

ESTTA Tracking number: **ESTTA693761**

Filing date: **09/03/2015**

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

Proceeding	92060599
Party	Plaintiff Turn-Key Vacation Rentals, Inc.
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Date	09/03/2015
Attachments	Cancellation P Resp. to 2d MTD.pdf(154860 bytes)

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

TURN-KEY VACATION RENTALS, INC.,
a California corporation,

Petitioner,

Cancellation No. 92060599

v.

Reg. No. 4340236

THOMAS CLARK,
an individual and resident of California,

Mark: TURNKEY

Respondent.

**PETITIONER’S RESPONSE TO
RESPONDENT’S SECOND RULE 12(b)(6) MOTION TO DISMISS
FILED AUGUST 18, 2015**

Now comes Petitioner, TURN-KEY VACATION RENTALS, INC. (“Petitioner”), by and through its attorneys, Adler Law Group, and in response to the second Motion to Dismiss pursuant to Federal Rule of Procedure 12(b)(6) filed by Respondent THOMAS CLARK (“Respondent”), in lieu of Answer, states as follows:

BACKGROUND

As set forth in detail in Petitioner’s Petition for Cancellation, Petitioner has been in the business of vacation rental property management and leasing since March 2011. (Petition to Cancel, ¶1). Petitioner operates its vacation rental property management and leasing business under the trade name and trademark “TURN-KEY VACATION RENTALS.” (Petition to Cancel, ¶2). On July 2, 2011, Petitioner registered the Internet domain name “turnkeyvacationrental.com.” (Petition to Cancel, ¶3). On February 27, 2012, Petitioner adopted the corporate name “TURN-KEY VACATION RENTALS, INC.” (Petition to Cancel, ¶4). On July 16, 2012, Petitioner registered the domain name “turnkeyvacationrentals.com.” (Petition to Cancel, ¶5). Since at least as early as February

27, 2012, Petitioner has used the trademark “TURN-KEY VACATION RENTALS” and has promoted its business using the mark TURN-KEY VACATION RENTALS. (Petition to Cancel, ¶6). Petitioner has at least 26 domain names related to “TURN-KEY VACATION RENTALS,” including the domain names “turn-keyvacationrental.com,” “turn-keyvacationrentals.com,” “turn-keyvacationrentalsinc.com,” “turn-keyvr.com,” and “turn-keyvacationrentalsinc.com” that Petitioner registered on May 17, 2013. (Petition to Cancel, ¶7). On October 25, 2012, over sixteen (16) months after Petitioner registered “turnkeyvacationrental.com” and over seven (7) months after Petitioner adopted the corporate name “Turn-Key Vacation Rentals, Inc.,” Respondent filed his *Intent to Use* Application Serial Number 85763978 seeking registration of the mark “TURNKEY” for use in connection with, among other things, “real estate services, namely, rental of vacation homes.” (Petition to Cancel, ¶18). At the time Respondent filed Application Serial Number 85763978, Respondent had actual notice of Petitioner’s use of the name TURN-KEY VACATION RENTALS for its vacation rental business. (Petition to Cancel, ¶20, 21).

On December 11, 2014, Petitioner filed Application Serial Number 86477775 to register the mark “TURN-KEY VACATION RENTALS” for “Providing information in the field of real estate via the Internet; Providing real estate listings via the Internet; Real estate management of vacation homes; Real estate services, namely, rental of vacation homes; Real estate services, namely, rental of vacation homes, condominiums, cabins, and villas using pay per click advertising on a global computer network; Real estate services, namely, vacation home rental management services” in IC 036. (Petition to Cancel, ¶8).

On July 1, 2015 the Board found that Petitioner had sufficiently pled facts showing standing, priority and likelihood of confusion, and denied that portion of Respondent's Motion to Dismiss Petitioner's petition claiming priority and likelihood of confusion. The Board granted Respondent's Motion to Dismiss Petitioner's fraud claim and gave Petitioner leave to file an amended petition. On July 30, 2015 Petitioner filed its amend petition with respect to the fraud clam.

