

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

RK

Mailed: June 1, 2011

Cancellation No. 92053066

Road Tools LLC

v.

Yulong Computer Telecommunication
Scientific (Shenzhen) Co., Ltd.

**Before Bucher, Taylor and Mermelstein,
Administrative Trademark Judges**

By the Board:

Petitioner, a Massachusetts limited liability company,¹ filed a petition for cancellation on September 27, 2010, against Registration No. 3527661² on the ground of priority and likelihood of confusion. Petitioner pleads ownership of

¹ In this regard, we note numerous errors and inconsistencies in the record. Specifically, the ESTTA cover sheet accompanying the petition for cancellation identifies petitioner as ROAD TOOLS INC. whereas the petition itself identifies petitioner as ROAD TOOLS LLC. The petition also identifies petitioner as an entity organized under the laws of New Hampshire in contrast to the record in pleaded Registration No. 2563728 and statements in petitioner's motion to dismiss identifying itself as a Massachusetts limited liability company. Finally, petitioner's address in the pleaded registration incorrectly indicates New Mexico instead of New Hampshire despite the New Hampshire zip code.

² For COOLPAD in stylized form along with Chinese characters for "photography cameras; computer software use in database management; electronic pocket translators; radiotelephony set comprise of transmitters and receivers; video telephones; acoustics sets, namely, apparatus for wireless transmission of acoustic information" in International Class 9. Registered on November 4, 2008, under Section 66(a), with a constructive use date of February 1, 2007.

Cancellation No. 92053066

Registration No. 2563728.³ Respondent filed its answer on November 4, 2010, asserting numerous affirmative defenses and also counterclaimed to cancel petitioner's pleaded registration on the grounds of "non-use - abandonment" (Count 1) and trademark misuse (Count 2).

On December 4, 2010, petitioner filed its answer to the counterclaim as well as a motion to dismiss Count 2 of the counterclaim and to strike certain affirmative defenses. The motion is fully briefed.

By its motion, petitioner argues that Count 2 of respondent's counterclaim alleging trademark misuse should be dismissed because "an involuntarily dissolved legal status ... does not support a legally cognizable claim for trademark misuse." *Motion to Dismiss* p. 4. Petitioner further argues that to the extent that respondent's "affirmative defenses" are based on the "technicality" that petitioner was "administratively dissolved" for "a period of time ... for failing to timely file it [sic] annual reports and dues with the Massachusetts Commonwealth," they should be stricken since "the administrative technicality has been corrected and the Petitioner is no longer listed as administratively dissolved." *Id.*, pp. 4-5. Additionally, petitioner argues that they "fail

³ For COOLPAD in typed form for "computer stands specifically designed for holding a computer" in International Class 9 with an asserted date of first use anywhere and in commerce of July 16, 1997. Registered on April 23, 2002, and combined Section 8 & 15 affidavit filed March 2, 2008.

to meet the requirements of a properly pled Affirmative Defense" and argues various deficiencies.

Decision

On a motion to dismiss under Fed. R. Civ. P. 12(b)(6), the Board set out the applicable standard in *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007):

In order to withstand a motion to dismiss for failure to state a claim, a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceedings, and (2) a valid ground exists for opposing the mark. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations which, if proved, would entitle plaintiff to the relief, sought. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Kelly Services Inc. v. Greene's Temporaries Inc.*, 25 USPQ2d 1460 (TTAB 1992); and TBMP § 503.02 (2d. ed. rev. 2004). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993); see also 5A Wright & Miller, *Federal Practice And Procedure: Civil 2d* §1357 (1990). ... The purpose of a Rule 12(b)(6) motion is to challenge "the legal theory of the complaint, not the sufficiency of any evidence that might be adduced" and "to eliminate actions that are fatally flawed in their legal premises and destined to fail ..." *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993).

Cancellation No. 92053066

See also, *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998).

