This Opinion is Not a Precedent of the TTAB

Oral Hearing: April 15, 2019 Mailed: September 26, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Citizens for the Fair Use of "Ocala Horse Properties"

v.

Ocala Horse Properties, LLC

Cancellation No. 92061767

Frank Herrera and Gustavo Sardiña of H New Media Law for,
Citizens for the Fair Use of "Ocala Horse Properties."

Erik M. Pelton of Eric M Pelton & Associates PLLC for,
Ocala Horse Properties.

Before Kuhlke, Taylor and Dunn,
Administrative Trademark Judges.

Opinion by Taylor, Administrative Trademark Judge:

Ocala Horse Properties LLC ("Respondent") owns a registration on the Principal Register for the standard character mark OCALA HORSE PROPERTIES for "Real estate agencies; Real estate brokerage" in International Class 36.[1] The registration

[1] Registration No. 4054934 issued on the Principal Register on November 15, 2011, based upon application Serial No. 85124725, filed on September 8, 2010. The registration claims February 2007 as the date of first use of the mark anywhere and in commerce.

includes a disclaimer of the words HORSE PROPERTIES, and a claim of acquired distinctiveness under Section 2(f) of the Trademark Act, 15 U.S.C. § 1141(f), in part, as to the word OCALA.

Citizens for the Fair Use of "Ocala Horse Properties" ("Petitioner"), identifying itself on the ESTTA generated cover sheet as a Florida association, filed a petition to cancel the registration of Respondent's mark on the grounds of genericness under Trademark Act Section 23 and descriptiveness under Trademark Act 2(e)(1), 15 U.S.C. § 1052(e)(1). Petitioner specifically alleges, *inter alia*, the following:

- "Citizens for the Fair Use of "Ocala Horse Properties" (consists[]) of members Golden Film Production & Photography, LLC, Horse Country Realty, Inc. d/b/a/ Showcase Properties of Central Florida, LLC, Joan Pletcher, Realtor, LLC, Pegasus Realty & Associates, Inc., Homes to Ranches Realty, Inc., Ocala Homes & Farms, Inc., and Southern Charm Realty of Central Florida, LLC.) and file the Petition for Cancellation of Federal Registration No. 4,054,934 [for the mark] "OCALA HORSE PROPERTIES" [Mark] because the mark is generic or at best merely descriptive of "real estate agencies; real estate brokerage" services offered by Registrant in Ocala, Florida."[2]

- "Member Golden Film Production & Photography, LLC ('Golden Film') is a film and photography production company that specializes in filming and producing videos, which promote the sale of horse properties in Ocala, Florida."[3]

- The remaining members listed above are "real estate compan[ies] that specialize in horse properties in Ocala, Florida." [4]

- The Mark is generic because the relevant purchasing public understands the phrase primarily as the common or class name for the goods or services. Thus, the Mark is incapable of functioning as a registrable trademark-

[2] 1 TTABVUE 3. Citations in this opinion are to the TTABVUE docket entry number and, where applicable, the electronic page number where the document or testimony appears.

[3] *Id*. (Pet. for Cancel. ¶ 2)

[4] *Id*. at 3-4 (Pet. for Cancel. ¶¶ 3-8).

denoting source, and therefore should not be registrable on the Principal Register under §2(f) or on the Supplemental Register."[5]

- The Mark is descriptive because it "merely describes Ocala horse properties offered for sale" and "under 15 U.S.C. § 1052(e)(1) should have been refused registration on the Principal Register. Since it was registered under § 2(f) based upon false statements by Registrant, it should now be cancelled.[6]

- Because members of the Citizens for the Fair Use of "Ocala Horse Properties" should have the right to use "Ocala horse properties" to advertise their services relating to the sale of horse properties located in Ocala, they have been harmed and will continue to be harmed if Registration No, 4.054,934 remains registered."[7]

Respondent, in its answer, has denied the salient allegations in the petition for cancellation.

