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

Proceeding	91191016
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**IN THE UNITED STATES PATENT & TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

INTELLECTUAL RESERVE, INC.,  <i>Opposer/Registrant,</i>  v.  KENDAL M. SHEETS,  <i>Applicant/Petitioner.</i>	Opposition No. 91191016
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**REPLY IN SUPPORT OF OPPOSER/REGISTRANT’S 12(B)(6) MOTION  
TO DISMISS APPLICANT’S AMENDED COUNTERCLAIMS**

The arguments raised by Applicant/Petitioner Kendal Sheets in response to Opposer/Registrant Intellectual Reserve, Inc.’s (“IRI’s”) motion to dismiss are unavailing for the same reasons as set forth in IRI’s opening memorandum. Although Mr. Sheets acknowledges that the “new, more stringent pleading standard articulated by the Supreme Court in *Ashcroft v. Iqbal*” is applicable, Opp’n Mem. at 3, he is unable to identify any *factual* allegations *in his amended counterclaim* that support his baldly asserted legal conclusions. Moreover, he continues to misconstrue the statutes and regulations governing trademark registration in his irrelevant assertions as to the alleged application of the term “Mormon” to groups of religious believers. Dismissal is warranted because he has not and cannot address the specific MORMON Marks at issue in relation to the goods and services for which those marks are registered. Moreover, Mr. Sheets makes numerous new allegations in his opposition brief. However, those allegations are not found in his amended counterclaim. Therefore, they should not be considered by the Board. Even if the counterclaim were amended to include these allegations, they would

not satisfy the *Iqbal* pleading standard or the heightened standard of particularity required by Federal Rule of Civil Procedure 9(b) for the fraud claims. For these reasons, as set forth more fully below, the Board should dismiss Mr. Sheets's amended counterclaim in its entirety.

## ARGUMENT

Mr. Sheets has asserted three grounds for cancelling the registrations of the MORMON Marks: genericness, mere descriptiveness, and fraud. He fails, however, to allege facts sufficient to support any of these grounds.

### **A. Mr. Sheets Has Failed To State a Claim that the MORMON Marks Are Generic**

The allegations relating to genericness are found in Paragraphs 1-3 and 9-14 of the amended counterclaim. Paragraphs 1-3 assert that Mormon is a generic name for **followers** of Joseph Smith. Paragraphs 9-14 make vague assertions that the Mormon Marks are “generic as applied to the goods and services.” None of these allegations are sufficient to state a claim for cancellation.

With respect to Paragraphs 1-3, the Board has already noted that Mr. Sheets must allege that the MORMON Marks are generic specifically with respect to the goods and services registered, not in some other context. 6/29/2010 Order at 9-10. Yet, Mr. Sheets continues to argue that “the mark ‘Mormon’ is a generic term . . . meaning a type of a religion having numerous sects and organizations and is generic for followers of Joseph Smith.” Opp’n Mem. at 6; *see also id.* at 8 (“‘MORMON’ is generic for religion and its members.”); *id.* at 9 (“Evidence of the meaning of ‘MORMON’ has been submitted with Applicant’s pleadings as a generic reference to mean a religion or followers of Joseph Smith.”); *id.* at 10 (“Applicant has pleaded fact evidence showing that there are many

‘Mormon’ sects.”). All such allegations in both the amended counterclaim and the opposition memorandum should be disregarded because even if they are taken as true they are not relevant to showing that the Mormon Marks are generic specifically with respect to the goods and services for which they are registered.

The remaining allegations in Paragraphs 9-14 comprise nothing more than bare legal conclusions that the MORMON Marks are generic with respect to the specific goods and services for which they are registered. But *Iqbal* requires more.

“[A]llegations that . . . are mere conclusions, are not entitled to the assumption of truth.” *Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1940 (2009). “While legal conclusions can provide the complaint’s framework, they *must* be supported by factual allegations.” *Id.* (emphasis added); *see also Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 556 (2007) (stating that a complaint must include “enough *factual matter* (taken as true)” to suggest “plausible grounds” on which “discovery will reveal evidence” to support the matter asserted). The amended counterclaim contains *no* factual matter that supports the genericness claims and thus it must be dismissed.

Mr. Sheets counters by analyzing the individual elements of each mark and alleging that each element has a generic meaning. *See, e.g.,* Opp’n Mem. at 9 (“‘MORMON’ . . . [is] a generic reference to mean a religion or followers of Joseph Smith. ‘TABERNACLE’ is simply generic as to the plain meaning of the term. ‘CHOIR’ is also generic as to the plain meaning of the term.”); *id.* at 8 (“‘MORMON’ is generic for religion and its members, and ‘HANDICRAFT’ is generic for a type of craft.”). Yet Mr. Sheets expressly acknowledges the firmly-established principle that the board does not “simply cite definitions and generic uses of the constituent terms of a

mark’; it must conduct an inquiry into ‘the meaning of the disputed phrase as a whole.’” Opp’n Mem. at 4 (citing *In re Am. Fertility Soc’y*, 188 F.3d 1341, 1347 Fed. Cir. 1999); *see also* 6/29/2010 Order at 9-10, (“Moreover, a claim for genericness must state that the mark, as a whole, is generic for the identified goods and/or services and not that a portion of the mark may be generic.”). Thus, these allegations are unavailing.

