

Apple denies that “store” is generic for online retail store services, averring that the term “store” refers only to brick-and-mortar establishments. (Answer ¶ 7). However, Apple relied on its online store use to establish use for retail store services (Durrance Decl. ¶ 9, Ex. 7 (Apple’s Specimen of Use)), and calls its App Store a “store” (1) in its press releases, (2) on its App Store website, and (3) in its communications to app developers, as seen below:

1. Apple Press Releases:

Apple’s press release about its App Store calls it an “applications **store**,” as seen in excerpt below:

Apple<sup>®</sup> today announced that more than two billion apps have been downloaded from its revolutionary App Store, the largest applications **store** in the world. There are now more than 85,000 apps available ...

Apple Press Release Sept. 28, 2009 (emphasis added) (Durrance Decl. ¶ 14, Ex. 12 at 1)

2. Apple’s App Store Website:

The specimens of use filed with Apple’s APP STORE trademark application show Apple’s App Store being accessed from a personal computer. Consumers go to the “Store” section of Apple’s iTunes website to select the “App Store” and are also offered the option to “Search the Store” in order to find music, apps, etc. (Durrance Decl. ¶ 9, Ex. 7)

3. Apple Communications to App Developers:

Apple’s Developer Agreement for iPhone app developers defines “App Store” as follows:

“App Store” means an electronic **store** and its storefront branded, and owned and/or controlled by Apple or an affiliate of Apple.

(Durrance Decl. ¶ 15, Ex. 13 at 10) (emphasis added)

It is beyond dispute that “store” is a generic name for retail store services, including online stores such as Apple’s App Store.

**C. “App Store” Is Widely Used in the Trade as the Name for Online Stores Featuring Apps**

“App store” is commonly used by the trade as the name for an online store featuring apps, as evidenced by numerous articles in the trade press shown in Exhibit 14 of the Durrance Declaration filed herewith. Representative examples include:

CNet.com, October 6, 2009

At last, inside the **app store** .... The Windows Marketplace for Mobile **app store**, which launched Tuesday, looks a little plain compared with other **app stores**, like the darker-themed BlackBerry App World and Google’s Android Market. But the essential elements are here, like a search bar and browsable categories.... As with other mobile **app stores**, you can view screenshots of an app and other folks’ ratings.

FierceMobileContent.com, October 13, 2010

Who will launch the next mobile **app store**? .... With Amazon making its move, Best Buy CEO Brian Dunn recently admitted the big-box electronics giant is deliberating whether to launch an **app store** of its own.... Expect the **app store** ranks to continue multiplying like rabbits, according to Gartner analyst Ray Valdez. “New people will continue to introduce **app stores**--carrier telcos, device manufacturers, e-commerce sites,” Valdez says.

PC World, November 4, 2010

So what’s Verizon’s Android **app store** really all about, and what’ll it mean for you? .... Verizon’s Android **app store** will have a few hundred apps to start, I’m told, with heavy growth expected over the months to come.

Androinica.com, October 8, 2010

A few weeks ago a rumor started that Amazon.com was going to build its own Android **app store**, just like Verizon, and that rumor has now been confirmed to be true via a document Amazon sent out to potential developers.

Androinica.com, January 8, 2010

Samsung promises new **app store**, convergence, and Digital TV Moment.

Gigaom.com, June 16, 2010

RIM’s BlackBerry Mobile App Store Revamp: Better Late Than Never... [I]mproving a mobile **app store** also helps bring developers to a platform.

(Durrance Decl. ¶ 16, Ex. 14 at 1-4, 5-6, 7-8, 9-10)

**D. “App Store” Is Widely Used in the General Press as the Name for Online Stores Featuring Apps**

“App store” is commonly used by the general press as the name for online retail stores featuring apps, including articles in FORBES, THE WALL STREET JOURNAL, THE NEW YORK TIMES, THE SAN JOSE MERCURY NEWS, and CNN.com. A recent search of Westlaw’s US ALLNEWS database found 1077 articles published since January 1, 2010 using “app store” as the generic name for retail stores featuring apps. Significantly, 80% of those articles discussed app stores other than Apple’s. (Durrance Decl. ¶¶ 1-3, Ex. 1) Examples include:

WASHINGTON POST, July 27, 2010

Most cellphone **app stores** --- iPhone, Android, BlackBerry --- are filled with apps that use your location to list free (or paid) Wifi hotspots near you.

