

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

coggins

Mailed: June 28, 2011

Cancellation No. 92050966

Atlas Flowers, Inc. d/b/a
Golden Flowers

v.

Golden Vision Flower Inc.

Before Bucher, Mermelstein, and Bergsman,
Administrative Trademark Judges.

By the Board:

This case now comes up on petitioner's combined motion (filed June 25, 2010) to amend the petition for cancellation and for summary judgment, and respondent's cross-motion for summary judgment.¹ Inasmuch as a party may file a motion for summary judgment on an unpleaded issue concurrently with a motion to amend its pleading to include the unpleaded issue, we turn first to the motion to amend. *See Am. Express Mktg. &*

¹ Although respondent's brief was captioned solely as a "brief in opposition" to petitioner's combined motion, respondent peppered the brief with short clauses asking for summary judgment in its favor. The Board construes respondent's cumulative requests as an embedded cross-motion for summary judgment. We note that petitioner's reply brief did not address the cross-motion, possibly because of the stealth nature of such motion. Notwithstanding this, we construe petitioner's reply as a combined reply in support of its own motion and a brief in opposition to the cross-motion.

Dev. Corp. v. Gilad Dev. Corp., 94 USPQ2d 1294, 1296 (TTAB 2010).

Motion to Amend

By way of its motion, petitioner seeks to amend the petition for cancellation to add a second ground for cancellation on the ground of fraud, and to add two grounds that the registration is "void *ab initio*."² Specifically, the proposed new grounds allege that respondent committed fraud in procuring the registration when it submitted a statement of use which was signed by a person claiming to be the president of respondent but who, in fact, is not and was not an officer of respondent; that the registration is void *ab initio* because the statement of use was not verified by a person qualified to verify that document; and that the registration is void *ab initio* because the statement of use was signed based on data concerning use of the mark by a third party.

Under Fed. R. Civ. P. 15(a), leave to amend pleadings shall be freely given when justice so requires. Where the moving party seeks to add a new claim, and the proposed

² We do not find helpful petitioner's reference to the subject registration as "void *ab initio*." It appears that petitioner contends merely that respondent's statement of use should not have been accepted (or would not have been had the Office known the facts) and therefore that the application was improperly registered. This is in contrast to our occasional use of the term "void *ab initio*" to describe an application that was fatally defective when filed. See e.g., *Great Seats Ltd. v. Great Seats Inc.*, 84 USPQ2d 1235 (TTAB 2007) (cancellation granted when underlying application was not filed by the owner of the mark).

pleading thereof is legally insufficient, or would serve no useful purpose, the Board normally will deny the motion for leave to amend. See *Octocom Sys. Inc. v. Houston Computer Servs. Inc.*, 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990). Thus, in deciding opposer's motion for leave to amend, the Board must consider whether there is undue prejudice to respondent and whether the new claims are legally sufficient. *Hurley Int'l LLC v. Volta*, 82 USPQ2d 1339, 1341 (TTAB 2007).

The application underlying the subject registration was filed on June 1, 2004, under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b). A notice of allowance issued for the application, and on January 6, 2006, respondent filed a statement of use signed by Li-Ying Chuong, who identified herself as "president" of respondent.³ The statement of use was accepted by the Office on February 6, 2006, and the subject registration issued the following month.

In support of its motion to amend, petitioner contends that the grounds for the new claims became apparent during the May 14, 2010, deposition of Li-Ying Chuong, which revealed, in petitioner's opinion, that Ms. Chuong was not an officer of respondent on the date the statement of use was signed, that

³ Although the record reveals several spellings of Ms. Chuong's name (e.g., "Li Ying Chuang" in the statement of use, "Lee Ying Chuong" in the motion for summary judgment, and "Li-Ying Chuong" in the deposition transcripts), there is no question that the name refers to the same individual.

Ms. Chuong was not qualified in any way to sign the statement of use, and that Ms. Chuong based her signature not on her understanding of the transactions of respondent but on those of a separate flower shop with which she was acquainted.

