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

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 AMENDED NOTICE
OF OPPOSITION**

On January 26, 2016, Applicant Instagram, LLC (“Instagram”) moved for an order dismissing the second and third counts of Opposer Pixels.com, LLC’s (“Pixels”) Notice of Opposition pursuant to Federal Rule of Civil Procedure 12(b)(6) and Section 503 of this Board’s Manual of Procedure (TBMP). On February 16, 2016, Pixels filed an Amended Notice of Opposition along with its response to Instagram’s motion. Instagram now moves again for partial dismissal of Pixels’ Amended Notice of Opposition, specifically as to Pixels’ second count (alleging non-use) and third count (alleging fraud), because Pixels’ amendment does not cure the fatal defects raised in Instagram’s original motion.¹

¹ Instagram assumes that its original Motion to Dismiss has been rendered moot by the filing of Pixels’ amended pleading, and accordingly, will not file a reply brief in support of that motion. *See, e.g., Dragon Bleu (SARL) v. VENM, LLC*, 112 U.S.P.Q.2d 1925 (TTAB 2014) (holding first motion to dismiss became moot upon filing of amended pleading, and addressing second motion to dismiss).

I. Introduction

As set forth in its original Motion to Dismiss, Instagram owns a federal trademark registration for its composite INSTA and Design mark, which incorporates the INSTA word mark with Instagram's camera logo. Instagram is now seeking to register INSTA in standard characters, without claim to any particular font style, size, or color. Pixels has opposed registration of Instagram's INSTA mark, alleging that the standard character version of the INSTA mark is descriptive and has not acquired 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' Amended Notice of Opposition, titled "Opposition Based on Non-use," alleges that Instagram has never used INSTA "separate and apart from the composite logo." (Amended Notice of Opp., ¶ 23; *see also id.* ¶ 27.) This allegation effectively concedes that Instagram *has* used INSTA, precluding refusal of the mark on non-use grounds. Under Count Two, Pixels also makes the argument that the specimen of use filed with Instagram's INSTA application does not support registration because it shows a mark that is materially different from the mark shown in the drawing. (Amended Notice of Opp., ¶ 25.) This is not an argument based on "non-use," but in any event, it must be rejected because the specimen does show use of the INSTA mark, which is the dominant element of the composite mark and thus creates a separate and distinct commercial impression.

Pixels' claim of fraud is also deficient on its face, because Pixels alleges no particular facts from which one can infer either a material false statement or intent to deceive. Pixels alleges that Instagram knew, at the time it filed its application, that third parties were using

INSTA formative marks that Instagram believed were likely to cause confusion (Amended Notice of Opp., ¶¶ 29-31) and alleges, in equally conclusory fashion, that Instagram knowingly made false representations with the intent to induce the Examiner to pass the mark to publication (*id.*, ¶ 33). These allegations do not satisfy the pleading standards for fraud, because 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' amendment of its fraud claim did not cure these flaws; to the contrary, Pixels' vague and conclusory allegations still fail to state a claim for fraud.

Counts Two and Three of Pixels' Amended Notice of Opposition 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 standard character 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, 678 (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.” *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. “[W]hile 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*, 643 F.3d 1346, 1350 (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 (citation omitted). Bald conclusory allegations, unsupported by factual averments, are insufficient to state a valid claim for relief.

See, e.g., McDonnell Douglas Corp. v. National Data Corp., 228 U.S.P.Q. 45 (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).²

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. (Amended Notice of Opp., ¶ 23, 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 and 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:

² Contrary to Pixels' assertion in its response to Instagram's first motion to dismiss, it is not sufficient to say that because Instagram is on notice that Pixels is alleging non-use, Instagram's motion should be denied. (*See* Response at 6.) The simple fact that Pixels identified Count Two of its notice of opposition as "opposition based on non-use" does not necessarily mean that Count Two states a claim upon which relief can be granted.

[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”).

In its response to Instagram’s first motion to dismiss, Pixels concedes, as it must, that “there is no requirement that a mark be used alone and by itself in order to be considered ‘used’ in commerce.” (Response at 7.) This would seem to dispose of Pixels’ non-use claim.

