

**THIS OPINION IS NOT A
PRECEDENT OF THE TTAB**

Hearing:
April 29, 2011

Mailed:
September 27, 2011

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Lockheed Martin Corporation

v.

Raytheon Company

Opposition No. 91167189
to application Serial No. 78481770

Opposition No. 91174152
to application Serial No. 78672972

Susan Orkin Goldsmith and Patrick M. McPherson of Duane Morris LLP for Lockheed Martin Corporation.

Jeffrey A. Handelman of Brinks Hofer Gilson & Lione for Raytheon Company.

Before Mermelstein, Bergsman and Wellington,
Administrative Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

Raytheon Company ("applicant") seeks to register the mark PAVEWAY, in standard character form, on the Principal Register, for "laser guided bombs" (Serial No. 78481770) and "laser guided bomb kits," (Serial No. 78672972) in Class 13.

Lockheed Martin Corporation ("opposer") opposed the applications on the ground that the word "Paveway" is

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generic.¹ Applicant, in its amended answer, has directly denied or impliedly denied, and therefore left opposer with the burden of establishing, the allegations in opposer's amended notice of opposition.

Preliminary Issues

A. This case was a good candidate for the Board's Accelerated Case Resolution procedure.

Prior to the close of discovery, opposer filed a motion for summary judgment which generated a large record. The summary judgment motion and response should have served as a warning to the Board that this case was going to be a contentious litigation with the likelihood of an equally large trial record. Had the Board noted the warning, intervention might have followed. *See Blackhorse v. Pro Football Inc.*, 98 USPQ2d 1633, 1634 (TTAB 2011) (the Board will be taking a more active role in pretrial management of cases that the Board identifies as having the potential to become overly contentious and/or involve excessive records). Of equal note, the parties could have recognized that the record on summary judgment was so extensive as to warrant submission of the case for disposition on its

¹ In its amended notice of opposition, opposer also asserted fraud as a ground for opposition. However, because opposer did not argue fraud in its brief, opposer has waived it as a ground for opposition.

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merits through the Board's Accelerated Case Resolution ("ACR") procedure.

As borne out by the excessive record created in this case, the parties introduced what can be characterized as cumulative and irrelevant testimony and evidence (e.g., many documents were introduced three times and testimony regarding how the bombs work was not relevant to the question whether PAVEWAY is a generic term or a mark). Most noteworthy, however, is that there was no real dispute about the operative facts; rather the parties disagreed as to what the facts meant under applicable law. Under these circumstances, this case was a good candidate for the Board's ACR procedure. ACR is a procedure akin to summary judgment in which parties can receive a determination of the claims and defenses in their case promptly, but without the uncertainty and delay typically presented by standard summary judgment practice. In order to take advantage of ACR, the parties must stipulate that, in lieu of submission of evidence at trial, and subsequent fact finding by the Board, certain facts are undisputed and the Board can resolve any remaining material issues of fact based on the ACR briefs and evidence submitted by the parties. After ACR briefs and evidence are filed, the Board will issue a decision within fifty days, which will be judicially

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reviewable as set out in 37 CFR §2.145. Had the parties opted for ACR, proceedings would have been expedited and resulted in savings of time, money and effort. These savings would have included the Board's effort in having to slog through the cumulative and irrelevant testimony and evidence introduced by the parties.

B. "Of course, the whole point of a Doomsday Machine is lost, if you keep it a secret!"²

Unfortunately, the parties have improperly designated a substantial amount of testimony and evidence as confidential. For example, the parties designated the entire Benjamin Ford Rule 30(b)(6) discovery deposition as confidential.³ It was a 200-page deposition where Mr. Ford primarily authenticated documents that opposer also made of record in its other notices of reliance. Very little of Mr. Ford's testimony and very few of the relevant documents are justifiably confidential (e.g., Mr. Ford's educational background and work experience, the derivation of the name PAVEWAY, the process by which the government awards

² *Dr. Strangelove or: How I Learned to Stop Worrying and Love the Bomb* (Columbia Pictures 1964).

³ We are at a loss to understand why the entire deposition was submitted. Unlike the transcript of trial testimony, a discovery deposition made of record under a notice of reliance need not be filed in its entirety. Rather, only those parts of the deposition which are both relevant and relied upon should be attached to the notice of reliance. *Sports Auth. Mich. Inc. v. PC Auth. Inc.*, 63 USPQ2d 1782, 1787 (TTAB 2001).

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contracts, etc.). Submissions in Board proceedings are intended to be publicly available and the improper designation of materials as confidential thwarts that intention. It is more difficult to make findings of fact, apply the facts to the law, and write decisions that make sense when the facts in evidence may not be discussed. The Board needs to be able to discuss the evidence of record, unless there is an overriding need for confidentiality, so that the parties and a reviewing court will know the basis of the Board's decision. Therefore, in this opinion, we will treat as confidential only the testimony and evidence that was appropriately designated as confidential. See *Edwards Lifesciences Corp. v. Vigilanz Corp.*, 94 USPQ2d 1399, 1402-1403 (TTAB 2010). We will not be bound by all of the unnecessary confidential designations made by the parties.

C. Opposer's motion to strike applicant's brief on the case.

In its reply brief, opposer moved to strike applicant's brief on the case on the ground that the brief was not timely filed and, therefore, should not be considered. Applicant filed a response to opposer's motion.

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Opposer's brief was due Saturday, January 1, 2011. Pursuant to Trademark Rule 2.196, when the last day for taking an action falls on a Saturday, Sunday or holiday, the action may be taken on the next succeeding day that is not a Saturday, Sunday or holiday. Thus, opposer was allowed to file its brief as late as Monday, January 3, 2011, and opposer filed it on that date.

Applicant filed its brief on February 2, 2011, thirty days after January 3, 2011. Applicant contends that because Trademark Rule 2.128(a) provides that applicant's brief is due not later than 30 days after the due date of opposer's brief, applicant's brief was timely filed.

As indicated above, Trademark Rule 2.128(a)(1) clearly states:

The brief of the party in the position of plaintiff shall be due not later than sixty days after *the date set for the close of rebuttal testimony*. The brief of the party in the position of defendant, if filed, shall be due not later than thirty days *after the due date of the first brief*. (Emphasis added.)

This language is unambiguous. Barring the granting of an extension of time by the Board, opposer's main brief is due 60 days from the actual date on which the period for rebuttal testimony closes; applicant's brief is then due 30 days later. In this case, the parties agreed (with the

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Board's approval) that the rebuttal testimony period was to end on November 2, 2010.⁴ Therefore, opposer's brief was due 60 days from that date, namely Saturday, January 1, 2011. Applicant's brief was then due 30 days later, namely Monday, January 31, 2011.

Applicant misconstrues the effect of Trademark Rule 2.196 on the dates in question. Trademark Rule 2.196 does not *change* the date on which the relevant action must be taken. To the contrary, when the due date falls on a weekend or Federal Holiday, it allows that action to be considered timely if taken on the next succeeding business day *despite* the earlier expiration of the due date on a weekend or holiday. Thus, Trademark Rule 2.196 does not change any due date, nor does it change or extend the date of subsequent dependent time periods. Because the time for filing applicant's brief was properly calculated from the date opposer's brief was actually due, applicant's brief was two days late.

It is within the Board's discretion to permit a party to reopen an expired time period where the failure to act is shown to be due to excusable neglect. See *Pioneer Investment Services Company v. Brunswick Associates Limited Partnership*, 507 U.S. 380 (1993). Excusable neglect has

⁴ The Board's August 17, 2010 order.

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been shown in this case. Applicant's explanation as to its mistaken interpretation of the rules clearly demonstrates that the delay was not willful; the two-day delay in filing applicant's brief had a negligible impact on the proceedings; and there is no evidence that opposer has been harmed by the delay.

In view thereof, the motion to strike applicant's brief is denied.

The Record

By rule, the record includes applicant's application files and the pleadings. Trademark Rule 2.122(b), 37 CFR §2.122(b).

