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Filing date: **12/03/2015**

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

Proceeding	91225145
Party	Plaintiff BNC Bancorp, Bank of North Carolina
Correspondence Address	Marcy L. Sperry Womble Carlyle Sandridge & Rice LLP 271 17th Street, NESuite 2400 Atlanta, GA 30363 UNITED STATES msperry@wcsr.com, atltrademarks@wcsr.com
Submission	Motion to Suspend for Civil Action
Filer's Name	Marcy L. Sperry
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Signature	/Marcy L. Sperry/
Date	12/03/2015
Attachments	Motion to Suspend Opposition Proceeding with Exhibits.pdf(1310910 bytes)

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

In the matter of Application Serial Number 86474504
Mark: BNC NATIONAL BANK
In the matter of Application Serial Number 86495492
Mark: BNC

BNC BANCORP and)	
BANK OF NORTH CAROLINA)	
)	
Opposers,)	
)	
v.)	Opposition No. 91225145
)	
BNCCORP, INC.)	
)	
Applicant.)	
)	

OPPOSERS’ MOTION TO SUSPEND OPPOSITION PROCEEDING

Pursuant to 37 C.F.R. § 2.117(a), BNC Bancorp and Bank of North Carolina (“Opposers”) move to suspend the above-captioned Opposition until final determination of the related civil actions styled as *BNCCORP, INC. and BNC National Bank v. BNC Bancorp and Bank of North Carolina*, Civil Action No. 0:15-cv-03624 pending in the United States District Court for the District of Minnesota, and *BNC Bancorp and Bank of North Carolina v. BNCCORP, INC. and BNC National Bank*, Civil Action No. 1:15-cv-00793 pending in the United States District Court for the Middle District of North Carolina (collectively, the “Actions”).

The Actions involve issues in common with those in this Opposition proceeding, including without limitation, whether Applicant is entitled to registration. True and accurate copies of the Complaints in the Actions, excluding exhibits, are attached hereto as Exhibits A and B.

The Actions will resolve some or all of the issues in this Opposition proceeding and will be binding on the Board. Therefore, Opposers respectfully request that the Board grant its Motion to Suspend the Opposition proceeding.

This 3rd day of December, 2015.

Respectfully submitted,

/Marcy L. Sperry/

Sarah Anne Keefe

Marcy L. Sperry

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Attorneys For Opposers, BNC Bancorp and
Bank of North Carolina

CERTIFICATE OF MAILING

I hereby certify that on December 3, 2015, I filed via electronic means (ESTTA) this MOTION TO SUSPEND OPPOSITION PROCEEDING with the:

U. S. Patent and Trademark Office
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, Virginia 22313-1451

/Marcy L. Sperry/
Marcy L. Sperry

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing MOTION TO SUSPEND OPPOSITION PROCEEDING has been served on Applicant's counsel by mailing said copy on December 3, 2015, via First Class Mail, postage prepaid to:

Daniel A. Rosenberg
Briggs and Morgan, P.A.
80 South Eighth Street
Minneapolis, Minnesota 55402-2157

/Marcy L. Sperry/
Marcy L. Sperry

EXHIBIT A

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

BNCCORP, INC. and BNC National Bank,

Court File No.

Plaintiffs,

**COMPLAINT FOR TRADEMARK
INFRINGEMENT AND UNFAIR
COMPETITION**

v.

BNC Bancorp and Bank of North Carolina,

Defendants.

JURY TRIAL DEMANDED

For their Complaint against Defendants, Plaintiffs state and allege as follows:

THE PARTIES

1. Plaintiff BNCCORP, INC. is a Delaware corporation with its principal place of business located in Bismarck, North Dakota.
2. Plaintiff BNC National Bank is a federally chartered national banking association with its principal place of business located in Glendale, Arizona.
3. On information and belief, Defendant BNC Bancorp is a North Carolina corporation with its principal place of business located in High Point, North Carolina.
4. On information and belief, Defendant Bank of North Carolina is a North Carolina corporation with its principal place of business located in High Point, North Carolina.

JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction under 28 U.S.C. § 1338(a) in that this case arises under the Trademark Laws of the United States, 15 U.S.C. §§ 1051, *et seq.*, 15 U.S.C. § 1119, and 28 U.S.C. § 1331 (federal question). This Court also has

jurisdiction pursuant to 28 U.S.C. § 1332 because the parties have complete diversity of citizenship and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

6. This Court has subject matter jurisdiction over all claims herein arising under state law pursuant to 28 U.S.C. § 1367 in that said claims are so related to the claim under the Trademark Laws of the United States, 15 U.S.C. §§ 1051, *et seq.*, that they form part of the same case or controversy.

7. This Court has personal jurisdiction over Defendants because Defendants conduct business in this District and Defendants have committed acts of infringement and unfair competition in this District. Venue in this District is proper under 28 U.S.C. §§ 1391(b) and (c).

FACTS

8. Plaintiff BNCCORP, INC. is a registered bank holding company.

9. Plaintiff BNC National Bank, a federally chartered bank, is a wholly owned subsidiary of Plaintiff BNCCORP, INC. Plaintiff BNC National Bank is dedicated to providing banking, mortgage, wealth management, and insurance products and services to businesses and consumers throughout the United States. Without limitation, Plaintiff BNC National Bank offers a full range of financial products and services including checking, savings, consumer loans, business loans, 401k, wealth management, financial advice, mortgage loans, insurance, tax services, and many online and mobile services. BNC National Bank has offices in Minnesota and conducts a significant and substantial portion of its business within Minnesota.

