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

Proceeding	91224436
Party	Defendant Sharon Wilson
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Submission	Motion to Dismiss - Rule 12(b)
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Joan Herlong)	Opposition No.: 91224436
)	
Opposer)	
)	
v.)	Serial No.: 86577749
)	Mark: NUMBER ONE IN THE NEIGHBORHOOD
Sharon Wilson)	Filed: March 26, 2015
)	
Applicant)	
_____)	

**APPLICANT’S COMBINED MOTION TO DISMISS OPPOSITION AND MOTION TO
SUSPEND**

Sharon Wilson (“Applicant”) moves to dismiss Joan Herlong’s (“Opposer”) Opposition for failure to state a claim upon which relief may be granted pursuant to Fed. R. Civ. P. 12(b)(6). As detailed below, Opposer has failed to state a claim that Applicant’s mark, NUMBER ONE IN THE NEIGHBORHOOD (“mark”), is deceptively misdescriptive under Section 2(e)(1) of the Trademark Act, 15 U.S.C. §1052(e)(1) and of deceptiveness under Section 2(a) of the Trademark Act, 15 U.S.C. §1052(a). Moreover, Opposer has failed to provide anything more than a recitation of some of the elements of the cause of action which is insufficient pursuant to the *Ashcroft v. Iqbal* pleading standard. For these reasons, Opposer’s Section 2(e)(1) claim that the mark is deceptively misdescriptive and Section 2(a) claim of deceptiveness should be dismissed. In addition, Applicant respectfully requests suspension of all proceedings pending disposition of this motion.

I. MOTION TO DISMISS
A. Relevant Factual Background

Applicant’s mark has been in continuous use since January of 2005. On March 26, 2015, Applicant filed an Application, Ser. No. 86577749, to register the mark in connection

with “real estate agencies” in International class 036. On August 18, 2015, Applicant’s mark was published in the Official Gazette.

On October 19, 2015, Opposer filed its original Notice of Opposition regarding Applicant’s mark which asserted a claim of deceptiveness and that the mark is deceptively misdescriptive. In lieu of an Answer, Applicant filed a combined motion to dismiss and suspend.

On December 8, 2015, Opposer filed its Amended Notice of Opposition (“Amended Notice”) regarding Applicant’s mark which similarly asserts a claim of deceptiveness and that the mark is deceptively misdescriptive. The Amended Notice however, similar to the original Notice of Opposition, failed to include sufficient facts to support these conclusory allegations. Instead, Opposer merely provided threadbare recitals of the elements and conclusory statements as support for the alleged claims. In sum, the facts as pled are insufficient to support the remainder of Opposer’s claims. As such, in lieu of an Answer, Applicant files this combined motion to dismiss and suspend.

B. ARGUMENT

The instant motion should be granted because Opposer’s Notice fails to state a claim upon which relief may be granted. A motion to dismiss for failure to state a claim upon which relief can be granted tests the legal sufficiency of a complaint. To withstand such a motion, a pleading must allege facts that would, if proved, establish that Opposer is entitled to the relief sought, i.e., that Opposer has standing to maintain the proceeding and that a valid ground exists for opposing the registration. *Young v. AGB Corp.*, 47 USPQ2d 1752, 1755 (Fed. Cir. 1998). *See also* TBMP § 503.02 (3d ed. 2013). The “valid ground” for opposition that must be alleged (and ultimately proved) must be a statutory ground that negates Applicant’s right to the subject

registration. *Young*, 47 USPQ2d at 1754. For purposes of determining a motion to dismiss, all of Opposer’s well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to Opposer. *Id.*

In *Ashcroft v. Iqbal*, the Supreme Court held “to survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1949 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Iqbal*, 129 S. Ct. at 1949. “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice.” *Id.* Instead, “[f]actual allegations must be enough to raise a right to relief above the speculative level” *Twombly*, 550 U.S. at 545. *See also* TBMP Section 309.03(a)(2).

1. **Opposer Has Failed to State a Claim that Applicant’s Mark is “Deceptively Misdescriptive” Under Section 2(e)(1), 15 U.S.C. § 1052(e)(1)**

Opposer has failed to state a valid ground for cancellation based on the mark being “deceptively misdescriptive” under Section 2(e)(1) of the Trademark Act. Section 2(e)(1) bars registration on the principal register of a mark that is deceptively misdescriptive of an applicant’s goods or services. The Trademark Trial and Appeal Board’s test for determining whether or not a term is deceptively misdescriptive under Section 2(e) (1) is as follows:

- a. Is the term misdescriptive of the character, quality, function, composition or use of the goods (or services)?
- b. If so, are prospective purchasers likely to believe that the misdescription actually describes the goods (or services)?

