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

Proceeding	91212694
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Bond Manufacturing Co., Opposer, Xiamen Hwaart Composite Material Co., Ltd., Applicant.	In re App. Ser. No. 85/834,200 Mark: HWAART & Design Filing Date: January 28, 2013 Publ'n Date: July 30, 2013 Opposition No.: 91212694

BOND'S OPPOSITION TO APPLICANT'S MOTION TO DISMISS OPPOSITION

Bond Manufacturing Co., a California corporation ("Bond" or "Opposer") submits the following opposition to Xiamen Hwaart Composite Material Co., Ltd. ("Hwaart" or "Applicant")'s motion to dismiss Bond's Notice of Opposition filed on **November 5, 2013** and would show as follows.

I. RELEVANT FACTS

As of **July 1, 2009**, Bond had a design, compensation and debt recovery agreement (the "Agreement") with Hwaart and its principal owner, Jimmy Chen. Notice of Opposition ("NOO") ¶5. Under the Agreement, products of the type subject of the Application and encompassed by Bond's registered trademarks were to be designed by Hwaart and Chen exclusively for Bond, for which Hwaart was compensated by having debt it owed to Bond retired and for which Chen was compensated by Bond. Id. The Agreement provided that the designs and products belonged exclusively to Bond and that neither Hwaart nor Chen had any claim of right of use. Id.

In **July 2012**, Bond terminated the Agreement upon discovery that Hwaart had attempted to sell Bond's proprietary products to one of Bond's customer's, Lowe's Companies, Inc., a large chain of retail home improvement stores. NOO ¶6.

On **January 28, 2013**, unbeknownst to Bond, Hwaart filed the Application to register the Applicant's Mark, attaching pictures of two of Bond's products which, on information and belief, had been altered by removing references to Bond on the exterior of each product and imprinting the black and white "Hwaart" mark on a gas control plate affixed to the exterior of each product. NOO ¶7.

On or about **May 8, 2013**, Bond learned of the Application. NOO¶8. On that date, Bond, in Las Vegas for the National Hardware Show ("NHS"), observed several pallets of shipping boxes displaying Bond's registered marks, including Bond and Envirostone. Id. The boxes were labeled with descriptions and pictures of products exactly matching Bond outdoor heating products under Bond's registered marks. Id. The boxes further identified the products with Bond "Item" and "SKU" numbers. Id. Bond determined that the booth was registered to Hwaart. Id.

Before **May 8, 2013**, Bond had not authorized or granted permission to Hwaart to display boxes bearing Bond's registered marks nor to display Bond's products at NHS, which products appeared to be exact knockoffs of Bond products in every detail. NOO ¶9. Bond also observed that Hwaart had displayed large photographic prints of Bond products taken in the back yard of the home of Bond's CEO, Ron Merritt. Id. Bond uses the prints in its packaging and marketing materials. Id. Hwaart's acquisition, retention and use of these images in Hwaart's packaging and marketing materials was wholly unauthorized. Id. In addition to using images of Bond products and displaying what appeared to be exact counterfeits of Bond products, Hwaart copied the trade dress of Bond's marketing materials and exhibit that it has used for many years. Id. Hwaart's

marketing materials and booth copied the distinctive and ubiquitous red color and fire flame design used by Bond in its catalogue, marketing materials and exhibit. Id. But for the fact that letters on their signage was different, a person passing by would likely mistake Hwaart for Bond, which Bond is informed was Hwaart's intent. Id.

On **May 8, 2013**, Bond filed a Complaint in United States District Court, District of Nevada, Bond Manufacturing Co. v. Xiamen Hwaart Composite Material Co., Ltd., Jimmy Chen, Tina Wu, Case No. 2:13:cv-00812-APG-NJK, and sought an Emergency Ex Parte Motion For A Temporary Restraining Order, Seizure Order and Preliminary Injunction. NOO ¶10. On **May 8, 2013**, Order Granting Emergency Ex Parte Motion For A Temporary Restraining Order, Seizure Order and Preliminary Injunction was issued. Id. On **May 8, 2013**, Seizure Order was executed by the Las Vegas Constable's office. Id.

