

ESTTA Tracking number: **ESTTA690225**

Filing date: **08/18/2015**

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

Proceeding	92060599
Party	Defendant Thomas Clark
Correspondence Address	KUSCHA HATAMI PO BOX 644 CUPERTINO, CA 95015 UNITED STATES hatami@legaledgelaw.com
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Kuscha Hatami
Filer's e-mail	hatami@legaledgelaw.com, mylegalbuddy@gmail.com, usptowatch@gmail.com
Signature	/Kuscha Hatami/
Date	08/18/2015
Attachments	Motion to Dismiss.pdf(284849 bytes)

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

<p>Turn-Key Vacation Rentals, Inc.</p> <p style="text-align:center">Petitioner,</p> <p style="text-align:center">v.</p> <p>Thomas Clark</p> <p style="text-align:center">Registrant.</p>	<p>Cancellation No. 92060599</p> <p>Mark(s): TURNKEY</p> <p>Reg. No. 4340236</p> <p>Reg. Date: May 21, 2013</p>
--	---

**REGISTRANT’S MOTION TO DISMISS FOR
FAILURE TO STATE A CLAIM REGARDING
PETITIONER’S CLAIM FOR FRAUD AND MEMORANDUM OF LAW**

Registrant Thomas Clark (hereinafter “Registrant” or “Clark”) through his undersigned attorney(s) submits this motion to dismiss Petitioner’s claim for fraud of the First Amended Petition for Cancellation (“Cancellation”) filed by Petitioner Turn-Key Vacation Rentals, Inc. (“Petitioner”).

Factual Background

On October 25, 2012, Registrant filed an application for the word Mark TURNKEY (U.S. Serial No. 85/763,978). Registrant’s Mark was issued a federally protected trademark with the USPTO on May 21, 2013. On December 24, 2014, Petitioner filed a Cancellation against Registrant alleging (1) Priority and Likelihood of Confusion, and (2) Fraud.

On July 1, 2015, the Board issued an order dismissing Petitioner’s fraud claim, and allowed Petitioner until July 31, 2015 to replead its fraud claim if Petitioner believes it has a basis for doing so.

On July 30, 2015, Petition filed its First Amended Petitioner for Cancellation repleading the identical fraud claim in duplicate.

Argument

Registrant respectfully submits that Petitioner's claim for Fraud of the Cancellation fails to meet the requirements of sufficiently alleging Fraud for a **second time**, and therefore should be dismissed.

In its July 1, 2015 order, the Board held that "Petitioner has failed to allege particular facts to make out a sufficient pleading of fraud." Petitioner's FIRST AMENDED PETITION FOR CANCELLATION amounts to a near identical copy of its first PETITION FOR CANCELLATION filed on December 24, 2015, and the same analysis the Board made then applies here: (1) that a claim of fraud based on averments made in a declaration must be tied to the date of attestation rather than the date of filing; (2) that Petitioner cannot plead Respondent's knowledge and intent based on a mere assertion that Respondent sought to purchase one of Petitioner's domain names prior to his filing for a trademark application; (3) that Petitioner adoption of the Corporate name TURN-KEY VACATION RENTALS is not actual or constructive notice of trademark rights; and (4) that asking Petitioner to sell her domain name is not an indication that Registrant knew or should have known that Petitioner had any trademark rights. As the Board pointed out on July 1, 2015, "Petitioner's allegations are mere conjecture rather than specific allegations of fact and to infer Respondent's knowledge and intent based on such assertions relies on a negligence standard no longer applied by the Board in determining fraud." See *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009) (subjective intent based on a "should have known standard is erroneous as it lowers the fraud standard to that of simple negligence); see also *Asian and Western Classics B.V. v. Selkow*, 92 USPQ 1478

(TTAB 2009) (allegations of “knew or should have known” implies mere negligence which is insufficient to infer fraud or dishonesty).

The standard governing motions to dismiss a claim of fraud is identified below.

FRAUD

To plead a claim of fraud, Petitioner must allege that Registrant made a specific false statement of material fact in the course of the involved registration and that Registrant made such false statement with the intent of deceiving the USPTO into issuing a registration to which Registrant is not entitled. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009). Under *In re Bose Corp.*, “a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.” *Id.* at 1941; *see also In re Anderson*, 101 USPQ2d 1912, 1915 (TTAB 2012) (Identifying a large number and diverse range of goods and services may bring additional potential claims, including fraud or lack of bona fide intent to use). Pursuant to Fed. R. Civ. P. 9(b) any allegations based on “information and belief” must be accompanied by a statement of facts upon which the belief is based. *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478-1479 (TTAB2009), *citing Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 1670 n.7 (Fed. Cir. 2009).

