

EXHIBIT 27

ESTTA Tracking number: **ESTTA400411**

Filing date: **03/29/2011**

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

Proceeding	91195582
Party	Plaintiff Microsoft Corporation
Correspondence Address	WILLIAM O FERRON JR SEED IP LAW GROUP PLLC 701 FIFTH AVENUE, SUITE 5400 SEATTLE, WA 98104 UNITED STATES BillF.docketing@SeedIP.com
Submission	Other Motions/Papers
Filer's Name	William O. Ferron, Jr.
Filer's e-mail	billf.docketing@seedip.com, litcal@seedip.com
Signature	/William O. Ferron, Jr./
Date	03/29/2011
Attachments	Butters Declaration-3-29-11.pdf (21 pages)(348732 bytes) Butters Dec-Exh 1.pdf (13 pages)(737559 bytes) Butters Decl--Ex.2.PDF (41 pages)(5590797 bytes)

**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

MICROSOFT CORPORATION,

Opposer,

v.

APPLE INC.,

Applicant.

Opposition No. 91195582

**Rebuttal Report:
Declaration of Dr. Ronald R. Butters in Support of Opposer
Microsoft Corporation's Motion for Summary Judgment**

1. This report is submitted at the request of the Opposer, MICROSOFT CORPORATION ("MICROSOFT"), in their action against the Applicant, APPLE INC. ("APPLE").

I. ASSIGNMENT

2. I have been engaged on behalf of MICROSOFT to provide my expert opinion as a specialist in linguistic science with respect to the meaning of the compound noun, APP STORE, as used in reference to sales of computer applications, with specific reference to MICROSOFT's claim that APP STORE so used is linguistically generic. My report is in response to the Declaration of APPLE's linguistics expert, Dr. Robert A. Leonard ("Declaration of Dr. Robert A. Leonard in Opposition to Microsoft Corp.'s Motion for Summary Judgment," dated February 28, 2011).

II. SUMMARY OF CONCLUSIONS

3. Dr. Leonard's archival searches are not carried out according to standard methodology, are not verifiable, count items as nongeneric that should be counted as generic, and are scientifically misleading in the selection of the data bases.

4. Dr. Leonard's tallying process for the articles that result from his archival searches is inappropriate and irrelevant, in that he mistakenly relies upon percentages of (putatively) nongeneric usages as the probative factor in the assessment of genericness. This reliance upon percentages is misleading in that the absolute number of clearly generic usages is in this case substantial—and Apple has dominated the marketplace for app stores for four years.

5. The compound noun *app store* means simply 'store at which apps are offered for sale', which is merely a definition of the thing itself—a generic characterization.

6. Dr. Leonard's assertion that *store* in the construction *app store* is figurative or metaphorical is simply wrong.

7. Even the most recent standard dictionaries—whether online or in print—do not define *app store*, but this is not evidence, as Dr. Leonard contends, that the term is not generic. For reasons of space and efficiency, dictionaries do enter every transparently understandable compound noun, and in any event, the term is simply too new to have made it into standard dictionaries.

8. The on-line "dictionary" sources Dr. Leonard cites were not written by established lexicographers and are without scientific authority. Even so, he included an online source that defines *app store* as a generic term.

9. Microsoft's Westlaw US ALLNEWS search, which looked for uses of "app store" in lower case letters, is useful to evaluate genericism in that it presents

considerable insight into the use of *app store* when freed from the presence of branded uses of “App Store.”

III. QUALIFICATIONS

10. I earned my doctorate in English with a concentration in linguistics from the University of Iowa, Iowa City, where I received advanced training in the study of both linguistics and literature. I am a resident of Durham, North Carolina, and Professor Emeritus, Duke University, where I have served since 1967 as a member of the faculty in the Department of English and the Department of Cultural Anthropology. At various times, I have chaired both the English Department and the Linguistics Program. Since my retirement from Duke, I have continued to accept brief teaching assignments upon invitation (for the Department of Linguistics at Georgetown University, the Universitat Pompeu Fabra, Barcelona, Spain, and the International Summer School in Forensic Linguistic Analysis at Aston University in Birmingham, England). I am a member of the Advisory Board of the *New Oxford American Dictionary*, published by the Oxford University Press, and my professional society memberships include the American Dialect Society, American Name Society, Dictionary Society of North America, Asociación de Lingüística y Filología de América Latina, Linguistic Society of America, Southeastern Conference on Linguistics, International Language and Law Association, and International Association of Forensic Linguists (of which I am currently president). I am a member of the Linguistic Society of America’s Committee on Ethics, and am chairing an ad hoc subcommittee that is currently preparing a statement on Ethics on Linguistic Consulting. A copy of my curriculum vitae is attached hereto as “Exhibit 1” and details my educational background, professional experience, teaching areas, and publications. A list of all cases in which I have testified in court or by deposition is appended thereto.

