Applicant Megamedia Ltd. ("Applicant") hereby submits its response to the U.S. Patent and Trademark Office's Office Action mailed on May 20, 2009, with regard to the trademark application for **N1** (Serial No. 77679411).

## REMARKS

The Examining Attorney has refused registration of Applicant's **N1** mark on the grounds that it resembles the mark in U.S. Registration No. 3392707 (**N1**) to the extent that makes confusion likely. Trademark Act, Section 2(d), 15 U.S.C. § 1052(d), TMEP §§ 1207.01 *et seq*. Applicant respectfully disagrees with this conclusion and requests that the Examining Attorney reconsider her decision for the reasons that follow.

Applicant's **N1** mark is not likely to be confused with the registered mark. While the determination as to whether marks are likely to be confused is a difficult one that involves the consideration of many factors, the Examining Attorney appears to have denied Applicant's application on the grounds that Applicant's mark and the registered mark are similar in appearance, their respective goods and/or services appear to be related, and the trade channels of their respective goods and/or services appear to be related. This Response addresses the factors that make it clear that there is no likelihood of confusion between Applicant's mark and the registered mark.

## I. APPLICANT'S USE OF ITS N1 MARK IS UNLIKELY TO CAUSE CONFUSION

In the Office Action, registration was refused because it was said that Applicant's **N1** mark, when used in connection with "Telecommunication services, namely, transmission of voice, data, graphics, images, audio and video by means of telecommunications networks, wireless communication networks, and the Internet; high speed electronic data interchange services provided via modems, hybrid fiber coaxial cable networks, routers and servers; telecommunications services, namely, providing fiber optic network services;

telecommunications services, namely, providing Internet access via broadband optical or wireless networks; providing telecommunications connections to a global computer network; Internet service provider" in Class 38 and "Computer colocation services, namely, providing facilities for the location of computer servers with the equipment of others; application service provider (ASP), namely, hosting computer software applications of others; hosting of data, websites and applications of others" in Class 42 so resembles the registered mark as to be likely to cause confusion.

However, as the following discussion establishes, the registered mark should not pose a barrier to the registration of Applicant's **N1** mark. "[I]n every case turning on likelihood of confusion, it is the duty of the examiner . . . to find, upon consideration of *all* the evidence, whether or not confusion appears likely." *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 U.S.P.Q. 563, 568 (C.C.P.A. 1973) (emphasis in the original). Although there are similarities between the marks at issue, a full consideration of the evidence, including (i) the distinct goods and services with which the marks are being or will be used, (ii) the differing channels of trade and distinct customers associated with the goods and services, (iii) the care exercised by consumers of the goods and services covered by the marks at issue, (iv) Applicant's good faith, and (v) the resolution of any doubt in Applicant's favor, compels the conclusion that Applicant's mark is unlikely to cause any confusion. Accordingly, Applicant submits that Applicant's **N1** mark is entitled to registration on the Principal Register.

A. **Goods and Services Connected with the Marks are Readily Distinguishable.**

The Examining Attorney appears to have concluded that the Class 38 and Class 42 services intended to be offered under Applicant's mark and the goods and services offered under the cited mark are "closely related."

Initially, Applicant notes that it has amended its identification of services to delete all of the Class 38 services. While Applicant disagrees that the Class 38 services it included in its application are sufficiently related to the goods and services covered by the cited mark to give

rise to a likelihood of confusion, the deletion of the Class 38 services clearly removes them from being at issue with respect to the amended application.

