

ESTTA Tracking number: **ESTTA397866**

Filing date: **03/14/2011**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91195582
Party	Defendant Apple Inc.
Correspondence Address	JOSEPH PETERSEN KILPATRICK TOWNSEND & STOCKTON LLP 31 WEST 52ND STREET, 14TH FLOOR NEW YORK, NY 10019 UNITED STATES JPetersen@kilpatricktownsend.com, AlJones@kilpatricktownsend.com, AScott@kilpatricktownsend.com, agarcia@ktslaw.com, NYTrademarks@ktslaw.com
Submission	Opposition/Response to Motion
Filer's Name	Allison Scott Roach
Filer's e-mail	jpetersen@kilpatricktownsend.com, aljones@kilpatricktownsend.com, aroach@ktslaw.com, agarcia@ktslaw.com, tadmin@ktslaw.com, nytrademarks@ktslaw.com
Signature	/Allison Scott Roach/
Date	03/14/2011
Attachments	Microsoft v. Apple - Corrected Opp_n to Microsoft_s MSJ as filed 3.14.11.PDF ( 27 pages )(148240 bytes )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MICROSOFT CORPORATION, Opposer,	: X	
	:	Opposition No. 91195582
	:	
v.	:	<b>APPLICANT APPLE INC.’S</b>
	:	<b>CORRECTED BRIEF IN OPPOSITION</b>
	:	<b>TO OPPOSER MICROSOFT CORP.’S</b>
	:	<b>MOTION FOR SUMMARY JUDGMENT</b>
APPLE INC., Applicant.	:	
	: X	

**INTRODUCTION**

Apple is a market leading computer hardware, software and mobile computing technology and services company. Its APP STORE™ mobile software download service has transformed the way that mobile device users customize and expand the functionality of their devices. Apple, long renowned for its innovation and product design, introduced the APP STORE service and coined the APP STORE mark just over two years ago. In that short period of time, the service has experienced phenomenal growth and success, and is now used by over 160 million consumers worldwide who have downloaded more than 10 billion software programs.

Microsoft now asks the Board to summarily eradicate Apple’s commercial rights in its APP STORE mark on the purported basis that APP STORE has become generic. Having itself faced a decades-long genericness challenge to its claimed WINDOWS mark, Microsoft should be well aware that the focus in evaluating genericness is on the mark *as a whole* and requires a fact-intensive assessment of the primary significance of the term *to a substantial majority of the relevant public*. Yet, Microsoft, missing the forest for the trees, does not base its motion on a *comprehensive* evaluation of how the relevant public understands the term APP STORE as a whole.

What it offers instead are out-of-context and misleading snippets of material printed by its outside counsel from the internet and allegations regarding how the public allegedly interprets the *constituent parts of the term APP STORE*, i.e., “app” and “store.” Recognizing the many issues of fact raised by its motion and trying to sidestep them, Microsoft also concocts the argument that all “store” formative marks such as APP STORE should be *per se* generic. Microsoft’s proofs, and its attempt to create a new genericness standard from

whole cloth, do not warrant an award of summary judgment in Microsoft's favor.

At most, Microsoft demonstrates that the term APP STORE *describes* the nature of Apple's online software marketplace.<sup>1</sup> It falls far short of proving by clear and convincing evidence that a *majority* of the relevant public uses the term APP STORE generically for *any* online software marketplace. APP STORE is no more generic than other arguably descriptive terms that courts and the Board have long recognized as capable of serving as valid marks, including such terms as BOOKS ON TAPE (for cassettes on which books are recorded), THE MONEY STORE (for money lending); VISION CENTER (for retail services involving optical services and related goods such as eyewear); WEBPHONE (for computer software and computer hardware that enable real-time audio communication over computer networks); CASH MANAGEMENT ACCOUNT (for, among other things, stock brokerage services); THE BEEF JERKY OUTLET (for retail store services featuring beef snacks); DICTAPHONE (for dictation machines); POLY PITCHER (for polyethylene pitchers); INSTANT MESSENGER (for real time text messaging service), and a host of other marks discussed below.

Further, Microsoft acknowledges that Apple's principal competitors have all found ways of competing with Apple by offering online software marketplace services of their own without using the term APP STORE. Particularly apt, then, is the Board's recent statement that "[i]n circumstances where a coined term used as a trademark is quickly taken up by the public but not by competitors and the stakes are 'the fateful step' of full 'eradication' of an applicant's 'commercial rights,' the evidentiary burden [of showing genericness] is *heavy indeed*." *In re Trek 2000 Int'l, Ltd.*, 97 U.S.P.Q.2d 1106, 1114 (T.T.A.B. 2010) (emphasis added) (rejecting a genericness challenge to the mark THUMBDRIVE for portable storage devices).

Given the multiple deficiencies in its proofs, it is clear that Microsoft has not satisfied its heavy burden on summary judgment. Apple's opposition, however, does not rest solely on the fact that Microsoft has not demonstrated the lack of genuine issues of fact for trial. Rather, Apple offers testimony from a renowned linguistics expert, Dr. Robert Leonard, who, based upon rigorous examination of the empirical evidence, concludes that "the predominant usage of the term APP STORE is as a proper noun to refer to Apple's online

---

<sup>1</sup> The examiner accepted Apple's substantial evidence that its APP STORE mark has acquired distinctiveness pursuant to Section 2(f) of the Trademark Act, 15 U.S.C. §1052(f), and Microsoft has not sought to challenge this finding. Thus, if the Board concludes, as it should, that the term APP STORE is at most descriptive of Apple's services, then the Board should dismiss Microsoft's opposition.

application marketplace.” If there can be any doubt regarding whether genuine issues of fact exist warranting trial (and there should not be), Dr. Leonard’s declaration unquestionably removes it. Accordingly, Microsoft’s motion should be denied.

## STATEMENT OF FACTS

### I. APPLE’S APP STORE SERVICE.

On July 11, 2008, Apple, the world famous technology company, launched its APP STORE service. This service allows users of Apple’s iPhone, iPod and, most recently, iPad mobile devices, and users of computers running Apple’s iTunes software, to browse for and license a wide range of third party software programs, including games, business, educational, finance, news, sports, productivity, social networking, health, reference, travel, and utility software. Declaration of Thomas La Perle, Esq., dated February 28, 2011 (“La Perle Dec.”) ¶¶ 4, 10.

Prior to the introduction of the APP STORE service, mobile operators offered a variety of mobile software such as downloadable ringtones, wallpapers and games. *Id.* ¶ 5. These services were branded with a variety of terms that bore no similarity to APP STORE. For example, AT&T called its mobile software service “Media Mall” which it now calls “AppCenter.” *Id.*

When it launched, the APP STORE service represented a different kind of online software service and was an instant commercial and critical success. *Id.* ¶ 6. As a columnist for *The New York Times* remarked soon after the launch of the service, “[n]othing like the App Store has ever been attempted before.” *See id.* ¶ 7, Ex. 2. As a complement to its revolutionary service, Apple coined the term APP STORE as a means of branding its new service. *See id.* ¶ 9; *see also* Leonard Dec. ¶ 26 (concluding that “the term APP STORE was not in fact in general use in connection with the distribution of software programs prior to Apple’s adoption of the term as a trademark.”).

The APP STORE service serves as the distribution center for a variety of software programs, including many programs developed by third parties and programs developed by Apple. For example, if a user of an Apple mobile device wishes to play the popular “Angry Birds” video game, she would touch the “App Store” icon on her mobile device, search for the “Angry Birds” program and obtain a copy of that program on her device by licensing the software through the APP STORE service. La Perle Dec. ¶ 12.

In order to distribute software programs through the APP STORE service, third party software developers are required to sign a distribution agreement in which the developer appoints Apple as its worldwide agent for delivery of the software programs. *Id.* ¶ 14. All of the software programs that are available through the APP STORE service are licensed to consumers, not sold. *Id.* ¶ 15.

