

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN

THE WEATHER UNDERGROUND, INC.,  
a Michigan corporation,

Plaintiff,

vs.

Case No. 2:09-CV-10756  
Hon. Marianne O. Battani

NAVIGATION CATALYST SYSTEMS, INC.,  
a Delaware corporation; BASIC FUSION, INC.,  
a Delaware corporation; CONNEXUS CORP.,  
a Delaware corporation; and FIRSTLOOK, INC.,  
a Delaware corporation,

Defendants.

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**PLAINTIFF'S RESPONSE TO DEFENDANT'S  
MOTION FOR LEAVE TO FILE COUNTERCLAIM**

## **1. Introduction**

On May 10, 2010, Defendants filed a Motion for Leave to File a Counterclaim with this court, which, if granted, would allow Defendants to petition this court to cancel Plaintiff's registered trademark for WEATHER STICKER on the grounds that the mark is generic. Defendants' Motion must be denied because it is futile, made in bad faith, dilatory, and made in an attempt to cause undue delay. Defendants lack the standing necessary to petition to cancel Plaintiff's mark, as Plaintiff's WEATHER STICKER mark is not at issue in this case and Defendants have not alleged that they intend make a trademark or descriptive use of Plaintiff's WEATHER STICKER mark. Further, Plaintiff's mark is not generic because it cannot reasonably be considered by the public to refer to weather information without an additional cognitive step. Consequently, Defendants' Motion must be denied.

## **2. Standard of Review**

Under Fed. R. Civ. P. 15(a), leave to file an amended complaint "shall be freely given when justice so requires,' and should not be denied unless there is evidence of undue delay, bad faith, undue prejudice to the non-movant, or futility." *Ziegler v. IBP Hog Mkt., Inc.*, 249 F.3d 509, 519 (6th Cir. 2001). "An amendment is futile when the proposed pleading would not survive a motion to dismiss. Thus a court 'may properly deny leave to amend where the amendment would not withstand a motion to dismiss.'" [citations omitted]. *Elway Co., LLP v. Miller* (In re Elrod Holdings Corp.), 392 B.R. 110, 113-114 (Bankr. D. Del. 2008). Therefore, "it follows that amending a pleading would be futile where the plaintiff lacks standing to assert the proposed cause of action." *Id.*

### **3. Argument**

#### **a. Defendant's Motion Is Futile, In Bad Faith, Dilatory, and Made in an Attempt to Cause Undue Delay**

Defendants' Motion is futile, was made in bad faith, is dilatory, and was made in an attempt to cause undue delay. Defendants' Motion for Leave to File Counterclaim asks this court to allow Defendants to take leave to assert a counterclaim that seeks to cancel Plaintiff's registered trademark for WEATHER STICKER. Defendants seek to file this Counterclaim despite the fact that Plaintiff's WEATHER STICKER mark is not at issue in this case: it has not been used in any of the typosquatted domain names that Plaintiff has identified in its Complaint or subsequent discovery, nor is it one of the several registered trademarks that were identified by the Plaintiff as infringed upon by Defendants' typosquatting scheme. Defendants have failed to assert that they have used or intend to use Plaintiffs' WEATHER STICKER mark, whether in a domain name or otherwise.

#### **i. Defendants Lack Standing to Pursue Trademark Cancellation**

As stated above, the amendment of a pleading is futile where the party seeking amendment lacks the very standing necessary to assert the amended claim. *Miller* at 113-14. For a petitioner to succeed in a cancellation proceeding, the petitioner must first show "(1) that it possesses standing to challenge the continued presence on the register of the subject registration and (2) that there is a valid ground why the registrant is not entitled under law to maintain the registration." *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1026 (C.C.P.A. 1982). Under § 14 of the Lanham Act, 15 U.S.C. § 1064, a petition to cancel a trademark registration may only be filed by a

“person who believes he is or will be damaged by the registration of a mark.” “A petitioner for cancellation has standing if it pleads and proves that it has a real interest in the outcome of the proceeding, beyond that of the general public.” *A. V. Brands, Inc. v. Spirits Int'l, B.V.*, 2009 TTAB LEXIS 199, 11-13 (T.T.A.B. 2009).

