

The Examining Attorney has suspended the application due to a conflict with U.S. prior-pending U.S.



Application Serial Nos. 87905983 and 87905977 for CRAFT and CRAFT, owned by Pariveda Solutions Inc. ("Pariveda"). Applicant respectfully requests that the suspension be withdrawn because Pariveda has entered into a Trademark Consent Agreement ("Consent Agreement") with Applicant, a copy of which is appended to this response, providing its consent to Applicant's use and registration of its CRAFT mark. The Consent Agreement expressly resolves any Section 2(d) concerns the Examining Attorney may have.

The weight given to the Consent Agreement "should be substantial" because the Agreement details the reasons Applicant and Pariveda believe there is no likelihood of confusion. See TMEP § 1207.01(d)(viii) (quoting *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1362, 177 USPQ 563, 568 (C.C.P.A. 1973)). "[W]hen those most familiar with use in the marketplace and most interested in precluding confusion enter agreements designed to avoid it, the scales of evidence are clearly tilted. It is at least difficult to maintain a subjective view that confusion will occur when those directly concerned say it won't. A mere assumption that confusion is likely will rarely prevail against uncontroverted evidence from those on the firing line that it is not." *In re E.I. du Pont de Nemours & Co.*, 476 F.2d at 1363, 177 USPQ at 568. Indeed, "the Federal Circuit has indicated that consent agreements should be given great weight, and that the USPTO should not substitute its judgment concerning likelihood of confusion for the judgment of the real parties in interest without good reason, that is, unless the other relevant factors clearly dictate a finding of likelihood of confusion." TMEP § 1207.01(d)(viii) (citing *In re Four Seasons Hotels Ltd.*, 987 F.2d 1565, 26 USPQ2d 1071 (Fed. Cir. 1993)).

Significantly, the Consent Agreement is not a so-called "naked" agreement. Rather, in the Consent Agreement, the parties explain and itemize the reasons they believe there is no likelihood of confusion caused by the use and registration of Applicant's Mark, including the following statements in the Consent Agreement:

-) Although the Parties' marks are both used in the software space generally, Pixel & Tonic's CRAFT marks are used for software products directed to website developers, enabling them to design websites, create website content, and enhance website functionality relating to communication, marketing, and e-commerce; by contrast, Pariveda's CRAFT marks are for software development services for employers to automate and manage sales compensation and commissions for their employees;
-) Sophisticated consumers looking to invest in website design and content management software are not likely to mistake these products for software development services in the area of calculating commissions payments, and vice versa;
-) The Parties have ensured that they will use distinct designs associated with the CRAFT marks, and they will not use any of the same terms adjacent to or in connection with CRAFT; and
-) The Parties' trademark uses have already coexisted for more than 18 months with no evidence of consumer confusion.

In addition, the parties have agreed to use mutual efforts to prevent confusion.

“When an applicant and registrant have entered into a credible consent agreement and, on balance, the other factors do not dictate a finding of likelihood of confusion, an examining attorney should not interpose his or her own judgment that confusion is likely.” *Id.*

For the foregoing reasons, Applicant requests that the suspension be lifted, any Section 2(d) refusal be withdrawn, and the Examining Attorney approve Applicant’s mark for publication.

CONSENT AGREEMENT

This Consent Agreement (“Agreement”) is entered into as of this 30th day of September 2019 (the “Effective Date”) by and between Pixel & Tonic, Inc. an Oregon corporation having an address at 20832 SE Humber Lane, Bend, OR 97702 and Pariveda Solutions, Inc., a Texas corporation having an address at 2811 McKinney Ave, Suite 220, Dallas, Texas 75204. Pixel & Tonic and Pariveda may individually be referred to as a “Party” and collectively as the “Parties.”

WHEREAS, Pixel & Tonic has used and continues to use the mark CRAFT, CRAFT CMS, and CRAFT COMMERCE in connection with software for website content management and software for organizing and managing online product displays and prices, capturing information from customers during checkout, calculating tax and shipping rates, processing financial transactions, managing order processing workflows, generating order status updates to consumers, managing coupon codes, tracking inventory, and generating inventory and sales reports, and software design and development services relating to the website content management software; and intends to use the mark CRAFT CLOUD for providing online non-downloadable software for organizing and managing website and application content and data (collectively “Pixel & Tonic’s Goods and Services”); and is the owner of United States Trademark Registration Nos. 4,597,122 and 4,992,657 and United States Trademark Application Serial Nos. 88/326,746; 88/326,748; 88/368,059; and 88/326,765;

WHEREAS, Pariveda has used and continues to use the mark CRAFT in connection with designing, developing and customizing software as well as software as a service featuring software for the calculation of revenues and associated commissions (collectively “Pariveda’s Services”) and is the owner of United States Trademark Registration Nos. 5,801,748 and 5,801,747;

WHEREAS, under the following terms and conditions, each Party recognize the validity of the other’s use of the CRAFT mark in connection with their respective goods and services, wish to avoid any conflict with the other’s use, and consent to coexist;

NOW THEREFORE, in consideration of the promises and covenants set forth below and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties agree as follows:

1. Acknowledgement of No Prior Confusion. The Parties acknowledge that, to date, there has been no actual confusion between their uses of the CRAFT mark in connection with the Pixel & Tonic Goods and Services and Pariveda Services respectively. After carefully considering the circumstances of each Party’s use and proposed use of the CRAFT mark, each Party acknowledges and agrees that the Parties’ respective uses of the CRAFT mark can coexist without confusion being likely provided the Parties limit their respective uses as provided in this Agreement.

