

ESTTA Tracking number: **ESTTA615363**

Filing date: **07/14/2014**

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

Proceeding	91216429
Party	Plaintiff Proto Labs, Inc.
Correspondence Address	Jeffrey D. Shewchuk Shewchuk IP Services, LLC 3356 Sherman Court, Suite 102 Eagan, MN 55121 UNITED STATES jdshechuk@comcast.net
Submission	Opposition/Response to Motion
Filer's Name	Jeffrey D. Shewchuk
Filer's e-mail	jdshechuk@comcast.net
Signature	/JDS/
Date	07/14/2014
Attachments	12b6 brief.pdf(114885 bytes)

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

Proto Labs, Inc.)	
)	Opposition No. 91/216,429
)	
Opposer)	Serial Nos.: 86/100,092, 86/100,112
)	86/100,123 and 86/100,133
v.)	
)	Marks: NextLine, NextLine
Nextline Manufacturing, Inc.)	Manufacturing, NextQuote and
)	Xpress Flow
Applicant)	
)	OG Publ. Dates: April 8 and March 18, 2014

PROTO LABS’ BRIEF IN RESPONSE TO APPLICANT’S 12(B)(6) MOTION

Opposer Proto Labs, Inc. (“Proto Labs”) hereby files this brief in response to Applicant NextLine Manufacturing Corp.’s Motion under Rule 12(b)(6) to Dismiss (“Applicant’s 12(b)(6) Motion”), served June 23, 2014. In its First Amended Notice of Opposition¹ covering 60 numbered paragraphs (39 pages in its entirety, ESTTA Doc. 5), Proto Labs amply pleaded its Opposition against four applications on grounds of a) likelihood of confusion, based upon six marks (PROTOQUOTE, PROTOFLOW, FIRST CUT, FIRSTQUOTE, FINELINE and FINELINE PROTOTYPING) owned by Proto Labs; (b) fraud, which was pleaded with particularity on two (no use, unused specimen) separate grounds; (c) failure to file a proper specimen of use; **AND** (d) failure to have used the mark in commerce. Applicant’s 12(b)(6) Motion is meritless and should be denied.

¹The First Amended Notice of Opposition adds grounds for opposition based on Applicant’s lack of **any** use of the marks in commerce as of the October 24, 2013 filing date, not merely lack of use of the specimens. The allegations supporting the original grounds (likelihood of confusion, fraud regarding specimen, and lack of a proper specimen) remain unamended.

ARGUMENT

A. As a Competitor with Six Conflicting Marks, Proto Labs Has Amply Pleaded Standing.

The first stated basis for Applicant's 12(b)(6) motion is an assertion that Proto Labs lacks standing to oppose. "With respect to standing, petitioner must allege facts which, if ultimately proven, would establish that petitioner has a "real interest," i.e., a "personal stake," in the proceeding." *Doyle v. Al Johnson's Swedish Restaurant & Butik, Inc.*, 101 USPQ2d 1780 (TTAB 2012)(finding no standing because there was no relationship between respondent's service mark and petitioner's taking of photographs of goats on grass roofs).

Applicant is a "direct competitor to Proto Labs in the prototyping market of manufacturing low volume plastic and metal parts to the designs custom specified by the customer." Notice of Opposition, para. 3. Direct competitors have standing to oppose. *Kistner Concrete Products Inc. v. Contech Arch Technologies, Inc.*, 97 USPQ2d 1912, 1918 (TTAB 2011) ("Petitioner has demonstrated a real interest in this proceeding given that it is a competitor in the bridge and culvert industry."); *Stuart Spector Designs, Ltd. v. Fender Musical Instruments Corp.*, 94 USPQ2d 1549, 1553 (TTAB 2009) ("Each opposer has demonstrated a real interest in preventing registration of the proposed marks as they are either competitors (guitar manufacturers and/or sellers) or retailers of the goods in the applications."); *Yamaha Int'l Corp. v. Hoshino Gakki Co., Ltd.*, 231 USPQ 926, 931 (TTAB 1986)("Opposer has pleaded... that it is a competitor of applicant in the sale of guitars in the United States, hence demonstrating the requisite 'real interest' in this proceeding required for standing"); *Plyboo America Inc. v. Smith & Fong Co.*, 51 USPQ2d 1633, 1634 (TTAB 1999)(direct competitor has standing to oppose). Having pleaded direct competition, Proto Labs has standing.

