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

Proceeding	92060895
Party	Defendant Starbuzz Tobacco, Inc.
Correspondence Address	STARBUZZ TOBACCO INC 10871 FORBES AVE GARDEN GROVE, CA 92843 UNITED STATES
Submission	Motion to Dismiss - Rule 12(b)
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Date	03/30/2015
Attachments	Motion to Dismiss Petition 033015.pdf(105144 bytes)

This Motion is based on this Notice of Motion and Motion, the attached Memorandum of Points and Authorities, and upon such other pleadings and evidence that may be presented prior to or at the hearing on this matter.

Respectfully submitted,
THE PATEL LAW FIRM, P.C.

/natupatel/
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MEMORANDUM OF POINTS AND AUTHORITIES

INTRODUCTION

Petitioner, SIS Resources, LTD. (“Petitioner”), has claimed that Registrant, Starbuzz Tobacco, Inc. (“Starbuzz”) fraudulently represented to the United States Patent and Trademark Office (“USPTO”) that there was no pending, or otherwise disposed of, proceeding involving Starbuzz’s right to use the BLUE MIST trademark in commerce for the goods or services listed in the registration (i.e. tobacco products) in the USPTO or in a court. Petitioner further claimed that there was an ongoing litigation involving the BLUE MIST mark, *Starbuzz Tobacco, Inc. v. Lorillard, Inc., et al.*, U.S. District Court for the Central District of California, Case No. 8:13-cv-00411, (the “Federal Court Action”) when the representation was made. The Federal Court Action, however, only involved Starbuzz’s right to use the BLUE MIST mark for electronic cigarettes, not tobacco products. Since the basis for Petitioner’s motion is erroneous, it should be dismissed.

FACTS

Starbuzz is the owner of the BLUE MIST trademark for tobacco products. Petition ¶ 11. Accordingly, Starbuzz obtained a registration for BLUE MIST for “Pipe Tobacco, Tobacco, Smoking Tobacco, Flavored Tobacco, Molasses Tobacco.” (Reg. No. 3,619,407). Petition, Exhibit A (BLUE MIST Registration Certificate).

On March 8, 2013, Starbuzz filed a complaint for declaratory relief that its use of the term BLUE MIST for electronic cigarettes did not infringe upon Lorillard, Inc.’s and LOEC, Inc.’s (collectively “LOEC”) family of BLU marks for electronic cigarettes (the “BLU Marks”), thereby initiating the Federal Court Action. Starbuzz’s complaint was

based, in part, upon the fact that it had used the BLUE MIST trademark for tobacco products well before LOEC began use of the BLU marks for electronic cigarettes.

On January 13, 2014, LOEC filed counterclaims alleging that Starbuzz's use of the BLUE MIST mark for electronic cigarettes (not tobacco products) and/or components thereof, was likely to cause confusion with LOEC or LOEC's products bearing the BLU marks. Petition, Exhibit E (LOEC's Counterclaims) ¶¶ 40, 50. LOEC did not seek cancellation of the registration for Starbuzz's BLUE MIST trademark for tobacco products.

On May 23, 2014, Starbuzz filed a declaration of use and incontestability (the "Declaration") under Sections 8 & 15 of the Lanham Act for the BLUE MIST mark for tobacco products, declaring that:

"For *International Class 034*, the mark is in use in commerce on or in connection with all of the *goods or services listed in the existing registration* for this specific class: *Pipe Tobacco, Tobacco, Smoking Tobacco, Flavored Tobacco, Molasses Tobacco*; and the mark has been continuously used in commerce for five (5) consecutive years after the date of registration, or the date of publication under Section 12(c), and is still in use in commerce on or in connection with all goods or services listed in the existing registration for this class. Also, no final decision adverse to the owner's claim of ownership of such mark for those goods or services exists, or to the owner's right to register the same or to keep the same on the register; and, no proceeding involving said rights pending and not disposed of in either the U.S. Patent and Trademark Office or the courts exists." Petition, **Exhibit G** (emphasis added).

That declaration, however, *did not* involve Starbuzz's right to use BLUE MIST for electronic cigarettes.

ARGUMENT

I. THE STANDARD FOR A MOTION TO DISMISS

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint. TBMP § 503.02. In order to withstand such a motion, a complaint need only allege such facts as would, if proved, establish that the plaintiff is entitled to the relief sought, that is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for denying the registration sought (in the case of an opposition), or for canceling the subject registration (in the case of a cancellation proceeding). *Id.* To survive a motion to dismiss, a complaint must “state a claim to relief that is plausible on its face.” *Id.*

As explained in further detail below, the Petition fails to state a claim for relief plausible on its face because the documents attached to the Petition show that the representation at issue was not fraudulent.

II. THIS PETITION SHOULD BE DISMISSED WITH PREJUDICE BECAUSE STARBUZZ’S STATEMENT WAS NOT FALSE

The Petition should be dismissed because there was nothing false or fraudulent about Starbuzz’s representation to the USPTO. Fraud in procuring a trademark registration or renewal occurs only when an applicant or registrant knowingly makes a false, material representation with the intent to deceive the USPTO. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. *Id.*, citing *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 153 USPQ 749, 750 (CCPA 1967). Indeed, “the very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. There is no room for

speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.” *Id.*, at 1939, quoting *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981).

Here, Petitioner’s claim fails because Starbuzz’s statement was not false with respect to the Federal Court Action. Petitioner bases its claim on the fact that the Federal Court Action was ongoing between Starbuzz and LOEC at the time Starbuzz filed the Declaration. The Declaration, however, specified that the BLUE MIST trademark was being used for tobacco products, and no proceeding involving Starbuzz’s right to register the same or to keep the same on the register was pending. LOEC’s counterclaims in the Federal Court Action only concerned Starbuzz’s use of the BLUE MIST mark for electronic cigarettes, not tobacco products. Petition, Exhibit E (LOEC’s Counterclaims) ¶¶ 40, 50. LOEC did not even challenge the validity of Starbuzz’s BLUE MIST trademark for tobacco products or seek invalidation of the registration. In fact, LOEC’s only prayer for invalidation of several of Starbuzz’s trademark applications specifically excluded the registration for BLUE MIST for tobacco products (Reg. No. 3,619,407). Petition, Exhibit E, p. 26. Therefore, the Federal Court Action did not involve Starbuzz’s right to register the BLUE MIST trademark for tobacco products, or keep the same on the register. Accordingly, the basis for the Petition fails.

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CONCLUSION

Based on the foregoing, Defendant Starbuzz Tobacco, Inc. respectfully requests that the Trademark Trial and Appeal Board dismiss the Petition with prejudice.

Respectfully submitted,
THE PATEL LAW FIRM, P.C.

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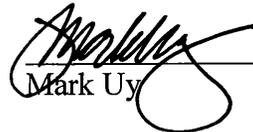
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CERTIFICATE OF SERVICE

I certify that a copy of REGISTRANT STARBUZZ TOBACCO, INC.'S
MOTION TO DISMISS PETITION TO CANCEL is being served via United States mail,
postage prepaid, on this the 30th day of March 2015, to the following:

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