

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

MBA

Mailed: November 9, 2010

Opposition No. 91195509

Denise Snacks, Inc. and  
Denise Distribution  
Corporation

v.

The International Group,  
Inc.

**Before Quinn, Wellington and Ritchie, Administrative  
Trademark Judges**

**By the Board:**

This case now comes up for consideration of applicant's motion to dismiss the notice of opposition under Fed. R. Civ. P. 12(b)(1), (b)(6) and (b)(7), filed August 9, 2010. The motion is fully briefed.

Background and Opposers' Allegations

Applicant seeks registration of DENISE SNACKS & Design, with SNACKS disclaimed, for "Fried Pork Skins, Fried Pork Rinds, Pork Crackling, Fried Chicken Skins."<sup>1</sup> In their notice of opposition, opposers Denise Snacks, Inc. ("DSI") and Denise Distribution Corporation ("DDC") allege:

- prior use of "the marks DENISE and DENISE SNACKS and variations of such marks that include design

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<sup>1</sup> Application Serial No. 77838572, filed September 30, 2009, based on claimed dates of first use of June 1, 2003.

elements, including the mark that is the subject of" the involved application, for "candy, nuts, fried pork skin products, plantain chips, cakes and toys;" Notice of Opposition ¶¶ 2, 3;

- "During the period 2003 through 2008, Applicant and/or entities related to Applicant manufactured for and on behalf of Opposers fried pork skin products bearing the DENISE and DENISE SNACKS mark ... neither of Opposers nor any entity related to Opposers ever granted, assigned or transferred to Applicant or to any entity related to Applicant any ownership right in or to any of the DENISE SNACKS Marks;" Id. ¶ 5;
- applicant's involved mark "when used in connection with Applicant's Goods, so resembles Opposers' DENISE SNACKS Marks as to be likely to cause confusion ...;" Id. ¶ 8;
- applicant's mark "so closely resembles Opposers' DENISE SNACKS Marks that current purchasers of the goods offered under Applicant's Alleged Mark have believed and potential purchasers of the goods offered under Applicant's Alleged Mark would be likely to believe that Opposers are the source of such goods, or that Opposer's have authorized, sponsored, approved of or in some other manner associated themselves with Applicant's Goods ...;" Id. ¶ 9;
- applicant's mark "falsely suggests a connection or affiliation with or between Opposers and Applicant, and is being used by Applicant to misrepresent the source of the goods on which it is being used;" Id. ¶ 11; and

- applicant did not use its mark prior to the filing date of the involved application, "and such facts were known to Applicant's attorney at the time the Application was filed as a use-based application ... Applicant's Application was therefore false and made with intent to deceive, was fraudulent, and was void ab initio." Id. ¶ 12.

On the same day it filed its motion to dismiss, applicant filed an answer, in which it denies the salient allegations in the notice of opposition.

#### The Parties' Contentions

Applicant's motion is based, in part, on alleged facts, and an alleged "Distribution Agreement" between the parties, from outside the pleadings. Applicant argues that opposers "seek[] a determination of the rights to the use of the 'Denise Snacks' mark," and that is "the true issue here," but that the Board "does not have jurisdiction to decide issues of the right to use a mark." Applicant further argues that this proceeding should be dismissed because opposers have not joined a necessary third party, specifically Denise Snacks, LLC ("DSL"), an alleged affiliate of opposers. According to applicant, opposers' "claim of ownership of the mark cannot be determined without first determining [DSL's] ownership of the mark," and "it is likely that a Federal Court will decide that the Applicant is the true owner of the Applicant's Mark ... because of the

contract between" DSL and applicant. Applicant argues that the notice of opposition fails to state a claim upon which relief may be granted, because opposers have not pleaded proprietary rights in or prior use of their pleaded marks. Specifically, applicant argues that opposers only plead prior use of DENISE, rather than DENISE SNACKS since 1993, and DENISE "by itself is a generic or merely descriptive mark not entitled to protection ...." Finally, applicant argues for dismissal "because the Opposers are guilty of laches."

Opposers argue that "none of Applicant's counsel's unsupported factual assertions may be considered in connection with a motion to dismiss." On the merits, opposers point out that their prayer for relief is simply "that registration of the mark at issue be denied to Applicant," and that therefore the Board has subject matter jurisdiction. Opposers argue that whether DSL "could have also filed an opposition or could have joined in the Opposition filed by Opposers is irrelevant," and that DSL is not a necessary party. Opposers claim that their allegations of priority and likelihood of confusion are sufficient, and applicant's assertion that DENISE is generic or descriptive "is a matter of defense for Applicant to raise should it desire to so argue," rather than grounds for dismissing the notice of opposition. Similarly, opposers

argue that “[l]aches is an equitable affirmative defense that must be pleaded and proven,” rather than a ground for dismissal under Fed. R. Civ. P. 12(b)(6).

