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

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| Proceeding | 91225408 |
| Party | Defendant Instagram, LLC |
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

PIXELS.COM, LLC,

Opposer,

vs.

INSTAGRAM, LLC,

Applicant.

Opposition No. 91225408

**APPLICANT INSTAGRAM, LLC'S
MOTION TO DISMISS COUNTS TWO
AND THREE OF NOTICE OF
OPPOSITION**

Pursuant to Federal Rule of Civil Procedure 12(b)(6) and Section 503 of this Board's Manual of Procedure (TBMP), Applicant Instagram, LLC ("Instagram") respectfully requests that the Board enter an order dismissing Opposer Pixels.com, LLC's ("Pixels") Notice of Opposition in part. Specifically, Instagram seeks dismissal of Pixels' second count, purportedly based on non-use, and third count, purportedly based on fraud.

I. Introduction

Instagram owns a federal trademark registration for its composite INSTA & Design mark, which incorporates the INSTA word mark with Instagram's camera logo. Instagram is now seeking to register the word element INSTA by itself. Pixels has opposed registration of Instagram's INSTA mark, alleging that the word version of the INSTA mark is descriptive and lacks secondary meaning (Count One) and that Instagram has acquiesced in third parties' use of INSTA (Count Four). Although Instagram strongly disagrees with these allegations, Instagram does not believe those claims can be resolved on the pleadings.

Instagram does, however, respectfully request that Pixels' second and third counts be dismissed:

- Count Two of Pixels' Notice of Opposition alleges that Instagram has never used INSTA "separate and apart from the composite logo." (Notice of Opp., ¶ 14.) This allegation effectively concedes that Instagram *has* used INSTA, precluding refusal of the mark on non-use grounds.
- Pixels' claim of fraud is also deficient on its face, because Pixels alleges no facts from which one can infer either a material false statement or intent to deceive. Pixels alleges, on information and belief, that Instagram knew some unidentified third parties had the right to use INSTA in connection with unspecified products. However, there are no specific allegations of specific parties with relevant prior rights, and no specific allegations that Instagram knew about any such parties from which it might be inferred that Instagram knowingly misstated its rights with an intent to deceive. Pixels' vague and conclusory allegations fail to state a claim for fraud.

Pixels' second and third counts should therefore be dismissed.

II. Factual Background

Instagram is the owner of the INSTAGRAM trademark. Since the launch of its photo sharing and social networking service and software application in October 2010, Instagram has continuously used the trademark INSTAGRAM in interstate commerce in the United States in connection with its goods and services. Reflecting its trademark rights, Instagram owns a number of U.S. registrations and applications for its INSTAGRAM mark, covering a variety of goods and services.

On October 1, 2012, Pixels applied to register the mark INSTAPRINTS in Classes 16, 35, and 40, for various goods and services (Application S/N 85/742,628). Instagram opposed registration of the INSTAPRINTS mark on grounds of likelihood of confusion and dilution with its INSTAGRAM mark; Instagram’s opposition is pending before this Board (Opp. No. 91214795). Pixels subsequently filed a complaint against Instagram in the United States District Court for the Northern District of California, seeking declaratory judgments of no infringement and no dilution regarding INSTAPRINTS, and alleging violation of antitrust laws and “trademark misuse,” among other claims. The antitrust and “trademark misuse” claims have been dismissed; the remainder of the complaint is pending in District Court. Opposition No. 91214795 has been suspended pending the outcome of the civil action.

Instagram also owns the INSTA and Design mark shown below:



The INSTA and Design mark is registered (U.S. Registration No. 4,531,884) for a variety of goods and services in Classes 9, 38, 41, 42, and 45.

Instagram has now applied (Application S/N 86/638,028) to register the word version of the INSTA mark in Class 9 for the following goods and services: “Downloadable computer software for modifying the appearance and enabling transmission of photographs; computer

software for the collection, editing, organizing, modifying, transmission, storage and sharing of data and information; computer software to enable uploading, downloading, accessing, posting, displaying, tagging, blogging, streaming, linking, sharing or otherwise providing electronic media or information via computer and communication networks.”

Pixels has opposed Instagram’s application, alleging among other things that Instagram has not used INSTA separate and apart from the camera logo, and that Instagram has committed fraud on the PTO. For the reasons discussed below, these claims are deficient on their face, and should be dismissed.

III. Argument

A. Legal Standard on Motion to Dismiss

To show a valid basis for opposing registration, the Notice of Opposition “must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). “In order to avoid dismissal for failure to state a claim, a complaint must allege facts ‘plausibly suggesting (not merely consistent with)’ a showing of entitlement to relief. . . . [A] court is ‘not bound to accept as true a legal conclusion couched as a factual allegation.’” *Acceptance Insurance Companies, Inc. v. United States*, 583 F.3d 849, 853 (Fed. Cir. 2009), *cert. denied*, 559 U.S. 1106 (2010) (citations omitted).

