Mailed: August 10, 2010

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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Galaxy Metal Gear, Inc.
v.
Direct Access Technology, Inc.

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Opposition No. 91184213
To Application No. 78914975

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Jen-Feng Lee of LT Pacific Law Group, for Galaxy Metal Gear, Inc.

Michael C. Olson, Esq., for Direct Access Technology, Inc.

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Before Quinn, Grendel, and Ritchie, Administrative Trademark Judges.

Opinion by Ritchie, Administrative Trademark Judge:

The opposer in this case is Galaxy Metal Gear, Inc. (Opposer). The applicant is Direct Access Technology, Inc. (Applicant). The mark at issue for opposition is METAL GEAR, in standard character format, for "enclosures for external computer hard drives,"[1] in International Class 9.

[1] Application No. 78914975, filed June 22, 2006, under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), alleging first use and first use in commerce on May 14, 2003, and disclaiming the exclusive right to use the term "METAL" apart from the mark as shown.

In the Notice of Opposition, filed on February 20, 2008, opposer alleged that applicant obtained its notice of allowance by committing fraud on the Office. In particular, the notice alleges that "Applicant committed fraud at the time it filed its application to the United States Patent and Trademark Office when it represented that it is the first user and real owner of the Metal Gear mark." (Notice, at Para. 8). Instead, the notice alleges "Both Opposer and Applicant purchased products with Metal Gear mark from a foreign supplier known as Data Stor [sic], who is the real owner and first user of Metal Gear mark in U.S. Commerce." (Notice, at Para. 6).

The opposition notice additionally alleges that applicant's METAL GEAR mark "is merely descriptive of the goods used in connection thereto, in violation of Trademark Act section 2(e)(1), and it is thus not entitled to registration." (Notice, at Para. 9).

Applicant denied the salient allegations of the notice of opposition in its answer, and asserted several affirmative defenses including opposer's lack of standing, which we shall discuss herein. Both parties filed trial briefs, and applicant filed a reply brief.

The Record and Evidentiary Issues

The record in this proceeding consists of the pleadings and the file of the METAL GEAR application. 37 C.F.R. § 2.122(b). Opposer filed various notices of reliance, including on:

1. A cross-complaint filed in a state court action between the parties[2];
2. Third-party registrations that contain either the term "METAL" or "GEAR," where such term is disclaimed; and
3. The discovery deposition of a third-party witness, Momo Chen, a former employee of DataStor, based on her unavailability as a trial witness in the United States under Trademark Rule 2.120(j)(2).[3]

Applicant, in turn, filed various notices of reliance including on:

1. The discovery deposition of an officer of opposer, Anthony Tan (appropriate under Trademark Rule 2.120(j)(1)));
2. A third-party registration for the mark "METAL GEAR" for "flashlights" where the term "METAL" is disclaimed.[4];
3. Papers filed in TTAB Opposition proceeding number 91174214, to show that opposer lacks standing in the current proceeding, and which

[2] Opposer also introduced the cross-complaint as an exhibit to the Wang December 9, 2009 deposition. The purpose of introducing the state court proceedings was apparently to address applicant's argument that opposer lacks standing. We address the standing arguments under that separate section herein marked "Standing."
[3] As noted by the Board in its order of August 24, 2009, this discovery deposition is entitled to entry as a trial deposition due to the location of the witness in Taiwan and the inability of the offering party to obtain her presence at a trial deposition.
[4] Registration No. 3190111, issued December 26, 2006 in International class 11.

we will discuss herein, under the separate section marked "Standing"; and

4. A photograph of its product.

Opposer filed a request for judicial notice of the dictionary definitions of "metal" and "gear," which we will discuss herein, under the separate section marked "Merely Descriptive." Applicant, in turn, filed a request for judicial notice that there is an "absence" of a dictionary definition for the composite term "metal gear," We will discuss that herein as well, under that same section.

