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

mbm/gcp

Mailed: September 30, 2016

Cancellation No. 92055379

*Larry Reynolds aka L.J. Reynolds*

v.

*Sandra Banks*

**By the Trademark Trial and Appeal Board:**

This case now comes before the Board for consideration of (1) Respondent's motion (filed May 31, 2012) to dismiss Petitioner's amended petition to cancel for failure to state a claim of fraud and for failure to join an indispensable party, and (2) Respondent's motion (filed January 2, 2016) to dismiss due to a prior Michigan state court action, i.e., *Ford, Banks and Demps v. Howard and Wilkins*, Civ. No. 73-232-494 CZ, in the Circuit Court for the County of Wayne in Michigan State court in 1973 (the "1973 Michigan State Court Action").<sup>1</sup>

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<sup>1</sup> Respondent's January 2, 2016, motion to dismiss also included a request to suspend these proceedings pending a federal civil action and a probate action, as discussed *infra*.

Respondent's May 31, 2012, motion to dismiss is fully briefed<sup>2</sup>. Although Petitioner did not respond to Respondent's January 2, 2016, motion to dismiss this case in view of the 1973 Michigan State Court Action, the Board, in its discretion, will not treat the motion as conceded, but will entertain it on the merits for the reasons explained below.

### **Background**

Respondent is the owner of the registered mark THE DRAMATICS, in standard characters, for "audio and video recordings featuring music and artistic performances; Digital music downloadable from the Internet" in International Class 9 and "entertainment in the nature of live performances by a musical group" in International Class 41.<sup>3</sup>

By way of its amended petition to cancel filed on April 24, 2012, Petitioner seeks to cancel Respondent's THE DRAMATICS mark on the following grounds: (1) likelihood of confusion, and (2) fraud.<sup>4</sup>

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<sup>2</sup> The Board notes Petitioner filed a surreply to Respondent's reply brief on September 7, 2016, to which the Board has given no consideration. Pursuant to Trademark Rule 2.127(c), the non-moving party may file a brief in response to a motion and the moving party may file a reply brief, but "[t]he Board will consider no further papers in support of or in opposition to a motion."

<sup>3</sup> Registration No. 4107421, filed April 21, 2010, claiming January 1, 1969 as both the date of first use and the date of first use in commerce for both the International Class 9 goods and the International Class 42 services.

<sup>4</sup> In support of his asserted claims, the Board notes that Petitioner pleaded ownership of Registration No. 357289 for the mark THE DRAMATICS used in association with various clothing items. Because this registration has been canceled for failure to file a timely Section 8 affidavit, Petitioner may not rely on this now canceled registration in support of his grounds for cancellation.

On May 3, 2012, Respondent filed a motion to suspend this proceeding pending resolution of the civil action *Larry Reynolds, aka L.J. Reynolds v. Sandra Banks and John Does 1-10*, Civ. Action No. 12-cv-11664, in the Eastern District of Michigan (the “Michigan Federal Civil Action”). On May 31, 2012, Respondent filed a motion to dismiss Petitioner’s amended petition to cancel on the grounds that (1) petitioner failed to state a claim for fraud and (2) petitioner failed to join indispensable parties. The Board granted Respondent’s May 3, 2012, motion to suspend for civil proceedings and deferred consideration of Respondent’s May 31, 2012, motion to dismiss.

On January 2, 2016, while proceedings were still suspended, Respondent filed a combined motion (i) to dismiss due to the 1973 Michigan State Court Action, and (ii) to suspend pending this proceeding pending resolution of Michigan Federal Court Action, as well as a probate matter involving her late husband’s estate. On March 24, 2016, Petitioner filed a motion to resume the proceedings after the Michigan Federal District Court Action was administratively closed.

On April 7, 2016, Respondent moved to suspend the proceedings pending settlement negotiations, allegedly with the consent of Petitioner. Petitioner opposed Respondent’s “consented” motion to suspend for settlement negotiations and Respondent’s motion to dismiss, arguing that the proceedings should resume because the THE DRAMATICS mark was not at issue in the

probate proceeding and because the Michigan Federal Civil Action had been administratively closed.

