

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

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Mailed January 14, 2011

Cancellation No. 92051170

O2MICRO INTERNATIONAL LIMITED

v.

O2 HOLDINGS LIMITED

Before Kuhlke, Wellington, and Wolfson,
Administrative Trademark Judges.

By the Board:

On June 17, 2010, the Board issued an order wherein it denied petitioner's cross-motion for summary judgment on the ground of abandonment, found petitioner's claim of fraud to be deficient, and allowed petitioner time to file an amended pleading properly alleging fraud. On June 24, 2010, petitioner filed a motion for leave to amend its petition for cancellation "to add assertions with respect to the prior grounds based on abandonment." In such motion, petitioner states that during suspension of this proceeding "while the Board considered the parties' motions, Petitioner uncovered evidence to support the added assertions regarding abandonment." Petitioner seeks leave "to further amend its pleading to add specific claims comprising abandonment by way of naked licensing and by way of an assignment in

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gross." In conjunction with such motion, petitioner included a copy of its amended pleading containing both a revised fraud claim and its new allegations regarding abandonment. Respondent did not file a response to such motion. Then, on July 26, 2010, respondent filed a motion to dismiss petitioner's first amended petition for cancellation under Fed. R. Civ. P. 12(b)(6). In the alternative, respondent submits its answer to the first amended petition "for the Board's convenience and to minimize further delays."

We first take up for consideration petitioner's motion for leave to amend the petition to cancel. Such motion is granted as conceded in accordance with Trademark Rule 2.127(a).

We turn then to respondent's motion to dismiss the amended petition. We note that respondent asserts, in its reply brief, that its motion to dismiss should be treated as one for summary judgment because it submitted matters outside the pleadings in support of its motion. To the extent that the motion is fully briefed and both parties did not treat this motion as one for summary judgment, we have elected to treat this as a motion to dismiss and have not considered the materials submitted with respondent's

motion.¹

In support of its motion, respondent contends that petitioner has not pled its claim of fraud with particularity as required under Fed. R. Civ. P. 9(b). Specifically, respondent argues that petitioner's insertion of the phrase "and upon the results of the investigation commissioned by Petitioner" after its prior preamble of "Upon information and belief" in paragraphs 10, 11, 13, 14, 15, and 21 without details of the investigation upon which the belief was formed makes these paragraphs insufficient to allege fraud; that the new paragraphs in which petitioner added "the so-called facts" its alleged investigation uncovered, namely paragraph nos. 8-9, 17-20, and 22-27, do not support an inference of intent to deceive or even explicitly state that they do; that because a claim of abandonment also requires alleging intent particularly with clear and convincing evidence, paragraph nos. 8-9, 17-20, and 22-27, even if taken as true are also wholly insufficient; that petitioner's claims of fraud and abandonment must fail and its pleading should be stricken; that neither the amended nor the additional paragraphs are

¹ The parties are advised that the factual question of intent is particularly unsuited to disposition on summary judgment. *Copelands' Enterprises Inv. v. CNV Inc.*, 945 F.2d 1563; see also *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478 (TTAB 2009).

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sufficient to show intent to deceive or abandonment, and none can be inferred; that petitioner hopes that discovery will uncover the facts it seeks, but no fact will show that respondent acted with the intent to deceive; and that petitioner's "bizarre claim" that respondent tried to "escape its burden of supplying truthful information" by intentionally choosing to rely on its licensee's duty to report discontinuance of its use of the mark rather than inquiring into its licensee's use is untrue and is without merit.

A motion to dismiss is a test solely of the allegations set forth in a pleading. For purposes of determining respondent's motion to dismiss with regard to these claims, we must accept as true all material allegations in the petition to cancel, and must construe the allegations contained in the petition to cancel in favor of petitioner. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1027 (Fed. Cir. 1999) citing *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021, 2022 (Fed. Cir. 1987).

Under this standard, we find that petitioner has sufficiently alleged fraud in its amended pleading. Its allegations are not based solely on "information and belief," but are now based on the results of an

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investigation commissioned by petitioner which, petitioner alleges, revealed that respondent was not using its mark on the goods listed in its application for renewal at the time the application for renewal was filed. See *Meckatzer Lowenbrau Benedikt Weiss KG v. White Gold, LLC*, 92 USPQ2d 1185 (TTAB 2010) (wherein the Board found that the petitioner had sufficiently alleged fraud to the extent that its allegations were based on the results of an investigation which petitioner alleged revealed that respondent was not using the mark on all the goods listed in its Statement of Use). Paragraphs 7-9 of the amended pleading contain sufficient facts about such investigation such as when it occurred and how the investigation was conducted. Moreover, the amended pleading, in contrast to the original petition for cancellation, specifically alleges that "Respondent committed fraud on the Patent and Trademark Office in the procurement of renewal of the 02 Registration by making material representations of fact in its declarations which it knew or should have known to be false," and "Renewal was granted for the 02 Registrations based on Respondent's intentionally deceptive statements and

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declarations fraudulently made to procure renewal."² These allegations are sufficiently specific and particular under Fed. R. Civ. P. 9(b).

With regard to the claim of abandonment, after reviewing the relevant claims, we find that petitioner's amended claim of abandonment based on naked licensing is based on such facts as would, if proved, establish that petitioner has a valid ground for seeking cancellation of the subject registration. Similarly, petitioner's amended claim of abandonment resulting from an assignment in gross is also sufficient and, if proved at trial, would establish that petitioner has a valid ground for cancellation of the subject mark.

In view thereof, respondent's motion to dismiss petitioner's claim of fraud and abandonment is denied. Respondent's answer (submitted in conjunction with its response brief) is accepted and made of record. We note, however, that petitioner is correct that the second and third affirmative defenses of this amended answer were

² Given the allegations of knowing intent to deceive throughout the pleading, we strike the wording "should have known" from the amended pleading to the extent that this standard is no longer sufficient as a result of the Federal Circuit's decision in *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009). We note that the wording "Respondent knew such goods were no longer manufactured or sold" (paragraph no. 12 of the amended notice of opposition) sufficiently alleges the requisite knowledge of falsity, and the wording "Respondent deliberately attempted to mislead the United States Patent and Trademark Office into renewing the O2 Registration..." (paragraph no. 14 of the notice of opposition) sufficiently alleges an intent to deceive.

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defenses previously stricken by the Board on April 14, 2010.

We hereby strike them from the amended answer.

Proceedings are hereby resumed. The remaining discovery and trial dates are reset as follows:

Expert Disclosures Due	3/17/2011
Discovery Closes	4/16/2011
Plaintiff's Pretrial Disclosures	5/31/2011
Plaintiff's 30-day Trial Period Ends	7/15/2011
Defendant's Pretrial Disclosures	7/30/2011
Defendant's 30-day Trial Period Ends	9/13/2011
Plaintiff's Rebuttal Disclosures	9/28/2011
Plaintiff's 15-day Rebuttal Period Ends	10/28/2011

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 of completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.