

ESTTA Tracking number: **ESTTA687352**

Filing date: **08/03/2015**

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

Proceeding	92060700
Party	Defendant Bally Total Fitness Holding Corporation
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Submission	Motion to Dismiss - Rule 12(b)
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Date	08/03/2015
Attachments	Mtn to Dismiss - Bally 8 3 15.pdf(127281 bytes )

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

Rock Fit, LLC,

Petitioner,

v.

Bally Total Fitness Holding Corp.

Registrant.

Cancellation No. 92,060,700

**REGISTRANT’S MOTION TO DISMISS**

On January 15, 2015, Petitioner Rock Fit, LLC, (“Petitioner”) filed a Petition for Cancellation to Registrant Bally Total Fitness Holding Corp.’s (“Registrant”) Reg. No. 2,803,390, (herein “the Registration”) for the following mark:



The Petition for Cancellation alleges as the sole basis for cancellation that the Registration is being used by, or with the permission of, Registrant so as to misrepresent the source of the goods on or in connection with which the mark is registered. No facts are pled to

support this allegation other than Petitioner believes that Registrant did not transfer a registration that Petitioner admits was not listed on a schedule of marks transferred from Registrant to Petitioner. Petitioner alleges the Registration should have been on the schedule. Registrant believes it should not, and was not, on the schedule. Petitioner attempts to bring what appears to be a contract dispute before the Board under the guise of a misrepresentation of source claim. Petitioner lacks subject matter jurisdiction to hear Petitioner's claim. Moreover, Petitioner has failed to state a claim upon which relief can be granted. Accordingly, Registrant hereby moves to dismiss the Petition for Cancellation.<sup>1</sup>

## **I. THE BOARD LACKS SUBJECT MATTER JURISDICTION**

Registrant moves to dismiss Petitioner's claim because the Board lacks jurisdiction to hear it. The Federal Rules of Civil Procedure permit a defendant to move to dismiss a complaint for the court's lack of subject matter jurisdiction. Fed. R. Civ. Proc. 12(b)(1). "If the court determines at any time that it lacks subject-matter jurisdiction, the court must dismiss the action." Fed. R. Civ. Proc. 12(h)(3). Here, the Board lacks subject matter jurisdiction and therefore must dismiss the Petition for Cancellation.

The Petition for Cancellation states that the parties entered into a trademark purchase agreement whereby Registrant assigned Petitioner several trademarks. Petition at ¶ 2. However, the Registration at issue here was allegedly omitted and therefore not assigned to Petitioner. Petition at ¶ 3. Petitioner has unsuccessfully sought to amend the trademark purchase agreement to include the Registration. Petitioner's claim, then, is not that it owns the registration, but rather

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<sup>1</sup> Registrant originally filed its Motion to Dismiss on February 13, 2015. (Dkt. No. 4.) The parties then entered into settlement discussions and filed a joint suspension request on March 19, 2015. (See Dkt. No. 5.) The Board considered Registrant's Motion to Dismiss "withdrawn". (Dkt. No. 6.) The Board set August 1, 2015 as the new Time to Answer. (See Dkt. Nos. 5, 6.) The Parties have not resolved their dispute, and accordingly, Registrant re-files its Motion to Dismiss.

that Registrant has allegedly contracted to transfer a mark and has not done so. This is a breach of contract claim thinly veiled as a misuse of trademark claim.

The Board has jurisdiction to consider agreements only if enforcement or interpretation of the agreement is necessary to decide an issue properly before the Board. *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 1324 (Fed. Cir. 1983). For example, if two parties enter a settlement agreement to not challenge the validity of each party's respective registrations, and one party initiates a cancellation proceeding, the Board has jurisdiction to decide whether the settlement agreement estops the challenger. *M-5 Steel Mfg., Inc. v. O'Hagins, Inc.*, 2001 TTAB LEXIS 704, at \*23-24 (Sept. 26, 2001). However, the Board does not have jurisdiction to hear extraneous contract claims simply because the contract relates to trademarks. *Vaughn Russel Candy Co. v. Cookies in Bloom, Inc.*, 47 USPQ 2d 1635, 1638 n.6 (TTAB 1998) (stating that the Board does not have jurisdiction to enforce a contract ancillary to the matter before the Board).

Here, the Petitioner asks the Board to review contracts and negotiations between the parties to determine whether an asset purchase agreement and trademark assignment should have contained a registration that it did not contain. It is clear from the Petition to Cancel that the contract dispute is causing Petitioner's claim for cancellation to be brought before the Board, not the other way around. *See id.* Interpreting the trademark purchase agreement is therefore not necessary to decide a trademark dispute that is properly before the Board. The Board should dismiss Petitioner's Petition for Cancellation for lack of subject matter jurisdiction.