Bond is informed that on or about **April 30, 2013**, Duro Corporation imported, without permission or authorization from Bond, boxes that displayed Bond's registered marks, including BOND and ENVIROSTONE marks, labeled with descriptions and pictures exactly matching Bond outdoor heating products offered under its registered marks and identified the products with Bond "Item" and "SKU" numbers at Hwaart's booth at the NHS. NOO ¶13.

On **August 13, 2013,** Hwaart entered into Stipulation and Order Confirming Seizure and for Permanent Injunction providing that Hwaart and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with one or more of them, were permanently enjoined and restrained from:

> i. Offering any product or service in connection with any of the Bond Marks or any other trademarked design that is a colorable imitation of any Bond Mark or confusingly similar thereto or in connect with any promotional materials displaying any product sold, displayed or designed by Bond … or in connection with outdoor heating products;

> ii. Manufacturing, importing, exporting, distributing, shipping, introducing into commerce, returning, disposing of, purchasing, offering for sale, marketing, selling, soliciting, filling orders for, promoting, or advertising any outdoor heating product or other products under, in connection with, or that embody, the Bond Marks;
>
> iii. Passing off, promoting, or selling any products as being produced by or under the supervision or control of Bond when such is not the case;….
>
> NOO ¶18.

II. PROCEDURAL BACKGROUND

On **May 30, 2013**, Applicant submitted its Response to Office Action, submitting a photograph of a box displaying one of Bond's products, which box, on information and belief, had been altered by placing the design word "Hwaart" on its face and asserting that the "Hwaart" mark was used in commerce in International Class 11 for Electric patio heaters, Fire table; Fireplace hearths; Fireplaces; Fireplaces, domestic; Folding portable charcoal, propane and gas fired barbecues, stoves and grills; Gas patio heaters "at least as early as 09/01/2008". NOO ¶14.

On **July 30, 2013**, the Application for the Applicant's Mark was published for opposition in the Official Gazette. NOO ¶15.

On **August 29, 2013**, extension of time to oppose was granted until **September 30, 2013**. On **September 26, 2013**, Notice of Opposition was filed. On **November 4, 2013**, the day before the Answer was due, an attorney who indicated that his firm had not been retained by Applicant but was finalizing arrangements to do so, requested a thirty day extension to respond to Notice of Opposition. The request was rejected because of the requested length and the attorney was not Applicant's attorney.

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III. MEMORANDUM OF POINTS AND AUTHORITIES

Applicant's motion to dismiss is brought pursuant to TBMP §503.02, which provides:

> "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 the complaint. In order to withstand such a motion, a complaint need only allege such facts as would, if proved, establish that the plaintiff is entitled to the relief sought, that is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for denying the registration sought (in the case of an opposition)…. To survive a motion to dismiss, a complaint must "state a claim to relief that is plausible on its face." (citations omitted).
>
> "Therefore, a plaintiff served with a motion to dismiss for failure to state a claim upon which relief can be granted need not, and should not respond by submitting proofs in support of its complaint. Whether a plaintiff can actually prove its allegations is a matter to be determined not upon motion to dismiss, but rather at final hearing or upon summary judgment, after the parties have had an opportunity to submit evidence in support of their respective positions." (citations omitted).
>
> …..
>
> "Whenever the sufficiency of any complaint has been challenged by a motion to dismiss, it is the duty of the Board to examine the complaint in its entirety, construing the allegations therein so as to do justice, as required by Fed. R. Civ. P. 8(e), to determine whether it contains any allegations, which, if proved, would entitle the plaintiff to the relief sought." (citations omitted).

For purposes of ruling on a motion to dismiss for want of standing, a reviewing court must "accept as true all well-pled and material allegations of the complaint, and must construe the complaint in favor of the complaining party." Ritchie v. Simpson, 170 F.3d 1092, 1097, 50 USPQ2d 1023, 1029 (Fed. Cir. 1999).

Measured against this standard, Applicant's motion should be denied. However, should the Board conclude that the Notice of Opposition fails to state a claim, then, pursuant to TBMP §503.03, Bond requests that it be given opportunity to file an amended pleading. See, inter alia, Intellimedia Sports, Inc. v. Intellimedia Corp., 43 USPQ2d 1203, 1208 (TTAB 1997) (allowed time to perfect fraud claim) and Miller Brewing Co. v. Anheuser-Busch, Inc., 27 USPQ2d 1711,

1714 (TTAB 1993) ("the Board freely grants leave to amend pleadings found, upon challenge under Fed. R. Civ. P. 12(b)(6), to be insufficient, particularly where challenged pleading is the initial pleading").

