

**EXHIBIT 74**

Arguments in Response to Office Action on IBOOKS (SN 85/008,412)

**Section 2(e)(1)**

The Examining Attorney has refused registration of IBOOKS on grounds that the mark merely describes features and functions of Apple's goods and services. Apple respectfully disagrees.

It is the Trademark Office's initial burden to show that a mark is merely descriptive in the mind of the consumer. *In re Gyulay*, 3 USPQ2d 1009 (Fed. Cir. 1987). If registration is refused, the Office must support the refusal with evidence. TMEP § 1209.02. Thus, the Office has the burden to prove that the mark in its entirety has a well-understood and recognized descriptive meaning. TMEP § 1209.01(b)(2).

In this case, the Examining Attorney's refusal is based on (a) an entry from *Acronym Finder* indicating that "I" is an abbreviation for "Internet," and (b) the assertion that Apple's goods and services are "likely" provided via the Internet. Needless to say, countless categories of goods and services are offered via the Internet, and there is no per se rule that the prefix "I" or "i" is merely descriptive with respect to all such goods and services. The question is whether consumers who encounter Apple's mark IBOOKS will perceive the prefix "I" as an abbreviation for "Internet." Apple respectfully submits that they will not, for the following reasons.

Apple uses the IBOOKS mark to identify the interface through which consumers access and select electronic publications from Apple's IBOOKSTORE library and download them to Apple's iPad tablet, iPhone mobile device, and iPod touch media player.

Apple already owns registrations on the Principal Register of IBOOKS and IBOOK for the following goods:

- IBOOKS (RN 2,446,634), registered in 2001 for "computer software used to support and create interactive, user-modifiable electronic books."
- IBOOK (RN 2,470,147), registered in 2001 for "computers, computer hardware, computer peripherals and users manuals sold therewith."

See Exhibit A. Thus, the present application merely seeks to expand Apple's registration of the IBOOKS mark to goods and services related to those for which the mark is already registered.

Both IBOOKS and IBOOK were registered as inherently distinctive, without any requirement of proof of acquired distinctiveness.

IBOOKS is a member of Apple's family of famous marks that begin with the prefix "i", and a direct descendant of one of the original marks in this family, the IBOOK mark. Apple first developed this family of marks in 1998, with the launch of its groundbreaking IMAC desktop computer, followed in 1999 by the IBOOK laptop computer and IMOVIE software in 1999. This family significantly expanded in 2001 with the launch of the IPOD digital media player and the ITUNES digital music management software. Apple also introduced its IDVD software in 2001, and its ICAL and IPHOTO software products came to market in 2002. The ILIFE, SIGHT and ICHAT software products followed in 2003. In 2003, Apple also launched the iTunes Store, originally a service that allowed customers to find, purchase and download third-party digital music. The service has been expanded to include audio books, music videos, short films, television shows, movies, podcasts, games, and other applications. In 2007, Apple introduced its now-famous IPHONE digital mobile device, and the IPAD tablet came on the market this year and quickly established its own fame among consumers.

Apple now holds over 60 active federal applications and registrations of marks that begin with the prefix "i." See Exhibits B-E.

The IBOOK laptop, the IPOD media player, the ITUNES software and iTunes Store service, and the IPHONE digital mobile device were all particularly influential in cementing the public perception that the "i"-prefix brand is synonymous with Apple. Each of them ranks as a landmark product offering, and the IBOOKS mark follows in their footsteps:

- The groundbreaking IBOOK laptop was the first mainstream computer with integrated wireless networking and, in tandem with the IMAC desktop, clearly established Apple's identification with "i"-prefix branding.
- The IPOD media player revolutionized the delivery of music and video. Apple has sold more than 275 million iPod devices worldwide since the product's introduction, and as of May 2010 had a 76% market share of the U.S. digital music player market. See Exhibit F. Apple owns nearly two dozen active federal trademark registrations and applications that incorporate the IPOD mark. See Exhibit C.
- Through its iTunes Store, Apple has sold over 10 billion songs. In 2008, the iTunes Store surpassed Wal-Mart to become the largest music retailer in the United States. iTunes is now the world's most popular online music, TV and movie retailer, featuring a catalog of over 12 million songs, over 55,000 TV episodes and over 8,500 movies. See Exhibit G. Apple owns approximately 20 active federal trademark registrations and applications that incorporate the ITUNES mark. See Exhibit D.
- Apple has sold more than 50 million iPhone devices worldwide as of April 2010. The announcement of the iPhone generated unprecedented

publicity in 2007, and Apple sold 1 million units of the device in less than 3 months. Subsequent versions of the iPhone fared even better—the iPhone 3G (released July 2008) sold 1 million units in the first weekend it was on sale, while the first-weekend sales of iPhone 4 (released June 2010) were more than 50% higher, reaching 1.7 million units. See Exhibit H. Apple owns nearly two dozen active federal trademark registrations and applications for marks that incorporate the IPHONE mark. See Exhibit E.

