenly turned his car into the lane of incoming traffic and stopped at a forty-five degree angle to McClellan's car and only inches away from it. Smith's side-view mirror grazed McClellan's hand, and McClellan was essentially trapped in the triangular area where the two cars met. Witnesses confirmed McClellan's assertion that Smith's car at this point was parked at an angle and blocked oncoming traffic.

After he stopped his car, Smith yelled and cursed at McClellan saying: "Who the f--- are you? You just gave me the finger. You know who I am? I am a cop." Although it turned out that Smith was indeed a Detective Sergeant in the City of Rensselaer Police Department, he wore no uniform and his car bore no police markings. He appeared agitated, and his eyes were bloodshot and glassy and he was red-faced. McClellan was concerned that Smith had been drinking. McClellan did not believe, given the circumstances, that Smith was a police officer and requested identification. Smith responded that "he did not have to show ... any f---ing ID" and attempted to exit his car by pushing the door into McClellan. McClellan, in an effort to avoid a physical confrontation, held Smith's door closed with his hands and body, and advised Smith that he would not let him out until he produced identification. Smith continued trying to push his way out of the car, threatening to "kick [McClellan's] f---ing ass" and to arrest him. During the altercation, McClellan heard Smith use the word "backup" but was not able to see a radio or other police equipment in Smith's car or determine who he was talking to. Eventually, McClellan yelled to Cristo to call the police.

Ultimately, Smith was able to push McClellan out of the way with his car door and by punching him in the face. Smith apparently struck his face on the car door as he exited. After wrestling with Smith, and without throwing a punch, McClellan was able to hold Smith down over the hood of McClellan's car. At that point, McClellan noticed that Smith was bleeding profusely from the injury to his face and saw him speak into a hand-held radio and say that he was being beaten (which was not true) and needed backup. McClellan then told Smith that he would release him if he promised to stop fighting. Smith said he would stop, and McClellan released him and walked toward his house. As he did so, Smith grabbed him and told him to wait. McClellan once again asked for identification and once again was rebuffed. The Rensselaer police arrived moments later and Smith directed an officer to arrest McClellan. En route to the police ***141** station, McClellan told the police officer that he did not know Smith was a police officer and was only trying to

restrain him from getting out of the car in order to avoid a fight.

B. Smith's Version

On November 16, 2000, at about 7:30 P.M., Smith was driving on Washington Avenue in the City of Rensselaer, where he served in the Police Department as a Detective Sergeant. He was wearing street clothes and driving an undercover vehicle with a portable police radio between the two front bucket seats. The radio was at all times receiving transmissions from fellow officers. As he drove, Smith saw a vehicle ahead of him swerve and then saw McClellan in the middle of the road with the door to his car wide open. Perceiving that McClellan was impeding traffic and putting himself in danger of being struck, Smith beeped his horn twice on approaching McClellan. As he passed, Smith saw, in his rear view mirror, McClellan extend his middle finger and shout "F---you." Smith also observed another car behind him swerve to avoid McClellan.

Smith thereupon turned his vehicle around and returned to where McClellan was standing for the purpose of advising him to get out of the road. Smith pulled up alongside McClellan and parked at an angle so that the right side and rear of Smith's vehicle extended into the other lane. The left side of the vehicle was about four feet from McClellan's car and the rear of the vehicle was across the middle of the other lane. As he pulled up alongside, Smith rolled down his driver side window and told McClellan he was a "cop." McClellan replied: "I don't give a f--- who you are." McClellan then started swinging at Smith while Smith was still seated and struck him in the left side of the head. Smith leaned away from McClellan and called for backup on his portable radio.

Smith then tried to exit his vehicle and told McClellan he was under arrest. McClellan stood in front of Smith's car door and pushed against it to prevent Smith from exiting his vehicle. Smith finally opened the door and got his left foot out. At that point, McClellan pushed the car door in such a way that the top of the door struck Smith's face, causing a deep facial laceration. Smith was able to exit the car with his portable radio in hand, having used it to call for assistance. McClellan grabbed him and threw him face down across the hood of McClellan's vehicle, holding him in that position with the weight of his body. At that point, other officers arrived at the scene. Smith believed that McClellan was in violation of the Vehicle and Traffic Law when he stood on Washington Avenue with his car door open, impeding traffic and endangering himself.

II. *The State Charges Against McClellan and their Disposition*

Immediately following the incident described above, McClellan was charged with four violations of the New York Penal Law: Aggravated Assault on a Police Officer; Assault in the Second Degree; Resisting Arrest; and Disorderly Conduct. He was arraigned before a judge of the Rensselaer City Court on the morning following the incident and held without bail. A preliminary hearing was held four days later in the City Court, which determined that there was reasonable ground to believe that a felony had been committed. On the day following the hearing, the Rensselaer County Court, pursuant to McClellan's application, set bail at $50,000, bond or cash. McClellan posted a bond after having been confined for six days.

***142** On February 1, 2001, the case against McClellan was presented to a Rensselaer County Grand Jury. The presentation was conducted by an Assistant District Attorney from Washington County because of a conflict of interest arising from the employment of Smith as a part-time investigator in the office of the Rensselaer County District Attorney. Both McClellan and Cristo testified before the grand jury. The grand jury returned a "No True Bill," and all charges against McClellan were dismissed. Smith reported to the Chief of his Department "[t]hat the Washington County DA's Office presented the case and it was no billed[,] and I wasn't very happy with the District Attorney. I think he was very young and that he was unqualified, not qualified to present it."

Smith continued his interest in the case, having, in his supervisory capacity, appointed a new investigator to replace Detective Michael Smith because he "felt that Michael Smith wasn't handling the investigation properly." He instructed the new investigator, Officer Gerald Amedio, to recanvass the neighborhood where the incident occurred. At some point in the continuing investigation, Smith was advised by Assistant District Attorney Mark Loughran of Rensselaer County that the case could be presented to a new grand jury on the basis of new evidence if a judge so ordered.

In the search for new evidence, Smith discovered that one Dan Malark, confined to the Rensselaer County Jail, was willing to testify to a purported admission made by McClellan during his confinement in the jail. Smith reported to District Attorney Patricia DeAngelis that Malark would

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testify in return for a "deal" in his prosecution on a domestic relations charge. DeAngelis refused to bargain with Malark. Eventually, Amedio and Smith came up with the name of Ronald Fordley, another inmate who purportedly had heard McClellan's admission. Another inmate of the County Jail, Larry Fuller, also provided a statement relative to the alleged admission by McClellan. However, it was Fordley's affidavit that constituted the newly discovered evidence that formed the basis for the May 2, 2001, Order of the Rensselaer County Court allowing the case against McClellan to be submitted to a second grand jury.

The second grand jury heard the case against McClellan as presented by the Rensselaer County District Attorney's Office, Smith having previously terminated his part-time employment there. McClellan and Cristo again were among those who testified, but this time the grand jury returned an indictment charging McClellan with the following violations of the New York Penal Law: Aggravated Assault on a Police Officer; Assault on a Police Officer; and Assault Second Degree. The jury impaneled in Rensselaer County Court for the trial of the charges contained in the indictment found McClellan "not guilty" on all counts on June 7, 2002. The trial was conducted for the prosecution by the Saratoga County District Attorney, Smith having by the time of trial returned to his employment by the Rensselaer County District Attorney on a full-time basis.

III. *Proceedings in the District Court*

The action giving rise to the appeal at bar was commenced by the filing of a complaint on September 5, 2002. Invoking the provisions of 42 U.S.C. § 1983, McClellan alleged causes of action against Smith arising out of the above-described incident as follows: False Arrest; Malicious Prosecution; Unlawful Search and Seizure; and Unlawful Imprisonment. Causes of action also were pleaded against the City of Rensselaer for failure to train and failure ***143** to supervise. As previously noted, the City of Rensselaer is not a party to this appeal. Issue was joined by the filing of an answer on November 14, 2002. Following disclosure and discovery, Smith filed his motion for summary judgment on June 1, 2004, and McClellan filed his opposition to Smith's motion and his own motion for partial summary judgment on July 12, 2004. Following additional submissions by the parties, the District Court rendered a decision dated September 8, 2004, granting summary judgment to Smith dismissing the complaint and denying McClellan's motion for partial summary judgment with prejudice. McClellan thereafter made a motion for reconsideration, which the District Court denied in a decision dated October 25, 2004.

In its decision granting summary judgment, the District Court opined that "[McClellan's] Fourth Amendment claims for false arrest, malicious prosecution, unlawful imprisonment, and unreasonable search and seizure all arise from [McClellan's] allegation that he was arrested without probable cause" and that "the existence of probable cause to arrest would prove fatal to all of [McClellan's] claims." The court noted that New York law provides that indictment by a grand jury establishes a presumption of probable cause for arrest in the absence of a showing of fraud, perjury, suppression of evidence, or other bad faith police conduct. Finding that "[McClellan] has failed to show that variations in [Smith's] testimony resulted from bad faith rather than mere confusion or lapse of memory regarding a fast moving series of events," and further finding that it is "without consequence" that the first grand jury returned a "No True Bill," the District Court concluded that there was a failure to rebut the presumption arising from the second grand jury's finding of probable cause. The court therefore determined that "McClellan's Fourth Amendment claims fail as they relate to these three assault charges."

Turning to the charges of resisting arrest and disorderly conduct for which McClellan was originally arrested but never indicted, the District Court observed that the facts surrounding the incident are heavily disputed, that the question of probable cause is predominantly factual, and that the court therefore would not determine whether there was probable cause to arrest McClellan for resisting arrest or for disorderly conduct. However, the court did find that Smith was entitled to qualified immunity on an objective reasonableness standard because a reasonable jury could only conclude that reasonable officers could disagree on the constitutionality of the seizure. The District Court therefore found that "[Smith] is entitled to qualified immunity with respect to the remainder of [McClellan's] Fourth Amendment claims."

On reconsideration, the District Court reviewed the three errors that McClellan claimed were made by the District Court in granting summary judgment: that the court misapplied the facts in finding that Smith was entitled to qualified immunity; that the court misapplied the facts and the law in determining that McClellan had failed to rebut the presumption of probable cause created by the grand jury indictment; and that the District Court misapplied the law by

holding that the presumption of probable cause arising from the grand jury indictment applies to McClellan's false arrest claim.

In rejecting the claim that it misapplied the facts to the issue of qualified immunity, the District Court considered the following facts established:

> [McClellan] admitted that [Smith] identified himself as a police officer and that [McClellan] heard [Smith] call for backup ***144** while outside the police car and say the word "backup" while inside the police car. [McClellan] also admitted to restraining [Smith] by his wrists on top of [McClellan's] car, and although [McClellan] did not witness [McClellan's] car door hit [Smith] in the face, [McClellan] admitted to seriously injuring [Smith].

Upon these facts, the court stated "that the only rational conclusion a jury could reach is that reasonable officers would disagree about the legality of [Smith's] conduct" and that therefore "[Smith] was entitled to qualified immunity."

As to the grand jury indictment establishing a presumption of probable cause for the arrest, the District Court cited New York Court of Appeals authority for the proposition that the presumption applies only in cases of malicious prosecution but also cited lower court authority for application of the presumption in false arrest cases. The court rejected the claim that the presumption was overcome by "variations" in Smith's grand jury testimony, noting that the variations "all arise from the detailed, fast-moving series of events that occurred" in the course of the altercation. But even if the presumption did not apply to false arrest, according to the District Court, Smith "is entitled to qualified immunity on the false arrest claim as it relates to the three felony assault charges" for the reasons previously given by the court in support of its finding of qualified immunity as grounds for dismissal of all of McClellan's other claims.

DISCUSSION

I. *The Standard of Review*

We review a summary judgment determination de novo. *See Miller v. Wolpoff & Abramson, LLP,* 321 F.3d 292, 300 (2d Cir.2003). Summary judgment may be granted only where there is no genuine issue as to any material fact and the moving party (Smith in the case at bar) is entitled to a judgment as a matter of law. Fed.R.Civ.P. 56(c). In ruling on a motion for summary judgment, a court must resolve all ambiguities and draw all factual inferences in favor of the nonmoving party. *Anderson v. Liberty Lobby, Inc.,* 477 U.S. 242, 255, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986). To grant the motion, the court must determine that there is no genuine issue of material fact to be tried. *Celotex Corp. v. Catrett,* 477 U.S. 317, 322-23, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986). A genuine factual issue derives from the "evidence [being] such that a reasonable jury could return a verdict for the nonmoving party." *Anderson,* 477 U.S. at 248, 106 S.Ct. 2505. The nonmoving party cannot defeat summary judgment by "simply show[ing] that there is some metaphysical doubt as to the material facts," *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.,* 475 U.S. 574, 586, 106 S.Ct. 1348, 89 L.Ed.2d 538 (1986), or by a factual argument based on "conjecture or surmise," *Bryant v. Maffucci,* 923 F.2d 979, 982 (2d Cir.1991). The Supreme Court teaches that "all that is required [from a nonmoving party] is that sufficient evidence supporting the claimed factual dispute be shown to require a jury or judge to resolve the parties' differing versions of the truth at trial." *First Nat'l Bank of Ariz. v. Cities Serv. Co.,* 391 U.S. 253, 288-89, 88 S.Ct. 1575, 20 L.Ed.2d 569 (1968); *see also Hunt v. Cromartie,* 526 U.S. 541, 552, 119 S.Ct. 1545, 143 L.Ed.2d 731 (1999). It is a settled rule that "[c]redibility assessments, choices between conflicting versions of the events, and the weighing of evidence are matters for the jury, not for the court on a motion for summary judgment." *Fischl v. Armitage,* 128 F.3d 50, 55 (2d Cir.1997). The failure of the District Court to heed this rule caused it to fall into error, as will be seen.

*145 II. *Presumption of Probable Cause*

[1] At the outset, we identify an error made by the District Court in applying the presumption of probable cause arising from a grand jury indictment. In the opinion of the District Court, as modified in its decision on reconsideration, the grand jury indictment of McClellan on felony assault charges demonstrated probable cause for his arrest on those charges. Because liability for the torts of false arrest, unlawful imprisonment, and unreasonable search and seizure under New York law give rise to liability under 42 U.S.C. § 1983 (as does the New York tort of malicious prosecution), *see Cook v. Sheldon,* 41 F.3d 73, 77-79 (2d Cir.1994), we look to New

York law to determine whether a presumption of probable cause arising from a grand jury indictment can be a defense to these claims, *see Savino v. City of New York,* 331 F.3d 63, 75 (2d Cir.2003).

As in *Savino,* the District Court here

> analyzed [the] malicious prosecution and false arrest claims together because it believed that the presumption of probable cause arising from [the] indictment was applicable to both claims .... But the New York Court of Appeals has expressly held that the presumption of probable cause arising from an indictment "applies only in causes of action for malicious prosecution and is totally misplaced when applied in false [arrest] actions."

Id. (quoting *Broughton v. State,* 37 N.Y.2d 451, 456, 373 N.Y.S.2d 87, 335 N.E.2d 310 (N.Y.1975)) (alteration in *Savino*)(internal citation omitted).

[2] Although the District Court, in dismissing the false arrest, unlawful imprisonment, and unreasonable search and seizure claims, erred in applying what it considered to be an unrebutted presumption of probable cause arising from the grand jury's indictment of Smith, the court did not err in applying the presumption to the malicious prosecution claim. The court's error as to that claim lies elsewhere, as will be seen.

III. *Overcoming the Presumption of Probable Cause*

[3] **[4]** The absence of probable cause is an essential element of a claim for malicious prosecution. *See Colon v. City of New York,* 60 N.Y.2d 78, 82, 468 N.Y.S.2d 453, 455 N.E.2d 1248 (N.Y.1983). Although a grand jury indictment gives rise to a presumption that probable cause exists and a claim for malicious prosecution in relation to the crimes described in the indictment thereby is defeated, it should be noted that the presumption may be rebutted by evidence of various wrongful acts on the part of police: "If plaintiff is to succeed in his malicious prosecution action after he has been indicted, he must establish that the indictment was produced by fraud, perjury, the suppression of evidence or other police conduct undertaken in bad faith." *Id.* at 83, 468 N.Y.S.2d 453, 455 N.E.2d 1248.

In *Boyd v. City of New York,* 336 F.3d 72 (2d Cir.2003), we were confronted with a malicious prosecution claim by one who had been indicted by a grand jury for criminal possession of stolen property and unauthorized use of a motor vehicle. *Boyd,* 336 F.3d at 74-75. The charges had been dismissed on a finding that statements regarding the purchase of the vehicle were made while in police custody and prior to the giving of *Miranda* warnings. *Id.* at 75. According to the police version, the arrest did not occur until Boyd was outside his home and after he had made the incriminating statement. *Id.* at 74. According to Boyd, the arrest took place inside his house and before he made the statement. *Id.*

***146** Addressing the presumption of probable cause created by the grand jury indictment, we observed that "[t]he presumption is rebuttable, and may be overcome by evidence establishing that the police witnesses 'have not made a complete and full statement of facts ... that they have misrepresented or falsified evidence ... or otherwise acted in bad faith.' " *Id.* at 76 (citation omitted). We concluded as follows: "At this preliminary stage, construing all inferences in the light most favorable to Boyd, a jury could reasonably find that the indictment was secured through bad faith or perjury, and that there was malicious prosecution of Boyd. Therefore, the issue of probable cause cannot be resolved by summary judgment." *Id.* at 77.

[5] As in *Boyd,* we think that a jury could reasonably find that the indictment against McClellan was secured through bad faith or perjury. The District Court identified three "variations" in the version of events given by Smith as noted by McClellan: whether McClellan kicked the door into Smith or pushed the door into Smith; whether Smith's car was parked parallel on the street or at a diagonal; and whether McClellan punched Smith only a few times or ten to fifteen times. The District Court stated that these variations "all arise from the detailed, fast-moving series of events that occurred between [McClellan] and [Smith]." The Court concluded that it would "not hold that inconsistency alone in [Smith's] detailed description of the events raises a question of fact as to whether [Smith] engaged in fraud, perjury, suppression of evidence, or other bad faith conduct."

But it is not only the inconsistencies in Smith's version of the confrontation or even the gross disparities in the versions of the protagonists that suggest bad faith conduct in the procurement of the indictment. McClellan has offered evidence that Smith: was the instigator of the altercation; may have been intoxicated; lied to the arresting officer about McClellan's responsibility for the altercation; admittedly was displeased with the original grand jury result; supervised the investigation despite his obvious conflict of interest; reassigned the case because the officer originally assigned

"wasn't handling the investigation properly"; urged the District Attorney's office that had employed him (and was to employ him again) to apply for the second grand jury; pressured a prosecutor to make a deal with a putative witness to give testimony in the case against McClellan; eventually procured the sole witness whose testimony enabled the case to be presented to the second grand jury; and altered his testimony before the second grand jury with regard to the placement of the vehicles after speaking with an officer who had been at the scene.

Taking McClellan's evidence as to the foregoing in the light most favorable to him, as we must, it could be concluded that Smith's prosecution of the case was impelled solely by a personal animus arising from an altercation for which McClellan was in no way responsible. Where evidence shows that a police officer, knowing that no crime has been committed, presses the prosecution of criminal charges "solely in order to further [the officer's] own personal goals," a claim of "bad faith" survives summary judgment. *Marshall v. Sullivan,* 105 F.3d 47, 55 (2d Cir.1996). Although the factual issues here are sharply disputed, the Indictment of McClellan, handed down by the second grand jury, "could reasonably be found to have been the result of conduct comparable to fraud or perjury." *Id.*

[6] We reject McClellan's contention that any presumption of probable cause arising from the second grand jury indictment is negated by the return of a "No ***147** True Bill" by the first grand jury. This appears to be a question of first impression in this circuit. However, the case upon which McClellan relies, *People v. Dykes,* 86 A.D.2d 191, 449 N.Y.S.2d 284 (2d Dep't 1982) does not support the contention. In *Dykes,* a grand jury returned a "No True Bill" determination. *Id.* at 192, 449 N.Y.S.2d 284. After that grand jury refused to indict, the prosecutor made an ex parte motion for leave to resubmit the charges to a second grand jury. *Id.* The application was premised upon the prosecutor's " 'belief that the dismissal was against the weight of the evidence' and that the dismissal was 'neither based on the legal insufficiency of the evidence nor the absence of reasonable cause to believe that the defendant committed the dismissed charges.' " *Id.* The motion was granted, and the second grand jury returned a True Bill. *Id.* at 192-94, 449 N.Y.S.2d 284. The defendant then moved to dismiss the indictment. *Id.* at 194, 449 N.Y.S.2d 284.

In affirming dismissal, the court stated:

> [A] determination by the Grand Jury that the evidence before it does not warrant an indictment should end the matter and there should not be a resubmission unless it appears, for example, that new evidence has been discovered since the former submission; that the Grand Jury failed to give the case a complete and impartial investigation; or that there is a basis for believing that the Grand Jury otherwise acted in an irregular manner.

Id. at 195, 449 N.Y.S.2d 284. Thus, although the court in *Dykes* found that a factual showing sufficient to justify submission of the case to a second grand jury was lacking, it did recognize that newly discovered evidence could form the basis for resubmission. Newly discovered evidence in the form of an affidavit by Ronald Fordley, relating to a purported jailhouse admission by McClellan, was presented to the court that authorized the presentation of McClellan's case to a second grand jury. Although McClellan characterized the Fordley evidence as "inconsequential" and noted that Fordley was not even called as a witness at trial, the fact remains that the resubmission was properly authorized and the consequent grand jury indictment was valid to establish probable cause for prosecution.

There remains for review the District Court's decision that qualified immunity applied in any event to immunize Smith from all of McClellan's Fourth Amendment claims, an erroneous determination, as will be seen.

IV. *Qualified Immunity*

[7] **[8]** **[9]** The doctrine of qualified immunity offers protection for "government officials performing discretionary functions ... from liability for civil damages insofar as their conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known." *Harlow v. Fitzgerald,* 457 U.S. 800, 818, 102 S.Ct. 2727, 73 L.Ed.2d 396 (1982). This doctrine is said to be justified in part by the risk that the "fear of personal monetary liability and harassing litigation will unduly inhibit officials in the discharge of their duties." *Thomas v. Roach,* 165 F.3d 137, 142 (2d Cir.1999) (quoting *Anderson v. Creighton,* 483 U.S. 635, 638, 107 S.Ct. 3034, 97 L.Ed.2d 523 (1987)). Qualified

immunity also extends to protect a government actor "if it was 'objectively reasonable' for him to believe that his actions were lawful at the time of the challenged act." *Lennon v. Miller,* 66 F.3d 416, 420 (2d Cir.1995); *see Martinez v. Simonetti,* 202 F.3d 625, 634 (2d Cir.2000). It is also settled law that an "arresting officer is entitled to qualified immunity ***148** as a matter of law if the *undisputed facts* and all permissible inferences favorable to the plaintiff show ... that officers of reasonable competence could disagree on whether the probable cause test was met." *Robison v. Via,* 821 F.2d 913, 921 (2d Cir.1987) (emphasis supplied); *see also Malley v. Briggs,* 475 U.S. 335, 341, 106 S.Ct. 1092, 89 L.Ed.2d 271 (1986); *Cerrone v. Brown,* 246 F.3d 194, 203 (2d Cir.2001).

