

ESTTA Tracking number: **ESTTA488704**

Filing date: **08/13/2012**

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

Proceeding	92055682
Party	Defendant The Concentrate Manufacturing Company of Ireland
Correspondence Address	THE CONCENTRATE MANUFACTURING COMPANY OF IRELAND CORNER HOUSE 20 PARLIAMENT STREET HAMILTON, BERMUDA
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Anna Kurian Shaw
Filer's e-mail	DCPTOTrademarkmail@hoganlovells.com,anna.shaw@hoganlovells.com,aben a.ankrah@hoganlovells.com
Signature	/aks/
Date	08/13/2012
Attachments	Motion to Dismiss - Indigo Studios v. Concrete.pdf (9 pages)(305374 bytes)

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

INDIGO STUDIOS, INC)	
)	
Petitioner,)	Cancellation No. 92055682
)	U.S. Registration No. 3,643,274
v.)	Mark: MISCELLANEOUS DESIGN
)	
THE CONCRETE MANUFACTURING)	
COMPANY OF IRELAND,)	
)	
Respondent.)	
)	

MOTION TO DISMISS

Pursuant to 37 C.F.R. §2.116(a) and Fed. R. Civ. P. 12(b)(6), The Central American Bottling Corporation (“CAB Corp.”) 1/, through undersigned counsel, hereby respectfully submits its Motion to Dismiss (“Motion”) the Petition for Cancellation (“Petition”) filed by Petitioner, Indigo Studios, Inc. for failure to state a claim upon which relief can be granted. In its Petition, Petitioner alleges only two possible grounds for cancellation, namely, fraud and that Respondent is not the rightful owner of the mark. In support of its Motion, Respondent submits that (1) the facts supporting Petitioner’s fraud claim are insufficiently pled and (2) in essence, Petitioner’s challenge to Respondent’s rightful ownership of the mark, is based on Petitioner’s purported ownership of the *copyright* in the subject mark and such claims pertaining to *copyright ownership* are outside the purview of the Board’s jurisdiction.

1/ Pursuant to T.M.B.P § 512, on August 13, 2012, Respondent The Concentrate Manufacturing Company of Ireland filed an Unopposed Motion to Substitute CAB Corp. as Respondent.

I. RELEVANT FACTS

For the purposes of this motion only, this section assumes that the allegations of the Petition for Cancellation are true. See Stanspec Co. v. American Chain & Cable Co., Inc., 189 USPQ 420, 422 (CCPA 1976); Fed R. Civ. P. 12(b)(6); TBMP § 503.02. Caribbean Flavors, Ltd. applied to register Respondent's Mark (the "Kool Kat Mark") on November 28, 2008. U.S. Reg. No. 3,643,274 for the Kool Kat Mark issued on June 23, 2009. Caribbean Flavors began using the Kool Kat Mark in connection with certain soft drink products at least as early as 2004. Petitioner, purports to own the U.S. copyright registration for the artwork underlying the Kool Kat Mark (the "Indigo Cat Artwork"), Registration No. VA0001794201. Petitioner has alleged that the Indigo Cat Artwork was originally created as a work for hire by one of Petitioner's employees in 1999, and since 2002, Petitioner has posted the Indigo Cat Artwork on its website as a "stock image" available for licensing. Petitioner nowhere in the petition for cancellation alleges that it has used the Indigo Cat Artwork as a source identifier for any goods or services.

II. ARGUMENT

The Petition for Cancellation includes two grounds for cancellation: 1) fraud and 2) that Respondent is not the rightful owner of the mark. Petitioner, however, fails to plead facts sufficient to support an allegation of fraud. Fraud requires a showing that a false statement was knowingly made regarding a material fact during the prosecution of a trademark application. Petitioner hangs its hat on the fact that it owns a copyright registration for the Indigo Cat Artwork in order to show that Respondent obtained its trademark registration for the Kool Kat Mark through fraudulent means. However, the facts alleged do not demonstrate that Respondent knowingly made a false statement regarding a material fact in order to obtain its trademark registration for its Kool Kat Mark.

Further, with respect to its claim that Respondent is not the rightful owner of the Kool Kat Mark, Petitioner allegations all concern ownership of the copyright in the Indigo Cat Artwork and not the trademark in the Kool Kat Mark. Indeed, even when viewed in the light most favorable to Petitioner, the facts alleged in the Petition essentially concede that the Kool Kat Mark is owned by Respondent. Consequently, not only do the facts fail to support an allegation of fraud, moreover, the Board does not have jurisdiction to decide the copyright issue presented in the Petition. Thus, the Petition should be dismissed.

