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THE TTAB

Hearing: January 10, 2008

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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Digi International Inc.

v.

DigiPos Systems Inc.

Opposition No. 91163719

Marsha Stolt and John Boyle of Moss & Barnett, P.A. for Digi International Inc.

Serge Anissimoff and Harjinder Mann of Anissimoff & Associates for DigiPos Systems Inc.

Before Holtzman, Rogers and Wellington, Administrative Trademark Judges.

Opinion by Holtzman, Administrative Trademark Judge:

Applicant, DigiPos Systems Inc., has filed an application to register the mark **DIGIPOS** (in standard character form) for "computer hardware, peripheral equipment and software for use in controlling point-of-sale transactions, and managing point-of-sale information and all retail store management procedures" in Class 9.¹

¹ Application Serial No. 76561585, filed November 21, 2003, based on an allegation of first use on February 1, 1995 and first use in commerce on January 30, 2002. On January 8, 2007, during the course of this proceeding, applicant filed an amendment to the application with the

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Opposer filed a notice of opposition on May 24, 2004, asserting as its ground for opposition priority and likelihood of confusion under Section 2(d) of the Trademark Act. Opposer has pleaded ownership of 18 registrations for marks consisting of or comprising the term DIGI for a variety of computer connectivity hardware and software products, and associated services. Opposer also alleges prior use of the formative DIGI since at least as early as 1985; that it owns a family of "DIGI" marks; and that the term DIGI is distinctive and well known in the relevant industry. Opposer asserts that applicant's mark, when applied to applicant's goods, so resembles opposer's previously used and registered DIGI and DIGI formative marks as to be likely to cause confusion.

Applicant filed an answer denying the salient allegations of the opposition. Applicant specifically denies that opposer had established a family of marks prior to the first use in commerce of applicant's mark. Applicant asserts that DIGI is not inherently distinctive; and that the existence of numerous marks comprising the formative DIGI within Class 9 precludes the formation of a family.

Trademark Examining Operation (TMEO) changing its date of first use in commerce to July 25, 2002 based on evidence adduced during the deposition of its witness, Mark Walter Leaper. The amendment should have been filed with the Board as required by Trademark Rule 2.133(a), not the TMEO. Nevertheless, since the matter was tried with opposer's implied consent, and because the amendment is otherwise acceptable, the application is amended to conform with the evidence.

The record includes the pleadings and the file of the involved application; and testimony and notices of reliance by each party. Opposer, in support of its case-in-chief, submitted the testimony, with exhibits, of Joel Young, opposer's senior vice president of research and development and chief technical officer; Jan McBride, opposer's director of worldwide communications; and Brenda Mueller, opposer's corporate controller. Opposer has filed a notice of reliance on status and title copies of certain of its pleaded registrations and applicant's responses to opposer's interrogatories.

Applicant's record consists of the testimony, with exhibits of Mark Walter Leaper, applicant's president, CEO and executive vice-president sales and marketing; and a notice of reliance on third-party website materials, a decision from a foreign tribunal, a dictionary definition; and printouts of over 1,200 third-party registrations.

As rebuttal, opposer submitted additional testimony of Mr. Young, with accompanying exhibits.²

Both opposer and applicant filed briefs, and an oral hearing was held.

Evidentiary Matters

Applicant objects to the testimony taken by opposer on redirect examination of Ms. McBride as "improper reply," and to

² The rebuttal testimony has been designated confidential pursuant to a stipulated protective agreement entered into by the parties just prior to the deposition.

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the leading nature of the question asked by opposer to elicit that testimony. During direct examination, in response to opposer's question, "describe...the three channels that Digi sells through" Ms. McBride replied "distributors, resellers and OEMs." (Dep. at 28). On cross-examination, applicant questioned Ms. McBride about opposer's customers (Id. at 74):

Q: ... In the context of what we have just been discussing, you and I, who are these newsletters sent to?

A. They are sent to a combination of reseller systems integrators but also end user customers [retailers].

Q. What kind of end user customers would you send them to? Because I don't think they are a category to which you sell.

A. No, but we actually market directly to end users.

As a result of this questioning, opposer asked Ms. McBride on redirect examination "Just to clarify on who Digi sells to, does Digi also sell, on some occasions, to end users?" Ms. McBride answered, "Yes, it does. ... Only very select end users, very large, large customers who insist on a direct relationship." (Dep. at 101.)

Applicant argues that because Ms. McBride "confirmed" on cross-examination that opposer does not sell to the end user and moreover "stated" that opposer "'does not sell to end users,'" Ms. McBride's statement on redirect that opposer does sell to end users is not "a proper reply." (App. Br. at 20.)

First, applicant has pointed to no statement by Ms. McBride that opposer does not sell to end users; nor could we find any

such statement in her testimony. Moreover, to the extent that applicant is arguing that Ms. McBride's testimony is outside the scope of the cross-examination, we disagree. Whether or not the question of opposer's end user customers was raised, or should have been raised, on direct examination, applicant itself raised the question on cross-examination, specifically asking Ms. McBride about opposer's customers. Thus, we find that opposer was justified in seeking to clarify Ms. McBride's testimony on this subject during redirect examination and to correct the misimpression that opposer does not sell to end users. Whether Ms. McBride's testimony on redirect is inconsistent with her earlier testimony, as applicant seems to contend, goes to the weight of the testimony not to its admissibility.

