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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

7/10/02

GOODMAN

Cancellation No. 30,363
Cancellation No. 30,364

Cashflow Technologies, Inc.

v.

NetDecide

Before Quinn, Hairston and Drost, Administrative Trademark Judges.

NetDecide owns Reg. No. 2,209,531, issued on December 8, 1998 for the mark CASHFLOW in typed form for "computer software for individual financial modeling, management, planning, and online financial data transactions," and Reg. No. 2,298,545, issued on December 7, 1999 for the mark CASHFLOW and design, as reproduced below,

for "computer software for individual financial modeling, management, planning and online financial data transactions."

On March 27, 2000, Cashflow Technologies, Inc. filed separate petitions to cancel the registrations on the ground that respondent had abandoned its marks, and alleging its standing based on its business of providing educational and financial products and services under its CASHFLOW marks and based on respondent's CASHFLOW marks being cited against petitioner's United States application Serial No. 75/666,450 for the mark CASHFLOW for "computer games and instruction manuals sold as a unit for playing computer games used for financial education" in International Class 9.[1]

On October 6, 2000, the Board consolidated cancellation proceedings, with Cancellation No. 30,363 identified as the parent case. On July 15, 2001, petitioner filed a motion to amend the petitions to cancel to add the additional grounds of descriptiveness and lack of acquired distinctiveness and partial cancellation (by restriction or modification of respondent's goods as listed in the involved

[1] This application is currently suspended pending the final disposition of these consolidated cancellation proceedings. Petitioner has since amended the identification of goods in application Serial No. 75/666,450 as follows: "computer board game and instruction manual sold as a unit for playing a computer board game used for financial education; the computer board game and manual marketed through on-line subscription sales, multi-level marketing and retail outlets and not marketed to financial professionals or brokerages."

registrations) and submitted first amended petitions for cancellation.

Prior to the Board's decision on petitioner's motion to amend, petitioner filed, on August 7, 2001, a motion for summary judgment on the ground that the term CASHFLOW is merely descriptive of respondent's software products and that the term CASHFLOW has not acquired distinctiveness in connection with respondent's goods. Respondent filed a response on August 24, 2001, which did not address the merits of petitioner's motion, arguing that petitioner's motion for summary judgment was based on an unpleaded issue.

On February 7, 2002, the Board granted petitioner's motion to amend, required petitioner to file a second amended petition to cancel which properly pleaded the ground of abandonment, and deferred consideration of petitioner's motion for summary judgment on the ground of descriptiveness and lack of acquired distinctiveness pending the filing of a response on the merits by respondent. On March 11, 2002, petitioner filed its second amended petition to cancel alleging, with respect to the ground of descriptiveness, that use of the term CASHFLOW by respondent is merely descriptive because

CASHFLOW immediately brings to mind a use, purpose, feature characteristic or function of respondent's software and that "there is no evidence that CASHFLOW has ever developed secondary meaning" with respect to respondent's software. On April 3, 2002, respondent filed its response to petitioner's motion for summary judgment.

This case now comes up on petitioner's motion for summary judgment on the ground of descriptiveness and lack of acquired distinctiveness of respondent's CASHFLOW marks. The motion is fully briefed.

The exhibits submitted by petitioner include a dictionary definition of the term "cashflow," print-outs from websites providing information about software which calculates cashflow, excerpts of Lexis/Nexis articles discussing software which calculates cashflow, excerpts of the deposition testimony of Michael Smith, a customer of respondent, excerpts of the deposition testimony of Evan Burfield, an officer of respondent, and excerpts of respondent's responses to petitioner's second supplemental interrogatories and requests for admissions.

Respondent's exhibits consist of a dictionary definition of the term "cashflow" and an excerpt of the

deposition testimony of Michael Smith, a customer of respondent.

In support of its motion, petitioner argues that the dictionary definition of the term “cashflow,” the numerous third-party uses of the term “cashflow,” and the statements made by respondent and its customer with respect to the use, purpose, characteristic or function of respondent’s software establish a prima facie case that respondent’s use of the term CASHFLOW is merely descriptive because the term immediately conveys an important use, purpose, function, or characteristic of respondent’s software; and that the record establishes that respondent’s CASHFLOW mark had not acquired distinctiveness at the time of registration, and has not now acquired distinctiveness.