A petitioner “bears the burden of proving its standing at trial as an element of its case in chief.” *Id.* In turn, standing may be established by (1) proof that petitioner has filed an application for registration of a mark which has been rejected by the Office based on respondent’s registration or, where it is alleged that abandonment is the grounds for cancellation, (2) “standing also may be established even if petitioner is not seeking or is not entitled to its own registration of a mark, if the record shows that the petitioner is engaged in the manufacture and sale of goods which are related to those identified in respondent’s registration, and that petitioner has a bona fide intention to use the involved mark in connection with those goods.” *Id.*

Further, a party must have a real commercial interest in use of the mark rather than the interest of a “mere intermeddler.” *See Golden Gate Salami Co. v. Gulf States Paper Corp.*, 51 C.C.P.A. 1391, 1396 (C.C.P.A. 1964). A party seeking cancellation of a trademark registration based on genericness plead that it has used the mark in commerce in a sense and in association with the same or similar goods or services, or it must plead that it intends to do so. *See Goheen Corp. v. White Co.*, 29 C.C.P.A. 926, 931 (C.C.P.A. 1942). And to obtain standing to cancel a mark on the grounds that it is generic, one must plead and prove that the registration of the mark conflicts with the

petitioner's right to use that term in a generic or descriptive sense. See *Yard-Man, Inc. v Getz Exterminators, Inc.*, 157 USPQ 100 (T.T.A.B. 1968).

Defendants' Motion is futile because Defendants have failed to prove that they have standing to assert a counterclaim for cancellation. Defendants have failed to prove that they will be damaged by Plaintiff's trademark registration for the WEATHER STICKER mark. Defendants have not alleged that they currently use or intend to use WEATHER STICKER as a mark, in a descriptive sense, or in a generic sense in commerce in the United States. In fact, Defendants blatantly admit in their own Brief in Support of their Motion for Leave that, "Plaintiff is a provider of weather services; Defendant is a registrant of domain names." See Defendants' Brief in Support of Motion for Leave to Assert Counterclaim pg. 9-10.

Plaintiff has registered trademark rights in and to WEATHER STICKER in association with "providing weather information via a global computer network," and any analysis of those rights must be made with due consideration of that limited goods and services description. See *In re National Data Corp.*, 753 F.2d 1056, 1058, 224 USPQ 749, 750-51 (Fed. Cir. 1985). Defendants have clearly admitted that they do not intend to use WEATHER STICKER in a generic or descriptive sense in association with providing weather information via a global computer network and thus lack standing to initiate a cancellation proceeding. It is unclear how Defendants could possibly be "damaged by the registration of the mark," as required under 15 U.S.C. § 1064, if, in fact, Defendants are merely "domain name registrants," as domain name registrants are

not in the business of providing weather information via global computer networks.

Defendants' claims are futile and lack the very standing necessary to proceed.

Defendants' Motion has been made in bad faith, is dilatory, and has been made with the intent to delay. Defendants have no interest in using WEATHER STICKER either as a mark or in a descriptive or generic sense. Simply put, the WEATHER STICKER mark is not at issue in this case: none of the typosquatted domain names identified by Plaintiff, whether in its initial Complaint or otherwise, are alleged to incorporate Plaintiff's WEATHER STICKER mark; none of Defendants' affirmative defenses to Plaintiff's claims rely upon the distinctiveness of Plaintiff's WEATHER STICKER mark; and Defendants' have failed to allege that they intend to use WEATHER STICKER as a trademark or in a descriptive or generic sense. The only reasonable inference that can be drawn from Defendants' Motion is that Defendants are intentionally attempting, in bad faith, to delay the resolution of the cybersquatting and trademark infringement matters truly at issue in this case. Accordingly, Defendants' Motion must be denied.

Further, the court should impose sanctions under Fed. R. Civ. P. 11 for Defendants' presentation of a motion for an improper purpose, namely, to harass, to delay, and to increase the cost of litigation. It is clear that Defendants' proposed counterclaim is not supported or warranted by the law and that Defendants cannot meet the standing requirements under the Lanham Act. Defendants have merely attempted to assert this counterclaim at this late stage in discovery in an effort to assert leverage over Plaintiff, harass Plaintiff, delay the ultimate resolution of these matters, and

needlessly increase the cost of litigation. As such, this court should sanction Defendants and Defendants' counsel for the filing of this futile and frivolous claim.