See In re Berman Bros. Harlem Furniture Inc., 26 USPQ2d 1514 (TTAB 1993); and *In re Quady Winery, Inc.*, 221 USPQ 1213 (TTAB 1984). If a term immediately conveys an immediate idea of an ingredient, quality, characteristic function or feature of the goods or services, and the idea is plausible but false, then the term is deceptively misdescriptive and is unregistrable under §2(e) (1). *See In re Woodward & Lothrop Inc.*, 4 USPQ2d 1412 (TTAB 1987) (CAMEO held deceptively misdescriptive of jewelry); *In re Ox-Yoke Originals, Inc.*, 222 USPQ 352 (TTAB 1983) (G.I. held deceptively misdescriptive of gun cleaning patches, rods, brushes, solvents and oils).

- a. Opposer has failed to plead plausible facts to support that the term NUMBER ONE IN THE NEIGHBORHOOD is misdescriptive of the character, quality, function, composition or use of the services because the term is incapable of being proven true or untrue.**

The idea conveyed by Applicant's mark is incapable of being proven true or false and therefore cannot be deceptively misdescriptive even if the allegations of Opposer are claimed to be plausible. Opposer alleges in ¶5 of the Amended Notice that Applicant does not have the highest number of sales, Applicant does not have the greatest number of listings, Applicant's listings do not sell faster, Applicant's listings do not sell at a higher price, Applicant's services are not of superior quality, and Applicant's services are not of enhanced performance or function than other agents, in any relevant market, over any relevant time period. In addition, Opposer alleges there is no other known, pertinent metric, in any relevant market, over any relevant time period, by which Applicant is the best, most desirable, finest, first, greatest, highest, maximum,

paramount, preeminent, superlative, top, ultimate, unsurpassed, utmost, or otherwise “number one” real estate agent.

However, none of these allegations, taken as true, establish that Opposer is entitled to the relief sought because Applicant’s mark is incapable of being deceptively misdescriptive. In order for the mark to be deceptively misdescriptive, the mark would have to be demonstrably false in some form. In order for the mark to be proven true or false, a person would have to determine what NUMBER ONE and NEIGHBORHOOD means in the context of the mark. However, Opposer cannot and will not be able to establish the meaning of either term. Thus, Opposer’s Section 2(e)(1) claim fails and should be dismissed under Fed. R. Civ. 12(b)(6).

As for NUMBER ONE, there is no metric included in Applicant’s mark. In order for the term NUMBER ONE to be proven untrue, one must determine a measure or metric, such as total sales volume, total number of transactions, or a similar metric. Opposer is attempting to insert her own interpretation as to the metric that should be used to determine what the term NUMBER ONE refers to, with absolutely no basis in law or fact. She is making assumptions regarding the meaning of the term NUMBER ONE, without identifying any underlying basis for those assumptions. Opposer has suggested numerous metrics to use for determining the meaning of the term NUMBER ONE in ¶5 of the Amended Notice. However, Applicant is not making the claims that are being attributed to her by the Opposer. In this case, the Opposer is using a straw man argument to try to prove the falsity of Applicant’s mark. Essentially, Opposer’s position is that if one assumes that the term NUMBER ONE refers to any of her chosen metrics, then Applicant’s mark can be shown to be false, or deceptively misdescriptive.

The fatal error of Opposer’s position is that she can show no factual or legal basis for assuming that the term NUMBER ONE refers to any of the metrics that she has suggested in her

Amended Notice, and it is wholly improper in a legal proceeding for Opposer to be the sole arbiter of the meaning of NUMBER ONE, without any actual evidence to support her assumptions.

Thus, contrary to Applicant's allegation in ¶6 of the Amended Notice, NUMBER ONE, in the context of Applicant's mark, is not capable of being quantified without more information that is not present in the mark itself or the registration, and Opposer has not even made any attempt to allege evidence showing which metric should be used to measure the term NUMBER ONE. It is not plausible that NUMBER ONE, or the mark as whole, is misdescriptive of Applicant's services if one cannot determine the metric to be applied to the term NUMBER ONE. NUMBER ONE in the context of Applicant's mark is akin to the phrase "Number One Dad" or "World's Best Coffee". Contrary to ¶7 of the Amended Notice, neither phrase suggests a mathematically tested and proven superior quality or enhanced performance. Therefore, even if Opposer's allegations were taken as true, the mark cannot be proven false and cannot plausibly be deceptively misdescriptive.

