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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91206730
Party	Defendant Cinnabar Ventures Inc.
Correspondence Address	JACK B. BALDINI, ESQ. LAW OFFICE OF JULES D. ZALON 20 CURTIS AVENUE WEST ORANGE, NJ 07052  trademarks@mchattielaw.com;jzalon@zalon
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Jack B. Baldini, Esq.
Filer's e-mail	jbaldini@mchattielaw.com, trademarks@mchattielaw.com, jzalon@zalonoffice.com
Signature	/jackbaldini/
Date	10/05/2012
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**THE M<sup>C</sup>HATTIE LAW FIRM, LLC**

550 West Main Street

Boonton, New Jersey, 07005

973.402.5505

cmchattie@mchattielaw.com

trademarks@mchattielaw.com

jzalon@zalonoffice.com

Attorneys for Applicant-Respondent Cinnabar Ventures, Inc.

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Trademark Application No. 77/936,091; filed February 15, 2010

_____	:		
Yahoo!, Inc.	:	Opposition No.:	91206730
	:		
Opposer	:	Serial No.:	77/936,091
	:		
v.	:	Mark:	
	:		
Cinnabar Ventures, Inc.	:		
	:		
Applicant.	:		
_____	:		

**CINNABAR VENTURES, INC'S MOTION TO DISMISS NOTICE OF OPPOSITION  
AND MEMORANDUM OF LAW**

Pursuant to §503.01 of the Trademark Manual of Board Procedure (“TMBP”) and Fed. R. Civ. P. 12(b), Applicant Cinnabar Ventures, Inc. (“Applicant”), by and through its undersigned counsel, moves to dismiss Opposer Yahoo Inc.’s (“Yahoo” and/or “Opposer”) dilution claims pursuant to 15 U.S.C. §1125(c)(1), to the extent they relate to Opposer’s Y! and  marks<sup>1</sup> as such are pled in the Notice of Opposition, for failure to state a claim upon which relief can be granted.

<sup>1</sup> Specifically, Opposer’s Y! Marks include Registration No. 2,638,064, Registration No. 2,638,064, Registration No, 2,863,899, Registration No. 2,941,023, and Registration No. 3,825,400 (collectively herein Opposer’s “Y! Marks”).

### Introduction

Opposer fails to allege sufficient specific facts to support a finding that Opposer's Y! Marks are famous pursuant to 15 U.S.C. §1125(c)(1). Opposer's Notice of Opposition describes Opposer's marks, including its Yahoo! Mark, collectively and in general terms only, and fails to allege sufficient facts for the Board to find Opposer's Y! Marks famous under the Lanham Act. Additionally, Opposer fails to plead, as required under the statute, that its Y! Marks are distinctive, either inherently or through acquired distinctiveness. Moreover, allowing Opposer's Y! Marks to be deemed famous would be counter to important public policy interests. It would be futile to allow an amendment to the Notice of Opposition because Opposer cannot state facts sufficient to maintain such a claim, and therefore claims directed to the dilution of Opposer's Y! Marks should be dismissed from its Notice of Opposition.

### Procedural Background

On August 27, 2012, Yahoo commenced the instant Opposition proceeding relating to Application Serial No. 77/936,091 directed to registration of the design  in International Classes 9, 42 and 45 (the "Application"). As grounds for Yahoo's Opposition, Yahoo alleges that Applicant's registration of the mark , as set forth in the Application, is both likely to cause confusion with and likely to cause dilution of Opposer's: (a) **YAHOO!** mark<sup>2</sup>; and (b) Opposer's Y! Marks.

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<sup>2</sup> Specifically, Opposer's YAHOO! Mark as embodied in Registration No. 2,040,691 (Opposer's "YAHOO! Mark").

### **Standard of Review**

The defense of failure to state a claim upon which relief can be granted is properly raised by means of a motion to dismiss filed prior to, or concurrently with, the movant's answer. *See* TBMP §503.01 (*citing* Fed. R. Civ. P. 12(b); *Hollowform Inc. v. Delma Aeh*, 180 U.S.P.Q. 284, 285 (TTAB 1973), *aff'd* 515 F.2d 1174 (CCPA 1975)).

