

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

Mailed: October 3, 2014

Opposition No. 91215813

*Crystalline Mgmt., LLC, Najat
Kanache*

v.

Int'l Pastry Concepts LLC

By the Trademark Trial and Appeal Board:

On April 8, 2014, Crystalline Management, LLC and Najat Kanache (“opposers”) filed a notice of opposition against registration of the mark CRONUT, in Application Serial No. 85936327 (“the ’327 application”), filed by International Pastry Concepts LLC (“applicant”).¹ Concurrent with the

¹ The application was filed for “bakery desserts; bakery goods; bakery goods and dessert items, namely, cheesecakes for retail and wholesale distribution and consumption on or off the premises; bakery goods, namely, croissant and doughnut hybrid; bakery products; bakery products, namely, sweet bakery goods; beverages made of coffee; beverages made of tea; beverages with a chocolate base; beverages with a coffee base; biscuits; biscuits and bread; biscuits, tarts, cakes made with cereals; bread and buns; bread and pastry; bread doughs; bread mixes; bread rolls; bread sticks; brioches; cake doughs; cake icing; cake mixes; cakes; chocolate for confectionery and bread; cocoa-based beverages; cocoa-based ingredient in confectionery products; coffee based beverages; coffee beverages with milk; coffee-based beverages; coffee-based iced beverages; confectioneries, namely, snack foods, namely, chocolate; confectionery chips for baking; cookie dough; cookie mixes; cookies; croissants; doughnuts; edible cake decorations; edible decorations for cakes; edible flour; food package combinations consisting primarily of bread, crackers and/or cookies; instant doughnut mixes; macaroons; madeleines; mixes for bakery goods; muffin mixes; muffins; pastries; pastry dough; pastry mixes; prepared cocoa and cocoa-based beverages; prepared coffee and coffee-based beverages; scones,” alleging current use in commerce under Trademark Act Section 1(a), 15 U.S.C. 1051(a), and asserting May 10, 2013 as the date of first use anywhere and also the date of first use in commerce of the mark.

filing of its answer, applicant filed a motion on May 18, 2014, to dismiss the notice of opposition for failure to state claim upon which relief can be granted, seeking not only to dismiss the claims, but also asserting that opposers lack standing to bring the notice of opposition. On June 2, 2014, opposers filed an amended notice of opposition correcting certain typographical errors, and in particular transposed uses of the terms “Opposers” and “Applicants” in its pleading.² In the amended notice of opposition, opposer asserts that registration should be denied: (1) based upon a likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. 1052(d); (2) because the applied-for mark is primarily merely descriptive under Section 2(e)(1), 15 U.S.C. 1052(e)(1); (3) that applicant committed fraud on the USPTO in its prosecution of the subject application; (4) that applicant lacked a bona fide intent to use the mark in commerce on the date the application was filed under Section 1(a); and (5) that the applicant has misused the registration symbol under Trademark Act Section 29, 15 U.S.C. § 1111.

Now before the Board is applicant’s motion, filed on June 14, 2014, to dismiss the notice of opposition for failure to state a claim upon which relief may be granted under Fed. R. Civ. P. 12(b)(6).³ Applicant argues that neither

² The amended notice of opposition is noted and accepted, and is now opposers’ operative pleading in this case.

³ Inasmuch as the amended notice of opposition does not alter any of the substantive arguments from the original notice, but merely corrects typographical errors, the Board in its discretion will treat the motion to dismiss as relating to the amended notice of opposition.

