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Mailed: May 31, 2014

Cancellation No. 92058315

State of Michigan

v.

M22, LLC

By the Board:

M22, LLC (“respondent”) owns two registrations as follows:

- 1) the mark M22 ONLINE.COM (and design) for “apparel specifically hats, t-shirts, long sleeve shirts, sweat shirts, pants, shorts, underwear, tank tops” in International Class 25;¹



- 2) the mark M22 (and design) for “retail store services featuring clothing, sporting goods, and novelty items” in International Class 35.²



¹ Registration No. 3348635, issued December 4, 2007, asserting a date of first use anywhere and date of first use in commerce of January 1, 2004. The registration includes the description of the mark: “The mark consists of an unmounted square street sign with a centered diamond containing M 22 and with M22online.com in the bottom border of the square.”

² Registration No. 3992159, issued July 12, 2011, asserting Trademark Act Section 2(f), claiming the colors black and white as a feature of the mark, and asserting a date of first use anywhere and date of first use in commerce of November 21, 2007. The registration includes the description of the mark: “The mark consists of a small, black, stylized letter “M” above a large, black number “22”, within a white diamond, on a black square background.”

The State of Michigan (“petitioner”) filed a consolidated petition to cancel both registrations on several grounds.

In lieu of filing an answer, respondent filed a motion to dismiss for failure to state a claim upon which relief can be granted pursuant to Fed. R. Civ. P. 12(b)(6).

In response, petitioner filed, inter alia, a first amended consolidated petition to cancel. In response thereto, respondent filed a brief captioned “Registrant’s Reply to Petitioner’s Opposition to Registrant’s Partial Motion to Dismiss,” stating that petitioner has failed to state a claim upon which relief can be granted, directed to the amended petition. In its March 4, 2014 order, the Board noted its construction of respondent’s “Reply” and allowed petitioner time to file a brief in opposition.

Petitioner did not file a brief in opposition within the time allowed.³ Accordingly, respondent’s motion to dismiss the first amended petition to cancel is procedurally uncontested. However, the Board exercises its discretion to nevertheless give consideration to respondent’s motion on its merits. *See* TBMP § 502.04 (2013). Moreover, it is the policy of the law to decide cases on their merits. *Cf.* TBMP § 312.02 (2013).

Analysis

³ The Board has given no consideration to petitioner’s untimely March 24, 2014 filing. *See* TBMP § 310.03(b) (2013). The Board also has given no consideration to respondent’s March 22, 2014 filing.

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint.⁴ See TBMP § 503.02 (2013), and cases cited therein. To survive a motion to dismiss, a plaintiff need only allege sufficient factual matter as would, if proved, establish that 1) the plaintiff has standing to maintain the proceeding, and 2) a valid ground exists for opposing or cancelling the mark. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982). See also TBMP § 503.02 (2013). Specifically, “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, 129 S.Ct. 1937, 1949-50 (2009), quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, 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, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Otto Int’l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1862 (TTAB 2007).

Standing

⁴ Whether petitioner can present arguments and evidence to prove its allegations is a matter for determination on appropriate motion for summary judgment, or on final hearing.

To establish standing to petition to cancel the registration of a mark, a party must plead that it has a “real interest” in the outcome of the proceeding, that is, that it has a direct and personal stake in the outcome of the proceeding. It must also plead a “reasonable basis in fact” for its belief that it would suffer some kind of damage if the subject mark registered or remained registered. *See Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999); *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021, 2024 (Fed. Cir. 1987); *Lipton Indus., Inc. v. Ralston Purina Co.*, 213 USPQ at 189.

