

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

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Mailed: December 31, 2015

Cancellation No. 92060599

Turn-Key Vacation Rentals, Inc.

v.

Thomas Clark

By the Board:

Now before the Board is Respondent's motion (filed August 18, 2015) to dismiss the ground of fraud from the First Amended Petition for Cancellation for failure to state a claim upon which relief can be granted under Fed. R. Civ. P. 12(b)(6).

Motion to Dismiss

Inasmuch as this is Respondent's second motion to dismiss, the Board presumes the parties' familiarity with the issues and the standard for determining such a motion. *See* Board Order dated July 1, 2015 (10 TTABVUE). Similarly, inasmuch as the Board previously determined that Petitioner had sufficiently alleged standing and the ground of likelihood of confusion, and Respondent's second motion to dismiss does not challenge the allegations related to standing or likelihood of confusion, this order will address only the ground of fraud.

As the parties are aware, in order to properly assert a ground of fraud based on a claim that the declaration in the application underlying the subject registration was executed fraudulently, in that there was another use of the same or a confusingly similar mark at the time Respondent (then an applicant) signed the application with the statutorily prescribed oath, Petitioner must allege particular facts which, if proven, would establish that: (1) there was in fact another use of the same or a confusingly similar mark at the time the declaration was signed; (2) the other user (here, Petitioner) had legal rights superior to Respondent's; (3) Respondent knew that the other user had rights in the mark superior to its Respondent's, and either believed that a likelihood of confusion would result from Respondent's use of the mark or had no reasonable basis for believing otherwise; and (4) Respondent, in failing to disclose these facts to the Office, intended to procure a registration to which it was not entitled. *See Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ 1203 (TTAB 1997). The allegations must be alleged with particularity, rather than by implied expression, and must allege that Respondent knowingly made a false, material representation in the application underlying the subject registration with the intent to deceive the Office. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009); *Enbridge Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1540 (TTAB 2009); Fed. R. Civ. P. 9(b). While the allegations must be alleged with particularity, under the simplified notice pleading requirements of the Federal Rules of Civil Procedure, the allegations of the First Amended Petition for Cancellation should be construed liberally "so as to do substantial justice." *Scotch*

Whisky Assoc. v. United States Distilled Products Co., 952 F.2d 1317, 21 USPQ2d 1145, 1147 (Fed. Cir. 1991).

As to element (1), Petitioner sufficiently alleges that there was another use of a confusingly similar mark at the time the declaration was signed. Specifically, Petitioner alleges that the subject mark is confusingly similar to Petitioner's TURN-KEY VACATION RENTALS mark inasmuch as the subject mark is identical in sound, meaning, and commercial impression to the dominant TURN-KEY portion of Petitioner's tradename and trademark which have been in use since at least as early as February 27, 2012, which is prior to October 25, 2012 filing (and attestation) date of the application underlying the subject registration. *See* First Amended Pet., paras. 4, 6, 23, 24, and 26.

As to element (2), Petitioner sufficiently alleges that the other user had legal rights superior to Respondent's. Specifically, Petitioner alleges that it, as the other user, had legal rights in the TURN-KEY VACATION RENTALS mark, to which the subject mark is alleged to be confusingly similar, that are superior to Respondent's rights and were superior when the underlying application was filed. *See* paras. 4, 6, 26, 36, and 37.

As to element (3), Petitioner fails to sufficiently allege that Respondent knew that the other user had clearly established rights in the mark or rights superior to Respondent's. Specifically, Petitioner alleges that it was because Respondent had previously written to Petitioner asking Petitioner to sell its domain name

turnkeyvacationrentals.com which gave Respondent knowledge of Petitioner's alleged rights. *See* paras. 14, 15 and 39.

Although Petitioner also alleges that Respondent “had notice of Petitioner’s use of the name TURN-KEY VACATION RENTALS” (para. 18), “knew that Petitioner was using the name TURN-KEY VACATION RENTALS” (para. 20), “knew that the mark was owned and in use by Petitioner” (para. 32), “knew ... that Petitioner had adopted and was using the legal business name TURN-KEY VACATION RENTALS, INC.” (para. 33), and “knew that Petitioner was already using her mark[] that included the word TURN-KEY” (para. 41), each of these four allegations is merely conclusory. The amended petition must allege well pleaded factual matter and more than “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements.”. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (*citing Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)). Accordingly, the Board must move beyond the conclusory statements to the factual matter pleaded in support thereof. The only reasons Petitioner gives for Respondent’s alleged knowledge of Petitioner’s superior or clearly established rights are that “Petitioner informed Respondent that the domain name turnkeyvacationrentals.com was not for sale and that Petitioner was pursuing plans to use [that] domain name ... as well as others associated with it” (para. 15), and “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” (para. 39). Petitioner relies on an email communication from Respondent

asking Petitioner whether the turnkeyvacationrentals.com domain was for sale. *See* paras. 14, 15, and 39; and Exhibit A. However, the email makes no reference to any purported trademark rights Petitioner may have had at the time; it does not reference use by Petitioner of the pleaded mark TURN-KEY VACATION RENTALS to designate her services or the source of those services, that is, as a service mark or trade name.¹ Similarly, the email does not refer to any court degree or prior agreement between the parties that had previously established Petitioner's rights. The email exhibit merely states that Petitioner has "plans for that domain name and the others [she has] associated with it." 11 TTABVUE 11. The email makes no mention of any specific trademark (as opposed to a domain name) Petitioner believed to be in use at that time.

