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Mailed:
July 5, 2005

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Technology Advancement Group, Inc.

v.

Tag Online, Inc.

Cancellation Nos. 92028748, 92028775 and 92028781

Marc S. Kaufman and David L. May of Nixon Peabody LLP for Technology Advancement Group, Inc.

Deborah K. Squiers of Cowan Liebowitz & Latman, P.C. for Tag Online, Inc.

Before Seeherman, Walters and Drost, Administrative Trademark Judges.

Opinion by Seeherman, Administrative Trademark Judge:

Technology Advancement Group, Inc. (hereafter "petitioner") has petitioned to cancel three registrations owned by Tag Online, Inc. (hereafter "respondent"), namely, Registration No. 2059031 for TAG ONLINE[1] and Registration

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[1] Issued May 6, 1997, from an application filed March 18, 1996, and asserting first use on April 3, 1995; Section 8 affidavit accepted. The word ONLINE has been disclaimed.

No. 2156398 for TAGX,[2] both for "promotional services, namely preparing and placing advertisements for sellers of goods and services on an on-line network"; and Registration No. 1927474 for TAG ONLINE MALL[3] for "promotional services, namely preparing and placing advertisements for sellers of goods and services on an on-line shopping network."[4]

Petitioner seeks cancellation on the ground of likelihood of confusion, alleging that since as early as 1986, and prior to any date of first use upon which respondent can rely, it has used TAG as a mark for computer hardware, software, consulting, on-line networking and related goods and services; that it is the owner of Registration No. 2106170 for TAG for computers, computer peripherals and computer software for use in scientific and engineering applications, and for use in office and business management applications,[5] and of two pending applications

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[2] Issued May 12, 1998, from an application filed December 26, 1996, and asserting first use on April 1, 1996. Section 8 affidavit accepted.

[3] Issued October 17, 1995, from an application filed on June 6, 1994 and asserting first use on May 30, 1994. Section 8 affidavit accepted. ONLINE MALL has been disclaimed.

[4] The three cancellation proceedings were consolidated by order of the Board dated January 21, 2000.

[5] Issued October 21, 1997, from an application filed May 30, 1995, and claiming first use as of October 1990. Office records show that a Section 8 affidavit was accepted, and a Section 15 affidavit was acknowledged. Respondent has filed a paper requesting that the Section 15 affidavit not be considered in connection with this proceeding, and that it be stricken from the records of the USPTO, since such an affidavit must include a statement that no proceeding involving the registrant's rights is pending, and this registration is the subject of a counterclaim in the present proceeding. A Section 15 affidavit has no effect

for TAG[6]; that the online advertising environment is integrally related to computer hardware, software, consulting and networking, and that potential customers would expect the services would come from the same source; and that preparing and placing online advertising of goods and services is a natural expansion for a computer hardware, software, networking, and consulting provider, and that petitioner has in fact expanded into this area.

In its answer respondent has denied the salient allegations of the petition to cancel, and has asserted the affirmative defenses of laches, equitable estoppel, acquiescence and unclean hands. Respondent has also counterclaimed to cancel petitioner's pleaded Registration No. 2106170 for TAG for "computers, computer peripherals and computer software for use in scientific and engineering applications, and for use in office and business management

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in proceedings before the Board, as incontestability relates to a party's right to use a mark. The request to strike the affidavit from USPTO records will be discussed infra.

[6] Application Serial No. 75495307, filed June 2, 1998, for TAG for providing multiple user access to a global computer information network, and designing and implementing network web pages for others and hosting the web sites of others on a computer server for a global computer information network, and computer systems services, namely computer system consulting, computer software programming, testing and development, and computer system integration, development and design, and Application Serial No. 75481974, filed May 8, 1998, for TAG for computer system services, namely computer system consulting, computer software programming, testing, and development, and computer system integration, development and design. Both of these applications have been opposed by respondent, and they are the subject of a separate consolidated opposition proceeding.

applications." As part of its counterclaim, respondent has alleged ownership of the three registrations which are the subject of this cancellation proceeding; and has further asserted that since prior to the use by petitioner of the mark TAG, respondent, through its predecessor in interest, has used TAG SYSTEMS and marks comprising the word TAG for computer software products and computer consulting and other services. It is respondent's position that its use of its TAG marks is not likely to cause confusion, mistake or deception with petitioner's marks but, if the Board determines that confusion is likely, because respondent has prior rights in the TAG marks, respondent would be damaged by petitioner's registration and it should be cancelled.

In its answer, petitioner has denied the salient allegations in the counterclaim.

The record in this proceeding is extensive, and is found at pages six through eight of petitioner's brief, and pages four and five of respondent's brief. We will not further extend the length of this opinion by repeating it here. The petition to cancel and the counterclaim have been fully briefed. The briefs were initially all marked "confidential" and submitted under seal. The Board advised the parties that only truly confidential material could be filed under seal, and allowed the parties time to file "public" copies of the briefs with confidential material

redacted. Neither party has submitted redacted copies so, in accordance with the Board order, the briefs that were previously submitted under seal will no longer be treated as confidential.