[10] The District Court first found "undisputed facts" demonstrating that "it was objectively reasonable for [Smith] to believe that probable cause existed to arrest [McClellan] for resisting arrest and disorderly conduct" and, therefore, that "[Smith] is entitled to qualified immunity with respect to the remainder of [McClellan's] Fourth Amendment claims." In its opinion on reconsideration, in specific reference to the felony assault charges lodged against McClellan, the District court found that "the only rational conclusion a jury could reach is that reasonable officers would disagree as to whether probable cause existed to charge [McClellan] with the[ ] three felony assault crimes." The Court erred in making these findings by resolving factual conflicts properly within the province of a jury. *United States v. Rem,* 38 F.3d 634, 644 (2d Cir.1994) ("Resolutions of credibility conflicts and choices between conflicting versions of the facts are matters for the jury, not for the court on summary judgment."). And there were indeed many conflicting versions of the facts in this case.

The District Court, however, accepted only one version of the facts presented in arriving at its findings as to objective reasonableness as well as to reasonable police officer disagreement. For example, the District Court found that "[McClellan] does not dispute that [Smith] identified himself as a police officer." This is true, but, according to McClellan, Smith's self-identification was made in such a manner that McClellan did not believe that Smith was an officer because: Smith drove an unmarked car, honked his horn and made an obscene gesture, acted in an agitated and possibly drunken manner, and responded to McClellan's request to see identification in a "loud and threatening voice [stating] that 'he didn't have to show any f---ing ID.' " The District Court also found that McClellan was aware that Smith "possessed a police radio[ ] and called for backup both in his car and while restrained by [McClellan]." This is partially true, but McClellan claims that he was unaware of the radio until after Smith charged out of the car at him, as he couldn't see a police radio or any other equipment in the car. Moreover, McClellan's testimony was that he did not figure out that Smith was actually a police officer until after he actually saw the radio and heard Smith call for backup, at which point he released Smith.

The District Court further found: "[McClellan] also admits to blocking [Smith] from exiting his vehicle." This too is true, but McClellan claims that he did not know Smith was an officer and that he was, in essence, acting in self-defense in trying to restrain what he thought was a drunken and agitated motorist who had been yelling threats at him. Also disputed is the District Court's finding that McClellan admitted "to restrain[ing] [Smith] after [McClellan] discovered [Smith's] serious injury and after [McClellan] witnessed [Smith] call for backup." McClellan claims not to have been immediately aware of Smith's injury and asserts that he let Smith go once he determined that he was actually a police officer.

Finally, there is nothing in the present record to indicate whether "reasonable officers would disagree" as to the propriety ***149** of Smith's actions, and the District Court's finding in that regard therefore was error. The District Court generally failed to heed the rule that resolution of genuine factual issues is inappropriate on motions for summary judgment based on qualified immunity. *See Curry v. City of Syracuse,* 316 F.3d 324, 337 (2d Cir.2003). The District Court's finding that "[t]he variations in [Smith's] testimony all arise from the detailed, fast-moving series of events" involving Smith and McClellan cannot serve to validate Smith's version of the events.

CONCLUSION

The judgment of the District Court is vacated, and the case is remanded to the District Court for further proceedings consistent with the foregoing.

Footnotes

1 The Honorable Jed S. Rakoff, United States District Judge for the Southern District of New York, sitting by designation.

2 The Honorable Joseph M. Hood, United States District Judge for the Eastern District of Kentucky, sitting by designation.

3 The action was discontinued in the District Court as against defendant City of Rensselaer.

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EXHIBIT ZZ

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

143 F.3d 105
United States Court of Appeals,
Second Circuit.

John SCOTTO, Plaintiff-Appellant,
v.
Arcadio ALMENAS, Carol Forman, Kenneth Wegman, Barbara Mei, James F. O'Rorke, Jr., individually and as a member of the law firm of Skadden, Arps, Slate, Meagher & Flom, New York State Division of Parole, Skadden, Arps, Slate, Meagher & Flom, Defendants-Appellees.

Docket No. 97-7673. | Argued Jan. 6, 1998. | Decided May 5, 1998.

Parolee brought § 1983 action against state parole officers, defendant in state court action brought by parolee, and attorneys for defendant in state court action, alleging violation of his civil rights and conspiracy to violate his civil rights. The United States District Court for the Southern District of New York, John S. Martin, Jr., J., 1996 WL 492996, dismissed action against officers and, 1997 WL 218460, granted summary judgment to nongovernment defendants. Parolee appealed. The Court of Appeals, John M. Walker, Jr., Circuit Judge, held that: (1) parole officer who recommended that warrant be issued for parolee's arrest was not entitled to absolute immunity; (2) parole division supervisor who signed arrest warrant based upon parole officer's recommendation was entitled to absolute immunity; (3) parole officer who allegedly threatened to initiate revocation proceedings in exchange for parolee's dropping of state court action was entitled to absolute immunity; and (4) nongovernment defendants were not liable for conspiracy to violate parolee's civil rights.

Affirmed in part, reversed in part, and remanded.

West Headnotes (20)

[1] **Federal Courts**
Trial De Novo
Federal Courts
Pleadings

Court of Appeals reviews de novo district court's dismissal of complaint for failure to state claim, assuming, strictly for purposes of appeal, that facts alleged in complaint are true. Fed.Rules Civ.Proc.Rule 12(b)(6), 28 U.S.C.A.

2 Cases that cite this headnote

[2] **Federal Civil Procedure**
Clear or Certain Nature of Insufficiency

Dismissal for failure to state claim is proper only where it appears beyond doubt that plaintiff can prove no set of facts in support of claim which would entitle him to relief. Fed.Rules Civ.Proc.Rule 12(b)(6), 28 U.S.C.A.

40 Cases that cite this headnote

[3] **Civil Rights**
Defenses; Immunity and Good Faith

Because absolute immunity from § 1983 action detracts from § 1983's broadly remedial purpose, presumption is that qualified rather than absolute immunity is sufficient to protect government officials in exercise of their duties. 42 U.S.C.A. § 1983.

1 Cases that cite this headnote

[4] **Civil Rights**
Government Agencies and Officers

Absolute immunity is proper, in § 1983 action, only in those rare circumstances where official is able to demonstrate that application of absolute immunity to circumstances presented is required by public policy. 42 U.S.C.A. § 1983.

6 Cases that cite this headnote

[5] **Civil Rights**
Government Agencies and Officers

Level of immunity afforded in § 1983 action flows not from official's rank or title or location within government, but from nature of official's responsibilities. 42 U.S.C.A. § 1983.

1 Cases that cite this headnote

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[6] **Civil Rights**
States and Territories and Their Officers and Agencies

Civil Rights
Attorney General and Prosecuting Attorneys

State officials are absolutely immune, in § 1983 action, for acts that are prosecutorial in nature. 42 U.S.C.A. § 1983.

1 Cases that cite this headnote

[7] **Civil Rights**
Prisons, Jails, and Their Officers; Parole and Probation Officers

State parole officer was not entitled to absolute immunity in § 1983 action arising from officer's alleged acts of falsely preparing parole violation report and recommending to supervisor that warrant be issued for parolee's arrest, as officer made no adjudicative decision, officer's actions were not integrally related to judicial process, and officer did not have authority to initiate charges. 42 U.S.C.A. § 1983.

18 Cases that cite this headnote

[8] **Pardon and Parole**
Parole Boards or Officers

Parole officers are entitled to absolute immunity when they perform judicial functions; thus, parole board official is absolutely immune from liability for damages when he decides to grant, deny, or revoke parole, because this task is functionally comparable to that of a judge.

31 Cases that cite this headnote

[9] **States**
Liabilities for Official Acts

The more distant a function is from the judicial process, the less likely absolute immunity will attach to actions of state officials.

14 Cases that cite this headnote

[10] **Pardon and Parole**
Parole Boards or Officers

Parole officers receive absolute immunity for their actions in initiating parole revocation proceedings and in presenting case for revocation to hearing officers, because such acts are prosecutorial in nature.

16 Cases that cite this headnote

[11] **Civil Rights**
Prisons, Jails, and Their Officers; Parole and Probation Officers

Parole officer who allegedly fabricated parole violation and arrested parolee knowing he lacked probable cause to do so was not entitled to qualified immunity as a matter of law, in parolee's resulting § 1983 action; such conduct, if proved, would plainly violate parolee's clearly established right to be free from arrest in absence of probable cause, and it would be objectively unreasonable for officer to believe he had probable cause if officer himself fabricated grounds for arrest. 42 U.S.C.A. § 1983.

14 Cases that cite this headnote

[12] **Civil Rights**
Prisons, Jails, and Their Officers; Parole and Probation Officers

Parole division supervisor who signed arrest warrant based upon parole officer's recommendation was entitled to absolute immunity in parolee's resulting § 1983 action, because supervisor's initiation of parole revocation proceedings was prosecutorial in nature. 42 U.S.C.A. § 1983.

34 Cases that cite this headnote

[13] **Civil Rights**
Criminal Law Enforcement; Prisons

Parole division supervisor could not be subjected to § 1983 damages liability based on respondeat superior or on his failure to supervise parole officer adequately. 42 U.S.C.A. § 1983.

4 Cases that cite this headnote

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[14] **Civil Rights**
Prisons, Jails, and Their Officers; Parole and Probation Officers

Parole officer who allegedly threatened to initiate revocation proceedings unless parolee agreed to dismiss state court action against third parties was entitled to absolute immunity in parolee's resulting § 1983 action, as threat to initiate such proceedings, which was prosecutorial act for which officer was absolutely immune, was interdependent with her demand that parolee dismiss state court action. 42 U.S.C.A. § 1983.

18 Cases that cite this headnote

[15] **Federal Courts**
Trial De Novo

Federal Courts
Summary Judgment

Court of Appeals reviews de novo district court's award of summary judgment, drawing all inferences and resolving all ambiguities in favor of party opposing motion.

6 Cases that cite this headnote

[16] **Federal Civil Procedure**
Absence of Genuine Issue of Fact in General

Federal Civil Procedure
Right to Judgment as Matter of Law

Summary judgment is appropriate where there exists no genuine issue of material fact and, based on the undisputed facts, the moving party is entitled to judgment as a matter of law.

164 Cases that cite this headnote

[17] **Federal Civil Procedure**
Weight and Sufficiency

Nonmoving party may not rely on conclusory allegations or unsubstantiated speculation to oppose summary judgment motion, but must produce specific facts indicating that genuine factual issue exists; if evidence presented by nonmoving party is merely colorable, or is not significantly probative, summary judgment may be granted, and, to defeat motion, there must be evidence on which jury could reasonably find for nonmovant.

1094 Cases that cite this headnote

[18] **Civil Rights**
Cooperation with State Actor

Private parties may be liable in action under § 1983 if they jointly engaged with state officials in challenged action; private parties conspiring with state official are acting under color of state law. 42 U.S.C.A. § 1983.

21 Cases that cite this headnote

[19] **Civil Rights**
Privilege or Immunity; Good Faith and Probable Cause

Even if state actors are absolutely immune in § 1983 action, private parties who conspire with them may be held liable for damages. 42 U.S.C.A. § 1983.

10 Cases that cite this headnote

[20] **Conspiracy**
Conspiracy to Interfere with Civil Rights

Defendant in state court breach of contract action brought by parolee, and defendant's attorneys, were not liable for conspiracy to violate parolee's civil rights, based on parole officers' alleged pursuit of false parole revocation due to parolee's refusal to drop state court action, notwithstanding defendant's and attorneys' communications with parole officers, absent evidence that such communications involved impropriety on part of defendant or attorneys. 42 U.S.C.A. § 1983.

4 Cases that cite this headnote

Attorneys and Law Firms

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John P. Barry, State of New York Attorney General's Office, New York City, for Defendant-Appellee New York State Division of Parole.

Before: VAN GRAAFEILAND, WALKER, Circuit Judges, and KOELTL, District Judge. *

Opinion

JOHN M. WALKER, Jr., Circuit Judge:

Plaintiff-appellant John Scotto brought this action pursuant to 42 U.S.C. § 1983 against defendants-appellees Arcadio Almenas, Carol Forman, and Kenneth Wegman, all officers of the New York State Division of Parole ("DOP") (collectively, the "DOP defendants"), and against defendants-appellees Barbara Mei, James F. O'Rorke, and Skadden, Arps, Slate, Meagher & Flom LLP (collectively, the "non-government defendants"). Scotto alleged that Almenas and Forman ordered him to withdraw a state court action he had filed against Barbara Mei, that Almenas and Forman threatened to file false parole violation charges against Scotto if he refused to comply with this order, and that when Scotto refused to withdraw the state court action, Wegman issued a warrant for his arrest, all in violation of Scotto's civil rights under the United States Constitution. Scotto also alleged that Barbara Mei and her attorneys, O'Rorke and Skadden Arps, conspired with the government defendants to chill his exercise of his civil rights.

Both the DOP defendants and the non-government defendants moved to dismiss the action pursuant to Fed.R.Civ.P. 12(b)(6). The United States District Court for the Southern District of New York (John S. Martin, Jr., *District Judge*) granted the motion as to the DOP defendants, finding that they were "entitled to absolute immunity with respect to plaintiff's § 1983 cause of action." The non-government defendants withdrew their Rule 12(b)(6) motion and resubmitted it as a motion for summary judgment, pursuant to Fed.R.Civ.P. 56. The district court granted that motion, finding that Scotto had failed to present sufficient facts to support an inference of conspiracy. On appeal, Scotto claims that the DOP defendants are not entitled to absolute immunity, and that there are sufficient facts in the record to support an inference that the non-government defendants conspired with the DOP defendants to violate Scotto's civil rights. For the reasons set forth below, we affirm the judgment of the district court as to all defendants except Almenas, and we vacate and remand the case for further proceedings on Scotto's claims against him.

BACKGROUND

In 1992, Scotto was convicted of a felony in California. He was released on parole in 1994 and moved to New York. Pursuant to an agreement between the State of California and the State of New York, administration of Scotto's supervised release was assigned to the DOP. Almenas, an employee of the DOP, was appointed Scotto's parole officer.

In September, 1994, while living in New York, Scotto began to work with Barbara Mei's father, Armando Mei, to redevelop a ***108** restaurant owned by the latter. As a special condition of parole, Scotto was prohibited from participating in any business without the approval of his parole officer. Scotto alleges that he first sought Almenas's approval in February, 1995, and that in May and June 1995, he continued to discuss with Almenas the details of Scotto's proposed participation in the restaurant. According to Scotto, Almenas was supportive and offered suggestions on the content of the agreement that Scotto was negotiating with Armando Mei. On June 30, 1995, Scotto entered into a "Consultant Agreement" with Armando Mei regarding the operation of the restaurant. Mr. Mei, with the assistance of a liquor license consultant, submitted an application on Scotto's behalf to the New York Liquor Authority seeking permission for Scotto to manage a restaurant licensed to serve alcohol.

On July 26, 1995, Armando Mei, already ill when he signed the agreement a month earlier, died. His daughter, Barbara Mei, assumed control of his businesses. Barbara Mei soon informed Scotto that she had no intention of complying with the Consultant Agreement. [1] Scotto alleges that Barbara Mei withdrew his application to the Liquor Authority. In August

1995, Scotto filed an action in New York State Supreme Court against Barbara Mei, alleging breach of contract and tortious interference with contractual relations and seeking damages and specific performance of the agreement (the "state court action"). Barbara Mei was represented by James F. O'Rorke and Skadden Arps. On September 15, 1995, Scotto obtained a preliminary injunction against Barbara Mei preventing her from "selling, subletting, or contracting for management of the restaurant premises unless a copy of the [consultant agreement] was incorporated in any such agreement." On April 30, 1996, the Appellate Division lifted the injunction; and on December 26, 1996, the Supreme Court concluded that the agreement between Armando Mei and Scotto was unlawful and dismissed the action.

Scotto alleges that on or before September 19, 1995, but after the preliminary injunction against her was entered, Barbara Mei and O'Rorke contacted Almenas in an effort to secure the assistance of the DOP in preventing Scotto from pursuing the state court action, and that Almenas agreed to do so. Barbara Mei asserts that the contact was initiated not by her, but by Almenas. She claims that on August 23, 1995, Almenas paid an uninvited visit to her office while she was out of town and left a note asking her to telephone him. On September 15, 1995, when Ms. Mei returned his telephone call, Almenas requested a meeting. On September 20, 1995, Almenas and Barbara Mei met. Ms. Mei and O'Rorke deny ever having asked Almenas for aid of any kind. Instead, Ms. Mei insists that Almenas simply asked several questions about Scotto and the state court action.

On September 26, 1995, according to Scotto, Almenas orally instructed him to discontinue the state court action and threatened to charge him falsely with a parole violation and to plant illegal drugs in his home if he refused. Scotto further claims that at the same time, Almenas and then-Division of Parole Manhattan Area Supervisor Carol Forman forced Scotto to sign a handwritten document, notarized by Forman, wherein Scotto promised to "do whatever is in my power to terminate the lawsuit ... against Barbara Mei." Scotto alleges that Almenas told him that O'Rorke supplied the legal language for this document. On September 26, 1995, Almenas also imposed a written special condition of parole, precluding Scotto "from engaging in or participating in the ownership or management of any establishment which serves liquor ... [and] from entering into any type of business arrangement where [he] would function as a partner, co-owner, business manager, or consultant" in a business that serves liquor. After discussions with his lawyer, Scotto decided not to withdraw the lawsuit. Finally, Scotto alleges that on September 26, 1995, Almenas ***109** telephoned the California parole authorities and falsely advised them that he had charged Scotto with a parole violation.

From September 26 to October 2, 1995, Almenas continued to press Scotto to drop the suit. On October 3, 1995, O'Rorke faxed to Almenas a copy of a letter he had received from Scotto's counsel indicating Scotto's willingness to settle the state court action. During this time, Almenas had several telephone conversations with Barbara Mei and O'Rorke, both of whom claim that each of these calls was initiated by Almenas and that they never asked Almenas for any help with Scotto's state court action. On October 4, 1995, Almenas learned from Barbara Mei and O'Rorke that Scotto's attorney had noticed depositions in the state court action. Scotto alleges that Almenas again demanded that he discontinue the suit.

On October 6, 1995, Almenas obtained the approval of Kenneth Wegman, a supervisor and senior parole officer at the DOP, to issue an arrest warrant charging Scotto with parole violations. Count One of the warrant charged that Scotto "entered into a contractual agreement to manage" two establishments that served liquor "contrary to [Almenas's] standing verbal instructions." Scotto denies that Almenas imposed any such verbal condition; rather, he alleges that Almenas knew of the agreement no later than June, 1995, and was supportive of it. Count Two charged that Scotto signed a contract to operate these establishments without notifying Almenas. Count Three charged that Scotto recorded his conversations with Almenas without the latter's permission. Almenas arrested Scotto on the same day. Scotto was imprisoned for five days before his attorney obtained a writ of habeas corpus from a state judge. On October 25, 1995, a preliminary parole violation hearing was commenced. DOP Regional Director Michael Goldschmid presented the case against Scotto. Scotto alleges that Almenas, Forman, Barbara Mei, and O'Rorke met for several hours in a closed witness room without attorneys during Scotto's parole violation hearing. Five days later, the New York State Attorney General's office discontinued the parole revocation proceeding.

On November 3, 1995, Scotto filed this action in the United States District Court for the Southern District of New York, alleging violations of 42 U.S.C. §§ 1981, 1983, 1985 and 1986. The complaint alleged that the defendants conspired together to chill Scotto's civil rights, including his right to

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petition the government for redress of grievances, in violation of the Fifth and Fourteenth Amendments to the Constitution. Scotto further alleged New York state law claims against the defendants for false arrest and imprisonment, malicious prosecution, and intentional infliction of emotional distress. The claims against the DOP, which enjoys Eleventh Amendment immunity, were voluntarily discontinued in the district court, as were the claims under §§ 1985 and 1986 against all defendants.

On August 26, 1996, the district court dismissed the action against the DOP defendants, finding that they were "entitled to absolute immunity with respect to plaintiff's § 1983 cause of action." In a separate order entered on April 28, 1997, the district court granted the non-government defendants' motion for summary judgment, finding that Scotto failed to present sufficient facts to support an inference that they conspired with state actors to deprive Scotto of federally protected rights. Having dismissed the federal cause of action, the district court declined to exercise supplemental jurisdiction over the state law claims. Scotto appeals.

DISCUSSION

I. Dismissal of Claims Against DOP Defendants

[1] **[2]** We review *de novo* the district court's Rule 12(b)(6) dismissal of the complaint against the DOP defendants. *International Audiotext Network, Inc. v. American Tel. & Tel. Co.*, 62 F.3d 69, 71 (2d Cir.1995) (per curiam); *Austern v. Chicago Bd. Options Exch., Inc.*, 898 F.2d 882, 885 (2d Cir.1990). In reviewing this dismissal, "we must assume-strictly for the purposes of appeal-that the facts alleged in the complaint are true." *Gant v. Wallingford Bd. of Educ.*, 69 F.3d 669, 670 (2d Cir.1995). Rule 12(b)(6) dismissal is proper "only where it appears ***110** beyond doubt that the plaintiff can prove no set of facts in support of the claim which would entitle him to relief." *Branham v. Meachum*, 77 F.3d 626, 628 (2d Cir.1996) (internal quotations omitted).

The district court ruled that the three DOP defendants, parole officers Wegman, Forman, and Almenas, were entitled to absolute immunity, and therefore dismissed the federal claims against those defendants. We agree with the district court's conclusion that Wegman and Forman are absolutely immune from a suit for damages based upon their actions, which were prosecutorial in nature. However, we find that Almenas is entitled only to qualified immunity, and therefore vacate the dismissal of the action against him.

[3] **[4]** **[5]** Section 1983 creates a federal cause of action against any person who, under color of state law, deprives a citizen of any right, privilege, or immunity secured by the Constitution or laws of the United States.[2] State officials are entitled to some degree of immunity from § 1983 damages actions arising from their official acts. Most executive officials receive qualified immunity, whereby "government officials performing discretionary functions ... are shielded from liability ... insofar as their conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known." *Harlow v. Fitzgerald*, 457 U.S. 800, 818, 102 S.Ct. 2727, 2738, 73 L.Ed.2d 396 (1982); *see also Anderson v. Creighton*, 483 U.S. 635, 638, 107 S.Ct. 3034, 3038, 97 L.Ed.2d 523 (1987). A limited number of officials are entitled to absolute immunity from § 1983 damages liability for their official acts. However, because absolute immunity "detracts from section 1983's broadly remedial purpose," *Spear v. Town of W. Hartford*, 954 F.2d 63, 66 (2d Cir.1992), "[t]he presumption is that qualified rather than absolute immunity is sufficient to protect government officials in the exercise of their duties." *Burns v. Reed*, 500 U.S. 478, 486, 111 S.Ct. 1934, 1939, 114 L.Ed.2d 547 (1991). Absolute immunity is proper only in those rare circumstances where the official is able to demonstrate that the application of absolute immunity to the circumstances presented is required by public policy. *See Cleavinger v. Saxner*, 474 U.S. 193, 201, 106 S.Ct. 496, 500-01, 88 L.Ed.2d 507 (1985); *Butz v. Economou*, 438 U.S. 478, 506, 98 S.Ct. 2894, 2910-11, 57 L.Ed.2d 895 (1978); *Stewart v. Lattanzi*, 832 F.2d 12, 13 (2d Cir.1987) (per curiam); *Barrett v. United States*, 798 F.2d 565, 571 (2d Cir.1986). Courts take a functional approach when determining whether an official receives qualified or absolute immunity; the level of immunity "flows not from rank or title or location within the Government, but from the nature of the [official's] responsibilities." *Cleavinger*, 474 U.S. at 201, 106 S.Ct. at 501 (internal quotations and citations omitted).