TBMP §309.03(a)(2) only requires “a short and plain statement of the reason(s) why opposer believes it would be damaged by the registration of the opposed mark” which includes “enough detail to give the defendant fair notice of the basis for each claim.” However, in order to survive a motion to dismiss, a notice of opposition must contain sufficient factual matter, accepted as true, to “state a claim to relief that is plausible on its face.” TBMP §503.02, (*citing Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (*quoting Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007))). Opposer must allege sufficient facts to “nudge their claims across the line from conceivable to plausible.” *Twombly*, 550 U.S. at 570.

Fair notice means that an opposer is required to provide “more than labels and conclusions, and a formulaic recitation of the elements of a cause of action.” *Twombly*, 550 U.S. at 555. It is not sufficient that Opposer allege facts that merely raise the possibility that they will be damaged by the registration of Applicant's mark, and “threadbare recitals of the elements of a cause of action, supported by mere conclusory statements” are not entitled to any assumption of truth. *Ashcroft*, 556 U.S. at 678. Claims that contain only “conclusory, vague, or general allegations” cannot withstand a motion to dismiss. *Gallop v. Cheney*, 642 F.3d 364, 369 (2d Cir. 2011).

## ARGUMENT

### **I. OPPOSER HAS FAILED TO STATE A CLAIM FOR WHICH RELIEF CAN BE GRANTED AGAINST APPLICANT FOR DILUTION.**

The Trademark Dilution Revision Act of 2006 (“TDRA”) amended section 43(c) of the Lanham Act, 15 U.S.C. §1125(c)(1), which specifically provides:

“the owner of a *famous mark that is distinctive, inherently or through acquired distinctiveness*, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition or of actual economic injury.” (Emphasis added.)

Thus, in an opposition proceeding alleging dilution, the opposer must allege facts sufficient to establish that:

- (1) it owns a famous mark (as that term has been defined by case law);
- (2) that its mark is distinctive, either inherently or through acquired distinctiveness;
- (3) that Opposer’s mark became famous prior to the date of the application to register the Applicant’s mark; and
- (4) that Applicant’s mark is likely to cause dilution by blurring the distinctiveness of or tarnishment of the Opposer’s famous mark. *National Pork Board v. Supreme Lobster and Seafood Co.*, 96 U.S.P.Q.2d 1479, 1494-5 (TTAB 2010); and *Coach Servs., Inc. v. Triumph Learning, LLC*, 668 F.3d 1356, 1371, 101 U.S.P.Q. 2d 1713 (Fed. Cir., 2012); and 15 U.S.C. §1125(c)(1).

#### **A. Opposer Has Not Pled Facts Sufficient To Establish That Opposer’s Y! Marks Possess The Requisite Fame To Support A Claim Of Dilution.**

“A threshold question in a federal dilution claim is whether the mark at issue is famous.

Under the TDRA, a mark is famous if it ‘is widely recognized by the general consuming public

of the United States as a designation of source of the goods or services of the mark's owner.”  
*Coach Servs., Inc. v. Triumph Learning, LLC*, 668 F.3d 1356 (Fed Cir., 2012). It is irrelevant to this motion whether or not Opposer has sufficiently pled that its marks are famous in connection with its likelihood of confusion claim, because the TDRA requires a higher and more rigorous standard for dilution fame. *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 U.S.P.Q.2d 1689, 1694 (Fed. Cir. 2005).

“Fame for likelihood of confusion and fame for dilution are distinct concepts, and dilution fame requires a more stringent showing. While fame for dilution ‘is an either/or proposition’ – it either exists or it does not – fame for likelihood of confusion is a matter of degree along a continuum. Accordingly, a mark can acquire ‘sufficient public recognition and renown to be famous for purposes of likelihood of confusion without meeting the more stringent requirement for dilution fame.’” *Coach Servs., Inc.*, 668 F.3d at 1373 (citing 4 J. Thomas McCarthy, McCarthy On Trademarks and Unfair Competition §24:104 at 24-290 (4<sup>th</sup> ed. 2011); quoting *Palm Bay*, 396 F.3d at 1374-75 and 7–*Eleven Inc. v. Wechsler*, 83 U.S.P.Q.2d 1715, 1722 (T.T.A.B.2007).