A. Opposer's testimony and evidence.

1. Testimony deposition of Joseph Serra, opposer's Business Manager for Precision Guided Systems, with attached exhibits;

2. Opposer's first notice of reliance on printed publications;

3. Opposer's second notice of reliance on documents produced by applicant in discovery and authenticated by applicant's response to opposer's requests for admission;

4. Opposer's third notice of reliance on the Rule 30(b)(6) discovery deposition of Benjamin Ford, applicant's

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Weapons, with attached exhibits;

5. Opposer's fourth notice of reliance on applicant's responses to opposer's interrogatories;

6. Opposer's fifth notice of reliance on the affidavits of Curtis Cummings, Steven Oakeson and Scott Driscoll;⁵

7. Opposer's sixth notice of reliance on "government documents and printed publications";

8. Opposer's seventh notice of reliance on "decisions from foreign jurisdictions in opposition, cancellation, and court cases related to the subject opposition"; and

9. Opposer's eighth notice of reliance, submitted in rebuttal, on excerpts from the discovery depositions of opposer's witnesses taken by applicant "which should in fairness be considered by the Board so as to make not misleading what was designated by Applicant."

B. Applicant's testimony and evidence.

1. Applicant's first notice of reliance on excerpts from the Rule 30(b)(6) discovery depositions of Joseph

⁵ The affidavits were submitted pursuant to a stipulation filed January 20, 2010, under which the parties agreed to permit the submission of affidavits in lieu of oral testimony.

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Serra, John Pericci, opposer's Director of Business Development of Precision Guided Systems, and Timothy Stanley, opposer's Intellectual Property Counsel for Missiles and Fire Control;

2. Applicant's second notice of reliance on opposer's responses to applicant's first and second set of interrogatories and applicant's requests for admission;

3. Applicant's third notice of reliance on excerpts from opposer's website purportedly displaying trademark use of military terms;

4. Applicant's fourth notice of reliance on the affidavits of Benjamin Ford, Jay Diston, Manager of Contracts for Atlantic Inertial Systems, Thomas Harlock, Business Manager at Carleton Technologies, Inc., and David Carpenter, Sales Manager at Stanley Machining and Tool Corporation;

5. Applicant's fifth, sixth and seventh notices of reliance on file histories of opposer's trademark registrations and applications purportedly showing trademark use of military terms that "contain statements and admissions by Opposer concerning the trademark significance of such terms";

6. Applicant's eighth notice of reliance on international trademark registration certificates for the

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mark PAVEWAY to "show that PAVEWAY has been registered internationally in various jurisdictions";

7. Testimony deposition of Richard Friebert, applicant's Paveway Program Director, Raytheon Missile Systems, with attached exhibits; and

8. Testimony deposition of Barry Maxwell, applicant's Senior Manager of Growth and Advanced Concepts, Paveway Programs, Raytheon Missile Systems, with attached exhibits.

The Parties and the Goods

The parties are, *inter alia*, defense contractors who manufacture and/or supply laser-guided bombs, "or more precisely laser guidance kits."⁶ "A laser guided bomb is a weapon which is released from an aircraft and follows reflected laser energy to a target being illuminated by a laser to provide laser guidance to an otherwise unguided bomb."⁷ The product at issue is essentially a kit with two main parts: (1) a computer control group affixed to the front of the bomb; and (2) an air foil group consisting of a tail kit and front end steering canards. The tail kit is attached to the rear of the bomb and the canards are

⁶ Opposer's first notice of reliance, Exhibit 148 (*janes.com*).

⁷ Opposer's Brief, p. 5, *citing* Serra Testimony Dep., pp. 15-16.

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attached to the computer control group to provide the steering capability.

In or around the mid-1960's, applicant's predecessor, Texas Instruments, was selected by the U.S. Air Force to develop and supply the first laser-guided bombs. Thus, "[f]or over thirty years, [applicant was] the single source of the unique LGB [laser-guided bomb] products, which products were marketed under the PAVEWAY mark."⁸

In May 2000, the U.S. Air Force sought a second source for the laser-guided bombs at issue in this proceeding.⁹

The Commerce Business Daily (May 12, 2000) issued a "Paveway Sources Sought Synopsis" "intended as a method of informing potential contractors of the existence of a Bid Qualification Plan for Paveway II Laser Guided Bombs."¹⁰ Ultimately, opposer qualified to supply laser-guided bombs and began referring to them as "Paveway Laser-Guided Bombs."

The parties are the only two companies qualified by the Department of Defense to produce these specific laser-guided bombs. Applicant filed the applications at issue

⁸ Ford Affidavit ¶5.

⁹ Serra Testimony Dep., Exhibits 101 and 102.

¹⁰ Serra Testimony Dep., Exhibit 101.

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and opposer filed the notices of opposition alleging that the term "Paveway" is generic.

Opposer's Standing

To establish its standing to assert that a term is generic as a ground for opposition or cancellation, "a plaintiff need only show that it is engaged in the manufacture or sale of the same or related goods as those listed in the defendant's involved application or registration and that the product in question is one which could be produced in the normal expansion of plaintiff's business; that is, that plaintiff has a real interest in the proceeding because it is one who has a present or prospective right to use the term descriptively [or generically] in its business." *Binney & Smith Inc. v. Magic Marker Industries, Inc.*, 222 USPQ 1003, 1010 (TTAB 1984). The testimony and evidence support opposer's contention that it uses the designation PAVEWAY in connection with laser guided bombs.¹¹ This is sufficient to demonstrate that opposer has a real interest in this proceeding and, therefore, has standing.

¹¹ Serra Discovery Dep. (7-30-2011), p. 21 (began using PAVEWAY to identify laser-guided bombs "subsequent to 2003"); Ford Affidavit ¶6 ("[opposer] began using the PAVEWAY Mark on its competing [laser guided bomb] products").

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Whether PAVEWAY is generic?

Section 14(3) of the Trademark Act of 1946, 15 U.S.C. § 1064(3), provides in pertinent part, that, [a] registered mark shall not be deemed to be the generic name of goods or services solely because such 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. (Emphasis added).

In determining whether a term is generic, the critical issue is whether the record shows that members of the relevant public primarily use or understand the term sought to be registered to refer to the category or class of goods in question. *H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 228 USPQ 528, 530 (Fed. Cir. 1986); *In re Women's Publishing Co. Inc.*, 23 USPQ2d 1876, 1877 (TTAB 1992).

"[T]he test is not the existence of other terms for the product or recognition of trademark significance by the trade. It is recognition by the purchasing public." *In re Murphy Door Bed Co., Inc.*, 223 USPQ 1030, 1033 (TTAB 1984). "The fact that a given product has more than one generic

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name makes no difference." *Id.* at 1031. A term may start out as nongeneric as applied to a product but may in time lose whatever source significance it might originally have had. *Id.* See also *In re Randall and Hustedt*, 226 USPQ 1031, 1032 (TTAB 1985). "[I]f a term has become the accepted designation for the product to which it is applied, it has been rendered a common descriptive or generic name for said product and is unregistrable." *In re Murphy Door Bed Co., Inc.*, 223 USPQ at 1031.

"Whether the relevant purchasing public regards a term as a common descriptive name is a question of fact to be resolved on the evidence." *Dan Robbins & Associates, Inc. v. Questor Corp.*, 599 F.2d 1009, 202 USPQ 100, 105 (CCPA 1979). Making this determination "involves a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered ... understood by the relevant public primarily to refer to that genus of goods or services?" *Ginn*, 228 USPQ at 530. Evidence of the public's understanding of a term may be obtained from any competent source, including testimony, surveys, dictionaries, trade journals, newspapers and other publications. See *Magic Wand Inc. v. RDB Inc.*, 940 F.2d 638, 19 USPQ2d 1551, 1553 (Fed. Cir. 1991); *In re Merrill*

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Lynch, Pierce, Fenner & Smith, Inc., 828 F.2d 1567, 4

USPQ2d 1141, 1143 (Fed. Cir. 1987).

