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

Faint

Mailed:

Opposition No. 91188736

Anastasia Beverly Hills, Inc.,
Anastasia Soare, and Anastasia
Skin Care Inc.

v.

Anastasia Marie Laboratories, Inc.

**Before Grendel, Walsh and Mermelstein,
Administrative Trademark Judges.**

By the Board:

Applicant/counterclaim petitioner, (hereinafter "AML") has applied to register the mark ANASTASIA in standard character form for "body cream; body lotion; hand cream; hand lotions; skin cleansing lotion" in International Class 3.¹

Registration has been opposed by opposer/counterclaim respondent, (hereinafter "ABH") on the grounds of deceptiveness and false suggestion of a connection under Trademark Act Section 2(a); the mark consists of a name of a living individual without written consent under Trademark Act Section 2(c); priority and likelihood of confusion under Trademark Act Section 2(d);

¹ Application Serial No. 77150306, filed April 6, 2007, claiming dates of use and first use in commerce of May 23, 2000.

dilution; and that the marks as currently used in the usual course of trade are materially different from the published marks. Specifically, ABH has pleaded ownership of Registration Nos. 2798069 (A ANASTASIA BEVERLY HILLS and design²) and 2821892 (ANASTASIA BEVERLY HILLS in typed form³) for essentially the same range of goods in Classes 3, 4, 8 and 21, and Registration No. 3503367 for A ANASTASIA BEVERLY HILLS and design for services in Class 44.⁴

In its answer, AML denied the salient allegations of the complaint and counterclaimed for cancellation of ABH's Registration Nos. 2798069 and 2821892 on the ground of fraud. The registrations were filed as intent-to-use applications, and ABH eventually filed an amendment to allege use ("AAU") and statement of use ("SOU") that resulted in the issuance of the two registrations. The fraud counterclaims are based on ABH's

² Registered December 23, 2003, for "potpourri; cosmetics, namely, foundation, concealer, pressed powder, loose powder, eye shadow base, blush, bronzing liquid, eye shadows, mascara, eyeliners, lip coverings, lipstick, lip gloss, lip liners, eyebrow color pencils, eyebrow pencils, eyebrow powder, eyebrow pomade, eyebrow gel, nail polish, nail base coat, and nail top coat; skin care products, namely, facial cleansers, facial cleansing bars, facial toners, facial astringents, facial moisturizers, eye creams, eye gels, eye-area moisturizers, eye-area gels, eye-area creams, facial masques, facial serums, facial exfoliators, body cream, body lotion, body powder, body moisturizers, body lotions, body toners, body astringents, and hand creams; body cleansing products, namely, creams, gels, and bar soaps; fragrance products, namely, perfume, eau de parfum, eau de toilette, eau de cologne, and fragranced creams, lotions, gels, bar body toners, and astringents; room fragrances" in Class 3; "candles" in Class 4; "eyebrow tweezers and eyebrow grooming scissors" in Class 8; and "cosmetic brushes" in Class 21. A disclaimer of "Beverly Hills" is of record.

³ Registered March 16, 2004, for goods identical to those in the '069 Registration, except that "bronzing liquid" is deleted and "bronzing products" are added to Class 3. A disclaimer of "Beverly Hills" is of record.

admitted nonuse of the marks on certain of the goods, and knowing material misrepresentations in the AAU/SOU that the goods were in use on certain goods in Class 3, when they were not.⁵

Approximately six months after filing an answer denying the salient allegations in the original counterclaims, ABH filed a motion styled as one to dismiss the counterclaims for insufficient pleadings of fraud. Although untimely as a motion to dismiss, the Board by its order of March 5, 2010, deemed this a motion for partial summary judgment on the counterclaims.

This case now comes up on the following motions:

- 1) AML's motions for leave to amend its counterclaims together with the proffered amended pleadings filed February 12, 2010, and April 16, 2010;
- 2) ABH's motion to amend its registrations at issue in the counterclaims filed January 14, 2010;
- 3) ABH's motion for partial summary judgment on the counterclaims, filed January 14, 2010; and
- 4) AML's response and cross-motion for summary judgment on the counterclaims filed February 12, 2010.