Furthermore, in order to establish a proper pleading of a fraud claim, “a petitioner must allege the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b), made applicable to Board proceedings by Trademark Rule 2.116(a).” *Asian and Western Classics B.V. v. Lynne Selkow*, 92 USPQ2d 1478 (TTAB 2009). More specifically, 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.” *Id.*, *citing King Automotive*,

Inc. v. Speedy Muffler King, Inc., 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981); *see also* Wright & Miller, Federal Practice and Procedure: 5A § 1296.

In the case of *Asian and Western Classics*, the Board found that the Petitioner's allegations based on information and belief were insufficient for pleading fraud, generally indicating that, "Allegations based solely on information and belief raise only the mere possibility that such evidence may be uncovered and do not constitute pleading of fraud with particularity." *Asian and Western Classics B.V. v. Lynne Selkow*, 92 USPQ2d 1478 (TTAB 2009). Consequently, any allegations made upon "information and belief" must be accompanied by a statement of facts upon which the belief is founded. *See Exergen Corp., v. Wal-Mart Stores, Inc.*, 575 F.3d 1312 (Fed. Cir. 2009).

In contrast, the Board in *Meckatzer* found Petitioner's pleading of fraud sufficient where, "[Petitioner's] allegations are not based solely on 'information and belief,' but are also based on the results of an investigation which, petitioner alleges, revealed that respondent was not using its mark on all of the goods listed in its Statements of Use at the time the Statements of Use were filed." *Meckatzer, supra*, at p. 5 of decision. (emphasis added) More specifically, Petitioner in *Meckatzer* alleged that it engaged a private investigator who contacted a representative for Respondent, and ultimately learned that the Respondent never used the at-issue mark in connection with any product other than vodka. *Id.* at p.2-3 of decision.

Moreover, a claim of fraud is of the Intellimedia variety, i.e., that the declaration or oath in a defedant's application for registration was executed fraudulently because there was another use of the same or confusingly similar mark at the time the oath was signed. *See Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1206 (TTAB 1997). Such claim must allege particular facts which, if proven, would establish that 1) there was in fact another user of the

same or confusingly similar mark at the time the oath was signed; 2) the other user had legal rights superior to the applicant's; 3) the applicant knew that the other user had rights in the mark superior to those of the applicant and either believed that a likelihood of confusion would result from the applicant's use of its mark or had no reasonable basis for believing otherwise; and that 4) the applicant, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to procure a registration to which it was not entitled. *Id.*

Applying present jurisprudence to the instant case, Registrant argues that Petitioner's Cancellation on its face fails to adequately plead a claim of fraud. The Cancellation merely contains conclusory statements alleging that, based on Petitioner's dubious belief, Registrant had a purposeful intent to deceive without providing any factual circumstances to support such statements with particularity. For example, Petitioner's Cancellation alleges the following:

- Respondent was aware of Petitioner's prior use of and prior rights in the mark TURN-KEY VACATION RENTALS at least as early as September 5, 2012. *See* Cancellation ¶ 13.
- On September 5, 2012, Respondent sent email correspondence to Petitioner asking Petitioner if she was interested in selling the domain name "turnkeyvacationrental.com." *Id.* at ¶ 14.
- On September 5, 2012, Petitioner informed Respondent that the domain name "turnkeyvacationrentals.com" was not for sale and that Petitioner was pursuing plans to use the domain name "turnkeyvacationrentals.com," as well as others associated with it. *Id.* at ¶ 15.

- At the time Respondent filed Application Serial Number 85763978, Respondent had notice of Petitioner’s use of the name TURN-KEY VACATION RENTALS. *Id* at ¶ 18.
- At the time Respondent filed Application Serial Number 85763978, Respondent had actual notice of Petitioner’s use of the domain name “turnkeyvacationrentals.com.” *Id* at ¶ 19.
- Since respondent was unable to purchase the domain name “turnkeyvacationrentals.com” and since Respondent knew that Petitioner was using the name TURN-KEY VACATION RENTALS, Respondent intentionally registered the mark “TURNKEY” in an effort to block Petitioner from being able to register and/or enforce the TURN-KEY VACATION RENTALS mark. *Id* at ¶ 20.
- At the time Respondent filed Application Serial No. 85763978, Respondent declared under oath that “[he] believe[d] [himself] to be the owner of the trademark/service mark sought to be registered;” and “to the best of [his] knowledge and belief no other person, firm corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive.” *Id* at ¶ 26.
- Respondent knew at the time of filing Application Serial No. 85763978 that Petitioner had adopted and was using the legal business name “TURN-KEY

VACATION RENTALS, INC.” for her vacation rental property management and leasing business. *Id* at ¶ 33.

