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

GLENN DANZIG,	)	
	)	
Petitioner,	)	
	)	Cancellation No. 92045173 76,138,226
v.	)	
	)	Reg. Nos. 2793533, 2634215,
CYCLOPIAN MUSIC, INC.,	)	2735848
	)	
Registrant.	)	

01-03-2006
U.S. Patent & TMOfc/TM Mail Rcpt Dt #11

MOTION TO DISMISS

For the reasons set forth in the Memorandum of Law In Support of Registrant's Motion To Dismiss, which is being filed concurrently herewith and is incorporated herein by reference, Registrant Cyclopian Music, Inc. respectfully moves for an Order dismissing the Petition for Cancellation filed by Petitioner Glenn Danzig.

Respectfully submitted,

December 29, 2005

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I hereby certify that this paper is being deposited with the United States Postal Service with sufficient postage as First-class mail in an envelope addressed to: United States Patent and Trademark Office, Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, Virginia 22313-1451 on **December 29, 2005**.

Patricia G. Mack
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PI-1488485 v1

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I certify that a copy of the foregoing Motion to Dismiss was served by U.S. first-class mail on December 29, 2005, on the following counsel of record for Petitioner Glenn Danzig:

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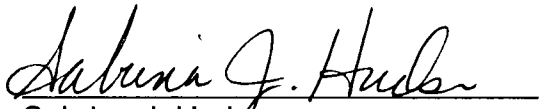

Sabrina J. Hudson

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MEMORANDUM OF LAW IN SUPPORT OF REGISTRANT'S MOTION TO DISMISS

Registrant Cyclopian Music, Inc. ("Registrant" or "Cyclopian Music") files this Memorandum of Law in support of its Motion to Dismiss Petitioner Glenn Danzig's ("Petitioner") Petition for Cancellation.

INTRODUCTION

Cyclopian Music is the owner of the following U.S. Trademark Registrations issued by the U.S. Patent and Trademark Office ("PTO") in 2002 and 2003:

1. U.S. Trademark Registration No. 2,793,533 for the mark MISFITS for various types of jewelry in International Class 14;
2. U.S. Trademark Registration No. 2,634,215 for the mark MISFITS for (i) "musical sound recordings; and, prerecorded audio tapes and

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videotapes featuring recorded musical performances and music videos" in International Class 9; (ii) various paper products and printed matter in International Class 16; and (iii) musical entertainment services in International Class 41; and

3. U.S. Trademark Registration No. 2,735,848 for the mark MISFITS (Stylized) for (i) "musical sound recordings; and, prerecorded audio tapes and videotapes featuring recorded musical performances and music videos" in International Class 9; and (ii) various paper products and printed matter in International Class 16.

(collectively, "the Registrations").

Petitioner did not oppose Cyclopian Music's applications for the Registrations. Now over three years after the Registrations first were granted by the PTO, Petitioner out-of-the-blue is seeking their cancellation. While the basis for the Petition for Cancellation is not explicitly asserted, it appears that Petitioner is seeking cancellation on the grounds of fraud and lack of exclusive ownership. For the reasons discussed in detail below, Petitioner has failed to adequately plead these causes of action—or any other cognizable claim—under applicable legal standards. As such, the Petition for Cancellation fails to state a claim on which relief can be granted and thus should be dismissed with prejudice as a matter of law.

ARGUMENT

A motion to dismiss tests only the allegations set forth in a pleading. *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203, 1205 (T.T.A.B. 1997).

In deciding a motion to dismiss, all well pleaded factual allegations of the complaint are accepted as true and viewed in the light most favorable to the non-moving party. *Id.* (emphasis added). If the complaint or pleading fails to allege any facts that would support a cause of action, the motion to dismiss must be granted and the complaint or pleading dismissed as a matter of law. *See id.*

As stated above, it appears (given the vague and unarticulated nature of the allegations in the Petition) that Petitioner is asserting that the Registrations should be cancelled because Cyclopian Music supposedly committed fraud in procuring the Registrations and Cyclopian Music supposedly is not the exclusive owner of the marks for the goods and services covered by the Registrations. The Petition for Cancellation is fatally deficient under both of these claims.

With regard to his purported fraud claim, Petitioner has failed to plead the required elements of fraud and failed to plead the circumstances supposedly constituting fraud with particularity. With regard to his purported exclusive ownership claim, Petitioner has failed to adequately plead that Cyclopian Music is not the exclusive owner of the marks for the goods and services covered by the Registrations, or indeed that Petitioner even uses the marks for those goods and services in the first instance. Accordingly, Petitioner has failed to state any cognizable claim for cancellation of the Registrations.

I. Petitioner Fails To State A Claim Of Fraud Because Petitioner Failed To Plead The Required Elements of Fraud And Failed To Plead The Circumstances Supposedly Constituting Fraud With Particularity

Petitioner alleges in vague and general terms that Cyclopian Music committed fraud in procuring the Registrations. Such conclusory allegations fail to state a cognizable claim of fraudulent procurement as a matter of law.

