

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicant:	Cloud9 Esports, Inc.	Examining Attorney:	Shaunia Carlyle
Mark:	CLOUD9	Law Office:	110
Docket No.:	34641.6001		
Serial No.:	87/902,886		
Filed:	May 1, 2018		

**Response to Office Action**

**I. INTRODUCTION**

Applicant Cloud9 Esports, Inc. (“Applicant”) is responding to the Office Action dated March 20, 2019 concerning its application to register the word mark CLOUD9, shown at App. Serial No. 87/902,886 (“Applicant’s Mark”) as amended for “Plush toys; musical toys; action figure toys; electronic action toys; mechanical action toys; battery operated action toys; bobble head dolls, none of the aforementioned including electronic gaming machines, namely, devices which accept a wager, gaming machines, slot machines, bingo machines, with or without video output, video lottery terminals, or gaming machines that generate or display wager outcomes” in Class 28.

The Examining Attorney has maintained its refusal pursuant to Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), based on a finding of likelihood of confusion with the mark CLOUD 9 registered for “Electronic gaming machines, namely, devices which accept a wager; Gaming devices, namely, gaming machines, slot machines, bingo machines, with or without video output; Gaming machines; Gaming machines featuring a device that accepts wagers; Gaming machines including slot machines or video lottery terminals; Gaming machines that generate or display wager outcomes; Gaming machines, namely, slot machines and video lottery terminals; Gaming machines, namely, devices which accept a wager; Gaming machines, namely, electronic slot and bingo machines” in class 28 (the “Cited Mark”).

As detailed below, Applicant respectfully disagrees with the Examining Attorney’s conclusion that there is a likelihood of consumer confusion as to the source of the goods offered under the Cited Mark and those provided under Applicant’s Mark as amended. As set forth more fully below, the Cited Mark cannot likely to be confused with Applicant’s Mark when each of the relevant factors is considered.

**II. THERE IS NO LIKELIHOOD OF CONFUSION WITH RESPECT TO APPLICANT’S MARK AND THE CITED MARK.**

Registration should only be denied when the applicant’s mark “[c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. §1052. A determination of likelihood of confusion between marks is determined on a case-by-case basis. *In re Dixie Restaurants Inc.*, 41 USPQ 2d 1531, 1533 (Fed. Cir. 1997). The

test for likelihood of confusion is whether a “reasonably prudent consumer” in the marketplace is likely to be confused as to the origin of the good or service bearing one of the marks. *In re E.I. DuPont de Nemours and Co.*, 476 F.2d 1357 (C.C.P.A 1973). In determining whether a likelihood of confusion exists, some of the factors essential to the analysis include the similarity of the marks in their entireties as to appearance, sound, connotation, and commercial impression, the likely consumers, and the number and nature of similar marks in use on similar goods or services. *Id.* at 1361; TMEP § 1207.01. An application of the relevant *DuPont* factors to the instant case results in no likelihood of confusion between Applicant’s Mark and the Cited Marks.

**A. The Goods Provided Under Applicant’s Mark Are Distinguishable.**

Applicant’s goods as amended are toys and action figures that are used primarily as promotional items relating to a popular online e-sports organization which manages a number of well-known online gaming teams. *See* Exhibit A attached hereto. On the other hand, the Cited Mark is used in connection with casino-based slot machines and wagering devices. *See* Exhibit B. Plush toys and action figures have no similarities with casino games. Applicant does not provide gaming machines of any kind, and its products have no relationship to casinos, wagering, bingo or slot machines. Applicant’s amended goods make this clear by excluding these goods completely from the recitation and eliminating any goods that could possibly be “game” related.

The Examining Attorney has proffered that the United States Patent and Trademark Office (“USPTO”) has numerous registrations for use in connection with both plush toys or action figures as well as casino gaming and slot machines. Of the evidence provided by the Examining Attorney, only six of the registrations offered show plush toys or action figures offered by the same entity as gaming devices or casino machines. Indeed, on the USPTO register, there are approximately 450 records containing “plush toys” and “gaming machines” under the same application or registration, and only 350 records with “action figures” and “gaming machines.” *See* Exhibit C. However, there are over 9,000 records for “action figures” and not gaming machines, and almost 14,000 records for “plush toys” and not gaming machines. *See* Exhibit F. Likewise, there are over 11,000 pending or registered marks for gaming machines and not plush toys or action figures. *See* Exhibit E. This evidence demonstrates that only 3-4% of the applications or registrations for plush toys or action figures also contain gaming machines. This percentage is hardly sufficient to demonstrate that the goods at issue here are those that are likely to emanate from a single source under a single mark. Consequently, Applicant’s goods are adequately distinguishable from those offered under the Cited Mark to alleviate any potential consumer confusion.