Decision

Before addressing the merits of applicant’s motion to dismiss, it is important to point out that we have not considered the extensive factual allegations or documentation from outside the pleadings submitted with applicant’s motion. Compagnie Gervais Danone v. Precision Formulations LLC, 89 USPQ2d 1251, 1255-56 (TTAB 2009) (“the Board generally will no longer exercise its discretion to convert motions to dismiss that refer to matters outside the pleadings into motions for summary judgment, if such motions are filed before the moving party serves initial disclosures”); Fed. R. Civ. P. 12(d); Wellcome Foundation Ltd. v. Merck & Co., 46 USPQ2d 1478, 1479 n. 2 (TTAB 1998).

Rather, because applicant’s motion purports to seek dismissal under Fed. R. Civ. P. 12(b)(6), we evaluate it under the following standard:

In order to withstand a motion to dismiss for failure to state a claim, a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceedings, and (2) a valid ground exists for opposing the mark. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations which, if

proved, would entitle plaintiff to the relief, sought. See Lipton Industries, Inc. v. Ralston Purina Co., 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); Kelly Services Inc. v. Greene's Temporaries Inc., 25 USPQ2d 1460 (TTAB 1992); and TBMP §503.02 (2d. ed. rev. 2004). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff. See Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc., 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993); see also 5A Wright & Miller, Federal Practice And Procedure: Civil 2d §1357 (1990). ... The purpose of a Rule 12(b)(6) motion is to challenge "the legal theory of the complaint, not the sufficiency of any evidence that might be adduced" and "to eliminate actions that are fatally flawed in their legal premises and destined to fail ..." Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc., supra at 26 USPQ2d 1041.

Fair Indigo LLC v. Style Conscience, 85 USPQ2d 1536, 1538 (TTAB 2007); see also, Young v. AGB Corp., 152 F.3d 1377, 1379, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). That is, the issue is not, as applicant appears to claim, what the parties will or will not be able to establish at trial or in a motion for summary judgment, but instead the issue is what opposers have alleged in their notice of opposition. Under this standard, dismissal is inappropriate.

Opposers allege prior use of DENISE and DENISE SNACKS "and variations of such marks that include design elements"

since 1993. Notice of Opposition ¶¶ 2,3. They further allege that the pleaded marks "are distinctive of Opposers' Goods, identify and distinguish Opposers' Goods from the goods, services, and businesses of others, symbolize the goodwill of Opposers' businesses ...." Id. ¶ 4. Therefore, opposers have alleged prior use of trademarks in which they have proprietary rights. Opposers further allege that use of applicant's mark is "likely to cause confusion." Id. ¶ 8. Therefore, opposers have alleged standing and stated a claim of priority and likelihood of confusion. Furthermore, as opposers point out, laches is a defense. 15 U.S.C. § 1069; TBMP §311.02(b).<sup>2</sup> It has no bearing on whether opposers have properly pleaded a claim upon which relief may be granted. And genericness is a potential counterclaim, not grounds for dismissal under Fed. R. Civ. P. 12. For all of these reasons, applicant's motion to dismiss for failure to state a claim is hereby **DENIED**.

Turning next to applicant's motion to dismiss under Fed. R. Civ. P. 12(b)(1), opposers request only that the involved application be refused registration. This is within the Board's jurisdiction. 15 U.S.C. §§ 1067 and 1068; TBMP § 102.01 (2d ed. rev. 2004). Therefore,

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<sup>2</sup> The defense may be difficult to prove in an opposition proceeding. See, National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc., 937 F.2d 1572, 19 USPQ2d 1424, 1431-32 (Fed. Cir. 1991).

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applicant's motion to dismiss for lack of subject matter jurisdiction is hereby **DENIED**. See, Selva & Sons, Inc. v. Nina Footwear, Inc., 705 F.2d 1316, 217 USPQ 641, 647 (Fed. Cir. 1983)

Turning finally to applicant's motion to dismiss under Fed. R. Civ. P. 12(b)(7) for failure to join a necessary party, namely DSL, applicant's arguments are not well taken.

As to respondent's claim that the town of Sun Valley, Idaho is a necessary party to this proceeding, respondent has offered no case law or authority to support this position. It is illogical to require that all parties that could possibly be injured by a registration be joined as parties to a cancellation or opposition proceeding before any one party can seek relief from the registration of a mark. This position is contrary to the specific provisions of Section 13 and 14 of the Statute which provide that "any person" who believes that he is or would be damaged by the registration of a mark is a proper party to file an opposition or petition to cancel.