The standard to cancel a registered mark on the grounds that the registration allegedly was obtained fraudulently is exceedingly high. *Metro Traffic Control v. Shadow Network Inc.*, 41 U.S.P.Q.2d 1369, 1373 (Fed. Cir. 1997) ("[A] party seeking cancellation for fraudulent procurement must prove the alleged fraud by clear and convincing evidence."). A trademark applicant commits fraud in procuring a registration when it "knowingly makes false, material representations of fact in connection with an application." *Id.* "The obligation which the Lanham Act imposes on an applicant is that he will not make knowingly inaccurate or knowingly misleading statements in the verified declaration forming a part of the application for registration." *Id.* (quoting *Torres v. Cantine Torresella S.r.l.*, 1 U.S.P.Q.2d 1483, 1483-84 (Fed. Cir. 1986)) (emphasis in original).

To properly plead fraudulent procurement, pursuant to Federal Rule of Civil Procedure 9(b), a petitioner must state with particularity the circumstances supposedly constituting fraud. Fed.R.Civ.P. 9(b) ("In all averments of fraud or mistake, the circumstances constituting fraud or mistake shall be stated with particularity."); *Intellimedia Sports*, 43 U.S.P.Q.2d at 1205 ("[T]he sufficiency of petitioner's pleading of its fraud claim in this case also is governed by FRCP 9(b) . . . ."); *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 212 U.S.P.Q. 801, 802 (C.C.P.A. 1981) ("Moreover,

because appellant's petition sounds in fraud, the pleadings must satisfy Fed.R.Civ.P. 9(b) . . . .").

"Setting forth the circumstances with particularity means that the pleader must state the time, place and content of the false representation, the fact misrepresented and what was obtained or given up as a consequence of the fraud." *W.R. Grace & Co. v. Arizona Feeds*, 195 U.S.P.Q. 670, 672 (Comm'r Pat. 1977) (emphasis added). "Mere conclusive or general allegations are insufficient." *Id.* Rather, "Rule 9(b) requires that the pleadings contain explicit rather than implied expression of the circumstances constituting fraud." *King Automotive*, 212 U.S.P.Q. at 803 ("[A]ppellant's conclusory statement that Discoverer knew its declaration to be untrue is not supported by a pleading of any facts which reflect Discoverer's belief that the respective uses of [the marks] would be likely to confuse.").

In addition, when a petitioner claims that a registrant fraudulently signed the declaration because there was another legitimate use of the mark at the time the declaration was signed, the petitioner must further allege 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 (4) applicant, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which applicant was not entitled.

Ohio State Univ. v. Ohio Univ., 51 U.S.P.Q.2d 1289, 1293 (T.T.A.B. 1999); *see also Intellimedia Sports*, 43 U.S.P.Q.2d at 1206 (holding that the petitioner failed to state a

claim for fraud because it failed to plead particular facts sufficient to establish the third and fourth elements of the claim, as listed above), and the cases cited therein.

Despite the heightened pleading standard, Petitioner alleges nothing more than the same boilerplate general and conclusory allegation of fraud that repeatedly has been rejected by the Federal Circuit and the TTAB. Specifically, Petitioner merely alleges that the Registrations: "were fraudulently obtained by Registrant, who falsely represented that it was the exclusive owner of the subject marks for the various goods and services contained therein." (Petition for Cancellation ¶ 5). For the following reasons, such a scant and conclusory allegation of fraud is fatally deficient under the foregoing applicable legal standards.

First, Petitioner's claim of fraud is fundamentally defective in failing to allege even the basic elements of the claim, namely: (1) any specific statement in the verified declarations that are part of the subject applications that supposedly was false; (2) that any such false statement was a material representation; and (3) the specific circumstances by which Cyclopian Music supposedly knew that such statement was false, inaccurate or misleading.

Second, even if Petitioner has pleaded the basic elements of a fraud claim—which he has not—he further failed to state with particularity the circumstances constituting fraud as required by Fed.R.Civ.P. 9(b), including, for example: (1) when and where the statements were allegedly made; (2) the explicit content of the allegedly false statements; (3) why those statements supposedly were fraudulent; and (4) what was obtained or given up as a consequence of the fraud.

Third, to the extent Petitioner is alleging that Cyclopian Music fraudulently signed the declarations because there supposedly was another legitimate user of the marks at the time the declarations were signed, Petitioner has failed to state any facts in support of such a claim, let alone, state such facts with particularity. As discussed above, to state a fraud claim on this basis, Petitioner has to plead four elements: (1) there was in fact another use of the same or a confusingly similar mark at the time the declaration was signed; (2) the other user had legal rights superior to the applicant's; (3) applicant knew that the other user had superior rights and either believed that a likelihood of confusion would result from applicant's use or had no reasonable basis for believing otherwise; and (4) applicant intended to procure a registration to which it was not entitled. Petitioner has failed to plead any of these elements.

In sum, the Petition for Cancellation fails to state a cognizable claim of fraud under applicable legal standards and therefore should be dismissed with prejudice.