Proto Labs has used and owns six marks of relevance: PROTOQUOTE, PROTOFLOW, FIRST CUT, FIRSTQUOTE, FINELINE and FINELINE PROTOTYPING. Notice of Opposition, paras. 5 and 7. "The allegation that plaintiff uses a similar common law mark on the same or related goods or services is sufficient to plead that plaintiff has a real interest in the proceeding, and therefore has standing." *Threshold.TV, Inc. and Blackbelt TV, Inc. v. Metronome Enterprises, Inc.*, 96 U.S.P.Q.2d 1031, 1036 (TTAB 2010). Having pleaded ownership of six marks in conflict with the applications, Proto Labs has standing.

"If a plaintiff can show standing on one ground, it has the right to assert any other grounds in an opposition or cancellation proceeding." TBMP 309.03(b); *Petróleos Mexicanos v. Intermix S.A.*, 97 U.S.P.Q.2d 1403 (TTAB 2010), citing *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 U.S.P.Q. 185, 188 (CCPA 1982); *Enbridge Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1543 n.10 (TTAB 2009), *Liberty Trouser Co., Inc. v. Liberty & Co.*, 222 USPQ 357, 358 (TTAB 1983).

Given Proto Lab's pleading of direct competition and ownership of six marks that conflict with the marks Applicant seeks to register, Applicant's argument that Proto Labs lacks a "real interest" in the opposition proceeding is entirely baseless. Proto Labs has pleaded standing, and Applicant's 12(b)(6) Motion should be denied.

B. There Is No Requirement That Proto Labs Plead Four Grounds Against Each Of Four Marks As Twelve Separate "Counts".

As stated in the ESTTA generated cover sheet of the Notice of Opposition, Proto Labs's Grounds for Opposition are:

Grounds for Opposition

Priority and likelihood of confusion	Trademark Act section 2(d)
<i>Torres v. Cantine Torresella S.r.l.Fraud</i>	808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986)
Other	Mark/specimen not having been commercially used at time of filing

With regard to each of the four marks opposed, after setting forth the various facts including alleging fraud with particularity, the text of the First Amended Notice Of Opposition sets forth the grounds for opposition such as follows:

49. Application no. 86/100,092 is not registrable under 15 U.S.C. 1052(d), and Opposer Proto Labs would be damaged by the registration of application no. 86/100,092 within the meaning of 15 U.S.C. 1063(a).
50. Upon information and belief, application no. 86/100,092 is not registrable because the declaration in application no. 86/100,092 was executed fraudulently, and because the specimen submitted in application no. 86/100,092 was not in use in commerce.
51. Upon information and belief, application no. 86/100,092 is not registrable because the declaration in application no. 86/100,092 was executed fraudulently, and because the mark of application no. 86/100,092 was not in use in commerce under 15 U.S.C. 1051(a)(1).

The second stated basis for Applicant's 12(b)(6) Motion is an assertion that these four grounds for opposition (likelihood of confusion, fraud on two bases, improper specimen, no use) against the four marks are impermissibly "comingled in a single count that fails to distinguish between the two causes of action (sic, four grounds for opposition against each of four applications, i.e., arguably sixteen causes of action)". None of the caselaw cited by Applicant stands for the proposition that a notice of opposition fails to state a claim whenever each ground for opposition is not set forth in a separate "count". Like Fed. R. Civ. Pro. 8, the Notice of Opposition need only set forth "a short and plain statement" of the claim. 37 CFR § 2.101(b). "A pleading should include enough detail to give the defendant fair notice of the basis for each

claim. The elements of each claim should be stated simply, concisely, and directly, and taken together 'state a claim to relief that is plausible on its face.'" TBMP 309.03(a)(2). Like Fed. R. Civ. Pro. 10(b), the TBMP suggests that separate counts be used when each claim is "founded upon a separate transaction or occurrence" and then only "whenever a separation would facilitate the clear presentation of the matters pleaded". *Id.* The Suggested Format for Notice of Opposition promulgated by the U.S. Patent and Trademark Office does not use separate "counts": see <http://www.uspto.gov/web/offices/dcom/ttab/oppositionformat.pdf>

In the instant case, all four applications which are being opposed were filed on the same day, and all creating a likelihood of confusion with the trademark portfolio of Proto Labs by combining various portions of Proto Labs' marks. The specific activity of Applicant which created the likelihood of confusion is set forth in paragraphs 9-11 (for App. No. 86/100,092), 19-22 (for App. No. 86/100,112), 29-31 (for App. No. 86/100,123), 38-40 (for App. No. 86/100,133) and 38 and 39 (relevant to all four applications), in short and plain statements giving Applicant fair notice of the basis for each claim. Because Applicant's activities for the four applications are all interrelated and commingled and pertain to six different marks of Proto Labs, the claims in this case are not "founded upon a separate transaction or occurrence" within the meaning of TBMP 309.03(a)(2) and Fed. R. Civ. Pro. 10(b).