We begin by finding that the genus of the goods at issue in this case is adequately defined by applicant's description of goods, namely, "laser guided bombs" and "laser guided bomb kits." *Magic Wand Inc. v. RDB Inc.*, 19 USPQ2d at 1552 ("[A] proper genericness inquiry focuses on the description of [goods or] services set forth in the [application or] certificate of registration"). For our purposes, laser guided bombs and laser guided bomb kits are essentially the same thing.¹²

We now turn to the second inquiry: the relevant public's understanding of the term. As indicated above, the issue is whether the relevant public primarily uses or understands the term sought to be registered to refer to the category or class of goods in question. *H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.*, 228 USPQ at 530; *In re Women's Publishing Co. Inc.*, 23 USPQ2d at 1877. In a genericness case, the relevant public is comprised of the potential purchasers of the goods, in this

¹² Barry Maxwell Dep., p. 52 ("[laser-guided bombs and laser-guided bomb kits] are somewhat used interchangeably through the industry. ... They are the same thing as far as essentially the customer is concerned"); Serra Dep. (7-30-2009), pp. 75 ("my assumption is when we refer to an LGB we're talking the LGB kit" and "a laser guided bomb would be in a discussion typical to the all up unit").

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case, the United States Department of Defense, specifically, the U.S. Air Force and Navy, as well as the defense ministries of friendly foreign governments.¹³

The evidence set forth below demonstrates that the relevant public understands the word "Paveway" to be a generic reference for a type of laser-guided bomb.

1. The affidavit of Steven Oakeson, Lead Contract Specialist for the Paveway II Program as of November 1, 2005. As lead contract specialist, Mr. Oakeson supervised the purchasing of Paveway II goods for the United States Air Force.¹⁴ According to Mr. Oakeson, "the Air Force uses "Paveway" with each source [opposer and applicant], to designate the product"¹⁵ and "the term 'Paveway II' is used within the Air Force simply as another way to say 'laser guided bomb kit.' It does not indicate a particular source of the goods."¹⁶

2. The affidavit of Curtis Cummings, the contracting officer of the Paveway II Program as of November 1, 2005. As contracting officer, Mr. Cummings managed the purchase of Paveway II goods for the entire U.S. military.¹⁷

¹³ Serra Testimony Dep., pp. 16-17; Pericci Discovery Dep. (April 5, 2007), P. 98; Benjamin Ford Discovery Dep., pp. 20 and 132; Opposer's Brief, pp. 9-10; Applicant's Brief, pp. 9-12.

¹⁴ Oakeson Affidavit ¶ 4.

¹⁵ *Id.* at ¶ 10.

¹⁶ *Id.* at 12.

¹⁷ Cummings Affidavit ¶ 4.

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According to Mr. Cummings, "the Air Force uses 'Paveway' with each source [opposer and applicant], to designate the product"¹⁸ and "the term 'Paveway II' is used within the Air Force simply as another way to say 'laser guided bomb kit.' It does not indicate a particular source of the goods."¹⁹

3. The affidavit of Scott Driscoll, Vice President of Sales of MLM International Corporation as of January 9, 2007. MLM International is essentially a broker between the U.S. government and foreign military purchasers in the field of aircraft bombs, including Paveway guidance kits.²⁰

Mr. Driscoll attested to the following facts:

- a. "[T]he guidance kits manufactured by [opposer] are 'Paveway,' and are known to customers worldwide to be 'Paveway'";²¹
- b. "'Paveway' is a generic, or common industry term, for the type of goods. It does not indicate a particular source of the goods";²²
and
- c. "[T]he term 'Paveway' is synonymous with 'laser guided bomb,' and 'Paveway' itself

¹⁸ *Id.* at ¶ 14.

¹⁹ *Id.* at 15.

²⁰ Driscoll Affidavit ¶¶ 3-6.

²¹ *Id.* at ¶ 13.

²² *Id.* at ¶ 14.

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means the technology that primarily uses
lasers to guide a bomb to a target.”²³

Applicant argues that these affidavits should be accorded limited probative value because (i) Messrs. Oakeson and Cummings were only in their positions for a short period of time, (ii) the affidavits were signed in 2005, (iii) the affiants were not subject to cross examination, and (iv) the affidavits were drafted by counsel and are mirror images of each other.²⁴

We disagree. First, the affidavits of Messrs. Oakeson and Cummings express their opinions based on their experience. Second, the parties stipulated to the introduction of the affidavits and applicant was aware that it would not have an opportunity to cross examine those witnesses.²⁵ Third, the fact that the affidavits were drafted by counsel does not make them any less probative. See *In re Flex-O-Glass, Inc.*, 194 USPQ 203, 206 (TTAB 1977) (“[T]he fact that the affidavits may be similar in format and expression is of no particular significance ... since

²³ *Id.* at ¶ 15.

²⁴ Applicant’s Brief, p. 36.

²⁵ The affidavits introduced by applicant were signed in 2008 and the witnesses were not subject to cross examination although opposer deposed Mr. Ford. Although the stipulation didn’t specifically provide for cross-examination, applicant could always have called the affiants during its own testimony period if it thought there would be some value in that.

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the affiants have sworn to the statements contained therein."). Generally speaking, the Board does not find the use of form statements problematic. *In re Benetton Group S.p.A.*, 48 USPQ2d 1214, 1217 (TTAB 1998).

Finally, applicant noted that opposer only introduced three affidavits when there were numerous other individuals with greater experience who could have testified: notably, Loretta Woodward who refused to sign an affidavit for opposer.²⁶ First, we can only consider the evidence that has been introduced. In this case, opposer introduced three affidavits, as well as other evidence that corroborates the testimony of the witnesses regarding how consumers perceive the word "Paveway." While there may be other witnesses with knowledge, their testimony is not before us. Second, while Loretta Woodward refused to sign an affidavit for opposer, there was no testimony regarding why she declined to voluntarily participate. We note that applicant did not submit Ms. Woodward's affidavit or testimony, so we have no basis on which to infer that, had she testified, she would have provided evidence adverse to opposer's position.

²⁶ Applicant's Brief, pp. 36-37.

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In view of the foregoing, we reject applicant's arguments for according these affidavits only limited probative value.

4. Documents showing use of the term "Paveway" by the U.S. Air Force and Navy. A representative sample of those documents is listed below.

a. Opposer's first notice of reliance.

A Presolicitation Notice for Paveway II Laser Guided Bombs (September 27, 2000).²⁷ The notice informs interested parties that "[t]he government intends to award a contract with an option for Paveway II Laser Guided Bombs. ... [Applicant and opposer] and Klune Industries ... have expressed interest."

b. Opposer's sixth notice of reliance.

1. Department of Defense announcement of awarded contracts (*defense.gov/contracts*) (September 24, 2010) announcing that opposer was awarded a contract for the procurement of "Paveway II laser guided bomb control groups."²⁸

²⁷ Opposer's Exhibit 103.

²⁸ Opposer's Exhibit 192.

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2. A U.S. Air Force solicitation notice for "Computer Control Group Paveway II" (*fbo.gov*) (May 24, 2010).²⁹ The solicitation "is restricted to qualified sources" and "will not be held up to qualify additional sources."

3. A U.S. Air Force notice for "GBU-16 Laser Guided Bomb Sources Sought" (*fbo.gov*) (April 9, 2010).³⁰ This announcement "is intended as a method of informing potential contractors of the existence of a Bid Qualification Plan for Paveway II Laser Guided Bombs. ... [T]he USAF on behalf of the country of Italy is seeking potential contractors to become an approved supplier for Paveway II Laser Guided Bombs for an anticipated GBU-16 Paveway II kit procurement. ... The Bid Qualification Plan is designed to demonstrate each offeror's competency

²⁹ Opposer's Exhibit 193.

³⁰ Opposer's Exhibit 194. See also Opposer's Exhibit 102 (May 11, 2000), Exhibit 147 (July 21, 2009), Exhibit 160 (May 16, 2000), and Exhibit 161 (October 3, 2000).

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to bid on Paveway II procurements."

The announcement also states that applicant and opposer "are the only known approved sources who currently have the knowledge, skills, facilities and equipment for this effort."

- c. Joseph Serra Testimony Deposition
 1. *Paveway II Laser Guided Bomb* PowerPoint presentation by DaVon W. Day, USAF (October 30, 2007) at the 2007 Precision Guided Munitions Technical Coordination Group (PGMTCG) meeting.³¹ Screen 5 is titled "Paveway II Logistics." The bottom of the page reads as follows: "LGB Kits - Two manufacturers: Raytheon and Lockheed Martin." Screen 8 has the same title and discusses the "Differences in usability between Raytheon's version and Lockheed Martin's version."