These contested motions are fully briefed.

ABH filed two consented motions to extend time for it to file a response to AML's motions to amend and cross-motion for summary judgment. The motions are granted.

1. AML's Motions to Amend its Counterclaims

Consistent with Fed. R. Civ. P. 15(a), the Board liberally grants leave to amend pleadings at any stage of the proceeding

⁴ This registration is not at issue in the counterclaims.

⁵ AML has filed two motions to amend the counterclaims. Those counterclaims described here are from the second amended counterclaims filed April 16, 2010.

when justice requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party. See *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1505 (TTAB 1993). The question of whether an adverse party would be prejudiced by allowance of the amended pleading in a Board case is largely dependent on the timing of the motion to amend. In addition, counterclaims against pleaded registrations are compulsory and governed by Trademark Rule 2.106(2)(i).

AML included its counterclaims for fraud in its original answer, and has moved promptly to amend those claims twice in response ABH's objections and the changing law on fraud pleadings before the Board.

Fed. R. Civ. P. 9(b) provides that the circumstances constituting the alleged fraud shall be stated with particularity. See *King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981) (holding pleadings must contain explicit rather than implied expressions of circumstances constituting fraud). That is, the time, place and contents of the false representations, the facts misrepresented, and identification of what has been obtained, shall be stated with specificity. See *Saks, Inc. v. Saks & Co.*, 141 USPQ 307, 309 (TTAB 1964). Malice, intent, knowledge, and other conditions of mind of a person may be averred generally. Fed. R. Civ. P. 9(b). To satisfy Rule 9(b), the pleading must

identify the specific who, what, when, where, and how of the material misrepresentation or omission committed before the USPTO. See *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F3d 1312, 91 USPQ2d 1656, 1668 (Fed. Cir. 2009).

Here, AML's second amended counterclaims are sufficient inasmuch as AML specifically alleges in each, inter alia, that opposer's representations regarding its use with Class 3 goods to the USPTO on the dates that the AUU or SOU were filed were false (¶¶ 7, 18), that opposers knew that the representations were false and made those representations with the intent to deceive the USPTO (¶¶ 8, 19), and opposers knowingly made material representations to the USPTO to procure the subject registration (¶¶ 9, 20).

Accordingly, AML's motion to amend its counterclaims is granted, and its second amended counterclaims, filed April 16, 2010, which seek cancellation of the pleaded registrations on the ground of fraud only with respect to Class 3 are the operative pleadings, together with its answer (excluding the portion pertaining to the counterclaims) filed March 16, 2009. ABH shall be afforded time, as set out below, to file an answer to the second amended counterclaims.

2. ABH's Motion to Amend its Registrations

We turn next to ABH's motion to amend its registrations. A registration involved in a Board inter partes proceeding may be

amended pursuant to Trademark Act § 7(e) and Trademark Rules 2.133 and 2.173.⁶ Each registration includes four classes of goods, and the original counterclaims sought cancellation of all four classes. On the same date it filed its motion for summary judgment, ABH filed a motion to amend the identifications of goods in Class 3, delete the goods in Class 4, and amend the dates of use in both of its registrations.

a. *Amendment To The Goods*

AML's motion to restrict its counterclaim to Class 3, granted above, results in Class 4 no longer being part of this proceeding. Accordingly, AML's written consent to ABH's voluntary surrender of the registrations with respect to Class 4 is not necessary to avoid entry of judgment against ABH with respect to Class 4. In the interest of expediency, rather than having ABH refile its amendment with the Post-Registration Branch at the conclusion of this proceeding, we will approve the motion to delete Class 4 in its entirety under Trademark Rule 2.133, and request that the Director take appropriate action. In view thereof, both registrations will be cancelled as to Class 4 in due course.

⁶ Trademark Rule 2.173 requires that a registrant seeking amendment of its registration submit a (1) written and signed request for amendment; (2) supported by a verification or declaration under Trademark Rule 2.20; and (3) the required fee (currently \$100). While ABH has complied with the first requirement by submitting its motion to amend, and the third requirement, by directing that any fee be deducted from its counsel's deposit account, it has not complied with the second requirement.

