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

IN THE MATTER OF TRADEMARK APPLICATION SERIAL NO. 86346513

TTAB

VICTORIA KHEEL, Opposer, vs. **LIONS GATE ENTERTAINMENT INC,** Applicant.	**Opposition No**: 91-222461 For the Mark: POPI Filing Date: July 24, 2014 Published for Opposition: April 21, 2015 Examining Attorney: Eric Sable

OPPOSER VICTORIA KHEELS OPPOSITION TO APPLICANT LIONSGATE MOTION REQUEST FOR JUDICIAL NOTICE

Opposer Victoria Kheel hereby opposes Applicant Lionsgate Entertainment Inc.'s ("Applicant" or "Lionsgate") Request for Judicial Notice.

I. Introduction.

Opposer Victoria Kheel submits the following Opposition to Applicant Lionsgate's Request for Judicial Notice submitted in conjunction with its 12(b)(6) Motion to Dismiss against Opposers fraud claim. Applicant has filed a Request for Judicial Notice of: "printouts from Merriam-Webster.com reflecting (1) that it does not include a definition for the word popi and (2) the definition of the word poppy."

II. Argument

Opposer objects to the introduction of this dictionary printout via this Request for Judicial Notice on the grounds that a motion to dismiss for failure to state claim is a test solely of the legal sufficiency of a complaint and the court cannot consider matters outside the pleadings in ruling on a Rule 12(b)(6) motion. Therefore, "Materials...submitted outside the pleadings to show that [party's] evidence lacks credibility, do not constitute matter of which we may take judicial notice, [and] these exhibits are excluded from consideration in determining the sufficiency of applicant's allegations." *Caymus Vineyards, supra*, 7, 2013 WL 6665451, at *2; TBMP § 503.02 (explaining that "a plaintiff served with a motion to dismiss for failure to state a claim upon which relief

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can be granted need not, and should not respond by submitting proofs in support of its complaint."). In other words, outside evidence is on no moment on a Rule 12 Motion.

Here Applicant seeks to introduce these dictionary printouts as new evidence concerning the meaning or connotation of the marks POPI and POPPY in order to ***prove, using outside evidence,*** that two marks ostensibly have different meanings under the *Dupont* factors test, and, thus, Applicant was not lying in its Response to Office Action when it said the two marks had different connotations and commercial impressions (as alleged in the Notice of Opposition).

Beyond the fact that what Applicant seeks to do with its RJN is procedurally forbidden on a Rule 12 Motion, the dictionary definitions are themselves a red-herring. The Notice of Opposition nowhere alleges, and Lionsgate never said in the Response to Office Action, that the two marks were distinguishable because poppy was a flower and POPI wasn't. Instead, the Notice of Opposition asserts, in relevant part, that Applicant misrepresented that the two marks were distinguishable in connotation and commercial impression based on the "natural, green and environmentally friendly products" sold on the website under the mark, not because of any connotation involving a flower. Because the Notice of Opposition never pleads any such fact, it cannot under any stretch of the imagination be used as a basis for dismissing a fraud claim for failure to state a claim.

III. Conclusion.

For the foregoing reasons, Ms. Kheel respectfully requests that Lionsgate's Request for Judicial Notice Be Denied.

Respectfully Submitted,

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Dated: September 28, 2015

CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing **OPPOSITION TO LIONSGATE'S REQUEST FOR JUDICIAL NOTICE** was served by first class mail, postage prepaid, on September 28 2015, upon Lions Gate Entertainment Inc.'s attorney of record at the following address of record of the USPTO:

Jill M. Pietrini

Sheppard, Mullin, Richter & Hampton LLP

1901 Avenue of the Stars, Suite 1600

Los Angeles, California 90067-6017

/Ilana Makovoz/
Ilana Makovoz

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as First-class mail in an envelope addressed to:

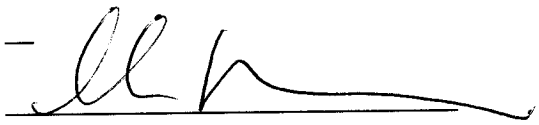
ATTN: Trademark Trial and Appeal Board

Commissioner for Trademarks

P.O. Box 1451

Alexandria, VA 22313-1451

on September 28, 2015



Ilana Makovoz, Esq.,

Attorney for Opposer Victoria Kheel

(Opposition No. 91-222461)

*Opposition to Lionsgate Entertainment Request for Judicial Notice

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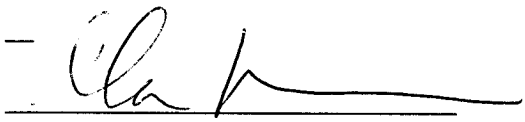

Ilana Makovoz, Esq.,

Attorney for Opposer Victoria Kheel

(Opposition No. 91-222461)

*Opposition to Lionsgate Entertainment Inc's Rule 12(b)(6) Motion

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

IN THE MATTER OF TRADEMARK APPLICATION SERIAL NO. 86346513

VICTORIA KHEEL, Opposer, vs. **LIONS GATE ENTERTAINMENT INC,** Applicant.	**Opposition No**: 91-222461 For the Mark: POPI Filing Date: July 24, 2014 Published for Opposition: April 21, 2015 Examining Attorney: Eric Sable

OPPOSER VICTORIA KHEELS OPPOSITION TO APPLICANT LIONSGATE MOTION TO DISMISS THE FRAUD CLAIM IN THE FIRST AMENDED NOTICE OF OPPOSOTION

Opposer Victoria Kheel hereby opposes Applicant Lionsgate Entertainment Inc.'s ("Applicant" or "Lionsgate") 12(b)(6) Motion to Dismiss the Fraud Claim in the First Amended Notice of Opposition ("Motion").

I. INTRODUCTION

As the age-old adage goes "Three things cannot hide for long: the Moon, the Sun and the Truth."[1] Lionsgate's 12(b)(6) Motion against Opposers' Fraud Claim indeed attempts to do away with the sun, the moon and especially the truth – all in a impossible bid to escape the plainly fraudulent statements it is pled to have made to the USPTO in its Response to Office Action ("Response to Office Action"), leading to a reversal of the Examining Attorney's original refusal to register on grounds of confusion with Opposer's mark. Thus, Lionsgate 12(b)(6) would have the Board implausibly believe that neither their ears, nor eyes can be trusted. The facts are not really facts. Sound isn't sound. The words plainly written on a page don't mean what they plainly say. Half-truths aren't lies. In fact, nothing said in "legal argument" can ever be true or false, because a lawyer said it! (Motion at 5-6). For one example, while Lionsgate told the Examining Attorney in its Response to Office Action ("Response")[2] that "**it is patently obvious that POPI and...POPPY...are completely different in...sound**" (Response at 8: 5-6), it now claims as a ***basis*** for its Motion to Dismiss that "in its office action response, Applicant never represents that POPI is pronounced differently than the "poppy"-portion of Opposer's mark."

[1] Buddha.

[2] Applicant references, attaches and, thus, incorporates its Response to Office Action as Exhibit A to its 12(b)(6) Motion. (Motion at 3).

(Motion at 8:22-23). Really? Because you did: "POPI and...POPPY...completely different in sound." (Response at 8: 5-6). Moreover, this is no isolated innocent representation. In its first Motion to Dismiss, Applicant also falsely told the TTAB "nowhere in its office action response does Applicant state that POPI is not pronounced 'poppy.'" (Response 8:22-23Applicant has been snared in its own net. As the old adage goes, if you tell the truth, you don't have to remember anything. To accept Lionsgate's contrived arguments for *why* Ms. Kheel has not stated a claim for fraud is to accept that "everything would be nonsense. Nothing would be what it is, because everything would be what it isn't."[3]

Applicant's entire 12(b)(6) is predicated on the grounds that "Opposer has not pleaded any false, material representations of fact made by Applicant. Thus, Opposer fails to state a claim for fraud." (Motion at 4). It therefore segues into an ad hoc mini-trial on the issue of the proof supporting the falsity of the statements as grounds for its 12(b)(6). It seeks to introduce evidence outside of the pleadings via RJN to prove the connotation of terms and makes new arguments as to meaning that it never raised in its Response to Office Action. None of these disputed issues are remotely appropriate as grounds for a 12(b)(6), which are meant to solely "challenge the legal theory of the complaint, not the sufficiency of any evidence that might be adduced." *Advanced Cardiovascular Sys., Inc. v. Scimed Life Sys., Inc.*, 988 F.2d 1157, 1160 (Fed. Cir. 1993).

In terms of the true pleading standard for fraud, a Notice of Opposition alleging "when and how the fraud allegedly occurred," "the content of the false representation," and identifying "what was obtained by reason of the asserted fraud" is sufficient to survive a motion to dismiss. *Caymus Vineyards v. Caymus Medical*, 2013 WL 6665451 (TTAB 2013) *3.[4] Ms. Kheel's Notice of Oppositon ("NOO") meets every single one of these pleading elements and, thus, cannot be subject to any motion to dismiss as a matter of law.

