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

Proceeding	92053622
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Date	06/30/2011
Attachments	MOTION TO DISMISS BRIEF (FINAL) (F0820156).PDF (13 pages)(665117 bytes)

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

In the matter of Registration No. 3,059,241
Mark: J5

UMG RECORDINGS, INC., Petitioner, - against - SIGGY MUSIC, INC., Registrant.	Cancellation No. 92053622

MOTION TO DISMISS REGISTRANT'S COUNTERCLAIM FOR FRAUD

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Petitioner, UMG Recordings, Inc. ("Petitioner") by its attorneys, Fross Zelnick Lehrman & Zissu, P.C., hereby moves under Trademark Rule of Practice 2.127, Fed. R. Civ. P. 12(b)(6), and Trademark Trial and Appeal Board Manual of Procedure ("TBMP") § 503 to dismiss the fraud-based counterclaim to cancel Petitioner's Registration No. 2,881,064 for JACKSON 5 ("Petitioner's Registration") filed by Registrant Siggy Music, Inc. ("Registrant") on the grounds that such counterclaim fails to state a claim upon which relief can be granted.

INTRODUCTION

As shown below, Registrant's fraud counterclaim fails to state a claim upon which relief can be granted for a number of independent reasons. *First*, Registrant's fraud claim is insufficiently pleaded under Fed. R. Civ. P. 9(b), as it is based entirely on unsupported and unspecific allegations made "upon information and belief." *Second*, Registrant's allegations that the first use date of the mark reflected in Petitioner's Registration occurred in either December 1998 or October 1969 fail to give rise to a fraud claim (or support cancellation) as a matter of law, since both dates fall well before the August 2003 filing date of the application that matured into Petitioner's Registration. *Finally*, Registrant's allegation that Petitioner fraudulently misrepresented its ownership of the now-expired Registration No. 965,809 for JACKSON 5 during the prosecution of Petitioner's Registration is not a well-pleaded allegation, since it is plainly disproved by publicly-available USPTO records. Accordingly, Petitioner respectfully requests that the Board dismiss Registrant's fraud counterclaim *in toto*.

STATEMENT OF FACTS AND PROCEDURAL HISTORY

Petitioner filed its Petition to Cancel on February 11, 2011, seeking cancellation of Registrant's Registration No. 3,059,241 for J5 for clothing in International Class 25. As grounds for the cancellation, Petitioner alleged, *inter alia*, that Registrant's continued registration of the J5 mark would be likely to cause confusion with and dilute Petitioner's prior-used JACKSON 5,

JACKSON FIVE, JACKSON 5IVE, and J5 marks for musical sound recordings and related goods and services. (Petition at ¶¶ 1, 17-19.) In addition, Petitioner alleged that the continued registration of Registrant's J5 mark was inconsistent with Petitioner's Registration for JACKSON 5 for musical sound recordings in International Class 9. (Petition at ¶¶ 2, 17-19.)

On May 26, 2011, Registrant answered the Petition to Cancel, and at the same time filed a counterclaim seeking to cancel Petitioner's Registration for JACKSON 5 on the ground that the registration had purportedly been "obtained fraudulently" by Petitioner. (Counterclaim at ¶¶ 46-53.) Registrant's fraud counterclaim rests on two sets of allegations:

- *First*, Registrant alleges that "in the formal application papers filed by Petitioner's attorney of record [relating to Petitioner's Registration], it was stated that 'the trademark was first used in connection with the identified goods at least as early as April 30, 1969, and was first used on the identified goods in interstate commerce at least as early as April 30, 1969.'" (Counterclaim at ¶ 46.) Registrant further alleges that these statements were "false" because "*[u]pon information and belief*, Petitioner [did] not use[] the mark JACKSON 5 in connection with the identified goods until December 1998 at the earliest." (*See* Counterclaim at ¶ 47(b), (d)) (emphasis added). These "upon information and belief" allegations do not reference a single fact or piece of "information" upon which Registrant's "belief" is founded.

- *Second,* Registrant alleges that Petitioner's Registration was fraudulently obtained because, in "the formal application papers, as amended [by a USPTO Examining Attorney] by authority granted by Petitioner's attorney of record on March 1, 2004, it was stated that '[Petitioner] is the owner of U.S. Registration No. 965,809," which is the mark JACKSON 5 for "entertainment services rendered by a vocal group" in International Class 41. (Counterclaim at ¶ 50; Answer at ¶ 34.) Registrant claims that Petitioner's statement to the Examining Attorney on March 1, 2004 that Petitioner was the owner of Registration No. 965,809 was "false" because

"*upon information and belief*, Motown Record Company, L.P. was the owner of record of U.S. Registration No. 965,809 on March 1, 2004 . . . ." (Counterclaim at ¶ 51) (emphasis added). This "upon information and belief" allegation does not refer to a single fact or piece of "information" upon which Registrant's "belief" is founded.

