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

Proceeding	91253116
Party	Plaintiff STEELSEAL LTD.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Steel Seal, Ltd.,	)	Opposition No. 91253116
	)	
Opposer,	)	For the Mark: STEEL SEAL
	)	Serial Number 87/791313
v.	)	
	)	Published for Opposition: 12/24/2019
Steel Seal Elite, Inc.,	)	
	)	
Applicant.	)	
<hr style="width: 40%; margin-left: 0;"/>	)	

**RESPONSE TO APPLICANT’S MOTION TO DISMISS OPPOSITION**

**INTRODUCTION**

In its motion to dismiss, Steel Seal Elite, Inc. (“Applicant”) presents no persuasive arguments for why Steel Seal, Ltd.’s (“Opposer’s”) claims in its opposition are allegedly deficient. Instead, Applicant’s arguments in its motion to dismiss hinge on a pair of prior court proceedings: a Pennsylvania District Court case, *Hipple v. Hipple*, No. CV 12-1256, 2017 WL 6450556, at \*1 (E.D. Pa. Dec. 18, 2017), and a Third Circuit appeal from that case, *Hipple v. SCIX, LLC*, 778 F. App’x 119, 122 (3d Cir. 2019).<sup>1</sup> Applicant argues that this pair of cases have preclusive effect on the issues in this proceeding. This is incorrect.

Neither Applicant nor Opposer were parties to the court cases cited by Applicant. The parties to the Pennsylvania District Court case were Teresa Hipple, formerly known as Teresa Concepcion, and Clement Hipple. The parties to the appeal were Teresa Hipple, formerly known

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<sup>1</sup> The Third Circuit denied the appeal on procedural grounds, without reaching any decision on the merits. All excerpts from the Third Circuit’s opinion quoted by Applicant relate to the Third Circuit’s discussion of the timeliness of the appeal, rather than the merits of the District Court’s ruling. *See Mtn.* at 4.

as Teresa Concepcion, and SCIX, LLC, Steel Seal LLC, Steel Seal Pro, LLC, Clement Hipple, Complete Group, LLC, and Melissa Moreno, Administratrix of the Estate of Brian M. Hipple, Deceased. Steel Seal, Ltd. was neither named as a party to nor provided any notice of these proceedings. Steel Seal, Ltd. is an independently owned and run company headquartered in the United Kingdom. None of the parties involved in the Pennsylvania District Court case or in its appeal before the Third Circuit are directors or shareholders of Steel Seal, Ltd. Applicant provides no plausible argument that Opposer received actual or constructive notice of either proceeding.

In addition, and contrary to Applicant's assertions in its motion, neither case made any finding with respect to the claims Opposer brings in this opposition. Neither case made any finding about Opposer's common law trademark rights, which are the basis of this present proceeding, or Opposer's claims against Applicant, which are asserted in this proceeding.

Throughout its motion, Applicant demonstrates confusion about the facts asserted in the opposition, the parties to this proceeding, and the trademark rights asserted by Opposer. Applicant's confusion should not distract the Board from the simple truth that Opposer's claims are amply pled. Because of this, and because Applicant's motion presents no plausible challenge to Opposer's claims, Applicant's motion should be denied in its entirety.

### **FACTS & PROCEDURAL HISTORY**

Opposer has sold a highly popular engine cooling system sealant product, STEEL SEAL, since 2014. Opp. ¶¶ 1, 6.<sup>2</sup> The STEEL SEAL mark carries substantial goodwill and value for

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<sup>2</sup> Opposer has sold the STEEL SEAL product internationally since 2009. Its entity structure was formed in 2010, and Opposer possesses trademark registrations for the STEEL SEAL mark in the United Kingdom and in Europe. Further, and notably, as part of the renewal of the now-cancelled registration 4480350, Opposer provided proof under oath that it used the STEEL

Opposer. *Id.* ¶ 9. For example, Opposer owns and operates the websites <www.SteelSeal.com> and <www.steelsealusa.com>, which offer the branded engine cooling system sealant and are accessible by United States consumers twenty-four hours a day, seven days a week. *Id.* ¶ 7. Opposer markets its goods and offers them for sale under the STEEL SEAL mark at these websites and in brick-and-mortar locations nationwide. *Id.*

