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

Proceeding	91228560
Party	Plaintiff Board of Trustees of the University of Arkansas
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Submission	Motion to Dismiss - Rule 12(b)
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Date	09/13/2016
Attachments	Opposer Motion to Dismiss Counterclaim_Mesa Diversified_Opposition_CLOG HOG.pdf(213988 bytes)

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

**In the Matter of Trademark Applications Serial No. 86731443
Mark: CLOG HOG and design**

BOARD OF TRUSTEES OF THE
UNIVERSITY OF ARKANSAS

Opposer,

Opposition No. 91228560

v.

MESA DIVERSIFIED LLC

Applicant.

OPPOSER'S MOTION TO DISMISS COUNTERCLAIMS

The Board of Trustees of the University of Arkansas ("Opposer"), for its Motion to Dismiss the Counterclaims filed by Mesa Diversified LLC ("Applicant") on August 14, 2016 in Applicant's Answer to the Notice of Opposition, states:

1. On June 21, 2016, Opposer filed a Notice of Opposition with the United States Patent and Trademark Office (USPTO) before the Trademark Trial and Appeal Board (TTAB). The Notice of Opposition alleges that Opposer will be damaged by the registration of the mark "CLOG HOG" and design, as shown in Trademark Application Serial No. 86731443 for "drain jettors; machine tools for drain cleaning, namely, sewer jetter attachments for use on pressure washers; sewer jettors" filed by Applicant on August 20, 2015 and published in the Official Gazette on February 23, 2016 ("Applicant's Mark").

2. On August 14, 2016, Applicant filed its Answer to the Notice of Opposition which contains counterclaims seeking to cancel Opposer's U.S. Registration No. 3432544

3. The counterclaims set forth in the Answer are contrary to the law of trademark abandonment and fraud under the Trademark Rules of Practice and fail to state a claim for which relief may be granted under Fed. R. Civ. P. 9(b) and 12(b)(6).

4. Opposer incorporates herein its Brief in Support, which is filed contemporaneously herewith.

5. Opposer further moves that the proceeding be suspended pending consideration of its motion and that, after the Board decides the motion, the Board re-set the deadlines for the initial discovery conference, discovery and trial.

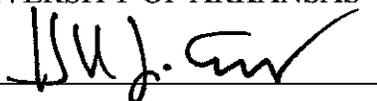
WHEREFORE, for the reasons stated above and in the accompanying Brief in Support, Opposer requests that the Board grant its Motion to the Dismiss the Counterclaims.

WHEREFORE, Opposer requests respectfully that the Opposition be sustained and Application Serial No. 86731443 be refused registration.

Respectfully submitted,

BOARD OF TRUSTEES OF THE
UNIVERSITY OF ARKANSAS

Dated: September 13, 2016

By: 

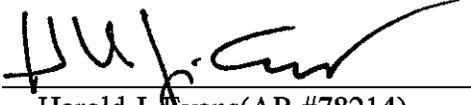
Harold J. Evans
Associate Vice President Legal and Research
University of Arkansas System
2404 North University Avenue
Little Rock, Arkansas 72207

CERTIFICATE OF SERVICE

I, the undersigned, certify that a true and correct copy of this Notice of Opposition was served by United States first-class mail, postage prepaid, this 13th day of September, 2016 on Applicant at the following address:

Joshua M. Gerben, Esq.
GERBEN LAW FIRM, PLLC
1050 Connecticut Avenue, N.W.
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Little Rock, Arkansas 72207

By: 
Harold J. Evans (AR #78214)
Attorney for Opposer

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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In the Matter of Trademark Applications Serial No. 86731443

Mark: CLOG HOG and design

BOARD OF TRUSTEES OF THE
UNIVERSITY OF ARKANSAS

Opposer,

Opposition No. 91228560

v.

MESA DIVERSIFIED LLC

Applicant.