APPLICABLE LEGAL STANDARD

Fraud in procuring a trademark registration only occurs when an applicant for a registration knowingly makes specific false, material representations of fact in connection with an application to register with the intent of obtaining or maintaining a registration to which it is otherwise not entitled. *See In re Bose Corp.*, 91 U.S.P.Q.2d 1938, 1941 (Fed. Cir. 2009). As the Board has explained, the burden of pleading and proving fraud is extremely high: "[T]he very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party." *Smith Int'l, Inc. v. Olin Corp.*, 209 U.S.P.Q. 1033, 1044 (T.T.A.B. 1981).

Accordingly, when petitioning to cancel a registration on the grounds of fraud, "a petitioner must allege the elements of fraud *with particularity* in accordance with Fed. R. Civ. P. 9(b)." *Asian and W. Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478, 1478 (T.T.A.B. 2009) (emphasis added). For this reason, "[p]leadings of fraud made 'on information and belief,' when there is no allegation of specific facts upon which the belief is reasonably based, are insufficient." *Id.* at 1479. Thus, under established Board precedent, "to satisfy Rule 9(b), any allegations based on 'information and belief' *must be accompanied* by a *statement of facts* upon which the belief is founded." *Id.* (emphasis added). In other words, a petitioner must plead a "statement of facts providing the 'information' upon which petitioner relies for the 'belief' upon which the allegation is founded." *Id.*

As the Board has explained, this heightened pleading standard for fraud claims serves the salutary purposes of "providing notice, weeding out baseless claims, preventing fishing expeditions and fraud actions in which all facts are learned after discovery, and serving the goals of Rule 11." *Asian and W. Classics B.V.*, 92 U.S.P.Q.2d at 1479 (citing 5A Wright & Miller, FEDERAL PRACTICE AND PROCEDURE § 1296 n.11 (2004)).

ARGUMENT

As shown below, Registrant's counterclaim fails to state a claim upon which relief can be granted for two independent reasons. *First*, Registrant's fraud claim is insufficiently pleaded under Rule 9(b), as it is based entirely on unsupported allegations brought "upon information and belief." *Second*, even if the fraud counterclaim did not suffer from defective pleading, the allegations put forth by Registrant do not, either as a matter of law or incontrovertible fact, state a claim for fraud. As such, Registrant's counterclaim must be dismissed *in toto*.

I. THE COUNTERCLAIM FOR FRAUD SHOULD BE DISMISSED BECAUSE IT IS BASED ON UNSUPPORTED "INFORMATION AND BELIEF" ALLEGATIONS

Registrant has failed to state a claim for fraud under Fed. R. Civ. P. 12(b)(6) and 9(b) because its allegations of "false" statements are based entirely on unsupported "information and belief" allegations.

A. The Allegations of a "False" Date of First Use Statement Are Insufficiently Pleaded

As explained above, Registrant claims that Petitioner fraudulently obtained Petitioner's Registration by falsely claiming in its application materials a first use date "as early as April 30, 1969." (Counterclaim at ¶¶ 46-47.) Registrant alleges that "*upon information and belief*," Petitioner "had not used the mark JACKSON 5 . . . as early as April 30, 1969," but rather, "*upon information and belief*," Petitioner did not first use the JACKSON 5 mark "until December 1998 at the earliest." (*Id.* at ¶¶ 47(a)-(d)) (emphases added).

There is not a *single fact* provided to support Registrant's "information and belief." Registrant does not provide any fact supporting why it believes Petitioner did not first use the JACKSON 5 mark as early as April 30, 1969, much less provide any information upon which it relies to support this "belief." Likewise, Registrant does not provide any fact supporting why it believes Petitioner first used the JACKSON 5 mark in December 1998, much less provide any information upon which it relies to support this "belief." Nor does Registrant provide any facts or information to support the notion that Petitioner's attorney of record knew that Petitioner's first use date was December 1998, as opposed to April 1969. *See Bose Corp.*, 91 U.S.P.Q.2d at 1941 (fraud requires knowledge of the falsity of the statement, as well as a specific intent to deceive the USPTO). As such, these allegations are simply bald conclusions devoid of the requisite factual information. Under black-letter law, these "information and belief" allegations—devoid of any "specific facts upon which the belief is reasonably based"—are "insufficient" under Fed. R. Civ. P. 9(b). *Asian and W. Classics B.V.*, 92 U.S.P.Q.2d at 1479. The counterclaim for fraud based on these allegations should be dismissed.