In 2016, Opposer retained a now-defunct company named Thermalweld Marketing, Inc. (“Thermalweld”) to manage order fulfillment and technical assistance for the STEEL SEAL product. *Id.* ¶ 18. When Opposer first retained Thermalweld, it did not know that Thermalweld’s principals were unhealthily obsessed with the STEEL SEAL product. It did not know that they had already set up a California entity, Applicant, in anticipation of commandeering Opposer’s profits and goodwill. *Id.* ¶ 17. It did not foresee that Thermalweld and its successor, Applicant, were about to embark on half a decade of efforts to pry the STEEL SEAL trademark away from Opposer.

Almost immediately after beginning to work for Opposer, Thermalweld’s principals suggested that the STEEL SEAL product be rebranded as “Steel Seal Elite.” *Id.* ¶ 19. When Opposer rejected this suggestion, Thermalweld took steps to actively undercut the goodwill associated with Opposer’s products, telling Opposer’s clients that the STEEL SEAL product was not authentic or effective, and that Thermalweld had a substitute product that was “stronger” and “better.” *Id.* ¶¶ 21-22. Dismayed by this betrayal, Opposer brought its product fulfillment and technical assistance matters in-house and stopped retaining Thermalweld. *Id.* ¶ 24.

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SEAL mark in United States commerce in an exclusive and continuous fashion. This proof was accepted, and the registration was duly renewed.

Shortly after the business relationship was terminated, Thermalweld's principals began to contact Opposer to assert that Applicant owned the STEEL SEAL trademark. Thermalweld's and Applicant's principals went so far as to propose "business relationships" in which Opposer would forfeit its common law trademark rights and market share in return for "permission" to continue to sell products in Europe (with the caveat that such "permitted" sales would be subject to a licensing fee). *Id.* ¶¶ 26-27, 35. Unsurprisingly, Opposer rejected all such "offers." But Applicant's campaign against Opposer's rights continued. Opposer's employees received threats from employees of Thermalweld or Applicant about what would happen to Opposer's business if Opposer did not work with Applicant or Thermalweld. *Id.* ¶ 33. Opposer also learned that Applicant had set up a website, <www.steelsealelite.com>, that plagiarized Opposer's website in every respect, down to the contact email address listed on the site. *Id.* ¶ 34.

Most shocking, however, was Applicant's brazen February 2018 filing of Application Serial No. 87/791313 with the United States Patent and Trademark Office, seeking to register the mark STEEL SEAL in connection with *Automobile cooling system leak sealants* in International Class 1. *Id.* ¶ 29. Incredibly, the example of use submitted with the application is an image of Opposer's product.<sup>3</sup> *Id.* ¶ 31.

In November 2019, Opposer learned that a federal trademark registration it owned for STEEL SEAL, Reg. No. 4480350, had been cancelled the result of a district court order that was not directed to Opposer, issued in a case to which Opposer was not a party. *Id.* ¶ 3. At this time, Opposer learned of the existence of Applicant's trademark application. On December 24, 2019,

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<sup>3</sup> Applicant does not contest that its specimen of use is an image of Opposer's branded product. *See Mtn.* at 14.

Applicant's Mark was published for opposition. That same day, Opposer filed the present opposition proceeding. On February 3, 2020, Applicant filed a motion to dismiss the opposition.

## ARGUMENT

### **I. Legal Standard**

A motion to dismiss for failure to state a claim under Fed. R. Civ. P. 12(b)(6) assesses only one issue: the legal sufficiency of the pleaded claims. *See Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). To withstand a motion to dismiss, Opposer need only allege such facts which, if proved, would establish that Opposer is entitled to the relief sought. Specifically, Opposer need only allege that: (1) Opposer has standing to bring the proceeding; and (2) a valid statutory ground exists for the relief sought. *McDermott v. San Francisco Women's Motorcycle Contingent*, 81 USPQ2d 1212, 1212 (TTAB 2006), *aff'd unpub'd*, 240 Fed. Appx. 865 (Fed. Cir. July 11, 2007), *cert. denied*, 552 U.S. 1109 (2008); *Young*, 47 USPQ2d at 1753. Under the simplified notice pleading rules of the Federal Rules of Civil Procedure, the opposition must contain "a short and plain statement of the claim showing that the pleader is entitled to relief" and must be "construed so as to do justice." Fed. R. Civ. P. 8(a)(2) and (e); *Corporacion Habanos SA v. Rodriguez*, 99 USPQ2d 1873, 1874 (TTAB 2011).