The Supreme Court has noted, “Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice. . . . Rule 8 marks a notable and generous departure from the hyper-technical, code-pleading regime of a prior era, but it does not unlock the doors of discovery for a plaintiff armed with nothing more than conclusions.” *Ashcroft*, 556 U.S. at 678-79. “While the court assumes that the facts in a complaint are true, it is not required to indulge in unwarranted inferences in order to save a complaint from dismissal.”

Juniper Networks Inc. v. Shipley, 98 U.S.P.Q.2d 1491 (Fed. Cir. 2011) (quoting *Metzler Investment GmbH v. Corinthian Colleges, Inc.*, 540 F.3d 1049, 1064-65 (9th Cir. 2008).

Moreover, “[A] court is ‘not bound to accept as true a legal conclusion couched as a factual allegation.’” *Acceptance Insurance*, 583 F.3d at 853. Because notice pleading requirements are designed to give a defendant a fair idea of the plaintiff’s complaint and the legal basis for recovery, bald conclusory allegations, unsupported by factual averments, are insufficient to state a valid claim for relief. *See, e.g., McConnell Douglas Corp. v. National Data Corporation*, 228 U.S.P.Q. 45, 47 (TTAB 1985) (granting motion to dismiss); *see also Doyle v. Al Johnson’s Swedish Restaurant & Butik, Inc.*, 101 U.S.P.Q.2d 1780, 1783 (TTAB 2012) (dismissing petition to cancel based on deficient factual pleadings).

B. Pixels’ Second Count Based On Non-Use Should Be Dismissed.

Pixels’ second claim “based on non-use” alleges that Instagram “does not currently and has never used the term ‘INSTA’ *separate and apart from the composite logo*” shown in Registration No. 4,531,884. (Notice of Opp., ¶¶ 14-15, emphasis added.) This allegation of non-use is defective because on its face, it concedes that Instagram *has* used INSTA as part of its INSTA and Design mark. There is no requirement that a word element be used separate and apart from a design element in order to be “used”. Use is use, and if (as Pixels concedes) Instagram has used INSTA as part of its INSTA & Design camera logo, it has used INSTA.

This Board addressed a similar issue in *General Foods Corp. v. Ito Yokado Co., Ltd.*, 219 U.S.P.Q. 822 (TTAB 1983). In that case, the applicant sought to register a design mark in the shape of a bird; the application was opposed by General Foods, which owned registrations for the BIRDS EYE trademark inside the shape of a bird as well as the bird shape by itself. The applicant counterclaimed for cancellation of the latter, alleging that General Foods “used the bird

design depicted in the registration only as part of a composite mark that included the words ‘BIRDS EYE’ and had, therefore, abandoned the registered mark.”

The Board disagreed, holding that there was no non-use. The Board explained:

[W]hether opposer has or has not used the bird design by itself is irrelevant to the abandonment issue in view of the fact – uncontested by applicant – that it has extensively and continuously used the design mark in association with the word mark “BIRDS EYE” as a composite mark on the goods for which the bird design is registered throughout the life of such registration Nothing in the Trademark Act precludes an owner from using more than one trademark on a product and each may be separately registered and separately protected. . . . Nor is there anything in our jurisprudence which obligates a trademark owner, in order to avoid abandonment of its registered mark, to use the mark by itself.

Id. By the same reasoning, Instagram’s use of INSTA along with the camera logo still constitutes use of INSTA, whether or not INSTA has been used by itself. *See also Keds Corp. v. Renee International Trading Corp.*, 888 F.2d 215, 221 (1st Cir. 1989) (rejecting argument that Keds’ trademark in its blue label design was invalid because the blue label was always used with the word “Keds,” noting, “two trademarks can always be used together without invalidating either mark”).

Pixels may contend – and has contended, in count one – that the term INSTA is not sufficiently distinctive to be registered by itself. *See General Foods, supra* (“Perhaps the real gravamen of petitioner’s claim is that opposer’s bird design only functions as a mark insofar as it is a feature of its composite word and design mark This claim concerns the question whether the bird design mark was registrable by itself”). Instagram disagrees with Pixels’ contention, and will prove over the course of this opposition proceeding that INSTA is registrable.¹ The claim of non-registrability is, however, separate from the claim of non-use,

¹ Instagram notes, in this connection, that “it has consistently been held that where a mark comprises a word portion and a design portion it is the word features which are controlling.”

which is foreclosed by Pixels' own allegations. Because Pixels' pleading concedes that Instagram has used INSTA as part of the INSTA and Design mark, Pixels' claim based on non-use should be dismissed.

C. Pixels' Third Count Based On Fraud Should Be Dismissed.

Instagram also moves to dismiss Pixels' third count, purportedly based on fraud. Pixels' fraud claim fails to satisfy this Board's pleading standards.