STANDARD & POOR’S DAILY NEWS, August 3, 2010

Consumers can download the free application through several **app stores** including BlackBerry(R) App World(TM) and Android Market(TM).

INVESTOR’S BUSINESS DAILY, September 29, 2010

**App Stores Offer Feast For Window-Shoppers** Applications abundant for iPhone, BlackBerry, Android smartphones

A smart phone is anything but a mere phone nowadays. The name of the game: apps. ... When users poke around smart-phone **app stores**, they find a wide range of applications...

Google won’t be alone in providing Android **app stores**. Other companies have plans to do so...

FORBES, Nov. 2, 2010

Consumer preferences for smartphones are influenced by the availability and quality of smartphone apps. By making it easier for app developers to create new apps for Nokia’s Ovi **app store**, Nokia is trying to counter the success of competing **apps stores** such as that of Apple and Google’s Android.

WALL STREET JOURNAL, Oct. 26, 2010

Lexmark plans to open an **app store** and release specialized tools that allow developers to create apps for four of its printers, which have touchscreens and Internet connections.... Lexmark’s **app store** comes as many companies try to adopt a model honed by Apple Inc. with its iPhone and iPad devices. Introduced in 2008, Apple’s **app store** now sports a catalog of more than 300,000 apps which have been downloaded a total of more than 7 billion times.

CNN.com, Apr. 27, 2010

The success of Apple's **app store** has spurred rivals to launch their own versions. But with the exception of Android, few other **app stores** – including the BlackBerry World and the Palm **app store** – have come close to becoming a viable competitor to iPhone's App Store.

(Durrance Decl. ¶ 17, Ex. 15 at 1, 3-5, 8, 11, 13) (emphasis added). Additional press references to “app store” are shown in Durrance Declaration Exhibit 1.

### **E. Competitors Use “App Store” to Identify Their Services**

“Evidence of competitors’ use of a term as the name of their goods and services is persuasive evidence that the relevant consumers perceive the term as generic.” *In re Tires, Tires, Tires, Inc.*, 94 USPQ2d 1153, 2009 WL 4075360 (TTAB 2009). “App store” is used by other retailers in the names of their stores, such as the DIRECTV App Store shown in the advertisement below:



(Durrance Decl. ¶ 11, Ex. 9)

Other retail stores that have used “App Store” in their name include:

- **AppStoreHQ**
- **Shopify App Store**
- **@metro App Store**
- **WinMoAppStore.com**

- **PocketGear.com – World’s Largest Mobile App Store**
- **AndAppStore**
- **Handmark Mobile App Store Solutions**
- **HipLogic App Store**
- **DirectTV App Store**
- **MiKandi.com – The World’s First Adult AppStore**
- **Sentrion App Store**
- **DC App Store**
- **MobiHand, Inc. – The App Store Company**
- **YoYo Games App Store**

(Durrance Decl. ¶ 19, Ex. 17)

Indeed, the arrival of app stores by Apple’s competitors was cited by the American Dialect Society as of the reasons it chose “app” as its Word of the Year for 2010, even though it was not a new word. Linguist and American Dialect Society representative Ben Zimmer noted:

App has been around for ages, but with millions of dollars of marketing muscle behind the slogan “There’s an app for that,” plus the arrival of ‘app stores’ for a wide spectrum of operating systems for phones and computers, app really exploded in the last 12 months.

(Durrance Decl. ¶ 24; Ex. 22) (emphasis added)

Microsoft would like the ability to use “app store” to fairly describe its own retail store services for apps, but Apple asserts that such uses are infringements of its rights (Answer ¶ 10) and it has sent demand letters to companies using “App Store” in their names. (Durrance Decl. ¶¶ 20-21, Exs. 18, 19)

Apple’s demands have apparently caused some competitors to change their use to “Application Store” or “App Marketplace.” *Id.* Rather than negating this strong evidence of genericness, Apple’s assertions and demands underscore the necessity of finding “app store” to be generic so that these competitors, along with Apple, can fairly describe their online stores

featuring apps as “App Stores.” The courts “have repeatedly recognized that ‘[t]o allow a producer of goods to usurp a generic term as a protectable trademark would prevent competitors from *describing* their own goods adequately.’” *Mil-Mar*, 75 F.3d at 1157.

