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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92059992
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

SPOONJACK LLC d/b/a SPOONJACK,

Petitioner,

-against-

DONALD J. TRUMP,

Registrant.

Opposition No. 92059992

REGISTRANT'S MOTION TO DISMISS

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Registrant Donald J. Trump (“Registrant”) hereby moves under Trademark Rule of Practice 2.127, Fed. R. Civ. P. 12(b)(6), and Trademark Trial and Appeal Board (“TTAB”) Manual of Procedure (“TBMP”) § 503 to dismiss *pro se* Petitioner Spoonjack LLC’s (“Spoonjack”) Petition to Cancel (the “Spoonjack Petition to Cancel”) Registrant’s registration for TRUMP, U.S. Reg. No. 3,391,095, (the “TRUMP ’095 Registration”) on the basis of fraud.

PRELIMINARY STATEMENT

The Spoonjack 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”). A Section 15 Declaration of Incontestability requires the registrant to attest that, at the time of the declaration, no proceeding is pending that involves the rights granted under the registration. *See* 15 U.S.C. § 1065(2). As the Section 15 Declaration was filed, a pending counterclaim filed by Spoonjack to cancel the TRUMP ’095 Registration – since dismissed on summary judgment – was in fact pending. Without any factual support or legally plausible basis, Spoonjack seeks to convert this error into a premeditated act of fraud. However, for several reasons, the Spoonjack Petition to Cancel is deficient on its face and should be dismissed.

First, Spoonjack lacks standing. While Registrant previously filed an opposition against a Spoonjack-owned application based on the TRUMP ’095 Registration, that proceeding was withdrawn *with prejudice* over a year ago. Registrant has not otherwise asserted any claim against Spoonjack, based on the TRUMP ’095 Registration or otherwise. Therefore, Spoonjack cannot establish that he would be damaged by the maintenance of the TRUMP ’095 Registration. Second, Petitioner has already (1) filed a Petition to the Director indicating that the Section 15 Declaration contained an inadvertent error and requesting that it be abandoned and (2) amended

his operative pleading in the only proceeding in which he has asserted rights in the TRUMP '095 Registration since the Section 15 Declaration was accepted. This renders the Spoonjack Petition to Cancel moot. Third, Spoonjack's barebones pleading has not alleged, nor could it prove, particularized and plausible facts to support a claim of fraud as required by the Supreme Court. Spoonjack's pleading is premised on blind and incorrect guesswork, misconceptions about trademark law and does not pass the rigorous pleading requirements for a fraud claim. For each of these reasons, the Spoonjack Petition to Cancel should be dismissed.

STATEMENT OF FACTS

The TRUMP '095 Registration

On April 16, 2007, Registrant filed App. Ser. No. 77/157,334 to register the mark TRUMP for "Entertainment services, namely, ongoing unscripted television programs in the field of business, business disputes, and dispute resolution" in International Class 41, based on first use in commerce on January 8, 2004. The TRUMP '095 Registration issued on March 4, 2008. *See* Reg. No. 3,391,095; Spoonjack Petition to Cancel ¶ 1.¹ Moreover, Registrant is the owner of numerous other TRUMP and TRUMP-formative marks in connection with a wide array of goods and services, including marks in International Class 41 that have already become incontestable, such as Reg. Nos. 2,322,517; 2,431,539; 2,478,340; 2,468,153; 2,269,568; 2,441,215; 1,755,971; 1,749,119; and 1,620,477.

The iTRUMP Proceeding

On December 30, 2010, Spoonjack filed App. Ser. No. 85/208,303 to register the mark iTRUMP for "Computer software for use in producing sound" in International Class 9, based on

¹ In a petition for cancellation, the file history of the registration that is the subject of the proceeding is of record. *See* 37 C.F.R. § 2.122(b).