As to the leading nature of opposer's question, that objection too goes to the weight to be given the evidence. The question is leading, but the information elicited by opposer is entirely consistent with Mr. Young's main testimony the previous day that opposer occasionally sells to end users.

In a related objection, applicant contends that Mr. Young's entire rebuttal testimony exceeded the scope of proper rebuttal. This objection is sustained. Mr. Young, during his initial deposition, testified in general terms about the subject of opposer's customers and competitors, including a reference to applicant as a competitor. (See, e.g., Dep. at 104-107; 117-118.) Applicant, in response, asked its witness, Mr. Leaper,

about applicant's end user customers: "...as you sit here, to your mind, is [opposer] a competitor in your mind?" Mr. Leaper responded, "No, no" and later in his testimony said "In my mind" the products are "clearly two very, very different worlds." (Dep. at 36, 38.) Then, during rebuttal, opposer had Mr. Young testify (through testimony designated as confidential) as to specific information relating to opposer's sales to a large retail enterprise. Opposer contends that this testimony was necessary to refute Mr. Leaper's testimony that opposer is not applicant's competitor and that the parties' products "exist in separate worlds."

A plaintiff may, on rebuttal, introduce facts and witnesses to deny, explain or discredit facts and witnesses adduced by the defendant. See *Carefirst of Maryland Inc. v. FirstHealth of the Carolinas Inc.*, 77 USPQ2d 1492, 1498 (TTAB 2005). However, a plaintiff may not use the rebuttal testimony period to prove its case-in chief. See *The American Meat Institute et al. v. Horace W. Longacre, Inc.*, 211 USPQ 712 (TTAB 1981). It is opposer's initial burden to prove the elements of its likelihood of confusion claim, including facts concerning the relevant customers or types of customers for its goods, which opposer did only in vague and nonspecific terms as to its end user customers during Mr. Young's first deposition. Thus, we view Mr. Young's more specific testimony on rebuttal regarding end user customers as an attempt by opposer to strengthen its case-in-chief. Mr.

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Young's rebuttal testimony is of the same type and has been submitted for the same purpose as his testimony in support of opposer's main case, i.e., to show that opposer and applicant compete for the same end user customers.

Opposer argues that confidential information about its customers could not have been disclosed during the initial depositions of Mr. Young and Ms. McBride because a protective order was not in place at the time of their depositions. However, opposer should have anticipated that it would need to rely on certain confidential information to support its case and should have taken the steps necessary to obtain Board approval of a protective order prior to trial.³

We turn next to opposer's objections to applicant's notice of reliance. Opposer has objected to Exhibits 3 through 1210, consisting of third-party registrations, on the basis that applicant failed to indicate the relevance of the evidence as required by Trademark Rule 2.122(e). This objection is untimely since the defect is one which could have been cured had the objection been raised promptly by an objection or motion strike when the notice of reliance was filed. See *Hunt-Wesson Foods, Inc. v. Riceland Foods, Inc.*, 201 USPQ 881, 883 (TTAB 1979).

³ Since August 31, 2007, the Board's standard protective order has applied to all pending cases. See *Miscellaneous Changes to Trademark Trial and Appeal Board Rules*, 72 Fed. Reg. 42,242, 42,249, 42,262 (Aug. 1, 2007).

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Opposer's objection to Exhibits 1211 and 1213 consisting of, respectively, a decision issued by the Taiwan Intellectual Property Office and a Canadian registration certificate, is well taken. The findings of a foreign tribunal and similarly, applicant's ownership of a foreign registration, have no bearing on the question of whether applicant is entitled to register the mark in the United States. See *Hiram Walker & Sons, Inc. v. Canadian Distilleries Ltd.*, 176 USPQ 156 (TTAB 1972); and *Bureau National Interprofessionnel Du Cognac v. International Better Drinks Corp.*, 6 USPQ2d 1610 (TTAB 1988).

Opposer's objection to Ex. 1212, which consists of third-party website materials is sustained. Such documents are not proper subject matter for introduction by a notice of reliance under Trademark Rule 2.122(e). See *Raccioppi v. Apogee, Inc.*, 47 USPQ2d 1368 (TTAB 1998).

There are two remaining evidentiary matters to address. The first relates to opposer's registrations. It is clear that opposer has not complied with the applicable rules regarding the introduction of certain of its registrations. Opposer pleaded ownership of 18 registrations in the notice of opposition. Opposer submitted a notice of reliance on some 28 registrations, about half consisting of status and title records and the other half consisting of printouts of registrations from the Office's TARR database. Opposer also introduced during the testimony of Ms. McBride, as Exhibit 42, a listing of more than 80

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registrations and applications (mostly registrations); and three additional registrations were submitted as Exhibits 43-45.

Some of the registrations introduced at trial were not pleaded; and some registrations that were pleaded have been improperly or insufficiently introduced. TARR records are not proper evidence of ownership and status of opposer's registrations. See Trademark Rule 2.122(d);⁴ and TBMP §704.03(b)(1)(A) (2d ed. rev. 2004). As to Exhibits 43-45, Ms. McBride testified as to opposer's ownership of the registrations, but she did not indicate that the registrations are currently subsisting. As to Exhibit 42, the list itself is insufficient to make the registrations of record, and although Ms. McBride testified to some extent as to the use of the marks on the list, she did not testify as to the status and title of the registrations.