A review of the current store names and descriptors used by major online app stores for mobile devices shows that other vendors are apparently in the same position as Microsoft – *i.e.*, their stores are described as “app stores” in the press but pending a ruling in this Opposition they cannot use “App Store” in their store names or descriptors without the possibility of claims from Apple. Many, therefore, use other terms to describe their services, as shown in the chart below:

<u>Vendor</u>	<u>Store Name</u>	<u>Descriptor</u>	<u>Press Description</u>
Google	Android Market	marketplace	app store
RIM/Blackberry	App World	storefront	app store
Microsoft	Marketplace	virtual store for apps	app store
Nokia	Ovi Store	application store	app store
HP/Palm	App Catalog	application store	app store
Samsung	Samsung Apps	application store	app store

(Durrance Decl. ¶¶ 16, 23; Exs. 14, 21)

The fact that other terms may also describe something does not mean that a common descriptive name is not generic. Professor McCarthy’s treatise discusses the public policy in favor of allowing competitors to use generic terms and not forcing them to use less common alternative names. MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12.2 (discussing hypothetical trademark claim to generic name “cell phone” requiring competitors to use “wireless phone,” “portable phone,” etc. as alternate names).

**F. Apple Founder and CEO Steve Jobs Uses “App Stores” to Identify Competitors’ App Stores**

In an October 18, 2010 conference call with financial analysts, Apple’s founder and CEO, Steve Jobs, used “app stores” to identify competitors’ app stores for phones that use Google’s Android operating system:

In addition to Google’s own app marketplace, Amazon, Verizon and Vodafone have all announced that they are creating their own **app stores** for Android. There will be at least four **app stores** on Android which customers must search through to find the app they want and developers will need to work to distribute their **apps** and get paid.

(Durrance Decl. ¶ 4, Ex. 2) (emphasis added). Mr. Jobs’ comments were published by Apple and widely reported online and in the press, including in MacWorld magazine and on NPR. *Id.*

**G. Consumers’ Use of “App Store” to Identify Competitors’ Retail Stores Is Direct Evidence of Genericness**

Consumers use “app store” to refer to online app stores offered by Apple’s competitors, which is direct evidence of genericness. *See In re Jonathan Drew*, 2009 WL 5253035 at \*4-5. A review of posting on Internet blogs shows that consumers use “app store” to identify stores from Apple’s competitors, such as:

*Posted by tk772 on November 8, 2010 on engadget.com*

If someone has apps from 5 different **app stores**, how do they update all their apps? Will they have to log into each store and check for updates? Will they have to have 5 **app store** updater background tasks running? ...

*Posted by \$320AShareMakesMeGrin>8-) on November 8, 2010 on engadget.com*

If I want to open my own personal **app store**, I think it's perfectly fine. There is no set number to how many Android **app stores** should be allowed.

*Posted by pika2000 1 month ago on November 8, 2010 on engadget.com*

HTC’s Android, Moto’s Android, Samsung’s Android, etc etc) each with their own update schedule, skins, and in this case, **app store**. It’s the nature of open.

*Posted by Kevin Krause on October 11th, 2010 on phandroid.com:*

Now that it is all but confirmed that Amazon will be pitching their own Android **app store**... We have long been familiar with the idea of carrier-centric **app stores** with

Android.

*Posted by Storm14K aka Phil on October 11, 2010 on phandroid.com:*

So the thing I'm not getting about everybody wanting to open an **app store** is how they think they are going to get developers to their store.

*Posted by Hendrix on October 11, 2010 on phandroid.com:*

Yeah, I honestly don't see a need for 5000 **app stores**.

*Posted August 5, 2009 on mobilewhack.com:*

Well it looks like Samsung is too very interested in having an **app store** of its own... Now that Samsung has entered this **app store** frenzy we can't but wonder who's next. Any hints?

*Posted by Joshua Poje on April 9, 2009 on new.abanet.org*

**App stores** are the means by which Smartphone users browse, preview, and purchase software to add functionality to their Smartphones. The comparison looks at **app stores** for the iPhone, Android, Blackberry, Windows Mobile, Palm, and Nokia (Symbian)

(Durrance Decl. ¶ 18, Ex. 16) (emphasis added)

#### H. “App Store” Is Generic for Retail Store Services Featuring Apps

“App Store” falls squarely within the established cases holding that the generic name for a product, followed by “Store” is generic for retail store services and cannot be registered as a trademark. See Section IV. B., above. Like “Computer Store,” “Discount Auto Parts Stores,” “The Italian Store” and “Shoe Warehouse,” “App Store” is generic and cannot be appropriated by any single user.