Lionsgate also improperly threatens Opposer and her attorney with Rule 11 Sanctions (see Lionsgate's Notice of Motion at p. 2:3-5). To Lionsgate, the sanctionable party isn't the one who made multiple (repeated) fraudulent misrepresentations to secure a registration and in two separate Motions to Dismiss, but the Registrant who merely points out this misdeeds in a duly filed Notice of Opposition -- as if baselessly threatening opposing

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[3] Lewis Carol, Alice in Wonderland ""If I had a world of my own, everything would be nonsense. Nothing would be what it is, because everything would be what it isn't. And contrary wise, what is, it wouldn't be. And what it wouldn't be, it would. You see?"

[4] No USPQ citation is available for this Precedential Opinion, thus, pursuant to TBMP § 101.03 (2015), in addition to the Westlaw citation, a parallel reference is provided to a USPTO public database, namely http://ttabvue.uspto.gov/ttabvue/v?pno=91204667&pty=OPP&eno=15 (Opposition No. 91204667), whereas the FOIA USPTO reading room is not active and cannot be cited

counsel/litigant with sanctions to improperly obtain the dismissal of a fraud claim as a litigation advantage, isn't itself a violation of Rule 11 and the Rules of Professional Conduct.5 Thus, it is respectfully submitted that Applicant's Motion be denied in full, or, alternatively, in the extremely unlikely case that the Motion is granted, Opposer be given a chance to amend her Notice of Opposition.

II. FACTS

In 2010, Victoria Kheel, a California mother of two sons, was suffering from terrible skin allergies her doctors could not cure. After taking a course in Holistic Nutrition she began to wonder whether her soap wasn't part of her problem. Victoria started making her own soap from all-natural ingredients, and within 6 months had cured herself, to her doctors great amazement. It was then Victoria decided to launch a new venture, using the mark Poppy's on the soap she was making. Victoria picked the mark Poppy's not because of any association with the poppy plant – which does not have any known cleaning properties or constitute any ingredient in the soap -- but because it was (and is) the name of her beloved bulldog, Poppy. Thus, the mark was entirely arbitrary. Ms. Kheel, along with one of her sons, Sebastian and Elijah Spader, run the company and Ms. Kheel has continuously used the mark Poppy's on soap and other goods from 2010 to the present.

On October 12, 2013 Ms. Kheel, filed in the USPTO an application to register the standard character mark POPPY's, in International Class 3 (U.S. registration number 4,537,279). On July 24, 2014, Applicant, Lions Gate Entertainment Inc., a California company, filed a Section 1(B) Intent to Use trademark application for the standard character mark POPI, assigned Serial No. 86,346,513 also in International Class 3. On August 25, 2014, the USPTO issued an Office Action Letter, advising Applicant that "Registration of the applied-for mark is refused because of a likelihood of confusion with the marks in U.S. Registration Nos. 2988454 and 4537279. The first registrant's mark (Reg. No. 2988454) is 'POPPY' for 'hair and scalp conditioner' in International Class 3. The second registrant's mark (Reg. No. 4537279) is 'POPPY'S' for a variety of items in International Class 3, including bath soaps, hand soaps, liquid soaps for hands, face and body, and soaps for personal use." On March 2, 2015, Applicant submitted a signed "Response to Office Action." In such Response to Office Action, Applicant made numerous fraudulent misrepresentations. In reliance on such material facts, the USPTO then indeed reversed its prior refusal and published the POPI mark for opposition.

[5] Applicant and Opposer's attorney are both subject to the California Rules of Professional Conduct.

On July 16, 2015, Applicant filed a First Motion to Dismiss for Failure to State a Claim pursuant to Rule 12(b)(6) against the fraud claim. The Motion was nearly identical to the present 12(b)(6) motion now pending before the TTAB and improper for all the same reasons stated in this Opposition. On August 5, 2015, Opposer elected to file a First Amended Notice of Opposition authorized as a matter of course by FRCP Rule 15 (1)(B) in order to plead ***yet more fraudulent misrepresentations*** on the part of Applicant. In her Amended Notice of Opposition, Applicant also listed not only the sound misrepresentation referenced above.

III. LEGAL ARGUMENT

A. LIONSGATE 12(B)(6) MOTION CANNOT BE GRANTED WHEREAS IT CONFUSES THE STANDARD OF PLEADING FOR RULE 12 WITH PROVING FRAUD AT TRIAL OR ON SUMMARY JUDGMENT

First, Lionsgate's 12(b)(6) misapplies and confounds the standard for a Rule 12 Motion to Dismiss with that of a Rule 56 Summary Judgment Motion or final decision after trial on the merits, improperly brandishing evidence to "prove" that the statements pled in the Opposition were not really false, and citing inapplicable law on the standard of proof, *not pleading*, including:

1. Offering irrelevant and inaccurate Merriam-Webster printouts containing *never before* introduced evidence of dictionary "definitions" of the marks, (Motion at 5) via a RJN, as proof of connotation/commercial impression to support a 12(B)(6) dismissal, when which no evidence is permitted outside of the pleadings on Rule 12;

2. Offering new facts and making brand new arguments predicated thereon in the body of the 12(b)(6) itself concerning the purportedly different connotation of the marks based on "the fact that a 'poppy' is a flower," and "the word poppy which is the basis for Opposer's mark is a type of flower," while directing the Board to "Exhibit A, p.7," (Motion at p.5) even though (a) this connotation was never raised by Applicant in its Response to Office Action, (b) does not appear in the referenced "Exhibit A, p.7" it cites and (c) is nowhere pled in the Notice of Opposition, such that it cannot constitute good faith grounds for dismissal of such Notice for failing to state a claim for fraud;

3. Improperly relying on case law, namely *Swiss Watch v. Federation,* 101 U.S.P.Q.2d 1731, 1746 (TTAB 2012) and *Tri-Star v. Nino Franco*, 84 USPQ 2d 1912, 1916 (TTAB 2007), in support of its 12(b)(6), but which cases both involve a litigant's failure to ***prove*** of fraud after full trial on the merits before the TTAB (Motion at 4) and not the pleading requirement on a 12(b)(6) dismissal -- none of the above is remotely procedurally proper on a Rule 12 Motion under federal law and the Trademark Board's Manual of Procedure ("TBMP"). *See* TBMP § 503.02 (2015); *see also Advanced Cardiovascular Sys., Inc. v. Scimed Life Sys., Inc.*, 988 F.2d 1157, 1160 (Fed. Cir. 1993).

1. A12(b)(6) Motion Solely Tests the Legal Sufficiency of a Complaint, Not Proof

Lionsgate's attempt to create a mini-trial on the disputed issue of the falsity of the statements alleged against it in the Notice of Opposition, asking that its construction and outside evidence be credited, is wholly improper on a Rule 12 Motion.

Code of Federal Procedure § 2.104 (a) provides that a trademark "opposition must set forth a short and plain statement showing why the opposer believes he, she or it would be damaged by the registration of the opposed mark and state the grounds for opposition." 37 C.F.R. § 2.104. 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 a complaint. In order to withstand such a motion, a pleading need only allege such facts as would, ***if proved***, establish that petitioner is entitled to the relief sought." *Petroleos Mexicanos v. Intermix*, 97 U.S.P.Q.2d 1403 (TTAB, 2010) (holding that even allegations that a representation was false when made merely "On information and belief" if supported by some facts are enough to state a claim for fraud sufficient to survive a 12(b)(6); TBMP § 503.02 (2015).

Thus, "A motion made under Rule 12(b)(6) challenges the legal theory of the complaint, not the sufficiency of any evidence that might be adduced." *Advanced Cardiovascular Sys., Inc. v. Scimed Life Sys., Inc.*, 988 F.2d 1157, 1160 (Fed. Cir. 1993); *Fair Indigo LLC v. Style,* 85 U.S.P.Q.2d 1536 (TTAB 2007). Accordingly, "[s]uch a motion, which cuts off a claimant at the threshold, must be denied 'unless it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief." *Advanced Cardiovascular Sys., supra*, 988 F.2d at 1160 (emphasis added). Fed. R. Civ. P. Rule 8 (e) dictates that "Pleadings must be construed so as to do justice." For purposes of determining a motion to dismiss, "all of the petitioner's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to petitioner. The pleading must be construed so as to do justice, as required by Fed. R. Civ. P. 8(e)." *Petroleos, supra*, 97 U.S.P.Q.2d 1403; *Fair Indigo supra*, 85 U.S.P.Q.2d 1536, 1538. *Advanced Cardiovascular Sys., supra*, 988 F.2d at 1157

Moreover, as the Federal Courts, including the Federal Circuit, unequivocally state: "Disputed issues are construed favorably to the complainant... and all reasonable inferences are drawn in favor of the complainant. Thus, to the extent that factual questions are raised and are material to the result, dismissal is improper unless there is no reasonable view of the facts which could support the claim. Advanced Cardiovascular Sys., supra, 988 F.2d at 1160-61.