IV. BOND HAS A REAL INTEREST AND A REASONABLE BASIS FOR OPPOSING REGISTRATION OF THE MARK

The Lanham Act provides:

> "Any person who believes that he would be damaged by the registration of a mark upon the principal register, including the registration of any mark which would be likely to cause dilution by blurring or dilution by tarnishment under section 1125(c) of this title, may, upon payment of the prescribed fee, file an opposition in the Patent and Trademark Office, stating the grounds therefore…"

15 U.S.C. §1063.

To maintain the opposition, an opposer must meet two judicially-created requirements: first, a "real interest" in the proceedings and second, a reasonable basis for belief of damage. Ritchie at 1095. Bond satisfies both of these requirements.

A. <u>Bond Has a Real Interest In The Outcome of This Proceeding</u>

Bond has a "real interest" in the outcome of this proceeding. A "real interest" is defined as a "direct and personal stake in the outcome of the opposition." Ritchie at 1095. As stated in Ritchie: "In other words, the opposer must have a direct and personal stake in the outcome of the opposition. … According to the Board, a person may only have a "real interest" if he or she has "a personal interest in the proceeding beyond that of the general public" Ritchie, 41 USPQ2d at 1861 (emphasis added)." Id.

The bar for finding that a "direct and personal stake in the outcome of the proceeding" is relatively low as courts have determined that even a person with no direct commercial interest may have a "personal stake" in the outcome of the proceeding so long as they would be damaged by the registration. In Bromberg v. Carmel Self Service, Inc., 198 USPQ 176 (TTAB 1978) the

Board found standing by holding that two opposers were "within the zone of those with a real interest in the registration" of a mark that was "offensive and disparaging", simply because the opposers were members of the class of people, women, who could be disparaged. Id.

It has been held that ownership and use of a mark which mark may be confused with an applicant's mark by itself is sufficient to establish a "real interest" in outcome of the proceedings. Time Warner Entm't Co, 65 USPQ2d 1650 (TTAB, 2002). In Time Warner, the court held that the opposer established its interest in the outcome where it "presented evidence of its ownership of its various [trademark] registrations and of its use of its [trademarks] on a variety of goods" in conjunction with "evidence sufficient to show that its likelihood of confusion claim is not wholly without merit." Id.

Bond is owner of several marks used to brand its lawn, garden and outdoor living goods. Similar to Time Warner, Bond's marks are in current use, as they have since Bond was founded in **1946**, and which products bearing Bond's marks are distributed nationally and internationally and are well-known in the stream of commerce as an OEM. That Bond has currently registered marks is sufficient to find that it has a real interest in outcome of this proceeding. See generally, Cunningham v. Laser Golf Corp., 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000) (finding that standing is established through a plaintiff's proof of ownership of a federal registration.) As discussed infra, consumers and suppliers are likely to be confused if the application is approved. Id. Similar to Time Warner, Bond is directly and specifically affected by the outcome of these proceedings and as such has a "real interest" in the outcome of these proceedings to ensure that its mark is protected. Id. As set forth in the Notice of Opposition, Bond satisfies the first prong of the Standing Analysis.

B. <u>Bond Has A Reasonable Basis For Its Belief of Damage</u>

The second requirement for determining standing is that the opposer have a reasonable basis for its belief that it will be damaged. Time Warner Entm't Co, 65 USPQ2d 1650 (TTAB 2002). To establish a reasonable basis, an opposer need only state "evidence sufficient to show that its likelihood of confusion claim is not wholly without merit." Id.

In paragraph 18 of the Notice of Opposition, Bond asserts that:

> "The Application creates the likelihood of confusion with Bond's registered marks as the Applicant has repeatedly affixed its mark to Bond's products and otherwise conducted itself in violation of the Lanham Act, to which the Applicant, on **August 13, 2013**, has entered into a Stipulation and Order Confirming Seizure and for Permanent Injunction providing in part that Hwaart and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with one or more of them, are permanently enjoined and restrained from:…."

In paragraph 19 of the Notice of Opposition, Bond asserts that:

> "For the foregoing reasons, the registration sought by Applicant is contrary to the provisions of Section 2(d) of the Lanham Act, and Opposer believes that it would be damaged thereby."

