

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

COHEN

Mailed: May 31, 2013

Opposition No. 91201703

Michael Brandt Family Trust
d/b/a Eco-Safe Industries, Inc.

v.

Istituto Italiano Sicurezza
dei Giocattoli S.r.l.

**Before Holtzman, Bergsman and Shaw,
Administrative Trademark Judges**

By the Board:

On September 24, 2012, the Board granted applicant's motion to dismiss the fraud claim in opposer's amended notice of opposition and allowed opposer time in which to file a second amended notice of opposition to replead its claim of fraud. On October 29, 2012, opposer filed a second amended notice of opposition. This case now comes up on applicant's motion to dismiss under Fed. R. Civ. P. 12(b)(6) for failure to state a claim. The motion has been fully briefed.

In its motion, applicant alleges that opposer fails to state a claim for fraud because its allegations are "bald [and] conclusory"; that opposer fails to allege any facts upon which

intent could be inferred; and that therefore, its claim of fraud should be dismissed under Fed. R. Civ. P. 12(b)(6).

Opposer alleges that its fraud claim is based on "sufficient facts from which one may reasonably infer that [a]pplicant had the requisite knowledge and intent to deceive the PTO"; that its factual allegations support the knowledge and intent elements of a fraud claim; and that therefore, applicant's motion to dismiss opposer's fraud claim should be denied.

A motion to dismiss under Rule 12(b)(6) is a test of the sufficiency of a complaint. See TBMP Section 503.02 (3d ed. rev. 2012). To survive such a motion, 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). 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). In the context of *inter partes* proceedings before the Board, a claim has facial plausibility when the opposer pleads factual content that allows the Board to draw a reasonable inference that the opposer has standing and that a valid ground

for the opposition exists. *Cf. Twombly*, 550 U.S. at 556, 127 S.Ct. at 1955. In particular, a plaintiff need only allege "enough factual matter . . . to suggest that [a claim is plausible]" and "raise a right to relief above the speculative level." *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346, 1354 (Fed. Cir. 2010). A pleading is sufficient when it provides sufficient factual allegations, in the form of a "short and plain statement of the claim." See Fed. R. Civ. P. 8(a).

Applicant has not challenged opposer's pleading of standing to maintain this proceeding. In any event, the Board determined in its September 24, 2012 order that opposer has set forth the requisite personal interest in the outcome of this proceeding and reasonable belief of damage from the registration of applicant's mark necessary to plead its standing to maintain the opposition. See, e.g., *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Universal Oil Prod. Co. v. Rexall Drug & Chem. Co.*, 463 F.2d 1122, 1123, 174 USPQ 458, 459 (CCPA 1972).

To plead a claim of fraud, opposer must allege that applicant made a specific false statement of material fact in the course of the involved application and that applicant made such false statement with the intent of deceiving the USPTO into issuing a registration to which applicant is not entitled. See *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009). Under *In re Bose Corp.*, "a trademark is obtained fraudulently under the

Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO." *Id.* at 1941. Pursuant to Fed. R. Civ. P. 9(b), any allegations based on "information and belief" must be accompanied by a statement of facts upon which the belief is based. *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478-1479 (TTAB 2009), citing *Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 1670 n.7 (Fed. Cir. 2009). Intent, as a condition of mind of a person, may be averred generally. Fed. R. Civ. P. 9(b); *see also DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086, 1089 (TTAB 2010), citing *In re Bose*, 91 USPQ2d at 1941.

In paragraphs 10-16, 20-21, and 25-28 of the second amended notice of opposition, opposer sets forth allegations, *inter alia*, that applicant holds itself out to be "one of the most respected quality and safety certification bodies worldwide;" that "a review of [a]pplicant's websites" indicates that applicant does not manufacture or otherwise produce the products listed in its application; that applicant's websites show that applicant uses ECO SAFE as a certification mark and not as a trademark or service mark; that "based upon review of [a]pplicant's website", applicant is a certifying entity that has never manufactured or licensed its marks for use as a trademark or service mark"; that applicant made a false statement because it "fraudulently misrepresented and falsely

represented to the [USPTO] its true *bona fide* intention with regard to the use of the mark in commerce"; that applicant knowingly made the false statement with "an affirmative intent to deceive" the USPTO; and that therefore, applicant has committed fraud.

Opposer's allegations are not based solely on "information and belief," but are accompanied by a recitation of specific facts obtained through its review of applicant's websites. Because opposer has provided the facts upon which its belief of fraud is founded, the Board finds that opposer has adequately pleaded a claim of fraud in its second amended notice of opposition.¹

In view thereof, opposer's second amended notice of opposition filed October 29, 2012 is accepted as the operative pleading. Applicant is allowed until **July 1, 2013** to file and serve its answer to the amended notice of opposition.

Proceedings herein are resumed. Dates are reset as follows:

Time to Answer	7/1/2013
Deadline for Discovery Conference	7/31/2013

¹ Whether or not petitioner can establish fraud is a matter for resolution on the merits. See *Flatley v. Trump*, 11 USPQ2d 1284 (TTAB 1989). "One charging fraud cannot prevail merely by proving that its opponent lacked a bona fide intent to use the mark: there must be proof of a subjective intent to deceive." J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, Section 31:78 (4th ed. 2013); See also *SmithKline Beecham Corp. v. Omnisource DDS, LLC*, 97 USPQ2d 1300, 1305 (TTAB 2010); *Spin Master, Ltc. V. Zobmondo Entertainment, LLC*, 100 USPQ2d 1513 (C.D. Cal. 2011).

Discovery Opens	7/31/2013
Initial Disclosures Due	8/30/2013
Expert Disclosures Due	12/28/2013
Discovery Closes	1/27/2014
Plaintiff's Pretrial Disclosures	3/13/2014
Plaintiff's 30-day Trial Period Ends	4/27/2014
Defendant's Pretrial Disclosures	5/12/2014
Defendant's 30-day Trial Period Ends	6/26/2014
Plaintiff's Rebuttal Disclosures	7/11/2014
Plaintiff's 15-day Rebuttal Period Ends	8/10/2014

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.