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

Proceeding	92050734
Party	Defendant IV-Media, LLC
Correspondence Address	Kristan B. Burch Kaufman & Canoles, P.C. 150 W. Main Street Norfolk, VA 23510 UNITED STATES kbburch@kaufcan.com
Submission	Reply in Support of Motion
Filer's Name	Kristan B. Burch
Filer's e-mail	kbburch@kaufcan.com
Signature	/kbb/
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

REAL ESTATE CHANNEL
CORPORATION,

Petitioner,

Cancellation No. 92050734

v.

Registration No. 3270964

IV-MEDIA, LLC,

Mark: THEREALESTATECHANNEL

Registrant.

**REGISTRANT'S REPLY MEMORANDUM IN SUPPORT OF
CROSS MOTION FOR SUMMARY JUDGMENT ON COUNT I**

Registrant, IV-Media, LLC, by counsel, for its Reply Memorandum in Support of its Cross Motion for Summary Judgment on Count I of the Petition for Cancellation filed by petitioner, Real Estate Channel Corporation ("Petitioner"), states as follows:

I. INTRODUCTION

On February 28, 2009, Petitioner's federal trademark for REAL ESTATE CHANNEL was canceled by the United States Patent and Trademark Office ("PTO") because Petitioner failed to submit a Section 8 Affidavit. Within a month after its federal trademark was canceled, Petitioner filed the Petition for Cancellation ("Petition"), seeking through Count I to cancel IV-Media, LLC's federal trademark for THEREALESTATECHANNEL mark ("Mark") based on alleged fraud by IV-Media, LLC on the PTO in September 2006.

When IV-Media, LLC filed its trademark application for the Mark on September 27, 2006, Petitioner did not oppose the application. Even after IV-Media, LLC obtained a federal trademark for the Mark on the Principal Registry on July 31, 2007, Petitioner did not object to IV-Media, LLC's use of the Mark or its trademark registration. Instead, Petitioner and IV-Media, LLC coexisted in the marketplace for almost ten years with IV-Media, LLC operating multiple websites using the Mark for almost twelve years. It was not until Petitioner's trademark was canceled based on its own failure to file a Section 8

Affidavit that Petitioner decided to object for the first time to IV-Media, LLC's use of the Mark which dates back to 1998.

IV-Media, LLC's Cross Motion for Summary Judgment on Count I (Fraud) should be granted because Petitioner has provided no evidence to meet its heightened burden for proving fraud under the standard outlined by the Court of Appeals for the Federal Circuit ("Federal Circuit") in In re Bose. 91 USPQ2d 1938 (Fed. Cir. 2009). Petitioner cannot show by clear and convincing evidence that IV-Media, LLC knowingly made a false, material representation with the intent to deceive the PTO when IV-Media, LLC submitted its 2(f) statement in connection with its trademark application for the Mark. Instead, IV-Media, LLC has established through the evidence which it has presented to the Trademark Trial and Appeal Board ("Board") in connection with its Cross Motion for Summary Judgment that the 2(f) statement was accurate because IV-Media, LLC had been using the Mark exclusively and continuously in commerce for the class of services listed in IV-Media, LLC's trademark application for at least five years before IV-Media, LLC filed its trademark application. The only evidence before the Board shows that Petitioner was not providing the services for which IV-Media, LLC obtained a Mark as of the date when IV-Media, LLC submitted its 2(f) statement for the Mark to the PTO.

II. ARGUMENT

IV-Media, LLC Is Entitled to Summary Judgment Because Count I of the Petition Fails as a Matter of Law.

Count I of the Petition filed by Petitioner fails as a matter of law because Petitioner cannot establish by clear and convincing evidence that IV-Media, LLC knowingly made a false, material representation with the intent to deceive the PTO.

A. Petitioner Failed to Identify the Correct Standard for its Fraud Claim.

In Petitioner's Memorandum in Opposition¹ to Registrant's Cross-Motion for Summary Judgment

¹ On December 21, 2009, Petitioner filed its Reply Memorandum in Support of Petitioner's Motion for Summary Judgment and Memorandum in Opposition to Registrant's Cross-Motion for Summary Judgment on Count I. This memorandum was received by IV-Media, LLC on December 28, 2009. For purposes of the Cross-Motion for Summary Judgment, IV-Media, LLC refers to Petitioner's December 21, 2009 filing as the "Opposition Memorandum."

on Count I (“Opposition Memorandum”), Petitioner states on pages 2,3, and 5 that the subjective intent of Lemuel E. Lewis (whose declaration is attached as Exhibit 5 to the Memorandum filed by IV-Media, LLC on December 3, 2009 in support of its Cross Motion for Summary Judgment)² is “irrelevant” and only the “objective manifestation before the Office counts.”

