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

Baxley

Mailed: March 24, 2010

Cancellation No. 92052038

Speednet, LLC

v.

KeyOn Communications, Inc.
(substituted for Speednet
Services, Inc. as party
defendant)

Andrew P. Baxley, Interlocutory Attorney:

In view of the redacted copy of the document reflecting the assignment of involved Registration No. 2950620 that KeyOn Communications, Inc. ("KeyOn"), filed on March 18, 2010, KeyOn is substituted as respondent and party defendant herein.[1] See Patent and Trademark Rule 3.73(b); TBMP

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[1] KeyOn filed a copy of the complete assignment document by e-mail on March 11, 2010. However, e-mail is generally not an acceptable method of filing submissions in Board proceedings. See Trademark Rules 2.190, 2.195 and 2.198. Accordingly, KeyOn should promptly re-file a complete copy of the assignment document under seal pursuant to the Board's standard form protective order, which is operative herein under Trademark Rule 2.116(g). The standard form protective order is available online at http://www.uspto.gov/trademarks/process/appeal/guidelines/stndagmnt.jsp.

KeyOn should record a copy of the assignment document with the USPTO's Assignment Branch so that KeyOn can take action before the USPTO in connection with the involved registration. See Patent and Trademark Rule 3.73(b). See http://etas.uspto.gov/.

In addition, KeyOn should note that Trademark Rule 2.119(a) and (b) require that every paper filed in the Patent and Trademark Office in a Board inter partes proceeding must be served upon the attorney for the other party, or on the party if there is no

Section 512 (2d ed. rev. 2004). The change of correspondence address that

No answer is of record. Therefore, the first amended petition to cancel that petitioner filed on March 9, 2010 is accepted as the operative complaint herein. See Fed. R. Civ. P. 15(a); TBMP Section 507.02.

In view of the recent decision by the Board's reviewing court in *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009), the Board has *sua sponte* reviewed the fraud claim set forth in the first amended petition to cancel to determine its sufficiency. Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration or a registrant in a declaration of use or a renewal application knowingly makes specific false, material representations of fact in connection with an application to register or in a post-registration filing with the intent of obtaining or maintaining a registration

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attorney, and proof of such service must be made before the paper will be considered by the Board. Consequently, copies of all papers which KeyOn may subsequently file in this proceeding must be accompanied by a signed statement indicating the date and manner in which such service was made. The statement, whether attached to or appearing on the paper when filed, will be accepted as prima facie proof of service.

In defending the petition to cancel, KeyOn should review the Trademark Rules of Practice, online at http://www.uspto.gov/web/offices/tac/tmlaw2.pdf, and the Trademark Board Manual of Procedure ("TBMP"), online at http://www.uspto.gov/web/offices/dcom/ttab/tbmp/index.html. The Board expects all parties appearing before it to comply with the Trademark Rules of Practice and where applicable, the Federal Rules of Civil Procedure.

to which it is otherwise not entitled. See *Torres v. Cantine Torresella S.r.l.,* 808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986). Because intent is a required element to be pleaded for a claim of fraud, allegations that a party made material representations of fact that it "knew or should have known" were false or misleading are insufficient.[2] See *In re Bose Corp., supra*. Further, pleadings of fraud made "on information and belief," when there is no allegation of "specific facts upon which the belief is reasonably based" are also insufficient. See *Asian and Western Classics B.V. v. Selkow,* 92 USPQ2d 1478 (TTAB 2009).

In addition,

> a plaintiff claiming that the declaration or oath in defendant's application for registration was executed fraudulently, in that there was another use of the same or a confusingly similar mark at the time the oath was signed, must allege particular facts which, if proven, would establish that: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant's; (3) applicant knew that the other user had rights in the mark superior to applicant's, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise; and that (4) applicant, in failing to disclose these facts to

[2] There is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981). Unless a party alleging fraud can point to clear and convincing evidence that supports drawing an inference of deceptive intent, it will not be entitled to judgment on a fraud claim. *In re Bose Corp., supra* at 1942. Any doubt must be resolved against the party making a claim of fraud. *Id.* at 1939.

> the Patent and Trademark Office, intended to procure a registration to which it was not entitled.

Intellimedia Sports Inc. v. Intellimedia Corp., 43 USPQ2d 1203, 1205 (TTAB 1997). In determining whether a registrant, when its principal signed an application declaration, held an honest, good faith belief that the applicant was entitled to registration of a mark, the Board has stated that "if the other person's rights in the mark, vis-à-vis that applicant's rights are not known by applicant to be superior or clearly established, e.g., by court decree or prior agreement of the parties, then the applicant has a reasonable basis for believing that no one else has the right to use the mark in commerce, and that applicant's averment of that reasonable belief in its application declaration or oath is not fraudulent."[3] *Id.* at 1207. However, the rights of a junior user must be clearly established and must be in an identical mark or one so similar as to be clearly likely to cause confusion. See *Rosso and Mastracco, Inc. v. Giant Food Inc.*, 219 USPQ 1050 (Fed. Cir. 1983).

[3] A declaration "is phrased in terms of a subjective *belief,* such that it is difficult, if not impossible, to prove objective falsity and fraud so long as the affiant or declarant has an honestly held, good faith belief." J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition,* Section 31:76 (4th ed. 2009) (emphasis in original).

Petitioner's fraud claim, as set forth in paragraphs 11-14 of the first amended petition to cancel, is legally insufficient because petitioner essentially alleges that respondent's predecessor knew or should have known that it did not have priority of use related to the trademark when it signed the declaration in support of the application for the involved registration. In addition, petitioner has not alleged that respondent and/or its predecessor-in-interest made the false, material representations with the intent of deceiving the Office into issuing to respondent's predecessor a registration to which it was not entitled. Moreover, petitioner's allegations are made on information and belief without setting forth specific facts upon which the allegations are based.

Further, in the first amended petition to cancel, petitioner adds an abandonment claim, which is also insufficient. Under Trademark Act Section 45, 15 U.S.C. Section 1127, a mark is abandoned through discontinuation of use with intent not to resume such use; nonuse for three consecutive years constitutes *prima facie* evidence of abandonment. A mark can also become abandoned under Trademark Act Section 45 "[w]hen any course of conduct of the owner, including acts of omission as well as commission, cause the mark to become ... generic ... or to lose its significance as a mark." In paragraphs 8-9 of the amended

petition to cancel, petitioner alleges only that respondent does not use the involved SPEEDNET mark, that such mark does not serve as a source indicator for respondent's recited services, and that such mark has not served as a source indicator since at least as early as October 23, 2009. To the extent that petitioner alleges abandonment based on nonuse of the mark, petitioner has alleged nonuse, rather than discontinuation of use, of the mark and has not alleged that respondent intends not to resume use of the mark. Petitioner has otherwise failed to allege clearly that respondent's conduct, either through omission or commission, has caused the term SPEEDNET to become generic or otherwise lose its significance as a mark.[4]

Petitioner is allowed until thirty days from the mailing date of this order to file a second amended petition to cancel which sets forth revised abandonment and fraud claims in accordance with the foregoing, failing which this proceeding will go forward based only petitioner's pleaded Section 2(d) claim.

Proceedings herein are otherwise suspended.

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[4] A review of the first amended petition to cancel indicates that petitioner has, however, adequately pleaded its standing and a claim of priority/likelihood of confusion in paragraphs 3-7 of the amended petition to cancel under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d). See, e.g., *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). See also *Books on Tape Inc. v. The Booktape Corp.*, 5 USPQ2d 1301 (Fed. Cir. 1987).