10. Since at least as early as 1995, the “BNC” and “BNC NATIONAL BANK” names and marks have been used continually by Plaintiff BNCCORP, INC., Plaintiff BNC National Bank and their predecessors in interest and related companies (hereinafter referred to as “Plaintiffs”) nationwide in interstate commerce to identify certain of their goods and services and to distinguish such goods and services from those made and sold by others.

11. As a result, Plaintiffs have established, through continuous, long-term use in commerce, common law rights in the “BNC” and “BNC NATIONAL BANK” marks and in the use of “BNC” and “BNC NATIONAL BANK” as a trade name or part of a trade name (hereinafter referred to as the “BNC Marks”.)

12. Plaintiffs have expended considerable time, resources, and effort in promoting the BNC Marks and developing substantial goodwill associated therewith.

13. The BNC Marks are arbitrary and inherently distinctive when used in conjunction with Plaintiffs’ goods and services.

14. Due to the continual use of the BNC Marks by Plaintiffs, such marks acquired secondary meaning many years ago. The BNC Marks have come to indicate Plaintiffs as the single source of the quality goods and services associated with the mark.

15. Plaintiff BNCCORP, INC. is also the owner of U.S. Trademark Application Serial Nos. 86/495,492 2,801,949 and 86/474,504 for the standard character marks “BNC” and “BNC NATIONAL BANK,” respectively. Such applications cover “[b]anking services; financial services, namely, checking, savings, consumer loans, business loans, wealth management; mortgage loan financing services; financial planning

services; investment management, namely, management of 401k plans, Individual Retirement Accounts (IRAs), Roth and SEP accounts; administration of employee benefit plans concerning finance specifically relating to defined benefit and profit sharing plans; managing estate trusts, particularly, personal trust, revocable trusts, charitable foundation trusts self-directed custodial accounts for IRAs, employee benefit plans, agency accounts, personal trusts and estates” and “[t]ax preparation (Corporate/Partnership/Individual/Fiduciary/Retirement Plans); tax planning; accounting services; [and] payroll tax debiting services.”

16. Without the knowledge or consent of Plaintiffs, and beginning after Plaintiffs had established extensive and valuable goodwill in connection with the BNC Marks and their goods and services, Defendants commenced to use in interstate commerce and commerce affecting interstate commerce the mark “BNC,” in whole or in part, to promote goods and/or services covered by Plaintiffs’ trademark rights, including, without limitation, banking services.

17. Defendants have continued to encroach on Plaintiffs’ senior rights in the BNC Marks, including recently acquiring the nationally chartered Harbor Bank Group, Inc., of Charleston, South Carolina. Defendants also recently acquired Valley Financial Corporation, the holding company for Valley Bank which operated nine (9) branches in Roanoke, Virginia and Salem, Virginia.

18. Without limitation, Defendants’ continuing and intentional encroachment on Plaintiffs’ senior rights in the BNC Marks is evidenced by Defendant Bank of North Carolina’s recent acquisition of the new generic top level domain (“gTLD”)

“bncbank.bank”. The newly created “.bank” gTLD is available exclusively for financial institutions. The purpose of the new “.bank” gTLD is to provide enhanced security and help prevent users from being redirected to fake bank websites and mitigate fraudulent activities such as phishing. Defendant Bank of North Carolina acquired “bncbank.bank” with full knowledge that Plaintiffs’ website has operated at www.bncbank.com continuously since the 1990s.

19. Use of the BNC Marks and name by Defendants is without permission or authority of Plaintiffs and is likely to cause and has caused significant and substantial actual confusion, mistake, and deception among consumers and customers as to the source, nature and quality of the goods and services offered by Defendants.

20. As one example of the actual consumer confusion already occurring as a direct result of Defendants’ expanding use of the BNC Marks, Defendants recently sent out a “Welcome Guide” to its newly acquired Valley Bank customers. On information and belief, such “Welcome Guide” included instructions for enrolling in Defendants’ online banking program. Numerous Valley Bank customers were confused and tried to enroll in Plaintiffs’ online banking program. When Valley Bank customers were unable to do so, they called Plaintiffs’ 1-800-BNC-BANK number to complain and/or seek assistance.

21. Defendant Bank of North Carolina is the current owner of contestable U.S. Federal Trademark Registration No. 3,971,788 for a design mark incorporating “BNC BANK” covering “[B]anking services.” Such registration alleges a date of first use of

2010, approximately fifteen (15) years after Plaintiffs' prior and senior first use in commerce of the BNC Marks.

22. Such use of the "BNC" and/or "BNC BANK" mark and name by Defendants is without permission or authority of Plaintiffs and is likely to cause and has caused significant and substantial actual confusion, mistake, and deception among consumers and customers as to the source, nature, and quality of the goods and services offered by Defendants.

23. As a direct and proximate result of Defendants' unlawful conduct alleged herein, Plaintiffs have sustained actual damages and, upon information and belief, Defendants have generated profits to which they are not entitled.

COUNT I

UNFAIR COMPETITION AND PASSING OFF

24. Plaintiffs incorporate the preceding paragraphs as though fully set forth herein.

25. Defendants have used a mark which is identical or confusingly similar to the BNC Marks with the intent to deceive the public into believing that goods and/or services offered or sold by Defendants are approved by, sponsored by, or affiliated with Plaintiffs.