2. Limits on Use by Pariveda.

a. Pariveda will not offer any content management software, software for managing online stores as a product or service under the CRAFT mark, or software design or development services relating to the website content management software.

b. Pariveda will not use the CRAFT mark in the following design:

Craft

c. Pariveda will only use the CRAFT mark alone or in connection with one or more other trademarks owned by Pariveda and will not use the CRAFT COMMERCE, CRAFT.APP, CRAFT.CLOUD marks.

3. Limits on Use by Pixel & Tonic.

a. Pixel & Tonic will not offer any software for calculating commissions as a product or service under the CRAFT mark. Pixel & Tonic will further not offer any software design or development services for software for calculating commissions as a product or service under the CRAFT mark.

b. Pixel & Tonic will not use the CRAFT mark in the following design:



c. Pixel & Tonic will not use the CRAFT mark as part of a compound mark that includes SOLUTIONS, PERSPECTIVES, FINITY or an image or drawing depicting a dolphin.

4. Consent to Registration.

a. As long as Pixel & Tonic adheres to the terms and conditions of this Agreement, Pariveda consents to and agrees that it will not oppose, seek to cancel or invalidate, or otherwise challenge Pixel & Tonic's use and registration of the CRAFT mark in connection with Pixel & Tonic's Goods, including its United States Trademark Registration Nos. 4,597,122 and 4,992,657 and United States Trademark Application Serial Nos. 88/326,746; 88/326,748; 88/368,059; and 88/326,765.

b. As long as Pariveda adheres to the terms and conditions of this Agreement, Pixel & Tonic consents to and agrees that it will not oppose, seek to cancel or invalidate, or otherwise challenge Pariveda's use and registration of the CRAFT mark in connection with Pariveda's Services, including its United States Trademark Registration Nos. 5,801,748 and 5,801,747.

5. No Likelihood of Confusion. The Parties acknowledge and agree that, subject to each Party's compliance with Sections 2 and 3, there is and will be no likelihood of consumer confusion resulting from the simultaneous use and registration of their marks for their respective goods and services as set forth herein because:

- a. Although the Parties' marks are both used in the software space generally, Pixel & Tonic's CRAFT marks are used for software products directed to website developers, enabling them to design websites, create website content, and enhance website functionality relating to communication, marketing, and e-commerce; by contrast, Pariveda's CRAFT marks are for software development services for employers to automate and manage sales compensation and commissions for their employees;
- b. Sophisticated consumers looking to invest in website design and content management software are not likely to mistake these products for software development services in the area of calculating commissions payments, and vice versa;
- c. The Parties have ensured that they will use distinct designs associated with the CRAFT marks, and they will not use any of the same terms adjacent to or in connection with CRAFT; and
- d. The Parties' trademark uses have already coexisted for more than 18 months with no evidence of consumer confusion.

6. Mutual Efforts to Prevent Confusion.

a. Each Party agrees that it will not advertise its goods or services under the CRAFT mark in a manner that implies that such Party or its goods or services are affiliated or connected with the other Party or the other Party's goods or services.

b. Should either Party becomes aware of any actual consumer confusion resulting from the Parties' use of the CRAFT mark in connection with their respective goods and services: i) such Party shall advise the other Party within ten business days of the details of such confusion; and ii) the Parties shall cooperate to take commercially reasonable steps to address the confusion and prevent or minimize its future occurrence, provided that "reasonable steps" shall not be construed to require Pariveda to cease use of the CRAFT mark in connection with the Pariveda Services or to require Pixel & Tonic to cease use of the CRAFT mark in connection with the Pixel & Tonic Goods.

7. Term. This Agreement shall continue in duration until terminated in accordance with this provision. If a Party has ceased use of the CRAFT mark in connection with its respective goods and services for any consecutive period of time in excess of five years, the other Party may provide notice of intent to terminate. Upon receipt of such notice, in order to avoid termination of this Agreement, the other Party must within thirty days provide a counter-notice to the first Party that either there has not been a consecutive period of five years of nonuse of the CRAFT mark in connection with its respective goods or services or that such nonuse is excused under U.S. law and

there is a present intent to resume use of the CRAFT mark in connection with the Party's respective goods and services.

8. Enforcement Against Third Parties. This Agreement shall not preclude either party from exercising its rights to exclude a third party from using the CRAFT mark or any mark confusingly similar thereto.

9. License. Both Parties shall have the right to license their respective rights under the CRAFT mark, in whole or in part, provided that such license is at least as restrictive as, and does not conflict with, the provisions of this Agreement. Each Party shall be liable to the other Party for any acts or omissions of any of its licensees that, if committed by such Party, would constitute a breach of this Agreement.