Finally, as to the term NEIGHBORHOOD, there is no indication of what neighborhood Applicant's mark refers to. Opposer alleges Applicant's services are not number one in any pertinent metric "in any relevant market" and "over any relevant time period" in ¶5g of the Amended Notice. Again, Opposer presumes to determine what a "pertinent metric" is, without any factual evidence or legal support for determining which metrics are "pertinent," and which metrics are not. The Opposer cannot identify the neighborhood to which the mark is directed without inserting more of her own assumptions, again with no factual evidence or legal support for her position. This is apparent when the Opposer acknowledges that Applicant's claimed use of the mark for real estate agencies is unconditional and without limits in ¶5 of the Amended

Notice. Practically, NEIGHBORHOOD could be the Northside, Southside, Eastside— even Mr. Rodgers neighborhood. The mark cannot plausibly be misdescriptive if it is not clear from the mark what NEIGHBORHOOD means. If the idea that a mark conveys cannot be proven as false, then the mark cannot be deceptively misdescriptive. *See In re Woodward & Lothrop Inc.*, 4 USPQ2d 1412. Because no determination can be made as to the mark’s reference and Applicant’s mark is incapable of being proven false under any set of allegations, Opposer’s claim that the mark is deceptively misdescriptive should be dismissed under Fed. R. Civ. 12(b)(6).

b. Opposer has failed to plead plausible facts to support that prospective purchasers are likely to believe the asserted misdescription describes Applicant’s services.

Even if Applicant’s mark was capable of being false, the Opposer has failed to include sufficient factual allegations that make it plausible that prospective purchasers are likely to believe the misdescription actually describes Applicant’s services. The Opposer makes a conclusory statement that “[p]rospective real estate sellers and purchasers are likely to believe that Applicant’s misdescription applies to Applicant’s services” in ¶11 of the Amended Notice. Also, the Opposer has concluded that “[p]rospective real estate sellers and purchasers are likely to believe that Applicant’s misdescription applies to Applicant’s services in their neighborhood or neighborhoods of interest” in ¶12 of the Amended Notice.

To support the foregoing allegations, the Opposer submits Exhibits which are described in ¶16a, b, and c of the Amended Notice. However, these affidavits do not entitle the Opposer to relief as Opposer failed to set forth any plausible facts or evidence of the above claims of misdescription in the affidavits. For instance, Exhibit A is an affidavit of one of **Opposer’s**

clients, who clearly was not deceived by Applicant's trademark, as he hired Opposer rather than Applicant to list and sell his condominium. (See ¶11 "Our condo eventually sold for \$833,000 to a retired couple. Joan Herlong (Opposer) of AugustaRoad.com was our listing agent.").

Furthermore, the Affiant makes statements contrary to the Opposer's allegations. ¶5 of Exhibit A acknowledges that the Affiant "knew that [Applicant] was not the number one agent in our condo development." Indeed, aside from the fact that Opposer and Applicant are direct and fierce competitors in the same geographical market, and putting aside the fact that the Exhibit A affidavit by Opposer's client is clearly biased in her favor, none of the alleged facts recited therein indicate that any prospective buyer was or would be deceived by Applicant's trademark.

Exhibits B and C are not statements from prospective purchasers, either, and neither of those Exhibits allege any facts to show that any prospective purchaser has been deceived or would be deceived by Applicant's mark. Exhibit B is a statement from another realtor and competitor of Applicant, which claims that an unidentified former client of this competitor alleged that Applicant's use of the mark was misleading. Aside from the fact that this evidence clearly constitutes hearsay (Person A essentially saying "I heard from unnamed sources that this mark was misleading"), even if Exhibit B were taken as completely true, it does not identify any of Applicant's customers who were misled or deceived by the mark, nor does it allege any facts that would make the "deceptively misdescriptive" claim even remotely plausible.

Exhibit C contains statements from a publisher of the Greenville Journal regarding requiring the Applicant to submit supporting data for her advertisement. Neither of these affidavits offer any evidence showing that prospective purchasers ever found or would plausibly find Applicant's marks to be misleading or deceptive.

Because Opposer has failed to assert sufficient facts to support this element as plausible, Opposer’s claim fails and should be dismissed under Fed. R. Civ. 12(b)(6).

Additionally, prospective purchasers are unlikely to believe that Applicant’s mark describes the Applicant’s services because the phrase NUMBER ONE is routinely used in the industry in regards to real estate services. The phrase is even commonly used in federally registered and applied-for trademarks for real estate services. Some examples of existing registered marks utilizing NUMBER ONE or some colorable imitation include:

AMERICA'S #1 KWIK HOME BUYER! 1-800-BUY-KWIK	Reg. Number 4644608
WWW.NUMBER 1 HOME SALES.COM	Reg. Number 3227646
NUMBER1EXPERT	Reg. Number 3539295
1 NUMBER1 EXPERT	Reg. Number 3539294
#1	Reg. Number 3218900
CALLER TIMES BEST OF THE BEST #1	Reg. Number 2721648
PUT YOUR TRUST IN NUMBER ONE	Reg. Number 1530053

Given the common usage of the phrase NUMBER ONE, particularly with respect to real estate services, it is clear that such marks are routinely used, and registered, by realtors across the country, and are in no way deceptively misdescriptive, contrary to any allegations to the contrary by Opposer.

