

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

In the Matter of Application)
Serial No. 77101706 for the Mark RED EYE I)
(& Design) in International Class 041 for)
"Providing information on news in the nature)
of current events reporting, on leisure in the)
nature of cultural events, music, theater, sports)
and restaurants; on fine and performing arts; and)
on entertainment concerning the motion picture)
industry, the television industry and sports,)
by means of a global computer network;)
production of cable television segments featuring)
news, leisure, arts and entertainment")
Filing Date: February 7, 2007)
Publication Date: January 29, 2008)
FOX NEWS NETWORK, LLC.)
Opposer,)
v.)
CHICAGO TRIBUNE COMPANY,)
Applicant.)

77/101,706

Opposition No. 91184319

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Arlington, Virginia 22313-1451



08-05-2008

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CHICAGO TRIBUNE COMPANY'S
MOTION TO DISMISS OPPOSER FOX NEWS NETWORK, LLC'S OPPOSITION

Applicant, Chicago Tribune Company ("Chicago Tribune"), pursuant to Rule 12(c) and 9(b) of the Federal Rules of Civil Procedure, respectfully submits this Motion to Dismiss Opposer Fox News Network, LLC's ("Fox" or "Opposer") Notice of Opposition (the "Motion"). In support of its Motion to Dismiss, Chicago Tribune states as follows:

E0092117396US

I. INTRODUCTION

Chicago Tribune applied for registration of the mark RED EYE I (& Design) (the “Mark”) pursuant to § 1(a) of the Lanham Act on February 7, 2007 (the “Application”). In connection with its used-based application, Chicago Tribune submitted specimens of use, which were accepted by the Examining Attorney in the case. Indeed, Chicago Tribune already has registrations for the marks REDEYE and RED EYE I (& Design) (Reg. Nos. 2,921,483 and 2,918,012, respectively) for use in connection with its print publications.

Fox has opposed the Mark based solely on the theory of fraud. In the Introduction section of its Notice of Opposition (the “Opposition”), Fox makes certain basic allegations concerning the prosecution of the Application and about an unrelated litigation between the parties—none of which evidence any fraudulent activity whatsoever. (*See* Notice of Opposition at ¶¶ 1-14.) Then, Fox makes several conclusory and factually unsupported allegations—essentially all of which are “on information and belief”—that Chicago Tribune has committed fraud in filing the Application. (*See id.* at ¶¶ 15-20.) Fox provides no additional detail. Indeed, Fox does not plead fraud with particularity in the Opposition, nor provide a colorable factual basis for a suspicion of fraud. Accordingly, Fox’s Opposition should be dismissed.

II. SUMMARY OF LAW

Inter partes proceedings before the Trademark Trial and Appeal Board (the “Board”) are governed by the Federal Rules of Civil procedure, in addition to the Lanham Trademark Act of 1946. Patent and Trademark Office, Trademark Trial and Appeal Board Manual of Procedure (“TBMP”), § 101.01(a) (2d ed., 1st rev. 2004). Accordingly, fraud claims must satisfy the pleading requirements of Federal Rule of Civil Procedure 9(b). *See* Fed. R. Civ. P. 9(b) (“In all averments of fraud . . . , the circumstances constituting fraud . . . shall be stated with particularity.”); *see also* *W. R. Grace & Co. v. Arizona Feeds*, 195 U.S.P.Q. 670, 672

(Comm'r Pat. 1977); *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 1010 (C.C.P.A. 1981); *San Juan Products, Inc. v. San Juan Pools, Inc.*, 849 F.2d 468, 472 (10th Cir. 1988) (“[F]raud in the procurement must be alleged with specificity as required by Rule 9(b), both in federal court and in PTO administrative proceedings.”). Rule 9(b) requires that the pleadings in a Notice of Opposition “contain explicit rather than implied expression of the circumstances constituting fraud.” *King Automotive, Inc.*, 667 F.2d at 1010; *San Juan Products, Inc.*, 849 F.2d at 472. Mere conclusory or general allegations of fraud are insufficient. See *W. R. Grace & Co.*, 195 U.S.P.Q. at 672; *Iowa Health System v. Trinity Health Corp.*, 177 F. Supp. 2d 897, 914 (D. Iowa 2001). In considering the Motion, the movant is entitled to dismissal for failure to state a claim if Rule 9(b)’s requirements are not met by the Opposition. See *W. R. Grace & Co.*, 195 U.S.P.Q. at 672 (affirming the Board’s dismissal of insufficiently pled fraud claims); *King Automotive, Inc.*, 667 F.2d at 1010 (affirming the Board’s dismissal of petition sounding in fraud).

Rule 9(b)’s heightened pleading requirements are necessary because fraud is a disfavored claim. See 6 J. Thomas McCarthy, MCCARTHY ON TRADEMARK AND UNFAIR COMPETITION § 31:68, at 31-151 to 152 (4th ed. 2008). The C.C.P.A. has stated that one who alleges fraud bears “a heavy burden of proof.” See *id.* at 31-152. Indeed, the very nature of a fraud claim requires that it be proven “to the hilt.” *Smith Int’l Inc. v. Olin Corp.*, 209 U.S.P.Q. 1033, 1044 (T.T.A.B. 1981). “There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against [the party charging fraud].” *Id.* In fact, in cases where the Board has found fraud “it is generally crystal clear that [a] statement in question is false”—usually with the application or registrant effectively admitting that it has made a false statement. *American Flange & Mfg. Co., Inc. v. Rieke Corp.*, 80 U.S.P.Q. 2d 1397, 2006 TTAB LEXIS 195 at *69 (T.T.A.B. 2006). Accordingly, Rule 9(b) requires the pleading of “the who,

what, when, where, and how: the first paragraph of any newspaper story.” *Iowa Health System*, 177 F. Supp. 2d at 915. Moreover, the heightened pleading standard of Rule 9(b) applies to each element of a fraud claim. *See GMA Accessories, Inc. v. Idea Nuova, Inc.*, 157 F. Supp. 2d 234, 243 (S.D.N.Y. 2000).