For the purposes of a motion to dismiss, all of Opposer's well-pleaded allegations in the opposition must be accepted as true, and the opposition must be construed in the light most favorable to Opposer. *See Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). The federal standard of notice pleading, followed by the Board, includes the requirement that the complaint "state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). This plausibility standard is met when "the plaintiff pleads

factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Id.*

## **II. Opposer Has Amply Pled Standing.**

Opposer has substantially pled that it has standing to bring this opposition. The test for determining standing is a liberal one. First, Opposer must demonstrate that it possesses a “real interest” in the proceeding, that is, a “direct and personal stake” in the outcome of the proceeding. *See Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014), *cert. denied*, 135 S. Ct. 1401 (2015) (citing *Ritchie v. Simpson*, 170 F.3d 1902, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999)). Second, Opposer must also demonstrate “a reasonable basis for [its] belief of damage.” *Id.*

Opposer has satisfied this two-part test. Throughout the opposition, Opposer expressly claims common law rights in the STEEL SEAL mark and asserts that it would be damaged by Applicant’s application for the mark. These allegations demonstrate a “real interest” in the proceeding, and a “reasonable basis” for a belief of damage. In short, these allegations meet the test for standing. *Giersch v. Scripps Networks, Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009) (“Petitioner has established his common-law rights in the mark . . . and has thereby established his standing to bring this proceeding.”); *Syngenta Crop Prot. Inc. v. Bio-Chek LLC*, 90 USPQ2d 1112, 1118 (TTAB 2009) (testimony that opposer uses its mark “is sufficient to support opposer’s allegations of a reasonable belief that it would be damaged. . . .” where opposer alleged likelihood of confusion). Specifically, Opposer has plead that:

- Opposer has sold engine cooling system sealants for water-cooled combustion engines under the mark STEEL SEAL in United States commerce since at least as early as October 2014. Opp. ¶ 1.
- As a result of Opposer’s extensive and continuous use of STEEL SEAL, it has acquired significant common law rights in its marks in connection with *Engine cooling system*

- sealants for water-cooled combustion engines and Online retail store services featuring engine cooling system sealants for water-cooled combustion engines. Id.* ¶ 8.
- In view of its substantial use of STEEL SEAL in the United States and worldwide, the mark STEEL SEAL carries significant goodwill and value for Opposer. Due to its consistent use of the mark STEEL SEAL for over five years in the United States, the mark STEEL SEAL is strongly associated with Opposer and Opposer's goods and services. *Id.* ¶¶ 9-10.
  - Opposer has never transferred any trademark rights or authorized Applicant's trademark application. *Id.* ¶ 36.
  - Applicant filed for Applicant's Mark with the express, bad faith purpose of confusing consumers, benefiting from the goodwill Opposer had built over decades of hard work, and stealing Opposer's market share in the United States. *Id.* ¶ 38.

As exclusive user of the mark STEEL SEAL in United States commerce since 2014, Opposer has unquestionably pled that it possesses standing. It has a direct and personal stake in the outcome of this proceeding, as its business and the goodwill it has acquired will be directly impacted by the resolution of this matter. Given Applicant's brazen application for Opposer's mark, as well as Applicant's prior history of acts such as misinforming consumers about Opposer's product and copying Opposer's website, Opposer unquestionably has a reasonable basis for its belief that it will be damaged by Applicant. *Id.* ¶¶ 21-22, 34, 2-3. Applicant's argument that Opposer lacks standing is disproved by these detailed allegations, and Applicant's motion to dismiss should therefore be denied.