However, Pixels also argues that INSTA does not create a separate and distinct commercial impression from the INSTA and Design mark and therefore is not registrable, and that the specimen of use filed with the INSTA application cannot support registration of INSTA because it shows the INSTA and Design mark. (Amended Notice of Opp., ¶¶ 23, 25.) This claim also should be dismissed, because it does not state a plausible claim for relief.

Instagram has applied to register the INSTA mark in standard characters, without claim to any particular font style, size, or color; in support of that application it submitted as a specimen of use a depiction of the INSTA mark in connection with its camera logo. There is nothing remarkable or unusual about the submission of a composite word and design mark as a specimen to support a standard character application. The Trademark Manual of Examining

Procedure (TMEP) states, “In an application under §1 of the Trademark Act, the mark on the drawing must be a complete mark, as evidenced by the specimen. When the representation on a drawing does not constitute a complete mark, it is sometimes referred to as a ‘mutilation’ of the mark.” TMEP § 807.12(d) (Oct. 2015). The Manual goes on, “[A]n applicant has some latitude in selecting the mark it wants to register. The mere fact that two or more elements form a composite mark does not necessarily mean that those elements are inseparable for registration purposes. An applicant may apply to register any element of a composite mark if that element presents, or will present, a separate and distinct commercial impression apart from any other matter with which the mark is or will be used on the specimen.” *Id.* This Board has explained, “The question of whether a mark is a mutilation ‘boils down to a judgment as to whether that designation for which registration is sought comprises a separate and distinct “trademark” in and of itself.’ ... Even terms that are connected may still create separate commercial impressions.” *In re Royal Bodycare, Inc.*, 83 U.S.P.Q.2d 1564 (TTAB 2007).

In a number of cases, this Board has held not only that word and design components do create separate and distinct commercial impressions, but also that the word element has greater trademark significance than the design element: “[I]t has consistently been held that where a mark comprises a word portion and a design portion it is the word features which are controlling.” *Kabushiki Kaisha Hattori Tokeiten v. Scutto*, 228 U.S.P.Q. 461 (TTAB 1985) (citations omitted); *see also, e.g., In re Sperouleas*, 227 U.S.P.Q. 166, 168 (TTAB 1985) (“Where a mark consists of a words and design features the words are normally considered dominant because the words are easier to remember and are used to request the goods or services.”); *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”); *In re Imperial Jade Mining, Inc.*, 193 U.S.P.Q. 725 (TTAB 1977) (same). Since the word element is

the dominant part of the mark, it can be separated from the design and separately registered. *See, e.g., In re Sperouleas, supra.*

Under these authorities, Pixels' contention that INSTA does not create a separate and distinct commercial impression from INSTA and Design, and therefore that Instagram's specimen is improper, fails on its face. As in comparable cases decided by this Board involving composite marks, the INSTA portion of the INSTA and Design mark makes a distinct impression – indeed, a stronger impression – on consumers than the design portion, and therefore is separately registrable. The specimen that shows INSTA in use as part of the INSTA and Design mark is not an impermissible mutilation, because it shows INSTA as a complete mark even though it is superimposed on the camera logo. It is worth noting that the Examiner never raised a question as to Instagram's specimen before passing the INSTA application to publication.

Pixels' claim of non-use is foreclosed by Pixels' own allegations. Its accompanying argument that Instagram's specimen is an impermissible mutilation does not state a claim for relief, because under this Board's precedent, the word element of the composite INSTA and Design mark is separately registrable. Accordingly, Pixels' second count 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, because 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 Instagram knew that third parties had the right to use INSTA and that

Instagram did not possess exclusive rights in INSTA. (Amended Notice of Opp., ¶¶ 29-31.)³ Pixels also makes the conclusory allegation that Instagram’s allegedly false representations were made knowingly, with the intent of inducing the Examiner to pass Instagram’s application to publication. (Amended Notice of Opp., ¶ 33.)