A. PETITIONER'S FRAUD CLAIM IS NOT PLEADED WITH SUFFICIENT PARTICULARITY

Pursuant to Fed. R. Civ. P. § 9(b), “a party must state with particularity the circumstances constituting fraud or mistake” when alleging fraud. Accordingly, Rule 9(b) requires that Petitioner’s Petition for Cancellation contain an explicit expression of the factual circumstances that constitute fraud. See King Automotive, Inc. v. Speedy Muffler King, Inc., 667 F.2d 1008, 1010 (C.C.P.A. 1981). An allegation of fraud (which constitutes a legal conclusion) without presenting the factual bases for the allegation is improper pleading under Fed R. Civ. P. § 9(b). See World Hockey Association v. Tudor Metal Products Corp., 185 U.S.P.Q. 246, 247-48 (T.T.A.B. 1975). Thus, in order to state a claim for fraud upon which relief can be granted, Petitioner must explicitly allege facts sufficient to establish that Respondent knowingly made a false statement as to a material fact in conjunction with its trademark application for Respondent’s Mark. See In re Bose Corp., 580 F.3d 1240, 1245 (Fed. Cir. 2009); Torres v. Cantine Torresella S.r.l., 1 U.S.P.Q.2d 1483 (Fed. Cir. 1986). More specifically, Petitioner must show that Respondent made a statement to the PTO and that the statement was 1) false, 2) made knowingly, and 3) a material representation. See Mister Leonard Inc. v. Jacques Leonard Couture Inc., 23 U.S.P.Q.2d 1064, 1065 (TTAB 1992).

Petitioner has not pleaded facts sufficient to establish such a showing. In fact, Petitioner fails to sufficiently plead a single element of its fraud claim. The only statement that Petitioner makes which could possibly be construed to support its allegation of fraud is that “Respondent is not (and was not, at the time of its application for registration) the rightful owner of the registered mark.” See Petition ¶ 10. And, even if construed in a light most favorable to Petitioner, assuming that Respondent was not the rightful owner of the Kool Kat Mark at the time the application for the mark was filed, this allegation alone does not sufficiently plead the basic elements of a fraud allegation.

1. FALSE STATEMENT

First, the Petitioner fails to plead sufficient facts to establish that Respondent made a false statement in its application to register the Kool Kat Mark. At no point does Petitioner plead any facts demonstrating that Respondent falsely stated it was the rightful owner of the Kool Kat Mark in its application or that any other false statement was made. Petitioner does not even allege any facts concerning Respondent’s application process before the PTO, much less facts concerning any false statement made by Respondent. Thus, Petitioner has failed to plead any facts to establish the first element of its fraud claim.

2. KNOWINGLY

Second, even if Respondent made a false statement in its application for the Kool Kat Mark (which it did not), Petitioner still fails to allege any factual circumstances that demonstrate a false statement was made knowingly. In fact, Petitioner has not alleged any facts that address Respondent’s scienter at all, which alone is enough to defeat Petitioner’s fraud claim. See Media Online Inc. v. El Clasificado, Inc., 88 U.S.P.Q.2d 1285, 1287 (T.T.A.B. 2008). Again, assuming that Petitioner believes Respondent made a false statement of ownership of the Kool Kat Mark to

the PTO, no facts have been pleaded establishing that Respondent knew such a statement was false. By contrast, the facts pleaded by the Petitioner support the conclusion that Respondent had every reason to believe it was and is the rightful trademark owner of the Kool Kat Mark. Petitioner states that Respondent had been using Respondent's Mark for at least four years before filing its trademark application for the mark. See Petition ¶ 7. Further, Petitioner acknowledges that Respondent's Kool Kat Mark was being used as a brand identifier for soft drink products and is prominently featured in marketing. See Petition ¶ 6. Moreover, at no point does Petitioner allege superior **trademark** rights in Respondent's Mark or that Respondent knew of any alleged superior rights of Petitioner. In fact, Petitioner does not allege that it uses the Kool Kat Mark in commerce or as a source identifier for any goods or services at all. Hence, Petitioner has not established the scienter element of its fraud claim as well. See in re Bose Corp., 91 U.S.P.Q.2d 1938, 1948 (Fed. Cir. 2009)

3. MATERIAL MISREPRESENTATION

Petitioner also has not pled sufficient facts to demonstrate that Respondent made a false misrepresentation of a material fact. Specifically, Petitioner has not alleged that Respondent represented it was the rightful owner of the Kool Kat Mark, when it was not, at any point during the application process. Indeed, Petitioner cannot allege that Respondent is not the rightful owner of the Kool Kat Mark and instead its allegations regarding ownership pertain to Indigo Cat Artwork, as discussed in further detail below. Thus, Petitioner fails to state facts that, if proved, are sufficient to establish the elements of its fraud claim.

In sum, Petitioner has not pled a fraud claim based on the statement that Respondent is not and was not the rightful owner of the registered mark at the time the application for the mark was filed or based on any other facts pleaded in the Petition. Further, even if Petitioner had

established the elements of a fraud claim, the circumstances constituting fraud were not pleaded with sufficient particularity to establish that Respondent knowingly made material false statements. Thus, the Petition fails to state a fraud claim for which relief can be granted.