To date, there have been more than 10 billion downloads of programs through the service by more than 160 million consumers worldwide. An average of over a million downloads take place every hour worldwide. *Id.* ¶ 18. There are currently more than 350,000 software programs available for download on the APP STORE service. *Id.*

## **II. APPLE'S BRANDING OF ITS APP STORE ONLINE SOFTWARE MARKETPLACE.**

Apple has extensively advertised, marketed and promoted the APP STORE service and the APP STORE mark. In particular, Apple has spent millions of dollars on print, television and internet advertising. *Id.* ¶ 19. Apple's efforts and the resulting commercial success of the APP STORE service have conditioned a majority of consumers to perceive APP STORE as a trademark, not a generic term. *See Leonard Dec.* ¶¶ 29-32, 41. Moreover, Apple has obtained forty two (42) registrations of the APP STORE mark in foreign jurisdictions. *See La Perle Dec.* ¶ 36.

Since the APP STORE service was launched in 2008, Apple has prominently featured the APP STORE mark in print advertising. The mark has been featured in print advertising sponsored both by Apple as well as AT&T (which offers wireless connectivity for Apple's mobile devices). These ads have appeared in such magazines and newspapers as *Fortune*, *The New Yorker*, *The Economist*, *Newsweek*, *Time*, *The New York Times*, the *Washington Post*, as well as numerous other regional and local newspapers. *See La Perle Dec.* ¶ 20, Ex. 5.

As part of its marketing, Apple has implemented a unique television advertising campaign featuring the tag lines "There's An App For That" and "There's An App For Just About Everything." *Id.* ¶ 21. These commercials highlight the different computer software programs available through the APP STORE service and the variety of functions each computer software program serves. These commercials verbally refer to the APP STORE mark and also depict the APP STORE mark as featured on Apple's devices. *Id.* Apple has aired these and other commercials regarding its APP STORE services on all the major television broadcast stations,

including ABC, CBS, NBC, FOX, The CW, BET, Comedy Central, CNN, ESPN, MTV, TBS, TNT, and VH1. *Id.* As a result, millions of consumers have been exposed to Apple’s television campaigns. *Id.*

Not surprisingly given the success of Apple’s APP STORE service, the service and Apple’s APP STORE mark have been the subject of significant positive unsolicited media coverage. These articles recognize the APP STORE mark as referring exclusively to Apple’s service. *See Id.* ¶ 27, Ex. 12.

### **III. APPLE VIGOROUSLY PROTECTS ITS APP STORE MARK.**

The phenomenal popularity of Apple’s online software marketplace has prompted a number of competitors to offer their own marketplaces. In fact, Microsoft, Google, Nokia, Research in Motion (Blackberry), Sprint, Verizon and other major companies now offer an online software marketplace for mobile operating systems that compete with Apple’s mobile operating system (in fact, Apple’s competitors hold a larger market share than Apple in respect of mobile operating systems). *Id.* ¶ 37. As Microsoft itself acknowledges, Opposer’s Mot. For Summ. J. 15, these competitors have found ways of branding and describing their own online software marketplace without using the term APP STORE. La Perle Dec. ¶ 37. For example, Microsoft itself uses the term MARKETPLACE to refer to its service and uses the descriptor “virtual store for apps.” January 10, 2011 Declaration of Nathaniel E. Durrance in Support of Microsoft Corporation’s Motion for Summary Judgment, Dkt. No. 7 (“Durrance Dec.”) ¶ 23.

In limited instances third parties have made improper use of the term APP STORE. La Perle Dec. ¶ 38. In response, Apple has contacted those parties and requested that they cease and desist from further use of the mark. *Id.* In most every instance, the entities contacted by Apple agreed to cease use of Apple’s APP STORE mark. Those few which refused to cease use of Apple’s APP STORE mark made reference to Microsoft’s challenge of Apple’s rights in its APP STORE mark, which has received widespread attention in the press, and have refused to cease using APP STORE pending a ruling in this proceeding. *Id.* ¶ 39.

## **ARGUMENT**

### **I. MICROSOFT FACES A “STRINGENT STANDARD” IN ASKING FOR SUMMARY JUDGMENT IN ITS FAVOR.**

Summary judgment is only appropriate where 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).* Microsoft, as the party

moving for summary judgment, has the burden of demonstrating the absence of any genuine issue of material fact. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 322-37 (1986).

Microsoft, in order to prevail on its motion, must establish by *clear and convincing evidence* that there is no genuine issue of fact regarding the genus of the goods or services at issue and that the relevant consuming public understands Apple's proposed mark to refer primarily to that genus of goods or services. *See H. Marvin Ginn Corp. v. Int'l Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 989-90, 228 U.S.P.Q. 528, 530 (Fed. Cir. 1986); *Interpayment Servs. Ltd. v. Docters & Thiede*, Opp'n No. 91119852, 2002 WL 140168, at \*3 (T.T.A.B. Jan. 31, 2002) (non-precedential) (copy attached); *Lockermate Corp. v. Curtis*, Opp'n No. 91115439, 2002 WL 834492, at \*3 (T.T.A.B. Apr. 30, 2002) (non-precedential) (copy attached). Microsoft is held to a "stringent standard," and summary judgment is "not a substitute for the trial of disputed issues of fact." *Walters Gardens, Inc. v. Pride Of Place Plants, Inc.*, Opp'n No. 91153755, 2004 WL 1149499, at \*6 (T.T.A.B. May 4, 2004) (non-precedential) (copy attached).

Apple, in order to have the opportunity to submit proofs at trial, need only show that, on the evidence of record, a reasonable fact finder could resolve the matter in its favor. *See Opryland USA Inc. v. Great Am. Music Show Inc.*, 970 F.2d 847, 850, 23 U.S.P.Q.2d 1471, 1472-73 (Fed. Cir. 1992); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 202, 22 U.S.P.Q.2d 1542, 1544 (Fed. Cir. 1992); *see also Visa Int'l Serv. Ass'n v. Life-Code Sys., Inc.*, 220 U.S.P.Q. 740, 742 (T.T.A.B. 1983) (on a summary judgment motion, "[t]he nonmoving party is not required to adduce evidence sufficient to prove its case . . . "; it need only show "*that there is a genuine issue as to a material fact and that, therefore, there is a need for a trial.*") (emphasis added). The Board does not resolve issues of fact on summary judgment; it only determines whether a genuine issue exists. *Meyers v. Brooks Shoe Inc.*, 912 F.2d 1459, 1461, 16 U.S.P.Q.2d 1055, 1056 (Fed. Cir. 1990), *overruled on other grounds by A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1038-39, 22 U.S.P.Q.2d 1321, 1333 (Fed. Cir. 1992). The evidence should be viewed in a light most favorable to Apple as the non-movant, and all justifiable inferences should be drawn in Apple's favor. *See Lloyd's Food Prods. Inc. v. Eli's Inc.*, 987 F.2d 766, 767, 25 U.S.P.Q.2d 2027, 2029 (Fed. Cir. 1993); *Opryland USA*, 970 F.2d at 850, 23 U.S.P.Q.2d at 1472.

The determination of whether a mark is generic is the type of factual dispute that is rarely appropriate for resolution on summary judgment. See e.g., *Bath & Body Works, Inc. v. Luzier Personalized Cosmetics, Inc.*, 76 F.3d 743, 748, 37 U.S.P.Q.2d 1779, 1783 (6th Cir. 1996) (district court’s finding that BATH AND BODY was generic was erroneous insofar as “the public,” and thus the jury, might reach a different conclusion); Order Denying Defendant’s Motion for Summary Judgment on Genericness, *Microsoft Corp. v. Lindows.com, Inc.*, Case No. C01-2115C (W.D. Wash. Jan. 22, 2003) (in view of the conflicting evidence offered by the parties, summary judgment inappropriate in connection with defendant’s summary judgment motion seeking a ruling that WINDOWS was generic as a matter of law for a graphical computer operating environment);<sup>2</sup> *Riggs Mktg., Inc. v. Mitchell*, 993 F. Supp. 1301, 1307, 45 U.S.P.Q.2d 1247, 1252 (D. Nev. 1997) (summary judgment unwarranted where “the public could arguably associate Plaintiff’s ‘universal’ machine with [Plaintiff itself], and thus find ‘universal’ is not generic”); *SportsChannel Assocs. v. Comm’r of Patents & Trademarks*, 903 F. Supp. 418, 426-27, 37 U.S.P.Q.2d 1106, 1112-14 (E.D.N.Y. 1995) (evaluating conflicting evidence as to whether the term SPORTSCHANNEL for a sports-oriented television channel was generic and, in view of the conflicting evidence, denying defendant’s motion for summary judgment).

