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

Proceeding	91191016
Party	Plaintiff Intellectual Reserve, Inc.
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Submission	Motion to Dismiss - Rule 12(b)
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IN THE UNITED STATES PATENT & TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

INTELLECTUAL RESERVE, INC. Opposer/Registrant, vs. KENDAL M. SHEETS Applicant/Petitioner	Opposition No. 91191016

MOTION TO DISMISS APPLICANT'S COUNTERCLAIMS

Pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure and Section 503 of the Trademark Trial and Appeal Board Manual of Procedure, Opposer hereby moves to dismiss the counterclaims filed by Applicant in the above referenced proceeding for failure to state a claim on which relief can be granted.

As shown in the accompanying memorandum, the counterclaims fail to state a claim because Applicant has not properly alleged any valid grounds for cancellation of Opposer's registrations. Furthermore, even if Applicant had made proper allegations, the grounds Applicant has stated do not apply as a matter of law as a basis for canceling all of the registrations listed in Applicant's counterclaims. Accordingly, Applicant's counterclaims should be dismissed for failure to state a claim on which relief can be granted.

Respectfully submitted,

INTELLECTUAL RESERVE, INC.

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CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of November, 2009, a true and correct copy of the foregoing MOTION TO DISMISS APPLICANT'S COUNTERCLAIMS was served on Applicant by first class United States mail, postage prepaid, in an envelope addressed as follows:

Kendal M. Sheets
Sheets Law Office, LLC
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_____
Douglas R. Bush

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

INTELLECTUAL RESERVE, INC. Opposer/Registrant, vs. KENDAL M. SHEETS Applicant/Petitioner	Opposition No. 91191016

MEMORANDUM IN SUPPORT OF OPPOSER'S 12(B)(6) MOTION TO DISMISS APPLICANT'S COUNTERCLAIMS

Opposer Intellectual Reserve, Inc. ("IRI") has moved to dismiss the Counterclaims filed by Applicant Kendal M. Sheets ("Sheets"). The Counterclaims seek cancellation of registrations relied upon by IRI in its Notice of Opposition. Sheets does not allege prior rights in the mark he seeks to register. Instead, he has attempted to avoid a finding of likelihood of confusion by attacking the registrations relied on by IRI in its Notice of Opposition. However, the counterclaims are based solely on the allegations that Opposer's marks are generic, merely descriptive or functional. The Counterclaims are deficient in that they fail to state a claim upon which relief may be granted.

I. FACTS

IRI owns several trademark and service mark registrations for marks containing the word "MORMON" (hereinafter the "MORMON Marks"). The MORMON Marks have been used continuously for many years and they are registered for a broad range of goods and services including CDs, DVDs and publications.

On November 27, 2007, Sheets applied to register the mark "SECRET MORMON" for goods identical to those covered by IRI's registrations for the MORMON Marks. IRI filed a timely Notice of Opposition based on its prior use and registration of the MORMON Marks. In his Answer, Sheets did not contest the prior use of IRI's MORMON Marks. However, he filed Counterclaims for cancellation alleging that the MORMON Marks are functional, merely descriptive and generic.

Sheets' pleading is deficient because he alleges that the word "MORMON" is generic, merely descriptive or functional as applied to a category of religious organizations or members of such organizations. It does not allege that the word "MORMON" is generic, merely descriptive or functional as applied to the products and services listed in IRI's registrations for the MORMON Marks. Thus, the petition fails to state a claim upon which relief may be granted.

IRI owns the following registrations for the marks and goods and services listed below:

- Registration No. 1524555, MORMON HANDICRAFT, issued February 14, 1989, for fabrics, linens, bats, towels, dish cloths, pillowcases, afghans, lap robes, quilts, quilt kits, wall hangings, table covers, soft gifts, and hem-stitched items of textile material in Class 24.