[6] Absolute immunity for judicial acts is well established. *See, e.g., id.* at 199-200, 106 S.Ct. at 499-500; *Stump v. Sparkman*, 435 U.S. 349, 98 S.Ct. 1099, 55 L.Ed.2d 331 (1978); *Pierson v. Ray*, 386 U.S. 547, 553-54, 87 S.Ct. 1213, 1217-18, 18 L.Ed.2d 288 (1967); *see also Butz*, 438 U.S. at 513-14, 98 S.Ct. at 2914-15 (administrative law judges are absolutely immune for adjudicatory acts); *Stewart*, 832 F.2d at 13 ("If the official acts adjudicatively, the official probably has absolute immunity."). State officials are also immune for acts that are prosecutorial in nature. *See Imbler*

v. Pachtman, 424 U.S. 409, 427-30, 96 S.Ct. 984, 993-95, 47 L.Ed.2d 128 (1976); *see also Butz,* 438 U.S. at 515, 98 S.Ct. at 2915 ("agency officials performing certain functions analogous to those of a prosecutor should be able to claim absolute immunity with respect to such acts"); *Spear,* 954 F.2d at 66.

The DOP defendants all claim that their actions were prosecutorial and/or adjudicatory in nature, thereby triggering absolute immunity. On the other hand, Scotto alleges ***111** that the actions of the parole officers were investigatory or administrative in nature and thus were entitled only to qualified immunity. To resolve this question, we must examine the role played by each DOP defendant to determine whether he or she performed a function for which absolute immunity is required. *See Stewart,* 832 F.2d at 13. While generally this is a factual inquiry, in the present case the functions performed by each DOP defendant are essentially undisputed; no further factual development is necessary.

a. Almenas

1. Absolute Immunity

[7] **[8]** Almenas is not entitled to absolute immunity. Parole officers are entitled to absolute immunity when they perform judicial functions. Thus, a parole board official is absolutely immune from liability for damages when he "decide[s] to grant, deny, or revoke parole," because this task is functionally comparable to that of a judge. *Sellars v. Procunier,* 641 F.2d 1295, 1303 (9th Cir.1981). *Accord, Wilson v. Kelkhoff,* 86 F.3d 1438, 1443-44 (7th Cir.1996); *Anton v. Getty,* 78 F.3d 393, 396 (8th Cir.1996); *Russ v. Uppah,* 972 F.2d 300, 303 (10th Cir.1992); *Knoll v. Webster,* 838 F.2d 450, 451 (10th Cir.1988) (per curiam); *Evans v. Dillahunty,* 711 F.2d 828, 831 (8th Cir.1983); *United States ex rel. Powell v. Irving,* 684 F.2d 494, 496-97 (7th Cir.1982); *David v. Rodriguez,* No. 88 CIV. 2115(JFK), 1989 WL 105804, at *2 (S.D.N.Y. Sept.5, 1989); *Smiley v. Davis,* No. 87 CIV. 6047(MGC), 1988 WL 78306, at *3-*4 (S.D.N.Y. July 14, 1988); *Anderson v. New York State Div. of Parole,* 546 F.Supp. 816, 825 (S.D.N.Y.1982). However, Almenas did not make an adjudicative decision to revoke Scotto's parole. According to the complaint, Almenas only recommended to Wegman that a warrant be issued for Scotto's arrest. Therefore, Almenas is not entitled to immunity on this ground. *See Russ,* 972 F.2d at 303 (granting absolute immunity to parole board members for quasi-judicial act of revoking parole, but denying immunity to parole officer who recommended revocation).

Nor were Almenas's actions "integrally related to the judicial process." *Dorman v. Higgins,* 821 F.2d 133, 136 (2d Cir.1987); *see also Cleavinger,* 474 U.S. at 200, 106 S.Ct. at 500; *Wilson,* 86 F.3d at 1444 (absolute immunity proper for "activities that are inexorably connected with the execution of parole revocation procedures and are analogous to judicial action") (internal quotation marks omitted). In *Dorman,* we granted absolute immunity from damages suits to federal probation officers for their preparation of presentence reports ("PSRs") because "in preparing presentence reports, a federal probation officer acts as an arm of the court...." 821 F.2d at 137. *Accord, Tripati v. INS,* 784 F.2d 345, 348 (10th Cir.1986)(per curiam); *Spaulding v. Nielsen,* 599 F.2d 728, 729 (5th Cir.1979)(per curiam); *see also, Hili v. Sciarrotta,* 140 F.3d 210, 213 (2d Cir.1998) (New York state probation officers absolutely immune for preparing and furnishing presentence reports); *Anton,* 78 F.3d at 396 (state parole officers receive absolute immunity for preparing equivalent of PSR).

[9] However, "[t]he more distant a function is from the judicial process, the less likely absolute immunity will attach." *Snell v. Tunnell,* 920 F.2d 673, 687 (10th Cir.1990). In *Galvan v. Garmon,* 710 F.2d 214, 215-16 (5th Cir.1983)(per curiam), the Court of Appeals for the Fifth Circuit declined to extend absolute immunity to a state probation officer who mistakenly caused the arrest and incarceration of a probationer. Distinguishing its opinion in *Spaulding,* 599 F.2d at 729, where the court granted federal probation officers immunity for the preparation of PSRs, the court explained that the probation officer in *Galvan* "acted at her own initiative," rather than at the initiative of the court as in *Spaulding,* "and at a different phase of the criminal process less intimately associated with the judiciary." *Galvan,* 710 F.2d at 215. *See also Ray v. Pickett,* 734 F.2d 370, 372-73 (8th Cir.1984) (probation officers not absolutely immune for filing probation violation reports; in filing a probation report, "[t]he probation officer is not acting as closely with the court as in the presentence report process"); *Snell,* 920 F.2d at 692 n. 18 ("In contrast to the preparation of [PSRs], other decisions ... by a ... parole officer warrant only qualified ... immunity because such ***112** decisions are further removed from the judicial process and are not initiated by courts."). As in *Galvan* and *Ray,* Almenas's actions in preparing Scotto's parole violation report and in recommending that an arrest warrant issue were not

performed under judicial direction and occurred before the initiation of parole revocation proceedings. Therefore, we conclude that Almenas has not performed judicial functions entitling him to absolute immunity.

[10] Parole officers also receive absolute immunity for their actions in initiating parole revocation proceedings and in presenting the case for revocation to hearing officers, because such acts are prosecutorial in nature. *See Ray,* 734 F.2d at 374; *David,* 1989 WL 105804, at *2; *Smiley,* 1988 WL 78306, at *4; *Miller v. Garrett,* 695 F.Supp. 740, 745 (S.D.N.Y.1988); *Johnson v. Kelsh,* 664 F.Supp. 162, 166 (S.D.N.Y.1987); *Anderson v. New York State Div. of Parole,* 546 F.Supp. at 825; *see also Spear,* 954 F.2d at 66 (discussing rationale for prosecutorial immunity); *Schloss v. Bouse,* 876 F.2d 287, 289 (2d Cir.1989) (same). Almenas did not present the case to the hearing officer, so his entitlement to absolute immunity depends on whether he initiated the prosecution by making the discretionary decision to bring charges against Scotto and thereby begin the revocation process. *Cf. Butz,* 438 U.S. at 515, 98 S.Ct. at 2915 ("[a]n agency official, like a prosecutor, may have broad discretion in deciding whether a proceeding should be brought and what sanctions should be sought" and "should be able to claim absolute immunity with respect to such acts").

In this case, Almenas did not have the discretionary authority to initiate parole revocation proceedings against Scotto. Under New York state regulations, if a parole officer believes that a parolee under his supervision has violated a condition of his parole, "such parole officer *shall* report such fact to a member of the board or a designated officer." N.Y. Comp.Codes R. & Regs. tit. 9, § 8004.2(a) (emphasis added). Upon receipt of such a report, "[t]he member or designated officer *may* issue a warrant ... provided that the designated officer issuing the warrant shall not also be the officer recommending issuance of the warrant." *Id.* at § 8004.2(b) (emphasis added). Once a warrant is issued, a preliminary hearing is held and the adjudicatory process begins. *See id.* at § 8004.3. Consistent with these regulations, Almenas submitted a parole violation report to Wegman, who decided to issue the warrant.

Faced with a similar scenario, the Court of Appeals for the Eighth Circuit held that a federal probation officer is not entitled to absolute immunity for filing a probation report. *Ray,* 734 F.2d at 374. As in New York, a federal probation officer submits a report to the Parole Commission when he suspects a parolee has violated his parole. The Parole Commission then makes a discretionary judgment as to whether to initiate revocation proceedings. Under these circumstances, the court found that the parole officer had not "initiated" a prosecution in a manner justifying absolute immunity.

> We cannot conclude that the probation officer, in filing a parole violation report, exercises the same degree of discretion as a prosecutor in initiating a criminal prosecution.... We believe that the probation officer's function in this context is more akin to a police officer in deciding whether there is probable cause for an arrest than it is to that of a prosecutor in deciding whether to initiate a prosecution.

Id. The Court of Appeals for the Seventh Circuit has reached the same conclusion. *See Wilson,* 86 F.3d at 1445-46 (Illinois parole officer's decision to file a report "does not have a prosecutorial or judicial analog and, consequently, does not fall within the ambit of absolute immunity").

Although district courts in this circuit have differed on this question, *compare Smiley,* 1988 WL 78306, at *4 (New York parole officer's role in filing a report "is not sufficiently analogous to the role of a prosecutor in initiating criminal proceedings to warrant absolute immunity") *with Conner v. Alston,* 701 F.Supp. 376, 378 (E.D.N.Y.1988) (parole officers absolutely immune for recommending issuance of parole warrant), we agree with the analysis in *Wilson* and *Ray.* Almenas's role was investigatory, not prosecutorial. Upon deciding that Scotto had probably ***113** violated his parole, Almenas was required to recommend that a warrant issue. Senior parole officer Wegman thereafter made the discretionary decision to issue the warrant and initiate the parole revocation "prosecution." Almenas's role was similar to that of a police officer applying for an arrest warrant, a function for which qualified immunity is sufficient. We decline to extend absolute immunity more than is strictly necessary to safeguard the independent exercise of the prosecutorial function. For the foregoing reasons, we believe that Almenas is not entitled to absolute immunity for the actions alleged in Scotto's complaint.

2. Qualified Immunity

The district court did not consider, and the parties have not briefed, whether or not Almenas, as alleged by Scotto, violated clearly established constitutional norms of which an objectively reasonable person should have been aware. *See Anderson,* 483 U.S. at 640, 107 S.Ct. at 3039; *Harlow,* 457 U.S. at 818, 102 S.Ct. at 2738. Unless he did so, Almenas enjoys qualified immunity from § 1983 damages liability for his actions.

[11] On the present record, Almenas cannot establish his entitlement to qualified immunity as a matter of law. Scotto alleges that Almenas fabricated a parole violation and arrested him knowing he lacked probable cause to do so. Such conduct, if proved, would plainly violate Scotto's clearly established right to be free from arrest in the absence of probable cause. *See Ricciuti v. New York City Transit Auth.,* 124 F.3d 123, 128 (2d Cir.1997) (right not to be arrested without probable cause is clearly established); *Oliveira v. Mayer,* 23 F.3d 642, 648 (2d Cir.1994) (same). Moreover, it would be objectively unreasonable for Almenas to believe he had probable cause to arrest Scotto if Almenas himself fabricated the grounds for arrest. No "reasonably competent [ ] officers could disagree," *Ricciuti,* 124 F.3d at 128; *see also Golino v. City of New Haven,* 950 F.2d 864, 870 (2d Cir.1991), that a parole officer can not properly rely on evidence he knows to be false. Therefore, Rule 12(b)(6) dismissal would not be appropriate on the basis of qualified immunity. On remand, further factual development, either at trial or at the summary judgment stage, will be necessary to determine whether qualified immunity is available to Almenas.

b. Wegman

[12] The district court properly dismissed the action against Wegman. First, Wegman is entitled to absolute immunity from civil damages liability for the actions about which Scotto complained. Wegman's discretionary decision to sign the arrest warrant based upon Almenas's recommendation initiated the parole revocation proceedings and was prosecutorial in nature. *See, e.g., Wilson,* 86 F.3d at 1446 (parole officer entitled to absolute immunity for "deciding to issue an arrest warrant based upon evidence gathered by others," but not for investigating charge and filing report); *Smiley,* 1988 WL 78306, at *4 (unlike New York parole officer who filed violation report, his supervisor's issuance of warrant "was functionally equivalent to the duties of a prosecutor" and was entitled to absolute immunity). Therefore, Wegman is entitled to absolute immunity.

[13] Second, insofar as Scotto premises liability on Wegman's inadequate supervision of Almenas, the district court properly dismissed the action. Wegman cannot be subjected to § 1983 damages liability based on *respondeat superior* or on his failure to supervise Almenas adequately. *See McKinnon v. Patterson,* 568 F.2d 930, 934 (2d Cir.1977) (plaintiff must allege personal involvement of defendant in alleged constitutional deprivation); *Smiley,* 1988 WL 78306, at *2.

c. Forman

[14] The district court also properly dismissed the claims against Forman. The only direct role Forman is alleged to have played was her threat to initiate proceedings to revoke Scotto's parole unless he agreed to dismiss the state court action against Barbara Mei, O'Rorke, and Skadden Arps. In *Schloss v. Bouse,* 876 F.2d 287, 289 (2d Cir.1989), we held that a municipal prosecutor was absolutely immune for his decision to forgo prosecution of the plaintiff in exchange for the plaintiff's promise to release certain claims ***114** against the municipality and its police officers. We concluded that since a prosecutor possesses absolute immunity for his decision to prosecute, "as a matter of logic, absolute immunity must also protect the prosecutor from damages suits based on his decision not to prosecute." *Id.* at 290. Because the prosecutor's threat to prosecute was "interdependent" with his demand for releases, we found that the prosecutor was entitled to absolute immunity for his conditional decision not to prosecute. *Id.* at 291.

Unlike Almenas, but like Wegman, Forman had the authority to initiate or not to initiate parole revocation proceedings against Scotto. Therefore, Forman's threat to initiate such proceedings, an act for which she is absolutely immune, was "interdependent" with her demand that Scotto dismiss the state court action. *Id.* Forman is thus entitled to absolute immunity.

II. *Summary Judgment in Favor of the Non-government Defendants*

[15] **[16]** **[17]** The district court granted summary judgment to the non-government defendants. We review *de novo* the district court's award of summary judgment, drawing all inferences and resolving all ambiguities in favor of the party opposing the motion. *See Ryan v. Grae & Rybicki, P.C.,* 135 F.3d 867, 869 (2d Cir.1998). "[S]ummary judgment is appropriate where there exists no genuine issue of material fact and, based on the undisputed facts, the

moving party is entitled to judgment as a matter of law." *D'Amico v. City of New York,* 132 F.3d 145, 149 (2d Cir.1998); *see also Anderson v. Liberty Lobby, Inc.,* 477 U.S. 242, 247-48, 106 S.Ct. 2505, 2509-10, 91 L.Ed.2d 202 (1986). The non-moving party may not rely on conclusory allegations or unsubstantiated speculation. *See D'Amico,* 132 F.3d at 149; *Argus Inc. v. Eastman Kodak Co.,* 801 F.2d 38, 42 (2d Cir.1986) ("mere conjecture or speculation by the party resisting summary judgment does not provide a basis upon which to deny" the motion) (internal quotation marks omitted). Instead, "the non-movant must produce specific facts indicating" that a genuine factual issue exists. *Wright v. Coughlin,* 132 F.3d 133, 137 (2d Cir.1998); *see also Celotex Corp. v. Catrett,* 477 U.S. 317, 322, 106 S.Ct. 2548, 2552, 91 L.Ed.2d 265 (1986). "If the evidence [presented by the non-moving party] is merely colorable, or is not significantly probative, summary judgment may be granted." *Liberty Lobby,* 477 U.S. at 249-50, 106 S.Ct. at 2511 (internal citations omitted). To defeat a motion, "there must be evidence on which the jury could reasonably find for the [non-movant]." *Id.* at 252, 106 S.Ct. at 2512.

[18] **[19]** Although Barbara Mei, O'Rorke, and Skadden Arps are not state actors, they may nonetheless be liable in an action under § 1983 if they "jointly engaged with state officials in the challenged action.... [P]rivate parties conspiring with [a state official are] acting under color of state law...." *Dennis v. Sparks,* 449 U.S. 24, 27-28, 101 S.Ct. 183, 186, 66 L.Ed.2d 185 (1980); *see also Rounseville v. Zahl,* 13 F.3d 625, 633 (2d Cir.1994)(involvement of state actor in a conspiracy may ground § 1983 claim against the other conspirators). Even if the state actors are absolutely immune from suit, as are Wegman and Forman, private parties who conspire with them may be held liable for damages. *Dennis,* 449 U.S. at 28, 101 S.Ct. at 186-87; *Rounseville,* 13 F.3d at 633; *Dykes v. Hosemann,* 743 F.2d 1488, 1494 (11th Cir.1984), *rev'd in part on other grounds,* 776 F.2d 942 (11th Cir.1985) (en banc), and *modified,* 783 F.2d 1000 (11th Cir.1986). To defeat the non-government defendants' motion for summary judgment, however, Scotto must present sufficient evidence to support an inference that an improper conspiracy took place. He has not done so.

[20] Scotto argues that he has presented enough circumstantial evidence to allow a jury reasonably to determine that O'Rorke and Barbara Mei "reached an understanding" with Forman and Wegman to violate Scotto's rights. *Adickes v. S.H. Kress & Co.,* 398 U.S. 144, 152, 90 S.Ct. 1598, 1605-06, 26 L.Ed.2d 142 (1970). This evidence consists primarily of several telephone calls and other communications between Almenas and the non-government defendants. However, this evidence does no more than demonstrate that Mei and O'Rorke cooperated with Almenas's investigation into Scotto's alleged parole violation. ***115** In *San Filippo v. U.S. Trust Co.,* 737 F.2d 246, 256 (2d Cir.1984), on similar facts, we affirmed the district court's award of summary judgment to private defendants in a § 1983 action. The plaintiff had alleged that the defendants had conspired with a district attorney to falsely bring charges against the plaintiff; but the plaintiff's only evidence was the fact that the defendants and the district attorney met and otherwise communicated on several occasions. We held that there was "nothing suspicious or improper in such meetings, which are routine and necessary in the preparation of evidence," and that the "mere allegation of their occurrence is [not] sufficient to create a material issue of fact as to whether something improper took place during them...." *Id.*

Scotto has not presented any evidence to support the inference of impropriety that he would draw from Almenas's contact with Barbara Mei and O'Rorke. Both O'Rorke and Barbara Mei specifically deny in their affidavits that they initiated the contact with Almenas, and Scotto has presented no evidence to the contrary. *See Leon v. Murphy,* 988 F.2d 303, 311 (2d Cir.1993) (allegations by plaintiff insufficient to defeat defendants' summary judgment motion in § 1983 conspiracy action where "allegations are unsupported by any specifics, and many of them are flatly contradicted by the evidence proffered by defendants...."). In short, there is nothing in the series of communications between Ms. Mei, O'Rorke, and Almenas, other than Scotto's unsubstantiated speculation, to suggest that anything untoward took place. *Cf. Dory v. Ryan,* 999 F.2d 679, 683 (2d Cir.1993), *modified on reh'g,* 25 F.3d 81 (2d Cir.1994) (summary judgment improper in § 1983 conspiracy action where plaintiff presented affidavit by government witness indicating existence of conspiracy between prosecutor and government witnesses); *Dykes,* 743 F.2d at 1498-99 (summary judgment improper where plaintiff presented extensive evidence supporting inference that private actors were active, willful participants in illegal action by state judge); *Gramenos v. Jewel Cos.,* 797 F.2d 432, 436 (7th Cir.1986)(summary judgment proper where shopkeeper asked police officer to arrest plaintiff and every witness testified there was no agreement between officer and shopkeeper).

Scotto attempts to support his claim of conspiracy by making other allegations of purported collaboration between Almenas

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and the non-government defendants. These allegations are not substantiated in any way and most are directly contradicted by the affidavits of those who would have first-hand knowledge of the incidents in question. In sum, none of Scotto's "evidence" is sufficient to defeat the non-government defendants' motion for summary judgment.

CONCLUSION

The district court's judgment is affirmed insofar as it dismissed Scotto's claims against defendants Forman and Wegman and granted the summary judgment motion of defendants Barbara Mei, O'Rorke, and Skadden Arps. The district court's judgment is vacated insofar as it dismissed Scotto's claims against Almenas, and the case is remanded for further proceedings as to him. On remand, the district court should reconsider its decision to decline to exercise supplemental jurisdiction over Scotto's state law claims against Almenas in light of our decision reinstating the federal claims against him.

Footnotes

* The Honorable John G. Koeltl, of the United States District Court for the Southern District of New York, sitting by designation.

1 Barbara Mei claims she believed that the agreement was illegal because it purported to give a felon the authority to manage a business with a liquor license without approval of the New York Alcoholic Beverage Control Board, in violation of N.Y. Alco. Bev. Cont. Law § 102(2). In addition, Barbara Mei believed that due to his illness, her father was not competent to enter into an agreement on the day he signed the contract.

2 42 U.S.C. § 1983 provides in relevant part:

> Every person who, under color of any statute, ordinance, regulation, custom, or usage of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress.

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EXHIBIT AAA

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

1999 WL 381033 (Trademark Tr. & App. Bd.)

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Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

IN RE SUNGARD DEVELOPMENT CORPORATION

Serial Nos. 75/031,718 and 75/031,719
June 9, 1999
Hearing: June 4, 1998

*1 Glenn A. Gundersen and Stephanie E. Thier of Dechert Price & Rhoads for SunGard Development Corporation.
David N. Mermelstein, Trademark Examining Attorney
Law Office 103
(Michael Szoke, Acting Managing Attorney).

Before Cissel, Hanak and Hairston
Administrative Trademark Judges.
Opinion by Hairston
Administrative Trademark Judge:

SunGard Development Corporation has filed intent-to-use applications to register the marks PANORAMA [1] and SUNGARD PANORAMA [2] for "computer software used by institutional and corporate capital market groups in managing market, credit and other financial risks in connection with the trading of securities, currency derivatives and other financial instruments."

The Examining Attorney has finally refused registration in each application pursuant to Section 2(d) of the Trademark Act, 15 U.S.C. 1052(d), on the basis of Registration No. 1,357,720 for the mark PANORAMA for "computer programs and instructional manuals sold as a unit [and] computer magnetic storage discs." [3]

Applicant has appealed. Briefs have been filed and an oral hearing was held. Because both cases involve similar records and the identical issue, we will consider them in a single opinion.

Before turning to the merits of this case, we must first discuss an evidentiary matter. Applicant, for the first time in its brief on the case, listed a third-party application (75/146,119) and two registrations (1,880,414 and 2,047,381) in support of its contention that the cited mark is not entitled to a broad scope of protection. The Examining Attorney, in his brief, objected to this "evidence" as being untimely submitted. Applicant then filed a request to remand its application to permit introduction of copies of the third-party application and two registrations along with another third-party application (74/686,849). Accompanying the request were photocopies of the registrations and printouts of information concerning the applications taken from the TRADEMARKSCAN data base. In support of its request, applicant stated that "a clear pattern has emerged since the date of Applicant's final office action response in which four different narrowly-defined PANORAMA software marks have been approved for registration notwithstanding the breadth of the cited registration." The Board granted applicant's request and noted that "applicant states that the third-party registrations and applications were not in existence before the date of the applicant's last response but came into existence a few months prior to applicant's filing of the notice of appeal..."

It is the Examining Attorney's position that Registration No. 1,880,414 is not "new evidence" and was available prior to the filing of the appeal. Thus, the Examining Attorney maintains that the Board should not consider this registration. Further, the

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Examining Attorney argues that the printouts of the information concerning the applications should not be considered since they were taken from a private company's data base.