opposer has “alleged facts sufficient to show a ‘real interest’ in the proceeding, or a ‘reasonable basis’ to support claims of damage.” Motion to Dismiss, p.11. Applicant further asserts that opposers’ “claims are wholly without merit ... [and] merely parrot the text of the Lanham Act while providing only broad-based allegations and conclusions.” *Id.* Applicant argues in particular that “[o]pposers’ [likelihood of confusion] claim fails under the test for likelihood of confusion as determined by factors established in *Polaroid Corp. v. Polarad Elec. Corp.*,” “[a]pplicant’s mark is strong and has achieved secondary meaning;” “[i]t is clear that Applicants have legitimate and bona fide use in commerce that rises above that of mere tokenism;” and that opposers “put forth the outrageous allegation that Applicants’ counsel committed fraud upon the USPTO without any evidence in support of such a claim.” *Id.* at pp. 12, 13, 23, and 14. Opposer contests this motion, arguing that:

Opposers have pleaded sufficient facts that put Applicants on notice of the claims asserted against them. The question of whether Opposers can actually prove the allegations made in the Notice of Opposition is not a matter to be determined by a motion to dismiss, but rather, at a final hearing or upon summary judgment after the parties have had an opportunity to submit evidence in support of their respective positions.

Response Br., p.2. The motion has been fully briefed.

Matters Outside the Pleadings

Applicant attached fifteen pages of exhibits, and cited to several online websites in its brief on the motion. However, consideration of matters outside

the pleadings is not appropriate in the determination of a motion, such as this, for dismissal under Fed. R. Civ. P. 12(b)(6).

Notwithstanding applicant's attempt at treating this motion as one for summary judgment, and in accordance with the Board's discretion under the rules, we have excluded these materials, and do not deem this an appropriate case to convert the motion to dismiss into one for summary judgment. *See* Fed. R. Civ. P. 12(b); *Internet Inc. v. Corp. for Nat'l Research Initiatives*, 38 USPQ2d 1435, 1436 (TTAB 1996); *Wells Fargo & Co. v. Lundeen & Assoc.*, 20 USPQ2d 1156, 1156 (TTAB 1991). The Board has not relied on these extraneous materials in deciding the motion to dismiss, and has determined the sufficiency of opposer's pleading by looking solely to the pleading itself.

Motion to Dismiss

A motion to dismiss for failure to state a claim upon which relief may be granted is a test *solely* of the legal sufficiency of a complaint. *See Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). In order to withstand such a motion, a complaint need only allege such facts as would, if proven, 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. *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). The complaint need only "state a claim to relief that is plausible on its face." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 554, 570

(2007); *see also Ashcroft v. Iqbal*, 556 U.S. 662 (2009). Opposers are not under a burden to prove their case in the notice of opposition. *Enbridge, Inc. v. Excelerate Energy Ltd. P'ship*, 92 USPQ2d 1537, n.10 (TTAB 2009).

- *Standing*

Opposers allege that they have jointly filed a trademark application for the mark CRONUTS, which has been assigned Application Serial No. 85961168 (“the ’168 application”). Amended Notice of Opposition, ¶ 3. Opposers further allege that the subject ’327 application “has been cited as a potential block against the ’168 application because of confusing similarity.” *Id.*, ¶ 8. These allegations, if proven, establish both opposers’ standing to bring this notice of opposition against the ’327 application. *See Saddlesprings Inc. v Mad Croc Brands Inc.*, 104 USPQ2d 1948, 1950 (TTAB 2012) (standing adequately alleged by allegation that petitioner’s intent-to-use application has been refused based on respondent’s registrations); *Mattel Inc. v. Brainy Baby Co.*, 101 USPQ2d 1140, 1142 (TTAB 2011) (Office action refusing registration to plaintiff based on defendant’s registration made of record).

Moreover, because opposer has sufficiently pleaded its standing, it has the right to assert any appropriate grounds for cancellation in this proceeding. *See Enbridge Inc.*, 92 USPQ2d at 1543 n.10 (*citing Liberty Trouser Co., Inc. v. Liberty & Co., Ltd.*, 222 USPQ 357, 358 (TTAB 1983) (averments of priority, likelihood of confusion and resulting damage accepted to show petitioner’s standing with respect to pleaded grounds of fraud and abandonment)).