³¹ Opposer's Exhibit 123. See also Opposer's Exhibits 128 and 130. The PGMTCG is "a U.S.-run group with domestic and foreign customers." (Maxwell Dep., p. 11). It is a user's group that the U.S. Air Force uses to facilitate communication and the exchange of information. (Serra Testimony Dep., pp. 106-107).

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2. The 2006 PGMTCG agenda.³² On October 30, 2006, John Pericci, opposer's Director of Business Development of Precision Guided Systems, presented the "Lockheed Paveway Brief"; Ricky Friebert from Raytheon presented the "State of Paveway (Raytheon)"; and Barry Maxwell from Raytheon presented "Paveway Logistics, Integration and Mission Planning."

D. Benjamin Ford discovery deposition.

1. "Paveway II Competitive Industry Day" presentation by Loretta Woodward (October 25, 2000).³³ The purpose of the competition is to "Award competitive Navy contract for Paveway II Laser Guided kits." Representatives from both parties, as well as the Navy and Air Force, attended.

³² Opposer's Exhibit 124. See also Opposer's Exhibit 129 (2009 PGMTCG Agenda).

³³ Ford Discovery Dep., Exhibit 11. See also Ford Discovery Dep. Exhibit 15. Loretta Woodward was the primary contracting officer for Paveway II. (Ford Discovery Dep., p. 82). "Industry Day" is the government's attempt to attract bidders. (Ford Discovery Dep., p. 81).

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2. Department of the Air Force,
Procurement Program, Procurement of
Ammunition, Budget Estimates for Fiscal
Years 2004/2005 (February 2003).³⁴ This
document is part of the budget estimate
for ammunition, including bombs and
bullets.³⁵ The budget estimate
identifies both parties as contractors
for providing Paveway fin assemblies
(Bates No. R-004827) and guidance
control units (Bates No. R-004830).
With respect to the Paveway guidance
control unit, the budget estimate
states that the "FY02 unit price is an
average of Raytheon and Martin Lockheed
unit prices" (Bates No. R-004829).³⁶

E. John Pericci Discovery Deposition (April 5,
2007).

Contractor Performance Assessment Report
(May 16, 2005).³⁷ This is an assessment

³⁴ Benjamin Ford Discovery Dep., Exhibit 17.

³⁵ Benjamin Ford Discovery Dep., p. 110.

³⁶ Benjamin Ford explained that the specific part number
referenced in the budget estimate is a Raytheon part. (Benjamin
Ford Dep., p. 111.

³⁷ Pericci Discovery Dep. Exhibit 49.

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report issued to opposer by the government.³⁸

The acquisition is identified as "Order 0002

for FY03 buy of Paveway II Laser Guided

Bombs." The "contract effort description"

is identified as "Provide Paveway II assets

... for the United States Air Force and Navy."

On a form attached to the assessment report,

the "Program Title" is identified as

"Paveway II Laser-guided Bomb-Kit."

5. Printed publications showing use of the term "Paveway." Printed publications submitted pursuant to Trademark Rule 2.122(e) are admissible and probative only for what they show on their face, not as proof of the matters asserted therein. *Safer Inc. v. OMS Investments Inc.*, 94 USPQ2d 1031, 1037 n.14 (TTAB 2010). In other words, the printed publications are evidence of the manner in which the term "Paveway" has been used in the printed publications and of the fact that the relevant reading public has been exposed to the printed publications and may be aware of the information contained therein. *Harjo v. Pro-Football Inc.*, 50 USPQ2d 1705, 1721 n.50 (TTAB 1999). A representative sample of those documents is listed below.

³⁸ Pericci Discovery Dep., p. 221.

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A. Opposer's first notice of reliance.

1. *Flight International* (March 27, 2001)³⁹

GAO Urged To Investigate
Paveway II Contract

Raytheon was the Paveway sole source from the late 1960s, but under Congressional pressure, the USN last year allowed Lockheed Martin to again compete for the work. Lockheed Martin became a second source for Paveway in 1988, but won no contracts after planned production was cut.

2. *Aerospace Daily* (March 23, 2003)⁴⁰

Base-year Paveway contract promises intense competition ahead

Both contractors sharing a \$ 281 million Air Force contract to build Paveway II

³⁹ Opposer's Exhibit 108. See also Opposer's Exhibit 154, *Flight International* (March 21, 2006) ("US Navy plans to fund qualification of a laser seeker for Boeings' Joint Direct Attack Munitions (JDAM) guidance kit promise to set up a three-way competition for future procurements between the weapon and the dual-mode variants of the Paveway laser-guided bomb (LGB) produced by Lockheed Martin and Raytheon."). "*Flight International* is one of numerous trade journals, publications that maintains cognizance of activity ongoing within the defense industry as a whole." (Serra Testimony Dep., p. 45).

⁴⁰ Opposer's Exhibit 116. See also Opposer's Exhibit 115, *Aerospace Daily* (February 23, 2003) ("Sarah Hammond of Raytheon's Missile Systems unit in Tucson, Ariz., said \$ 2 billion will be spent over a six- or seven-year period to buy Paveway bomb kits 'from both Raytheon and Lockheed Martin, [with] details to come.'"). *Aerospace Daily* "is an industry journal, trade journal covering the activity, ongoing activity in the defense - - defense business." (Serra Testimony Dep., p. 50).

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laser-guided bomb kits each say they are in good position to gain market share after the base year of the award.

* * *

The Air Force plans to award up to \$ 2 billion for Paveway II production over a seven-year period, starting in fiscal year 2003. The contract is structured with a base-year contract followed by six one-year options, each of which could be competed between Raytheon and Lockheed Martin.

Raytheon was once the Air Force's only supplier of Paveway kits. It is seeking to protect its market share from Lockheed Martin's upstart competition, Ben Ford, a Raytheon business development manager for Paveway, said in an interview.

* * *

Lockheed Martin officials, however, were "excited" by receiving a 38 percent share of the first contract less than a year after the Air Force certified its Paveway kits, Lockheed Martin spokeswoman, Ellen Martin said.

... [F]inally, in 1999, Lockheed Martin spent \$ 15 million to build and self-certify its own version of

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the Paveway II kits, she said.

Since then Lockheed Martin has gained momentum in the market. The company has received two contracts worth \$ 89 million in FY '01 to produce Paveway kits for the Navy.

3. *Jane's Air-Launched Weapons* (janes.com) (January 16, 2006)⁴¹

Paveway II and Paveway III ...

The Paveway family of Laser-Guided Bombs (LGBs) - or more precisely, laser guidance kits - was designed and developed during the 1960s to meet the need for a precision attack capability for tactical aircraft that became pressing during the Vietnam War. The Precision Avionics Vectoring Equipment (PAVE) prefix was given to a range of US Air Force guided weapons initiatives at that time, but the Paveway codename has today become almost a generic title for LGBs. Within the US there are now two producers of the Paveway guidance system: Raytheon Missile Systems and Lockheed Martin Missiles and Fire Control.

* * *

⁴¹ Opposer's Exhibit 148. See also Opposer's Exhibits 149, 150, 151, 157, 158, and 159. Jane's is a recognized publisher in the field of weapons: "the Bible for that type of collection." (Serra Testimony Dep., p. 174).

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The original Paveway Laser-Guided Bomb (LGB) became known as Paveway I in 1978 when a Production Engineering Program (PEP) was initiated to improve LGB capabilities. The outcome of the PEP resulted in an updated LGB system, which became known as Paveway II.

* * *

In August 2002 [sic] Lockheed Martin was qualified as a second source supplier to the USAF for the Paveway II LGB. ... In November 2003 Lockheed Martin was awarded the complete USDoD order to replace all the Paveway IIs expended by the USAF and US Navy during combat operations in Iraq during March/April.

* * *

Today, Paveway II production continues at both Raytheon and Lockheed Martin.

* * *

A total of 544 Paveways were dropped by French during the campaign.

4. *Defense Daily* (March 29, 2001)⁴²

⁴² Opposer's Exhibit 109. See also Opposer's Exhibit 117, *Defense Daily* (March 30, 2004) ("Raytheon [RTN] yesterday was awarded the 'maximum available' share of three competitive contracts for the production of Paveway II laser-guided bomb (LGB) kits for the Air Force and Navy, topping a bid from the other major producer of Paveway-series kits, Lockheed Martin."). *Defense Daily* "is another industry periodical, trade journal that covers it - -

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Air Force: Lockheed Martin
Did Not Meet Paveway Bid
Qualification

Lockheed Martin [LMT] did not meet bid qualification requirements that the company agreed to in its bid for components that make up the Paveway II laser-guided bomb (LGB), an official at Hill AFB, Utah, wrote in response yesterday to questions from *Defense Daily*.

