UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Baxley

Mailed: October 6, 2014

Opposition No. 91215035

Vertex Pharmaceuticals Incorporated

v.

CHD Bioscience, Inc.

By the Trademark Trial and Appeal Board:

In lieu of an answer to the counterclaim, Opposer, on June 30, 3014, filed a motion to dismiss under Fed. R. Civ. P. 12(b)(6) for failure to state a claim. The motion has been fully briefed.

A motion to dismiss under Rule 12(b)(6) is solely a test of the sufficiency of a complaint.[1] *See* TBMP § 503.01 (2014). To survive such a motion, applicant need only allege in the counterclaim sufficient factual matter as would, if proved, establish that (1) it has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling the mark. *See Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982). Specifically, "a complaint must contain sufficient factual

[1] Consideration of the exhibits to Opposer's briefs in support of the motion to dismiss would require conversion of Opposer's motion into one for summary judgment. *See* TBMP § 503.04. A motion for summary judgment appears to be premature inasmuch as Opposer does not indicate that it served its initial disclosures herein. *See* Trademark Rule 2.127(e)(1). Accordingly, those exhibits have received no consideration.

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).

Opposer does not allege that Applicant lacks standing to pursue the counterclaim. Nonetheless, Applicant's standing is inherent in its position as the defendant in the opposition proceeding. *See Caymus Vineyards v. Caymus Medical Inc.*, 107 USPQ2d 1519, 1522 (TTAB 2013).

In the counterclaim, Applicant seeks (1) cancellation of Opposer's pleaded Registration Nos. 2704913 and 3531356 on the ground of fraud, and (2) restriction of the identification of goods of those registrations under Trademark Act Section 18, 15 U.S.C. § 1068.

With respect to Applicant's fraud claim, Applicant, as the counterclaim plaintiff, must allege that Opposer obtained its registration fraudulently by knowingly making a false, material representation of fact with the intent to deceive the USPTO. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). Allegations of fraud must be set forth with particularity, although malice, intent, knowledge, and other conditions of a person's mind may be averred generally. *See* Fed. R. Civ. P. 9(b); *DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086 (TTAB 2010).

Regarding the pleaded fraud claim, the Board finds that Applicant has alleged with sufficient particularity facts which, if proven at trial, would

establish that Opposer knowingly made a false, material statement with the intent to deceive the United States Patent and Trademark Office. In particular, Applicant alleges that "Opposer's Registration Nos. 2,704,913 and 3,531,356 cover a 'house mark for pharmaceutical preparations'" (paragraph 2); "Opposer is not currently using, nor has Opposer at any time had the broad use of the marks in conjunction with pharmaceutical preparations necessary to establish a house mark for pharmaceutical preparations" (paragraph 4); that, when Opposer filed its Statements of Use and Declarations of Use for Registration Nos. 2704913 and its Statements of Use for Registration No. 3531356, "it knew that it did not have the broad use with pharmaceutical preparations required for a house mark for pharmaceutical preparations (paragraphs 11-14); that "Opposer obtained Registration Nos. 2,704,913 and 3,531,356 by false means and/or by knowingly and willfully making false and/or fraudulent declarations or representations to the USPTO (paragraph 16); that "Opposer has maintained Registration Nos. 2,704,913 by false means and/or by knowingly and willfully making false and/or fraudulent declarations or representations to the USPTO (paragraph 17); that "Applicant's [sic] false and fraudulent statements were made with the intent to induce the USPTO to register Registration Nos. 2,704,913 and 3,531,356 and maintain Registration No. 2,704,913" (paragraph 18); and that "[t]he false and fraudulent misrepresentations made by Applicant [sic] with respect to the Registration Nos. 2,704,913 and 3,531,356 were submitted to the

USPTO with the intent to deceive [or] ... with a reckless disregard for the truth (paragraphs 19)."

The Board presumes that the references to "Applicant" in paragraphs 18 and 19 of the counterclaim are typographical errors and that Applicant intended to refer to Opposer. The Board further presumes that the reference to "Opposer" in paragraph 20 of the counterclaim is a typographical error and that Applicant intended to refer to itself. Accordingly, the Board will treat the counterclaim as amended to reflect Applicant's apparent intent.

Regarding house marks, the Trademark Manual of Examining Procedure states as follows.

> House marks are marks used by an entity on a wide range of goods. ... In an application to register a mark as a house mark based on use in commerce, the applicant must demonstrate that the mark is, in fact, used as a house mark. ... The USPTO will register a mark as a house mark only in the limited circumstances where the mark is actually used as a house mark. If the applicant cannot do so, the identification of goods must be amended to conform to the usual standards for specificity.

