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

Proceeding	92052150
Party	Plaintiff Wonderbread 5
Correspondence Address	CARI A COHORN PHILLIPS ERLEWINE & GIVEN LLP 50 CALIFORNIA STREET, 32nd FLOOR SAN FRANCISCO, CA 94111 UNITED STATES cac@phillaw.com, rac@phillaw.com, dmg@phillaw.com, nac@phillaw.com, aht@phillaw.com
Submission	Brief on Merits for Plaintiff
Filer's Name	Cari a. Cohorn
Filer's e-mail	cac@phillaw.com
Signature	/S/ Cari A. Cohorn
Date	04/01/2014
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE
TRADEMARK TRIAL AND APPEAL BOARD**

In re Registration No. 3691948 for the Word Mark WONDERBREAD 5
(Registered on October 6, 2009)

_____)	
WONDERBREAD 5,)	
)	Cancellation No. 92052150
Petitioner,)	
)	
v.)	
)	
PATRICK GILLES,)	
)	
Registrant.)	
_____)	

PETITIONER’S MAIN BRIEF ON THE CASE

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Pursuant to TBMP § 801, Petitioner Wonderbread 5 hereby submits its Main Brief on the Case. As set forth below, the evidence adduced at trial demonstrates that Registration No. 3691948 for the word mark “WONDERBREAD 5” (the “Mark”) should be cancelled, both because of Petitioner’s prior use and non-abandonment of the Mark and because the Registration was fraudulently obtained.

I. DESCRIPTION OF THE RECORD

The evidentiary record in this case consists of the following:

1. Registrant’s Application and Registration File;
2. Registrant’s Responses to Petitioner’s First Set of Requests for Admissions, together with pertinent Requests and Exhibits;
3. Defendants’ Offer to Compromise [CCP § 998], San Francisco Superior Court Case No. CGC-09-489573, which was not attached as an exhibit to Petitioner’s RFAs but was previously furnished to Registrant as Bates Nos. WB 36-38, and which Registrant admitted is genuine (along with Exhibits 1-10 to Registrant’s RFAs) in Registrant’s Response to Petitioner’s RFAs, Request No. 1;
4. Registrant’s Responses to Petitioner’s First Set of Interrogatories and the Verification of those Responses;
5. Affidavit of Registrant Patrick Gilles, dated July 18, 2011;
6. Registrant’s Discovery Deposition, taken May 9, 2013, and Exhibits 1-26 thereto; and
7. Testimony Depositions of Petitioner’s witnesses, Tommy Rickard, Jay Siegan, Stevenson Lee Brooks, Clay Bell, and Fraser Lunney.

Additionally, Registrant has submitted his own Testimony Deposition, taken December 11, 2013. As set forth in Appendix A, *infra*, Petitioner objects to the Testimony Deposition and

all exhibits thereto on grounds that Registrant's pre-trial disclosures were never effectively served and did not identify the categories of documents that would be introduced as exhibits during the testimony. As such, Petitioner respectfully requests that the Board disregard Registrant's Testimony Deposition.

II. STATEMENT OF THE ISSUES

The issues presented to the Board for decision are:

- 1) Whether Registrant Patrick Gilles' registration of the word mark "WONDERBREAD 5" (the "Mark"), Registration No. 3691948, should be cancelled on grounds of Petitioner's prior use in commerce and non-abandonment of the Mark; and
- 2) Whether Gilles' registration of the Mark should be cancelled on the ground that Registrant committed fraud on the PTO by knowingly making false statements of material fact – to wit, that he as an individual owned and used the Mark in commerce and that no other party had a right to use the Mark – with intent to deceive the PTO.

III. RECITATION OF FACTS

A. The Parties

Petitioner Wonderbread 5 is a California general partnership which was created in late 1996. (Complaint,¹ ¶ 11.) Currently, the partnership's members are musicians Jeffrey Fletcher, John McDill, Thomas Rickard, Christopher Adams, and Michael Taylor (collectively "the Band;" *see, e.g.*, Bell,² 9:7-25), and the Band's manager and booking agent Jay Siegan (Siegan,

¹ "Complaint" refers to the complaint Registrant filed in *Gilles v. Fletcher, et al.*, San Francisco Superior Case No. GCG-09-489573 on June 17, 2009. The Complaint appears in the record in this proceeding as Exhibit 2 to Registrant's Discovery Deposition, taken May 9, 2013.

² "Bell" refers to the Testimony Deposition of Clay Bell.

9:13-17). The Band has engaged in live music performances under the name Wonderbread 5 for over 17 years throughout California, the United States, and beyond, and it continues to do so today. Wonderbread 5 is known for performing unique medleys of songs made famous by other bands, typically while wearing outrageous costumes and wigs. (Complaint 8:17-21.) Petitioner has developed a substantial client and fan base, and the Wonderbread 5 name has become well-known as referring to Petitioner. (8/11/09 Depo., 83:3-12.)

Registrant Patrick Gilles was a member of the Band and a partner from the Band's inception in 1996 until his termination from Petitioner in March 2009. (Complaint 17:5-8.) Gilles has a Bachelor of Science degree in political science, as well as a Masters of Business Administration. (5/9/13 Depo.,³ 16:13-24.)

B. Petitioner's Formation, Selection of the Band Name, and its First Use in Commerce

In 1996 Jeffrey Fletcher approached Registrant with the idea of forming a band to perform Jackson 5 songs. (8/11/09 Depo.,⁴ 41:22-42:5). When Registrant said he would consider being part of such a band, Fletcher identified other musicians who might be asked to join the band, including John McDill, Thomas Rickard, and Steve Brooks. Fletcher contacted those musicians, each of whom agreed to join the band. (*Id.* at 42:6-10; 46:15-18.) “[W]hen Tom Rickard and John McDill and Stevenson entered the picture, that’s really when the idea came together about these Afros and outfits and Jackson 5, and we all took on the persona of each Jackson 5 member. [¶] So *it wasn’t my idea*; it wasn’t Jeff’s idea. The culmination of what

³ “5/9/13 Depo.” refers to the Discovery Deposition of Registrant.

