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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
Correspondence Address	BURTON S EHRILICH LADAS & PARRY LLP 224 S MICHIGAN AVE STE 1600 CHICAGO, IL 60604 UNITED STATES burte@ladas.net
Submission	Other Motions/Papers
Filer's Name	David C. Brezina
Filer's e-mail	chiustm@ladas.net
Signature	/David C. Brezina/
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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

**REPLY BRIEF OF
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 submits its Reply Brief in support of its Motion, 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.

INTRODUCTION

Applicant's responsive brief, served by mail March 11, 2011, misses the target when it comes to pointing out where the particular pleading of the elements of fraud can be found in its Petition. The brief may provide a snapshot of what Applicant might argue on the merits – that Opposer said one thing in 1996 and is saying something different now. What the brief fails to point to is any allegation in the Petition that statements made in 1996 were false when made, were made in 1996 knowing they were then false or that there was an intent to deceive in 1996

when the statements were made. The best Applicant can do is to argue “inferences” and “inconsistencies” (page 3, paragraph 1). Applicant never points to any allegation of any element of fraud in 1996.

PLEADING FALSITY WITH PARTICULARITY

The temporal disconnect between the present Opposition and the prosecution of the application that resulted in Opposer’s Reg. No. 1994751 is fatal to the Counterclaim in absence of allegations that the statements were false when made. The state of the pleadings is apparent from Applicant’s admission (page 3, paragraph 2) that all it is making is a: “line of argument that Opposer’s own words mean either its opposition fails or its registration is subject to cancellation.” (emphasis added) Applicant never points to an allegation that the 1996 statements were false when made, because, of course, Applicant wants to presently make the same arguments. Putting aside the “why” we search in vain for any pleading of falsity. The element is required to be plead with particularity -- the opposite of inferences from inconsistency. This is particularly the case when the alleged inconsistencies occur with more than a decade of separation. Applicant refuses to say that the 1996 statements were false when made, therefore it cannot save its fraud counterclaim by saying that maybe the statements were false because now things are different.

PLEADING KNOWLEDGE AND INTENT WITH PARTICULARITY

The requisite knowledge and intent must also arise at the time the false statements were made. Applicant only argues inference from inconsistency. While we understand from the current brief that Applicant will make the same arguments on the merits, that is relevant, if at all, to the persuasiveness of the Opposition. If we assume *arguendo* there was inconsistency, and

also assume there were no explanation, it would be present inconsistency, not knowledge or intent in 1996.

EITHER/OR PLEADING IS INADEQUATE PARTICULARITY FOR FRAUD

Applicant’s pre-argument tactic fails to establish adequate pleading under Rule 9 (g). Applicant entitles an entire section in its brief “APPLICANT HAS SHOWN THAT OPPOSER EITHER INTENDED TO DECEIVE THE USPTO IN THE '995 PROSECUTION, OR IS DECEIVING THE USPTO IN THE PRESENT PROCEEDING.” (emphasis added) By that argument, Applicant is admitting that it has not actually plead falsity, knowledge or intent in its Counterclaim. Pleading in the alternative under Rule 8 (e) (2) in the present context means that Applicant would be permitted to allege:

- (1) the goods and marks are confusingly similar (Opposer’s 1996 argument to the contrary was false) and
- (2) the goods are not confusingly similar (the Opposition should fail).

Alternative pleading does not permit Applicant to ignore pleading No. (1) when fraud is required to be plead with particularity. “[P]leading a claim in the alternative does not absolve the pleader from adequately alleging the existence of each element of each claim.” *Orange County Choppers v. Olaes Enterprises*, 497 F.Supp.2d 541 (S.D.N.Y., 2007)

ARGUING FACTS OUTSIDE THE PLEADINGS

Opposer pointed out in footnotes – because they are facts outside the pleadings – changed market conditions. Applicant chooses to pre-argue those facts in its brief. Those facts relate to the merits of the Opposition and will be fully developed after the Counterclaim is dismissed and the case proceeds. One changed condition, of course, is known as a matter of law – assault

weapons were illegal, Federally, in 1996 and are not now. How closely this affects the present goods can be more fully developed in the opposition. Applicant's current making of the argument that market conditions are unchanged between 1996 and the present does not establish particular pleading of facts, knowledge or intent in 1996.

CONCLUSION

Applicant makes its argument on the merits crystal clear. However, that does not demonstrate anywhere in the Counterclaim that falsity, knowledge or intent, at the time statements were made, are plead with particularity, as they must be plead.

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

Respectfully submitted,



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David C. Brezina
Burton S. Ehrlich
Ladas & Parry LLP
224 S Michigan Ave.
Suite 1600
Chicago, IL 60604
312.427.1300
312.427.6663 (fax)
chiustm@ladas.net (email)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **REPLY BRIEF** was filed electronically with the Trademark Trial and Appeal Board this 31st of March, 2011 and served on Applicant by mailing a copy with the US Postal Service addressed to:

Nancy Kennedy
Alix, Yale & Ristas, LLP
750 Main Street
Hartford, CT 06103



David C. Brezina