an intent to use, which has now matured into Reg. No. 4,607,873 (the “iTRUMP Registration”). Spoonjack Petition to Cancel, ¶ 2. On January 12, 2012, Registrant filed an opposition based on its rights in the mark TRUMP against Spoonjack’s application (the “iTRUMP Proceeding”) alleging likelihood of confusion, dilution and false suggestion of a connection with persons living or dead. *Id.* The TRUMP ’095 Registration was one of several that Registrant pleaded in the opposition. *Id.* ¶ 3. In response, on February 21, 2012, Spoonjack filed an answer and counterclaim, alleging, *inter alia*, that the TRUMP ’095 Registration should be canceled on the grounds that the TRUMP mark is primarily merely a surname in violation of Section 2(e)(4) of the Lanham Act, 15 U.S.C. § 1052(e)(4). *Id.* ¶ 4. Registrant, however, withdrew the opposition to the iTRUMP Registration *with prejudice* in September 2013, *see Order, Trump v. Spoonjack, LLC*, Opp. No. 91203345 (Sept. 11, 2013), a fact omitted from the Spoonjack Petition to Cancel.

Notwithstanding the withdrawal, which ended the only claims brought by Registrant against Spoonjack, Spoonjack elected to maintain its counterclaim against the TRUMP ’095 Registration. *See Applicant/Petitioner’s Response to TTAB Order of Sept. 11, 2013, Trump v. Spoonjack, LLC*, Opp. No. 91203345 (Sept. 11, 2013). On September 5, 2014, the Board granted Registrant’s motion for summary judgment, rejecting Spoonjack’s argument that TRUMP is primarily merely a surname and dismissing the iTRUMP Proceeding. *See Order, Trump v. Spoonjack, LLC*, Opp. No. 91203345 (Sept. 5, 2014). As of that date, Spoonjack and Registrant were no longer involved in any dispute.

The Section 15 Filing for the TRUMP ’095 Registration

In February 2014, as part of its routine maintenance of Registrant’s substantial trademark portfolio (over 100 live applications and registrations), Registrant’s counsel prepared a combined declaration pursuant to Sections 8 and 15 relating to the TRUMP ’095 Registration. Pursuant to

15 U.S.C. Section 1065, the Section 15 Declaration contained the following requisite language: “no proceeding involving said rights pending and not disposed of in either the U.S. Patent and Trademark Office or the courts exists.” *See* Sections 8 and 15 Declaration, U.S. Reg. No. 3,391,095 (Feb. 28, 2014). Despite the pendency of the now-dismissed counterclaim in the iTRUMP Proceeding, the Declaration was filed on February 28, 2014. On March 20, the Section 8 declaration was accepted, and the Section 15 Declaration was acknowledged.²

The TRUMP YOUR COMPETITION Opposition

On July 28, 2014, Registrant filed a Notice of Opposition against a third party unrelated to Spoonjack named Trump Your Competition, Inc. (“TYC”), regarding TYC’s application to register the mark TRUMP YOUR COMPETITION. *See Trump v. Trump Your Competition, Inc.*, No. 91217618. The TRUMP ’095 Registration was one of many that Registrant pleaded in the TYC Notice of Opposition. Because the Declaration had been acknowledged by the time Registrant filed the TYC Notice of Opposition, Registrant noted that the TRUMP ’095 Registration had become incontestable, along with several other pleaded registrations.

The Spoonjack Petition to Cancel

Filed on September 18, 2014, the Spoonjack Petition to Cancel alleges a single claim of fraud, namely that Registrant, by filing the Section 15 Declaration, intended to perpetrate a fraud on the Patent & Trademark Office (“PTO”). The Spoonjack Petition to Cancel recites that Registrant had opposed Spoonjack’s mark in the iTRUMP Proceeding based on, *inter alia*, the TRUMP ’095 Registration, *see* Spoonjack Petition to Cancel, ¶¶ 1-3, that Spoonjack had filed a

² As Spoonjack notes, the same law firm that represented Registrant in the iTRUMP Proceeding also advised and prepared documents for Registrant in connection with the filing of the Section 15 Declaration (and is representing Registrant here). Nevertheless, different attorneys were involved in the two matters. *Compare* Sections 8 and 15 Declaration, U.S. Reg. No. 3,391,095 (Feb. 28, 2014) *with* Notice of Opposition, *Trump v. Spoonjack LLC*, Opp. No. 91203345 (Jan. 12, 2012).

counterclaim to cancel, *see id.* ¶ 4, that Registrant had filed the Section 15 Declaration during the iTRUMP Proceeding and, that after it had been acknowledged, Registrant had noted the TRUMP '095 Registration's incontestability status in the third-party TYC proceeding, *see id.* ¶¶ 5-6.