Under F.R.C.P. Rule 8 "[t]he pleading must be examined in its entirety, construing the allegations therein liberally... to determine whether it contains any allegations which, if proved, would entitle plaintiff to the relief sought. *Cineplex Odeon Corp. v. Fred Wehrenberg Circuit of Theaters, Inc.*, 56 U.S.P.Q.2d 1538, 1539 (TTAB 2000) (denying motion to dismiss). As the Trademark Board Manual of Procedure Section 503.02 itself mandates

"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." With particular relevance to Lionsgate's attempt to put try the issue of falsity based on the evidence, the Board's Manual of Procedure in § 503.02 also expressly cautions that "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." TBMP § 503.02; *see also Advanced Cardiovascular Systems*, 26 U.S.P.Q.2d at 1041. As TBMP § 503.02 explains "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." In other words, outside evidence is on no moment on a Rule 12 Motion.

Thus, so long as a Notice of Opposition provides "enough detail to give the defendant fair notice," of the claim it is sufficient to meet the standard of pleading. *Fair Indigo LLC*, 85 U.S.P.Q.2d 1536 (P.T.O. Nov. 21, 2007). In fact, to survive a motion to dismiss under Fed. R. Civ. P 12(b)(6) for failure to state a claim upon which relief can be granted, a plaintiff need only allege sufficient factual content that, if proved, would allow the Board to conclude, or *to draw a reasonable inference*, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling the mark. *Covidien Lp, v. Masimon*, 2014 WL 977444, at *1 (TTAB 2014); TBMP § 503.02. Applicant's disputed arguments on the falsity are improper on 12(b)(6).

2. The Pleading Standard for Fraud Does Not Require Proof of Falsity.

Applicant's entire 12(b)(6) is wrongly predicated on the grounds that "Opposer has not pleaded any false, material representations of fact made by Applicant. Thus, Opposer fails to state a claim for fraud." (Motion at 4).

Unable to find any precedent to support its wholly insupportable position that a pleader must somehow prove falsity within its very Notice of Opposition to survive a 12(b)(6), Lionsgate instead cites precedent concerning the standard of proof for fraud after full trial on the merits in the TTAB. (Motion at 4) Thus, Applicant writes a "false statement is one of the critical elements in proving fraud," while citing to *Swiss Watch v. Federation,* 101 U.S.P.Q.2d 1731, 1746 (TTAB 2012) and *Tri-Star v. Nino Franco*, 84 USPQ 2d 1912, 1916 (TTAB 2007). (Motion at 4). Neither case involves pleading of fraud or a 12(b)(6). The *Swiss Watch* case involved a litigant's failure to prove fraud after full trial on the merits before the TTAB, thus, having engaged in

the full panoply of written discovery, testimony deposition and trial briefs, as well as oral argument before the Board. Not the pleading of fraud! Likewise, in *Tri-Star v. Nino Franco,* cancellation was denied after trial testimony was completed and all the evidence presented, the Board ultimately finding in light of all evidence there was a failure to prove fraud. Neither of these cases have any relevance to a dismissal for failure to properly ***plead*** a false, material representation of fact, as Applicant would have the Board apparently believe.

Obviously, as discussed *supra*, Opposer Kheel does not have to ***prove*** the falsity of any of the statements at the pleading stage, only plead that false material representations of fact were intentionally made by Applicant. Whether or not "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." TBMP § 503.02; *see also Advanced Cardiovascular Systems*, *supra*, 26 U.S.P.Q.2d at 1041. In fact, an applicant for trademark registration commits a fraud when it knowingly makes "a false, material representation of fact in connection with an application to register with the intent of obtaining...a registration to which it is otherwise not entitled." *In re Bose Corp.*, 580 F.3d 1240; (Fed. Cir. 2009). Only the circumstances constituting fraud must be plead with particularity; malice, intent, knowledge, and other conditions of a person's mind may be alleged generally. Fed. R. Civ. P. 9(b). A fraud claim, no differently than any other claim, requires "[c]onstruing applicant's allegations so as to do justice and in the light most favorable to...the non-movant," here the Opposer. *Caymus Vineyards*, 2013 WL 6665451 (TTAB 2013).

In terms of the actual pleading standard for fraud, a Notice of Opposition alleging "when and how the fraud allegedly occurred," "the content of the false representation," and identifying "what was obtained by reason of the asserted fraud" is sufficient to survive a motion to dismiss. *Id.* By pleading when and how the fraud occurred, the content of the false representation, and what was obtained an "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." *Caymus Vineyards, supra*, 2013 WL 6665451, at *3 (denying 12(b)(6) whereas the complainant sufficiently pled that moving party "failed to disclose material information known by it to the examining attorney" consisting of the geographic significance of the term.) As the TTAB Board has recently reinforced "[i]t is applicant's responsibility to ensure that accurate information is transmitted to the USPTO" and "Applicants must ensure that all information they provide is true and accurate whether or not it is verified." *Caymus Vineyards*, 2013 WL 6665451 at *4. With respect to any purported

"errors" communicated an Applicant still has "an obligation to immediately inform the examining attorney of the discrepancy." *Id.* Thus, an Applicant does not have the unfettered right to improve his case by lying to the TTAB – no differently than he may not do so in a court of law.

An Applicant is "obliged to be truthful…during the conversation with the examining attorney... Deliberately omitting relevant information, as has been alleged… may be treated as the equivalent of a false statement in its effect and also, under certain circumstances, show the necessary element of intent." *Caymus Vineyards*, 2013 WL 6665451 at *4. Further, as the TTAB has held "deliberately omitting relevant portions of a document, or making a statement that, while true, ***gives only part of the story*** and therefore is deliberately designed to mislead, may be treated as a false statement in its effect and also show the necessary element of intent." *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16; *see also Caymus Vineyards*, 91204667, 2013 WL 6665451, at *4; 6 McCarthy on Trademarks and Unfair Competition § 31:61 (4th ed. 2015) ("Deleting Parts of Documents and Telling Half-Truths. In some circumstances fraud could consist of deliberately omitting relevant portions of documents submitted to the USPTO or making a statement and deliberately telling only part of the relevant story in order to mislead," and citing to *P. Lorillard Co. v. Federal Trade Commission*, 186 F.2d 52, 58 (4th Cir. 1950) for the proposition that "To tell less than the whole truth is a well known method of deception; and he who deceives by resorting to such method cannot excuse the deception by relying upon the truthfulness per se of the partial truth by which it has been accomplished.").

Thus, "by alleging that [applicant] failed to disclose allegedly material information… [a party] has sufficiently alleged that [applicant] knowingly made a false, material statement with the intent to deceive the USPTO." Caymus Vineyards, 91204667, 2013 WL 6665451, at *5 (July 12, 2013). In fact, "[t]o tell less than the whole truth is a well known method of deception; and he who deceives by resorting to such method cannot excuse the deception by relying upon the truthfulness per se of the partial truth by which it has been accomplished. *P. Lorillard Co. v. Fed. Trade Comm'n*, 186 F.2d 52, 58 (4th Cir. 1950) (cited by 6 McCarthy on Trademarks and Unfair Competition § 31:61 for proposition that "Deleting Parts of Documents and Telling Half-Truths" constitutes actionable trademark fraud).[6]vThus, telling less than the whole truth or half-truths are no less an actionable fraud.

[6] It should be noted that, the Board's treatment of fraud is nothing novel, being merely consistent with the long-standing common-law and statutory recognition among the Courts and legislatures of various states/circuit that ***even*** one who is under no duty to speak but nevertheless does speak and suppresses facts which materially qualify the facts stated indeed commits an actionable fraud. *See e.g.*, 5 Witkin, Summary 10th (2005) Torts, § 799, p. 1156 ("Liability is also recognized where one who

a. Opposer Has Stated A Claim for Fraud Having Met All Pleading Requirements

Ms. Kheel's Notice of Opposition, thus, meets all of the requisite actual elements for pleading fraud -- which allegations on a 12(b)(6) must be "accepted as true, and the complaint...construed in the light most favorable to petitioner [and] so as to do justice, as required by Fed. R. Civ. P. 8(e)," *Petroleos Mexicanos v. Intermix, supra*, 97 U.S.P.Q.2d 1403; *Fair Indigo LLC v. Style Conscience*, 85 U.S.P.Q.2d 1536, 1538 (T.T.A.B. 2007); *Advanced Cardiovascular Sys., supra*, 988 F.2d at 1157, while "[d]isputed issues are construed favorably to the complainant...and all reasonable inferences are drawn in favor of the complainant." *Advanced Cardiovascular Sys., supra*, 988 F.2d at 1160-61. First, she has pled "when and how the fraud allegedly occurred," specifically, on March 2, 2015, when Lionsgate, submitted a Response to Office Action claiming that the "'Mark Should be Passed to Registration' on the basis that 'There Is No Likelihood of Confusion With the Cited Registrations." (NOO at ¶11). *See Caymus Vineyards supra*, 2013 WL 6665451 *3.

