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RFC

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Tangent Computer, Inc.
v.
Tangent Systems, Inc.

Cancellation No. 26,666

Stuart Kaufman for Tangent Computer, Inc.

Thomas P. Arden of McBride Baker & Coles for Tangent
Systems, Inc.

Before Cissel, Quinn and Drost, Administrative Trademark
Judges.

Opinion by Cissel, Administrative Trademark Judge:

On June 3, 1997, Registration No. 2,066,916 issued
on the Principal Register to Tangent Systems, Inc., an
Illinois corporation. This registration is for the mark
"TANGENT SYSTEMS" for "computer hardware, computer
software in the area of document processing, document
imaging, and data-processing," in Class 9; and "computer
manuals for use with computer hardware and computer
software in the area of document processing, document

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imaging and data processing," in Class 16. The word "SYSTEMS" is disclaimed apart from the mark as shown. The registration claims first use of the mark and first use of the mark in commerce in connection with the identified goods on February 4, 1984.

On July 24, 1997, Tangent Computer, Inc. filed a petition for cancellation of this registration. As grounds for cancellation, petitioner pleaded that it had standing and that the registration was obtained by fraud. Petitioner alleged that its own application to register its "TANGENT COMPUTER" mark for, "inter alia, computers and pre-programmed computer software" had been refused based on the registration it seeks to cancel. Further, petitioner alleged that respondent does not use its mark on "computer hardware" in the broad sense of this term, but rather only in connection with "goods occupying only the smallest niches within the market for all 'computer hardware,'" and that by failing to qualify the type, purpose, or intended market for its goods, respondent perpetuated a fraud.

Respondent filed a motion to dismiss the petition for cancellation on the grounds that the petition failed to state a claim upon which relief could be granted. The Board granted respondent's motion to dismiss, but noted

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that under Section 18 of the Lanham Act, 15 U.S.C. Section 1068, the Board has the authority to limit or otherwise modify the way the goods or services are identified in a registration or application. The Board explained that in order to prevail on a claim made under Section 18 of the Act, a party must plead and prove that a finding of likelihood of confusion would be avoided by the entry of the restriction specified in the petition to cancel, and that the respondent is not using its mark on any goods sought to be excluded by the proposed restriction.

Noting that petitioner had failed to state a legally sufficient claim for restriction of the registration under Section 18, the Board allowed petitioner to file an amended petition for partial cancellation of the registration in accordance with that section of the Act.

On July 6, 1998, petitioner filed an amended petition for partial cancellation of the registration. The petition alleged that respondent did not use its registered mark on "computer hardware" in general, but rather only in connection with document or image scanning computer software which is loaded into scanning hardware for sale to customers. Similarly, petitioner alleged that the terminology used in the identification-of-goods

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clause for Class 16 "is ambiguous insofar as it may be understood as encompassing all 'computer manuals for use with computer hardware,' when in fact respondent's use is in connection with only manuals used in connection with the equipment actually sold by respondent under the mark, as described above." The amended petition for cancellation requested that the goods specified in Class 9 of the registration be restricted to "computer hardware and software, but strictly limited to computer hardware and software used exclusively for reading, storing in digital form, and processing documents and graphic designs." The petition requested restriction of the identification of respondent's Class 16 goods to "instruction and maintenance manuals for users of computer hardware and software used exclusively for reading, storing in digital form, and processing documents and graphic designs."

Respondent answered the amended petition for partial cancellation by denying the essential allegations therein.

A trial was conducted in accordance with the Trademark Rules of Practice, and both petitioner and respondent filed briefs, but an oral hearing before the Board was not requested. In its brief, petitioner

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limited the issue before the Board to the identification of the computer hardware in Class 9, specifically excluding the software and manuals which also are listed in the registration petitioner seeks to have amended. We agree with respondent that petitioner's failure to argue or even mention the restrictions to the software and manuals which were pleaded in the amended petition for cancellation constitutes a waiver of those claims. Accordingly, the sole issue before us in this proceeding is whether the registration should be amended to identify the computer hardware in Class 9 as "computer hardware used exclusively for reading, storing in digital form, and processing documents and graphic designs." For the record, however, we note that even if petitioner had maintained its position that the pleaded restrictions with regard to the software in Class 9 and the manuals in Class 16 should be adopted, the restriction would not have been justified by this record because the proposed amended identification-of-goods clauses exclude products on which respondent uses the mark and which were encompassed within the original language in the registration as it issued. In any event, the proposed changes would not avoid the likelihood of confusion.

After the close of the trial, petitioner filed concurrently with its brief a request that the pleadings be amended to adopt the language used in respondent's Canadian registration for computer products. Petitioner argues that this language is a more accurate indication of the precise nature of the goods on which respondent uses its registered mark in the United States than either the identification-of-goods clause in the registration, as issued, or the proposed identification-of-goods clause pleaded by petitioner in the amended petition for cancellation. Respondent disagrees, however, and points out that the Canadian registration which petitioner would have serve as the model for the amendment petitioner seeks in this case is not even properly of record. In any event, respondent contends, the proposal to amend the pleadings was neither timely made nor is supported by evidence properly of record.