26. Defendants' acts as alleged herein were committed with the intent to pass off and palm off Defendants' goods and/or services as the goods and/or services of Plaintiffs, and with the intent to deceive and defraud the public.

27. Defendants' acts constitute unfair competition and passing off, and have caused Plaintiffs damages, including, without limitation, lost profits, harm to reputation, and costs to remediate the confusion and harm to goodwill and reputation caused by Defendants.

28. Defendants' acts constitute violations of 15 U.S.C. § 1125 and of the common law.

29. Plaintiffs seek judgment pursuant to 15 U.S.C. § 1117 for Defendants' profits made by its unfair competition and passing off of Plaintiffs' goods and services, for the damages sustained by Plaintiffs, for all costs necessary to remediate the unfair competition and passing off and their effects, and for the costs, expenses and reasonable attorneys' fees incurred in bringing the present action.

30. Plaintiffs further seek judgment for three times the amount of Defendants' profits or Plaintiffs' damages, whichever is greater, due to the nature of Defendants' conduct.

COUNT II

FALSE DESIGNATION OF ORIGIN

31. Plaintiffs incorporate the preceding paragraphs as though fully set forth herein.

32. Defendants have offered and sold goods and/or services through interstate commerce with the BNC Marks connected therewith.

33. Defendants' use of said designation and representation constitutes a false designation of origin which is likely to cause confusion, to cause mistake and to deceive

as to the affiliation, connection or association of Defendants with Plaintiffs and as to the origin, sponsorship or approval of such goods and/or services by Plaintiffs.

34. Defendants' acts are in violation of 15 U.S.C. § 1125 in that Defendants have used in connection with goods and/or services a false designation of origin, or a false or misleading description and representation of fact, which is likely to cause confusion, and to cause mistake and to deceive as to the affiliation, connection or association of Defendants with Plaintiffs and as to the origin, sponsorship, and approval of Defendants' goods, services, and commercial activities by Plaintiffs.

COUNT III

TRADEMARK AND/OR TRADE NAME INFRINGEMENT

35. Plaintiffs incorporate the preceding paragraphs as though fully set forth herein.

36. Defendants' acts constitute trademark and/or trade name infringement in violation of Plaintiffs' rights at common law.

COUNT IV

MINNESOTA UNIFORM DECEPTIVE TRADE PRACTICES ACT

37. Plaintiffs incorporate the preceding paragraphs as though fully set forth herein.

38. Defendants have used in connection with goods and/or services a false designation of origin, or a false or misleading description and representation of fact, which is likely to cause confusion or mistake, and to deceive as to the origin, sponsorship and approval of Defendants' goods and/or services.

39. Defendants' false designation of origin, sponsorship and approval constitutes a violation of Minn. Stat. § 325D.44, as a result of which Plaintiffs seek an award of compensatory damages in excess of \$75,000, plus costs, attorneys' fees and injunctive relief pursuant to, without limitation, Minn. Stat. §§ 8.31 and 325D.45.

COUNT V

UNJUST ENRICHMENT

40. Plaintiffs incorporate the preceding paragraphs as though fully set forth herein.

41. Defendants have made a profit and continue to derive pecuniary gain through their unauthorized use of the BNC Marks.

42. Defendants have been, and continue to be, unjustly enriched as a result of their unauthorized use of the BNC Marks.

43. Plaintiffs have sustained injury, loss and damages in excess of \$75,000 as a result of Defendants' actions.

COUNT VI

CANCELLATION OF FEDERAL TRADEMARK REGISTRATION

44. Plaintiffs incorporate the preceding paragraphs as though fully set forth herein.

45. This is a claim for cancellation of a trademark registration under 15 U.S.C. §1119.

46. Defendants began using the "BNC" and/or "BNC BANK" name and mark in commerce in 2010. Plaintiffs began using the BNC Marks at least as early as 1995,

approximately fifteen (15) years and prior to Defendants' first use. Therefore, Plaintiffs have priority of use in the BNC Marks.

47. The wrongful and unauthorized use by Defendants of words and symbols confusingly similar to the BNC Marks, including "BNC" and "BNC BANK," is likely to cause confusion or mistake or deception as to the source of Defendants' services and/or sponsorship or authorization of Defendants' services.

48. Defendants' use of the "BNC", "BNC BANK" and/or "BNC BANK" design mark, when used in connection with banking services so resembles the BNC Marks as to cause confusion, or to cause mistake, or deceive pursuant to 15 U.S.C. § 1052(d).

49. Plaintiffs have or are likely to be damaged by the continued registration of Defendant Bank of North Carolina's U.S. Trademark Registration No. 3,971,788 for a design mark incorporating "BNC BANK" for "[B]anking services" in view of Plaintiffs' prior use of the BNC Marks for identical services.

50. For the reasons set forth above, the U.S. Patent and Trademark Office should not have permitted a registration to issue to Defendant Bank of North Carolina for use of the "BNC BANK" design mark in connection with banking services and therefore said registration should be cancelled.

WHEREFORE, Plaintiffs pray for the following relief:

(a) That this Court issue an injunction pursuant to, without limitation, 15 U.S.C. § 1116, enjoining and restraining Defendants, and their affiliates, agents, servants, and employees from directly or indirectly using the "BNC" or "BNC BANK" mark or

any mark or name similar to the BNC Marks which is likely to cause confusion, mistake, or to deceive.

(b) That this Court, pursuant to, without limitation, 15 U.S.C. § 1118, order that all products, labels, signs, prints, packages, wrappers, receptacles, and advertisements in the possession of Defendants bearing “BNC” or “BNC BANK” shall be delivered and destroyed.

