

This Opinion is Not a
Precedent of the TTAB

UNITED STATES PATENT AND
TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Cancellation No. 92059305

MWR Holdings, LLC

v.

Theodore A. Stoner

Before Quinn, Zervas, and Bergsman,
Administrative Trademark Judges.

By the Board:

This case comes up on cross-motions for summary judgment on the claim that the application underlying the subject registration was void *ab initio* for nonuse prior to registration and Respondent's motion for summary judgment on the claims of fraud, likelihood of confusion, and abandonment. The motions are fully briefed.

On February 10, 2006, Theodore A. Stoner (Respondent) filed an application based on Trademark Act Section 1(b) to register the mark BONGO BI-LINGO BUDDY (standard characters) for goods and services in International Classes 9, 16, 21, 25, 28, and 41. On March 25, 2008, the notice of allowance issued, and Respondent obtained two six-month extensions of time to file the statement of use, or until September 25, 2009. On September 1, 2009, Respondent filed his statement of use restricting the

application to “entertainment in the nature of live theatrical performances by mixed media of live characters, puppetry and animation for children; organizing cultural events for children; education services, namely, providing professional training in the field of bilingual learning” in International Class 41, and alleging June 8, 2004 as the date of first use of the mark and June 18, 2008 as the date of first use of the mark in commerce. On October 20, 2009, Registration No. 3700403 issued.

On June 5, 2014, MWR Holdings, LLC filed a petition to cancel Registration No. 3700403 on the grounds of priority of use and likelihood of confusion, and abandonment. Discovery closed March 5, 2015. On May 21, 2015, the Board granted as uncontested Petitioner’s motion to amend the petition to cancel to add the claims of nonuse and fraud based on nonuse. Respondent’s answer denied the salient allegations of the amended petition to cancel.

I. Motion For Summary Judgment Moot As To Insufficient Fraud Claim

A decision on summary judgment necessarily requires a review of the operative pleadings. *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009). If a claim or defense has not been properly pleaded, summary judgment cannot be granted thereon. *Blansett Pharmacal Co. v. Carmrick Laboratories Inc.*, 25 USPQ2d 1473, 1477 (TTAB 1992) (insufficient Morehouse defense); *Intermed Communications, Inc. v. Chaney*, 197 USPQ 501, 503 n. 2 (TTAB 1977) (insufficient nonuse claim). A motion for summary judgment is moot as to any claim or defense which is legally insufficient. *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d at 1480.

Upon review, the amended petition to cancel does not include a legally sufficient claim of fraud. The amended petition to cancel alleges (13 TTABVUE Par. 15-18):

15. Had Stoner not filed a Statement of Use, the USPTO would not have issued the '403 Registration.

16. Upon information and belief, in making and submitting his Statement of Use, Stoner knowingly and intentionally made the misrepresentation to the USPTO that he was using the services listed in the '403 Registration in commerce, even though he was not.

17. Upon information and belief, Stoner was aware that the above misrepresentations were false at the time they were made.

18. Upon information and belief, Stoner made the statements in his Statement of Use with the intention that the USPTO would accept and rely on them and register the BONGO BILINGO BUDDY mark in connection with the services listed in the '403 Registration.

Fraud in procuring a trademark registration occurs when an applicant knowingly makes false, material representations of fact in connection with his application. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009) (*Bose*). The Board has applied *Bose* to require specific allegations of the necessary intent to deceive the USPTO to claim fraud. *See Dragon Bleu (SARL) v. VENM, LLC*, 112 USPQ2d 1925, 1928 (TTAB 2014) (“the amended counterclaim neither generally alleges intent to deceive the USPTO, nor pleads supporting facts from which we may reasonably infer that Opposer intended to deceive the USPTO”). Pleadings of fraud “based on information and belief” without allegations of specific facts upon which the belief is reasonably based are insufficient. *See NSM Res. Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1034 (TTAB 2014) and *Asian and Western Classics B.V. v. Lynne Selkow*, 92 USPQ2d at 1479. *See also Exergen Corp. v. Wal-Mart Stores Inc.*, 575 F3d

1312, 91 USPQ2d 1656, 1670 (Fed. Cir. 2009) (patent infringement case discussing when pleading on information and belief under Fed. R. Civ. P. 9(b) is permitted). The fraud claim is legally insufficient inasmuch as it rests on “information and belief,” and not the facts upon which the belief in Respondent’s fraudulent intent is reasonably based. *Bose Corp.*, 91 USPQ2d at 1942 (“fraud can only be found if there is a willful intent to deceive”).