- Registration No. 1527447, MORMON HANDICRAFT, issued February 28, 1989, for retail catalog mail order and telephone order services for craft items and materials, dolls, baby clothes, toys, young girls' clothing, quilts, personal gifts, needlework, porcelain statues and the like in Class 42.

- Registration No. 2766231, MORMON TABERNACLE CHOIR, issued September 23, 2003, for pre-recorded audio and audio-video cassette tapes and compact discs featuring musical entertainment incorporating religious, family, and educational themes in Class 9; and entertainment services, namely, live performances by a musical performance group in Class 41.

- Registration No. 2883572, BOOK OF MORMON, issued September 14, 2004, for pre-recorded audio and video cassette tapes and compact discs featuring religious content in Class 9; and printed matter; namely religious books, religious instructional pamphlets, and brochures; photographs, artist materials, instructional and teaching material, posters, engravings, prints of paintings, books in Class 16.

- Registration No. 2913694, MORMON TABERNACLE CHOIR and Design, issued December 21, 2004, for prerecorded audiotapes, videotapes, compact discs, and digital video discs featuring musical entertainment incorporating religious, family, and educational themes in Class 9; publications, namely, books featuring musical performances and featuring religious, family, and educational themes in Class 16; and entertainment services, namely, live performances by a musical performance group in Class 41.

- Registration No. 3239919, MORMON, issued May 8, 2007, for educational services, namely, providing classes, conferences, and institutes in the fields of history and religion in Class 41; and genealogy services in Class 42.

The counterclaims filed by Sheets seek cancellation of each of these registrations.

II. ARGUMENT

A. Sheets Has Ignored the Requirements for Stating a Claim on Which Relief May be Granted in a Cancellation Proceeding

To pursue a claim for cancellation in a proceeding before the Trademark Trial and Appeal Board, a party must assert valid grounds for relief (Trademark Rules of Practice 2.112), and must provide a plain statement of the facts supporting each ground asserted. The Board grants motions to dismiss when a party is unable to meet this requirement. *See La Maur, Inc. v. Computer Styles, Inc.*, 169 U.S.P.Q 495, 497 (TTAB), *amended* 170 U.S.P.Q. 159 (TTAB 1971) (claims dismissed for deficient pleadings); *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203, 1206 (TTAB 1997) (cancellation dismissed where the moving party failed to state a claim for which relief could be granted).

The Counterclaims filed by Sheets must be dismissed pursuant to Federal Rule of Civil Procedure 12(b)(6) because they fail to recite facts supporting the allegations of functionality, descriptiveness and genericness. Because Sheets has not and cannot provide a plain statement of facts supporting any of the grounds in the petition, he has failed to state a claim on which relief may be granted.

B. Sheets Has Failed to State a Claim for Cancellation of IRI's Registrations on Functionality Grounds

If a product's features are merely functional, a person may not obtain the exclusive right to use such features by including them in a mark sought to be registered. In this case, however, none of the MORMON Marks contain any functional features. "In general terms, a product feature is functional . . . if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165, 34 U.S.P.Q.2d 1161, 1163-64 (1995) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10, 214 U.S.P.Q. 1, 4 n.10 (1982)); *see also TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33, 58 U.S.P.Q.2d 1001, 1006 (2001) (a feature is functional as a matter of law if it is essential to the use or purpose of the product or if it affects the cost or quality of the device). Word marks cannot be deemed functional because they are not essential to the use or purpose of a product. The TMEP confirms this by noting that functionality relates to a feature such as a "product's design, product packaging, color, or other trade dress for goods or services." TMEP 1202.02.

Sheets has not and cannot plead that the word "MORMON" is a functional feature of the goods or services listed in IRI's registrations. Similarly, he cannot allege that the registrations protect any feature of the goods or services such as product design, product packaging, color, trade dress or anything else that is essential to the use or purpose of the article or that affects the cost or quality of the article or service. *See Qualitex*, 514 U.S. at 165, 34 U.S.P.Q.2d at 1163-64.

