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

Proceeding	91210400
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Trademark Application Serial No. 85721117
Filed September 5, 2012
For the Mark JANIS BY JANIS SAVITT
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MICHELLE SAVITT, Opposer, v. JANIS SAVITT, Applicant.	Opposition No. 91210400 **APPLICANT'S MOTION TO DISMISS OPPOSITION UNDER FED. R. CIV. P. 12(B)(6)**

I. INTRODUCTION

Pursuant to Federal Rule of Civil Procedure 12(b)(6) and 37 C.F.R. § 2.116(a), Applicant Janis Savitt ("JANIS" or "Applicant") hereby moves to dismiss the above-referenced Opposition brought by Michelle Savitt ("MICHELLE" or "Opposer"). The Opposition, brought in Opposer's personal name, is premised upon the marks of M+J Savitt, Inc. ("the Corporation" or "M+J"), a New York corporation that has not conducted business since 2009 and has had no sales since June 2010. Opposer is not the registrant or an assignee of the asserted marks. Opposer has no real interest in these proceedings or any reasonable basis for alleged damage should the mark JANIS BY JANIS SAVITT (Serial No. 85721117) ("Applicant's Mark") be registered. In short, Opposer lacks standing and the Opposition must be dismissed.

II. RELEVANT FACTS

M+J is a closely held corporation that was once a designer and seller at wholesale of fine jewelry, but which has long since ceased business operations. *See* Declaration of Janis Savitt dated June 5, 2013 ("JANIS Decl." ¶ 2). M+J is a corporation that exists only on paper. Since

2009, M+J has not operated as an active company, but has engaged in activities only to the extent necessary to raise funds to pay off its substantial indebtedness. *Id.* M+J has no employees and permanently ceased paying wages on December 31, 2008. *Id.* ¶¶ 3-6. M+J has made no sales since June 2010 and even these sales were only made to pay off M+J's debt. *Id.* ¶¶ 7-10. M+J does not maintain a corporate office location. *Id.* ¶ 17. M+J's prior office location in Manhattan was closed in or around 2009. *Id.* The Board of Directors of M+J has not held a meeting since 2008. *Id.* ¶ 11.

M+J was once a family-owned operation, but beginning in 2008, litigation between the family members brought the business to a halt. *Id.* ¶ 12. At that time, the shareholders of M+J were three siblings -- MICHELLE, JANIS, and Wynne Savitt ("WYNNE") -- and their mother Mildred SAVITT ("MILDRED"). *Id.* Each of the siblings owned twenty-seven percent (27%) of M+J and MILDRED owned the remaining nineteen percent (19%). *Id.* Paul Savitt ("PAUL"), the father of WYNNE, MICHELLE, and JANIS and the husband of MILDRED, was the President of M+J. *Id.* PAUL and MILDRED are now deceased. *Id.* ¶ 16.

In 2008, WYNNE sued JANIS, MICHELLE, MILDRED, and PAUL in federal court for the unauthorized use of M+J's trademarks and copyrights, along with a host of other claims, including breach of contract, unjust enrichment, conversion, tortious interference with prospective business relations, breach of fiduciary duty, and a defamation claim against JANIS. *See* JANIS Decl. ¶ 13. In March 2009, the court granted defendants' motion to dismiss all claims except the defamation claim. *Id.* WYNNE subsequently withdrew her defamation claim and the parties settled the dispute on July 16, 2009. *Id.* As part of the settlement, WYNNE transferred her shares in M+J back to the Corporation. *Id.*

Instead of the dismissal and settlement bringing the litigation between the sisters to an end, the litigation continued when in 2012, MICHELLE sued JANIS in New York State Supreme Court. JANIS Decl. ¶ 14. In the action, MICHELLE sued JANIS for unfair competition, breach of fiduciary duties, ouster, tortious misappropriation of design credit, conversion, embezzlement, and unjust enrichment. *Id.* MICHELLE explicitly cites the action at Paragraph 19 of her Opposition, yet fails to disclose that the court granted a motion to dismiss all claims against JANIS on February 21, 2013 -- over two months before the filing of the Opposition. *See* Notice of Opp. ¶ 19, JANIS Decl. ¶ 14. A written decision from the court is still pending and is expected to be available in the next few weeks.