This Board has held that under Federal Rule of Civil Procedure 9(b), fraud must be pleaded with particularity, meaning that the pleading must include a statement of the facts upon which the allegations are based. *Asian and Western Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478 (TTAB 2009) (citations omitted); *see also, e.g., NSM Resources Corp. v. Microsoft Corp.*, 113 U.S.P.Q.2d 1029 (TTAB 2014) (pleadings of fraud without allegations of specific facts are insufficient). This Board has noted, “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

³ Pixels also alleges that the declaration was false because Instagram knew that INSTA was a non-registrable mutilation of INSTA and Design. (Amended Notice of Opp., ¶ 32.) For the reasons discussed above, this allegation fails to state a claim for relief and therefore cannot serve as the basis of a fraud claim.

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 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.

In its Amended Notice of Opposition, Pixels added a list of INSTA-formative marks as to which Instagram has filed notices of opposition or requests for extensions of time to oppose. (Amended Notice of Opp., ¶ 31.) These allegations cannot save Pixels' fraud claim, because they still fail to meet the pleading standards discussed above. While Pixels alleges that Instagram "had acquiesced to and was aware of" many of these marks at the time it applied to register INSTA (*id.*), it does not (and cannot) allege that Instagram knew that any of the users of these marks had rights superior to Instagram's. As noted above, an applicant's knowledge of third party use is not sufficient to constitute fraud; rather, the pleading must allege particular

facts which, if proved, would establish that the applicant knew the third party's rights were superior to its own. Here, Pixels itself alleges that Instagram has opposed many of these third party INSTA-formative marks – thus establishing that in fact, Instagram believes that these third parties' rights are *not* superior to Instagram's rights. Thus, Pixels' amendment did not add allegations of particular facts of the type required by Rule 9(b), and did not render Pixels' claim any less conclusory than it was before.

Because Pixels' claim of fraud is conclusory 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).

D. Pixels Should Not Be Granted Leave To Further Amend Its Notice.

“The granting of leave to amend a pleading is within the discretion of the Board and is allowed only ‘when justice so requires.’” *Trek Bicycle Corp. v. Styletrek Ltd.*, 64 U.S.P.Q.2d 1540 (TTAB 2001) (citing Fed. R. Civ. P. 15(a)). In particular, the Board “will deny addition of a claim or defense that is legally ‘futile.’” *Be Sport, Inc. v. Al-Jazeera Satellite Channel*, 115 U.S.P.Q.2d 1765 (TTAB 2015) (citations omitted). In determining whether to permit amendment, the Board considers whether the party has previously amended its pleadings. *See, e.g., Together Networks Holdings Ltd. v. Fellow Fish, Inc.*, Opp. No. 91217120, 2015 WL 9906649 (TTAB Sept. 9, 2015).

Pixels has already amended its Notice of Opposition once, to no avail, and should not be permitted to do so again. Pixels' claim of “non-use” cannot stand because it cannot be disputed (and Pixels in fact concedes) that Instagram has used its INSTA mark. To the extent Pixels is arguing that Instagram's specimen of use is improper, that is not a claim of “non-use” and in any event, that claim cannot be amended in such a way as to render it viable. As to Pixels' fraud claim, Pixels has already amended its notice to add, presumably, whatever factual allegations it

can in support of its claim; but for the reasons discussed above, those allegations are still inadequate in light of the strict pleading standards for fraud previously articulated by this Board. Because Pixels has already amended its notice and any further amendment would be futile, Pixels' second and third claims should be dismissed without leave to amend.

IV. Conclusion

For the reasons stated above, Instagram respectfully requests that the Board dismiss the second and third counts of Pixels' Amended Notice of Opposition without leave to amend.

Respectfully submitted,

KILPATRICK TOWNSEND & STOCKTON LLP

Dated: March 7, 2016

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 7, 2016, I served a true and complete copy of the foregoing **APPLICANT INSTAGRAM, LLC'S MOTION TO DISMISS COUNTS TWO AND THREE OF AMENDED 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: March 7, 2016

By: /s/ Sarah Kim
Sarah Kim

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