11. This report is made based on my professional knowledge and expertise, and on my research using established and accepted scientific linguistic knowledge and

methodology. The information that I considered in forming the professional opinions expressed here is referenced as relevant throughout the report; see also the attached “Exhibit 2” (a table of the materials included in Exhibit 2 is attached to the exhibit). If sworn as a witness, I could testify competently to the matters stated herein. Insofar as I may continue to review additional information, I will be able to supplement, revise, or further explain the opinions set forth in this report. I understand that my duty in providing written reports and giving evidence is to assist the Board—and that this duty overrides any obligation to the party by whom I am engaged or the person who has paid or is liable to pay me. I confirm that I have complied and will continue to comply with my duty. I am being compensated in this case at an hourly rate of \$400. My compensation is not contingent on the outcome of this case.

12. Within linguistics, my scholarly work and teaching has focused upon contemporary American English and its antecedents, and languages influencing, or influenced by, English in the modern world. As “Exhibit 1” reflects, for more than 40 years I have been active in research and teaching in the field of contemporary English linguistics, including language and the law. I have written many scientific studies that have appeared in respected peer-reviewed linguistics journals and books, and I have given numerous oral presentations of the results of my work, frequently by invitation, before learned societies both in the United States and abroad. I was also the editor of peer-reviewed scientific publications of the American Dialect Society for 25 years, and I have recently completed a three-year term as a co-editor of the *International Journal of Speech, Language, and Law* (staying on, however, as a member of the Editorial Board).

13. In addition to my ongoing academic research interests, I am also self-employed as a consultant and expert in the field of linguistics. In this capacity, I have testified and/or served as an expert witness in cases filed in state and federal trial courts and boards in California, Delaware, the District of Columbia, Florida, Georgia, Illinois, Kansas, Louisiana, Maryland, Massachusetts, Missouri, New York, North Carolina,

Ohio, Texas, Virginia, and West Virginia, as well as in proceedings of the United States Patent and Trademark Office's Trademark Trial and Appeal Board.

IV. THEORY AND METHODOLOGY

14. Linguistics is the scientific study of human language in all its various aspects—historical, cultural, social, and psychological—as exhibited in the spoken and written forms of the languages and dialects of the world. It encompasses a number of (often intersecting) scientific subfields, including

phonology, the study of the sound structure of languages

graphemics, the study of writing systems (including alphabetic spelling)

morphology, the study of word structure

syntax, the study of the rules for organizing words into phrases and sentences

lexicology, the study of word meaning

lexicography, the science of dictionary making

semantics, the study of word and sentence meanings

discourse analysis, the study of linguistic units larger than the sentence, with particular reference to the importance of such units in the construction of meaning for speaker and hearer, writer and reader.

pragmatics, the study of how such meaning is affected by nonlinguistic contexts

semiotics, the study of extralinguistic and paralinguistic meaning systems that members of a culture assign to **signs** (gestures, colors, shapes, visual patterns, and icons)

psycholinguistics, the psychology of language, that is, the study of language that focuses on the linguistic abilities of the individual

sociolinguistics, the sociology of language, that is, the study of language that focuses on the linguistic behavior of groups (sometimes further subdivided into **social** and **regional dialectology**)

historical linguistics, the study of the data and mechanisms of language change.

In short, linguists study the communicative functions of human languages and the facts and principles that underlie them. In the present inquiry, the most important areas of linguistics that I draw upon are lexicography, lexicology, semantics, and pragmatics.

