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

Proceeding	92051170
Party	Defendant O2 HOLDINGS LIMITED
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Attachments	Reply in support of o2's motion for sj.pdf (10 pages)(276763 bytes)

1. Registrant’s Reply in Support of its Motion for Summary Judgment.

Registrant will address each of Petitioner’s arguments in order presented and will respond separately to Petitioner’s motion for summary judgment.

a. Registrant’s Motion Was Timely As It Raised a Jurisdictional Issue

37 CFR 2.127(e)(1) holds that a party may not file a summary judgment motion until it has made its initial disclosures.¹ However, an exception exists for a summary judgment motion asserting claim or issue preclusion or lack of subject matter jurisdiction. “[I]f a party moves for summary judgment prior to the deadline for making initial disclosures it should indicate in its motion that the disclosures have been made, or are not required because the motion seeks judgment on claim or issue preclusion, or on a jurisdictional issue” *Compagnie Gervais Danone v. Precision Formulations LLC*, 89 USPQ2d 1251, 1255, fn. 7 (TTAB 2009) (emphasis added). Standing is a jurisdictional issue. While Registrant’s motion did not explicitly state that it was raising this jurisdictional issue of standing so that it was not required to serve initial disclosures in advance, this statement was implied, or at least cured when Registrant did serve the same shortly after filing its motion.

“Jurisdiction relates to the power of a tribunal to take cognizance of and decide cases. It exists when court has cognizance of the class of cases involved, proper parties are present, and the point to be decided is within the issues.” *Federal Trade Commission v. Formica Corporation*, 200 USPQ 182, 187 fn. 9 (TTAB 1978) (emphasis added). “The Federal Rules of Civil Procedure govern proceedings before the Trademark Trial and Appeal Board whenever they are applicable, appropriate, and not otherwise provided for by the Trademark Rules of Practice (Trademark Rule 2.116(a))” *Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 USPQ

¹ Registrant notes that Petitioner miscited this rule as 37 CFR 2.137(e)(1).

955 (TTAB 1986). The predicate of standing is the same before the Board as in Federal Courts, including the threshold issue of subject matter jurisdiction based on standing.

A court lacks subject-matter jurisdiction if the plaintiff fails to establish standing. *See Lujan v. Defenders of Wildlife*, 504 U.S. 555, 561 (1992). To have standing, a plaintiff must demonstrate: (1) an injury in fact; (2) causation; and (3) redressability. *Id.* A injury in fact is “an invasion of a legally protected interest which is (a) concrete and particularized . . . and (b) actual or imminent, not conjectural or hypothetical.” *Id.* at 560 (emphasis added, internal citations and quotations omitted). Here, the summary judgment was based on lack of jurisdiction because Petitioner failed to establish its standing to file the petition to cancel.

Further, Registrant filed its motion concurrently with its response to Petitioner’s Motion to Strike Registrant’s affirmative defenses for the sake of judicial economy. Petitioner’s motion to strike was filed on September 28, 2009, prior to the time that Petitioner filed its own initial disclosures. Registrant timely filed its response to that motion, and in it bundled its motion for summary judgment or alternatively to amend its answer hoping to alleviate the need for the Board to face multiple separate motions and responses.

At the time of its motion, Registrant had already filed its Answer. TBMP 503.01 provides:

When the defense of failure to state a claim upon which relief can be granted is raised by means of a motion to dismiss, the motion must be filed before, or concurrently with, the movant's Answer . . . The defense of failure to state a claim upon which relief can be granted may be raised after an answer is filed, provided that it is raised by some means other than a motion to dismiss. For example, the defense may be raised, after an answer is filed, by a motion for judgment on the pleadings, or by a motion for summary judgment.

By the time that Petitioner's motion to strike made clear that it had no standing, it was too late for Registrant to file a motion to dismiss in lieu of filing an Answer. A summary judgment motion was the proper vehicle.

At the very least, Petitioner suffered no prejudice because Registrant cured any procedural defect by filing its Initial Disclosures shortly after its motion.

b. Registrant's Motion Was Based on its Original Answer as Pleaded

Registrant based its summary judgment motion on Petitioner's lack of standing as alleged in the Answer as filed. Lack of standing can be the basis for a motion to dismiss for failure to state a claim, under Fed. R. Civ. P. 12(b)(6). See *Nobelle.com LLC v. Qwest Communications International Inc.*, 66 USPQ2d 1300, 1304, fn. 1 (TTAB 2003). Registrant's first affirmative defense alleges that Petitioner failed to state a claim upon which relief could be granted.