* * *

On Feb. 27, Lockheed Martin received a \$9 million second source contract for production of 500 Paveway II GBU-16 guidance kits.

5. *Flight Daily News* (November 22, 2005)⁴³

US Navy awards Paveway II
development contract

Lockheed Martin has been selected to develop, qualify and produce the Paveway II Dual Mode Laser Guided Bomb (DMLGB), the next-generation precision-guided weapon system for the US Navy.

activity in the defense industry." (Serra Testimony Dep., p. 47).

⁴³ Opposer's Exhibit 119. *Flight Daily News* is "another industry trade journal covering defense activity." (Serra Testimony Dep., p. 99).

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B. Opposer's sixth notice of reliance.

1. A July 6, 2010 posting on the *Defense Professionals* website (*defpro.com*) reporting that opposer had just delivered the "100,000th Paveway II Enhanced Laser Guided Training Round (ELGTR) to the U.S. Navy."⁴⁴
2. "Laser weapons development is pushing laser technology out of the laboratory and into directed-energy weapons applications in the field," an article posted on May 24, 2010 on the *Military & Aerospace Electronics* website (*militaryaerospace.com*).⁴⁵ The article referenced opposer's Paveway laser guided bombs. "The Paveway legacy lives on with [opposer's] Paveway II Plus laser-guided bomb. ... [Opposer] is a provider of the Paveway II LGB an all three variant of the Paveway II MK-80 series LGBs."

⁴⁴ Opposer's Exhibit 200.

⁴⁵ Opposer's Exhibit 201.

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6. Applicant's generic use of "Paveway."

Applicant's "Paper on Raytheon's Unique Paveway Laser Guided bomb (LGB) Family" (June 7, 2004) is a document highlighting the differences between applicant's and opposer's laser guided bombs.⁴⁶ It was prepared for "different customers."⁴⁷ The document states that opposer "is currently a U.S. second-source for Paveway II. [Opposer's] LGB is not a build-to-print duplicate of Raytheon's Paveway II."⁴⁸ In a table of features, applicant pointed out that it was a qualified supplier for international Paveway IIs while opposer was not, and that its total production of Paveway IIs far exceeded opposer's production.

The preceding evidence shows that the word "Paveway" is the generic or common name for a specific type of laser guided bomb. The Air Force and Navy have advertised for multiple sources and have contracted with both opposer and applicant for the production of Paveway laser guided bombs. The definition of a trademark is a word, name, symbol or

⁴⁶ Benjamin Ford Discovery Dep., p. 152, Exhibit 27.

⁴⁷ *Id.*

⁴⁸ Applicant denied that it was telling a potential customer that opposer is a supplier of Paveway II. Benjamin Ford explained that opposer's laser guided bomb "is ... an alternate source or second source for our product, that it's not a Paveway II. ... The fact it is not provided by us says it's not a Paveway." (Benjamin Ford Discovery Dep., p. 157).

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device used to identify and distinguish the goods of one person from the goods of another and to indicate the source of the goods. Section 45 of the Trademark Act of 1946, 15 U.S.C. § 1127. See also *Zimmerman v. National Association of Realtors*, 70 USPQ2d 1425, 1429 (TTAB 2004) (the issue is whether consumers perceive the term to be a type of product or the source of the product). A trademark identifies a single source, not multiple sources. *Johnson & Johnson v. E. I. DuPont de Nemours and Co.*, 181 USPQ 790, 791 (TTAB 1974) (the function of a trademark is to identify a single, albeit anonymous, source of goods). The U.S. Air Force and Navy use the term "Paveway" to identify products produced by both parties. Therefore, relevant consumers use the word "Paveway" to identify a type of laser guided bomb. The above-noted evidence unequivocally demonstrates that the relevant consumers use and understand "Paveway" to mean a type of laser guided bomb.

Applicant contends that PAVEWAY is not generic for the following reasons:

1. Applicant has used PAVEWAY as a trademark;
2. The media uses PAVEWAY as a trademark;
3. Opposer's use of PAVEWAY has caused confusion;
4. Applicant has enforced its PAVEWAY trademark rights;

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5. The government recognizes applicant's trademark rights;
6. There is no competitive need for opposer to use PAVEWAY;
7. The defense industry recognizes PAVEWAY as applicant's trademark; and
8. Opposer's position in this proceeding is inconsistent with opposer's previous attempts to register military terms.

A. Whether applicant has used PAVEWAY as a trademark?

Applicant contends, and the record supports, that applicant has used PAVEWAY as a trademark. However, applicant's intent to exclusively appropriate the word "Paveway" as its trademark is not at issue. The issue is whether "Paveway" is recognized as a trademark for laser guided bombs by the relevant public, not by the company seeking to register the mark. *In re 1800Mattress.com IP LLC*, 586 F.3d 1359, 92 USPQ2d 1682, 1685 (Fed. Cir. 2009) (the issue is whether the relevant public understands the term to be generic). The evidence noted above shows that the U.S. Air Force and Navy, as well as the media writing about the defense industry (and presumably read by relevant customers), perceive the word "Paveway" to be a type of laser guided bomb, not a source indicator.

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B. Whether the media uses PAVEWAY as a trademark?

Applicant argues that there is "ample evidence of use of the PAVEWAY mark in the media."⁴⁹ First, applicant references its own advertisements that appear in defense industry trade magazines. This evidence relates to how applicant uses the word "Paveway" and how consumers may encounter the term. This evidence is not conclusive that the relevant public perceives the term as a trademark. Rather, as noted above, the relevant consumers use the term "Paveway" to identify a type of laser guided bomb regardless of applicant's advertisements.

Applicant also references articles appearing in defense industry trade journals and argues that the word "Paveway" is not used as a generic term. Applicant specifically referenced opposer's Exhibits 110 and 115 (see note 36).⁵⁰ Opposer's Exhibit 110 is a February 25, 2002 article from *Aerospace Daily*. Applicant explains that the author uses the generic terms "laser guided bombs" and "GBU-16 kits" in referencing the goods.⁵¹ The article also reports that opposer received a contract to supply Paveway kits.

⁴⁹ Applicant's Brief, p. 8.

⁵⁰ Applicant also referenced Pericci Dep. Exhibit 119, but that exhibit could not be found in the record.

⁵¹ Applicant's Brief, p. 9.

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In February 2001, Lockheed got a \$ 9 million Navy contract for 500 GBU-16 Paveway kits, provided it could meet qualifications.

Furthermore, the article quotes applicant's spokeswoman as explaining that applicant "got a contract last year that was a competition [with Lockheed Martin] where we were the sole winner to provide Paveway IIs." The article quotes applicant's spokesperson as explaining that applicant and opposer competed for a Paveway contract.

Opposer's Exhibit 115 is a February 20, 2003 article from *Aerospace Daily*. Applicant asserts that the article uses the generic terms laser guided bombs and GBU-10, 12 and 16. Moreover, the article reports that applicant "was the sole supplier of laser-guided bomb kits for many years, but [opposer] qualified for the work a couple of years ago."⁵² The article also reports that opposer and applicant are sources for Paveway bomb kits.

Sarah Hammond of [applicant's] Missile Systems unit in Tucson, Ariz. Said \$ 2 billion will be spent over a six- or seven-year period to buy Paveway bomb kits "from both Raytheon and Lockheed Martin, [with] details to come."

⁵² Applicant's Brief, p. 9.

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The evidence referenced by applicant does not support applicant's contention that the defense industry media recognizes the term "Paveway" as its trademark.

With respect to applicant's argument that the news media refers to the generic name of the product as "laser-guided bombs," there can be more than one generic term for a product. *In re 1800Mattress.com IP LLC*, 92 USPQ2d at 1685.