2. Opposer Has Failed to State a Claim of “Deceptiveness” Under Section 2(a), 15 U.S.C. § 1052(a)

Opposer has field to state a valid ground for cancellation based on “deceptiveness” under Section 2(a) of the Trademark Act. Section 2(a) bars registration of a mark that consists of or comprises immoral, deceptive, or scandalous matter. The test for determining whether a mark is deceptive under Section 2(a) as:

a. Is the term misdescriptive of the character, quality, function, composition or use of the goods (or services)?

b. If so, are prospective purchasers likely to believe that the misdescription actually describes the goods (or services)?

c. If so, is the misdescription likely to affect the decision to purchase?

See In re ALP of South Beach, Inc., 79 USPQ2d 1009, 1010 (TTAB 2006) (citing *In re Budge Manufacturing Co.*, 857 F.2d 773, 8 USPQ2d 1259, 1260 (Fed. Cir. 1988)). All three questions must be answered in the affirmative for a mark to be found deceptive under Section 2(a).

American Speech-Language-Hearing Ass'n v. Nat'l Hearing Aid Society, 224 USPQ 798, 811 (TTAB 1984).

The first two questions of a deceptiveness claim are the same as those of a claim that the mark is “deceptively misdescriptive.” As a result, Applicant respectfully refers the Board to the earlier analysis regarding these questions and the insufficiency of the allegations pled in Opposer’s Amended Notice.

Opposer has failed to include any factual allegations that make it plausible that the misdescription is likely to affect a potential purchaser’s decision to purchase Applicant’s services. Instead, the Opposer has provided a conclusory statement and threadbare recitation of elements of its claims, devoid of any plausible facts as required by *Twombly* and *Iqbal*. In particular, Opposer alleges, in ¶13 of the Amended Notice, “Applicant’s misdescription is likely to materially affect a significant portion of prospective real estate sellers’ and purchasers’ decision to procure Applicant’s services and would likely be a material factor in the purchasing decision of a significant portion of the relevant consumers of such services.”

If the mark were deceptive, as alleged, the Opposer should be able to allege some facts that show a “significant portion” of prospective purchasers found the mark material in their decision to select Applicant’s real estate services. However, Opposer submitted affidavits from three individuals (one of whom is a direct competitor with Applicant) who were not clients or purchasers of Applicant’s real estate services, and none of these affidavits even recite facts showing that anyone was deceived, or is likely to be misled or deceived. As such, Opposer has failed to state a claim of deceptiveness and such claim should be dismissed under Fed. R. Civ. 12(b)(6).

II. MOTION TO SUSPEND

Trademark Rule 2.117 provides that proceedings may be suspended pending disposition of a potentially dispositive motion or upon a showing of good cause. Applicant’s motion to dismiss is potentially dispositive of Opposer’s Section 2(e)(1) claim that the mark is “deceptively misdescriptive” and Section 2(a) claim of deceptiveness in this proceeding. Accordingly, Applicant respectfully requests that all proceedings not germane to the motion to dismiss be suspending pending disposition of the motion.

III. CONCLUSION

Applicant has been using the mark NUMBER ONE IN THE NEIGHBORHOOD for over ten years. After all of that time, Opposer has been unable to conjure any evidence, or even allege any facts, to support her contention that Applicant’s mark is deceptively misdescriptive. Opposer’s argument consists entirely of conclusory statements coupled with her own assumptions for determining the metric used to determine the falsity of the terms NUMBER ONE and NEIGHBORHOOD, with exactly zero evidence to support those assumptions. Clearly, the phrase NUMBER ONE IN THE NEIGHBORHOOD is not capable of being

proven true or false, without making any of Opposer's improper assumptions, and thus, is not capable of being "deceptively misdescriptive."

Opposer is clearly attempting to prevent her fiercest competitor from registering a perfectly valid trademark, with no legal basis or factual support, by holding her to a higher standard than the standards applied to the other above-referenced NUMBER ONE marks for realty services.

For the foregoing reasons and authorities, Applicant respectfully requests that its Combined Motion to Dismiss Opposition and Motion to Suspend be granted.

January 15, 2016

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 15th day of January, 2016, a true and correct copy of the foregoing, were served on the following, via electronic mail, and first class mail, postage prepaid.

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