

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

MICROSOFT CORPORATION,)	
)	Opposition No. 91195582
Opposer,)	
)	Serial No. 77/525433
v.)	
)	
APPLE INC.,)	Attorney Docket No. 663005.80652
)	
Applicant.)	

**OPPOSER MICROSOFT CORPORATION'S REPLY IN
SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT**

Table of Contents

I.	Summary of Reply	1
II.	Even By Apple’s Measure, Generic Use Here Is <i>Hundreds</i> of Times Greater Than in the Cases on Which It Relies	2
III.	Apple Cannot Use Press Coverage to Disprove Genericness Where the Record Contains Significant Generic Use	2
IV.	Use by Amazon and Other Competitors Is Undisputed and Shows a Competitive Need to Use “App Store”	4
V.	Competitors’ Use of Other Brand Names Does Not Disprove Genericness.....	5
VI.	Apple Mistakenly Relies on Cases Decided Under the <i>Ex Parte</i> “Rule of Doubt,” Which Does Not Apply Here.....	5
VII.	Microsoft’s “Name + Store” Analysis Is Well-Grounded in Board Precedent.....	6
VIII.	Apple Misreads the COMPUTER STORE and MONEY STORE Cases.....	7
IX.	The Third Party Registrations Cited by Apple Are Irrelevant	7
X.	The Lack of Mainstream Dictionary Definitions for “App Store” Proves Nothing.....	7
XI.	Apple Raises No Genuine Issues of Material Fact and Admits Facts Sufficient to Find That “App Store” Is Generic	8
XII.	Conclusion	9

I. Summary of Reply

Apple strains to keep “App Store” for its exclusive use, even claiming that its online stores are not real stores, only *metaphorical* ones. But Apple cannot escape the hard truth: when people talk about competitors’ stores, they call them “app stores.” You don’t have to look far to find this generic use – The Washington Post, The New York Times, The Wall Street Journal and even Apple’s CEO Steve Jobs. And generic use of “app store” is not obscure or occasional as Apple would have us believe. It is prominent, ongoing and, by Apple’s own measure, *hundreds* of times more frequent than the thin generic use in the cases upon which Apple relies.

Apple tries to sidestep this compelling evidence by proving that its own App Stores get lots of press. Extensive press coverage may show that Apple is successful and newsworthy, but it does not answer the central question here: What do people call Apple’s and its competitors’ stores as a group, or genus? To find *that*, you need to look where people talk about multiple stores, not just Apple’s. And when you look there, you find them called “app stores.”

This is hardly surprising. “App store” follows an accepted naming paradigm in American English. We buy shoes at a “shoe store,” toys at a “toy store,” groceries at a “grocery store,” computers at a “computer store,” and so on. (Butters Decl. ¶¶ 31, 34). These are generic terms – terms that name the thing itself – and competitors should be free to use them in their store names and to describe their stores.

There is extensive use by competitors, including the DirecTV App Store and the new Amazon Appstore. Apple paints a picture of only a handful of holdouts still using “App Store,” but a review of competitors’ use and the new Amazon Appstore indicates otherwise. And whatever the current status, the fact that at least 17 companies have used “App Store” in their name provides ample evidence of a competitive need to use this name.

Apple mistakenly relies on cases decided under the Office’s *ex parte* “rule of doubt,” which does not apply here. Under that rule, marks with marginal evidence of genericness are approved on the theory that competitors will step forward and oppose them if they are in fact generic. Here, Microsoft has opposed Apple’s application and Apple’s own expert offers significant evidence of current generic use.

