

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

Mailed: January 31, 2016

Cancellation No. 92060018

Todd Sean White

v.

Gary L. Pifer and Joe Faustine

BY THE TRADEMARK TRIAL AND APPEAL BOARD:

This case now comes up for consideration of Respondent Gary Pifer's contested motion (filed October 31, 2015) for dismissal with prejudice due to "fraud on the court," attorney misconduct, and failure to investigate under Rule 11.

For purposes of this order, the Board presumes the parties' familiarity with the pleadings and the arguments offered in connection with the referenced motion. The parties' arguments will only be addressed to the extent necessary to explain the Board's order.

Respondent Pifer asserts in his motion that this proceeding should be dismissed essentially because that Respondent Faustine has been negotiating with Petitioner without the presence of counsel or Respondent Pifer present, and without notifying the Board; that Respondent Faustine's attorney wrote a cease and desist letter to Petitioner's attorney in connection with the mark "Maui Rippers," and that they entered into a settlement negotiations without the presence of Respondent Pifer;

and that Petitioner filed his petition for cancellation without conducting a reasonable investigation in violation of Rule 11 of the Federal Rules of Civil Procedure. Respondent Pifer also requests that the deadline for serving his initial disclosures be extended pending the Board's consideration of this motion.

In response, Petitioner argues that Respondent Pifer's motion to dismiss is untimely and should be denied insofar as it was filed well after the answer was filed in this matter. In addition, to the extent said motion is considered to be a motion for sanctions under Fed. R. Civ. P. 11, Respondent Pifer's motion should be denied because Respondent has failed to describe any conduct that would support the imposition of sanctions. Finally, Petitioner opposes any additional extension of time for serving initial disclosures in view of the Board's September 30, 2015 order stating that no further extension of time will be granted.

- *Decision*

Initially, inasmuch as Respondent Pifer seeks sanctions in the nature of dismissal for reasons unrelated to failure to state a claim, his motion is construed as a combined motion for sanctions for "fraud on the court" and attorney misconduct and for sanctions under Rule 11, and not as a motion to dismiss under Fed. R. Civ. P. 12(b).

Turning first to Respondent Pifer's motion for sanctions against Petitioner and/or Respondent Faustine, or against either counsel of record for the asserted failure to include Respondent Pifer in settlement negotiations or to inform the Board of the settlement negotiations, the motion sets forth no basis for sanctions.

Respondent Pifer is reminded that he assigned the registration to Mr. Faustine, therefore, Mr. Faustine is now the owner of the registration and is, therefore, entitled to act with respect to that registration. For instance, Mr. Faustine, as the assignee, may submit documents to maintain a trademark registration. *See* 37 C.F.R. § 3.71(d). Moreover, parties routinely settle their disputes without involvement of the Board (*cf.* TBMP § 605.03(a) (2015) (It is not necessary that the parties file a copy of their settlement agreement with the Board)), and sometimes parties do negotiate without counsel in order to save on litigation costs. In view of the foregoing, the Board finds no “attorney misconduct” or “fraud on the court.” Accordingly, Petitioner Pifer’s motion for sanctions is **denied**.

To the extent Respondent Pifer’s motion could be construed as one under Federal Rule 11, Respondent Pifer has failed to give proper notice to Petitioner as required by Federal Rule 11. Fed. R. Civ. P. 11(c) states, “If, after notice and a reasonable opportunity to respond, the court determines that Rule 11(b) has been violated, the court may impose an appropriate sanction on any attorney, law firm, or party that violated the rule or is responsible for the violation.” There is no allegation or evidence that Respondent Pifer complied with the “safe harbor” provisions of Fed. R. Civ. P. 11, and provided Petitioner with an opportunity to withdraw the petition to cancel before seeking sanctions. *See Baron Philippe de Rothschild S.A. v. Styl-rite Optical Mfg. Co.*, 55 USPQ2d 1848, 1848 n. 2 (TTAB 2000) (“Rule 11(c)(1)(A) provides specific instructions in how to initiate a motion under this rule, and requires service of a proposed motion upon the party against whom the misconduct

is alleged 21 days before the motion is filed.”). Accordingly, Respondent Pifer’s motion to dismiss as a sanction pursuant to Fed. R. Civ. P. 11 is **denied**. In any event, even if Respondent Pifer had given proper notice to Petitioner, there is no basis set forth in his motion for granting sanctions under Rule 11. Specifically, insofar as Petitioner has set forth a sufficient claim of abandonment and such filing is apparently based on some investigation by Petitioner’s counsel of Respondent Pifer’s use of the mark (or lack thereof), there is no basis for granting sanctions under Rule 11.