⁴ “8/11/09 Depo.” refers to the Deposition of Patrick Gilles (*i.e.*, Registrant) taken in discovery in San Francisco Superior Case No. GCG-09-489573. The 8/11/09 Depo. appears in the record in this proceeding as Exhibit 1 to Petitioner’s First Set of Requests for Admissions.

is – what became – what came to be known within a year of what the Wonderbread 5 is, which is relatively the same as what it is now, was *the culmination really of the five minds put together at the beginning* of this strange experiment.” (*Id.* at 44:19-45:5 (emphasis added).)

At one of the Band’s early rehearsals, the members discussed selecting a Band name that evoked the Jackson 5 concept without expressly referencing that band. Registrant suggested such names as “Cinco de Blanco” and “Jackson de Blanco.” One of the Band members (it is unclear who) suggested “Whitebread,” which led McDill to propose “Wonderbread.” It is similarly unclear who suggested appending the number “5” to the name; this occurred “organically” as part of the group discussion. In any event all of the original Band members agreed on the name “Wonderbread 5.” (Complaint, ¶ 24; 8/11/09 Depo., 48:12-49:9; Rickard,⁵ 8:17-9:10.) Contrary to the position Registrant takes in this action,⁶ Registrant “absolutely [did] not” conceive of the Mark alone. (Rickard, 8:17-9:10.)

The Band’s first performance was on or about Thanksgiving 1996. The show was at a club owned by an acquaintance of both Registrant and Fletcher; Fletcher contacted the owner to schedule the performance. (8/11/09 Depo., 49:10-50:7.) In the early days, each Band member contributed to the Band creatively and otherwise. For example, Registrant provided a rehearsal space at his home, all the members tried to publicize the Band through word of mouth, and Brooks created a Band logo. (8/11/09 Depo., 18:23-25; 32:22-33:16.)

⁵ “Rickard” refers to the Testimony Deposition of Thomas Rickard.

⁶ Registrant’s account of events has been preserved in a complaint he filed in state court in June 2009, his deposition taken in that action in August 2009, his discovery deposition taken in this proceeding in May 2013, and his trial testimony taken in December 2013 (to the extent the Board considers that testimony). His version of events has evolved dramatically, as illustrated by Appendix B.

At all relevant times, the members shared money from performances equally. (8/11/09 Depo., 53:12-14, Brooks,⁷ 10:25-11:23.) At no time during this period did Registrant tell the other members that – in his view – he owned the Band or that the other performers were merely independent contractors working for him. (Brooks, 13:15-20.) Nor did Registrant use the Mark independent of the other partners or the partnership business. (*Id.* at 22:24-23:4; 5/9/13 Depo., 93:9-94:10.)

C. The Partnership Crystalizes and Gains Success

As the Band began to attract larger audiences and to require more time from its members, in or around late 1997, original member Brooks decided to leave the Band to spend more time with his family. (Brooks, 13:21-25; Rickard, 9:14-21.) At Fletcher’s suggestion, Brooks was replaced by Adams. (8/11/09 Depo., 54:1-8, 19-20.) Thereafter, the Band’s membership did not change until Registrant was terminated from the Band in March 2009. (Rickard, 10:12-21; 8/11/09 Depo., 54:23-55:3.)

Although no written partnership agreement (or any other written agreement concerning ownership of Petitioner’s intellectual property) was ever entered into, at all times, the Band operated as a general partnership.⁸ For example, all members responsible for booking gigs and sharing costs and income equally among members. No formal rules governed the process by which the Band made decisions; decision-making was typically done by consensus developed at rehearsals and informal band meetings. (8/11/09 Depo., 55:17-57:9. Rickard, 12:18-14:15.)

⁷ “Brooks” refers to the Testimony Deposition of Stevenson Lee Brooks.

⁸ California Corporations Code section 16202(a) provides that, subject to exceptions not relevant here, “the association of two or more persons to carry on as coowners a business for profit forms a partnership, whether or not the persons intend to form a partnership.” The full text of Corporations Code section 16202 and other relevant sections of that Code are set forth in Appendix C hereto.

Registrant was neither the Band's "leader" nor its "manager." (Rickard, 13:8-12; *see also* Complaint (containing no allegation that Registrant was Band's leader or manager).)

In Registrant's words, the Band "was a live music traveling stage performance, unique stage performance, with five unique members under character names matching the Jackson 5, playing unique – uniquely produced compilation [sic] identifiable to the Wonderbread 5." (8/11/09 Depo., 83:3-12.) Registrant "always believed" that Petitioner was a partnership. (*Id.* at 166:24-167:6.) Through this partnership, the Band members collectively "developed a brand," and each "contributed to the band's good name, branding and goodwill." (*Id.* at 126:3-24.)

In approximately 1999, Petitioner gained a sixth member: manager and booking agent Jay Siegan. (8/11/09 Depo., 10:1-11, 80:11-82:4; Siegan, 9:18-10:22.) As an established and experienced manager and agent, Siegan would be able to book private and corporate events that the Band would not otherwise have access. As such, he took on responsibility for scheduling such performances, as well as certain other duties, such as collecting and distributing fees for the Band's performances. (Siegan, 9:25—10:22) Siegan sometimes "ma[d]e decisions on behalf of the band unilaterally" (8/11/09 Depo., 57:12-18), and he controlled which musicians could substitute for a permanent member who was unable to attend a show or event. (5/9/13 Depo., 33:8-21.) As a member of the general partnership, Siegan took part in making other decisions for Petitioner, which generally continued to be done collectively. (Siegan, 10:23-11:4.)

D. There was No Dispute as to the Roles or Identities of the Partners

As was the case before Siegan joined Petitioner, Registrant was not the band's manager. (Siegan, 11:3-4, 21-25.) Rather, each of the Band members continued performing certain duties on behalf of the partnership, in addition to performing. For example, McDill engineered and

produced backing tracks;⁹ Adams registered the domain name www.wonderbread5.com and was responsible for maintaining the website;¹⁰ Rickard managed the Band's social media sites such as MySpace and Facebook and served as a liaison between Siegan and the other partners; Fletcher worked with graphic designers to create promotional posters and delivered the posters to clubs; and Registrant arranged for radio advertising and ordered promotional items, *e.g.*, stickers and t-shirts. (8/11/09 Depo., 83:21-87:3; Siegan, 21:24-22:23.)

All of the performers "shared responsibility, creativity" with respect to song selection, development of new medleys, and the creation of new set lists (8/11/09 Depo., 134:8-21), and all were expected to contribute ideas for costumes (*id.* at 83:21-87:3). Petitioner reimbursed its members for any out-of-pocket expenses, except that each performer was responsible for purchasing his own costumes. (*Id.* at 117:23-119:9, 131:9-132:2.)

