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

Proceeding	91193064
Party	Plaintiff FN Herstal
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

FN HERSTAL

Opposer and Counterclaim Defendant

v.

Saeilo Enterprises, Inc.,

Applicant and Counterclaim Plaintiff

Opposition No. 91-193064

Serial No. 77-699,074

Mark: P9

Atty. Docket No.: CTG05826

United States Patent and Trademark Office
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

**OPPOSER, COUNTERCLAIM DEFENDANT FN HERSTAL'S
MOTION TO DISMISS COUNTERCLAIM FOR FRAUD**

Now comes Opposer, FN Herstal, by its counsel Ladas & Parry, LLP, and hereby moves, pursuant to Rule 12 (b) (6) Fed. R. Civ. P. to dismiss the Counterclaim for failure to state a claim upon which relief may be granted.

REQUEST FOR TOLLING OF ANSWER, SUSPENSION AND RESETTING TRIAL

Pursuant to 37 C.F.R. § 2.117 and TBMP, 503.01 Opposer requests that the Board consider the time to file an Answer to the Counterclaim tolled, that the case be Suspended and that the Board reset the trial schedule after decision on this Motion.

PROCEDURAL HISTORY

On December 9, 2009, FN Herstal ("Opposer") filed a notice of opposition, requesting that the U.S. Patent and Trademark Office ("USPTO") refuse registration of

the mark P9 ("Subject Mark") in U.S. Trademark Application No. 77/699,074 ("Subject Application"), filed by Saeilo Enterprises, Inc. ("Applicant"). Applicant timely filed an Answer, Affirmative Defenses and Counterclaim, including Exhibits. The parties, through counsel, have discussed settlement and the time to answer or otherwise plead, responsive to the Counterclaim, has been extended. This Motion is timely filed, pursuant to that extension.

INTRODUCTION

Opposer's Reg. No. 1994751 issued August 20, 1996 and is incontestable, renewed and in full force and effect. The sole basis for the Counterclaim appears to be a theory of "fraud".

Based on the well pleaded allegations of the Counterclaim, interpreted, for purposes of this Motion, in a light favorable to Applicant, such a theory is completely unsupported by the facts plead, or any law. Applicant's curious theory appears to be: (1) Opposer argued around cited references in its application (using the same arguments plead here by Applicant); (2) Applicant argues (ignoring the facts that the marks here are different, the goods here are different, it is nearly fifteen years later, and the law regarding the underlying goods is dramatically different) Opposer's position here, in 2010 – 2011, is inconsistent with what it argued January 12, 1996; (3) inconsistency in argument renders the first-made argument fraudulent. Applicant's theory need not be incredible to fail, but it is. The requisite facts are not alleged and there is not now, nor has there ever been, any law that supports Applicant.

FACTS ALLEGED IN THE COUNTERCLAIM

The Counterclaim alleges Opposer's filing of its trademark application and issuance (Par. 1). The prosecution history is described with an Office Action citing third party registrations for

P7 for pistols and P85 for firearms (Par. 2). Paragraphs 3 – 7 are derived from Opposer’s January 12, 1996 Response.

FACTUAL STATEMENTS IN JANUARY 12, 1996 RESPONSE

The January 12, 1996 response makes factual statements supporting the conclusion of no likelihood of confusion between P90 and either P7 or P85, namely (a) use of alphanumeric marks for guns (Par. 3) and (b) 25 third party alphanumeric marks beginning with “P” (Par. 4¹) . Only these paragraphs relate to any statements of fact made by Opposer’s counsel (which was different counsel than counsel here).

LEGAL ARGUMENTS IN JANUARY 12, 1996 RESPONSE

Opposer’s counsel, there, also made legal arguments (a) that the cited references were suggestive (Par. 5) (b) case law supported the premise that third party use tends to indicate distinctions sufficient to negate an Examining Attorney’s confusion interpretation (Par. 6) and (c) the conclusion that “Consumers know that many parties use P-prefix alpha-numeric marks for guns, and consumers are able to distinguish between the uses.” (Par. 7).

COUNTERCLAIM’S CONCLUSIONS

The Counterclaim then makes its own conclusory, somewhat redundant, allegations, namely: (a) the statements in the Application and Opposition are “inconsistent” (Par. 8); (b) Opposer argued in its Application “P9 and P90 are not confusingly similar.”² (Par. 9); (c) here Opposer argues " P9 and P90 *are* confusingly similar” (Par. 10); (d) the “field of alphanumeric

1 While Applicant states, in Par. 4, that Opposer argued based on third party use including use of P-9 “the latter of which is Applicant’s mark that Opposer now claims is confusingly similar to Opposer’s P90”, Applicant’s Exhibit B shows that it was a third party, Springfield Armory, that used P-9 in 1995, not Applicant.