At the pleading stage, all that is required is that a plaintiff allege facts sufficient to show a real interest in the proceeding and a reasonable basis for its belief of damage. The threshold for determining standing generally is quite low. *Nobelle.Com, LLC v. Qwest Communications Int’l, Inc.*, 66 USPQ2d 1300, 1304 (TTAB 2003). There is no requirement that actual damage be pleaded or proved. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Books on Tape Inc. v. Booktape Corp.*, 836 F.2d 519, 5 USPQ2d 1301, 1302 (Fed. Cir. 1987). The purpose of the requirement is to prevent litigation where there is no real controversy between the parties and where petitioner is no more than an intermeddler. *See Lipton Indus., Inc. v. Ralston Purina Co., supra.* If petitioner can show standing on one ground, it has the right to assert any other available ground as well. *See Enbridge, Inc. v. Excelerate Energy LP*, 92 USPQ2d

1537, 1543 n.10 (TTAB 2009), citing *Liberty Trouser Co., Inc. v. Liberty & Co., Ltd.*, 222 USPQ 357, 358 (TTAB 1983). *See also* TBMP § 309.03(b) (2013).

To plead standing (*e.g.* to assert that a registered mark is descriptive), a petitioner may allege that it has an interest in using or is in a position to have a right to use the mark. *See Books on Tape, Inc. v. Booktape Corp.*, 5 USPQ2d at 1302; *Nobelle.Com, LLC v. Qwest Communications Int'l, Inc.*, 66 USPQ2d at 1304. Read together, Paragraphs 9, and 11 – 19, and in particular Paragraphs 14-16, sufficiently allege that petitioner has an interest in using or is in a position to have a right to use the mark.

Allegations of proprietary rights in a mark are not always necessary in order to allege standing. *See, e.g., Int'l Nutrition Co. v. Horphag Research Ltd.*, 220 F.3d 1325, 55 USPQ2d 1492, 1496 (Fed. Cir. 2000). With respect to the ground asserted pursuant to Trademark Act § 2(a), petitioner is not required to allege proprietary rights for standing purposes. *See Petróleos Mexicanos v. Intermix SA*, 97 USPQ2d 1403 (TTAB 2010), citing *Estate of Biro v. Bic Corp.*, 18 USPQ2d 1382, 1385 (TTAB 1991). In asserting a 2(a) claim, a petitioner may have standing by virtue of who petitioner is, that is, its identity. *Id.* Here, inasmuch as petitioner is a State, and alleges that it has adopted and maintained a uniform system of traffic control devices, consistent with certain federal regulations, it has alleged facts which, if proven, would establish its standing to assert this ground. Moreover, the Board has held that government entities have standing, even if not engaged in the sale of goods. *See, e.g., Dept. of*

Transportation, Federal Aviation Admin. v. Scanwell Laboratories, Inc., 170 USPQ 174 (TTAB 1971), *aff'd* on other grounds, 484 F.2d 1385, 179 USPQ 233 (CCPA 1973).

Additionally, petitioner, the State of Michigan, in seeking relief on the ground of Trademark Act § 2(b), has alleged that the registered marks consist of insignia of the State of Michigan.

In summary, and based on these findings, petitioner has set forth allegations that it has an interest in the outcome of this proceeding beyond that of the general public and is not a mere intermeddler, and that it has a reasonable basis, grounded in facts alleged, for its belief of damage. Thus, petitioner sufficiently sets forth allegations which, if proven, would establish its standing to bring this proceeding.

Grounds

Registration No. 3348635 issued more than five years before petitioner filed the petition to cancel. Under established Board precedent, the grounds for cancellation that are not available against Registration No. 3348635 include all of the grounds specified in Trademark Act § 14(3) and § 14(5), as well as likelihood of confusion under Trademark Act § 2(d), and all grounds specified in Trademark Act § 2(e), (including claims that a mark is merely descriptive, deceptively misdescriptive, primarily geographically descriptive, primarily geographically deceptively misdescriptive, a surname, or comprises any matter that as a whole is functional). *See* TBMP § 307.02 (2013), and

cases cited therein. Accordingly, respondent's motion to dismiss is granted herein with respect to all claims against Registration No. 3348635 that are statutorily time-barred.⁵

Priority and likelihood of confusion

To plead a claim of priority and likelihood of confusion pursuant to Trademark Act § 2(d), a plaintiff must sufficiently allege that 1) it has standing; 2) it has registered or previously used a mark; and 3) contemporaneous use of the parties' respective marks on or in connection with their respective goods or services would be likely to cause confusion, mistake or to deceive consumers. *See Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1735 (TTAB 2001).