I. Grounds for Cancellation

A. Whether the Issue of Fraud was Tried by Consent of the Parties

Petitioner, in the "Statement of Issues" portion of its brief, lists "[w]hether the registration was procured by fraud" as one of the issues to be determined in this case, arguing that the issue was not known until after the pleadings were closed. Petitioner goes on to argue that the parties have conducted discovery and taken testimony of the issue. In other words, that this issued has been tried by consent.

Respondent maintains that "the fraud claim was neither pleaded by Petitioners nor tried by the parties," arguing that the ESTTA cover page does not identify a claim

[5] *Id*. at 6-7 (Pet. for Cancel. ¶ 20).

[6] *Id*. at 7. (Pet. for Cancel. ¶¶ 25-27).

[7] *Id*. at 6 (Pet. for Cancel. ¶ 18).

of fraud on the USPTO and the testimonies of Christopher and Robert Desino do not include any specific reference to such a claim.

It is well settled that a petitioner may not rely on an unpleaded claim in its brief, and that to pursue an unpleaded claim, a petitioner's pleading must be amended under Fed. R. Civ. P. 15(b) to assert the claim, or the claim must have been tried by express or implied consent. Fed. R. Civ. P. 15(b); *see e.g., Hornby v. TJX Cos. Inc.*, 87 USPQ2d 1411, 1415 (TTAB 2008). Implied consent can only be found where the non-offering party (1) raised no objection to the introduction of evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the issue. *Citigroup Inc. v. Capital City Bank Grp. Inc.*, 94 USPQ2d 1645, 1656, *aff'd*, 637 F.3d 1344, 98 USPQ2d 1253 (Fed. Cir. 2011) (quoting TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 501.03(b)). "The question of whether an issue was tried by consent is basically one of fairness. The non-moving party must be aware that the issue is being tried, and therefore there should be no doubt on this matter." *Morgan Creek Prods. Inc. v. Foria Int'l Inc.*, 91 USPQ2d 1134, 1139 (TTAB 2009).

Respondent notes that Petitioner has not amended its petition for cancellation to plead fraud, and affirmatively denies being apprised of the claim or testifying as to that claim. Respondent also asserts that it was not put on notice that Petitioner's (or its own) evidentiary materials would be used to support the unpleaded fraud claim. *See Levi Strauss & Co. v. R. Josephs Sportswear, Inc.*, 28 USPQ2d 1464, 1471 n.11 (TTAB 1993) (party was not fairly apprised that evidence used for a pleaded claim of

descriptiveness was also being offered in support of unpleaded likelihood of confusion claim); *see also* TBMP § 507.03(b) (June 2019) ("fairness dictates whether an issue has been tried by consent — there must be an absence of doubt that the nonmoving party is aware that the issue is being tried"). Here, the testimony surrounding the Section 2(f) claim offered by Respondent in the application that matured into the involved registration is pertinent to the allegations set forth in "COUNT II – THE MARK IS MERELY DESCRIPTIVE" portion of the Petition, which, as noted, includes the allegation that: "under 15 U.S.C. § 1052(e)(1), the Mark should have been refused registration on the Principal Register. Since it was registered under § 2(f) based upon false statements by Registrant, it should now be cancelled."[8] In the context of a mere descriptiveness claim, this allegation can reasonably be read as pertaining to whether Respondent's mark had acquired distinctiveness at the time of registration. Under these circumstances, we cannot conclude that fraud was tried by implied consent under Fed. R. Civ. P. 15(b)(2).[9]

B. Was Respondent Required to Plead Acquired Distinctiveness as an Affirmative Defense

Petitioner objects to Respondent's evidence insofar as it pertains to the issue of acquired distinctiveness, arguing that it is irrelevant because Respondent did not

[8] 1 TTABVUE 7.