2 As pointed out above, neither was P-9 cited by the Examining Attorney, nor was the third party use Applicant here’s P9 or Applicant’s goods.

marks” is crowded (Par. 12); (e) here Opposer argues “protection ... should not be limited” (Par. 13, 14).

The gist of Applicant’s Counterclaim for Fraud is conveyed in paragraphs 11 and 15, 16: fourteen years after making statements in its application, according to Applicant, Opposer took inconsistent positions:

11. Respondent's argument that Counterclaimant's P9 is confusingly similar to Respondent's P90 means that '751 is subject to cancellation, based on Respondent's fraudulent statements to the USPTO during examination of the '751 Application.

15. Respondent's argument that the field of alphanumeric marks for firearms is crowded, and that each mark and registration should only be afforded protection limited to the exact mark and goods identified in the registration, means that Respondent's present opposition fails.

16. Respondent's fraudulent statements to the USPTO during examination of the '751 Application require cancellation of '751. (emphasis added)

Nowhere in the Counterclaim is there any suggestion that Opposer, on January 12, 1996 made a statement that was untrue, that there was any deception, that there was intent to deceive or that any incorrect statement was material to issuance of Reg. No. 1994751.

STANDARDS FOR MOTION TO DISMISS

Young v. AGB Corp., 152 F.3d 1377 (Fed. Cir., 1998) stated:

“In determining whether or not a litigant before the Board has stated a claim upon which relief can be granted, "we must assume that the facts alleged in the petition are true." *Stanspec Co. v. American Chain & Cable Co.*, 531 F.2d 563, 566, 189 U.S.P.Q. 420, 422 (C.C.P.A. 1976) (petition for cancellation of a registered mark). Dismissal is appropriate "if it is clear that no relief could be granted under any set of facts that could be proved consistent with the allegations." *Abbott Labs. v. Brennan*, 952 F.2d 1346, 1353, 21 U.S.P.Q.2d 1192, 1198 (Fed.Cir.1991) (citations and internal quotations omitted).”

And, “all reasonable factual inferences are drawn in [the non-moving party’s] favor” *Xechem Intern. v. Tex. M.D. Anderson Cancer Ctr.*, 382 F.3d 1324 (Fed. Cir., 2004).

Applicant's factual allegations, however, do not state, or provide anything from which an inference can be made, that there was any "fraud" on the part of Opposer, in prosecution of its 1995 filed application, including the statements made in Opposer's response of January 12, 1996. Of course, this is completely logical, because Applicant here wants to make the same arguments. The last thing Applicant here wants to say is that it was untrue that there were third party uses of alphanumeric marks.

STANDARDS FOR FRAUD

The law as regards trademark fraud should be well known. *In re Bose Corporation* 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009) noted several requirements:

"Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application." *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 48 (Fed.Cir.1986). A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 54 C.C.P.A. 1442, 377 F.2d 1001, 1004 (1967). Indeed, "the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party." *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (T.T.A.B.1981)."

Additionally, Bose found that there is a requirement of intent to deceive. Thus, elements to prove a trademark fraud case are:

- (1) false representations of fact;
- (2) knowingly made;
- (3) the representations must be material and
- (4) the misrepresentations must have been made with an intent to deceive.

THERE IS NO ALLEGATION OF EVEN ONE FALSE REPRESENTATION OF FACT

The counterclaim, if everything alleged were proven, exactly as alleged, fails to state a claim, because it fails to allege that any statement in the filing, or during the prosecution of the application which forms the basis for this Opposition, was false. The only facts alleged to have been asserted by Opposer in its Response were that there were third party uses and consumers were sufficiently aware of third party uses that there was no likelihood of confusion between P7 and P90, or between P85 and P90. Allegations in the current Notice of Opposition, in 2010 – 2011, have nothing to do with whether or not there was fraud committed in 1995 – 1996³.

Opposer’s arguments made during prosecution of its application are not statements of fact at all. Since Applicant here pleads the same arguments, it is no great surprise that Applicant here does not allege the arguments are somehow “false.” In any event, they are not facts.

For Applicant to state a claim here, Applicant would have to allege that it was not true that there were third party uses in 1996, that it was not true that alphanumeric marks were weak then, that it was not true that consumers could distinguish alphanumeric marks on firearms in 1996. Applicant has not done that. If every allegation were proven, there would be no case.