Accordingly, applicant's motion to dismiss is **DENIED** with respect to opposers' standing.⁴

- *Likelihood of Confusion*

Applicant's brief on its motion, as previously alluded to, is presented more as a final brief on the case or a brief on a motion for summary judgment, in large part discussing the merits of the claims being asserted, and attempting to refute them with evidence, rather than focusing on the sufficiency of the allegations. Applicant's arguments display a misunderstanding of the basis of a motion to dismiss, and further the grounds for opposition of an application before the Trademark Trial and Appeal Board. Applicant repeatedly asserts in its motion and reply brief that there is "no evidence," and that opposers' failed to provide "evidence" to support their claims. *See, e.g.* Motion to Dismiss, pp. 18, 20, 21, 23, and 24. It is important to again note that an opposer is not under a burden to *prove* its case in a notice of opposition, but simply to *plead* its claims sufficiently in order to place applicant on notice of the claims being brought against it. *See* Trademark Rule 2.104(a); Fed. R. Civ. P. 8(a); *Enbridge, Inc.*, 92 USPQ2d 1537, n.10 (TTAB 2009).

Additionally, applicant cites the Court of Appeals for the Second Circuit's decision in *Polaroid Corp. v. Polarad Elec. Corp.*, 298 F.2d 492 (2d. Cir.

⁴ However, opposer should note that the exhibits attached to the amended notice of opposition have not been considered, inasmuch as, with two exceptions not applicable here, exhibits should not be attached to pleadings. *See* Trademark Rule 2.122(c). Therefore, the Board will not consider opposers' exhibits to be a part of the record. If opposers want to rely on this evidence in support of a motion or at trial, it must be properly submitted at the appropriate time.

1961), to support its contention that opposers have failed to sufficiently plead their likelihood of confusion claim. However, a likelihood of confusion analysis before the Board is determined by an application of the 13-factor test outlined in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (C.C.P.A. 1973).

A claim of likelihood of confusion under Section 2(d), beyond priority, generally turns on two important factors: (1) similarity of the marks; and (2) relatedness and nature of the goods and/or services. *Id.* at 1361-62, 177 USPQ at 567A; *In re Viterra Inc.*, 671 F.3d 1358, 1361-62, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012); *In re Dakin's Miniatures Inc.*, 59 USPQ2d 1593, 1595-96 (TTAB 1999); TMEP §§ 1207.01 *et seq.*

A. Priority

Opposers allege that they “adopted and began using the trademark CRONUTS for sweet and savory doughnuts for goods sold in intrastate commerce before Applicants commenced using, and applied to register, the designation CRONUT for their goods.” Notice of Opposition, ¶ 2. Opposers’ allegation of use dating back before applicant’s filing date would, if proven, give opposers priority of use with regard to applicant’s constructive use date of May 19, 2013, its application filing date. This is the earliest date upon which applicant could rely without proof by “competent evidence” of an earlier date of actual use. *See* Trademark Rule 2.122(b)(2) (the date of use in an application is not evidence on behalf of the applicant; “a date of use of a

mark must be established by competent evidence”); *see also Coach Servs. Inc. v. Triumph Learning LLC*, 96 USPQ2d 1600, 1606 n.7 (TTAB 2010).

Therefore, opposer alleges a plausible claim to priority.

B. Similarity of the Marks & Relatedness of the Goods

Opposers allege in the amended notice of opposition that “Applicants’ designation CRONUT is substantially identical to Opposers’ CRONUTS mark.” Notice of Opposition, ¶ 5. Opposers also allege that the “goods set forth in Applicants’ CRONUT application include ‘doughnuts’ which encompasses all types of doughnuts and thus are identical to Opposers’ goods.” *Id.*, ¶ 6. Finally, opposers assert that prospective consumers “will likely be confused, mistaken or deceived as to the source, origin, affiliation, connection or association of Applicants’ goods.” *Id.*, ¶ 10.