As one court explained, so long as “facts are at issue that could cause a reasonable jury to decide the mark is a descriptive mark with secondary meaning or a suggestive mark, then the mark would be protected by trademark law and summary judgment for Defendant [on the issue of genericness] would be improper.” *J & J Snack Foods Corp. v. Earthgrains Co.*, 220 F. Supp. 2d 358, 376, 65 U.S.P.Q.2d 1897, 1910-11 (D.N.J. 2002) (finding insufficient evidence to show that BREAK & BAKE is generic as a matter of law).

## **II. THE GENERICNESS INQUIRY FOCUSES ON THE TERM’S PRIMARY SIGNIFICANCE TO A SUBSTANTIAL MAJORITY OF THE RELEVANT PUBLIC.**

As Microsoft is well aware from its lengthy efforts trying to defend its claimed WINDOWS mark in a case that was ultimately settled out of court before a final decision was reached,<sup>3</sup> generic terms are common names that the relevant purchasing public understands *primarily* as describing the genus of goods or services

---

<sup>2</sup> A copy of this decision is attached as Exhibit C to Ms. Jones’ declaration.

<sup>3</sup> For a summary of Microsoft’s lengthy battle to claim trademark rights in the term WINDOWS, see *Microsoft Corp. v. Lindows.com, Inc.*, 64 U.S.P.Q.2d 1397, 1411 (W.D. Wash. 2002) (denying Microsoft’s motion for a preliminary injunction, finding “serious questions regarding whether Windows is a non-generic name and thus eligible for the protections of federal trademark law”).

being sold. *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1344, 57 U.S.P.Q.2d 1807, 1810 (Fed. Cir. 2001) (reversing refusal to register mark 1-888-MATTRESS because evidence did not show that the relevant public referred to the mark as a class of services). The test for genericness is not whether some portion of the relevant public views a term as generic, but whether the term’s *primary* significance to a *substantial* majority of the *relevant* public is as a generic term. *See Ginn*, 782 F.2d at 989, 228 U.S.P.Q. at 530; *see also In re Trek 2000*, 97 U.S.P.Q.2d at 1108 (“The critical issue is to determine whether the record shows that members of the relevant public primarily use or understand the term sought to be registered to refer to the category or class of goods or services in question.”); 15 U.S.C. § 1064(3) (“The primary significance of the registered mark to the relevant public . . . shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.”).

Making this determination “involves a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered . . . understood by the relevant public primarily to refer to that genus of goods or services?” *Ginn*, 782 F.2d at 990, 228 U.S.P.Q. at 530. If the primary significance of the term in the minds of the relevant public is that it refers to the *producer* and not to the class of goods or services, then the term is not generic. *See id.* (reversing Board decision holding that FIRE CHIEF for magazines was generic); *see also In re Merrill Lynch, Pierce, Fenner, & Smith, Inc.*, 828 F.2d 1567, 1571, 4 U.S.P.Q.2d 1141, 1144 (Fed. Cir. 1987) (reversing the Board’s decision and holding CASH MANAGEMENT ACCOUNT for brokerage services *not* generic because the relevant public viewed the mark as referring to the producer and not the class of services). Competent sources evincing the purchasing public’s understanding of a contested term include purchaser testimony, consumer surveys, dictionary definitions, trade journals, newspapers and other publications. *In re Dial-A-Mattress*, 240 F.3d at 1344, 57 U.S.P.Q.2d at 1810.

The Seventh Circuit Court of Appeals has cautioned that casting a term into the public domain through a finding of genericness is a “fateful step.” *Ty Inc. v. Softbelly’s Inc.*, 353 F.3d 528, 531, 69 U.S.P.Q.2d 1213, 1215 (7th Cir. 2003). The court explained that this is because such a finding:

penalizes the trademark’s owner for his success in making the trademark a household name and forces him to scramble to find a new trademark. And it may confuse consumers who continue to associate the trademark with the owner’s brand when they encounter what they thought a brand name on another seller’s brand. . . . The fateful

step ordinarily is not taken until the trademark has gone *so far toward becoming the exclusive descriptor of the product that sellers of competing brands cannot compete effectively without using the name to designate the product they are selling.*

353 F.3d at 531, 69 U.S.P.Q.2d at 1215 (emphasis added); *see also In re Trek 2000*, 97 U.S.P.Q.2d at 1108 (quoting *Ty Inc.*, 353 F.3d at 531, 69 U.S.P.Q.2d at 1215).

### **III. MICROSOFT’S EVIDENCE PROVIDES AN INSUFFICIENT BASIS UPON WHICH TO GRANT SUMMARY JUDGMENT IN MICROSOFT’S FAVOR.**

Microsoft concedes, as it must, that the critical issue is whether a *majority* of the relevant public use the term APP STORE as a generic term for the services at issue. *See* Opposer’s Mot. for Summ. J. 5. However, it then makes no attempt to identify the relevant public and likewise fails to identify with specificity the class of services at issue.<sup>4</sup> Most significantly of all, Microsoft also fails to submit any evidence *actually assessing the universe of uses of the term APP STORE.*

What Microsoft offers instead is a hodge-podge of out-of-context snippets of material that Microsoft argues reflect generic uses of the term APP STORE. Microsoft makes no attempt to assess whether such uses constitute a small or large fraction of the total uses of the term APP STORE. Worse, in many instances Microsoft counts the same uses multiple times and mischaracterizes brand usage as generic use. Microsoft, therefore, falls far short of satisfying the stringent standard governing its summary judgment motion.

#### **A. Microsoft Errs By Dissecting the Term APP STORE.**

##### **1. The Board Should Examine APP STORE as a Whole.**

Microsoft reaches the wrong conclusion because it begins with the wrong standard. It argues that “[t]erms that combine the generic name of a product with the generic designator ‘store’ or ‘warehouse’ are generic and unregistrable for retail store services featuring the product.” Opposer’s Mot. for Summ. J. 6. Microsoft, seeking to sidestep the many factual issues raised by its motion, urges the Board to adopt what would amount to a *per se* rule for evaluating whether a term is generic. However, it offers no reason for the Board to deviate from its long-established, fact-specific inquiry with respect to the genericness issues.

---

<sup>4</sup> While Microsoft’s brief offers no definition for the relevant service, at times it refers generally to “retail store services featuring apps,” Opposer’s Mot. for Summary J. at 8, 17, and at other times to “online stores featuring apps,” *id.* at 11. Apple submits that the proper definition of the class of services is an online marketplace featuring downloadable software programs and the relevant public is consumers of downloadable software programs.

In focusing on the constituent parts of the term APP STORE, Microsoft grossly misrepresents the genericness test. It is well established that the focus in evaluating genericness is on the *mark as a whole*. As the Board has explained, “[w]hether a mark is a phrase or a compound word, the inquiry remains the same: *is the sum total of the separate components no less generic than the components themselves, or does the combination yield something more?*” *McCormick Del., Inc. v. Williams Foods, Inc.*, Opp’n 92028967, 2001 WL 253633, at \*5 (T.T.A.B. Feb. 14, 2001) (emphasis added) (copy attached) (finding the mark BAG’N SEASON *not* generic for seasoning mixes for meats and roasting bags combined in the same packages); *see also Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366, 379, 188 U.S.P.Q. 623, 635 (7th Cir. 1976) (“Dissecting marks often leads to error. Words which could not individually become a trademark may become one when taken together.”), *superseded on other grounds by statute as stated in Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 227 U.S.P.Q. 138 (7th Cir. 1985). As the Federal Circuit cautioned in *In re Steelbuilding.com*, “[a]n inquiry into the public’s understanding of a mark *requires consideration of the mark as a whole*. Even if each of the constituent words in a combination mark is generic, the combination is not generic unless the entire formulation does not add any meaning to the otherwise generic mark.” 415 F.3d 1293, 1297, 75 U.S.P.Q.2d 1420, 1421 (Fed. Cir. 2005) (emphasis added).