The record also contains the trial depositions of the following witnesses:

1. Patrick Wang, Vice-President, Sales and Marketing, Direct Access Technology, dated July 16, 2009.
2. Patrick Wang, dated November 2, 2009.
3. Patrick Wang, dated December 9, 2009.
4. Anthony Tan, Vice-President of Sales and Marketing for Galaxy Metal Gear, dated July 16, 2009.

Applicant raised various evidentiary objections in its trial brief, which we now address. First applicant objected to the deposition transcript of Momo Chen. Applicant raised three overriding objections to the entry of Momo Chen's deposition transcript by opposer, 1) it "does not appear to have been signed by the witness, and this requirement was not waived on the record"; 2) "the transcript is not even

authenticated by the court reporter"; and 3) "Finally, the transcript is incomplete because the exhibits identified at the deposition are not attached. Accordingly it should be stricken from the record," citing TBMP 703.01(j) and (k) (2d ed. rev. 2004). Opposer submitted the deposition transcript of Momo Chen into evidence via Notice of Reliance on July 14, 2009. Applicant did not raise these objections to the testimony until submitting its trial brief on March 18, 2010.[5] Indeed, the Board ruled via an order dated August 24, 2009 that the discovery deposition of Momo Chen would be entered into evidence pursuant to Trademark Rules 2.120(j)(2) and (3)(i). The Board has stated that failure to obtain a witness's signature at deposition "is not a fatal defect" and may be waived by the failure of counsel to timely object. *See Syngenta Crop Protection Inc. v. Bio-Check LLC,* 90 USPQ2d 1112, 1116 (TTAB 2009), *citing Tampa Rico Inc. v. Puros Indios Cigars Inc.*, 56 USPQ2d 1382, 1383 (TTAB 2000). In that case, the Board found that "[b]y waiting until after trial, applicant waived its right to object to the unsigned testimony." We find that here as well. As for the exhibits, opposer cured that defect by submitting them with its reply brief. Accordingly, applicant's objections to the Momo Chen deposition are overruled. As for applicant's objections to the testimony

[5] Applicant did file an objection to the introduction of the discovery deposition as trial testimony via an objection filed on July 22, 2009, but did not mention these particular objections.

itself, we will consider it for whatever probative value it may have.

Applicant made similar objections to the deposition testimony of Anthony Tan. Our ruling is the same, to the extent that applicant failed to object in a timely manner, and opposer submitted a signature page with its reply brief. Again as for applicant's objections to the testimony itself, we will consider it for whatever probative value it may have.

Applicant further objected to certain testimony taken by opposer of applicant's principal Patrick Wang. As for applicant's objections to the testimony itself, we will consider it for whatever probative value it may have. We do not deem the rebuttal questions to have gone beyond the proper scope.

Finally, applicant objected to an attachment to opposer's trial brief. The attachment is a complaint filed in the Superior Court of California, County of Los Angeles, Central District, Case No. BC382375, by opposer against applicant for defamation, false advertisement, unfair competition, and interference with economic relationship. Although opposer had readily offered the cross-complaint from the same court case into evidence via a notice of reliance (that is, the cross-complaint by applicant against opposer) as well as by deposition testimony, opposer had not taken the opportunity to enter its own complaint into evidence in this proceeding. Accordingly, we consider

opposer's attempt to enter the complaint into evidence with its trial brief to be untimely. Applicant's objection is sustained.[6]

Standing

Applicant contends that opposer has no standing to bring this action. In particular, in its trial brief, applicant alleged that opposer has no standing due to its inability to use the term "METAL GEAR" as part of its own mark.[7] (applicant's brief at 15-18). In this regard, applicant discussed a prior Board proceeding between the parties, as well as deposition testimony given by opposer's officer, Anthony Tan. Applicant's argument is flawed for several reasons. First, although opposer abandoned its application for the mark "GALAXY METAL GEAR" in TTAB proceeding No. 91174214, without that registration, opposer is still entitled to rely on whatever common-law or other rights to use the mark it may have. Second, opposer has established that it is a competitor of applicant, which applicant has admitted as well, both in its brief and in the deposition testimony of its principal, Patrick Wang.

