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

Proceeding	92052897
Party	Defendant Galderma Laboratories, Inc.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Thomas Skold Petitioner,	§	Cancellation No.: 92052897
v.	§	Mark: RESTORADERM
Galderma Laboratories, L.P. Registrant.	§	Reg. Nos.: 2,985,751 and 3,394,514

REGISTRANT'S MOTION TO STRIKE
AND MOTION FOR A MORE DEFINITE STATEMENT

Registrant Galderma Laboratories, L.P. moves to strike, under Rule 12(f) of the Federal Rules of Civil Procedure and Section 506 of the T.B.M.P., Petitioner's initially-asserted ground that the "Mark is no longer owned by Registrant" from the Petition for Cancellation (the "Petition"), as the Board failed to find in its Order of January 25, 2011 (the "Order"), that it was a valid ground for cancellation. Registrant also moves for a more definite statement under Rule 12(e) of the Federal Rules of Civil Procedure and Section 505 of the T.B.M.P. with regard to the ground of cancellation interpreted by the Board to save the Petition, namely, "priority of use and likelihood of confusion" as the Petition fails to allege sufficient factual support for this ground.

I. Introduction

When Petitioner prepared his Petition, he intentionally choose as his only asserted ground for cancellation that the "Mark is no longer owned by Registrant." This is evidenced by both (i) Petitioner's selection of this exact language twice in the "Grounds for Cancellation" sections of the Petition Cover Sheet, and (ii) paragraph 4 of the Petition where Petitioner asserted that since "Registrant no longer owns the trademark RESTORADERM," Petitioner "seeks cancellation of Registrant's registrations." Even when faced with Registrant's Motion to Dismiss, which pointed out that this ground of cancellation was not valid, Petitioner continued to assert that since "either by a First Contract Theory or a Second Contract Theory, Registrant no longer owns the mark," the Motion to Dismiss should thus be

denied. *See* Response by Skold in Opposition to Motion to Dismiss at 2. Notably, Petitioner did not respond to the Motion to Dismiss by asserting that he had priority of use combined with a likelihood of confusion.

The Board, in denying Registrant's Motion to Dismiss, failed to find that Petitioner's asserted ground for cancellation was valid, and instead interpreted Petitioner's Petition to find facts alleging "priority of use and likelihood of confusion . . . that, if proved, would entitle Petitioner to relief." *See* Order, Jan. 25, 2011 at 4. In so doing, the Board identified just two sentences that it found supported such a ground, from a Petition with over 40 sentences directed to Petitioner's now invalid "Mark is no longer owned by Registrant" ground. As the Board failed to find that Petitioner's original "Mark is no longer owned by Registrant" ground was sufficient to support a Cancellation, its continued inclusion in the Petition will prejudice Registrant, who therefore requests that the Board strike this ground from the Petition and thus from this proceeding.

Moreover, because Petitioner focused on the invalid "no longer owns" ground in his Petition, the Petition fails to allege facts necessary to support a claim of priority/likelihood of confusion. First, the Petitioner, a citizen and resident of Sweden per allegations in the Petition, fails to allege in the Petition that his prior use of his mark occurred in the United States, which this Board has held to be a critical element of the priority/confusion ground for cancellation. Second, the Petition also provides no factual support for Petitioner's claim that his use of his mark has been continuous. Finally, Petitioner merely alleges use of his mark to promote a technology, and not in connection with the offering of any goods or services in a manner that creates trademark rights. Registrant therefore moves for a more definite statement as to Petitioner's prior and continuous use of his mark in the United States and to the goods or services which he has used the mark.

Based on the divergence from what Petitioner initially alleged as his ground for cancellation and the ground for cancellation interpreted by the Board, Registrant, through this current Motion, requests that the pleadings be amended (i) to remove the initially alleged ground and (ii) to provide the necessary factual allegations to support the interpreted ground.

II. The Board Should Strike the "No Longer Owns" Ground from the Petition

The "no longer owns" ground should be stricken from the Petition because it is an invalid ground for cancellation. Under Federal Rule of Civil Procedure 12(f), the Board is authorized "to strike an impermissible or insufficient claim (or portion of a claim) from a pleading." *See* T.B.M.P. § 506.01. Claims that do not fall within the statutory authority of the Board are grounds for a motion to strike. *See Coca-Cola Co. v. Seven-Up Co*, 497 F.2d 1351 n.3(b), 182 U.S.P.Q. 207 (C.C.P.A. 1974); 3-9 *Gilson on Trademarks* § 9.02 (2010).