15. Linguistics is an inductive science. For example, the makers of modern dictionaries determine what words are in current use, basing their work on the systematic examination of ordinary English-language usage as found in representative samples from books, newspapers, magazines, cinema, television, and the internet. The linguist-lexicographer then brings to bear upon the assembled data the scientific understanding of the underlying mechanisms of American English phonology, writing systems, grammar, semantics, and use of language within American culture. The primary goal of the enterprise is to understand what ordinary users of the language know and believe about the words of their language—pronunciations, spellings (and other aspects of visual representation), word formation, syntax, meanings, and pragmatic employment.¹

Professionally made dictionaries are thus scientifically highly reliable with respect to overall aspects of the language at the time of the collection and analysis of the primary data. In analyzing the compound noun *app store* that is at issue in this report, linguistic methodology requires that the analyst first take into account the conclusions

¹One must be mindful that the relevant body of “ordinary users” may vary according to the nature of the inquiry. For example, if one were interested in the lexicographical knowledge only of people who buy dog food, one might not find an archive of all English-language newspapers as relevant as one that contained only pet-food commercials and other sources related to people who keep dogs.

about spellings, pronunciations, and meanings found in standard, scientifically prepared dictionaries.

16. However, the makers of all dictionaries are necessarily constrained by time and time limitations, and by the number of staff members available to process new data and write and revise high-quality dictionary entries. Established words change meaning, and the language gains new words and phrases that take time to process. The newest words will not appear at all, and the more informal or specialized the term or meaning, the less likely it is to appear in the dictionary. In particular, new multi-word constructions, such as *app store*, will of necessity not be found, especially if their meanings are transparently derivable from the meanings of the component words themselves (e.g., an *app store* is 'a store at which apps are offered for sale'). Moreover, because dictionaries are not encyclopedias, the scope of definitions must be limited; even in unabridged online dictionaries, it is not practical to present all the nuances of meaning (even for the linguistic items such as *application* and *store* that have long-established entries).

17. The application of linguistics to trademark issues such as genericness thus often requires that the analyst verify and expand upon the conclusions that are presented in dictionaries of record, even the most recently published ones, so as to be as accurate, complete, and timely as possible about the definitions of particular words and constructions. The linguist must examine the same kinds of representative empirical data that lexicographers rely on in creating and updating their dictionary entries, looking in particular at how the items under consideration are presented within the assembled archive of relevant particular, real-life linguistic and pragmatic contexts. Of great importance is that the linguist make sure that the assembled data archive and the search terms employed are the most relevant and revealing (see footnote 1 above).

18. The final stage in the inductive methodology requires the linguist to make use of specialized scientific knowledge to interpret the findings presented in dictionaries

and in the empirical record, utilizing the principles of linguistics as necessary, for example, in construing the meanings of multi-word constructions such as *app store*, which is not found as such in standard dictionaries. Thus while one cannot find a dictionary entry for *app store*, the use of semantic analysis that is based upon the established meanings of *app* and *store* is the first step in understanding how such a term will be construed by those who know English as their native language.

19. Furthermore, given that MICROSOFT alleges—and APPLE, with the concurrence of its linguistics Expert, Dr. Robert A. Leonard, denies—that *app store* is a legally **generic** term when applied in commerce to retail store services featuring computer applications, it is methodologically very important to consider the nature of **genericism** as it is understood within the field of linguistics in general and lexicography in particular. The eminent dictionary maker, Sidney Landau, summarizes this in his seminal work, *Dictionaries: The Art and Craft of Lexicography* (2d ed. [2001], p406; emphasis added):

When a trademark is commonly used ... as if it were an ordinary (or **generic**) term, not for a brand of a kind of thing but for the kind of thing itself, it enters into disputed territory. To the lexicographer, it becomes **generic** and should be included in the dictionary and defined. If it is written with a lower-case letter, it may be entered [in the dictionary] in this form. If the linguistic evidence shows that a trademark is well accepted as a generic term, particularly if it has inflections that are commonly used, it may be identified as a trademark only in its etymology.

Whether or not a term is generic for a product or service forms a part of the meaning of the term that speakers of the language have in their minds and that dictionaries take notice of, at least passively, in defining the term. Linguists inductively conclude that a term is or is not generic by weighing genericism's identifying features:

- a. If ordinary users of English frequently use the term at issue to make reference to “the kind of thing itself” (i.e., a specific product or service identified with a multiple sources) rather than to “a brand of a kind of thing” (i.e., a specific

product or service identified with a single source) such usage constitutes generic usage.