(c) That Defendants be required to account to Plaintiffs for any and all profits derived by Defendants from the sale of any and all goods and/or services associated with the “BNC” and/or “BNC BANK” mark and name, and for all damages sustained by Plaintiffs by reason of said acts complained of herein.

(d) That this Court award Plaintiffs treble the amount of actual damages suffered by Plaintiffs.

(e) That this Court award Plaintiffs their attorneys’ fees, costs and expenses incurred in this action.

(f) That this Court issue an order cancelling Defendant Bank of North Carolina’s U.S. Trademark Registration No. 3,971,788 pursuant to 15 U.S.C. § 1119.

(g) That the Court grant Plaintiffs such other and further relief as this Court may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury on all issues so triable.

Dated: September 9, 2015

BRIGGS AND MORGAN, P.A.

By: s/Michael M. Lafeber

Michael M. Lafeber (#0242871)

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ATTORNEYS FOR PLAINTIFFS

EXHIBIT B

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF NORTH CAROLINA**

BNC BANCORP and)	
BANK OF NORTH CAROLINA,)	Civil Action No. 1:15-cv-00793
)	
Plaintiffs,)	
)	COMPLAINT
v.)	
)	JURY TRIAL DEMANDED
BNCCORP, INC. and)	
BNC NATIONAL BANK,)	
)	
Defendants.)	
)	

Plaintiffs BNC Bancorp and Bank of North Carolina (collectively, “BNC”) hereby bring this declaratory judgment and breach of contract action against Defendants BNCCORP, INC. and BNC National Bank (collectively, “Defendants”), and allege as follows:

THE PARTIES

1. BNC Bancorp is a North Carolina corporation with its principal place of business in High Point, North Carolina.
2. Bank of North Carolina is a North Carolina corporation with its headquarters in Thomasville, North Carolina.
3. Upon information and belief, BNCCORP, INC. is a Delaware corporation with a principal place of business in Bismarck, North Dakota.
4. Upon information and belief, BNC National Bank is a national banking association with a principal place of business in Glendale, Arizona.

JURISDICTION AND VENUE

5. This action arises under the Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, and the Lanham Act, 15 U.S.C. § 1051 *et seq.*

6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1332, 1338, and 1367. Additionally, the parties are diverse and the amount in controversy exceeds \$75,000 exclusive of interest and costs.

7. This Court has personal jurisdiction over Defendants.

8. On May 15, 2015, Defendants filed suit against BNC in this Judicial District alleging acts of infringement in this Judicial District, styled as *BNCCORP, INC. et al. v. BNC Bancorp et al.*, No. 1:15-cv-00392-WO-JEP (M.D.N.C.) (“Defendants’ North Carolina Infringement Action”). Defendants’ North Carolina Infringement Action presents issues substantially identical to those to be resolved in this action.

9. Venue is proper in this District under at least 28 U.S.C. §§ 1391 and 1400(b). A substantial part of the events giving rise to Defendants’ North Carolina Infringement Action and, correspondingly BNC’s claims in this action, occurred in this Judicial District, and furthermore the Defendants are subject to personal jurisdiction in this Judicial District.

10. An actual case or controversy exists between the parties. Defendants first threatened to take legal action against BNC by letter dated January 6, 2015, have asserted that BNC is engaging in acts of trademark and/or trade name infringement, false designation of origin, unfair competition and passing off, and related claims, have

demanded that BNC cease and desist from using BNC's own federally registered trademark and trade name in connection with banking and financial services, and have in fact taken legal action against BNC by filing an action for trademark and/or trade name infringement, false designation of origin, unfair competition and passing off, and related claims, and cancellation of BNC's BNC BANK & Design registered mark, under federal and North Carolina law, in this District on May 15, 2015, and by filing a subsequent substantially identical action in the District of Minnesota on September 9, 2015 (styled as *BNCCORP, INC. et al. v. BNC Bancorp et al.*, No. 0:15-cv-03624-DWF-TNL (D. Minn.) ("Defendants' Minnesota Infringement Action"). A true and correct copy of Defendants' North Carolina Infringement Action filed in this Judicial District, which was voluntarily dismissed on September 9, 2015, is attached hereto as Exhibit A. A true and correct copy of Defendants' Minnesota Infringement Action is attached hereto as Exhibit B.

FACTS

11. BNC is a commercial bank and bank holding company with assets in excess of \$5.0 billion. BNC offers banking and financial services to individuals and businesses primarily through its 67 banking branches and offices in North Carolina, South Carolina and Virginia. BNC has accounts with customer mailing addresses in approximately 47 states, the District of Columbia and the Virgin Islands.

12. BNC has regularly used its "BNC" name and marks in its communications with its customers and in its promotions, marketing and advertising.

13. BNC's account holders and shareholders regularly receive materials bearing the "BNC" marks via direct mail and email, including monthly statements, annual statements, annual reports, privacy notices, marketing and promotional materials, and other correspondence.

14. Plaintiff Bank of North Carolina was incorporated and began operations in 1991. From the early period of its operations, Bank of North Carolina referred to itself and was referred to by customers as "BNC," an initialism of Bank of North Carolina.

15. Bank of North Carolina was using the mark "BNC" in commerce in connection with the bank's goods and services at least as early as 1995.