The undisputed facts establish that “app store” means exactly what it says, a store offering apps, and is generic for the retail store services for which Apple seeks registration. Apple does not contest that

its other services are ancillary and incidental to its retail store services. Summary judgment should be entered denying Apple's application in its entirety.¹

II. Even By Apple's Measure, Generic Use Here Is Hundreds of Times Greater Than in the Cases on Which It Relies

The Lexis search conducted by Apple's expert Dr. Leonard found, by his count, current generic use of "app store" in 130 press articles published from January 20 – February 17, 2011. (Leonard Decl. ¶ 30, Ex. 5). While this number may undercount actual generic uses (Butters Decl. ¶ 28), 130 articles per month is significant generic use, well beyond that found in the "mixed use" cases on which Apple relies. Indeed, it is 325 times more generic use than in *In re Trek*, 97 USPQ2d 1106, where there were 47 articles in the record from nearly 10 years use (0.4 per month). See also, *In re Homes & Land Publishing Co.*, 24 USPQ2d 1717 (TTAB 1992) (Lexis/Nexis search found only 18 articles, with 3 submitted as evidence), *Books on Tape, Inc. v. The Booktape Corporation*, 229 USPQ 632 (TTAB 1986) (14 articles over 7 years, 0.16 a month) (Durrance II Decl. ¶¶ 13-14, Ex.7).

Similarly, despite its misplaced criticisms (see Durrance II Decl. ¶¶ 3-4, Butters Decl. ¶¶ 9, 29), Apple admits that, using its own analysis, the USNEWS search presented by Microsoft found 619 articles during January –November 2010 (about 60 per month) that made generic use of "app store" in the mainstream press (e.g., Forbes, The Wall Street Journal, The New York Times, The San Jose Mercury News, The Washington Post and CNN.com). (Jones Decl. Ex. B). Again, this is undisputed evidence of significant generic use at a level well beyond that in the cases on which Apple relies.

III. Apple Cannot Use Press Coverage to Disprove Genericity Where the Record Contains Significant Generic Use

When IBM tried to register ESERVER for internet servers, the Board noted that well-heeled applicants can flood the market with press releases and promotional materials and held that "significant evidence of generic use is not offset by applicant's evidence that shows proper trademark use by applicant and articles regarding applicant's servers." *In re International Business Machine Corp. (IBM)*, 81 USPQ2d 1677, 1684 (TTAB 2006).

¹ This Reply is supported by the declarations of Nathaniel Durrance ("Durrance II Decl.") and Dr. Ronald Butters ("Butters Decl.") filed herewith.

Like IBM's ESERVER evidence, Apple's evidence of extensive press coverage of its App Stores cannot negate the significant evidence of generic use in the record here – and for good reason. Showing that the press covers Apple's successful App Store for iPhones and new Mac App Store does not answer the central genericness question here: What do consumers call Apple's and competitor's stores as a group, or genus? You don't find the answer to that question in the articles that talk only about Apple. You do find it in the articles that talk about Apple's competitors. There, Apple's expert Dr. Leonard found substantial generic use – over 130 articles in one month, including discussions of Google's app store, the Blackberry app store, and reports that “app sales have skyrocketed as app stores have popped up everywhere,” for example (Leonard Decl. Ex. 5; Durrance II Decl. ¶ 4(e); Butters Decl. ¶ 26).

Thus, tallying press articles to show that the majority are about Apple's App Stores, as Dr. Leonard did, is not probative. (Butters Decl. ¶¶ 4, 25). It shows that Apple is successful and newsworthy, but little else. For example, Dr. Leonard found over 335 articles in one month (39% of the total articles discussing Apple) about the new Mac App Store. (Durrance II Decl. ¶ 4(b)). A search of the same Lexis database for articles in the last month found 333 articles about the new Amazon Appstore, even though the Amazon Appstore is only a week old. (Durrance II Decl. ¶ 15, Ex. 8). Thus, it is clear that major industry players like Apple and Amazon receive extensive press coverage. The articles about the Amazon Appstore are all evidence of generic use. The press coverage about Apple, however, at most shows *de facto* secondary meaning, which does not turn an otherwise generic term into a trademark.² “[I]n the face of clear evidence of genericness, a mixed record of proper trademark use and generic use is insufficient to raise a genuine issue of material fact.” *Bassani Manufacturing v. Campbell, Monty Allen*, 2009 WL 4073523 (TTAB 2009), *aff'd by Campbell v. Bassani Mfg.*, 368 Fed.Appx. 133 (Fed. Cir. 2010).