- b. If a number of different commercial sources of a product or service use the term at issue to identify their goods or services, such usage indicates generic usage.
- c. If ordinary users of English identify a term with the symbol ® or the symbol TM, such usage indicates nongeneric usage.
- d. If ordinary users of English use the term at issue with the initial words uncapitalized (e.g., *app store*), such usage implies generic usage.
- e. If ordinary users of English write the term at issue with the initial words capitalized but only as a part of a phrase containing a nongeneric term (e.g., *Apple App Store*), the capitalization may count little against the conclusion that the term is generic. This is also true of cases in which the capitalized form is clearly a short-hand contraction of a previously used full form, as when for example an article begins by speaking of “the Apple App Store” and later shortens this to “the App Store.” Such contraction cannot be taken as simply indicating that the writer thinks of “the App Store” as the name of the store itself.
- f. If ordinary users of English write a term enclosed in quotation marks, such usage usually indicates a belief on the part of the writer that the usage is new or that the word is being used with a somewhat new meaning, which may have a bearing on the issue of genericism.

V. DR. LEONARD’S METHODOLOGY AND FINDINGS: THE ARCHIVAL SEARCHES

20. The *COCA (Corpus of Contemporary American English) Database* (re: Leonard ¶31). Under Dr. Leonard’s direction, a computer-based search “for the term ‘*app store*’ ” was undertaken in the COCA data corpus (<<http://corpus.byu.edu/coca/>>).

Although COCA is a respected archive of nearly 415,000,000 words, it is a somewhat

poor choice as a data base for the kinds of searches that Dr. Leonard's investigation requires: in reality it is far too small. The corpus for each year is only about 20,000,000 words and was last updated in the summer of 2010; thus the number surveyed for 2008–2010 was at most only 60,000,000 words. Moreover, although Dr. Leonard reports that COCA data is selected from “a wide variety of popular publications” (¶13), in fact, as the home page of the COCA website states, “the corpus is evenly divided between the five genres of spoken, fiction, popular magazines, newspapers, and academic journals.” But fiction, academic journals, and even many popular magazines are not particularly likely to have published articles that occasioned the use of the term *app store*, especially not in the first years after the term came into popular use (note that all but one of the results that Leonard's COCA search uncovered were “hits” from popular newspapers and magazines and technical computer magazines). Thus the number of RELEVANT words in the COCA corpus that Dr. Leonard's inquiry searched was at best no more than 30,000,000 words—approximately the same number of words published in a year or so by a substantial daily newspaper (the *New York Times* has been calculated as publishing on average about 75,000 words per day). The fact that COCA is in reality so small goes far to explain why Leonard's COCA search-results turned up only 33 instances of *app store*.

21. *Searching the Internet as a Database* (Leonard ¶32). Dr. Leonard also directed a search for “the term ‘App Store’ ” in a Google search-engine search and analyzed the data that appeared on the “first 45 pages” of returns, which contained 444 “hits.” He found that “339 instances of ‘App Store’ explicitly referred to Apple”. Dr. Leonard admits that over 90 of these internet “hits” referred to online stores other than Apple's and therefore were generic uses.

22. *The Lexis-Nexis Database* (Leonard ¶¶25–30). Dr. Leonard discusses two searches that were also conducted under his direction using the MegaNews/US News data base, an archive that he characterizes as offering “access to the broadest set of media publications in LexisNexis's U.S. database.” He first searched for instances of the term

“app store” occurring before March 7, 2008 and reports that the search returned “few hits.” A second search for the same term in the three-month period November 17, 2010, to February 17, 2011, “yielded 2,537 hits.” Dr. Leonard analyzed the first 1,000 of these hits, which were published from January 20, 2011, to February 17, 2011 (less than a month) and found 130 instances that were “references to other brands” of *app stores* that he admits to be generic uses.

23. On the basis of these three archival searches, Dr. Leonard concludes (§33), “with a high degree of certainty, that the predominant usage of APP STORE is as a proper noun to refer to Apple’s online application marketplace.” Even if this conclusion were a reasonable inference to draw from the data—which it decidedly is not—it does not negate a finding that *app store* is a generic term.

24. Dr. Leonard’s own data show that, at the very least, the term *app store* is commonly used generically in the linguistic practice and beliefs of a large portion of the American public who have used the term in writing.