In that Bond has stated the basis upon which it can be determined that a likelihood of confusion exists and is not "wholly without merit", Bond has standing to oppose the Application and standing to do so. Time Warner, supra.

As detailed in the Notice of Opposition, for years, Applicant operated under a design agreement with Bond under which products, including those of the type upon which Applicant is seeking to imprint its mark, were designed and manufactured exclusively for Bond and in which those products were put into the stream of commerce being Bond's registered marks, including for house accounts, such as Lowe's as an OEM supplier, and for which Bond's distinctive color scheme, marketing and packaging, were well known to consumers, retailers, wholesalers and the

trades generally. In **2009** the design agreement was written and added to included debt recovery and compensation for services provided, which continued in full force and effect until **July 2012**.

With this course of conduct and historic business relationship as background, it is readily apparent why Bond has reasonable basis to believe that it will be damaged by the registration of Applicant's mark and has standing to oppose registration.

C. <u>There is a Likelihood of Confusion</u>

Likelihood of confusion under § 2(d) is analyzed by the 13 "du Pont factors." In re E.I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). These factors include:

> (1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.
>
> (2) The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.
>
> (3) The similarity or dissimilarity of established, likely-to-continue trade channels.
>
> (4) The conditions under which and buyers to whom sales are made, i. e. “impulse” vs. careful, sophisticated purchasing.
>
> (5) The fame of the prior mark (sales, advertising, length of use).
>
> (6) The number and nature of similar marks in use on similar goods.
>
> (7) The nature and extent of any actual confusion.
>
> (8) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.
>
> (9) The variety of goods on which a mark is or is not used (house mark, “family” mark, product mark).
>
> (10) The market interface between applicant and the owner of a prior mark:
>
> > (a) a mere “consent” to register or use.
> >
> > (b) agreement provisions designed to preclude confusion, i. e. limitations on continued use of the marks by each party.

(c) assignment of mark, application, registration and good will of the related business.

(d) laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.

(11) The extent to which applicant has a right to exclude others from use of its mark on its goods.

(12) The extent of potential confusion, i. e., whether de minimis or substantial.

(13) Any other established fact probative of the effect of use.

The court must balance those du Pont factors that are relevant in a particular case. Id. at 1361. Depending on underlying circumstances, any factor may play a major or a minor role. Id. at 1362. In addition, any evidence that is relevant to the issue and determination of likelihood of confusion may be examined, even if not specifically applicable to any identified factor. Id.

The Board has observed that in determining whether a likelihood of confusion exists, the "two key considerations are the similarities between the marks and the similarities between the goods." In re SL&E Training Stable, Inc., 88 USPQ2d 1216, 2008 WL 4107225 (TTAB, 2008). In addition, as the degree of similarity in type and quality of the goods of the parties increases, "the degree of similarity [of the marks] necessary to support a conclusion of likely confusion declines." Fossil Inc. v. Fossil Group, 49 USPQ2d 1451 (TTAB 1998). Finally, to the extent there may be doubt as to likelihood of confusion, "such doubts must be resolved in favor of opposer as the registrant and long prior user." Id.

Bond has a reasonable belief that it will be damaged by registration of Applicant's mark and that if Applicant's mark is registered, Applicant will violate Bond's rights under §2(d) based upon analysis of the following du Pont factors.

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1. **The Goods Are Extremely Similar, If Not Identical**

The second du Pont factor weighs heavily in favor of Bond, examining the "similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use." In re E.I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). This factor is generally one of the key considerations in determining likelihood of confusion. In re SL&E Training Stable, Inc., 88 USPQ2d 1216, 2008 WL 4107225 (TTAB, 2008).

Bond and Applicant both manufacture goods, including decorative fireplace hearths, fire bowls, fire tables, gas patio heaters for outdoor and patio use, and gas fired barbeques. Additionally and significantly, Applicant was the designer of Bond products prior to the business relationship between the two terminating in **July 2012**. When Applicant first began affixing its mark to products, the mark was affixed to Bond's products. In addition, at the NHS, Applicant included in its display marketing photographs of Bond's president's backyard, which same such photographs are used by Bond in its own marketing program.