Pixels alleges that Instagram's declaration in support of its INSTA application was fraudulent because, "on information and belief," Instagram knew that third parties had the right to use INSTA and that Instagram did not possess exclusive rights in INSTA. (Notice of Opp., ¶¶ 17, 20.)² Pixels also makes the conclusory allegation that Instagram's allegedly false representations were made with the intent of inducing the Examiner to pass Instagram's application to publication. (Notice of Opp., ¶ 20.)

This Board has held that "[p]leadings of fraud made 'on information and belief,' when there is no allegation of 'specific facts upon which the belief is reasonably based' are insufficient." *Asian and Western Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478 (TTAB 2009) (citations omitted). Fed. R. Civ. P. 9(b) requires that fraud be pleaded with particularity,

Footnote continued from previous page

Kabushiki Kaisha Hattori Tokeiten v. Scutto, 228 U.S.P.Q. 461 (TTAB 1985) (citations omitted). By this reasoning, the INSTA portion of the INSTA and Design mark makes a stronger impression on consumers than the design portion. *See, e.g., In re Appetito Provisions Co. Inc.*, 3 U.S.P.Q.2d 1553 (TTAB 1987) (if a mark "comprises both a word and a design, then the word is normally accorded greater weight because it would be used by purchasers to request the goods or services").

² Pixels also alleges that the declaration was false because there was no actual use of INSTA "separate and apart from the design component." (Notice of Opp., ¶ 19.) As noted above, this allegation is deficient because it concedes that Instagram did in fact use INSTA.

meaning that the pleading must include a statement of the facts upon which the allegations are based. *Id.*; see also, e.g., *NSM Resources Corp. v. Microsoft Corp.*, 113 U.S.P.Q.2d 1029 (TTAB 2014) (“Pleadings of fraud ‘based on information and belief’ without allegations of specific facts upon which the belief is reasonably based are insufficient.”).

As to fraudulent intent, “The application oath is . . . phrased in terms of a subjective belief, thereby making it extremely difficult to prove fraud so long as the signer has an honestly held, good faith belief.” *Woodstock’s Enterprises, Inc. (California) v. Woodstock’s Enterprises, Inc. (Oregon)*, 43 U.S.P.Q.2d 1440 (TTAB 1997), *aff’d*, 152 F.3d 942 (Fed. Cir. 1998). “[A]n applicant’s failure to disclose to the PTO the asserted rights of another person is not fraudulent unless such other person was known by applicant to possess a superior or clearly established right to use the same or a substantially identical mark for the same or substantially identical goods or services as those in connection with which registration is sought.” *Intellimedia Sports, Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203 (TTAB 1997). “Mere knowledge of another’s actual use of the mark is insufficient to constitute fraud,” if the applicant believes that the rights of such a user are inferior. *Hana Financial, Inc. v. Hana Bank*, 500 F. Supp. 2d 1228, 1235 (C.D. Cal. 2007).

In light of these standards, this Board has held that in order to withstand a motion to dismiss, a plaintiff claiming fraud on the PTO must allege:

particular facts which, if proven, would establish that: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant’s; (3) applicant knew that the other user had rights in the mark superior to applicant’s, and either believed that a likelihood of confusion would result from applicant’s use of its mark or had no reasonable basis for believing otherwise; and that (4) applicant, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled.

Intellimedia, supra (citations omitted, emphasis added); *see also Asian and Western Classics, supra* (“the pleadings must allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind”) (citations omitted).

Pixels’ pleading is completely devoid of any such particular facts. Pixels alleges – on information and belief – that Instagram’s declaration was false, but does not provide any factual basis for its conclusory assertion that Instagram’s declaration of belief was not honestly held or was made in bad faith. Pixels fails to identify any particular party that had prior rights in INSTA, and fails to allege that Instagram knew of those prior rights. Because Pixels’ claim of fraud is made on information and belief, in conclusory fashion and not supported by specific factual allegations, it is inadequate on its face, and should be dismissed. *See, e.g., Qualcomm Inc. v. FLO Corp.*, 93 U.S.P.Q.2d 1768 (TTAB 2010).

IV. Conclusion

For the reasons stated above, Instagram respectfully requests that the Board dismiss the second and third counts of Pixels’ Notice of Opposition.

Respectfully submitted,

KILPATRICK TOWNSEND & STOCKTON LLP

Dated: January 26, 2016

By: /s/ Annie L. Albertson

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 26, 2016, I served a true and complete copy of the foregoing **APPLICANT INSTAGRAM, LLC'S MOTION TO DISMISS COUNTS TWO AND THREE OF NOTICE OF OPPOSITION** by First-Class Mail, postage pre-paid, to the following correspondent of record for the Opposer, at its address of record:

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Dated: January 26, 2016

By: /s/ Angelina Caviles
Angelina Caviles