In October 2000, Registrant filed articles of organization for an entity he called "Wonderbread5.com LLC." (8/11/09 Depo., 61:24-62:10.) Though he now contends that he created the LLC as a single-member LLC to "codify" his sole ownership of the Band and the Mark (5/9/13 Depo., at 174-177), his testimony in 2009 was to the contrary. At that time, he stated that he created the LLC on behalf of Petitioner (though he did so without the partnership's knowledge, *see* Rickard, 19:23-20:24) because "it was clear to *all the members* that this was profitable and this was worth protecting. ... [*W*]e didn't want to lose the name Wonderbread 5 to another band ... So we wanted to protect the name. We wanted to put on record that we were a viable business..." (8/11/09 Depo., 62:11-63:11 (emphasis added).)

⁹ "Backing tracks" are prerecorded background vocals and instrumentals that the Band plays along with during their live performances. (Rickard, 51:16-52:12.)

¹⁰ Petitioner paid the costs of registering the domain name. (8/11/09 Depo., 68:23-69:1.)

Further, although Registrant indicated on the initial filing with the California Secretary of State that the “Wonderbread5.com” entity was to be a single-member LLC, he did so in mistaken reliance on advice from “administrative support people.” He behaved as though all of the Band members were members of the LLC, and he later notified the Secretary of State that there were multiple members.¹¹ (8/11/09 Depo., 71:7-73:2, 73:21-25.) The LLC never conducted any business, and it was eventually suspended at the direction of Petitioner. (*Id.* at 69:21-70:25, 74:4-18; 5/9/13 Depo., 89:19-91:11; Rickard, 19:23-21:12.)

Finally, the Band members “very occasionally” hired substitute performers when they were unable to attend a show. (Siegan, 13:7-20; Rickard, 26:3-23.) However, the substitutes were never considered members of the Band; there was no confusion as to who the permanent members were. (8/11/09 Depo., 46:19-47:8, 54:23-55:11; Rickard, 26:1-2; Bell, 9:7-25; Lunney,¹² 6:12-7:7) Among other things, none of Petitioner’s promotional materials depicted substitutes (*e.g.*, 5/9/13 Depo., 129:15-130:3, Rickard, 26:24-27:9; Lunney, 8:6-8). Further, the substitutes often were not paid the full 1/6 share of the proceeds from a performance that would have gone to a permanent member because – unlike the permanent members – the subs did not contribute to the development of branding and goodwill that generated ticket sales and revenues. (8/11/09 Depo., 126:3-24; Rickard, 23:7-24; *see also* Siegan, 12:12-13:12.)

In stark contrast to the testimony concerning the identities of the permanent members, Registrant now claims that any five members of a pool of roughly 20 “very interchangeable” musicians could perform as the Wonderbread 5. (5/9/13 Depo., 23:18-24:9, 28:19-29:5, 98:6-

¹¹ Registrant now contends that when he created the LLC as a single-member, the other members expressly disavowed any ownership interest or desire to be anything other than independent contractors. (5/9/13 Depo., 43:3-15, 43:23-47:23.)

¹² “Lunney” refers to the Testimony Deposition of Fraser Lunney.

102:11.) Even accepting Registrant’s account for the sake of argument,¹³ as the members of the performing group were purportedly rotating and changing, Jay Siegan exercised control over the quality of the performances and was “the constant.” (5/9/13 Depo., 33:8-17, 53:24-154:2.)

E. Conflict Between Registrant and the other Partners Leads to His Termination

Despite Petitioner’s growing success, conflict developed between Registrant and the other members (*e.g.*, Rickard, 31:14-32:10, 103:25-105:5; Siegan, 24:3-26:4). Registrant’s “resentment [toward the other Band members] appeared to grow and grow to the point where he wouldn’t talk to them,” and he told Siegan he “hated the rest of the band.” (Siegan, 25:25-26:2, 30:13.) This conflict led the Band to participate in a “band mediation” in May 2006.¹⁴ (Rickard, 43:3-47:4.)

The mediation did not resolve the issues, and shortly thereafter Registrant learned the other partners were considering terminating him from Petitioner. (8/11/09 Depo., 157:9-22, 164:2-11, Ex. 5.) In email correspondence with the other partners concerning the contemplated termination, Registrant asserted he had an ownership interest in the *income* from upcoming shows that had already been booked – but said nothing whatsoever about owning the Band itself or the Mark. Nor did he indicate any belief that the other Band members lacked the right to perform under the Mark without his consent. (2006 emails “Re: ¹⁵Kicked out.” In fact, *no*

¹³ Registrant’s own testimony defeats his claim that the performers were interchangeable. He admitted that his initial claim that any combination of five musicians from the “pool” could perform as Wonderbread 5 was untrue and that no Wonderbread 5 performance ever included less than a majority of the permanent members. (5/9/13 Depo., 35:13-36:16, 100:11-101:7, 101:20-102:2.)

¹⁴ The mediation was attended by Registrant, Fletcher, McDill, Rickard, and Adams – but by none of the other pool of purportedly interchangeable musicians. (8/11/09 Depo., Ex B; 5/9/13 Depo., 63:3-23.)

¹⁵ “2006 emails ‘Re: Kicked out’” refers to a string of email communications among Patrick Gilles, dated June 13-15, 2006 and made part of the record in this proceeding through Petitioner’s Notice of Reliance.

documents from this time period suggest that Registrant indicated to the other members that he claimed to own the Band (*see* 5/9/13 Depo., 55:19-36:13) – despite the fact that the partners communicated primarily by email, and in particular, Registrant preferred to communicate about potentially contentious issues by email. (8/11/09 Depo., 57:3-18, 112:6-11, 113:3-12, 155:5-12.)

The relationship between Registrant and the other partners further deteriorated, and on or about March 10, 2009, Adams telephoned Registrant to inform him of the Band’s decision to terminate him. In response, Registrant stated, “You can’t do that.” (8/11/09 Depo., 186:10-187:14.)¹⁶ He explained in his August 2009 deposition that he meant he could only be kicked out of the Band in compliance with the “California corporate code” because “[i]t’s a partnership. I’m a partner.” (*Id.* at 187:15-188:21.)