*2 Trademark Rule 2.142(d) provides that the record in an application should be complete prior to the filing of the appeal and that the Board will ordinarily not consider evidence submitted after an appeal is filed. Although it appeared from applicant's statement in its remand request that Registration No. 1,880,414 was newly issued, it is clear that this registration issued well prior to the filing of the appeal and could have been made of record earlier. Thus, the Examining Attorney's objection is sustained.

Also, submission of printouts of information concerning applications or registrations taken from a private party's data base does not make the applications or registrations of record. The proper procedure to make applications or registrations of record, instead, is to submit copies of the actual registrations or the electronic equivalent thereof, i.e., printouts of the registrations taken from the Patent and Trademark Office's own computerized data base. See In re Melville Corp., 18 USPQ2d 1386, 1388-89 (TTAB 1991) at n. 2. Thus, we have given no consideration to Registration No. 1,880,414 or Application Serial Nos. 74/686,849 and 75/146,119.

We turn then to the issue of likelihood of confusion. With respect to the goods, applicant maintains that its computer software is used for a highly specialized purpose and is sold to sophisticated purchasers, whereas the computer programs in the cited registration are for basic tasks such as word processing or document generation. According to applicant, even though the function of registrant's computer programs is not specified in the identification of goods because this was not a requirement that would have been made by the Patent and Trademark Office at the time the registration issued, the function of registrant's programs may be deduced from registrant's name ("Panorama Office Systems") and the context of the identification of goods as contained in the registration as originally issued ("Electronic data processors, word processors, keyboards, visual display units, printers, power and signal cables, computer programs and instructional manuals sold as a unit, computer magnetic storage discs, and daisy-wheel printers" in Class 9; and "Typewriters, typewriter ribbons and typewriter type elements" in Class 16). Further, applicant argues that the identification of goods in the cited registration should not be interpreted so broadly as to include all computer programs, particularly inasmuch as the Office now requires that any identification of goods for computer programs or comparable goods specify the purpose or function of the programs and because the Office has allowed other PANORAMA marks for computer software where the purpose or function of the software is specified. [4]

The Examining Attorney, on the other hand, citing In re Linkvest, S.A., 24 USPQ2d 1716 (TTAB 1992), argues that because registrant's goods are broadly described as "computer programs," it must be presumed that registrant's goods encompass all types of computer programs, including the specific type sold by applicant.

*3 The Examining Attorney acknowledges that Office practice has changed such that any identification of goods for computer programs must now specify the purpose or function thereof. Also, the Examining Attorney acknowledges that the question of the construction of a broadly worded identification of goods, particularly in regards to computer programs, is a recurring one. However, the Examining Attorney notes that *Linkfest* is still cited in the TMEP with approval, and argues that it would be unfair for the Board, in effect, to narrow the scope of the registrant's identification of goods in a proceeding such as this ex parte appeal, where registrant is not even a party.

That the question of likelihood of confusion must be determined on the basis of the goods set forth in an applicant's application and those in the cited registration, rather than on what the evidence may show them to be, is a well established principle. See Canadian Imperial Bank of Commerce v. Wells Fargo Bank, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987). Additionally, it is well settled that where a registrant's goods are broadly described in its registration so as to include types of goods which are identical or similar to an applicant's goods, then that applicant in an ex parte case cannot argue that, in point of fact, registrant actually uses its mark on goods which are dissimilar to applicant's. In re Elbaum, 211 USPQ 639 (TTAB 1981).

Nevertheless, the Board has, on at least one occasion, looked to extrinsic evidence, not for the purpose of narrowing the description of goods in a cited registration, but for the purpose of ascertaining the precise nature of the goods. See In re

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Trackmobile, Inc., 15 USPQ2d 1152, 1154 (TTAB 1980). [["...when the description of goods for a cited registration is somewhat unclear, as is the case herein, it is improper to simply consider that description in a vacuum and attach all possible interpretations to it when the applicant has presented extrinsic evidence showing that the description of goods has a specific meaning to members of the trade."] See also: In re Protection Controls, Inc., 185 USPQ 692, 694 (TTAB 1975) ["...[T]he identification of goods in the [cited] registration as "monitoring instrument," per se, is so indefinite and so all inclusive as to be meaningless in attempting to ascertain whether the respective monitoring apparatus [of applicant and registrant] relate to the same or disparate fields...[T]he better approach in this particular situation...is to authorize publication of the mark for opposition..."); and Acomb v. Plywood Plastics Corp., 187 USPQ 188, 190 (TTAB 1975) ["Judicial interpretation, as reflected by decisions of this and other tribunals, has accorded a registration in which the goods are recited in a general rather then a specific manner a broad scope of protection sufficient to cover all types of the particular product or products enumerated therein. However,...in the instant case, 'molded wood products consisting of particulate wood and resin' [[the description of goods in the cited registration] is so broad and comprehensive as to be devoid of any information as to just what molded wood products are marketed by opposer."]

***4** We believe this case presents a situation similar to those above. The description "computer programs" is so broad and comprehensive as to be devoid of any information as to just what computer programs are marketed by registrant. [5] Thousands of computer programs are sold in today's marketplace for diverse purposes, and it is highly unlikely that any single company markets every type of computer program. Indeed, the Trademark Examining Group has recognized that "computer programs" is an outdated description and applicants are now required to specify the function or purpose of their computer programs. [6] It is, therefore, improper to simply consider the description "computer programs" in a vacuum and attach all possible interpretations to it where, as here, there is evidence from which we may determine the nature of registrant's computer programs. Stated differently, in this case we believe it is appropriate to consider the entire identification of goods at the time the registration issued in order to ascertain the nature of registrant's computer programs. Considering then that the registration, when issued, covered various office supplies and equipment for document production, it would be unreasonable to read registrant's "computer programs" so broadly as to include all types of computer programs, including those for managing market, credit and other financial risks in connection with the trading of securities, currency derivatives and other financial instruments. Rather, a reasonable reading of the registration leads us to conclude that registrant's "computer programs" are for document production, e.g., word processing.

We reject, however, applicant's argument that the function of registrant's computer programs may be deduced from registrant's name ("Panorama Office Systems"). It is common knowledge that a company often starts in one field and then expands into other areas, yet retains its original name. In such a situation, the original name is not an accurate reflection of the products the company markets. Thus, we have not considered registrant's name in determining the nature of registrant's computer programs.

There are significant differences between computer programs for document production and applicant's highly specialized computer software for financial applications used by institutional and corporate capital market groups. The latter are generally demonstrated before purchase and are sold to very sophisticated purchasers. The former are not. For the foregoing reasons, we find that applicant's use of the marks PANORAMA and SUNGARD PANORAMA for computer software used by institutional and corporate capital market groups in managing market, credit and other financial risks in connection with the trading of securities, currency derivatives and other financial instruments is not likely to cause confusion with registrant's mark PANORAMA. [7]

We wish to make clear that we are not overruling, nor could we, the legal principle set forth by our principal reviewing Court that, in determining likelihood of confusion in ex parte cases, the Board must compare applicant's goods as set forth in its application with the goods as set forth in the cited registration. We have simply considered the information provided in the entire registration, as issued, in determining the nature of the goods set forth therein. Had there been no, or insufficient, information therein from which to base such a determination, the Board would have been obliged to presume that registrant's goods included all types of computer programs. If, based on that, we had found that there was a likelihood of confusion, applicant's remedy would then have been to petition to restrict the registration. See Section 18 of the Trademark Act.

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*5 Moreover, if registrant's computer programs are not of the nature we have determined them to be, and registrant believes it will be damaged by registration of applicant's mark, registrant is free to oppose.

Decision: The refusal to register is reversed in each case. [8]

R. F. Cissel

E. W. Hanak

P. T. Hairston

Administrative Trademark Judges, Trademark Trial and Appeal Board

Footnotes

1 Application Serial No. 75/031,718 filed December 12, 1995.

2 Application Serial No. 75/031,719 filed December 12, 1995.

3 Issued September 3, 1985; partial Section 8 affidavit filed. As will be discussed infra, when this registration issued, it covered additional goods.

4 In urging reversal of the refusal to register, applicant also points to a concurring opinion in a decision of the Board which was not designated for publication in full. Such decisions, with certain exceptions not applicable here, are not citable as precedent, even if a copy of the decision is submitted. See TMBP 101.03 and cases cited therein.

5 We note, in this regard, that the Microsoft Press Computer Dictionary (3d. 1997), at page 111, defines "computer program" as "[a] set of instructions in some computer language intended to be executed on a computer so as to perform some task."

6 See TMEP §804.03(b).

7 As for applicant's argument that the cited mark is not entitled to a broad scope of protection because other registrations/applications have issued and/or been approved by the Office since issuance of the cited registration, only one such registration is properly of record, i.e., Registration No. 2,047,381. The existence of this registration was not a basis for our decision herein.

8 We recognize that the Examining Attorney was constrained to make this refusal due to Office practice. We commend him on his thorough discussion of the issues in this case.

1999 WL 381033 (Trademark Tr. & App. Bd.)

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EXHIBIT BBB

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

2007 WL 2415745 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

IN RE OPTICAL SENSORS INC.

SERIAL 78566607
August 13, 2007

*1 Barbara A. Wrigley of Oppenheimer Wolff & Donnelly LLP for Optical Sensors Inc.
John S. Yard, Trademark Examining Attorney
Law Office 115
(Tomas V. Vlcek, Managing Attorney)

Before Hohein, Grendel and Zervas
Administrative Trademark Judges
Opinion by Hohein
Administrative Trademark Judge:

Optical Sensors Inc. has filed an application to register on the Principal Register in standard character form the mark "ACQTRAC" for "non-invasive hemodynamic monitoring systems for vascular and cardiovascular diagnostics, comprised of monitoring and diagnostic devices for measuring hemodynamic variables" in International Class 10. [1]

Registration has been finally refused under Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d), on the ground that applicant's mark, when applied to its goods, so resembles the mark "ACCUTRACKER," which is registered on the Principal Register in standard character form for "ambulatory blood pressure monitors" in International Class 10, [2] as to be likely to cause confusion, or to cause mistake, or to deceive.

Applicant has appealed and has filed a brief. [3] The Examining Attorney has filed a brief. [4] We reverse the refusal to register.

Our determination under Section 2(d) is based on an analysis of all of the facts in evidence which are relevant to the factors bearing on the issue of whether there is a likelihood of confusion. In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563, 568 (CCPA 1973). However, as indicated in Federated Foods, Inc. v. Fort Howard Paper Co., 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976), in any likelihood of confusion analysis, two key considerations are the similarity or dissimilarity in the goods at issue and the similarity or dissimilarity of the respective marks in their entireties. [5] Two other key factors in this case concern the conditions under which and buyers to whom sales of the goods at issue are made and the similarity or dissimilarity of established, likely to continue trade channels for such goods.

Applicant, in support of its arguments that confusion is not likely, has made of record the declaration of Paulita LaPlante, its "President, Director and CEO," which provides in relevant part that:
1. Applicant['s] ... non-invasive hemodynamic monitoring system includes complex monitoring and diagnostic devices for measuring hemodynamic variables and providing data pertaining to vascular and cardiovascular diagnostics. Heart clinics, cardiology offices and endocrinology practices that specialize in heart failure use Applicant's non-invasive hemodynamic monitoring system to monitor and titrate drug therapy, monitor cardiovascular disease progression and/or diagnose disease states.

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*2 2. Applicant's non-invasive hemodynamic monitoring system costs approximately $40,000 with disposable sets selling for $10 each.

3. Applicant's non-invasive hemodynamic monitoring systems are directly marketed to offices and out-patient facilities where heart patients are frequently seen, including heart failure clinics, cardiology offices and endocrinology practices that specialize in heart failure. The sales process for Applicant's non-invasive hemodynamic monitoring systems is lengthy and involves in depth analysis of a customer's needs and extensive consultation with the customer's cardiologists and endocrinologists. Applicant's non-invasive hemodynamic monitoring systems are sold via a mix of direct sales and distribution networks. Applicant supports distributors in the distribution networks by providing customer training and demonstrations of Applicant's non-invasive hemodynamic monitoring system on patients. After purchase, distributors install Applicant's non-invasive hemodynamic monitoring system with or without support from Applicant.

4. Applicant's products and services are extremely sophisticated and would only be purchased after careful and lengthy consideration and study of Applicant's system by someone with a sophisticated knowledge of vascular and cardiovascular diagnostic needs. ....

Based upon such declaration, applicant contends that its goods differ significantly from the registrant's goods and asserts that "there is no evidence at all to suggest that the relevant purchasing public would expect Applicant's products to be available from the same source as ... [the registrant's] products." Applicant insists, furthermore, that the channels of trade for the respective goods are different; that its goods are costly; and that "the consumer group associated with Applicant's goods is highly sophisticated." Applicant notes, moreover, that:

> Significantly, the medical community is not homogenous; it is highly segmented thus making confusion unlikely. Astra Pharm. Prod., Inc. v. Beckman Instruments, Inc., 220 USPQ 786, 791-92 (1st Cir. 1983) (no likelihood of confusion, in part because hospital personnel are sophisticated purchasers). ....

In particular, applicant maintains that the differences in the goods at issue in this appeal make confusion unlikely, stressing that: Consumer confusion is unlikely because Applicant's non-invasive hemodynamic monitoring systems used for vascular and cardiovascular diagnostics are sold to highly sophisticated hospital professionals in the medical industry that would not confuse Applicant's product with ... products for ambulatory blood pressure monitoring. Applicant's customers purchase Applicant's product to treat cardiovascular disease patients using comprehensive hemodynamic information, including heart rate, cardiac output, cardiac index, stroke volume, pre-ejection period, left ventricular ejection time, blood pressure, mean arterial pressure, system vascular resistance, various contractility indices and thoracic fluid status. This careful purchasing decision makes confusion unlikely. In addition, ... [the registrant] offers a small, reasonably inexpensive portable blood pressure device. Based on these differences ..., consumer confusion is unlikely.

*3 In determining whether goods and services are related, "it is not enough that the products may be classified in the same category or that a term can be found that describes the product." Signature Brands, Inc. Substituted for Health O Meter, Inc. v. Dallas Technologies Corporation, 1998 WL 80140 (T.T.A.B. 1998). .... Specifically, all devices that measure blood pressure are not considered similar so as to increase the likelihood of confusion simply because they involve measuring blood pressure; there must be additional evidence that the context in which today's consumers make decisions makes confusion as to the source of ... [the respective] goods likely.

Applicant argues, in this respect, that "the Examining Attorney has not met the burden of proving that ... [the respective] medical products are sufficiently related that confusion is likely to result" inasmuch as the evidence made of record (as discussed in detail later in this opinion) by the Examining Attorney, consisting of "copies of third-party registrations" and "print-outs of

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websites," is inadequate because applicant "has expressly stated that its goods relating to hemodynamic monitoring are directed to uses other than ambulatory blood pressure monitoring." In particular, applicant contends that (underlining in original):
Applicant respectfully asserts that the recitation of goods ... in the present application ... [is] restricted to channels of trade in which vascular and cardiovascular diagnostic equipment is sold. Specifically, Applicant's ACQTRAC mark is used in combination with "non-invasive hemodynamic monitoring systems for vascular and cardiovascular diagnostics, comprised of monitoring and diagnostic devices for measuring hemodynamic variables. In contrast, ... [the registrant's] ACCUTRACKER mark is used in combination with "ambulatory blood pressure monitors." The term "ambulatory" ... indicates that the ... blood pressure monitors are used for out-patient medical care. .... Accordingly, Applicant respectfully asserts that ... [the respective] medical products are not sufficiently related such that confusion is likely to result.

Applicant also insists, however, that even if the respective goods "were both used in hospitals, this is not sufficient to assume that the goods are closely related, particularly where the consumers are sophisticated." Applicant points out that "[i]t has long been recognized that purchasers of medical equipment ... are highly sophisticated" and, as such, are "more likely to distinguish between marks and goods than is the general consuming public," citing In re N.A.D., 754 F.2d 996, 224 USPQ 969, 971 (Fed. Cir. 1985) [because anesthesia machines are "elaborate, sizeable, complex pieces of technical apparatus of the kind which would be purchased only in consultation with an anesthesiologist or someone with equivalent technical knowledge," "only very sophisticated purchasers are here involved who would buy with great care and unquestionably know the source of the goods"]; Pfizer Inc. v. Astra Pharmaceutical Products Inc., 858 F.Supp. 1305, 33 USPQ2d 1545, 1562 (S.D.N.Y. 1994) ["[t]he consumers here are doctors, as sophisticated a group as one could imagine"]; and Astra Pharmaceutical Products, Inc. v. Beckman Instruments, Inc., supra. Thus, applicant contends, while both its goods and those of the registrant may be purchased, for example, by hospital personnel, its goods "are purchased by hospital personnel working in heart clinics, cardiology offices and endocrinology practices that specialize in vascular and cardiovascular diagnostics, such as heart failure," as opposed to registrant' goods, which "are likely purchased by a general purchasing agent after being approved by committee and/or hospital personnel." Therefore, "[b]ecause Applicant's goods are purchased by specialized professionals working in vascular and cardiovascular diagnostics while ... [the registrant's] goods are purchased by other hospital personnel, consumer confusion is highly unlikely" according to applicant.

*4 Applicant additionally maintains that confusion is unlikely because of the dissimilarity in the channels of trade for the respective goods and the conditions under which and buyers to whom sales thereof are made. [6] Specifically, applicant stresses that:
Applicant's non-invasive hemodynamic monitoring systems are directly marketed to offices and out-patient facilities where heart failure patients are seen, including heart failure clinics, cardio logy offices and endocrinology practices that specialize in heart failure. Applicant's system is also sold through distributors who also provided post-sale installation. .... Applicant supports the distributors by providing customer training and demonstrations of Applicant's system on patients. .... Thus, customers are introduced to Applicant's goods ... only through Applicant's approved marketing and sales information. Accordingly, customers know at all times the source of the non-invasive hemodynamic monitoring system.

....

It is unlikely that the consumers of Applicant's non-invasive hemodynamic monitoring system, who are highly knowledgeable regarding vascular and cardiovascular diagnostics, will believe that ... [the respective] goods derive from a common source because the purchasing decision is made with great care. When consumers exercise heightened care in evaluating the relevant products ... before making purchasing decisions, there is not a strong likelihood of confusion. Electronic Design & Sales Inc. v. Electronic Data Systems Corp., 954 F.2d 713, 21 USPQ2d 1388, 1392 (Fed. Cir. 1992) ("there is always less likelihood of confusion where goods are ... purchased after careful consideration.")[.] .... As a leading treatise notes, "the price level of the goods ... is an important factor in determining the amount of care the reasonably prudent buyer will use. If the goods ... are relatively expensive, more care is taken and buyers are less likely to be confused as to source or affiliation." 3 McCarthy on Trademarks and Unfair Competition §23:95 (4th ed. 1998). Similarly,

[w]here the relevant buyer class is composed solely of professional, or commercial purchasers, it is reasonable to set a higher standard of care than exists for consumers.

Id. at §23:101 ....

Here, the purchasers of Applicant's non-invasive hemodynamic monitoring system are highly sophisticated and purchase the system only after a lengthy, highly involved sales process. .... Purchasers of Applicant's products place great importance on, and take great care in, purchasing these products. They must determine whether to purchase Applicant's non-invasive hemodynamic monitoring system by analyzing whether Applicant's system will meet their needs, and by comparing particular technical, medical information to goods and services provided by Applicant's competitors. .... These customers do not purchase Applicant's system on impulse, but rather apply a careful decision [-]making process that commonly takes place over a period of time and involves numerous contacts with Applicant's sales force or authorized distributors. .... The selection of Applicant's product is made at a very high level by highly knowledgeable purchasers.

*5 Furthermore, the care with which Applicant's customers make their decisions is heightened by the fact that Applicant's non-invasive hemodynamic monitoring systems are extremely costly. Applicant's systems cost $40,000 with disposable sets costing $10 each. .... Because of the significance and high cost of Applicant's systems, consumers take extreme care in making purchasing decisions and it is highly unlikely that they will be confused as to the source of Applicant's non-invasive hemodynamic monitoring system and ... [the registrant's] ambulatory blood pressure monitors.

The Examining Attorney, on the other hand, dismisses applicant's arguments, asserting in his brief that there is a likelihood of confusion because the marks at issue are "highly similar" in sound, appearance and connotation and "impart the same commercial impression," while the respective goods "are highly related if not identical in both field and function." Specifically, he contends that the marks "ACQTRAC" and "ACCUTRACKER" are essentially equivalents inasmuch as "[t]he only real difference in the marks is the suffix '-ER' contained in the registrant's mark." The commercial impression of each mark, he maintains, "is the connotation of the accurate tracking of one's vital signs, blood pressure and cardiovascular and hemodynamic data." Furthermore, even if such marks are considered "weak," he insists that the registrant's mark is "still entitled to protection against registration by a subsequent user of the same or similar mark for the same or closely related goods," citing Hollister Inc. v. Ident A Pet, Inc., 193 USPQ 439 (TTAB 1976).

As to the respective goods, the Examining Attorney insists that applicant's "non-invasive hemodynamic monitoring systems for vascular and cardiovascular diagnostics, comprised of monitoring and diagnostic devices for measuring hemodynamic variables," and registrant's "ambulatory blood pressure monitors" are "highly related" in that "applicant's goods monitor blood pressure in addition to additional hemodynamic variables." [7] Both products, he contends, are shown by the evidence of record to be "medical devices used for cardiovascular diagnostics and monitoring" and, as such, would be "found in the same medical channels of trade."

In support of his position, the Examining Attorney asserts that he has made of record "substantial evidence" demonstrating the relatedness of the applicant's and registrant's respective goods. Specifically, he contends that:
Included as evidence of the similarity of the respective goods and channels of trade are copies of printouts from the USPTO X-Search database, which show third-party registrations of marks used in connection with the same or similar goods and/or services as those of applicant and registrant in this case. These printouts have probative value to the extent that they serve to suggest that the goods and/or services listed therein, namely hemodynamic monitoring equipment and blood pressure monitoring equipment, are of a kind that may emanate from a single source. *See In re Infinity Broadcasting Corp. of Dallas*, 60 USPQ2d 1214, 1217-1218 [sic] (TTAB 2001); *In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783, 1785-86 (TTAB 1993); *In re Mucky Duck Mustard Co. Inc.*, 6 USPQ2d 1467, 1470 at n.6 (TTAB 1988)[, *aff'd as not citable precedent*, No. 88-1444 (Fed. Cir. Nov. 14, 1988)]. The goods in these registrations as identified can each be seen to identify either ambulatory blood pressure

monitors, hemodynamic monitoring systems, or both. These registrations further indicate that the respective goods come from the same family or genus of goods.

*6 Evidence from internet webpages has also been made of record showing that the applicant's and registrant's goods and their parts and accessories are found in the same channels of trade, perform the same function, and may in fact even be the same goods. Included in this evidence are the following excerpts:

• Wilburn Medical USA online catalog webpage showing "vital sign monitors." On this page is shown an ambulatory blood pressure monitor such as that of the ... [registrant], in addition to more comprehensive hemodynamic monitoring systems such as that of the applicant.

• A webpage product list from Lidco Cardica Systems showing parts and assemblies for both hemodynamic monitors and blood pressure monitors.

• Webpage product information on an Otsuka Electronics ambulatory blood pressure monitor, which provides hemodynamic parameters such as systolic, diastolic and mean pressure, cardiac output, heart rate, stroke volume, left ventricle ejection time, total peripheral resistance, inter-beat interval, aortic impedance and aortic compliance[.]

• A Cardiodynamics product information webpage showing that its BioZ noninvasive hemodynamic monitor is "compact, lightweight and portable[.]"

