

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Baxley

Mailed: May 14, 2010

Cancellation No. 92049926

Penthouse Digital Media
Productions Inc.

v.

Cloudstreet, Inc. d/b/a
Roxbury Entertainment

Andrew P. Baxley, Interlocutory Attorney:

On April 30, 2010, petitioner filed a motion to resume proceedings because the civil action in which the parties are involved was suspended on April 22, 2010 to allow this proceeding to go forward.¹ In that motion, petitioner requested that the Board convene a telephone conference to discuss the scheduling of this proceeding. On the afternoon of May 11, 2010, a telephone conference was held between petitioner's attorney Floyd A. Mandell, respondent's president Kirk M. Hallam, and Board attorney Andrew P. Baxley.

In the petition to cancel, petitioner seeks to cancel on grounds of fraud and abandonment three of respondent's

¹ The civil action is styled *Rodbury Entertainment v. Penthouse Media Group, Inc.*, Case No. 2:08-cv-03872 JHN (FMOx), filed in the United States District Court for the Central District of California.

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registrations for the mark ROUTE 66 in standard character form: (1) Registration No. 3189543 for "pre-recorded DVD's and videocassettes featuring drama, action and adventure" in International Class 9; (2) Registration No. 3194255 for "entertainment services, namely, entertainment in the nature of an on-going television program in the field of drama, action and adventure; television production services" in International Class 41; and (3) Registration No. 3291736 for "motion picture film series featuring drama, action and adventure" in International Class 9.

As an initial matter, in view of the recent decision by our reviewing court in *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009), the Board *sua sponte* reviewed pleaded grounds for petitioner's fraud claim and found that such grounds are insufficiently pleaded.² Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration or an allegation of use knowingly makes specific false, material representations of fact in connection with an application to register or in a post-registration filing with the intent of obtaining or maintaining a registration to which it is otherwise not entitled. *See Torres v. Cantine Torresella S.r.l.*, 808 F.2d

² The grounds for petitioner's abandonment claim, however, are sufficiently pleaded. *See* Trademark Act Section 45, 15 U.S.C. Section 1127; *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861 (TTAB 2007).

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46, 1 USPQ2d 1483 (Fed. Cir. 1986). Intent is a required element to be pleaded for a claim of fraud; allegations that a party made material representations of fact that it "knew or should have known" were false or misleading are insufficient.³ See *In re Bose Corp.*, *supra*. Further, pleadings of fraud made "on information and belief," when there is no allegation of "specific facts upon which the belief is reasonably based" are also insufficient. See *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478 (TTAB 2009). The bases for petitioner's fraud claim are insufficient because they are made on information and belief without setting forth specific fact upon which that belief is based and because petitioner has not alleged that respondent made any false statements with the intent of deceiving the USPTO into issuing registrations to which it was not entitled.

Regarding Registration No. 3189543 for "pre-recorded DVD's and videocassettes featuring drama, action and adventure" in International Class 9, petitioner alleges that respondent committed fraud by setting forth February 28, 1995 as the date of first use anywhere and date of first use

³ There is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981). Unless a party alleging fraud can point to clear and convincing evidence that supports drawing an inference of deceptive intent, it will not be entitled to

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in commerce when respondent did not use the ROUTE 66 mark on DVD's until 2005. However, "[i]f more than one item of goods or services is specified in a particular class, the date of first use anywhere and date of first use in commerce do not have to pertain to every item in the class.⁴ See Section 903.08 (6th ed. 2009). So long as the mark was in use in commerce on all the identified goods as of the July 14, 2006 filing date of respondent's amendment to allege use in support of the application for that registration, then the claimed dates of first use, even if false, do not constitute fraud because the first use date is not material to the Office's decision to approve a mark for publication. See *Hiraga v. Arena*, 90 USPQ2d 1102 (TTAB 2009).

Regarding Registration No. 3194255 for "entertainment services, namely, entertainment in the nature of an on-going television program in the field of drama, action and adventure; television production services" in International Class 41, petitioner alleges that respondent committed fraud by setting forth September 30, 1960 as the date of first use anywhere and date of first use in commerce because: (1) the television series "was not televised in commerce" between

judgment on a fraud claim. *In re Bose Corp.*, *supra* at 1942. Any doubt must be resolved against the party making a claim of fraud. *Id.* at 1939.

⁴ Trademark examining attorneys do not consider alleged dates of first use in determining whether conflicting marks should be published for opposition. See *Colt Industries Operating Corp. v. Olivetti Controllo Numerico S.p.A.*, 221 USPQ 73, 76 (TTAB 1983).

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"its initial run cancellation" in 1964 and 1985, between 1987 and 1993, and after 1993.⁵ Petitioner's allegation that respondent was not rendering the services when it filed the use-based application in International Class 41 could constitute a proper basis for a fraud claim, provided that such basis is properly pleaded, i.e., by properly alleging that respondent made false, material statements with the intent of deceiving the USPTO into issuing registrations to which it was not entitled. See *In re Bose Corp.*, *supra*; *Hiraga v. Arena*, *supra*.

Regarding Registration No. 3291736 for "motion picture film series featuring drama, action and adventure" in International Class 9, petitioner alleges that respondent committed fraud because it filed a statement of use on May 22, 2007 despite having not used the ROUTE 66 mark in connection with a series of motion pictures and by submitting specimens of use which do not support use of the mark on a series of motion pictures. These allegations could constitute proper bases for a fraud claim, provided that they are properly pleaded, i.e., by properly alleging that respondent made false, material statements with the intent of deceiving the USPTO into issuing

⁵ Once a mark has become abandoned, a party cannot cure that abandonment by subsequently making use. A subsequent re Adoption of a mark is in the nature of a new first use of that mark. See *Linville v. Rivard*, 26 USPQ2d 1508, 1513 (TTAB 1993).

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registrations to which it was not entitled.⁶ See *id.*;
Hurley International LLC v. Volta, 82 USPQ2d 1339, 1346
(TTAB 2007).

In view of the foregoing, the Board deferred any discussion regarding scheduling herein. Instead, petitioner is allowed until thirty days from the mailing date set forth in this order to file an amended petition to cancel, consistent with the foregoing. Respondent is allowed until thirty days from the date of service of the amended petition to cancel to file an answer or other response to that amended petition.⁷

Except as noted, proceedings herein remain suspended.

⁶ Petitioner is advised, however, that, while false, material statements in support of specimens of use can give rise to a fraud claim, merely alleging that respondent submitted unacceptable specimens is not a basis for cancelling a registration; the acceptability of specimens is exclusively an *ex parte* matter. Compare *Hurley International LLC v. Volta, supra*, and *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355 (TTAB 1989).

⁷ Respondent's president indicated that he may file a potentially dispositive motion herein. Respondent, however, is reminded that, except for a motion asserting claim or issue preclusion or lack of Board jurisdiction, parties to Board *inter partes* proceedings may not file motions for summary judgment until they have served initial disclosures. See Trademark Rule 2.127(e)(1).