

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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BUO

Mailed: December 1, 2014

Cancellation No. 92058893

Mayweather Promotions, LLC

v.

Branch, Cahleb, Jeremiah LLC

By the Trademark Trial and Appeal Board:

On March 18, 2014, Mayweather Promotions, LLC (“Petitioner”) filed a petition for partial cancellation of Registration No. 3565960 (“the ’960 registration”) owned by Branch, Cahleb, Jeremiah, LLC (“Respondent”), for the mark MONEY POER RESPECT, in standard character format, specifically as to its use with “online retail store services in the field of clothing,” in International Class 035.¹

The petition to cancel alleges that the registration should be cancelled based upon (i) Respondent’s abandonment of its mark with respect to the claimed services, under Trademark Act Section 45, 15 U.S.C. § 1127; and (ii) fraud based upon Respondent’s nonuse of the mark despite its signed

¹ Issued January 20, 2009, from an application filed January 10, 2006, for “Management of performing artists and entertainers; Advertising, marketing and promotion services; Online retail store services in the field of clothing.” The registration includes a disclaimer of the term “ENTERTAINMENT.”

declaration in the statement of use filed during the prosecution of the underlying application.

In support of its grounds for cancellation, Petitioner alleges that “there is currently no actual use of Registrant’s Mark in commerce in the United States in connection with ‘online retail store services in the field of clothing’ ... nor has there been for more than three consecutive years.” Petition to Cancel, ¶ 7. Additionally, Petitioner asserts that, in prosecuting the underlying application, Respondent made “a material misrepresentation that it was using its mark in commerce in the United States on the [sic] all of the identified goods in Class 35 as of the time it filed its Statement of Use.” *Id.*, ¶ 14.

Now before the Board is Respondent’s motion, filed August 7, 2014,² in lieu of filing an answer, under Fed. R. Civ. P. 12(b)(6) to dismiss the petition to cancel for failure to state a claim upon which relief may be granted. Respondent argues that “Petitioner’s abandonment claim fails to meet the minimum plausibility standard under Fed. R. Civ. P. 8 (a)(2) and, even if properly pleaded, the abandonment claim cannot be sustained because Registrant is using the MONEY POWER RESPECT ENTERTAINMENT mark;” and that “Petitioner’s fraud claim is rife with conclusions, but bereft of clear facts.”

² This motion is timely, inasmuch as the dates in the proceeding were extended twice shortly after its institution (May 23, 2014 and July 3, 2014) in order to allow the parties to pursue settlement of this matter, and Respondent’s time to answer was subsequently reset to August 7, 2014.

Petitioner contests this motion, arguing that “Registrant’s factual assertions as well as its interpretation of the standard required to demonstrate the legal sufficiency of the complaint are incorrect,” and that “Registrant is attempting to dispose of this case in its very early stages without giving Petitioner a chance to meaningfully engage in discovery to develop the evidence supporting the proper factual allegations made in the Petition to cancel.” Pet. Br., pp.2 and 9. In the event the Board grants Respondent’s motion however, Petitioner requests leave to file an amended petition to cancel. *Id.*, p.2. The motion has been fully briefed.

Motion to Dismiss

A motion to dismiss for failure to state a claim upon which relief may be granted is a test solely of the legal sufficiency of a complaint.³ *See Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). In order to withstand such a motion, a complaint need only allege such facts as would, if proven, establish that the plaintiff is entitled to the relief sought; that is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid statutory ground exists for cancelling the registration. *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). The complaint need only “state a claim to relief that is plausible on its face.” *Bell Atlantic Corp. v. Twombly*, 550 U.S. 554,

³ Accordingly, the exhibits attached to Respondent’s brief will not be considered. *See* Trademark Rule 2.122(c). If Respondent wants to rely on this evidence in support of a motion or at trial, it must be properly submitted at the appropriate time.

570 (2007); *see also* *Ashcroft v. Iqbal*, 556 U.S. 662 (2009). 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 a light favorable to plaintiff. *See Advanced Cardiovascular Sys.*, 26 USPQ2d at 1041. Petitioner is not under a burden to prove its case in its petition to cancel. *Enbridge, Inc. v. Excelerate Energy Ltd. P'ship*, 92 USPQ2d 1537, 1543 n.10 (TTAB 2009).