Applicant did not specifically object to the unpleaded registrations and/or to their manner of introduction. At the same time, however, inasmuch as applicant notes "a great deal of imprecision in terms of what registered trademark(s) opposer is relying on" (App. Br. at 8), applicant cannot fairly be said to have stipulated all of the registrations into the record. Accordingly, only those registrations which have been pleaded and

⁴ Trademark Rule 2.122(d)(1) was recently amended to allow the submission of copies of records from Office electronic databases, such as TARR, to prove the status and title of the registration. However the amendment is only applicable to Board proceedings commenced on or after August 31, 2007.

properly introduced by opposer have been considered. See Trademark Rule 2.123(1) (evidence not filed in compliance with the rules of practice governing inter partes proceedings before the Board will not be considered). See also *Original Appalachian Artworks Inc. v. Streeter*, 3 USPQ2d 1717, 1717 n.3 (TTAB 1987) (a party may not reasonably presume evidence is of record when that evidence is not offered in accordance with the applicable rules of practice).

Applicant, for its part, submitted printouts of over 1,200 third-party registrations, clearly without regard to the relevance of the documents, leaving it to the Board to sift through literally thousands of pages of documents to find support for applicant's arguments. This sort of evidentiary dumping is entirely inappropriate and a waste of everyone's time and resources. At the very least, applicant could have provided the Board with a summary of the registrations or some other convenient format for reviewing them. As it turns out, this evidence is either entirely or substantially irrelevant, or of limited probative value. The evidence will be discussed in more detail later in this opinion.

STANDING AND PRIORITY

As we noted, opposer has made of record status and title copies of certain of its pleaded registrations. They are as follows:

DIGI

Computer network connectivity hardware and software, in Class 9.⁵

DIGI

Computer network connectivity hardware and computer network connectivity software, namely, multi-modem communication adapters, multiport serial adapters, USB-to serial converters, USB expansion hubs, USB remote access servers, terminal servers, printer servers, device servers, and network serial concentrators, all used to provide wired and wireless connectivity between local and wide area networks, to provide Universal Serial Bus (USB) connectivity, to provide remote access to local and wide area networks, to provide firewall security, and to provide Internet access, in Class 9.⁶

Digi

Microcomputer circuit boards and peripherals for use in connection with multi-user systems and local area networks; and microcomputer software, namely, software for operating such microcomputer hardware, software for terminal emulations, software for data communications in multi-user systems, software for data communications in local area networks and software for remote local area network access, in Class 9.⁷

⁵ Registration No. 2319992; issued February 22, 2000; Sections 8 & 15 affidavits accepted and acknowledged. The registration also includes services related to the Class 9 goods in Classes 37, 40, 41 and 42.

⁶ Registration No. 2630891; issued October 8, 2002. The registration also includes services related to the Class 9 goods in Class 42.

⁷ Registration No. 2317478; issued February 15, 2000; affidavits under Sections 8 and 15 accepted and acknowledged. The registration also includes services related to the Class 9 goods in Classes 37, 40, 41 and 42.



Microcomputer circuit boards and peripherals for use in connection with multi-user systems and local area networks; and microcomputer software, namely, software for operating such microcomputer hardware, software for terminal emulation, software for data communications in multi-user systems, software for data communications in local area networks, and software for remote local area network access, in Class 9.⁸



Computer network connectivity hardware and software, in Class 9.⁹

⁸ Registration No. 2019613; issued November 26, 1996; renewed. The registration states, "The mark is lined to indicate the color green." Opposer has also made of record Registration No. 2369665 for the same mark for services related to the Class 9 goods in Classes 37, 40, 41 and 42.

⁹ Registration No. 2200945; issued November 3, 1998; affidavits under Sections 8 and 15 accepted and acknowledged. The registration also includes services related to the Class 9 goods in Classes 37, 40, 41 and 42.



Computer hardware and software for data communications and hardware and software designed to operate with data communications products, in Class 9.¹⁰

DIGI CONNECT

Computer network connectivity hardware and computer network connectivity software, in Class 9.¹¹

DIGI CONNECT ME

Computer network connectivity hardware computer network connectivity software, in Class 9.¹²

DIGI CONNECT WI-ME

Computer network connectivity hardware, namely, wireless device server modules, in Class 9.¹³

DIGI CONNECT WI-EM

Computer network connectivity hardware, namely, wireless device server modules, in Class 9.¹⁴

DIGI CONNECT SP

Computer network connectivity hardware, namely, device servers, in Class 9.¹⁵

¹⁰ Registration No. 2193984; issued October 6, 1998; affidavits under Sections 8 and 15 accepted and acknowledged.

¹¹ Registration No. 2912411; issued December 21, 2004.

¹² Registration No. 2925639; issued February 8, 2005.

¹³ Registration No. 3021998; issued November 29, 2005.

¹⁴ Registration No. 3022000; issued November 29, 2005.

