

ESTTA Tracking number: **ESTTA416661**

Filing date: **06/28/2011**

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

Proceeding	92053547
Party	Plaintiff VER Sales, Inc.
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Date	06/28/2011
Attachments	VER Opposition to Motion to Dismiss.pdf ( 7 pages )(38776 bytes )

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

In the matter of Trademark Registration Number 3,025,887  
For the Mark: **VER**  
Registered on December 15, 2005

VER SALES, INC.

Petitioner;

v.

FULL THROTTLE FILMS, INC.

Registrant.

Cancellation No.: 92053547

Registration No. 3,025,887

Mark: VER

Registered: December 15, 2005

**Petitioner's Opposition to Registrant's Motion to Dismiss**

In response to the Motion to Dismiss (hereinafter the "Motion") filed by Full Throttle Films, Inc. (hereinafter "Registrant"), VER Sales, Inc. (hereinafter "Petitioner") submits its Opposition of the Registrant's Motion to Dismiss. Petitioner alleges herein that the First Amended Petition for Cancellation (the "Petition"), as filed, pleaded facts so as to state claims upon which relief may be granted. Registrant's Motion to Dismiss overlooks significant elements of Petitioner's pleadings and also misstates well founded relevant precedent.

**Factual Background**

Petitioner has used the VER mark and the VER and DESIGN mark (collectively hereinafter "Petitioner's Mark") since as early as 1972 in connection with wholesale, rental, retail and online retail store services featuring safety, construction, theatrical, mountain climbing, hardware, entertainment and specialty equipment and supplies; custom manufacture of safety, construction, hardware, entertainment and specialty equipment and supplies. Petitioner filed

applications to register the VER Marks on November 29, 2010 and the applications were assigned Serial Nos. 85/186,727 and 85/188,635, respectively.

Petitioner filed a Petition for Cancellation seeking cancellation of the registration for the VER mark (hereinafter “Registrant’s Mark”) owned by Registrant, Reg. No. 3,025,887 (hereinafter “Registrant’s Registration”).

### **Argument**

#### **Petitioner’s Petition Should Withstand a Motion to Dismiss**

A cancellation petitioner, in order to withstand a Fed. R. Civ. P. 12(b)(6) motion to dismiss for failure to state a claim, need only establish that it (i) has standing to maintain the cancellation and (ii) a valid basis for the cancellation exists. *See e.g. Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). Further, in the context of a Rule 12(b)(6) motion to dismiss, all of the petitioner’s well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to petitioner. *See Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993). Only those cancellations that are ‘fatally flawed...and destined to fail’ should be subject to dismissal. *Advanced Cardiovascular Systems*, 26 USPQ2d at 1041.

Petitioner has established that it has a direct interest in the ongoing registration of Registrant’s Mark and that it is being damaged by the existence of Registrant’s Registration based on the instances of actual consumer confusion associated with Registrant’s use of Registrant’s Mark. Petition ¶ 15-18.

Petitioner has also established that there are valid bases for the cancellation to exist, including, inter alia, Registrant’s fraud (Petition ¶ 34) and Registrant’s misrepresentation of source (Petition ¶ 24).

Taking the facts as pled by Petitioner, in their most favorable light, and consistent with the allegations, Petitioner has met the standard for withstanding a motion to dismiss.

**Petitioner Pleaded Fraud Claim with Particularity**

Registrant's claim that Petitioner did not plead its fraud claim with particularity is without merit and ignores Board precedent. A specific allegation that a registrant made a false, material misrepresentation in procuring a trademark registration with the intent to defraud the Trademark Office is sufficient to support a claim of fraud. *Meckatzer Löwenbräu Benedikt Weiß KG v. White Gold, LLC*, 95 USPQ2d 1185 (TTAB 2010).

In the Petition, Petition included the following averments:

- Registrant knowingly made a material representation to the Trademark Office to procure a registration for Registrant's VER mark. Petition ¶ 40;
- Registrant intended to deceive the Trademark Office. Petition ¶ 41; and
- The Trademark Office relied on the representations when issuing a registration for Registrant's VER mark. Petition ¶ 42.

These allegations are sufficiently specific to meet the requirements under Fed. R. Civ. P. 9(b) and to allow the Board to infer the Registrant's state of mind. *Id.*

Registrant claims that Petitioner's fraud allegations are based solely on information or belief. This is an inaccurate and misleading summation of the Petition. Paragraph 34 of the Petition does not claim to be based on information or belief. Nor does Paragraph 35, or Paragraphs 36, 38, 39, 40, 41, 42, 43 and 44. In fact, Petitioner supports its allegation of fraud with particular facts – that Registrant had attended the same trade shows as Petitioner and had discussed Petitioner's brand with Petitioner. And that thereafter, Registrant filed an application to register Registrant's Mark, in spite of such knowledge. Petition ¶ 36. It is difficult to

reconcile Petitioner's pleadings with Registrant's statement that "[the pleadings] are unsupported by any statement of facts providing the information upon which Petitioner relies...Petitioner fails to provide any known information giving rise to petitioner's stated belief". Motion Page 8.

Petitioner clearly does include known information to support its claim.