As to Class 3, the Board will only exercise its authority to modify the goods or services in a registration or application during an opposition proceeding where the issue of restriction has been raised in either the pleadings or by motion (or if it is clear that the issue has been tried, such that the pleadings can be deemed to be amended pursuant to Fed. R. Civ. P. 15(b)), and the possible restriction has been stated with precision such that the issue is properly framed for trial. *ProQuest Information and Learning Co. v. Island*, 83 USPQ2d 1351, 1353 (TTAB 2007).⁷

Here, registrant seeks to change the Class 3 "bronzing products" in Registration No. 2821892 to the same "bronzing liquid" listed in Registration No. 2798069, and to delete the following goods from both registrations:

Potpourri; nail polish, nail base coat, and nail top coat; facial cleansers, facial cleansing bars, facial toners, facial astringents, facial masques, facial exfoliators, body lotion, body powder, body toners, body astringents, body cleansing products, namely, creams, gels, and bar soaps; perfume, eau de parfum, eau de toilette, eau de cologne, gels, bar body toners, and astringents; room fragrances

⁷ We will not address AML's opposition to the amendments in detail as they largely address the merits of the fraud claim. The Board's determination whether ABH's proposed amendments meet the requirements of the Board's rules does not also determine the Board's disposition of the fraud claim. See *Hachette Filipacchi Presse V. Elle Belle, LLC*, 85 USPQ2d 1090, 1095 (TTAB 2007) (finding deletion of goods where nonuse was admitted does not preempt Board's authority to determine issue of fraud); and *Grand Canyon West Ranch LLC v. Hualapai Tribe*, 78 USPQ2d 1696, 1698 n.5 (TTAB 2006) (noting deletion of goods for nonuse did not preclude filing of amended pleadings alleging fraud).

Inasmuch as the amendments to the goods are clearly limiting in nature as required by Trademark Rule 2.71(a), the amendments to Class 3 are approved.

b. AMENDMENT TO DATES OF USE

Trademark Act Sec. 7(e) may be used to amend a date of first use to a later date than appears in the registration certificate. *See In re Pamex Foods, Inc.*, 209 USPQ 275, 278 (Comm'r Pats. 1980); *Grand Bag & Paper Co. v. Tidy-House Paper Prod., Inc.*, 109 USPQ 395, 398 (Comm'r Pats. 1956).

i. *Registration No. 2798069*

If the application for the registration was based on intent-to-use, and a statement of use was filed, the registration cannot be amended to specify a date of use that is later than the statutory deadline for filing the statement of use (i.e., within six months of the issuance date of the notice of allowance or before the expiration of an extension of time for filing a statement of use). Trademark Rule 2.71(c)(2).

Application Serial No. 75833290, on which ABH's '069 registration was based, listed September 1991 as the date of first use anywhere and in commerce. The notice of allowance issued June 3, 2003, making December 3, 2003, the statutory deadline and last acceptable amended date of first use. By its amendment ABH proposes to amend the dates of use as follows:

Class 3: first use anywhere March 2000, first use in commerce August 2000;

Class 8: first use anywhere March 2000, first use in commerce August 2000; and

Class 21: first use anywhere March 2000, first use in commerce October 2000.

Because the proposed amended dates are prior to the statutory deadline for filing the SOU, the proposed amended dates of use are approved for ABH's Registration No. 2798069.

ii. *Registration No. 2821892*

If the application for the registration was based on intent-to-use and an amendment to allege use was filed, the registration cannot be amended to specify a date of use that is later than the filing date of the amendment to allege use. See Trademark Manual of Examining Procedure § 903.04 (6th ed. 2009) ("TMEP").

Application Serial No. 75833810, on which ABH's '892 registration was based, listed March 2000 as the date of first use anywhere for all classes, and listed as the date of first use in commerce September 2000 for Class 3, and August 2000 for Classes 8 and 21. The amendment to allege use was filed September 9, 2002, making that the last acceptable amended date of first use. By its amendment ABH proposes to keep the date of first use anywhere as March 2000, and to amend the dates of use in commerce as follows:

Class 3: August 2000;

Class 8: September 2000; and

Class 21: October 2000.