Next, the Spoonjack Petition to Cancel notes that the Section 15 Declaration was inaccurate, *see id.* ¶ 7, and alleges in a conclusory fashion that Registrant knew it was inaccurate, *see id.* ¶ 8 ("Registrant knew that the representation was false."). Spoonjack then alleges: (i) Registrant's misrepresentation was knowing because he intended to obtain incontestability (*id.* ¶ 9); (ii) Registrant "knowingly made a material misrepresentation . . . , so that he could rely on [the incontestable status] in dispute of the mark depicted in Application Serial No. 86/116,800," *i.e.*, the TRUMP YOUR COMPETITION mark (*id.* ¶ 10); (iii) Registrant "knowingly made a material misrepresentation . . . , so that he could rely on [the incontestable status] in dispute of [Spoonjack]'s mark depicted in Application Serial No. 85/208,303," *i.e.*, the iTRUMP Mark (*id.* ¶ 11); (iv) "Registrant made the representation with the intent to deceive the PTO" (*id.* ¶ 12) and; (v) the misrepresentation was material (*id.* ¶¶ 13-14). No factual support is provided for any of these allegations. Spoonjack then claims in conclusory fashion that the conduct constituted fraud, that Spoonjack would be damaged therefrom, and on that basis that the TRUMP '095 Registration be cancelled. *See id.* ¶¶ 15-16, final paragraph.

Registrant's Conduct After Becoming Aware of the Spoonjack Petition to Cancel

The Spoonjack Petition to Cancel alerted Registrant to the erroneous filing. Since then, Registrant has taken all available steps to correct the mistake. First, on September 24, 2014, Registrant filed a Petition to the Director requesting that the Section 15 Declaration immediately be abandoned pursuant to the Director's supervisory authority under 35 U.S.C. § 2 and 37 C.F.R. § 2.146(a)(3). *See* Petition to Director, U.S. Reg. No. 3,391,095 (Sept. 24, 2014). (The Petition

is pending.) Second, Registrant promptly advised counsel for third party TYC of the error, secured TYC's consent to amend his pleading in that proceeding and withdrew the reference to the TRUMP '095 Registration's incontestability. See Consented Motion to Amend Pleading, *Trump Your Competition, Inc. v. Trump*, No. 91217618 (Oct. 1, 2014). The amended pleading has already been accepted by the TTAB. See Order, *Trump v. Trump Your Competition, Inc.*, Opp. No. 91217618 (Oct. 17, 2014). The TRUMP '095 Registration is not the subject of any other proceedings, and its incontestability has not been asserted in connection with any other claim or action.

APPLICABLE LEGAL STANDARD

To withstand a motion to dismiss for failure to state a claim upon which relief can be granted, a petitioner must allege sufficient factual content that, if proved, would allow the Board to conclude that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling the mark. *Doyle v. Al Johnson's Swedish Rest. & Butik Inc.*, 101 U.S.P.Q.2d 1780, 1782 (T.T.A.B. 2012) (citing *Young v. AGB Corp.*, 47 U.S.P.Q.2d 1752, 1754 (Fed. Cir. 1998) and TBMP § 503.02). The initial pleading "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 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). The claimant cannot get by on "[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements." *Iqbal*, 556 U.S. at 679 (citing *Twombly*, 550 U.S. at 555).

As to first ground, section 14 of the Lanham Act requires that a petitioner must show that it "possesses standing to challenge the continued presence on the register of the subject registration." *Young*, 47 U.S.P.Q.2d at 1754 (quoting *Lipton Indus., Inc. v. Ralston Purina Co.*,

213 U.S.P.Q. 185, 187 (C.C.P.A. 1982)). Accordingly, a petitioner must plead “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.” TBMP 309.03(b); *see Ritchie v. Simpson*, 50 U.S.P.Q.2d 1023, 1026 (Fed. Cir. 1999) (“the opposer must have a direct and personal stake in the outcome of the opposition”). Standing is assessed at the time the counterclaim is filed. *See, e.g., Friends of the Earth, Inc. v. Laidlaw Envtl. Servs., (TOC), Inc.*, 528 U.S. 167, 189 (2000); *Wheaton College v. Sebelius*, 703 F.3d 551, 552 (D.C. Cir. 2012).