- *Standing*

At the pleading stage all that is required of a plaintiff is to allege facts sufficient to show a “real interest” in the proceeding, and a “reasonable basis” for its belief that it would suffer some kind of damage if the mark is registered. *See Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). Petitioner has sufficiently pleaded its standing to bring this action by pleading facts regarding the refusal of its Application Serial No. 85968214 (“the ’214 application”) based upon a likelihood of confusion with the ’960 registration, the subject of this cancellation proceeding. *See Saddlesprings Inc. v Mad Croc Brands Inc.*, 104 USPQ2d 1948, 1950 (TTAB 2012) (standing adequately alleged by allegation that petitioner’s intent-to-use application has been refused based on respondent’s registrations). Through this allegation, Petitioner has adequately pleaded a real interest in

the outcome of this proceeding and that it is not a “mere intermeddler.” *See Jansen Enters. Inc. v. Rind*, 85 USPQ2d 1104, 1107 (TTAB 2007).⁴

Petitioner must, however, properly make its application of record and provide documented evidence that the application was refused and suspended pending the outcome of this proceeding in order to *prove* its standing during trial or in connection with a motion for summary judgment. *See Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009).

Because Petitioner has sufficiently pleaded its standing, it has the right to assert any appropriate grounds for cancellation in this proceeding. *See Enbridge Inc.*, 92 USPQ2d at 1543 n.10, *citing Liberty Trouser Co., Inc. v. Liberty & Co., Ltd.*, 222 USPQ 357, 358 (TTAB 1983) (averments of priority, likelihood of confusion and resulting damage accepted to show petitioner’s standing with respect to pleaded grounds of fraud and abandonment).

- *Abandonment*

“There are two elements to an abandonment claim that a plaintiff must [allege and subsequently] prove: nonuse of the mark and intent not to resume use.” *ShutEmDown Sports Inc. v. Lacy*, 102 USPQ2d 1036, 1042 (TTAB 2012). However, a *prima facie* showing of abandonment may be established where the alleged nonuse has ensued for three years or more. *See* 15 U.S.C. § 1127; *ShutEmDown Sports*, 102 USPQ2d at 1042.

⁴ Additionally, these allegations implicate Petitioner as a competitor of Respondent, inasmuch as Petitioner’s allegations imply that Petitioner is offering goods related to those claimed by Respondent under a similar mark, which prompted the refusal of Petitioner’s application.

Petitioner alleges, *inter alia*, that “research of Registrant’s webpage located at <mprent.net> does not reveal any use of Registrant’s Mark in connection with the online retail sales of clothing items,” and “there is currently no actual use of Registrant’s Mark in commerce in the United States in connection with ‘online retail store services in the field of clothing’ in Class 35, nor has there been for more than three consecutive years.” Petition to cancel, ¶¶ 7 and 9. Further, Petitioner states that “[u]pon information and belief, Registrant has no intent to resume use of the mark.” *Id.* at ¶ 11.

The Board finds these allegations rise above the speculative level and are sufficient to allege abandonment. *See ShutEmDown Sports*, 102 USPQ2d 1036, 1042(TTAB 2012) (abandonment of three years non-use may be measured three years from filing date of application for a registration; abandonment may be found when party has not used the mark and has no intention of doing so).

It is important to note again that Petitioner need not prove its case in its petition to cancel. *Enbridge*, 92 USPQ2d 1537, n.10. Inasmuch as Petitioner has alleged nonuse for a period of at least three years, it has sufficiently supported its allegation with facts that, if taken as true, would indicate Respondent legally abandoned use of its mark. *See Trademark Act Section 45*, 15 U.S.C. § 1127; *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990). The Board will not consider

Respondent's arguments regarding the veracity or merits of Petitioner's claims in determining this motion to dismiss.⁵

Accordingly, respondent's motion to dismiss for failure to state a claim upon which relief may be granted is **DENIED** with respect to petitioner's claim of abandonment.

- *Nonuse/Fraud*

In its second count, Petitioner alleges fraud in Respondent's prosecution of the underlying application that matured into the subject registration, inasmuch as Respondent, at the time it filed its statement of use, had made "no such use on all the listed goods." Petition to cancel, ¶ 14. Petitioner also alleges that "at that the time it filed its Statement of Use, Registrant only had use of its mark in connection with its management, advertising and promotion services and did not actually provide online retail sales of clothing under its mark." *Id.*, ¶ 15.⁶

⁵ Indeed, if Respondent's contentions are valid, it will take little discovery to disprove the asserted allegations, especially where the information necessary to disprove those allegations is already in Respondent's possession.