After the conversation with Adams, Registrant called Rickard, whom he described as “more comforting.” According to Registrant’s sworn testimony in August 2009, Rickard told Registrant he could come to the performance scheduled for the following day so they could talk.¹⁷ (*Id.* at 188:22-189:15.) He begged Rickard to let him stay in the Band, apologizing repeatedly and saying he would do anything necessary to stay in the Band (Rickard, 50:1-18.)

¹⁶ In testimony taken four-and-a-half years later, Registrant added to his account of this conversation the claim that Adams told Registrant “If you show up [at a performance scheduled for the next day], we will stop you. You will never make it to the stage.” (Registrant’s Testimony Deposition, taken 12/11/13, 94:7-22. By citing this portion of the Testimony Deposition, Petitioner does not waive its objection to the entirety of such Deposition.) Nothing was said about such threat during the deposition taken just five months after the conversation took place. (8/11/09 Depo., 186:10-187:188:21.) Likewise, according to Registrant’s Testimony Deposition, he told Adams (at 93:17-94:4) “I’m running this band.” Yet on May 9, 2013, he remembered no details from his conversation with Adams. (5/9/13 Depo., 64:7-24.)

¹⁷ In his trial testimony in this proceeding, Registrant’s account of this conversation had changed dramatically, with Registrant claiming Rickard threatened physical violence. (Registrant’s Trial Deposition, 97:1-23 (“[T]hey were physically going to prevent me from getting [into the venue], violently, or they were going to restrain me or tie me up.”))

Registrant also spoke with Siegan that day. Registrant seemed “frantic,” “angry,” and “vengeful,” and he threatened to kill other Band members’ relatives. (Siegan, 33:13-24:4.) Registrant further threatened to “ruin the band’s lives [and] go after everyone as much as he could.” (*Id.* at 41:2-9.) Registrant claimed for the first time in his May 2013 deposition that he told Siegan during that conversation “how the band was mine, I have an agreement, I had the LLC.” (5/9/13 Depo., 64:25-65:7. *Compare id.* with 8/11/09 Depo., 189:25-190:19.) Siegan denies that Registrant claimed to own the band or the Mark, as any such claim would have been “absurd.” (Siegan, 35:21-37:3, 41:2-9.) In subsequent calls with Siegan, Registrant stated multiple times that he intended to come to performances and that if he wasn’t allowed to perform with the Band, there would be “violent repercussions.” (*Id.* at 34:10-35:6.)

Subsequent communications cast further doubt on Registrant’s assertion that he was, or even believed himself to be, the true owner of the Band and the Mark. For instance, on March 10, 2009, Registrant sent an email to the other five members of the partnership, “begging” to not be terminated from the Band. (5/9/13 Depo., 103:10-17, Ex .8.) Despite discussing his financial problems – *e.g.*, “I need to continue [performing with the Band] for a time or I will loose [sic] my home,” “I stayed in my room in Idaho for two days laying in bed stressing about my over-extended finances” – he said nothing about purportedly owning the band or the Mark, or about begin entitled to compensation for Petitioner’s continued use of the Mark. (*Id.*; *see also* Rickard, 61:13-24.)

On March 12, 2009, Petitioner’s counsel emailed Registrant, stating: “Please be advised that [Petitioner] shall continue to perform and conduct business under the name ‘Wonderbread 5’, that you shall relinquish all rights in the partnership business, and shall no longer be entitled to any and all future proceeds from [Petitioner’s] live performance engagements and any other

business activities.” (Complaint, Ex. A; *see also* 5/9/13 Depo.; 110:3-17.) Registrant did not respond to this communication (5/9/13 Depo., 68:20-69:21).

F. Registrant Applies for Registration and Sues Petitioner

The same day, March 12, 2009 – just two days after being terminated from the Band – Registrant applied to register the word mark, “WONDERBREAD 5” in connection with “entertainment services in the nature of live musical performances.” In so doing, he averred that he, as an individual, first used the Mark in commerce in October 1996 and that “to the best of his [] knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce.” Registrant filed the application without the knowledge or consent of the Band, and he concealed the application during discovery in subsequent litigation against Petitioner. (Rickard, 54:6-24; 5/9/13 Depo., 136:7-143:9 (claiming among other things that Registrant did not understand the document request to include emails, even though the request expressly sought such communications).) Registrant had never – and to date has never – used the Mark in commerce independent of Petitioner. (Brooks, 22:24-23:4; 5/9/13 Depo., 87:13-88:2, 89:19-91:1, 93:9-94:10¹⁸)

Shortly thereafter, on June 17, 2009, Registrant filed a lawsuit in state court against Petitioner and each of its partners individually. Contrary to Registrant’s contention in this action that the lawsuit was over “lost wages” (*see, e.g.,* Reg. Aff.,¹⁹ ¶ 13), the Complaint is devoid of

¹⁸ Registrant has not personally taken any steps to use the Mark in commerce since being terminated by Petitioner (5/9/13 Depo., 87:13-88:2, 89:19-91:11.) He has launched a passive website and registered a MySpace account (*id.*; *see also id.* at 53:18-54:19), but such actions are not use in commerce. *Specht v. Google Inc.*, 758 F. Supp. 2d 570 (N.D. Ill. 2010).

¹⁹ “Reg. Aff.” refers to the Affidavit of Registrant Patrick Gilles, dated July 18, 2011 and made part of the record in this proceeding through Petitioner’s Notice of Reliance.

any such claim. Unlike Registrant’s internally contradictory testimony,²⁰ the Complaint, as well as communications from Registrant’s then-counsel, make the nature of the dispute unmistakably clear: Registrant sought remedies for his purportedly wrongful exclusion of Registrant from the partnership business.²¹ (*See, e.g.*, Complaint, ¶¶ 11, 85, 88-89, 96.) Registrant’s attorney repeatedly made demands arising out of Registrant’s rights as a partner – including rights related to the Mark:

- “Wonderbread 5 is a general partnership within the meaning of California Corporations Code 16202. Please consider this letter as formal demand for all books and records of the Partnership pursuant to 16403(b). [¶] Your attempt to disassociate Mr. Gilles from the Partnership is improper ... If the Partnership desires to disassociate Mr. Gilles it must do so by unanimous agreement and in compliance with the buyout requirements of 16701...” (5/9/13 Depo., Ex. 9.)
- “There is significant value in the partnership business. Wonderbread 5 is a performance artist band that has been around for nearly 14 years. Over time the Partnership has created and developed a unique and proprietary stage routine that has enabled the band to earn a great deal of customer good will a... Additionally, the Partnership has other assets including its *service mark name*, email marketing lists, website etc.” (5/9/13 Depo., Ex. 10 (emphasis added).)

