

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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General Contact Number: 571-272-8500

BUO

Mailed: April 1, 2015

Cancellation No. 92059992

Spoonjack LLC

v.

Donald J. Trump

By the Trademark Trial and Appeal Board:

Now before the Board is Donald J. Trump’s (“Respondent”) motion, filed October 30, 2014, to dismiss the petition to cancel his Registration No. 3391095 for the mark TRUMP, in standard character format, for use with “[e]ntertainment services, namely, ongoing unscripted television programs in the field of business, business disputes, and dispute resolution” in International Class 41.¹ The motion has been fully briefed.

The petition for cancellation filed by Spoonjack LLC (“Petitioner”) alleges that the subject registration has been maintained fraudulently inasmuch as “Registrant knowingly made a material misrepresentation to the PTO in

¹ The registration issued on the Principal Register on March 4, 2008, from an application filed April 16, 2007. Respondent’s Combined Declaration of Use and Incontestability under Sections 8 and 15 of the Trademark Act, 15 U.S.C. §§ 1058(a) and 1065, was accepted and acknowledged on March 20, 2014. However, Respondent voluntarily petitioned the Director to abandon his Declaration of Incontestability, on September 24, 2014, which was subsequently granted on December 10, 2014.

order to obtain incontestability for Registration No. 3391095.” 1 TTABVUE 4, ¶ 9.² Respondent contends that Petitioner lacks standing, and in any event has failed to state a claim upon which relief may be granted based upon Petitioner’s “barebones pleading,” in which it “has not alleged, nor could it prove, particularized and plausible facts to support a claim of fraud as required by the Supreme Court.” 5 TTABVUE 7.

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. *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 ground exists for denying the registration sought. *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, 570 (2007); *see also Ashcroft v. Iqbal*, 556 U.S. 662 (2009). Petitioner is not under

² Citations to the record will be to TTABVUE, the docket history system for the Trademark Trial and Appeal Board. Because the Board primarily uses TTABVUE in reviewing evidence, the Board prefers that citations to material or testimony in the record that has not been designated confidential include the TTABVUE docket entry number and the TTABVUE page number. For material or testimony that has been designated confidential and which cannot be viewed on TTABVUE, the TTABVUE docket entry number where such material or testimony is located should be included in any citation. *See Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014).

a burden to prove its case in its petition for cancellation. *Enbridge, Inc. v. Excelerate Energy Ltd. P'ship*, 92 USPQ2d 1537, n.10 (TTAB 2009).

- **Standing**

The starting point for a standing determination in a cancellation proceeding is Trademark Act Section 14, which provides that “[a] petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed . . . by any person who believes that he is or will be damaged . . . by the registration of a mark on the [P]rincipal [R]egister.” Section 14 thus establishes a broad doctrine of standing; by its terms, the statute requires only that a person have a belief that he would suffer some kind of damage if the mark is registered. As interpreted in binding precedent, a petitioner must have a “real interest” in the outcome of the proceeding, and a “reasonable basis” for its belief that it would suffer some kind of damage by the continued registration of the mark. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999); *Universal Oil Prod. Co. v. Rexall Drug & Chem. Co.*, 463 F.2d 1122, 1123, 174 USPQ 458, 459 (CCPA 1972).

Petitioner appears to base its pleading of standing on its ownership of the mark ITRUMP, subject of application Serial No. 85208303, which Respondent opposed in Opposition Proceeding No. 91203345. That opposition was dismissed with prejudice inasmuch as Respondent (Opposer in that case) withdrew his opposition without the consent of Petitioner, but after an

answer had been filed in the proceeding. The application subsequently went on to registration, which issued September 23, 2014.

While it is clear from Petitioner's pleading that the herein involved registration no longer poses a deterrent to Petitioner's registration of its mark, Petitioner has nonetheless, pleaded sufficient facts to support its standing to bring this action. *Cf. Saddlesprings Inc. v Mad Croc Brands Inc.*, 104 USPQ2d 1948, 1950 (TTAB 2012); *IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009). *But see, Tonka Corp. v. Tonka Tools, Inc.*, 229 USPQ 857, 859 (TTAB 1986) (petitioner has standing to cancel registration that has been asserted, even defensively, in a civil action); *and M. Aron Corp. v. Remington Products, Inc.*, 222 USPQ 93, 96 (TTAB 1984). Moreover, Petitioner may establish a reasonable belief of damage by asserting proprietary rights and current ownership of a mark that is the same or similar to the challenged mark.³ *See Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40 (CCPA 1981).

- **Fraud**

Petitioner asserts as the basis for its fraud claim:

4. On February 21, 2012, along with its answer to the notice of opposition, Petitioner filed a counterclaim to cancel, *inter alia*, Registration No. 3391095.
5. On February, 28, 2014, while Petitioner's counterclaim was pending, Registrant filed a Combined Declaration of

³ In considering a motion to dismiss for failure to state a claim, we must presume Petitioner's well-pleaded factual allegations to be true.