TMEP § 1402.03(b) (2014).

The Board is not persuaded by Opposer's reliance upon *In re Astra Merck*, 50 USPQ2d 1216 (TTAB 1998), in support of its motion to dismiss. Therein, the Board determined that use of a mark on three pharmaceuticals was insufficient to support use on "a full line of pharmaceutical products." The Board, in that decision, specifically stated that "whether or not applicant's mark is a house mark ... is irrelevant to our determination." *Id.* at 1218. Opposer correctly notes that the Board stated as dicta that "[b]ecause

applicant consistently uses its mark on each and every one of its pharmaceuticals, the asserted mark is, by definition, a house mark." *Id.* However, the Board did not specifically find that an applicant who applies its mark to only three pharmaceutical products may register its mark for an identification of goods as broad as "a house mark for pharmaceutical products." Rather, the Board noted that "there are literally thousands of prescription and non-prescription drugs. The variety and scope of pharmaceutical products is astounding." *Id.* at 1219. Accordingly, the motion to dismiss is denied with regard to fraud claim set forth in Applicant's counterclaim.

Regarding Applicant's claim for restriction of the identification of goods of those registrations under Trademark Act Section 18, Applicant has set forth a legally sufficient Section 18 claim for restriction by alleging that

> [t]he identification of goods 'house mark for pharmaceutical preparations' is overly broad with respect to Registration Nos. 2,704,913 and 3,531,356 because Applicant has at most only used the mark in commerce with its pharmaceutical preparation KALYDECO for pharmaceutical preparations for the treatment of cystic fibrosis and INCIVEK for pharmaceutical preparations for the treatment of viral diseases.

(paragraph 22); that "[i]f Opposer's Registration Nos. 2,704,913 and 3,531,356 properly reflected its actual use, they would not cover a 'house mark for pharmaceutical preparations', but would be limited to pharmaceutical preparations for the treatment of cystic fibrosis and viral diseases" (paragraph 23); and that "[i]f the identification of goods in Registration Nos.

2,704,913 and 3,531,356 were limited to pharmaceutical preparations for the treatment of cystic fibrosis and viral diseases there would be no likelihood of confusion with Applicant's application for VERIOX." *See Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG*, 34 USPQ2d 1266, 1270 (TTAB 1994).

Based on the foregoing, Opposer's motion to dismiss the counterclaim under Rule 12(b)(6) is denied.[2] Proceedings herein are resumed. Dates herein are reset as follows:

Answer to counterclaim due:	November 1, 2014
Deadline for discovery conference:	December 1, 2014
Discovery opens:	December 1, 2014
Initial disclosures due:	December 31, 2014
Expert disclosures due:	April 30, 2015
Discovery closes:	May 30, 2015
Opposer's pretrial disclosures due:	July 14, 2015
Opposer's 30-day testimony period as plaintiff in the opposition to close:	August 28, 2015
Applicant's pretrial disclosures due:	September 12, 2015
Applicant's 30-day testimony period as defendant in the opposition and as plaintiff in the counterclaim to close:	October 27, 2015
Opposer's pretrial disclosures for rebuttal in the opposition and as defendant in the counterclaim due:	November 11, 2015

[2] Throughout its briefs in support of the motion to dismiss, Opposer argues the merits of the claims set forth in the counterclaim. Whether or not Applicant can prove the allegations set forth in the counterclaim is a matter to be determined after the introduction of evidence at trial (or in connection with a proper motion for summary judgment). *See Flatley v. Trump*, 11 USPQ2d 1284 (TTAB 1989).

Opposer's 30-day testimony period as defendant in the counterclaim and for rebuttal as plaintiff in the opposition to close:	December 26, 2015
Applicant's rebuttal disclosures as plaintiff in the counterclaim due:	January 10, 2016
Applicant's 15-day rebutal testimony period as plaintiff in the counterclaim to close:	February 9, 2016
Brief for opposer as plaintiff in the opposition due:	April 9, 2016
Brief for applicant as defendant in the opposition and as plaintiff in the counterclaim due:	May 9, 2016
Brief for opposer as defendant in the counterclaim and reply brief, if any, as plaintiff in the opposition due:	June 8, 2016
Reply brief, if any, for applicant as plaintiff in the counterclaim due:	June 23, 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. If either of the parties or their attorneys should have a change of address, the Board should be so informed promptly.