• A December 1, 2005 article from *Electronic Design* online Magazine, entitled "Changing the Face of Blood Pressure Monitoring[,]" which discusses technological advances in the field of blood pressure and hemodynamic monitoring and analysis.

This information is significant in that not only do the applicant's goods move in the same channels of trade [as those of the registrant's goods], but that differences between the [respective] goods may be so minimal that they may even be considered the same goods. For example, the Otsuka Electronics ambulatory blood pressure monitor would appear to perform the same advanced functions as a hemodynamic monitoring system such as that of the applicant. Conversely, the BioZ hemodynamic monitor would appear to be compact, lightweight and portable enough that it could be suitable for ambulatory use.

Moreover, this evidence shows that a "hemodynamic monitoring system" is in essence the latest, state of the art enhancement of the blood pressure monitor in the rapidly advancing field of medical diagnostic technology. As such, these are not two distinctly different products, as the applicant suggests, so much as a standard version and an enhanced version of the same product. ....

Furthermore, in response to applicant's assertion that the registrant "offers a small, reasonably inexpensive portable blood pressure device," the Examining Attorney, citing In re Dakin's Miniatures Inc., 59 USPQ2d 1593, 1595 (TTAB 1999), correctly states that "[a] determination of whether there is a likelihood of confusion is made ... on the basis of the goods ... [as] identified in the application and registration, without limitations or restrictions that are not reflected therein." Here, the Examining Attorney points out, "nothing in the record indicates that the registrant's goods are 'small' or low-priced." Instead, he insists, the evidence of record "shows that high-end blood pressure monitors in the marketplace can perform all of the features of applicant's hemodynamic monitoring system." Noting, moreover, that applicant "seems to try to carve out an exceedingly narrow channel of trade for itself," the Examining Attorney maintains that he "has provided strong evidence of relatedness and channels of trade by way of third[-]party registrations and internet webpage evidence." In addition, as to applicant's contention that because its goods are identified as being "for vascular and cardiovascular diagnostics," such goods are limited to channels of trade which are separate from those for registrant's ambulatory blood pressure monitors, the Examining Attorney insists that "[t]his argument is rather semantic and unpersuasive" in that:

> *7 Applicant again creates an exceedingly narrow distinction, and it is one without a difference. As shown in the evidence, ambulatory blood pressure monitors serve clear diagnostic functions, for example,

> diagnosing low blood pressure or high blood pressure, which can be done at a precise point in time, over a period of time and/or while engaged in various activities. Ambulatory blood pressure monitors, such as the Otsuka Electronics ambulatory blood pressure monitor shown in the evidence of record, measure and record all of the hemodynamic variables that applicant's hemodynamic measuring system measures and records. The respective goods accordingly serve similar diagnostic purposes. Finally, applicant's goods, notwithstanding the limiting language, clearly serve a significant monitoring function, as do the ... registrant's goods, based on the simple and clear wording of the identification of goods.

With respect to applicant's assertion that the goods at issue would be bought by different, highly sophisticated personnel, the Examining Attorney urges that, notwithstanding the declaration furnished by applicant, "it is difficult to believe that those charged with purchasing [ambulatory] blood pressure monitors would be completely different and removed from those charged with purchasing [non-invasive] hemodynamic monitoring systems." "This would be especially so," he argues, "in the context of specialized medical practices, likely consisting of several doctors and a small support staff, which the applicant sees among its primary consumers, or the case of small hospitals or clinics." Moreover, while essentially conceding that the goods at issue would be purchased by sophisticated and careful buyers, who would decide to purchase only after much deliberation and consideration, the Examining Attorney, citing *inter alia* In re Decombe, 9 USPQ 1812, 1814-15 (TTAB 1988) and In re Pellerin Milnor Corp., 221 USPQ 558, 560 (TTAB 1983), contends that "the fact that purchasers are sophisticated or knowledgeable in a particular field does not necessarily mean that they are sophisticated or knowledgeable in the field of trademarks or immune from source confusion."

Lastly, as to applicant's reliance on In re N.A.D., supra, as authority for a finding of no likelihood of confusion in this appeal, the Examining Attorney distinguishes such case by noting that "the crucial and deciding fact" therein was that "there was a consent agreement of record" which was "given great weight." The Examining Attorney also take issue with applicant's reliance on Astra Pharm. Prod., Inc. v. Beckman Instruments, Inc., supra, contending that while, as in that case, "a hospital community is not a homogeneous whole, but is composed of separate departments with diverse purchasing requirements," in this appeal "the stratification of purchasing departments urged by applicant as to highly related blood monitoring goods would seem unlikely at best in the vast majority of hospitals, and wholly inapplicable to smaller, specialty cardiac medical practices."

***8** Upon careful consideration of the arguments and evidence presented, we find that a likelihood of confusion has not been shown on this record. While, concededly, the marks "ACQTRAC" and "ACCUTRACKER" are indeed very similar in sound, appearance, connotation and commercial impression, we disagree with the Examining Attorney that such marks are essentially equivalents inasmuch as "[t]he only real difference in the marks is the suffix '-ER' contained in the registrant's mark." Applicant's mark, unlike registrant's mark, utilizes the noticeably different spelling "ACQ" to suggest the term "accurate," unlike the "ACCU" portion of registrant's mark, and ends with the term "TRAC" instead of the word "TRACKER" as is the case with registrant's mark. Although both marks, in particular, nonetheless project basically the same overall connotation and commercial impression of accurate tracking of blood pressure or other vascular and cardiovascular data as contended by the Examining Attorney, such marks are also inherently "weak" in that they are highly suggestive of a characteristic of monitoring equipment, including applicant's non-invasive hemodynamic monitoring systems and registrant's ambulatory blood pressure monitors. Consequently, as a general proposition, the marks at issue herein are of the kind which would not be entitled to as broad a scope of protection as would be the case with arbitrary or other types of "strong" marks. See, e.g., Sure-Fit Products Co. v. Saltzson Drapery Co., 254 F.2d 158, 117 USPQ 295, 297 (CCPA 1958) ["[i]t seems both logical and obvious ... that where a party chooses a trademark which is inherently weak, he will not enjoy the wide latitude of protection afforded the owners of strong trademarks"]. Absent, therefore, use of the marks at issue in connection with the same or highly related goods, confusion would generally not be likely.

Turning, then, to whether applicant's "non-invasive hemodynamic monitoring systems for vascular and cardiovascular diagnostics, comprised of monitoring and diagnostic devices for measuring hemodynamic variables," are "highly related if not identical in both field and function" to registrant's "ambulatory blood pressure monitors" as contended by the Examining

Attorney, we disagree with the Examining Attorney that the record contains "substantial evidence" of the commercial relatedness of the respective goods, such that their contemporaneous marketing under the highly suggestive marks "ACQTRAC" and "ACCUTRACKER" would be likely to cause confusion as to source or sponsorship. While the Wilburn Medical USA online catalog webpage does indeed list, under the category of "vital sign monitors," both a "CardioDynamics BioZ ... non-invasive hemodynamic monitor that reports cardiac output, systemic vascular resistance, contractility, and fluid status" as well as a "Tiba SE-25S ... 24-Hour ambulatory blood pressure monitor that allows you to gather blood pressure measurements outside of the clinical setting," such webpage, which also lists various "vital signs" and "multi-parameter" monitors, is the sole piece of evidence that tends to show that goods like applicant's and registrant's may be sold in the same channels of trade. However, as other information on such webpage makes readily apparent, Wilburn Medical appears to be a large medical supply house for hospital and other purchasers and its online catalog covers virtually every kind of medical equipment available, including for example "Cholesterol Testing," "Bone Density Testing," "Diabetic Testing" and "Skincare" products as well as "Syringe Pumps," "Urine Analyzers" and "IV Administration Products." Nonetheless, whether such goods, and in particular non-invasive hemodynamic monitoring systems and ambulatory blood pressure monitors would in fact be sold to the same class or classes of individual purchasers is simply not apparent from such evidence alone.

*9 As to what the Examining Attorney refers to as a "webpage product list from Lidco Cardica Systems showing parts and assemblies for both hemodynamic monitors and blood pressure monitors," such excerpt upon inspection actually pertains only to a "Hemodynamic Monitor Assembly" which is sold in the United Kingdom and is supplied with such items as a "Blood Pressure Monitor Cable Assembly" and a "Power Cord"; there is nothing which indicates that the "Hemodynamic Monitor Assembly" is suitable for sale in the United States, much less that it functions as an ambulatory blood pressure monitor. Similarly, while a "24 Hours Continuous Blood Pressure Monitor" offered through a webpage of "OTSUKA ELECTRONICS CO., LTD." is touted with the statement that "[a]mbulatory monitoring is possible not only for blood pressure but also hemodynamic parameters based on arterial wareforms [sic] derived from fingers," such unit does not appear to provide the range of variables monitored by non-invasive hemodynamic monitoring systems for vascular and cardiovascular diagnostics" like, for instance, applicant's goods do. Conversely, while the "CardioDynamics" product information webpage indicates that its "BioZ" "[n]oninvasive hemodynamic monitor" is advertised as "compact, lightweight and portable," it is speculative to assume that such features, as the accompanying picture of the product makes clear, mean that a non-invasive hemodynamic monitor can function, or serve the same purpose, as an ambulatory blood pressure monitor. Likewise, that a "December 1, 2005 article from *Electronic Design* online Magazine, entitled 'Changing the Face of Blood Pressure Monitoring[,]' which discusses technological advances in the field of blood pressure and hemodynamic monitoring and analysis," reports on a non-invasive blood pressure cuff for use in connection with monitoring of surgical patients does not demonstrate that such a device may be purchased by the identical customers for, and be utilized the same as, an ambulatory blood pressure monitor. That is, even though such goods would appear to "serve similar diagnostic purposes," it plainly is not the case that "differences between the [respective] goods may be so minimal that they may even be considered the same goods," as contended by the Examining Attorney. In short, that non-invasive hemodynamic monitoring systems, especially those used for vascular and cardiovascular diagnostics, and ambulatory blood pressure monitors both measure and monitor blood pressure does not necessarily mean that such goods are commercially related in that they would be sold to the same classes of individual purchasers and/or used by identical medical practitioners, even if sold to and used by, for instance, heart clinics, cardiology offices and endocrinology practices that specialize in heart failure use.

*10 Additionally, with respect to the six use-based third-party registrations made of record and relied upon by the Examining Attorney to show that "the goods and/or services listed therein, namely hemodynamic monitoring equipment and blood pressure monitoring equipment, are of a kind that may emanate from a single source," none is probative thereof inasmuch as there is not a single registration which sets forth, on the one hand, "hemodynamic monitoring systems" or similarly identified goods, and "ambulatory blood pressure monitors" or the like specified products, on the other. Such registrations, instead, refer in each instance to a broad category of goods [8] rather than the particular products at issue in this appeal. Thus, just as it is settled that while a term may be found which encompasses the specific goods at issue, such does not mean that customers will view those goods as commercially or otherwise closely related in the sense that they will assume that they emanate from or are associated with a common source, see, e.g., General Electric Co. v. Graham Magnetics Inc., 197 USPQ 690, 694 (TTAB 1977); and Harvey Hubbell Inc. v. Tokyo Seimitsu Co., Ltd., 188 USPQ 517, 520 (TTAB 1975), the approach taken by the Examining Attorney

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with respect to the third-party registrations which he made of record is tantamount to finding an all-encompassing term for applicant's and the cited registrant's goods rather than a showing of relatedness in that the same parties typically offer such goods under an identical mark. Consequently, the third-party registrations of record are insufficient to show that the goods at issue are commercially or otherwise closely related in that they are of a type that may emanate from a single source. See, e.g., In re W.W. Henry Co., 82 USPQ2d 1213, 1215 (TTAB 2007).

Nonetheless, even assuming that applicant's "noninvasive hemodynamic monitoring systems for vascular and cardiovascular diagnostics, comprised of monitoring and diagnostic devices for measuring hemodynamic variables" and which are used to monitor and titrate drug therapy, monitor cardiovascular disease progression and/or diagnose disease states in patients, would be purchased by the same hospital and medical institutions, including heart clinics, cardiology offices and endocrinology practices that specialize in heart failure, as would also be buyers of registrant's "ambulatory blood pressure monitors" for out-patient use, it seems clear that the purchasing decisions for such goods would be made by highly sophisticated and knowledgeable buyers under conditions of sale which would further minimize any likelihood of confusion as to source or affiliation.

In particular, as Astra Pharmaceutical Products, Inc. v. Beckman Instruments, Inc., supra at 220 USPQ 791, makes clear, for a likelihood of confusion to exist, "it must be based on confusion of some relevant person; i.e., a customer or user, and there is always less likelihood of confusion where goods are expensive and purchased and used by highly specialized individuals after careful consideration." Here, as stated in the declaration submitted by applicant, its non-invasive hemodynamic monitoring systems "are directly marketed to offices and outpatient facilities where heart patients are frequently seen, including heart failure clinics, cardiology offices and endocrinology practices that specialize in heart failure." Moreover, as further noted therein, "[t]he sales process for [such goods] ... is lengthy and involves in depth analysis of a customer's needs and extensive consultation with the customer's cardiologists and endocrinologists". Additionally, the declaration furnished by applicant establishes that its non-invasive hemodynamic monitoring systems are sold by way of both direct sales as well as distribution networks; that applicant supports the distributors in its distribution networks by providing customer training and demonstrations of its product on actual patients; that, after purchase, applicant's distributors install its non-invasive hemodynamic monitoring systems (with or without support from applicant); and that one of applicant's non-invasive hemodynamic monitoring systems costs approximately $40,000. Furthermore, as to non-invasive hemodynamic monitoring systems from sources other than applicant, there is nothing in the record to indicate that such would be marketed and sold in any different manner than that used for applicant's goods.

***11** It is therefore clear that doctors, including cardiologists and endocrinologists, would constitute the persons who would make, or be primarily responsible for making, the purchasing decisions with respect non-invasive hemodynamic monitoring systems like those sold by applicant. Doctors would be the individuals most knowledgeable of patient parameters which require medical monitoring and would undoubtedly be the persons most familiar with the equipment available for measuring and tracking such variables. Doctors, therefore, have been held to be highly discriminating and sophisticated purchasers. See, e.g., Warner-Hudnut, Inc. v. Wander Co., 280 F.2d 435, 126 USPQ 411, 412 (CCPA 1960) [physicians constitute "a highly intelligent and discriminating public]." As such, they would be expected to exercise a high degree of care and deliberation in decisions involving the purchasing of medical equipment to deal with their patients' needs, including the selection of non-invasive hemodynamic monitoring systems.

Likewise, as to registrant's goods, cardiologists, endocrinologists and other doctors with the need to monitor a patient's blood pressure outside of a hospital or clinical setting would likely make or be responsible for making the purchasing decision concerning ambulatory blood pressure monitors, especially since the record shows, in view of the webpage of product information with respect to an Otsuka Electronics ambulatory blood pressure monitor, that some models of such goods can also provide information regarding "hemodynamic parameters such as systolic, diastolic and mean pressure, cardiac output, heart rate, stroke volume, left ventricle ejection time, total peripheral resistance, inter-beat interval, aortic impedance and aortic compliance." Such goods, while not nearly as expensive perhaps as applicant's goods, would nevertheless be bought with care and deliberation to ensure that they meet blood pressure monitoring needs for ambulatory patients and, even if not purchased after a lengthy and extensive consultation period with the vendor thereof, would not be bought impulsively.

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Plainly, in their capacity as buyers of goods of the kinds sold by applicant and registrant, doctors constitute sophisticated purchasers. As such, their "sophistication is important and often dispositive because '[s]ophisticated consumers may be expected to exercise greater care.'" Electronic Design & Sales Inc. v. Electronic Data Systems Corp., supra at 21 USPQ2d 1392, quoting from Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482, 489, 212 USPQ 246, 252 (1st Cir. 1981). While, in this case, it is certainly possible for both applicant's goods and registrant's goods to be purchased by the same specialized medical practices, our principal reviewing court in *Electronic Design & Sales*, supra at 21 USPQ2d 1391, has noted that it is error to deny registration simply because an applicant markets and sells its goods in the same general field as those promoted and sold by the registrant (e.g., what the Examining Attorney herein has characterized as "medical devices used for cardiovascular diagnostics and monitoring"), cautioning that:

> ***12** We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with de minimis situations but with the practicalities of the commercial world, with which the trademark laws deal.

Id., quoting from Witco Chemical Co. v. Whitfield Chemical Co., 418 F.2d 1403, 1405, 164 USPQ 43, 44-45 (CCPA 1969), *aff'g*, 153 USPQ 412 (TTAB 1967).

In summary, applicant's goods, as previously indicated, clearly are quite expensive and registrant's goods, at a minimum, would not be inexpensive. Both products, as noted earlier, would be bought only by highly knowledgeable, discriminating and sophisticated purchasers after thorough deliberation, with applicant's goods additionally subject to a lengthy period involving extensive consultation with a physician concerning an in depth analysis of his or her heart failure patients' needs for non-invasive hemodynamic blood monitoring as well as associated training and demonstrations of applicant's product on actual patients along with installation thereof after purchase is made. Given the knowledge, care and deliberation required of doctors in making the purchasing decisions with respect to applicant's and registrant's goods, the noticeably distinguishable differences in the marks "ACQTRAC" and "ACCUTRACKER," the weakness inherent in such highly suggestive marks when used in connection with medical monitoring equipment, and the lack of a sufficient showing that the goods at issue are commercially or otherwise closely related, we conclude on this record that contemporaneous use by applicant of the mark "ACQTRAC" for its "non-invasive hemodynamic monitoring systems for vascular and cardiovascular diagnostics, comprised of monitoring and diagnostic devices for measuring hemodynamic variables," is not likely to cause confusion with registrant's mark "ACCUTRACKER" for its "ambulatory blood pressure monitors." See, e.g., In re Digirad Corp., 45 USPQ2d 1841, 1845 (TTAB 1998) [no likelihood of confusion between the mark "DIGIRAD" for gamma radiation sensors, signal processors and display apparatus for use in medical isotopic tracing and nuclear imaging and mark "DIGIRAY" and design for electronic digital xray system comprised of an x-ray scanning beam tube and detector for medical use].

Decision: The refusal under Section 2(d) is reversed.

Footnotes

1 Ser. No. 78566607, filed on February 14, 2005, which is based on an allegation of a bona fide intention to use such mark in commerce.

2 Reg. No. 2,113,366, issued on November 18, 1997, which sets forth a date of first use of the mark anywhere and in commerce of February 15, 1985; combined affidavit §§8 and 15.

3 While a reply brief has not been submitted, applicant has filed, more than three months after such brief was due, a request for remand and amendment of the application. Specifically, applicant requests that the identification of its goods be amended to read: "Non-invasive hemodynamic systems for diagnosing vascular and cardiovascular parameters, comprised of a diagnostic device for measuring hemodynamic variables." Applicant states, in support thereof, that it "believes that the amended identification of goods further distinguishes its mark from the mark in Registration No. 2113366, and therefore respectfully requests that the Board remand the application to the Examining Attorney for further consideration of the application in light of this amendment." However, TBMP §1205.01 (2d ed. rev. 2004) provides in relevant part that (footnote omitted):

If an applicant that has filed a timely appeal to the Board files an amendment to its application more than six months after the issuance of the final action, ... the Board will treat the amendment as a request for remand. Such a request will be granted upon a showing of good cause. Good cause will be found, for example, ... when the amendment will obviate a ground for refusal. .... Remand in

an ex parte appeal is a matter of discretion with the Board, and the Board may refuse to remand for consideration of an amendment filed more than six months after the date of the action from which the appeal was taken, if, for example, the amendment ... would serve no useful purpose.

In this instance, the request for remand is denied since good cause therefor has not been shown. Applicant has not only failed to provide any explanation for its delay in seeking to amend its identification of goods until several months after completion of all briefing with respect to the issue of likelihood of confusion in this appeal, but it offers no indication that the Examining Attorney subsequently has agreed to allow registration upon entry of the proposed amendment.

4 The Examining Attorney, noting in his brief that "applicant relies on evidence attached to its brief which does not appear as part of the record prior to appeal," has specifically objected to consideration of the following evidence attached to applicant's brief on the ground that such evidence is untimely under Trademark Rule 2.142(d): "[T]he report dated December 12, 2006 from Dave Wright of the Marksmen research group providing information on the registrant and its ACCUTRACKER mark, and the attached new registration printout evidence" consisting of four third-party registrations for the marks "ACCUTRAC" and "ACCU-TRAC" for goods in International Class 10 and a list of other third-party registrations for marks in such class which contain the prefix "ACCU" or the suffix "TRAC" or variations thereof. Inasmuch as Trademark Rule 2.142(d) provides in relevant part that "[t]he record in the application should be complete prior to the filing of an appeal" and that the Board "will ordinarily not consider additional evidence filed with the Board by the appellant ... after the appeal is filed," the objection is sustained and no further consideration will be given to the untimely evidence attached to applicant's brief.

5 The court, in particular, pointed out that: "The fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks." 192 USPQ at 29.

6 Although applicant also argues, based solely on various third-party registrations, that "[t]here are currently numerous marks using the common terms 'accutrac' and 'accutrak' as part of a trademark" and that such serves to "demonstrate that consumers have learned to differentiate among these marks without confusion, [thereby] making confusion unlikely in this case," it is pointed out that the only third-party registrations which are considered to be of record herein are those which are listed in applicant's response to the initial Office action. However, none of those is relevant inasmuch as the Examining Attorney, in his final refusal, accurately noted that "[n]o other similar 'accutrack' registered marks exist in the medical field at large, let alone the blood pressure or heart monitoring medical subfields." Moreover, and in any event, it is well settled that third-party registrations are not evidence of what happens in the marketplace or that the purchasing public is familiar with the use of the marks which are the subjects thereof and has therefore learned to distinguish those marks by the differences therein. See, e.g., National Aeronautics & Space Admin. v. Record Chem. Co., 185 USPQ 563, 567 (TTAB 1975). Such registrations therefore do not show that the subject marks are actually being used, much less that the extent of their use is and/or has been so great that customers have indeed become accustomed to encountering the marks in the marketplace and will differentiate among marks such as "ACQTRAC," "ACCUTRAC," "ACCUTRAK" or "ACCUTRACKER" by differences in the constituent elements thereof. See, e.g., Smith Bros. Mfg. Co. v. Stone Mfg. Co., 476 F.2d 1004, 177 USPQ 462, 463 (CCPA 1973); and AMF Inc. v. American Leisure Prods., Inc., 474 F.2d 1403, 177 USPQ 268, 269 (CCPA 1973), in which the court indicated that:

[L]ittle weight is to be given such registrations in evaluating whether there is likelihood of confusion. The existence of these registrations is not evidence of what happens in the market place or that customers are familiar with them nor should the existence on the register of confusingly similar marks aid an applicant to register another likely to cause confusion, mistake or to deceive.

See also Olde Tyme Foods, Inc. v. Roundy's Inc., 961 F.2d 200, 22 USPQ2d 1542, 1545 (Fed. Cir. 1992) [third-party registrations "may not be given *any* weight" (emphasis in original) as to the strength of a mark]; and In re Hub Distrib., Inc., 218 USPQ 284, 285-86 (TTAB 1983). Applicant's contention, therefore, that the *du Pont* factor which concerns the number and nature of similar marks in use on similar goods favors a finding of no likelihood of confusion is instead neutral since it is without any evidentiary foundation.