**ii. Plaintiff's WEATHER STICKER Mark is Not Generic and Defendants Counterclaim Would Not Survive a Motion to Dismiss Under FRCP 12(b)(6)**

As stated above, a motion for leave to amend is futile where the claim that the Defendant intends to add would not survive a motion to dismiss. Under Fed. R. Civ. P. 8(2)(a), a counterclaim must contain "a short and plain statement of the claim showing that the pleader is entitled to relief." Further, to survive a motion to dismiss for failure to state a claim under Fed. R. Civ. P. 12(b)(6), "the plaintiff must allege facts that, if accepted as true, are sufficient "to raise a right to relief above the speculative level," [citation omitted], and to 'state a claim to relief that is plausible on its face, [citation omitted]." *Hensley Mfg. v. ProPride, Inc.*, 579 F.3d 603, 609 (6th Cir. 2009). "A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Id.* Though a court, in hearing a motion to dismiss under Rule 12(b)(6), "must accept all well-pleaded factual allegations in the complaint as true," the court does not need to "accept as true a legal conclusion, [such as whether Defendants have standing to cancel Plaintiff's mark], as a factual allegation." *Id.*

It is worth noting at the outset that Defendants have attempted to confuse the court by introducing the term "commonly descriptive" to denote generic marks that are incapable of registration. The Trademark Trial and Appeal Board, prior to 1992, commonly used "commonly descriptive" and "highly descriptive" to denote generic

marks, but, in 1992, this practice was discontinued when the Board stated that the phrase “so highly descriptive that it is incapable of acting as a trademark” should not be used and, instead, the term “generic” should be used to describe this class of terms. See *In re Women’s Publishing Co., Inc.*, 23 USPQ2d 1976 (T.T.A.B. 1992). Thus, generic terms are those terms that are incapable of registration, while a term is merely descriptive, and thus capable of achieving distinctiveness, if it “immediately conveys knowledge of a significant quality, characteristic, function, feature or purpose of the products or services it identifies.” *In re 1-800-Flowers.com, Inc.*, 2008 TTAB LEXIS 117 (T.T.A.B. 2008).

Under 15 U.S.C. §1064, a petition for cancellation of a trademark registration may be filed by “any person who believes he is or will be damaged by the registration of a mark....” A petitioner may file an opposition proceeding under §1064 “[a]t any time if the registered mark becomes the generic name for the goods or services....” To determine whether a term is generic, courts have adopted a two-step approach: (1) determine the genus of the goods or services at issue; and (2) ask the questions, “Is the term sought to be registered understood by the relevant public primarily to refer to that genus of goods or services?” See *H. Marvin Ginn Corp. v. Int’l Ass’n of Fire Chiefs, Inc.*, 782 F.2d 978, 990, 228 USPQ 528, 530 (Fed. Cir. 1986). “Such sources as purchaser testimony, consumer surveys, dictionary definitions, trade journals, newspapers, and other publications may be used to who the relevant public’s understanding of the term.” *In re Donsuemor, Inc.*, 2007 TTAB LEXIS 443, 5-6 (T.T.A.B. 2007).



A mark's registration on the Principal Register of the USPTO "is prima facie evidence of the validity of that registration, 'and that includes the presumption that the mark subject thereof is not... generic in relation to the goods [or services listed in the registration].'" *Perry v. General Conf. Corp.*, 1996 TTAB LEXIS 41, 22-24 (T.T.A.B. 1996). The burden of proof in a cancellation proceeding "rests squarely on petitioners...." *Id.* Further, "a party charging genericness must prove its claim by a preponderance of the evidence... [that the mark] is used or understood, by the relevant public, primarily to refer to the class of the goods and/or services with which the term is registered." *Id.* Plaintiff has held a registered trademark for WEATHER STICKER for use in association with "providing weather information via a global computer network," evidence of which is attached as Exhibit A, since September 28, 1999. See Exhibit A, printout of USPTO registration. Plaintiff's WEATHER STICKER mark has been used in association with these goods or services for over five years and, as such, has become incontestable under the terms of 15 U.S.C. 1065. By virtue of its incontestable nature, Plaintiff's registration "shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce." 15 U.S.C. § 1115(b). This conclusive evidence of the "right to use the registered mark" is subject to a defense

That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or

of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin;

*Id.* Consequently, Defendants must show: (1) that they have used the WEATHER STICKER mark; (2) that Defendants' use of the WEATHER STICKER mark was either a descriptive use or used to describe the geographic origin of Defendants' goods or services; and (3) that Defendants' use was fair and in good faith. Alternatively, Defendants can show that the mark is generic under § 1064, but

[a] registered mark shall not be deemed to be the generic name of goods or services solely because such a mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.