A term becomes generic if “the principal significance of the word to the public becomes the indication of the nature or class of an article.” *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1254 (9th Cir. 1982) (citations omitted)). It becomes a substitute for other generic terms for the same article. *See, e.g., S. S. Kresge Co. v. United Factory Outlet, Inc.*, 598 F.2d 694, 696 (1st Cir. 1979) (“[T]he term ‘mart’ is generic since it is another word for store or market. . . . [T]he term is commonly used as a substitute for store or market . . . .”). Thus, if Mr. Sheets had a good faith basis for asserting, for example, that MORMON TABERNACLE CHOIR or MORMON TABERNACLE CHOIR and design have entered the common lexicon as substitute terms for audio or video tapes emanating from any source, he should have alleged those facts in support. He has not because he cannot. The same is true with respect to each of the other MORMON Marks. Having had two opportunities to amend and still failing to satisfy this basic pleading standard, Mr. Sheets’s claims for genericness should now be dismissed with prejudice.

**B. Mr. Sheets Has Failed To State a Claim that the MORMON Marks Are Merely Descriptive**

The Board has already dismissed the claim of mere descriptiveness with prejudice as against both of the MORMON HANDICRAFT marks and the MORMON TABERNACLE CHOIR mark, Reg. 2766231 (no design), because the registrations for

those marks issued more than five years before IRI filed its notice of opposition.

6/29/2010 Order at 12. The claim of mere descriptiveness in Mr. Sheets's amended counterclaim, however, sought to include *both* TABERNACLE CHOIR marks, as well as the MORMON and BOOK OF MORMON marks.

In his opposition memorandum, Mr. Sheets now concedes that "the mark MORMON TABERNACLE CHOIR, Reg. No. 2766231, . . . is exempt from counterclaims of descriptiveness" and was included in his amended counterclaim only as "an oversight and should have been removed." Opp'n Mem. at 1. Furthermore, the Board has also already held that a claim that MORMON TABERNACLE CHOIR and design, Reg. No. 2913694, is "merely descriptive [and] is not available in light of the inclusion of the design element." 6/29/2010 Order at 8. Indeed, the amended counterclaim does not allege mere descriptiveness against Reg. No. 2913694, presumably for the same reason. Thus, Mr. Sheets's attempt to re-assert that claim in his opposition memorandum, *see* Opp'n Mem. at 14-15, should not be allowed. Accordingly, the claim for cancellation based on mere descriptiveness potentially applies to only two of the MORMON Marks: MORMON and BOOK OF MORMON.

With respect to MORMON, Mr. Sheets contends that the Board has already found that he has asserted a proper claim of mere descriptiveness as against that mark. Opp'n Mem. at 14 (citing 6/29/2010 Order at 8-9). However, the Board's earlier order was only in response to IRI's motion to dismiss on the ground that Mr. Sheets "ha[d] not affirmatively alleged that the marks in these registrations, as a whole, are merely descriptive." 6/29/2010 Order at 8. Since the mark MORMON is not a composite mark, the Board did not dismiss on that ground. *See id.* at 8-9.

IRI alleges in its current motion to dismiss that the amended counterclaim fails to satisfy what Mr. Sheets acknowledges as the “more stringent pleading standard articulated by the Supreme Court in *Ashcroft v. Iqbal*.” Opp’n Mem. at 3. In sum, the amended counterclaim is again devoid of any factual allegations to support that the MORMON and BOOK OF MORMON marks are merely descriptive with respect to the goods and services for which they are registered. Moreover, the registration for both marks was obtained pursuant to Section 2(f) of the Trademark Act. Thus, Mr. Sheets also is required to have asserted evidentiary facts, not just legal conclusions, to show that these marks have not acquired secondary meaning. Because Mr. Sheets has failed in both regards, the claims for mere descriptiveness must be dismissed under *Iqbal* and *Twombly*.

**C. Mr. Sheets Has Failed To State a Claim that the Registrations for the MORMON Marks Were Obtained Through Fraud**

Finally, Mr. Sheets’s opposition memorandum provides no justification for his failure to allege his fraud claims with particularity as required by Federal Rule of Civil Procedure 9(b). A party claiming fraud in an application for registration must “allege particular facts” showing “another use of the same or a confusingly similar mark at the time the oath was signed,” that the “other user had legal rights superior to applicant’s rights,” and that “applicant knew that the other user had rights in the mark superior to applicant’s.” *Ohio State Univ. v. Ohio Univ.*, 51 U.S.P.Q.2d 1289, 1293 (TTAB 1999) (citing *Intellimedia Sports, Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203, 1206 (TTAB 1997)). There are no such allegations in the amended counterclaim. Mr. Sheets continuously repeats that there are many so called “Mormon splinter groups,” but he does not allege that any such groups were using the same or confusingly similar marks or that

they had legally superior rights to do so. Accordingly, the fraud claims must be dismissed.