On the Cover Page of the Petition, Petitioner twice provides as the sole ground for cancellation that the "Mark is no longer owned by Registrant." That ground is repeated in paragraph 4 of the Petition. In Registrant's Motion to Dismiss, Registrant noted that Petitioner's "no longer owns" ground for cancellation turned on an alleged breach of contract. In its Order of January 25, 2011, the Board agreed with Registrant that "breach of contract is not a proper grounds for cancellation." *See* Order, Jan. 25, 2011 at 4. However, the Board denied Registrant's Motion to Dismiss because the Board interpreted an alternative ground for cancellation from the Petition – namely, prior use with likelihood of confusion – which Petitioner had not explicitly alleged. In this way, Petitioner's stated ground for cancellation was rejected while a ground that was not explicitly alleged was singled out as potentially valid. The Board, however, did not dispense with the invalid "no longer owns" ground for cancellation, and it remains part of the Petition.

The crux of Petitioner's argument is that under one of two contract theories Registrant is contractually bound to transfer the mark to Petitioner but has not done so. Paragraph 4 of the Petition plainly links the "no longer owns" ground to Registrant's alleged contractual obligations, stating that "[u]nder either contract theory supported below, Registrant no longer owns the trademark RESTORADERM." Hence, Petitioner's argument is that Registrant "no longer owns" the mark because Registrant, by failing to transfer the mark to Petitioner, breached a contract. As the Board has recognized, breach of contract is not a valid ground for cancellation. Registrant now requests that the Board take the logical next step of striking the invalid "no longer owns" ground from the Petition.

Failure to grant this relief will preserve the status quo, leaving in place a Petition that alleges a ground for cancellation that the Board has already found to be insufficient. This will prejudice Registrant in several ways. Registrant will be obliged to address the "no longer owns" ground in its Answer, to expend substantial resources addressing the issue during discovery, and ultimately to mount a defense to the "no longer owns" ground. By striking the "no longer owns" ground, the Board will permit the parties to focus on the issues of prior use and likelihood of confusion – the only valid ground for cancellation found by the Board in the Petition. To avoid prejudice to Registrant and confusion of the issues, Registrant asks the Board to strike the "no longer owns" ground by requiring Petitioner to delete paragraph 4 of the Petition and to replace the two references to the "no longer owns" ground in the Petition's Cover Page with "priority and likelihood of confusion" under Trademark Act Section 2(d).

III. Petitioner Should Provide a More Definite Statement of Continuous Use in the United States in Connection With the Sale of Goods or Services

A more definite statement under Rule 12(e) is uniquely suited to the circumstances in this case. The grant of a motion for a more definite statement is warranted if a pleading omits a required element of a claim and if the omission is not so material that the pleading should be dismissed under Rule 12(b)(6). *See* Wright & Miller, *Federal Practice and Procedure* § 12.36 (2010). The purpose of such a motion is to enable the moving party to frame a responsive pleading. *See United States v. Scandia Mfg. Co.*, 101 F. Supp. 583, 584 (D.N.J. 1952). If a pleading does not state the allegations of each element of the claim as Rule 8 requires (and if the deficiency is not so material that the pleading should be dismissed under Rule 12(b)(6)), then a more definite statement is appropriate. *See* Wright & Miller, *Federal Practice and Procedure* § 12.36 (2010); *Kelly v. L.L. Cool J.*, 145 F.R.D. 32, 36 (S.D.N.Y. 1992) (granting motion for a more definite statement where plaintiff failed to properly allege two of the four basic elements of copyright infringement claim).

Petitioner, since he was focused on alleging the insufficient "no longer owns" ground, did not properly allege priority in his Petition. Priority, combined with likelihood of confusion, is indeed a statutory ground for cancellation under Lanham Act § 2(d). Under that statute, however, rejection of a mark is proper only if the mark was used "in the United States by another and not abandoned, as to be likely, when used in connection with the goods of the applicant, to cause confusion." 15 U.S.C. § 1052(d). In order to properly plead this ground, Petitioner must allege facts sufficient to show prior and continuous trademark use of his mark in the United States.