Respondent opposes amendment of the petition for cancellation alleging that such an amendment is untimely and futile. Specifically, respondent argues that the new grounds should have been apparent to petitioner at least as early as October 23, 2009, the day after respondent served its responses to petitioner's first set of interrogatories; that piecemeal prosecution unfairly increases the time, effort, and expense respondent would be required to expend; and that petitioner's evidence is not sufficient for petitioner to prevail on the fraud claim.

We find no undue delay in the filing of the proposed amendment. Petitioner could not reasonably have been expected to know Ms. Chuong's alleged lack of corporate status, or the understanding on which she based her signature, until she was asked during the May 14, 2010, deposition. Respondent's Articles of Incorporation, which were produced in discovery and which, respondent argues, provided notice that Ms. Chuong was not an officer, do not contemplate the history of all possible changes in respondent's corporate officers; instead, they merely reveal who was president of respondent at the time the document was filed with the Florida Secretary of State. It was

not until the deposition of Ms. Chuong that petitioner became aware of Ms. Chuong's official corporate title (or lack thereof) and the basis for her signature on the statement of use at the time it was signed. Inasmuch as petitioner filed the motion to amend approximately one month after the deposition, there was no unreasonable delay.

Contrary to respondent's assertion of prejudice, the timing of the amendment is not prejudicial to respondent. This proceeding is still in the discovery stage, the information surrounding the issues raised by the amendments is completely within respondent's control, and we note that petitioner has stated that it does not seek additional discovery on the issues raised by the amendments. Moreover, it does not appear that petitioner has acted in bad faith nor has petitioner abused its amendment privileges. While this is petitioner's second motion to amend the petition, we note that the first motion was filed with respondent's consent. The significant issues raised by the motion to amend are whether the proposed amendments are futile or legally insufficient.

For the most part, respondent's arguments that it would be futile to allow the amendments address the merits of the new claims and not their legal sufficiency. Under the rules applicable to this proceeding, petitioner is only required to state a valid claim; whether it will prevail is not the issue. Respondent's arguments and evidence on the merits of the

amendment are of no import in considering opposer's motion to amend, but rather are more appropriate in our consideration of the issues on summary judgment or at trial if the amendments are allowed. *See Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1539 (TTAB 2007) (no need to consider evidence in determining sufficiency of claim).

To the extent that petitioner seeks to assert a new claim that respondent committed fraud in procuring the registration when Ms. Chuong signed the statement of use as president, we find that the ground is sufficiently pleaded. Fed. R. Civ. P. 9(b). Petitioner has stated with particularity the circumstances constituting the alleged fraud. *See, e.g., Daimlerchrysler Corp. and Chrysler, LLC v. Am. Motors Corp.*, 94 USPQ2d 1086 (TTAB 2010). Accordingly, the motion to amend is granted, in part, as to the new ground of fraud.

To the extent that petitioner seeks to assert new claims that the registration should be cancelled because Ms. Chuong was not qualified to verify the statement of use submitted over her signature, and because she based her signature on use of the mark by a third party, we find that such amendments are futile inasmuch as the signature, and basis therefor, as opposed to fraud in executing the declaration, do not by themselves form a statutory ground for cancellation. *Cf. Cerveceria India Inc. v. Cerveceria Centroamericana, S.A.*, 10 USPQ2d 1064, 1067 n.5 (TTAB 1989) (defect in Section 8

declaration because of improper signature, as opposed to fraud in its execution, is not an appropriate ground for cancellation under Section 14). Petitioner is correct to plead the relevant allegations under a ground of fraud, but petitioner may not separately plead them to allege that the resulting registration is invalid. The *acceptability* of the signature on respondent's statement of use is an issue that may be raised by the Office during examination, but it is not a statutory ground for opposition or cancellation by third parties. *Cf. Flash & Partners S.P.A. v. I.E. Mfg. LLC*, 95 USPQ2d 1813, 1815-16 (TTAB 2010) (determination of compliance with application signature requirement is an *ex parte* examination issue and does not form a basis for cancellation).

In view of our treatment of the motion to amend, we strike paragraphs 15 and 16 from the second amended petition to cancel which was submitted concurrently with the motion for summary judgment. The second amended petition, as stricken, is the operative complaint in this proceeding.