We agree with respondent that amending the pleadings at this juncture would be improper. Even if the Canadian registration had been properly made of record,¹ petitioner did not timely proffer the motion to amend specifying the wording that petitioner seeks to adopt, and the issue of

¹ The first Notice of Reliance with which the registration was submitted was stricken, and as explained below, the second such

whether respondent's goods sold bearing the registered mark in interstate commerce in the United States are accurately limited to the goods identified in the Canadian registration was neither pleaded nor tried with the consent or knowledge of respondent.

In any event, even if the pleadings were amended to adopt the language used in respondent's Canadian registration, the result in this proceeding would not be different. The evidence, as discussed below, would still support the same conclusions with regard to the goods on which respondent uses its mark in the United States and whether the proposed restriction excludes any products on which respondent actually uses its mark here.

Also filed concurrently with petitioner's brief was a "motion for post-trial review of certain interlocutory orders," namely, the January 24, 2000 ruling denying petitioner's motion for a continuance; the February 1, 2000 ruling denying petitioner's request for reconsideration of the January 24, 2000 ruling; and the April 14, 2000 ruling denying petitioner's motion for enlargement of the testimony period and for a stay of proceedings, and granting respondent's motion to strike petitioner's notices of

notice attempted to introduce it for another purpose, one for

reliance on the Canadian registration owned by respondent and on pages 83-98 of the discovery deposition of Steven Mack, respondent's president. The Board has reconsidered these rulings, but can find no error in them, so they stand as issued.

The record before us in this proceeding therefore consists of the registration sought to be amended by petitioner; the testimonial deposition, with exhibits, of respondent's president, Stephen Mack; and the testimonial deposition of Jerry Klein, petitioner's expert in computer-related technology and business.

Not of record is the discovery deposition of Mr. Mack, although petitioner makes a number of arguments as if this deposition were part of the record before us. As noted above, petitioner's first attempt to make 15 pages of Mr. Mack's discovery deposition of record was unsuccessful. On the last day of its rebuttal testimony, petitioner filed two notices of reliance, one stating that petitioner would rely upon Mr. Mack's discovery deposition, but noting that the deposition was not attached to the notice because it had already been filed with the Board in connection with the previously stricken Notice of Reliance. As noted by respondent, this second

which it could not be used.

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notice acknowledged the fact that the previous Notice of Reliance on certain pages of the discovery deposition had been stricken from the record, but did not acknowledge that the previous notice had been accompanied by only pages 83-98 of that deposition. Many of the references in petitioner's brief are to pages of the transcript that were not attached to the stricken Notice of Reliance, and neither the previously-stricken portions of the transcript nor the entire transcript was submitted with the second Notice of Reliance on the final day of petitioner's rebuttal testimony period.

Petitioner finally submitted to the Board, apparently without notice to respondent, a complete transcript of Mr. Mack's deposition on February 22, 2000, after petitioner's testimony period had long since closed. This was in spite of the fact that the Board had previously warned the parties that strict compliance with the Trademark Rules of Practice would be required, and that any papers filed with the Board in violation of these rules would be given no consideration.

In essence, petitioner now asks us to consider the complete 1998 discovery deposition of Mr. Mack, even though petitioner's previous Notice of Reliance on portions of it were stricken and respondent was never

given notice that the transcript of the entire deposition was being submitted to the Board at the end of February, 2000, on the final day of petitioner's rebuttal testimony period. Because petitioner did not give timely notice of the filing of this discovery deposition and properly file a copy of the transcript with the Notice of Reliance, it has not been considered by the Board.

As noted above, the Canadian registration is not of record either. Petitioner's earlier Notice of Reliance on this registration had been stricken by the Board's order of April 14, 2000. Contrary to the situation with regard to the Mack discovery deposition, the Canadian registration was actually attached to the second Notice of Reliance, so that does not present a problem, but the second Notice of Reliance on the Canadian registration states that said registration is relevant because it is evidence of respondent's use of its mark in commerce in the United States, which petitioner contends is in a manner contrary to the manner described by Mr. Mack in his testimonial deposition.

As respondent points out, however, a foreign registration is irrelevant to the use of a mark in this country. See TMBP Section 703.02(a); Societe Anonyme

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Marne et Campagne v. Meyers, 250 F.2d 734, 116 USPQ 153
(CCPA 1957).

Accordingly, petitioner's motion for the Board to reverse its rulings that the Canadian registration and the discovery deposition of Mr. Mack are not properly of record is denied. Petitioner has not demonstrated that the rulings excluding this evidence were in error. Neither of them has been considered by the Board in determining the outcome of this proceeding.