In this case, Petitioner fails to make any mention in his Petition that his use of his mark occurred in the United States. Petitioner also fails to plead any facts to support his conclusory statement that his use of his mark has been continuous. Moreover, Petitioner's only alleged use of his mark is in connection with promotion of a technology, and not in connection with the offering of any goods or services capable of establishing trademark rights. Registrant thus requests a more definite statement regarding these elements of Petitioner's priority/confusion ground.

If the deficiencies in the Petition are not corrected, Registrant will be unable to effectively frame a responsive pleading. For example, Registrant cannot effectively respond to a claim of prior use of the mark in the United States unless such use is alleged. Similarly, Registrant will have difficulty framing a response to the seemingly conflicting statements as to whether Petitioner's use of his mark was continuous since December 2001.

Presumably Petitioner will welcome the opportunity to state its position with greater clarity, given that Petitioner apparently did not set out to allege the priority/confusion ground for cancellation in his Petition. Requiring a more definite statement will permit Petitioner to properly plead all elements of that claim, which in turn will allow Registrant to frame its response.

A. Deficiency No. 1: Petition does not allege use in the United States

Under Section 2(d) of the Lanham Act, prior use must be use "in the United States." 15 U.S.C. § 1052(d); *see also Bayer Consumer Care AG v. Belmora, LLC*, 90 U.S.P.Q.2d 1587 (TTAB 2009)

(granting a motion to dismiss for repeated failure to properly plead use in the United States); *Person's Co. v. Christman,* 900 F.2d 1565, 1568 (Fed. Cir. 1990) (rejecting appellant's attempt to cancel a mark based on the appellant's prior use in Japan and holding that foreign use "cannot form the basis for a holding that appellant has priority"); 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 29:2 ("Priority of trademark rights in the United States depends solely upon priority of use in the United States, not on priority of use anywhere in the world.").

Petitioner, who alleged in his Petition to be a Swedish citizen and resident, does not allege prior use of his mark *in the United States*. The Petition's sole claim to priority appears in paragraph 1 of the Petition and states in full:

> 1. Petitioner has adopted and continuously used the trademark RESTORADERM, since at least as early as December, 2001 to the present, in connection with presentations and promotions of a technology utilizing phospholipid and/or ceramide, cholesterol and fatty acid for dermally and transdermally delivering bioactive substances ("Technology").

Nowhere else in the Petition does the Petitioner make mention of his use of the mark. Petitioner, therefore, has not alleged *any* prior use in the United States. By failing to allege use in the United States, Petitioner plainly omits a necessary element of the priority/confusion ground for cancellation. Accordingly, Registrant asks the Board to require Petitioner to correct this deficiency by providing a more definite statement as to Petitioner's prior use of his mark in the United States.[1]

B. Deficiency No. 2: Petition alleges no facts to support its claim of "continuous" use

Petitioner alleges that he has "continuously used" his mark since December 2001 but alleges no facts to support that claim. A claim of continuous use, without more, is a legal conclusion. *W. Disinfecting Co. v. Onorato*, 242 F.2d 197, 199 (C.C.P.A. 1957) (rejecting witnesses' testimony as to mark's continuous use because "continuous use is a conclusion of law"). The tenet that a court must

[1] Registrant notes that, to correct the deficiency, Petitioner should allege specific facts that set forth the nature of Petitioner's use of his mark – including the goods or services with which Petitioner used his mark – and must explicitly state how the use occurred in the United States. *See Bayer Consumer Care AG*, 90 U.S.P.Q.2d at 1589-90. A blanket allegation of use in the United States will not suffice.

accept as true all of the allegations contained in a pleading is inapplicable to legal conclusions. *See Ashcroft v. Iqbal*, 129 S.Ct. 1937, 1949 (2009) (citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 554, 555-56 (2007)). Petitioner must allege factual matter to "state a claim to relief that is plausible on its face." *Id.*

To do this, Petitioner should provide factual support for his claim that the use of his mark has been continuous since December 2001. The need for clarity here is especially great because the Petition alleges facts that undermine Petitioner's claim to continuous use of the mark. In paragraph 6, the Petition states that in February 2002, Petitioner licensed the mark to Collagenex Pharmaceuticals, Inc., the predecessor in interest to Registrant.[2] The Petition later alleges that the license was terminated. Petition, ¶ 13. However, the Petition does not allege any facts to explain how or whether Petitioner or Petitioner's alleged licensee used the mark during the time that the mark was allegedly licensed to Collagenex or how it was used by Petitioner subsequent to the alleged license to Collagenex. Without additional facts to support Petitioner's claim of continuous use, the Petition is deficient.

