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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Butler

Mailed: June 16, 2006

Cancellation No. 92042644

PSC Revenue Control Systems, Inc.

v.

Borland Software Corporation[1]

Before Hohein, Grendel and Walsh, Administrative Trademark Judges.

By the Board:

Petitioner seeks to cancel respondent's registration for the mark FRED for "computer programs and accompanying printed manuals sold as a unit therewith."[2] As grounds for the cancellation, petitioner alleges that it has applied to register the mark FRED for "computer hardware, computer peripherals, and computer programs for use in tracking and inputting point of sale data for use in the food service industry" (application Serial No. 76378540); that respondent's registered mark has been cited as a

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[1] The captioning of this proceeding is hereby corrected to conform to USPTO assignment records. *See* Reel and Frame Nos. 2769/0873 and 2769/0883.

[2] Registration No. 1423654, issued on June 1, 1987, claiming a date of first use anywhere and a date of first use in commerce of July 27, 1984. Trademark Act §8 affidavit accepted and §15 affidavit acknowledged.

bar to registration of petitioner's applied-for mark; that respondent' mark, if ever used, was used only "in connection with a computer programming language used in connection with Ashton-Tate's (Borland's predecessor) FRAMEWORK integrated software"; that respondent abandoned the mark FRED shown in the registration; and that respondent has not used the mark FRED during the last three consecutive years, or during a period of three consective years at various identified periods in the history of the registration.[3]

In its answer, respondent denies the salient allegations of the petition to cancel and asserts certain affirmative defenses.

This case now comes up on petitioner's fully-briefed motion, filed December 28, 2005, for summary judgment in its favor "… or, alternatively, to compel registrant … to produce discovery."

In support of its motion, petitioner argues that it served discovery requests on March 12, 2004 (those requests being interrogatories, document requests, and admissions requests); that, in a telephone conversation between the parties' attorneys on April 16, 2004, respondent's attorney proposed a settlement, indicating further that he would prepare the draft agreement and requesting an extension of the due date for the discovery responses; that petitioner's attorney, having heard nothing from respondent's attorney after the passage of almost three months,

[3] For example, petitioner alleges that respondent did not use its registered mark "during a period of three consecutive years" since filing its Section 8 affidavit.

sent an email inquiry on July 9, 2004 and another inquiry on July 23, 2004; that respondent's attorney sent an email response on July 23, 2004, apologizing for the delay; that, on February 4, 2005, having heard nothing further from respondent, petitioner informed respondent that petitioner expected responses to the discovery requests at the expiration of the then-existing suspension period; and that on September 14, 2005, again having heard nothing from respondent, petitioner informed respondent of petitioner's intent to file a motion to compel should respondent fail to serve discovery responses by September 21, 2005. Petitioner argues that no responses to its discovery requests have been served and that, consequently, the failure to respond constitutes, *inter alia*, an admission of the requested matters under Fed. R. Civ. P. 36(a).

Looking at the admissions requests in view of the summary judgment motion, petitioner sought admissions for each year, in separate requests, sequentially by year, from 1991-2003 as follows:

- Admit that Borland did not use the FRED Mark in commerce directly in XXXX.[4]
- Admit that Borland did not use the FRED Mark in commerce through a licensee in XXXX.
- Admit that Borland did not exercise quality control concerning the use of the FRED Mark in XXXX.
- Admit that Borland does not have any documentation in its possession, custody, or control concerning the exercise in XXXX of quality control concerning the use of the FRED Marks.

[4] XXXX refers to each year from 1991 through 2003.

Petitioner argues that, because respondent did not serve responses to the admission requests, each admission is conclusively established and respondent did not use the mark FRED in commerce, either directly or through a licensee, during the calendar years 1991-2003. Additionally, petitioner contends that, in view of the effectively admitted matter, respondent did not exercise any quality control concerning any third party's use of the mark during the calendar years 1991-2003. Petitioner contends that respondent has not used the mark for thirteen years, thus establishing respondent's abandonment, and intent to abandon, use of its mark. Petitioner alternatively moves to compel responses to its interrogatory and document requests in the event the Board does not grant the summary judgment motion.