7 The term "hemodynamic," he notes for the first time in his brief, is the adjectival form of the noun "hemodynamics," which The American Heritage Dictionary of the English Language (3rd ed. 1992) defines as "the study of the forces involved in the circulation of the blood." Inasmuch as it is settled that the Board may properly take judicial notice of dictionary definitions, the implicit request that the Board take judicial notice of such definition is granted. See, e.g., Hancock v. American Steel & Wire Co. of New Jersey, 203 F.2d 737, 97 USPQ 330, 332 (CCPA 1953); University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co., Inc., 213 USPQ 594, 596 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983); and Marcal Paper Mills, Inc. v. American Can Co., 212 USPQ 852, 860 n.7 (TTAB 1981).

8 For example, the third-party registrations variously list "medical apparatus, namely, sensors for use with computer hardware and software for monitoring and detecting physiological data in a patient, specifically ... for hemodynamic monitoring including blood pressure and electrocardiograms"; "patient monitoring systems and clinical information systems"; "medical apparatus for hemodynamic monitoring, namely, the measurement and display of blood pressure, blood flow, vascular resistance and other information as to the state of the heart and circulation"; "medical apparatus; namely a system for the assessment, monitoring

and management of human hemodynamic and oxygen transport dynamics"; and "patient monitors and sensors for detecting a physiological condition, namely, blood content monitoring ... and hemodynamic monitoring including blood pressure."

2007 WL 2415745 (Trademark Tr. & App. Bd.)

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EXHIBIT CCC

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

2005 WL 3272828
Only the Westlaw citation is currently available.
United States District Court,
S.D. New York.

V & S VIN & SPRIT AKTIEBOLAG (PUBL), Plaintiff,
v.
ABSOLUTE PUBLISHING USA INC., Defendant.

No. 05CIV4429 RMB/RLE. | Nov. 28, 2005.

Attorneys and Law Firms

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Opinion

REPORT AND RECOMMENDATION

ELLIS, Magistrate J.

I. INTRODUCTION

*1 Plaintiff V & S Vin & Sprit Aktiebolag (Publ) ("V & S") seeks to enjoin defendant Absolute Publishing USA Inc. ("Absolute") from using the word "absolute" in the title of its general interest magazine focused on luxury living in New York City. V & S owns over twenty-five trademarks covering a variety of goods and services, most of which relate to the sale and promotion of its well-known product, Absolut Vodka. V & S claims Absolute's magazine infringes on the company's Absolut trademark in violation of the Lanham Act. While V & S has also raised a claim of trademark dilution under 15 U.S .C. § 1125(c), the motion for preliminary injunction is based on the company's claims under 15 U.S.C. § 1114 and 1125(a) for trademark infringement. For the reasons that follow, I recommend that the motion for preliminary injunction be DENIED.

II. BACKGROUND

V & S, a Swedish company, owns many trademarks, but has received the most attention for its advertising campaign for Absolut Vodka featuring Absolut's distinctive bottle and a two-or-three word slogan. *See* Declaration of Eva Kempe-Forsberg in Support of Plaintiff's Motion for Preliminary Injunction ("Kempe-Forsberg Decl ."), Exh. 2. V & S also owns a trademark named "Absolut Reflexions" for "magazines for people engaged in the production, marketing, and sale of vodka." Plaintiff's Memorandum of Law in Support of its Motion for Preliminary Injunction ("V & S Mem.") at 4. Under this trademark, V & S publishes *Absolut Reflexions,* a free trade publication for "distributors, retailers, bartenders and others involved in the alcohol[ic] beverage industry." *Id.* at 8; *see* Kempe-Forsberg Decl., Exh. 9. V & S also maintains a website, absolut.com, under a registration for providing internet-based information and entertainment in the fields of art and culture. V & S Mem. at 4. Both the website and the trade publication are geared toward the alcoholic beverage industry, but V & S maintains that the publications address a wider range of topics, including "current events in art, fashion, trade, and contemporary culture in various U .S. cities, including New York City." V & S Mem. at 8.

Absolute Publishing issues a general interest magazine which bears the title "Absolute," with a small byline, either "New York At Its Best" or "New York." Declaration of Joanne Ludovici-Lint in Support of Plaintiff's Motion for Preliminary Injunction ("Ludovici-Lint Decl."), Exh. D; Declaration of Charles A. Garza in Opposition to Plaintiff's Motion for a Preliminary Injunction ("Garza Decl."), Exh. 2. Besides the magazine's title, V & S argues that various aspects of Absolute's advertising campaign demonstrate that Absolute acted with intent to confuse the two trademarks. V & S Mem. at 20. An announcement for the new magazine described it as "an authoritative look at the ultimate high-end products and services in the arenas of fashion, beauty, fitness, dining, art, jewelry and watches, automobiles, and travel." Ludovici-Lint Decl., Exh. B. Absolute's announcement also said, "We hope your appetite has been whet," and "Look for your first taste of Absolute to arrive soon." *Id.* The magazine's first issue was released in March of 2005. The cover featured a picture of an alcoholic drink and one article was a profile of a Swedish count. V & S Mem. at 9. Absolute publicized its magazine in two March issues of *Impact,* a trade magazine for executives in the alcoholic beverage industry, with an advertisement titled, "tasteless? ABSOLUTELY NOT." *Id.* Furthermore, in the "From the Editor" section of the first issue, the Absolute editor reported that the magazine had received calls from people who had received the announcement described above, asking if the magazine was related to the vodka. *Id.* at 9. V &

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S presents this "admission" as evidence of actual confusion by consumers. *Id.*

III. DISCUSSION

A. Standard for Preliminary Injunction

*2 For a preliminary injunction to be granted, the moving party must show "irreparable harm in absence of an injunction" and either "a likelihood of success on the merits" or "a sufficiently serious question going to the merits and a balance of hardships tipping decidedly in the moving party's favor." *Brennan's, Inc. v. Brennan's Rest., L.L.C.,* 360 F.3d 125, 129 (2d Cir.2004). In a trademark infringement case, a showing of likelihood of confusion between the two marks establishes both irreparable harm and success on the merits. *Id.*

B. Success on the Merits

The Lanham Act protects trademark owners against confusion as to "affiliation, connection, or association" in the marketplace. 15 U .S.C. § 1125(a)(1)(A). The components of a claim under the Lanham Act are a showing that 1) the plaintiff owns a "valid mark subject to protection;" and 2) the "defendant's mark results in a likelihood of confusion" between the two marks. *Brennan's,* 360 F.3d at 129. V & S claims its marks deserve broad protection given the strength of the Absolut trademark and its status as a famous "premium lifestyle brand." V & S Mem. at 2. Absolute argues, however, that V & S's protection is limited to the goods and services listed within the registrations of its trademarks, none of which are for a general interest magazine. Defendant's Memorandum of Law in Opposition to Plaintiff's Motion for a Preliminary Injunction ("Absolute Mem.") at 1.

1. Protectable Mark

The protection afforded a mark depends on the degree of its distinctiveness. The five classic categories, from least distinctive to most distinctive, are labeled: 1) generic; 2) descriptive; 3) suggestive; 4) arbitrary; or 5) fanciful. *Two Pesos, Inc. v. Taco Cabana, Inc.,* 505 U.S. 763, 768 (1992). For example, a generic mark, describing the general character of a product, is entitled to no trademark protection. The Absolut trademark, however, is fanciful as it is "made-up to identify the trademark owner's product," *id.*, and is therefore entitled to a high degree of protection. Furthermore, the Absolut and *Absolut Reflexions* trademarks are incontestable by operation of law under 15 U.S.C. §§ 1065 and 1115(b). *See Brennan's,* 360 F.3d at 130. Other courts have found V & S trademarks to be protectable interests. *See V & S Vin & Sprit Aktiebolag v. Hanson,* 61 U.S.P.Q.2d 1277, 1279 (E.D.Va.2001) (finding defendant's use of "Absolut Beach," "absolutbeach.com," and "absolutebeach.com" infringed V & S's Absolut trademark for swimwear); *V & S Vin & Sprit Aktiebolag v. Cracovia Brands, Inc.,* 69 U.S.P.Q.2d 1701, 1702 (N.D.Ill.2004) (finding Absolut to be "clearly a famous mark" but denying summary judgment to V & S against vodka company with product named "Absolwent"). Absolute does not dispute the incontestability of V & S's trademarks, but instead argues that incontestability does not afford an infringement claim for goods and services not stated in the trademark registrations, noting that V & S does not own a trademark for a general interest magazine. Absolute Mem. at 16-18.

*3 Once a mark becomes incontestable, registration is "conclusive evidence of the validity of the registered mark and ... of the registrant's exclusive right to use the registered mark in commerce." 15 U.S.C. § 1115(b). However, this evidence "extends only so far as the goods or services noted in the registration certificate." *Mushroom Makers, Inc. v. R.G. Barry Corp.,* 580 F.2d 44, 48 (2d Cir.1978). Plaintiff must still prove that a defendant's use of the same or similar term in a particular context causes a likelihood of confusion. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.,* 543 U.S. 111 (2004).

2. Irreparable Harm/Likelihood of Confusion

"It is well settled in this Circuit that in trademark infringement actions, a finding of likelihood of confusion of a valid trademark between the marks in question provides sufficient grounds for issuance of a preliminary injunction, without further evidence of actual injury." *Topps Co. Inc. v. Gerrit J. Verburg Co.,* 1996 WL 719381, *3 (S.D.N.Y. Dec. 13, 1996) (*citing Am. Cyanamid Co. v. Compangna per le Farmacie in Italia S.p.A,* 847 F.2d 53, 55 (2d Cir.1988)). However, a preliminary injunction is a drastic remedy, and there must be a "clear showing" of confusion which could cause irreparable harm. *Kadant, Inc. v. Seeley Mach., Inc.,* 244 F.Supp.2d 19, 26 (N.D.N.Y.2003) (*citing Mazurek v. Armstrong,* 520 U.S. 968, 972 (1997)). The Second Circuit employs a "multi-factor test," as established in *Polaroid Corp. v. Polarad Elecs. Corp.,* 287 F.2d 492, 495 (2d Cir.1961), to evaluate the likelihood of confusion in trademark infringement cases where the parties produce different products. *Brennan's,* 360 F.3d at 130. "This test requires analysis of several non-exclusive factors, including: (1) the strength of the mark,

(2) the degree of similarity between the two marks, (3) the competitive proximity of the products, (4) actual confusion, (5) the likelihood the plaintiff will bridge the gap, (6) the defendant's good faith in adopting its mark, (7) the quality of the defendant's products, and (8) the sophistication of the purchasers." *Id.* While no factor is dispositive, the "ultimate question" is the "likelihood of confusion as to the *source* of the product." *Id.* (*citing Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.,* 799 F.2d 867, 872 (2d Cir.1986) (emphasis added)).

a. Strength of the Absolut Mark

"The strength of a mark refers to its ability to identify the source of the goods ..." *Id.* at 130. This analysis has two components: 1) "inherent distinctiveness" of a mark, and 2) "the distinctiveness the mark has acquired in the marketplace." *Id.* at 130-31. At least one court has found the Absolut trademark to be inherently distinctive. *V & S Vin & Sprit v. Hanson,* 61 U.S.P.Q.2d at 1280. V & S argues that the high level of sales of Absolut vodka, the duration of the company's hold on the market, and the popularity of the Absolut vodka advertising campaign demonstrate the strength of the Absolut mark. V & S Mem. at 14.

***4** Absolute argues the mark is weak because V & S has "affirmatively acquiesced" in another company's use of "absolute" and refrained from initiating litigation against the many other companies which use the word. Absolute Mem. at 3-4. However, "[t]he owner of a mark is not required to police every conceivably related use thereby needlessly reducing non-competing commercial activity and encouraging litigation in order to protect a definable area of primary importance." *Playboy Enter., Inc. v. Chuckleberry Pub., Inc.,* 486 F.Supp. 414, 422-23 (S.D.N.Y.1980). *See Scarves by Vera, Inc. v. Todo Imports Ltd.,* 544 F.2d 1167, 1173-74 (2d Cir.1976) ("The record does not contain any evidence to support the claim that plaintiff's trademark was weakened by uses of similar marks by third parties."). In *Playboy,* the court found that the company's choice to settle with "Playgirl" and not to litigate against magazines called "Players" or "Playguy," did not reduce its right to litigate against "Playmen." 486 F.Supp. at 422-23. The court approved of the company's decision to enforce its "right to protection against use of marks with the prefix 'play' in areas of direct competition, the areas most crucial to maintaining its mark's commercial value." *Id.* A similar analysis applies here. Given its status as a well-known mark, Absolut is inherently distinctive, despite the common usage of the word "absolute." V & S's choice not to litigate against other companies using the word "absolute" does not weaken the mark, and therefore this aspect of the test for strength weighs in favor of V & S. [1]

However, the second aspect of the test for strength, distinctiveness in the marketplace, does not weigh in favor of V & S. Because the strength of a mark is limited to its field of registration, the particular market at issue is critical. In *Brennan's,* which involved a claim that one restaurant named "Terrance Brennan's" infringed on another named "Brennan's," the court explained that the "relevant market" is key to the analysis of the strength of a trademark. 360 F.3d at 132 ("plaintiff must demonstrate distinctiveness in the *relevant* market") (emphasis in original). In that case, the "relevant market [was] the pool of actual and potential customers of Terrance Brennan's [, the defendant], for it is those patrons whose potential confusion [was] at issue." *Id.*

Therefore, a party claiming trademark infringement must provide evidence of a mark's strength in the relevant market. *See Savin Corp. v. Savin Group,* 2003 WL 22451731, at *9 (S.D.N.Y. Oct. 24, 2003) ("Even though plaintiff's marks may be strong in the market for sophisticated business equipment and services, professional engineering services do not reasonably fall within the broadly defined market of potentially related services."), *vacated in part on other grounds,* 391 F.3d 439 (2d Cir.2004). V & S has presented evidence of the strength of the Absolut mark in its most widely-recognized field of the production and sale of Absolut vodka. However, Absolute's magazine is a general interest publication focused on luxury living in New York. Absolute Mem. at 15. V & S's most pertinent trademarks are 1) "Absolut Reflexions," for "magazines for people engaged in the production, marketing and sale of vodka," and 2) "Absolut," for "providing information and entertainment in the fields of art, culture, and alcoholic beverages rendered via computer by means of a global computer network." *See* Kempe-Forsberg Decl., Exh. 1. V & S has not demonstrated the strength of these marks in relation to the field of general interest magazines. While V & S's trademarks are inherently distinctive, they have not achieved a high level of distinctiveness in the relevant marketplace. This factor weighs against V & S.

b. Similarity Between the Two Marks

***5** There are two components of the similarity factor: 1) "whether the similarity between the two marks is likely to cause confusion and 2) what effect the similarity has upon prospective purchasers." *Sports Auth., Inc. v. Prime*

Hosp. Corp., 89 F.3d 955, 962 (2d Cir.1996). The "analysis focuses on the particular industry where the marks compete." *Brennan's,* 360 F.3d at 133. The appropriate examination requires the court to "appraise the overall impression created by ... the context in which [the marks] are found." *Nabisco, Inc. v. Warner-Lambert Co.,* 220 F.3d 43, 47 (2d Cir.2000) (*quoting Streetwise Maps, Inc. v. VanDam,* 159 F.3d 739, 744 (2d Cir.1998)).

For its magazine title, Absolute uses a script typography of "Absolute" in upper and lower-case letters, with a byline of "New York" or "New York at its Best" at the top of the page. *See* Ludovici-Lint Decl., Exh. D; Garza Decl., Exh. 1. The magazine has used various kinds of art and photographs on the cover below the title. *Id.* In comparison, V & S's famed advertisements for Absolut Vodka always depict the Absolut Vodka bottle and employ a two-word phrase, usually at the bottom of the page and in block typography: "A bsolut New York," "Absolut Manhattan," and "absolut cummings," for example. *See* Kempe-Forsberg Decl., Exh. 2; Garza Decl., Exh. 2. *Absolut Reflexions* uses the same block typography as Absolut Vodka, placing the title at the top of the page of the cover of the magazine. *See* Kempe-Forsberg Decl., Exh. 9.

V & S describes the two marks as "virtually identical" in "both sight and sound," and makes much of the fact that there is but one-letter difference between "Absolut" and "Absolute." V & S Mem. at 15. It relies on cases in which a one-letter or number difference was found insignificant. *See, e.g., Nikon Inc. v. Ikon Corp.,* 987 F.2d 91, 94 (2d Cir.1993) ("Nikon" and "Ikon" for cameras); *Tactica Int'l, Inc. v. Atlantic Horizon Int'l, Inc.,* 154 F.Supp.2d 586, 602 (S.D.N.Y.2001) ("CELLULIFT" and "CELLULIFT 2" for beauty products); *Application of Helene Curtis Indus. Inc.,* 305 F.2d 492, 493-94 (C.C.P.A.1962) ("BEAUTY SET" and "BEAUTY NET" for hair products). However, the overall appearance is critical, and a mark must be viewed in "its complete form rather than dissect[ed] into its component parts." *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.,* 15 F.Supp.2d 389, 395 (S.D.N.Y.1998). In the cases cited by V & S, the courts found other factors led to a likelihood of confusion. In *Nikon,* the fact that the companies used similar packaging for their cameras and the two products were displayed in the same manner supported the finding that a one-letter difference did not mitigate the likelihood of confusion. 987 F.2d at 94-95. In *Tactica,* the court found likelihood of confusion because the two beauty products at issue were "quite similar," designed for the same purpose, and distributed through the same channels. 154 F.Supp.2d at 603. In *Helene Curtis,* 305 F.2d at 493-94, the court rejected a patent application for "BEAUTY NET" for hair spray because of the likelihood of confusion with existing product "BEAUTY SET," a hair conditioning creme and color rinse. The court noted that not only were the words "net" and "set" similar but they had essentially the same meaning in relation to hair, and the company producing "BEAUTY SET" had the right to expand into the production of hair spray. *Id.*

***6** V & S points out that the sound of the two words in this case is also the same. V & S Mem. at 15. In *Virgin Enter. Ltd. v. Nawab,* 335 F.3d 141, 149 (2d Cir.2003), the court considered the sound of the two marks at issue:

> Advertisement and consumer experience of a mark do not necessarily transmit all of the mark's features. Plaintiff, for example, advertised its Virgin Megastores on the radio. A consumer who heard those advertisements and then saw the defendants' installation using the name VIRGIN would have no way of knowing that the two trademarks looked different.... In view of the fact that defendants used the same name as plaintiff, we conclude the defendants' mark was sufficiently similar to plaintiff's to increase the likelihood of confusion.

However, this case is distinguishable from *Virgin.* First, "Absolute" and "Absolut," as written, are not identical. Even if consumers might initially be confused by an audio advertisement, they would no longer be confused once they saw the products in person. Second, V & S has presented no evidence that consumers might first *hear* about Absolute's magazine rather than *see* it. In contrast to the industry in *Virgin,* both V & S's advertisements and Absolute's magazine operate in a primarily visual context. Therefore, the similarity factor also weighs against V & S.

c. Competitive Proximity of the Products

"The third factor addresses whether, due to the commercial proximity of the competitive products, consumers may be confused as to their source." *Id.* It is not necessary for the products to be in direct competition; rather, the *Polaroid* test "was specially designed for a case like this one, in which the secondary user is not in direct competition with the prior

user, but is selling a somewhat different product or service." *Virgin,* 335 F .3d at 150. However, "products sharing the same channel of trade are not necessarily proximate." *Fed. Express Corp. v. Fed. Espresso,* 1998 WL 690903, at *15 (N.D.N.Y. Sept. 30, 1998).

V & S argues that the parties' marketing channels and goods overlap, and maintains that its trade publication, *Absolut Reflexions,* "reports on a wide array of topics, including the worlds of art, fashion, food and drink, music, travel and contemporary culture." V & S Mem. at 16 (citing Kempe-Forsberg Decl., ¶ 19). Absolute counters that *Absolut Reflexions* is distributed for free to professionals in the alcoholic beverage industry, which eliminates any actual economic competition between the parties. *See* Absolute Mem. at 11, 20.

It is likely that the parties' products appeal to a similar group. Participants in the alcoholic beverage industry who receive *Absolut Reflexions* could also be interested in luxury living in New York and buy copies of Absolute's magazine. Drinkers of Absolut Vodka may consider themselves among the "individuals who shape New York's business, social, and philanthropic circles," Ludovici-Lint Decl., Exh. B, and buy the magazine. Courts have found trademark infringement in cases in which companies' products are different but appeal to the same consumer group or are closely related in some other way. *See, e.g., Dreyfus Fund, Inc. v. Royal Bank of Canada,* 525 F.Supp. 1108, 1118 (2d Cir.1981) ("Whether direct competition between these two parties[, a bank and a provider of mutual funds,] actually develops cannot be predicted, but a sufficient relationship exists between their present services to make it reasonable to expect that consumers might confuse them or the services they offer."); *Scarves by Vera,* 544 F.2d at 1174.

*7 Competitive proximity must be measured in reference to the strength of the V & S marks, which is limited to the fields in which the marks are registered, and the relative dissimilarity of the two companies' marks as viewed in context. The key is the possibility of confusion in the context in which consumers encounter, and consider purchasing, the parties' products. *See Arrow Fastener Co., Inc. v. Stanley Works,* 59 F.3d 384, 396-67 (2d Cir.1995). For example, in *Hormel Foods Corp. v. Jim Henson Prod., Inc.,* 73 F.3d 497, 504 (2d Cir.1996), the Second Circuit emphasized that, when parties' original products "occupy distinct merchandising markets," even if other products manufactured by those companies overlap, "the separation between the [primary] markets ... carries over into the secondary merchandising market." The court found little likelihood of confusion in *Hormel* because "SPAM merchandise and Muppet merchandise featuring Spa'am ... derive their associations from a primary product-luncheon meat, in the case of SPAM, and a Muppet motion picture, in the case of Spa'am." *Id.*

While the parties' products in this case are not quite as disparate as luncheon meat and a puppet bearing a similar name, the same logic applies. Any consumer attention to V & S's print and internet-based publications is rooted in the popularity of its primary product, Absolut Vodka, which operates in a distinct market from Absolute's general interest magazine. Furthermore, because *Absolut Reflexions* is distributed for free, V & S has no loss of sales. Although the parties' products may appeal to a similar consumer group, V & S cannot show competitive proximity between its trade publication, or its vodka, and Absolute's magazine.

d. Likelihood that the Senior User will Bridge the Gap

The appropriate question for the fourth factor is whether the plaintiff is likely to enter defendant's area of business or whether the average customer would perceive that possibility as likely. *Fed Ex,* 1998 WL 690903, at *16. "This factor is designed to protect the senior user's 'interest in being able to enter a related field at some future time." ' *W.W.W. Pharm. Co. v. Gillette Co.,* 984 F.2d 567, 574 (*quoting Scarves by Vera,* 544 F.2d at 1172), *aff'd,* 984 F.2d 567 (2d Cir.1993). V & S has not presented any evidence of an intention to expand into Absolute's market by publishing a general interest magazine. While V & S emphasizes that *Absolut Reflexions* contains a wide range of articles, the publication is clearly intended to promote Absolut Vodka. A general interest magazine is not within V & S's "natural zone of expansion." *Westchester Media v. PRL USA Holdings, Inc.,* 214 F.3d 658, 668 (5th Cir.2000). As V & S has presented no evidence of an intent to expand by selling a general-interest magazine, this factor weighs against any finding of a likelihood of confusion. *See W.W.W. Pharm. Co.,* 984 F.2d at 574.

e. Actual Confusion

***8** Evidence of actual consumer confusion is strong evidence of a likelihood of confusion. *Mobil Oil Corp. v. Pegasus Petroleum Corp .,* 818 F.2d 254, 259 (2d Cir.1987). "Even if the movant shows actual confusion by only a small percentage of buyers, he may sustain his

case based on the inference that a few proven instances of actual confusion betoken a more substantial likelihood of confusion." *Lon Tai Shing Co., Ltd. v. Koch + Lowy,* 19 U.S.P.Q.2d 1081, 1089-90 (S.D.N.Y.1991). Confusion, whether actual or likely, can take various forms. First, a consumer may buy one product mistakenly thinking it is a different product. *Playboy,* 486 F.Supp. at 428. Second, a consumer may be "confused as to source," and think that a plaintiff company's product is associated with a defendant company. *Id.* Third, a defendant may "gain a foothold in plaintiff's market by exploiting subliminal or conscious association with plaintiff's well-known name." *Id.* at 428. It is not necessary for a plaintiff to present "evidence of mistaken completed transactions." *Morningside Group Ltd. v. Morningside Capital Group, L.L.C.,* 182 F.3d 133, 141 (2d Cir.1999). Confusion as to "affiliation, connection, or association[,] ... damage to good will, or loss of control over reputation," are actionable forms of trademark infringement. *Id.; Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.,* 604 F.2d 200, 204-05 (2d Cir.1979).