Registrant asks the Board to require Petitioner to correct the deficiency by providing a more definite statement as to Petitioner's allegedly continuous use of his mark after February 11, 2002. In particular, Petitioner should allege facts that support a plausible explanation for how Petitioner's use of his mark was continuous after February 2002.

C. Deficiency No. 3: Petition alleges no use by Petitioner of a type that creates trademark rights

As noted by the Supreme Court, "[a]t common law the exclusive right to [a trademark] grows out of the use of it, and not its mere adoption." *Trade-Marks Cases*, 100 U.S. 82, 94 (1879). Moreover, the usage has to be in the sale of goods or services, not in mere promotional activities or preliminary steps to establish a business. *See Sengoku Works Ltd. v. RMC Intern., Ltd.*, 96 F.3d 1217,

[2] Although Petitioner refers to a "license" of the mark in the Petition, the agreement referenced by Petitioner as including this license grant instead clearly states that the trademark became the "exclusive property" of Registrant's predecessor in interest, and was thus not a license but an assignment.

1219, 40 U.S.P.Q.2d 1149 (9th Cir. 1996), as modified, 97 F.3d 1460 (9th Cir. 1996) ("To acquire ownership of a trademark it is not enough to have invented the mark first or even to have registered it first; the party claiming ownership must have been the first to actually use the mark in the sale of goods or services.") (emphasis added); *see also Lucent Info. Mgmt., Inc. v. Lucent Techs., Inc.*, 986 F. Supp 253, 45 U.S.P.Q.2d 1019 (D. Del 1997), *aff'd*, 186 F.3d 311, 51 U.S.P.Q.2d 1545 (3d Cir. 1999) ("[T]he court concludes that no reasonable trier of fact could find the advertising and promotional activities of LIM to qualify as prior use.").

Petitioner's only alleged use of his mark is "in connection with presentations and promotions of a technology." Petition, ¶ 1. He fails to allege in the Petition use of his mark on any goods "sold or transported in commerce" or in connection with any services "rendered in commerce" as defined in Lanham Act § 45. 15 U.S.C. § 1127.

For Petitioner to have established trademark rights prior to Registrant, Petitioner must have used his mark in connection with the sale of goods or services, and not merely in promoting his technology with the hope that someone would subsequently buy it. However, the Petition does not allege any facts to explain how the Petitioner used his mark in connection with the sale of goods or services. Without additional facts to support his claim of use in a manner that creates trademark rights, the Petition is deficient.

IV. Conclusion

The Petition alleges an invalid ground for cancellation – that Registrant "no longer owns" the mark in question. In order to avoid confusion and to prevent prejudice to itself, Registrant asks the Board to strike the "no longer owns" claim by ordering the removal of paragraph 4 of the Petition and ordering the replacement of the references to the "no longer owns" ground that appear on the Petition's Cover Page to references to the priority/likelihood of confusion ground.

Registrant also requests that the Board require Petitioner to provide a more definite statement regarding his use of his mark. Specifically, Petitioner should allege (i) facts that support a plausible

claim of Petitioner's use of his mark in the United States prior to Registrant's earliest filing date for its mark, (ii) facts that support Petitioner's claim of "continuous" use of his mark, and (iii) facts that support Petitioner's use of his mark in connection with the sale of goods or services in a manner that establishes trademark rights. Registrant submits that a more definite statement regarding these issues is necessary for Registrant to be able to frame a proper response and to request relevant discovery.

Respectfully submitted,

Date: February 24, 2011

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 24th day of February, 2011, the foregoing *Registrant's Motion to Strike and Motion for a More Definite Statement* was served on Petitioner's counsel of record, via first-class mail, at the following address:

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