In the instant case, on the day when Applicant filed all four applications, Applicant had not used the marks in commerce, and fraudulently declared dates of first use in commerce and current use in commerce. Because Applicant's fraud and failure to use the marks in commerce for all four applications is integrated and commingled, the claims in this case are not "founded upon a separate transaction or occurrence" within the meaning of TBMP 309.03(a)(2) and Fed. R. Civ. Pro. 10(b).

In the instant case, Applicant filed specimens which had not been used in commerce, and then fraudulently declared that the specimens submitted showed each mark as used in commerce. Because Applicant's fraud and failure to submit proper specimens for all four applications is integrated and commingled, the claims in this case are not "founded upon a separate transaction or occurrence" within the meaning of TBMP 309.03(a)(2) and Fed. R. Civ. Pro. 10(b).

Even if the four grounds of opposition for each of the four applications are each determined to be founded on sixteen different "transactions or occurrences", separating the Notice of Opposition into sixteen different counts would not "facilitate the clear presentation of the matters pleaded".

The Notice of Opposition, in a short and plain statement, provides Applicant with fair notice of the four grounds of opposition against each of the four applications. There is no requirement that this be set forth in sixteen separate counts. Applicant's 12(b)(6) Motion should be denied.

C. Proto Labs Has Pleaded Fraud With Particularity, And Intent May Be Averred Generally.

The third stated basis for Applicant's 12(b)(6) Motion is an assertion that Proto Labs has not pleaded fraud with particularity. Under Fed. R. Civ. Pro. 9(b), "In alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake. Malice, intent, knowledge, and other conditions of a person's mind may be alleged generally." In the instant case, Proto Labs allegations of fraud set forth the specific who (Patrick Hunter), when (October 24, 2013), where (in the application filing papers to the U.S. Patent and Trademark Office) and what (submitting a specimen which had not been used in commerce and a fraudulent declaration) of the fraudulent conduct.

Applicant's only objection to the specificity of the Notice of Opposition appears to be directed to the subjective intent to deceive of Mr. Hunter. However, as quoted above, Rule 9 does not require subjective intent to be alleged with particularity. Subjective intent may be alleged generally. The cases cited by Applicant, to the extent that they relate to subjective intent, all appear to be summary judgment cases, not 12(b)(6) pleading cases. The standard on summary judgment, going to the adequacy of a party's proof, is a very different matter than stating a claim in pleading. Proto Labs does not have to prove subjective intent as part of its pleading, and Applicant's 12(b)(6) Motion should be denied.

D. Details Of Ownership Are Evidentiary Matters For Proof, Not For Pleading.

The fourth stated basis for Applicant's 12(b)(6) Motion is an assertion that Proto Labs has not provided detailed allegations of ownership of its marks. Ownership of Proto Labs' marks is stated in the Notice of Opposition as follows:

4. Opposer Proto Labs is the owner of a portfolio of trademark/service mark applications and registrations and common-law trademark rights in the field of manufacturing low volume plastic and metal parts to the designs custom specified by the customer.

5. Opposer Proto Labs is the owner of, inter alia, the following registered U.S. Service Marks:

Mark	Serial No.	Filing Date	Grant No.	Grant Date
PROTOQUOTE	76/404,904	May 9, 2002	2,686,351	Feb. 11, 2003
PROTOFLOW	78/360,807	Feb. 2, 2004	3,294,603	Sep. 18, 2007
FIRST CUT	78/938,621	Jul. 27, 2006	3,268,122	Jul. 24, 2007
FIRSTQUOTE	77/086,637	Jan. 18, 2007	3,390,900	Mar. 4, 2008

* * * Proto Labs is also the owner of common law rights associated with each of these four listed marks as a result of Proto Labs' use of the marks in commerce, such use having begun long prior to October 24, 2013.