Accordingly, Respondent’s motion for summary judgment is moot as to the fraud claim.

II. Motions for Summary Judgment on Remaining Claims

Summary judgment is an appropriate method of disposing of cases in which there is no genuine dispute with respect to any material fact, thus leaving the case to be resolved as a matter of law. *See* Fed. R. Civ. P. 56(c)(1). A party moving for summary judgment has the burden of demonstrating the absence of any genuine dispute as to a material fact, and that it is entitled to judgment as a matter of law. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). The evidence of record and all justifiable inferences that may be drawn from the undisputed facts must be viewed in the light most favorable to the non-moving party. *See Lloyd’s Food Products Inc. v. Eli’s Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993). When cross-motions for summary judgment are presented, the Board evaluates each motion on its own merits and resolves all doubts and inferences against the party whose motion is being considered. *Mingus Constructors, Inc. v. United States*, 812 F.2d 1387, 1390–91 (Fed. Cir. 1987).

a. Standing

Standing is a threshold issue that must be proven by a plaintiff in every inter partes case. *See Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999). Petitioner pleads that Respondent's registration was cited as a bar under Trademark Act Sec. 2(d) to registration of Petitioner's mark. While Petitioner submitted no evidence to demonstrate its standing, Respondent submitted a copy of the electronic file history for Petitioner's application, including the Office action refusing registration. 18 TTABVUE 415-434. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) ("to have standing in this case, it would be sufficient that appellee prove that it filed an application and that a rejection was made because of appellant's registration."). Accordingly, Petitioner's standing has been established by Respondent's submission. *See Toufigh v. Persona Parfum, Inc.*, 95 USPQ2d 1872, 1874 (TTAB 2010) ("petitioner did not submit a copy of the office action, nor did he testify about such refusal in his testimony. If he had, this would have been sufficient to establish his standing.").

b. Nonuse

Where, as here, the subject registration issued from an application based on Respondent's allegation of a bona fide intent to use, the nonuse claim requires proof that Respondent did not use the mark with the services listed in the registration within the time for filing its statement of use. Here, the statement of use filing date was extended, and Board will consider evidence of use prior to the extended statement of use filing date of September 25, 2009. *See Embarcadero Technologies, Inc. v. Delphix Corp.*, 117 USPQ2d 1518, 1526 (TTAB 2016). The use in commerce

requirement is met for service marks when a mark is “used or displayed in the sale or advertising of services” and the services are “rendered in commerce.” Trademark Act Sec. 45; *Aycock Engineering, Inc. v. Airflite, Inc.*, 560 F.3d 1350, 90 USPQ2d 1301, 1305 (Fed. Cir. 2009) (“The registration of a mark that does not meet the use requirement is void ab initio.”). A for-profit sale is not required; the use of marks in conjunction with the rendering of free services still constitutes a “use in commerce” under the Trademark Act. *American Express Marketing & Development Corp. v. Gilad Development Corp.*, 94 USPQ2d 1294, 1298 n.3 (TTAB 2010).

Petitioner contends that Respondent has admitted “the services serve only as an advertising conduit for other goods sold by Stoner,” that Respondent cannot demonstrate that the services have been the subject of separate sales, and that Respondent can produce “no documents” to show that the mark was used in the sale or advertising of the services. In support of its motion Petitioner submits copies of Respondent’s other BONGO BI-LINGO BUDDY registrations for toys, clothing, and entertainment media for children, and Respondent’s discovery responses, including the following:

INTERROGATORY NO. 5:

For each month from Registrant's date of first use of Registrant's Mark until the present, state the sales volume of services provided by Registrant under Registrant's Mark.

ANSWER:

Registrant does not have any sales figures relating to Registrant’s Services at issue in this proceeding as the International Class 41 services are offered to promote Registrant’s Mark in connection with Registrant’s other goods.