In Paragraphs 2 through 7, petitioner alleges use of "the M-22 Sign." Specifically, it alleges that it has used it "continuously in interstate commerce for nearly a century, in association with providing traffic management services, providing road and traffic information, and facilitating the safe and efficient travel of travelers within its borders."⁶

In Paragraph 7, petitioner alleges that its use of the M-22 Sign, and respondent's use of the M-22 Sign, are likely to cause confusion as to origin.

⁵ In identifying the properties at issue (*e.g.*, first amended petition to cancel, Para. 1), and in setting forth various allegations, petitioner has not clearly set forth its asserted grounds for cancellation individually as against the two subject registrations. The Board has thus necessarily reviewed the availability and sufficiency of all asserted grounds with respect to both subject registrations.

⁶ Petitioner further alleges its use of "the M-22 Sign" in Paragraphs 9, 23, 25 and 28.

As against Registration No. 3348635, this claim is time-barred; thus, respondent's motion is granted.

As against Registration No. 3992159, these allegations sufficiently set forth a claim, and thus respondent's motion to dismiss is denied.

Functional

The allegations which appear to be relevant to this purported claim are set forth in Paragraph 37.

As against Registration No. 3348635, the subject registration which covers goods, this claim is time-barred; thus, respondent's motion is granted.

With respect to Registration No. 3992159, petitioner does not allege that the mark consists of a configuration or three-dimensional configuration of the identified goods or of their packaging, or that the mark has any features or elements that are functional matter that cannot be protected as a trademark. *See* Trademark Act § 2(e)(5). Moreover, the registration covers services, not goods.

In view of these findings, respondent's motion to dismiss is granted with respect to both registrations.

Failure to function

The allegations which appear to be relevant to this purported claim are set forth in Paragraph 38, wherein, petitioner alleges that the mark "fails to function as a mark, is not perceived by consumers as a mark, is not capable of functioning as a trademark, service mark, or trade name, is not perceived by consumers as a

source indicator, and when used on or in connection with Registrant's goods and services, the M-22 Sign is perceived by consumers as purely ornamental.”

These allegations fail to state a claim. Petitioner fails to set forth the factual basis for its allegations, such as why the mark as shown on the specimen(s) of use does not function as a trademark or service mark, whether the mark identifies a promotional campaign or informational slogan, is a nondistinctive background design, etc. Petitioner's allegations are merely bald conclusions. The allegations do not put respondent on adequate notice of the factual basis for the claim. *See* Trademark Act §§ 1, 2, 3 and 45.

In view of these findings, respondent's motion to dismiss is granted with respect to both registrations.

Ornamental

The allegations which appear to be relevant to this purported claim are in Paragraphs 36 and 38. Said allegations fail to sufficiently set forth this ground for cancellation. Petitioner fails to set forth the factual basis for its allegations, such as how the mark is perceived as merely a decorative or ornamental feature of the goods or packaging for the goods, and the size, location, dominance and significance of the mark as applied to the goods. *See* Trademark Act §§ 1, 2 and 45. Petitioner's allegations are merely bald conclusions, lack factual particularity, and as such fail to put respondent on adequate notice of the factual basis for the claim.

In view of these findings, respondent's motion to dismiss is granted with respect to both registrations.

False suggestion of a connection

To plead a claim that the mark falsely suggests a connection pursuant to Trademark Act § 2(a), petitioner must sufficiently allege:

- 1) the mark that is registered is the same as, or a close approximation of, the name or identity previously used by another person or institution;
- 2) the mark would be recognized as such, in that it points uniquely and unmistakably to that person or institution;
- 3) the person or institution identified in the mark is not connected with the goods or services sold by respondent under the mark; and
- 4) the fame or reputation of the named person or institution is of such a nature that a connection with such person or institution would be presumed when respondent's mark is used on its goods or services.

See Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imps. Co., 703 F.2d 1372, 217 USPQ 505, 508-10 (Fed. Cir. 1983); *Buffet v. Chi-Chi's, Inc.*, 226 USPQ 428, 429-30 (TTAB 1985).