V & S alleges that the second and third forms of confusion are at issue in this case. V & S's evidence of actual confusion, however, is insufficient to support an inference of a likelihood of confusion. V & S presents an "admission" by Absolute in the first issue of the magazine, in which the editor mentioned that callers had been asking if the magazine is related to the vodka. V & S Mem. at 19. While this demonstrates that some people-the number is unknown-have sought to clarify a possible association between the companies, "[t]here is a difference between isolated expressions of momentary confusion and confusion that leads to actual purchasing decisions." *Trs. of Columbia Univ. v. Columbia/HCA Healthcare Corp.,* 964 F.Supp. 733, 747 (S.D.N.Y.1997). In *Trs. of Columbia Univ.,* several doctors testified that patients thought the defendant's advertisements were associated with the plaintiff. *Id.* The court found this evidence *de minimis,* stating, "the relevance of this type of evidence is lessened by the small number of people who allegedly expressed confusion and the absence of a valid statistical sample." *Id.*

This case is similar. V & S's evidence of actual confusion is minimal. Furthermore, V & S has presented no evidence that the confusion has had any impact on consumers' choices to the detriment of the company. While evidence of actual mistaken transactions is not necessary, the kind of consumer confusion which the law protects against is "that which affects the purchasing and selling of the goods or services in question." *Lang v. Retirement Living Pub. Co .,* 949 F.2d 576, 583 (2d Cir.1991) (internal quotations omitted). Because V & S's evidence of some actual confusion is *de minimis,* this factor also weighs against a finding of likelihood of confusion.

e. Intent to Confuse

***9** If a defendant "adopted its mark with the intention of capitalizing on plaintiff's reputation and good will and any confusion between his and the senior user's product," the court may find bad faith, and therefore, likelihood of confusion. *Id.* (internal quotations omitted). Prior knowledge of another's trademark and continued use after notice from the plaintiff both support a finding of bad faith. *Mobil Oil Corp.,* 818 F.2d at 258 (2d Cir.1987); *Stern's Miracle-Gro Prod., Inc. v. Shark Prod., Inc.,* 823 F.Supp. 1077, 1088 (S.D.N.Y.1993). However, such prior knowledge does not necessitate an inference of bad faith "where the presumption of an exclusive right to use a registered mark extends only to the goods and services noted in a registration certificate." *Arrow Fastener,* 59 F.3d at 397. If a plaintiff's mark is long-standing and the marks are very similar, a defendant must provide "a reasonable explanation of its choice [in order] to establish lack of intent to deceive." *Stern's Miracle-Gro,* 823 F.Supp. at 1087. "Selection of a mark that reflects the product's characteristics, request for a trademark search and reliance on the advice of counsel are [also] factors that support a finding of good faith." *Lang,* 949 F.2d at 583.

V & S argues that Absolute's mailer announcement of the magazine and advertisement in *Impact* alluded to Absolut Vodka and therefore demonstrate Absolute's intent to confuse the magazine with V & S's trademarks. V & S Mem. at 20. V & S also notes that Absolute has had constructive notice of V & S's marks because of the strength of the marks, and actual notice since March 2005 when V & S began pursuing its claim of infringement. *Id.* Absolute offers the explanation that "absolute" is a common English word and that the addition of the "New York" byline makes the Absolute mark unique. Absolute Mem. at 14. Absolute also emphasizes the differences between the two companies' products. *Id.*

Where Absolute may have alluded to the Absolut Vodka ads with words, there is no sign of Absolut's distinctive bottle in Absolute's materials. The allusions do, however, raise questions about the company's intent. Absolute did not present evidence of pursuing a trademark search or seeking the advice of counsel. Furthermore, Absolute has not explained why the term is particularly appropriate for the company's magazine. This factor weighs in plaintiff's favor.

f. Quality of the Products and Sophistication of the Buyers

The final two factors of the *Polaroid* test involve an analysis of the quality of the companies' products and the "sophistication" of the consumers likely to purchase the products. If the defendant's product is inferior, the plaintiff's reputation could be affected by any association consumers might make. *Fed Ex,* 1998 WL 690903, at *18. On the other hand, similarity in quality between the products could also increase the likelihood that consumers would associate the defendant's product with the plaintiff's company. *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.,* 799 F.2d 867, 875 (2d Cir.1986). In addition, confusion will be less likely the more "sophisticated" the typical consumer may be.

***10** V & S argues that, while Absolute's magazine appears to be high-quality, the content is unknown. V & S Mem. at 21. V & S has no control over that content, and any problems concerning the magazine could be attributed to their company. *Id.* V & S also relies on the "impulse purchase" nature of magazines, arguing that consumers may glance at the cover, associate the magazine with V & S, and buy it thinking it is related to Absolut Vodka. *Id.* Absolute contends that the readers of its magazine are "wealthy and discerning," unlikely to buy anything on impulse. Absolute Mem. at 16.

Neither V & S nor Absolute have presented any particularly weighty evidence as to quality or buyer sophistication. The buyers of Absolut Vodka and Absolute's magazine are probably equally discerning. The parties' primary products, Absolut Vodka and Absolute's magazine, are entirely distinct and unlikely to be confused. The two publications at issue are also easily differentiated as *Absolut Reflexions* is a trade publication, distributed for free, and Absolute's magazine is a general interest magazine. Consumers are unlikely to confuse the two. As for V & S's argument concerning lack of control over Absolute magazine's content, the foregoing analysis of the other *Polaroid* factors demonstrate that confusion is largely unlikely, and what little confusion there may be has little impact on V & S's reputation. Neither quality of product nor sophistication of buyer change that analysis.

h. Balancing of the Factors

After analyzing each of the Polaroid factors separately, "[t]he court should weigh each ... in light of the totality of its findings ." *Fed Ex,* 1998 WL 690903, at *18. "[W]here the parties are using similar marks on different products and where the balance of considerations ensures against a likelihood of confusion, the law does not give the plaintiff exclusive rights to usage of a particular tradem ark." *W.W.W. Pharm.,* 808 F.Supp. at 1025.

There is some question about Absolute's intent because of allusions to the Absolut Vodka advertising campaign in advertisements for the magazine. However, all the other factors weigh against a likelihood of confusion in this case. While V & S owns strong trademarks, none of those marks are distinctive within Absolute's market. The two companies' marks are not similar enough to cause more than momentary confusion. Their products are not competitively proximate, first, because their primary products are distinct, and second, because V & S's publication is a trade publication unlikely to compete with Absolute's general interest magazine. V & S has not demonstrated any intention to enter into Absolute's market. V & S's evidence of actual confusion is *de minimis* and shows no impact on consumers' choices. Neither the sophistication of the buyers nor the quality of the products affects this analysis.

V & S cannot be protected from every mark that is slightly similar to "Absolut." *See Dreyfus Fund. Inc.,* 525 F.Supp. at 1114. As the *Polaroid* factors make clear, trademark protection under the Lanham Act is limited by the parties' trademark registrations, their respective products, and the markets in which they are sold. *See Savin Corp.,* 2003 WL 22451731, at *9. Most critical to the consideration of a motion for preliminary injunction, V & S has not presented any evidence of the impact of any possible confusion between *Absolut Reflexions* and Absolute's magazine. In other cases granting preliminary injunctions, a showing of irreparable harm has been substantial. *See, e.g., Playboy,* 486 F.Supp. at 429 ("Rather than rely on an inference of irreparable harm, plaintiff presented ample evidence demonstrating the manner in which it would suffer economic harm from the publication, distribution, and sale of defendants' proposed magazine.").

***11** Because I have found V & S has not demonstrated a likelihood of confusion, I therefore conclude that V & S has failed to show a likelihood of success on the merits of its trademark infringement claim. The alternative route to a preliminary injunction is to demonstrate "sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of the hardships tipping decidedly in the movant's favor." *Jackson Dairy,* 596 F.2d at 72. Because one factor of the *Polaroid* test does weigh in plaintiff's favor, intent to confuse, I find there are some questions going to the

merits of the case. However, this sole factor is insufficient to tip the balance of the hardships in V & S's favor, especially given First Amendment concerns.

The First Amendment is an issue here because a preliminary injunction would implicate Absolute's "right to choose an appropriate title for literary works." *Westchester Media,* 214 F .3d at 664. The Second Circuit has held that "literary titles do not violate the Lanham Act 'unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work." ' *Twin Peaks Prod., Inc. v. Publ'ns Intern.,* 996 F.2d 1366, 1379 (2d Cir.1993) (*quoting Rogers v. Grimaldi,* 875 F.2d 994, 999 (2d Cir.1989)). Absolute did not explain the choice of its magazine's title or its relevance, but it cannot be said at this juncture that the title has *no* artistic relevance. It is also clear the title does not *explicitly* mislead consumers.

Westchester Media, a Fifth Circuit case similar to this one, involved a claim that a lifestyle magazine named "Polo" infringed the Ralph Lauren "Polo" trademark for clothing, accessories, fragrances, and home furnishings. 214 F.3d at 661. The court affirmed a preliminary injunction despite First Amendment concerns. The court adopted the Second Circuit approach which requires that the "likelihood of confusion must be particularly compelling to outweigh the First Amendment interests at stake." *Id.* at 665 (*citing Twin Peaks,* 996 F.2d at 1379). The court found that the magazine and products targeted the same consumers and used the same retail outlets, and that the magazine's emphasis on fashion, affluent lifestyle, and travel could lead to association between the companies. *Id.* at 668. Based on surveys and anecdotal evidence of actual confusion, and the finding that the defendant acted with intent to confuse, the court found the likelihood of confusion particularly compelling, and therefore sufficient to override First Amendment concerns. *Id.* This case is distinct. I have found *no* likelihood of confusion under the *Polaroid* test, let alone a particularly compelling likelihood. The factors present in *Westchester Media* are not present in this case. The First Amendment, therefore, tips the balance of the hardship decidedly toward the defendant, precluding the grant of a preliminary injunction.

IV. CONCLUSION

***12** There are some questions on the merits of V & S's Lanham Act claim principally because of some evidence of an intent to confuse on the part of Absolute. However, because of overriding First Amendment concerns, the hardships do not balance in V & S's favor. Similarly, V & S has not met its burden of establishing a likelihood of success on the merits, therefore failing to demonstrate the necessary irreparable harm for a preliminary injunction. I recommend that the motion be DENIED.

Pursuant to Rule 72, Federal Rules of Civil Procedure, the parties shall have ten (10) days after being served with a copy of the recommended disposition to file written objections to this Report and Recommendation. Such objections shall be filed with the Clerk of the Court and served on all adversaries, with extra copies delivered to the chambers of the Honorable Richard M. Berman, 40 Centre St., Room 201, and to the chambers of the undersigned, Room 1970. Failure to file timely objections shall constitute a waiver of those objections both in the District Court and on later appeal to the United States Courts of Appeals. *See Thomas v. Arn,* 474 U.S. 140, 150 (1985); *Small v. Sec'y of Health and Human Serv.,* 892 F.2d 15, 16 (2d Cir.1989) (*per curiam*); 28 U.S.C. § 636(b)(1) (West Supp.1995); Fed.R.Civ.P. 72, 6(a), 6(e).

Footnotes

1 As the Court emphasized in *Playboy,* the focus on "areas of direct competition," *id.,* and spelling differences is important for other factors in the *Polaroid* test.

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EXHIBIT DDD

Cancellation Proceeding No. 92054573
LayerZero Power Systems, Inc. v. Ortronics, Inc.

Exhibit Offered by Ortronics, Inc.

Citation # 1
2011 US Dist Lexis 95304

Positive , As of Feb 13 , 2013

Z PRODUCTIONS, INC., a Florida corporation, d/b/a GLOBAL INTERNET CORPORATION, a/k/a THE CAMGUYS.COM, Plaintiff, v. SNR PRODUCTIONS, INC., a New York corporation, Defendants.

Case No.: 8:10-CV-966-T-23MAP

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF FLORIDA, TAMPA DIVISION

2011 U.S. Dist. LEXIS 95304

August 18, 2011, Decided
August 18, 2011, Filed

SUBSEQUENT HISTORY: Adopted by, Summary judgment granted, in part, summary judgment denied, in part by Z Prods. v. SNR Prods., 2011 U.S. Dist. LEXIS 95436 (M.D. Fla., Aug. 25, 2011)

PRIOR HISTORY: Z Prods. v. SNR Prods., 2010 U.S. Dist. LEXIS 128386 (M.D. Fla., Dec. 6, 2010)

CORE TERMS: cam, guy, trademark, website, registration, camguys, summary judgment, com, cancellation, counterclaim, unfair, descriptive, secondary meaning, consumer, domain, unfair competition, thecamguys, tortious interference, guyswithcams, commerce, ownership, registered, deposition, chat, male, common law, service marks, cybersquatting, infringement, recommend

COUNSEL: [*1] For Z Productions, Inc., a Florida corporation doing business as Global Internet Corporation, also known as Thecamguys.com, Plaintiff: Robert M. Bortner, LEAD ATTORNEY, Sockol & Associates, PA, St Petersburg, FL.

For SNR Productions, Inc., a New York corporation, Defendant: Brandon Paul Faulkner, Joseph H. Varner , III, Stacy Delayne Blank, LEAD ATTORNEYS, Holland & Knight, LLP, Tampa, FL.

For Stephen N. Ranieri, an individual, Defendant: Brandon Paul Faulkner, LEAD ATTORNEY, Holland & Knight, LLP, Tampa, FL.

For Peter J. Grilli, Mediator: Peter John Grilli, LEAD ATTORNEY, Peter J. Grilli, PA, Tampa, FL.

For SNR Productions, Inc., a New York corporation, Counter Claimant: Brandon Paul Faulkner, Joseph H. Varner , III, LEAD ATTORNEYS, Holland & Knight, LLP, Tampa, FL.

For Z Productions, Inc., a Florida corporation, Counter Defendant: Robert M. Bortner, LEAD ATTORNEY, Sockol & Associates, PA, St Petersburg, FL.

JUDGES: MARK A. PIZZO, UNITED STATES MAGISTRATE JUDGE.

OPINION BY: MARK A. PIZZO

OPINION

REPORT AND RECOMMENDATION

Plaintiff, Z Productions, Inc., the developer of a website, TheCamGuys.com, that allows users to

view live webcasts and to engage in video communications and chats with male models, alleges that the **[*2]** Defendant, SNR Productions, Inc. operates domain names, CamGuys.net, CamGuys.tv, and CamGuys.info, that infringe on Z Productions' registered trademark. At this juncture, SNR moves for summary judgment, pursuant to Fed.R.Civ.P. 56, asserting Z Productions does not possess any protectable rights in its mark, "The Cam Guys," or in the similar term "cam guys" due to SNR's prior use of the term (doc. 33). After consideration, I recommend that SNR's motion be granted as to Z Productions' counts I (unfair competition under 15 U.S.C.§ 1125(a)), II (dilution under Fla. Stat. § 495.151), III (unfair competition under Fla. Stat. §501.201 *et seq.*, IV (unfair competition under Florida common law), and VI (cybersquatting under 15 U.S.C. § 1125(a)) [1] and as to counterclaims I (cancellation) and II (declaratory relief), and be denied as to SNR's counterclaims III and IV (tortious interference) for the reasons set forth below. [2]

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1 The Complaint does not include a Count V.

2 The district judge referred SNR's motion for summary judgment to me for report and recommendation pursuant to 28 U.S.C. § 636 and Local Rule 6.01(b). *See* doc. 40.

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A. Standard of Review

Summary judgment is appropriate when 'there is no **[*3]** genuine dispute as to any material fact' and the moving party is entitled to judgment as a matter of law. *Owen v. I.C. Sys., Inc.*, 629 F.3d 1263, 1270 (11th Cir. 2011) (quoting Fed. R. Civ. P. 56). Where the record taken as a whole could not lead a rational trier of fact to find for the nonmoving party, there is no 'genuine issue for trial. *Scott v. Harris*, 550 U.S. 372, 380, 127 S. Ct. 1769, 167 L. Ed. 2d 686 (2007) (quotations and citation omitted). "The mere existence of some alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no genuine issue of material fact." *Scott*, 550 U.S. at 380 (quotations and citation omitted). In considering the motion for summary judgment, the Court considers the evidence and draws "all reasonable inferences in the light most favorable to the non-moving party. *Patton v. Triad Guar. Ins. Corp.*, 277 F.3d 1294, 1296 (11th Cir. 2002) (citation omitted). But "[w]hen opposing parties tell two different stories, one of which is blatantly contradicted by the record, so that no reasonable jury could believe it, a court should not adopt that version of the facts for purposes of ruling on a motion **[*4]** for summary judgment. *Scott*, 550 U.S. at 380.

B. Factual backdrop

On February 14, 2000, Z Productions was incorporated and registered with the Florida Department of State and within a few days thereafter began conducting business via the website allamericanguys.com. Through allamericanguys.com, Z Productions offered online viewing of and chatting with male models. From on or about April 2002 through November 2004, Stephen Ranieri, who later became SNR's president and owner, provided services to Z Productions' allamericanguys.com website, including moderating a live chat room and providing technical assistance. [3] On November 6, 2005, Z Productions began operating another website thecamguys.com, for the purpose of providing online viewing and chatting with male models. On its registration application filed with the United States Patent and Trademark Office ("USPTO"), Z Productions asserts that it first used the term "The Cam Guys" in November 2005 in connection with its thecamguys,.com website. Z Productions filed its application bearing serial number 7757891 for registration of the mark "The Cam Guys" on June 11, 2009, and provided on the application that it first used the mark at least **[*5]** as early as November 6, 2005, and that "to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/ services of such other

person, to cause confusion, or to cause mistake, or to deceive ..." *See* doc. 36-3. The USPTO registered the mark "The Cam Guys" to Z Productions on January 12, 2010.

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3 Z Productions originally named Ranieri as a defendant in this action, but this Court granted Ranieri's motion to dismiss for lack of personal jurisdiction. *See* order, doc. 31 adopting report and recommendation, doc. 28.

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Z Productions' vice-president Christopher Wescott has given inconsistent versions regarding when Z Productions began using "The Cam Guys." In his deposition, he said he chose the name "The Cam Guys" "because [he] thought it was something that would be able to be marketed well," because "it references the superlative nature of our web cam models," and that from the name "people would know that we are the cam guys." He also stated that he invented the term "The Cam Guys" and **[*6]** that he had not heard the term "cam guys" before he started thecamguys.com. *See* Wescott deposition, doc. 33-12. However, in his affidavit in opposition to the motion for summary judgment,Wescott,contradicts that testimony. Instead, he attests that Z Productions began using the term "The Cam Guys" about four and a half years before it filed its application for "The Cam Guys" trademark. *See* Wescott affidavit, doc. 36-1. Similarly, Z Productions' president and technical administrator, Miguel Downs, testified that he was not aware that SNR's website guyswithcams.com used the term "cam guy" or "cam guys" to reference its models and does not recall seeing the terms used by anyone before 2005. 4 *See* Downs deposition, doc. 33-2.

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4 Interestingly, SNR fiercely maintains that in fact Z Productions, via Downs was aware of its use of the term "cam guys" on its website guyswithcams.com. SNR explains that Downs posted messages on SNR's guyswithcams.com message board in November 2002, and that the message board depicts SNR's repeated use of the term "cam guys" in connection with its services. Second, in 2002 or 2003, Z Productions maintained banner advertisements on SNR's guyswithcams.com website on **[*7]** the same pages on which SNR used the term "cam guys." Third, SNR maintains that in 2003, Z Productions sponsored a contest held by SNR in which SNR's customers voted on candidates to become its next "cam guy" and Z Productions offered a photo shoot to the winner. *See* doc. 33, p.23.

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SNR was incorporated in New York on June 15, 2006. However, began operating as a business in 2001, as evidenced by the filing of a Certificate of Individual Doing Business Under Assumed Name by Stephen Ranieri, the president of SNR, with the clerk's office of Monroe County, New York on September 9, 2003. This certificate indicates that Ranieri was transacting business under the name "SNR Productions." *See* doc. 45, ex. A. SNR maintains that it acquired the common law rights in the mark "cam guy" and "cam guys" when Ranieri d/b/a SNR Productions transferred business operations to SNR at the time of its incorporation. Ranieri testified that SNR first used the term "cam guys" on or before September 2002, on a website he operated, guyswithcams.com that offered live webcam chat services, and has continuously used the term "cam guys" in connection with its live webcam chat services since 2002. Exhibits filed in **[*8]** support of the summary judgment motion show archived "snapshots" of the guyswithcams.com website evidencing SNR's use of the term "cam guy" and "cam guys" in 2003. *See* exhibits 6-7 to Ranieri deposition, doc. 37. From 2003-2005, SNR produced a series of DVDs entitled "Cam Guys Gone Wild," a title he chose to use because he often used the term "cam guys" throughout their website and "thought it would be a catchy name," which was sold via the guyswithcams.com website featuring its "cam guys" on spring break trips. Through these activities, Ranieri asserts that he, d/b/a SNR, used the term "cam guys" in connection with the sale to the consuming public predating Z Production's first use of the

term "cam guys" and its registration of the "The Cam Guys" mark. *See* Ranieri deposition, doc. 37-1; *see also* Ranieri affidavit, doc. 33-6 (attesting that SNR has continuously used the descriptive terms "cam guy" and "cam guys" in connection with the offering of its live web cam internet services since, at least, November, 2002).

Ranieri testified that SNR did not invent the term "cam guys," and that he was aware that others in the male model industry used the term "cam guys" before he used it. SNR's **[*9]** website, like Z Productions' website, promotes "cam guy" chat services, invites customers to chat with its "cam guys," and recruits models to work as "cam guys" on its website, and runs a periodic feature highlighting a particular male model as its "cover cam guy." SNR first became aware of Z Productions' website TheCamGuys.com on or about May 1, 2006. SNR acquired the three domain names that are the subject of this lawsuit, camguys.net, camguys.info, and camguys.tv, as part of a bundled package offered by GoDaddy.com and registered the domain names camguys.net, camguys.info, and camguys.tv in August 2007, prior to Z Productions' federal registration application. SNR uses the camguys.net website to offer blog services and to direct web traffic to its other websites using hyperlinked text and references to its other websites. SNR uses camguys.info and camguys.tv as automatic redirects to its website camwithhim.com.