Second, has specifically pled the "content of the false representation," by setting forth with extreme particularity that Applicant made the following "misrepresentations of material fact to the USPTO" (NOO at ¶13), namely:

(1) Telling the Examining Attorney untruthfully not once, but three times, (NOO at ¶13), that the marks had a "completely different...sound," whereas "POPI and....POPPY...are completely different in...sound," while in actuality telling consumers to pronounce them with exactly the same sound (i.e., "pronounced 'poppy'") on the POPI website and marketing. To pull off this deception, Applicant simultaneously told the examiner that the POPI was an amalgamation of the names Polly and Piper, creating the false impression that the mark was pronounced popeye (with a long i) and not POPI as in poppy, and then keeping up this charade by attaching as Exhibit 9 to its Response only one product purchase page from its entire website -- a Christmas gift box, even though it was February -- while "deliberately omitting relevant information," namely every other purchase page from its website, all of which revealed the material fact that it affirmatively told customers that POPI was to be "pronounced 'poppy.'" (NOP ¶¶35-48). *See* Caymus Vineyards, 2013 WL 6665451, at *4 (stating that "Deliberately omitting relevant information... may be treated as the equivalent of a false statement in its effect and also, under certain circumstances, show the necessary element of intent."); see also *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16 (holding "deliberately omitting relevant portions of a document, or making a statement that, while true, ***gives only part of the story*** and therefore is deliberately designed to mislead, may be treated as a false statement in its effect and also show the necessary element of intent."). Applicant then misrepresented what it had said in the first 12(b)(6) and now compounds that by misrepresenting again in the instant 12(b)(6).

(2) Telling the Examining Attorney untruthfully that the marks are "distinguishable" in connotation and commercial impression, (NOO at ¶¶13-29), as well as marketing and consumers (NOO at ¶¶30-31), based on the misrepresented fact that only Registrants "***website*** makes numerous references to 'all natural,' 'green.' and 'environmentally friendly products" made by a mom, while intentionally concealing and "deliberately omitting relevant information" showing that Applicant's ***website*** likewise identically "makes numerous references to 'all

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is under no duty to speak nevertheless does so. "Deceit" includes "suppression of a fact, by one ... who gives information of other facts which are likely to mislead for want of communication of that fact." (Cal. Civil Code § 1710(3).) In such a case, he or she is bound to speak honestly, and not to suppress facts that materially qualify those stated. In other words, misleading half-truths may be actionable.").

natural,' 'green,' and 'environmentally friendly' products" made by a mom! While including all of the pages from Registrant's website to show her "numerous" website references to "'all natural,' 'green.' and 'environmentally friendly products" made by a mom, Applicant then "[d]eliberately omit[ed] relevant information" from its own website revealing it was making the exact same references too, instead furnishing only a few carefully parsed pages from its own website (including an telling Christmas box), so as to mislead the Examining attorney into believing the two marks could be "distinguished" predicated on such fact under the Likelihood of Confusion analysis. (NOO at ¶¶17-27). As noted by the Board, "making a statement that, while true, ***gives only part of the story*** and therefore is deliberately designed to mislead, may be treated as a false statement in its effect and also show the necessary element of intent." *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16; *see also Caymus Vineyards*, 91204667, 2013 WL 6665451, at *4 ("An Applicant is "obliged to be truthful...during the conversation with the examining attorney... Deliberately omitting relevant information, as has been alleged... may be treated as the equivalent of a false statement in its effect and also, under certain circumstances, show the necessary element of intent."

(3) Telling the Examiner that there could be no consumer confusion between the marks whereas POPI had different "visual impression" from POPPY or POPPY'S and a "completely different appearance," while actively concealing the true fact that Lionsgate was using the mark "poppy in its promotional literature in tandem with POPI," which was "relevant information" that would have only added to the likelihood of consumer of confusion in terms of visual impression and appearance, not caused the Examining Attorney to suddenly reverse himself and rule in Applicant's favor in the likelihood of confusion analysis. To keep this fraud going, Applicant sanitized from the Examiner's file of all references to its ubiquitous use of 'poppy' on the POPI website. Thus, despite the wall-to-wall presence of the tandem use of POPI with "poppy" on 5 of the 6 individual POPI soap purchase pages (NOO at ¶54), Lionsgate offered as an exhibit to its Response to Office Action a deceptive snapshot from an outdated Christmas box purchase page (in February!), (NOP ¶¶51-55), thus, "deliberately omitting" all of the other product sales pages on its website that revealed its misrepresentation, which "may be treated as the equivalent of a false statement in its effect and also, under certain circumstances, show the necessary element of intent." Caymus Vineyards, 2013 WL 6665451, at *4 (July 12, 2013). "Deliberately omitting" the bulk of its product sales pages "***gives only part of the story*** and therefore is deliberately designed to mislead, [and] may be treated as a false statement in its effect and also show the necessary element of intent." *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16.

Thus, Opposer has more than amply pled the "content of the false representation(s)" with particular fact and met this prong of *Caymus Vineyards*, 2013 WL 6665451 (TTAB 2013). In effect, "by alleging that [applicant] failed to disclose allegedly material information... [a party] has sufficiently alleged that [applicant] knowingly made a false, material statement with the intent to deceive the USPTO." Caymus Vineyards, 91204667, 2013 WL 6665451, at *5

Finally, Opposer also pled "what was obtained by reason of the asserted fraud" *Id*, and, thus, materiality, by alleging that the misrepresentations were in direct response to the specific *Dupont* factors cited by the Examining Officer in the Office Action Letter denying the registration (NOO at ¶ 33,), that "[a]s a consequence of such fraudulent misrepresentations, Applicant secured publication of its mark for opposition, notwithstanding the prior denial. The USPTO did not agree to publish the mark for registration until after Applicant Lionsgate made the false material statements of fact in its Response (NOO at ¶ 34,) and as a result the Examiner issued a "Notice of Publication" ((NOO at ¶ 66). *Caymus Vineyards*, 2013 WL 6665451.

B. **OPPOSER SUFFICIENTLY PLED A FALSE MATERIAL REPRESENTATION OF FACT AS TO "*WEBSITE* MADE TO 'ALL NATURAL,**

1. Contrary to Lionsgate's 12(b)(6) Assertions, Applicant's Statements Are Representations of Fact, Not Legal Argument, And Misrepresentations Made During Legal Argument Are Actionable.

Lionsgate first seeks dismissal of the fraud claim because it disputes the falsity of the statements pled against it concerning the "All-Natural" claims it made to the examining attorney. Thus, Lionsgate claims that when the Notice of Opposition pleads that Applicant falsely told the Examining Attorney that the marks were "distinguishable...in connotation and commercial impression" (NOO at ¶¶13-29), ***because*** "Registrant Kheel's *website* makes numerous references to 'all natural,' 'green.' and 'environmentally friendly products," this is "not a representation of fact. It cannot be deemed either true or false. It is instead, a legal argument." (Motion at 5). Applicant disputes that it could have been pled to have committed a fraud when it made these statements as it was merely "argu[ing]" that the "Opposer's Poppy's mark...has a certain connotation given Opposer's promotion of her products as non-toxic and environmentally friendly, as well as that a poppy is a flower...In short, Applicant argues that its mark POPI does not connote all natural, green, or environmentally-friendly products, but instead identifies the names of the characters in Orange is the New Black." (Motion at 5). Applicant goes further to say "[t]here is nothing false or misleading about Applicant's contention as to the connotation of the mark. Clearly Applicant's legal argument cannot be deemed a false representation of fact." (Motion at 6).

The first problem with this Applicant's position is that the legal arguments Lionsgate was making to the Examining Attorney concerning the "connotation of the mark" were, in fact, predicated on false representations of fact/half-truths and material omissions – all of which are indeed actionable. *Caymus Vineyards*, supra, 2013 WL 6665451, at *4 ;*Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16; 6 McCarthy on Trademarks and Unfair Competition § 31:61. Thus, the Notice of Opposition actually pleads the following:

> 13. Applicant's March 2, 2015, Response on Page 7 knowingly made the following misrepresentations of material fact to the USPTO: that "Registrant Kheel's website makes numerous references to 'all natural,' 'green' and 'environmentally friendly' products... Applicant's mark POPI does not connote all natural, green and environmentally friendly products. Applicants mark POPI is distinguishable from Registrant Kheel's POPPY'S mark in connotation and commercial impression." This statement was fraudulent. In order to create a false impression, Applicant **suppressed the material fact** that Applicant's website -- no differently than Registrant's website – also made the exact same "references to 'all natural,' 'green' and 'environmentally friendly' product," thus, there was no good faith, non- fraudulent basis for "***distinguishing***" the two marks based on such website references in "connotation and commercial impression," as Applicant had falsely done.