Respondent, despite having filed an Answer in this matter, now files this second Motion to Dismiss arguing that Petitioner has failed to allege specific facts supporting Petitioner's allegation that Respondent fraudulently deceived the TTAB in obtaining the registration that is the basis for this action. Petitioner respectfully submits that it has sufficiently pleaded facts that demonstrate that Respondent fraudulently obtained Registration #4340236.

ARGUMENT

I. Petitioner has adequately pleaded facts supporting a claim of Fraud against Respondent.

A third party may petition to cancel a registered trademark on the ground that the "registration was obtained fraudulently." 15 U.S.C. § 1064(3); *In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009). "Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application." *Bose*, 580 F.3d at 1243 (quoting *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 48 (Fed. Cir. 1986)). Such fraud must be demonstrated by clear and convincing evidence. *Id.* "There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party." *Id.* (quoting *Smith Int'l, Inc. v. Olin Corp.*, 209 U.S.P.Q. 1033, 1044 (T.T.A.B. 1981)).

The party seeking cancellation must identify a deliberate attempt by the registrant to mislead The Patent & Trademark Office (the “PTO”). *Halo Mgmt., LLC v. Interland, Inc.*, 308 F. Supp. 2d 1019, 1031 (N.D. Cal. 2003). Courts have drawn a material legal distinction between “false” and “fraudulent” representations, the “latter involving an intent to deceive, whereas the former may be occasioned by a misunderstanding, an inadvertence, a mere negligent omission, or the like.” *Id.*, 580 F.3d at 1243 (quoting *Kemin Indus., Inc. v. Watkins Prods., Inc.*, 192 U.S.P.Q. 327, 329 (T.T.A.B. 1976)). However, the *Bose* court cautioned that, “because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence.” *Id.* at 1245 (quoting *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366 (Fed. Cir. 2008)) (noting that the “involved conduct, viewed in light of all the evidence must indicate sufficient culpability to require a finding of intent to deceive”).

A. Petitioner has alleged facts that show Respondent knowingly made false, material representations of fact in connection with his application, with the intent to deceive.

In the present case, Petitioner has alleged facts that meet the standards set forth in *Bose* to show that Respondent obtained Registration #4340236 fraudulently. First, Petitioner has alleged facts which, under the circumstances, evidence deception. Petitioner began using the mark prior to Respondent. (Petition to Cancel, ¶6, 25). Respondent had actual knowledge of Petitioner’s priority of rights. (Petition to Cancel, ¶16, 17, 20). With full knowledge of Petitioner’s superior rights and priority of use of the word “Turn-Key” by Petitioner, Respondent filed an Intent to Use App. #85763978. (Petition to Cancel, ¶18, 20). At the time Respondent filed App. #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.” (Petition to Cancel, ¶25). (Emphasis added)

Second, Petitioner has alleged that Respondent made these false statements with the intent to deceive. At the time he filed App. #85763978 Respondent knew of Petitioner’s superior rights and priority of use of the word “Turn-Key.” (Petition to Cancel, ¶25). At the time he filed App. #85763978 Respondent knowingly made false, material misrepresentations of fact when filing the Application with the intent to deceive the PTO. (Petition to Cancel, ¶31-38; (due to a paragraph mis-numbering error, the actual ordinal value of the correct paragraph is used)).