Use and Incontestability under Sections 8 & 15 for Registration No. 3391095. In that filing Registrant represented to the PTO that there was, at that time, no proceeding involving Registrant's right to register the mark, for the listed services, pending and not disposed of either in the Patent and Trademark Office or in the courts. Registrant verified such with a declaration pursuant to 37 C.F.R. §2.20.

...

7. The representation Registrant made to the PTO on February 28, 2014, was false given that Petitioner's counterclaim to cancel Registration No. 3391095 was pending in proceeding no. 91203345.

...

9. Registrant knowingly made a material misrepresentation to the PTO in order to obtain incontestability for Registration No. 3391095, a right to which Registrant is not entitled.

...

12. Registrant made the representation with the intent to deceive the PTO.

Respondent contends that the "Petition to Cancel is based on a single allegation of fraud centered on an inadvertent error in a Section 15 Declaration of Incontestability for the TRUMP '095 Registration (the "Section 15 Declaration")." 5 TTABVUE 6. Respondent goes on to assert that the petition to cancel is moot given Respondent's "Petition to the Director indicating that the Section 15 Declaration contained an inadvertent error" and his request that it be abandoned. *Id.* Finally, Respondent asserts that "[Petitioner's] fraud claim is not adequately pleaded because the few facts it

alleges, even if true, do not establish fraudulent intent as a matter of law.”

Id. at 13.

Adequate pleading of a fraud claim requires the allegation of a specific false statement of material fact that Respondent made in *obtaining or maintaining* the involved registration with the intent to deceive the USPTO. *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).

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. 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.

Section 15 of the Trademark Act, 15 U.S.C. § 1065 states, in relevant part:

... the right of the owner to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: Provided, That—

...

(2) there is no proceeding involving said rights pending in the United States Patent and Trademark Office or in a court and not finally disposed of.

The Board disagrees with Respondent that his “efforts to fix the mistake and undo its affects moot any claim of fraud.” Assuming the truth of Petitioner’s allegations, Respondent’s fraud was committed when it knowingly filed a material, false statement, with the intention to deceive the USPTO and thereby obtain or maintain a registration to which it was not entitled. Respondent’s allegedly fraudulent statements are not rendered a nullity by Respondent’s belated abandonment of its declaration. *Medinol Ltd. v. Neuro Vasx Inc.*, 67 USPQ2d 1205, 1208 (TTAB 2003) (“[D]eletion of the goods upon which the mark has not yet been used does not remedy an alleged fraud upon the Office. ... Allowing respondent's amendment would be beside the point; even if “stents” were deleted from the registration, the question remains whether or not respondent committed fraud upon the Office in the procurement of its registration.” (citations and footnote omitted)).

We need not decide the point here, but it would appear that at best, Respondent’s corrective action simply created a rebuttable presumption that

he did not intend to deceive the USPTO. *Cf. Zanella Ltd. v. Nordstrom Inc.*, 90 USPQ2d 1758, 1762 (TTAB 2009)(opposer corrected its statements made in its combined Section 8 and 15 documents *prior* to applicant's use of its mark and *prior* to institution of that proceeding). Thus, Petitioner's fraud claim was not rendered moot by Respondent's "corrective" actions.

However, inasmuch as Petitioner's claim goes to the Section 15 Declaration of Incontestability and not Respondent's Section 8 Declaration of Use, the statements made by Respondent did not affect the acquisition or maintenance of the challenged registration as required by *In re Bose*. 91 USPQ2d at 1941. Indeed, the allegations in the petition to cancel fail to sufficiently plead the "materiality" of the false statement with respect to the *maintenance* of the registration necessary to support a claim of fraud.⁴ A cursory reading of Section 15 of the Trademark Act reveals that Section 15 does not concern registrability or the maintenance of a registration, but defines an added protection to an already registered or renewed registration.

⁴ Petitioner should note that "[p]leadings of fraud which rest solely on allegations that the trademark ... registrant made material representations of fact in connection with its ... registration which it 'knew or should have known' to be false or misleading are an insufficient pleading of fraud because [such allegations imply] mere negligence[,] and negligence is not sufficient to infer fraud or dishonesty." *Asian and Western Classics*, 92 USPQ2d at 1479 (*citing In re Bose*, 91 USPQ2d at 1940). Thus, a party alleging fraud must set out facts which if true, would at least support an inference of deceptive intent. *Cf. In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1942 (Fed. Cir. 2009) (fraud standard at trial).

Further, the Board is doubtful, given Respondent's corrective actions and any presumption that may flow from those actions, that Petitioner would be able to plead, much less prove, the deceptive intent necessary to prevail on its fraud claim under the circumstances presented.

In light of the foregoing, Petitioner's fraud claim, based upon false statements made in and concerning Respondent's Section 15 declaration, is insufficiently pleaded.