In support of its argument, Petitioner incorrectly cites a portion of the decision by the Federal Circuit in Bose and omits other relevant language in the Bose decision regarding the standard for fraud. Specifically, the quote which Petitioner includes on the bottom of page 2 of its Opposition Memorandum makes it appear that the Federal Circuit wrote “We agree” after the sentence “[t]he appropriate inquiry is...not into the registrant’s subjective intent, but rather into the objective manifestations of that intent.” But this assertion by Petitioner does not match the actual language of the Federal Circuit in Bose. The sentence “We agree” appears after the following sentence: “We understand the Board’s emphasis on the ‘objective manifestations’ to mean that ‘intent must often be inferred from the circumstances and related statement made.’” 91 USPQ2d 1938, 1940-41 (Fed. Cir. 2009).

The full language of the paragraph misquoted by Petitioner appears below, with the language omitted by Petitioner marked in ***bold italics***:

The Board stated in Medinol v. Neuro Vasx, Inc. that to determine whether a trademark registration was obtained fraudulently, “[t]he appropriate inquiry is... not into the registrant’s subjective intent, but rather into the objective manifestations of that intent.” 67 USPQ2d 1205, 1209 (T.T.A.B. 2003). ***We understand the Board’s emphasis on the “objective manifestations” to mean that “intent must often be inferred from the circumstances and related statement made.”*** Id. (internal quotation marks omitted) (quoting First Int’l Serv., 5 USPQ2d at 1636). We agree. ***However, despite the long line of precedents from the Board itself, from this court, and from other circuit courts, the Board went on to hold that “[a] trademark applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration which it knows or should know to be false or misleading.”*** Id. (emphasis added). ***The Board has since followed this standard in several cancellation proceedings on the basis of fraud, including the one presently on appeal. See Bose, 88 USPQ2d at 1334.***

Furthermore, Petitioner omitted from its Opposition Memorandum the following paragraphs from the Bose decision in which the Federal Circuit specifically stated that subjective intent to deceive is “an

² On December 3, 2009, IV-Media, LLC filed its Memorandum in Opposition to Petitioner’s Motion for Summary Judgment and Registrant’s Memorandum in Support of Cross Motion for Summary Judgment on Count I which is referred to in this Reply Memorandum as “Opening Memorandum.”

indispensible element in the analysis.” 91 USPQ2d at 1941. Specifically, the Federal Circuit clarified the role of subjective intent in Bose as follows:

By equating “should have known” of the falsity with a subjective intent, the Board erroneously lowered the fraud standard to a simple negligence standard.

We have previously stated that “[m]ere negligence is not sufficient to infer fraud or dishonesty.” We even held that “a finding that particular conduct amounts to ‘gross negligence’ does not of itself justify an inference of intent to deceive.” The principle that the standard for finding intent to deceive is stricter than the standard for negligence or gross negligence, even though announced in patent inequitable conduct cases, applies with equal force to trademark fraud cases. After all, an allegation of fraud in a trademark case, as in any other case, should not be taken lightly. Thus, we hold that a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.

Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis. Of course, “because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence. But such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.” When drawing an inference of intent, “the involved conduct, viewed in light of all the evidence . . . must indicate sufficient culpability to require a finding of intent to deceive.”

Id. at 1940-41 (citations omitted) (emphasis added).