14. By intentionally omitting relevant portions from its own website, and making statements that gave only part of the story, Applicant deliberately designed to mislead the Office, which is treated as a false statement in its effect, thus fraud, and also shows Applicant's fraudulent intent.

22. As a consequence of such extant misrepresentation, POPI ***could not and was not*** "*distinguishable*" from Registrant Kheel's POPPY'S mark on the basis that only Registrant's "***website*** makes numerous references to 'all natural,' 'green' and 'environmentally friendly' product." The term distinguishable means "to recognize the difference between two things," according to the Cambridge Dictionary. Both websites made the same references, so either ***both*** derived the same connotation and commercial impression, or, more properly, neither did, but in no case could this **fact** be used to distinguish the two under any likelihood of confusion analysis. Likewise, the likelihood of confusion analysis could not have truthfully been argued to turn based on ***a fact*** that both marks unequivocally shared, but which **material fact** Applicant suppressed about itself, but highlighted only about the Registrant (including by attaching a 23 page printout from Ms. Kheel's company website as Exhibit 14 to the Response). This is fraud. By deliberately omitting relevant portions of printouts from its own website, while making a statement that gave only part of the story, otherwise known as an actionable half-truth, Applicant deliberately designed to mislead the Office, which constitutes a false statement in its effect, *ergo* a fraud, and shows the necessary element of intent."

What Applicant is alleged to have done is to tell the Examining Attorney that marks were "***distinguishable***...in connotation and commercial impression" (Response at 7), predicated on the ***fact*** that Registrant's "website makes numerous references to all natural,' 'green' and 'environmentally friendly' products," while concealing the ***material fact*** that its website likewise references "'all natural,' 'green' and 'environmentally friendly' products." Contrary to Lionsgate's unavailing assertion that this "not a representation of fact. It cannot be deemed either true or false," in reality whether or not two websites do or do not both make numerous references to "'all natural,' 'green' and 'environmentally friendly' products" is (a) a representation of fact and (2) can easily be proved either true or false. Thusly, either it is ***true*** that only one of the websites makes such references, and the other does not, so the two can be distinguishable based on such fact, ***or*** it is true that both make the exact same references and, thus, cannot be distinguished based on such shared fact regarding their websites. In this case, Applicant claimed the former, and the truth turned out to be the latter. There is no way to get around this. If Applicant had disclosed that its website contained the exact same references to "all natural,' 'green' and 'environmentally friendly' products" as Registrant's then it could not have used this fact to argue that the likelihood of confusion analysis should turn its favor. If nothing else, a shared fact would only ***add*** to the likelihood of confusion – reinforcing the Examiners refusal to register -- not lead to a reversal.

Thus, the Notice of Opposition plainly pleads in Paragraph 22 that "By deliberately omitting relevant portions of printouts from its own website, while making a statement that gave only part of the story, otherwise known as an actionable half-truth, Applicant deliberately designed to mislead the Office, which constitutes a false statement in its effect, *ergo* a fraud, and shows the necessary element of intent." This is all more than sufficient to

plead fraud according the TTAB Board, which has said that an Applicant is "obliged to be truthful...during the conversation with the examining attorney... Deliberately omitting relevant information, as has been alleged... may be treated as the equivalent of a false statement in its effect and also, under certain circumstances, show the necessary element of intent." *Caymus Vineyards*, 2013 WL 6665451, at *4 (July 12, 2013). The TTAB has also established that "deliberately omitting relevant portions of a document, or making a statement that, while true, ***gives only part of the story*** and therefore is deliberately designed to mislead, may be treated as a false statement in its effect and also show the necessary element of intent." *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16; 6 McCarthy on Trademarks and Unfair Competition § 31:61 (4th ed 2015.) ("Deleting Parts of Documents and Telling Half-Truths. In some circumstances fraud could consist of deliberately omitting relevant portions of documents submitted to the USPTO or making a statement and deliberately telling only part of the relevant story in order to mislead."). The Notice of Opposition details in ¶¶17-19 what material information from Applicant's website Lionsgate failed to disclose about its own references to "all natural, green and environmentally-friendly products." It further leads that while offering as Exhibits a comprehensive 23 page printout from Ms. Kheel's website to hammer home the "connotation and commercial impression" derived from such website about "all natural, green and environmentally-friendly products," (NOO at ¶22), it omitted all but a few token pages from its own website, failing to disclose the material facts about its own website's all-natural goods. Thus, "by alleging that [applicant] failed to disclose allegedly material information... [Opposer] has sufficiently alleged that [Applicant] knowingly made a false, material statement with the intent to deceive the USPTO." *Caymus Vineyards*, 2013 WL 6665451, at *5.

Furthermore, Applicant can muster no support for its blanket position that misrepresentations of fact made during legal argument are somehow not actionable. Applicants make representations to the USPTO through attorneys virtually exclusively, and the Board has made it crystal clear that they are "obliged to be truthful...during the conversation with the examining attorney." *Caymus Vineyards*, 91204667, 2013 WL 6665451, at *5 (registrant was represented by counsel at time fraudulent amendment was entered).

2. "Poppy is a Flower Is A Brand New Argument Improperly Slipped In On A 12(b)(6).

In arguing that its statements concerning the website references to all-natural products was not false, Lionsgate asserts that it was merely contrasting the connation of its mark with Opposer's mark on the basis of "Opposer's promotion of her products as non-toxic and environmentally friendly, as well as the fact that a poppy is

a flower. (Exhibit A., p.7)." Of course, this argument fails for all the same reasons noted above, whereas the connotation relied on the (false facts); however, the above statement also contains a fresh misrepresentation in and of itself! **First**, in its Response to Office Action, Applicant **never** argued to the Examining Attorney that Opposer's mark had any connotation from "the fact that a 'poppy' is a flower." (Motion at p. 5). To the contrary, it derived Opposer's connotation solely and exclusively from the references to all-natural products on her website -- ***which*** attributes both Applicant and Opposer in actuality shared, but which fact Applicant concealed. Indeed, the citation that Applicant now gives in its 12(b)(6) Motion to support its attempt to distinguish the marks on some basis ***other than the websites***, namely page 7 of the Response to Office Action, plainly reveals that Applicant ***never*** uttered one word about Opposer's mark having getting any connotation from it being a flower, or even made reference to a flower. This is a completely contrived argument meant to confuse the Board, and it is false. Applicant never argued that the two marks were distinguishable in connotation or commercial impression predicated on Registrant's mark being a poppy. This never happened. What it told the Examining Attorney was that the marks were distinguishable in connotation and commercial impression based on the references to all-natural products in Registrant's website – which the Notice of Opposition alleges was false! This slight of hand cannot get Lionsgate out from Opposer's well-pled fraud claim. (Response at 7). Such creative license can only signal a continuing pattern of bad faith and willfulness in attempting to rewrite the very words by which it is alleged to have actually perpetrated the fraud!

Second, the introduction of evidence outside of the pleadings on a Rule 12 Motion is improper. As Rule 12 (d) expressly provides "**d) Result of Presenting Matters Outside the Pleadings.** If, on a motion under Rule 12(b)(6)...matters outside the pleadings are presented to and not excluded by the court, the motion must be treated as one for summary judgment under Rule 56. Fed. R. Civ. P Rule 12(d). Therefore, "Materials...submitted outside the pleadings to show that [party's] evidence lacks credibility, do not constitute matter of which [the Board] may take judicial notice, [and] these exhibits are excluded from consideration in determining the sufficiency of applicant's allegations" on 12(b)(6). Caymus Vineyards, supra, 7, 2013 WL 6665451, at *2; *see also* TBMP § 503.02 (explaining that "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."). In other words, outside evidence is on no moment on a Rule 12 Motion.

Here Applicant seeks to improperly introduce new facts outside the pleadings including (1) "'poppy' is a flower" (2) that the "word POPI by definition has no connotation other than a combination of two character's first names; it is a made-up word without a dictionary definition. On the other hand, the word "poppy" which is the basis for Opposer's mark, is a type of flower...Notably Opposer depicts a flower and the phrase "naturally clean" immediately adjacent to her mark on her website." and (3) dictionary printouts via Request for Judicial Notice (RJN) as new evidence concerning the meaning or connotation of the marks POPI and POPPY. The attempt to introduce this evidence is an attempt to ***prove -- using outside evidence--*** that two marks ostensibly have different meanings under the Dupont factors test, and, thus, Applicant was not lying in its Response to Office Action when it said the two marks had different connotations and commercial impressions

This attempt is procedurally infirm, but it also can't do a thing for Applicant vis-à-vis the pleading of the fraud claim. Opposer never alleged that Applicant committed a fraud by making any representations of fact concerning Poppy's being a flower, thus, it could not fail to state a claim predicated on something it never alleged to begin with. Opposer did allege Applicant committed a fraudulent misrepresentation when it told the Examining Attorney that the marks could be distinguished in connotation and commercial impression based on Registrant's website references to all-natural products, while concealing its own identical references. This is the can of worms that Applicant is left with, and it cannot try to undo its fraud, by creating better facts.

