

## **RINCON (SN 86137335) – office action response**

### **Likelihood of confusion**

The examining attorney has refused registration under Section 2(d) of the Trademark Act on the grounds that confusion is likely with the mark RINCON (Reg. No. 3463784), registered by Behavioral Science Technology (“BST”). Applicant Landmark Associates LLC (“Applicant”) respectfully disagrees with this conclusion.

The refusal is based on three assumptions about the parties’ respective goods:

- “[t]he goods of the parties in each instance are computer software with that would be used in business applications”
- “applicant’s computer operating system software could be used in improving business performance per the goods of the registrant”
- “the goods would likely travel through the same channels”

However, none of these assumptions accurately represents the software at issue or the commercial marketplace for that software. As Applicant will demonstrate:

- Applicant’s software is not “computer software with that would be used in business applications.”
- Applicant’s software has an entirely different function and purpose than BST’s software, and would not be used in “improving business performance.”
- Applicant’s software travels through different channels than BST’s software.
- BST’s software is provided to sophisticated professional purchasers, not ordinary consumers, and its customer market is unlikely to have any significant overlap with the market for Applicant’s software.

The Trademark Trial and Appeal Board has repeatedly stated that there is no *per se* rule that all computer software products are related. See, e.g., In re Quadram Corp., 228 USPQ 863 (TTAB 1985); In re Total Quality Group, Inc., 51 USPQ2d 1474 (TTAB 1999). This holding comes with good reason – more than 100,000 active federal applications and registrations cover computer software, representing a vast array of different products, countless different customer markets, and many coexisting identical marks. As a practical matter, the selection of a new software mark would be virtually impossible if a newcomer software developer could only select a mark that bore no resemblance to any pending or registered mark.

Applicant’s application covers a specialized type of software used for a specialized purpose -- only about 1% of the 100,000+ active Class 9 applications and registrations cover “application development software” or “computer operating system software.”

BST's registration also covers a specialized type of software, used for an entirely different purpose -- "computer software for managing and improving business performance." By definition BST's market is therefore limited to business managers with responsibility for managing and improving the performance of their companies. Even if one gives this identification the broadest possible interpretation, it still refers to a specialized product – business performance improvement software used to improve corporate profitability, or the efficiency with which goods are manufactured, or the delivery of service to customers, or meet some other business performance benchmark.

In fact, the actual nature of BST's software is considerably more narrow and highly specialized than the identification in its registration. As its specimens of use and corporate website show, BST specializes in software used to improve workplace safety, and its RINCON software is a quantitative program used to "manage, analyze, and report on observation data" – a "safety observation" meaning an assessment of job safety conditions. The company's specimen advertises a training workshop to learn how to use its software, which costs nearly \$1,000 to attend according to the company's website. (See Exhibit A.)

Whether one interprets BST's identification broadly, or looks at the actual real-world use of its software, three things are clear:

- The software covered by BST's registration has no similarity to the functionality or purpose of Applicant's software.
- The market for BST's software is inherently limited to professional corporate managers, and is different than Applicant's market.
- The trade channels used in selling business performance management and improvement software to professional corporate managers are entirely different than Applicant's trade channels.

These dramatic differences arise from the fact that, at a fundamental level, there are two different types of computer software – operating system software and application software. Applicant's is seeking to register its mark for the first type, and BST's registration covers the second. Thus, the parties are operating in entirely different software universes. The functionality, markets, and trade channels for one category of software is fundamentally different from the other. (See Exhibit B.)

Applicant's application covers "computer operating system software", which refers to the software that comes loaded on a computer when the computer is purchased, and allows the user to operate the computer – the software "guts" of a computer. The operating system is responsible for all of the fundamental computing tasks that render a computer functional. Operating system software is purchased pre-installed on a computer, and new versions and upgrades of the system are supplied to existing computer owners,

often as free updates. A computer is typically designed to operate on only one type of operating system, so a computer purchaser would typically not shop separately for an operating system. Because the computer and its operating system are essentially inseparable, one unable to function without the other, the channels of trade are unique and the potential for source confusion is inherently limited.

The other major type of software, Application software, is entirely different – application software does not operate the computer, but is used to conduct specific tasks. BST's software falls in this category – a corporate executive seeking to monitor and improve workplace safety would purchase it.

The Board has routinely held that professional purchasers are knowledgeable about vendors in their industry, and are discerning purchasers who are less prone to confusion. See, e.g., Aries Systems Corp. v. World Book, Inc., 26 USPQ2d 1926, 1932-33 (TTAB 1993). It is a principle that undoubtedly applies in this situation.

Software used to manage and improve business performance is not an impulse buy, and is likely to be costly. A corporate manager will almost inevitably consider different products, discuss their advantages and disadvantages with the vendors of the software, seek advice from consultants and existing users, and conduct a reasoned analysis before making a purchasing decision. This process falls precisely within the scenario contemplated by TMEP 1207.01(d)(vii), which states that “circumstances suggesting care in purchasing may tend to minimize the likelihood of confusion”.

The selection and purchase of operating system software is really the selection and purchase of a computer, because they are sold together. The decision on which computer system to purchase is likely to be one of the most expensive, significant, and painstaking choices that a company makes. The decision-makers will likely be the company's information technology professionals – a different set of decision-makers from the corporate managers responsible for managing and improving business performance.

In short, BST's software and Applicant's software have entirely different functionality, and they are purchased by different decision-makers under different circumstances through different marketing channels. If BST's customers never encounter Applicant's software, they will have no occasion to see Applicant's mark, and confusion can't occur. However, even if an executive who selects BST's software is also exposed to Applicant's software, he or she will be knowledgeable enough to understand the differences. and will have no reason to assume that they share the same source.

Applicant is also seeking to register RINCON for application development software – an even more rarified type of software. Application development software is used to create software -- the software tool used by a software developer to write code. (See Exhibit C.) Professional software developers are obviously an entirely different market

than the business management professionals to whom BST's product would be marketed. With no overlap between the customer markets, confusion cannot occur.

Applicant notes that this Section 2(d) refusal was not raised until the second office action. According to TMEP 704.01, "[t]he examining attorney's first Office action must be complete, so the applicant will be advised of all requirements for amendment and all grounds for refusal". Under TMEP 706, a refusal should be raised belatedly only in situations of clear error. The foregoing demonstrates that BST's and Applicant's goods are very different, that it was not clear error to omit the cite of BST's registration, and that it is appropriate to withdraw the refusal.

In sum, because Applicant's goods are functionally different from BST's goods, and because Applicant's goods travel in different channels of trade to different purchasers, confusion between these marks is unlikely to occur. Applicant therefore respectfully requests that the examining attorney withdraw the Section 2(d) refusal, and approve this application for publication.