In re Greenliant Systems, Ltd., 97 USPQ2d 1078 (TTAB 2010), the applicant tried unsuccessfully to rely on articles referring to its branded product as evidence that its NANDRIVE mark was not generic, with 48/52 of internet hits (98%) and 132 of 132 Lexis/Nexis articles (100%) referring to applicant's

² Moreover, as noted by Dr. Butters, uses in the form “Mac App Store” may in fact reflect use of “Mac” as the brand and “App Store” as a generic term. (Butters Decl. ¶ 25)

products. In contrast, the Examining Attorney cited 12 articles and an online scientific dictionary showing that “nandrive” was a name for the type of memory device sold by the applicant. The Board was not persuaded by the evidence of branded use, stating that the question is whether “nandrive” was in common use as an industry term to name a type of goods. In other words, it is not about counting articles that mention an applicant, but rather whether there is persuasive evidence that the term is used to name the genus of goods. In the “nandrive case,” the Board found that commentators and consumers using the term generically, along with a specialty dictionary defining the term generically, was clear and persuasive evidence that “nandrive” was generic. *Id.*

IV. Use by Amazon and Other Competitors Is Undisputed and Shows a Competitive Need to Use “App Store”

The parties submitted evidence in their opening briefs showing that 16 competitors used App Store in their names. (Durrance II Decl. ¶ 10, Ex. 2). Since Apple’s Response, Amazon launched the Amazon Appstore, which offers apps for Google’s Android operating system. (Durrance II Decl. ¶ 11, Ex. 5). This undisputed evidence of use by at least 17 competitors distinguishes the present case from those on which Apple relies, where there was no use by competitors in the record. *See, e.g., In re Trek*, 97 USPQ2d 1106, 1113.

Apple’s enforcement testimony misses the point. Even if some third parties have stopped using “app store” to avoid being sued by Apple, the fact that they were using the term in the first place shows that “app store” is a common name for online stores offering apps and that allowing Apple to appropriate this name for its exclusive use will prejudice competitors. *In re IBM*, 81 USPQ2d 1677, 1084.

Further, while Apple’s declaration reads as if only three companies continue to use “App Store” (LaPerle Decl. ¶ 38-39), in fact, at the time of Apple’s Response, 11 of the 13 competitors identified by Microsoft were still using “app store” generically. (Durrance II Decl. ¶ 10, Ex. 2). Apple’s enforcement assertions are also at odds with the growing list of competitors using “App Store” in their names and “app store” to describe their stores, including the Amazon Appstore, launched March 22, 2011, by Amazon.com, Inc., the world’s largest online retailer. (Durrance II Decl. ¶¶ 11, 12, Ex. 5, 6, citing 12 additional competitors using App Store names). These uses, despite Apple’s continuing enforcement campaign, show beyond dispute that there is a competitive need for the term.

V. Competitors' Use of Other Brand Names Does Not Disprove Genericness

The fact that some competitors use other names when they brand their stores (*e.g.*, App World, App Catalog) does not mean “app store” is not generic. Branded uses of this type are not trying to name the genus and the record shows that when the press and consumers refer to the genus they use “app stores” – not “app worlds,” or “app catalogs.” Shoe stores don’t necessarily use “Shoe Store” in their brand names (*e.g.*, Foot Locker, Payless ShoeSource, Designer Shoe Warehouse) but that does not mean “shoe store” is not a generic name for the genus of retail stores selling shoes.