In its brief, applicant stated:

[6] In any event, since opposer was apparently attempting to use the state lawsuit as a vehicle to prove its standing, the entry of the complaint into evidence would not have influenced our decision in this proceeding, as discussed herein in the separate section marked "Standing."

[7] Opposer objected in its reply brief that applicant had raised this issue for the first time in its trial brief. This is not correct. Applicant had raised opposer's lack of standing as an affirmative defense in its answer, citing both the principles of "*res judicata*" and the disposition of TTAB proceeding no. 91174214.

> "Opposer is a corporation owned, in part, by individuals who were prior employees of Applicant, Direct Access Technology, Inc. Opposer is owned by Antonio (Tony) Tan, Garry Ching and Geoffrey Ching, who are all officers in Applicant [sic]. (TT of Tan, page 16, lines 3-12)). At one time, Garry Ching and Geoffrey Ching were employees of Applicant. (TT of Tan, page 22, lines 11-14). They opened Opposer to compete with Applicant, selling the same goods as Applicant sells under the same or a confusingly similar mark as Applicant's mark. Previously, Opposer tried to register the mark GALAXY METAL GEAR BOX. Applicant successfully opposed that registration, with Opposer agreeing to abandon its application and change its mark. (TTAB proceedings No. 91174214) (TT of Tan, page 37, line 18 – page 39, line 10)." (appl's brief p11)(#43, 12 of 41).

In the testimony of its principal, Patrick Wang stated that its supplier, DataStor, sold enclosures for computer external hard drives under the mark METAL GEAR to "TechDepot, which means also Galaxy Metal Gear, Inc." (Wang July 16, 2009 depo. at 31). Finally, Anthony Tan, officer of opposer, responded to the following at his deposition:

> Q: Okay. Now, two of your co-owners of Galaxy Metal Gear, Gary Ching and Jeff Ching, they used to work for Direct Access, DAT. Right?
>
> A: Right.
>
> Q: And then they left and associated with TechDepot and then with Galaxy Metal Gear. Correct?
>
> A: Yes.
> (Tan July 16, 2009 depo. at 22)

It is clear from this testimony and admissions that applicant and opposer are competitors in their industry. Generally, an opposer must only show a "personal interest in the outcome of the proceeding" as well as "a reasonable

basis for belief of damage." *See Books on Tape Inc. v. The Booktape Corp.*, 5 USPQ2d 1301, 1302 (Fed. Cir. 1987) (petitioner, as a competitor of respondent, "clearly has an interest in the outcome beyond that of the public in general and has standing.") It is not necessary that an opposer allege or establish its own prior rights in the marks at issue. *Id.*

We find that opposer has established its standing in this action.

Background and Findings of Fact

Both applicant and opposer are in the business of selling, among other things, computer hard drive enclosures (see Wang November 2, 2009 depo at 7; Tan July 16, 2009 depo at 6). Both sell to the computer industry rather than to the end user. *Id.* A computer hard drive enclosure was described by one witness as follows:

> Q: Can you describe for the the [sic] record, what is a computer hard drive enclosure?
>
> A: Enclosure with a PCB, which is hooked up to the external hard drive and once you install the hard drive, you connect the enclosure into your PC externally.
>
> Q: Basically the product consists of a case that will hold a hard drive and a printed circuit board or PC board and some kind of cable or other means that connect to the computer?
>
> A: Yes.
> (Wang November 2, 2009 depo at 6-7).

