

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

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Mailed: December 20, 2011

Opposition No. 91200105

EMD CROP BIOSCIENCE INC.,
NOVOZYMES BIOAG, INC.

v.

CLEARY CHEMICALS, LLC

**Before Cataldo, Bergsman and Shaw,
Administrative Trademark Judges.**

By the Board:

Cleary Chemicals, LLC ("applicant") seeks to register the mark **TORQUE** (standard characters) for "fungicides for agricultural use; fungicides for domestic use" in International Class 5.¹

EMD Crop BioScience Inc. ("opposer") opposes registration on the grounds of priority and likelihood of confusion pursuant to Trademark Act § 2(d), pleading ownership of Registration No. 3511124 for the mark **TORQUE** (standard characters) for "natural molecule or bacteria for plant growth enhancement in agriculture crops" in International Class 1.²

¹ Application Serial No. 77942162, filed February 23, 2010, asserting a bona fide intent to use the mark in commerce pursuant to Trademark Act § 1(b).

² Registered October 7, 2008, asserting a date of first use anywhere and date of first use in commerce of June 25, 2007. On November 3, 2011, the Assignments Branch of the USPTO recorded a change of name to Novozymes Bioag, Inc. at reel/frame 4654/0562.

In its answer,³ applicant denied the salient allegations in the notice of opposition, and under the heading "Counterclaims" set forth the following "Request to Restrict Identification of Goods:"

5. Because the agricultural chemicals market is highly segmented and the parties' goods are not sold nor are they likely to be sold through the same channels of trade or by the same distributors or to the same end customers, Cleary is at least entitled to a registration with a restriction in the identification of goods as follows: fungicides for domestic use, and fungicides for agricultural use, namely, outdoor terrestrial turf and ornamental agricultural fungicides.

In its answer, applicant also set forth the following under the heading "Cancellation:"

5. On information and belief, EMD's mark was fraudulently obtained. The original application was filed under Section 1(a) of the Trademark Act. No specimen was provided. No date of first use anywhere was provided. The application was not signed and verified as required therefore, (sic) the initial application was not complete. In response to an Office Action, Opposer submitted a specimen dated 2008, and fraudulently stated that the specimen had been in use at least as early as the filing date of the application, which was October 19, 2007. The described acts of EMD were done knowingly and with the intent to induce the Trademark Examiner to rely thereon and grant said registration. Reasonably relying upon the truth of said false statement, and as a consequence thereof, the U.S. Patent and Trademark Office did, in fact, grant said registration to EMD.

In view of the foregoing allegations, EMD is not entitled to continued registration of its mark since

In view thereof, Novozymes Bioag, Inc. is joined as a party plaintiff. See TBMP § 512.01 (3d ed. 2011)

³ Applicant submitted exhibits with its pleading. With the exception of a registration made of record in a manner set forth in Trademark Rule 2.122(d)(1), exhibits to pleadings are not evidence on behalf of the party to whose pleading the exhibit is attached unless identified and introduced in evidence as an exhibit during the assigned period for the taking of testimony. See Trademark Rule 2.122(c); TBMP § 317 (3d ed. 2011).

upon information and belief, EMD committed fraud in the procurement of the subject registration.

Opposer filed an answer to the counterclaims, and concurrently filed the following motions:

(1) a motion to strike applicant's "Request to Restrict Identification of Goods" on the basis that a counterclaim is not the proper procedure for amending to restrict the identification of goods in an opposed application; and

(2) a motion for judgment on the pleadings with respect to applicant's counterclaim for fraud captioned "Cancellation."

Opposer's motions have been fully briefed.

Motion to strike "Request to Restrict Identification of Goods"

The Board may strike from a pleading any insufficient defense, or any redundant, immaterial, impertinent or scandalous matter. See Fed. R. Civ. P. 12(f); TBMP § 506 (3d ed. 2011); *American Vitamin Products, Inc. v. Dow Brands Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992); *S.C. Johnson & Son, Inc. v. GAF Corp.*, 177 USPQ 720 (TTAB 1973). The Board has the authority to strike an impermissible or insufficient claim or portion of a claim. TBMP § 506.01 (3d ed. 2011). Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues in the case. See *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999).