On August 1, 2016, the Board issued an order:

- (1) denying Respondent's motion to suspend or dismiss the proceedings based on the probate action;
- (2) denying Respondent's motion to suspend the proceedings for settlement negotiations;
- (3) granting Petitioner's motion to resume the proceedings to the extent Petitioner was granted until August 21, 2016 to file and serve a response to Respondent's May 31, 2012 motion to dismiss; and
- (4) deferring consideration of Respondent's January 2, 2016 motion to dismiss the proceedings in light of the 1973 Civil Action until Respondent filed a copy of the court's decision in the 1973 Civil Action and a copy of the affidavit of Don Davis, as referenced in Respondent's January 2, 2016 motion to dismiss.

On August 16, 2016, Respondent filed a response to the Board's August 1, 2016, order attaching a copy of the court's decision in the 1973 Civil Action and a copy of the affidavit of Don Davis. On August 17, 2016, Petitioner filed a response to Respondent's May 31, 2012, motion to dismiss. Respondent filed a reply on August 31, 2016.

**Respondent's Motions to Dismiss**

To survive a motion to dismiss, “a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 663, 129 S.Ct. 1937, 1949 (2009), (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570, 127 S. Ct. 1955, 1974 (2007)). A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw a reasonable inference that the defendant is liable for the misconduct alleged. *See Twombly*, 550 U.S. at 556-557. However, the plausibility standard does not require that a plaintiff set forth detailed factual allegations. *Id.* Rather, a plaintiff need only allege “enough factual matter ... to suggest that [a claim is plausible]” and “raise a right to relief above the speculative level.” *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346, 1354 (Fed. Cir. 2010). Moreover, it is well established that whether a plaintiff can actually prove its allegations is not a matter to be determined upon motion to dismiss, but rather at final hearing or upon summary judgment, after the parties have had an opportunity to submit evidence. *See Libertyville Saddle Shop Inc. v. E. Jeffries & Sons, Ltd.*, 22 USPQ2d 1594, 1597 (TTAB 1992) (“A motion to dismiss does not involve a determination of the merits of the case...”).

For purposes of determining such motion, all of the plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. *See Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 1161, 26 USPQ2d 1038, 1041

(Fed. Cir. 1993). Dismissal for insufficiency is appropriate only if it appears certain that the plaintiff is entitled to no relief under any set of facts which could be proved in support of its claim. *See Stanspec Co. v. American Chain & Cable Company, Inc.*, 531 F.2d 563, 566, 189 USPQ 420, 422 (CCPA 1976).

The Board first turns to Respondent's May 31, 2012, motion to dismiss for failure to state a claim upon which relief may be granted and to dismiss for failing to join an indispensable party.

**A. Standing**

Although Respondent does not contest Petitioner's standing to bring this cancellation proceeding, the Board finds Petitioner's allegations regarding his standing are sufficiently pleaded.

**B. Fraud in Procuring a Trademark Registration**

To assert a viable claim of fraud, a party must allege with particularity, rather than by implied expression, that the defending party knowingly made a false, material representation in the procurement of, maintenance of, or renewal of a registration with the intent to deceive the USPTO. *See in re Bose Corp.*, 580 F.3d 1240, 1243, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009).

In support of his fraud claim, Petitioner has asserted the following:

“Registrant is and has been fully aware Petitioner is the owner of The Dramatics the Singing Group mark and has been performing under the name The Dramatics and conducting business through its entity name as The Dramatics and The Dramatics The Singing Group.” ¶ 15 of amended petition.

“Registrant is not and has never been a member of or associated with the singing group The Dramatics so as to use or claim ownership to the name or mark.” *Id.* at ¶ 16 of amended petition.

“Upon information and belief, no rights have been conferred, transferred to or passed down through an agreement by all of the remaining members to allow Registrant to own or use the name The Dramatics.” ¶ 19 of amended petition.

“Registrant does not have and has never had a first use right to claim the mark.” ¶ 21 of amended petition.