II. Petitioner Fails To State A Claim That Registrant Is Not The Exclusive Owner Of The Marks For The Identified Goods And Services

Petitioner also appears to assert that the Registrations should be cancelled on the ground that Cyclopian Music is not the exclusive owner of the marks for the goods and services identified in the Registrations. As with his defective fraud claim, Petitioner has failed to adequately plead such a ground for cancellation and thus has failed to state a claim on which relief can be granted.

As a matter of law, "[t]rademark ownership inures to the legal entity who is in fact using the mark as a symbol of origin" for the identified goods and services. 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 16:35 (4th ed.

2005) (emphasis added).[1] Indeed, the Lanham Act defines a trademark as "any word, name, symbol or device, or any combination thereof – (1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register . . . ." 15 U.S.C. § 1127 (emphasis added). In other words, to own rights in a mark for specified goods and services, one must use the mark on or in connection with those goods and services in U.S. commerce. *McCarthy* § 17:9 ("It is actual usage of a symbol as a 'trademark' in the sale of goods which creates and builds up rights in a mark.") Moreover, the owner must continue to use the mark on or in connection with the goods and services or the owner will abandon any rights it had in the mark. *Id.* ("[L]ack of actual usage of a symbol as a 'trademark' can result in a loss of legal rights.")

Significantly, Petitioner does not dispute that Cyclopian Music owns the marks for the goods and services identified in the Registrations. Instead, Petitioner alleges that Cyclopian Music is not the exclusive owner of the marks because of a Settlement Agreement dated December 31, 1994 between Petitioner, Gerard Caiafa, Paul Caiafa, Frank Licata and Julio Valverde (the "1994 Agreement"), which allegedly states in part that "the parties shall be co-owners of the name and trademarks of the Misfits and all logo(s) and artwork previously associated therewith." (Petition for Cancellation ¶ 3). Standing alone, however, this allegation is plainly inadequate to state

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[1] Although a party that has a bona fide intention to use a trademark in commerce may request registration of its trademark, the party cannot obtain a trademark registration or rights in the trademark unless the party commences use of the mark in U.S. commerce. *See, e.g.,* 15 U.S.C. § 1051(c).

a claim that Cyclopian Music is not the exclusive owner of the marks for the goods and services identified in the Registrations.[2]

As a threshold matter, the Petition fails to allege that the marks for the goods and services covered by the Registrations are the trademarks of the Misfits as described in the 1994 Agreement. More fundamentally, Petitioner fails to allege that he possesses a claim of any rights to the marks for the goods and services covered by the Registrations by demonstrating that he has used and/or is using the marks in commerce in connection with those goods and services. Regardless of the purported terms of the 1994 Agreement, trademark rights "can only be perfected by use." *See Oklahoma Beverage Co. v. Dr. Pepper Love Bottling Co.,* 565 F.2d 629, 631 (10th Cir. 1977). Ownership thus inures only to a party who is actually using the mark in connection with particular goods or services. *Id.* The Petition does not contain any allegation of use of the subject marks by Petitioner for the goods and services covered by the Registrations.

To the contrary, Petitioner cannot allege that he has used or is using the marks in connection with certain of the identified goods and services because <u>the 1994 Agreement specifically prohibits him from such use</u>. In the 1994 Agreement, Petitioner agreed that Gerald Caiafa, Paul Caiafa, Frank Licata and Julio Valverde would have the exclusive rights to publicly perform and record as "The Misfits," which rights subsequently were assigned to Cyclopian Music. The 1994 Agreement further provided that Cyclopian Music was required to "specif[y] that Danzig is not a member of the band" in "The Misfits" promotional materials for several years following execution of the

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[2] Registrant notes that the Lanham Act does not use the term "exclusive owner" in the definition of a party that may apply for trademark registration. In any event, Petitioner's exclusive ownership claim is otherwise legally untenable for the reasons described herein.

1994 Agreement. Pursuant to the 1994 Agreement, Cyclopian Music has exclusively publicly performed and recorded as the MISFITS for the last decade. As such, Petitioner cannot own rights to the marks for, at a minimum, the goods in Class 9 and the services in Class 41 because he specifically agreed that he would not use, and in fact has not used, the marks in connection with those goods and services. Petitioner equally has not pleaded facts demonstrating that he has used and continues to use the marks in connection with any other goods and services covered by the Registrations.

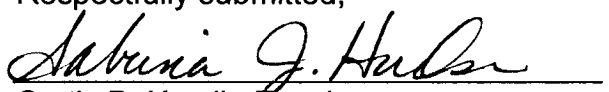
Accordingly, Petitioner has failed to plead a cognizable claim that Cyclopian Music somehow is not the exclusive owner of the marks for the goods and services covered by the Registrations. The Petition for Cancellation, therefore, fails to state a claim upon which relief can be granted and must be dismissed as a matter of law.

CONCLUSION

For all the foregoing reasons, Registrant Cyclopian Music's Motion to Dismiss Petitioner Glenn Danzig's Petition for Cancellation should be granted and the Petition for Cancellation should be dismissed in its entirety with prejudice.

Respectfully submitted,

December 29, 2005



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