As the two passages above indicate, Petitioner misquoted the Federal Circuit’s decision in Bose and incorrectly claimed that the subjective intent of Mr. Lewis when executing the 2(f) statement for IV-Media is irrelevant. Contrary to Petitioner’s unsupported claims, the Federal Circuit is clear in Bose that “subjective intent” is “an indispensable element in the [fraud] analysis.” Id. at 1941. The correct standard for analyzing the fraud claims asserted by Petitioner in the Petition is the standard outlined by IV-Media, LLC in its Opening Memorandum on pages 15 and 16 which tracks the decision in Bose.³

³ Petitioner alleges on page 3 of the Opposition Memorandum that issuance of IV-Media, LLC’s Mark is “a clear mistake by the Office,” but Petitioner fails to state any support for this claim. General statements such as this with no citations or support do not constitute the type of “clear and convincing” evidence required to prove fraud. Likewise, the unsupported guesses made by Petitioner on pages 3 and 4 of the Opposition Memorandum do not constitute clear and convincing evidence of fraud. On page 3, Petitioner has no support for its claim that IV-Media, LLC had “no need to file” for its Mark under 2(f), and likewise, on page 4, Petitioner has cited nothing to support its general claims that the PTO either made a “mistake” when it issued the Mark to IV-Media, LLC or the removal of spaces in the Mark “may have confused searching tools of the Office.” Neither of these unsupported guesses by Petitioner can be the basis for cancelling IV-Media, LLC’s Mark.

B. The 2(f) Statement Made by IV-Media, LLC Is Not Fraudulent.

In the summary judgment memoranda filed by Petitioner, Petitioner relies solely on the 2(f) statement made by Mr. Lewis on September 27, 2006 in connection with IV-Media, LLC's application for the Mark as the basis for Petitioner's fraud claim, and Petitioner argues (with no support) that IV-Media, LLC's use was neither "exclusive" nor "continuous." In the Opposition Memorandum, Petitioner has not asserted any other grounds for its fraud claim nor has Petitioner responded to many of the points made by IV-Media, LLC in its Opening Memorandum.

1. As of the Date When IV-Media, LLC Filed its Trademark Application for the Mark, Petitioner Was Not Providing the Type of Services for which IV-Media, LLC Obtained its Mark.

In its Opening Memorandum, IV-Media, LLC established that at the time when IV-Media, LLC filed its trademark application for the Mark, Petitioner was not providing real estate information on the internet and was not providing information in the field of real estate by means of linking its web site to other web sites. Specifically, IV-Media, LLC provided records available from the Wayback Machine which show that as of September 22, 2006, Petitioner's website displayed only the following message from its President, Mr. Gerrity:

REAL ESTATE CHANNEL™ is a newly emerging IP-based broadcasting network for the delivery of customized video-on-demand (VOD) real estate programming and content to any person on any Internet enabled device anywhere in the world, anytime!

"...an interactive broadband video channel for the entire U.S. real estate marketplace!"

(Ex. 4 – IV-Media, LLC 46). The records from the Wayback Machine confirm that as of September 22, 2006, Petitioner's web site did not provide any real estate information and did not have any link from its web site to other web sites featuring real estate information. (Id.)

In its Opposition Memorandum, Petitioner did not respond in any fashion to these records provided by IV-Media, LLC from the Wayback Machine. Specifically, Petitioner provided no contrary evidence to show that as of September 2006 Petitioner was providing the type of services listed in IV-Media, LLC's trademark application for the Mark. In fact, Petitioner did not respond at all on this critical

issue in its five page Opposition Memorandum.

Through its Opposition Memorandum, Petitioner had an opportunity to respond on the exclusive use issue, but it chose to remain silent on these points made in IV-Media, LLC in its Opening Memorandum. Without providing any support, Petitioner continues to claim generally that IV-Media, LLC's statement of "exclusive" use of the Mark is fraudulent, and yet, the only evidence before the Board supports the "exclusive" portion of IV-Media, LLC's 2(f) statement. It is undisputed that Petitioner did not provide the services which are listed in IV-Media, LLC's application for the Mark at the time when IV-Media, LLC filed its application for the Mark in 2006.

For this reason alone, Petitioner's fraud claim fails as a matter of law, and IV-Media, LLC is entitled to summary judgment on Count I of the Petition. Petitioner has no support (let alone clear and convincing evidence) to support its fraud claim and cannot show that IV-Media, LLC knowingly made a false representation with the intent to defraud the PTO when IV-Media, LLC submitted its 2(f) statement.

2. Examiner Kon's Comparison of the Current Services Being Offered by IV-Media, LLC and Petitioner Is Not Relevant to this Cancellation Proceeding.