Apple's "i"-branding is so widely recognized that the public has come to expect each new Apple product to follow that nomenclature. Most notably:

- In 2005 and 2006 when the industry suspected that Apple was developing a mobile phone, reporters and bloggers coined the mark IPHONE to refer to the rumored product. See Exhibit I.
- More recently, countless news stories speculated not just on whether Apple would launch a tablet computing device, but whether it would be christened IPAD. See Exhibit J.

Consumers encounter the IBOOKS mark in the same environment in which they encounter Apple's famous "i"-prefix brands, since the mark identifies the interface used to access, select, and download electronic publications on the iPad tablet, the iPhone mobile device, or the iPod touch media player. Thus, in light of Apple's longtime identification with the IBOOK mark, and its use of other famous "i"-prefix brands, consumers immediately recognize IBOOKS as a member of Apple's family of marks. As a result, they have no reason to consider whether IBOOKS has some descriptive meaning.

In support of the refusal, the Examining Attorney has cited *In re Zanova, Inc.*, 59 USPQ2d 1300 (TTAB 2000), in which the Trademark Trial and Appeal Board upheld a refusal to register the mark ITOOL for "computer services, namely, providing custom services for web sites and design of web sites for others" and "computer software for use in creating web pages." In the *Zanova* case, the Board specifically recognized that ITOOL is an abbreviation for the phrase "Internet tool(s)"—which is "a commonly used term" that "aptly describes applicant's goods and services." *Id.* at 1304. By contrast, the office action contains no evidence that the phrase "Internet book(s)" is a commonly used term as applied to Apple's goods and services. In the absence of such evidence, there is simply no basis for concluding that consumers would perceive IBOOKS as a descriptive abbreviation for that phrase.

The Examining Attorney correctly notes that Apple's mark IBOOKS covers goods and services relating to electronic publications. However, as indicated by the materials at Exhibit K, "ebook" is the commonplace generic term for an electronic

book. Consumers who see Apple's use of IBOOKS will recognize it as a indicator of source, distinguishable from the generic term "ebook."

As indicated above, Apple's prior incontestable registrations of IBOOKS (for "computer software used to support and create interactive, user-modifiable electronic books") and IBOOK (for "computers, computer hardware, computer peripherals and users manuals sold therewith") were registered on the basis of inherent distinctiveness. Although the Examining Attorney is not bound to follow the decisions of prior examiners, the fact that the Trademark Office has already perceived IBOOKS to be distinctive in this context supports the conclusion that consumers will do the same.

It is well-recognized that where there is any doubt about whether a mark is merely descriptive, "that doubt should be resolved in favor of the applicant." See *In re Gourmet Bakers, Inc.*, 173 USPQ 565 (TTAB 1972). Here, Apple has raised sufficient doubt about the descriptiveness of IBOOKS that the Examining Attorney should withdraw the refusal under Section 2(e).

#### **Section 2(d)**

The Examining Attorney has refused registration in relation to the goods in Class 16, based on a likelihood of confusion with the mark I BOOK shown in U.S. Registration No. 1,723,733. Apple respectfully submits that confusion is unlikely.

The cited registration of I BOOK, which disclaims exclusive rights in BOOK, covers "calendar handbooks" in Class 16. The owner is the Board of Trustees of the University of Illinois. As confirmed by the cited registrant's specimen of use, the mark I BOOK is an abbreviation for ILLINIBOOK, and has been used on a calendar with dates and deadlines relating to the University of Illinois. See Exhibit L.

Apple's amended identification of goods in Class 16 does not encompass calendar handbooks. Rather, it covers the printed equivalent of the electronic publications set forth in Apple's identification of goods in Class 9. When consumers encounter Apple's use of IBOOKS for books and periodicals on a wide range of topics of general interest, they will have no reason to assume a connection with the University of Illinois calendar, but will instead recognize the products as an extension of Apple's electronic offerings. Under the circumstances, confusion is unlikely, and Apple respectfully requests that the Examining Attorney withdraw the refusal under Section 2(d).