OPPOSER'S BRIEF IN SUPPORT OF MOTION TO DISMISS COUNTERCLAIMS

The Board of Trustees of the University of Arkansas ("Opposer"), for its Brief in Support of its Motion to Dismiss the Counterclaims in Mesa Diversified LLC's ("Applicant") Answer to the Notice of Opposition, pursuant to TBMP § 506.01 and FED. R. CIV. P. 12(f), states:

INTRODUCTION

On June 21, 2016, Opposer filed a Notice of Opposition with the United States Patent and Trademark Office (USPTO) before the Trademark Trial and Appeal Board (TTAB). The Notice of Opposition alleges that Opposer will be damaged by the registration of the mark "CLOG HOG" and design, as shown in Trademark Application Serial No. 86731443 for "drain jetters; machine tools for drain cleaning, namely, sewer jetter attachments for use on pressure washers; sewer jetters" filed by Applicant on August 20, 2015 and published in the Official Gazette on February 23, 2016 ("Applicant's Mark").

On August 14, 2016, Applicant filed its Answer to the Notice of Opposition (the “Answer”), which contains counterclaims seeking to cancel Opposer’s U.S. Registration No. 3432544 (“Opposer’s Registration”) on the grounds of abandonment and fraud. However, the counterclaims set forth in the Answer are contrary to the law of trademark abandonment and fraud under the Trademark Rules of Practice and fail to state a claim for which relief may be granted under Fed. R. Civ. P. 9(b) and 12(b)(6). Such counterclaims should therefore be dismissed. Additionally, as the Board’s determination of Opposer’s motion will affect the scope of discovery in this proceeding, Opposer moves that the proceeding be suspended pending consideration of its motion and that, after the Board decides the motion, the Board re-set the deadlines for the initial discovery conference, discovery and trial.

ARGUMENTS AND AUTHORITY

I. Standard of Review

In a cancellation proceeding, the Federal Rules of Civil Procedure apply. *See* 37 C.F.R. § 2.116(a). A motion to dismiss under Rule 12(b)(6) tests the legal sufficiency of the claim stated in the complaint. *Ileto v. Glock Inc.*, 349 F.3d 1191, 1199–1200 (9th Cir.2003); *see also* Fed.R.Civ.P. 12(b)(6). “Dismissal can be based on the lack of a cognizable legal theory or the absence of sufficient facts alleged under a cognizable legal theory.” *Hana Fin., Inc. v. Hana Bank*, 500 F. Supp. 2d 1228, 1232 (C.D. Cal. 2007) (quoting *Balistreri v. Pacifica Police Dep’t*, 901 F.2d 696, 699 (9th Cir.1988)). Furthermore, the Board must dismiss a petition for cancellation under Rule 12(b)(6) if it fails to state a claim that is “plausible on its face.” T.B.M.P. § 503.02 *citing* *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007); *see also* *Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 26 U.S.P.Q.2d 1038, 1041 (Fed. Cir. 1993). The primary function of Fed. R. Civ. P. 12(b)(6) “is to allow the court to eliminate actions that

are fatally flawed in their legal premise and destined to fail, and thus to spare litigants the burdens of unnecessary pretrial and trial activity.” *Advanced Cardiovascular Sys.*, 26 U.S.P.Q.2d at 1041. When considering a motion to dismiss, the Board must accept the factual allegations pleaded in the complaint as true, but “conclusory allegations of law and unwarranted inferences of fact do not suffice to support a claim. *Bradley v. Chiron Corp.*, 45 U.S.P.Q.2d 1819, 1822 (Fed. Cir. 1998).

II. Cancellation Grounds

A. Abandonment

Applicant’s first ground for its counterclaim fails because it does not allege elements of abandonment sufficient to cancel a registered and incontestable trademark. To plead a prima facie case for trademark abandonment, a petitioner must allege either (i) that the mark has not been in use in commerce for three consecutive years, or (ii) use has been discontinued without the intent to resume use. 15 U.S.C. § 1127; see *On-Line Careline, Inc. v. Am. Online*, 229 F.3d 1080, 1087 (Fed. Cir. 2000). Moreover, to provide fair notice to the registrant, a petitioner’s pleading of abandonment must set forth the theory of abandonment the petitioner is relying on, i.e., discontinued use without intent to resume use, or the statutory presumption of abandonment arising from three consecutive years of nonuse. See *Otto Int’l Inc. v. Otto Kern GmbH* 83 USPQ2d 1861 (TTAB 2007). Applicant provides no specific time periods in which such nonuse allegedly occurred in order to meet the pleading requirement of three consecutive years of nonuse. Further, Applicant makes such allegations in the alternative after initially acknowledging that goods bearing Opposer’s Registration are still being sold by the original owner of Opposer’s Registration through an alleged “naked license” from Opposer. It is well settled that use of a

trademark by a licensee inures to the benefit of the trademark owner. As stated in *Brody Chem. Co., Inc.*, 2014 WL 421919, at *3 (Aug. 11, 2014),