DIGI CLASSICBOARD

Computer network connectivity hardware and software, in Class 9.¹⁶

In view of opposer's valid and subsisting registrations, opposer's standing has been established, and its priority with respect to the registered marks for the goods and/or services identified therein is not in issue. King Candy Co., Inc. v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

In addition, opposer has established through testimony of Mr. Young and the supporting documentation, analogous use of the following marks at least as early as 1999, but in any event, prior to July 25, 2002, applicant's established date of first as shown by the evidence of record: **DIGI NEO** for a multi-port serial card; a series of **DIGI ONE** marks, used for device servers which provide network connections for serial devices; **DIGI FLEX** for a device server for connecting serial devices; **CLASSICBOARD** for a device that adds multiple serial ports, or additional serial ports, into a host computer system; a series of **ACCELEPORT** marks for serial adapters, which provide serial port expansion for connecting computers to peripheral devices, such as printers; **ETHERLITE** for a network serial concentrator, which provides

¹⁵ Registration No. 3071921; issued March 21, 2006.

¹⁶ Registration No. 2148245; issued March 31, 1998, as corrected; Sections 8 & 15 affidavit accepted and acknowledged.

serial port expansion back to a computer; a series of **PORTSERVER** marks used for products including device servers for serial-to-ethernet connectivity and multi-port serial adaptor cards; **EDGEPORT/1** for a USB-to-serial converter.¹⁷

Opposer maintains a website, www.digi.com, with an online brochure where opposer markets and sells its products. Opposer has submitted archival web pages from the brochure. The web pages consist of individual product sheets with a photograph and description of the particular product appearing on one page and more detailed information about the product on another. Each set of sheets bears a copyright date of either 1999-2001 or 1999-2002. Mr. Young explains that the copyright dates indicate the earliest and latest dates during which the particular product sheets were published on the website. Each mark is displayed on the face of each product, at least where space on the product allows. The marks are otherwise prominently featured on all of the information sheets and referenced throughout the product descriptions.

¹⁷ Opposer has also relied on its prior use of the marks **RAPIDPORT** and **ANYWHEREUSB**. However, the products are marked with a different company name, and although opposer at some point acquired that company, it is not clear that the marks would have been recognized as identifying products of opposer. Furthermore, although the list of marks in Exhibit 42 is of record, the list is not in itself proof of any facts shown therein and Ms. McBride, by her testimony did not adequately establish prior use of the marks on the list. Ms. McBride states generally that the marks are all in use since they were adopted, and that the marks are currently in use by opposer but she does not state when they were adopted, when the marks were first used, or the goods/goods/services for which they are used.

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Also conspicuously displayed on every product sheet and on each product (again where space allows) is opposer's **DIGI** and design mark as shown in Registration No. 2630891. The use of "DIGI" in this manner clearly creates an impression separate and apart from the green geometric background design and any other trademarks appearing on the particular product. Furthermore, "Digi" per se is frequently used in the descriptive text for each product. Opposer's trade name "Digi International Inc." also appears on every product sheet. Opposer's sales in the United States for products offered under its "DIGI" mark and "Digi International Inc." trade name for the time prior to applicant's first use totaled nearly \$300 million from 1994 to 2001.

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 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, however, two key considerations are the similarities or dissimilarities between the marks and the similarities or dissimilarities between the goods. See Federated Foods, Inc. v. Fort Howard Paper Co., 544 F.2d 1098, 192 USPQ 24 (CCPA 1976).

**The variety of goods on which a mark is or is not used
(house mark, "family" mark, product mark)**

A family of marks is a group of marks having a recognizable common characteristic, wherein the marks are composed and used in such a way that the public associates not only the individual marks, but also the common characteristic of the family, with the trademark owner. The fact that opposer may have used and/or registered several marks incorporating this feature, is not in itself sufficient to establish the existence of a family of marks. See *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889, 1891 (Fed. Cir. 1991).

To establish a family of marks, opposer must prove that prior to applicant's first use of its mark, on July 25, 2002, the marks comprising opposer's family of marks, or at least a substantial number of them, were used and promoted together by opposer in such a manner as to create public recognition coupled with an association of common origin predicated upon the family feature; and that the family feature is distinctive (i.e., not descriptive, so highly suggestive, or so commonly used that it cannot function as a distinguishing characteristic of the party's mark). See *Marion Laboratories v. Biochemical/Diagnostics*, 6 USPQ2d 1215, 1218 (TTAB 1988).

As to the second requirement, opposer owns registrations consisting solely of the asserted family name, DIGI. The mark DIGI is registered on the Principal Register without a claim of

acquired distinctiveness under Section 2(f) of the Act and as such must be presumed to be inherently distinctive, and must be presumed to function as an indicator of source. See Section 7(b) of the Trademark Act. Thus, applicant's contentions that DIGI is not distinctive, and that the mark is descriptive or generic and fails to indicate a single source constitute impermissible collateral attacks on the registrations.¹⁸

We turn then to the first requirement. While it is not clear from opposer's initial brief which marks opposer is including in its asserted family, opposer makes it clear in its reply brief that it considers all of its marks to be part of the family. Opposer has shown prior use of the marks CLASSICBOARD, ACCELEPORT, ETHERLITE, PORTSERVER and EDGEPORT/1. However, because those marks are not even characterized by the common feature, they do not meet the first requirement for a family of marks. The prior marks which do contain the common feature are DIGI NEO, DIGI ONE, and DIGI FLEX. These marks all appear in the same online product brochure dated 1999-2001. However, the marks are promoted separately in the brochure, not in association with