Petitioner pleaded the explicit circumstances constituting fraud by including a statement of the facts surrounding Registrant's knowledge of Petitioner's Mark. The Petition included a specific recitation of the factual basis giving rise to the claim of fraud as required by the Board. See e.g. *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981).

#### **Petitioner Pleaded Misrepresentation of Source Claim Sufficiently**

Again, Registrant's Motion overlooks pages of Petitioner's pleadings. Registrant's Motion states that "Petitioner's only allegation with regard to misrepresentation of source is found in paragraph 34[sic]<sup>1</sup> of the Amended Petition...". Motion Page 6. Registrant conveniently disregards Paragraphs 25 through 33, inclusive, of the Petition, all of which support and provide factual bases for the claim of misrepresentation of source. Additionally, previous paragraphs of the Petition include factual averments related to the claim.

Petitioner's appropriate claim of misrepresentation, and the facts pleaded in the Petition, are supported by the very case law relied on by Registrant in the Motion. Petitioner's allegations, if accepted as true, show that Registrant deliberately misrepresents that its services originate from Petitioner. Petitioner regularly receives payments from Registrant's customers, in connection with services provided by Registrant. Petition ¶ 17. Registrant has not taken any action to inform or advise its customers as to its true identity. Petition ¶ 17 and 30. In fact, Registrant has taken advantage of consumer confusion and expanded its services to more closely

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<sup>1</sup> Registrant presumably refers to paragraph 24 of the Amended Petition.

mimic Petitioner's services. Petition ¶ 22. All of these factual allegations contribute to a claim upon which relief may be granted, as they show Registrant's "deliberate misrepresentation of the source of its products, 'blatant misuse' of the mark, or conduct amounting to the deliberate passing-off of [Registrant's services]." *Otto International, Inc. v. Otto Kern GMBH*, 83 USPQ2d 1861, 1864, 2007 WL 1577524 (TTAB 2007).

As Registrant cites, "[a] cancellation claim for misrepresentation under §14(3) requires a pleading that registrant deliberately sought to pass off its goods as those of the petitioner." *McCarthy, J. Thomas, 3 McCarthy on Trademarks and Unfair Competition*, § 20:60 (4<sup>th</sup> ed. 2007). Taking the facts pleaded in the Petition as true, as required in the context of a motion to dismiss, Registrant must be deliberately seeking to pass off its own services as Petitioner's. Why else would Registrant allow Petition to continue to receive payment for Registrant's services?

Petitioner has alleged a misrepresentation of source by making more than a bald allegation. Petitioner has properly identified the bases for its claim and Registrant has fair notice of the foundation of Petitioner's claim. *Id.* Petitioner has identified specific acts or conduct of Registrant, all of which are aimed at deceiving the consuming public as to the source of Registrant's services. *Id.* Such specific acts or conduct include Registrant's revision of its mark from VIDEO EQUIPMENT RENTAL and/or VER VIDEO EQUIPMENT RENTAL to VER on its own, to capitalize on Petitioner's goodwill (Petition ¶ 21), Registrant's expansion of its services to better serve confused consumers (Petition ¶ 22), Registrant's failure to mitigate actual confusion (Petition ¶ 24) and, most worrisome, Registrant's failure to take action regarding misdirected payments (Petition ¶ 30).

The facts pleaded by Petitioner are similar to the facts in *The E.E. Dickinson Co. v. The T.N. Dickinson Company*, where the Board decided that the petitioner had properly pleaded

misrepresentation. *The E.E. Dickinson Co. v. The T.N. Dickinson Company*, 221 USPQ 713 (TTAB 703). There, the petitioner submitted facts related to the registrant's use its mark to imitate the petitioner's mark. The Board held that the petitioner had stated a claim upon which relief could be granted and should be granted the opportunity to demonstrate how that registrant used its mark to misrepresent the source of the goods. In the instant matter, Petitioner has pleaded facts regarding Registrant's use of Registrant's Mark to create an association with Petition. Petition ¶ 21. The Board should grant Petitioner the opportunity to demonstrate how Registrant's use of Registrant's Mark is being used as a colorable imitation of Petitioner's Mark and in connection with Registrant's deliberate passing off of Registrant's services.

### **Conclusion**

Petitioner has standing to seek cancellation of Registrant's Registration and the Petition avers acceptable bases for cancellation. Petitioner has pleaded its claim for fraud with sufficient specificity, including factual support for its claim. Petitioner's claim of misrepresentation of source includes allegations of fact related to Registrant's actions and conduct.

Registrant's Motion blatantly ignores the factual bases for Petitioner's claims. When the case law presented is reviewed in the context of the Petition, not just those sections that Registrant chose to reference, precedent supports denying the instant Motion.

### **Petitioner's Request to Reserve Right to Amend Pleadings**

Although no amended pleading is submitted in response to the instant Motion to Dismiss, Petition requests that, should the Board find that the petition for cancellation fails to state a claim upon which relief can be granted, the Board will grant Petitioner time to file an amended pleading. In the past, the Board has often granted a petitioner time to amend the pleading, especially when the deficiency may be corrected by amendment of the pleading. *See e.g. Fiat*