As the foregoing demonstrates, Petitioner has alleged facts that identify a deliberate attempt by Respondent to mislead the PTO: he submitted App. #85763978 and made a statement under oath that he knew was false at the time it was made. Furthermore, Petitioner has alleged a willful intent to deceive. A party meets its pleading burden when the “pleadings allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind.” *Meckatzer Löwenbräu Benedikt Weiß KG v. White Gold, LLC* 92 USPQ2d 1537 (TTAB 2009) quoting *Exergen Corp. v. Wal-Mart Stores Inc.*, 575 F.3d 1312, 91 USPQ2d 1656, 1667 (Fed. Cir. 2009). Deceptive intent can be inferred from indirect and circumstantial evidence. *Bose*, 580 F.3d at 1243. It is reasonable to infer that Respondent lied for the

purpose of obtaining the registration; Respondent knew of Petitioner's sue of the . Since Petitioner has alleged specific facts from which a court could infer Respondent's deceptive intent, Petitioner has met her pleading burden that Respondent obtained Registration #4340236 fraudulently.

B. Respondent incorrectly states the legal standards for an allegation of fraud and ignores the well-pleaded facts in Petitioner's Petition for Cancellation.

Respondent fails to state the correct legal standard for determining whether one has properly alleged fraud in the procurement of a registration under the standard set forth in *In re Bose*, 580 F.3d 1240. Respondent argumentatively categorizes Petitioner's allegations as "conclusory statements." To the extent that Petitioner has alleged certain facts "upon information and belief," such allegations are circumstantial in nature and serve merely to bolster Petitioner's specific factual allegations regarding Respondent's intent to deceive. Such allegations are in addition to the well-pleaded factual allegations of Respondent's knowledge of Petitioner's superior rights and priority of use of the word "Turn-Key," which is at the heart of this matter. It is the allegation of this knowledge and Respondent's subsequent actions from which Respondent's intent to deceive may be objectively surmised. Without affording any credibility or merit to Respondent's arguments, Petitioner states for the record that it disputes each and every argument advanced in Respondent's Brief in support of her motion to dismiss. Furthermore, Respondent has willfully chosen to ignore the well-pleaded allegations of fact in Petitioner's Petition for Cancellation.

In addition, Petitioner has a proper basis to allege fraud. "If petitioner establishes its standing with respect to any pleaded ground for cancellation, it has the right to assert

any other ground as well, that also has a reasonable basis in fact.” See, *Lipton v. Ralston Purina*, 670 F.2d at 213; *Enbridge, Inc. v. Excelerate Energy, LP*, 92 USPQ2d 1537, 1543 n.10 (TTAB 2009), citing *Liberty Trouser Co., Inc. v. Liberty & Co.*, 222 USPQ 357, 358 (TTAB 1983).

III. CONCLUSION

This court must deny Respondent’s motion to dismiss Petitioner’s fraud claim., Petitioner has alleged facts that Respondent made material misrepresentations of fact in his application and facts from which a court could infer Respondent’s deceptive intent. Petitioner alleged facts that, if proven demonstrate that Respondent knew of Petitioner’s use of Petitioner’s TURN KEY VACATION RENTALS mark prior to Respondent’s filing an application to register a nearly identical mark and allegations of Respondent’s subsequent actions from which Respondent’s intent to deceive may be objectively surmised. Accordingly, Petitioner has met its pleading burden that Respondent obtained Registration #4340236 fraudulently. Therefore, Respondent’s motion to dismiss the fraud claim must be denied.

WHEREFORE, Petitioner requests that Respondent motion be denied.

Respectfully submitted,

[signed] /david m. adler/
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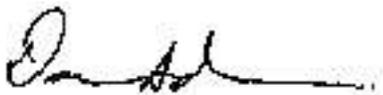
Dated: September 3, 2015

CERTIFICATE OF SERVICE

David M. Adler, an attorney, certifies that pursuant to 28 U.S.C. 1746, under penalties of perjury, he caused a copy of the **PETITIONER'S RESPONSE TO RESPONDENT'S MOTION TO DISMISS** to be served upon:

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by filing electronically using ESTTA, via email by mutual agreement of counsel for the parties, and via US Mail by placing the same in a United States Post Office Box located at 300 Saunders Road, Suite 100, Riverwoods, Illinois 60015, postage prepaid and via Facsimile, this September 3, 2015.



By: _____
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