Ownership rights in a trademark or service mark may be acquired and maintained through the use of the mark by a controlled licensee even when the only use of the mark has been made by the licensee. *Turner v. HMH Publ'g Co.*, 380 F.2d 224, 229, 154 USPQ 330, 334 (5th Cir. 1967), *cert. denied*, 389 U.S. 1006, 156 USPQ 720 (1967); *Cent. Fid. Banks, Inc. v. First Bankers Corp. of Fla.*, 225 USPQ 438, 440 (TTAB 1984).

However, the blanket assertion that Opposer is not controlling use of the mark for the goods or services described in the registration or the nature and quality of such goods or services through the “naked license” falls considerably short of the pleading requirements for a cancellation based on abandonment. “Because naked licensing is generally ultimately relevant only to establish an unintentional trademark abandonment which results in a loss of trademark rights against the world, the burden of proof faced by third parties attempting to show abandonment through naked licensing is stringent.” *Exxon Corp. v. Oxxford Clothes, Inc.*, 109 F.3d 1070, 1075-76 (1997). Such a burden is not met by Applicant’s pleading and the counterclaim should be dismissed. Additionally, as noted in *Exxon Corp.*, it would be “wholly anomalous to *presume* a loss of trademark significance merely because [Opposer], in the course of diligently *protecting* its mark, entered into agreements designed to preserve the distinctiveness and strength of that mark.” *Id.* at 1080 (Emphasis included).

B. Fraud

In trademark cases, “[Fed. R. Civ. P.] 9(b) requires that each allegedly fraudulent statement be identified with particularity, and that specific reference be made to the time, location, content, and speaker of each statement. In addition, the party alleging fraud must specify in what respects each of the statements were false and misleading, and the factual basis for believing the defendant acted fraudulently and was responsible.” *Great Lakes Mink Ass’n v. Furrari, Inc.*, 1987 WL 33592 (S.D.N.Y. 1987) (citing cases); *see also GMA Associates, Inc. v.*

Idea Nuova, Inc., 157 F.Supp.2d 234, 243 (S.D.N.Y. 2000); *Kash 'N Gold, Ltd. V. Samhill Corp.*, 1990 WL 196089 (S.D.N.Y 1990).

Applicant alleges that Opposer's Registration "was renewed and granted incontestable statuses based on a fraudulent declarations made on July 1, 2013, in which UAS [University] signed a sworn statement that the mark was in use on UAS's Goods by the July 1, 2013 filing of its Section 8 and Section 15 declarations and had been in use for five consecutive years." Again, as acknowledged by Applicant, goods bearing Opposer's Registration are being sold by the original owner of Opposer's Registration as Opposer's licensee. Opposer submitted specimens confirming such use by the licensee with the declarations. Therefore, such declarations were not fraudulent and there was no intent on the part of Opposer to deceive the USPTO.

Accordingly, Applicant's fraud claim should be dismissed.

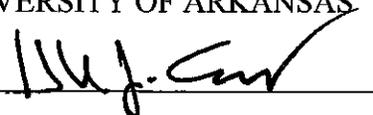
CONCLUSION

For the reasons set forth herein, Opposer requests that the Board dismiss Applicant's counterclaims and grant all other relief the Board deems just and proper.

Respectfully submitted,

BOARD OF TRUSTEES OF THE
UNIVERSITY OF ARKANSAS

Dated: September 13, 2016

By: 

Harold J. Evans
Associate Vice President Legal and Research
University of Arkansas System
2404 North University Avenue
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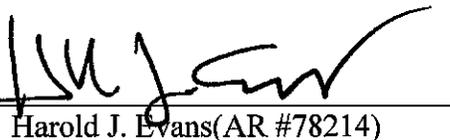
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