

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

CME

Mailed: October 29, 2014

Cancellation No. 92058839

Le Reve Ventures, LLC

v.

Wine Dive, LLC

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

This case now comes up on Petitioner's motion to amend its complaint, filed July 1, 2014, Respondent's motion to suspend, filed July 21, 2014, and Respondent's motion to amend its registration, filed July 23, 2014.<sup>1</sup> Petitioner's motion to amend is fully briefed. Petitioner did not respond to Respondent's motions.

The Board addresses first Petitioner's motion to amend. The Board has considered the parties' submissions and presumes the parties' familiarity with the basis for Petitioner's motion, and does not recount the parties' arguments here, except as necessary to explain the decision.

Petitioner's motion to amend was filed more than twenty-one days after service of (i) the original petition for cancellation, and (ii) service of Respondent's answer. Accordingly, Petitioner's amended petition for

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<sup>1</sup> Petitioner's change of correspondence address, filed July 2, 2014, is noted and the Board's records have been updated accordingly.

cancellation was not filed as a matter of course pursuant to Fed. R. Civ. P. 15(a)(1), and Petitioner may amend its petition for cancellation only with the written consent of Respondent, which is not present here, or by leave of the Board. *See* Fed. Civ. P. 15(a); TBMP § 507.02(a) (2014).

The Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. *See* TBMP § 507.02; *see also American Optical Corp. v. American Olean Tile Co.*, 168 USPQ 471, 473 (TTAB 1971). In deciding whether to grant leave to amend, the Board may consider undue delay, prejudice to the opposing party, bad faith or dilatory motive, futility of the amendment and whether the party has previously amended its pleadings. *See Foman v. Davis*, 371 U.S. 178, 182 (1962).

With respect to undue delay and bad faith or dilatory motive, Respondent argues that Petitioner knew of its proposed fraud claim at the time it filed the petition for cancellation and used the existence of the alleged claim to “threaten” Respondent and demand that Respondent “both surrender its federal registration and cease using a substantive portion of its mark.” Response, pp.4-5. In response, Petitioner asserts that “hoping for a quick resolution of the infringement claim, [it] chose to raise the issue of the suspect specimens with [Respondent] in a private forum. Petitioner did so with the expectation that an amicable settlement might be more likely if

there was no public airing of the suspicious specimens because such a public attention to unsavory behavior is likely to make anyone defensive.” Reply, p. 2.

The Board finds that Petitioner’s conduct does not rise to the level of bad faith or constitute a dilatory motive as Petitioner has explained that it decided not to assert a fraud claim in its original complaint in an attempt to further settlement negotiations. Moreover, Petitioner filed its motion to amend less than four months after it filed its original complaint and only eleven (11) days after the opening of the discovery period. *Compare Media Online Inc. v. El Clasificado Inc.*, 88 USPQ2d 1285, 1286-87 (TTAB 2008) (finding undue delay where “[t]he new claims appear[ed] to be based on facts within petitioner’s knowledge at the time the petition to cancel was filed” and petitioner waited over seven months to file a motion for leave to amend); *Trek Bicycle Corp. v. StyleTrek Ltd.*, 64 USPQ2d 1540, 1541 (TTAB 2001) (undue delay where opposer filed a motion for leave to amend its pleading eight months after it filed the notice of opposition, the proposed amendment appeared to be based on facts within opposer’s knowledge at the time the notice of opposition was filed, and opposer did not explain the reason for its delay.) The concept of “undue delay” is inextricably linked with the concept of prejudice to the non-moving party. *See Marshall Field & Co. v. Mrs. Field Cookies*, 11 USPQ2d 1355, 1359 (TTAB 1989). Here, there is no such prejudice because the discovery period is open, and, in any event, Respondent

should not need to conduct discovery regarding its own alleged fraudulent activity. *See Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1505-06 (TTAB 1993) (no undue delay because discovery was still open when motion was filed); *Cf. United States Olympic Committee v. O-M Bread Inc.*, 26 USPQ2d 1221, 1222 (TTAB 1993) (finding no prejudice where the proceeding was still in the pretrial stage and discovery had been extended). This also is the first time Petitioner has sought to amend its pleading. *See Am. Express Marketing & Development Corp. v. Gilad*, 94 USPQ2d 1294 (TTAB 2010) (finding no abuse of amendment privileges where applicant sought to amend its pleading for the first time).