Petitioner initially requested an oral hearing, but subsequently withdrew that request. Accordingly, we have decided this case on the written record and the arguments of the parties as set forth in their briefs.[7]

Evidentiary Matters

During the course of the testimony depositions various objections were raised. Those objections that were not reiterated in the parties' briefs are deemed to be waived. In its brief, in the course of discussing the duPont factor of third-party use, petitioner stated that "it is anticipated that Respondent intends to rely heavily upon alleged third-party uses of TAG-related marks based on either: (a) third-party registrations and applications: or (b) web site printouts." Petitioner made a general objection "to these alleged third-party uses because they have little probative value," brief, p. 40. We do not regard this statement as being sufficient to raise an

[7] In its brief, each party makes reference to certain Board decisions which the Board had marked "Not Citable as Precedent." In accordance with settled Board policy, we have not considered these decisions. See TBMP §101.03 (2d ed. rev. 2004) and cases cited therein. Nor have we considered "unpublished" decisions of the Court of Appeals for the Federal Circuit cited by respondent.

objection as to any specific testimony and/or exhibits. However, as with all evidence, we give the exhibits the probative value that they warrant.

In its brief, in the course of discussing the duPont factor of the similarity of the marks, respondent has stated that "The Board should not consider testimony by petitioner's purported expert witness Dr. Arthur Fisher." p. 36. Petitioner has not responded to this objection. In particular, respondent appears to be concerned with Dr. Fisher's testimony regarding his opinion as to the likelihood of confusion. We agree that Dr. Fisher has not qualified as a expert with respect to the goods and services at issue herein; that Dr. Fisher and petitioner's principal, John McEwan, were colleagues and also had business dealings; and that ultimate conclusions as to likelihood of confusion are made by the Board, not by witnesses, expert or otherwise. In these circumstances, only Dr. Fisher's testimony about his direct knowledge as to petitioner and its activities has been given consideration, and to the extent that Dr. Fisher was not directly involved in petitioner's activities, but was aware of them only indirectly, the probative weight of such evidence is limited. In this connection, we note that Dr. Fisher stated he has not done any work with Mr. McEwan or petitioner since the mid-1980s. We have given no consideration to Dr.

Fisher's testimony regarding his opinion as to likelihood of confusion.

In its reply brief, petitioner has requested that the Board take judicial notice of a lawsuit that it brought against a third party in the U.S. District Court for the District of Colorado which it stated was dismissed pursuant to a settlement. Petitioner has not submitted any documents associated with this lawsuit, which was not the subject of a published opinion, and we therefore decline to take judicial notice of information that we cannot readily ascertain.

In its reply brief on the counterclaim, respondent states that an email to petitioner's attorney should be stricken from the record because it is hearsay. Such objection was not timely raised, and has not been considered. However, we reiterate that we have accorded all the evidence the probative value it deserves.

Each party makes claims about erroneous statements made in the other's briefs. We will not engage in an exhaustive discussion of these claims. However, we do address an assertion in respondent's reply brief that petitioner's sales revenues are not of record. In fact, such evidence, consisting of confidential portions of Mr. McEwan's discovery deposition, along with Exhibit 5, was made of record by respondent under a notice of reliance. See Item No. 8, listed in respondent's main brief at p. 5.

Finally, the discovery deposition of Amy Gideon was marked "confidential" and submitted under seal. However, the only portion of the deposition that appears to contain confidential material is at pages 70-72. (In response to a question as to whom services were offered that were represented by an invoice, Exhibit 1, she asked, "This is confidential, correct?" and petitioner's attorney said, "Of course. We can mark it as such.") We also note that the discovery deposition of Andrew Gideon, which was not marked confidential and was not submitted under seal, refers to this client, as does the testimony deposition of Amy Gideon. Thus, it is not clear whether any of Amy Gideon's discovery deposition contains confidential information. Accordingly, the parties are allowed until 60 days from the date of our decision in which to submit a redacted copy of the discovery deposition, should they believe that it contains truly confidential material, failing which the entire deposition will be considered part of the public record.

Analysis

As noted above, respondent has counterclaimed to cancel petitioner's pleaded registration. Normally, we would first consider the counterclaim in order to determine whether the pleaded registration should be considered as evidence supporting petitioner's petition to cancel. However, in this case, respondent has clearly stated that it seeks

cancellation of petitioner's registration only if the Board determines that there is a likelihood of confusion between petitioner's and respondent's marks. Therefore, we shall turn first to petitioner's claim that respondent's registrations should be cancelled.

Further, although respondent asserted in its answer the affirmative defenses of laches, equitable estoppel, acquiescence and unclean hands, respondent has discussed only the defense of laches, and has done so in the context of duPont[8] factor number 10. Accordingly, we will discuss laches in connection with our review of the duPont factors; we deem the defenses of estoppel, acquiescence and unclean hands to have been waived.

Priority

Because this is a cancellation proceeding in which both parties own registrations, priority is in issue. See Brewski Beer Co. v. Brewski Brothers Inc., 47 USPQ2d 1281 (TTAB 1998); compare, King Candy Company v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). That is, petitioner as the plaintiff in the cancellation proceeding may not rely on its registration as it can in an opposition proceeding, but must establish that it has

[8] In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

superior rights in its mark.[9] Each party may, however, rely on its registrations to show use of its mark as of the filing date of the application which matured into the respective registration. Thus, petitioner's registration establishes that as of May 30, 1995, petitioner used the mark TAG for "computers, computer peripherals and computer software for use in scientific and engineering applications, and for use in office and business management applications." Respondent's registrations establish that it used TAG ONLINE MALL for "promotional services, namely preparing and placing advertisements for sellers of goods and services on an on-line shopping network" as of June 6, 1994; and TAG ONLINE as of March 18, 1996 and TAGX as of December 26, 1996, both for "promotional services, namely preparing and placing advertisements for sellers of goods and services on an on-line network." Thus, based on the registrations alone, respondent has prior use of TAG ONLINE MALL for its identified promotional services, but respondent's use of TAG ONLINE and TAGX are subsequent to petitioner's use of TAG for "computers, computer peripherals and computer software

[9] Because respondent's counterclaim is contingent on our finding in petitioner's favor on the likelihood of confusion claim, we need not, at this point, consider whether respondent has established prior rights in a TAG trade name, or in TAG marks for services other than those identified in its registrations, that would enable respondent to prove priority in terms of its counterclaim.

for use in scientific and engineering applications, and for use in office and business management applications."