To establish fame for dilution purposes, “the mark’s owner must demonstrate that the common or proper noun uses of the term and third party uses of the mark are now *eclipsed* by the owner’s use of the mark. What was once a common noun, a surname, a simple trademark, etc., is now a term the public *primarily* associates with the famous mark. To achieve this level of fame and distinctiveness, the party must demonstrate that *the mark has become the principal meaning of the word.*” *Toro v. Torohead*, 61 U.S.P.Q.2d 1164, 1180 (TTAB 2001)(emphasis added). Opposer must show that, when the general public encounters its allegedly famous mark, in almost any context, i.e., not simply limited to in connection with the provision of its goods and/or services, the public, at least initially, associates the term with Opposer; in other words, Opposer must show its mark has become a “household name.” *Coach*, 668 F.3d at 1373.

Marks must be “especially famous” to merit protection under the dilution statute, because

a violation of that statute triggers extensive relief, namely, preventing all others from using the marks, regardless of whether the marks belong to competitors or are used in related fields<sup>3</sup>. *Star Markets, Ltd. v. Texaco, Inc.*, 950 F.Supp. 1030, 1033 (Hawaii, 1996). Dilution fame is particularly difficult to prove where the mark “is a common English word that has different meanings in different contexts.” *Coach*, 668 F.3d at 1973. Logic and public policy must favor, then, that a finding of fame for single letters be even more stringent. Otherwise, we could find ourselves with the absurd result of a company being able to prevent others from using the basic building blocks of the English language. When first encountered, “Y” is *primarily* perceived as simply a letter, one of the twenty-six basic building blocks of the English language. Thus, Opposer cannot meet the threshold showing for fame for its Y! Marks.

Although Opposer provides some basic information concerning perception of and unsolicited attention for Opposer’s YAHOO! Mark, its Notice of Opposition contains no such separate facts concerning Plaintiff’s advertising, publicity of, or public perception of its Y! Marks. Opposer merely provides conclusory allegations that allege fame based solely on some perceived association between Opposer’s YAHOO! Mark and Opposer’s Y! Marks. Merely lumping Opposer’s Y! Marks together with Opposer’s YAHOO! Mark and suggesting that consumers understand those marks to be “synonymous and interchangeable” (*see Notice of Opposition*, ¶11) is insufficient to plead fame for Opposer’s Y! Marks alone to support a dilution claim. *See Urban Grp. Exercise Consultants, Ltd. v. Dick’s Sporting Goods, Inc.*, 12

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<sup>3</sup> We ask the Board to very carefully consider bestowing this level of protection on a single letter mark. Astonishingly, even using “ASTONISHINGLY!”, irrespective of the context, could be asserted to be a violation of Opposer’s rights should Opposer’s Y! Marks be found to be famous. Moreover, Opposer is not restricting its assertion of fame to encompass the letter Y!, but even a stylized representation which would have its fame status extend to preclude many uses of a circle. Opposer’s would be land grab in this context is unsupportable.

Civ.3599(RWS) at 22-23 (S.D.N.Y. 2012). “One of the major purposes of the TDRA was to restrict dilution causes of action to those few *truly* famous marks, like Budweiser beer, Camel cigarettes, Barbie Dolls, and the like.” *Id.*, at 23. (citing *Luv N’ Care, Ltd. v. Regent Baby Prods. Corp.*, 841 F.Supp.2d 753, 758 (S.D.N.Y. 2012)(emphasis added). Simply stated, Opposer has failed to allege that their Y! Marks have acquired such household notoriety that they have *eclipsed* the ordinary use of “Y!” or that the *primary* recognition of its Y! Marks is as a source indicator of Opposer, as compared to a common letter and punctuation mark. As such, Opposer’s dilution claim in connection with its Y! Marks must be dismissed.