Opposers have alleged facts regarding their priority and the similarity of the marks and relatedness of the goods, and damage to opposers that would result from the registration of applicant’s mark. These are sufficient facts that, if proven, would entitle opposers to the relief they seek under Section 2(d) of the Trademark Act. Inasmuch as opposers have alleged that registration of applicant’s mark is likely to cause confusion with opposers’ previously used and registered marks when used in connection with the goods and services claimed, opposers’ claim of likelihood of confusion is sufficiently pleaded.

Accordingly, applicant's motion to dismiss is **DENIED** with respect to opposers' likelihood of confusion claim.

- *Descriptiveness*

In order to sufficiently plead a claim of descriptiveness, an opposer must plead, and later prove, allegations that the subject mark conveys a "quality, feature, function, or characteristic," of the goods at issue. *See In re Bayer Aktiengesellschaft*, 488 F.3d 960, 82 USPQ2d 1828, 1831 (Fed. Cir. 2007)(a mark is considered merely descriptive if it immediately conveys knowledge of a quality, feature, function, or characteristic of an applicant's goods or services). However, opposers' pleading, quoting the office action issued in relation to the '327 application is insufficient to properly plead opposers' claims. Not only is this not a pleading of opposers' own allegations, but rather a recitation of statements from the USPTO, but also inasmuch as the Board has not considered the exhibits attached to opposers' pleadings, this claim is not supported by any facts contained in the notice of opposition.

Accordingly, applicant's motion to dismiss is **GRANTED** in relation to opposers' claim of descriptiveness, and that claim is **DISMISSED without prejudice**.

- *Lack of Bona Fide Intent to Use*

The assertion of a bona fide intent to use a mark is an assertion an applicant makes in connection with an application filed under Trademark Act Section 1(b). It is a declaration that applicant is making preparations or is

prepared to use the mark in commerce prior to the issuance of a registration. *See SmithKline Beecham Corp. v. Omnisource DDS LLC*, 97 USPQ2d 1300 (TTAB 2010). This declaration is not necessary in the context of an application, such as the subject application, filed under Section 1(a), which alleges that the mark is already in use in commerce. Inasmuch as applicant averred not to an intent to use in its application, but that its mark is already in use in commerce, this claim appears to be facially implausible and applicant's motion to dismiss is **GRANTED** to the extent that applicant is attempting to assert a claim of lack of bona fide *intent*. However, the Board notes that opposers also assert a possible claim of nonuse, and therefore, to the extent any of opposers' allegations support that claim, the Board will not strike the allegations and will consider them as amplifications of that claim.

- *Misuse of the Registration Symbol*

In the context of an *inter partes* proceeding before the Board, in order to form a basis to defeat an applicant's rights to registration, an allegation of misuse of the registration symbol must have arisen from applicant's intent to deceive the purchasing public or others in the trade into believing that the mark was in fact registered. *See Wells Fargo*, 20 USPQ2d at 1158; *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 27 (CCPA 1976) *aff'g* 189 USPQ 310, 314 (TTAB 1975) ("improper use of a registration notice by an applicant is actionable only when it can be conclusively established that such use was occasioned by an intent, actual or

implied, to deceive the purchasing public or even others in the trade into believing that the mark is in fact a registered mark entitled to all the presumptions under Section 7(b) of the Statute.”). Such a claim presents a question of fraud.

An allegation of fraud must assert the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b). Under Rule 9(b), together with Fed. R. Civ. P. 11 and USPTO Rule 11.18, “the pleadings [must] contain explicit rather than implied expression of the circumstances constituting fraud.” *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478 (TTAB 2009) *citing King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981).

Opposers have alleged that applicant was mistakenly issued a registration for the mark CRONUT on January 14, 2014, but that the USPTO, citing a clerical error, cancelled the registration and informed applicant of such cancellation on February 21, 2014. However, opposer alleges that applicant has nonetheless continued using the registration symbol and asserting its “registration” in its “enforcement efforts,” and is thus “intentionally misusing the registration symbol in an attempt to deceive the public into believing their CRONUT mark is registered.”