Applicant began selling computer hard drive enclosures in 2000. (*Id.* at 9). At the time, it was buying from a

company called Welland. *Id.* The product itself was not labeled with a mark. *Id.* The packaging was labeled with the company's name, Direct Access Technology, or "DAT." (at 9). Applicant works with several "OEMS," or "original equipment manufacturers" for creation of its computer hard drive enclosures. (*Id.* at 15). In 2002, applicant began working with a new OEM, DataStor. (*Id.* at 10). Applicant introduced DataStor to the enclosure business, since DataStor had previously not sold or manufactured computer hard drive enclosures. *Id.* at 9. Shortly after beginning a relationship with DataStor, applicant's principal, Patrick Wang, came up with the idea to put a mark on the computer hard drive enclosures themselves, rather than just on the packaging. *Id.* at 11-12. After considering several names, he decided on the mark METAL GEAR. *Id.* From that time on, applicant asked its OEMs, including DataStor, to put the mark METAL GEAR, on applicant's computer hard drive enclosures. *Id.* Applicant continued to put its own company name on the packaging. *Id.* Applicant offers a warranty on the enclosures, with instructions for consumers to contact applicant (not DataStor or the other OEMs) with any product concerns. *Id.* at 15.

When applicant came up with the idea to begin manufacturing computer hard drive enclosures under the mark METAL GEAR, it gave specifications to DataStor, its OEM, on how to build the enclosures. *Id.* at 13-14. Applicant owned the tooling for the enclosures being built at the factories

by DataStor and by its other OEMs. *Id.* at 13. Applicant set up exclusivity agreements with its OEMs, including DataStor, for sales in the United States. *Id.* at 14. However, DataStor did not abide by the exclusivity arrangement. Opposer's witness testified as follows:

> Q: And are you aware of DataStor selling Metal Gear enclosures to other companies?
>
> A: Yes.
>
> Q: Who are they?
>
> A: They sold to DAT, CompUSA, and us. (Tan July 16, 2009 depo. at 11).

A third-party witness who had been a sales representative for DataStor in the time period 2004 to 2007 also testified regarding the Metal Gear enclosure: "We sold it to DAT, Galaxy, CompUSA." (Chen testimony at 20). Applicant terminated its relationship with DataStor around 2005. *Id. (Wang November 2, 2009 depo.* at 12.

Opposer was created by former employees of applicant "somewhere around 2004." (Tan July 16, 2009 depo. at 6). Although opposer continues to sell computer hard drive enclosures, opposer stopped ordering enclosures with the METAL GEAR mark "[p]robably around 2007 or late 2006" (Tan July 16, 2009 depo. at 36-37). Applicant continues to sell enclosures under the mark METAL GEAR. *Id.* at 17.

Fraud

The first ground for cancellation is fraud. In its trial brief, opposer contends that "Applicant committed fraud in this application because of Applicant's knowing false contention that Applicant owns the mark 'Metal Gear' for computer enclosures." (Oppr's brief at 4). Opposer further asserts that rather than being the owner of the mark, applicant is a "mere importer and distributor" of goods sold under the mark, whereas the owner of the mark is a company called DataStor. *Id.* at 3.

The Court in *In re Bose Corp.*, 476 F.3d 1331, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009), set out the relevant standard for proving fraud:

> Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application." *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 48 [1 USPQ2d 1483] (Fed. Cir. 1986). A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 1004 [153 USPQ 749] (CCPA 1967). Indeed, "the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party." *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981).

Accordingly, to prove its claim of fraud here, opposer would need to prove "to the hilt" with "clear and convincing

evidence" that applicant "knowingly" made a "false, material misrepresentation of fact" regarding the ownership of the METAL GEAR mark. In the *Bose* decision, the Court emphasized that proving falsity was insufficient. Citing earlier precedent, the Court noted, "absent the requisite intent to mislead the PTO, even a material misrepresentation would not qualify as fraud under the Lanham Act warranting cancellation." *Id.* at 1940, *citing King Auto., Inc. v. Speedy Muffler King, Inc.,* 667 F.2d 1008, 1011 n.4, 212 USPQ 801 (CCPA 1981).