While M+J does not conduct any business, it does -- on paper -- have three shareholders -- MICHELLE, JANIS, and the Estate of PAUL. *Id.* ¶ 15. Janis is also the President of M+J and is on the Board of Directors. *Id.* ¶ 11. JANIS and MICHELLE both have an approximately 36.43 ownership percentage in M+J. *Id.* ¶ 15. The Estate of PAUL has an approximately 27.15 ownership percentage. *Id.* MILDRED predeceased PAUL and left all of her shares in M+J to PAUL. *Id.* ¶ 16. PAUL's 2009 will bequeathed these shares to JANIS. *Id.* Both PAUL and MILDRED's wills have been contested by MICHELLE and WYNNE and the proceeding is pending in the Surrogate's Court of New York County. *Id.*

M+J previously owned four trademarks: (1) *M + J Savitt* (Serial Number 76606395, Registration Number 3022631); (2) *Savitt* (Serial Number 76548233, Registration Number 2941210); (3) *S M + J Savitt* (word mark) (Serial Number 75203756, Registration Number 2116162); and (4) *S M + J Savitt* (design mark) (Serial Number 73691475, Registration Number

1494169).[1] The latter three marks were canceled for failure to file an acceptable declaration demonstrating use under Section 8. Notice of Opp. ¶¶ 14-15. *S M + J* Savitt (design mark) was cancelled in January 1995; *S M + J Savitt* (word mark) was cancelled in August 2008; and *Savitt* was cancelled in January 2012. It was not until February 2013 -- after JANIS had filed for Applicant's Mark -- that MICHELLE reapplied for federal registration of the *Savitt* and *S M + J Savitt* trademarks. In her Opposition, MICHELLE claims that she was not informed of the cancellation of these marks; however MICHELLE fails to disclose that the *S M + J Savitt* marks were cancelled as early as 1995 and 2008. MICHELLE reinstated the *M + J Savitt* mark in 2013 by signing a declaration purportedly on behalf of M+J attesting that the *M+J Savitt* mark "was then [on December 6, 2010] and is now in use in commerce" and "had been in continuous use in commerce for five (5) consecutive years" despite the fact that M+J had ceased doing business for over four years. *See* Declaration of Michelle Savitt in Support of the Petition to the Director and Declaration of Use with Substitute Specimens, dated March 19, 2013 ("MICHELLE Decl."). MICHELLE only sought reinstatement of the *M+J Savitt* mark after JANIS sought to register Applicant's Mark.

III. ARGUMENT

To state a claim on which relief can be granted, an opposer must allege facts which, if proven, would establish, *inter alia*, that "opposer has standing to challenge applicant's right to register its mark . . . ." *Ritchie v. Simpson*, 41 U.S.P.Q.2d 1859, 1860 (TTAB 1996), *rev'd on other grounds*, 170 F.3d 1092 (Fed. Cir. 1999). Standing is an essential element of an opposer's case, which, if not proved, defeats opposer's claims. *No Nonsense Fashions, Inc. v. Consolidated Foods Corp.*, 226 U.S.P.Q. 502, at *5 (TTAB 1985).

[1] The Opposition mistakenly provides the incorrect serial and registration numbers for *S M + J Savitt*, confusing this mark with *M+J Savitt*. *See* Notice of Opp. ¶ 8.

Standing is governed by Section 13(a) of the Trademark Act, which states that opposition to the registration of a mark is allowed by "[a]ny person who believes that he would be damaged by the registration of a mark." 15 U.S.C. § 1063(a). To establish standing: (1) the opposer must have a "real interest" in the proceedings; and (2) must have a "reasonable basis" for his/her belief in damage. *See* Trademark Trial and Appeal Board Manual of Procedure § 303.03; *see also* J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 20:7 (hereinafter "MCCARTHY").

A. MICHELLE Lacks Standing To Oppose In Her Individual Capacity.

MICHELLE filed the Opposition in her individual capacity, yet nowhere in the Opposition does MICHELLE state that she has an individual -- as distinct from M+J's -- interest in the proceeding nor can she do so. Although a party need not have a direct proprietary interest in a trademark in order to have standing to oppose, the party must have a real commercial interest in the mark and not be merely an intermeddler. MCCARTHY § 20:7. "This 'real interest' requirement stems from a policy of preventing 'mere intermeddlers' who do not raise a real controversy from bringing oppositions or cancellation proceedings in the PTO." *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999). Pursuant to this requirement, the opposer must have a "legitimate personal interest in the opposition"; in other words, the opposer must have a "direct and personal stake in the outcome of the opposition." *Id.*

MICHELLE's Opposition fails to state a legitimate personal interest in the Applicant's Mark. The majority of the Opposition is devoted to background facts about M+J, in particular a convoluted explanation of why M+J's marks were cancelled and the subsequent attempts to revive these marks. Nowhere in the Opposition does MICHELLE explain her direct and personal stake in the outcome of this Opposition. The only interest that MICHELLE articulates is that the Applicant's Mark "pertains to the same class of goods and contains the same surname"

as M+J's marks. *See* Notice of Opp. ¶ 25. However, the commercial interest asserted in the Opposition would exist -- if at all -- on behalf of M+J, not on behalf of MICHELLE individually.

Given MICHELLE's long history of pursuing litigation over M+J in both state court and Surrogate's court, this is exactly the type of action that the PTO has traditionally sought to prevent. In the oral argument and prior to granting JANIS's motion to dismiss the state court action, the court warned MICHELLE's counsel:

> I am getting a really bad feeling about this case. I know there is a will contest going on and if you think you are going to use litigation in the commercial division to get an advantage in the surrogate's proceeding, you're sadly mistaken. If you don't have meritorious Causes of Action and a good basis for meritorious causes of action, I will entertain a motion for sanctions. This does not sound good at all.