“Upon information and belief, Registrant fraudulently filed application for registration of the mark THE DRAMATICS on April 21, 2010.” ¶ 22 of amended petition.

“Upon information and belief, Petitioner allege[sic] that Registrant’s registration was obtained fraudulently in that in the formal application filed by Registrant makes claim to having a first use.” ¶ 23 of amended petition.

“Upon information and belief, Registrant did not first use THE DRAMATICS in music related activities as early as January 1, 1962 as Registrant has never been a member, partner, employee, or contractor (business, performer or otherwise) of The Dramatics.” ¶ 24 of amended petition.

“Upon information and belied[sic], Registrant made false statement[sic] with intent to induce and deceive authorized agents of the US Patent and Trademark Office to grant said registration which is a violation under Trademark Act, Section 2(a).” ¶ 25 of amended petition.

“Upon information and belief, Registrant’s statement as to ownership and use are intentionally false and as such were made false to the federal government pursuant to 18 U.S.C. 1001.” ¶ 26 of amended petition.

“Registrant[sic] intent is to purposely cause confusion between the two marks as to the similarity of the marks in relation to its appearance, sound, connotation, and commercial impression.” *Id.* at ¶ 27 of amended petition.

“Trademark registration should be cancelled for fraud because the registrant attached to her application a label which she ‘knew or should have known’ was not in use and which contained a mark Registrant knew or should have known were false. *Torres v. Cantine*, 808 F.2d 46, 1 USPQ2d 1483 Court of Appeals, Federal Circuit, 1986.” ¶ 28 of amended petition.

Petitioner’s claim for fraud fails to meet the heightened pleading requirement of Fed. R. Civ. P. 9(b). Pleadings of fraud that rest solely on allegations that the trademark applicant or registrant made material representations of fact in connection with its application or registration that it “knew or should have known,” see ¶ 28 of the amended petition, to be false or misleading are an insufficient pleading of fraud, because it implies mere negligence, which is not sufficient to infer fraud or dishonesty. *In re Bose*, 91 USPQ2d at 1940 (quoting *Symbol Techs., Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1582 (Fed. Cir. 1991)); see also *Media Online Inc. v. El Casificado, Inc.*, 88 USPQ2d 1285, 1287 (TTAB 2008) (finding proposed amended pleading insufficient in part because the pleading lacked allegations of scienter); *Crown Wallcoverly Corp. v. The Wall Paper Mfrs. Ltd.*, 188 USPQ 141, 144 (TTAB 1975) (“[I]n order to state a claim upon which relief can be granted on the ground of fraud, it must be asserted that the false statements complained of were made willfully in bad faith with the intent to obtain that to which the party making the statements would not otherwise have been entitled.”).

Second, Petitioner’s claim of fraud is mostly based upon allegations made “on information and belief.” Under Fed. R. Civ. P. 9(b), any allegations of fraud based upon “information and belief” must “be accompanied by a statement of facts upon



which the belief is founded and a reason for the belief.” *See Exergen Corp.*, 575 F.3d at 1331 n.7 (quoting *Kowal v. MCI Commc’n Corp.*, 16 F.3d 1271, 1279 n.3 (D.C. Cir. 1994) (“[P]leadings on information and belief [under Rule 9(b)] require an allegation that the necessary information lies within the defendant’s control, and...such allegations must also be accompanied by a statement of the facts upon which the allegations are based.”)). Here, Petitioner has failed to provide the factual basis for each of his statements made “on information and belief.”

In view of the foregoing, the Board finds that Petitioner’s fraud claim was not properly pleaded and is insufficient to state a claim. At a minimum, Petitioner has failed to allege (1) Respondent’s intent to deceive or Respondent’s scienter with any particularity that is not solely based on allegations upon information and belief and (2) specific facts upon which Petitioner’s allegations “on information and belief” are reasonably based.

In view thereof, Respondent’s motion to dismiss is **GRANTED** to the extent that Petitioner’s claim of fraud is dismissed in its entirety.