Finally, as regards Respondent Pifer’s request to reopen again the deadline for serving his initial disclosures on Petitioner, said request is **denied**. Respondents were advised in the Board’s order mailed on September 30, 2015, that no further extension to that deadline would be allowed. The Board finds no reason to deviate from that order. Accordingly, Respondent Pifer is **ORDERED** to serve his initial disclosures on Petitioner no later than **February 10, 2016**.

Fraud Claim Stricken

Upon review of Petitioner’s pleading in connection with the foregoing motion, the Board has determined that Petitioner’s fraud claim fails to set forth a claim upon which relief can be granted. Specifically, Petitioner alleges that the specimen of use submitted during the prosecution of the underlying application “appears to be a digital rendering,” and that “upon information and belief the specimens [submitted with its Section 8 renewal] ... were not rendered in interstate commerce as alleged by Registrant.” As to the first allegation, it is well-established that the

adequacy of specimens of use is an *ex parte* examination issue, which is not considered by the Board in an *inter partes* proceeding. See *Century 21 Real Estate Corp. v. Century Life of America*, 10 USPQ2d 2034 (TTAB 1989) (“it is not the adequacy of the specimens, but the underlying question of service mark usage which would constitute a proper ground for opposition.”).

As regards the allegation that Respondents’ specimens were not used in commerce at the time the maintenance documents were filed, Petitioner has failed to allege fraud with sufficient specificity as required under Fed. R. Civ. P. 9(b). Specifically, to assert a claim of fraud, Petitioner must allege that Respondent obtained or maintained its registration fraudulently by knowingly making a false, material representation of fact with the intent to deceive the United States Patent and Trademark Office. See *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009); *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986). The elements of fraud must be pleaded with particularity in accordance with Fed. R. Civ. P. 9(b). See *Petroleos Mexicanos v. Intermix S.A.*, 97 USPQ2d 1403 (TTAB 2010) (citing *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009)). Additionally, to satisfy Fed. R. Civ. P. 9(b), allegations based on “information and belief” must be accompanied by a statement of facts upon which the belief is founded. *Id.*, at 1479 (citing *Exergen Corp. v. Wal-Mart Stores Inc.*, 575 F.3d 1312, 91 USPQ2d 1656, 1670 n.7 (Fed. Cir. 2009)). Intent to deceive is an indispensable element of the analysis in a fraud case, and a fraud claim is insufficient unless plaintiff pleads “specific representations of fact that

petitioner alleges were false and were known to be false, were material, and were relied upon by the Office.” *Daimlerchrysler Corporation and Chrysler, LLC v. American Motors Corporation*, 94 USPQ2d 1086, 1088-1089 (TTAB 2010).

Here, Petitioner has failed to set forth sufficient factual allegations underlying its “information and belief,” and has failed to allege the element of deceit. In view of the foregoing, Petitioner’s fraud claim fails to state a claim upon which relief can be granted and is hereby **stricken**. See Fed. R. Civ. P. 12(f). Nonetheless, the Board frequently allows parties to amend insufficient pleadings. See *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1208 (TTAB 1997); *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1714 (TTAB 1993); and TBMP § 503.03 (2015). In view thereof, Petitioner is allowed until **FEBRUARY 21, 2016**, to submit a sufficient claim of fraud, failing which that claim shall be given no further consideration.¹ Respondents are allowed until **THIRTY DAYS** after the service of any amended petition to cancel to serve and file an amended answer.

Trial Dates Reset

In view of Respondent Pifer’s delay in serving his initial disclosures on Petitioner and the potential for an amended pleading to be filed by Petitioner, the Board hereby extends the discovery period (and subsequent trial dates) in accordance with the following schedule:

¹ As regards any amended pleading, Petitioner is reminded that under Rule 11 of the Federal Rules of Civil Procedure, Petitioner is 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.

Time to File Amended Petition, if any	2/21/2016
Time to File Amended Answer, if an Amended Petition is filed	3/22/2016
Expert Disclosures Due	5/21/2016
Discovery Closes	6/20/2016
Plaintiff's Pretrial Disclosures Due	8/4/2016
Plaintiff's 30-day Trial Period Ends	9/18/2016
Defendant's Pretrial Disclosures Due	10/3/2016
Defendant's 30-day Trial Period Ends	11/17/2016
Plaintiff's Rebuttal Disclosures Due	12/2/2016
Plaintiff's 15-day Rebuttal Period Ends	1/1/2017

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. *See* Trademark Rule 2.125, 37 C.F.R. § 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b), 37 C.F.R. §§ 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129, 37 C.F.R. § 2.129.