¹⁸ An attack on the validity of a pleaded registration will not be heard unless a counterclaim or separate petition is filed to seek the cancellation of such registration. See Trademark Rule 2.114(b)(2)(ii). Moreover, considering that one of opposer's registrations (No. 2319992) is over five years old, a challenge to the registration on the ground that the mark is descriptive would not even be available to applicant. See Section 14(3) of the Trademark Act.

each other as a group.¹⁹ At most, the product sheets refer to a series of certain combination marks as a family, for example, "the Digi One Family of single port device servers." That "family" would only include variations of the "DIGI ONE" mark. (See Exhibit 7.)

Although opposer has not established a family of DIGI marks, the term DIGI per se is the subject of at least two of opposer's registrations, and it clearly serves as a house mark for opposer's full line of connectivity products. The mark DIGI is prominently displayed on virtually every product and on all product packaging and promotions.

Moreover, because opposer owns registrations for DIGI alone, namely Registration Nos. 2319992 and 2630891, we will focus on that mark and the goods identified in those registrations in our likelihood of confusion analysis.

The goods

We turn first to the goods, keeping in mind that the question of likelihood of confusion must be determined on the basis of the identification of goods set forth in the application and registration, rather than on what any extrinsic evidence might show the actual nature of the goods or their channels of

¹⁹ Opposer also introduced through the testimony of Ms. McBride, a printed product catalog published in 2002. Because there is no testimony as to exactly when in 2002 this brochure was published, we must presume it was not published until after applicant's first use in July 2002. Other materials submitted by opposer were clearly not in use prior to applicant's first use date.

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trade or purchasers to be. See *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889 (Fed. Cir. 1991); *Octocom Systems Inc. v. Houston Computers Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990); and *CBS Inc. v. Morrow*, 708 F.2d 1579, 218 USPQ 198 (Fed. Cir. 1983).

Applicant's goods under its **DIGIPOS** mark are identified as "computer hardware, peripheral equipment and software for use in controlling point-of-sale transactions, and managing point-of-sale information and all retail store management procedures."

The record shows that point-of-sale systems are systems that are deployed in some sort of retail establishment such as department stores, grocery stores and other retail locations and they are used in the retail sales transactions. The transactions include payment transactions and peripheral transactions such as checking part numbers or providing information about the products (Young Dep. at 10) and the systems otherwise manage and control point-of-sale operations. Mr. Leaper explains that point-of-sale systems include cash registers, computer screens and display devices, magnetic stripe readers, printers, keyboards and scanners. (Leaper Dep. at 16, 73)

Opposer's goods offered under its **DIGI** mark are identified in its registrations as "computer network connectivity hardware and software" (Reg. No. 2319992); and "computer network connectivity hardware and computer network connectivity software, namely, multi-modem communication adapters, multipoint serial

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adapters, USB-to serial converters, USB expansion hubs, USB remote access servers, terminal servers, printer servers, device servers, and network serial concentrators, all used to provide wired and wireless connectivity between local and wide area networks, to provide Universal Serial Bus (USB) connectivity, to provide remote access to local and wide area networks, to provide firewall security, and to provide Internet access" (Reg. No. 2630891).

The goods as identified in the application and registration are, in part, legally identical. Applicant's "computer hardware" and "software" for use in point-of-sale applications, is broad enough to include any particular type of computer hardware/software used in such system, including opposer's connectivity hardware and software.

Moreover, the goods that are not the same are otherwise integrally related, complementary products. Applicant's peripherals and opposer's computer connectivity products are both essential components of a complete point-of-sale system. The record amply shows that connectivity hardware and software, such as opposer's products, are necessary to connect peripheral devices, such as applicant's scanners, cash registers and printers, back to the main computer system, and to enable the peripheral devices to communicate with the computer. There is no question that connectivity products are necessary to complete a point of sale system. Applicant's products, as identified, are

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limited to point-of-sale applications. However, opposer's connectivity products, as identified, are not limited to any particular field, and so must be deemed to include connectivity products for use in the retail point of sale field. See *Octocom*, supra at 1787.

Applicant argues that opposer's "specialized goods are non-point-of-sale specific" and that they function "to generically connect a computer to a peripheral device." (App. Br. at 5.) That statement is mere argument, but even if true, is not compelling. Opposer markets its connectivity products in a number of specific fields, including medical/healthcare; building automation/security; industrial automation; and "retail/POS." Opposer's retail point-of-sale market includes various customer groups such as department store chains, grocery stores, convenience store chains, and consumer electronics retailers. Mr. Young testified and the product information sheets for the various "DIGI" devices show that many of its devices are particularly suited for point-of-sale applications and they are specifically targeted to the retail point-of-sale market. The point is that many of opposer's products are, or can be used in point-of-sale applications. That such products may also be used in other fields or in other applications is simply irrelevant. It is immaterial whether opposer's products are in fact "point-of-sale specific" because all point-of-sale systems require

connectivity products and opposer's identification of goods is not limited to any particular field.