As Dr. Leonard explains, this approach is sound as a matter of linguistics because human beings interpret terms such as APP STORE as a whole. Consumers do not grasp the meaning of the term by separately analyzing its component parts. Leonard Dec. ¶ 20.

Thus, the courts and the Board have long recognized that compound terms can serve as valid trademarks even when each of the constituent terms forming the compound have a generic meaning. *See Cal. Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1455-56, 227 U.S.P.Q. 808, 811 (9th Cir. 1985) (CALIFORNIA COOLER not generic for a beverage of wine, sparkling water and fruit juice produced in California); *Vision Center v. Opticks, Inc.*, 596 F.2d 111, 116, 202 U.S.P.Q. 333, 339-40 (5th Cir. 1979) (VISION CENTER not generic for a business dealing in optical goods and related services); *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 702, 131 U.S.P.Q. 55, 62 (2d Cir. 1961) (POLY PITCHER not generic of a polyethylene pitcher); *Telechron, Inc. v. Telicon Corp.*, 198 F.2d 903, 907, 94 U.S.P.Q. 363, 366 (3d Cir. 1952)

(TELECHRON not generic for electric clocks); *Dan Robbins & Assocs., Inc. v. Questor Corp.*, 599 F.2d 1009, 1014, 202 U.S.P.Q. 100, 106 (C.C.P.A. 1979) (TINKERTOY not generic for construction set toys); *Burger King Corp. v. Pilgrim's Pride Corp.*, 705 F. Supp. 1522, 1525-26, 12 U.S.P.Q.2d 1526, 1529-30 (S.D. Fla. 1988), *aff'd without op.*, 894 F.2d 412 (11th Cir. 1990) (CHICKEN TENDERS not generic to the general consuming public for chicken parts, even if it might be generic to the chicken industry); *Schmidt v. Quigg*, 609 F. Supp. 227, 230, 226 U.S.P.Q. 518, 521 (E.D. Mich. 1985) (HONEY BAKED HAM not generic for hams that are honey glazed); *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422, 427, 204 U.S.P.Q. 204, 209 (D. Mass. 1979) (PARK 'N FLY not generic for airport parking operations); *Dictaphone Corp. v. Dictamatic Corp.*, 199 U.S.P.Q. 437, 445-47 (D. Or. 1978) (DICTAPHONE not generic for dictating equipment or machines); *In re Am. Online, Inc.*, 77 U.S.P.Q.2d 1618, 1623 (T.T.A.B. 2006) (INSTANT MESSENGER not generic for real time text messaging service); *In re Homes & Land Publ'g Corp.*, 24 U.S.P.Q.2d 1717, 1718 (T.T.A.B. 1992) (RENTAL GUIDE not generic for a magazine listing rental properties); *In re Minnetonka Inc.*, 3 U.S.P.Q.2d 1711, 1713 (T.T.A.B. 1987) (SOFT SOAP not generic for liquid soap after originally held to be a generic name in *In re Minnetonka, Inc.*, 212 U.S.P.Q. 772 (T.T.A.B. 1981)).

## **2. Microsoft's "Noun Plus Store" Test Grossly Oversimplifies the Genericness Test.**

Microsoft argues that whenever a mark combines a product name with the word "store" (*i.e.*, employs a noun plus the word "store"), the combined term *can under no circumstances* serve as a source identifier for retail services featuring the product. Microsoft greatly oversimplifies and misapprehends the genericness test. Indeed, the authority cited by Microsoft undercuts its proposition and other authority, along with sheer common sense, flatly contradict it.

Microsoft principally relies upon the Board's decision in *In re Computer Store, Inc.*, 211 U.S.P.Q. 72 (T.T.A.B. 1981), in support of its "noun plus store" rule. However, in that proceeding the Board affirmed the examiner's refusal to register THE COMPUTER STORE on the basis that the mark was *merely descriptive*, finding that the applicant's evidence of acquired distinctiveness was "not persuasive." *Id.* at 73. Thus, the decision was not based on a finding of genericness, but rather on a finding of descriptiveness unsupported by secondary meaning.

Microsoft's reliance upon *Mil-Mar Shoe Co. v. Shonac Corp.*, 75 F.3d 1153, 37 U.S.P.Q.2d 1633 (7th Cir. 1996), is also misplaced. While the Court in *Mil-Mar* found the terms "Shoe Warehouse" and "Warehouse Shoes" generic, it did so where the defendant "*presented evidence that hundreds of retail shoe stores use some form of either 'Shoe Warehouse' or 'Warehouse Shoes' in their names.*" 75 F.3d at 1159, 37 U.S.P.Q.2d at 1638 (emphasis added). Here, and as Microsoft concedes, Apple's principal competitors have all adopted terms other than APP STORE to refer to their respective online software marketplaces. The few third parties making commercial use of APP STORE have, for the most part, agreed to stop using the term in response to Apple's objections.<sup>5</sup>

Moreover, Microsoft's reflexive "noun plus store" rule cannot account for the Seventh Circuit's upholding of a registration for THE MONEY STORE for money lending. *See Money Store v. Harriscorp Finance, Inc.*, 689 F.2d 666, 216 U.S.P.Q. 11 (7th Cir. 1982). In fact, there the Seventh Circuit affirmed a finding that the term THE MONEY STORE was a *suggestive mark* and therefore was registerable even without a showing of acquired distinctiveness. 689 F.2d at 673, 216 U.S.P.Q. at 18.

If the Board were to depart from well-established precedent and adopt Microsoft's one-size fits all "noun plus store" rule, in one fell swoop it would effectively invalidate numerous valid and subsisting trademark registrations which contain a product name followed by the word "store." Clearly, the Board should avoid a formulation of the genericness test that would suddenly cast so many third party registrations into the public domain. For example, the following third party registrations would all be effectively cancelled were the Board to endorse Microsoft's argument:

---

<sup>5</sup> Likewise unavailing for Microsoft are the Board's decisions in *In re AEW, Inc.*, Ser. No. 74/447,347, 1999 WL 285499 (T.T.A.B. May 7, 1999) (non-precedential), *available at* <http://des.uspto.gov/Foia/ReterivePdf?flNm=74447347-05-07-1999&system=TTABIS> (addressing the term DISCOUNT AUTO PARTS STORES) and *In re Italian Store, Inc.*, Ser. No. 77/041,070, Dkt. No. 19, 2010 WL 2104134 (T.T.A.B. May 10, 2010) (non-precedential) (addressing the term THE ITALIAN STORE). While in both those decisions the Board concluded that the terms at issue were generic, it did so upon evaluating all the proffered evidence on the issue of how the public perceives those terms. These decisions, *which did not arise in the context of a summary judgment motion*, simply do not support the reflexive "noun plus store" rule urged by Microsoft here.