However, a party may also establish superior rights through its common law use. In this connection, respondent has shown that, through its predecessor-in-interest,[10] it began using the mark TAG ONLINE MALL as of May 30, 1994. This date, as well as the filing date of its application for this mark, is prior to the May 30, 1995 filing date of the application which matured into petitioner's registration. Amy Gideon, respondent's president, also testified that it began using the mark TAG ONLINE on April 3, 1995, which is also prior to that May 30, 1995 filing date. However, respondent did not begin using the mark TAGX until April 1, 1996, which is subsequent to that filing date. Thus, petitioner, on the basis of its registration for TAG, has established its priority vis-à-vis TAGX insofar as the goods identified in its registration.

Since the earliest date for which respondent can establish common law rights for any of its marks is May 30, 1994, we turn to an examination of petitioner's evidence of common law rights in TAG prior to that date.

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[10] The record shows that respondent's principals, Amy Tucker Gideon and Andrew Gideon, initially operated under the trade name "TAG Systems," and incorporated their company as T.A.G. Systems, Inc. in July 1990. In 1996 T.A.G. Systems, Inc. merged into TAG Online, Inc., which company had been incorporated in 1996. Unless otherwise noted, we will use "respondent" to refer to all of these entities.

Petitioner has, through the testimony of its chief executive officer, John McEwan, provided evidence regarding its use of TAG. Much of this evidence relates to use on goods which are substantially different from respondent's identified services, and thus is of no help to petitioner in proving its priority. Specifically, the record shows that in 1984 its predecessor-in-interest[11] began doing business as Technology Advancement Group, and abbreviated the company name as TAG. Its initial product was a controller for an optical computing device called a microchannel spatial light monitor, a product that Mr. McEwan worked on in 1983-84. This is a very specialized product that is of interest to a limited audience, namely, universities and government agencies. Petitioner stopped selling this controller in the early 1990's. McEwan, test. p. 375.

As of 1986 petitioner was also using the mark TAG in connection with a remote control device for spas and swimming pools (using the product marks POOL GENIE and SPA GENIE), by which one could remotely control a computer which in turn would carry out commands relating to, for example, the heater or lights in the spa or pool. Petitioner last

[11] Mr. McEwan initially ran the company as an individual, under the d/b/a Technology Advancement Group. It was subsequently incorporated. Mr. McEwan has clearly been the guiding force in the company at all times. Unless otherwise indicated, references to petitioner will include not only the current company, but the sole proprietorship.

sold such products in the late 1980's. McEwan, test. p. 375.

Petitioner does not seriously argue that such goods are related to respondent's identified services of preparing and placing advertisements for sellers of goods and services on an on-line [shopping] network.[12] Rather, it appears from petitioner's briefs that it provided detailed information[13] regarding these early uses of TAG because it believes that its prior use of the mark TAG, for any goods or services, entitles it to claim priority. This is not correct. A party's rights in a mark are tied to the goods or services with which the mark is used. Thus, a party must show not only that it is the first user of a mark, but that it has made earlier use on goods (or services) with which the defendant's use of its mark is likely to cause confusion.[14]

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[12] Mr. McEwan testified, in connection with the microchannel spatial light modulator (MSLM), for which he built the controller as part of his graduate thesis, that "the dense wave division multiplexing and the high switching" that is seen in today's Internet is based on the MSLM technology (test., p. 89), and that the technology is used for remote storage of information (p. 90-93). This testimony is not sufficient to demonstrate that the MSLM controller is related to placing advertisements on an on-line network, despite the fact that the on-line network is part of the Internet.

[13] For example, petitioner submitted as exhibits a receipt for delivery of POOL GENIE brochures to petitioner and an envelope addressed to "Technology Advancement" from a company that solicited petitioner with respect to equipment that could be incorporated into petitioner's SPA GENIE product.

[14] Such confusion is likely if the parties' goods and services are found to be related, or if the junior user's use is found to be within the natural scope of expansion of the senior user's use.

To do otherwise would result in the party obtaining rights in gross.

Mr. McEwan also testified that around 1984 he started designing a database for the automotive industry, but that he never completed it, and never sold or marketed it. Thus, petitioner cannot establish common law rights in TAG for such goods/services based on these efforts.

Respondent has conceded that petitioner conducted computer repair and maintenance services in the 1980s, and that in October 1990 it began the manufacture and sale of customized personal computers. Brief, p. 35. These conceded uses obviously precede any date of use that respondent can claim for its registered marks. We also find that the documentary evidence shows that, by 1988, petitioner was using the trade name TAG in offering customized computers, namely PCs with specific equipment and features. Also, by 1987, petitioner was offering, under the name TAG, computer hardware support such as maintenance, repair and upgrades to equipment; software installation and integration such as database formulation; and system support such as operating system configuration and instruction. (McEwan test. ex. 54). Many of petitioner's customers were government agencies, with the Naval Research Laboratory being petitioner's biggest customer in the late 1980s and

early 1990s. In the early 1990s, petitioner provided NASA with specialized computers for the Space Shuttle.