Petitioner's motion is accompanied by the declaration of its attorney in support of the series of events recited in the motion; copies of the pleadings; copies of petitioner's discovery requests; and copies of correspondence between the parties' attorneys.

In response, respondent indicates that it has no objection to the Board issuing an order compelling discovery even though it states that it does not believe petitioner has met the requirements for a motion to compel. Respondent indicates that it does not object to a resumption of discovery and further "… points out that Registrant has specifically offered to voluntarily cancel the registration by agreement without

prejudice… but Petitioner has refused and insists on going forward with the cancellation action." Respondent argues that, in its answer, it averred it "… has continued to use the mark FRED, directly and/or through a licensee…";[5] and that information about the FRED software is available at www.framework.com.[6] Respondent contends that its attorney further discussed this use with petitioner's attorney in January 2004, explaining that the mark FRED "… was licensed to Selections & Functions (S&F) … and is in use pursuant to that license"; and that respondent provided petitioner with the website links concerning the use of the FRED software again by email on September 26, 2005. Respondent contends that, after discovery was served, which included inquiries about assignment of the mark, respondent explained to petitioner "… that there has never been any 'assignment' of FRED or any other mark between Borland International, Inc., Inprise Corporation and Borland Software Corporation (or Ashton-Tate Corporation), and the various recordals were of certificates of merger and chages of name…."[7]

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[5] *See* paragraph no. 8 of repsondent's answer.
[6] *See* paragraph D of respondent's affirmative defenses in its answer.
[7] USPTO assignment records indicate that Ashton-Tate was the originally named registrant. A merger into Ashton-Tate Corporation was recorded on April 13, 1987, at Reel 0558, Frame 0796; and a merger with Borland International, Inc. was recorded on April 15, 1992, at Reel 0859, Frame 0796. After commencement of this proceeding, a merger and change of name to Inprise Corporation was recorded on December 29, 2003, at Reel 2769, Frame 0873; and a merger and change of name to Borland Software, Inc. was recorded on December 29, 2003, at Reel 2769, Frame 0883. Petitioner served discovery requests seeking information and materials concerning the transactions based on the records of the USPTO's Assignment Branch.

According to respondent, it did not serve responses to the discovery requests because such "… responses would have been useless exercises in denials of the assertions which were based in the first instance of the incorrect reading of the PTO [assignments] records." Respondent complains that, despite its efforts to show to petitioner that the mark FRED is still being used, petitioner continues to maintain that the mark has been abandoned, "… either because of some defective assignment, non-use, or who knows what…." Respondent argues that petitioner has not shown the absence of a genuine issue of material fact, but has made an unsupported claim that respondent has abandoned rights; that there is no allegation that the purported abandonment was made without an intention to resume; that there is no time frame over which this abandonment allegedly took place; that the claimed abandonment is based in part on "… petitioner's notion that there were assignments … when in fact the PTO assignment records are clear that these are all mergers and changes of name…;" and that petitioner wrongfully maintains its position notwithstanding repeated evidence that the mark is still in use.

Respondent's response is accompanied by copies of email exchanges between the parties' attorneys; and a copy of a release dated Oct. 2003 with a by-line "Framework & The FRED Computer Language Main Page."

In reply, petitioner's attorney submits a declaration in support of petitioner's position that respondent has not raised a genuine issue of material fact by way of its "evidence," which is unathenticated. Petitioner points out that, expressly pursuant to Fed. R. Civ. P. 56(e), respondent "… may not rest upon the mere allegations or denials of [its] pleadings…." Thus, respondent's arguments with respect to the averments in its answer do not raise a genuine issue of material fact. Petitioner argues that respondent's September 26, 2005 email actually confirms that respondent abandoned the mark insofar as it states that "… the mark is being used by Selections & Functions under an old license" and that "S&F has some common law rights and we don't want to prejudice them in anyway…." Petitioner argues that this unsworn statement is not admissible concerning the truth of the statement, but is admissible as a party-admission that respondent abandoned the mark becase S&F could not obtain common law rights if it were using the mark as a licensee. In addition, petitioner asserts that the copy of the October 2003 release, purportedly from S&F's Internet pages and submitted by respondent, is not introduced properly and is not supported by evidence of an actual license. If such a license existed, petitioner contends that respondent would, and should, have produced it and introduced it. Petitioner emphasizes that its summary judgment motion is based on respondent's admissions of nonuse because of respondent's failure to respond to petitioner's