C. Whether opposer's use of PAVEWAY has caused confusion.

Applicant argues that opposer's "use of the "PAVEWAY mark in connection with its LGB products has resulted in numerous instances of actual confusion."⁵³ According to applicant, "[t]he extensive evidence of actual confusion demonstrates that [applicant's] PAVEWAY mark functions as a source indicator among the relevant consuming public, and that [opposer's] use of the PAVEWAY mark deceives consumers as to the source and quality of the underling [sic] LGB products that are being sold."⁵⁴

Applicant did not have the confused personnel testify regarding their purported confusion. Rather, applicant introduced the instances of confusion through the Ford Affidavit and the depositions of Ricky Friebert and Barry

⁵³ Applicant's Brief, p. 22.

⁵⁴ Applicant's Brief, p. 24.

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Maxwell. While applicant asserts that its evidence is not hearsay, we consider applicant's testimony regarding customer confusion to be an exception to the hearsay rule: that is, the statements regarding the customers' confusion fall under the state of mind exception to the hearsay rule. *Nat'l Rural Elec. Coop. Ass'n v. Suzlon Wind Energy Corp.*, 78 USPQ2d 1881, 1887 n.4 (TTAB 2006). Although, applicant's testimony regarding the instances of confusion is admissible, the testimony is not as persuasive as it might have been had it been proffered by the witnesses experiencing the purported confusion. In this regard, it is not clear that the witnesses experiencing the purported confusion perceived PAVEWAY as a trademark.⁵⁵ The testimony is ambiguous. In other words, none of the customers experiencing the confusion testified that they thought that PAVEWAY was a trademark and, therefore, PAVEWAY identified a single source.

Applicant referenced the following purported instances of confusion in its brief. In October 2005, Benjamin Ford and Richard Rhinehart briefed members of a defense ministry regarding a PAVEWAY II product. Mr. Ford testified as follows about what one of the attendees said:

⁵⁵ In analyzing the purported instances of confusion, we will maintain the confidentiality of applicant's customers.

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44. ... [T]hat [applicant's] group he met with in May 2005 had not briefed the same weapons capability. He further stated that as a result of the May briefing, and the reported lack of ability to hit the moving targets, he had advised [the defense ministry] to remove [applicant] from the dual-mode weapon competition because [applicant's PAVEWAY II] product did not meet [the defense ministry's] requirements.

45. [Applicant] advised [the defense minister] that nobody from [applicant] had briefed [the defense ministry in May 2005, and that [the defense minister] must be confused with another competitor. It was later determined that the May 2005 briefing was by [opposer]. ... [Applicant] was almost eliminated from the competition because of confusion caused by [opposer's] use of the PAVEWAY Mark in connection with an inferior performing product.⁵⁶

Applicant contends that the customer thought that applicant gave the first briefing because of opposer's use of PAVEWAY in connection with the laser guide bomb.⁵⁷ However, it seems unlikely that opposer would not have clearly identified itself as the source of the particular "Paveway" laser guided bomb. Moreover, the customer may have removed applicant from the consideration because the customer thought that the PAVEWAY type laser guided bomb did not meet its requirements, not because the customer

⁵⁶ Benjamin Ford Affidavit ¶¶ 44-45.

⁵⁷ Applicant's Brief, p. 22.

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thought that PAVEWAY was a brand name. As indicated above, because the confused persons did not testify, there is ambiguity surrounding the purported confusion and it remains unclear whether the confusion was a result of the customer believing that "Paveway" is applicant's trademark.

Applicant identified instances in international sales where opposer's products have been used to fill orders in lieu of orders for applicant's products. In many cases, the customers' aircraft are certified to carry applicant's products but not opposer's products. In those instances, when opposer's PAVEWAY laser guided bomb is sold in place of applicant's laser guided bomb, the bombs cannot be properly fitted to the aircraft, nor tested by the customers' test equipment.⁵⁸ According to Mr. Friebert, customers have expressed concern that they might receive opposer's PAVEWAY laser guided bombs rather than applicant's PAVEWAY laser guided bombs. It is not clear that the problems referred to by the customers are trademark confusion as opposed to product confusion (e.g., the wrong model number). This is exactly the problem that

⁵⁸ Applicant's Brief, pp. 22, *citing* Friebert Dep., pp. 24-27. Barry Maxwell also testified regarding these purported instances of confusion. (Maxwell Dep., pp. 28-30). However, Mr. Maxwell did not testify that he personally spoke with the customers experiencing the confusion. Mr. Maxwell did not testify regarding how he became aware of these purported instances of confusion.

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arises when a generic term is used to "identify" a product. If a customer requests a pencil, the customer may get any old pencil, made by any company. To get a specific pencil, the customer has to use a *trademark* (e.g., I'll take the Eberhard-Faber 5111, please.) In fact this kind of confusion seems to suggest that PAVEWAY is actually **not** capable of distinguishing between these two company's products.

In another instance, the U.S. Navy was experiencing accuracy issues. In trying to resolve the accuracy issues, applicant contends that "it became apparent that there was confusion resulting from [opposer's] use of the mark PAVEWAY in connection with LGB products."⁵⁹

It was determined that the accuracy issues were with [opposer's] LGB products (MAU-209/B) and not [applicant's] PAVEWAY II LGB products (MAU-169). The weapon loadout ... consisted of a majority of [opposer's] LGB products (MAU-209) because the Officer assumed that, since the MAU-209 is a higher number than the MAU-169, it must be newer or better. They were unaware of the different manufacturers as of the reason for the different numbers.⁶⁰

This purported instance of confusion is ambiguous. Mr. Ford's testimony is that the officer loading the

⁵⁹ Ford Affidavit ¶ 46.

⁶⁰ Ford Affidavit ¶ 46.

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weapons was unaware that there was more than one source of PAVEWAY laser guided bombs and that he loaded the highest model number.

We find that the testimony regarding the purported instances of confusion is entitled to little weight because the testimony is ambiguous. The allegedly confused persons did not testify and, therefore, they were not subject to cross examination as to whether they were in fact confused, and if so, what caused their confusion.

D. Whether applicant has enforced its PAVEWAY trademark rights?

Applicant argues that “[u]pon learning of [opposer’s] progressive encroachment on its rights in the PAVEWAY mark, [applicant] took several steps, including: (1) objecting to [opposer’s] usurpation of [applicant’s] right in the PAVEWAY mark; and (2) filing federal trademark applications for the PAVEWAY mark.”⁶¹ Applicant cited testimony from Ricky Friebert, applicant’s Paveway Program Director, and Barry Maxwell, applicant’s Senior Manager of Growth and Advanced Concepts for the Paveway Programs, to support its contention that applicant protested opposer’s use of the PAVEWAY mark. According to Mr. Friebert, it was a legal problem. Specifically, Mr. Friebert testified that he and

⁶¹ Applicant’s Brief, p. 25.

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Mr. Ford discussed sending the issue to the legal department: "[t]he proper course of action is to give it to our legal department and have them take proper course of action. ... [the discussion] went as simple as we ought to go tell the legal department and I said you are right, we ought to."⁶² There is nothing in the record to show that Mr. Friebert or Mr. Ford actually contacted applicant's legal department or that that applicant's legal department sent a protest to opposer.

Mr. Maxwell testified that with the exception of defending the opposition, he was not aware that applicant had done anything to protest opposer's use of the term "Paveway."⁶³ However, Mr. Maxwell did testify that applicant had always objected to opposer's use of the term "Paveway."

A. We always objected to it. I recall having a discussion initiated by Mr. Serra regarding the PAVEWAY trademark.

Q. What was that discussion?

A. The discussion was can we come to some form of a settlement on this and get on. I said that is not my decision to make.⁶⁴

⁶² Friebert Dep., p. 35.

⁶³ Maxwell Dep., p. 86.

⁶⁴ Maxwell Dep., p. 86.

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Despite having twice deposed Mr. Serra, applicant did not proffer any testimony from Mr. Serra regarding any discussions about "the PAVEWAY trademark." Moreover, there is no further evidence regarding any action by applicant to protest opposer's use of the term "Paveway."

Furthermore, during his discovery deposition, Benjamin Ford testified that he was unaware of any action taken by applicant to protest opposer's use of the term "Paveway."

Q. Has [applicant] ever informed [opposer] to stop using the term PAVEWAY for its laser-guided bomb?

A. I don't know specifics. I don't know any specifics.

Q. Why hasn't [applicant] told them to stop?

A. I don't know. ... They may have. I just don't know.

Q. Has [applicant] ever had a discussion as to whether [opposer] should stop using the term PAVEWAY?

* * *

A. I don't know.

Q. Are you aware of any conversations?

A. With [opposer] or what?

Q. Within [applicant].

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A. Yeah, I know we have discussed their encroachment on our mark, yes.