In the latter half of 1998, and after respondent began using its marks, petitioner became an Internet service provider, offering Internet access. However, such services are not similar to respondent's identified services. The fact that both services involve the Internet is not sufficient to make them related. See General Electric Company v. Graham Magnetics Incorporated, 197 USPQ 690 (TTAB 1977) (it is not enough to find one term that may generically describe the goods).

Petitioner's services which are closest to respondent's identified services—web hosting services—were also not offered until the end of 1998, after the dates on which respondent first used its three marks. Petitioner does not dispute that it began offering these services subsequent to respondent's use of its marks for "promotional services, namely preparing and placing advertisements for sellers of goods and services on an on-line [shopping] network."

Accordingly, petitioner may claim priority with respect to these services only if it can show that such services are within the natural scope of expansion of the goods and/or services with which petitioner did make prior use of its mark. Petitioner argues, at p. 19 of its main brief, that offering its various online services was a natural and

logical expansion created by the needs and requirements of its customers, and quotes, as support, the following testimony by Mr. McEwan, test. p. 234:

> We entered the [Internet services arena] for the same reason that everyone else enters that arena. The whole world is becoming webcentric.
>
> Our customers have requirements in the [Internet] area. They're asking us to provide services for that. And that was just a logical area of expansion for us. And in keeping with our mission to provide support to our customers, we did just that.

The only evidence that petitioner has cited in support of its position, besides that quoted above, are general statements by Mr. McEwan that major hardware providers have "started off providing hardware, providing computers and have progressed with the rest of the industry into the Internet space," McEwan test. p. 234,[15] and a Dell catalog from May 2000, which advertises that "*NEW* DellHOST services offer a complete line of webhosting solutions to help meet your business needs."

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[15] Mr. Fisher also made similar general statements, e.g., that "almost any company in the computer industry is looking to … take advantage of their core expertise and move it to the next generation of technology," Fisher, p. 93. However, because, as noted above, we have granted respondent's objection as to Mr. Fisher acting as an expert witness, we have not considered his testimony on this point. In any event, even if these statements had been considered, they would not demonstrate that web hosting services are within the natural scope of expansion of a company that sells computer hardware and related software, and offers maintenance and support services for such goods.

Respondent has challenged petitioner's position, saying that petitioner has failed to offer any proof that it was a natural area of expansion for a computer hardware and electronic equipment manufacturer to enter into the business of website design, development and hosting prior to respondent's first use of its various marks in 1994, 1995 and 1996. Petitioner has not addressed this point in its reply brief.

The doctrine of natural expansion was clearly set out in Mason Engineering and Design Corporation v. Mateson Chemical Corporation, 225 USPQ 956, 962 (TTAB 1985), as follows (footnotes omitted):

> Under the doctrine of natural expansion, the first user of a mark in connection with particular goods or services possesses superior rights in the mark not only as against subsequent users of the same or similar mark for the same or similar goods or services, but also as against subsequent users of the same or similar mark for any goods or services which purchasers might reasonably expect to emanate from it in the normal expansion of its business under the mark. See, The May Department Stores Co. v. Prince, 200 USPQ 803 (TTAB 1978). This is so whether or not the first user of the mark has actually expanded its use of its mark, after the commencement of the subsequent user's use, to goods or services which are the same as or closely related to those of the subsequent user. See: Sheller-Globe Co. v. Scott Paper Co., 204 USPQ 329 (TTAB 1979). The application of the doctrine is strictly limited to those cases where the expansion, whether actual or potential, is "natural", that is, where the goods or services of the subsequent user, on the one hand, and the goods or services as to which

the first user has prior use, on the other, are of such nature that purchasers would generally expect them to emanate from the same source [See: J. Wiss & Sons Co. v. The W.E. Bassett Co., 462 F.2d 567, 174 USPQ 331 (CCPA 1972)]. The reason for the limitation is that the prior user of a mark on particular goods or services cannot extend its use of the mark to distinctly different goods or services if the result could be a conflict with valuable intervening rights established by another through extensive use and/or registration of the same or similar mark for the same or closely related goods or services in the new sphere of trade. See: Key Chemicals, Inc. v. Kelite Chemicals Corp., supra; Jackes-Evans Manufacturing Co. v. Jaybee Manufacturing Corp., supra; Haggar Co. v. Hugger Corp., supra; and Victor Comptometer Corp. v. Shakespeare Co., 184 USPQ 634 (TTAB 1974). Among the factors to be considered in determining whether an expansion, either actual or potential, is natural are: (1) whether the second area of business (that is, the subsequent user's area of business, into which the first user has or potentially may expand) is a distinct departure from the first area of business (of the prior user), thereby requiring a new technology or know-how, or whether it is merely an extension of the technology involved in the first area of business; (2) the nature and purpose of the goods or services in each area; (3) whether the channels of trade and classes of customers for the two areas of business are the same, so that the goodwill established by the prior user in its first area of business would carry over into the second area; and (4) whether other companies have expanded from one area to the other. See: Central Soya Co., Inc. v. North American Plant Breeders, 212 USPQ 37 (TTAB 1981), and Porta-Tool, Inc. v. DND Corp., 196 USPQ 643 (TTAB 1977). Finally, the determination of whether an expansion is or would be natural must be made on the basis of the circumstances prevailing at the time when the subsequent user first began to do business under its mark, i.e., what was

> "natural" in the relevant trade at that time. See: Viking Boat Co., Inc. v. Viking Camper Supply, Inc., 191 USPQ 297 (TTAB 1976).