**B. Opposer’s Y! Marks Do Not Possess The Requisite Distinctiveness To Be Capable of Being Diluted.**

Assuming *arguendo*, that Opposer has adequately pled fame under the TDRA for its Y! Marks, as noted above, only “a famous mark *that is distinctive, inherently or through acquired distinctiveness,*” is entitled to relief under the statute. 15 U.S.C. §1125(c)(1)(emphasis added). Opposer has failed to plead that its Y! Marks contain the requisite distinctiveness.

It is conceded that an incontestable registration is not subject to attack on the grounds of descriptiveness. It is further conceded that Opposer’s Y! Marks were not issued on the grounds of acquired distinctiveness. Nevertheless, registration only affords the owner of a mark the presumption of distinctiveness and the Board will review the degree of distinctiveness. *National Pork Board v. Supreme Lobster and Seafood Company*, Opposition No. 91166701, P. 55, (June 11, 2010). In fact, the dilution statute is weighted toward a finding of dilution where the mark in question is commercially strong and inherently distinctive (and thus, it follows that the statute is weighted against a finding of dilution where the mark is weak and not that distinctive). *Perfumbay.com v. eBay Inc.*, 506 F.3d 1165 (9<sup>th</sup> Cir. 2007). Opposer has failed to plead that its

Y! Marks are commercially strong or distinctive such that they are capable of being diluted. Moreover, it would be futile to allow an opportunity to amend the Notice of Opposition to plead distinctiveness, because in fact, Opposer's Y! Marks are weak and minimally distinctive, if at all.

Specifically,

“Common basic shapes’ or letters are, as a matter of law, not inherently distinctive. However, stylized shapes or letters may qualify, *provided the design is not commonplace but rather unique or unusual in the relevant market.*<sup>4</sup> The guiding principle in distinguishing protectable from unprotectable marks is that no one enterprise may be allowed to attain a monopoly on designs that its competitors must be able to use in order to effectively communicate information regarding their products to consumers. Trademark protection of a sufficiently stylized version of a common shape or letter will not hamper effective competition because competitors remain free to use nonstylized forms *or their own alternative stylizations* of the same shape or letter to communicate information about their products.... Unshaded linear representations of common shapes or letters are referred to as ‘basic.’” *Star Industries v. Bacardi & Company, Ltd.*, 412 F.3d 373 (Fed 2<sup>nd</sup> Cir., 2005) (emphasis added).

Here, Opposer's Y! Marks are: “Y!” and , i.e., one basic letter building block with one common punctuation mark and the stylization of same by placing that letter in a circle and moving the punctuation mark outside the circle. Pursuant to the logic established by the Court in *Star Industries*, only the stylized form of the mark is capable of being inherently distinctive because the “Y” and the “!” are merely “common basic shapes or letters” and are, as a matter of

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<sup>4</sup> We note as an aside, that many other “Y” and “Y!” marks already reside on the Principal Register and appear to be in use on similar goods and services, which makes any allegation relating to the distinctiveness of Opposer's Y! marks largely unsupported. Opposer's Y! marks are neither unique nor unusual in the relevant market. (See, eg , U.S. Registration No. 4,040,995, in use at blog.yoogot.com, , U.S. Registration No. 3,685,280, in use at www.yammer.com, , U.S. Registration No. 4,097,649, in use at www.mylaps.com, , U.S. Registration No. 4,144,989, in use at www.syncapse.com, and , U.S. Registration No. 3,277,768, in use at www.yor.net). Moreover, as set forth in *Miss World (UK) Ltd. v. Mrs. America Pageants, Inc.*: “Simply put, a mark which is hemmed in on all sides by similar marks on similar goods cannot be very ‘distinctive.’ It is merely one of a crowd of marks.” 856 F.2d 1445, 1449 (9<sup>th</sup> cir. 1988). Opposer's Y! Marks cannot be that distinctive in a world where many similar marks (other than Applicant's) exist in connection with similar or related services.

law, not inherently distinctive. Moreover, even in connection with the  stylization, which is only the incorporation of one extra common basic shape, such a mark is weak, and not inherently distinctive. Thus, the dilution statute is weighted against a finding of dilution and Opposer has pled no specific facts indicating that its marks are distinctive. Indeed, Opposer cannot plead facts sufficient to find that Applicant *could*, let alone *has*, diluted Opposer's Y! Marks.