As to the substantive claim, the Supreme Court’s decision in *Twombly* provides that “a plaintiff’s obligation to provide the ‘grounds’ of his ‘entitle[ment] to relief’ requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.” *Twombly*, 550 U.S. at 555. Rather, the Court held that “[f]actual allegations must be enough to raise a right to relief above the speculative level, on the assumption that all the allegations in the complaint are true (even if doubtful in fact).” *Id.* The Court proceeded to explain that a claim need not only allege factual allegations, but the factual allegations themselves must be *plausible*. “Asking for plausible grounds to infer an agreement does not impose a probability requirement at the pleading stage; it simply calls for enough fact to raise a reasonable expectation that discovery will reveal evidence of illegal[ity]” *Id.*

Spoonjack here has asserted a single claim of fraud. Fraud in procuring a trademark registration only occurs when an applicant for a registration knowingly makes a “false, material representation” of fact in connection with an application to register “with the intent to deceive the PTO.” *See In re Bose Corp.*, 91 U.S.P.Q.2d 1938, 1941 (Fed. Cir. 2009). The burden of pleading and proving fraud is extremely high: “[T]he very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence.” *Smith Int’l, Inc. v. Olin Corp.*,

209 U.S.P.Q. 1033, 1044 (T.T.A.B. 1981). Accordingly, when “petitioning to cancel a registration on the ground of fraud, a petitioner must allege the elements of fraud *with particularity* in accordance with Fed. R. Civ. P. 9(b).” *Asian & W. Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478, 1478 (T.T.A.B. 2009) (emphasis added). “There is no room for speculation, inference or surmise” *Smith Int’l*, 209 U.S.P.Q. at 1044 (quoted in *Bose*, 91 U.S.P.Q.2d at 1941). This heightened pleading standard for a fraud claim serves the salutary purposes of “providing notice, weeding out baseless claims, preventing fishing expeditions and fraud actions in which all facts are learned after discovery, and serving the goals of Rule 11.” *Asian & W. Classics*, 92 U.S.P.Q.2d at 1478-79 (citing 5A Charles A. Wright & Arthur R. Miller, *Fed. Prac. & Proc.* § 1296 n.11 (2004)).³

ARGUMENT

The Spoonjack Petition to Cancel fails to state a claim upon which relief can be granted for several reasons. *First*, Spoonjack does not have standing to challenge the TRUMP ’095 Registration. Registrant withdrew the iTRUMP Proceeding with prejudice over a year ago, and Spoonjack has alleged *no other basis* as to why it would be damaged by the continuing pendency of the TRUMP ’095 Registration. *Second*, the Spoonjack Petition to Cancel is moot because Registrant has withdrawn both the erroneous Section 15 Declaration and the only reference he has made to the TRUMP ’095 Registration as incontestable (which appeared in the Notice of Opposition concerning third party TYC). *Third*, Spoonjack’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: Spoonjack’s claim that Registrant intended to use incontestability of the TRUMP

³ Registrant discusses, at this stage in the proceedings, the requirements of proving a fraud claim solely to demonstrate that Spoonjack’s pleading is insufficient to allege fraud, not in an effort to argue the merits of the claim.

'095 Registration as a sword against pending applications in the TTAB cannot form the basis for an allegation of fraud because *incontestability has no legal effect in TTAB proceedings*. As a result, the fraud claim is not legally supportable or plausible, as required by the Supreme Court.

The Petition to Cancel should be dismissed.