Consequently, opposers' claim that applicant has misused the trademark registration symbol appears sufficiently pleaded.⁵ Therefore, applicant's motion to dismiss is **DENIED** with regard to this claim.

- *Nonuse/Fraud*

In their fifth and final count opposers allege fraud in applicant's prosecution of its Section 1(a), use-based application for registration. The Board construes this as a claim of nonuse. Nonuse of a mark that is subject to an application filed under Section 1(a) of the Trademark Act is valid grounds for an opposition. *See* Trademark Act Section 1(a), 15 U.S.C. § 1051(a); *See, e.g., Int'l Mobile Machines Corp. v. Int'l Tel. and Tel. Corp.*, 800 F.2d 1118, 231 USPQ 142 (Fed. Cir. 1986); *ShutEmDown Sports Inc. v. Lacy*, 102 USPQ2d 1036 (TTAB 2012). However, this claim does not necessarily constitute fraud and the requirements for pleading nonuse do not equate to the requirements for pleading fraud. *See ShutEmDown Sports*, 102 USPQ2d at 1045; *SmithKline Beecham Corp. v. Omnisource DDS LLS*, 97 USPQ2d 1300, 1305 (TTAB 2010). "The law is clear that an application can be held void if the plaintiff pleads and [later] proves either fraud or nonuse of a mark for all identified goods or services prior to the application filing date."

⁵ However, opposer is reminded that there is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981). Unless a party alleging fraud can point to clear and convincing evidence that supports drawing an inference of deceptive intent, it will not be entitled to judgment on a fraud claim. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1942 (Fed. Cir. 2009). Any doubt must be resolved against the party making a claim of fraud. *Id.* at 1939.

ShutEmDown Sports, 102 USPQ2d at 1045 (citing *Grand Canyon West Ranch LLC v. Hualapai Tribe*, 78 USPQ2d 1696, 1697 (TTAB 2006)).

Accordingly, inasmuch as opposer has alleged that “at the time [applicant’s counsel] signed said declaration, Applicants had not used the CRONUT mark for the goods in their application,” and that applicant’s “statement that the mark was in use for all of the goods was a false representation,” it appears opposer has sufficiently pleaded a claim of nonuse.

Accordingly, applicant’s motion to dismiss is **DENIED** with respect to this fifth count.

It is the Board's policy to allow amendment of pleadings found to be insufficient upon challenge under Fed. R. Civ. P. 12(b)(6). See *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1208 (TTAB 1997). In view thereof, opposer is allowed until **TWENTY DAYS** from the mailing date of this order to submit an amended notice of opposition repleading its descriptiveness claim, if possible, justified and appropriate. Respondent is allowed until **November 7, 2014**, to file an amended answer thereto, if desired or warranted. If opposer fails to file an amended notice of opposition within the time allowed, the proceeding will go forward as to the claims of likelihood of confusion, misuse of the trademark symbol, and nonuse and all other claims will stand dismissed with prejudice.

Schedule

The remaining conferencing, disclosure, discovery, and trial dates are reset as follows:

Time to Answer	11/7/2014
Deadline for Discovery Conference	12/7/2014
Discovery Opens	12/7/2014
Initial Disclosures Due	1/6/2015
Expert Disclosures Due	5/6/2015
Discovery Closes	6/5/2015
Plaintiff's Pretrial Disclosures	7/20/2015
Plaintiff's 30-day Trial Period Ends	9/3/2015
Defendant's Pretrial Disclosures	9/18/2015
Defendant's 30-day Trial Period Ends	11/2/2015
Plaintiff's Rebuttal Disclosures	11/17/2015
Plaintiff's 15-day Rebuttal Period Ends	12/17/2015

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 taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.