The goods and services associated with the cited mark include "computer networking; computer programs for use in computer emulation; computer programs for creating graphical interfaces; computer programs for use in database management; computer programs for use in computer security; computer programs for use in the development of computer programs, programming languages, toolkit sand compilers; computer programs for use in developing, compiling and executing other computer programs, on computers, computer networks and global computer networks; computer programs for use in navigating, browsing, transferring information, and distributing and viewing other computer programs, on computers, computer networks and global computer networks; computer programs in the fields of electronic commerce technology and global computer network technology" in Class 009 and "computer services, namely, providing consultation services and advice in the fields of computer software, computer systems, computer networks, computer security and information technology; leasing services in the field of computer software; design for others in the field of computer software, installation and repair of computer software in Class 042." Applicant's amended application covers only "Computer colocation services, namely, providing facilities for the location of computer servers with the equipment of others; application service provider (ASP), namely, hosting computer software applications of others." As discussed in more detail below, it is clear from Applicant's amended identification of services set forth in this Response that Applicant's services are not closely related to the goods or services of the registrant.

It is important to remember that the Federal Circuit and the Trademark Trial and Appeal Board have rejected rules deeming products per se "related" merely because they fall into the same general class. *In re Mars, Inc.*, 741 F.2d 395, 222 U.S.P.Q. 938 (Fed. Cir. 1984); *In re British Bulldog*, 224 U.S.P.Q. 854, 856 (T.T.A.B. 1984). Moreover, the Trademark Manual of Examining Procedure clearly provides that "there can be no rule that certain goods or services

are per se related, such that there must be a likelihood of confusion from the use of similar marks in relation thereto." TMEP § 1207.01(a)(iv). The fact that goods or services in the same broad category are identified by marks which incorporate common terms does not necessarily mean consumers expect a single source to be responsible for both. *Steve's Ice Cream v. Steven's Famous Hot Dogs*, 3 U.S.P.Q.2d 1477, 1478 (T.T.A.B. 1987).

One test for determining whether goods or services are related is to consider whether they are competitive, that is, whether they are "reasonably interchangeable by buyers for the same purposes." 4 J.T. McCarthy, *Trademarks and Unfair Competition* § 24:23 (4th ed. 2005) (hereinafter " McCarthy"). *See, also, Beneficial Corp. v. Beneficial Capital Corp.*, 529 F. Supp. 445, 449-50, 213 U.S.P.Q. 1091, 1094-95 (SDNY 1982). Here, Applicant's and registrant's goods and services are not at all competitive or interchangeable.

Applicant intends to use its **N1** mark in connection with "computer colocation services, namely, providing facilities for the location of computer servers with the equipment of others; application service provider (ASP), namely, hosting computer software applications of others; hosting the web sites of others." In other words, Applicant's intended services are limited to providing the physical infrastructure to house consumers' computer servers, applications, and websites. *See* **Exhibit A**. In contrast, the registrant of the cited mark uses its mark in connection with various computer programs, computer consultation services, leasing services, and design services. *See* **Exhibit B**.

Consumers who would use Applicant's services to house their servers, applications, and websites would not purchase any goods or services offered in connection with the cited mark for this purpose. Conversely, consumers would not purchase Applicant's services when they seek the type of computer programs, computer consultation services, leasing services, or design services that registrant offers. Applicant's colocation and hosting services perform different functions and serve different purposes than registrant's products and services. Accordingly, Applicant's and registrant's products/services are not "reasonably interchangeable," and

therefore are unrelated for trademark purposes. Applicant's mark, therefore, is entitled to registration.

The Examining Attorney stated that "the goods/services offered by the registrant and applicant are closely related." However, as noted above, the fact that the goods associated with these marks both relate to the computer field is insufficient to establish a likelihood of confusion. *See, e.g., Electronic Data Systems Corp. v. EDSA Micro Corp.*, 23 U.S.P.Q.2d 1460 (T.T.A.B. 1992) (no conflict between EDS for general data processing systems and EDSA for computer programs for electrical distribution systems analysis and design, in light of opposer's failure to provide a sufficient connection between the parties' services); *Reynolds & Reynolds Co. v. I.E. Systems, Inc.*, 5 U.S.P.Q.2d 1749, 1751-52 (T.T.A.B. 1987) (no likelihood of confusion between an applicant's computer program for asynchronous data communication terminal emulation systems and an opposer's, *inter alia*, accounting software and computerized accounting and tax services, the TTAB noting that, even if the opposer enacted plans to establish a remote transmission system, that would take place in the accounting field, as distinct from applicant's goods and services; "The crux of this case is that applicant is offering a specific type of software for operational uses while the products and services offered by opposer under its ACCU marks are applications software aimed at a very narrow field.").