7. Opposer Proto Labs is also the owner of the following application to register U.S. Service Mark:

Mark	Serial No.	Filing Date

FINELINE	85/811,866	Apr. 24, 2014
-----------------	------------	---------------

* * * Proto Labs is also the owner, via assignment, of common law rights associated with FINELINE and FINELINE PROTOTYPING as a result of Proto Labs' predecessor-in-interest's use of the marks in commerce, beginning with a first use date at least as early as June 2001.

Fed. R. Civ. Pro. 9 (b) requires only "fraud or mistake" to be stated "with particularity". Proto Labs' ownership of the six marks identified in the Notice of Opposition is not an allegation of "fraud or mistake", and there is no requirement that ownership be pleaded "with particularity".

All of the caselaw that Applicant cites appear to be summary judgment cases, not 12(b)(6) pleading cases. See *Lucent Information Management, Inc. v. Lucent Technologies, Inc.*, 186 F.3d 311, 51 U.S.P.Q.2d 1545 (3rd Cir. 1999), *cert. denied*, 528 U.S. 1106 (2000); *Scholastic, Inc. v. Macmillan, Inc.*, 650 F.Supp. 866, 2 U.S.P.Q.2d 1191 (S.D.N.Y. 1987); *McDonald's Corp. v. Burger King Corp.*, 107 F.Supp.2d 787 (D. Mich. 2000). Applicant's brief acknowledges that these are all summary judgment cases, but fails to understand that the standard of evidentiary proof on summary judgment is very different from the "short and plain statement" required in pleading. The sole case treated in Applicant's brief as a 12(b)(6) case, *T.A.B. Systems v. Pac Tel Teletrac*, 77 F.3d 1372, 37 U.S.P.Q. 1879 (Fed. Cir. 1996), is a summary judgment case completely unrelated to the proposition Applicant cites it for. In *T.A.B. Systems*, the Federal Circuit reversed the TTAB's grant of opposer's summary judgment motion on the basis that opposer's evidence of analogous use prior to applicant's adoption date left an open issue of fact. Applicant's summarization of the *T.A.B. Systems* holding is completely different than the actual holding. Such summary judgment caselaw on common law priority and analogous use is entirely irrelevant to whether ownership needs to be pleaded with particularity.

Applicant's argument that the Notice of Opposition did not detail the "nature and extent of the alleged prior use", the "circumstances by which Opposer" acquired rights, and the

“manner, extent or geographic area” in which Proto Labs’ marks were used are all evidentiary matters, which are not required to be pleaded with particularity in order to state a claim for relief. Such evidentiary matters should not be pleaded, as they are matters for proof, not for pleading. See TBMP 309.03(a)(2), (“Evidentiary matters (such as, for example, lists of publications or articles in which a term sought to be registered by an applicant is alleged to be used descriptively) should not be pleaded in a complaint. They are matters for proof, not for pleading.”); TBMP 311.02(b) (“Evidentiary matters (such as, for example, lists of third-party registrations on which defendant intends to rely) should not be pleaded in an answer. They are matters for proof, not for pleading.”).

There is no requirement for ownership to be pleaded with particularity. The details of Proto Labs’ ownership of its trademark portfolio are evidentiary matters for proof, not for pleading. Applicant’s 12(b)(6) Motion should be denied.

CONCLUSION

Proto Labs has standing, and has amply pleaded its Opposition against four applications on grounds of a) likelihood of confusion, based upon six marks (PROTOQUOTE, PROTOFLOW, FIRST CUT, FIRSTQUOTE, FINELINE and FINELINE PROTOTYPING) owned by Proto Labs; (b) fraud, which was pleaded with particularity on two (no use, unused specimen) separate grounds; (c) failure to file a proper specimen of use; **AND** (d) failure to have used the mark in commerce. Applicant's 12(b)(6) Motion is meritless and should be denied.

Respectfully submitted,

SHEWCHUK IP SERVICES, LLC

By: /JDS/

Jeffrey D. Shewchuk
SHEWCHUK IP SERVICES, LLC
3356 Sherman Court, Suite 102
Eagan, MN 55121
Telephone: (651) 331-9558
Fax: (651) 688-3348

Attorney for Opposer Proto Labs, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing PROTO LABS' BRIEF IN RESPONSE TO APPLICANT'S 12(B)(6) MOTION has been served on Applicant Nextline Manufacturing Corp. by mailing said copy on July 14, 2014, via First Class Mail, postage prepaid to:

Bruce A. McDonald
BUCHANAN INGERSOLL & ROONEY PC
1700 K St., N.W., Suite 300
Washington, D.C. 20006

By: /JDS/_____

Jeffrey D. Shewchuk