16. Examples of Bank of North Carolina's uses in commerce of the "BNC" mark in the 1990s include at least those in connection with banking accounts, bank cards and mortgage services, and as a general reference to the bank and its services.

17. At least as early as 1998, Bank of North Carolina used the "BNC" brand in connection with its interactive customer telephone system, "BNC ACCESS 24," through which customers could access account information twenty-four hours a day.

18. At least as early as the 1999-2001 time period, Bank of North Carolina used "BNC" in connection with its "BNC Check Card" and "BNC Free Checking Account" goods and services.

19. Bank of North Carolina began use of its website, www.bankofnc.com, in approximately 1999. The "BNC" name and brand was used on the website in connection

with banking and financial services, on information and belief, in 1999 and at least as early as 2001.

20. BNC Bancorp is the parent and bank holding company of Bank of North Carolina. BNC Bancorp's stock is quoted in the NASDAQ Capital Market under the symbol "BNCN." BNC Bancorp was formed in 2002 and since its inception has used the "BNC" name and mark in connection with its operations as a holding company for banking and financial services.

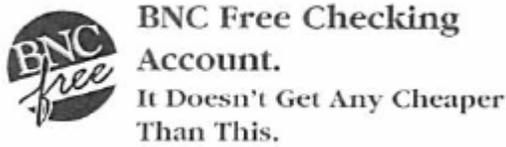
21. BNC has offered online banking services to customers under the "BNC" name and mark since at least as early as 2003. These online banking services have been used by BNC customers without geographic restriction.

22. At least as early as 2005, most all of BNC's banking accounts were branded with "BNC," including, without limitation, "BNC Savings," "BNC Commercial Checking," "BNC Money Market," "BNC Commercial Interest Checking," "BNC Non-Profit Interest Checking," and "BNC Premium Money Market."

23. BNC thereafter continually introduced and offered further goods and services branded with "BNC," including, without limitation, "BNC Bank," "BNC Banking," "BNC Business Check Card," "BNC Small Business Account," "BNC Non-Profit Checking," "BNC Financial Services," "BNC Treasury Services," "BNC Wealth Services," "BNC Wealth Management," "BNC Personal Services," "BNC Minor Savings," "BNC ATM," "BNC Remote Deposit Capture," "BNC Private Banking," "BNC@Work," and "BNC Mortgage."

24. BNC has continuously used its BNC marks in commerce to identify its goods and services and to distinguish its goods and services from those made, sold, or offered by others.

25. Non-exclusive examples of historical and current uses of the BNC marks are shown below:





26. BNC has established substantial goodwill and public recognition in its BNC marks, and BNC has expended substantial time and resources to promote BNC marks in connection with BNC's goods and services. Customers of banking and financial services have come to associate the BNC marks with Bank of North Carolina and BNC Bancorp, and the marks have acquired secondary meaning.

27. BNC is the owner of common law rights in the BNC marks for use in connection with banking and financial services. BNC's rights in the BNC marks in all respects are superior to rights alleged by Defendants.

28. On April 28, 2010, Bank of North Carolina filed an application to register the BNC BANK & Design mark on the Principal Register of the United States Patent and

Trademark Office (“USPTO”), in International Class 36 for banking services. The application included the following words and design:



29. The USPTO approved Bank of North Carolina’s application. The USPTO did not refuse to register the BNC BANK & Design mark based on any likelihood of confusion with any other marks. The USPTO did not determine that there was a likelihood of confusion with any marks allegedly used by Defendants.

30. Bank of North Carolina’s application was published in the Official Gazette between September 28, 2010 and April 28, 2011, without opposition or protest from any third party.

31. Defendants did not object to, oppose or protest the registration of Bank of North Carolina’s BNC BANK & Design mark.

32. Defendants had notice of Bank of North Carolina’s use of its BNC BANK & Design mark and of its application with the USPTO for federal trademark registration of that mark at least as early as 2010.

33. The USPTO issued a registration certificate on May 31, 2011 for the BNC BANK & Design mark.

34. Bank of North Carolina is the rightful owner of U.S. Trademark Registration No. 3971788. A true and correct copy of the registration certificate is attached as Exhibit C.

35. U.S. Trademark Registration No. 3971788 is valid and enforceable in all respects.

36. Bank of North Carolina is the owner of the BNC BANK & Design mark and has the exclusive right to use the mark throughout the United States.

37. Since at least as early as April 9, 2010, Bank of North Carolina has continuously used the BNC BANK & Design registered mark in interstate commerce in connection with banking and financial services.

38. BNC has established substantial goodwill and public recognition in its BNC BANK & Design registered mark, and BNC has expended substantial time, resources and money to promote that mark in connection with BNC's goods and services. Customers of banking and financial services have come to associate the BNC BANK & Design registered mark with Bank of North Carolina and BNC Bancorp.

39. Defendants allege that they provide banking and financial services to customers under the name "BNC National Bank."

40. Defendants conduct their banking and financial services business through branches and offices located in a limited geographical area located in a small number of Midwestern states.

41. According to Defendants' websites, each of the Defendants is "dedicated to providing banking and wealth management services to businesses and consumers in its local markets." (See, e.g., www.bncbank.com/about-us.htm and www.bnccorp.com/54302/mirror/corporate-profile.htm) (emphasis added). According to BNC National Bank's website, "BNC operates community banking, mortgage banking and wealth management in Arizona, Minnesota and North Dakota and also conducts mortgage banking from locations in Illinois, Kansas, Missouri and Nebraska."