## **II. THE PETITION FAILS TO STATE A CLAIM**

The Federal Rules of Civil Procedure permit a defendant to move to dismiss a complaint for the failure to state a claim upon which relief can be granted. Fed. R. Civ. Proc. 12(b)(6). A petitioner must allege sufficient factual content that, if proved, would allow the Board to

conclude, or to draw a reasonable inference, that (1) the petitioner has standing to maintain the proceeding, and (2) a valid ground exists for cancelling the mark. *Doyle v. Al Johnson's Swedish Restaurant & Butik Inc.*, 101 USPQ2d 1780 (TTAB 2012). See also TBMP § 503.02 (2013). A Petition for Cancellation “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, 129 S.Ct. 1937, 1949-50 (2009). In particular, a petitioner 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,” to state a claim plausible on its face. *Id.* at 1949. Here, Petitioner fails to plead a valid ground for cancelling the Registration.

The Registration is over five years old and cannot be challenged on the ground that the mark is likely to cause confusion. 15 U.S.C. § 1064(1). Thus, Petitioner’s sole claim is that the Registration “is being used by or with the permission of [Registrant] so as to misrepresent the source of the goods on or in connection with which the mark is registered.” Petition at ¶ 5. Indeed, Petitioner merely parrots this language directly from the Trademark Act, see 15 U.S.C. § 1064(3), without citing any facts to support that Registration is misrepresenting the source of its goods. Such pleading is insufficient under relevant precedent.

A claim of misrepresentation of source is not simply a likelihood of confusion claim. The plaintiff must plead and show that defendant has taken deliberate steps to pass off its goods as those of the plaintiff. The Board has held that a pleading of misrepresentation of source “must be supported by allegations of blatant misuse of the mark by respondent in a manner calculated to trade on the goodwill and reputation of petitioner.” *Otto Int'l Inc. v. Otto Kern GMBH*, 83 USPQ2d 1861, 1863 (TTAB 2007) (quoting *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985)). See also *Bayer Consumer Care AG v. Belmora LLC*, 90

USPQ2d 1587, 1592 (TTAB 2009) (discussing strict pleading requirements for misrepresentation of source claims).

Indeed, the Board has dismissed misrepresentation of source claims that are conclusory in nature or that, as here, merely track the language of the statute. In dismissing one such claim, the Board explained:

Petitioner has not alleged facts reflecting respondent's deliberate misrepresentation of the source of its products, "blatant misuse" of the mark, or conduct amounting to the deliberate passing-off of respondent's goods. Paragraph 4 merely tracks the language of the statute, and does not allege any facts reflecting activity by respondent. Paragraphs 11 and 12 allege loss of sales and "irreparable damage" to petitioner, but there is no mention of specific acts or conduct by respondent aimed at deceiving the public into thinking that respondent's goods actually emanate from petitioner.

*Otto Int'l Inc.*, 83 USPQ2d at 1864.

As the authority reflects, allegations that support a likelihood of confusion claim under Section 2(d) are not sufficient to state a claim for misrepresentation of source under Section 14(3). The standards governing misrepresentation of source claims are much stricter, requiring elements such as "blatant misuse" and "deliberate passing-off." This heightened standard is appropriate, given that a likelihood of confusion claim can be brought only within the first five years of a challenged registration, whereas a misrepresentation of source claim can be brought at any time. The Board emphasized this distinction in the *Otto Int'l* case as follows:

In interpreting Trademark Act Section 14, because Congress barred a likelihood of confusion claim after five years, we cannot conclude that the same facts recast as a misrepresentation of source claim would constitute a cognizable ground for relief. If it were otherwise, Congress' exclusion of claims under Trademark Act Section 2(d) after five years would be rendered meaningless.

*Id.*

Here, Petitioner's single paragraph that contains a "threadbare" recital of the statute falls well short of pleading facts sufficient to support a misrepresentation of source claim.

Accordingly, the Petition must be dismissed.

### **III. CONCLUSION**

For the foregoing reasons, the Petition for Cancellation should be dismissed because the Trademark Trial and Appeal Board lacks subject matter jurisdiction and because the Petition for Cancellation fails to state a claim upon which relief can be granted.

Dated: August 3, 2015

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing REGISTRANT'S MOTION TO DISMISS was served on counsel for Applicant by First Class Mail, postage prepaid, on this 3rd day of August 2015, in an envelope addressed as follows:

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