B. <u>The Allegation of a "False" Ownership Statement by Petitioner Is Insufficiently Pleaded</u>

Likewise factually deficient is Registrant's allegation that Petitioner lied to an Examining Attorney on March 1, 2004 when it told the Examining Attorney that "Petitioner [was] the owner of U.S. Registration No. 965,809." (Counterclaim at ¶ 50.) Registrant alleges that "*upon information and belief*, Motown Record Company, L.P. was the owner of record of U.S. Registration No. 965,809 on March 1, 2004 . . . ." (Counterclaim at ¶ 51.)

Registrant does not provide a *single fact* supporting why it believes Motown Record Company, L.P. was the owner of record of Registration No. 965,809 on March 1, 2004, much less provide any information upon which it relies to support this "belief" (such as a printout of

the trademark assignment abstract of title for Registration No. 965,809.) That is because, as shown below, *there are no such facts or evidence* to support this "belief." (*See infra* pp. 7-9).

Regardless, because the allegations concerning this alleged "false" statement are insufficiently pleaded under Rule 9(b), the fraud counterclaim based on these allegations should be dismissed.

II. EVEN IF THE FRAUD ALLEGATIONS WERE PROPERLY PLEADED, THE ALLEGATIONS WOULD NOT STATE A CLAIM FOR FRAUD

In addition to the factually-deficient pleading, there is another, independent reason to dismiss Registrant's counterclaim. Even if all the fraud allegations were properly pleaded, such allegations—as a matter of law and fact—would not constitute fraud. Nor would such allegations support any other basis for cancelling Petitioner's Registration.

A. Providing a Purportedly "False" Date of First Use *Cannot* Be Fraud So Long As the Mark Is In Use at the Time the Application Is Filed

Even if Registrant's allegations that Petitioner provided an erroneous first use date were sufficiently pleaded and assumed true, it is black letter law that such conduct *cannot* (as a matter of law) constitute fraud so long as the mark was in use at the time the application was filed.

"The Board repeatedly has held that the fact that a party has set forth an erroneous date of first use does not constitute fraud unless, *inter alia*, there was no valid use of the mark until after the filing of the application." *W. Worldwide Enters. Grp., Inc. v. Qinqdao Brewery*, 17 U.S.P.Q.2d 1137, 1141 (T.T.A.B. 1990); *see also Slaska Wytwornia Wodek Gatunkowtch "Polmos" SA v. Stawski Dist. Co., Inc.*, Cancellation No. 92044806, Slip Op. at p. 12; 2010 WL 3164751, at *5 (T.T.A.B. July 27, 2010) ("If a mark is in use at the time an application is filed, a claim of first use, *even if false, is not fraud.*") (citing *W. Worldwide*, 17 U.S.P.Q. 2d at 1141) (emphasis added). This is because "[t]he Examining Attorney gives no consideration to alleged dates of first use in determining whether conflicting marks should be published for opposition."

Colt Indus. Operating Corp. v. Olivetti Controllo Numerico S.p.A., 221 U.S.P.Q. 73, 76 (T.T.A.B. 1983). Thus, an erroneous first use date contained in an application involving a mark that is being used is not "material"—and cannot be fraud on the Board—because "an erroneous date of first use could not possibly result in the allowance of a registration which would not otherwise be allowed, as long as there was technical trademark use prior to filing the application." *Colt Indus.*, 221 U.S.P.Q. at 76.

Here, Registrant has not alleged (and cannot allege) that Petitioner's JACKSON 5 mark was not in use at the time Petitioner filed the application in August 2003, or that the mark had not been used prior to that time. (*See* Petition at Ex. 1 (TARR Printout for Petitioner's Registration listing application filing date of August 13, 2003).) Rather, Registrant's counterclaim alleges the exact opposite—claiming that Petitioner began using the JACKSON 5 mark in December 1998. (Counterclaim at ¶¶ 47(b), (d).)

Accordingly, because Registrant has not alleged that Petitioner was not using the JACKSON 5 mark at the time it filed the application for the mark in August 2003, Registrant's fraud claim based on the allegedly false first use date fails to state a claim for fraud as a matter of law and must be dismissed.[1]

B. The Allegation of a "False" Ownership Statement Is Refuted By USPTO Records

Registrant's fraud claim based on Petitioner's alleged false statements to a USPTO Examining Attorney concerning ownership of Registration No. 965,809 likewise fails. (Counterclaim ¶ 50.) The sole factual allegation in support of this claim is that "upon information and belief, Motown Record Company, L.P. was the *owner of record* for Registration

[1] This same rule of law makes irrelevant and immaterial Registrant's (apparently inconsistent) allegation in ¶ 47(e) of its Counterclaim that Petitioner's predecessor-in-interest first used the JACKSON 5 mark in October 1969, as opposed to April 1969. Under either date alleged by Registrant, the mark was used prior to the August 2003 application filing date and, thus, there can be no fraud as a matter of law.