I. Spoonjack Lacks Standing Because Registrant Withdrew the iTRUMP Opposition with Prejudice

Spoonjack lacks standing because it has no reasonable basis to believe that it would suffer harm from the incontestability of the TRUMP '095 Registration. Prior to Spoonjack's filing of the action, its past dispute with Registrant regarding the iTRUMP Registration had already been resolved in Spoonjack's favor. *See Order, Trump v. Spoonjack LLC*, Opp. No. 91203345 (Oct. 11, 2013). On August 15, 2013, during the iTRUMP Proceeding and after Spoonjack's product had been on the market for several years with no actual confusion in the marketplace, Registrant withdrew his opposition against Spoonjack *with prejudice*. *Id.* Moreover, Spoonjack has not identified in its pleading any other registrations at issue or any other rights in or intentions regarding the iTRUMP mark that would provide it with standing vis-à-vis the TRUMP '095 Registration. *Cf. Am. Vitamin Prods. Inc. v. Dowbrands Inc.*, 22 U.S.P.Q.2d 1313, 1314 (T.T.A.B. 1992) (holding petitioner has standing based on a pleaded intent to register). Indeed, for this reason, Paragraph 11 of the Spoonjack Petition to Cancel, which alleges that Registrant sought incontestability status of the TRUMP '095 Registration to assert it against Spoonjack is illogical and false on its face. Accordingly, Spoonjack has not and cannot allege any "direct and personal stake" as to whether the TRUMP '095 Registration is incontestable and cannot demonstrate standing. *See Ritchie*, 50 U.S.P.Q.2d at 1026 ("the opposer must have a direct and personal stake in the outcome of the opposition"); *Friends of the*

Earth, 528 U.S. at 189 (“Standing is assessed at the time the counterclaim is filed.”). On this basis, the Spoonjack Petition to Cancel should be dismissed with prejudice.

II. Registrant’s Efforts to Fix the Mistake and Undo its Affects Moot any Claim of Fraud

As a second ground for dismissal, recent TTAB precedent confirms that Registrant’s prompt and comprehensive efforts to fix the mistaken filing and undo its affects render Spoonjack’s fraud claim moot. Registrant has petitioned the Director to withdraw the Section 15 Declaration. *See* Petition to Director, U.S. Reg. No. 3,391,095 (Sept. 24, 2014). Registrant has also amended the only pleading that referenced the purported incontestability, which was in a proceeding having nothing to do with Spoonjack. *See* Order, *Trump Your Competition, Inc. v. Trump*, Opp. No. 91217618 (Oct. 17, 2014).

In a recent Board decision, *C. & J. Clark International Ltd. v. Unity Clothing Inc.*, Canc. No. 92049418, 2013 WL 3168093, at *4 n.4 (T.T.A.B. Apr. 24, 2013), *aff’d per curiam*, 561 F. App’x 921 (Fed. Cir. 2014) (mem.), is on point. In *C. & J. Clark*, a registrant counterclaimed to cancel the petitioner’s mark on the basis of likelihood of confusion, and the petitioner made the same mistake that Registrant made here: The petitioner erroneously filed a Section 15 declaration despite the ongoing cancellation proceeding and the declaration was acknowledged. In *C. & J. Clark*, the Board explained that this error was resolved once the petitioner withdrew the declaration and the PTO accepted the withdrawal. *See C. & J. Clark*, 2013 WL 3168093, at *4 n.4. In its decision regarding whether the mark should be cancelled, the Board did not even suggest that this inadvertent filing and withdrawal of the declaration would itself warrant cancellation of the registration. *See id.* The incontestability status had been withdrawn and no other remedy was needed. *See id.* Because Registrant has already petitioned the Director to withdraw the erroneous Section 15 Declaration and the Director will presumably grant the

request in due course, Spoonjack is entitled to no further relief than the petitioner received in *C. & J. Clark* with respect to the Section 15 Declaration. Accordingly, the Spoonjack Petition to Cancel should be dismissed.⁴

Spoonjack’s requested relief that the TRUMP ’095 Registration be *cancelled* is without basis. *On its face*, Section 14 does not apply to fraudulently submitted Section 15 declarations. Section 14 permits cancellation of a registration that “was obtained fraudulently.” 15 U.S.C. § 1064. However, Spoonjack does not and could not allege that the TRUMP ’095 Registration *itself* was obtained fraudulently – the TRUMP ’095 Registration’s validity is patent and confirmed by the Board’s dismissal of Spoonjack’s counterclaim. Instead, Spoonjack attempts (and fails) to allege that the TRUMP ’095 Registration’s *incontestability status* was obtained fraudulently. Accordingly, Spoonjack ought not to be able to petition to cancel the TRUMP ’095 Registration on this basis. As Professor McCarthy writes:

It is clear that fraud made in the original application papers, and in an affidavit accompanying an application for renewal, relates to fraudulently “obtaining” a registration, and is grounds for cancellation at any time. It is relatively clear that fraud made in affidavits under §§ 8 and 9, to continue a registration, also constitutes fraud in “obtaining” a registration sufficient for cancellation. *Fraud made in a § 15 affidavit to obtain incontestability status would seem not to go to the continuance of the registration itself and hence would not constitute a ground for cancellation of the registration.*

3 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Comp.* § 20:58 (4th ed. 2013) (hereinafter “*McCarthy*”) (emphasis added). The Court of Customs and Patent Appeals has held that it is “not at all clear” that the phrase “obtained fraudulently” in Section 14 “includes maintaining a registration already obtained.” *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 160 U.S.P.Q. 715, 719 (C.C.P.A. 1969); *contra, e.g., Crown Wallcovering Corp. v. Wall Paper Mfrs.*

⁴ Registrant will promptly notify the Board of any developments concerning the pending Petition to the Director.

Ltd., 188 U.S.P.Q. 141 (T.T.A.B. 1975). Professor McCarthy notes that “[s]ome decisions have held, however, that it does justify cancellation.” 3 *McCarthy* § 20:58 (collecting cases); *see also* 6 *McCarthy* § 31:80. However, these decisions are not supported by the statutory language. *See* 15 U.S.C. § 1064. Were Section 15 to apply in this context, the only appropriate relief would be withdrawal of the TRUMP ’095 Registration’s incontestability status. *See* 6 *McCarthy* § 31:80.

As Professor McCarthy has cogently opined:

Fraud in a § 15 incontestability affidavit should only serve to eliminate the incontestable status of the registration and not result in cancellation of the registration as such. If a ‘defect’ is proven, the registration itself is not destroyed. The different language of § 14(3) and § 33(b)(1) would seem to dictate this result. While § 8 and § 9 affidavits go to the continuance of the registration itself, § 15 does not.

Id. (emphasis added); *see also* *C. & J. Clark*, 2013 WL 3168093, at *4 n.4. Because Registrant has already sought to eliminate the incontestable status of the TRUMP ’095 Registration, the Spoonjack Petition to Cancel is moot for all practical purposes.

III. Spoonjack Fails to Plead Fraud with Sufficient Particularity

Finally, Spoonjack’s barebones pleading fails to adequately allege subjective intent, a required element of any fraud claim. *In re Bose Corp.*, 91 U.S.P.Q.2d at 1941. The allegations are vague, premised on misunderstood trademark law and devoid of particular facts. In a proper pleading, *plausible* facts must support each element, including the element of fraudulent intent. *See Twombly*, 550 U.S. at 556. Moreover, Federal Rule of Civil Procedure 9(b) requires a heightened level of pleading in which the claimant must allege with particularity the “who, what, when, where, and how of the alleged fraud.” *In re BP Lubricants USA Inc.*, 97 U.S.P.Q.2d 2025, 2026 (Fed. Cir. 2011) (citing *Exergen Corp. v. Wal-Mart Stores, Inc.*, 91 U.S.P.Q.2d 1656, 1667 (Fed. Cir. 2009)); *Exergen*, 91 U.S.P.Q.2d at 1667 (“Rule 9(b) requires that [i]n all averments of fraud or mistake, the circumstances constituting fraud or mistake shall be stated with

particularity.”). “Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis.” *In re Bose Corp.*, 91 U.S.P.Q.2d at 1941. Accordingly, Spoonjack’s allegations wholly fail.

In Paragraph 9, Spoonjack alleges that Registrant made the misrepresentation to obtain incontestability. *See* Spoonjack Petition to Cancel ¶ 9. However, this is a tautology (or a begging of the question), *i.e.*, Registrant submitted the document required to obtain incontestability so as to obtain incontestability. This falls far short of alleging the requisite facts required to plead fraud.