Because the proposed amended dates are prior to the date that the amendment to allege use was filed, the proposed amended dates of use are approved for ABH's Registration No. 2821892.

In sum, both Registration Nos. 2798069 and 2821892 will be cancelled with respect to Class 4 in due course. With respect to Class 3 in both registrations, ABH's proposed amendments to the identification of goods are permissible restrictions, and the proposed amended dates of use for Classes 3, 8 and 21 comply with the applicable rules. Accordingly, ABH is allowed until **THIRTY DAYS** from the mailing date of this order to file the declaration required by Trademark Rule 2.173 as specified above, following which the amendments to the two pleaded registrations will be entered.

3. ABH's Motion for Summary Judgment and AML's Cross Motion for Summary Judgment on the Fraud Counterclaims

Summary judgment is only appropriate when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c). All reasonable inferences must be drawn in favor of the nonmoving party. The burden is on the moving party to establish its right to summary judgment. The mere fact that cross-motions for summary judgment on an issue have been filed does not necessarily mean that there are no genuine issues of material fact, and that trial is unnecessary. See TBMP Section 528.01 (2d ed. rev. 2004) *and cases cited therein*.

A trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the USPTO. See *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). The factual question of intent is particularly unsuited to disposition on summary judgment. *Asian and Western Classics B.V. v. Lynne Selkow*, 92 USPQ2d 1478 (TTAB 2009) (citation omitted). Each class of goods or services in a multiple class registration must be considered separately when reviewing the issue of fraud, and judgment on the ground of fraud as to one class does not in itself require cancellation of all classes in a registration. *G&W Labs., Inc. v. G W Pharma Ltd.*, 89 USPQ2D 1571, 1574 (TTAB 2009).

Because we have accepted the amended counterclaims seeking cancellation of the pleaded registrations only with respect to Class 3, and we have approved the amendment to delete Class 4 from both registrations, this proceeding no longer involves Classes 4, 8 and 21.⁸ Accordingly, we will address the motion and cross-motion for summary judgment only with respect to arguments addressing Class 3.

In its motion for summary judgment, ABH argues that the record shows that it lacked the necessary deceptive intent for

⁸ Class 4 will be deleted, and Classes 8 and 21 will remain part of the pleaded registrations regardless of the outcome of the counterclaims for cancellation of Class 3.

fraud.⁹ ABH admits in its motion that it has not used the mark on certain goods in Class 3, and attaches the declaration of its principal, Anastasia Soare, which explains the need to amend the goods and dates of use, the subject of the motion to amend discussed above. ABH argues that these "errors" were made without deceptive intent, and once these errors were brought to its attention by AML, steps were taken to correct them. In addition, ABH argues that the Trademark ID Manual allows broader identifications of goods that encompass the goods in ABH's more narrow identification, and ABH could have obtained its registrations using the broader terms. Thus its inclusion of those more specific goods in its identification was erroneous and arguably negligent, but not material to the issuance of the registrations, and thus not fraudulent.¹⁰

By its cross-motion for summary judgment, AML argues that ABH's conduct in filing its inaccurate AAU and SOU demonstrate the necessary intent, such that there is no genuine issue of

⁹ Attached to the motion are the declaration of Anastasia Soare and particular pages from the Trademark ID Manual relating to "cosmetics," "skincare" and "soap."

¹⁰ As to whether ABH could have obtained registrations with broader identifications of goods, the Board has previously held that where an identification of goods contains both a broad product term and a more narrow, specific product term encompassed by the broader term, claiming use of the specific goods to procure a trademark registration when the mark is not in fact in use on those specific goods is fraudulent. *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 48, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986); *Tri-Star Marketing*, 84 USPQ2d 1912 (TTAB 2007).

material fact that ABH committed fraud as to goods in Class 3.¹¹ ABH's disregard for the truth or falsity of its signed declarations to the USPTO, ABH's admission that every use date in both registrations was misstated, and ABH's admission that the marks were never in use for certain goods, AML argues, show a pattern rising to the level of an intent to deceive the USPTO.