Q. And as a result of those discussions, did [applicant] decide to take any action?

* * *

A. I'm not going to answer.⁶⁵

Later in his deposition, Mr. Ford testified that he was unaware if applicant ever formally objected to opposer's use of the term "Paveway," but that he thought that he raised an objection although he could not recall with whom or when.⁶⁶

Applicant further contends that applicant "has communicated with the U.S. Government about its rights in the PAVEWAY mark and expressed concern about the confusion caused by [opposer's] use of the PAVEWAY mark."⁶⁷

Q. So any dialogue between [applicant] and the Air Force regarding confusion between the use of the term PAVEWAY between [applicant] and [opposer] is handled by the legal department?

* * *

A. All legal correspondence and things related to legal aspects of our business we give to our legal

⁶⁵ Ford Discovery Dep., pp. 121-123. Apparently, Mr. Ford refused to answer because the answer would potentially disclose advice of counsel.

⁶⁶ Ford Discovery Dep., p. 128.

⁶⁷ Applicant's Brief, p. 26.

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department. We do have a layman's dialogue expressing our frustration with [opposer's] use of our name brand PAVEWAY.

Q. Have you had this layman's dialogue expressing your frustration with [opposer's] use of the term PAVEWAY?

A. I would say yes.

Q. With whom?

A. I would say _____ back in 2006 just in, you know hall talk.

Q. What was the subject of the discussion with _____?

A. He comes to program review on a quarterly basis and we have time over the break to talk and I might say something to that nature. There is not a date and time specific meeting where I could cite where that dialogue took place. I think if anyone asked him, he would confirm our frustration.

* * *

Q. What was his response to you when you raised these concerns?

A. That's legal. That is out of my authority.⁶⁸

⁶⁸ Freibert Dep., pp. 39-40. Applicant improperly designated some of this testimony "Highly Confidential- Attorney's Eye's Only." Nevertheless, we will not disclose the identity of the person to whom Mr. Frieibert spoke. However, the unidentified person was a Defense Department employee involved in the Paveway program. (Frieibert Dep., p. 40).

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Although applicant's level of frustration apparently reached the level of internal "hall talk," there is no evidence in the record that applicant's legal department expressed applicant's "frustration" to the Department of Defense, the Air Force or the Navy. Moreover, there is no indication that applicant followed-up with Mr. Friebert's undisclosed contact to corroborate applicant's frustration with opposer's use of the term "Paveway."

In his affidavit, Benjamin Ford attested to the fact that upon becoming aware of opposer's use of the term "Paveway," applicant "communicated with the U.S. government that the only authorized use of the trademark PAVEWAY is in connection with [applicant] sourced LGB products."⁶⁹ Mr. Ford did not identify who contacted the U.S. government on behalf of applicant, and when, who applicant's representative contacted in the U.S. government, and how the government responded, if it did respond, to applicant's complaint.

Mr. Ford was equally noncommittal during his discovery deposition.

Q. Did [applicant] have any other conversations with anyone else at _____ Air Force Base regarding what the term PAVEWAY meant to them?

⁶⁹ Ford Affidavit ¶41.

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A. We have had informal conversations with the Air Force about using the mark and not using the mark.

Q. When you say the Air Force, who specifically did [applicant] have conversations with?

A. I don't know the specifics. I don't know.

Q. When you say informal conversations, what does that mean?

A. Well, it was discussions. I mean, there was nothing in writing.

Q. When did these conversations take place?

A. Over the years from - - I don't know the exact time.

Q. You can't be any more specific than that?

A. No.⁷⁰

* * *

Q. Did [applicant] ever object to the Air Force about the Air Force's use of PAVEWAY II?

A. Yeah. We have discussed it with them.

Q. When did you first discuss it with the Air Force?

A. I don't recall the specifics.

Q. Was [applicant] concerned about the Air Force's use of the term

⁷⁰ Benjamin Ford Discovery Dep., pp. 131-132.

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PAVEWAY II when they were considering a second source for PAVEWAY II?

A. No, not so much because we were the only supplier at the time.

Q. And when the documents that we looked at today talk about the U.S. Government looking for a second source for PAVEWAY II laser-guided bombs, did that cause any concerns with [applicant] with respect to the trademark usage of the term PAVEWAY?

A. No. We were more concerned about the performance.

Q. You were more concerned about the performance issue than trademark issues; is that a fair statement?

* * *

A. I don't know if that's ...

Q. Well, we have looked at documents today where [applicant] has raised the issue of performance issues with respect to [opposer's] laser-guided bombs; is that correct?

A. Right.

Q. Did [applicant] ever raise the issue of the term PAVEWAY by the U.S. Government for [opposer's] laser-guided bombs?

* * *

A. Yes.

Q. And in what specific instances did they do that?

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A. We talked with _____ Air Force Base, with the people.

Q. Was it ever in writing?

A. I don't recall it in writing.

Q. The talk that you did at _____ Air Force Base, was that the discussions we discussed earlier?

A. Yes.

Q. Was it the discussions with Cummings and Oakeson?⁷¹

A. And others.

Q. And what others were they?

* * *

A. Yeah. Like I said, I don't think I recall the specific names or who was who?⁷²

In view of applicant's assertions that the "PAVEWAY mark is a strong and highly distinctive mark that identifies [applicant] as the source of its family of quality PAVEWAY LGB products,"⁷³ that applicant "has made a significant investment in developing goodwill in the mark,"⁷⁴ and that there were actual instances of confusion, we find applicant's testimony vague and evasive regarding

⁷¹ Curtis Cummings and Steven Oakeson executed affidavits attesting to their opinion that the term "Paveway" designates the product, not a source.

⁷² Benjamin Ford Dep., pp. 160-161.

⁷³ Applicant's Brief, p. 4.

⁷⁴ Applicant's Brief, p. 39.

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its enforcement of the PAVEWAY mark unpersuasive. In fact, the record shows that applicant failed to expressly and unequivocally lodge an objection with opposer regarding its use of the term "Paveway" and that applicant also failed to notify the U.S. Air Force and Navy regarding their purported misuse of the term. Although applicant claims to have made some efforts to lodge such protests, it was unable to produce any details about such efforts or any written letters or memoranda memorializing them.

E. Whether the government recognizes applicant's trademark rights?

Applicant contends that the government recognizes that PAVEWAY is applicant's mark and is taking steps to modify its practice.⁷⁵ First, applicant explains that the government's specifications for a new laser-guided bomb did not use the term "Paveway." According, to applicant this demonstrates that the government is modifying its practice to avoid using PAVEWAY as a generic term.⁷⁶ However, because there can be more than one generic term for a product, *In re 1800Mattress.com IP LLC*, 92 USPQ2d at 1685, all this evidence proves is that the government used generic terms other than "Paveway." There is no evidence

⁷⁵ Applicant's Brief, p. 27.

⁷⁶ Applicant's Brief, pp. 27-28.

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in the record suggesting that the Department of Defense stopped referring to the product as a "Paveway."

Also, applicant asserts that in the February 2006 Budget Estimate for the procurement of ammunition for FY 2006, one of the entries for laser guided bombs identified PAVEWAY as being uniquely associated with applicant.⁷⁷ The description of the product reads as follows:

1. The GBU-10/12 Computer Control Group is a laser homing guidance unit used on the GBU-10(MK-84 Warhead, 200lb class) or GBU-12(MK-82 Warhead, 500lb class) PAVEWAY II Laser Guided Bomb (LGB). The PAVEWAY II system has folding wings which open upon release for maneuverability and increased aircraft payload. These weapons are primarily used for precision bombing against hardened and non-hardened targets.

2. This item is procured through two different contractors. The item name has been changed from MAU-169H/B PAVEWAY II Guidance Control Unit to GBU-10/12 Computer Control Group, because the previous name designates only one of the contractor's product. Both products are identical in form, fit and function.

While paragraph No. 2 appears to support applicant's contention, paragraph No. 1 shows the government referencing the product of both parties as the GBU-10 or

⁷⁷ Benjamin Ford Affidavit ¶56 and Benjamin Ford Discovery Dep., Exhibit 29 (Bates No. R-005179).