admissions requests, which results in the matter of such requests being admitted. Consequently, respondent's arguments that petitioner's summary judgment is based on other factors, such as petitioner's "opinions or [my] pre-filing searches" or "… the mistaken notion that there were assignments…" are incorrect. Petitioner argues that respondent's position that responding to petitioner's discovery requests would have been a "useless exercise in denials of assertions which were in the first instance based on an incorrect reading of the PTO records" substantiates respondent's abandonment because the requests posed no difficulty if respondent was still using or licensing use of the mark FRED. Finally, petitioner argues that respondent is delaying the proceeding because it proposed, on April 16, 2004, a settlement whereby it would amend its identification of goods, among other items, but never delivered a proposed settlement agreement.[8]

In a motion for summary judgment, the moving party has the burden of establishing the absence of any genuine issues of material fact and that it is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56(c). A genuine issue with respect to a material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question in favor of the non-moving party. *See Opryland USA Inc. v. Great American Music*

[8] Petitioner's motion for summary judgment was filed over eighteen months after the initial proposal.

Show, Inc., 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). Thus, all doubts as to whether any factual issues are genuinely in dispute must be resolved against the moving party and all inferences must be viewed in the light most favorable to the non-moving party. *See Olde Tyme Foods Inc. v. Roundy's, Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

As a preliminary matter, petitioner's contentions with respect to respondent's evidence are well-taken. While the types of evidence in support of, or opposition to, a summary judgment motion may include the pleadings, a responding party may not rest merely upon the allegations or denials of its pleadings, but must set forth specific facts, by way of affidavit or as otherwise provided by Fed. R. Civ. P. 56, showing there exists a genuine issue of material fact for trial. *See* Fed. R. Civ. P. 56(c) and (e). Thus, respondent's averments in its answer and affirmative defenses that the FRED mark is still in use are insufficient alone to establish the existence of a genuine issue of material fact. In addition, the release dated "Oct. 2003" was not properly introduced into the record. To the extent it is an Internet printout (which is entirely unclear), such evidence must be introduced by affidavit or declaration because it is not self-authenticating. *See Raccioppi v. Apogee, Inc.*, 47 USPQ2d 1368 (TTAB 1998); and TBMP §528.05(e) (2d ed. rev. 2004). To the extent the release is from respondent's business records, or the business records of a third party, it must be introduced by

affidavit or declaration. *See* Fed. R. Civ. P. 56(c) and (e); and TBMP §528.05(b) (2d ed. rev. 2004). Similarly, the email correspondence between the parties submitted by respondent must be introduced by affidavit or declaration. Nonetheless, even if the Board were to consider respondent's evidence, the disposition rendered herein remains unchanged, as discussed in more detail later in this decision.

Petitioner has made it clear that its summary judgment motion is based on respondent's failure to respond to petitioner's admissions requests. Inasmuch as respondent never responded to petitioner's requests for admissions, the requests are deemed admitted. *See* Fed. R. Civ. P. 6(b) and 36(a). *See also Hobie Designs Inc. v. Fred Hayman Beverly Hills Inc.*, 14 USPQ2d 2064 (TTAB 1990)(if a party upon whom requests for admission have been served fails to timely respond thereto, the requests will stand admitted unless the party is able to show that its failure to timely respond was the result of excusable neglect; or unless a motion to withdraw or amend the admissions is filed pursuant to Fed. R. Civ. P. 36(b), and granted by the Board).

Respondent has not moved to withdraw or amend the effective admissions. Instead, it indicates its belief that its time would have been wasted in responding because of petitioner's "errors in interpretation" with respect to the recorded mergers and changes of name. Upon reviewing the admissions requests, the Board

disagrees that there is any ambiguity concerning the mergers and changes of names that would have prevented respondent from answering the admissions requests, particularly those requests specifically relied upon now by petitioner in supporting its motion for summary judgment. Thus, respondent has not made a showing of excusable neglect as to why it did not serve responses to the admission requests.