### **III. The Doctrine of Res Judicata Does Not Apply.**

The doctrine of res judicata does not apply to bar Opposer's claims. Res judicata, or claim preclusion, applies if: "(1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first." *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854, 1857 (Fed. Cir. 2000); *see also Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, 424 F.3d 1229, 1232 (Fed. Cir. 2005). Here, res judicata does not apply for three reasons. First, there is no identity of parties. Second, there has not been a final judgment on the merits on



Opposer's claims. And third, Opposer's claims are factually and legally distinct from those raised in the prior court proceedings discussed by Applicant.

First, Opposer was never a party to and was not represented in the District Court case *Hipple v. Hipple*, No. CV 12-1256, 2017 WL 6450556, at \*1 (E.D. Pa. Dec. 18, 2017) or the appeal from that case, *Hipple v. SCIX, LLC*, 778 F. App'x 119 (3d Cir. 2019). Applicant does not deny that Opposer was never a party to these cases. Nor does Applicant provide any persuasive reason why Opposer and Applicant should be considered identical to any of the parties in those cases.<sup>4</sup> Applicant makes vague reference to a bankruptcy case brought by a third party against Opposer in 2016, but fails to provide any reason why this case a) should be given preclusive effect or b) should be considered an adequate form of notice to Opposer regarding the independent district court case and its appeal. Applicant plainly admits that its musings about the relationship between the parties to the district court and appellate proceeding and the parties to this opposition proceeding are "pure speculation." Mtn. at 11. Despite this admission, Applicant curiously asserts that Opposer's rights were *presumably* "adequately represented in the original suit." Mtn. at 11. Applicant's presumptions and speculation cannot stand. There never was an "original suit" between the parties to this opposition. Applicant has nowhere argued – because it cannot – that Opposer was provided with notice of the district court and appellate proceedings that was "reasonably calculated, under all the circumstances, to apprise [it] of the pendency of the action and afford [it] an opportunity to present [its] objections." *See Mullane v. Central Hanover Trust Co.*, 339 U.S. 306, 314 (1950). Opposer and Applicant have never been parties to

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<sup>4</sup> Applicant appears to make the curious argument that Opposer and Clement Hipple are identical because Opposer retained the law firm of Dunlap Bennett & Ludwig as counsel following the cancellation of its trademark. Applicant provides no authority – and Opposer is aware of none – to support its unique suggestion that representation by a law firm creates identity of parties for res judicata purposes.

any proceeding against one another. The district court proceeding and its appeal involved wholly independent parties, and have no preclusive effect here.

Second, there has been no final judgment on the merits of the claims Opposer brings in this proceeding. In this proceeding, Opposer brings claims against Applicant related to likelihood of confusion, lack of bona-fide use in commerce, non-ownership, and fraud. In doing so, Opposer asserts priority of use of the STEEL SEAL trademark. None of Opposer's claims against Applicant have been previously adjudicated. *Sharp Kabushiki Kaisha v. ThinkSharp, Inc.*, 79 USPQ2d 1376 (Fed. Cir. 2006) ("Precedent cautions that res judicata is not readily extended to claims that were not before the court, and precedent weighs heavily against denying litigants a day in court unless there is a clear and persuasive basis for that denial."). To suggest, as Applicant appears to do, that unrelated proceedings between unrelated parties are "binding" on Opposer or have preclusive effect on Opposer's claims here violates the fundamental tenets of notice and due process. *See* Mtn. at 6; *Mullane*, 339 U.S. at 314. Contrary to Applicant's assertion, and as Applicant is well aware, Opposer has not litigated this dispute "in multiple fora for many years now," nor has Opposer "lost several times in different courts." Mtn. at 12. Because Opposer has brought its issues for the first time in this proceeding, res judicata does not apply.