In response, respondent argues that the dictionary definition of “cashflow” should be considered immaterial, because the definition does not refer to the goods identified in respondent’s registrations, namely computer software or computer programs; that petitioner’s evidence only shows that respondent has admitted that respondent’s marks are used to identify respondent’s software and that among the functions of the software is the ability to calculate the inflow and outflow of money; that a

reasonable consumer would not immediately perceive that the term CASHFLOW relates to software since respondent's identification of goods does not refer to cashflow or to calculating a cashflow; that petitioner's contention that respondent's marks are descriptive is disingenuous since petitioner's marks would also be descriptive based on the same evidence offered by petitioner; that during the prosecution of respondent's marks the Examining Attorney never made a descriptiveness refusal but allowed the marks to register on the Principal Register; and that, assuming respondent would be required to offer evidence of acquired distinctiveness, petitioner's evidence does not establish an absence of a genuine issue of material fact with regard to acquired distinctiveness.

In reply, petitioner argues that respondent bases its opposition to petitioner's motion for summary judgment on an incorrect legal standard of genericness rather than descriptiveness, a misrepresentation of the testimony of its customer, and an irrelevant, unsupported attack on petitioner's registrations; that respondent does not deny or address the fact that respondent's chief technology officer testified that respondent's software calculates an individual's cashflow, is frequently used for that purpose, and that calculating cashflow is an

important feature of the software; that even if respondent's software is used for purposes other than calculating cashflow, respondent's responses to petitioner's second supplemental interrogatories and requests for admissions show that CASHFLOW describes a function of respondent's software; and that any relevant information regarding acquired distinctiveness should have been produced, or at the very least, identified in respondent's opposition.

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). The party moving for summary judgment has the initial burden of demonstrating the absence of any genuine issue of material fact. *See Celotex Corp. v. Catrett,* 477 U.S. 317 (1986), and *Sweats Fashions Inc. v. Pannill Knitting Co*., 833 F.2d 1560, 4 USPQ2d 1793 (Fed. Cir. 1987). If the movant meets this burden, then the non-movant, to avoid entry of an adverse judgment, must present sufficient evidence to show an evidentiary conflict as to one or more material facts in issue. *See Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). In our consideration of

the movant's request for judgment, the evidence must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. *See Lloyd's Food Products Inc. v. Eli's Inc*., 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993), and *Opryland USA, supra.*

After carefully reviewing the arguments and viewing all evidence in the light most favorable to respondent, we find that petitioner has established that there is no genuine issue of material fact in dispute with regard to descriptiveness and lack of acquired distinctiveness of respondent's CASHFLOW marks and that petitioner is entitled to judgment as a matter of law.

A mark is considered to be merely descriptive within the meaning of Section 2(e)(1) if it describes an ingredient, quality, characteristic, function, feature, purpose, use, etc. of the goods to which it is applied. *See e.g., In re Gyulay,* 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987); *In re Bed & Breakfast Registray,* 791 F.2d 157, 229 USPQ 818 (Fed. Cir. 1986); and *In re Bright-Crest, Ltd*., 204 USPQ 591 (TTAB 1979). Whether a term is merely descriptive is determined not in the abstract, but in relation to the goods for which registration is sought, the context in which it is being

used on or in connection with those goods, and the possible significance that the term would have to the average purchaser of the goods because of the manner of its use. *In re Bright-Crest, supra* at 593.

Based on the evidence of record, we find that petitioner has met its burden in establishing the absence of any genuine issue of material fact with regard to descriptiveness, and that respondent has failed to submit any evidence which contravenes petitioner's evidence of descriptiveness.

In particular, petitioner has presented evidence that respondent admitted that a significant function of respondent's software was to calculate cashflow. See Excerpt of Deposition of Evan Burfield, officer of respondent (Petitioner's Exhibit 22)[2] and excerpts from

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[2] Q. Can Cashflow be used to calculate an individual's monthly cash flow?