In Paragraphs 10 and 11, Spoonjack ties the purported subjective intent to a legally impossible, and thus “implausible” motive. *Twombly*, 550 U.S. at 556; *see* Spoonjack Petition to Cancel ¶¶ 10-11. After referring to TTAB proceedings brought by Registrant against the iTRUMP Registration (App. Ser. No. 85/208,303) and the TRUMP YOUR COMPETITION mark (App. Ser. No. 86/116,800), Spoonjack alleges:

10. Registrant knowingly made a material misrepresentation to the PTO in order to obtain incontestability for Registration No. 3391095, so that he could rely on it in dispute of the mark depicted in Application Serial No. 86/116,800.

11. Registrant knowingly made a material misrepresentation to the PTO in order to obtain incontestability for Registration No. 3391095, so that he could rely on it in dispute of Spoonjack’s mark depicted in Application Serial No. 85/208,303.

These are insufficient for two reasons.

First, a registration’s incontestability cannot be relied upon in a dispute before the TTAB. *See Strang Corp. v. Stouffer Corp.*, 16 U.S.P.Q.2d 1309, 1311 (T.T.A.B. 1990) (“the concept of incontestability is irrelevant to a cancellation proceeding under Section 14”); *Rickson Gracie L.L.C. v. Grace*, 67 U.S.P.Q.2d 1702, 1703 (T.T.A.B. 2003) (“petitioner’s reference to Section 15 of the Trademark Act is misplaced”). The TRUMP ’095 Registration’s incontestability would

thus have no bearing on either Registrant's opposition against Spoonjack or Registrant's pending opposition against third-party TYC. On this basis, Paragraphs 10 and 11 are based on a false legal premise and thus provide no plausible basis for an intent to deceive.

Second, Spoonjack alleges no further fact or circumstance that purports to suggest that Registrant intended to use the TRUMP '095 Registration against Spoonjack or TYC. Indeed, Registrant has never asserted the incontestable status of TRUMP '095 Registration against Spoonjack's iTRUMP Registration – Registrant's opposition against the iTRUMP Registration was dismissed with prejudice *months before* the Section 15 Declaration was filed – and Spoonjack alleges no facts to suggest that Registrant will or could challenge it again. In addition, Registrant has on consent from TYC removed from his pleading any reference to the TRUMP '095 Registration's purported incontestability, further indicating that the improperly obtained incontestability was not only inadvertent but, in fact, no longer exists and can no longer be used against anyone.

Finally, in Paragraph 12, Spoonjack merely recites the element of intent itself with nothing more than a mere conclusory statement: "Registrant made the representation with the intent to deceive." This is obviously insufficiently particular. Fed. R. Civ. P. 9(b); *see Liberty Trousers Co. v. Liberty & Co.*, 222 U.S.P.Q. 357, 358, 358 n.5 (T.T.A.B. 1983) ("Petitioner's allegation of fraud is deficient because it does not recite detailed facts tending to show willful or knowingly-made false representations by the registrant"; "particularly, facts which tend to indicate an intent to deceive") (citation omitted); *see also Iqbal*, 556 U.S. at 678; *In re BP Lubricants*, 97 U.S.P.Q.2d at 2028. Unable to allege particular and plausible facts, Spoonjack has glommed on to Registrant's mistake, combed the record for any use of the TRUMP '095 Registration's incontestability status and attempted to weave these events into an allegation of

fraud sufficient to overcome a motion to dismiss.

The Supreme Court has ruled that a pleading must allege more than this. *See Twombly*, 550 U.S. at 556-57. The Court’s discussion of the requirement to allege “conspiracy” or “agreement,” the element in the antitrust pleading at issue in *Twombly*, is analogous to the pleading at issue here:

It makes sense to say, therefore, that an allegation of parallel conduct and a bare assertion of conspiracy will not suffice. Without more, parallel conduct does not suggest conspiracy, and a conclusory allegation of agreement at some unidentified point does not supply facts adequate to show illegality. Hence, . . . allegations of parallel conduct . . . must be placed in a context that raises a suggestion of a preceding agreement, not merely parallel conduct that could just as well be independent action.