Respondent opposes the motion, contending that there is no admission in its discovery responses; that “use in commerce” for registration purposes does not require

rendering services for profit; and that Respondent did produce documents showing use of the mark.

The Board disagrees with Petitioner's argument that Respondent's discovery response is analogous to an admission that Respondent does not have goods in trade. A claim that goods are not "in trade" is a claim that goods are not independently offered in commerce but are merely incidental to providing services. *See Lens.com, Inc. v. 1-800 Contacts, Inc.*, 686 F.3d 1376, 103 USPQ2d 1672, 16765 (Fed. Cir. 2012) ("an article does not qualify as a good in trade when that article is simply the conduit through which the applicant renders services") (citations omitted). Respondent's BONGO BI-LINGO BUDDY mark identifies a character, and is registered for, among other things, children's entertainment services. Respondent cites no case law, and the Board is aware of none, for the proposition that entertainment services which also promote the sale of merchandise are not services offered in commerce. Respondent's discovery response is not an admission that his services are not offered in commerce, and Respondent may demonstrate the necessary use of the mark by showing that BONGO BI-LINGO BUDDY entertainment services have been advertised and rendered, whether or not the services are the subject of sales, and even though the mark also is used on Respondent's goods.¹

¹ *Compare In re Fla. Cypress Gardens Inc.*, 208 USPQ 288 (TTAB 1980) (name CORKY THE CLOWN used on handbills found to function as a mark to identify live performances by a clown, where the mark was used to identify not just the character but also the act or entertainment service performed by the character); *In re Folk*, 160 USPQ 213 (TTAB 1968) (THE LOLLIPOP PRINCESS functions as a service mark for entertainment services, namely, telling children's stories by radio broadcasting and personal appearances).

In support of his cross-motion for summary judgment on nonuse, Respondent submits a status and title copy of the subject registration, his responses to interrogatories and document requests, and documents produced in response to discovery, which include the following documents:

Undated Advertisement submitted with September 1, 2009 statement of use: Bongo Bi-Lingo Buddy Join Bongo on his Musical Island-Hopping Adventures Around Bi-Lingo Bay! First 10 players will receive a free t-shirt! Friday June 18th Time 10AM-11AM (18 TTABVUE 116)

Undated advertisement
Bongo Bi-Lingo Buddy “Will you be my Bi-Lingo Buddy?” The Children’s Museum: Friday, 1212PM to 3PM for a Caribbean Bi-Lingual Adventure theatrical performances, Bi-Lingo matching game, coloring and facepainting! (18 TTABVUE 222)

Undated advertisement
Join Bongo and his friends on an Island Hopping bilingual language learning Adventure Around Bi-Lingo Bay! Bongo Bi-Lingo Buddy Winter Park Library Thursday at 10:30AM 460 E. New England Ave. Winter Park, FL 32789 (18 TTABVUE 225)

July 31, 2005 article from Denver Business Journal:
Bongo’s live show, featuring 17 performers, debuted at the Cherry Creek Arts Festival during the July Fourth weekend...The idea of Bongo, whose full name is BONGO BI-LINGO BUDDY comes from several trips Stoner took to Cuba in the late 1990s. (18 TTABVUE 139)

October 17, 2005 article from Orlando Business Journal
Now, the Bongo Cats line will include not only the plush toy, but DVDs, CDs, books, an internet site where children can also interact with the characters and a live-performance show that will travel across the United States ... To do that, Bongo the Bi-Lingo Buddy centers around the story of the cat and his friends... To kick off the concept, Stoner is bringing the Bongo Cats 30-minute interactive live performance show to Orlando, Tampa and Miami next summer. (18 TTABVUE 142-143).