In a further attempt to distinguish the goods, applicant argues that it offers a complete "turnkey" system while opposer only offers components. Again, however, applicant's goods as identified are not limited to turnkey or complete systems, and absent any such limitation, the goods must be deemed to encompass components of the system, including connectivity components.

Channels of trade/Purchasers

Because opposer's products are deemed to include connectivity products used in retail point-of-sale management systems and because applicant's "hardware and software" encompass connectivity products, the purchasers and channels of trade for the respective products are presumed to be the same. In other words, we must presume that applicant and registrant compete for the same customers through the same channels of trade. See *Octocom Systems*, supra at 1787 ("the factors which OSI asks to have considered are not reflected, either expressly or inherently, in its application. Thus, it was not error, as OSI argues, for the board to give no weight to OSI's evidence purporting to show that OCTOCOM modems are brought by a particular class of purchasers.").

Because the identified products are considered complementary, and peripheral products and connectivity products constitute necessary parts of a complete point-of-sale system,

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the record shows that such products would be directed to the same customers and/or ultimate users.

Applicant sells its point-of-sale hardware and software and peripherals in three basic ways. It sells primarily through its sales force directly to the end user retailer. Smaller proportions of its sales are made through value-added resellers (VARs), who are software vendors. In those cases applicant and the VAR jointly service a retailer customer. Applicant also sells through distributors who simply re-sell applicant's goods to the end user retailer.

Opposer's connectivity products are sold in three primary trade channels. Opposer sells to original equipment manufacturers (OEMs), for example, Dell or NCR, who would use the connectivity hardware in building a finished product, such as a scanner. The completed product may or may not be rebranded with the manufacturer's name. Opposer also sells its connectivity products directly to distributors. The distributors in turn sell to value-added resellers or systems integrators, who combine opposer's products with products from other manufacturers, such as the manufacturer of a scanner, to complete a point-of-sale system. Ms. McBride explains that the resellers are consultants who work directly with end user retailers to design a system that suits their needs.

Thus, the same value-added resellers are potential customers for both applicant's peripherals and opposer's connectivity

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products. A VAR could potentially purchase both applicant's peripherals and opposer's connectivity products and then re-sell the combined product to the end user. Also, opposer's distributors are potential customers for applicant's peripherals. In fact, Mr. Leaper testified that it at one time had a relationship with one of opposer's distributors. (Leaper Dep. at 44.)

Opposer also, on occasion, sells its products directly to large retail outlets. (Young Dep. at 195; and McBride Dep. at 101.) However, whether or not opposer sells directly to the end user retailer, which applicant strongly disputes, opposer consistently markets its point-of-sale products directly to the end user retailer. Opposer promotes its products directly to end user retailers through the "retail/POS" section of its website, where it publishes online product brochures, newsletters, and other promotional materials about its point-of-sale products; and opposer also promotes these products at retail-focused trade shows. In fact, Mr. Leaper recalled seeing opposer's booth at least one trade show he attended. (Leaper Dep. at 116.)

Opposer is clearly marketing to end user retailers to create a demand for its products or to influence their purchasing decisions. As a result of the marketing to retailers, the retailers may request to purchase directly from opposer or they may specify that the distributors of peripherals or a VAR's complete point-of-sale systems contain "DIGI" components. Thus,

whether or not the parties are considered to be in direct competition, the potential customers or ultimate users of the products may be the same. See, e.g., *In re Artic Electronics Co., Ltd.*, 220 USPQ 836 (TTAB 1983) (likelihood of confusion is not limited to "purchaser" confusion).

Fame and/or relative strength of opposer's marks

The record shows that the mark DIGI has been in use for over 20 years; and that the mark is used to identify a wide range of connectivity products.²⁰ The mark is applied directly to many of opposer's various products and it is used, along with opposer's trade name "Digi International Inc.," on all promotional materials and packaging for the products. Opposer has maintained a website (www.digi.com) since at least 1996 where it promotes and sells its products. The website features at least six different market-specific sections, each with its own product catalog and promotional materials, and the "retail/POS" section is quite extensive. In addition, opposer exhibits its products at about 30 trade shows a year targeting its various markets. The record also shows that sales of opposer's products in the United States under the DIGI mark and the "Digi International Inc." trade name from 1994 through 2005 have been substantial, exceeding \$1.2 billion. In 2004 alone opposer's sales in the United States totaled \$72 million.

²⁰ Opposer's contentions in its brief regarding its acquisition of other companies' "well-known marks" and "established brands" is mere argument unsupported by the record. (Opp. Br at 11.)

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Opposer has submitted evidence of its efforts to police its mark against other entities using what opposer believes to be conflicting marks. Over the past 10 years, opposer has instituted a number of proceedings before the Board against such entities all of which were resolved in opposer's favor or to its satisfaction. The fact that none of the proceedings resulted in a full-blown trial, as applicant notes, does not detract from opposer's efforts to protect its mark.

Opposer does not contend that the mark DIGI is famous; nor is the record sufficient to demonstrate fame. Therefore, we find that the factor of fame is neutral. However, the evidence is sufficient to indicate at least some exposure and demand for DIGI products over the years and therefore to infer that the mark has achieved at least some degree of recognition and strength in the market.