Similarly, Sheets has not alleged that any design feature of the MORMON Marks is functional. Rather, he has only alleged that the word mark "MORMON" is functional. Thus, Sheets has failed to state a claim for cancellation based on functionality because the word "MORMON" is not essential to the "use or purpose" of any of the goods or services listed in the

IRI registrations. This is readily apparent when one evaluates the word "MORMON" with respect to each of the goods and services listed in IRI's registrations (hereinafter the "IRI Goods and Services"). The following is a list of those goods and services:

- fabrics, linens, bats, towels, dish cloths, pillowcases, afghans, lap robes, quilts, quilt kits, wall hangings, table covers, soft gifts, and hem-stitched items of textile material;
- prerecorded audiotapes, videotapes, compact discs, and digital video discs featuring musical entertainment incorporating religious, family, and educational themes;
- printed matter; namely religious books, religious instructional pamphlets, and brochures; photographs, artist materials, instructional and teaching material, posters, engravings, prints of paintings, books;
- publications, namely, books featuring musical performances and featuring religious, family, and educational themes;
- retail catalog mail order and telephone order services for craft items and materials, dolls, baby clothes, toys, young girls' clothing, quilts, personal gifts, needlework, porcelain statues and the like;
- entertainment services, namely, live performances by a musical performance group;
- educational services, namely, providing classes, conferences, and institutes in the fields of history and religion; and
- genealogy services.

Because the word "MORMON" has no functional significance with regard to any of the IRI Goods and Services, the Counterclaim fails to state a valid claim for cancellation on functionality grounds.

C. Sheets Has Failed to State a Valid Claim for Cancellation on Mere Descriptiveness Grounds

(1) Registrations that are more than 5 years old cannot be cancelled on the grounds of mere descriptiveness.

A registration can only be cancelled on the grounds that the registered mark is "merely descriptive" of the goods or services, within the meaning of Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e), if the cancellation petition is filed within five years of the issuance of a registration. Section 14 of the Trademark Act states:

> A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows . . . :
>
> (1) Within five years from the date of the registration of the mark under this Chapter.

15 U.S.C. § 1064. While there are a few exceptions to this rule, mere descriptiveness is not among them.

Sheets may not allege mere descriptiveness as a basis for petitioning to cancel the following registrations because they are more than five years old: Registration Nos. 1524555 and 1527447 both for the mark MORMON HANDICRAFT and No. 2766231 for the mark MORMON TABERNACLE CHOIR. These three registrations were issued more than five years prior to the filing of Sheets' Counterclaim for cancellation. Moreover, as discussed below, Registration Nos. 1524555 and 1527447 are incontestable, and none of the three registrations are subject to cancellation on mere descriptiveness grounds. Therefore, the Board should dismiss the Counterclaims for cancellation of Registration Nos. 1524555, 1527447, and 2766231 based upon descriptiveness because they fail to state a claim upon which relief can be granted.

(2) Mere descriptiveness must be pled in the context of the specific goods or services for which a mark is registered.

Even if a registration for a mark is less than five years old, the decision as to whether a mark is "merely descriptive" cannot be made in the abstract. It depends on the relation between the mark and the specific goods or services for which it is registered. *In re Silicon Sys., Inc.*, Ser.

No. 78447267, 2009 WL 129549, at *1 (TTAB Jan. 6, 2009) (citing *In re Bright-Crest Ltd.*, 204 U.S.P.Q. 591, 593 (TTAB 1979)). A mark may be deemed merely descriptive only if it directly and immediately conveys some information as to the features or characteristics of a product or service, such as the size or intended purpose, function or use of the designated goods and services. *In re Bed & Breakfast Registry*, 791 F.2d 157, 160, 229 U.S.P.Q. 818, 820 (Fed. Cir. 1986). "Merely" means "only," and therefore a mark is not merely descriptive unless it does nothing other than tell consumers what the goods and services are, or only conveys information on their ingredients, characteristics, nature, or purpose. *In re Colonial Stores, Inc.*, 394 F.2d 549, 552, 157 U.S.P.Q. 382, 385 (CCPA 1968); *In re Quik-Print Copy Shops, Inc.*, 616 F.2d 523, 525 n.7, 205 U.S.P.Q. 505, 507 n.7 (CCPA 1980). But terms may convey information about the goods or services without being merely descriptive. *See, e.g., In re Wakefern Food Corp.*, 222 U.S.P.Q. 76, 79 (TTAB 1984).