As stated in Paragraph 17 of the Notice of Opposition, Applicant's actions at NHS led to a seizure order and permanent injunction enjoining Applicant and its agents from manufacturing, offering, or passing off Bond's products and as otherwise stated. Applicant's actions both before the filing the Application and subsequent show that Applicant was intending to offer, and was offering, the identical products manufactured and produced by Bond and branded with its mark. Given Applicant's actions, it is likely that products that it claims to be its own will be extremely similar, if not identical, in design to those of Bond and will likely confuse consumers, retailers, wholesalers, and others. As such, the similarity of products that Applicant seeks to have its mark

registered for weighs heavily in favor of finding that there is a likelihood of confusion with Bond and it's registration and satisfies the showing required. Id.

2. **The Marks Are Similar in Color, Length, and General Commercial Impression**

The similarity of the goods is to be viewed in conjunction with the first du Pont factor: the similarity of the marks. In re SL&E Training Stable, Inc., 88 USPQ2d 1216, 2008 WL 4107225. In examining this factor, "the test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression that confusion as to the source of the goods offered under the respective marks is likely to result." Time Warner, 65 USPQ2d 1650 at 6.

As noted above, within the outdoor tool industry, it is common knowledge that Applicant produced exclusive designs for Bond and large scale customers of Bond such as Lowe's. After years of this business relationship, in **July 2012**, Bond terminated the relationship when it learned that Applicant was attempting to market directly to Lowe's and otherwise took steps to interfere with and impact Bond's registered marks on its products in the stream of commerce and otherwise. Applicant's attempt to confuse customers through its efforts at marketing products designed and manufactured exclusively for Bond and that at all times have been synonymous with Bond and its registered marks have sparked this proceeding and the District Court case in Nevada, for which Bond has a stipulated permanent injunction against Applicant.

In addition, if the degree of similarity of the goods of the parties is great, “the degree of similarity [of the marks] necessary to support a conclusion of likely confusion declines." Fossil Inc. v. Fossil Group, 49 USPQ2d 1451 (TTAB Oct. 30, 1998). The substantial similarity of the

goods offered by Bond and Applicant shows that even a slightly similar mark is likely to support a conclusion of likely confusion. Id.

Bond notes that on page 4 of the motion, Applicant cites Fossil, supra, for the proposition that "to establish standing to oppose registration of a mark on basis of likelihood of confusion under §2(d), the opposer must allege that the applicant's mark so resembles its registered or common-law mark as to be likely to cause confusion when used on related goods or services." However, review of Fossil reflects that the Board made no statement regarding standing; the decision was announced following determination on the merits of the Opposition and applicant's answer and concluded in favor of opposer: "The opposition is sustained s to applicant's class 14 goods (fossil back clocks). The opposition is dismissed as to applicant's class 19 (ornamental fossils) and class 20 (marble table tops)." Id.

Bond further notes that on page 4 of the motion, Applicant cites Sheraton Corp. of America v. Sheffield Watch of New York, Inc., 167 USPQ 248 (TTAB 1970, rev'd 480 F.2d 1400, 178 USPQ 468 (CCPA 1973) and makes a statement, with emphasis added, that does not come from the case, either in the original Board case, following reversal by the District Court, or in the subsequent Board decision.

While Applicant has not used a word that is close to Bond's mark in standard characters, there are sufficient similarities between the marks to constitute "substantial confusion" in light of the entire packaging scheme.

First, Applicant's mark is comprised of a single syllable word in bold black font with red accents and flames. Bond's mark (Reg. No. 3741198, among others), is also a single syllable word, in bold black font, and often used with red accents. Bond's mark and red color is used on all of its packaging and its website.

While the similarities are not identical, they need not be so exacting in a side-by-side comparison. Instead, the similarities need only be sufficient to confuse a consumer as to the source of goods in light of the "overall commercial impression." Time Warner, 65 U.S.P.Q.2d 1650 at 6. Here, the products are extremely similar, if not identical. Additionally, the "overall commercial impression" given by Applicant's use of the black and red color scheme and single syllable brand is close enough to Bond's registered mark to suggest that the parties' respective goods come from the same source. As such, a consumer, retailer, wholesaler or other person or entity, when viewing very similar products with marks which give similar an overall commercial impression reasonably may experience "confusion as to the source of the goods offered." Id. As such, the similarity of the marks, when viewed in light of the extreme similarity of the products weighs in favor of finding a likelihood of confusion. Id.