Applicant, however, argues that opposer's mark DIGI is entitled to only a very narrow scope of protection. Applicant contends that "'DIGI' in and of itself, is commonplace and has come to be understood as describing computer and digital technology and not with any one source or producer." (Id. at 31) In support of its contention, applicant submitted a definition of "digi" from the *AF Acronym Finder* website (www.acronymfinder.com) defining "digi" as digital. Applicant has also submitted over 1,200 third-party registrations for marks "having 'digi' as a component, all in Class 9." (App. Br. at 33) and showing,

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according to applicant, that DIGI "is a common term" and is "compelling evidence of the common place usage of the term 'digi' in Class 9 and in the 'computer' field." (Id.) Applicant argues that its mark should be entitled to coexist on the register alongside all the other marks having the "DIGI" component.

As we pointed out earlier, applicant's arguments that the mark DIGI is descriptive or does not function as a source identifier constitute impermissible collateral attacks on the validity of opposer's registrations. Further, the factor to be considered in determining likelihood of confusion under *du Pont* is the number and nature of "similar marks in use on similar goods." See *du Pont*, supra at 567. The fact that similar third-party marks "coexist on the register" is not relevant. The relevant consideration is whether the marks are in use in commerce, and it is well settled that third-party registrations are not evidence of use of the marks therein. As stated in *AMF Inc. v. American Leisure Products, Inc.*, 474 F.2d 1403, 177 USPQ 268, 269 (CCPA 1973):

[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) ("As to strength of a mark ...

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registration evidence may not be given any weight."). (Emphasis in original.)

To the extent that the third-party registrations may be used in the manner of dictionary definitions to show that the term "digi" has been adopted by others because it conveys a particular meaning in relation to similar products, applicant's evidence, though voluminous, is largely unpersuasive. Applicant has included marks which do not even contain the component; cancelled registrations, which are not evidence of anything; and even opposer's own registrations. Applicant has also included registrations for dissimilar marks. The mark is DIGI, not DIGITAL, DIGIT or DIGITIZE, and the third-party registrations are not the equivalent of DIGI or relevant to the question of whether DIGI would be perceived as the equivalent of "digital." Most all of the other registrations which do contain a "DIGI" component are for dissimilar goods (e.g., Reg. No. 2606064 for the mark DIGI PRO for pressure gauges; Reg. No. 2583670 for the mark DIGI for batteries; Reg. No. 2880831 for the mark DIGIMAX and design for electronic pest control devices). Or, if the registrations are for similar goods, the marks are dissimilar, creating different commercial impressions than opposer's mark (e.g., Reg. No. 2988591 for the mark DIGIUM for "computer hardware.").

As to any remaining registrations in which the marks are arguably similar, it is not clear to what extent, if any, that the goods listed in those registrations are similar to opposer's

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goods. Applicant has offered no explanation as to how the goods listed in the third-party registrations are similar to opposer's goods in its registrations or that they are of a type which would be sold by opposer. The relevant question is whether the goods in the registrations are similar to opposer's goods, not whether the goods have any conceivable relationship to opposer's goods.

In fact, applicant in its interrogatories had questioned opposer about its knowledge of particular third-party marks. (App. Notice of Reliance, Ex. 2, Int. Nos. 62-72). We note that at least some of those marks happen to be among those included with applicant's third-party registrations. For example, as to the marks Digi001 and design (appearing in Reg. No. 2734238) and DIGIDRIVE (Reg. No. 2398535), opposer indicates that the goods offered under those marks are not within the scope of opposer's goods stating that the marks are used solely in connection with audio production and sound mixing equipment and that there was no need to take any action against them. As to the mark DIGICODE (Reg. No. 1762628), opposer states that the software product is used for a very specialized purpose and that there is no likelihood of confusion with opposer's marks. Thus, opposer has provided direct evidence that the goods in at least several of the third-party registrations are not similar to opposer's goods.

We find that although DIGI would likely be perceived as a suggestive term when applied to opposer's connectivity products, the evidence of the strength of the term as a mark outweighs or

overcomes its suggestive meaning. Thus, we find that the mark is entitled to a broader, rather than a narrower, scope of protection.

The marks

We turn then to a comparison of opposer's mark DIGI with applicant's mark DIGIPOS. In determining the similarity or dissimilarity of marks, we must consider the marks in their entireties in terms of sound, appearance, meaning and commercial impression. See *du Pont*, supra. See also *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin*, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005).

The strong and distinctive term DIGI is opposer's entire mark and, as the first term in DIGIPOS, it is a significant component of applicant's mark. Further, the term "DIGI" is the significant element of applicant's mark in terms of commercial impression. To the extent that "DIGI" suggests "digital," thereby suggesting the computer or electronic nature of opposer's products, that meaning would be the same in applicant's mark. The suffix POS in applicant's mark while perhaps adding to the meaning of DIGI does not significantly change the meaning or commercial impression created by DIGI alone, particularly in view of the descriptive or generic nature of the term POS in relation to applicant's goods, i.e., equipment used in point-of-sale applications. The record clearly shows that "POS" is the equivalent of and interchangeable with "point-of-sale," and there

is no question that POS would be immediately understood and recognized as "point-of-sale" by those in the retail industry.