After thoroughly reviewing the extensive amount of evidence submitted, we find that petitioner has failed to demonstrate that, as of the dates that respondent began using its respective marks for its identified services, the relevant consuming public would have expected providers of computers and associated software, and computer repair and maintenance services, to also offer web hosting services. The fact that, some two to four years after respondent began rendering its services, petitioner actually did offer web hosting services, or that in 2000 (four to six years later) Dell, a manufacturer of hardware, was advertising webhosting services under a variant DELL name, is not sufficient to show that web hosting services were within the natural scope of expansion of petitioner's goods or services as of the time respondent began using its marks.[16]

Moreover, it appears that petitioner did not offer its Internet-related services until it moved into its current facility in August 1998. At that point it added its MAE

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[16] Petitioner also cites to an exhibit submitted by respondent, namely, an Internet web page (exhibit 2 to Fisher deposition), as evidence of the expansion of Gateway from the build-to-order PC business to peripherals, software products and related services like financing, high-speed Internet access and networking solutions. However, the services named in this web page do not include web hosting.

Dulles division, which was a new business unit, to be its Internet services division. This division takes advantage of the fact that petitioner's facility "is physically located where all the major backbones [for connection to the Internet] converge and that [petitioner] optically hook[s] up to all of these backbones and provide[s] a direct connection to [its] gigabit switch routers." McEwan test. p. 452. Mr. McEwan further testified that, by being physically located where these new backbones cross, petitioner can tap into the carriers optically at high data rates to provide a high bandwidth product. In view thereof, we find that petitioner's move into Internet services was caused largely by its building a new facility at the location it did, and thus its offering of Internet access services, as well as web hosting services, was essentially a new venture, rather than a natural expansion of its sales of computer hardware and software and its services related thereto.

For purposes of priority then, petitioner may rely on the goods identified in its registration with respect to respondent's marks TAG ONLINE and TAGX, and on its customized computer hardware and associated software, and its installation, maintenance and repair services, vis-à-vis all three of respondent's marks.

Likelihood of Confusion

Thus, we turn to the issue of whether the use of respondent's marks for its identified services is likely to cause confusion with those goods and services with which petitioner has demonstrated its priority.

Our determination of the issue of likelihood of confusion is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, In re Majestic Distilling Company, Inc., 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). Each of these factors may, from case to case, play a dominant role. In re E. I. du Pont de Nemours & Co., supra at 177 USPQ 567.

In this case, we turn first to the factor of the strength/fame of petitioner's mark. Although petitioner's sales in the 1990s grew substantially from its annual sales in the 1980s, they are not so large that they demonstrate the mark is famous.[17] In fact, in March 1996, presumably in recognition of the lack of fame of its mark, petitioner ran an advertisement prominently headed, "The Best Computer Company You've Never Heard Of…." It appears that the bulk of petitioner's sales are made to a limited audience of

[17] Sales figures were submitted under seal, and therefore we will not repeat them here.

highly sophisticated purchasers, including the Naval Research Lab, the Department of Defense and other military branches, and universities such as MIT. Petitioner has not provided information regarding its advertising expenditures, and its advertising, which focuses on computer hardware, appears to be rather limited, placed in periodicals distributed in the Washington, DC area, e.g., the Washington Business section of the "Washington Post," and "Washington Technology," and in government oriented-periodicals, such as "Federal Computer Week" and "Signal," a magazine geared to the Department of Defense.[18] AFCEA (Armed Forces affiliated shows), which the Department of Defense attends, are the primary trade shows at which it exhibits.[19] Based on the evidence of record, we find that petitioner's mark is decidedly NOT famous.

On the contrary, the evidence shows that petitioner's mark is not a strong mark. "Tag" has a recognized meaning

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[18] Petitioner also advertised its POOL GENIE and SPA GENIE products in the 1980s, but since these goods are so different from respondent's services, they do not help to show fame of the TAG mark. Moreover, advertisements from so many years ago for a product that is no longer sold do not prove fame of the mark today.

[19] Mr. McEwan also testified that petitioner has "been to PC Expo in New York City in the Javitts Center. We've displayed there. We've displayed at UNIX Expo. We've displayed at the Javitts Center. We've displayed at Comdex in Las Vegas." test. p. 182. Mr. McEwan did not answer the question as to when petitioner exhibited at these shows, and we cannot ascertain from the record whether petitioner appeared at these non-government shows more than a single time.

in the computer field. Respondent has made of record several definitions of "tag," as follows:

> a unit of information whose composition differs from that of other members of the set so that it can be used as a marker or label. A tag bit is an instruction word that is also called a sentinel or a flag;[20]
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> 1. A unit of information used as a label or marker. 2. The symbol written in the location field of an assembly-language coding form, and used to define the symbolic address of the data or instruction written on that line;[21]
>
> A portion of an instruction. The tag carries the number of the index register that affects the address in the instruction;[22]
>
> TAG memory acts as an index for the information stored in L2 cache [provides quick access to the most recently used data]. It is usually composed of SRAM [Static Random Access Memory].[23]

In addition, petitioner itself elicited the testimony from a third party that "tag" is an extremely common shorthand word for metatag for software and the Internet, that it is an industry standard. Simberkoff dep. p. 20.

Respondent has submitted third-party registrations for "TAG" marks which reinforce that TAG has a significance in the computer field. Mead Johnson & Company v. Peter Eckes,

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[20] Sippel, C., Computer Dictionary, 4th ed., © 1985.
[21] McGraw-Hill Dictionary of Electronics and Computer Technology, © 1984.
[22] Spencer, D., The Illustrated Computer Dictionary, © 1980.
[23] Crucial Technology, The Memory Experts Glossary, www.crucial.com.