**B. Applicant’s Goods Are Marketed and Sold Through Wholly Distinct Channels of Trade to Different Consumers.**

Applicant’s goods and the goods provided under the Cited Mark are marketed and sold through discrete and separate channels of trade to different consumers. To the extent goods or services are specifically marketed to selective members of a particular trade who are discriminating with regard to the products they purchase, there may be no likelihood of confusion despite similarity in marks and services. *See Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252, 262 (5th Cir. 1980), *cert. denied*, 449 U.S. 899 (1980) (explaining that dissimilarities between channels of trade, identity of retail outlets, and the predominant consumers of the parties’ products and services lessen the likelihood of confusion, mistake and deception).

The individuals shopping for Applicant's toy products will be doing so in connection with rooting for or supporting their favorite online sports team under Applicant's house brand. Applicant's consumers are therefore likely to be fans of and knowledgeable about e-sports and know Applicant's Mark already in that context. In contrast, the goods associated with the Cited Mark are targeted to knowledgeable adult consumers working for businesses who are interested in purchasing slot machine games or games involving wagers for their casinos. *See* Exhibit B. Indeed, the purchasers of the Cited Mark's goods will be sophisticated business employees interested in wagering devices and machines for use in casinos. They must contact Registrant directly and speak to a sales agent before ordering the products offered under the Cited Mark. *See* Exhibit D. Applicant's goods are inexpensive promotional items, available on its online website and at various e-sporting events where its teams are participating. *See* Exhibit A.

As individuals are not likely to encounter both Applicant's goods and the goods provided under the Cited Mark being promoted through the same advertising source or channels of trade, there can be no potential consumer confusion.

**C. Consumers of Both Applicant's and Registrant's Goods Are Sophisticated and Knowledgeable.**

The more likely a customer is to exercise a high degree of care or sophistication when selecting goods or services, the less chance that confusion, mistake, or deception will occur between two or more competing marks. *See TCPIP Holding Co., Inc. v. Haar Communications, Inc.*, 244 F.3d 88, 102 (2d Cir. 2001) ("The more sophisticated the consumers, the less likely they are to be misled by similarity in marks."); *Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 480 (2d Cir. 1996) ("The sophistication factor recognizes that the likelihood of confusion between the products at issue depends in part on the sophistication of the relevant purchasers."). Furthermore, the degree of care factor plays a significant role in minimizing potential confusion where the subject goods or services fail to constitute "impulse" goods. *See Astra Pharm. Prods. Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1206 (1st Cir. 1983) (finding that blood analyzers require careful consideration likely to result in added consumer scrutiny and examination). Services that are provided to consumers that have a sophisticated knowledge of a given activity are less likely to be confused with services that are provided to a different class of sophisticated buyers. *See Electronic Design & Sales Inc. v. Electronic Data Systems Corp.*, 21 U.S.P.Q. 2d 1388, 1392 (Fed. Cir. 1992).

Here, Applicant's and Registrant's respective goods will not be selected or purchased on an impulse. Registrant's products are likely to be thoroughly reviewed by potential purchasers, as the businesses that utilize Registrant's goods must spend a significant amount of money purchasing Registrant's goods, as well as marketing their casino services to adults. Registrant's products are therefore either targeted to knowledgeable adult consumers or directly to sophisticated companies and organizations. On the other hand, consumers of Applicant's toys and promotional products are much more likely to be youth, parents who are making a purchase for their children, or sophisticated fans of Applicant's e-sports teams. In light of the care that Applicant's and Registrant's customers use before selecting the respective goods, it is unlikely that there will be any confusion as to source.

### **III. CONCLUSION**

For all the foregoing reasons, Applicant requests that its application to register CLOUD9 be approved for publication on the Principal Register. In the alternative, Applicant requests that its application be suspended pending the renewal of the Cited Mark, which is currently due by April 15, 2020.