In Paragraphs 40, 42-44 and 54, petitioner sufficiently alleges the elements of this § 2(a) claim. In view of these findings, respondent's motion to dismiss is denied.

Misrepresentation

To plead a claim of misrepresentation of source pursuant to Trademark Act § 14(3), a plaintiff must allege blatant misuse of a mark by a defendant in a manner calculated to trade on the goodwill and reputation of

plaintiff. *See Bayer Consumer Care AG v. Belmora LLC*, 90 USPQ2d 1587, 1592 (TTAB 2009); *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d at 1863. The pleading must be supported by allegations of blatant misuse, and must “do more than make a bald allegation in the language of the statute,” and the claim must go beyond the allegations “that typically support a claim of likelihood of confusion under Section 2(d).” *Id.* at 1863-64.

The allegations relevant to this claim are set forth in Paragraphs 52-53. Therein, petitioner did not allege specific facts setting forth the activity or activities that, if proved, constitute an attempt to blatantly misrepresent the source of the goods and/or services at issue. The allegations fail to put respondent on adequate notice of the factual basis for this claim.

In view of these findings, respondent’s motion to dismiss is granted with respect to both registrations.

Trademark Act § 2(b)

To plead this claim, petitioner must allege that respondent’s mark includes, or includes a simulation of, the flag, coat of arms, or other insignia of the United States, any state or municipality, or any foreign nation. *See In re City of Houston*, 101 USPQ2d 1534 (TTAB 2012); *In re District of Columbia*, 101 USPQ2d 1588 (TTAB 2012).

In Paragraph 56, petitioner alleges that the M-22 Sign consists of insignia of the State of Michigan. This allegation sufficiently sets forth a

claim under Trademark Act § 2(b). In view of these findings, respondent's motion to dismiss is denied.

Geographically descriptive

To plead a claim that the mark is primarily geographically descriptive under Trademark Act § 2(e)(2), petitioner must sufficiently allege that:

- 1) the primary significance of the mark is a generally known geographic place or location;
- 2) the identified services originate in the geographic place identified in the mark; and
- 3) purchasers would be likely to make a services-place association; that is, purchasers would be likely to believe that the services originate in the geographic place identified in the mark.

See In re Societe Generale des Eaux Minerales de Vittel S.A., 824 F.2d 957, 959, 3 USPQ2d 1450, 1452 (Fed. Cir. 1987); *In re Joint-Stock Co. "Baik,"* 80 USPQ2d 1305, 1309 (TTAB 2006).

The allegations relevant to this claim appear to be set forth in Paragraphs 60 and 63 ("When used on or in connection with Registrant's goods, the M-22 Sign is primarily merely geographically descriptive of them.").

As against Registration No. 3348635, this claim is time-barred; thus, respondent's motion is granted.

As against Registration No. 3992159 petitioner fails to set forth the elements of this claim.

In view of these findings, respondent's motion to dismiss is granted with respect to both registrations.

Merely descriptive

To plead a claim that the mark is merely descriptive under Trademark Act § 2(e)(1), petitioner must sufficiently allege that the mark merely describes a specific feature, ingredient, characteristic, purpose, function, or intended audience of respondent's identified services.

As against Registration No. 3348635, this claim is time-barred; thus, respondent's motion is granted.

As against Registration No. 3992159, in Paragraph 61, petitioner alleges: "[W]hen used on or in connection with Registrant's goods, the M-22 Sign is merely descriptive of them." The allegation is insufficient inasmuch as petitioner fails to set forth the specific feature, ingredient, characteristic, purpose, function, or intended audience of respondent's identified services of which petitioner alleges that the mark is merely descriptive. Thus, petitioner's allegations do not put respondent on notice of the factual basis for the claim. Moreover, petitioner's allegations are in respect of goods, whereas the registration covers only services.

In view of these findings, respondent's motion to dismiss is granted with respect to both registrations.

Fraud on the USPTO

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). A claim of fraud must set forth the elements of the claim, that is, the circumstances constituting fraud, with a heightened degree of particularity in accordance with Fed. R. Civ. P. 9(b).