First, there is no issue concerning respondent's standing to raise a counterclaim against petitioner as respondent's standing flows from its position as the defendant in this matter. See *Aries Systems Corp. v. World Book Inc.*, 26 USPQ2d 1926, 1930 n.12 (TTAB 1993).

Turning then to Count 2 of the counterclaim and the various affirmative defenses raised by respondent, they are premised on respondent's assertion that petitioner "was involuntarily dissolved by Court Order and by the Massachusetts Secretary of the Commonwealth, Corporations Division on April 30, 2009," for failing to file its annual reports and, as such, petitioner "has no present legal entity or juridical status, citizenship, personage, or standing in this proceeding." *Counterclaim*, paras. 3-4. While petitioner may have been "involuntarily dissolved" at the time respondent filed its answer and counterclaim on November 4, 2010, such was no longer the case as of November 12, 2010, when petitioner was revived and issued a certificate of good standing by the Secretary of the Commonwealth of Massachusetts.⁴

⁴ Pursuant to Fed. R. Evid. 201, we take judicial notice of petitioner's certificate of good standing. See, e.g., *Ferron v. Metareward, Inc.*, 698 F. Supp. 2d 992 (S.D. Oh. 2010) (certificate of good standing considered as part of Rule 12(b)(6) analysis); *U.S. Land Res. LP v. JDI Realty, LLC*, 2009 WL 2488316 (D.N.J. 2009); *In re Plastic Cutlery Antitrust Litigation*, slip op., 1998 WL 314655 (E.D. Pa. 1998).

Chapter 155 Section 56 of the Massachusetts General Laws states as follows:

Section 56. If the secretary finds that a corporation has been dissolved subject to the provisions of this section by act of the general court or under the provisions of section fifty A and that such corporation ought to be revived for all purposes or for any specified purpose or purposes with or without limitation of time, he may, not later than five years after the effective date of said act or after the date of the court decree dissolving such corporation under authority of said section fifty A, as the case may be, upon application by an interested party, file in his office a certificate, in such form as he may prescribe, reviving such corporation as aforesaid; ... The secretary may subject the revival of such corporation to such terms and conditions, including the payment of reasonable fees, as in his judgment the public interest may require. Upon the filing of a certificate reviving a corporation for all purposes, said corporation shall stand revived with the same powers, duties and obligations **as if it had not been dissolved**, except as otherwise provided in said certificate; and all acts and proceedings of its officers, directors and stockholders or members, acting or purporting to act as such, **which would have been legal and valid but for such dissolution, shall, except as aforesaid, stand ratified and confirmed.**

(emphasis added).

Under this statute, it is clear that a revived Massachusetts corporation can bring and maintain an action after dissolution but prior to revival. See also *Stock Pot Restaurant, Inc. v. Stockpot, Inc.*, 222 USPQ 665, 668 (Fed. Cir. 1984) (under Massachusetts law, a revived corporation can maintain an action begun after dissolution but prior to revival). Respondent's assertions to the contrary and its

reliance on *Paradise Creations, Inc. v. UV Sales, Inc.*, 65 USPQ2d 1293 (Fed. Cir. 2003) are not well-taken. *Paradise Creations* concerned standing to invoke a district court's jurisdiction under Article III of the Constitution. Insofar as the Board is not an Article III body, we do not find *Paradise Creations* or respondent's arguments concerning Article III jurisdiction applicable. See *Corporacion Habanos, S.A. v. Anncas, Inc.*, 88 USPQ2d 1785 (TTAB 2008) (standing in a Board proceeding distinguished from federal court Article III standing).

Since respondent's claim of trademark misuse relies wholly on the theory that petitioner was involuntarily dissolved, that claim is no longer legally tenable in light of petitioner's revival under Massachusetts law. Accordingly, petitioner's motion to dismiss Count 2 of the counterclaim is **GRANTED**.