**C. Public Policy Mandates That Single Letter Marks Should Not Qualify For Fame Status Under The Dilution Statute.**

Lastly, in the context of this Opposition proceeding, Yahoo is effectively taking the position that the letter "Y", when used in connection with an exclamation point, in any context, is reserved for it alone. Allowing such protection to exist is contrary to public policy. "The guiding principle in distinguishing protectable from unprotectable marks is that *no one enterprise may be allowed to attain a monopoly on designs that its competitors must be able to use to effectively communicate information.*" *Star Industries v. Barcardi & Company Ltd.*, 412 F.3d 373, 382 (emphasis added). To protect such a simple combination as "Y!" in all contexts as a famous mark would be to "deprive competitors of fundamental communicative devices essential to the dissemination of information to consumers." *Id.*, at 383. The most glaring example of this inappropriate proposition in this instance is Opposer's assertion of its plain text Y! mark, Opposer's Registration No. 2,863,899, against the Application in the context of dilution.

Furthermore, in *Star Industries*, the Court held that, though stylized letters are not considered "basic," even minimal stylization of such a common element results in an ordinary, thin or weak mark, which is entitled to only limited protection. *Id.* Here, Opposer's "stylized"

**Y!** is a marginally stylized version of the simple “Y!” combination. It is not particularly original, whether in the relevant market or otherwise, and as in *Star Industries*, it too, is entitled to only very limited protection. To support Opposer’s claim for dilution of its Y! Marks would, in effect, remove the common combination of “Y!” from the public domain. That would, in essence, potentially remove such uses as “HAPPY!”; “SPEEDY!” etc., because they end in a “famous” mark. Perhaps even Sesame Street® could no longer be “brought to you by the letter ‘Y.’” Such a result is contrary to public policy and it is the Board’s responsibility to not allow it.<sup>5</sup>

### **Conclusion**

Opposer has failed to plead that its Y! Marks are sufficiently famous to warrant dilution protection under the TDRA, and has also failed to plead, as required by the statute, that its Y! Marks are distinctive. As discussed at length above, it would also be futile to allow a pleading amendment because Opposer’s Y! Marks are simply not capable of the requisite fame or distinctiveness to be diluted. Lastly, to allow Opposer’s Y! Marks to be deemed “famous” for the purpose of dilution would be contrary to public policy. As such, Opposer’s dilution claims in connection with its Y! Marks must be dismissed.

WHEREFORE, Applicant respectfully requests that the Board dismiss Opposer’s claim under 15 U.S.C. §1125(c)(1), as applicable to Opposer’s Y! Marks, in its entirety.

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<sup>5</sup> We remind the Board that Opposer may still argue likelihood of confusion, where relatedness of goods and the other traditional distinguishing factors are in play. Opposer should not be heard to complain when it chose to pursue a simple single letter mark that such mark will only be granted famous status in the rarest of circumstances.

Respectfully submitted,

/s/ Christopher J. McHattie

Christopher J. McHattie, Esq.  
The McHattie Law Firm, LLC  
550 West Main Street  
Boonton, New Jersey, 07005  
cmchattie@mchattielaw.com  
trademarks@mchattielaw.com  
jzalon@zalonoffice.com  
973.402.5505  
Attorneys for Applicant

Dated: October 5, 2012

**CERTIFICATION OF SERVICE**

I, Jack B. Baldini, hereby certify as follows:

1. I am attorney at law admitted to practice in the State of New Jersey with offices at 550 West Main Street, Boonton, New Jersey 07005.

2. On October 5, 2012 I served a copy of: Applicant's Answer and Affirmative Defenses on: Whitney D. Cooke, Finnegan, Henderson, Farabow, Garrett & Dunner, LLP, 901 New York Avenue, N.W., Washington, D.C., 20001-4413 via first class mail and by filing same with the Trademark Trial and Appeal Board utilizing the ESTTA System.

I declare under penalty of perjury that the foregoing statements are true and correct.

By: /s/ Jack Baldini

JACK B. BALDINI, ESQ.

Dated: October 5, 2012