UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: January 21, 2015

Opposition No. 91216429

Proto Labs, Inc.

v.

NextLine Manufacturing, Inc.

By the Trademark Trial and Appeal Board:

This case comes up on Applicant's motion to dismiss the amended notice of opposition pursuant to Fed. R. Civ. P. 12(b)(6) for failure to state a claim, and applicant's combined motion for entry of judgment and amendment of the opposed applications. The motions are fully briefed.

NextLine Manufacturing, Inc. (Applicant) seeks registration of the following marks, all in standard characters:

App. No. 86100092 App. No. 86100112 Filed 10/24/13 Dates of Use: 1/15/13 &10/22/13	NEXTLINE NEXTLINE MANUFACTURING [MANUFACTURING disclaimed]	Manufacture of plastic and metal parts to order and/or specification of others
App. No. 86100123 Dates of Use: 9/17/13 & 10/23/13 Filed 10/24/13 App. No. 86100133	NEXTQUOTE XPRESS FLOW	Software as a service (SAAS) services featuring software for use by design engineers and manufacturers, namely, to prepare cost estimates for

Dates of Use: 9/17/13 & 10/22/13 Filed 10/24/13		the production of low volume custom designed plastic and metal parts

On May 16, 2015, Proto Labs, Inc. (Opposer) filed a consolidated notice of opposition pleading priority of use and likelihood of confusion with Opposer's pleaded marks, nonuse at the time the use-based applications were filed, and fraud. On June 20, 2014, Applicant moved to dismiss the notice of opposition for failure to state a claim.

On July 14, 2014, Opposer filed an amended notice of opposition. A party to an inter partes proceeding before the Board may amend its pleading once as a matter of course at any time before a responsive pleading is served. Fed. R. Civ. P. 15(a). Accordingly, opposer's amended notice of opposition is accepted as the operative pleading.

On July 28, 2014, Applicant filed a renewed motion to dismiss which contends that the deficiencies in the original notice of opposition were not corrected in the amended pleading, and that the amended notice of opposition should be dismissed. At the same time, Applicant filed a combined motion to amend its four opposed applications to include dates of use in commerce after the filing date of the applications, and for entry of judgment with respect to two of the opposed applications.

Opposer filed a response to the renewed motion to dismiss, and a response to applicant's combined motion which noted that, inasmuch as Applicant admits that its mark was not in use when a filed its use-based

applications, Opposer is entitled to entry of judgment as to all four opposed applications.

Applicant filed a reply brief in support of its combined motion which contends that, because opposer's amended pleading is insufficient, and because applicant may amend its applications to seek registration under Trademark Act Sec. 1(b), entry of judgment should be limited to the two applications for which Applicant provided consent.

MOTION TO DISMISS AMENDED NOTICE OF OPPOSITION DENIED

To withstand a motion to dismiss for failure to state a claim upon which relief may be granted, a notice of opposition need only allege such facts as would, if proven, establish Opposer's standing to maintain the proceeding and a ground or grounds for refusing registration to applicant. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000). Specifically, a complaint "must contain sufficient factual 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's pleading of its registrations pleads standing to oppose registration of applicant's mark. *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

The amended notice of opposition alleges that the parties are direct competitors; that Opposer uses, directly or through a predecessor in interest,

the marks PROTOQUOTE, PROTOFLOW, FIRST CUT, FIRSTQUOTE, FINELINE, and FINELINE PROTYPING on services which compete with the goods and services in the listed applications; that the marks are similar; that Opposer's use is earlier than Applicant's use; that at least one employee of applicant was aware of Opposer's use; that Applicant uses photographs of Opposer's goods to advertise Applicant's services; that there is a likelihood of confusion between the parties' marks; that as of November 11, 2013, Applicant was a new company that had no production capabilities and had made no sales; that Applicant had not used the opposed marks in commerce before filing its applications alleging use in commerce; that Applicant's Chief Operating Officer Patrick Hunter knew that the marks were not in use at the time he signed the declarations in each of the opposed applications with averments of use in commerce; that he filed the applications intending to mislead USPTO; and that the declarations were executed fraudulently.

By pleading likelihood of confusion with registered and common law marks, Opposer adequately pleads its priority. *King Candy Co. v. Eunice Kings's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). The notice of opposition plainly alleges in support of its likelihood of confusion claim that the marks are similar and the goods and services are competing. No more is necessary for a legally sufficient claim under Trademark Act Sec. 2(d). *See Petroleos Mexicanos v. Intermix S.A.*, 97 USPQ2d 1403, 1406-1407 (TTAB 2010). With respect to the nonuse claim, the Board finds that

Opposer's allegations that Applicant had not used the various marks at the time the respective applications were filed is sufficient. *ShutEmDown Sports Inc. v. Lacy*, 102 USPQ2d 1036, 1042 (TTAB 2012). Finally, with respect to Opposer's fraud claim, the Board finds that Opposer's allegations that Applicant was a new entity with no production capacity provides the necessary detail to support the allegations of fraudulent intent in signing declarations with its applications with averments of use in commerce. *See Daimlerchrysler Corporation and Chrysler, LLC v. American Motors Corporation*, 94 USPQ2D 1086, 1088-1089 (TTAB 2010). The Board is not persuaded by Applicant's contentions that the notice of opposition is confusing, that the pleading of fraudulent intent is insufficient, or that all facts relevant to Opposer's ownership of pleaded marks must be pleaded. Accordingly, Applicant's motion to dismiss the amended notice of opposition pursuant to Fed. R. Civ. P. 12(b)(6) for failure to state a claim is DENIED.