10. Representations.

a. Pariveda represents and warrants that i) it is duly organized, validly existing, in good standing and has the full authority and capacity to enter into this Agreement, ii) the performance of this Agreement will not conflict with any of Pariveda's existing obligations under any other agreement, and iii) it is the owner of all the rights and interest to the CRAFT mark in connection with the Pariveda Services, including but not limited to United States Trademark Registration Nos. 5,801,748 and 5,801,747.

b. Pixel & Tonic represents and warrants that i) it is duly organized, validly existing, in good standing and has the full authority and capacity to enter into this Agreement, ii) the performance of this Agreement will not conflict with any of Pixel & Tonic's existing obligations under any other agreement, and iii) and that it is the owner of all the rights and interest to the CRAFT mark in connection with the Pixel & Tonic Goods, including but not limited to United States Trademark Registration Nos. 4,597,122 and 4,992,657 and United States Trademark Application Serial Nos. 88/326,746; 88/326,748; 88/368,059; and 88/326,765.

11. Assignability. This Agreement inures to the benefit of and is binding upon the Parties and their respective parent companies, subsidiaries, divisions, affiliates, successors and permitted assigns. This Agreement, along with a Party's rights in the CRAFT mark, shall be assignable by either party in connection with a merger or the sale of all or substantially all the assets to which this Agreement relates. The assigning Party shall provide notice to the other Party along with an agreement where the assignee agrees to be bound by all the terms of this Agreement. Neither Party shall otherwise have a right to assign this Agreement or any of its rights in the CRAFT mark without the consent of the other Party, which may be withheld in its absolute discretion. Any purported assignment in violation of this section is void.

12. Further Assurances. The Parties shall execute all such further and additional documents that shall be reasonable and necessary to carry out the provisions and intent of this Agreement.

13. Public Announcements. Neither Party shall issue or release any announcement, statement, press release, or other publicity or marketing materials relating to this Agreement or otherwise use the other party's trademarks, without the written consent of the other party, which may be given or withheld in the other party's sole discretion.

14. Entire Agreement. This Agreement sets forth the entire understanding and agreement between the Parties and supersedes any prior written or oral agreements between them as to the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, between the Parties relating to the subject matter of this Agreement which are not fully expressed herein. The Parties have not relied on any oral or written representation, agreement, arrangement or understanding that is not in this Agreement.

15. No Waiver. The failure of any Party to insist upon strict performance of a covenant hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such Party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation hereunder shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

16. Severability. This Agreement is subject to the restrictions, limitations, terms and conditions of all applicable laws, governmental regulations, approvals and clearances. If any term or provision of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision hereof, and this Agreement shall be interpreted and construed as if such term or provision, to the extent the same shall have been held to be invalid, illegal or unenforceable, had never been contained herein. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there shall be added by the parties hereto acting in good faith a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable, and the parties to this Agreement hereby agree to such provision.

17. Amendment. This Agreement may be changed, modified or amended only by an instrument in writing duly executed by all of the parties hereto. Any such amendment shall be effective as of such date as may be determined by the parties hereto.

18. Duplicate Originals. This Agreement may be executed in two (2) counterparts on different dates, but each shall be deemed an original, and all of which together shall constitute one and the same instrument. Facsimile or scanned signatures shall be sufficient and fully binding.

19. No Partnership or Agency. It is expressly agreed that the Parties to this Agreement are not partners, joint venturers, principals, licensor/licensee, or agents of each other. Neither Party shall have authority to act for or bind the other Party in any manner, and neither Party shall have authority to make representations or warranties, or to create obligations or debts, that would be binding upon the other.

20. Headings. Headings in this Agreement are for purposes of reference only, and have no independent significance and shall not limit or otherwise affect any provision hereof.

21. Notices. Any notice or communication required or permitted hereunder shall be given in writing and shall be delivered personally, by registered or certified mail (postage prepaid), or by recognized overnight private mail carrier, or by facsimile or email (if actually received), to the following addresses of the respective Parties (or as otherwise specified by a Party in a notice given in accordance with this section):

For Pixel & Tonic:

Brandon Kelly

Pixel & Tonic, Inc.

20832 SE Humber Lane, Bend, OR 97702

With copy by email to: brandon@pixelandtonic.com; emilesnick@idealegal.com

For Pariveda:

2811 McKinney Avenue, Suite 220

Dallas, Texas 75204

Attention: Legal

Any such notice or communication shall be deemed to have been given as of the date actually received by the Party to whom notice is being given.

The Parties, having read and been given the opportunity to confer with legal counsel regarding the terms and conditions of this Agreement, and intending to be bound by the terms and conditions hereof, have caused this Agreement to be signed by their duly authorized representatives, each of whom affirms by his signature that he is in fact a representative of that Party who is duly authorized and empowered to enter into this Agreement on behalf of said party, to become effective as of Effective Date when executed on behalf of both.

PIXEL & TONIC INC.

By: _____

Name: Brandon Kelly

Title: CEO

PARIVEDA INC.

By: _____

Name: Kristen Erker

Title: General Counsel