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

Proceeding	91210390
Party	Defendant Heapsylon LLC
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Attachments	reply motion to dismiss amended pleading - SENSORIA.pdf(209601 bytes )



## II. Fraud

### a. The Trademark Rules do not allow for private enforcement of fraud of the ® symbol.

The Opposer argues that Trademark Rule 906.02 gives enough authority. However, the Opposer ignores most of the rule. While it does state, “Improper use of a federal registration symbol that is deliberate and intended to deceive or mislead the public is fraud.” The rule also states, “However, misunderstandings about use of federal registration symbols are more frequent than occurrences of actual fraudulent intent.” Therefore, the rule itself states that most misuse of the federal registration ® symbol is just a misunderstanding.<sup>1</sup>

Regardless, the next citation does not order the Board to cancel an application.

Trademark Rule 906.04 states, again, that improper use of the federal registration symbol, ® , that is **deliberate and intends to deceive or mislead the public or the Office** is fraud (emphasis added). *See Copelands' Enterprises Inc. v. CNV Inc.*, 945 F.2d 1563, 20 USPQ2d 1295 (Fed. Cir. 1991); *Wells Fargo & Co. v. Lundeen & Associates*, 20 USPQ2d 1156 (TTAB 1991).

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<sup>1</sup> The rest of the rule reads as follows, outlining misunderstanding after misunderstanding, without stating fraud:

- Mistake as to the requirements for giving notice (Confusion often occurs between notice of trademark registration, which may not be given until after registration, and notice of claim of copyright, which must be given before publication by placing the notice (c) on material when it is first published);
- Inadvertence in not giving instructions (or adequate instructions) to the printer, or misunderstanding or voluntary action by the printer;
- The mistaken belief that a state registration gives a right to use a registration symbol specified in the Trademark Act (see *Du-Dad Lure Co. v. Creme Lure Co.*, 143 USPQ 358 (TTAB 1964));
- Registration of a portion of the mark (see *Coca-Cola Co. v. Victor Syrup Corp.*, 218 F.2d 596, 104 USPQ 275 (C.C.P.A. 1954));
- Registration of the mark for other goods (see *Duffy-Mott Co., Inc. v. Cumberland Packing Co.*, 424 F.2d 1095, 165 USPQ 422 (C.C.P.A. 1970), aff'g 154 USPQ 498 (TTAB 1967); *Meditron Co. v. Meditronic, Inc.*, 137 USPQ 157 (TTAB 1963));
- A recently expired or cancelled registration of the subject mark (see *Rieser Co., Inc. v. Munsingwear, Inc.*, 128 USPQ 452 (TTAB 1961));
- Another mark to which the symbol relates on the same label (see *S.C. Johnson & Son, Inc. v. Gold Seal Co.*, 90 USPQ 373 (Comm'r Pats. 1951)).

See also *Sauquoit Paper Co., Inc. v. Weistock*, 46 F.2d 586, 8 USPQ 349 (C.C.P.A. 1931); *Dunleavy Co. v. Koepfel Metal Furniture Corp.*, 134 USPQ 450 (TTAB 1962), aff'd, 328 F.2d 939, 140 USPQ 582 (C.C.P.A. 1964); *Radiant Mfg. Corp. v. Da-Lite Screen Co.*, 128 USPQ 132 (TTAB 1961); *Tobacco By-Products & Chemical Corp. v. Smith*, 106 USPQ 293 (Comm'r Pats. 1955), modified 243 F.2d 188, 113 USPQ 339 (C.C.P.A. 1957).

The examining attorney shall not issue a refusal of registration based on fraud. If it appears to the examining attorney that fraud on the Office has been committed, the examining attorney should follow the procedures outlined in TMEP §720. So, therefore, there is no private enforcement of this set of rules. It all comes from the USPTO.

This means that if there is fraud based upon the use of the federal registration symbol ®, then the USPTO is to handle it during the application process. In fact, there was no filing of a trademark specimen and the default policy of the USPTO and the TTAB are to handle these situations as misunderstandings, not fraud. Therefore, these Trademark Rules are not enough to plead fraud.

**b. Fraud requires specificity in pleading**

Fraud requires specificity in pleading.

- “On information and belief” is improper.
- Opposer fails to explain “how” any statement is false.
- The Opposer does not claim when the alleged fraud occurred or who committed the fraud. In fact, the Opposer does not aver that the alleged fraud actually harms any party and does not aver that it has actual knowledge of the intent to deceive the USPTO.
- Opposer Fails to Plead the Requisite Intent
  - Opposer must please that the Applicant was not entitled to registration on the basis of a statement that was knowingly false, keeping in mind that one must prove fraud by clear and convincing evidence of an intent to mislead this Office.

**III. Plaintiff/Opposer pleads that it does not have priority and, therefore, does not have standing.**

Priority is the first step to showing that a plaintiff has standing in order to file a trademark opposition proceeding. In this case, the Opposer has pleaded that it does not have priority since both parties filed 1(b), intent-to-use applications. See paragraphs 1 and 2 of the Notice of Opposition where Opposer states that Applicant filed on November 13, 2012 and Opposer filed on November 14, 2012.

Applicant has already stated the rest of its argument in its previous motion on May 30, 2013 and refers to it by reference. Opposer has not amended its pleading in order to correct its original problems.

Applicant would like to add that in the Amended Pleading that this matter is still at issue. Paragraph 1 of the Amended Pleading sets the date of Applicant's application and Paragraph 2 of the Amended Pleading sets the date of Opposer's application – which is after Applicant's application (both applications are 1(b), intent-to-use applications).

**IV. Alleged Fraud is Moot**

Any alleged fraud averred in the Amended Pleading is now moot. The Opposer admits this in the pleading.

Opposer now claims that fraud cannot be moot. However, this is not the case.

Fraud can be moot. See *United States v. Trek Leather, Inc. and Harish Shadadpuri*, Case No. 1:09-cv-00041, Slip Op. 11-68 at 10-11 (Doc. No. 44), in which the district court dismissed moot claims. Also see *See Wick v. Atlantic Marine, Inc.* 605 F.2d 166, 168 (5th Cir. 1979) and *Ferry-Morse Seed Co. v. Food Corn, Inc.*, 729 F.2d 589 (8th Cir. 1984) as cases in which courts

have accepted the concept of fraud being mooted. In bank cases, *Adams v. Resolution Trust Corp.*, 927 F.2d 348 (8th Cir. 1991) shows that courts accept the concept of fraud being mooted.

Opposer has not plead that the Applicant has used the ® symbol on Applicant's website in order to gain a trademark registration. Opposer has not plead that the Applicant used the symbol in order to gain sales. Opposer has not plead that the Applicant used the symbol for any particular reason. Opposer just said it was fraud, but then the Opposer plead that the use is no longer there.

## **V. Conclusion**

Opposer's Notice of Opposition has several main issues:

- Lack of priority;
- Improper pleading of fraud (there is no specificity);
- Citing no statutes that actually suggest the alleged behavior would cause the Board to be able to cancel the Applicant's application;
- Mootness; and
- The Opposer has not fixed problems related to the original pleading.

For the forgoing reasons, the Board should dismiss this proceeding because the Opposer has not stated a claim upon which relief may be granted, as under Fed R. Civ. P. 12(b)(6).

Respectfully submitted,

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