Petitioner’s opposition to the cross-motion contends that Respondent’s documents purportedly showing use are unsupported by testimony, lack vital details such as

when and where the advertisements appear, and do not demonstrate that the services were rendered.²

After careful consideration of the record, the Board finds that neither party has carried its burden of proof with respect to the nonuse claim. The Board finds that, at a minimum, there is a genuine dispute as to whether Respondent was using the mark in commerce with the listed services prior to the extended statement of use filing date of September 25, 2009.

c. Abandonment

Section 45 of the Trademark Act states that “[a] mark shall be deemed to be ‘abandoned’ ... [w]hen its use has been discontinued with intent not to resume such use” and “‘Use’ of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.” 15 U.S.C. 1127. While the elements of proof for the claims of nonuse and abandonment differ, Respondent supports its position on both by reliance on the same scant documents. The Board finds that, at a minimum, there is a genuine dispute as to whether

² With his reply brief, Respondent submits Respondent Theodore A. Stoner’s declaration averring, in part, “I have rendered the Stoner Services in connection with the BONGO BILINGO BUDDY mark for the last 11 years at various tradeshow, various children’s institutions (most recently summer of 2015), and festivals throughout several different states and regions of the United States and abroad.” Petitioner moves to strike this declaration, arguing that, if it had been submitted with Respondent’s cross-motion, Petitioner would have had the opportunity to seek discovery under Fed. R. Civ. P. 56(d), but such a motion now is untimely. *See* Trademark Rule 2.127(e)(1). The Board agrees. Petitioner’s motion to strike Respondent’s declaration is granted. The Board hastens to add that, in view of the dearth of detail in the declaration, consideration would not have changed the outcome of Respondent’s cross-motion.

Respondent has used the BONGO BI-LINGO BUDDY mark on the services listed in the registration in the ordinary course of trade continuously since registration.

d. Likelihood of Confusion

Where the nonmoving party will bear the burden of proof at trial on a dispositive issue, the moving party may discharge its burden by showing that there is an absence of evidence to support the nonmoving party's case. *Celotex Corp. v. Catrett*, 477 U.S. at 325; *Copelands' Enters. Inc. v. CNV Inc.*, 945 F.2d 1563, 20 USPQ2d 1295, 1298 (Fed. Cir. 1991). Here, Respondent contends that based on Petitioner's discovery responses, Petitioner will be unable to prove use prior to Respondent's first use date of June 8, 2004. Petitioner's opposition to the motion is supported by the declaration of Petitioner's Vice President and General Counsel Michael Shafir averring that the BONGO BEAR mark has been used in connection with its entertainment services since at least March 1, 2003. The Board finds that, at a minimum, there is a genuine dispute as to whether Petitioner has prior proprietary rights in the BONGO BEAR mark for entertainment services, and whether contemporaneous use with Respondent's mark BONGO BI-LINGO BUDDY in connection with his services would be likely to cause confusion or mistake or to deceive consumers. *See Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1735 (TTAB 2001).

In sum, the cross-motions for summary judgment on the claim that the application underlying the subject registration was void *ab initio* for nonuse prior to registration

is denied, and Respondent's motion for summary judgment on the claims of abandonment and likelihood of confusion is denied.³

In view of the many factual disputes in this proceeding, the Board determines that disposition by summary judgment is not appropriate. Accordingly, the parties are barred from filing new motions for summary judgment and must proceed to trial.

III. Proceedings are Resumed

Petitioner is allowed until TEN DAYS from the mailing date of this order to file an amended petition to cancel with a sufficient claim of fraud, failing which this proceeding will go forward only as to the claims of nonuse, abandonment, and likelihood of confusion. With respect to any amended pleading, Petitioner and its counsel are reminded that under Rule 11 of the Federal Rules of Civil Procedure, they are certifying that all claims and other legal contentions asserted therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law. See Fed. R. Civ. P. 11.

Respondent is allowed until TEN DAYS from the date of service of any amended petition to cancel to serve its answer.

Proceedings are resumed, and dates are reset below.

Discovery	Closed
Plaintiff's Pretrial Disclosures	4/22/2016
Plaintiff's 30-day Trial Period Ends	6/20/2016
Defendant's Pretrial Disclosures	7/5/2016

³ Although we have only mentioned a few genuine disputes of material fact in this decision, this is not to say that this is all that would necessarily be at issue for trial. The parties should note that evidence submitted in support of or in opposition to a motion for summary judgment is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced in evidence during the appropriate trial period. See *Levi Strauss & Co. v. R. Joseph Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993).

Defendant's 30-day Trial Period Ends	8/19/2016
Plaintiff's Rebuttal Disclosures	9/3/2016
Plaintiff's 15-day Rebuttal Period Ends	10/3/2016

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.