

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
2900 Crystal Drive  
Arlington, Virginia 22202-3513

Lykos

Mailed: February 10, 2003

Opposition No. 123,765

Central Mfg. Co.

v.

Paramount Parks, Inc.

Before Simms, Hairston and Bottorff, Administrative  
Trademark Judges.

By the Board:

This case now comes up for consideration of opposer's motion (filed September 3, 2002) to dismiss applicant's counterclaim.<sup>1</sup> Applicant has filed a response in opposition thereto.

By way of background, on July 24, 2002, the Board granted applicant's motion for leave to file a counterclaim, noted applicant's proposed counterclaim to cancel opposer's pleaded Registration No. 1,593,157, and allowed applicant time to perfect the counterclaim by submitting the required fee.

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<sup>1</sup> Opposer concurrently moved to suspend proceedings pending the disposition of opposer's motion to dismiss which applicant contested. On October 17, 2002, in accordance with Trademark Rule 2.127(d), the Board suspended proceedings pending disposition of the motion to dismiss.

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Applicant subsequently submitted the required fee in a timely manner.

Opposer seeks to dismiss the following allegations in applicant's asserted counterclaim:

38. Upon information and belief, Opposer is in the business of trafficking in trademarks, and makes little or no commercial use in the marks it owns except as a tactic in encouraging trademark applicants to agree to onerous settlements.
39. Applicant is unaware of any use by Opposer of its HYPERSONIC mark in commerce.
40. Upon information and belief, Opposer currently makes no use of its HYPERSONIC mark in commerce, has made no use of its HYPERSONIC mark in commerce for many years, and intends not to resume such use.
41. Upon information and belief, Opposer has abandoned its HYPERSONIC mark.
42. By reason of the foregoing, Applicant seeks cancellation of the mark HYPERSONIC. Registration No. 1,593,127.

Turning now to opposer's motion to dismiss, opposer merely asserts in a conclusory manner that pursuant to Fed. R. Civ. P. 12(b)(6), applicant's counterclaim fails to state a claim upon which relief can be granted.

In response to opposer's motion to dismiss, applicant contends that it has standing to bring its counterclaim, and has properly pleaded facts for a claim of abandonment which if proved, would result in cancellation of opposer's asserted mark.

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In order to withstand a motion to dismiss for failure to state a claim, a plaintiff need only allege such facts that would, if proved, establish that (1) the plaintiff has standing to maintain the proceedings, and (2) a valid ground exists for canceling the mark. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations, which, if proved, would entitle plaintiff to the relief, sought. *See Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Kelly Services Inc. v. Greene's Temporaries Inc.*, 25 USPQ2d 1460 (TTAB 1992); and TBMP § 503.02.

Considering first the standing question, the Federal Circuit has stated that a party must only plead facts sufficient to show that it has a direct and personal stake in the outcome of the case and a reasonable basis for its belief that it will be damaged. *See Ritchie v. Simpson*, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999).

After careful consideration of the arguments of both parties, and a review of the pleading, the Board is of the opinion that applicant has adequately pleaded its standing to petition to cancel opposer's pleaded registration. By virtue of being a defendant to this opposition proceeding,

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applicant has a real interest in the validity of opposer's pleaded registration.

Turning now to the substantive allegation in the counterclaim, in order to properly state a claim of abandonment, a moving party must plead abandonment of the mark as the result of nonuse or other conduct by the registrant. See Trademark Section 45, 15 U.S.C. § 1127;<sup>2</sup> see also, *On-Line Careline, Inc. v. America Online*, 229 F.3d 1080, 56 USPQ2d 1471 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, supra. Introduction of evidence of nonuse of the mark for three consecutive years constitutes a prima facie claim of abandonment and shifts the burden to the party contesting abandonment to show either: (1) evidence to disprove the underlying fact triggering the presumption of nonuse, or (2) evidence of an intent to resume use to disprove the presumed fact of no intent to resume use. See Trademark Act 45, 15 U.S.C. § 1127; *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990); see generally, 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, 17:18 (4th ed. 1996).

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<sup>2</sup> Section 45 of the Trademark Act, 15 U.S.C. § 1127, provides that a mark is abandoned when "its use has been discontinued with intent not to resume use. . . . Nonuse for three consecutive years shall be prima facie evidence of abandonment."

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Although Trademark Act Section 45 permits the Board to accept proof of non-use for three consecutive years as a prima facie case of abandonment, a sufficient claim of abandonment may be made by an allegation that use has been discontinued (or never commenced) with no intent to resume (or commence) such use. Thus, applicant has set forth a sufficient claim of abandonment in its counterclaim.

In view of the foregoing, opposer's motion to dismiss is denied. **Opposer is allowed until thirty (30) days from the mailing date of this order to file an answer to applicant's counterclaim.**

On October 15, 2002, opposer filed a motion for summary judgment (which apparently crossed in the mail with the Board's suspension order). **Accordingly, applicant is allowed until sixty (60) days from the mailing date of this order to respond to opposer's motion for summary judgment.**

Proceedings herein are otherwise suspended pending disposition of the motion for summary judgment. Any paper filed during the pendency of this motion which is not relevant thereto will be given no consideration. See Trademark Rule 2.127(d).