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

MBA

Mailed: December 10, 2009

Cancellation No. 92051532

PictureCode, LLC

v.

Juan B. Melendez III

Michael B. Adlin, Interlocutory Attorney:

On December 7, 2009, at petitioner's request, the Board participated in the parties' telephonic discovery conference mandated under Fed. R. Civ. P. 26(f) and Trademark Rule 2.120(a)(1) and (a)(2). Kenneth G. Parker appeared on petitioner's behalf, and respondent Juan B. Melendez III appeared pro se. Interlocutory Attorney Michael Adlin participated on the Board's behalf.

Discovery Conference Summary

Respondent, who was formerly represented by counsel but is now representing himself pro se, indicated that he would continue to represent himself in this proceeding. The Board advised respondent that it is generally recommended that parties retain experienced trademark practitioners to

represent them in Board proceedings.[1] The Board also indicated that respondent would be expected and required to comply with all applicable rules and procedures, including those relating to service of papers, as set forth in 37 C.F.R. § 2.119.

The parties indicated that they have not yet had settlement discussions. While petitioner indicated that it would be interested in discussing settlement, respondent stated that he has no interest in settling this matter. The Board strongly suggested that respondent may benefit by at least discussing the possibility of settlement with petitioner, and pointed out that in cases such as this, it is common for petitioners to agree to dismiss the proceeding in exchange for a respondent's consent to registration of petitioner's mark(s). The parties are not aware of any related proceedings, marks or third party disputes.

The parties agreed to accept service of papers by e-mail under Trademark Rule 2.119(b)(6). Specifically, petitioner may be served via e-mail at kparker@tlpfirm.com and katherine@madianoslaw.com,[2] and respondent may be served via e-mail at juan@digitalninja.us.

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[1] Information for parties representing themselves pro se is included at the end of this order.

[2] Respondent agreed during the conference to serve both Mr. Parker and Ms. Madianos, petitioner's co-counsel, but the Board reminded petitioner that the Board will only correspond with petitioner's attorney of record, Ms. Madianos.

The parties discussed the pleadings, including petitioner's four claims: (1) fraud;[3] (2) non-use of respondent's mark; (3) abandonment; and (4) priority and likelihood of confusion. All of these claims relate, in whole or in part, to when, and for what goods or services, respondent has used his mark, and it appears that the relevant facts are fairly limited. Therefore, the Board reminded the parties of their option to stipulate to limits on discovery, abbreviated procedures for submission of evidence and other ways to expedite resolution of this case. See, Target Brands Inc. v. Hughes, 85 USPQ2d 1676 (TTAB 2007). The Board also discussed the possibility of the parties making greater reciprocal disclosures than required by Fed. R. Civ. P. 26(a)(1), in lieu of formal discovery. See, Miscellaneous Changes to Trademark Trial and Appeal Board Rules, 71 Fed. Reg. 2498 (January 17, 2006). Ultimately, however, the parties agreed to waive initial disclosures, and accordingly, the initial disclosure requirement is waived. Trademark Rules 2.127(a) and 2.120(a)(2) and (a)(3); Boston Red Sox Baseball Club Limited Partnership v. Chaveriat, 87 USPQ2d 1767 (TTAB 2008). Although petitioner offered to shorten the discovery period by three months, respondent declined. The parties are

[3] Petitioner's fraud claim is addressed separately later in this order.

nevertheless invited to reconsider limiting discovery and expediting the introduction of evidence.

The Board also indicated that this case appears potentially appropriate for Accelerated Case Resolution ("ACR"). The parties agreed to consider this possibility.

The Board's standard protective order is applicable herein by operation of Trademark Rule 2.116(g) and available here:

http://www.uspto.gov/web/offices/dcom/ttab/tbmp/stndagmnt.htm

The parties are encouraged to acknowledge their obligations under the protective order in writing, and may utilize the following form:

http://www.uspto.gov/web/offices/dcom/ttab/tbmp/ackagrmnt.htm

Fraud Claim Insufficient

Petitioner alleges, "upon information and belief" and without reference to any specific facts, that: (1) respondent "was not using, is not currently using, and has never used, the DIGITAL NINJA trademark in commerce on or in connection with some or all of the goods listed in its application," and specifically, "computer programs for editing images, sound and video;" Petition for Cancellation ¶¶ 13-14; and (2) respondent "knew when he executed the Statement of Use that Registrant was not at that time using the DIGITAL NINJA trademark in commerce on or in connection with all of the goods listed in its application, including

but not limited to 'computer programs for editing images, sound and video." Id. ¶ 17. However, as the Board and the parties discussed during the discovery conference, these allegations do not sufficiently plead fraud under In re Bose Corp., 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009).

