

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

Mailed: December 12, 2011

Opposition No. 91197005

Gold Rush Brands, LLC

v.

Pan Am World Airways, Inc.

**Robert H. Coggins,
Interlocutory Attorney:**

This case comes up on applicant's motions to amend the application (filed November 24, 2010) and to suspend proceedings pending disposition of the motion to amend (filed December 22, 2010).¹

Motion to Suspend

Inasmuch as opposer (on January 11, 2011) filed its consent to the motion to suspend, the motion is granted *nunc pro tunc*. Accordingly, proceedings are suspended retroactively to the filing date of the motion.

Motion to Amend

By way of its motion, applicant seeks to amend its name as that name identifies applicant in the subject application. Opposer does not consent to the amendment.

¹ Opposer's change of correspondence address (filed January 11, 2011) is noted and entered.

It is the practice of the Board to defer determination of a timely filed (i.e., pre-trial) unconsented motion to amend in substance until final decision, or until the case is decided upon summary judgment. See TBMP § 514.03 (3d ed. 2011). In view thereof, consideration of the proposed amendment will be deferred until final decision or until the case is decided upon summary judgment.

Notice of Opposition

By way of its brief in opposition to the motion to amend, opposer alerted the Board to the fact that the issue raised by the motion is at the heart of opposer's allegation of fraud. In view thereof, the Board has reviewed the notice of opposition and has determined that it does not properly allege either fraud or deceptiveness.

1. Fraud

Fraud in obtaining a trademark registration "occurs when an applicant knowingly makes false, material misrepresentations of fact in connection with his application." *Torres v. Cantine Torresella S.R.L.*, 808 F.2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986). To constitute fraud on the USPTO, the statement must be (1) false, (2) a material representation and (3) made knowingly. *Torres*, 1 USPQ2d at 1484. In order to properly plead a claim of fraud in a trademark opposition proceeding, an opposer must allege with particularity that the applicant knowingly made a

false, material misrepresentation when applying for a trademark registration with intent to deceive the USPTO. *Enbridge Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1540 (TTAB 2009). Intent to deceive is an indispensable element of the analysis in a fraud case. See *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). As such, intent is a required element to be pleaded for a claim of fraud. See, e.g., *DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086 (TTAB 2010); and *Qualcomm Inc. v. FLO Corp.*, 93 USPQ2d 1768, 1770 (TTAB 2010).

The notice of opposition does not contain an allegation of applicant's intent to commit fraud, or an allegation that that any alleged misrepresentation was material. In view thereof, opposer's allegations of fraud (i.e., paragraphs 5-9) are stricken from the notice of opposition. See Fed. R. Civ. P. 12(f)(1); and *Boswell v. Mavety Media Group Ltd.*, 52 USPQ2d 1600, 1603 n.2 (TTAB 1999). Opposer is permitted until December 30, 2011, in which to properly plead a ground of fraud consistent with opposer's obligations under Fed. R. Civ. P. 11 and U.S. Patent and Trademark Office Rule 11.18.²

² Federal Rule 11 and USPTO Rule 11.18 provide, in part, that a pleading must not be presented for any improper purpose, the claims and legal contentions are warranted and nonfrivolous, and the factual contentions have evidentiary support or will likely have evidentiary support; and that a party may be sanctioned for violating the rule.

Opposer is reminded that the U.S. Court of Appeals for the Federal Circuit has held that there is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1942 (Fed. Cir. 2009), *citing Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1043 (TTAB 1981). Unless a party alleging fraud can point to clear and convincing evidence that supports drawing an inference of deceptive intent, it will not be entitled to judgment on a fraud claim.

Enbridge, 92 USPQ2d at 1540, *citing Bose*, 91 USPQ2d at 1942.

Moreover, as the Board has previously stated:

Fraud implies some intentional deceitful practice or act designed to obtain something to which the person practicing such deceit would not otherwise be entitled. Specifically, it involves a willful withholding from the Patent and Trademark Office by an applicant or registrant of material information or fact, which, if disclosed to the Office, would have resulted in the disallowance of the registration sought or to be maintained. Intent to deceive must be "willful." If it can be shown that the statement was a "false misrepresentation" (sic) occasioned by an "honest" misunderstanding, inadvertence, negligent omission or the like rather than one made with a willful intent to deceive, fraud will not be found. Fraud, moreover, will not lie if it can be proven that the statement, though false, was made with a reasonable and honest belief that it was true or that the false statement is not material to the issuance or maintenance of the registration. It thus appears that 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.

First Int'l Svcs. Corp. v. Chuckles Inc., 5 USPQ2d 1628, 1634 (TTAB 1988), citing *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1043-44 (TTAB 1981). See also *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1940 (Fed. Cir. 2009) (emphasizing that fraud requires the intent to mislead the USPTO).

2. Deceptiveness

Although opposer checked the box for a ground of deceptiveness under Section 2(a), 15 U.S.C. § 1052(a), when it filed the notice of opposition by ESTTA, and the ESTTA cover sheet therefore listed deceptiveness under Section 2(a) as a ground for opposition, it does not appear that opposer included any allegations of deceptiveness in the body of the notice of opposition. There do not appear to be any allegations as to how the use of the mark by applicant would be deceptive in relation to the services, and there is nothing that would allege plausibility or materiality of a Section 2(a) deceptiveness claim.

In view thereof, opposer's allegation of deceptiveness is stricken. See Fed. R. Civ. P. 12(f)(1). Opposer is permitted until December 30, 2011, in which to properly plead a ground of deceptiveness consistent with opposer's obligations under Fed. R. Civ. P. 11 and U.S. Patent and Trademark Office Rule 11.18.

Opposer is reminded that, as to a deceptiveness claim, the deceptiveness must be as to the nature or meaning of the mark in relation to the services. That is, a Section 2(a) claim of deceptiveness is limited to whether the mark is misdescriptive of the character, quality, function, composition or use of applicant's services; whether prospective purchasers are likely to believe that the misdescription actually describes applicant's services; and whether the misdescription is likely to affect the decision to purchase. See e.g., *In re Budge*, 857 F.2d 773, 775, 8 USPQ2d 1259, 1260 (Fed. Cir. 1988).

3. Opposer May Replead

Opposer is permitted until December 30, 2011, in which to submit an amended notice of opposition that properly alleges fraud and/or deceptiveness as a ground for opposing registration of the subject application, failing which, the opposition may be dismissed for opposer's failure to state a claim upon which relief can be granted. See Fed. R. Civ. P. 12(b)(6).

If opposer files an amended pleading, applicant is allowed until January 20, 2012, in which to file an answer thereto.

Schedule

Proceedings are resumed. Dates are reset on the following schedule.

Amended Notice of Opposition Due	12/30/2011
Time to Answer Amended Notice	1/20/2012
Deadline for Discovery Conference	2/19/2012
Discovery Opens	2/19/2012
Initial Disclosures Due	3/20/2012
Expert Disclosures Due	7/18/2012
Discovery Closes	8/17/2012
Plaintiff's Pretrial Disclosures	10/1/2012
Plaintiff's 30-day Trial Period Ends	11/15/2012
Defendant's Pretrial Disclosures	11/30/2012
Defendant's 30-day Trial Period Ends	1/14/2013
Plaintiff's Rebuttal Disclosures	1/29/2013
Plaintiff's 15-day Rebuttal Period Ends	2/28/2013

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.