3. Applicant's Fraudulent Assertion Indeed Did Concern the Connotation of Marks Predicated On the Nature of the Goods Offered Under the Marks.

Applicant's next argument is a whirling dervish. Applicant ostensibly claims as grounds for its 12(b)(6) that the fact that its own POPI website also made reference to "all-natural" products was "irrelevant to the truth of Applicant's statement, which is...only concerned with the connotation of Applicant's POPI mark as compared to the connotation of Opposer's Poppy's Mark, not the nature of the goods offered under the parties' marks. Applicant's statement does not make any representations – explicit or implicit – as to the nature and quality of the goods offered under the POPI mark." (Motion at 6).

This is more properly known as an ***argumentum ad absurdum*** or an argument to absurdity. To distinguish the two marks in connotation and commercial impression Applicant used the nature of the goods under the parties' marks! It cannot dispute this. In its Response to Office Action, Applicant affirmatively represented to the Examining Attorney that Registrant's mark Poppy's "connotes 'all natural, green and environmentally friendly

products," based **solely on the fact** that "Registrant Kheel's website makes numerous references to 'all natural, green and environmentally friendly products.'" There were no other facts offered by Applicant whatsoever in the Response other than the nature and quality of the goods sold on Registrant's website under the mark – -- *from which* Applicant then derived the connotation of Opposer's mark and distinguished it from Applicant's. To hammer home this (false) distinction Applicant then attached a 23 page printout from Registrants website consisting of the natural, green and environmentally friendly goods sold by Registrant on that website under the Registrant's mark Poppy's, while concealing its own. According to Applicant's own words, the connotation of Registrant's Poppy's mark derived **entirely** from the "nature of the goods offered under [her] mark," so any misrepresentations/omissions as to such website goods were indeed relevant. It therefore could not be further from the truth that "Applicant's statement...only concerned with the connotation of Applicant's POPI mark as compared to the connotation of Opposer's Poppy's Mark, not the nature of the goods offered under the parties' marks," whereas Applicant used the facts from the nature goods offered under the marks to create (a false) argument regarding such connotation.

Applicant also cannot get out from under a fraud claim by asserting on 12(b)(6) that it never ***overtly*** made a representation as to the "nature and quality of the goods offered under the POPI mark," whereas "deliberately omitting relevant information...may be treated as the equivalent of a false statement in its effect" with intent, *Caymus Vineyards*, 2013 WL 6665451, at *4 and "making a statement that, while true, ***gives only part of the story*** and therefore is deliberately designed to mislead, may be treated as a false statement in its effect and also show the necessary element of intent." *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16. See also, McCarthy, supra, § 31:61 ("Telling Half-Truths...fraud could consist of deliberately telling only part of the relevant story in order to mislead," citing to *P. Lorillard Co.*, 186 F.2d at 58 for the proposition that "To tell less than the whole truth is a well known method of deception; and he who deceives by resorting to such method cannot excuse the deception by relying upon the truthfulness per se of the partial truth by which it has been accomplished.").

4. **Identifying the Website Address Where The Examining Attorney Could Ascertain the True Facts Still Fraud.**

Perhaps most implausibly, Applicant seeks a 12(b)(6) dismissal against the fraud claim because even if its statement concerning the nature of the all-natural goods also sold under its mark was "somewhat ambiguous...Applicant identified its licensee by name in its office action response and included therewith a

printout from its licensees website. Thus, Applicant cannot be said to have misled as to the nature of its licensed products when it made record sources from which the Office could have easily obtained such information." (Motion at 6).

First, a pleader need only allege "the content of the false representation," made to the USPTO, *Caymus Vineyards*, *supra*, 2013 WL 6665451 *3 to survive motion to dismiss on this element – it is entirely immaterial whether or not the USPTO ***could have*** gone online to check out Applicant's website to see that a misrepresentation had already been made in the Response to Office Action. An Applicant is "obliged to be truthful...during the conversation with the examining attorney" and not "[d]eliberately omit[] relevant information," *Caymus Vineyards*, 2013 WL 6665451, at *4, as well as abstain from "making a statement that, while true, ***gives only part of the story*** and therefore is deliberately designed to mislead." *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16. What Applicant is perversely arguing is that if an Applicant deliberately omits relevant information from its website showing the all-natural reference made there too and "gives only part of the story" to the USPTO, it has still not committed a fraud, if it provides a mere website address from which the USPTO -- if it knew about the fraud in the first place -- could have discovered the fraud. Huh? In other words, its not the Applicant's fault for lying/concealing, it's the USPTO's fault for not checking up on everything the Applicant says online to see if it is lying. This is a preposterous argument – and cannot be the proper basis for a motion to dismiss. Giving the USPTO a web address, while intentionally omitting the actual relevant documentary information and telling the Examining Attorney only half the story in the Response to Office Action, cannot somehow transform a properly pled misrepresentation into no misrepresentation at all *presto digito*.

Second, the printouts out that Applicant claims insulate it from liability were in fact alleged to have been deceptive, because they excluded the parts of the website that disclosed the material fact that Applicant was making the same references to "all-natural, green and environmentally-friendly products," that it alleged Registrant's website was making – as a basis for (falsely) distinguishing the two.

The Cases cited by Applicant, namely *W.D., Byron v. Stein*, 153 U.S.P.Q. 749, 750-751 (CCPA 1967), and *Menzies v. International Playtex*, 204 U.S.P.Q. 297, 306 (TTAB 1979), do not stand for the proposition that Applicant asserts – namely that ***not*** including complete or accurate documentary information is okay if you give the USPTO a website address (where the true information can be found – if only it knew to look for it). In actuality these cases stand for the proposition that an applicant cannot be guilty of fraud if it actually **fully**

disclosed to the USPTO the fact that is alleged to have been fraudulently withheld. Thus, in *W.D. Byron*, appellant argued that registrant obtained his registration fraudulently by not disclosing to the Examining Attorney "the goods in connection with which it used the registered mark were actually made of imitation leather, rather than genuine leather," when in fact, the specimens registrant had submitted to the USPTO showed that the leather was made of plastic., 377 F.2d 1001, 1004, 153 U.S.P.Q. 749 (TTAB 1967). Likewise in *Menzies, supra,* the identity of the user of the mark that was alleged to have been fraudulently represented in the application in actuality appeared on the specimen submitted to the USPTO. If anything, these cases hurt and don't help Lionsgate, because Opposer has in actuality alleged that Applicant intentionally withheld, rather than supplied the USPTO, with documents from its own website showing the all-natural products marketed under its mark. Thus, Lionsgate is alleged to have completely withheld (NOO at ¶¶17-19) the snapshots from its website that disclosed the true material fact that its website made identical references to "all natural, green and environmentally-friendly products," while furnishing only part of the story. Far from submitting truthful specimens from its website, as the applicants did in *W.D., Byron and Menzies*, Lionsgate is alleged to have "deliberately omit[ed] relevant information" from its website printouts, *Caymus Vineyards*, 2013 WL 6665451, at *4, precisely so as to be able to "***give[] only part of the story*** and therefore...deliberately designed to mislead," which the TTAB Board has made clear *does* constitute actionable fraud. *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16. In fact "by alleging that [applicant] failed to disclose allegedly material information... [a party] has sufficiently alleged that [applicant] knowingly made a false, material statement with the intent to deceive the USPTO." *Caymus*, 2013 WL 6665451 at *5.

C. APPLICANTS STATEMENTS THAT THE TWO MARKS WERE "DISTINGUISHABLE...IN CONNOTATION AND COMMERCIAL IMPRESSION" DUE TO ALL-NATURAL PRODUCTS MADE BY A MOM PLEADS FRAUD.