VI. Apple Mistakenly Relies on Cases Decided Under the *Ex Parte* “Rule of Doubt,” Which Does Not Apply Here

Apple asserts that Microsoft must prove genericness by clear and convincing evidence (Apple Resp. at 2, 6, 22), but the burden of proof in an opposition is a preponderance of the evidence. *Eastman Kodak v. Bell & Howell*, 26 USPQ2d 1912, 1918 (Fed. Cir. 1993). The clear and convincing standard only applies in *ex parte* proceedings when an application is being examined. *In re Mehy Holdings*, 2006 WL 3147913 (TTAB 2006). Under the *ex parte* standard, applications are approved and published if there is a reasonable doubt about genericness (*i.e.*, the evidence is not clear and convincing) on the theory that a competitor will oppose the application and establish a complete record if the mark is generic, as has happened here. *See In re Gourmet Bakers, Inc.*, 173 USPQ 565 (TTAB 1972).

For example, in *In re American Food Co.*, 2004 WL 2368423 (TTAB 2004) (nonprecedential), a case cited by Apple as supporting its position, an application for BEEF JERKY OUTLET was allowed where there was no evidence of generic use in the record. The Board noted, however, that “[o]n a different and more complete record, such as might be adduced by a competitor in an opposition proceeding, we might arrive at a different result on the issue of genericness.” *Id.*

Apple relies heavily on *In re Trek 2000 International Ltd.*, 97 USPQ2d 1106, 1113 (TTAB 2010), to argue that a “mixed record” should prevent summary judgment in this case. (Apple Resp. at 17) In *In re Trek*, however, the Board applied the *ex parte* “rule of doubt” to approve an application for publication. In so doing, it noted that the mark “Thumbdrive” was a coined term that was not being used by competitors. Moreover, the record of generic use was thin – despite nearly 10 years use of the “Thumbdrive” mark, the record had only 47 articles showing generic use (0.4 articles per month). The Board noted that the *ex parte* rule of doubt was especially appropriate for coined terms with thin evidence

of generic use. It also made it clear that coined terms do not include terms like “app store,” “... where the term in question is simply a combination of generic terms.” *In re Trek*, 97 USPQ2d 1106, 1114 (TTAB 2010), citing *In re Gould Paper Corp.*, 834 F.2d 1017, 5 USPQ2d 1110 (Fed. Cir. 1987) (SCREENWIPE, the combination of the generic terms SCREEN and WIPE, generic for television and computer screen cleaning wipes).

The facts here could not be more different than in *In re Trek*. Here, (1) the rule of doubt does not apply because this is an opposition proceeding, not an *ex parte* appeal from an examiner’s refusal; (2) Apple’s own evidence shows significant generic use of “app store” – 325 times more generic use than in *In re Trek*; (3) “app store” is a combination of generic terms and therefore cannot legally be a coined term (and Apple was not the first to use it)³; and (4) competitors *are* using “App Store” in their names and to describe their online stores.

VII. Microsoft’s “Name + Store” Analysis Is Well-Grounded in Board Precedent

Apple errs in accusing Microsoft of creating a new genericness test “out of whole cloth.” (Apple Resp. at 1, 11). In *In re Greenliant Systems, Ltd.*, 97 USPQ2d 1078, 1081 (TTAB 2010), the Board held that a compound mark is generic if each constituent word is generic and “the separate words retain their generic significance when joined to form a compound that has ‘a meaning identical to the meaning common usage would ascribe to those words as a compound.’” *Id.*, quoting *In re Gould Paper Corp.*, 5 USPQ2d 1110, 1111-1112 (Fed. Cir. 1987) (SCREENWIPE generic for pre-moistened antistatic cloths for cleaning computers and television screens).

A “name + store” mark for retail store services featuring the named product (*e.g.*, toy store, computer store, app store) is comprised of two generic terms. It follows an established naming convention in American English and has no meaning other than the apparent one – a store that sells the named products (Butters Decl. ¶¶ 5, 31, 34) – and so falls squarely under the analysis sanctioned in *In re Greenliant Systems*.