By failing to raise sufficient facts to show its standing, Petitioner failed to state a claim upon which relief could be granted. In the event that its summary judgment motion is denied, Registrant alternatively moves to amend its Answer to add an affirmative defense of lack of standing for the purpose of clarification of the issues.

c. Registrant is Entitled to Summary Judgment on the Issue of Standing

Standing requires that a plaintiff show that it has suffered an injury in fact that is not hypothetical or conjectural, and that there is a causal nexus between that injury and the conduct complained of which is redressable by a favorable judicial decision. *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560-61 (1992). That requirement applies to petitions to cancel before the Board.

In its petition to cancel and papers filed thereafter, Petitioner fails to allege facts that show any real or imminent injury to its own marks. Petitioner has steadfastly argued that it has

not pleaded its registrations and was not arguing priority or likelihood of confusion as a basis for its petition, rather only fraud and abandonment. As a matter of law, by failing to plead its marks and registrations on the record Petitioner fails to show that it has been or could be reasonably injured by the continued existence of the registration.

Petitioner claims an interest in protecting its family of O2 marks because they are likely to be confused with the registered mark. Petitioner claims that the registration could weaken its sales position and good will and states that it has established a reasonable belief in possible damages. These claims are not only highly speculative and unreasonable, but were not pleaded in the petition and do not constitute injury in fact.

Petitioner has never been nor could be injured by the registration. Both Petitioner's and Registrant's marks are incontestable and have coexisted for years without any reported instance of actual confusion occurring. Moreover, Petitioner expressly stated that it was not relying on likelihood of confusion to claim standing. In its motion to strike Registrant's second affirmative defense of laches, Petitioner stated, "The only ground for cancellation raised by Petitioner is fraud. Thus, the Second Affirmative Defense is unrelated to Petitioner's claim and whether or not the parties' respective marks have coexisted is not relevant." Such coexistence is certainly relevant to show that Petitioner has no reasonable belief that it has been damaged and has standing.

Petitioner also attacked Registrant's third affirmative defense of estoppel on the basis that its own arguments for no likelihood of confusion between the parties's marks made during prosecution of its marks were irrelevant to this proceeding. Petitioner stated, "Petitioner has not pleaded a prior trademark and likelihood of confusion as grounds....The only ground raised by Petitioner is fraud. Thus, whether or not the Petitioner, in an unrelated matter, argued that there is

no likelihood of confusion is not relevant.” Suddenly now, Petitioner argues that likelihood of confusion is relevant after all. However, it has no basis for this claim. In all the years that the marks have coexisted, no actual confusion has ever been reported.

Petitioner miscites *Tonka Corp. v. Tonka Tools, Inc.*, 229 USPQ 857, 859 (TTAB 19860) for its argument that it has standing because of anticipation of litigation due to foreign proceedings involving the same parties. *Tonka* does not stand for this proposition. In *Tonka*, the petition for cancellation was in part on an infringement action against respondent in the United States District Court involving the same marks at issue in the cancellation proceeding. In this matter, there is no pending civil action in any United States court between these parties for the domestic marks. Foreign actions and proceedings involving foreign marks are completely irrelevant to this matter before the Board. Further, no such action could be brought as laches applies.

Petitioner states that its damage can be presumed. This is simply incorrect. Petitioner has no standing for its generalized damage claims to the public based on allegations of fraud and abandonment. Moreover, damage cannot by law be presumed where Petitioner failed to plead its own registered or common law marks, and admits to having purposefully done so. It failed to plead any facts whatsoever regarding actual or imminent damages to its business or marks.

The Board in *Tonka* held that the petitioner established its standing by pleading and filing with its petition a certified copy of its pleaded registration, and thus was not a mere intermeddler. *Tonka* at 858-859. See also *The Clorox Co. v. Chemical Bank*, 40 USPQ2d 1098, 1106 (TTAB 1996). Petitioner did not file or plead its registrations. Its claim to damages is unreasonable in light of the incontestability of the parties' mark and the long standing peaceful coexistence between them.

Moreover, possible future damages based on a reasonable apprehension of litigation are the basis for a declaratory judgment action, not a petition to cancel. Petitioner knew such an action would ultimately fail because it has no reasonable apprehension of imminent litigation. The foreign proceedings have no foreseeable impact on the parties' actions and business in the United States. Most importantly, the respective marks have coexisted within incident for years in the United States and are for different, distinguishable goods (computer hardware and software versus a full line of integrated chips), and are marks that are easily distinguishable (O2 vs. O2 Micro). *See Joint Stock Society v. UDV North America, Inc.*, 60 USPQ2d 1258, 1265 (3d Cir. 2001)(finding no standing where plaintiff had not marketed or had plans to market the same goods in the United States under the same name as defendant).