The Board, however, freely grants leave to amend pleadings found to be insufficient upon challenge under Fed. R. Civ. P. 12(b)(6). Petitioner will be allowed additional time to file and serve a revised amended petition to cancel that properly states a claim of fraud pursuant to the guidelines set forth herein, failing which Petitioner’s fraud claim will be given no further consideration. As set forth below, these proceedings remain suspended pending Respondent’s response to this order, as discussed *infra*. Upon expiration of the suspension, the Board will set a

time for Petitioner to file and serve a revised amended petition to cancel and a time for Respondent to file and serve an answer or otherwise respond to the amended petition to cancel, if necessary and appropriate.

**C. Failure to Join Indispensable Parties**

By way of its May 31, 2012, motion to dismiss, Respondent also moved to dismiss these proceedings on the ground that Petitioner failed to join indispensable parties, namely, Willie Ford and the Estate of Ronald Banks.<sup>5</sup>

“[T]he fact that two or more parties may have an interest in a mark to be pleaded in a notice of opposition, or a petition for cancellation does not mean that each such party must be joined as opposer, or petitioner.” TBMP § 303.06 (2016). While joint filing is permissible, it is not required. *See id.*; *Avia Group International Inc. v. Faraut*, 25 USPQ2d 1625, 1627 (TTAB 1992) (denying motion to join petitioner’s parent as real party in interest because proceeding involved “what rights petitioner has in its pleaded marks vis-à-vis the defendant, not what right anyone else may have in it and denying motion to dismiss for failure to disclose parent company.”). In fact, the Board has held on at least one occasion that a requirement that all parties with an interest in a trademark be joined would be “contrary to the specific provisions of Sections 13 and 14 of the [Trademark Act] which provide that ‘any person’ who believes that he is or would be damaged by

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<sup>5</sup> It is unclear if Respondent contends that Willie Ford and the Estate of Ronald Banks, as individuals, are indispensable parties, or if The Dramatics, LLC is an indispensable party, of which Willie Ford and the Estate of Ronald Banks are members. It is also unclear if Respondent contends that the Estate of Ronald Banks should be joined as a separate person or if Respondent herself is now the appropriate party following the disposition of the estate.

the registration of a mark is a proper party to file an opposition or a petition to cancel.” *Sun Valley Company Inc. v. Sun Valley Mfg Co.*, 167 USPQ 304, 309 (TTAB 1970).

Here, Petitioner has alleged that he is and will be damaged by Respondent’s registration. It is not necessary that all other parties that may have an interest in the mark be joined as petitioners. Accordingly, Respondent’s motion to dismiss for failure to join indispensable parties is **DENIED**.

The Board now turns to Respondent’s January 2, 2016, motion to dismiss in view of a 1973 state court action.

**D. Dismissal In Light of 1973 Civil Action**

Respondent maintains that these proceedings should be dismissed in light of the 1973 Civil Action, in which the court held that the mark THE DRAMATICS “is the property of the partners in common and belongs to each of them with the right to use it in common, *but not to the exclusion of the other partners.*” 40 TTABVUE at 6, Ex. 4 (emphasis added). Although Respondent’s arguments are not entirely clear, she argues that the petition to cancel “should not be considered” where Petitioner “would not prevail” because of the court’s decision in the 1973 Civil Action.

A motion to dismiss is available under Fed. R. Civ. P. 12(b)(6) solely to test the sufficiency of a complaint. *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 1160, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). Here, the 1973 Civil Action has no bearing on the sufficiency of Petitioner’s pleadings.