42. Defendants assert that they have established common law rights in the "BNC" and "BNC NATIONAL BANK" marks for, among other things, banking and financial services, and in the use of "BNC" and "BNC NATIONAL BANK" as a trade name or part of a trade name (collectively, "Defendants' Alleged Marks").

43. In December 2014, numerous years after Bank of North Carolina filed and obtained its federal registration for its BNC BANK & Design mark, and more than 19 years after Defendants allegedly began using the "BNC" names and marks in connection with banking and financial services in its limited geographic area, Defendant BNCCORP, INC. filed two applications with the USPTO for "BNC" marks relating to banking and financial services, including: "BNC" (U.S. Trademark Application Serial No. 86/495,492) and "BNC NATIONAL BANK" (U.S. Trademark Application Serial No. 86/474,504) (collectively, "Defendant BNCCORP, INC.'s Applications").

44. In filing the applications, Defendant BNCCORP, INC. or its representative was required to sign a declaration under penalty of perjury that Defendant BNCCORP,

INC. was the owner of the mark and had the exclusive right to use it throughout the United States. The Declaration states: “The signatory believes that to the best of the signatory's knowledge and belief, no other person has the right to use the mark in commerce, either in the identical form or in such near resemblance as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion or mistake, or to deceive.” True and correct copies of Defendant BNCCORP, INC.’s Applications, which include the Declarations, are attached as Exhibit D.

45. Defendant or their representatives signed and submitted the Declarations on January 5, 2015 (for U.S. Trademark Application Serial No. 86/495,492) and December 8, 2014 (for U.S. Trademark Application Serial No. 86/474,504), with actual knowledge that Bank of North Carolina had obtained U.S. Trademark Registration No. 3971788 for the BNC BANK & Design mark and that Bank of North Carolina and BNC Bancorp had been using that mark in interstate commerce.

46. Defendants allege that the BNC BANK & Design mark is confusingly similar to Defendants’ Alleged Marks and should not have been registered.

47. Defendant BNCCORP, INC.’s Applications published for opposition on August 11, 2015 and August 4, 2015, respectively.

48. BNC filed requests to extend the time to oppose Defendant BNCCORP, INC.’s Applications until December 9, 2015 and December 2, 2015, respectively, which the USPTO granted.

49. On January 6, 2015, more than four years after BNC's application for federal registration published in the Official Gazette, and more than 19 years after Defendants allegedly began using the "BNC" names and marks in connection with banking and financial services in its limited geographic area, Defendants sent BNC a letter demanding that BNC cease use of all "BNC" marks, including its BNC BANK & Design registered trademark.

50. On May 15, 2015, Defendants filed Defendants' North Carolina Infringement Action in this Judicial District alleging trademark and/or trade name infringement, false designation of origin, unfair competition and passing off, related North Carolina state law claims, and requesting that BNC's federal registration be cancelled.

51. Defendants sent a copy of Defendants' North Carolina Infringement Action to counsel for BNC but never served the complaint while the parties conducted extensive settlement negotiations. On September 9, 2015, a few days before the end of the 120-day window for serving the complaint, and while the parties were still engaged in settlement discussions and discussions regarding BNC's agreement to accept service of the summons and complaint or to request this Court to grant an extension for service, Defendants filed a voluntary dismissal without prejudice pursuant to FED. R. CIV. P. 41(a)(1)(A)(i).

52. On the same day, Defendants filed a second suit in the District of Minnesota (Defendants' Minnesota Infringement Action), alleging identical federal

causes of action and state law causes of action similar to those alleged in Defendants' North Carolina Infringement Action.

53. Despite the fact that counsel for Defendants indicated as late as September 8, 2015 that Defendants intended to either serve the complaint (with BNC's counsel's agreement to accept service of the summons and complaint) or explore a possible extension of the service period (with BNC's agreement), Defendants did not disclose to BNC that they planned to dismiss Defendants' North Carolina Infringement Action and refile a nearly identical action in the District of Minnesota.

54. Defendants' accusations and demands must be addressed now, because BNC has made, and continues to make, substantial investment and has developed substantial good will in the BNC marks and thus has been and continues to be damaged by Defendants' allegations.

55. BNC is entitled to conduct its banking and financial services business and to offer related goods and services under the BNC names and marks, and is entitled to a judicial declaration that BNC's use of the BNC names and marks does not infringe upon or misappropriate any of Defendants' Alleged Marks or claimed rights, or otherwise constitute false designation of origin or unfair competition and as requested below.

56. BNC needs the Court to declare its rights in the BNC names and marks, and to require Defendants to abandon their trademark applications.

COUNT ONE
(Declaratory Judgment of Valid Registration and Trademark Ownership)

57. BNC incorporates by reference the allegations in the foregoing paragraphs, as if stated fully herein.

58. Defendants claim that Bank of North Carolina's U.S. Trademark Registration No. 3971788 for the BNC BANK & Design Mark was wrongfully issued by the USPTO, and, through litigation and pursuant to 15 U.S.C. § 1119, seeks cancellation of Bank of North Carolina's federal registration.

59. An actual, present and justiciable controversy exists between BNC and Defendants concerning the ownership and registrability of BNC's BNC BANK & Design Mark, and the ownership of BNC's marks.

60. BNC seeks declaratory judgment from this Court that the USPTO properly issued U.S. Trademark Registration No. 3971788 for the BNC BANK & Design mark;(a) that U.S. Trademark Registration No. 3971788 for the BNC BANK & Design mark is valid in all respects; (b) that U.S. Trademark Registration No. 3971788 for the BNC BANK & Design mark is owned by BNC; and (c) that BNC has the exclusive right to use the mark in the United States.