<b>Trademark</b>	<b>Registration Number</b>	<b>Goods/Services</b>
THE CONTAINER STORE	1,164,143	Retail store services in the area of household accessories, storage items, storage systems, and space organizers, in International Class 42.
WOOD STORE	2,339,880	Providing on-line retail services in the field of woodworking including woodworking tools, plans and kits, products, and related supplies and publication subscriptions via a global computer network, in International Class 35.
AWARDSTORE	2,659,403	Retail store services featuring plaques, trophies, laser engraved acrylic and stone, embroidery, digital screen printing, uniform creation, personalization and corporate identification programs and the like, in International Class 35.
SWAG STORE	3,773,696	Online retail stores and retails stores featuring a wide variety of consumer goods, including branded and non-branded commercial items and gift cards; Online retail outlet featuring digital dollars, prize money, gift certificates, and redeemable coupons for goods and services; Online retail outlet featuring marketing goods and services of others, in International Class 35.
THE AUTO STORE	2,562,711	Pre-owned motor vehicle dealerships, in International Class 35.
THE ENGAGEMENT RING STORE	2,237,873	Retail jewelry store services, in International Class 42.
THE GENERATOR STORE	3,367,291	Retail store services featuring electric power generators for home and industrial use, in International Class 35.
THE PAPER STORE	1,212,989	Retail store services, featuring paper and plastic tableware, greeting cards and party and gift wrapping supplies, in International Class 42.
THE RADIATOR STORE	3,022,200	Retail and wholesale store services featuring automotive and vehicular systems and their components, in International Class 35.
THE SHADE STORE	3,559,896	On-line retail store services featuring window blinds, curtains, decorative window treatments and related goods, in International Class 35.
DIGITAL MAP STORE	3,080,989	Online retail store featuring maps, map software, and GPS equipment, in International Class 35.

See Declaration of Alicia Jones, Esq., dated February 28, 2011 (“Jones Dec.”), ¶ 2, Ex. A.

**3. Definitions of “App” and “Store” Are Not Probative of Consumer Perception of the Combined Phrase APP STORE.**

In a variant of its unsupportable “noun plus store” argument, Microsoft urges the Board to review the constituent elements of the term APP STORE and, based upon this parsing, argues that the Board should find the composite term to be generic. Opposer’s Mot. for Summ. J. 6-7. Microsoft’s argument invites reversible error. The Federal Circuit has cautioned that the “Board cannot simply cite definitions and generic uses of the

constituent terms of a mark, or in this case, a phrase within the mark, *in lieu of conducting an inquiry into the meaning of the disputed phrase as a whole to hold a mark, or a phrase within in the mark, generic.*” *In re Am. Fertility Soc’y*, 188 F.3d 1341, 1347, 51 U.S.P.Q.2d 1832, 1836 (Fed. Cir. 1999) (emphasis added).

Thus, the Board has rejected a genericness challenge to the term THE BEEF JERKY OUTLET for retail store services featuring beef snacks. *See In re Am. Food Co.*, Ser. No. 76/101,362, Dkt. No. 12, 2004 WL 2368423 (T.T.A.B. Sept. 29, 2004) (non-precedential). In that case, and similar to Microsoft’s arguments here, the examining attorney argued that “THE BEEF JERKY OUTLET is a compound term; that the individual words are generic terms for, respectively, dried beef strips and a commercial market; and that the individual words retain their generic significance when joined to form the compound term herein.” *Id.* at \*2. The Board flatly rejected this argument, concluding “although the terms ‘BEEF JERKY’ and ‘OUTLET’ may be generic for, respectively, a type of beef snack and a commercial market, the record falls short of establishing that the phrase THE BEEF JERKY OUTLET, *as a whole*, is generic.” *Id.* at \*4 (emphasis added).

**4. Microsoft Has Not Proven That The Term “STORE” is Generic for *Online Retail Services*.**

Not only does Microsoft’s parsing of APP STORE violate the linguistically sound rule that marks need be evaluated as a whole, it is far from clear that Microsoft is correct in asserting that the term “STORE,” by itself, is generic for *online* retail services. Microsoft fails to support this assertion—in fact its own evidence tends to support the opposite conclusion—and Apple’s proofs too show that “store” is at most descriptive of online retail services.<sup>6</sup>

As Dr. Leonard’s declaration establishes, the term “store,” while generic for brick and mortar retail services, is descriptive of online retail web services. *See Leonard Dec.* ¶ 51 (“Apple and other entities have transmuted the term ‘store’ and have metaphorically morphed “store” from a physical building and source of commerce with bricks and mortar, physical sales-people, and physically-touchable displays of merchandise, into a metaphoric type of non-physical store.”). This is particularly the case where the marketplace at issue offers not physical goods such as those offered by the internet retailer Amazon.com, but intangible software licenses.

---

<sup>6</sup> We are aware of no authority declaring the term “store” generic for online (as opposed to brick and mortar) retail services.

See La Perle Dec. ¶ 15.<sup>7</sup>

Microsoft's *own evidence* shows that there is at least a question of fact as to whether "store" is generic for retail services that are transacted entirely in cyberspace. The dictionary definitions it proffers in its "Summary of Undisputed Facts" define "store" as "a *place* where goods are sold." Opposer's Mot. for Summ. J. 3 (emphasis added). Further, Microsoft provides snippets of two dictionary definitions for the term "store," both of which reflect the fact that the term "store" is typically applied to a retail outlet with a *physical* presence. For example, Microsoft's reference to a definition found in the *New Oxford American Dictionary* defines "store" as a "retail *establishment* selling items to the public." *Id.* at 9. To the same effect, Microsoft quotes from *Dictionary.com* defining "store" as "an *establishment* where merchandise is sold, usually on a retail basis." *Id.* (emphasis added). Even Microsoft, when describing its online software marketplace, sees fit to add the term "virtual" before "store." It undoubtedly does so to convey to consumers that the "store" is not what is typically envisioned by consumers when they hear that term. See Durrance Dec. Ex 21, at 8 (describing Microsoft's online software marketplace as a "*virtual* store for apps.") (emphasis added).<sup>8</sup>

Microsoft errs in assuming that when terms are generic outside of the internet context, they are necessarily generic within it. The Board's decision in *Netspeak Corp. v. Columbia Telecomm. Group, Inc.*, Opp'n No. 91110328, Dkt. No. 40, 2004 WL 1195623 (T.T.A.B. May 13, 2004) (non-precedential), illustrates the fallacy in this assumption. There, the Board rejected a genericness challenge to the term WEBPHONE for computer software and computer hardware that essentially provided a telephone service over the internet. Reminiscent of Microsoft's arguments here, in that case the applicant "asks that we cancel opposer's registration for the mark WEBPHONE based on dictionary definitions of the separate words, a few articles from printed publications, and records of the USPTO showing disclaimers of the term 'web.'" *Id.* at \*9.

---

<sup>7</sup> While Apple did disclaim "store" as Microsoft argues, it is well established that a disclaimer operates as a concession that a term is descriptive; it is not, as Microsoft suggests, a concession that the disclaimed term is generic. See *In re Halocarbon Prods. Corp.*, Serial No. 76/588,421, Dkt. No. 9, 2006 WL 1706434, at \*4 (T.T.A.B. June 7, 2006) (non-precedential) ("Further, the fact that the applicant has disclaimed the term HALOCARBON in another registration for the same goods is not persuasive evidence that the term is generic rather than merely descriptive").

<sup>8</sup> It is for this same reason that Apple, when using the term "store" in connection with online retail services, modifies the word by indicating that the service is an "online" store or "applications store," or "electronic store." La Perle Dec. ¶ 33.

The Board found applicant's evidence "weak or ambiguous" and explained that "evidence showing the *descriptiveness* of 'web' is not sufficient to show that 'web phone' is generic." *Id.* (emphasis added). Of particular significance here, the Board further concluded, "[w]hile opposer's goods enable people to use their computers as they would use a telephone, *clearly the computer hardware and computer software are not really a 'telephone.'*" *Id.* (emphasis added).

Likewise, Apple's services enable people to obtain software as they would if they visited a physical brick and mortar store. However, Apple's online software marketplace is no more a store than opposer's goods in the WEBPHONE decision were really a "telephone."

**B. Apple's Competitors Have Proven That They Can Compete Quite Effectively Without Using the Term APP STORE.**

Microsoft offers conflicting evidence on the issue of whether competitors are using the term APP STORE to describe their own online software marketplaces. Microsoft concedes that Apple's principal competitors have all found terms other than APP STORE to describe their services. Opposer's Mot. for Summ. J. 14. At the same time, Microsoft contends that there are other competitors that make commercial use of the term APP STORE. *Id.* at 13. Microsoft's own conflicting evidence, if anything, serves to highlight the factual issues lurking beneath the surface of its motion.