Mr. Sheets tries to shore up his claims by citing allegedly false statements purportedly made by IRI or its predecessors in support of the applications that resulted in the registrations at issue. This effort is also without merit for several reasons. First, the allegedly fraudulent statements were not included in the amended counterclaim; Mr. Sheets failed to allege them. Moreover, even if they were deemed to be amended, they still fail to meet the pleading standard of Rule 9.

Second, with respect to the two MORMON HANDICRAFT marks, Mr. Sheets alleges — in his opposition memorandum, not in the counterclaim — that IRI falsely stated that it is “not aware of any so-called ‘splinter groups’ of the LDS Church which are using or which are entitled to use the term ‘Mormon.’” Opp’n Mem. at 18-20. Even assuming this statement were properly alleged, there are no factual allegations to support Mr. Sheets’s conclusion that it is false. Mr. Sheets alleges that there are multiple Mormon splinter groups, but he does not allege that any of them use, or are entitled to use, the MORMON HANDICRAFT marks. For this reason alone, the claims fail the Rule 9 standard and must be dismissed.

Third, with regard to the MORMON TABERNACLE CHOIR marks, Mr. Sheets alleges — again only in his opposition memorandum — that IRI’s applications averred that “no other entity has a right to use the mark either in identical form or in *near resemblance*.” Opp’n Mem. at 21. Still missing, however, are allegations that any other group used or had the right to use the MORMON TABERNACLE CHOIR marks at the time the allegedly false statements were made. Thus, even if Mr. Sheets’s allegations had

been included in his counterclaim, they would fail to state a claim for fraud with particularity, as required under Rule 9(b).

Fourth, regarding the BOOK OF MORMON mark, Mr. Sheets asserts that IRI falsely claimed that it and its predecessors were “the exclusive provider of goods bearing the proposed mark.” Opp’n Mem. at 22. He goes on to claim that religious believers not affiliated with the Church of Jesus Christ of Latter-day Saints (IRI’s affiliated entity) also use scripture known as the Book of Mormon as a “religious reference.” Opp’n Mem. at 23. This allegation provides no support for the petition to cancel and merely draws attention to the failure to allege that anyone provides similar goods or services bearing the proposed mark. Thus, the petition must be dismissed for failure to state a claim.

Finally, regarding the mark MORMON alone, Mr. Sheets cites a purported statement by IRI that “[t]he phrase ‘Mormon Church’ is sloppily used by only some of the public in place of the actual name of the religious organization more widely, and correctly, known as The Church of Jesus Christ of Latter-day Saints.” Opp’n Mem. at 24. Mr. Sheets does not explain how this statement is false or, even if it were false, what relevance it has to uses of the mark MORMON as a brand identifier of specified goods or services in commerce. As a result, Mr. Sheets’s petition for cancellation fails as a matter of law.

In sum, the fact that some dictionaries may use the term Mormon to refer to religious groups not affiliated with IRI is irrelevant to Mr. Sheets’s fraud claims. His amended counterclaim is devoid of the particular factual allegations required by Rule 9(b). Moreover, Mr. Sheets does not claim to be affiliated with any such groups, nor does he claim to be using the term Mormon as a trademark himself. Thus, his attempts to

add such allegations in his opposition memorandum are futile. He fails to allege how any of the statements are materially false or that he or any other person used the MORMON Marks in connection with the relevant goods or services at the time the statements were made. The fraud claims must accordingly be dismissed.

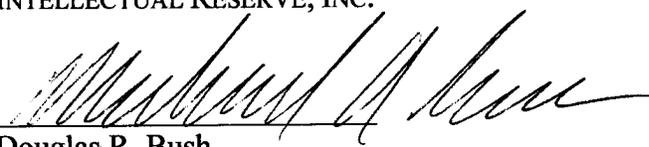
### CONCLUSION

For all of the foregoing reasons, and for the additional reasons set forth in IRI's opening memorandum, IRI respectfully requests the Board to dismiss Mr. Sheets's amended counterclaim in its entirety.

Dated: September 10, 2010

Respectfully Submitted

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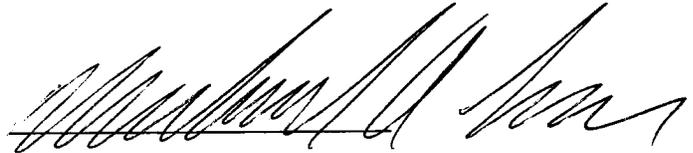
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**CERTIFICATE OF SERVICE**

I hereby certify that on this 10th day of September, 2010, a true and correct copy of the foregoing REPLY IN SUPPORT OF OPPOSER'S 12(b)(6) MOTION TO DISMISS APPLICANT'S AMENDED COUNTERCLAIMS was served on Applicant by first class United States mail, postage prepaid, in an envelope addressed as follows:

Kendal M. Sheets  
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1855 Macarthur Drive  
McLean, VA 22101

A handwritten signature in black ink, appearing to read "Kendal M. Sheets", written over a horizontal line.