Quite in contrast with that high standard, applicant's principal has given convincing testimony that he believed and continues to believe that applicant is the owner of the METAL GEAR mark:

> Q: At the time the application was filed, do you believe that Metal Gear was DAT's trademark?
>
> A: Yes.
>
> Q: How about today?
>
> A: Still is.
>
> Q: Why do you believe it's DAT's trademark?
>
> A: Because we came up with the brand name and we contact the manufacturer to manufacture product for us under the brand name.
>
> Q: Who set the specifications for the product?
>
> A: I did. DAT did.
>
> Q: Did you personally come up with the specifications for the product?

A: Yes.
(Wang November 2, 2009 depo. at 17)

Even if applicant's witness is incorrect in his belief that applicant owns the mark, however, opposer has not carried its heavy burden of proving the "subjective intent to deceive," which, the Court in *Bose* noted, "however difficult it may be to prove, is an indispensable element in the analysis." *Id.* at 1941, *citing Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.,* 537 F.3d 1357, 1366, 88 USPQ2d 1001 (Fed. Cir. 2008).

Accordingly, since we find that opposer has not proven "to the hilt" with "clear and convincing evidence," the "subjective intent" of applicant "to deceive" the USPTO by falsely claiming ownership in the METAL GEAR mark, the claim of fraud fails.

Merely Descriptive

A term is deemed to be merely descriptive of goods or services, within the meaning of Section 2(e)(1), if it forthwith conveys an immediate idea of an ingredient, quality, characteristic, feature, function, purpose or use of the goods or services. *See, e.g., In re Gyulay,* 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987), and *In re Abcor Development Corp.*, 588 F.2d 811, 200 USPQ 215, 217-18 (CCPA 1978). A term need not immediately convey an idea of each and every specific feature of the applicant's goods or services in order to be considered merely descriptive; it is

enough that the term describes one significant attribute, function or property of the goods or services. *See In re H.U.D.D.L.E.,* 216 USPQ 358 (TTAB 1982); *In re MBAssociates*, 180 USPQ 338 (TTAB 1973).

Whether a term is merely descriptive is determined not in the abstract, but in relation to the goods or services for which registration is sought, the context in which it is being used on or in connection with those goods or services, and the possible significance that the term would have to the average purchaser of the goods or services because of the manner of its use. That a term may have other meanings in different contexts is not controlling. *In re Bright-Crest, Ltd.*, 204 USPQ 591, 593 (TTAB 1979). Moreover, it is settled that "[t]he question is not whether someone presented with only the mark could guess what the goods or services are. Rather, the question is whether someone who knows what the goods or services are will understand the mark to convey information about them." *In re Tower Tech Inc.*, 64 USPQ2d 1314, 1316-17 (TTAB 2002). *See also In re Patent & Trademark Services Inc.*, 49 USPQ2d 1537 (TTAB 1998); *In re Home Builders Association of Greenville*, 18 USPQ2d 1313 (TTAB 1990); and *In re American Greetings Corporation*, 226 USPQ 365 (TTAB 1985). On the other hand, if a mark requires imagination, thought, and perception to arrive at the qualities or characteristics of the goods or services, then the mark is suggestive. *In re MBNA America*

Bank N.A., 340 F.3d 1328, 67 USPQ2d 1778, 1780 (Fed. Cir. 2003).

We consider a composite mark in its entirety. The composite is registrable even if its individual terms are descriptive, so long as the unitary mark has a separate, non-descriptive meaning. *In re Colonial Stores, Inc.*, 394 F.2d 549, 157 USPQ 382 (CCPA 1968) (holding SUGAR & SPICE not merely descriptive of bakery products). Thus we consider whether the words "METAL GEAR" have a descriptive meaning as a unitary phrase.

Opposer argues that "METAL" describes a feature of computer hard drive enclosures for which applicant seeks registration – specifically metal parts therein, while "GEAR" describes a function of the enclosures – generally, the goods as "equipment." To support this argument, opposer submitted dictionary definitions of the terms at issue."[8]:

> **Metal**: 1. any of various opaque, fusible, ductile, and typically lustrous substances that are good conductors of electricity and heat, form cations by loss of electrons, and yield basic oxides and hydroxides; *especially:* one that is a chemical element as distinguished from an alloy.
>
> **Gear:** 2. equipment, paraphernalia.; 6. a mechanism that performs a specific function in a complete machine.