A plaintiff claiming that the declaration or oath in a 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 in particular 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 respondent's;
- 3) respondent knew that the other user had rights in the mark superior to respondent's, *and* either believed that a likelihood of confusion would result from respondent's use of its mark or had no reasonable basis for believing otherwise; and
- 4) respondent, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to procure a registration to which it was not entitled.

See *Qualcomm Inc. v. FLO Corp.*, 93 USPQ2d 1768, 1770 (TTAB 2010), citing *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1205 (TTAB 1997). See also *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999).

The allegations which are relevant to this claim are in Paragraph 64. Petitioner failed to allege the third element of this claim, which is, in essence, the gravamen of this claim. The Board requires that all fraud claims be pleaded with factual specificity pursuant to Fed. R. Civ. P. 9(b), and in the context of the type of fraud claim at issue here, and specifically in relation to the third element thereof, the Board has stated that

(I)f the other person's rights in the mark, vis-à-vis the applicant's rights, are not known by applicant to be superior or clearly established, e.g., by court decree or prior agreement of the parties, then the applicant has a reasonable basis for believing that no one else has the right to use the mark in commerce, and the applicant's averment of that reasonable belief in its application declaration or oath is not fraudulent.

Intellimedia Sports Inc. v. Intellimedia Corp., 43 USPQ2d at 1207. A petitioner must plead particular facts which, if proven, would establish that at the time the application was filed, then-applicant (respondent) had no reasonable basis for its averred belief that no other person had a right to use the mark on or in connection with the goods and services identified in the application. Here, petitioner has not set forth particular allegations of fact that respondent believed, or had no reasonable basis not to believe, that petitioner had superior or clearly established rights in the mark.

In view of this finding, respondent's motion to dismiss is granted with respect to both registrations.

Copyright claims

Referencing petitioner's allegations in Paragraphs 65-67, the Board notes that its jurisdiction is limited to determining the registrability or right to

continued registrability of marks. The Board is empowered with the limited jurisdiction of determining the right to register trademarks, and does not have jurisdiction over copyright, the right to use, infringement or unfair competition claims. See TBMP § 102.01 (2013). See *Carano v. Vina Concha Y Toro S.A.*, 67 USPQ2d 1149, 1151-52 (TTAB 2003) (the Board has no jurisdiction to determine copyright infringement claims). Accordingly, with respect to any attempted ground for cancellation that is based solely on copyright claims, respondent's motion is granted.

Leave to amend

The Board may allow a plaintiff an opportunity to file an amended or another amended pleading, as appropriate. See TBMP § 503.03 (2013). The Board finds that it is appropriate to do so in this proceeding. Accordingly, petitioner is allowed until thirty days from the mailing date of this order in which to file and serve a second amended petition for cancellation.

Respondent is allowed until thirty days from the date of service of the second amended petition in which to file its answer thereto.

In the event that petitioner does not file a second amended petition, petitioner's operative pleading shall be its first amended petition to cancel, as modified by the findings in this order; in such case, respondent is allowed until sixty days from the mailing date of this order in which to file its answer thereto.

The parties are to proceed with the understanding that in Board proceedings Fed. R. Civ. P. 11 (applicable by operation of Trademark Rule

2.116(a)), and U.S. Patent and Trademark Office Rule 11.18, require that all pleadings and papers be made in good faith and with evidentiary support. Specifically, all grounds for relief and allegations in support thereof must have a basis in law or fact, and must not be filed for any improper purpose.

Schedule

Proceedings are resumed. Conferencing, initial disclosure, discovery, and trial dates are reset as follows:

Deadline for Required Discovery	
Conference	9/4/2014
Discovery Opens	9/4/2014
Initial Disclosures Due	10/4/2014
Expert Disclosures Due	2/1/2015
Discovery Closes	3/3/2015
Plaintiff's Pretrial Disclosures due	4/17/2015
Plaintiff's 30-day Trial Period Ends	6/1/2015
Defendant's Pretrial Disclosures due	6/16/2015
Defendant's 30-day Trial Period Ends	7/31/2015
Plaintiff's Rebuttal Disclosures due	8/15/2015
Plaintiff's 15-day Rebuttal Period Ends	9/14/2015

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125. Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.