The Board *sua sponte* strikes notice of opposition Par. 47 because opposer's reference to "other of its applied-for marks" is redundant if referring to the opposed marks, and unacceptably vague if it refers to marks of Applicant which are not the subject of this opposition. See Fed. R. Civ. P. 12(f); *Internet Inc. v. Corporation for National Research Initiatives,* 38 USPQ2d 1435, 1438 (TTAB 1996) (on its own initiative, the Board struck paragraph Nos. 8 and 9 of the notice of opposition). The Board also *sua sponte* strikes the first sentence of notice of opposition Par. 48 which refers to

copyright infringement and false advertising. The Board's jurisdiction is limited to issues of trademark registrability. *UMG Recordings Inc. v. Mattel Inc.*, 100 USPQ2d 1868, 1873 (TTAB 2011). This is the wrong forum for consideration of copyright infringement and false advertising, which is the purview of a civil court. To the extent that the remainder of the paragraph refers to Applicant's actions which may bear on the likelihood of confusion claim, it remains part of the pleading.

Applicant is allowed THIRTY DAYS from the mailing date of this order to file an answer to the amended notice of opposition.

APPLICANT'S COMBINED MOTION IS DENIED IN PART AND DEFERRED IN PART

In an application under §1(a) of the Trademark Act, the applicant may amend the dates of use to adopt a date of use that is earlier than the date originally stated or later than the date originally stated, but before the application filing date. The applicant may not amend to specify a date of use that is later than the filing date of the application. *See* Trademark Rule 2.71(c)(1); Trademark Manual of Examining Procedure § 903.04 (2014)("TMEP"). Inasmuch as all four opposed applications were filed on October 24, 2013, Applicant's motion to amend the dates of use in commerce to January 28, 2014 is DENIED.

Applicant is allowed until THIRTY DAYS from the mailing date of this order to file amendments to the basis for each opposed application to Trademark Act Sec. 1(b), failing which the Board will enter judgment for

Opposer as to the claim of nonuse for each opposed application.[1] *See Bank of America National Trust & Savings Association v. First National Bank of Allentown*, 220 USPQ 892, 894 n.6 (TTAB 1984) (opposer elected to adjudicate pleaded issues where applicant had conceded that use was not made until after filing date, and its application was held void *ab initio*). If the amendment is accepted, the nonuse claim will be dismissed as moot.[2]

Applicant must clarify its intent with respect to opposed Application Serial Nos. 86100123 (NEXTQUOTES) and 86100133 (XPRESSFLOW) and its statement that Applicant "consents to judgment" pertaining to those applications. If the applicant files a written abandonment of the application without the written consent of every adverse party to the proceeding, judgment shall be entered against the applicant. *See* Trademark Rule 2.135. Judgment is entered with respect to all pleaded claims, which in this case includes likelihood of confusion, nonuse, and fraud.

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[1] The amendment of an application that is the subject of an inter partes proceeding before the TTAB is governed by 37 C.F.R. §2.133(a). In an application filed under §1(a), if the §1(a) basis fails, either because the specimens are unacceptable or because the mark was not in use in commerce when the application was filed, the Applicant may substitute §1(b) as a basis and the application will retain the original filing date. The USPTO will presume that the Applicant had a continuing valid basis unless there is contradictory evidence in the record. 37 C.F.R. §2.35(b)(3). Although there is a presumption of a continuing valid basis, when amending from §1(a) to §1(b), <u>the Applicant must confirm the presumption by submitting a verified statement that the Applicant has a bona fide intention to use the mark in commerce on or in connection with the goods/services, and that the Applicant had a bona fide intention to use the mark in commerce on or in connection with the goods/services as of the application filing date</u>. 15 U.S.C. §1051(b)(3)(B); 37 C.F.R. §2.34(a)(2); TMEP 806.03 (a).

[2] Amendment of the opposed applications to assert an intent to use basis will not render the fraud claim moot. *See Grand Canyon West Ranch, LLC v. Hualapai Tribe*, 78 USPQ2d 1696 (TTAB 2006).

In its discretion the Board may allow entry of judgment on one claim and then dismiss the proceeding, but this depends on the individual circumstances, including whether one of the claims to be dismissed without entry of judgment would potentially have a preclusive effect in a future application to register the mark. *Multisorb Technologies, Inc. v. Pactiv Corporation*, 109 USPQ2d 1170 (TTAB 2013). Generally, the Board will allow the plaintiff to choose whether its remaining claims should be dismissed or proceed to trial.

Accordingly, Applicant is allowed until THIRTY DAYS from the mailing date of this order to file written notice that Applicant consents to entry of judgment on all pleaded claims with respect to Application Serial Nos. 86100123 (NEXTQUOTES) and 86100133 (XPRESSFLOW); OR moves for entry of judgment on specific claims with respect to Application Serial Nos. 86100123 (NEXTQUOTES) and 86100133 (XPRESSFLOW), AND, if the Board will not approve entry of judgment on less than all pleaded claims, specifies whether Applicant withdraws its consent to entry of judgment entirely, or consents to entry of judgment on the specified claims, and will litigate the remaining claims.

Proceedings herein are suspended pending Applicant's response to this order.