

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

coggins

Mailed: September 20, 2011

Opposition No. 91193064

FN Herstal

v.

Saeilo Enterprises, Inc.

Before Taylor, Mermelstein, and Shaw,
Administrative Trademark Judges.

By the Board:

This case now comes up for consideration of opposer's motion (filed January 3, 2011) to dismiss applicant's counterclaim for cancellation of opposer's pleaded Registration No. 1994751 for failure to state a claim upon which relief can be granted under Fed. R. Civ. P. 12(b)(6)
Motion to Dismiss

To withstand a motion to dismiss, a counterclaim for cancellation need only allege such facts as would, if proved, establish that the party bringing the counterclaim is entitled to the relief sought; that is, (1) such party has standing, and (2) a valid ground exists for cancelling the subject registration. *Lipton Industries, Inc. v. Ralston Purina Co.*,

670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982). Specifically, the counterclaim "must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. ___, 129 S.Ct. 1937, 1949-50 (2009), quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007).

For purposes of determining the motion, the counterclaim must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(e). All of applicant's (as counterclaim petitioner) well-pleaded allegations must be accepted as true, and the claims must be construed in the light most favorable to applicant. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993).

Standing

Applicant's standing in the counterclaim is established by opposer's assertion of the involved registration against applicant in the opposition. See *Carefirst of Maryland Inc. v. FirstHealth of the Carolinas Inc.*, 77 USPQ2d 1492, 1502 (TTAB 2005) ("There is no issue regarding the standing of the parties to bring their respective oppositions and cancellation.... Applicant, by virtue of its position as defendant in the opposition, has standing to seek cancellation of the pleaded registrations."), citing *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999).

Ground for Cancellation

To assert a viable counterclaim of fraud, applicant must allege with particularity, rather than by implied expression, that opposer knowingly made a false, material representation in the procurement of or renewal of the registration with the intent to deceive the Office. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009); *Enbridge Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1540 (TTAB 2009).

The counterclaim alleges that during the prosecution of the underlying application which matured into the subject registration, opposer argued, in response to a refusal by the Examining Attorney, that confusion was not likely between its mark and two cited marks, and in so arguing opposer relied on several third-party marks, one of which was similar to applicant's current mark (which is the subject of the instant opposition). In essence, the theory of applicant's counterclaim is that if opposer's allegations of a likelihood of confusion in the notice of opposition are true, then opposer's statements to the contrary during the prosecution of the underlying application which matured into the subject registration must be false and therefore fraudulent.

Upon review of the counterclaim, we determine that applicant has not pleaded a proper ground of fraud. As an initial matter, we note that applicant has completely failed to allege that opposer had any intent to deceive the Office when

opposer responded to the Examining Attorney's refusal. See *In re Bose Corp.*, *supra* at 1942 (emphasizing that fraud requires the intent to mislead the Office). Moreover, while opposer's earlier arguments may have some evidentiary value on the issue of likelihood of confusion as presented by the notice of opposition, the arguments cannot serve as a basis for a counterclaim on the ground of fraud, which requires a factual misrepresentation. Opposer's earlier statements were legal arguments, not statements of fact. Applicant has overstated the effect of opposer's arguments in the underlying application. At best, the statements may be used in applicant's defense of the opposition but not as the basis of a counterclaim on the ground of fraud. Cf. *Anthony's Pizza & Pasta Int'l Inc. v. Anthony's Pizza Holding Co.*, 95 USPQ2d 1271, 1281 (TTAB 2009), citing *Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 USPQ 955, 963 (TTAB 1986) ("file wrapper estoppel" does not apply in trademark cases); and *Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151, 153-154 (CCPA 1978) (likelihood of confusion is a legal conclusion, therefore, it cannot be an admission against interest because only facts may be admitted). Accordingly, opposer's motion to dismiss the counterclaim is granted.

Schedule

While it is our usual practice to allow a party time in which to properly replead a dismissed ground, it does not

appear that applicant can sufficiently plead fraud against opposer based on opposer's alleged inconsistent positions. In view thereof, proceedings are resumed and dates are reset as follows:

Deadline for Discovery Conference	10/17/2011
Discovery Opens	10/17/2011
Initial Disclosures Due	11/16/2011
Expert Disclosures Due	3/15/2012
Discovery Closes	4/14/2012
Plaintiff's Pretrial Disclosures	5/29/2012
Plaintiff's 30-day Trial Period Ends	7/13/2012
Defendant's Pretrial Disclosures	7/28/2012
Defendant's 30-day Trial Period Ends	9/11/2012
Plaintiff's Rebuttal Disclosures	9/26/2012
Plaintiff's 15-day Rebuttal Period Ends	10/26/2012

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.