

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
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Mailed: January 20, 2015

Opposition No. 91209617

Xikar, Inc.

v.

Debra Wiseberg

**By the Board:**

This proceeding is now before the Board for consideration of the motion filed September 4, 2014 by Xikar, Inc. (“Opposer;” “counterclaim defendant”) to dismiss, or in the alternative motion to strike, the amended counterclaims. The motion is fully briefed.<sup>1</sup>

For purposes of this order, the Board presumes the parties’ familiarity with the amended counterclaims filed August 14, 2014 by Debra Wiseberg (“Applicant;” “counterclaim plaintiff”), and with the arguments of record in the briefs on Opposer’s motion. As a general matter, Applicant sets forth in her

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<sup>1</sup> Applicant’s September 24, 2014 filing in opposition to Opposer’s motion exceeds the allowed twenty-five pages, as defined in Trademark Rule 2.127(a). *See also* TBMP § 502.02 (2014). The Board may, at any time, decline to consider any filing that is in violation of this rule.

In this instance, the Board has exercised its discretion to give consideration to Applicant’s brief. Notwithstanding, the Board expects any future submissions to be in compliance with applicable rules of procedure.

The Board has not considered the materials outside of the pleadings which were submitted with the motion to dismiss.

amended counterclaims a large number of allegations; the Board has reviewed all allegations in determining the merits of Opposer's motion.

**Opposer's motion to strike counterclaims**

The Board first turns to the motion insofar as Opposer moves to strike the counterclaims which Applicant seeks to add – functionality, misrepresentation as to source, and fraud. Opposer moves to strike pursuant to Fed. R. Civ. P. 12(f) on the basis that these are compulsory counterclaims under Trademark Rule 2.106(b)(2)(i) which rely on facts and information that were available to Applicant when she filed the original answer. *See* TBMP § 506 (2014). The Board may order stricken from a pleading any impermissible or insufficient claim or portion of a claim. *Id.*

With respect to the functionality counterclaim, Opposer's motion is granted. The counterclaim is stricken. Application of the statutory functionality doctrine under Trademark Act § 2(e)(5), 15 U.S.C. §1052(e)(5), is based on the nature of the mark itself and the goods for which it is sought to be registered or has been registered. As such, Opposer's argument that the basis for such a counterclaim was in the record and was thus known to Applicant when she filed her answer is well-taken.<sup>2</sup>

With respect to the counterclaims of misrepresentation as to source, and fraud, Opposer's motion to strike is denied. Given that Applicant filed her original counterclaims prior to the opening of discovery, it is reasonable on the

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<sup>2</sup> Furthermore, as discussed herein, the attempted functionality counterclaim is also dismissed pursuant to Fed. R. Civ. P. 12(b)(6) for failure to state a claim.

present record that Applicant, as she asserts, learned the bases for certain added allegations by way of documents produced by Opposer during discovery and in the briefing of the (previously denied) motions for summary judgment.

**Opposer's motion to dismiss counterclaims**

Analysis

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. *See* TBMP § 503.02 (2014), and cases cited therein. To survive a motion to dismiss, a plaintiff must allege sufficient factual matter as would, if proved, establish that 1) the plaintiff has standing to maintain the proceeding,<sup>3</sup> 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 (2014). 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). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of the plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. *See Advanced Cardiovascular Systems Inc. v.*

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<sup>3</sup> Applicant's standing to bring statutorily available counterclaims is not at issue. A counterclaimant's standing to cancel a pleaded registration is inherent in its position as defendant in the original proceeding. *See also* TBMP §§ 309.03(b) and 313.03 (2014), and cases cited therein.

*SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1862 (TTAB 2007).

*Generic*

As the Board noted in the July 18, 2014 order, to properly plead a counterclaim of genericness pursuant to Trademark Act § 14(3), 15 U.S.C. § 1064(3), Applicant must sufficiently allege that Opposer's mark XIKAR is or has become the generic name for Opposer's identified goods, namely, cigar cutters.

Read and construed together, Applicant's allegations in paragraphs 1, 5 and 26 sufficiently set forth a counterclaim that the mark XIKAR is generic for cigar cutters. In view thereof, Opposer's motion to dismiss is denied.<sup>4</sup>

*Functional*

Opposer's registered mark to which Applicant directs her counterclaim is in typeset words (standard characters). The mark has no elements that are or could be functional, is not a configuration of a product or of product packaging, and is not a design for a product or for product packaging. The nature of the mark itself is such that it is one to which the functionality doctrine - a doctrine which prohibits registration of matter that as a whole is functional, and which for public policy reasons prohibits the registration of functional or utilitarian product features - does not apply. Trademark Act § 2(e)(5), 15 U.S.C. §1052(e)(5).

In view thereof, Opposer's motion to dismiss for failure to state a claim is granted.

*Deceptive*

As the Board noted in its July 18, 2014 order, a proper pleading of a counterclaim of deceptiveness under Trademark Act § 2(a), 15 U.S.C. §1052(a), must include sufficient allegations that 1) Opposer's mark consists of or contains a term that misdescribes the identified goods, 2) prospective purchasers are likely to believe that the misdescription actually describes the goods, and 3) the misrepresentation would materially affect potential purchasers' decision to purchase the goods. *See In re Budge Mfg. Co.*, 857 F.2d at 775, 8 USPQ2d 1259, 1260 (Fed. Cir. 1988); *In re White Jasmine LLC*, 106 USPQ2d 1385, 1392 (TTAB 2013).