²⁰ In his Discovery Deposition in this action, Registrant testified *both* that he asserted through the state-court complaint that Petitioner had no right to use the Mark after terminating Registrant (106:5-18) *and* that the complaint did not address the issue of who owned partnership assets (184:6-9). In fact, nowhere in the 37-page complaint does Registrant claim individual ownership of the Mark or assert a claim for wages.

²¹ The tenth cause of action was for the alleged violation of California Civil Code § 3344, prohibits the use of an individual’s name or likeness without consent.

In short, the Complaint alleges that Petitioner and its individual members “violated California Corporations Code Section 16701 because they wrongfully excluded and disassociated [Registrant] from the partnership business with[out] purchasing the [Registrant’s] partnership interest...” (Complaint, ¶ 134.) Accordingly, Registrant acknowledged that he demanded payment for “the entire settlement of my part owner [sic] of the partnership.” (8/11/09 Depo., 148:14-149:21; 5/9/13 Depo., Ex. 10.)

On September 3, 2009, Petitioner served Registrant with an Offer to Compromise, pursuant to California Code of Civil Procedure section 998.²² Section 998 is a California Statute, similar to FRCP 68, which promotes settlement by allowing a party to make an offer to compromise before trial. Following service of that Offer, counsel for Petitioner informed Registrant’s counsel, in writing, that the Offer constituted Petitioner’s “offer to pay for your client’s ‘interest’ in the Band.” (5/9/13 Depo., Ex. 4.) Registrant accepted the Band’s Offer to Compromise on October 1, 2009 and dismissed his complaint with prejudice on October 22, 2009.²³ The settlement represented a buy-out of Registrant’s full interest in the partnership consistent with California Corporations Code section 16701, and a release by Registrant of all claims in and to Petitioner.

Only after Petitioner paid Registrant to settle his lawsuit did Petitioner learn that Registrant had surreptitiously registered the Mark. Specifically, Registrant created a website, at www.thewonderbread5.com, which has – at all times since it was launched – displayed only a

²² The Offer to Compromise was made part of the record in this proceeding through Petitioner’s Notice of Reliance and authenticated by Registrant’s Responses to Requests for Admission.

²³ The Request for Dismissal was made part of the record in this proceeding through Petitioner’s Notice of Reliance and authenticated by Registrant’s Responses to Requests for Admission.

photograph of Registrant and an image of the Registration certificate. (Siegan 40:16-41:1, 5/9/13 Depo., 53:18-54:19.) This cancellation proceeding followed.

IV. ARGUMENT

The Registration should be cancelled on two grounds. First, *all* use of the Mark in commerce has been by Petitioner. Such use gave rise to ownership of the Mark only by Petitioner, not by any individual member of the Band. That is, Petitioner owns the Mark through prior use and has not abandoned the Mark.²⁴ Upon leaving the Band, Registrant retained no rights to the Mark. As Registrant now seeks to use the Mark in connection with services identical to Petitioner's, *i.e.*, "[e]ntertainment services in the nature of live musical performances," likelihood of confusion is manifest. *Brookfield Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1056 (9th Cir. 1999) ("In light of the virtual identity of marks, if they were used with identical products or services, likelihood of confusion would follow as a matter of course.").

Second, Registrant obtained the Registration through fraud. In stating that (1) he, as an individual, had used the Mark in commerce since 1996, (2) he was using the Mark at the time he applied for the Registration, and (3) no other party had a right to use the Mark, he knowingly made false statements of material fact, with intent to deceive the PTO. Thus, the Registration must be cancelled.

A. Likelihood of Confusion with Prior Mark: Petitioner Owns and Has Not Abandoned the Mark, and Registrant Retained No Rights to the Mark Upon Leaving the Band

²⁴ Petitioner does not bear the burden of negating abandonment; abandonment is an affirmative defense. *West Florida Seafood, Inc. v. Jet Restaurants, Inc.*, 31 F.3d 1122, 31 U.S.P.Q.2d 1660 (Fed. Cir. 1994). Here, Registrant did not plead any affirmative defenses.

As a matter of law, the Mark has always belonged to Petitioner. Registrant has never had, as an individual, any ownership interest in the Mark. Moreover, even assuming that Registrant's use of the Mark as part of Petitioner somehow give rise to an individual property interest, such interest was bought out by Petitioner in settling the parties' state-court litigation.

1. The Mark Belongs to the Band as a Partnership

The first person or entity to use a trademark in commerce is the rightful owner of the mark. *Société Civile v. SA Consortium Vinicole*, 6 U.S.P.Q.2d 1205 (T.T.A.B. 1988). Registrant admits that the Band *as an entity* first used the Mark in commerce. Specifically, he admits that the Band was formed in 1996; the name "Wonderbread 5" was selected collectively by the Band members; and the mark was first used in commerce *by the Band* in Fall 1996. (Complaint, ¶¶ 18, 19, 23-25.) Petitioner has consistently used the Mark in commerce at all times since. (5/9/13 Depo., 77:24-78:8.) Registrant has presented no contradictory evidence whatsoever on this point. Further, Registrant *never* used the Mark – in commerce or otherwise – prior to use with the Band. (*Id.* at 93:9-94:10.)

The law is well established that use of a mark by a business entity does not inure to an individual. *E.g., El Sombrero Corp. v. Bolivar*, 436 N.E. 2d 733, 735-36, 218 U.S.P.Q. 668, 709-10 (Ill. App. 1982) (even where individual is in part responsible for developing goodwill attributable to mark used by corporation, that responsibility was shared by others, and therefore use of mark inures to corporation, not individual). Ownership of a service mark is acquired by the adoption and use of the mark in commerce. The function of a mark is to identify the business in which it is used and to protect the goodwill symbolized by the mark. *Id. Accord Smith v. Coahoma Chemical Co.*, 164 F.2d 916, 919, 121 U.S.P.Q. 215 (C.C.P.A. 1959) (even if individual originated the idea of the mark and authorized its use by a corporation, such use

would not vest ownership of the mark in the individual); *Daytona Automotive Fiberglass v. Fiberfab, Inc.*, 475 F.Supp. 33, 205 U.S.P.Q 1245 (W.D. Penn. 1979) (shareholder of company that used mark who had not individually used mark had no ownership interest, despite being “closely associated” with the company).