Third, Opposer's claims in this proceeding are factually and legally distinct from those raised in the prior court proceedings discussed by Applicant. Opposer has pled in great detail that Applicant has made knowing and improper attempts to obtain Opposer's STEEL SEAL trademark through fraud, despite non-use and non-ownership of the mark, and with the intention of causing confusion with Opposer's mark. To support these claims, Opposer has provided specific statements about the nature and scope of Opposer's prior rights, Applicant's former

relationship with Opposer, the many actions Applicant has taken to steal Opposer's intellectual property, and Applicant's improper trademark application. These issues and the facts from which they arise are nowhere discussed in the prior court proceedings. *See Chutter, Inc. v. Great Concepts, LLC*, Cancellation No. 92061951 (August 30, 2016) [precedential] (finding no preclusion where earlier proceeding was not based on the same transactional facts as those at issue in cancellation proceeding). For this reason, preclusion cannot apply to bar Opposer's claims in this proceeding. Because res judicata does not apply, Applicant's motion should be denied in its entirety.

#### **IV. Opposer Has Amply Pled a Claim of Likelihood of Confusion.**

Opposer has substantially pled that a likelihood of confusion exists between its STEEL SEAL mark and Applicant's applied-for STEEL SEAL mark. As pled in great detail in the opposition, Opposer has been the exclusive user of the STEEL SEAL mark in commerce since at least as early as 2014, well over six years. Opp. ¶ 1, 5-8. During this time, Opposer has established substantial consumer goodwill in connection with its use of the mark. Given this, Applicant's attempt to secure an identical mark is likely to cause confusion in the marketplace.

Applicant does not dispute that Opposer has used the STEEL SEAL mark in a substantial and continuous fashion. Instead, Applicant mistakenly alleges that the issue of likelihood of confusion exclusively relates to priority of use of the mark. This is incorrect – there are numerous instances where a junior user of a mark has been held to have a greater scope of rights in that mark. *See In re Beatrice Foods Co.*, 429 F.2d 466, 166 USPQ 431, 436 (CCPA 1970) (the rights of an alleged prior user may be limited “the extent that any other subsequent user, who can establish the existence of rights earlier than the prior user's application for registration, can also prove a likelihood of confusion, mistake, or deception.” (emphasis added)).

Applicant makes two claims in support of its mistaken allegation. First, Applicant claims that the issue of priority of use was already decided in the district court proceeding between Ms. Concepcion and Mr. Hipple. Second, Applicant claims that it assumed a priority date of 1999 when it allegedly purchased trademark rights from SCIX, BBBM, and Teresa Concepcion. Neither argument is persuasive.

As discussed in detail above, neither Opposer nor Applicant were parties to or addressed by the prior court proceedings cited by Applicant. The issues of priority of use or likelihood of confusion between Opposer and Applicant have never been resolved in any forum. Applicant is therefore plainly inaccurate in stating that Opposer's claim of likelihood of confusion "ignores every decision that ruled against Opposer," or that Opposer has made a "failed attempt to reverse the finding of fraud and order of cancellation." *See* Mtn. at 17. No ruling was ever made against Opposer and no finding was ever handed down against Opposer.

Applicant's second argument is based on an alleged purchase agreement between SCIX, BBBM, and Teresa Concepcion, attached as Exhibit A to Applicant's Motion. The Board should decline to review this agreement because it is outside of the scope of the pleadings. The sole question on a motion to dismiss is a question of law: "whether a [pleading] fails to state a claim upon which relief can be granted." *Cambridge v. United States*, 558 F.3d 1331, 1335 (Fed. Cir. 2009). "Assessment of the facial sufficiency of the complaint must ordinarily be undertaken without resort to matters outside the pleadings." *Gavitt v. Born*, 835 F.3d 623, 640 (6th Cir. 2016). The legal sufficiency of Opposer's claims can be assessed without reference to the documents Applicant has improperly provided.

Applicant attempts to shoe-horn these documents in by citing *Hecker v. Deere & Co.*, 556 F.3d 575, 582 (7th Cir. 2009) for the proposition that documents outside the pleadings are

not de facto excluded from consideration on a motion to dismiss. But the *Hecker* decision involved a unique set of facts that are not present here. In *Hecker*, the court allowed the defendants to submit two documents not included in the pleadings where a) the documents' authenticity was not challenged and b) the documents were explicitly referred to but not attached in the plaintiff's complaint. Here, by contrast, Opposer challenges the authenticity of the documents submitted as exhibits Applicant's motion and notes that these documents are nowhere referenced in and entirely outside of the scope of Opposer's opposition brief.