Sheets' allegations as to descriptiveness of IRI's MORMON registrations fails to state a claim because he does not allege that the MORMON Marks directly and immediately convey information as to the features of the goods and services listed in the registrations such as the size or intended purpose, function or use. Rather, Sheets claims that the word "MORMON" identifies The Church of Jesus Christ of Latter-day Saints. However, as noted previously, none of the marks are registered as membership marks.

Many of the registrations owned by IRI were issued after a showing of secondary meaning under Section 2(f) of the Trademark Act. Thus, the registrations are prima facie evidence of the validity of the marks and of the fact that the marks are either inherently distinctive or have acquired distinctiveness.

Sheets has failed to allege a lack of secondary meaning or any other facts supporting the claim that the registrations for the MORMON Marks should be cancelled on the grounds that the marks are merely descriptive of the IRI Goods and Services. Because Sheets is unable to do so, he has not properly pled mere descriptiveness as a ground for cancellation nor can he do so.

D. Sheets Has Failed to Plead a Valid Claim for Cancellation on Grounds of Genericness

Generic words are those that are recognized by the relevant purchasing public as the common or class name for the goods or services. *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1344, 57 U.S.P.Q.2d 1807, 1810 (Fed. Cir. 2001); *In re Am. Fertility Soc'y*, 188 F.3d 1341, 1347, 51 U.S.P.Q.2d 1832, 1836 (Fed. Cir. 1999); TMEP 1209.01(c). A good example is the word "apple", which is the generic name for the edible fruit of the apple tree, but it functions as a trademark for computers. If the relevant public does not understand the common name of the designated goods or services to be the mark itself, the mark is not generic.

A two-part test is used to determine whether a designation is generic: (1) what is the class of goods or services at issue, and (2) does the relevant public understand the trademark designation primarily to refer to that class of goods or services? *H. Marvin Ginn Corp. v. Int'l Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 990, 228 U.S.P.Q. 528, 530 (Fed. Cir. 1986). The test turns upon the primary significance that the term/mark would have to the relevant public.

Sheets has failed to plead that the MORMON Marks have become "terms . . . that the relevant purchasing public understands primarily as the common or class name" for any of IRI's Goods and Services. *See Dial-A-Mattress*, 240 F.3d at 1341, 57 U.S.P.Q.2d at 1810.

In his Counterclaim, Sheets merely alleges that the term MORMON is a generic name for religious groups. However, because the MORMON Marks are not registered for religious organizations, the allegation fails to state a claim as to the designated IRI Goods and Services.

Sheets also has failed to plead that consumers understand the word "MORMON" to be the generic name for any goods or services. Having failed to plead that the MORMON Marks designate the genus of the IRI Goods and Services, Sheets has failed to state a claim for cancellation on genericness grounds.

III. CONCLUSION

For the reasons set forth herein, the Counterclaims asserted by Sheets must be dismissed in their entirety because they fail to state a claim on which cancellation may be granted.

DATED this 16th day of November, 2009

Respectfully Submitted

INTELLECTUAL RESERVE, INC.

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CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of November, 2009, a true and correct copy of the foregoing MEMORANDUM IN SUPPORT OF OPPOSER'S 12(B)(6) MOTION TO DISMISS APPLICANT'S COUNTERCLAIMS was served on Applicant by first class United States mail, postage prepaid, in an envelope addressed as follows:

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