

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

Baxley

Mailed: September 29, 2015

Cancellation No. 92058098

Chris Hayman

v.

Craig Voyton

Andrew P. Baxley, Interlocutory Attorney:

In the amended petition to cancel in this case, Petitioner alleged (1) fraud on the USPTO,¹ and (2) likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), based on his prior use of the SMART GRASS mark for artificial turf. Respondent, in his answer, denied the salient allegations of the petition to cancel and asserted affirmative defenses.

On February 25, 2014, Respondent filed a motion to suspend this proceeding pending final determination of a civil action styled *Voyton v. Hayman*, Case No. 2:15-cv-00776-MWF-MRW, filed in the United States District Court for the Central District of California, or, in the alternative, to dismiss the fraud claim as insufficient. Respondent included a copy of the complaint and the docket summary in the civil action.

¹ Although Petitioner's fraud claim is based on an allegation of a false averment regarding ownership of the involved mark, Petitioner did not plead a separate nonownership claim.

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In a March 27, 2014 order, the Board granted the motion to suspend as conceded, but did not reach the motion to dismiss the fraud claim. Instead, the Board merely indicated that the motion to dismiss the fraud claim may be renewed after the final determination of the civil action, if appropriate.

In the interest of completeness, the Board will review the fraud claim in the amended petition to cancel. Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration or a registrant in a declaration of use or a renewal application knowingly makes specific false, material representations of fact in connection with an application to register or in a post-registration filing with the intent of obtaining or maintaining a registration to which it is otherwise not entitled. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009). Intent is a required element to be pleaded for a claim of fraud, but may be alleged generally. *See Fed. R. Civ. P. 9(b); DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086, 1088 (TTAB 2010). In addition,

a plaintiff claiming that the declaration or oath in defendant's application for registration was executed fraudulently, in that there was another use of the same or a confusingly similar mark at the time the oath was signed, must allege particular facts which, if proven, would establish that: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant's; (3) applicant knew that the other user had rights in the mark superior to applicant's, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise; and that (4) applicant, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled.

Intellimedia Sports Inc. v. Intellimedia Corp., 43 USPQ2d 1203, 1205 (TTAB 1997).

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In support of the fraud claim, Petitioner alleged that: (1) Petitioner used the involved mark prior to his engagement of Respondent as a salesman; (2) the parties entered into an operating/partnership agreement, in which they stated that they jointly owned any intellectual property in their SMART GRASS business; and (3) the parties ceased to do business together in 2012, but that rights in the involved mark were not distributed to Respondent as his sole property. Based thereon, Petitioner contends that Respondent committed fraud by knowingly and falsely averring that (1) he believes himself to be the owner of the mark sought to be registered, and (2) to the best of his knowledge and belief, no other legal person has the right to use the mark in commerce, and that he made such averments with the intent to deceive the USPTO. *See* amended petition to cancel, paragraphs 3-15.

The Board finds that this fraud claim is sufficiently pleaded to the extent that it is based on an allegedly false averment that he believes himself to be the owner of the mark sought to be registered. However, to the extent that the fraud claim is based on Respondent's averment that, to the best of his knowledge and belief, no other legal person has the right to use the mark in commerce the fraud allegation is insufficient because it does not include an allegation of facts from which it may be inferred that Respondent knew that Petitioner had superior rights in the involved mark and either believed that a likelihood of confusion would result from Respondent's use of the involved mark or had no reasonable basis for believing otherwise.²

² There is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. *Smith Int'l, Inc. v.*

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After neither party responded to an April 2, 2015 Board order inquiring as to the status of the civil action, the Board, in a May 23, 2015 order, resumed proceedings herein. On August 21, 2015, Respondent filed a copy of an April 6, 2015 order in the civil action, wherein the complaint and counterclaim in that case were dismissed with prejudice pursuant to the parties' stipulation.

Respondent did not include proof of service of April 6, 2015 order upon Petitioner, as required by Trademark Rule 2.119(a). Moreover, neither party has filed a copy of Petitioner's answer and counterclaim in the civil action or Respondent's answer to that counterclaim in the civil action in the Board file for this proceeding. Without a copy of that answer and counterclaim, the Board cannot make a complete determination of how the dismissal with prejudice of all claims in the civil action affects this proceeding.

Respondent is allowed until twenty days from the mailing date set forth in this order to file a copy of Petitioner's answer and counterclaim in the civil action and Respondent's answer to the counterclaim in the civil action.³ Proceedings herein are otherwise suspended.

Olin Corp., 209 USPQ 1033, 1044 (TTAB 1981). Unless a party alleging fraud can point to clear and convincing evidence that supports drawing an inference of deceptive intent, it will not be entitled to judgment on a fraud claim. *In re Bose Corp.*, *supra* at 1942. Any doubt must be resolved against the party making a claim of fraud. *Id.* at 1939.

³ In the alternative, the parties may file a stipulation which sets forth their desired disposition of this case.