Accordingly, Respondent's motion to dismiss for failure to state a claim under Fed. R. Civ. P. 12(b)(6) is **GRANTED**.

However, notwithstanding the Board's skepticism regarding Petitioner's ability to sufficiently plead a fraud claim based upon the circumstances presented, Petitioner, in keeping with established Board practice, is allowed until **THIRTY DAYS** from the issuance of this order to file an amended petition to cancel, if warranted and supportable, setting forth with particularity an amended fraud claim (*see* Fed. R. Civ. P. 8(a) and TBMP § 309 (2014)); failing which the petition to cancel will be dismissed with prejudice. *See* TBMP § 503.03. If Petitioner files an amended petition to cancel, Respondent is allowed **THIRTY DAYS** from the filing of such amended petition to file his answer or otherwise move with respect to the amended pleading.

Schedule

Remaining conferencing, discovery, disclosure, and trial dates are reset as follows:

Deadline for Discovery Conference	6/29/2015
Discovery Opens	6/29/2015
Initial Disclosures Due	7/29/2015
Expert Disclosures Due	11/26/2015
Discovery Closes	12/26/2015
Plaintiff's Pretrial Disclosures	2/9/2016

Plaintiff's 30-day Trial Period Ends	3/25/2016
Defendant's Pretrial Disclosures	4/9/2016
Defendant's 30-day Trial Period Ends	5/24/2016
Plaintiff's Rebuttal Disclosures	6/8/2016
Plaintiff's 15-day Rebuttal Period Ends	7/8/2016

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

Pro Se Information

A. Representation

The Board notes that petitioner currently represents itself *pro se*, i.e. without assistance from a licensed attorney. It should be noted that, while Patent and Trademark Rule 11.14 permits any party to represent itself, it is advisable for a person who is not acquainted with the technicalities of the procedural and substantive law involved in a cancellation proceeding to secure the services of an attorney who is familiar with such matters. The Patent and Trademark Office cannot aid in the selection of an attorney. In addition, as the impartial decision maker, the Board may not provide legal advice, though it may provide general procedural information.

B. Nature of Board Proceedings

A cancellation proceeding before the Board is similar in many ways to a civil action in a Federal district court. There are pleadings (notice of opposition, answers, and, sometimes, a counterclaim), a wide range of possible motions; discovery (a party's use of discovery depositions, interrogatories, requests for production of documents and things, and requests for admission to ascertain the facts underlying its adversary's case), a trial, and briefs, followed by a decision on the case. Unlike the case in a civil proceeding, the Board does not preside at the taking of testimony. Rather, all testimony is taken by deposition during the assigned testimony, or trial, periods, and the written transcripts, together with any exhibits, are then filed with the Board. No paper, document, or exhibit will be considered as evidence in the case unless it has been introduced in evidence in accordance with the applicable rules.

C. Electronic Resources

All parties may refer to the Trademark Trial and Appeal Board Manual of Procedure ("TBMP"), the Trademark Act, and the Trademark Rules of Practice, all available on the USPTO website, www.uspto.gov. The TTAB homepage provides electronic access to the Board's standard protective order, and answers to frequently asked questions. Other useful resources include

the ESTTA filing system⁵ for Board filings and TTABVUE for status and prosecution history.

Compliance with the Trademark Rules of Practice, and where applicable the Federal Rules of Civil Procedure, is expected of all parties before the Board, whether or not they are represented by counsel.

D. Service of Papers

Trademark Rule 2.119(a) and (b) require that every paper filed in the Patent and Trademark Office in a proceeding before the Board must be served upon the attorney for the other party, or the other party itself, if unrepresented, and proof of such service must be made before the paper will be considered by the Board. Consequently, copies of all papers which petitioner may file in this proceeding must be accompanied by a signed statement indicating the date and manner in which such service was made. The statement, whether attached to or appearing on the paper when filed, will be accepted as *prima facie* proof of service.

The following is an example of an acceptable Certificate of Service:

⁵ Use of electronic filing with ESTTA—as the parties have done so far—is strongly encouraged. This electronic file system operates in real time and provides filers with confirmation that the filing has been received. When papers are filed through ESTTA the papers must still be served on the other party to the proceeding.

If the parties have questions about or need assistance with ESTTA, they may call the Board at (571) 272-8500 or (800) 786-9199 (toll free) from 8:30 a.m. until 5:00 p.m. (EST).

While electronic filing is preferred, papers may also be filed by mail. The parties should refer to TBMP §§ 107-111 for information on filing by mail. If ESTTA filing is not possible for any reason, the filer should submit its papers by mail, with a certificate of mailing. See TBMP § 110 *et. seq.*

Certificate of Service

The undersigned certifies that a copy of the attached
<describe filing> was served, by first class mail, upon
opposer at the following address:

James D. Weinberger
Fross Zelnick Lehrman & Zissu PC
866 United Nations Plaza, 6th Floor
New York, NY 10017,

on <insert date>.

/Tom Scharfeld/