In moving to strike, opposer argues that the appropriate procedure to amend the identification of goods in an opposed application is as set forth in TBMP 514, which provides "An application subject to an opposition may not be amended in substance... except with the consent of the other party or parties and the approval of the Trademark Trial and Appeal Board, or upon motion granted by the Board" (opposer's brief, p. 2, citing TBMP § 514). Opposer asserts that "this 'counterclaim' should be stricken with leave for Applicant to file a motion under" Trademark Rule 2.133(a) (opposer's brief, p. 2).

In response, applicant argues that the counterclaim has bearing on the issues in this case, and gives opposer fair notice "of the facts (applicant) believes support the absence of a likelihood of confusion... and gives fair notice to (opposer) that if the Board finds that (applicant) is not entitled to registration in the absence of a restrictions of the description of goods, then (applicant) is seeking registration with the stated restriction, which may be approved and entered" (applicant's brief, p. 1)

Turning to applicant's pleading, applicant asserts that it "is at least entitled to a registration with a restriction" amending from "fungicides for agricultural use; fungicides for domestic use" to "fungicides for domestic use, and fungicides for agricultural use, namely, outdoor

terrestrial turf and ornamental agricultural fungicides" (answer, p. 9, 12). Applicant does not allege that opposer consented to said amendment, and opposer affirmatively states that it has not consented thereto "because it does not change the issue of likelihood of confusion" (opposer's reply, p. 1).

Equitable relief under Trademark Act § 18 may be sought separate and apart from any other ground. *Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG*, 34 USPQ2d 1266, 1271 (TTAB 1995). Pursuant to Trademark Act § 18, the Board:

... may modify the application or registration by limiting the goods or services specified therein,...

See also TBMP § 309.03(d) (3d ed. 2011). A request by defendant to restrict its identification of goods or services under Trademark Act § 18 must be made by way of motion under Trademark Rule 2.133, although the ground must also be raised as an affirmative defense in the answer (as originally filed, as amended or as deemed amended), by way of an allegation that sets forth the proposed restriction in detail and alleges that the restriction will avoid a likelihood of confusion and that plaintiff is not using the mark on the products or services being excluded from the registration. TBMP § 311.02(b) (3d ed. 2011); *Montecash LLC v. Anzar Enterprises Inc.*, 95 USPQ2d 1060, 1064 (TTAB 2010).

Although applicant has put opposer on early notice of its proposed restriction to its identification of goods, procedurally applicant has not raised the issue by way of a motion, nor has applicant set forth the required elements of this matter either in its "Affirmative Defenses" or its "Request to Restrict Identification of Goods." Applicant's assertion is substantively deficient inasmuch as it has not specifically alleged that the restriction it seeks will avoid a likelihood of confusion and that opposer is not using the mark on the products being excluded.

In view thereof, opposer's motion to strike is granted. Applicant is allowed until thirty (30) days from the mailing date of this order in which to file 1) an amended answer wherein it properly and sufficiently sets forth the matter as an affirmative defense, as well as 2) a motion under Trademark Rule 2.133(a), failing which the opposition will proceed with this matter stricken. The parties should note, however, that an unconsented amendment to an opposed application is generally deferred until final decision or until the case is decided upon summary judgment. *See Space Base Inc. v. Stadis Corp.*, 17 USPQ2d 1216 (TTAB 1990).