Applying the two-part genericness inquiry from the *H. Marvin Ginn Corp.* case confirms that “app store” is generic and unregistrable:

1. What is the category or class of the services at issue?

Retail store services featuring apps.



2. Is the term sought to be registered understood by the relevant public primarily to refer to that category of services?

Yes. Relevant consumers understand “app store” to refer to the entire category of retail stores featuring downloadable apps, not just Apple’s “App Store.” The record amply shows that the trade, the press, consumers, competitors and even Apple’s founder and CEO Steve Jobs, all use “app store” to refer to an entire category of online stores that allow users to download apps for their mobile phones.

The fact that Apple was an early and successful entrant into the app store market does not give it the right to usurp a generic term and prevent competitors from using it. As the Board held in a similar situation:

We do not question that applicant may be a “leading maker” or perhaps a “pioneer” of “infused cigars” or even that applicant coined the term. The problem is that none of these facts overcomes the generic meaning of “infused cigars” or makes this generic term registrable.

*In re Jonathan Drew*, 2009 WL 5253035 at \*5. See also, *Weeks Dye Works*, 2010 WL 2104147 at \*6 (first user of term for new product does not make term protectable, “Generic terms, by definition incapable of indicating source, are the antithesis of trademarks, and can never attain trademark status.”); *In re Candy Bouquet*, 73 USPQ2d 1883, 2004 WL 2202265 at \*7.

Nor does the fact that alternate names may be available (e.g., “app marketplace” or “app catalog”) have any bearing on the present determination – especially when “app store” is the most common and straightforward name for these services. *Weeks Dye Works*, 2010 WL 2104147 at \*6 (“the fact that another term is available for use by competitors does not transform a generic term into capable matter.”). Generic terms are in the public domain and free for all competitors to use. As with “Discount Auto Parts Stores” the combination of the generic terms “app” and “store” in APP STORE “creates no different commercial impression; the generic meaning is not lost. Thus, the composite designation is likewise generic.” *In re AEW, Inc.*, 1999 WL 285499 at \*3.

**I. Consumer Awareness or Fame of Apple’s “App Store” Cannot Negate Genericness**

Apple’s assertions of consumer notoriety and fame of its “App Store” (Answer ¶ 5) offer no help to avoid genericness. The case law recognizes that when an applicant uses a generic term as its name, the applicant’s customers and others who know of the applicant’s business will likely associate the generic term with the applicant. In *Eastern Airlines, Inc. v. New York Airlines, Inc.*, 559 F. Supp. 1270, 1275 (D.C.N.Y. 1983), the Court held that evidence that consumers associated “Shuttle” with Eastern Airlines did not mean “shuttle” was a trademark as opposed to a generic term. “All it demonstrates is that a likely response to any generic word is the name of the best known producer or manufacturer of that product.” *Id.* Such evidence is considered “*de facto* secondary meaning” that has no legal impact on the status of the generic term. A generic term can never be a trademark, no matter how much secondary meaning it acquires. *In re Candy Bouquet*, 73 USPQ2d 1883, 2004 WL 2202265, \*7; *Weeks Dye Works*, 2010 WL 2104147 at \*6.

Here, Apple was an early and successful entrant into the app store marketplace. Competitors are rushing to develop smartphone products to compete with Apple’s iPhone, and with those products to offer their own app stores. Any secondary meaning or fame Apple has in “App Store” is *de facto* secondary meaning that cannot convert the generic term “app store” into a protectable trademark. Apple cannot block competitors from using a generic name. “App store” is generic and therefore in the public domain and free for all competitors to use.

**VI. “App Store” Is Unregistrable for Apple’s Class 38 and 42 Services**

**A. Activities Merely Ancillary or Incidental to a Primary Service Are Not Separate Services for Which a Mark Can Be Registered**

Activities that are part of, or ancillary to, an applicant’s primary service are not considered separate services for which a mark can be registered. The TMEP uses the example of bagging groceries in a grocery store to explain this distinction, noting that:

[O]perating a grocery store is clearly a service. Bagging groceries for customers is not considered a separately registrable service, because this activity is normally

provided to and expected by grocery store customers, and is, therefore, merely ancillary to the **primary** service.