In addition, because applicant is seeking registration for the mark in typed or standard character form, and opposer's mark DIGI is registered in typed form, we must consider all reasonable manners in which applicant and opposer could depict their marks. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1847-48 (Fed. Cir. 2000) (typed drawings are not limited to any particular rendition of the mark). See also *Phillips Petroleum v. C.J. Webb*, 442 F.2d 1376, 170 USPQ 35 (CCPA 1971). The record shows that opposer often displays its mark as "Digi" in a typed font using an upper case "D" and "igi" in lower case letters. Applicant uses DIGIPOS in a display similar to opposer's mark. As applicant's exhibits show, and Mr. Leaper confirms, the mark almost always appears on its products and packaging as "DigiPoS," in a typed font using an upper case "D" and "P" and "S" with the remaining letters in lower case form. Applicant's mark in this format would not necessarily be pronounced as four syllables "Digi P-O-S," as opposer contends. Although POS means "point-of-sale," there is no evidence that the acronym would be pronounced as separate letters. Nevertheless, we agree with opposer that this format increases the visual similarity of the two marks and the likely perception of applicant's mark as two separate terms.

Because the parties' goods are presumed identical, and many of opposer's DIGI connectivity products are, or can be used in

retail point-of-sale applications, purchasers or users who are familiar with those products are likely to assume that DIGIPOS identifies another DIGI point-of-sale product in that line.

We also note that although opposer has not established a family of marks, the fact that opposer has used variations of its DIGI mark by adding matter to it increases the likelihood that applicant's mark DIGIPOS would be perceived as an additional variation of opposer's marks. See *Humana Inc. v. Humanomics Inc.*, 3 USPQ2d 1696, 1700 (TTAB 1987) (noting that this point is relevant even where a family of marks has not been proven, citing *Varian Associates, Inc. v. Leybold-Heraeus G.m.B.H.*, 219 USPQ 829 (TTAB 1983)).

Finally we point out that even if opposer's mark were "weak," and we have found that it is not, it would not automatically mean that these marks are not similar. Even weak marks are at least entitled to protection from registration of a similar mark for identical goods. See *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 109 (CCPA 1974) (likelihood of confusion is to be avoided as much between weak marks as between strong marks).

Conditions of sale

There is no specific evidence on this point, but it is reasonable to assume the overlapping purchasers and users of the respective goods are likely to be sophisticated and knowledgeable

about those products, a point that would favor applicant.²¹ However, even sophisticated purchasers would be susceptible to source confusion, particularly under circumstances where, as here, the goods are in part identical and in part closely related and are sold under similar marks. See *In re Research Trading Corp.*, 793 F.2d 1276, 230 USPQ 49, 50 (Fed. Cir. 1986) citing *Carlisle Chemical Works, Inc. v. Hardman & Holden Ltd.*, 434 F.2d 1403, 168 USPQ 110, 112 (CCPA 1970) ("Human memories even of discriminating purchasers...are not infallible."). Thus, we find that this *du Pont* factor is outweighed by all the other *du Pont* factors favoring a finding of likelihood of confusion.²²

Actual confusion

The asserted absence of evidence of actual confusion is a neutral factor in this case. Applicant's mark has been in use since July 2002, a relatively short period of time. Applicant is a corporation of Canada, and most of applicant's evidence relates to use outside of the United States. The evidence is unclear as to the extent of applicant's use and exposure of its mark in the

²¹ Opposer argues that there is nothing in the record to show that the store clerks and cashiers at retail establishments who use applicant's and opposer's products are particularly sophisticated. However, there is also nothing in the record to show that store clerks and cashiers would be among the relevant classes of purchasers or users of these goods.

²² In making this determination we have given no consideration to opposer's assertions regarding applicant's alleged failure to conduct a proper search before adopting its mark. The relevant consideration is whether applicant acted in bad faith in adopting its mark, and the failure to conduct a proper search, even if true, does not, in and of itself, establish bad faith.

United States during the four and a half year period of overlapping use with opposer's mark.²³ Applicant has not broken down its advertising figures as to expenditures in the United States, and Mr. Leaper's undocumented and rather vague assertions regarding applicant's volume of sales in the United States for that time period are not entitled to much weight. It also appears that applicant's larger sales, for example, its sale of 10,000 microprocessors to Circuit City, did not occur until more recently. Thus, we have insufficient evidence to determine whether a meaningful opportunity for actual confusion has existed. See *Gillette Canada Inc. v. Ranir Corp.*, 23 USPQ2d 1768 (TTAB 1992).

Conclusion

In view of the foregoing, and because similar marks are used in connection with identical and closely related goods, we find that confusion is likely.

To the extent that there is any doubt on the issue of likelihood of confusion, it is settled that such doubt must be resolved in favor of the prior user and/or registrant. *Broderick & Bascom Rope Co. v. The Goodyear Tire and Rubber Co.*, 531 F.2d 1068, 189 USPQ 412 (CCPA 1976); and *Crown Radio Corp. v. Soundscriber Corp.*, 506 F.2d 1392, 184 USPQ 221 (CCPA 1974).

Decision: The opposition is sustained.

²³ Applicant's evidence of sales, activities, awards, customers and contracts outside of the United States is not relevant.