The Trademark Office recognizes that field of computer-related goods is quite broad, and that the same mark might be registered for different types of computer-related products without a likelihood of confusion among consumers. In fact, the Trademark Manual of Examining Procedures states that "[a]ny 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 15 U.S.C. §1052(d) where the actual goods of the parties are not related and there is no conflict in the marketplace." TMEP § 1402.03(d). *See In re Linkvest S.A.*, 24 USPQ2d 1716 (TTAB 1992). Thus, the Trademark Office clearly will

allow similar marks for unrelated computer programs to co-exist, and by extension, the same goes for other computer products as well.

Moreover, the proposition that goods and services falling within the computer field are not sufficiently related by virtue of their shared field is further supported by Professor McCarthy:

> As the computer becomes widely accepted as a common tool used in all phases of business and professions, it becomes possible for a trademark on computer products targeted at a specialized market to coexist without confusion with a somewhat similar trademark used on computer products targeted at a quite different specialized market.

4 McCarthy, § 24:44.

This is precisely the reality of the situation at hand. As noted above, the respective goods and services covered by Applicant's and registrant's marks are not competitive with each other, nor are they in any way "interchangeable." Under Applicant's amended application, Applicant's services relate to colocation and hosting services, which are readily distinguishable from the computer programs, computer consultation services, leasing services, and design services covered by the registrant's mark. Applicant intends to provide facilities for the colocation of a customer's computer equipment, and hosting services. These are specialized and focused services that do not have any overlap or connection with the software programs of the registrant, or with consulting services of any kind, including those offered by the registrant. The purchaser of colocation and hosting facilities will not look to the Applicant as a software vendor, or a computer consultant. Rather, purchasers will view Applicant as a highly specialized vendor in a distinct niche, namely the provision of facilities for equipment colocation and hosting services. These services are completely distinct from the goods and services offered by a software vendor such as the registrant, and accordingly Applicant submits that there is no likelihood of confusion between Applicant's mark and the cited mark.

Finally, the Examining Attorney cites several cases in the Office Action to support her

conclusion that the services offered under Applicant's mark and the goods and services offered under the cited mark are related. However, these cases are readily distinguishable. Specifically, the cited cases involve computer-related goods and services that are closely related to one another, or have the potential to be intertwined. In contrast, the goods and services covered under the registered mark are not even remotely related to Applicant's computer colocation or hosting services. Furthermore, registrant's and Applicant's respective goods and services do not have any potential of becoming intertwined.

For instance, the court in *Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261 (Fed. Cir. 2002), held that "several of [registrant's] registrations cover goods and services that are closely related to the broadly described services that [applicant] seeks to register under the **PACKARD TECHNOLOGIES** mark," explaining that "[t]he 'data and information processing' description in the ITU application is very similar to [registrant's] registrations covering consulting services, whether for data processing or for data processing products. The 'electronic transmission of data and documents via computer terminals' description in the ITU application is very similar to [registrant's] registrations covering facsimile machines, computers, and computer software. The 'conversion from one media form to another media' description in the ITU application is similar to [registrant's] registrations covering programs for information manipulation and apparatus for data acquisition and processing." *Id.* at 1268. In contrast, Applicant's colocation and hosting services are not at all related to registrant's computer programs, computer consultation services, leasing services, and design services, and are not closely intertwined like the goods and services in the *Hewlett-Packard Co.* case.