B. THE BOARD DOES NOT HAVE JURISDICTION OVER COPYRIGHT CLAIMS

Petitioner's Petition for Cancellation should be dismissed because the Board does not have jurisdiction over the asserted dispute over ownership of the copyright in the Indigo Cat Artwork, which Petitioner attempts to equate with the trademark rights in the Kool Kat Mark. See Carano v. Vina Concha Y Toro S.A., 67 U.S.P.Q.2d 1149, 1151-52 (T.T.A.B 2003). Similar to the facts in Carano, Petitioner alleges that Respondent is not the rightful owner of Respondent's Kool Kat Mark and that Petitioner has been damaged by Respondent's use of the Kool Kat Mark. However, Petitioner's argument is based on its allegation that it, and not Respondent, purportedly owns the copyright for the Indigo Cat Artwork. Thus, because Petitioner alleges it owns the copyright in the Indigo Cat Artwork, Petitioner tries to allege that Respondent is not the "rightful owner of the registered mark". See Petition ¶ 10.

Yet, the facts Petitioner presents to support its allegation concern the ownership of the copyright in the Indigo Cat Artwork, and are insufficient to challenge the Respondent's right to registration with respect to the Kool Kat Mark. Indeed, the Board has held that "an allegation of copyright infringement alone does not constitute the necessary statutory ground which negates [Petitioner's] right to the subject registration." See Carano at 1151 (citing Knickerbocker Toy Co. v. Faultless Starch Co., 467 F.2d 501 (C.C.P.A. 1972)). At no point does the Petitioner allege facts that support the allegation that Respondent is not the rightful *trademark* owner of the Kool Kat Mark or that Respondent was not the rightful *trademark* owner of the Kool Kat Mark at the time the application for the Kool Kat Mark was filed. To the contrary, Petitioner states that

Caribbean Flavors, Ltd. had been using the Kool Kat Mark since as early as 2004, four years before it filed the trademark application for the Kool Kat Mark on November 28, 2008. Indeed, Respondent notes that in addition to U.S. Reg. No. 3,643,274 for the Kool Kat Mark, Respondent is also the owner of U.S. Reg. No. 2,101,903 for an earlier version of the Kool Kat Mark which was first used in commerce at least as early as 1994, nearly five years *before* Petitioner's employee allegedly created the Indigo Cat Artwork. See Petition ¶ 2. Further, Petitioner acknowledges that Respondent's Kool Kat Mark is being used as a brand identifier for soft drink products and is prominently featured in marketing the product. Moreover, at no point does Petitioner allege that it has ever used Respondent's Mark as a trademark. Thus, Petitioner's allegation concede that Respondent is the rightful *trademark* owner of the Kool Kat Mark.

Throughout the Petition for Cancellation, Petitioner emphasizes its purported copyright rights in the Indigo Cat Artwork. Petitioner cites its copyright registration for the artwork and explains that the artwork was purportedly created as a work for hire by Petitioner's employee to underscore Petitioner's copyright rights in the Indigo Cat Artwork. See Petition ¶¶ 2, 4. Petitioner further indicates that the relevant copyrighted artwork was posted on Petitioner's website, which is clearly marked with a copyright notice. See Petition ¶¶ 3. However, these factual assertions that Petitioner is the owner of the copyright for the Indigo Cat Artwork underlying Respondent's Mark are irrelevant to a cancellation proceeding. See Carano at 1151.

Petitioner has not sufficiently pleaded a statutory ground for cancelling the registration for Respondent's Mark. Petitioner's allegation that Respondent is not the rightful owner of the copyright in the Indigo Cat Artwork is not a sufficient statutory grounds for cancelling the registration for the Kool Kat Mark. Id. Nor has Petitioner sufficiently pleaded its fraud claim. Thus, Petitioner's Petition to cancel Respondent's Kool Kat Mark should be dismissed.

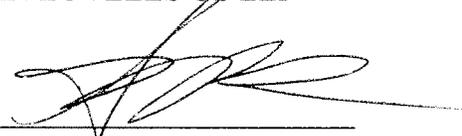
III. CONCLUSION

For the foregoing reasons, Respondent CAB Corp. respectfully requests that the Board grant its motion to dismiss Petitioner's Petition for Cancellation for failure to state a claim on which relief can be granted.

Respectfully Submitted,

HOGAN LOVELLS US LLP

By: _____



Raymond A. Kurz
Anna Kurian Shaw
555 13th Street NW
Washington D.C. 20004
Attorneys for Respondent
The Central American Bottling
Corporation

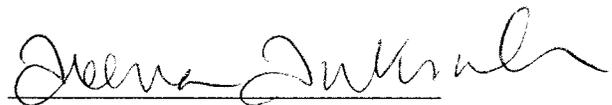
Dated: August 13, 2012

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of August, 2012, the foregoing Motion to Dismiss was served upon the following correspondents-of-record via electronic mail and First Class mail:

ALAN S. CLARKE
Attorney for Indigo Studio, Inc.
LAW OFFICES OF ALAN S CLARKE LLC
3355 LENOX ROAD, SUITE 750
ATLANTA, GA 30326
UNITED STATES
alansclarke@bellsouth.net

PAUL J. REILLY
Attorney for The Concentrate Manufacturing Company of Ireland
Baker Botts
30 Rockefeller Plaza
New York, New York 10112-4498
paul.reilly@bakerbotts.com



Abena S. Ankrah
HOGAN LOVELLS US LLP
555 Thirteenth Street N.W.
Washington, D.C. 20004
Telephone: (202) 637-5600