

Hearing:
September 16, 1998

Paper No. 69
HRW

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB AUG. 25, 99

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Lotus Development Corporation

v.

PenMetrics, Inc.

Opposition No. 90,074
to application Serial No. 74/252,175
filed on March 5, 1992

Ethan Horowitz and Robert S. Weisbein of Darby & Darby
for Lotus Development Corporation.

Kathryn Jennison Schultz of Jennison & Shultz, P.C. and Paul
R. Gupta and Robert M. O'Connell, Jr. of Sullivan &
Worcester LLP for PenMetrics, Inc.

Before Cissel, Hanak and Wendel, Administrative Trademark
Judges.

Opinion by Wendel, Administrative Trademark Judge:

PenMetrics, Inc. has filed an application to register
the mark FIELDNOTES for "computer software in the field of

geographic information systems and the instructional manuals sold therewith."¹

Lotus Development Corporation has filed an opposition to registration of the mark on the ground of likelihood of confusion, under Section 2(d) of the Trademark Act. Opposer alleges that at least as early as October 18, 1988, opposer adopted the mark LOTUS NOTES for a computer software product and has been using the mark in commerce continuously since that date; that opposer owns a registration for the mark LOTUS NOTES;² that opposer has also developed rights in the term NOTES alone and the public has come to refer to its software product as NOTES; that opposer's marks have become widely known as identifying products emanating from opposer; and that applicant's mark FIELDNOTES so resembles opposer's marks as to be likely to cause confusion when used on software that may be sold to the same customers to which opposer's software is sold.

¹ Serial No. 74/252,175, filed March 5, 1992, based on the assertion that applicant possessed a bona fide intention to use the mark in commerce. The application was filed naming Notebook Software, Inc. as the applicant, but by an amendment filed in this proceeding, the name of applicant was corrected to PenMetrics, Inc., to reflect a change of name which had been made just prior to the filing of the application.

² Registration No. 1,541,383, issued May 30, 1989 for the mark LOTUS NOTES for "computer programs for use in information management, data and text processing, networking and electronic mail and instructional manuals sold as a unit." Sections 8 & 15 filed and accepted.

Applicant, in its answer, denied the salient allegations of the notice of opposition and raised as an affirmative defense that the term "notes" is commonly used by third parties as part of marks for goods which use, create, reference or are otherwise associated with notes, and thus the term per se is incapable of identifying a source of information-gathering or note-taking goods; that "notes" is a highly descriptive, or generic, word for which opposer cannot show secondary meaning; and that opposer has abandoned any rights it might allege in the mark NOTES by virtue of wide-spread third-party use of the word.

The record consists of the file of the involved application; the trial testimony taken by opposer of Brenda Kelly, director of marketing for LOTUS NOTES software and the accompanying exhibits;³ certain of applicant's responses to opposer's interrogatories, excerpts from the August 24,

³ During its rebuttal period, opposer took the testimony of David Marshak, an independent consultant in the computer software area, especially groupware, as an expert witness. Applicant objected to the testimony as going beyond the scope of rebuttal testimony and as being directed almost entirely to matters which should have been raised in opposer's case-in-chief. Applicant renewed this objection in its brief and at oral hearing.

Upon a full reading of the testimony and review of the other evidence in this case, we have come to the conclusion that the Marshak testimony is almost exclusively directed to opposer's claim of recognition of NOTES as a mark for opposer's product. The testimony can only be viewed as material intended to buttress opposer's case-in-chief, and hence it was improper rebuttal. See *Rowell Laboratories, Inc. v. Canada Packer Inc.*, 215 USPQ 523 (TTAB 1982). Thus, the testimony has been given no consideration in our determination of the case.

Opposition No. 90,074

1994 deposition taken of Samuel Lanahan and exhibits thereto, a copy of the PenMetrics Web page and a page from the August 1993 issue of BYTE Magazine, all made of record by opposer's notice of reliance; the trial testimony taken by applicant of Samuel Lanahan, president of applicant, and of Kathryn Howe Britton, appearing as a research consultant, and the accompanying exhibits; and certified copies of registrations owned by applicant, opposer's responses to certain of applicant's interrogatories, soft copies of third-party registrations, and excerpts from numerous other publications being relied upon for use of the term "notes," all made of record by applicant's notice of reliance. Both parties filed briefs and participated in an oral hearing.

Opposer introduced its LOTUS NOTES software product in 1988, with its first commercial sale being to Price Waterhouse in December 1989. Opposer's software is characterized as groupware, with its primary purpose being to permit persons within a large organization to share information and communicate with each other. There are various elements of this groupware, including e-mail, discussion databases, and means for managing work flow. Many companies use LOTUS NOTES software for sales force automation, because the program allows persons in the field to share information with regional offices and headquarters. LOTUS NOTES runs on an operating system such as WINDOWS,

Opposition No. 90,074

while LOTUS NOTES acts as a platform on which various applications can be built, these applications being customized to a particular field or industry.