³ It is undisputed that Apple was not the first to use “app store” to describe an online store offering apps. Salesforce.com filed Application Serial No. 78/907865 for “AppStore” in 2006 – *nearly two years before* Apple first announced its App Store – and issued press releases for its planned “app store checkout” services in 2006 and 2007. (LaPerle Decl. Ex. 16; Butters Decl. ¶ 32). See also Application Serial No. 75/542841 filed in 1998 for “AppStore.” (Durrance II Decl. ¶ 16, Ex. 9). Thus, even if “app store” was legally capable of being a coined term (which it is not), it is undisputed that Apple did not coin it.

VIII. Apple Misreads the COMPUTER STORE and MONEY STORE Cases

Apple flatly misreads *In re Computer Store, Inc.*, 211 USPQ 72 (TTAB 1981) when it argues that the Board did not find “The Computer Store” to be generic. (Apple Resp. at 11). In that case, the Board held that “The Computer Store” was generic and incapable of functioning as a trademark, labeling it “the common descriptive name,” a phrase used in trademark law to denote genericness. 211 USPQ at 74. *See* 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12:21 (4th ed.) (“Some semantic confusion arose prior to 1989 because sections 14 and 15 of the Lanham Act used the term ‘common descriptive name’ to denote a generic name of a product or service.”).

Apple also errs in arguing that THE MONEY STORE case falls within and disproves the “name + store” analysis proffered by Microsoft. (Apple Resp. at 12). In that case, the mark was used for lending and financial services, not retail store services, so the “name + store” analysis does not apply. *See Money Store v. Harriscorp Finance, Inc.*, 689 F.2d 666, 216 USPQ 11 (7th Cir. 1982).

IX. The Third Party Registrations Cited by Apple Are Irrelevant

Apple argues that third party registrations, such as “The Container Store,” prove that “App Store” is registrable. (Apple Resp. at 12-13). The rule is clear – third party registrations are irrelevant to this proceeding. *See In re Nett Designs, Inc.*, 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001). Indeed, the third party registrations cited by Apple may have been approved in error, or have simply been approved under the *ex parte* rule of doubt and not opposed by competitors.

X. The Lack of Mainstream Dictionary Definitions for “App Store” Proves Nothing

Apple’s expert Dr. Leonard cites an online definition of “app store” as a generic term, defining it as “An online store for downloading applications. See online app store.” (Leonard Decl. ¶ 40, Ex. 10). Despite this evidence, Apple argues that the failure of *mainstream* dictionaries to define “app store” proves it is not generic. (Apple Resp. at 17-18). Dr. Leonard goes so far as to suggest this should end the genericness inquiry. (Leonard Decl. ¶ 36). Apple’s arguments are misplaced.

First, the Board has recognized that “[n]o dictionary is complete or completely up to date, or tracks the language of the marketplace perfectly. A number of generic terms are not found in dictionaries.” *Continental Airlines Inc. v. United Air Lines Inc.*, 53 USPQ2d 1385, 1393 (TTAB 1999).

Second, two-word combinations like “hardware store,” “candy store,” “shoe store,” and “app store” are typically not found in dictionaries. (Butters Decl. ¶¶ 7, 18, 42-43). They are transparent terms

whose meanings are apparent from the definitions of the individual words – *i.e.*, looking up “shoe” and “store” tells you what a “shoe store” is. *Id.* Limited space prevents dictionary publishers from defining all words, let alone transparent two-word combinations. *Id.* Further, relatively new terms like “app store” are unlikely to appear in mainstream dictionaries. *Id.*