Microsoft has compiled a list showing that Apple's principal competitors in the online software marketplace space all use terms other than APP STORE to refer to their service or describe that service generally. *Id.* at 15. For example, by Microsoft's own concession Google has named its service ANDROID MARKET and uses the descriptor "marketplace." RIM/Blackberry refers to its service as APP WORLD and uses the descriptor "storefront." Microsoft itself uses the term MARKETPLACE to refer to its service and uses the descriptor "virtual store for apps." Finally, Nokia, HP/Palm and Samsung refer to their own services as OVI STORE, APP CATALOG and SAMSUNG APPS respectively and each describe their services as an "application store." Durrance Dec. ¶ 23. Mr. La Perle's declaration also identifies the brand names adopted by Apple's competitors with respect to their competing online software marketplaces. La Perle Dec. ¶ 37.

Microsoft's acknowledgment that Apple's principal competitors have all found a way to describe their online software marketplaces indisputably cuts against its claim that no genuine issue exists and APP STORE

should be found generic as a matter of law. As the Board concluded in *In re Trek 2000*, “where the evidence of record does not show that competitors use the designation in issue, *this may create doubt*, depending on the totality of the record, as to whether a term primarily refers to a genus of goods such that ‘sellers of competing brands cannot compete effectively without using the name to designate the product they are selling.’ ” 97 U.S.P.Q.2d at 1109 (quoting *Ty Inc.*, 353 F.3d at 531, 69 U.S.P.Q.2d at 1215) (emphasis added).

The Board in *Trek* emphasized the reason why the absence of competitor use of a term is so significant to the genericness inquiry. “In circumstances where a coined term used as a trademark is quickly taken up by the public but not by competitors and the stakes are ‘the fateful step’ of full ‘eradication’ of an applicant’s ‘commercial rights,’ the evidentiary burden [of showing genericness] is *heavy indeed*.” *Id.* at 1114 (emphasis added). The Board continued, “[w]hile evidence of competitor use is not required to satisfy this burden, where the record demonstrates both trademark and generic uses, evidence of the lack of competitor use, at a minimum, *may create doubt sufficient to tip the balance in favor of registration*.” *Id.* (emphasis added).

As for the other commercial uses of APP STORE identified by Microsoft, Opposer’s Mot. for Summ. J. 13, Apple has objected to such uses as detailed in Mr. La Perle’s declaration. *See* La Perle Dec. ¶ 38. In fact, in response to Apple’s demands the majority of such third parties have agreed to stop using APP STORE. *Id.* ¶ 39. The fact that Apple actively polices unauthorized uses of APP STORE and has stopped most such uses as a result of its efforts, further supports a finding that APP STORE is not generic. *See In re Trek 2000*, 97 U.S.P.Q.2d at 1112-13 (fact that media outlets agreed to stop using THUMBDRIVE generically supported applicant’s arguments that the term was not generic); *see also Zimmerman v. Nat’l Ass’n of Realtors*, 70 U.S.P.Q.2d 1425, 1430 (T.T.A.B. 2004) (“To the extent that individuals or local real estate groups misuse these registered terms, the previous litigation with Ms. Freeman illustrates the extent of respondent’s policing efforts with respect to such uses, demonstrates that respondent does not permit such uses to go uncontested, and shows that respondent continually takes affirmative steps to emphasize the proprietary status of its collective service marks. In short, the record shows no evidence of generic use of REALTOR or REALTORS by competitors.”).

**C. The Fact That Mainstream Dictionaries Do Not Have a Definition for the Term APP STORE Supports a Finding that the Term is Not Generic.**

While Microsoft goes to great lengths to identify alleged dictionary definitions for “app” and “store,”

absent from its motion are dictionary definitions for the term “APP STORE” as a composite term. Dr. Leonard was likewise unable to identify any traditional dictionaries defining the term APP STORE. Leonard Dec. ¶ 36. Significantly, when he searched non-traditional dictionaries, Dr. Leonard discovered definitions for APP STORE, the vast majority of which defined the term as referencing Apple’s groundbreaking online software marketplace. *Id.* at ¶ 41.

For purposes of this summary judgment motion, the Board can only conclude that there are no traditional dictionary definitions for the combined term APP STORE. This fact unquestionably supports a finding of non-genericness. *See In re Trek 2000*, 97 U.S.P.Q.2d at 1112 (rejecting genericness challenge to the term THUMBDRIVE for portable storage devices at least in part on the basis that “the record shows that the more mainstream reference works (*e.g.*, Merriam-Webster Online, copyright 2007) do not have a listing for THUMBDRIVE”); *see also In re Steelbuilding.com*, 415 F.3d at 1298-99, 75 U.S.P.Q.2d at 1423 (“The record does not contain any examination of dictionary definitions or other sources that might have indicated that joining the separate words ‘steel’ and ‘building’ would create a word that, in context, would be generic.”); *Door Sys., Inc. v. Pro-Line Door Sys.*, 83 F.3d 169, 171, 38 U.S.P.Q.2d 1771, 1773 (7th Cir. 1996) (“The term ‘door systems’ does not appear in the dictionary. Its component words do, of course, but that in itself cannot count for much; otherwise it could be argued that ‘Seven-Up’ is generic, which no one believes”).

**D. Microsoft’s Evidence of Trade Use, General Press Use, and Consumer Use Does Not Show by Clear Evidence That APP STORE is Generic.**

Microsoft, seeking to avoid highlighting an issue of fact at all costs, offers the Board only specific instances of uses of the term APP STORE which Microsoft contends are generic uses. What is missing from Microsoft’s submission is any evidence, expert or otherwise, regarding whether such uses represent a majority of the uses of the term or simply a small, inconsequential subset of how the relevant public uses the term APP STORE. Microsoft’s failure to assess the universe of uses of the term APP STORE alone warrants the denial of its motion. This is because without such an assessment Microsoft *misses the forest for the trees*, and cannot possibly meet its burden of showing that a *majority* of the relevant public understands the term APP STORE to be generic. *See* Leonard Dec. ¶ 43 (Mr. Durrance “selectively chose his evidence and submitted only those pieces of evidence that he concluded were helpful to his argument that APP STORE is a generic term. This

approach is antithetical to scientific analysis, including linguistic analysis.”).<sup>9</sup>

**1. Mr. Durrance’s Methodology is Deeply Flawed.**

Microsoft’s first mistake lies in the methodology it used to try to show that APP STORE is generic. Rather than evaluating the full spectrum of uses of the term, it instructed its outside counsel, Nathaniel Durrance, to look exclusively for generic uses of the term APP STORE. Mr. Durrance states in his declaration that he went about doing so by running a search for “app store” (lower case only) using Westlaw’s case-sensitive search setting in Westlaw’s USNEWS database and limited his analysis to the period January 1, 2010 and November 10, 2010. Durrance Dec. ¶ 2. Mr. Durrance testifies that his search resulted in 1,077 hits during the time period he selected and that he reviewed “and found that 867 articles, approximately 80%, discussed app stores other than Apple’s.” *Id.* ¶ 3.

Mr. Durrance’s untutored survey is entitled to no weight whatsoever. Mr. Durrance admits that he limited his search to references to APP STORE *appearing in all lower cases*. In such circumstances, the Board is left to wonder whether the references Mr. Durrance allegedly located represent 51% of the total references to APP STORE in the database he selected or 5% (this uncertainty is in fact clarified in Dr. Leonard’s declaration in which Dr. Leonard attests to the fact that his more comprehensive review established that the vast majority of public references to APP STORE refer specifically to Apple’s service). Mr. Durrance’s failure to sample the proper universe is fatal to the reliability of Mr. Durrance’s evaluation of whether a *majority* of the relevant public views APP STORE to be a generic term. *See* Leonard Dec. ¶¶ 43-46.