In response to the cross-motion, ABH argues AML's evidence merely supports ABH's claim that the "mistakes" were not material, and were the result of Ms. Soare's not fully understanding the legal significance of the AAU and SOU that were filed.¹² In reply, AML argues that the circumstantial evidence supports a finding of fraud in ABH's conduct, and allowing ABH to retain its registrations in light of this record "is tantamount to nullifying the [application] verification process."¹³

Discussion

¹¹ Attached as evidence to its cross motion are specimens of AML's products and services, newspaper articles with interviews of ABH's principal; and a declaration and attached web pages purporting to show that ABH did not offer any skincare products on its website at the time the declarations of use were filed.

¹² ABH's response brief, see docket number 28, is the operative response brief in this case. The Board notes that ABH used a 9-point size type font in the body of this brief. Trademark Rule 2.126 requires papers filed with the Board to be in at least 11-point type. ABH is warned that all future filings must comply with the requirements of Trademark Rule 2.126.

Attached as evidence to ABH's response brief are a third copy of the Soare declaration; copies of ABH's AAU and SOU; pages from the Trademark ID Manual relating to "cosmetics;" pages from the US FDA website regarding cosmetics; a declaration from ABH's counsel regarding attached web pages from ABH's website; a copy of AML's trademark application; the declaration of Darrell Baum, sales and marketing consultant for ABH regarding attached shipping documents purporting to show use of ABH's mark on goods in commerce in 1999-2000; a newspaper article regarding Anastasia Soare and her products; and a copy of the slip opinion for *In re Bose*.

After careful consideration of the evidence and arguments, we find questions of fact not suitable for resolution at this stage of the proceedings. As set forth above, ABH's amendment of its registrations to delete the goods on which it admits nonuse, does not vitiate fraud, if any exists. It is not clear that incorrect dates of use, that were at least prior to the filing dates of the AAU and SOU, can be evidence of deceptive intent. We find at the least there are genuine issues of material fact regarding which goods in Class 3 the marks were used on, and ABH's intention to commit fraud, which precludes the grant of either motion for summary judgment.

Decision

Accordingly, ABH's motion, and AML's cross-motion, for summary judgment on the counterclaims on fraud are denied.¹⁴

In sum, AML's motions to amend its counterclaims are granted, and its second amended counterclaims, filed April 16, 2010, are the operative pleadings, together with its answer (excluding the portion pertaining to the counterclaims) filed

¹³ AML reply brief of Apr. 16, 2010, at p.15.

¹⁴ The parties should note that the evidence submitted in connection with the motions for summary judgment is of record only for consideration of those motions. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. See, *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB (1993); *American Meat Institute v. Horace W. Longacre, Inc.*, 211 USPQ 712 (TTAB 1981). Furthermore, the fact that we have identified certain genuine issues of material fact sufficient to deny the parties' motions should not be construed as a finding that these are necessarily the only issues which remain for trial.

March 16, 2009. ABH shall be afforded time, as set out below, to file an answer to the second amended counterclaims.

As noted, ABH is allowed **THIRTY DAYS** from the mailing date of this order to submit the required verification to the Board, following which the amendments to its registrations approved in this order will be entered.

Proceedings are resumed and dates are reset as set out below.

Answer to Counterclaim Due	July 30, 2010
Amendments to Registration Due	July 30, 2010
Expert Disclosures Due	August 29, 2010
Discovery Closes	September 28, 2010
Plaintiff's Pretrial Disclosures	November 12, 2010
30-day testimony period for plaintiff's testimony to close	December 27, 2010
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	January 11, 2011
30-day testimony period for defendant and plaintiff in the counterclaim to close	February 25, 2011
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	March 12, 2011
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	April 26, 2011
Counterclaim Plaintiff's Rebuttal Disclosures Due	May 11, 2011
15-day rebuttal period for plaintiff in the counterclaim to close	June 10, 2011
Brief for plaintiff due	August 9, 2011
Brief for defendant and plaintiff in the counterclaim due	September 8, 2011
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	October 8, 2011

Reply brief, if any, for plaintiff in
the counterclaim due

October 23, 2011

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.