See JANIS Decl. ¶ 15 (Ex. G at 34:18-26).

This Opposition action is the latest move by MICHELLE to raise non-meritorious issues on behalf of a defunct corporation. As MICHELLE admits in her Opposition, the trademarks upon which the Opposition is based are registered or sought to be registered in the name of M+J. *See* Notice of Opp. ¶¶ 4, 8, 22, 24. MICHELLE is a mere intermeddler who has failed to raise a real controversy.

Although Section 13 of the Trademark Statute, as supplemented by Rule 2.107, permits amendment of an opposition in accordance with the Federal Rules of Civil Procedure, amendment would be futile in this instance because, as discussed below, the Corporation similarly lacks sufficient interest in the proceedings to support standing.

B. The Corporation Lacks Standing to Oppose.

Even if this Opposition had been filed on behalf of M+J, the Corporation has no real interest in the Opposed Mark. The "belief of damage" required by the Lanham Act is more than a subjective belief. The belief must have a "reasonable basis in fact." *Ritchie*, 170 F.3d at 1098 (internal quotation marks and citation omitted). To establish standing, "the facts asserted by an

opposer need not prove his case on the merits, but should be sufficient to show that the opposer is not alone in his belief of damage, i.e., the belief is not simply the opposer's subjective view." *Id.*

M+J has not operated as an active company since 2009. *See* Janis Decl. ¶ 2. M+J has not used its name in commerce since 2010; any activities by M+J have only been in an attempt to pay off its substantial indebtedness. *Id.* M+J has not had a single sale since June 2010 and has filed tax returns indicating that the business had been discontinued as early as 2008 and again in 2010. *Id.* ¶¶ 7-10. M+J has had no employees and paid no wages since at least as early as December 31, 2008. *Id.* ¶¶ 3-6. M+J closed its corporate office and has not held a meeting of the Board of Directors since 2008. *Id.* ¶¶ 11, 17.

The purported standing in the Opposition is, in part, based upon ownership of a registered trademark that was revived by MICHELLE, ostensibly on behalf of M+J, by submitting a fraudulent declaration of use. This declaration was a transparent effort to create a basis for standing for this Opposition. Specifically, MICHELLE declared that the *M+J Savitt* mark "was then [on December 6, 2010] and is now in use in commerce" and "has been in continuous use in commerce for five (5) consecutive years." MICHELLE Decl. These statements were blatantly untrue, as M+J had ceased sales on June 21, 2010, months before this declaration was filed. This deceptive act, however, does not change the fact that M+J is a defunct company that has not used its mark in commerce for a number of years. As such, M+J has no real interest in the opposition and no reasonable basis for any belief in damage.

The Board has granted motions to dismiss in cases with similar facts. *See Arrow Trading Co. v. Victorinox A.G.*, 2003 TTAB LEXIS 310 (TTAB 2003); *cf. Adam Hat Stores, Inc. v. Monroe Shirt Co.*, 33 C.C.P.A. 1251, 1256 (CCPA 1944) (finding no basis for opposition even

though trademark had been assigned to opposer because there was no business in existence on the date of the assignment). The *Arrow Trading Co.* case is particularly on point. Here, the opposer had ceased business operations three years before it brought the opposition action. 2003 TTAB LEXIS 310, at *23. In the same year that the opposer ceased business operations, it ceased holding directors' meetings, laid off its employees, and ceased sales. *Id.* at *18. Applicant contended that the opposer lacked standing because it ceased doing business three years before the opposition was filed, did not currently exist, and thus could not be damaged by registration of the mark. *Id.* at *21. The Court agreed and dismissed the action, explaining: "[W]e hold that the opposer lacks standing because the entity which filed this opposition in 1996, having ceased business operations in 1993, has failed to show a 'real interest' in the opposition, and certainly has failed to demonstrate a 'reasonable' basis for its belief in damage." *Id.* at *23. The facts in the instant action are almost identical if not stronger than the facts in the *Arrow* case. Accordingly, the Board should similarly hold that MICHELLE has no real interest in the Opposition, as her only interest is on behalf of a defunct corporation.

IV. CONCLUSION

Because MICHELLE's allegations do not satisfy the standing requirements to oppose JANIS's registration of JANIS BY JANIS SAVITT, Applicant respectfully requests that the Board dismiss the Opposition with Prejudice.

Dated this 5th day of June, 2013

DAVIS WRIGHT TREMAINE LLP

s/G. Roxanne Elings/
G. Roxanne Elings
Lisa D. Keith
Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **MOTION TO DISMISS** was duly served upon Opposer at the below address:

Michelle Savitt
12 East 86th Street #429
New York, NY 10028

by mailing a copy thereof via the U.S. Postal Service in a sealed envelope via First Class Mail with postage thereupon fully prepaid on the 5th day of June, 2013.

Date: June 5, 2013 s/Lisa D. Keith/