[8] The definitions are excerpted in relevant part herein, from the Merriam-Webster 2009 Online Dictionary as submitted by opposer. The Board may take judicial notice of dictionary definitions. *University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co., Inc.*, 213 USPQ 594 (TTAB 1982), *aff'd* 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).

> **Equipment:** 1a. the set of articles or physical resources serving to equip a person or thing as (1) the implements used in an operation or activity: APPARATUS . . . b. a piece of such equipment.

Applicant, on the other hand, asks us to take judicial notice that there is no definition of the composite term "METAL GEAR." Perhaps more availing, applicant additionally points to admissions of record by opposer's principal that applicant's "METAL GEAR" mark does not fit within the meaning of "merely descriptive":

> Q: Do you have any understanding of what – if there's any particular meaning of "metal" in the Metal Gear enclosures and Galaxy Metal Gear enclosures?
>
> A: Metal should be the metal enclosure. The material of the actual product is made out of metal.
>
> Q: So enclosures, what were they made of?
>
> A: Metal. Aluminum.
>
> Q: Are they still made of metal today?
>
> A: Some of them are still made of metal, and some of them are plastic.
>
> Q: Do you have any understanding of any particular meaning of the word "Gear" in Galaxy Metal Gear or Metal Gear?
>
> A: Probably – what do you call this? – just stuff like enclosure stuff. That's probably gear. (Tan July 16, 2009 depo. at 9-10).
>
> Q: There aren't any moving parts in the enclosure. Are there?
>
> A: No.
>
> Q: That's correct. Right?

A: Correct.

Q: There aren't any gears inside the enclosure. Are there?

A: No.
(*Id.* at 28).

Q: You would agree that there's nothing about the trademark Metal Gear that says anything about the quality of enclosures. Correct?

A: Correct.
(33-34)

Q: Okay. The term "Metal Gear" does not describe any function of the enclosure. Does it?

A: No.

Q: The term "Metal Gear" doesn't convey any idea about the ingredients or the parts of the enclosure. Does it?

A: I am not certain, but metal might be the metal.

Q: Right. But the term "Metal Gear" taken together as one does not. Right?

A: No.

Q: That's correct. Right?

A: Correct.
(*Id.* at 34).

Q: And the term "Metal Gear" doesn't convey any idea about a feature of the enclosure. Does it?

A: No.

Q: There's nothing about the Metal Gear trademark that makes you think it describes the enclosure. Right?

A: Right.
(*Id.* at 35)

Although these admissions are not binding on the Board as legal conclusions, they are probative in our analysis. *See for example Domino's Pizza, Inc. v. Little Caesar Enterprises, Inc.*, 7 USPQ2d 1359 (TTAB 1988) (opposer's *de facto* admission of non-descriptiveness considered probative, although not binding, on Board in determination of 2(e)(1) claim). It is clear the term "metal" is descriptive, and applicant has acknowledged as much by disclaiming the term. *See In re DNI Holdings Ltd.*, 77 USPQ2d 1435 (TTAB 2005); *In re Ampco Foods, Inc.*, 227 USPQ 331 (TTAB 1985). However, to refer to computer hard drive enclosures as "gear" is at worst suggestive. The enclosures do not inherently have any "gears" nor can they simply be described as "equipment." Accordingly, we do not find the composite term as a whole to be merely descriptive of a feature or function of the computer hard drive enclosures for which applicant seeks registration.

Furthermore, we note that any doubts regarding the application of Section 2(e)(1) are to be resolved in favor of the applicant. *In re Conductive Services, Inc.*, 220 USPQ 84, 86 (TTAB 1983) (observing, "[w]e recognize that the suggestive/descriptive dichotomy can require the drawing of fine lines and often involves a good measure of subjective judgment."). Accordingly, we find that applicant's METAL GEAR mark is suggestive.

Decision: The opposition is dismissed.