On page 2 of the Opposition Memorandum, Petitioner attempts to rely upon a statement from the Office Action issued by Examiner Elissa Garber Kon⁴ on June 18, 2009 in connection with Petitioner's 2009 trademark application for REAL ESTATE CHANNEL to argue that the services offered by IV-Media, LLC and Petitioner are allegedly identical. Petitioner's argument is misguided as the Office Action issued by Examiner Kon does not compare the services which IV-Media, LLC was providing in September 2006 when it filed its trademark application to the services Petitioner was providing in with the REAL ESTATE CHANNEL mark as of September 2006.

In the Petition, Petitioner is claiming IV-Media, LLC committed fraud when it filed its 2(f)

⁴ On page 4 of the Opposition Memorandum, Petitioner claims that "[s]everal examiners, including Examiner Kon in 2009, agree that [IV-Media, LLC's] mark is identical to Petitioner's mark when [IV-Media, LLC] filed." Other than identifying Examiner Kon who has been assigned to Petitioner's 2009 trademark application, Petitioner has failed to identify the "[s]everal examiners" who allegedly have looked at IV-Media's Mark and compared it to Petitioner's. This general statement regarding the findings of other examiners cannot be considered in connection with IV-Media, LLC's Cross Motion for Summary Judgment because Petitioner has failed to name the alleged examiners and has failed to state when they allegedly compared IV-Media's Mark to Petitioner's REAL ESTATE CHANNEL mark.

statement in September 2006. Accordingly, in this cancellation proceeding, the time period for comparing the services of IV-Media LLC and Petitioner is September 2006. As is explained above in more detail, the records from the Wayback Machine confirm that as of September 2006, Petitioner's web site did not provide any real estate information and did not have any link from its web site to other web sites featuring real estate information. (Ex. 4 – IV-Media LLC 46). Accordingly, Mr. Lewis' statement in September 2006 that IV-Media, LLC had been using its Mark exclusively and continuously in commerce for the class of services listed in its application for at least five years before September 2006 was accurate, and a comparison done by a different examiner for a different trademark application in 2009 cannot be the basis for finding fraud regarding a 2(f) statement made in September 2006 by IV-Media, LLC.

3. Petitioner Is Incorrect When It Claims that IV-Media, LLC Does Not Use the Mark.

On page 2 of its Opposition Memorandum, Petitioner claims that IV-Media, LLC only used the Mark with spaces, citing to Paragraph 26 of Mr. Lewis' Declaration and generally referencing the "webpages attached as Exhibit 10" by IV-Media, LLC. Again, Petitioner is incorrect in its claim in the Opposition Memorandum.

First, the webpages attached as Exhibit 10 by IV-Media, LLC do not "all use the Mark The Real Estate Channel" with spaces as claimed by Petitioner. (Opposition Memorandum at 2). Below is a list of the specific pages which are part of Exhibit 10 which show use of the mark by IV-Media, LLC without spaces: IV-Media, LLC 000070, 000071, 000072, 000074, 000075, 000080, 000196, 000197, 000198, 000199, 000200, 000201, 000203, 000204, 000205, 000206, 000207, 000208, 000209, and 000210. The pages of Exhibit 10 do not support Petitioner's claim that IV-Media, LLC only used the Mark with spaces in the screen print examples attached as Exhibit 10.

Second, Petitioner only referenced Paragraph 26 of Mr. Lewis' Declaration (Exhibit 5) and attempts to ignore the parts of the Declaration which show that IV-Media, LLC consistently used the Mark for at least five years before IV-Media, LLC filed its trademark application for the Mark. Specifically, the Mark is defined in Paragraph 27 of Mr. Lewis' Declaration, and Mr. Lewis states in

Paragraph 31 that IV-Media, LLC has consistently used the Mark since December 26, 1998 on its various web sites. Likewise, the screen shots attached as Exhibits 10 and 11 by IV-Media, LLC show consistent use of the Mark by IV-Media, LLC which matches the 2(f) statement made by IV-Media, LLC when it filed its trademark application for the Mark in September 2006. The only evidence before the Board shows that the 2(f) statement by IV-Media, LLC was accurate. (Exhibit 5 at ¶¶ 27, 31, 32; see also Exhibit 10; Exhibit 11 – IV-Media, LLC 12, 14).⁵

C. Petitioner Has Failed to Respond to Most of the Evidence Put Forth by IV-Media, LLC in its Opening Memorandum.

In its Opposition Memorandum, Petitioner failed to counter the undisputed facts set forth by IV-Media, LLC in its Opening Memorandum.