Sun Valley Company Inc. v. Sun Valley Manufacturing Co., 167 USPQ 304, 309-10 (TTAB 1970); 15 U.S.C. §§ 1063 and 1064.

Therefore, applicant's motion to dismiss for failure to join a necessary party is hereby **DENIED**.

Although we have determined that opposers have properly alleged priority and likelihood of confusion, and that the notice of opposition should not be dismissed, we find, *sua sponte*, that the notice of opposition does not adequately

allege fraud under the Federal Circuit's recent decision in In re Bose Corp., 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. Aug. 31, 2009). In opposing an application on the ground of fraud, an opposer must allege the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b), made applicable to Board proceedings by Trademark Rule 2.116(a). Under Rule 9(b), together with Fed. R. Civ. P. 11 and USPTO Rule 11.18, "the pleadings [must] contain explicit rather than implied expression of the circumstances constituting fraud." King Automotive, Inc. v. Speedy Muffler King, Inc., 212 USPQ 801, 803 (CCPA 1981). As the Board recently held:

Pleadings of fraud made "on information and belief," when there is no allegation of "specific facts upon which the belief is reasonably based" are insufficient. Exergen Corp. v. Wal-Mart Stores Inc., 91 USPQ2d 1656, 1670 (Fed. Cir. 2009) and cases cited therein (discussing when pleading on information and belief under Fed. R. Civ. P. 9(b) is permitted); see also In Re Bose Corp., 91 USPQ2d at 1938. Additionally, under USPTO Rule 11.18, the factual basis for a pleading requires either that the pleader know of facts that support the pleading or that evidence showing the factual basis is "likely" to be obtained after a reasonable opportunity for discovery or investigation. Allegations based solely on information and belief raise only the mere possibility that such evidence may be uncovered and do not constitute an adequate pleading of fraud with particularity. Thus, to satisfy Rule 9(b), any allegations based on "information and belief" must be accompanied by a statement of facts upon which the belief is founded. See Exergen Corp., 91 USPQ2d at 1670 n.7,

citing Kowal v. MCI Comm. Corp., 16 F.3d 1271, 1279 n.3 (D.C. Cir. 1994) (“[P]leadings on information and belief [under Rule 9(b)] require an allegation that the necessary information lies within the defendant's control, and ... such allegations must also be accompanied by a statement of the facts upon which the allegations are based’).”

Asian and Western Classics B.V. v. Selkow, 92 USPQ2d 1478, 1479 (TTAB 2009).

In this case, the allegations in Paragraph 12 of the notice of opposition are based solely upon information and belief. As in Asian and Western Classics, “[t]hese allegations fail to meet the Fed. R. Civ. P. 9(b) requirements as they are unsupported by any statement of facts providing the information upon which petitioner relies or the belief upon which the allegation is founded.” Id.<sup>3</sup>

Opposers are allowed until **THIRTY DAYS** from the mailing date of this order to, if warranted, file an amended notice of opposition which sufficiently pleads fraud, failing which the fraud claim will be dismissed with prejudice. In the event opposers file an amended notice of opposition in accordance with this decision, applicant is allowed thirty days from the date of service thereof to answer or otherwise move with respect to the amended notice of opposition.

### Conclusion

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<sup>3</sup> Furthermore, opposers allege only that applicant's lack of use was “known to Applicant's attorney.” There is no allegation

Applicant's motion to dismiss is denied. Proceedings herein are resumed, and disclosure, conferencing, discovery, trial and other dates are reset as follows:

Deadline for Discovery Conference	<b>December 12, 2010</b>
Discovery Opens	<b>December 12, 2010</b>
Initial Disclosures Due	<b>January 11, 2011</b>
Expert Disclosures Due	<b>May 11, 2011</b>
Discovery Closes	<b>June 10, 2011</b>
Plaintiff's Pretrial Disclosures	<b>July 25, 2011</b>
Plaintiff's 30-day Trial Period Ends	<b>September 8, 2011</b>
Defendant's Pretrial Disclosures	<b>September 23, 2011</b>
Defendant's 30-day Trial Period Ends	<b>November 7, 2011</b>
Plaintiff's Rebuttal Disclosures	<b>November 22, 2011</b>
Plaintiff's 15-day Rebuttal Period Ends	<b>December 22, 2011</b>

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.

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that applicant itself had the requisite knowledge or intent to deceive.

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