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GBU-12 PAVEWAY II Laser Guided Bomb. Thus, it is possible that the government realized that the model number MAU-169 is associated solely with applicant rather than term "Paveway." In fact, Mr. Ford testified that the MAU-169H/B is applicant's model number.

Q. Isn't it true that the MAU-169 HB only designates [applicant's] computer control group?

A. Right. I believe this was based on our objections, they tried to make a change to correct that.

Q. So the correction was that they struck the MAU-169 HB?

A. PAVEWAY II.

Q. PAVEWAY II?

A. Right. Because that is one contractor's product.

Q. That is not a recognition that PAVEWAY II is a trademark of [applicant], is it?

* * *

A. I don't know. I would hope so.

Q. But you don't know.

A. I don't know.⁷⁸

In any event, this is the only evidence where the government even arguably recognized "Paveway" as a

⁷⁸ Benjamin Ford Discovery Dep., p. 168.

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trademark rather than a type of laser guided bomb; and subsequent Department of Defense communications use Paveway as a designation for a type of bomb, not a brand of bomb. As noted above, the Department of Defense announcement of awarded contracts (*defense.gov/contracts*) (September 24, 2010), the U.S. Air Force solicitation notice for "Computer Control Group Paveway II" (*fbo.gov*) (May 24, 2010), the U.S. Air Force notice for "GBU-16 Laser Guide Bomb Sources Sought" (*fbo.gov*) (April 9, 2010), and the *Paveway II Laser Guided Bomb* PowerPoint presentation by DaVon W. Day, USAF (October 30, 2007) at the 2007 Precision Guided Munitions Technical Coordination Group (PGMTCG) meeting. These are all subsequent to the budget estimate, and show the government using the term "Paveway" to identify a type of laser guided bomb.

F. Whether there is any competitive need for opposer to use PAVEWAY?

Applicant argues that opposer is the only other manufacturer of laser guided bombs that uses the term "Paveway." Other manufacturers of laser guided bombs do not use the term "Paveway" "but use a variety of non-conflicting marks in marketing and selling their products. ... This demonstrates that quite clearly that there is no

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competitive need for others to use the PAVEWAY mark.”⁷⁹

While the competitive need to use a term may be probative of whether the term is generic, the correct inquiry is whether the relevant public would *understand* the term to be generic. *In re 1800MATTRESS.COM IP LLC*, 92 USPQ2d at 1685. To the extent competitor need is relevant - both the main customer and the only other relevant competitor - opposer - use “Paveway” as a generic term for the product, and thus show a need to do so. We do not need to look at any other competitors, because the parties are the only ones qualified by the main customers to make this type of product. In fact, the use of the term “Paveway” for other products made by other manufacturers would be misdescriptive.

G. Whether the defense industry recognizes PAVEWAY as applicant’s trademark?

Applicant introduced the three declarations listed below from individuals who work for defense contractors stating that they associate PAVEWAY as applicant’s trademark.

1. Jay Diston, Manager of Contracts for Atlantic Inertial Systems, Inc. Mr. Diston’s is responsible for “proposing, negotiating and managing the contract from

⁷⁹ Applicant’s Brief, p. 29.

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cradle to tomb with a variety of customers on a variety of programs."⁸⁰ Mr. Diston also stated that "I associate the Paveway trademark with [applicant]."

2. Thomas Harlock, Business Manager at Carleton Technologies Inc., "a leading supplier to the Aerospace & Defense markets." Mr. Harlock stated that "I, as well as all Carleton employees, associate the Paveway trademark with [applicant]."

3. David Carpenter, Sales Manager for Stanley Machining and Tool Corporation. Mr. Carpenter is responsible for supplying parts for laser-guided bombs. Mr. Carpenter stated that "I associate the Paveway trademark with [applicant]."

Mssrs. Carpenter and Harlock work for companies that supply parts for laser guided bombs. It is not clear what Mr. Diston's company, Atlantic Inertial Systems, does. Assuming that Atlantic Inertial Systems is also a parts supplier for laser guided bombs, then all three declarants work for companies that supply parts to manufacturers of laser guided bombs (*i.e.*, defense contractors). There is no indication or explanation as to how the declarants or

⁸⁰ Although Mr. Diston stated that he has responsibilities relating to laser-guided bombs, he did not identify what his company does or what the "contract" relates to.

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their companies interact with the U.S. Air Force or Navy, the relevant customers. While the declarations are probative as to how these defense contractors perceive the term "Paveway," the declarations are not as probative as the declarations of Messrs. Cummings and Oakeson, who worked for the Air Force, a relevant customer, and Mr. Driscoll, who worked as a broker between the U.S. government and foreign military purchasers.

H. Whether opposer's position in this proceeding is inconsistent with opposer's previous attempts to register military terms?

Applicant contends that opposer has previously applied to register marks that have been refused on the ground that they were generic or descriptive and that in responding to those refusals, opposer has made statements that are inconsistent with its position in this case.⁸¹ For example, in responding to the refusal to register the term "Joint Strike Fighter," opposer argued that after it was awarded the contract, it became recognized as the sole source of the product and owner of the trademark.

Once the contract is awarded and the project is completed, the name originally assigned by the government is then used in connection with the resulting goods and is given to the manufacturer of those resulting goods. ... As the contract has been awarded to

⁸¹ Applicant's Brief, p. 30.

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Applicant for nearly ten years now, the U.S. military and all interested parties recognize Applicant has the sole source of the JOINT STRIKE FIGHTER aircraft, and the owner of the mark in general.⁸²

Applicant argues that this evidence shows that "terms used to identify military products are associated with, and owned by, the sole or prime manufacturer of the product. ... [T]hat [opposer] was well aware of the trademark status of PAVEWAY when it entered the LGB market," and "[R]ather than respecting [applicant's] well established rights, [opposer] deliberately disregarded those rights and sought to take advantage of the goodwill embodied in the PAVEWAY mark while establishing a new product line for [opposer]. ... This type of 'palming off' is precisely what the Lanham Act is designed to prevent."⁸³

There are numerous problems with this argument. First, to the extent that applicant is asserting as a defense that opposer is guilty of unfair competition, the Board is not authorized to determine that issue. *Person's Co. v. Christman*, 900 F.2d 1565, 14 USPQ2d 1477, 1481 (Fed. Cir. 1990) (Board cannot adjudicate unfair competition issues); *Ross v. Analytical Technology Inc.*, 51 USPQ2d

⁸² Applicant's Exhibit 204, the July 13, 2010 Response.

⁸³ Applicant's Brief, p. 33.

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1269, 1270 n.2 (TTAB 1999) (no jurisdiction over unfair competition claims); *Hershey Foods Corp. v. Cerreta*, 195 USPQ 246, 252 (TTAB 1977) (determination of whether opposer is guilty of unfair business practices is not within the province of the Board).

Second, opposer's statements in its previous applications may be used in evidence against opposer as admissions against interest. TBMP §§ 704.03(b)(2) and 704.04 (3rd ed. 2011). However, no equitable estoppel may be derived from opposer's inconsistent position in those previous applications. *American Rice, Inc. v. H.I.T. Corp.*, 231 USPQ 793, 798 (TTAB 1986). Moreover, while "a party's earlier contrary opinion may be considered relevant and competent. Under no circumstances, may a party's opinion, earlier or current, relieve the decision maker of the burden of reaching his own ultimate conclusion on the entire record." *Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151, 154 (CCPA 1978). We do not take opposer's previous positions in other applications involving other marks and other goods as detracting materially from its position here that the term "Paveway" is generic because the primary issue is how the relevant consumer perceives the term under the facts of record in this proceeding.

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Finally, if you have to lay "blame" on anyone for this situation, it falls more on the Department of Defense and on applicant, than on opposer. There is no testimony or evidence that shows that opposer is trying to fool anyone that its products originate with applicant. It was the Department of Defense that decided to obtain a second source for Paveway laser-guided bombs, not opposer. Moreover, opposer is not trying to register the mark; it is only trying to prevent applicant from doing so. That is not palming off. Opposer has adapted to the marketplace and is asserting that nobody owns the term "Paveway" as a mark.

Decision: The opposition is sustained and registration to applicant is refused.