Applicant's arguments that Opposer's fraud claim should be dismissed because the statement that Opposer is a mom is not false, is itself merely an empty strawman argument. The Notice of Opposition **does not** allege that Applicant committed a fraud by misrepresenting that Ms. Kheel was a mom. It alleges that Applicant fraudulently told the Examining Attorney that the two marks were "distinguishable...in connotation and commercial impression" under the *Dupont* Test, ***because*** of the fact that Registrant's website made reference to (i.e., marketed itself as) all-natural products made by a mom, while all-the-while withholding the material fact that Lionsgate's

website similarly marketed its soap as all-natural products made by a mom[7] – facts that would have added to the likelihood of confusion, but which Applicant (falsely) used to *distinguish* the marks by highlighting these facts about Registrant while concealing these shared material facts about itself. (NOO at ¶¶23-31) In other words, the "mom" representation is but part and parcel of the previously discussed misrepresentation concerning ***only*** in Registrant's website referencing all-natural products. Thus, the Notice of Opposition, plainly pleads the following:

> 25. Thus, Applicant's statements that the two marks are distinguishable based on Registrant Kheel's status as a mom making natural and environmentally friendly soap, is false, fraudulent and misleading, in that POPI's soaps like POPPY'S all-natural and environmentally friendly soaps are also made by and marketed to consumers as made by a mom. Again, Applicant
> knowingly made misrepresentations of material fact in that it suggested a fact that was not true, knowing it was not true -- namely that only Registrant was a mom making all-natural and environmentally-friendly soap's -- and suppressed a material fact, when it was bound to disclose it, namely, that Applicant's all-natural and environmentally-friendly soap was also made by a mom.

The Notice of Opposition goes on to also plead that Applicant then intentionally withheld all printouts from its website that documented that its website identically marketed goods under the mark as all-natural soaps made by a mom, (NOO ¶¶24-27), instead furnishing a ludicrous snapshot of a Christmas box, even while attaching a massive printout of some 23 pages from Registrant's website, (NOO ¶26), so as to make it appear that the marks were distinguishable in connotation and commercial impression under the *Du pont* factors test, based on the (false) fact that ***only*** Registrant was marketing her products as all-natural soaps made by a mom (when in fact, both were). (NOO ¶¶26-28). Once again, Applicant cannot rely on the claim that it never "literally" said that ***its*** products ***weren't*** all natural soaps made by a mom – because that is exactly what it indeed said when it claimed these facts about Registrant "distinguished" the two marks. The Notice of Opposition pleads that Lionsgate told the Examining Attorney that the marks were distinguishable in connotation and commercial because Registrant Kheel's website marketed the goods as all-natural soaps made by a mom, while "deliberately omit[ing] relevant information" from its website printouts that Applicant was doing the exact same thing, *Caymus Vineyards*, 2013 WL 6665451, at *4, so as to be able to "***give[] only part of the story*** and therefore...deliberately designed to mislead," --- which the TTAB Board has repeatedly said *does* constitute actionable fraud. *Swiss Watch Int'l, Inc.,*

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[7] Applicant states that Chivas, the company that makes its all-natural soaps, is not a mom but a corporate entity – a fact that is entirely beside the point. What matters is that Lionsgate markets its soaps as all-natural soaps made by a mom, in exactly the same way as Registrant does. Applicant is the one who told the Examining Attorney that only Registrant marketed her soaps as all-natural soap made by a mom, distinguishing the marks in connotation and commercial impression as a result, thus, it cannot be heard to argue that none of this mattered. It bothered to make the arguments in the Response to Office Action because clearly Applicant thought they would matter in securing the reversal of the refusal, not to make empty small talk or pad its filing.

supra, 101 U.S.P.Q.2d 1731 at *16.; Caymus Vineyards, 91204667, 2013 WL 6665451 at *5.; 6 McCarthy on Trademarks and Unfair Competition § 31:61. Thus, "by alleging that [applicant] failed to disclose allegedly material information... [Opposer] has sufficiently alleged that [applicant] knowingly made a false, material statement with the intent to deceive the USPTO." *Caymus*, 2013 WL 6665451 at *5.

D. **APPLICANTS STATEMENTS THAT POPI, POPPY AND POPPY'S ARE COMPLETELY DIFFERENT IN SOUND ARE PROPERLY PLED AS FALSE—APPLICANT ALSO MISREPRESENTS WHAT IT ACTUALLY SAID**.

Applicant next asserts that the fraud claim should be dismissed because when Applicant told the Examining Attorney that

(1) "The Marks are Dissimilar in...Sound" (2) "the Examining Attorney also erroneously concluded that Applicant's mark [POPI] and the Cited Marks [i.e, POPPY AND POPPY'S] are similar in...sound," and (3) "it is patently obvious that POPI and the Cited Marks POPPY'S and POPPY (Stylized) are completely different in...sound," (NOO at ¶35), it was actually only saying that "Applicants mark – POPI ends with the sound 'ee' whereas Opposer's mark – POPPY's – ends with the sound "ease." (Motion at 8).

It then makes a very telling admission "it bears mentioning that in its office action response, Applicant never represents that POPI is pronounced differently than the "poppy"-portion of Opposers mark." (Motion 8)

Really? This argument cannot hold water. Applicant told the USPTO that "**it is patently obvious that POPI and...POPPY...are completely different in...sound**" (Response at 8: 5-6), yet it now claims as grounds for its Motion to Dismiss that "in its office action response, Applicant never represents that POPI is pronounced differently than the "poppy"-portion of Opposer's mark." (Motion at 8:22-23). Yes, indeed that is exactly what it said in its office action response. Moreover, this not the first time Applicant has asserted this. In its first Motion to Dismiss, Applicant also falsely told the TTAB "nowhere in its office action response does Applicant state that POPI is not pronounced 'poppy.'" (Response 8:22-23). See *W. Farmers Ass'n*, 1973 WL 19717 *2; 180 U.S.P.Q. (BNA) ¶ 345 (P.T.O. 1973) (repeating a misrepresentation to the USPTO shows willfulness and fraud on the Office). There is no way for Applicant to get around the fact that it most certainly did tell the USPTO far more than the mere addition of the 'S changed the sound between POPPY'S and POPI. Rather it affirmatively told the USPTO that the "the "poppy"-portion of Opposers mark," indeed had a "completely different" sound from POPI, when it said "it is patently obvious that POPI...and POPPY (Stylized) are completely different in...sound." So what sound did it make then? If Poppy and Popi have completely different sounds then what sound could POPI make? The Notice of Opposition alleges that Applicant deceptively gave POPI the following sound:

45. Furthermore, in the same vein, its Response to the USPTO, Applicant materially represented that the mark POPI was an "amalgamation of the two characters names" (Response at p. 4), namely, "'POPI' is an amalgamation of Piper and Polly's names" (Response at p. 7), further misleading the Examining Attorney by implying an amalgamation as to sound. An amalgamation of Piper and Polly's names in terms of sound produces only the pronunciation/sound pä pī (sounding out as pa ***pie*** with the last syllable containing a ***long i*** sound as in Piper) and not poppy (as in päpē with the last syllable containing a ***long e sound***).

Applicant also attached as Exhibit 9 to its Response only one product purchase page from its entire website -- a Christmas gift box, even though it was February -- while "deliberately omitting relevant information," namely every other purchase page from its website, all of which revealed the material fact that it affirmatively told customers that POPI was to be "pronounced 'poppy.'" (NOP ¶¶35-48). *See* Caymus Vineyards, 2013 WL 6665451, at *4 (stating that "Deliberately omitting relevant information... may be treated as the equivalent of a false statement in its effect and also, under certain circumstances, show the necessary element of intent."); see also *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16 (holding "deliberately omitting relevant portions of a document, or making a statement that, while true, ***gives only part of the story*** and therefore is deliberately designed to mislead, may be treated as a false statement in its effect and also show the necessary element of intent.").

Thus, when Applicant told the Examiner that POPI and POPPY were "completely different in...sound" and, in fact, it was "patently obvious" of this, while withholding the website pages that showed this to be 100% false, it is indeed properly pled to have made a material fraudulent misrepresentation.

Applicant's implausible denial of this fact – when faced with its own words in the Response to Office Action -- cannot in any way justify a Motion to Dismiss, whereas even disputed issues (which this can not even reasonably be subject to dispute) are to be resolved in the pleaders ***favor*** on 12(b)(6) and all "allegations must be accepted as true, and the complaint must be construed in the light most favorable to petitioner. *Petroleos Mexicanos v. Intermix, supra*, 97 U.S.P.Q.2d 1403; *Fair Indigo LLC v. Style Conscience*, 85 U.S.P.Q.2d 1536, 1538 (T.T.A.B. 2007); *Advanced Cardiovascular Sys., supra*, 988 F.2d at 1157. Opposer has sufficiently stated a cause of action for fraud as to sound.

E. OPPOSER HAS PROPERLY ALLEGED THAT APPLICANT MISREPRESENTED THAT POPI WAS AN AMALGAMATION OF TWO CHARACTERS NAMES AS TO SOUND.