195 USPQ 187 (TTAB 1977). See, for example, TAG GEN (TAG disclaimed) for "computer software for generation of metadata for the purpose of document and file management, cataloging, indexing, search and retrieval over computer networks";[24] <TAG> for "newsletters, magazines and books in the fields of publishing and technology";[25] TAGTEAM for "computer software for managing marketing and sales materials and for communicating such materials via a global computer network";[26] and EGOTAG for "computer services, namely, designing and implementing web sites for others."[27]

We do not mean to imply that this evidence shows that petitioner's mark is descriptive, or that the TAG portion of respondent's mark is descriptive. However, the evidence does show that TAG is not an arbitrary term in the computer field; consequently, petitioner's mark is not entitled to a broad scope of protection.

Respondent has also submitted evidence of third-party use of TAG marks and, specifically, has made of record the testimony of officers of third parties that have used the term "tag" in their trade names, trademarks or URLs. With respect to the TAG GEN registration mentioned above, respondent has submitted the testimony of Dana Simberkoff,

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[24] Reg. No. 2445557.
[25] Reg. No. 1875238.
[26] Reg. No. 2245989.
[27] Reg. No. 2353543.

the vice president of business development at Hiawatha Island Software Company (also known as HiSoftware), who stated that TAG GEN is the mark for their software product that creates meta tags for HTML documents. HTML is a programming language for documents used to present information on the Internet. The mark was first used in 1998, and its customers include government agencies, educational institutions, and consumers who have websites who market their own home businesses. It is sold through retailers and distributors and online, and it has six million users.

Another company, Telecommunications Analysis Group, which goes by the name "TAG," has used TAG since August, 1990 and, through its subsidiary, uses the mark TAGSolutions." TAG, which is now a holding company, originally offered telephone system service. It now offers business communications services through its subsidiary, TAG Solutions, which maintains, installs and sells phone systems and cabling (which, inter alia, links computer networks). It operates in upstate New York, and its clients are hospitals, colleges and businesses. It uses the URL "tagsolutions.com." For a brief time in 1996, this company also sold computers under the mark TAG through its office at Colgate University. See testimony deposition of Patrick Maney.

Tag New Media, a company that designs and develops multi-media web sites, started using that name in March, 1999. It uses TAG NEW MEDIA on its website, stationery, business cards and invoices, and uses the domain name www.tagnewmedia.com. Tag New Media has done work for clients in, inter alia, Vermont, New York City, New Mexico and North Carolina, and its clients include Columbia University in New York. See testimony deposition of Rick Machanic.

Another company, The Armada Group, has used the URL "tag-inc.com" since 1997,[28] and also uses "tag-inc.com" in its email addresses. "TAG" is an acronym for the company name. This company is a technical staffing and information technology and software consulting firm, which places software consultants with clients, which are networking and Internet-related companies, Fortune 500 companies, and start-ups. Petitioner had sent a cease and desist letter to this company in 1998, and although the company did not respond to it, it did obtain another URL which it now uses as its primary address. Subsequent to the testimony of Jeff Tavangar, president of the company, petitioner sent another cease and desist letter, and negotiations ensued in which

[28] The testimony regarding this company was taken on November 27, 2001.

The Armada Group indicated its willingness to transfer the tag-inc.com URL to petitioner.

The officers of these third parties also testified that they knew of other companies using the element TAG. Mr. Tavangar stated that he knew of an industrial design firm that uses the term "tag design." The president of the Tag New Media company was aware of another company that did web design and development work that had at one point used the URL tagmedia.com.

Respondent has also made of record copies of pages from numerous websites that use "tag" in their URLs or in their web materials. Among these submissions are many in which TAG is combined with other terms and used in the manner of a trademark, including "tag design," which advertises itself as "designing and refurbishing web sites," (www.tagdesignonline.com); TAG Computer Consultants, Inc., which states that it "provides our clients with cutting edge Information Technology services," including computer setup, and total business solution composed of hardware, software, strategic planning, marketing, setup, design, training and staffing" (www.tagcomp.com); TAG SOLUTIONS, offering web services, e.g., "Custom professional page sets for your web site" (www.tagsolutions.net); TagTeam.com which advertises that it can help to, inter alia, "manage all of your materials from a Web browser without writing HTML" and "Gain

and keep customers through Web service centers" (www.tagteam.com); ITAG for "a technical services firm" that "works hand-in-hand with their clients to understand their business goals and match it to their IT initiatives" (www.itaginfo.com); EgoTag for "a web site design and marketing firm (www.egotag.com); and "tag systems and management, inc." for "full service for your oracle applications" (www.tagsystems.com).

These website materials do not show that sales of the listed services are actually made under the marks. However, they do show that the websites are offering services under the marks, whether or not the services are actually rendered. In this respect, the website materials are more in the nature of advertising materials, which are acceptable to show use of a mark for services, rather than in the nature of third-party registrations, which are not evidence that goods or services are offered under the registered marks or that the public is familiar with the marks. In Lloyd's Food Products Inc. v. Eli's Inc., 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993), the Court stated that a showing that a mark appears in advertising, in the form of current listings in yellow and white pages, carries the presumption that a service mark is being used by third parties in connection with the offering of the advertised services. We believe that the advertising by third parties

on their websites carries a similar presumption. Moreover, in view of the fact that both petitioner and respondent offer goods or services involving computers and/or the Internet, we think it fair to assume that potential purchasers of their goods and services would be likely to use the Internet in getting information about goods and services, and therefore that they will be exposed to at least some of the uses of TAG marks and URLs by these third parties. At the very least, the website materials are evidence that such marks often co-exist and are distinguished because of the other terms in the marks. See Sports Authority Michigan Inc. v. PC Authority Inc., supra.