Applicant filed its intent-to-use application on March 4, 1992 and testimony was introduced of actual use as early as February 1992. Applicant's FIELDNOTES product is data acquisition software designed for use on an WINDOWS operating system which permits mobile workers to go out into the field with a portable computer, preferably a pen computer, and update maps and data obtained from a host geographic information system (GIS). Data so collected is later electronically transferred back to the host system. Typical users of this software are construction, utility, telecommunication, oil and gas and transportation companies.

Insofar as priority is concerned, opposer's proof of ownership of its registration for the mark LOTUS NOTES is sufficient to establish priority when opposer is relying upon this mark. *King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). The registration cannot be relied upon, however, with respect to opposer's alleged common law rights in the mark NOTES per se. Instead, we have reviewed the evidence to determine both if, and, if so, when, opposer is entitled to claim rights in the term NOTES alone as a mark identifying its groupware product.

We find that, even at the time of the announcement of the first commercial sale to Price Waterhouse in 1989 and in opposer's early advertisements in 1991 and 1992, opposer's product was often referred to in shorthand fashion as NOTES. A voluminous collection of articles dating back to 1991 have been made of record demonstrating the unsolicited references made by others over the years to opposer's software as NOTES. While the articles also include either references to opposer as the company from which the product originates or to LOTUS NOTES in its entirety, the use of NOTES as a means of referring to opposer's product was prevalent as early as 1991. Furthermore, although opposer in its most current packaging made of record has changed the graphics to place a definite emphasis on NOTES per se (Exhibit 41), even in earlier packaging, NOTES was sufficiently set off in larger print or used by itself in text on the packaging to be viewed as a product mark. (Exhibit 39). Whether or not the term NOTES had the capacity to actually function as a mark will be discussed *infra*.

On the other hand, we find no basis for opposer's reliance upon a family of NOTES marks in its opposition to the registration of applicant's mark.⁴ It is well settled

⁴ Although opposer did not plead a family of marks in its original notice of opposition, opposer, in its reply brief, argues that this issue has been tried by the parties and thus the pleadings should be considered so amended under FRCP 15(b). Even

Opposition No. 90,074

that mere ownership of a number of marks sharing a common feature is insufficient to establish ownership of a "family," in the absence of evidence showing that *prior* to first use by the other party, the various marks, or a good number of them, were used and promoted in such a manner as to create among purchasers an association of common ownership based on the "family" characteristic. See *Hester Industries Inc. v. Tyson Foods Inc.*, 2 USPQ2d 1646, 1647 (TTAB 1987) and the cases cited therein. Only if there is evidence that such a family of marks already exists will the family be protected to the extent that other marks are added later on, despite an intervening use by another of the "family" characteristic. See *McDonald's Corp. v. McKinley*, 13 USPQ2d 1895 (TTAB 1989).

Here opposer has introduced no evidence that any of its 70 or more companion or "add-on" products which include the formative NOTES- or -NOTES were made available to the relevant public prior to February or March 1992. There is no evidence of the promotion of a family of marks containing the "NOTES" component prior to applicant's use of its mark. Accordingly, opposer's arguments with respect to any family of marks are to no avail.

Before we turn to the issue of likelihood of confusion, however, we must determine whether opposer is entitled to

if the pleadings are deemed to be so amended, our holding on this

rely upon its use of NOTES, as well as LOTUS NOTES, as a mark for its software product. Applicant argues that regardless of any acquired distinctiveness which opposer may claim for NOTES, the word "notes" is so descriptive, or even generic, as applied to opposer's product, as to preclude opposer from asserting any trademark rights therein.

Applicant has made of record numerous examples of third-party software products which either contain the word NOTE or NOTES as part of the product mark or use the word "note(s)" in reference to a note-making function or capacity of the software.⁵ Applicant has also introduced many third-party registrations for marks registered in Classes 9 and 16 which contain NOTE or NOTES as a portion thereof. Applicant contends that the word "notes" is so descriptive, or even generic, when used with software products which have the ability to record, send or receive notes, as to be incapable of functioning as a trademark for these products. The fact that opposer's groupware has e-mail as one of its functions, which applicant characterizes as "sending notes," is argued

issue is the same.