61. BNC seeks declaratory judgment from this Court that BNC has common law rights in, and is the owner of, the BNC marks and that BNC is entitled to use the marks in the United States.

COUNT TWO

(Declaratory Judgment of No Trademark Infringement, False Designation of Origin, Unfair Competition and Passing Off, Deceptive Trade Practices or Unjust Enrichment by BNC)

62. BNC incorporates by reference the allegations in the foregoing paragraphs, as if stated fully herein.

63. Defendants claim that BNC's use of the BNC marks in connection with banking and financial services constitutes trademark and/or trade name infringement, false designation of origin, unfair competition and passing off, deceptive trade practices and unjust enrichment, and demands that BNC cease and desist from use of the BNC marks, including the registered BNC BANK & Design mark, in commerce.

64. An actual, present and justiciable controversy exists between BNC and Defendants concerning the right to provide BNC's goods and services under the BNC marks free from Defendants' interference.

65. BNC seeks declaratory judgment from this Court that BNC's use of the BNC marks, including the registered BNC BANK & Design mark, in commerce does not constitute trademark and/or trade name infringement of Defendants' Alleged Marks or any other trademark or trade name that Defendants claim or may claim, under federal, North Carolina or any other state's law.

66. BNC seeks declaratory judgment from this Court that BNC's use of the BNC marks in commerce does not constitute false designation of origin, under federal, North Carolina or any other state's law.

67. BNC seeks declaratory judgment from this Court that BNC's use of the BNC marks in commerce does not constitute unfair competition or passing off, under federal, North Carolina or any other state's law.

68. BNC seeks a declaratory judgment from this Court that BNC's use of the BNC marks in commerce does not constitute deceptive trade practices under federal, North Carolina or any other state's law.

69. BNC seeks a declaratory judgment from this Court that BNC's use of the BNC marks in commerce does not constitute unjust enrichment, under federal, North Carolina or any other state's law.

70. BNC seeks declaratory judgment that Defendants have suffered no, and will not suffer any, damages or loss of goodwill as a result of BNC's use of the BNC marks.

71. BNC seeks declaratory judgment that Defendants are not entitled to any injunctive relief or damages under 15 U.S.C. § 1125 or any other relief whatsoever.

COUNT THREE
(Declaratory Judgment of Unenforceability – Laches and Acquiescence and Statutes of Limitation)

72. BNC incorporates by reference the allegations in the foregoing paragraphs, as if stated fully herein.

73. Defendants claim that BNC's use of the BNC marks in connection with banking and financial services constitutes trademark and/or trademark infringement, false

designation of origin, unfair competition, deceptive trade practices and unjust enrichment, seeks cancellation of BNC's BNC BANK & Design registered mark and demands that BNC cease and desist use of the BNC marks in commerce.

74. Since the 1990s, Bank of North Carolina has openly used the BNC marks, including in connection with banking and financial services in interstate commerce.

75. On April 28, 2010, Bank of North Carolina filed an application to register the BNC BANK & Design mark on the Principal Register of the United States Patent and Trademark Office ("USPTO").

76. Bank of North Carolina's federal trademark application for registration of the BNC BANK & Design Mark was published for opposition in the Official Gazette on September 28, 2010.

77. Defendants did not object, oppose or protest the registration of Bank of North Carolina's BNC BANK & DESIGN mark.

78. Bank of North Carolina's federal trademark registration for the BNC BANK & Design Mark issued on May 31, 2011.

79. Defendants had notice of Bank of North Carolina's use of its BNC BANK & Design mark, and of its application with the USPTO for federal trademark registration of that mark, at least as early as 2010, and knew or should have known of such use and of such application since that time.

80. Defendants had notice of Bank of North Carolina's use of its BNC BANK & Design mark and of the USPTO's registration of that mark as of May 31, 2011.

81. Defendants unreasonably delayed in seeking redress to the severe detriment of BNC. BNC has expended substantial time, resources and money to use and promote the BNC marks in connection with BNC's goods and services.

82. Defendants' claims fall outside applicable statutes of limitation.

83. BNC seeks declaratory judgment from this Court that Defendants' claims for trademark and/or trade name infringement, false designation of origin, unfair competition and passing off, deceptive trade practices, unjust enrichment and cancellation of BNC's BNC BANK & Design registered mark are barred due to laches and acquiescence and the applicable statutes of limitation.

COUNT FOUR
**(Declaratory Judgment of Unenforceability – Trademark Misuse, Fraud
Upon the USPTO and Unclean Hands)**

84. BNC incorporates by reference the allegations in the foregoing paragraphs, as if stated fully herein.

85. Defendants have filed lawsuits and alleged claims of trademark and/or trade name infringement, false designation of origin, unfair competition, deceptive trade practices and unjust enrichment against BNC in bad faith and without basis in law or fact.

86. Defendant BNCCORP, INC. filed two applications with the USPTO for "BNC" marks relating to banking and financial services, including: "BNC" (U.S. Trademark Application Serial No. 86/495,492) and "BNC NATIONAL BANK" (U.S.

Trademark Application Serial No. 86/474,504) (collectively, “Defendant BNCCORP, INC.’s Applications”).