We are aware that petitioner has been very active in policing its mark. In fact, as noted above, shortly after the testimony depositions taken by respondent of third-party users of TAG marks/URLs, petitioner sent cease and desist letters to them. It also sent cease and desist letters to third parties that respondent identified during the course of discovery and testimony depositions. Several companies apparently stopped using their URLs and/or TAG marks as a result of these efforts.

The question for us is not, however, whether petitioner has adequately policed its mark so as to avoid an abandonment of its rights, but whether third parties have used TAG in such a way as to limit the protection to be

accorded petitioner's mark. In this respect, we find that there is sufficient evidence of third-party advertising and/or use of TAG marks in order for us to conclude that petitioner's mark TAG is not entitled to a broad scope of protection. The factor of third-party use favors respondent.

We now turn to a consideration of the parties' goods and/or services. As previously discussed, petitioner has demonstrated prior use of TAG for customized computer hardware and associated software, and computer installation, maintenance and repair services, and it may also rely on the goods identified in its registration, namely, "computer peripherals and computer software for use in scientific and engineering applications, and for use in office and business management applications," vis-à-vis respondent's marks TAG ONLINE and TAGX. Our discussion of petitioner's goods and services refers only to those goods and services for which petitioner has priority.

Petitioner has not demonstrated how the above goods and services are related to respondent's identified services of "promotional services, namely preparing and placing advertisements for sellers of goods and services on an on-line [shopping] network." In its brief, petitioner says only that the services described in respondent's registrations are substantially the same as or closely

related to those in petitioner's application for TAG ("providing multiple user access to a global computer information network, and designing and implementing network web pages for others and hosting the web sites of others on a computer server for a global computer information network") and its registration for TECHNOLOGY ADVANCEMENT GROUP ("designing and implementing network web pages for others and hosting the web sites of others on a computer server for a global computer information network"). However, as discussed previously, petitioner cannot establish priority of use of TAG for such services. Moreover, petitioner's registration for TECHNOLOGY ADVANCEMENT GROUP is for a very different mark from TAG or the marks which are the subjects of respondent's registrations.

In addition, petitioner asserts in its brief that it "also offers closely related goods and services to support [its] web site and promotional services, including Internet access, hardware, hardware installation, web development software, network support, and consulting." Again, petitioner's web site services were not offered until after respondent began using its marks for its services, and petitioner has not shown that such services were within a natural scope of expansion.

Petitioner has not even discussed, let alone relied on, the goods and services for which it has established that it has priority of use, in order to show that respondent's services are related to these goods and services. Nor are we able to find that the goods identified in petitioner's registration for TAG, and the goods and services for which it has demonstrated prior common law rights, are related to respondent's identified services. Although both parties' goods and services involve the use of computers, in that one would use a computer to access the advertisements prepared and placed by respondent, that appears to be the extent of the similarity. As the Board said in Electronic Data Systems Corp. v. EDSA Micro Corp., 23 USPQ2d 1460 (TTAB 1992), given the ubiquitous nature of computers in virtually aspect of life in the United States, the fact that goods and services involve computers is not a sufficient basis on which to find goods and services to be related. See also, Sports Authority Michigan Inc. v. PC Authority Inc., supra.

Petitioner has asserted that the trade channels through which the parties offer their goods and services are similar. This apparently is based on the fact that both parties advertise their respective goods and services through the Internet. However, since virtually all goods and services are or can be advertised through the Internet, this is tantamount to saying that companies' trade channels

are the same because they are all listed in the telephone directory. The evidence does not lead to a conclusion that the goods and services of the parties would emanate from a common source. Rather, the parties' Internet advertising is limited to their own particular website. See Sports Authority Michigan Inc. v. PC Authority Inc., supra at 1794 ("merely because both parties ...use similar methods of advertising does not mean that their respective services will be offered to consumers under circumstances and through channels of trade which would create a likelihood of confusion)." As a result, if potential consumers were to view each site, they would have full information about the party, and would know the extent of the goods or services each offers.

Aside from the presence of both companies on the Internet, there is no evidence that they offer their goods and services through the same channels of trade. It appears that both parties offer their goods and services directly to consumers, rather than through stores or other third-party distributors. Further, petitioner has pointed to no evidence that petitioner and respondent advertise their goods and services in the same periodicals or at the same trade shows. Rather, it appears that petitioner's sales of computer systems, particularly those to government agencies, are made primarily through personal contacts or through a

bidding process. It also appears that respondent's promotional services result from personal contacts, with a potential customer hearing of respondent through a friend or a business group networking function, such as one for the New York Women Association of Business Owners. Respondent's print advertisements also indicate that potential consumers are invited to contact respondent directly. See, for example, ad in "Montclair Times," (Ex. 24 to Amy Gideon test. dep.), in which TAG Online "invite you to attend a demonstration and discussion on INTRODUCTION TO THE INTERNET"; ad in "Free Spirit Magazine (Ex. 23), saying "Just give us a call…"; and flyer (Ex. 26) "To learn more and sample our services, you can contact us at…."

As noted previously, petitioner may rely on its registration for TAG in demonstrating priority vis-à-vis respondent's registrations for TAG ONLINE and TAGX. Thus, we must deem petitioner's computers and computer peripherals and specialized software to be sold in all channels of trade appropriate for such goods. Petitioner has not submitted evidence as to what those channels of trade would be, but we assume that such goods, as identified, could be sold in computer retail stores. There is no evidence, however, that services of the type identified in respondent's registrations would be sold in the same retail outlets, so

we must conclude, on this record, that the channels of trade for the parties' goods and services are different.