Finally, Petitioner has failed to sufficiently plead a claim for fraud, since fraud must be pleaded with particularity in accordance with Fed. R. Civ. P. 9(b). In its petition, Petitioner stated facts "on information and belief." *See* Paragraphs 4-8 of Petition. Alleged false statements to the USPTO based solely upon information and belief fail to meet the Fed. R. Civ. P. 9(b) requirements as they are unsupported by any statement of facts providing the information upon which petitioner relies or the belief upon which the allegation is founded. *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009).

More importantly, Petitioner failed to plead facts to show scienter, but instead stated that Registrant "knew or should have known" that its renewal was fraudulent. *See* Petitioner, Paragraph 10. A pleading of fraud on the USPTO must also include an allegation and facts to show specific intent. *In re Bose Corp.*, 91 USPQ2d 1938, 1939-40 (Fed. Cir. 2009). Although Rule 9(b) allows that intent may be alleged generally, the pleadings must allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite

state of mind. *Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 7, fn. 2 (Fed. Cir. 2009). Pleadings of fraud which rest solely on allegations that the trademark registrant made material representations of fact in connection with its registration which it “knew or should have known” to be false or misleading are an insufficient pleading of fraud because it implies mere negligence and negligence is not sufficient to infer fraud or dishonesty. *In re Bose*, 91 USPQ2d at 1940, quoting *Symbol Techs., Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1582 [19 USPQ2d 1241] (Fed. Cir. 1991). Thus under *Bose*, Petitioner’s allegation that Registrant “should have known” a material statement was false does not make out a proper pleading.

2. Registrant’s Motion to Strike Petitioner’s Cross-Motion or Alternatively to Suspend the Time to File Its Response

In its motion for summary judgment, Registrant expressly requested suspension of the proceedings pending disposition. Petitioner, however, filed its cross-motion for summary judgment anyway based on the issues of fraud and abandonment. Thus its cross-motion is not germane to the issue of standing raised in Registrant’s pending motion.

TBMP 510.03(a) provides:

When a party to a Board proceeding files a motion which is potentially dispositive of the proceeding, such as a motion to dismiss, a motion for judgment on the pleadings, or a motion for summary judgment, the case will be suspended by the Board with respect to all matters not germane to the motion.

The filing of such a potentially dispositive motion does not, in and of itself, operate to suspend a case; until the Board issues its suspension order, all times continue to run. However, when issuing its suspension order, the Board ordinarily treats the proceeding as if it had been suspended as of the filing date of the potentially dispositive motion. (Emphasis Added).

Once the Board has suspended proceedings in a case, pending determination of a potentially dispositive motion, no party should file any paper that is not germane to the motion. Further, suspension was deemed to occur when Registrant filed its motion. *See Jain v. Ramparts*

Inc., 49 USPQ2d 1429 (TTAB 1998) (proceedings deemed suspended as of the filing of the motion). Because it was not germane to the issues raised by Registrant, Petitioner's motion was improper and should be stricken.

Alternatively, the interests of justice and judicial economy would best be served by permitting Registrant to delay in filing its response to Petitioner's cross-motion until after the Board renders a decision on Registrant's dispositive motion. "[T]he purpose of summary judgment is one of judicial economy, namely, to save the time and expense of a useless trial." *Aries Systems Corp. v. World Book Inc.*, 23 USPQ2d 1742, 1744 (TTAB 1992). See also Fed. R. Civ. P. 6(b)(1) allowing for enlargements of time. Here, if the Board grants Registrant's request, then Petitioner's cross-motion would be rendered moot, and no response would be required by Registrant.

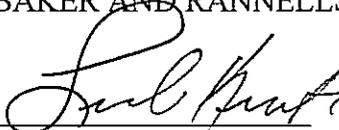
CONCLUSION

For the foregoing reasons, Registrant respectfully requests that the Board grant its motion for summary judgment, and Registrant's motion to strike Petitioner's cross-motion, or alternatively give Registrant leave to delay filing its response.

Dated: November 24, 2009

BAKER AND RANNELLS, P A

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CERTIFICATE OF SERVICE

I hereby certify that a copy of Registrant's REGISTRANT'S REPLY IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT AND MOTION TO STRIKE PETITIONER'S CROSS-MOTION FOR SUMMARY JUDGMENT OR ALTERNATIVELY TO SUSPEND REGISTRANT'S TIME TO RESPOND TO CROSS-MOTION PENDING DISPOSITION in re O2Micro International Ltd. v. O2 Holdings, Ltd., Cancellation Number 92051770 was forwarded by email and first class mail, postage prepaid, on this 24th day of November, 2009 to the attorneys for the Petitioner at the following address:

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