The need at the pleading stage for allegations plausibly suggesting (not merely consistent with) agreement reflects the threshold requirement of Rule 8(a)(2) that the “plain statement” possess enough heft to “sho[w] that the pleader is entitled to relief.” A statement of parallel conduct, even conduct consciously undertaken, *needs some setting suggesting the agreement necessary to make out a § 1 claim*; without that *further circumstance* pointing toward a meeting of the minds, an account of a defendant’s commercial efforts stays in neutral territory. An allegation of parallel conduct is thus much like a naked assertion of conspiracy in a § 1 complaint: it gets the complaint close to stating a claim, but without some further factual enhancement it stops short of the line between possibility and plausibility of “entitle[ment] to relief.”

Twombly, 550 U.S. at 556-57 (emphases added). Just as the complainant in *Twombly* failed to allege the “setting” suggesting that the questionable conduct resulted from conspiracy, so the Spoonjack Petition to Cancel fails to allege any “setting suggesting” the erroneous filing resulted from fraudulent intent.

Furthermore, the Board has held that “[t]here is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive.” *Smith Int’l*, 209 U.S.P.Q. at 1043; *see also In re Bose Corp.*, 91 U.S.P.Q.2d at 1942; *Brown v. Bishop*, Canc. No. 92050965, 2010 WL 2946844, at *5 (T.T.A.B. July 12, 2010) (pleadings for

fraud claim “must allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind”). In *Bose*, the Federal Circuit explained at length that inadvertence, negligence, and even gross negligence, without more, cannot support a fraud claim and insisted that “an allegation of fraud in a trademark case, as in any other case, *should not be taken lightly*.” *Id.* at 1941 (emphasis added). Moreover, the Board has subsequently held that a registrant’s “actions and reactions upon being informed about the impropriety of” its purportedly fraudulent filings is probative of intent to deceive, and it acknowledged that “principals of companies, and indeed counsel therefor, may overlook or misinterpret all of the averments in declarations or affidavits filed with the Office.” *See C. & J. Clark*, 2013 WL 3168093, at *5. In light of its position on fraud, Spoonjack’s pleadings fall far short.

C. & J. Clark is once again instructive. In that case, the petitioner alleged that the registrant had fraudulently listed on its use-based application goods upon which it knew it had not used the mark together with goods upon which it had. When informed – through receipt of the petition – that this was not permitted, the registrant amended the registration. The Board held that in such a circumstance of mere misunderstanding or inadvertence, *there is no fraud*. 2013 WL 3168093, at *4; *compare Mister Leonard Inc. v. Jacques Leonard Couture, Inc.*, 23 U.S.P.Q.2d 1064, 1066 (T.T.A.B. 1992) (weighing heavily registrant’s choice “to do nothing to bring this matter to the attention of the PTO”). Where, as in the instant case, PTO records unequivocally show that Registrant conceded that a mistake was made and promptly sought to remedy it, and Spoonjack has included not *a single fact* in the Petition to suggest or support the bold assertion that Registrant intended to deceive the PTO, the Petition should be dismissed for failure to adequately plead fraud.

CONCLUSION

This proceeding should be dismissed because Spoonjack has no standing to challenge Registrant's rights in a registration that was already asserted against it and withdrawn with prejudice. Moreover, the proceeding is mooted by Registrant's proactive conduct to correct a mistake. Finally, Spoonjack's pleading fails to state a claim in the manner required by the Supreme Court and instead seeks to use the resources of the Board and Registrant to conduct a fishing expedition supporting the absurd idea that Donald Trump set out in a premeditated fashion to commit fraud on the PTO. The petition swings blindly, without any details or factual support, and what conclusory facts are alleged are implausible and thus legally insufficient to satisfy the high pleading standard for fraud. The motion should be granted and the cancellation dismissed.

Dated: October 30, 2014
New York, New York

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

By: 
James D. Weinberger
Leo Kittay

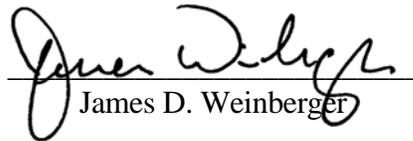
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CERTIFICATE OF SERVICE

I hereby certify that, on this 30th day of October, 2014, a copy of the foregoing **REGISTRANT'S MOTION TO DISMISS** was sent by First Class Mail to Spoonjack at its correspondence address of record:

Spoonjack LLC
220 Lombard St. STE 217
San Francisco, CA 94111


James D. Weinberger