Further, Mr. Durrance submits only truncated versions of the articles upon which he relies, providing up to 30 words before and after each occurrence of the searched term. Durrance Dec. ¶ 2, Ex. 1. By providing only a snippet of text, Mr. Durrance denies the Board (and Apple) an opportunity to evaluate the references in their full context. This error further vitiates the reliability of Mr. Durrance’s testimony and informal survey. As the Federal Circuit has explained, “Search engine results—which provide little context to discern how a term is

---

<sup>9</sup> Microsoft, when it suits its purposes, knows how to assess the universe of uses of a term alleged to be generic. In seeking to defend its WINDOWS mark from a genericness claim, Microsoft submitted expert testimony from a professor of language and literature assessing the percentage of generic uses of the term WINDOWS measured against total uses of the term. *See* Jones Dec. Ex. C at 17 (Order denying Lindows.com’s motion for summary judgment).

actually used on the webpage that can be accessed through the search result link may be insufficient to determine the nature of the use of a term or the relevance of the search results to registration considerations.” *In re Bayer Aktiengesellschaft*, 488 F.3d 960, 967, 82 U.S.P.Q.2d 1823, 1833 (Fed. Cir. 2007) (Bayer asserted—and the Federal Circuit agreed—that a list of Google search result summaries intended to prove the descriptiveness of the ASPIRINIA mark was of lesser probative value than evidence that provides the context within which a term is used.) *See also Gen. Motors Corp. v. Aristide & Co., Antiquaire de Marques*, 87 U.S.P.Q.2d 1179, 1183 (T.T.A.B. 2008) (according little weight to opposer’s evidence of truncated search engine results purporting to show use of the term “LASALLE” in connection with opposer’s former CADILLAC LASALLE mark).

Finally, even the conclusion Mr. Durrance draws from the articles he collected in Exhibit 1 is incorrect. Mr. Durrance calculated that approximately 80% of the articles he gathered through his lower case search “discussed app stores other than Apple’s.” Durrance Dec. ¶ 3. However, as demonstrated in the accompanying declaration of Alicia Grahm Jones, of the 1,077 references included in Durrance’s Exhibit 1, 447 references or approximately 42% are references to Apple. *See Jones Dec. ¶ 6, Ex. B.* Moreover, a number of the references in Durrance’s Exhibit 1 are repeats. *Id. Ex. B.*

In sum, Mr. Durrance’s testimony misses entirely the issue of whether a *majority* of the relevant public understands the term APP STORE to be generic. Accordingly, and particularly when viewed in light of Apple’s conflicting proofs, *see infra*, Mr. Durrance’s declaration provides an insufficient basis for an award of summary judgment in Microsoft’s favor. *See In re Merrill Lynch, Pierce, Fenner, & Smith, Inc.*, 828 F.2d at 1571, 4 U.S.P.Q.2d at 1143 (“The mixture of usages unearthed by the NEXIS computerized retrieval service does not show, by clear evidence, that the financial community views and uses the term CASH MANAGEMENT ACCOUNT as a generic, common descriptive term for the brokerage services to which Merrill Lynch first applied the term.”).

**2. The References to APP STORE Collected in the Durrance Declaration Do Not Show, By Clear Evidence, that the Relevant Public Understands the Term APP STORE to be Generic.**

Even putting aside for the moment the flawed methodology by which Mr. Durrance collected and

analyzed his results, even taken on their own terms these references do not establish by clear evidence that the relevant consuming public understands APP STORE to be a generic term.

As for the press references offered by Microsoft, the Board has long recognized that “writers . . . either through ignorance, carelessness or indifference frequently use a trademark in a generic sense.” *Formica Corp. v. The Newman Corp.*, 149 U.S.P.Q. 585, 586 (T.T.A.B. 1966), *rev’d on other grounds*, 396 F.2d 486, 158 U.S.P.Q. 104 (C.C.P.A. 1968). Of course, the problem recognized by the Board in *Formica* over forty years ago has only grown in significance. As the Board recently observed, “[t]oday, with a 24-hour news cycle and 24/7 online global activity, undoubtedly many trademarks are misused repeatedly, perhaps, in part, because there is less time for editing and reflection before news reports or blog posts are released, and, in part, because what was the casual spoken word between people is now the written word posted to the world.” *In re Trek 2000*, 97 U.S.P.Q.2d at 1113.

Further, Microsoft has not offered any evidence concerning the degree to which the materials upon which Mr. Durrance relies have actually been received by the relevant public. In fact, many of the references selectively quoted by Microsoft appear to be published by entities that are so obscure that it is impossible to determine whether their use of APP STORE could possibly have any discernible impact of consumer perception of the term. For example, among the snippets of internet content quoted in Mr. Durrance’s declaration include references published by websites named “FierceMobile Content,” Durrance Dec. Ex. 14, at 2, a blog named “androinica,” *Id.* Ex. 14, at 7, “gigaom,” *Id.* Ex. 14, at 9, “fudzilla,” *Id.* Ex. 14, at 18, “snapvoip,” *Id.* Ex. 14, at 22, “brighthand,” *Id.* Ex. 14, at 22, “mobilwhack,” *Id.* Ex. 16, at 18, and many other equally obscure websites.

As the Board has remarked, “the evidentiary value of the Internet articles, books, and third-party websites, to the extent such evidence has been offered to show consumer perception of [the mark at issue], is limited, because the audience for those materials is not clear.” *Tea Bd. of India v. Republic of Tea Inc.*, 80 U.S.P.Q.2d 1881, 1900 n.28 (T.T.A.B. 2006). *See also Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 1052, 86 U.S.P.Q.2d 1865, 1968 (10th Cir. 2008) (“Such evidence would have been more probative of consumer perceptions if the plaintiff had also presented ‘evidence as to the circulation of Ski Magazine, the regard in which likely consumers of [the plaintiff’s] services hold the magazine, or the

percentage of those consumers that read the magazine. Likewise, in this case . . . [internet evidence] would support [the] claim . . . only if accompanied by some kind of evidence that the relevant market of consumers has visited the websites containing these hits.”) (internal citation omitted).

Finally, Microsoft argues that comments made by Apple’s Chief Executive Officer, Steve Jobs, support Microsoft’s argument that APP STORE is generic. Opposer’s Mot. for Summ. J. 16. Here as well Microsoft fails to provide any evidence as to whether such statements, which in fact were made during an earnings call to the investment community, were even heard by any sizeable number of consumers of mobile applications. Given the limited audience for such earnings statements, the most reasonable inference is that they could not possibly have had any meaningful impact on consumer perception of the term APP STORE. *See Zimmerman*, 70 U.S.P.Q.2d at 1434-35 (generic uses of the term “REALTOR” by federal judges in published legal opinions entitled to little weight because such references likely had little impact on the public’s perception of the term).

Taken together, Microsoft’s proofs *at most* show that the term APP STORE conveys the characteristics of Apple’s online software marketplace (*i.e.*, a portal wherein consumers can evaluate and thereafter license software programs). *See In re Gyulay*, 820 F.2d 1216, 1217, 3 U.S.P.Q.2d 1009, 1009 (Fed. Cir. 1987) (A mark is “merely descriptive” if it “immediately conveys . . . knowledge of the ingredients, qualities, or characteristics of the goods . . . with which it is used.”). While APP STORE may well be an “apt name” for Apple’s online software marketplace, “[a]ptness is insufficient to prove genericness.” *See In re Am. Food Co.*, Ser. No. 76/101,362, 2004 WL 2368423, at \*4 (reversing examiner’s conclusion that the term THE BEEF JERKY OUTLET for retail store services featuring beef snacks was generic).