Applying the two-part test to determine whether a mark is generic, the genus of the goods or services at issue is the provision of weather information. It cannot be reasonably said that Plaintiff's WEATHER STICKER mark can be understood by the public primarily to refer to the provision of weather information. "A generic term is one that is commonly used as the name of a kind of goods...." *Nartron Corp. v. STMicroelectronics, Inc.*, 305 F.3d 397, 404 (6th Cir. 2002). Defendants' argument that Plaintiff's WEATHER STICKER mark is commonly used by the public to refer to weather

information defies logic. The “primary significance” of the mark to the public is not weather information itself, but rather, in its most descriptive interpretation, a sticker that conveys weather information.

By way of example, weather information, in common vernacular, is simply referred to by the generic term “weather,” as in the phrase, “I watched the weather this morning on ABC 12.” It would be an awkward conversation if, in its place, a member of the relevant public stated, “I watched the weather sticker this morning on ABC 12.” No reasonable member of the public would make the cognitive inference that “weather sticker” refers to “weather information” without first asking the additional and most pressing question: “What is a weather sticker?” The use of the term “weather sticker” in such a conversation would require more—an additional cognitive leap—because it is simply not a generic term. That additional cognitive leap is the very hallmark of a suggestive mark, that is, a mark that “suggests rather than describes [weather information] and requires the observer or listener to use imagination and perception to determine the nature of the goods.” *DeGidio v. West Group Corp.*, 355 F.3d 506, 510 (6th Cir. 2004).

Defendants have referred to third-party uses of Plaintiff’s WEATHER STICKER mark as evidence of the generic nature of that mark. Plaintiff has not sat on its rights or otherwise waived its rights in or to the WEATHER STICKER mark and, in light of these third party uses, will continue to rigorously enforce its rights. These third party uses of the terms “weather sticker,” “weather conditions sticker,” and “weather sticker or banner” refer to the widget that these respective websites have created, not to the

International Class associated with Plaintiff's registered mark, namely, weather information via a global network. Under 15 U.S.C. § 1127, a mark may be deemed abandoned where the "conduct of the owner... causes the mark to become the generic name for the goods or services." But, under 15 U.S.C. § 1115, uses of a term, "otherwise than as a mark... or of a term or device which is descriptive of and fairly used in good faith" are subject to the defense of fair use. Even assuming, *arguendo*, that Plaintiff did not intend to enforce its rights, Plaintiff could not preclude, through force of law, any fair use of the terms "weather sticker" where those terms were not used to indicate the source or sponsorship of goods or services. Thus, these third party uses of "weather sticker" for purposes other than as a trademark are irrelevant to Defendants' claims that WEATHER STICKER is a generic mark.

Consequently, Defendants' counterclaim would not survive a motion to dismiss under 12(b)(6) because Defendants have failed to allege facts that, if accepted as true, are sufficient to raise a right to relief above the speculative level or sufficient to state a claim for relief that is plausible on its face. *Hensley* at 609. Assuming, *arguendo*, that Defendants could meet the standing requirements for cancellation, Defendants have failed to plead factual content that allows the court to draw the "reasonable inference" that Plaintiff's mark is generic. *Id.*

#### **4. Conclusion**

In short, Defendants' Motion for Leave must be denied. Defendants' Motion is futile, in bad faith, dilatory, and made in an attempt to cause undue delay. Defendants' clearly lack the standing necessary to file their counterclaim and have filed this Motion

to delay the expedient resolution of this matter and to unnecessarily raise the costs of litigation. Further, Defendants' petition to cancel Plaintiff's WEATHER STICKER mark would be futile and would not survive a motion to dismiss under Fed. R. Civ. P. 12(b)(6) because Plaintiff's mark is incontestable and has not become generic through misuse or lack of prosecution. Consequently, Defendants' Motion must be denied and Defendants should be sanctioned under Fed. R. Civ. P. 11 for the filing of this frivolous and meritless claim.

Respectfully submitted this 28<sup>th</sup> day of May, 2010.

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## **CERTIFICATE OF SERVICE**

I hereby certify that on 28<sup>th</sup> day of May, 2010, I electronically filed the foregoing paper with the Court using the ECF system which will send notification of such filing to the following:

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