In petitioning to cancel on the ground of fraud, a petitioner must allege the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b), made applicable to Board proceedings by Trademark Rule 2.116(a). Under Rule 9(b), together with Fed. R. Civ. P. 11 and USPTO Rule 11.18, "the pleadings [must] contain explicit rather than implied expression of the circumstances constituting fraud." King Automotive, Inc. v. Speedy Muffler King, Inc., 212 USPQ 801, 803 (CCPA 1981). As the Board recently held:

> Pleadings of fraud made "on information and belief," when there is no allegation of "specific facts upon which the belief is reasonably based" are insufficient. Exergen Corp. v. Wal-Mart Stores Inc., 91 USPQ2d 1656, 1670 (Fed. Cir. 2009) and cases cited therein (discussing when pleading on information and belief under Fed. R. Civ. P. 9(b) is permitted); see also In Re Bose Corp., 91 USPQ2d at 1938. Additionally, under USPTO Rule 11.18, the factual basis for a pleading requires either that the pleader know of facts that support the pleading or that evidence showing the factual basis is "likely" to be obtained after a reasonable opportunity for discovery or investigation. Allegations based solely on information and belief raise only the mere possibility that such evidence may be uncovered and do not constitute an adequate pleading of fraud with

> particularity. Thus, to satisfy Rule 9(b), any allegations based on "information and belief" must be accompanied by a statement of facts upon which the belief is founded. See Exergen Corp., 91 USPQ2d at 1670 n.7, citing Kowal v. MCI Comm. Corp., 16 F.3d 1271, 1279 n.3 (D.C. Cir. 1994) "('[P]leadings on information and belief [under Rule 9(b)] require an allegation that the necessary information lies within the defendant's control, and … such allegations must also be accompanied by a statement of the facts upon which the allegations are based')."

Asian and Western Classics B.V. v. Selkow, 92 USPQ2d 1478, 1479 (TTAB 2009).

In this case, the allegations in Paragraphs 13 and 14 of the petition to cancel are based solely upon information and belief. As in Asian and Western Classics, "[t]hese allegations 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." Id. Accordingly, petitioner must amend Paragraphs 13 and 14 of the petition for cancellation to set forth facts upon which petitioner's "information and belief" is founded.

Petitioner is therefore allowed until **THIRTY DAYS** from the mailing date of this order to, if warranted, file an amended petition for cancellation which sufficiently pleads fraud, or withdraw the fraud claim without prejudice, failing which the fraud claim will be dismissed with

prejudice. In the event petitioner files an amended petition to cancel in accordance with this decision, respondent is allowed thirty days from the date of service thereof to answer or otherwise move with respect to the amended petition. Disclosure, conferencing, discovery, trial and other dates otherwise remain as set in the Board's order of October 1, 2009.[4]

Pro Se Information

Respondent is reminded that he will be expected to comply with all applicable rules and Board practices during the remainder of this case. The Trademark Rules of Practice, other federal regulations governing practice before the Patent and Trademark Office, and many of the Federal Rules of Civil Procedure govern the conduct of this opposition proceeding. Respondent should note that Patent and Trademark Rule 10.14 permits any person or legal entity to represent himself in a Board proceeding, though it is generally advisable for those unfamiliar with the applicable rules to secure the services of an attorney familiar with such matters.

If respondent does not retain counsel, then he will have to familiarize himself with the rules governing this

[4] Respondent's motion to extend his time to answer the petition for cancellation, filed November 4, 2009, is moot. Respondent's motion to amend his registration, filed with the Office's examining operation on October 1, 2009, will be addressed in a separate order.

proceeding. The Trademark Rules are codified in part two of Title 37 of the Code of Federal Regulations (also referred to as the CFR). The CFR and the Federal Rules of Civil Procedure are likely to be found at most law libraries, and may be available at some public libraries. Finally, the Board's manual of procedure will be helpful.

On the World Wide Web, respondent may access most of these materials by logging onto <http://www.uspto.gov/> and making the connection to trademark materials.

Respondent must pay particular attention to Trademark Rule 2.119. That rule requires a party filing any paper with the Board during the course of a proceeding to serve a copy on its adversary, unless the adversary is represented by counsel, in which case, the copy must be served on the adversary's counsel. The party filing the paper must include "proof of service" of the copy. "Proof of service" usually consists of a signed, dated statement attesting to the following matters: (1) the nature of the paper being served; (2) the method of service (e.g., e-mail, first class mail); (3) the person being served and the address used to effect service; and (4) the date of service. Also, respondent should note that any paper he is required to file herein must be received by the Patent and Trademark Office by the due date, unless one of the filing procedures set forth in Trademark Rules 2.197 or 2.198 is utilized. These

rules are in part two of Title 37 of the previously discussed Code of Federal Regulations.

Files of TTAB proceedings can now be examined using TTABVue, accessible at http://ttabvue.uspto.gov. After entering the 8-digit proceeding number, click on any entry in the prosecution history to view that paper in PDF format.

The first revision of the second edition (March 2004) of the Trademark Trial and Appeal Board Manual of Procedure (TBMP) has been posted on the USPTO web site at www.uspto.gov/web/offices/dcom/ttab/tbmp/.

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