Furthermore, where two or more individuals operate a business for profit, absent an express agreement to the contrary, the business is presumed to be a general partnership (Cal. Corp. Code § 16202), and “[p]roperty acquired by a partnership is property of the partnership and not of the partners individually” (Cal. Corp. Code § 16203). Therefore, Petitioner *as an entity* has owned the Mark at all times.

Petitioner is subject to the California Corporations Code sections pertaining to the property rights of a dissociated member, all of which are fully consistent with Petitioner’s position, set forth below, that all rights to the Mark remained with the Band when Registrant left, subject to his entitlement to a buyout of his interest. Cal. Corp. Code § 16701. This is also consistent with Registrant’s position in the state court case he filed against Petitioner.

2. Registrant Retained No Rights in the Mark When He Left the Band

Controlling federal authority is all to the same effect: Upon a member’s departure from a band, the trademark remains with the band and does not transfer to the leaving member.²⁵ *Robi v. Reed*, 173 F.3d 736, 740 (9th Cir. 1999) (“members of a group do not retain rights to use the group’s name when they leave the group ... when [band member] left the group, *he took no*

²⁵ Although an individual dissociating from a general partnership may have a right to have his interest in the assets of the partnership bought out (*see* Cal. Corp. Code 16701), such a buy-out does not constitute the sale of any intellectual property; ownership of intellectual property remains at all times with the partnership. *Cf. Bell v. Streetwise Records, Ltd.*, 761 F.2d 67 (1st Cir. 1985) (trademark is not divisible property and therefore cannot be owned separately by one member of a joint venture). A buy-out pursuant to section 16701 is precisely what transpired when the parties settled Registrant’s state-court action.

rights to the service mark with him”) (emphasis added). See also *Kingsmen v. K-Tel Int’l, Ltd.*, 557 F. Supp. 178 (S.D.N.Y. 1983) (holding that former lead singer of musical group did not have right to use group’s name after departure from group); *Giammarese v. Delfino*, 197 U.S.P.Q. 162, 163 (N.D. Ill. 1977) (band name was partnership property, and former member lacked ownership interest).

In *HEC Enterprises Ltd. v. Deep Purple, Inc.*, 213 U.S.P.Q. 991 (C.D. Cal. 1980), former members of the band Deep Purple, including some of the founding members, began performing under the same band name, and they registered the name as a trademark. *Id.* at 992. The court held that mark belonged to the entity that had originally formed the band and that the former members had no right to use the mark. The court cancelled defendants’ registration and enjoined them from further use of the mark. *Id.* at 994-95.

Analogous state law is in accord: A band’s name belongs to the band entity, and not to any individual band member. For example, the court in *Boogie Kings v. Guillory*, 188 So.2d 445, 1448, 51 U.S.P.Q. 133 (La. App. 1966), held that the band name “The Boogie Kings” belonged to the band as an entity rather than to either of the band’s founding members because the band *as a group* first used the name in commerce. That is, a proprietary interest in the trade name “vested in the band, as an unincorporated association, and not in any individual member of that band.” *Id.* See also *Cesare v. Work*, 520 N.E.2d 586 (Ohio App. 1987) (name of music group was not personal to the performers, but identified and distinguished a style and rendition of music; departing members had no right to use of name).

The very rare instances in which courts have departed from the rule that a band name belongs to the band rather than to an individual involve facts readily distinguishable from this case – yet they still stand for the rule that departing band members have no right to use the band

name. For instance, in *Marshak v. Treadwell*, 58 F. Supp. 2d 551 (D.N.J. 1999), the trademark “The Drifters” belonged to the company formed to manage the singing group, which “exercised complete artistic control over The Drifters; [] hired and fired Drifters singers; [] paid the singers a weekly salary; [] selected the music and arrangements; and [] made all musical and business decisions relating to both live performances and recording contracts.” Further, each member of the “constantly changing cast of singers” were all employees of the company and entered into written employment agreements. *Id.* at 554. Thus, the company, and not any of the singers, owned the mark. *Id.* at 573.

Similarly, in *Rick v. Buchansky*, 609 F.Supp. 1522 (S.D.N.Y. 1985), the court held that a band manager – and not former band members who had formed a separate group using the same name – was the rightful owner of the band name. This ruling turned on the facts that the manager had discovered the band’s original members and managed the band consistently from its inception in 1961 through trial in 1985, and where there had been such significant turnover in the band’s membership that the manager was held to be the group’s “longest-playing member.” *Id.* at 1528.

Contrasting with the longevity of the manager’s relationship with the band, within a year of the band’s formation, three of its four original members had left. *Id.* at 1527. The fourth left and returned to the band on multiple occasions. Approximately 22 different performers were band members at various times during the 1960s and 1970s. *Id.* In sum, the *Rick* court concluded that, as the *only* person with a truly substantial and lasting involvement in the venture, the manager was the rightful owner of the mark. *Id.* at 1532-33.

Any attempt by Registrant to characterize himself as the person with a substantial and lasting involvement with the Band – more than any other member or the Band’s manager – lacks

any credible factual support. Far from the revolving door of performers at issue in *Rick*, the membership of the Band has been stable: Fletcher, McDill, Rickard, Brooks, and Registrant were the original five members. (8/11/09 Depo., 41:22-42:10, 46:15-18, 44:19-45:5.) Fletcher, McDill, and Rickard remain in the Band. Brooks left the Band in 1997 and was replaced by Adams, who is still a member. When Registrant left the band in 2009, he was replaced by Michael Taylor, a current member. (Bell, 9:7-9, 11:8.) *Thus, in 17 years, only two members of the Band have been replaced, and four of the five current members have been with the band since 1997.* Similarly, Jay Siegan became the band's manager and booking agent, and a member of the general partnership, in approximately 1999, and he remains the manager today. (Siegan, 9:18-10:22.)