This heightened pleading standard safeguards the purposes of Rule 9(b), which are to (i) inhibit claims filed as a pretext; (ii) protect applicants from the harm that results from charges of serious wrongdoing; and (iii) give applicants notice of the complained of conduct, enabling an applicant to prepare a proper defense to a fraud claim. *See U.S. v. Northrop Corp.*, 149 F.R.D. 142, 144 (N.D. Ill. 1993). Said another way, Rule 9(b) is also intended to protect applicants’ reputations, prevent fishing expeditions, and provide adequate notice to applicants of claims against them. *See Native American Arts, Inc. v. Aquino*, 2004 U.S. Dist. LEXIS 21867, at *5 (N.D. Ill. 2004). Indeed, “[a]ccusations of fraud can seriously harm a business.” *Uni*Qualtiy, Inc. v. Infotronx, Inc.*, 974 F.2d 918, 924 (7th Cir. 1992). Accordingly, Rule 9(b)’s heightened pleading standard supports the important purpose of avoiding the filing of unsubstantiated fraud claims. *See id.* at 924; *see also Native American Arts, Inc.*, 2004 U.S. Dist. LEXIS 21867, at *9 (“Devoid of any detail, these allegations appear to be nothing more than a ‘fishing expedition,’ that is, general averments of fraud cast in the hopes that subsequent discovery will uncover enough evidence to substantiate them”).

Toward that end, in general, a party pleading fraud may not do so “on information and belief.” *See GMA Accessories, Inc.*, 157 F. Supp. 2d at 243; *see also Uni*Qualtiy, Inc.*, 974 F.2d at 924 (“[A]llegations [of fraud] made upon information and belief are insufficient.”); *Western United Life Assurance Co. v. Fifth Third Bank*, 2003 U.S. Dist. LEXIS 2531, at * 9 (N.D. Ill. 2003) (“Allegations based on information and belief usually do not satisfy the particularity requirements in Rule 9(b).”). A party may not plead in such a way without “specific

facts supporting a strong inference of fraud.” *Western United Life Assurance Co.*, 2003 U.S. Dist. LEXIS 2531, at * 11; *see also Northrop Corp.*, 149 F.R.D. at 146.

III. OPPOSER MAKES ONLY CONCLUSORY ALLEGATIONS OF FRAUD “ON INFORMATION AND BELIEF.”

In its Opposition, most of the allegations made by Fox concerning its fraud claim are “on information and belief.” (*See* Notice of Opposition at ¶¶ 15-19.) Despite the fact that Fox alleges multiple times in a conclusory and generalized fashion that Chicago Tribune made false statements, Fox provides no detail or specific factual basis for its allegations. For example, Fox asserts “on information and belief” that that Chicago Tribune was not using the Mark in a particular way, but provides no detail or supporting facts for this raw belief on the part of Fox.¹ These allegations are simply insufficient to support the serious (and false) claim of fraud on the United States Patent and Trademark Office (“PTO”) leveled by Fox against Chicago Tribune.

Moreover, even if the Board finds that Fox attempted to infer fraud on some grounds, the only potentially bases provided by Fox for its subjective belief that Chicago Tribune committed fraud are contained in Paragraph 20 of the Opposition. That paragraph states that because of the of the timing of Chicago Tribune’s filing in relation to an unrelated lawsuit and “the weakenss of the application,” the Board should infer that Chicago Tribune provided false statements to the PTO. However, these bases proffered by Fox fail as a matter of law and cannot provide the specific factual support for “a strong inference of fraud.”

First, the timing of the filing of the Application is irrelevant to the veracity of the information contained therein. A federal registration “does not create [a] trademark;” rather, use in commerce does. 3 MCCARTHY ON TRADEMARK AND UNFAIR COMPETITION § 19:3, at 19-18.

¹ In fact, Chicago Tribune was using the Mark as described in the Application as evidenced by the specimens of use submitted to and accepted by the Examining Attorney in connection with the Application.

Accordingly, the filing of a use-based application at any time after the first use of the Mark is appropriate. Fox offers no reason to infer that Chicago Tribune was not using the Mark as described in the Application.

Second, Chicago Tribune is aware of no authority that would support the proposition that merely stating that a trademark application is "weak" can support a fraud claim. Indeed, it is unclear what Fox even means by "the weakness of the application" much less that the mere assertion of that phrase can support the serious claim of fraud on the PTO.

IV. CONCLUSION

For the foregoing reasons, Chicago Tribune requests that the Board enter an order dismissing Fox's claims against Chicago Tribune for failure to plead fraud with particularity as required by Federal Rule of Civil Procedure 9(b).

DATED: August 5, 2008

Respectfully submitted,

CHICAGO TRIBUNE COMPANY

By 
One of Its Attorneys

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CERTIFICATE OF SERVICE

I, Salvador K. Karottki, an attorney, hereby certify that I caused **Chicago Tribune Company's Motion to Dismiss Opposer Fox News Network, LLC's Opposition (Opposition No. 91184319)** to be served upon:

Timothy J. Lyden
Hogan & Hartson L.L.P.
8300 Greensboro Drive, Suite 1100
McLean, VA 22102

by causing a copy of same to be sent via U.S. Mail, postage pre-paid, on August 5, 2008.


Salvador K. Karottki