25. Dr. Leonard’s assertion that he can simply tally the percentage of articles to determine if *app store* is generic is simply not true. The fact that press articles write about Apple’s App Stores when it has been the dominant player in the market for the last four years is not surprising. Articles about Apple’s App Stores do not shed light on whether consumers also use *app store* as the name of the genus of stores offered by Apple and others to download apps. Further, as discussed below, §44, articles that refer to “Apple App Store” or “Mac App Store” (which Dr. Leonard tallies against genericness) use Apple and Mac as the trademark (similar to *Godiva Chocolate Store* and *Ace Hardware Store*) and fail to disprove genericness.

26. Lexicographically, it is true that, where archival sources show only a scattered, small number of instances of generic use, a term is likely not generic. Here, however, Dr. Leonard’s search found 130 recent press articles published in less than a

month that refer to non-Apple *app stores*. This is substantial generic use and supports a finding that *app store* is generic.

27. In sum, Dr. Leonard's three attempts at archival determination of the extent to which *app store* is generic in usage in American English demonstrates only one thing for certain: despite Apple's apparent domination of the marketplace for apps stores in the period beginning in 2008, there is significant generic use of *app store*, even by the standards and biased statistics of Apple's own expert.

28. Furthermore, Dr. Leonard gives no indication of his basis for selecting items as generic or nongeneric; thus the reliability of his conclusions are otherwise open to considerable doubt. In two of his three searches, he underreports his data in such a way that his work cannot be readily checked or properly replicated. The only exception to this is (in part) the COCA data, which is a small enough set that it is demonstrably clear that he erred in his analysis of the data in ways that seriously over-reported the results as favorable to conclusions that in turn supported his thesis. In the case of his Google research, he furnishes the reader with none of the actual data from which his Google results are drawn, let alone how he evaluates each item of data that he counts as generic. With respect to his LexisNexis study, while his Exhibit 5 presents the raw data from which he claims to have drawn his numerical counts, we are given ONLY the raw data, with no indication of what he counts as "related to Apple," "not related to Apple," or "indeterminate."

VI. DR. LEONARD'S CRITICISM OF MICROSOFT'S WESTLAW USNEWS SEARCH

29. Dr. Leonard's strong criticism (¶¶42ff.) of Microsoft's Westlaw USNEWS search (which he calls the Durrance study) is misplaced. Leonard writes,

43. Mr. Durrance searched only for lower case uses of the term "app store" in determining that "approximately 80%" of the search results "discussed app stores other than Apple's." (Durrance Dec. at 2). This ignores entirely the vast number of uses of the term employing

capitalization (which, as noted above, is indicative of a proper noun or brand). In other words, Mr. Durrance apparently 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....

44. Thus, Mr. Durrance's analysis does not demonstrate whether the references he found represent, say, 10% of the uses of the term APP STORE or, say, 90% because no effort was made to identify the total number of uses of the term. As noted above, a more comprehensive search of the term reveals that generic uses of the term APP STORE are in the small minority [sic] of usage.

On the contrary, the Westlaw US ALLNEWS search reported by Mr. Durrance is useful in that it presents considerable insight into the use of *app store* when freed from the presence of branded uses of "App Store" (see my ¶¶25&44).

VII. DR. LEONARD'S METHODOLOGY AND FINDINGS: THE INTRINSIC GENERICNESS OF THE COMPOUND NOUN *APP STORE*

30. Dr. Leonard indicates that he understands (¶25) that Apple "announced its launch" of the Apple App Store" on March 6, 2008, and his research indicates that the term *app store* "was not in fact [sic] in general use in connection with the distribution of software programs prior to Apple's" launch of its store. (¶26). From this he mistakenly concludes that "Apple did not appropriate a term that was already a generic term for services associated with the distribution of software programs" (¶26). This conclusion is mistaken because it does not logically follow from the premise. Even if Apple was the first company to use the term "App Store" (which it was not; see my ¶32 below) *app store* was generic even when it was first used in the sense 'store at which apps are offered for sale', regardless of who the first user was.

31. Again, linguistically, a generic term is a term that names the thing itself. A *computer store* is a store at which computers are central to that which is offered for sale. A *stationery store* is a store at which stationery is central to that which is offered for sale. A *grocery store* is a store at which groceries are central to that which is offered for sale. And if next month a new and suddenly popular use is developed for the maser and