To the extent Respondent is attempting to argue that judgment should be entered in her favor under a theory of *res judicata*, such a motion is untimely where Respondent has not filed an answer and pleaded *res judicata* as a defense. Although the Board may treat a motion to dismiss as a motion for summary judgment pursuant to Fed. R. Civ. P. 12(d), “[a] party may not obtain summary judgment on an issue that has not been pleaded.” TBMP §528.07(a). Accordingly, Respondent’s January 2, 2016, motion to dismiss in light of the 1973 Civil Action is **DENIED**.<sup>6</sup>

**E. Order to Show Cause**

In her motion to dismiss, Respondent appears to concede that she is not the sole owner of the mark THE DRAMATICS and that Petitioner is a “co-owner” of the mark. *See* 8 TTABVUE at 5-6. Respondent states that Willie Ford and the Estate of Robert Banks are “co-owners” of the mark THE DRAMATICS. *Id.* at 5. Respondent also asserts that the “The Dramatics, LLC owns the common law trademark THE DRAMATICS.” *Id.* at 6. Respondent also acknowledges that Respondent, Petitioner, and Willie Ford are all limited liability members of The

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<sup>6</sup> Moreover, even if the motion were timely and properly considered a motion for summary judgment, *res judicata* would still not apply. Petitioner was not a party to the 1973 Civil Action and therefore the court’s decision does not preclude Petitioner from seeking to cancel Respondent’s registration. *See Sharp Kabushiki Kaisha v. Thinksharp, Inc.*, 448 F.3d 1368, 1370, 79 USPQ2d 1376, 1378 (Fed. Cir. 2006) (holding that claim preclusion or *res judicata* applies when (1) there is an identity of the parties or their privies; (2) there was an earlier final judgment on the merits, and (3) the new claim is based on the same transactional facts).

Dramatics, LLC.<sup>7</sup> *Id.* Based on Respondent's arguments, Respondent therefore does not appear to be the sole owner of the subject registered THE DRAMATICS mark.

Only the owner of the mark may file a use-based application for registration of the mark. *See* 15 U.S.C. § 1051(a). “[If] the [person] filing the application is not the owner of the mark as of the filing date, the application is void *ab initio*.” *Great Seats, Ltd. v. Great Seats, Inc.*, 84 USPQ2d 1235, 1239 (TTAB 2007).

Respondent maintains that “a trademark co-owner should be unable to bring a cancellation proceeding based upon Section 2(a) or 2(d) against another co-owner.” 8 TTABVUE at 6 n.6. Contrary to Respondent's position, a co-owner may petition to cancel the registration of another co-owner, because a mere co-owner of a mark is not entitled to a registration. “It is settled that a registration may be cancelled if a petitioner can show that the existence of the registration is inimical to an *equal* or superior right to use the same or similar term in connection with goods or services which are similar to or commercially related to those of respondent.” *Girard Polly-Pig, Inc. v. Polly Pig by Knapp, Inc.*, 217 USPQ 1338, 1344 (TTAB 1983) (granting petition to cancel respondent's registration of POLLY-PIG where petitioner was found to have equal rights “and the continued

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<sup>7</sup> Respondent's arguments are consistent with the district court's finding in the 1973 Civil Action, which held that each of the individual performers that were parties to that case had a non-exclusive right to use the mark THE DRAMATICS. Moreover, although the Board finds the affidavit of Don Davis to be largely irrelevant since it primarily concerns royalty payments under contractual arrangements and not rights in the THE DRAMATICS mark, the affidavit also appears to confirm that, at most, Respondent is a co-owner of the mark.

existence of respondent's registration would be inconsistent with petitioner's said right.") Thus, to the extent Respondent maintains that she is a only a co-owner of the mark THE DRAMATICS with Petitioner, Willie Ford, and/or The Dramatics, LLC, (or any subset or combination thereof), she was not entitled to a registration and her application will be found to be void *ab initio*.

In view of the foregoing, Respondent is allowed until **October 20, 2016** to show cause why judgment should not be entered against Respondent based on her apparent lack of exclusive rights in the mark THE DRAMATICS, failing which judgment will be entered against Respondent. Specifically, Respondent must state whether she alleges that she is the sole and exclusive owner of the rights in the mark THE DRAMATICS. To the extent Respondent maintains that she is not the *sole and exclusive* owner of the rights in the mark THE DRAMATICS, Respondent must provide the Board with her basis for maintaining that she is entitled to a registration for the mark THE DRAMATICS.

Proceedings otherwise remain **suspended** pending Respondent's response to the Board's order to show cause as set forth above.