87. Defendants or their representatives, including without limitation the declarant who submitted Declarations to the USPTO in connection with Defendant BNCCORP, INC.’s Applications, have made misrepresentations to the public in an improper attempt to increase the scope of their alleged marks, at least by submitting Declarations to the USPTO falsely affirming that “no other person has the right to use the mark in commerce, either in the identical form or in such near resemblance as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion or mistake, or to deceive,” despite having actual knowledge of Bank of North Carolina’s federal registration for the BNC BANK & Design mark and of BNC’s open use of the BNC marks in commerce, and by claiming and asserting against BNC common law rights in “BNC” and “BNC National Bank” that are much broader than those, if any, to which they may be entitled.

88. At the time Defendant BNCCORP, INC. filed its applications, it had actual knowledge of BNC’s use of the BNC marks, of Bank of North Carolina’s federal registration and of BNC’s common law rights in its BNC marks.

89. At the time Defendant BNCCORP, INC.’s Applications were filed and the Declaration was signed and submitted and thereafter, Defendant BNCCORP, INC. knew that its declaration was false and intended to deceive the USPTO.

90. In publishing Defendant BNCCORP, INC.'s Applications for opposition, the USPTO reasonably relied on BNCCORP, INC.'s misrepresentations.

91. BNC has suffered damages, and will continue to suffer damages, as a proximate result of such reliance and of Defendant BNCCORP, INC.'s misrepresentations.

92. An actual and justiciable controversy exists by way of Defendants' claiming broad rights in Defendants' Alleged Marks through at least Defendant BNCCORP, INC.'s Applications, and through Defendants' claims that BNC's use of the BNC marks infringes upon those alleged rights.

93. BNC seeks declaratory judgment from this Court that Defendants' Alleged Marks and Defendant BNCCORP, INC.'s Applications are unenforceable, invalid and not subject to registration, and that Defendants' are not entitled to injunctive or other equitable relief, because of their trademark misuse, fraud upon the USPTO and unclean hands.

COUNT FIVE

(Declaratory Judgment That Defendants' Trademark Applications Are Meritless, Invalid and Are Not Entitled to Registration)

94. BNC incorporates by reference the allegations in the foregoing paragraphs, as if stated fully herein.

95. Defendants claim to own common law rights in Defendants' Alleged Marks in connection with banking and financial services.

96. Defendant BNCCORP, INC. filed two applications with the USPTO for “BNC” marks relating to banking and financial services, including: “BNC” (U.S. Trademark Application Serial No. 86/495,492) and “BNC NATIONAL BANK” (U.S. Trademark Application Serial No. 86/474,504) (collectively, “Defendant BNCCORP, INC.’s Applications”).

97. Defendant BNCCORP, INC.’s Applications are meritless and invalid, and are not entitled to registration under federal law.

98. Furthermore, Defendant BNCCORP, INC.’s Applications should not be registered and should not be enforced due to Defendants’ trademark misuse, fraud upon the USPTO and unclean hands.

99. An actual and justiciable controversy exists as to whether Defendant BNCCORP, INC.’s Applications are entitled to registration.

100. BNC seeks declaratory judgment that Defendant BNCCORP, INC.’s Applications are meritless, invalid and not entitled to registration.

COUNT SIX
(Breach of Agreement)

101. BNC incorporates by reference the allegations in the foregoing paragraphs, as if stated fully herein.

102. After the filing of Defendants’ North Carolina Infringement Action, in furtherance of settlement discussions, BNC and Defendants agreed to exchange certain confidential business information with each other, subject to Federal Rule of Evidence

408 and additionally subject to the parties' express agreement that the information exchanged would be kept confidential.

103. Through counsel, on July 8, 2015 BNC and Defendants agreed in writing that the "information exchanged will not be disclosed to third parties."

104. On July 17, 2015, BNC, through counsel, sent confidential business information to counsel for Defendants. In doing so, it was expressly stated that the information was submitted to Defendants subject to both Rule 408 and the parties' confidentiality agreement.

105. On September 9, 2015, Defendants filed Defendants' Minnesota Infringement Action.

106. In violation of the July 8, 2015 confidentiality agreement, Defendants base their personal jurisdictional allegations in Defendants' Minnesota Infringement Action on confidential information sent to Defendants by BNC expressly subject to the parties' July 8, 2015 confidentiality agreement and to Rule 408.

107. As a direct and proximate result of Defendants' acts, BNC has been injured, continues to be injured, has sustained, and will continue to sustain substantial damages and injuries, in an amount to be determined at trial.

108. Defendants' acts are wrongful and constitute breach of agreement and contract.

109. Defendants' wrongful acts were willful and deliberate.

110. BNC is entitled to recover a judgment and award adequate to compensate

BNC for Defendants' breach and for appropriate injunctive and equitable relief.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request the following relief:

1. Declaratory Judgment in favor of BNC Bancorp and Bank of North Carolina, and against Defendants, as requested above;
2. A permanent injunction ordering Defendants to abandon, withdraw and discontinue prosecution of Defendant BNCCORP, INC.'s Applications;
3. A judgment in favor of BNC Bancorp and Bank of North Carolina, and against Defendants, for breach of agreement and contract, for damages in an amount to be determined at trial and for appropriate injunctive and equitable relief;
4. An award of interest, attorneys' fees (including without limitation under 15 U.S.C. § 1117(a)), costs and damages, as applicable;
5. An award of such other and further relief as the Court deems just and proper.

TRIAL BY JURY IS REQUESTED

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiffs request a trial by jury of any issues so triable.

Dated: September 25, 2015

s/Jacob S. Wharton

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