Motion for judgment on the pleadings

Opposer filed its motion concurrently with its answer to the counterclaim. *See* TBMP § 503.01 (3d ed. 2011). Moreover, opposer challenges the counterclaim to cancel its pleaded

registration on the ground of fraud on the basis that the counterclaim is insufficiently pled, and applicant responded to the motion on that basis. Accordingly, the Board construes opposer's motion as a motion to dismiss for failure to state a claim upon which relief may be granted, pursuant to Fed. R. Civ. P. 12(b)(6).⁴

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint. To survive a motion to dismiss, a plaintiff need only allege sufficient factual matter as would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling the mark. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982). See also TBMP § 503.02 (3d ed. 2011). Specifically, "a complaint 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. 662, 129 S.Ct. 1937, 1949-50 (2009), quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). The pleading must be examined in its entirety, construing the allegations

⁴ Opposer submitted exhibits with its motion. Said exhibits have been given no consideration. See *Compagnie Gervais Danone v. Precision Formulations LLC*, 89 USPQ2d 1251, 1255-56 (TTAB 2009) (the Board generally will not 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 its initial disclosures).

therein so as to do justice. Fed. R. Civ. P. 8(e); see also *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1862 (TTAB 2007).

Standing

Applicant's standing to assert the counterclaim arises from its position as defendant with respect to the opposition. See *Ohio State Univ. v Ohio Univ.*, 51 USPQ2d at 1293.⁵

Ground

A claim or counterclaim of fraud must set forth the elements of the claim with particularity in accordance with Fed. R. Civ. P. 9(b), which is made applicable to Board proceedings by Trademark Rule 2.116(a). See *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009). To properly assert a counterclaim that opposer committed fraud on the USPTO in obtaining its registration, applicant must allege that opposer knowingly made a false material statement or misrepresentation with the intent to deceive the USPTO. See *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009).

In its counterclaim, applicant specifically asserts that opposer, in support of its application and obtaining a registration, submitted a specimen dated 2008 and stated that said specimen had been in use at least as early as the 2007 filing date of the application, and alleges that

opposer made such representation with the intent to induce the trademark examining attorney to rely thereon in determining to grant the registration. By way of its allegations, applicant has set forth with adequate particularity factual allegations that opposer made a misrepresentation that was material to the decision to issue opposer's registration, and that said misrepresentation was made with the intent to deceive the USPTO in making such determination.⁶ Specifically, applicant alleges that opposer knowingly, and with the intent to deceive the USPTO, declared that its specimen of use of the mark was in use at least as early as the application filing date.

In view of these findings, opposer's motion to dismiss applicant's counterclaim for fraud is hereby denied.

Schedule

Proceedings are resumed. Opposer's answer to the counterclaims is noted.

Conferencing, disclosure, discovery and trial dates are hereby reset as follows:⁷

⁵ Opposer's argument, that applicant does not include a "specific allegation of damage" (opposer's brief, p. 7), is unpersuasive.

⁶ To be clear, the allegations that opposer filed its § 1(a) application without a specimen, a date of first use anywhere, and a signed verification do not constitute a claim for fraud inasmuch as said allegations do not set forth any misrepresentation. Opposer clearly met the requirements for receiving a filing date for its § 1(a) application as set forth in Trademark Act § 2.21.

⁷ Any motion to suspend or extend these dates should include a proposed schedule of remaining dates in the manner as set forth above.

Deadline for Required Discovery Conference	March 2, 2012
Discovery Opens	March 2, 2012
Initial Disclosures Due	April 1, 2012
Expert Disclosures Due	July 30, 2012
Discovery Closes	August 29, 2012
Plaintiff's Pretrial Disclosures due	October 13, 2012
30-day testimony period for plaintiff's testimony to close	November 27, 2012
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	December 12, 2012
30-day testimony period for defendant and plaintiff in the counterclaim to close	January 26, 2013
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	February 10, 2013
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	March 27, 2013
Counterclaim Plaintiff's Rebuttal Disclosures Due	April 11, 2013
15-day rebuttal period for plaintiff in the counterclaim to close	May 11, 2013
BRIEFS SHALL BE FILED AS FOLLOWS:	
Brief for plaintiff due	July 10, 2013
Brief for defendant and plaintiff in the counterclaim due	August 9, 2013
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	September 8, 2013
Reply brief, if any, for plaintiff in the counterclaim due	September 23, 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.

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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.