A. Yes.

A. Yearly cash flow?

A. Yes

A. Is it frequently used for that?

A. Yes.

A. Is that an important feature of the product?

A. Yes.

respondent's responses to petitioner's second supplemental interrogatories and requests for admissions (Petitioner's Exhibits 20 and 21).[3] Additionally, the deposition testimony of Michael Smith[4], a customer of

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[3] Admission No. 1
Admit that your software bearing the term CASHFLOW may be used by financial professionals to calculate an individual's cash flow.

Response
Among the many functions performed by the software, NetDecide software bearing the term CASHFLOW may be used for individual financial modeling, management, planning and online data transactions, which includes in part, the ability to calculate the inflow and outflow of money.

Admission No. 2
Admit that your software bearing the term CASHFLOW uses the term "Cashflow" to identify an operation whereby your software calculates an individual's cash flow.

Response
Among the many functions performed by the software, NetDecide software bearing the term CASHFLOW may be used for individual financial modeling, management, planning and online data transactions, which includes in part, the ability to calculate the inflow and outflow of money. The term CASHFLOW identifies, in part, a view in which an icon-based user interface provides a depiction of an individual's finances, including the inflow and outflow of money.

Admission No. 3
Admit that a function of your software bearing the term CASHFLOW is to calculate an individual's cashflow.

Response
Among the many functions performed by the software, NetDecide software bearing the term CASHFLOW may be used for individual financial modeling, management, planning and online data transactions, which includes in part, the ability to calculate the inflow and outflow of money.

[4]

respondent, (Petitioner's Exhibit 18) supports the fact that a use, purpose, function, or feature of the software is to calculate cashflow or display cashflows. Although respondent offers its own interpretation of Evan Burfield and Michael Smith's testimony as well as respondent's responses to petitioner's second requests for responses to interrogatories and admissions (as being indicative that CASHFLOW is used to identify respondent's software), we concur with petitioner that the discovery deposition testimony and discovery responses support a finding of descriptiveness.

Additionally, the dictionary definition[5] of the term "cashflow", and evidence of third-party use[6] of the term "cashflow" in connection with financial computer software

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A. I'm sorry, page eight of Exhibit Number 2 that cashflow—that's a cashflow report that you were able to generate using the Cashflow model software?

A. Correct.

A. So pages 10 through 14 of Exhibit 2 reflect the annual cashflows for this particular client that you were able to generate using the Cashflow model software?

A. Correct.

[5] Cash flow is defined as "1. The movement of cash through a business, as a measure of profitability or liquidity. 2. The cash generated from a business or transaction. 3. Cash receipts minus cash disbursements for a given period. – Sometimes spelled cashflow." *Black's Law Dictionary* 2nd Pocket Edition (2001).

[6] Excerpts of third-party use include the following:

products further support petitioner's allegation that CASHFLOW is merely descriptive of a use, purpose, function or feature of respondent's software. (See Petitioner's exhibit 3, dictionary definition, and exhibits 5-16, excerpts from Lexis/Nexis and excerpts from internet websites). With regard to this evidence, respondent has attempted to argue, that, while admittedly the dictionary definition and examples of third-party use establish that the term "cashflow" has a "definable meaning," and that the term may be used to "describe particular actions or functions," CASHFLOW as applied to respondent's computer software for individual financial modeling, management, planning, and online financial data transactions is suggestive. We find respondent's

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"Cashflow Plan is a range of powerful, easy-to-use software packages for preparing comprehensive monthly cashflow projections for budgets, business plans, fund raising etc . . ."
"Accountant-in-a-Box Helps Clients Manage Cash Flow; software spots losses before they occur . . . ."
"Risk management software provider Askari Inc. has released a new product that models portfolio values and returns across market, credit, asset/liability and cash-flow risks."
"If you're having trouble keeping track of everything, you may need one of the many software programs designed to help manage cash flow."
". . . software is available that qualifies both risk-management performance and cash-flow forecasting . . . ."
"BARRA has added an enhancement to its U.S. Bond Analysis System software that allows insurance companies and money managers to test cash flows of fixed income portfolios . . . ."
"CashControl [software] –-helps business of any size manage cashflow . . . graphically analyze cashflow highs and lows."

arguments unpersuasive and agree with petitioner that respondent has confused the standard for genericness with descriptiveness. Here, petitioner has established that "cashflow" describes the flow of cash and is frequently used in connection with software products that calculate or display cashflows and that an important feature of respondent's software is the calculation or display of cashflows. Accordingly, petitioner has established that there is no genuine issue of material fact that CASHFLOW, as used in connection with respondent's computer software, is merely descriptive.