No. 965,809 on March 1, 2004" through the expiration of this registration on May 8, 2004.[2] (*Id.* at ¶ 51 (emphasis added); Answer at ¶ 34.) Putting aside the deficient nature of this "upon information and belief" allegation, publicly-available, official records of the USPTO that are properly considered on this motion to dismiss *disprove* Registrant's allegations.

Specifically, the publicly-available USPTO Assignment Database demonstrates that Petitioner *was* the owner of record of Registration No. 965,809 at all times relevant to this motion. According to the Trademark Assignment Abstract of Title for Registration No. 965,809, on May 21, 2003—nearly a year before the March 1, 2004 Examiner's Amendment—an assignment of Registration No. 965,809 *to Petitioner* was recorded with the USPTO at Reel/Frame 2737/0324. (Jones Decl. ¶ 3, **Ex. B**.) Moreover, the official assignment documents located at Reel/Frame 2737/0324-2737/0326 unequivocally demonstrate that Registration No. 965,809 was assigned to Petitioner from Motown Record Company, L.P. on May 14, 2003—almost one year before Petitioner represented the same to the Examiner. (Jones Decl. ¶ 4, **Ex. C.**)[3] No assignments were filed for Registration No. 965,809 after May 21, 2003; thus, Petitioner remained the owner of record through the expiration of this registration.

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[2] The file for Petitioner's Registration No. 2,881,064—including the Examiner's Amendment of March 1, 2004—is automatically part of the record in this cancellation proceeding. *See Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 1356 (Fed. Cir. 2009) ("The entire registration file—including any evidence submitted by the applicant during prosecution—is part of the record in a cancellation '*without any action by the parties*.'") (quoting 37 C.F.R. § 2.122(b)(1)) (emphasis added). Accordingly, a copy of this Examiner's Amendment is attached at **Exhibit A** to the accompanying declaration of Jason D. Jones, Esq.

[3] The Trademark Assignment Abstract of Title for Registration No. 965,809 (as well as the official assignment documents referenced therein) are properly considered by the Board on a Rule 12(b)(6) motion to dismiss for a number of reasons. *First*, since Registrant alleges that USPTO records list someone other than Petitioner as the owner of record of Registration No. 965,809 on March 1, 2004, these assignment documents are "integral to the complaint" and it is thus appropriate for the Board to examine the publicly-available Abstract of Title and assignment documents to verify whether or not Office records corroborate (or contradict) this allegation. *See Roth v. Jennings*, 489 F.3d 499, 509 (2d Cir. 2007) (documents "integral to the complaint" may be considered, "even if not attached or incorporated by reference"). *Second*, it is beyond question that the Board may look to "Office records" in deciding a motion to dismiss under Rule 12(b)(6). *Compagnie Gervais Danone*, 89 U.S.P.Q.2d at 1256 (explaining that, in adjudicating a 12(b)(6) motion, the Board "will not take as true any allegations contradicting facts in Office records."). Accordingly, a true and correct copy of the Trademark Assignment Abstract of Title for Registration No. 965,809 printed from the USPTO website is attached as **Exhibit B** to the Jones Declaration and the

In sum, the owner *of record* is definitively determined by Office records and is not a fact subject to proof, even at this early juncture. *See, e.g.*, *Compagnie Gervais Danone v. Precision Formulations, L.L.C.,* 89 U.S.P.Q.2d 1251, 1256 (T.T.A.B. 2009) (facts such as the applicant's name, filing date, filing basis, priority date, publication date are not subject to proof). As explained in detail above, Petitioner was unquestionably the owner of record of Registration No. 965,809 on March 1, 2004 and, thus, Registrant has failed to allege any false statement by Petitioner and its fraud claim should be dismissed.

CONCLUSION

For the reasons set forth herein, Petitioner respectfully requests that the Board dismiss Registrant's counterclaim seeking cancellation of Petitioner's Registration. Petitioner further requests that this Proceeding be suspended during the pendency of this partially dispositive motion pursuant to Trademark Rule of Practice 2.117.

Dated: New York, New York
June 30, 2011

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

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related Assignment Record located at Reel/Frame 2737/0324-2737/0326 is attached as **Exhibit C** to the Jones Declaration.

CERTIFICATE OF SERVICE

I hereby certify that, on this 30th day of June 2011, a copy of the foregoing **MOTION TO DISMISS REGISTRANT'S COUNTERCLAIM** was sent by first class mail postage pre-paid, and by e-mail, to Registrant's counsel of record as follows:

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