The reasonable inference is that because Petitioner had previously registered a domain name, Petitioner had rights to a trademark. However, there is no provision in the Trademark Act for establishing priority (i.e., prior rights) through domain name registration or use. Ownership of a domain name alone does not make one the owner of a trademark. *See Brookfield Commc'ns, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 50 USPQ2d 1545, 1556 (9th Cir. 1999) (acquisition of a domain name cannot by itself establish priority of use). Petitioner has failed to allege that Respondent knew that Petitioner had superior rights in a trademark – as opposed to use of the same term merely as a domain name. While Petitioner clearly pleads factual matter that Respondent knew of Petitioner's domain name, those allegations

¹ *Caymus Vineyards v. Caymus Medical Inc.*, 107 USPQ2d 1519, 1522 (TTAB 2013) (Board may consider exhibits attached to complaint for the purpose of ascertaining the plausibility of plaintiff's allegations).

are not sufficient to plead that Respondent knew that the Petitioner, as the other user, had superior or clearly established rights in any trademark.

The Board, in determining whether an applicant when he signed his application oath held an honest good faith belief that he was entitled to registration of his mark, has stated that “if the other person’s rights in the mark, vis-à-vis the applicant’s rights are not known by applicant to be superior or clearly established, e.g., by court decree or prior agreement of the parties, then the applicant has a reasonable basis for believing that no one else has the right to use the mark in commerce, and that applicant’s averment of that reasonable belief in its application declaration or oath is not fraudulent.” *Intellimedia*, 43 USPQ2d at 1207. Petitioner does not allege that priority between the two parties has been previously established (e.g., by court decree or prior agreement of the parties, *see id*), and the Board notes that priority remains an issue in dispute in this proceeding. *See Colt Indus. Operating Corp. v. Olivetti Controllo Numerico S.p.A.*, 221 USPQ 73, 76 (TTAB 1983). Petitioner has failed to allege particular facts sufficient to establish the third element of its fraud claim, i.e., that Respondent, at the time he signed his oath, either believed that Petitioner had superior or clearly established rights in the mark or had no reasonable basis for believing otherwise.²

² Moreover, a trademark applicant has no duty to investigate potential conflicting uses that might be found, and, therefore, there is no duty to investigate specific information such as when another party may have started using a mark. *Maids to Order of Ohio Inc. v. Maid-to-Order Inc.*, 78 USPQ2d 1899, 1909 (TTAB 2006) *citing* *Money Store v. Harriscorp Finance, Inc.*, 689 F.2d 666, 216 USPQ 11 (7th Cir. 1982) (an applicant has no duty to investigate and report to the USPTO all other possible users of the same or similar mark). Accordingly, a failure on the part of Respondent to investigate when Petitioner started using the mark

As to element (4), Petitioner fails to sufficiently allege that Respondent, in failing to disclose facts to the Office, intended to procure a registration to which he was not entitled. Although Petitioner alleges at paragraphs 20, 35, and 40 that Respondent sought registration to prevent Petitioner from obtaining a registration, Petitioner has not alleged that Respondent willfully deceived the Office in an effort to obtain a registration to which it knew it was not entitled. *See Colt Indus.*, 221 USPQ at 76.

In view of the above, Respondent's motion to dismiss Petitioner's fraud claim is **granted**. *See* Fed. R. Civ. P. 12(b)(6).

Inasmuch as the Board freely grants leave to amend pleadings if found, upon challenge under Fed. R. Civ. P. 12(b)(6), to be insufficient, *see* TBMP § 503.03 (2015), Petitioner is allowed until **January 21, 2016**, to file a second amended petition that properly alleges fraud, if Petitioner has a reasonable basis for so pleading.³ In the event Petitioner does not file a second amended pleading, this proceeding will continue under Petitioner's ground of priority and likelihood of confusion only. Respondent is allowed until **February 11, 2016**, in which to file an answer to the second amended petition, if a second amended petition is filed.

Schedule

Proceedings are **resumed**. Dates are **reset** on the following schedule:

TURN-KEY VACATION RENTALS or the domain name turnkeyvacationrentals.com would not constitute fraud.

³ While it is permissible for Petitioner to replead a proper fraud claim, Petitioner should closely review the legal principles discussed in *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203 (TTAB 1997) before doing so.

Second Amended Petition Due, if Filed	1/21/2016
Time to Answer	2/11/2016
Deadline for Discovery Conference	3/12/2016
Discovery Opens	3/12/2016
Initial Disclosures Due	4/11/2016
Expert Disclosures Due	8/9/2016
Discovery Closes	9/8/2016
Plaintiff's Pretrial Disclosures	10/23/2016
Plaintiff's 30-day Trial Period Ends	12/7/2016
Defendant's Pretrial Disclosures	12/22/2016
Defendant's 30-day Trial Period Ends	2/5/2017
Plaintiff's Rebuttal Disclosures	2/20/2017
Plaintiff's 15-day Rebuttal Period Ends	3/22/2017

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. Trademark Rule 2.125. Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.