In *MSI Data Corp.*, the Board held that the opposer's "portable data entry devices" and applicant's "consulting, development and manufacturing services" were related because "[the opposer's] devices clearly constitute a form of computer hardware or accessory equipment as to which applicant . . . might well be assumed to offer development, design and manufacturing services." *MSI Data Corp. v. Microprocessor Sys., Inc.*, 1983 TTAB LEXIS 63, at *11 (TTAB

1983). Furthermore, in *Communications Satellite Corp.*, the court held that appellee's computers were related to appellant's satellite communications services because "[appellee's] computers receive data primarily over facilities [one of appellant's customers]," "[appellee's] computers can be used to receive data transmitted by [appellant's] satellites," and "[appellee] seeks to sell its computers to many of the same companies that [appellant] solicits." *Communications Satellite Corp. v. Comcet, Inc.*, 429 F.2d 1245, 1252 (4th Cir. Md. 1970). These cases are also readily distinguishable, because Applicant's colocation and hosting services and registrant's computer programs, computer consultation services, leasing services, and design services do not have any potential of becoming intertwined.

Therefore, beyond the fact that Applicant's services and registrant's goods both relate to the computer field in general, Applicant's services and registrant's goods and services are otherwise unrelated, and thus there is no likelihood of confusion between Applicant's and registrant's marks.

B. **Applicant's Services Are Sold Through Distinct Channels of Trade and to Distinct Customers as Compared to the Cited Registrant's Services and Goods.**

The determination as to whether marks are confusingly similar focuses on the likelihood of confusion in the relevant class of consumers to which an applicant's goods and services are sold. *See, e.g.*, 3 McCarthy, § 23:5 at 23-13. If a party's goods and services are sold to a class of buyer in a different marketing context than another party's goods and services, the likelihood that buyers will be confused by similar marks is less than if both parties sold to the same consumers through the same channels of trade. *See, e.g., Information Clearing House, Inc. v. Find Magazine*, 492 F. Supp. 147, 158, 209 U.S.P.Q. 936, 945-46 (S.D.N.Y. 1980) (similar magazine titles, FINDOUT, used for a magazine directed to specialized business clients, and FIND, used for a family magazine, held not to be confusingly similar); *Field Enterprises Educational Corp. v. Cove Industries, Inc.*, 297 F. Supp. 989, 996, 161 U.S.P.Q. 243 (E.D.N.Y. 1969) (different channels of distribution for the WORLD BOOK ENCYCLOPEDIA and the

ILLUSTRATED WORLD ENCYCLOPEDIA--door-to-door sales and department store sales, respectively--found to lessen any likelihood of confusion).

In light of the differing goods and services involved here (as discussed above), the channels of trade and the relevant consumers likewise are distinct. Applicant's intended services, revolving around colocation and hosting services, understandably will be directed to those consumers seeking a provider of infrastructure for their computer servers, applications, and websites, through channels of trade catering to that group. In contrast, the services and goods of the competing registration are aimed at those involved in management software and related services. Registrant's computer programs appear to be offered through downloads from the registrant's website, and perhaps through other channels of trade catering to those consumers. *See* **Exhibit B**. Whatever those other channels might be, they obviously are distinct from the channels of trade that will be used by Applicant to target its own customers.

C. **The Care Exercised by Purchasers Makes Confusion Unlikely.**

Customer care and sophistication is one of the most important considerations in determining whether confusion is likely. A customer who exercises a great deal of scrutiny in selecting a product or service, for whatever reason, is not likely to confuse it with a product or service of another. *See, In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 U.S.P.Q. 563, 567 (CCPA 1976) (whether buyers are likely to buy on "impulse" or after careful deliberation is an important factor in evaluating likelihood of confusion). Moreover, where a consumer makes a decision based upon a number of complex factors, and in consultation with experts, confusion is unlikely, because a detailed selection process "presents little opportunity for confusion." *See, e.g., Washington Nat'l Ins. Co. v. Blue Cross and Blue Shield United*, 727 F.Supp. 472, 475 14 U.S.P.Q.2d 1307, 1310 (N.D. Ill. 1990) (the marks **ADVANTEGE** and **THE ADVANTAGE PROGRAM** both for insurance brokerage services not confusingly similar).