⁵ While opposer has renewed in a footnote in its brief its objections previously made to this evidence, as well as the numerous other objections made during the taking of testimony, we cannot entertain such a blanket renewal, without any specific discussion of specific objections. We clearly find no basis for holding the evidence to be irrelevant in general. We would also note that the plethora of objections voiced by counsel for both parties during the taking of testimony has unduly increased the Board's task in reviewing this evidence.

to be sufficient to find that a primary feature of opposer's product is described by the term NOTES.

Although opposer has challenged this evidence on the basis that applicant has failed to offer any testimony with respect to the actual existence or extent of use of the third-party software or any use of the registered marks, we find applicant's evidence sufficient to demonstrate the common use of the word NOTE or NOTES as portions of marks for software products having a note-making capacity or as a designation within the software for this function. In addition, the word "note" is often used in describing this capacity of the software, whether it be in making "notes" on an electronic calendar, or adding annotations to a document, or the myriad of other uses for "notes." The third-party registrations, to the extent that they are directed to software, and not printed publications, at the very least show the highly suggestive nature of the term "note(s)" in connection with software having a note-making feature.

Nonetheless, we agree with opposer that this evidence is not adequate to establish that opposer's sophisticated groupware product is aptly described by the term NOTES, such that the term cannot function as a mark for this software. Although it is true that the groupware contains e-mail, which may in simplistic terms be considered the sending of "notes," as one of its elements, applicant has failed to

Opposition No. 90,074

demonstrate that the vast sharing of information on a company-wide basis which characterizes opposer's groupware may be reduced to a capacity to send or make notes. Even if some lesser degree of descriptiveness may be inherent in opposer's mark, the term NOTES has not been shown to be incapable of acquiring secondary meaning, when used with opposer's software product. On the record before us, NOTES has gained this acquired distinctiveness, and thus NOTES will be considered as a separate mark of opposer in the determination of likelihood of confusion.

Thus, we turn to the issue of likelihood of confusion and to those of the du Pont factors which are most relevant to the circumstances at hand. See *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

Looking first to the respective software products of the parties, we note, as pointed out by applicant, that applicant's software is restricted in the identification in the application to use in the field of geographic information systems. While the mapping update which is the principle feature of applicant's product might fall within the scope of certain elements set forth in the identification of opposer's software, applicant's product in its totality is far less complicated than the groupware software of opposer. The only true overlap that has been pointed out by opposer is the fact that applicant's software

Opposition No. 90,074

may be used as an application on a LOTUS NOTES platform, and that at least one customer, namely, Duquesne Light Company, is known to use opposer's LOTUS NOTES as its main database structure in connection with applicant's FIELDNOTES "field drawing tool." (Opposer's Exhibit 6). The area of use of applicant's program is limited to specific fields in which geographic information is significant, such as the construction or utility industries, whereas the potential for use of opposer's groupware is unlimited, so long as the enterprise is large enough to have networking capacity.

Accordingly, in assessing the degree of similarity of the goods, we find that, while the two software products are vastly different in kind, there is a relationship between the two, in that applicant's specific GIS application may be used in the field to capture information which is later communicated to a host computer which may be running a LOTUS NOTES groupware platform.

A similar relationship is seen in the channels of trade through which the two products travel. Opposer distributes its product through a network of over 16,000 Business Partners, with those reselling the product to customers also being known as value-added resellers (VARs). The Business Partners or VARs often develop specific applications to tailor the software to the particular industry. From the testimony of Ms. Kelly we know that opposer's Business

Partners operate world-wide in a very broad scope of industries, ranging from finance to publishing to transportation. Applicant also sells its product through VARs, but these number around 50, and only one has been shown to also sell opposer's products. (Lanahan testimony, p. 111). In like manner, while opposer argues that both opposer and applicant target the same customers, the fact remains that the potential customers of applicant's software would only be those involved with geographic information, such as maps, which would be but a small subset of potential customers for opposer's groupware product. While opposer points to evidence of three common customers, this clearly is an insignificant number in the vast market for opposer's groupware.

In addition, the factor of the sophistication of the buyers of the products of both parties must be considered. Opposer argues that this sophistication would favor finding confusion likely, in that most purchasers would already be aware of LOTUS NOTES software, and perhaps of the later introduced NOTES companion products or the applications developed by Lotus's VARs and Business Partners, and thus would be apt to believe that applicant's FIELDNOTES product is also associated with opposer. We are more inclined to agree with applicant, however, that the nature of the products involved, and the type of persons who would be

making these purchases, would lead to a more careful scrutiny both of the marks and the products, resulting in a lesser likelihood of confusion. See *Electronic Data Systems Corp. v. EDSA Micro Corp.*, 23 USPQ2d 1460 (TTAB 1992).