By the same token, we note that Count 1 of respondent's counterclaim appears to also rest on respondent's theory of dissolution, i.e., that since May 1, 2009 (the day after petitioner was involuntarily dissolved on April 30, 2009), and continuing through the present, petitioner has not used its mark in commerce in connection with any goods or services because petitioner was "legally unable to conduct any business other than the winding up and liquidating of its affairs" and, therefore, petitioner has abandoned its mark. *Response to*

Motion, p. 6. Although Count 1 has not been challenged by petitioner in its motion to dismiss, because Count 1 also relies on petitioner's dissolution, we do not see it as a tenable claim. Accordingly, we **DISMISS** Count 1 of respondent's counterclaim but give respondent leave to file an amended counterclaim of "non-use - abandonment" (if appropriate) by **June 25, 2011**.

We turn, then, to petitioner's motion to strike a majority of respondent's fifteen "affirmative defenses." As the issue of dissolution has been central to respondent's answer, counterclaims and affirmative defenses, we consider each "defense" in turn.

Affirmative Defense No. 1: (petition fails to state a claim upon which relief can be granted)
Although respondent asserts in its response to the motion that this defense "is based, in part upon the fact that the Petitioner lacked Article [III] standing to bring this action," this defense cannot stand on a theory of dissolution in view of petitioner's revival and good standing. Accordingly, this "defense" is **STRICKEN**.

Affirmative Defense No. 2: (petitioner lacks standing because it has been administratively dissolved)
For the reasons stated in Affirmative Defense No. 1, this "defense" is **STRICKEN**.

Affirmative Defense No. 3: (abandonment)
Respondent has not pled any facts in support thereof. Therefore, this "defense" is **STRICKEN**. We further add that we do not recognize petitioner's prior dissolution as a basis for this "defense."

Affirmative Defense No. 4: (petitioner does not own any trademark rights in the asserted mark)
Respondent has not pled any facts in support thereof. Therefore, this "defense" is **STRICKEN**. We

further add that we do not recognize petitioner's prior dissolution as a basis for this "defense."

Affirmative Defense No. 5: (laches)

Laches requires a showing of (1) unreasonable delay resulting in (2) material prejudice. Respondent has not pled any facts in support thereof. Therefore, this defense is **STRICKEN**.

Affirmative Defense No. 6: (estoppel)

Respondent has not pled any facts in support thereof. Therefore, this defense is **STRICKEN**.

Affirmative Defense No. 7: (acquiescence)

This defense requires a showing of active consent. Respondent has not pled any facts in support thereof. Therefore, this defense is **STRICKEN**.

Affirmative Defense No. 8: (petitioner's alleged use is not use in commerce)

Respondent has not pled any facts in support thereof. Further, to the extent that this "defense" is based on petitioner's dissolution, it is inapplicable. Therefore, this "defense" is **STRICKEN**.

Affirmative Defense No. 9: (unclean hands)

Respondent has not pled any facts in support thereof. Therefore, this defense is **STRICKEN**. We further add that we do not recognize petitioner's prior dissolution as a basis for this defense.

Affirmative Defense No. 10: (pleaded registration is void, invalid and/or void ab initio)

This is not an affirmative defense. An attack against the validity of a pleaded registration must be made by way of a counterclaim or a separate petition to cancel the registration. In view thereof, this "defense" is **STRICKEN**.

Affirmative Defense No. 11: (trademark misuse)

For the reasons stated in dismissing respondent's counterclaim, we do not recognize petitioner's prior dissolution as a basis for this "defense." In view thereof, this "defense" is **STRICKEN**.

Affirmative Defense Nos. 12 through 15 technically are not affirmative defenses within the meaning of Fed. R. Civ. P.

8(c). Rather, they are merely amplifications of respondent's denials of petitioner's likelihood of confusion claim. As such, we see no reason to strike them as they serve to inform petitioner of respondent's position with greater particularity. Therefore, we decline to strike Affirmative Defense Nos. 12 through 15.

Proceedings are **SUSPENDED until June 25, 2011**, pending respondent's filing, if any, of an amended counterclaim of "non-use - abandonment." An appropriate schedule will be entered into this proceeding upon resumption including petitioner's time to answer, if necessary.

* * *