⁶ It is not clear whether Petitioner intended to actually assert a claim of nonuse. Nonuse of a mark at the time a statement of use is filed for an application under Section 1(d) of the Trademark Act is also a valid ground for cancellation. *See* Trademark Act Section 1(d), 15 U.S.C. § 1051(d); *See, e.g., Int'l Mobile Machines Corp. v. Int'l Tel. and Tel. Corp.*, 800 F.2d 1118, 231 USPQ 142 (Fed. Cir. 1986); *ShutEmDown Sports*, 102 USPQ2d 1036 (TTAB 2012). However, this claim does not necessarily constitute fraud and the requirements for pleading nonuse do not equate to the requirements for pleading fraud. *See ShutEmDown Sports*, 102 USPQ2d at 1045; *SmithKline Beecham Corp. v. Omnisource DDS LLS*, 97 USPQ2d 1300, 1305 (TTAB 2010). "The law is clear that an application can be held void if the plaintiff pleads and [later] proves either fraud or nonuse of a mark for all identified goods or services prior to the application filing date." *ShutEmDown Sports*, 102 USPQ2d at 1045 (*citing Grand Canyon West Ranch LLC v. Hualapai Tribe*, 78 USPQ2d 1696, 1697 (TTAB 2006)).

Adequate pleading of a fraud claim requires an allegation of a specific false statement of material fact that Respondent made in obtaining the involved registration with the intent to deceive the USPTO into issuing that registration. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009). An allegation of fraud must assert the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b). Under Rule 9(b), together with Fed. R. Civ. P. 11 and USPTO Rule 11.18, “the pleadings [must] contain explicit rather than implied expression of the circumstances constituting fraud.” *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478 (TTAB 2009) (*citing King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981)).

“Statements regarding the use of the mark on the identified services are certainly material to issuance of a registration.” *Herbaceuticals Inc. v. Xel Herbaceuticals Inc.*, 86 USPQ2d 1572, 1576 (TTAB 2008) (*citing Hachette Fillipacchi Presse v. Elle Belle, LLC*, 85 USPQ2d 1090 (TTAB 2007) (fraud found based on applicant's allegation of use of its mark for a wide variety of clothing items for men, women and children when mark had not been used for any identified items for men or children and only for a limited number of items for women); *Sinclair Oil Corporation v. Kendrick*, 85 USPQ2d 1032 (TTAB 2007) (fraud found based on applicant's allegation of use of its mark in connection with retail store services when mark had only been used on a

small number of product samples, which were given away four years prior to the filing of the application)).

Accordingly, inasmuch as Petitioner has alleged that Respondent “knowingly, with the intent to deceive the USPTO, made a material misrepresentation that it was using its mark in United States commerce in connection with all the goods [sic] listed in its registration in Class 35 when it was not” using it in connection with “online retail store services in the field of clothing,” it appears Petitioner has sufficiently pleaded a claim of fraud.⁷

Accordingly, Respondent’s motion to dismiss is **DENIED** with respect to the ground of fraud.

Schedule

The proceeding is resumed. Respondent is allowed **TWENTY DAYS** from the mailing date of this order to file its answer to the petition to cancel.

Conferencing, disclosure, discovery, and trial dates are reset as follows:

Deadline for Discovery Conference	1/19/2015
Discovery Opens	1/19/2015
Initial Disclosures Due	2/18/2015
Expert Disclosures Due	6/18/2015
Discovery Closes	7/18/2015
Plaintiff’s Pretrial Disclosures	9/1/2015
Plaintiff’s 30-day Trial Period Ends	10/16/2015
Defendant’s Pretrial Disclosures	10/31/2015
Defendant’s 30-day Trial Period Ends	12/15/2015
Plaintiff’s Rebuttal Disclosures	12/30/2015
Plaintiff’s 15-day Rebuttal Period Ends	1/29/2016

⁷ Respondent should note that if fraud can be shown in the procurement of a registration, the registration is void as to the entire international class in which fraud based on nonuse has been committed. *See Herbaceuticals*, 86 USPQ2d at 1577.

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 taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.