TMEP § 1301.01(a)(iii) (emphasis in the original).

Whether a mark is separately registrable for an activity turns on “whether the activity identified in the application is in any material way a different kind of economic activity than what any provider of that particular product or service normally provides.” TMEP § 1301.01(a)(iii), citing *In re Landmark Communications, Inc.*, 204 USPQ 692, 695 (TTAB 1979). Similarly, services that are incidental to the primary business activity, such as providing general information about an applicant’s goods or services, are not a separate service. *Id.*, citing TMEP §1301.01(b)(v).

**B. When a Term Is Generic for a Primary Service, It Is Unregistrable for Services Offered With the Primary Service**

When a term is generic for a primary service, denying registration for ancillary or incidental services takes on special import because registration for those services would restrict competitors from using the generic term to describe their own services. Thus, generic terms are unregistrable for services offered in connection with the primary service. In *In re Computer Store*, for example, the Board held that “The Computer Store” was generic for stores selling computers and also unregistrable for photocopying, technical support and blueprint library services offered at the store. 211 USPQ at 74.

Similarly, in *In re Log Cabin Homes Ltd.*, 52 USPQ2d 1206, 1999 WL 974144, \*3-4 (TTAB 1999), the Board held that because “Log Cabin Homes” was generic for homes made of logs, it was also unregistrable for architectural services and retail services offered with such homes. *Id.* at \*3; *see also In re Candy Bouquet*, 73 USPQ2d 1883, 2004 WL 2202265 (“Candy Bouquet” generic for a floral-type gift arrangement of candies and service of selling those goods); *In re A La Vieille Russie, Inc.*, 60 USPQ2d 1895, 2001 WL 862510 (TTAB 2001) (“Russianart” generic for dealership services in the field of fine art, antiques, furniture and jewelry).

**C. “App Store” Is Unregistrable for Apple’s Class 38 and 42 Services, Which Are Ancillary to and Offered With Its Retail Store Services**

Apple’s Class 38 and Class 42 services are offered in connection with and are ancillary to its Class 35 retail store services. Indeed, the specimens of use filed by Apple in its application are screenshots from the “App Store” portion of its iTunes store website.

An examination of Apple’s claimed services quickly reveals why registration of APP STORE for these services must be refused. In Class 38, Apple claims “access to global computer networks ... for transmission or receipt of data” and “electronic transmission of data via the internet.” Put in simpler terms, Apple claims (a) accessing its online store, and (b) downloading apps from its store.

A review of Apple’s Class 42 services yields the same result. Apple claims (c) “updating of computer software” for updating apps offered at its store, (d) “providing a website featuring technical information relating to computer software provided” for offering information about apps offered at its store, (e) “providing search engines ...” for allowing users to search for apps offered at the store with a “Search the Store” search tool, and (f) “providing temporary use of non-downloadable computer software to enable users to ... organize and access ... computer software programs” for allowing users to organize apps purchased at its store.

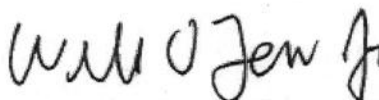
These services are clearly ancillary to Apple’s online store services – the Internet equivalent of bagging groceries at a grocery store. Apple promotes these services as features of its store, as seen in the Apple advertisement on page 8, above, promoting “Get updates fast,” “Download apps with a tap” and “Find more key apps” as key features of its App Store. These services are typical, if not required, offerings for Apple and its competitors. Indeed, Microsoft, Google, Blackberry/RIM, Palm, Verizon, and Nokia all offer these services at their app stores. (Durrance Decl. ¶ 22, Ex. 21). Insofar as “app store” is generic for retail store services featuring apps, Apple should not be entitled to register it for ancillary services that are included within the app store service.

**VII. Conclusion**

Apple seeks to exclusively appropriate the phrase "App Store" for use with its own store offering apps. The undisputed evidence shows that "app store" is a generic name for a store offering apps. Under established law, APP STORE is unregistrable for retail store services featuring apps and for ancillary and other services offered by Apple at its app store. Apple cannot leverage its early success to prevent competitors from using this generic term for their own app stores. Accordingly, Microsoft's motion should be granted and Apple's application refused.

DATED this 10<sup>th</sup> day of January, 2011.

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 10<sup>th</sup> day of January, 2011, the foregoing **OPPOSER MICROSOFT CORPORATION'S 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:

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