With this type of relationship between the respective goods and the relevant markets therefore as background, we turn to the similarity or dissimilarity of applicant's mark FIELDNOTES and opposer's marks LOTUS NOTES and NOTES. At the very outset, we would agree with applicant that opposer has for the most part directed its arguments to the mark NOTES, rather than LOTUS NOTES, pointing out the similarity between this mark and the NOTES element in applicant's mark. Since applicant's software may be used out in the field, opposer takes the position that NOTES is the dominant portion of applicant's mark, with FIELD being merely descriptive. Applicant, on the other hand, argues that the only common element involved, the word NOTES, is the weaker component of opposer's marks and cannot be relied upon for a finding of likelihood of confusion.

Applicant further argues that its mark FIELDNOTES should not be dissected, but rather should be considered in its entirety, as a suggestive term when used in connection with software for persons collecting data in the field.⁶

⁶ We take judicial note of the dictionary definition of "fieldnote" set forth by applicant in its brief as "an item in a systematic record of the measurements made by a surveyor or the

But even so, upon considering the function of applicant's software and its use in the field with pen computers so that maps and other geographic information can be updated, we find the connotation of the term "notes" as part of the word "fieldnotes" to be one which would lie within the generally recognized meaning of "notes", i.e., brief records or written communications.⁷ As such, applicant's mark falls within the same category as the marks which applicant has made of record for third-party products in which the term "notes" refers to the note-making function of the software product with which it is being used.⁸

Opposer, on the other hand, has consistently argued that NOTES, as used in its marks, is not descriptive of any note-making function of its software. We have acknowledged that not only LOTUS NOTES, but NOTES alone, functions as a mark for this software. Opposer cannot "have its cake and eat it too." If applicant's mark FIELDNOTES is at the very least highly suggestive of the function of applicant's software, opposer cannot rely upon its use of the mark NOTES in an allegedly arbitrary manner as the basis for a finding

observations of a researcher in the field." *Webster's Third New International Dictionary* (1986).

⁷ Dictionary definitions of the word "note" have been made of record in applicant's notice of reliance.

⁸ We have given no weight to applicant's argument that FIELD is a surname in a family of marks owned by applicant, in that ownership of a family of marks is not a defense available to

of likelihood of confusion. The many third-party uses of and registrations for marks including the term "NOTE" or "NOTES" which have been made of record by applicant are competent to show that the inclusion of this term in marks used in connection with software having a note-making function or capacity is not a sufficient basis upon which to predicate a likelihood of confusion. See *Fort Howard Paper Company v. Marcal Paper Mills, Inc.*, 189 USPQ 305 (TTAB 1975) and the cases cited therein. Because we find applicant's mark to also fall within this category of marks, we see no basis upon which opposer can claim any similarity of connotation or overall commercial impression between applicant's mark FIELDNOTES and opposer's NOTES mark, if opposer is not using the word NOTES descriptively.

Insofar as LOTUS NOTES is concerned, the distinctions are even greater. Not only is there is a difference in connotation of the word NOTES but the house indicator LOTUS is clearly the dominant element of the mark.

We are aware that the fame of the opposer's marks is also a factor which should be taken into consideration in determining the likelihood of confusion. But while opposer has introduced evidence of extensive sales and advertising expenditures for its LOTUS NOTES software since 1988, we have no way in which to determine how much of this fame

applicant. See *Baroid Drilling Fluids Inc. v. SunDrilling*

comes from use of the mark NOTES, rather than LOTUS NOTES. The fact that NOTES has come to be recognized as a product mark in itself does not necessarily mean that it is the mark responsible for the success of the software over the years it has been on the market. In any event, we do not find this evidence sufficient to extend the scope of protection for opposer's marks to all marks for software containing the word NOTES.

Finally, we cannot ignore the fact that opposer has failed to introduce any evidence of actual confusion, despite testimony to the effect that applicant has actually used its mark since February 1992. While opposer correctly points out that actual confusion is not necessary for establishing the likelihood of confusion, the fact that the software products have been on the market for this period of time with no known instances of confusion is clearly a factor to be taken into consideration, particularly when consideration is given to opposer's arguments of the potential use of the products by the same customers, with LOTUS NOTES serving as a platform for FIELDNOTES. In view of the fact that these are expensive software products being marketed to sophisticated purchasers, we would expect that such purchasers would be quick to report any actual

Opposition No. 90,074

confusion, making evidence of this nature readily available to opposer.

Accordingly, upon weighing all the relevant factors, we find the balance falls in applicant's favor, particularly in view of the dissimilarity in the commercial impressions of the marks of the two parties, and the differences in the types of software upon which they are used.

Decision: The opposition is dismissed.

R. F. Cissel

E. W. Hanak

H. R. Wendel
Trademark Administrative Judges,
Trademark Trial and Appeal Board