3. **Applicant and Bond Utilize The Same Trade Channels**

The third du Pont factor to be examined is "the similarity or dissimilarity of established, likely-to-continue trade channels." E.I. du Pont de Nemours & Co., 476 F.2d 1357. In Time Warner, the court found that the third factor weighed in favor of the opposer where the parties' respective goods were "marketed in the same trade channels and by some of the same retail chains, e.g., Costco, Office Depot, and Barnes & Noble." 65 USPQ2d 1650 at 10.

This factor weighs heavily in favor of finding a likelihood of confusion between Bond's mark and Applicant's mark. Bond first became aware that Applicant was placing its mark on Bond's goods and marketing materials at a trade show where Applicant had a booth immediately adjacent to Bond's booth using similar trade dress. Additionally, Applicant and Bond are direct competitors for Class A retailers of lawn, garden and outdoor living goods, such as Lowe's, Home Depot, and Wal-Mart. More broadly, Applicant and Bond are vying for market share of

the American outdoor living products. Accordingly, Applicant and Bond's goods are "marketed in the same trade channels and by some of the same retail chains". Id. Analysis of this factor weighs in favor of finding a likelihood of confusion.

4. **Bond Acted Immediately Upon Learning Of Applicant's Application and Use Of The Mark**

The eighth du Pont factor looks at "the length of time during and conditions under which there has been concurrent use without evidence of actual confusion." E.I. du Pont de Nemours & Co., 476 F.2d 1357. Generally, this factor looks at whether there has been "actual confusion" as a result of the concurrence of the marks. Id. In this case, Bond acted immediately upon learning of the Application showing that there has not been sufficient time to allow for or measure actual consumer confusion.

On or about **May 8, 2013,** Bond learned of Applicant's use of the mark and marketing materials at NHS. Bond filed a complaint against Applicant in United States District Court, District of Nevada, entitled Bond Manufacturing Co. v. Xiamen Hwaart Composite Material Co., Ltd., Jimmy Chen, Tina Wu, Case No. 2:13:cv-00812-APG-NJK, and applied for an Emergency Ex Parte Motion For A Temporary Restraining Order, Seizure Order and Preliminary Injunction. The Court issued an Order Granting Emergency Ex Parte Motion For A Temporary Restraining Order, Seizure Order and Preliminary Injunction and the Seizure Order was executed by the Las Vegas Constable's office that same day.

Applicant's application was published for opposition on **July 30, 2013**. Within a month, Bond began its action to oppose the Application. There has been little, if any, "length of time during and conditions under which there has been concurrent use without evidence of actual confusion." Id. This factor weighs in favor of Bond.

5. **The Potential For Confusion Is Substantial**

The twelfth du Pont factor is examination of "the extent of potential confusion, i. e., whether de minimis or substantial." E.I. du Pont de Nemours & Co., 476 F.2d 1357. As shown above, the Applicant's products are very similar, if not identical, to Bond's products; Applicant was a former designer of Bond's goods and at NHS, attempted to use images of Bond's goods on marketing materials by superimposing Applicant's mark on Bond's products. Further, the marks are similar in length, use the same color scheme, and have a generally similar "commercial appeal." Time Warner, 65 USPQ2d 1650 at 6. In addition, Applicant has been utilizing the same commercial channels that Bond has used for many years, showing that the products will be in direct competition and targeted to the same consumers. As such, "the extent of potential confusion" is great and weighs in favor of Bond.

6. **There Is An Permanent Injunction Restraining Applicant Due To The Fact That Applicant Repeatedly Affixed Its Mark To Bond's Products**

The thirteenth du Pont factor is a catch-all which allows "any other established fact probative of the effect of use." E.I. du Pont de Nemours & Co., 476 F.2d 1357. In Time Warner, 65 USPQ2d 1650, the opposer was permitted to present evidence of the applicant's bad faith in attempting to register the mark under the "catch-all" provision. While the Board in Time Warner found there to be insufficient evidence of actual bad faith by the applicant, in this instance, there is sufficient evidence of bad faith on the part of the Applicant.