- Petitioner made actual, or at least analogous use of the mark “TURN-KEY VACATION RENTALS” at least as early as July 2, 2011 when Petitioner registered the Internet domain name “turnkeyvacationrentals.com” through the Internet Registrar 1and1.com, and certainly by February 27, 2012, when Petitioner adopted the corporate name “TURN-KEY VACATION RENTALS, INC.” *Id* at ¶ 37.
- Respondent committed fraud on the USPTO and obtained his registration through fraud by filing his application to register “TURNKEY” because the statements he made under oath were patently false at the time he made them. Respondent knew Petitioner had prior and superior rights in its “TURN-KEY VACATION RENTALS” mark because he wrote to Petitioner asking her to sell the “turnkeyvacationrentals.com” domain name to him. *Id* at ¶ 39.

Even construing such allegations in the light most favorable to Petitioner, Petitioner’s allegations fail to establish the level of particularity commanded by *Meckatzer*, wherein the petitioner in that case alleged facts pertaining to their own investigation into the Registrant’s usage of the mark.

Here Petitioner conducted no investigation, and failed to include any factual allegations to support the conclusion that Registrant committed fraud when filing his application. Quite the opposite, Petitioner’s allegations are for the second time a clear roadmap for a showing that there was absolutely no fraud on the part of Registrant’s actions.

First, Petitioner admits that it merely informed Registrant that it had plans to use the domain name. Plans to use a domain name do not constitute trademark rights nor is it an indication of use in commerce. In addition, the evidence propounded by Petitioner, shows that Petitioner never informed Registrant that these alleged plans included the offering of real property rentals or related services. Petitioner's allegations would indicate that Registrant is a mind reader, which he is not.

Second, Petitioner asserts that because it owned a domain name and had registered a Corporate name with the State of California, that this is sufficient evidence of (a) actual notice of trademarks rights, (b) priority on actual use in commerce, or (c) use analogous to trademark use. Under 15 U.S.C. §§ 1057(c) and 1141f(b), filing any application for registration on the Principal Register, including an intent-to-use application, constitutes constructive use of the mark, provided the application matures into a registration. Upon registration, filing affords the applicant nationwide priority over others, except: (1) parties who used the mark before the applicant's filing date; (2) parties who files in the USPTO before the applicant; or (3) parties who are entitled to an earlier priority filing date based on the fling of a foreign application under U.S.C. §1126(d) or §1141(g). *See Zirco Corp v. American Telephone and Telegraph Co.*, 21 USPQ2d 1542 (TTAB 1991). Petitioner admittedly did not use, nor gave constructive notice of rights in the TURNKEY Mark prior to Registrant's use and/or filing of his application for the TURNKEY Mark.

Furthermore, even if Petitioner is given the opportunity to take discovery of Registrant, Petitioner's pleading of fraud lack an appropriate allegation of intent and intent is based solely on the "mere possibility" that it will be able to uncover evidence to support its claim. *See In re Bose Corp.*, 91 U.S.P.Q.2d at 1939-50. Petitioner's allegations of fraud rest solely on the fact

that Registrant contacted Petitioner to purchase her domain name and that Petitioner had filed corporate papers in California. Petitioner's pleading of fraud lacks sufficient specific underlying facts, which the Board cannot reasonably infer from whether Registrant acted with the requisite state of mind. *See Exergen Corp. v. Wal Mart Stores Inc.*, 91 U.S.P.Q.2d 1656 1667, n.4 (Fed. Cir. 2009).

Conclusion

Petitioner's insufficient duplicate pleading of Fraud fails on its face to meet the pleading requirements set forth by the Board's order and present jurisprudence, and amounts to a clear attempt by Petitioner to harass Registrant, and waste valuable Board resources and cause delay. Therefore, Petitioner's claim of fraud should be stricken, and Petitioner should not be allowed to amend its petition a second time to replead its fraud claim.

Dated: August 18, 2015

Respectfully submitted,

HP Law Group



Kuscha Hatami, Esq.
Mitesh Patel, Esq
PO Box 644
Cupertino, CA. 95015
Tel. 858.342.9621
Hatami@legaledgelaw.com
Attorneys for Registrant
Thomas Clark

CERTIFICATE OF SERVICE

I certify that on this 18th day of February 2015, a true copy of the foregoing **REGISTRANT'S MOTION TO DISMISS FOR FAILURE TO STATE A CLAIM REGARDING ALL COUNTS AND MEMORANDUM OF LAW** is being served by mailing a copy thereof, by USPS addressed to the following individuals, identified in the Cancellation as the attorney(s) of record and correspondents for Petitioner listed below.

David M. Adler
Adler Law Group
300 Saunders Road, Suite 100
Riverwoods, IL. 60015

Attorneys for Petitioner



Kuscha Hatami, Esq.
Tel. 858.342.9621
Hatami@legaledgelaw.com