Applicant has presented no persuasive argument about why Opposer's likelihood of confusion claim is allegedly legally deficient. Nor can it – Opposer's claim is amply pled. For these reasons, the motion to dismiss should be denied.

**V. Opposer Has Amply Pled a Claim of Lack of Bona Fide Use in Commerce.**

Opposer has substantially pled that Applicant has not made bona fide use of the STEEL SEAL mark in commerce. Applicant's arguments to the contrary are unpersuasive. In multiple detailed paragraphs in the opposition, Opposer outlines how Applicant's claimed date of first use in 1999 is improbable for a company established in 2016, and alleges that Applicant's submitted specimen of use is an image of Opposer's branded product. Opp. ¶¶ 30-32, 51-54.

Crucially, Applicant does not deny these allegations. Instead, Applicant unconvincingly states that Opposer's allegations are "ultimately irrelevant," while at the same time attempting to submit alleged substitute examples of use as exhibits to its motion. Mtn. at 14. But Applicant's attempts to laugh away its outrageous conduct and bolster the damning evidentiary record are unavailing.

As discussed above, it is improper to submit extrinsic evidence to the Board at this stage of the proceedings. *Gavitt*, 835 F.3d at 640 ("If a court does consider material outside the

pleadings, the motion to dismiss must be treated as a motion for summary judgment under Rule 5 and all parties must be given a reasonable opportunity to present all material pertinent to the motion.”); *see also CODA Dev. S.R.O. v. Goodyear Tire & Rubber Co.*, 916 F.3d 1350, 1360 (Fed. Cir. 2019) (“Although a district court may consider judicially noticeable matters outside the pleadings without converting a Rule 12(b)(6) motion into one for summary judgment . . . judicially noticeable facts must ‘not [be] subject to reasonable dispute.’”) (citations omitted).

As with the agreement submitted as Exhibit A to Applicant’s motion, Opposer challenges the authenticity of the examples of use submitted as Applicant’s Exhibit B. By submitting Exhibit B, Applicant improperly seeks to convert its motion to dismiss into a motion for summary judgment before either party has had the opportunity to conduct discovery in this matter. *See Fed. R. Civ. Proc. 12(d)*. The Board should reject this attempt.

The Board should also reject Applicant’s faulty argument that Opposer’s claim should be dismissed because “this dispute has already stretched for years.” Mtn. at 14. This is not a valid challenge to the legal sufficiency of Opposer’s claims, and cannot be the basis of a dismissal of the opposition. *See Young*, 152 F.3d at 1377. Further, Opposer notes, once again, that neither it nor Applicant was a party to any of the legal proceedings that Applicant alleges “stretched for years.” Mtn. at 14. Applicant has provided no persuasive argument for why Opposer’s claims are allegedly deficient.<sup>5</sup> Because Opposer’s claim of non-use has been amply pled, Applicant’s motion should be denied.

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<sup>5</sup> Applicant’s only other argument regarding its use is confusingly stated: “the Opposition in fact seems to demonstrate that Applicant **has** been using the mark in commerce, albeit use that Opposer believes is improper.” Mtn. at 14 (emphasis in original). Although it is unclear, Applicant appears to argue that filing of a trademark opposition proceeding, by itself, is sufficient proof that the opposed mark is in use in commerce. Applicant has provided no authority – and Opposer is aware of none – to support this novel argument.

## **VI. Opposer Has Amply Pled a Claim of Non-Ownership.**

Opposer has substantially pled that Applicant does not own the STEEL SEAL trademark. Specifically, Opposer has pled that, at the time its application was submitted to the United States Patent and Trademark Office, Applicant was fully aware that Opposer was the rightful owner of the mark STEEL SEAL in the United States. Opp. ¶ 62. Opposer has also pled that its prior business relationship with Applicant and the many efforts made by Applicant to convince Opposer to forfeit its market share in the United States demonstrate that Applicant was fully aware of Opposer's trademark rights when it filed its application in February 2018. *Id.* ¶ 63. Accordingly, Opposer has amply pled that Applicant is not the owner of the STEEL SEAL mark, and was not the owner of the mark on the filing date of its application with the USPTO. *Id.* ¶ 67.