XI. Apple Raises No Genuine Issues of Material Fact and Admits Facts Sufficient to Find That “App Store” Is Generic

Apple argues that material facts are in dispute, but they are not. It admits that “app” is generic and that it seeks registration for “retail store services.” Arguments that its stores are only *metaphorical* stores do not change the fact that it seeks registration for retail store services. Further, there is no dispute that Apple calls its online stores just that: “stores” (and sometimes even “applications stores”). (*See also*, Butters ¶¶ 6, 35 - 40). Nor is there any dispute that there is substantial generic use of “app store” in the press as the genus name for competitors’ stores or that competitors have used and continue to use “App Store” in their names. Finally, while Apple criticizes Microsoft’s evidence of use by individuals (including consumers and individuals in the trade) as “obscure” (Apple Resp. at 21), such evidence is not in dispute and, in the case of individual consumers, offers direct evidence of generic use by consumers. (Mot. Summ. J. at 16-17.)

Dr. Leonard’s testimony does not create genuine issues of material fact as argued by Apple. (Apple Resp. at 3, 22-24). As discussed above, his testimony offers significant evidence of generic use that cannot be overcome by proof of press coverage about Apple’s stores.

Further, Apple admits material facts sufficient to find that “app store” is generic for retail store services, including:

- Apple’s expert cites an online dictionary defining “app store” as a generic term, and found 130 current (Jan/Feb 2011) press articles in one month making generic use of “app store.” (Leonard Decl. ¶ 40, Ex. 10, ¶30, Ex. 5)
- Apple admits that Microsoft’s Westlaw USNEWS search found 619 press articles (an average of 60 per month) making generic use of “app store” in 2010. (Jones Decl. Ex. B)
- Apple does not dispute that the press, consumer blogs and even its CEO Steve Jobs use “app store” generically to refer to competing app stores. (Mot. Summ. J. at 3, 11-17)

- Apple does not dispute that “app” is generic, that its retail store features apps, or that its App Store ads repeatedly focus on apps. (Mot. Summ. J. at 2, 8-9)
- Apple admits that it calls its App Store and other online sites “stores” and even admits that it calls its App Store an “applications store” (LaPerle Decl. ¶ 33, Ex. 13), even though it now claims that its “App Store” is not really a “store.” Apple also disclaimed “store” in this application.
- Apple does not dispute that at least 17 competitors have used “App Store” in their names, including the DirecTV App Store and the new Amazon AppStore. (Mot. Summ. J. at 13-14; LaPerle Decl. ¶ 38; Durrance II Decl. ¶¶ 10-11).

XII. Conclusion

“App store” is a simple combination of two generic terms that retain their generic meaning when combined – a store offering apps. (Butters Decl. ¶¶ 5, 31). The undisputed evidence, including from Apple’s expert and use by its CEO Steve Jobs, shows widespread use as the name for a genus of stores and use by competitors. Apple cannot escape the undisputed facts showing that when people discuss the general category of online stores selling apps, they call them “app stores.”

Apple fails to raise genuine issues of material fact and admits facts sufficient to find that “app store” is a generic name for a store offering apps for download. Apple does not contest that its other services are ancillary and incidental to its retail store services. Accordingly, Microsoft’s motion should be granted and Apple’s application refused in its entirety.

DATED this 29th day of March, 2011.

Seed IP Law Group PLLC



William O. Ferron, Jr.
Nathaniel E. Durrance
701 Fifth Avenue, Suite 5400
Seattle, Washington 98104-7092
Telephone: (206) 622-4900
Facsimile: (206) 682-6031

Attorneys for Opposer Microsoft

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of March, 2011, the foregoing **OPPOSER MICROSOFT CORPORATION'S REPLY IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT** was served upon Applicant's attorneys of record by depositing same with the U.S. Postal Service, first-class postage prepaid, addressed as follows:

Joseph Petersen, Esq.
Jason Vogel, Esq.
Kilpatrick Townsend & Stockton LLP
14th Floor
31 West 52nd Street
New York NY 10019

Alicia Grahn Jones, Esq.
Kilpatrick Townsend & Stockton LLP
1100 Peachtree Street, Suite 2800
Atlanta, Georgia 30309



Annette Baca