The Applicant has shown bad faith in repeatedly affixing its mark to Bond's products to cause confused consumers to purchase what they believe to be goods manufactured by Bond. This bad faith was recognized by the District Court of Nevada, which issued an injunction and seize order to prevent Applicant from further infringing upon Bond's trademark rights. Now

Applicant seeks to register a mark which is similar in color and general commercial appeal to Bond's marks which they plan to affix to products very similar to Bonds and to sell the products through the same channels of commercial distribution as Bond. This does constitute bad faith on the part of Applicant, in an attempt to cause confusion among consumers so that Applicant may trade on the good will and name of Bond. As such, the thirteenth factor weighs in favor of Bond.

D. <u>Applicant Seeks To Commit Fraud on the U.S. Patent and Trademark Office</u>

Bond is informed that the Applicant is seeking to commit fraud under the standard announced in In re Bose Corp., 91 USPQ2d at 1939 and that it will be able to prove by clear and convincing evidence that Applicant knowingly made a false statement with the intent to deceive the U.S. Patent and Trademark Office. Id. Specifically,

> "Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application." Torres v. Cantine Torresella S.r.L., 808 F.2d 46, 48, [1 USPQ2d 1483] (Fed. Cir. 1986). - Indeed, "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." Smith Int'l, Inc. v. Olin Corp., 209 USPQ 1033, 1044 (TTAB 1981)."
>
> Id. at 1939

In the Application, Applicant represented that its mark has been in use since 2008 and has been published as such by USPTO on its website:

IC 011. US 013 021 023 031 034. G & S: Electric patio heaters; Fire table; Fireplace hearths; Fireplaces; Fireplaces, domestic; Folding portable charcoal, propane and gas fired barbecues, stoves, and grills; Gas patio heaters. FIRST USE: 20080901. FIRST USE IN COMMERCE: 20080901

Including in an application that a mark has been in use in interstate commerce prior to the original filing date is "false" and "material". Stated otherwise, without the misrepresentation of material fact, would USPTO have published the mark for opposition based on Section 1(a) of the Act?

The Applicant's fraud is evidenced by its attempt at affixing its mark to Bond products and appears to be intended to cause confusion to consumers to purchase what they believe to be goods manufactured by Bond. Bond believes that Applicant filing this proceeding in which it seeks to register a mark under the described circumstances is a fraud on the USPTO. Applicant seeks to register a mark which is similar in color and general commercial appeal to Bond's marks which they plan to affix to products very similar to Bond's products and to sell the products through the same channels of distribution, which products Applicant was designing exclusively for Bond for many years. What Applicant is attempting to do before USPTO was recognized by the District Court of Nevada as being in violation of Bond's commercial rights and warranted the issuance of an injunction and seizure order to prevent Applicant from further infringing upon Bond's trademark rights.

While a "false" and "material" fact may not always lead to a finding that a representation was made with willful intent to deceive, the evidence stated in the Notice of Opposition is not the standard upon which the conclusion is adjudicated. Bond has set forth sufficient statements of fact to support denial of Application's motion to dismiss and have this matter proceed to further proceedings, including discovery.

V. CONCLUSION

Bond has a real interest in the outcome of this proceeding, as well as a reasonable basis for its belief that it will be damaged if registration of Applicant's mark is permitted. Bond has shown that it has standing to maintain this opposition.

For the foregoing reasons and authorities, Applicant's Motion to Dismiss Opposition should be denied. If, however, the Board concludes that the Notice of Opposition fails to state a

claim, pursuant to TBMP §503.03, Bond requests that it be given opportunity to file an amended pleading.

Dated this 25th day of November, 2013.

By: /Steven H. Bovarnick/

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Attorneys for Bond Manufacturing Co.

CERTIFICATE OF SERVICE

I, Gregory M. Krakau, certify that a copy of the foregoing BOND'S OPPOSITION TO APPLICANT'S MOTION TO DISMISS OPPOSITION was served on:

Jeannette Yang
18968 Northern Dancer Ln
Yorba Linda, California 92886-7007

Jeffrey A. Schwab
Michael Aschen
Anthony J. DiFilippi
ABELMAN, FRAYNE & SCHWAB
666 Third Avenue
New York, New York 10017

by placing same with the U.S. Postal Service, via first class mail, postage pre-paid, this 25th day of November, 2013.

/Gregory M. Krakau/
Gregory M. Krakau
Counsel for Bond Manufacturing Co.