Applicant's and registrant's goods and services both consist of complex computer-

related products requiring a high degree of consumer care and sophistication. The decisions surrounding management software and related services, in the case of the registered mark, and colocation and hosting services, in the case of Applicant's mark, are major decisions for a company's management. The costs involved and the impact on business operations require a careful, deliberate and sophisticated analysis conducted by knowledgeable, highly trained individuals, and in consultation with a company's staff of IT experts. These are not impulse purchases. Due to the extreme care exercised by Applicant's and registrant's customers, and their high level of sophistication, there is no likelihood of confusion with respect to their respective marks. *See, e.g., Strick Corp. v. James B. Strickland, Jr.*, 162 F. Supp. 2d 372, 376 (E.D. Pa. 2001), 60 U.S.P.Q.2d (BNA) 1889 (customers are likely to be discriminating when purchasing transportation equipment or computer software); *Novell, Inc. v. Network Trade Center, Inc.*, 25 F. Supp. 2d 1218, 1226 (D. Utah, 1997) (consumers of networking software are likely to exercise a moderate to high degree of care when selecting a program to purchase).

Given the nature of Applicant's and the registrant's goods and services and the sophistication of the purchasers of such goods and services, there is little likelihood of confusion between the marks at issue. *See Fawick Flexi-Grip Co. v. Hungerford Plastics Corp.*, 111 U.S.P.Q. 140, 141 (Comm'r Pat. & Trademarks 1956) (confusion unlikely where customers know what they want, where to buy it, and with whom they are dealing); *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d 1100, 1111, 18 U.S.P.Q.2d 1587, 1595-96 (6th Cir. 1991) (lesser likelihood of confusion with expensive purchases or sophisticated buyers).

D. **Applicant Has No Intent to Trade on Any Good Will Associated with the Registrant's, or Any Other Party's, Mark.**

The absence of any evidence of an applicant's intent to trade on the good will of a registrant's mark further counsels against a finding that confusion is likely. *Cf.* 3 McCarthy, § 23:110 at 23-210. Applicant selected its **N1** mark in the utmost of good faith, without any

intent to cause confusion. That good faith and lack of intent to confuse the public is an additional factor to consider here and further militates in favor of the lack of any likelihood of confusion and in favor of registration. *See Family Circle, Inc. v. Family Circle Associates, Inc*., 332 F.2d 534, 540, 141 U.S.P.Q. 848 (3rd Cir. 1964).

E. **Any Doubt Should Inure to the Benefit of Applicant.**

Finally, any doubt as to whether confusion is likely should be resolved in Applicant's favor. *See, e.g., In re Bliss & Laughlin Industries, Inc.*, 198 U.S.P.Q. 127, 128 (T.T.A.B. 1978); *In re American Hospital Supply Corp.*, 219 U.S.P.Q. 949, 951 (T.T.A.B. 1983); *In re Geo. A. Hormel & Co.*, 218 U.S.P.Q. 286, 287 (T.T.A.B. 1983); *In re Shutts*, 217 U.S.P.Q. 363, 365 (T.T.A.B. 1983). Any person who believes that he or she would be damaged by the registration of Applicant's mark will have an opportunity to oppose the registration through an opposition or cancellation proceeding in the future.

## II. CONCLUSION

Taking into consideration all of the factors discussed above, Applicant submits that there is no likelihood that any confusion will result from the use and registration of Applicant's **N1** mark. Additionally, the other issues raised in the Examining Attorney's Office Action have been addressed. Accordingly, Applicant respectfully asks for the prompt passage of its trademark application to publication.

However, should there be any question or other matter which can be handled by an Examining Attorney's Interview or Amendment, Applicant respectfully requests that the Examining Attorney contact the undersigned directly.