We now consider the question of lack of acquired distinctiveness.

Petitioner argues that the evidence establishes that respondent's CASHFLOW marks lack "secondary meaning." Respondent, on the other hand, argues that even if petitioner establishes a "prima facie case of descriptiveness, respondent should not have to present evidence of secondary meaning at this time because petitioner is not entitled to prevail on summary judgment." In particular, respondent argues that "neither party has had an opportunity to conduct discovery directed toward secondary meaning" and that should respondent "be required to offer evidence of secondary

meaning" . . . "both parties should be given an opportunity to conduct discovery on this issue."

We consider first respondent's request for additional discovery. We agree with petitioner that further discovery on the issue of acquired distinctiveness would be unnecessary inasmuch as the question of whether respondent's CASHFLOW marks have acquired distinctiveness are facts solely within the knowledge of respondent. We also agree with petitioner that respondent's request for discovery is insufficient under Fed. R. Civ. P. 56(f). Accordingly, respondent's request for additional discovery is denied.

With regard to acquired distinctiveness, if the petitioner were to plead and were to establish that at the time of registration, "the registered mark was merely descriptive, then it is incumbent upon the registrant to establish that prior to the issuance of the registration, the registered mark had acquired a secondary meaning in the sense that its primary significance was that of a source indicator of goods emanating from registrant . . . . If the petitioner were to so plead and were to establish that the registered mark is currently inherently merely descriptive, then the burden would be on the registrant to show that the mark currently has a

secondary meaning in the sense that it functions primarily as a source indicator of goods emanating from the registrant." *Neapco Inc. v. Dana Corp*. 12 USPQ2d 1746, 1747 (TTAB 1998). "If it is established *either* that as of the time of registration, the registered mark was merely descriptive and lacked a secondary meaning, *or* that as of the present time, the mark is merely descriptive and lacks a secondary meaning, the cancellation petition would be granted." *Id*.

Inasmuch as petitioner established a prima facie case of descriptiveness in its motion for summary judgment, the burden then shifted to respondent to present evidence of acquired distinctiveness of its CASHFLOW marks in its response. *See Opryland USA and Neapco Inc., supra* and Fed. R. Civ. P. 56(c). Thus, the issue before us is whether respondent has put forth sufficient evidence to at least raise a genuine issue of material fact with regard to the issue of acquired distinctiveness (or lack thereof).[7]

[7] A movant may prevail by pointing out the "absence of evidence to support the non-moving party's case" with respect to an issue on which the non-movant bears the burden. *Intellicall Inc. v. Phonometrics Inc*. 952 F.2d 1384, 21 USPQ2d 1383, 1388 (Fed. Cir. 1992) citing *Celotex Corp. v. Catrett,* 477 U.S. 317, 325 (1986). In its reply, petitioner stated that "[n]o evidence of secondary meaning has been produced by [r]egistrant in this case."

Here, respondent has failed to submit any evidence in support of its argument that a genuine issue has been raised with respect to acquired distinctiveness (or lack thereof) of its CASHFLOW marks as it was required to do. See Fed. R. Civ. P. 56(c) and Neapco, *supra.* Accordingly, we find that there is no genuine issue with regard to the lack of acquired distinctiveness of respondent's CASHFLOW marks.

In view thereof, petitioner's motion for summary judgment on petitioner's claim of descriptiveness and lack of acquired distinctiveness is granted. The petitions to cancel in Cancellation Nos. 30,363 and 30,364 are granted solely on the ground of descriptiveness and lack of acquired distinctiveness, and Registration Nos. 2,209,531 and 2,298,545 will be cancelled in due course.