In its Opening Memorandum, IV-Media, LLC set forth almost ten pages of Undisputed Facts in Section II, and those ten pages are supported by 16 exhibits filed by IV-Media, LLC. In its Opposition Memorandum, Petitioner has not listed any of IV-Media, LLC’s Undisputed Facts which Petitioner disputes. Nor has Petitioner provided any contrary support (like the sixteen exhibits provided by IV-Media with its Opening Memorandum) which dispute any of the items listed by IV-Media, LLC as Undisputed Facts in Section II of its Opening Memorandum.

For example, in his Declaration, Mr. Lewis has detailed the procedure which IV-Media, LLC followed for setting up and operating a website at www.therealestatechannel.com, and Petitioner has not provided any evidence which refutes that. (Ex. 5 at ¶¶ 15-26). Likewise, through his declaration (Ex. 5 at ¶ 30), Mr. Lewis has testified under oath that the first use in commerce of the Mark by IV-Media, LLC took place on December 26, 1997 when IV-Media, LLC first made available on the internet a web site which used the Mark and contained links to other websites featuring real estate information, and Petitioner has not set forth any evidence to dispute that statement.

⁵ In its prior Memorandum filed on October 29, 2009, Petitioner argued on pages 4, 5, and 6 that the “mark THEREALESTATECHANNEL is the legal equivalent of the mark Real Estate Channel” and that “[p]unctuation within a composite word mark is irrelevant.” Petitioner cannot have it both ways; either the spacing is relevant or the spacing is not relevant to the claims in the Petition.

Furthermore, through his Affidavit, Mr. Lewis confirms that he reviewed the trademark application for the Mark before it was filed and confirmed the accuracy of the information, and Mr. Lewis confirmed that at the time when the application was filed on September 27, 2006, he believed that the 2(f) statement was correct, and he continues to stand by the accuracy of the 2(f) statement made on September 27, 2006. (Id. at ¶¶ 35-37). Mr. Lewis also confirms that when he made the 2(f) statement, he did not knowingly make a false, material representation with the intent to deceive the PTO, and his subjective intent was to provide accurate information to the PTO. (Id. at ¶ 38). The evidence shows that Mr. Lewis did not sign the 2(f) statement with any deceptive or willful intent to deceive the PTO. (Id.). Petitioner has not set forth any evidence which shows that Mr. Lewis did not have a reasonable and honest belief that the 2(f) statement was true on September 27, 2006. (Id. at ¶ 39).

Instead of responding on the issues relevant to IV-Media, LLC's Cross Motion for Summary Judgment, Petitioner chose to devote one page of its five page Opposition Memorandum to its argument that Bose cannot be "carte blanche to deceive," giving an example of a "hypothetical scenario" in which Petitioner claims fraud would be shown. As stated above, Petitioner has misstated the standard outlined in Bose for fraud claims. Also, Petitioner has not pointed to any "half truths" which IV-Media, LLC made in its 2(f) statement nor has Petitioner pointed to any evidence showing factual similarities between the "hypothetic scenario" outlined for half of page 4 in Petitioner's Opposition Memorandum and the actual facts known to IV-Media, LLC when it filed its 2(f) statement in 2006. Simply put, Petitioner has failed to put forth any evidence to show that IV-Media, LLC committed fraud on the PTO when it submitted its 2(f) statement. What the evidence before the Board shows it that IV-Media's use of the Mark was both exclusive and continuous for the five years before IV-Media, LLC filed its trademark application for the Mark. The fact that IV-Media, LLC knew about Petitioner's registration for REAL ESTATE CHANNEL is not enough to prove fraud, and based on the fact that Petitioner has provided no other evidence, IV-Media, LLC is entitled to summary judgment on Count I of the Petition.

IV. CONCLUSION

All that Petitioner has shown through its Opposition Memorandum is something which IV-Media,

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing has been served on Alain Villeneuve, Esq. by emailing a copy on January 11, 2010 and mailing a copy on January 12, 2010, via First Class Mail, postage prepaid to: Alain Villeneuve, Esq., Vedder Price, P.C., 222 N. LaSalle Street, Suite 2600, Chicago, Illinois 60601, *Counsel for Petitioner*.

/kbb/

Attorney for Registrant

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