Once again Applicant seeks an improper mini-trial on a motion to dismiss. The Notice of Opposition sufficiently pleads that Applicant misrepresented that "'POPI' is an amalgamation of Piper and Polly's names" (Response at p. 7)... **as to sound**. An amalgamation of Piper and Polly's names in terms of sound produces only

the pronunciation/sound pä pī (sounding out as pa ***pie*** with the last syllable containing a ***long i*** sound as in Piper) and not poppy (as in päpē with the last syllable containing a ***long e sound***)," while withholding the website pages that showed that Applicant had specifically instructed consumers **NOT** to pronounce the mark so it sounds like an "amalgamation of Piper and Polly's names" from its Series. Instead Applicant demanded consumers and the public pronounce the mark so that it sounds ***just like*** Registrant's mark and nothing even rhyming with Piper (while telling the Office the exact opposite) – a fact that only enhanced consumer confusion analysis. This is intentional fraud and deceit." (NOO ¶45-47).

Applicant's argument that "it never represented in its office action response that its mark was pronounced "popeye" is a play on words. It told the USPTO that POPI was an amalgamation with a name that could not produce the sound poppy. It is alleged to have told the USPTO that "POPI and POPPY...are completely different in sound." All-the-while Applicant affirmatively told customers that POPI was to be "pronounced 'poppy,'" (NOP ¶¶35-48), but intentionally omitted all such website references from its Response to Office Action, instead offering a Christmas box set as an exemplar -- this is sufficient to state a claim for fraud. *See Caymus Vineyards*, 2013 WL 6665451, at *4 (stating that "Deliberately omitting relevant information... may be treated as the equivalent of a false statement in its effect and also, under certain circumstances, show the necessary element of intent."); see also *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16 (holding "deliberately omitting relevant portions of a document, or making a statement that, while true, ***gives only part of the story*** and therefore is deliberately designed to mislead, may be treated as a false statement in its effect and also show the necessary element of intent.").

F. **APPLICANT SUFFIENTLY PLED A FRAUDULENT AS VISUAL IMPRESSION**.

Opposer further properly alleged fraud pertaining to Applicant's telling the Examiner that there could be no consumer confusion between the marks whereas POPI had different "visual impression" from POPPY or POPPY'S and a "completely different appearance," while actively concealing the true fact that Lionsgate was using the mark "poppy in its promotional literature in tandem with POPI," which was "relevant information" that would have only added to the likelihood of consumer of confusion in terms of visual impression and appearance, not caused the Examining Attorney to suddenly reverse himself and rule in Applicant's favor in the likelihood of confusion analysis. As also alleged, to keep this fraud going, Applicant sanitized from the Examiner's file of all references to its ubiquitous use of 'poppy' on the POPI website. Thus, despite the wall-to-wall presence of the tandem use of POPI with "poppy" on 5 of the 6 individual POPI soap purchase pages (NOO at ¶54), Lionsgate

offered as an exhibit to its Response to Office Action a deceptive snapshot from an outdated Christmas box purchase page (in February!), (NOP ¶¶51-55), thus, "deliberately omitting" all of the other product sales pages on its website that revealed its misrepresentation, which "may be treated as the equivalent of a false statement in its effect and also, under certain circumstances, show the necessary element of intent." Caymus Vineyards, 2013 WL 6665451, at *4 (July 12, 2013). "Deliberately omitting" the bulk of its product sales pages "***gives only part of the story*** and therefore is deliberately designed to mislead, [and] may be treated as a false statement in its effect and also show the necessary element of intent." *Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16. Applicants allegation that it has no obligation to disclose facts to the Office is untrue: an Applicant is "obliged to be truthful...during the conversation with the examining attorney... Deliberately omitting relevant information, as has been alleged... may be treated as the equivalent of a false statement in its effect and also, under certain circumstances, show the necessary element of intent." *Caymus Vineyards*, 2013 WL 6665451, at *4 (July 12, 2013) ;*Swiss Watch Int'l, Inc., supra*, 101 U.S.P.Q.2d 1731 at *16; *see also Caymus Vineyards*, 91204667, 2013. Thus, Opposer has more than sufficiently pled Applicant's misrepresentation as to the visual impression of the mark.

IV. APPLICANTS ALLEGED MISREPRESENTATIONS WERE MATERIAL AND PLED AS SUCH.

Applicant does not dispute that its statements concerning sound were material to the Examining Attorney – apparently conceding that sound matters under the Dupont factors test -- it merely questions the materiality of the misrepresentation it is pled to have made concerning that the marks being distinguishable in "connotation and commercial impression" on the basis of the

Registrant's website made reference to (i.e., marketed itself as) as all-natural products made by a mom, while all-the-while withholding the material fact that Lionsgate's website similarly marketed its soap as all-natural products made by a mom. As is beyond dispute, "connotation and commercial impression" are likewise factors under the Dupont factors test. Applicant expressly offered its misrepresentations to improve its position on the factors of "connotation and commercial impression" believing that this would reverse the Examining Attorney's decision – and in fact, it did. The Notice of Opposition pleads materiality with respect to the representations concerning the differences in connotation and commercial impression based on the Registrant's website marketing all-natural products made by a mom:

"28. Through all of the above false statements and omissions, Applicant intentionally and fraudulently gave the USPTO only part of the story, otherwise known as a half-truth actionable as fraud, and did so with the deliberate design to mislead the Office about the actual similarities in the true "commercial impression" of the marks by concealing (i) the additional similarities in the underlying goods used in connection with the marks, (ii) similarities in marketing and trade channels, and (iii) the similarities in consumers -- all of which are material to a likelihood of confusion analysis under Application of E. I. DuPont DeNemours & Co., 476 F.2d 1357, 1361 (C.C.P.A. 1973).

"66. Applicants knowing misrepresentations of fact, as set forth herein, were material in that any reasonable examiner would consider it material and important in deciding whether to allow the registration to know whether (1) the goods were similar, (not just soap, but both natural, environmentally friendly and green soap), (2) the goods were marketed in the same way, (natural, environmentally-friendly and green products made by moms), (3) the goods were marketed to the same consumer base (unsophisticated buyers), (4) the goods were sold in the same channels of trade for such reason (buyers of natural, environmentally-friendly and green products), (5) the marks sounded exactly same for purposes of aural similarity, and (6) the marks were even more visually similar than already evident, in that POPPY was in actuality used right alongside POPI to make sales -- all of which are material factors for assessing likelihood of confusion under the *DuPont* test, upon which test Lions Gate purported to rely in its Response."

The pleading standard for fraud requires stating "when and how the fraud allegedly occurred," "the content of the false representation," and identifying "what was obtained by reason of the asserted fraud" is sufficient to survive a motion to dismiss, *Caymus Vineyards* 2013 WL 6665451 *3, all of which Ms. Kheel's Notice of Oppositon has done. Applicant's lengthy diatribe on the issue of the issue of likelihood of confusion being determined based on the goods/services recited in the application has absolutely no relevance. Applicant's argument was that the "connotation and commercial impression" of the marks were distinguishable as a result of Registrant's website advertising her goods as natural soaps made by a mom, while concealing the true material fact that Applicant's website did the exact same thing. The evidence that Applicant sought to introduce on the elements of "connotation and commercial impression" was not directed to the issue of the similarity of the goods factor. Under *Application of E. I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973), the "(1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression" is an entirely separate factor from "(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." Thus, Applicant's claim is another red-herring.

The evidence the website references were material to the "connotation and commercial impression" which is precisely why Applicant self-servingly offered this evidence. It is common knowledge that connotation and commercial impression are established by reference to advertising. However, Applicant's argument actually

undercuts its position – rather than helps it. Here the goods in the application are identical, or related, as noted by the Examiner, thus, less is required to establish likelihood of confusion.

V. LEAVE TO AMEND

In the unlikely event that the Board finds Ms. Kheel's fraud claim insufficient, leave to amend should be freely granted. TMBP § 507.02 expressly states: "[t]he Board liberally grants leave to amend pleading at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties." *See also, Am. Optical Corp. v. Am. Olean Tile Co.*, 168 USPQ 471, 473 (TTAB 1971). The liberal policy adopted by the Board favors amendments: "pleadings are not an end in themselves, but are a means to proper presentation of a case." *Microsoft Corp. v. Qantel Business Systems, Inc.*, 16 USPQ2d 1732, 1733 (TTAB 1990). Contrary to Lionsgate's claim that the fraud claim should be dismissed with prejudice and without leave to amend, the Supreme Court requires that that a party should be "afforded an opportunity to test his claims on the merits." *Foman v. David*, 371 US 178, 182 (1962). It is early in the proceeding and no prejudice would be occasioned. Thus, leave to amend should be "freely given." Id.

VI. CONCLUSION

For the foregoing reasons, Ms. Kheel respectfully submits that Lionsgate's Motion should be denied in its entirety and that this action should be allowed to proceed. Should the Board find Opposer's fraud claim insufficiently pled in any way, Opposer respectfully requests that it be allowed to amend.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing **OPPOSITION TO LIONSGATE'S MOTION TO DISMISS** was served by first class mail, postage prepaid, on September 28 2015, upon Lions Gate Entertainment Inc.'s attorney of record at the following address of record of the USPTO:

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