Section 45 of the Trademark Act, 15 U.S.C. Section 1127, provides that a mark is abandoned when "its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment." In order to prevail on a claim for cancellation on the ground of abandonment, a party must allege and prove, in addition to its standing, abandonment of the mark as the result of nonuse or other conduct by the registrant. *See Lipton Industries, Inc. v. Ralston Purina Co.,* 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

Turning briefly, therefore, to petitioner's standing, because petitioner has shown that it is the owner of application Serial No. 76378540 for the mark FRED which has been refused registration under Section 2(d) of the Trademark Act in light of respondent's registration for the mark FRED, petitioner has

established its standing.[9] *See Linville v. Rivard,* 41 USPQ2d 1731, 1734 (TTAB 1996).

With respect to abandonment, once a prima facie case of abandonment has been made, the burden shifts to the respondent to show either: (1) evidence to disprove the underlying fact triggering the presumption of three years nonuse or (2) evidence of an intent to resume use to disprove the presumed fact of no intent to resume use. *See* Trademark Act 45, 15 U.S.C. Section 1127; *Imperial Tobacco Ltd. v. Philip Morris Inc.,* 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990); *see generally* 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition,* 17:21 [6] (4th ed. 2006) *citing Cerveceria Cenrroamericana S.A. v. Cerveceria. India Inc.,* 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989). In order to establish an intent to resume use, the respondent must put forth evidence with respect to either specific activities engaged in during the period of nonuse or special circumstances which excuse nonuse.

With respect to petitioner's abandonment claim, in view of the effective admissions, and the statutory presumption, petitioner has made a prima facie case of abandonment. Consequently, in this summary judgment motion, the issue before the Board is whether respondent has put forth sufficient evidence to at least raise a genuine issue of material fact as to either

[9] *See* paragraph nos. 1-6 of the declaration of petitioner's attorney supporting petitioner's motion for summary judgment.

1) disprove the underlying fact triggering the presumption of three years nonuse (*e.g.*, that excusable nonuse exists or that respondent is indeed using the marks) or 2) its intent to resume use of the involved mark. *See* Fed. R. Civ. P. 56(c). Even if the Board were to consider respondent's submissions in light of the effective admissions, respondent has not put forth sufficient evidence to raise a genuine issue of material fact as to its intent to resume use of the mark FRED.

Petitioner's admission requests inquired into respondent's direct use, use through a licensee, and exercise of quality control sequentially for each year from 1991 to 2003, a period of thirteen years.[10] Respondent's correspondence (submitted by respondent) repeatedly indicates its willingness to surrender its registration, lending additional support for the effective admissions regarding abandonment and shedding light on respondent's intent. Respondent's September 26, 2005 email states it "… will voluntarily cancel FRED Reg. # 1423654, if [petitioner] will agree to dismissal of the cancellation without prejudice," and indicates that S&F is using the mark "under an old license." Respondent's September 22, 2005 email also expresses its willingness to surrender its registration: "I think Borland may just voluntarily cancel its FRED Reg. …." Here, respondent's willingness to surrender the registration is

[10] Petitioner's definition of respondent included each of respondent's pre-merger and name change designations as shown in the assignment records. Thus, there exists no ambiguity concerning the requests.

evident, although the existence of any current licensing is not. If a current licensing agreement is in effect, it was incumbent upon respondent to properly introduce it or its existence into the record so as to create a genuine issue of material fact for trial. The release sheet submitted by respondent, attributed to S&F, makes no mention of a license or respondent.

Accordingly, in view of the effective admissions and the statutory presumption, no genuine issue of material fact exists with respect to petitioner's abandonment claim. Petitioner's motion for summary judgment is therefore granted and respondent's Registration No. 1423654 will be cancelled in due course.[11]

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[11] Petitioner's alternative motion to compel discovery responses is thus deemed moot.