**IV. APPLE’S CONFLICTING EVIDENCE ESTABLISHES THAT THERE IS AT LEAST A GENUINE ISSUE FOR TRIAL REGARDING WHETHER THE RELEVANT PUBLIC PREDOMINANTLY UNDERSTANDS APP STORE TO BE A TRADEMARK.**

As detailed above, Microsoft’s proofs fall far short of establishing by clear and convincing evidence that the primary significance of the term APP STORE to a substantial majority of the relevant public is as a generic term. Accordingly, its motion should be denied without any proofs from Apple. However, Apple does not rest its opposition on the manifold defects apparent in Microsoft’s evidence. Rather, Apple submits *affirmative evidence* that serves to remove any possible doubt that there is *at least* a genuine issue of material fact as to

whether a *majority* of the relevant public primarily understands the term APP STORE as a brand name, and not the common term for the class of services at issue.

**A. Apple Was the First to Use the Term APP STORE in Connection with an Online Software Marketplace.**

Microsoft does not dispute that Apple was the first to use the term APP STORE in connection with an online software marketplace. Before Apple's launch of its APP STORE service, mobile operators and others offered mobile users the opportunity to download applications such as ringtones, wallpaper and games. These services were branded and described with terms that bore no similarity to APP STORE. La Perle Dec. ¶ 5.

When it launched, the APP STORE service represented a different kind of online software service and it was an instant commercial and critical success. As David Pogue, technology columnist for *The New York Times*, noted "[n]othing like the App Store has ever been attempted before." David Pogue, *Pogue's Posts: A Candy Store for the iPhone*, N.Y. TIMES, July 17, 2008. See also Laura M. Holson, *Cellphone Carriers Relax Grip on Content*, N.Y. TIMES, Aug. 4, 2008, at C1 (calling the APP STORE "nothing short of revolutionary"). La Perle Dec. Exs. 2-3. As a complement to its revolutionary service, Apple coined a new term, APP STORE, to refer exclusively to its new service. La Perle Dec. ¶ 9.<sup>10</sup>

Accordingly, and in marked contrast to Microsoft's adoption of its WINDOWS mark, this is not a situation where the mark was void *ab initio* because it existed as a generic term prior to its adoption as a trademark. Cf. *Harley Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 811, 49 U.S.P.Q.2d 1458, 1461 (2d Cir. 1999) ("Even the presumption of validity arising from federal registration . . . cannot protect a mark that is shown on strong evidence to be generic as to the relevant category of products prior to the proprietor's trademark use and registration.") (citation omitted).

There can be no question that the phenomenal popularity of the APP STORE service has made it the gold standard by which other online software marketplaces are judged. That this is so, however, hardly constitutes grounds for declaring APP STORE generic.

---

<sup>10</sup> As detailed in Mr. La Perle's declaration, a company named Salesforce.com, Inc. announced that it planned to brand one of its services with the mark APPSTORE as a feature of its APPEXCHANGE application service provider services and filed an intent-to-use trademark application for this mark. Salesforce never commenced offering the service under the APPSTORE mark and ultimately abandoned its trademark application. La Perle Dec. ¶ 41.

**B. Dr. Leonard’s Declaration, at a Minimum, Establishes a Genuine Issue of Fact as to Whether the term APP STORE is Understood by the Relevant Public as a Mark.**

In stark contrast to the non-scientific, cherry-picked references submitted by Microsoft’s outside counsel, Apple offers a declaration from a renowned linguist who, applying scientific method, provides a *comprehensive* assessment of the use of the term APP STORE, *i.e.*, an assessment that reveals both brand and generic uses of the term. Based upon his evaluation, Dr. Leonard concludes that the *predominant* usage of the term APP STORE is as a proper noun to refer to Apple’s online software marketplace. Leonard Dec. ¶ 23.

Dr. Leonard analyzed references to APP STORE appearing in The Corpus of Contemporary American English (“COCA”), an online collection of over 410 million words of popular texts from such publications as *The New York Times*, *Popular Mechanics*, *Newsweek*, *The Chicago Tribune*, and *PCWorld* during the years 1990-2010. *Id.* ¶¶ 11, 13, 23, 31. Dr. Leonard explains, “COCA is a ‘balanced’ corpus, meaning that it includes an equal number of texts and words from a wide variety of popular publications each year; as such, it is accepted among experts in the field of sociolinguistics as representative of current language use.” *Id.* ¶ 13. Dr. Leonard’s review of this database established that **88%** of the references to APP STORE in that database constitute references to Apple’s APP STORE service. *Id.* ¶ 31.

Based upon his review of the LexisNexis databank, Dr. Leonard concludes “that the term APP STORE was not in fact in general use in connection with the distribution of software programs *prior* to Apple’s adoption of the term as a trademark.” *Id.* ¶ 26 (emphasis added). Dr. Leonard’s analysis of the LexisNexis search results reveals that 86% of the APP STORE references in the materials Dr. Leonard sampled refer specifically to Apple’s APP STORE service. *Id.* ¶ 30.

Further, and as corroboration of the results he obtained through his analysis of COCA and LexisNexis databases, Dr. Leonard surveyed references to APP STORE returned through the Google search engine. As with his other analyses, Dr. Leonard’s analysis of the search results yielded by the Google search engine reflect the fact that the vast majority of uses of the term APP STORE in fact refer to specifically to Apple’s APP STORE services. *Id.* ¶ 32. Based upon his analyses of the databases he reviewed, Dr. Leonard attests, with “a high degree of certainty, that the *predominant* usage of the term APP STORE is as a proper noun to refer to Apple’s online application marketplace.” *Id.* ¶ 33 (emphasis added).

Dr. Leonard's analysis makes plain that Microsoft offers the Board only a self-serving sliver of the total uses of APP STORE. Dr. Leonard's more complete analysis, which is rooted in scientific method, shows that the types of uses identified by Microsoft are in fact in the minority; the vast majority of uses of the term refer specifically to Apple's groundbreaking service and as such refute Microsoft's contention that the term is generic. *See Books on Tape, Inc. v. Booktape Corp.*, 836 F.2d 519, 520, 5 U.S.P.Q.2d 1301, 1302 (Fed. Cir. 1987) (rejecting genericness challenge to the term BOOKS ON TAPE for cassettes on which books are recorded, basing such finding on the fact that "[w]hile there have been some vernacular uses of 'books on tape' in newspaper articles, *the great majority of those materials concern only petitioner* and the fact that petitioner originated a new industry.") (emphasis added).

### CONCLUSION

Microsoft has failed to meet its high burden of proof necessary for it to prevail on summary judgment. At a minimum, Apple has demonstrated the existence of genuine issues of fact concerning whether the primary significance of the term APP STORE to a substantial majority of the relevant public is as a source identifier for Apple's online marketplace featuring downloadable software programs.

Respectfully submitted,

Dated: March 14, 2011

/s/ Joseph Petersen  
Joseph Petersen  
Jason Vogel  
KILPATRICK TOWNSEND & STOCKTON LLP  
31 West 52nd Street, 14th Floor  
New York, New York 10019  
Telephone: (212) 775-8700  
Facsimile: (212) 775-8800

Jerre B. Swann  
William H. Brewster  
Alicia Grahn Jones  
KILPATRICK TOWNSEND & STOCKTON LLP  
1100 Peachtree Street, Suite 2800  
Atlanta, Georgia 30309  
Telephone: (404) 815-6500  
Facsimile: (404) 815-6555

*Attorneys for Applicant Apple Inc.*

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Application Serial No. 77/525,433  
For the mark: APP STORE  
Filed: July 17, 2008  
Published: January 5, 2010

-----X  
MICROSOFT CORPORATION, :  
 :  
Opposer, : Opposition No. 91195582  
 :  
 :  
v. :  
 :  
APPLE INC., :  
 :  
Applicant. :  
-----X

**CERTIFICATE OF TRANSMITTAL**

This is to certify that a true copy of the foregoing Applicant's Corrected Brief in Opposition to Microsoft Corp.'s Motion for Summary Judgment is being filed electronically with the T.T.A.B. via ESTTA on this day, March 14, 2011.

  
KILPATRICK TOWNSEND & STOCKTON LLP  
1100 Peachtree Street, Suite 2800  
Atlanta, Georgia 30309  
Telephone: (404) 815-6500  
Facsimile: (404) 815-6555

*Attorneys for Applicant Apple Inc.*