Summary Judgment

By way of the cross-motions, the parties move for summary judgment on the ground of fraud.⁴ Particularly, the parties move for summary judgment on the theories that when the statement of use was filed respondent was not using the mark on

⁴ Inasmuch as we have herein denied petitioner's motion to amend to assert a ground that the registration is "void *ab initio*," this ground is not available to petitioner on summary judgment.

all of the claimed goods; and that although Li-Ying Chuong signed as president, she was not president or otherwise qualified to sign the statement of use, and that respondent's alleged misstatements regarding these matters were made with the intent to deceive the USPTO.

Summary judgment is an appropriate method of disposing of cases in which there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(a). The mere fact that cross-motions for summary judgment on an issue have been filed does not necessarily mean that there is no genuine dispute of material fact, and that trial is unnecessary. The party moving for summary judgment bears the initial burden of demonstrating the absence of any genuine dispute as to any material fact and that it is entitled to judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S.Ct. 2548 (1986). The Board may not resolve issues of material fact; it may only ascertain whether a genuine dispute regarding a material fact exists. See, *Lloyd's Food Prods., Inc. v. Eli's, Inc.*, 987 F.2d 766, 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993). A factual dispute is genuine if, on the evidence of record, a reasonable finder of fact could resolve the matter in favor of the non-moving party. See *Opryland USA Inc. v. Great Am. Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); and *Olde Tyme*

Foods Inc. v. Roundy's Inc., 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). Additionally, "the record must be viewed in a light favorable to the party opposing the motion, and all justifiable inferences are to be drawn in the non-movant's favor." *Barmag Barmer Maschinenfabrik AG*, 731 F.2d 831, 836, 221 USPQ 561, 564 (Fed. Cir. 1984).

The Board presumes familiarity with the issues, and for the sake of efficiency we do not summarize the parties' arguments raised in their respective briefs. Upon careful consideration of the arguments and evidence presented by the parties, and drawing all inferences with respect to petitioner's motion in favor of respondent as the nonmoving party, and with respect to respondent's cross-motion in favor of petitioner as the nonmoving party, we find that neither petitioner as the original movant nor respondent as the cross-movant has met its initial burden to demonstrate the absence of a genuine dispute as to the ground of fraud. At a minimum, genuine disputes of material fact exist as to respondent's intent to commit fraud on the Office. The parties are advised that the factual question of intent is particularly unsuited to disposition on summary judgment. *Copelands' Enters. Inc. v. CNV Inc.*, 945 F.2d 1563, 20 USPQ2d 1295, 1299 (Fed. Cir. 1991); see also *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478 (TTAB 2009). In view

thereof, petitioner's motion and respondent's cross-motion for summary judgment are denied.⁵

The fact that we have identified a genuine dispute as to material facts as a sufficient basis for denying the parties' cross-motions for summary judgment should not be construed as a finding that these are necessarily the only issues which remain for trial with regard to the ground for which the parties sought entry of summary judgment. *See, for example, Am. Express v. Gilad, supra*, 94 USPQ2d at 1301 n.5. The parties are reminded that any evidence submitted in connection with a motion for summary judgment is ordinarily of record only for purposes of that motion.

Schedule

Proceedings are resumed, and dates are reset on the following schedule. Respondent is allowed until July 15, 2011, in which to file an answer to the second amended petition, as stricken.

Answer to 2nd Amended Complaint Due	7/15/2011
Discovery Closes	8/1/2011
Plaintiff's Pretrial Disclosures	9/15/2011
Plaintiff's 30-day Trial Period Ends	10/30/2011
Defendant's Pretrial Disclosures	11/14/2011
Defendant's 30-day Trial Period Ends	12/29/2011

⁵ While we acknowledge petitioner's arguments on the matter, we decline to determine herein whether a submission to the Office with reckless disregard of its truth or falsity satisfies the intent to deceive requirement. *See In re Bose Corp.*, 476 F.3d 1331, 91 USPQ2d 1938, 1942 n.2 (Fed. Cir. 2009); and *DaimlerChrysler Corp. v. Am. Motors Corp.*, 94 USPQ2d 1086, 1089 n.5 (TTAB 2010). At this juncture, petitioner's evidence would not satisfy either standard.

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Plaintiff's Rebuttal Disclosures
Plaintiff's 15-day Rebuttal Period
Ends

1/13/2012

2/12/2012

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125. Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.