NO FACTS ARE PLEAD WHICH COULD BE ADEQUATE TO SHOW INTENT TO DECEIVE WHEN STATEMENTS WERE MADE IN 1995 – 1996

In absence of any allegation of false statements of fact, it is difficult to see how there could be an intent to deceive. Let us explore the indications of intent, however. In 1996 Opposer argued that P90 was registrable over citation of P7 and P85. At the time, firearms in

³ As the allegations are taken as true for purposes in this motion, Opposer will not argue whether or not there is inconsistency. For the record, Opposer does not concede any inconsistency. The marks here are different than those cited in the application, the goods here are different, Opposer’s product line is not the same as it was then, and the entire marketplace for firearms as been dramatically changed by *District of Columbia v. Heller*, 554 U.S. 570 (2008)

the US were highly regulated. P, for third parties, might have stood for “pistol”, but applicant’s firearms, under the mark P90, were not pistols. There was enough difference for consumers to tell the difference between a “P”, followed by a “9” and a “P” followed by a different numeral. And, in 1996, the marketplace for applicant’s P90 firearms was military.

The positions asserted here by Opposer are not inconsistent with the truth or validity of the positions taken in 1995-1996. Now, it is approximately fourteen years later. Products change, product lines change, markets change, consumer perceptions change, and, for the products at issue here, the law has changed dramatically over what it was in 1996, by virtue of the 2004 “sunset” of the Violent Crime Control and Law Enforcement Act of 1994 and by *District of Columbia v. Heller*, 554 U.S. 570, 171 L. Ed. 2d 637, 128 S. Ct. 2783 (2008) and *McDonald v. City of Chicago*, 130 S. Ct. 3020 (2010). Arguments that particular marks and goods were different in 1996 do not in any way control the current Opposition because it is based on different marks and different goods, in a different market and a different legal environment.

Finally, the nature of the different character, “0” (zero), at issue here creates a much different situation. Where the only different character between two firearms marks is the numeral “0” (zero), following (to the right of) another numeral, consumers are more likely to think there is relatedness – the late comer’s mark may be simply a less precise version of the original, or may otherwise enhance confusion.

Asserting this Opposition neither indicates falsity of the 1995 – 1996 representations, nor any inappropriate intent, then, or now, other than to deal with the different facts at different times differently. Inconsistency is plead by Applicant in its Counterclaim, but that is not enough,

and is explainable by differences in the marks, goods and present day market and legal environment.

MATERIALITY AND BURDEN OF PROOF

If there were any allegations of false facts or indications of intent to deceive, which there are not, one might have to consider whether or not there were any materiality, *Bose, supra*, and all the elements need to be proven by clear and convincing evidence.

There is one ambiguous allegation by Applicant in its Counterclaim – that the reference to a P-9 mark by Opposer, in 1996, as a mark of Springfield Armory (and supported by documentary evidence) was “Applicant's mark that Opposer now claims is confusingly similar to Opposer's P90”.

If we assume this notation by Applicant somehow is a claim of prior use, or hints that the express reference to Springfield Armory, supported by a documentary exhibit, was in error, such an ambiguity is not particularly material to registrability of P90 over P7 and P85, in light of twenty four other alphanumeric marks for firearms, at the time.

Applicant's burden of proof of fraud is clear and convincing. *Orient Exp. Trading Co., Ltd. v. Federated Dept. Stores, Inc.*, 842 F.2d 650, 653 (2d Cir.1988); *Allen Homes, Inc. v. Weersing*, 510 F.2d 360, 362 (8th Cir.1975). Arguing inconsistent positions, if it happened at all, would not prove all the requisite elements of fraud clearly and convincingly.

CONCLUSION

Applicant's Counterclaim includes no allegation whatever of a false representation of fact in the Response of January 12, 1996. This is so, of course, because Applicant pleads the same position, under present day facts, with different marks. Making the argument in 1996 was

neither deceptive, nor made with the intent to deceive, in 1996. Assuming, *arguendo*, any inconsistency, that pleads neither false facts nor intent to deceive, and in any event, Opposer's positions then and now are explainable by differences in facts and law.

Accordingly, Opposer prays that the Motion be Granted, the Counterclaim Dismissed, with prejudice, and the trial schedule be reset.

Respectfully submitted,



Date: January 3, 2011

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **MOTION TO DISMIS** was filed electronically with the Trademark Trial and Appeal Board this 3d of January, 2011 and served on Applicant by mailing a copy with the US Postal Service addressed to:

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