We note for the record, however, that even if these items had been considered, the outcome of this proceeding would not have changed. Mr. Mack's discovery deposition is not fundamentally inconsistent with his testimonial deposition, and the Canadian registration has no bearing on respondent's claim of rights in the United States.

Based on careful consideration of the record before us and the written arguments presented by the parties in their briefs, we hold that petitioner has not met its burden of establishing that the restriction it seeks in the amended petition for cancellation does not exclude products, encompassed within the identification-of-goods clause in the registration as issued, on which respondent actually uses the registered mark, nor has petitioner demonstrated that confusion would be avoided if the

language it proposes for respondent's registration were adopted.

The testimony of Mr. Mack on the issue regarding the goods on which respondent uses its mark in this country is clear, specific and convincing. When asked, he identified a variety of computer hardware products respondent sells under its registered mark which do not fall within the description petitioner urges the Board to adopt, "computer hardware used exclusively for reading, storing in digital form, and processing documents and graphic designs." Examples include the following: software protection keys, which are devices that are used with personal computers to prevent copying and to enable control and identification of licensees; personal computers; file servers; telephone equipment; computer peripherals; modems; network adapters; hubs; network cabling; terminal emulation hardware; EPROM chips; memory chips; disk packs; disk drives; industrial inkjet printers; printed circuit boards; tape drives; optical character recognition hardware; disk drive interface boards; controller boards; uninterruptible power supplies; industrial static suppression systems; and computer furniture.

Mr. Klein's testimony regarding the goods of the parties is not persuasive of petitioner's contention that the proposed restriction would not exclude goods on which respondent uses its mark. As respondent points out, although Mr. Klein apparently has a great deal of experience in some areas of the computer business, his conclusions as to the nature of both petitioner's and respondent's business activities and the products on which they use their respective marks were based on information he discovered when he attempted to learn about these facts from others. His testimony as to the products sold by respondent under its mark was not based on first-hand knowledge or personal experience. He had never bought, sold or used any of the products marketed by respondent under the registered mark. He admitted that he does not consider himself an expert in the image-processing equipment industry, confessing that he began his investigation "without knowing anything about the industry." (p. 125 of his testimony). He stated that his "task was to investigate the Tangent Systems' and Tangent Computers' product lines, their customers, their applications, distribution channels, distribution means and to gain an understanding and do research into their businesses and their markets and to be able to form an

opinion on the potential for likelihood of confusion." (at p. 37). In order to accomplish this task, he apparently conducted some research and asked a number of individuals about respondent's business, but none of these people was employed by respondent.

Simply put, we find that Mr. Mack's uncontroverted testimony as to his firsthand knowledge regarding the products on which the company he runs uses its registered mark is more persuasive than the conclusions reached by Mr. Klein based on his independent investigation into this issue.

Mr. Klein's own testimony shows that he is not an expert on respondent's use of its mark, on petitioner's use of its mark, or, for that matter, on survey techniques. His conclusions based on his "survey" of individuals he thought represented respondent's customers and business partners, accordingly, have not persuaded us to disregard Mr. Mack's direct, clear testimony as to the products on which respondent uses its mark.

In summary, the testimony of Mr. Klein does not persuade us that the restriction sought by petitioner would not exclude goods on which respondent actually uses its mark.

We therefore need not even get to the question of whether confusion with petitioner's trademark would be avoided if respondent's registration were limited to the goods specified in petitioner's proposed amendment to respondent's identification-of-goods clause. If we were to have reached that question, however, we would have concluded that the proposed limitation would not have avoided the likelihood of confusion. By petitioner's own account, its application identifies its products as, among other things, "computers and pre-programmed computer software." Based on the evidence before us in this proceeding, this language encompasses the products respondent sells under its registered mark. Although Mr. Klein testified as to the nature of the goods on which he had learned petitioner uses its mark, and certainly petitioner might subsequently seek to amend its application to specify precisely the kinds of computers and software on which it uses its mark, neither petitioner's current application nor the evidence in this record limits this broad identification, and no one from petitioner's business has provided testimony or evidence regarding the precise nature of the computers on which petitioner uses the mark it seeks to register. We therefore have no proper basis upon which to conclude

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that petitioner's goods sold under its mark are so different from those sold by respondent under its very similar registered mark that confusion would not be likely, even if the restriction to respondent's registration urged by petitioner were to be adopted.

On this record, petitioner has failed to meet its burden of establishing that the amendment it proposes for respondent's registration does not exclude any goods that are covered by the original identification-of-goods clause and on which respondent actually uses its mark, nor has petitioner established that confusion would be avoided if the proposed language were adopted. As respondent points out, because respondent is the prior user and registrant, any doubts would necessarily be resolved in its favor. *TBC Corp. V. Holsa, Inc.*, 126 F.3d 1470, 44 USPQ2d 1315 (Fed. Cir. 1997).

Accordingly, the petition for cancellation under Section 18 of the Lanham Act is denied.