In essentially restating the allegations set forth in the original counterclaim that the Board found to be insufficiently pleaded, Applicant fails to set forth factual allegations specifying how the mark XIKAR misdescribes the actual goods, namely, cigar cutters.<sup>5</sup> Applicant does not allege the manner in which XIKAR misdescribes cigar cutters. To be clear, an allegation that Opposer's statements regarding the mark or that the mark itself has an affiliation with the Mayans does not constitute a pleading that the mark itself misdescribes the identified goods. The counterclaim is

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<sup>4</sup> To be clear, Opposer's motion merely tests the sufficiency of the pleading. Applicant bears the burden of proof on the counterclaim at trial and is subject to the standard of proof thereon (*i.e.*, a preponderance of the evidence).

deficient, and moreover does not put Opposer on fair and adequate notice of the factual basis therefor.

In view of these findings, Opposer's motion to dismiss the counterclaim of deceptiveness for failure to state a claim is granted.

*Misrepresentation of Source*

To plead misrepresentation of source pursuant to Trademark Act § 14(3), a plaintiff must allege specific steps that a defendant took to deliberately and blatantly misuse a mark in a manner calculated to trade on the goodwill and reputation of plaintiff and to deliberately pass off its goods as those of plaintiff. *See Bayer Consumer Care AG v. Belmora LLC*, 90 USPQ2d 1587, 1592 (TTAB 2009); *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863 (TTAB 2007); *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985). A plaintiff must "do more than make a bald allegation in the language of the statute," and the claim must go beyond the allegations "that typically support a claim of likelihood of confusion under Section 2(d)." *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d at 1864. Allegations of willful use of a confusingly similar mark are not sufficient. *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ at 47.

Applicant does not allege the elements of a counterclaim of misrepresentation of source. In view thereof, Opposer's motion to dismiss for failure to state a claim is granted.

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<sup>5</sup> Applicant's allegations similarly fail to plead a counterclaim pursuant to Trademark Act Sections 2(a) and 2(e)(3).

*Fraud*

Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration, or a registrant, knowingly makes a specific false, material representation of fact in connection with an application to register, or in a post-registration filing, with the intent of obtaining or maintaining a registration to which it is otherwise not entitled. See *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009); *Qualcomm Inc. v. FLO Corp.*, 93 USPQ2d 1768, 1770 (TTAB 2010). A claim of fraud *must* set forth *all* elements of the claim, that is, all specific factual circumstances alleged to constitute fraud on the USPTO, with a heightened degree of 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).<sup>6</sup>

Applicant sets forth allegations relevant to the status of Opposer's business, business transfer and assignment, use of the mark, and by or through whom Opposer has sold its goods. Applicant fails to set forth with particularity a specific material misrepresentation which Opposer is alleged to have knowingly made in procuring or maintaining its registration, including that such misrepresentation was made with the intent to deceive

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<sup>6</sup> At trial, the claim carries a particularly high burden of proof; "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." See *In re Bose, supra, citing Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981).

the USPTO to issue the registration.<sup>7</sup> Upon review of the allegations in their entirety, Applicant fails to put Opposer on fair and adequate notice of the factual basis for the counterclaim, one which is specifically subject to the heightened pleading standards discussed above.

In view of these findings, Opposer's motion to dismiss the fraud counterclaim for failure to state a claim is granted.

**Opposer's requested remedies**

Opposer cites no authority for its requested remedies. Under current practice and procedure, the Board will not require a party to hire legal counsel, direct a party to engage in settlement discussions, or require a party to participate in mediation with a third party to settle a Board proceeding. In view thereof, Opposer's requested relief is denied.

Notwithstanding this ruling, the Board emphasizes at this time that Applicant should secure the services of an attorney to aid in settlement efforts, and/or in defending against Opposer's claim and in preparing her own case to the extent that Applicant pursues her counterclaim. Furthermore, the Board underscores that, as a general matter, it is troubling and unproductive for any party to be reluctant to discuss settlement or matters necessary to advancing an inter partes proceeding. Nothing in the record for this proceeding indicates that it involves atypical issues, or that it is in any manner unsuited to resolution by way of concerted mediation and/or a fair settlement agreement. Cooperation and

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<sup>7</sup> For Applicant's edification, lack of disclosure of a translation of a mark (or as Applicant alleges, "the non-English translation of the mark") is not as a matter of

communication between parties is expected by the Board, and furthermore is often necessary to carry out certain aspects of the litigation; for this reason, a lack of cooperation or communication can, under certain circumstances, be relevant to the basis for a motion for sanctions. Flowing from the Board's inherent authority to manage the cases on its docket is the inherent authority to enter sanctions against a party, and the Board's exercise of this authority is permitted in a variety of situations. *See* TBMP § 527.03 (2014), and cases cited therein.

**Schedule**

Proceedings are resumed. Opposer is allowed until twenty (20) days from the mailing date of this order in which to file its answer to paragraphs 1, 5 and 26 (to the extent that it alleges that Opposer's mark is generic) of the amended counterclaim alleging that its pleaded mark is generic. This case shall proceed to trial, and trial dates are reset as follows:

Plaintiff's Pretrial Disclosures	March 13, 2015
30-day testimony period for plaintiff's testimony to close	April 27, 2015
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	May 12, 2015
30-day testimony period for defendant and plaintiff in the counterclaim to close	June 26, 2015
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	July 11, 2015

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course a material element of filing an application for registration.

30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	August 25, 2015
Counterclaim Plaintiff's Rebuttal Disclosures Due	September 9, 2015
15-day rebuttal period for plaintiff in the counterclaim to close	October 9, 2015
Brief for plaintiff due	December 8, 2015
Brief for defendant and plaintiff in the counterclaim due	January 7, 2016
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	February 6, 2016
Reply brief, if any, for plaintiff in the counterclaim due	February 21, 2016

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.