Z Productions filed the instant five-count complaint against SNR alleging unfair and deceptive trade practices (in violation of 15 U.S.C. § 1125(a) (count I), dilution under Fla. Stat. § 495.151 (count II), unfair competition under Florida Deceptive and Unfair Trade Practices **[*10]** Act (count III), unfair competition under Florida common law (count IV), and cybersquatting under 15 U.S.C. §1125(d) (count VI). Z Productions theorizes it has acquired an ownership interest in the name "TheCamGuys" in connection with live webcasting through its prior use of such name, and that SNR's statements, internet representations, and action create a likelihood of confusion among consumers of live, male model webcasting. Z Productions alleges that consumers are likely to believe that Z Productions and/or TheCamGuys.com sponsor or are affiliated with, condone, or have an ownership interest in, or are associated in some manner with SNR's websites, CamGuys.net, CamGuys.tv, and CamGuys.info. Moreover, Z Productions alleges that SNR's representations on its websites are clearly intentional and calculated to deceive consumers, and that SNR's representations on their websites were designed to capitalize on and profit from the goodwill and reputation of the "CamGuys" and related names and services in the industry. Z Productions further alleges that SNR's use constitutes unfair competition, and is intentionally fraudulent, malicious,willful and/or wanton (Complaint, ¶¶ 26-28), that SNR's **[*11]** use of the names CamGuys.net, CamGuys.tv, and CamGuys.info and related names and services is likely to suggest a false sponsorship, license or association with Z Productions' website, TheCamGuys.com, which will cause injury to Z Productions and the public. Further, Z Productions alleges that to the extent that SNR's use of the names CamGuys.net, CamGuys.tv, and CamGuys.info or related "cam" terminology in connection with webcasting and modeling is inferior in quality to Z Productions' interactive webcasting services, such conduct and/or distribution to a customer will cause further injury to Z Productions and the public (Complaint, ¶ 29-30).

According to the parties' joint pretrial statement, Z Productions has dropped its claim for money damages, and seeks only injunctive relief against SNR. *See* doc. 49, p.2. Via counterclaims, SNR seeks cancellation of Z Productions' mark (counterclaim I), a declaratory judgment stating that its use of the domain names at issue does not constitute trademark infringement (counterclaim II), and compensatory and punitive damages in connection with tortious interference claims arising from Z Productions' interference with SNR's webhost providers (counterclaims **[*12]** III and IV).

C. Discussion

1. Count I- Federal Unfair Competition under 15 U.S.C. § 1125(a)

Z Productions alleges SNR's actions constitute unfair competition, false designation of origin, false or misleading descriptions or representations of fact, false advertising/ promotion and/or unfair or deceptive trade practices in violation of 15 U.S.C. §1125(a). To prevail, Z Productions must show

that 1) it has valid ownership of the mark or name; and 2) that the defendant has adopted an identical or similar mark such that consumers were likely to confuse the two. [5] *Leigh v. Warner Bros., Inc.*, 212 F.3d 1210, 1216 (11th Cir. 2000). SNR disputes that Z Productions has valid ownership in the mark "The Cam Guys." Specifically, SNR asserts that it "it is undisputed that SNR's use of the term "cam guys" in connection with live webcam chat services predates Z Productions' use." *See* doc. 33, p. 10. Z Productions contents otherwise:

> Since Z Productions first used the phrase "The Cam Guys" in commerce in early November, 2005 (Ex. 3, Aff. Wescott) and since SNR did not exist until June 15, 2006, Z Productions has prior first use of the phrase. All of SNR's purported pre-June 15, 2006 conduct should be **[*13]** suspect, if not irrelevant. At a minimum, there is a dispute of material fact concerning which Party had prior first use.

doc. 39, p.14.

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5 The Eleventh Circuit views a "false designation of origin and false descriptions" claim under 15 U.S.C. § 1125(a) as essentially the same thing as "unfair competition" under the same section. *Knights Armament Co. v. Optical Systems Tech., Inc.*, 568 F.Supp. 2d 1369, 1376 (M.D. Fla. 2008) citing *Custom Mfg. & Eng'g v. Midway Svcs., Inc.*, 508 F.3d 641, 647-48 (11th Cir. 2007).

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To succeed, Z Productions must show that it had a valid trademark which predates SNR's use of the mark. *Leigh, supra*, 212 F.3d at 1216-17. Registration does not actually confer rights in a mark. Instead, trademark ownership accrues with use. *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1171 (11th Cir. 1991). Trademark registration confers only procedural advantages, and does not enlarge the registrant's ownership rights. Registration creates a *prima facie* rebuttable presumption that the one registering the mark is its owner, and that the trademark is valid; the burden of production shifts to the alleged infringer. *Thoroughbred Legends, LLC v. The Walt Disney Co.*, 2008 U.S. Dist. LEXIS 19960, 2008 WL 616253 (N.D. Ga. 2008) **[*14]** citing *Persha v. Armour & Co.*, 239 F.2d 628, 630 (5th Cir. 1957). [6]

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6 Decisions by the former Fifth Circuit issued before October 1, 1981, are binding as precedent in the Eleventh Circuit. *Bonner v. City of Prichard, Ala.*, 661 F.2d 1206, 1207 (11th Cir. 1981) (*en banc*).

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The summary judgment record shows that SNR used the mark "cam guys" in commerce in 2003 on its website guyswithcams.com. *See* exhibits 6-7 to Ranieri deposition, doc. 37. I find Z Productions' argument that SNR could not have used the mark prior to its date of incorporation unpersuasive. As SNR asserts in its reply brief, when Ranieri d/b/a SNR Productions transferred business operations to SNR upon its incorporation, SNR acquired all of the trade names, service marks, and good will associated it. *See First Fashion USA, Inc. v. Best Hair Replacement Mfrs., Inc.*, 645 F.Supp. 2d 1158, 1164 (S.D. Fla. 2009) ("Unless there is evidence to the contrary, a trade name will be presumed to have passed, even in absence of formal assignment, to one to whom the business has been transferred."). Moreover, as SNR notes, the assignee of a trade name or service mark steps into the shoes of the assignor. *Planetary Motion, Inc. v. Techsplosion, Inc.*, 261 F.3d 1188, 1192 n.1 (11th Cir. 2001). **[*15]** This includes the rights associated with the assignor's first use and superior priority. *Planetary Motion, Inc. v. Techsplosion, Inc.*, 2000 WL 34015863, *3 (S.D. Fla. 2000); *Lone Star Steakhouse & Saloon, Inc. v. Alpha of Virginia, Inc.*, 43 F.3d 922, 931

(4th Cir. 1995) (holding that assignment of a mark also transfers date of first use of the term to establish senior ownership). To overcome SNR's summary judgment motion, Z Productions must show it used the "cam guys" mark in commerce prior to 2003. Wescott testified on Z Productions' behalf that he chose the name "the cam guys" and had not heard the term before he started thecamguys,com on November 6, 2005 (*see* Wescott deposition, doc. 33-12). Wescott later attested in his affidavit in opposition to the motion for summary judgment that "Z Productions began using the website thecamguys.com for the purpose of online viewing of and chatting with male models, and that "[s]ince November 6, 2005, Z Productions has continuously used the phrase "The Cam Guys" to refer to itself, its website, its brand." Wescott attested in the same affidavit that "[a]t the time Z Productions filed its application for "The Cam Guys" trademark, Z Productions **[*16]** had been using "The Cam Guys" for about 4 1/2 years ..." *See* Wescott affidavit, doc. 36-1. This brief, conclusory assertion of trademark usage is unpersuasive. "This court has consistently held that conclusory allegations without specific supporting facts have no probative value." *See Leigh, supra*, 212 F.3d at 1217 quoting *Evers v. General Motors Corp.*, 770 F.2d 984, 986 (11th Cir. 1985). "One who resists summary judgment must meet the movant's affidavits with opposing affidavits setting forth specific facts to show why there is an issue for trial." *Id.* quoting *Gossett v. Du-Ra-Kel-Corp.*, 569 F.2d 869, 872 (5th Cir. 1978); Fed.R.Civ.P. 56(e). Z Productions has the burden of proving that it had trademark rights in the term "cam guys" first before SNR's use of the term on its website in 2003. Z Productions has not met its burden, as it has not provided any "specific facts" supporting prior use sufficient to create a genuine issue for trial.

Z Productions' claims that the word "The" in its mark changes the meaning and is critical to its mark, differentiating it from the simple term "cam guys." I find Z Productions' assertion that the word "The" is critical to the meaning of its mark "The **[*17]** Cam Guys" unpersuasive. *See Atlanta Allergy and Asthma Clinic, P.A. v. Allergy & Asthma of Atlanta*, 685 F.Supp. 2d 1360, 1378 (N.D. Ga. 2010) citing *John Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 975 (11th Cir. 1983) (similarity is determined by considering the overall impression created by the mark[s] as a whole rather than simply comparing individual features of the marks).

Because I find that Z Productions lacks valid ownership of the mark, it is unnecessary for me to advance to the second element, that SNR's unauthorized use of the mark or name in commerce creates a likelihood of confusion among consumers as to the origin of the goods or services.

2. Count II- Dilution under Fla. Stat. § 495.151

Via Count II, Z Productions claims that it is the rightful owner of the trademark "The Cam Guys" in connection with webcasting live models and that SNR has willfully or maliciously engaged in mark dilution causing damages. To prevail on a claim under Fla. Stat. §495.151, a plaintiff must demonstrate: 1) the plaintiff's mark is famous; 2) the defendant used the plaintiff's mark after the plaintiff's mark became famous; 3) the defendant's use was commercial and in commerce; and 4) the **[*18]** defendant's use of the plaintiff's mark has likely caused dilution." *Rain Bird Corp. v. Taylor*, 665 F. Supp. 2d 1258 (N.D. Fla. 2009) citing *Great Southern Bank v. First Southern Bank*, 625 So. 2d 463, 471 (Fla. 1993). Because I already have found that SNR first used the term "cam guys," I cannot find that SNR diluted Z Productions' mark.

3. Count III- Unfair competition under Fla. Stat. § 501.201, et seq.

Via Count III, Z Productions alleges that SNR's willful conduct constitutes unfair competition and deceptive or unfair trade practices in the conduct of trade or commerce in violation of the Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. § 501.201 *et seq*. To prevail, Z Productions must prove: 1) a deceptive act or unfair practice; 2) causation; and 3) actual damages. *Rollins, Inc. v. Butland*, 951 So. 2d 860, 869 (Fla. 2d DCA 2006). Both parties concede that since the parties are competitors, Z Productions is limited to injunctive relief. *Ohio Savings Bank v. Kempa*, 2008 U.S. Dist. LEXIS 7056, 2008 WL 276045, *3 (M.D. Fla. 2008). Both parties also agree that a cause of action alleging a violation of FDUTPA arising from a trademark infringement claim requires proof that the plaintiff's mark has priority, **[*19]** that the competitor used the mark in commerce,

and that the competitor's use of the mark is likely to cause consumer confusion. *Pepsico, Inc. v. Distribuidora La Matagalpa, Inc.*, 510 F.Supp. 2d 1110, 1114 (S.D. Fla. 2007). Again, because I find that SNR first used the term "cam guys" in commerce, I find that Z Productions cannot prove a cause of action for FDUTPA violations.

4. Count IV- Unfair Competition under Florida common law

Via count IV, Z Productions alleges that SNR's acts constitute unfair competition in violation of Z Productions' superior rights under Florida common law. The parties concur that the applicable law is the same under Florida common law as under the federal claims under 15 U.S.C. § 1125(a). *See Tally-Ho, Inc. v. Coast Community College Dist.*, 889 F.2d 1018, 1026 (11th Cir. 1989). Accordingly, I recommend that SNR's motion for summary judgment be granted as to Count IV for the reasons stated above.

5. Count VI- Cybersquatting under Lanham Act, 15 U.S.C. §1125(d)

Congress enacted the Anticybersquatting Consumer Practices Act, 15 U.S.C. §1125(d), in 1999. The Act provides a cause of action for a trademark owner against a person who "has a bad faith intent to profit **[*20]** from [the owner's] mark" and who "registers, traffics in, or uses a domain name" that is identical or confusingly similar to the owner's distinctive mark or that is identical, confusingly similar to or dilutive of the owner's famous mark. To prevail on a claim for cybersquatting, a plaintiff must establish: 1) the distinctiveness of its mark; 2) confusing similarity between the defendant's domain name and the plaintiff's mark; and 3) bad faith registration of the domain name. *Ohio Sav. Bank v. Kempa*, 2008 U.S. Dist. LEXIS 7056, 2008 WL 276045 (M.D. Fla. 2008) citing 15 U.S.C. §1125(d)(1)(A); *Shields v. Zuccarini*, 254 F.3d 476, 482 (3d Cir. 2001). Because I find that SNR first used the term "cam guys," Z Productions cannot establish the elements of a cause of action for cybersquatting and I recommend SNR's motion for summary judgment be granted.

6. Counterclaim I- cancellation of mark

SNR also seeks summary judgment on its counterclaims. By its first counterclaim, SNR alleges that Z Productions' registration must be cancelled because Z Productions obtained the registration through fraud, or alternatively because the phrase "the cam guys" is merely a descriptive term that is widely used in the internet entertainment **[*21]** industry not subject to trademark protection.

a. registration through fraud

"Purposely failing to disclose other users' rights to use the same or similar marks may qualify as a material omission justifying cancellation of a trademark." *Angel Flight of Georgia, Inc. v. Angel Flight America, Inc.*, 522 F.3d 1200, 1210 (11th Cir. 2008). However, a party seeking cancellation of a trademark registration for fraudulent procurement "bears a heavy burden" as the applicant's subjective belief is at issue. *Pandora Jewelers 1995 v. Pandora Jewelry, LLC*, 2011 U.S. Dist. LEXIS 59465, 2011 WL 2174012, *14 (S.D. Fla. June 2, 2011) citing *In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009). A trademark is fraudulently obtained under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the USPTO. *Id.* Subjective intent to deceive, however difficult it may be to prove, is an indispensable element of the analysis. *Id.* Under 15 U.S.C. § 1120, the application for use of a trademark must contain a verified statement regarding the applicant's knowledge or belief regarding the accuracy of the application and the existence of any other user's right to the same or **[*22]** a similar mark. It is established that "the oath in an application for registration must be truthful." *Pandora*, 2011 U.S. Dist. LEXIS 59465, [WL] at *13 citing *Rosso & Mastracco, Inc. v. Giant Food Inc.*, 720 F.2d 1263 (Fed.Cir. 1983). The oath, however, does not require an applicant to disclose those all other persons who may be using the mark; it only requires an applicant to disclose all persons who the applicant believes possesses the legal right to use the mark. *Pandora*, 2011 U.S. Dist. LEXIS 59465, [WL] at *13 (citations omitted); 2 McCarthy on Trademarks §31:76

("The signor of an application oath should not be put in the position of a fortune teller as to what the courts will hold in the future as to the trademark rights of others."). Although SNR maintains that Z Productions should have known of its use of the term "cam guys" on guyswithcams.com from 2002-2005, SNR has not provided sufficient facts to show that Z Productions made a false oath to the USPTO or otherwise obtained the registration through fraud. Hence, I recommend summary judgment on the theory that Z Productions procured the trademark registration through fraud be denied.

b. registration should not have been issued

SNR also maintains that the mark should be cancelled simply because **[*23]** it first used the mark and because "cam guys" is merely a descriptive or generic term that is widely used in the internet entertainment industry. Pursuant to §37 of the Lanham Act, courts have concurrent power with the USPTO to conduct cancellation proceedings. A litigant in court who seeks cancellation has the burden of overcoming the evidentiary effect of a federal registration. 5 McCarthy §30:109. In order to cancel a mark, a plaintiff must prove: 1) standing to petition for cancellation because it is likely to be damaged; and 2) that there are valid grounds for discontinuing registration. *Coach Restaurant, Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 1557 (11th Cir. 1991). Because the mark at issue has been on the federal Principal Register in Z Production's name for less than five years, the mark may be cancelled upon proof by SNR that the registration should have been barred in the first instance under the Lanham Act. *Coach, supra*, at 1558. In determining standing, the issue is not necessarily whether the party seeking cancellation is entitled to registration or owns the mark, but rather whether the presumptions flowing from the registration are damaging to the party's **[*24]** legal and continuous use of the term. 3 McCarthy §20:46. I find that SNR has standing to petition for cancellation. *See Coach, supra*, at 1557 (finding petitioner had standing because it claimed to have prior rights in the mark and registration of same mark could give registrant an incontestable right to own and exclusively use the mark).

Next, I must determine whether there are valid grounds for cancelling Z Productions' mark. The mark may be cancelled if SNR can prove that the registration should have been barred in the first instance under the Lanham Act § 2. Cancellation of the registration is appropriate if it is established either that as of the time of registration, the registered term was merely descriptive and lacked secondary meaning, or that as of the time of the decision in the cancellation proceeding the mark is merely descriptive and lacks secondary meaning. 3 McCarthy §20:54.

> The distinctiveness of a mark refers to how easily customers identify [a] mark with represented services. There are four categories of distinctiveness listed in ascending order of distinctiveness: (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary or fanciful. The demarcation between each **[*25]** category is more blurred than it is definite. Term which suggests the basic nature of the service is generic and is typically incapable of achieving service mark protection because it has no distinctiveness. A descriptive term merely identifies a characteristic or quality of a service. Because a descriptive service mark is not inherently distinctive, it may be protected only if it acquires a secondary meaning. A suggestive term suggests the characteristics of the service "and requires an effort of the imagination by the consumer in order to be understood as descriptive." Because a suggestive service mark is inherently distinctive, no proof of secondary meaning is required for it to be protectable. An arbitrary or fanciful service mark is also inherently distinctive because the term bears no relationship to the service. Thus, such marks are protectable without proof of secondary meaning.

Coach House, supra, 934 F.2d at 1560 (citations omitted). "Secondary meaning is the connection in the consumer's mind between the mark and the provider of the service. In the absence of consumer survey evidence, four factors can be considered in determining whether a particular mark has acquired a secondary **[*26]** meaning." The four factors are: 1) the length and manner

of its use; 2) the nature and extent of advertising and promotion; 3) the efforts made to promote a conscious connection in the public's mind between the party's name and the party's business; and 4) the extent to which the public actually identifies the name with the party's service. Coach, supra, at 1560.

Upon consideration, I find that the term "cam guys" is descriptive, and that there is no evidence of record that it has acquired secondary meaning. [7] Hence, cancellation is appropriate. *See* 3 McCarthy §20:54 citing Neapco, Inc. v. Dana Corp., 12 U.S.P.Q. 2d 1746 (Trademark Trial and Appeal Board Aug. 30, 1989) (stating summary judgment proper on the issue of cancellation when it is established that as of the time of registration, the registered mark was merely descriptive and lacked secondary meaning, or that as of the time of cancellation proceedings the mark is merely descriptive and lacks secondary meaning).

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7 Z Productions indicates in its response to the motion for summary judgment that it "is not aware of any consumer studies" and its discussion of its advertising and promotion efforts do not establish secondary meaning. **[*27]** *See* doc. 39, pp. 10-11. Notwithstanding SNR's motion to strike the affidavit of Christopher Wescott (doc. 43), I have considered the affidavit. The affidavit sets forth amounts Z Productions has spent on advertising and promotions as "The Cam Guys," and its presence on the world wide web. *See* Wescott affidavit, doc. 36-1. After considering the record evidence, I find that Z Productions has not met its burden of proving secondary meaning.

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7. Counterclaim II- Declaratory Judgment Action

SNR seeks entry of an order declaring that it has the right to use the term "cam guys" and that its use of the term "cam guys" does not infringe on Z Productions mark. For the reasons set out above, I recommend entry of summary judgment in favor of SNR with regard to counterclaim II.

8. Counterclaims III and IV- tortious interference

SNR also seeks entry of summary judgment on its two claims of tortious interference with business relationships with its web hosts, Reality Check and Rackspace. Specifically, Z Productions requested that Reality Check and Rackspace stop hosting for camguys.net, camguys.tv, and camguys.info because the domain names were too similar to Z Productions' mark and domain name.

To prevail **[*28]** on a claim for tortious interference, a plaintiff must prove: 1) the existence of a business relationship that affords the plaintiff legal rights; 2) knowledge of the relationship by the defendant; 3) an intentional and unjustified interference with the relationship by the defendant; and 4) damage to the plaintiff resulting from the breach of that relationship. Ethan Allen, Inc. v. Georgetown Manor, Inc., 647 So. 2d 812, 814 (Fla. 1995). To satisfy the third element, a showing of malice or ill will is needed. IBP, Inc. v. Hady Enterprises, Inc., 267 F.Supp. 2d 1148, 1164 (N.D. Fla. 2002) citing Rockledge Mall Assocs. Ltd v. Custom Fences of South Brevard, Inc., 779 So. 2d 554, 557 (Fla. 5th DCA 2001). As Z Productions indicates, the sole relevant issue here is whether its conduct was unjustified. Z Productions maintains that its conduct was in fact justified, as it requested only that SNR remove its one "infringing domain," camguys.net, of the 50-60 domains SNR operates, because it believed that SNR was infringing on its registered mark.

Of course, a trademark owner has the right to protect its mark against infringement. The trademark holder's right to warn others of infringement suits **[*29]** is not dependent on the validity of the trademark so long as the holder believes in good faith that his claims are valid. Daesang Corp. v. Rhee Bros., Inc., 2005 U.S. Dist. LEXIS 9066, 2005 WL 1163142 (D. Md. 2005) citing Spangler Candy Co. v. Crystal Pure Candy Co., 235 F.Supp. 18 (N.D. Ill. 1964). As a result

numerous courts have routinely rejected tortious interference and unfair competition claims based on good faith efforts to enforce intellectual property rights. *Id.* citing Kemp v. Tyson Foods, Inc., 2001 U.S. Dist. LEXIS 20202, 2001 WL 391552, *7 (D. Minn. 2001) (granting summary judgment for defendant on plaintiff's action for tortious interference because no evidence defendant mark holder acted in bad faith in its attempts to protect its mark); *American Broadcasting Co. v. Maljack Productions, Inc.*, 34 F.Supp. 2d 665, 673-76 (N.D.Ill. 1998) (denying defendant's motion for summary judgment and granting plaintiff's motion for summary judgment where plaintiff believed in good faith that it was defending its mark against infringement when it sent cease and desist letters to third parties contractually related to defendant, and finding that defendant had not met its burden of showing plaintiff's conduct was either unjustified or malicious); **[*30]** *Heinz v. Frank Lloyd Write Foundation*, 762 F.Supp. 804, 807-08 (N.D. Ill. 1991) (recognizing that trademark owner has right to warn others of infringement suits and that right does not depend on the validity of the trademark so long as the trademark holder believes that its trademark claims are valid and finding no evidence of interference with contractual relations where defendant's letters to alleged infringer's customers were not in good faith). I find that SNR has not established that Z Productions doubted the validity of its trademark at the time it "interfered" with its web hosts, Reality Check and Rackspace, or that Z Productions' acts were unjustified. Instead, it seems that the evidence shows Z Productions acted to protect its mark. Accordingly, I find that SNR's motion for summary judgment on the tortious interference claims should be denied.

D. Conclusion

For the foregoing reasons, I recommend that

1. SNR's motion for summary judgment (doc. 33) be GRANTED as to Z Productions' counts I (unfair competition under 15 U.S.C.§ 1125(a)), II (dilution under Fla. Stat. § 495.151), III (unfair competition under Fla. Stat. §501.201 *et seq.*, IV (unfair competition under Florida common **[*31]** law), and VI (cybersquatting under 15 U.S.C. § 1125(a)) and as to counterclaims I (cancellation) and II (declaratory relief), and be DENIED as to SNR's counterclaims III and IV (tortious interference).

IT IS SO REPORTED at Tampa, Florida, on August 18, 2011.

/s/ Mark A. Pizzo

MARK A. PIZZO

UNITED STATES MAGISTRATE JUDGE