Thus, the factor of similarity of trade channels favors respondent.

The potential purchasers for both parties' goods and services must be considered sophisticated and/or careful. Mr. McEwan testified that when companies buy TAG computers, they do not do it on a whim, and that it is not an impulse purchase. Test. dep. p. 148. Many of petitioner's computer systems are sold to government agencies and other large corporations, and can cost hundreds of thousands of dollars. Even a computer sold to an individual is an expensive and important enough purchase that it will be made with care.

We note that respondent's president, Amy Gideon, testified that its clients would include anyone, whether or not they have a computer. (Disc. dep. p. 52). It is obvious from the context that Ms. Gideon was making the point that a client did not need to own a computer to be a customer. However, we do not interpret the testimony as saying that everyone in the United States, no matter what his or her age or employment status, would be a potential customer. Clearly, consumers for respondent's services would be business people--sellers of goods and services who wish to have their advertisements placed on the Internet. They would be careful about choosing a company that would

prepare their advertisements and put them on a website. As a result, this factor favors respondent.

In view of the fact that petitioner has not demonstrated that respondent's identified services are related to the goods and services for which petitioner has priority, it cannot prevail even if it can show similarity of the marks. Thus, although we agree with petitioner's contention that the words ONLINE and ONLINE MALL are descriptive words that do not, on their own, have source-indicating significance, we cannot find likelihood of confusion even if we were to find that TAG ONLINE and TAG ONLINE MALL are similar to TAG. Moreover, our assessment of likelihood of confusion must take into consideration the lack of fame of petitioner's mark TAG, and the limited scope of protection to be accorded this mark, due to the significance of the term in the computer field, and the use of this term by third parties. Given these circumstances, even the descriptive words ONLINE and ONLINE MALL are distinguishing elements, and the marks as a whole convey different commercial impressions.

As for respondent's mark TAGX, although the only difference between it and TAG is the additional letter "X,", the mark must be viewed in the context that consumers are used to looking to other elements of TAG marks to distinguish them. Given that TAG is a weak mark that is

entitled to only a limited scope of protection, the "X" is a noticeable feature that changes the mark in appearance, pronunciation, connotation and commercial impression. As a result, this mark is clearly different from TAG.

Turning to the factors regarding actual confusion, there is no evidence of actual confusion. We note that respondent's use is confined to the tri-State area (New York, New Jersey, Pennsylvania) and petitioner's advertising has been largely in Washington, DC-area periodicals, and it further appears that petitioner's sales of computers to individuals have also been confined to the DC area. This difference in the parties' geographic areas may serve to explain the lack of evidence of actual confusion. However, we also note petitioner's position that it has a nationwide client base, brief, p. 39, which presumably includes clients located in New York, New Jersey and Pennsylvania. Further, petitioner has exhibited in at least one trade show in New York City. To that extent, the fact that there has been no actual confusion despite contemporaneous use by the parties since 1994 (TAG ONLINE MALL) suggests that confusion is not likely to occur. Thus, this factor is either neutral or must be considered to favor respondent.

As for the remaining duPont factors, given the direct contact that petitioner and respondent have with potential consumers, the extent of potential confusion appears to be

de minimis. Further, in view of the weakness of the term TAG, neither petitioner nor respondent has a right to exclude others from all uses of this term in the computer field. As for the variety of goods on which the marks are used, petitioner uses TAG as its trade name, and has used it as a mark for various goods and services. This factor slightly favors petitioner. Finally, respondent points to the duPont factor of "laches attributable to owner of prior mark and indicative of lack of confusion." We do not treat laches, as set forth in this factor, as an affirmative defense that would bar petitioner from bringing this action. The fact that petitioner, which has been aggressive in demanding that parties cease use of their TAG marks, took no action against respondent's marks until 1998, despite respondent's use of TAG ONLINE MALL in May 1994 and the publication of the TAG ONLINE MALL mark in July 1995, does give further support to the lack of actual confusion. However, we do not treat this factor of laches as favoring respondent, but regard it as neutral.

After considering all of the evidence in light of the relevant duPont factors, we find that petitioner has failed to prove that respondent's use of its marks for its identified services is likely to cause confusion with petitioner's mark. In particular, given the limited scope of protection to be accorded petitioner's mark, we find that

the parties' goods and services are sufficiently different that confusion is not likely to occur. Moreover, even though there is a similarity between respondent's marks TAG ONLINE and TAG ONLINE MALL and petitioner's mark, given the limited scope of protection to which petitioner's mark is entitled, and the care potential consumers would exercise in choosing the parties' goods and services, even the addition of descriptive wording in respondent's marks is sufficient to distinguish them from petitioner's. That difference is even more pronounced with respect to respondent's mark TAGX.

Decision: The petition to cancel is dismissed. In view of our finding of no likelihood of confusion, we need not consider respondent's counterclaim to cancel petitioner's registration, and dismiss the counterclaim as well. As previously noted in footnote 5, respondent has requested that petitioner's Section 15 affidavit, filed in connection with Registration No. 2106170, be stricken from the records of the USPTO. A copy of that letter, together with a copy of this decision, is hereby forwarded to the office of the Commissioner for Trademarks for appropriate action.[29]

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[29] As noted supra, the parties are allowed until 60 days from the date of our decision in which to submit a redacted copy of the discovery deposition of Amy Gideon, should they believe that it contains truly confidential material, failing which the entire deposition will be considered part of the public record.