Registrant further differs from the manager in *Rick v. Buchansky* in that he gained no special rights by "managing" the Band. The *Rick* court held the band's manager to be the rightful owner of the mark based on the fundamental trademark principle that ownership of a mark is determined in large part by which person or entity has the *ability and right to control the quality* of the product or service bearing the mark. *Rick, supra*, 609 F.Supp at 1532-33 (manager had ability and right to control style, content and quality of band's performance). *Cf. FreecycleSunnyvale v. Freecycle Network*, 626 F.3d 509, (9th Cir. 2010) (trademark owners have duty to control quality). In *Rick*, the manager was the only individual actively involved with the band throughout a significant portion of its existence, and he exercised *exclusive* control over, for example, the group's finances, bookings, and personnel decisions. *Rick, supra*, 609 F.Supp. at 1532-33. Thus, his ownership of the mark arose not only through his management activities *per se* but by his exclusive ability to *control* the band's quality.

At no time did Registrant exercise the degree of control over the Band that the manager in *Rick* exercised. Contrary to his assertion – made *for the first time* in December 2013²⁶ – *Registrant was never the Band’s manager.* (Rickard, 13:8-12; Siegan, 11:3-4.) Petitioner does not dispute, indeed admits, that Registrant participated in certain management activities, including efforts to promote and advertise the band – as did *every* member of the Band and its booking agent/manager.

According to Registrant, “[e]ach member of the band was delegated and/or assumed responsibility for running some aspect of the business of the Band. Fletcher performed most of the administrative duties. He voluntarily took on the role of creating and printing posters, updating the mailing lists, maintaining the website, uploading photos from each show to the website and generating graphic design.” (Complaint, ¶ 52.) Likewise, “Rickard acted as the single point of contact to Siegan, Adams managed the website hosting for the website and often built new pages...” and “[i]t was McDill’s role to generate the crucial backing tracks” at his home studio. (*Id.* at ¶¶ 54, 55.) Moreover, Siegan was solely responsible for booking the Band’s events, receiving and distributing payments for the Band’s performances, and preparing annual 1099 forms for each of the Band members. (*Id.* at ¶¶ 40-43.)

Registrant obtained no individual rights to the Mark, which at all times has belonged to Petitioner. All of the foregoing negates by admission any claim otherwise, and any reliance by Registrant on *Rick* is therefore misplaced. On these facts, there is no basis for departing from the settled rule that, absent unusual circumstances not present in this case, a departing band member retains *no right* to use the band name.

²⁶ In his discovery deposition in this proceeding, taken May 9, 2013, Registrant vaguely referred one time (at 61:16-20) to his “management” of the Band but never claimed to have been the Band’s “manager.”

3. **Any Rights Registrant Had in the Mark Were Extinguished Through a Buy-Out and Settlement of All Claims Against and Interest in Petitioner**

Even assuming *arguendo* that Registrant possessed any right to the Mark separate and apart from his membership in Petitioner, all such rights were extinguished by the settlement of Registrant's state court action against Petitioner. Negotiations surrounding that lawsuit and its dismissal expressly addressed Registrant's interest, as a member of the general partnership, in Petitioner's intellectual property. For instance, Registrant's attorney asserted that "there is significant value in the Partnership business ... *including its service mark name*, email marketing lists, website, etc." (5/9/13 Depo., Ex. 10; *see also* Ex. 9.) Furthermore, the settlement was intended to dispose of "all of [Registrant's] claims" against Petitioner and its members. (5/9/13 Depo., Ex. 4.) Neither Registrant nor his then-attorney contradicts these facts.

The only evidence Registrant presents on this issue is his own self-serving statement that the state court action "was for lost wages." (Reg. Aff., ¶ 13.) This statement is not credible, as it is plainly refuted Registrant's state court Complaint and by his own testimony (Complaint, *passim*; 5/9/13/Depo., 106:5-18). While the Complaint speaks for itself, the overwhelming majority of claims asserted therein clearly arose from the purportedly wrongful exclusion from partnership business. Both Registrant's Complaint and his attorney's correspondence demonstrate conclusively that the settlement represented a buy-out of Registrant's full interest in the partnership consistent with California Corporations Code section 16701. (Complaint, *passim*; 5/9/13 Depo., Exs. 9, 10.)

In sum, the evidence shows Petitioner owns the Mark by virtue of its prior use in commerce, Petitioner has never abandoned the Mark, and confusion is likely to result from

Registrant's use of an identical mark. Thus, Petitioner is entitled to cancellation of the Registration.

B. Registrant Committed Fraud on the PTO

Applicants for registration are prohibited from “making knowingly inaccurate or knowingly misleading statements” in their applications. *E.g.*, *In re Bose Corp.*, 580 F.3d 1240, 1245, 91 U.S.P.Q.2d 1938 (Fed. Cir. 2009); *Bart Schwartz Internat'l Textiles, Ltd. v. FTC*, 289 F.2d 665, 669, 129 U.S.P.Q. 258 (C.C.P.A. 1961). Intentional deception justifying cancellation of a registration is distinguished from more innocent false representations caused by “a misunderstanding, an inadvertence, a mere negligent omission” (*Kemin Indus., Inc. v. Watkins Prods., Inc.*, 192 U.S.P.Q. 327, 329 (T.T.A.B. 1976)), where the applicant's “subjective, honestly held, good faith belief” was that his statements to the PTO were accurate. *San Juan Prods., Inc. v. San Juan Pools of Kan., Inc.*, 849 F.2d 468, 472 (10th Cir. 1988). “[B]ecause direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence.” *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.* 537 F.3d 1357, 1366 (Fed. Cir. 2008).

To obtain cancellation on grounds of fraud, Petitioner must establish the following elements: (1) the challenged statement was a false representation regarding a material fact; (2) the person making the representation knew that the representation was false; (3) the person making the representation intended to deceive the PTO; (4) the PTO reasonably relied on the misrepresentation. *See Clontech Labs v. Invitrogen Corp.*, 406 F.3d 1347, 1352, 74 U.S.P.Q.2d 1598 (Fed. Cir. 2005); *Qualcomm Inc. v. FLO Corp.*, 93 U.S.P.Q.2d 1768 (T.T.A.B. 2010).