Applicant's chief challenge to this claim is its allegation that the claim is precluded under the doctrine of res judicata. As discussed in detail above, res judicata does not apply in this instance because a) neither Opposer nor Applicant were parties to the court proceedings cited by Applicant, b) there has been no final judgment on the merits of any of the claims brought in this opposition by Opposer, and c) Opposer's claims are based on transactional facts distinct from the facts underlying the claims in the prior court proceedings. *See Jet Inc*, 223 F.3d at 1360.

Applicant also attempts to argue that the purchase agreement attached as Exhibit A to its motion should be taken as evidentiary proof that Opposer's claims are not legally sufficient. As discussed above, this Exhibit cannot properly be considered on a motion to dismiss. Further, in its motion, Applicant consistently and improperly "appear[s] to confuse the sufficient pleading of a claim with the obligation of proving that claim," making evidentiary allegations and submitting evidentiary materials that are improper at this stage. *See Young*, 152 F.3d at 1377.

However, if the Board does decide to consider Applicant's alleged purchase agreement (it should not), Opposer would note that it is not a party to this alleged agreement. Applicant asserts that the agreement means that "all common-law rights and trademark rights . . . are currently property of Applicant." Mtn. at 15. But this is irrelevant to Opposer's claims. Opposer's common law rights cannot be affected or assigned by an agreement to which Opposer is not a party. Opposer is not aware of any authority holding either that Opposer is bound by this agreement or that such an agreement would serve to divest Opposer of its common law trademark rights. Because Opposer has amply pled a claim of non-ownership, Applicant's motion to dismiss should be denied.

#### **VII. Opposer Has Amply Pled a Claim of Fraud.**

Opposer has substantially pled that Applicant has committed fraud upon the trademark office. Opposer has pled in great detail that Applicant committed fraud in the application by making false, material misrepresentations of fact to the USPTO, with the specific intent to deceive the USPTO. Opp. ¶ 70. Specifically, Opposer has pled that Applicant was well aware of Opposer's interest in and right to the STEEL SEAL trademark, and that its statements in its application were intended to deceive the USPTO and procure a trademark registration for Applicant. *Id.* ¶¶ 74-80.

Applicant presents no persuasive reason why these claims are allegedly deficient. Instead, Applicant again "appear[s] to confuse the sufficient pleading of a claim with the obligation of proving that claim." *Young*, 152 F.3d at 1377. Applicant states that a claim of fraudulent procurement "must be shown by clear and convincing evidence." Mtn. at 16. But evidentiary burdens are not applied at the notice pleading stage, and evidentiary questions are inappropriate for resolution on a motion to dismiss. Opposer has amply met its burden at this



stage, as it has pled in great detail that fraud occurred, and has stated “a claim to relief that is plausible on its face.” *Ashcroft*, 556 U.S. at 678. Therefore, Applicant’s motion should be denied.

**CONCLUSION**

In summary, Opposer has standing to bring this opposition, res judicata does not apply to bar Opposer’s claims, and Opposer’s claims are amply pled. For all of these reasons, Opposer respectfully requests that the Board deny Applicant’s motion.

DATED this 24th day of February 2020.

Respectfully submitted,

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By counsel,

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**CERTIFICATE OF ELECTRONIC FILING**

I hereby certify that the foregoing Response is being electronically filed using the Electronic System for Trademark Trials and Appeals (ESTTA) on this 24th day of February 2020.

/David Ludwig/  
David Ludwig

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Response has been served upon Applicant by ESTTA and also by depositing two copies thereof in the U.S. Mail, First Class, postage prepaid, on this 24th day of February 2020, addressed as follows:

Robert Jackel  
Law Office of Robert Jackel  
399 Market St., Ste. 360  
Philadelphia, PA 19106

/David Ludwig/  
David Ludwig