Lastly, the [proposed] amended petition for cancellation is not futile as Petitioner has adequately pleaded its proposed additional claim of fraud. The Federal Circuit in *In re Bose*, 91 USPQ2d 1938 (Fed. Cir. 2009) held that “a trademark is obtained fraudulently under the Lanham Act only if applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.” *Id.* at 1941. The circumstances constituting the alleged fraud must be stated with particularity, though intent to deceive may be averred generally. *See DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086, 1088 (TTAB 2010) (citing Fed. R. Civ. P. 9(b)).

In the [proposed] amended petition for cancellation, Petitioner alleges that (i) Respondent filed with the United States Patent and Trademark Office (“Office”) manipulated or doctored specimens in connection with the involved

registration, *see* [Proposed] Amended Petition, ¶¶ 12-23, (ii) Respondent did so with an intent to deceive the Office, *see id.* at ¶¶ 23-24, and (iii) the Office relied on the manipulated or doctored specimens and issued the involved registration. *See id.* at ¶ 25. To the extent Petitioner has made allegations based on information and belief, it has included specific statements of fact upon which the belief is founded. *See id.* at ¶¶ 16-18, ¶ 19, sentences 2-4, and ¶¶ 20-22. As such, Petitioner's proposed fraud claim adequately states a claim upon which relief can be granted.<sup>2</sup>

In view of the foregoing, Petitioner's motion for leave to amend is hereby **GRANTED** and the [proposed] amended petition for cancellation accompanying Petitioner's motion is accepted and made of record and is now Petitioner's operative pleading herein.<sup>3</sup>

The Board next addresses Respondent's motion to amend its registration. Although Respondent seeks to amend its registration to substitute specimens of use, Respondent has not attached any substitute specimens to its motion.

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<sup>2</sup> Respondent's argument that Petitioner's fraud claim is futile because the specimens submitted were valid and other specimens existed and were in use at the time the Statement of Use was filed, Response, pp. 2, go to the merits of Petitioner's fraud claim and are not a proper ground for denying Petitioner's motion. *See* TBMP § 507.02 (“[W]hether or not the moving party can actually prove the allegation(s) sought to be added to a pleading is a matter to be determined after the introduction of evidence at trial or in connection with a proper motion for summary judgment....”); *see also Focus 21 Int'l Inc. v. Pola Kasei Kogyo Kabushiki Kaisha*, 22 USPQ2d 1316, 1318 (TTAB 1992); *Flatley v. Trump*, 11 USPQ2d 1284, 1286 (TTAB 1989).

<sup>3</sup> Exhibits B-E attached to Petitioner's amended petition for cancellation are not evidence of record in this proceeding. *See* Trademark Rule 2.122(c) and (d) and TBMP § 317.

Accordingly, Respondent's motion to amend will be given no further consideration.<sup>4</sup>

Lastly, the Board turns to Respondent's motion to suspend this proceeding pending the disposition of a purported civil action between the parties pending in the U.S. District Court for the Southern District of Florida. Respondent, however, has not attached a copy of the pleadings from the civil action, and therefore, the Board cannot determine whether suspension is appropriate. Accordingly, Respondent's motion to suspend is deferred and Respondent is allowed until **November 22, 2014** to file with the Board copies of the complaint and answer in the civil action.

Proceedings are otherwise suspended.

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<sup>4</sup> The Board notes that even if it Respondent had attached substitute specimens to its motion, this would not have changed the Board's decision herein granting Petitioner's motion to amend because whether other specimens existed and were in use at the time Respondent filed its Statement of Use goes to the merits of Petitioner's claim. *See supra*, n. 2. Moreover, in accordance with ordinary Board practice, the Board would have deferred consideration of Respondent's motion until final decision. *See Enbridge Inc. v. Excelerate Energy Ltd. Partnership*, 92 USPQ2d 1537, 1539 n.3 (TTAB 2009); *see also Space Base Inc. v. Stadis Corp.*, 17 USPQ2d 1216, 1220 (TTAB 1990).