An applicant for a registration has duty of “uncompromising candor” to the PTO. *Orient Express Trading Co., Ltd. v. Federated Dept. Stores, Inc.*, 842 F.2d 650, 653, 6 U.S.P.Q.2d 1308

(2d Cir. 1988); *see also Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 363, 877, 31 U.S.P.Q.2d 1481 (8th Cir. 1994) (applicant owes duty of candor). “Consequently, *there is no presumption of validity attached to a PTO registration where pertinent information is not presented to the PTO.*” *East West, LLC v. Rahman*, 896 F.Supp.2d 488, 508 (E.D. Va. 2012) (citing *T.A.D. Avanti, Inc. v. Phone-Mate, Inc.*, 199 U.S.P.Q. 648, 655 (C.D. Cal. 1978) (emphasis added)). The Board should weigh Registrant’s credibility in assessing intent to deceive. *Bart Schwartz, supra*, 289 F.2d at 938-39 (fabrication of “fanciful history” in attempt to support statements on application is evidence of bad faith and intent to deceive); *Pilates, Inc. v. Current Concepts, Inc.*, 120 F.Supp.2d 286, 313, 57 U.S.P.Q.2d 1174 (S.D.N.Y. 2000) (fraud found where registrant’s testimony concerning ownership of the mark “was evasive and lacked credibility”).

An applicant’s failure to disclose ongoing use of a mark by another party is often compelling evidence of fraud. *Marshak v. Treadwell, supra*, 58 F. Supp. 2d at 559 (applicants’ failure to disclose ongoing use of mark by another party at the time of application “is strong evidence of fraudulent registration”). For example, the court in *East West, supra*, 896 F.Supp.2d at 508-09 held that a statement that the applicant had exclusive or substantially exclusive use of trade name in a particular geographical area was a material misrepresentation intended to deceive where registrant had “substantial direct contact and extensive business dealings with plaintiff” that gave rise to actual knowledge that plaintiff was using mark. The failure to disclose another party’s use of the mark will be found fraudulent where the party is known to possess a “superior or clearly established right” to use the mark. *Cf. Intellimedia Sports v. Intellimendia Corp.*, 43 U.S.P.Q.2d 1203, *4 (T.T.A.B. 1997).

In a case factually similar to this one, the court found that Registrant intentionally committed fraud. In *HEC Enterprises, supra*, former members of the band Deep Purple,

including some of the founding members, registered the mark “DEEP PURPLE” with both the State of California and the PTO, despite knowing that the remaining members of Deep Purple continued to use the band name in commerce. 213 U.S.P.Q. at 992-95. The court found that the defendant former members fraudulently obtained the registrations by representing under oath that no other person had the right to use the mark. *Id.*

Here, just as in *HEC Enterprises*, Registrant does not dispute that he had actual knowledge that the remaining members of the partnership continued to use the Mark, or that he concealed the fact of his Registration from Petitioner.²⁷ The only evidence he adduces concerning his intent in representing to the PTO that no one else had a right to use the Mark are the conclusory statement that he “never intended to deceive” the PTO and the purported explanation that he “believed” himself to be the “rightful owner of the trademark.” (Reg. Aff., ¶14.) These claims are not credible. *Sweats Fashions, Inc. v. Pannill Knitting Co., Inc.*, 833 F.2d 1560, 1564, 4 U.S.P.Q.2d 1793 (C.A. Fed. 1987) (“mere conclusory statements and denials do not take on dignity by placing them in affidavit form”). Registrant points to no *evidence* whatsoever that would have supported his purported belief that Petitioner did not have the right to use the Mark.

Further, even had he genuinely believed when he filed his application – *i.e.*, before he settled his lawsuit for a buy-out of his interest in Petitioner – that he had a right to use the Mark, once the buy-out took place, he had to have known that any such right was extinguished. His

²⁷ The fraud here is even more striking than in *HEC Enterprises*, since Registrant was not using the Mark in commerce at all at the time he submitted his application, a fact he unquestionably knew. *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 U.S.P.Q.2d 1483 (Fed. Cir. 1986) (fraud found where affidavit stated mark was in use on three products when it was only in use on one).

failure to inform the PTO of this development constitutes fraud. *Cf. Mister Leonard v. Jacques Leonard Couture, Inc.*, 23 U.S.P.Q.2d 1064 (T.T.A.B. 1992) (“[a] person can commit fraud upon the Office by willfully failing to correct his or her own misrepresentation, even if originally innocent, as long as that person subsequently learns of the misrepresentation, and knows that the Office has relied upon that misrepresentation in conferring a substantive benefit upon that person to which the person knows it is not entitled”) (internal citation omitted); *Bart Schwartz, supra*, 289 F.2d at 938 (“[o]ne acting in good faith who has been mistaken as to an essential fact would, it seems to us, wish to correct such a mistake when it was called to his attention”).

Further bolstering the conclusion that Registrant intended to commit fraud is ample evidence in the record that Registrant was angry after being kicked out of the band, and was looking for ways to get even. Even before Registrant was terminated from Petitioner, he resented and even hated the other members of the Band and, at times, refused to speak to them. (Siegman 25:25-26:2.) He became even more “frantic,” “angry,” and “vengeful” after his termination, and he threatened the other Band members’ and their families with violence. (*Id.* at 33:13-24, 34:10-35:6.) He clearly stated his intent to attempt to ruin the Band members’ lives. (*Id.* at 41:2-9.) That Registrant filed his application *two days* after being terminated by Petitioner (5/9/13 Depo., 136:7-143:9), and that he concealed his actions until after settlement of his lawsuit (8/11/09 Depo., 186:10-187:14; Registration Application), are similarly indicative of Registrant’s bad faith.

This circumstantial evidence, combined with the manifest falsity of Registrant’s sworn statement to the PTO, demonstrates Registrant’s intent to deceive. Petitioner is entitled to cancellation of the Registration on grounds of fraud.

V. SUMMARY

CERTIFICATE OF SERVICE

I, Cari A. Cohorn, Esq. certify that on this 3rd day of August, 2011, a true and correct copy of the foregoing document was filed with the Trademark Trial and Appeal Board via the Electronic System for Trademark Trials and Appeals and was sent by U.S. Mail to:

Matthew H. Swyers, Esq.
The Trademark Company
344 Maple Avenue West, Suite 151
Vienna, VA 22180

Dated: March 31, 2014

PHILLIPS, ERLEWINE & GIVEN LLP

By: /s/ Rosemary A. Comisky Culiver

David M. Given
Cari A. Cohorn
50 California Street, 35th Floor
San Francisco, CA 94111
Telephone: (415) 398-0900
Facsimile: (415) 398-0911
Email: dmg@phillaw.com
cac@phillaw.com
Attorneys for Petitioner