[9] We hasten to add that intent to deceive is an indispensable element of the analysis in a fraud case. *See In re Bose Corporation*, 476 F.3d 1331, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). Petitioner has not questioned the dates of use Respondent asserted in its § 2(f) statement of use. That the Office did not appreciate that the dates did not add up to five years belies an intent to deceive. "There is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive." 91 USPQ2d at 40 (citing *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981)).

plead acquired distinctiveness as an affirmative defense. We construe this objection, discussed, *infra*, as asserting that Respondent was required to raise the issue of acquired distinctiveness as an affirmative defense, and because Respondent did not do so, it is an unpleaded issue. However, as one of its grounds for cancellation, Petitioner alleges that Respondent's mark is merely descriptive. Inasmuch as the mark registered with a disclaimer of the words HORSE PROPERTIES, and with the benefit of a claim of acquired distinctiveness under Section 2(f), in-part, as to the remaining word OCALA, Respondent effectively conceded that its mark is merely descriptive in total, but had acquired sufficient distinctiveness for registration. Under these circumstances, the issue of acquired distinctiveness of the registered mark is inherent in Petitioner's mere descriptive claim. Moreover, as just stated, we consider Petitioner's allegations surrounding the § 2(f) claim made by Respondent in the underlying application to raise the issue of whether Respondent's mark had acquired distinctiveness at the time of registration.

We therefore find that the issues involved in this proceeding are:

(1) Whether Respondent's mark is generic for its identified services; and

(2) If the mark is not found to be generic, that it is merely descriptive, with no acquired distinctiveness.

II. Evidentiary Objections

Petitioner has interposed numerous objections against Respondent's joint declaration (and the accompanying exhibits) of Christopher and Robert Desino,[10]

[10] 50-54 TTABVUE.

(Joint declaration) as well as other objections to various trial testimony. Petitioner's first objection is on the ground that the Joint declaration does not clearly state on whose knowledge each statement is made and therefore it should be stricken. Similarly, in the event that the declaration is not stricken in its entirety, Petitioner objects to the paragraphs in the Joint declaration which begin with the pronoun "I." We overrule these objections. The prefatory language to the Joint declaration states that "each" of the declarants attests to all of the statements made therein, all of the statements made were based upon their personal knowledge or are based upon information received from persons upon whom they rely in the normal course of business and/or the business records of Ocala Horse Properties.[11] As such, we consider the pronouns "I" or "we" to refer to the personal knowledge of both declarants.

Petitioner also objects to the portion of the Joint declaration offering testimony and documents to establish that the registered mark has acquired distinctiveness, because that argument should have been raised as an affirmative defense. As noted above, whether the involved registration has acquired distinctiveness is at issue in this proceeding, being a subset of Petitioner's descriptiveness claim. Accordingly, we overrule this objection.

The remaining objections to the Joint declaration are based primarily on hearsay, lack of personal knowledge of the witness, lack of authentication of documents and lack of foundation. Some of these objections are not outcome determinative of the

[11] 50 TTABVUE 2.

merits of this case and therefore we see no compelling reason to address each of the objections one by one except insofar as they relate to the outcome determinative evidence and testimony. The Board is capable of weighing the relevance and strength or weakness of the objected-to testimony and evidence, including any inherent limitations, and this precludes the need to strike the testimony and evidence. We add that we have considered the entirety of the Joint declaration and exhibits keeping in mind Petitioner's objections and have accorded whatever probative value the testimony and evidence merits. Notwithstanding the foregoing, we will specifically rule on certain objections, as appropriate, during our discussion.

Finally, Petitioner, in Appendix I of its brief stated: "[e]xcept as specifically relied upon by Petitioners in the Trial Brief, Petitioners object to the admission in evidence of those portions of the trial testimony of any party to which counsel for Petitioners objected during the taking of testimony as reflected in the transcript of that testimony."[12] An objection to trial testimony must be raised promptly and, in order to preserve an objection that was seasonably raised during the taking of a testimony deposition, a party should maintain the objection in its brief on the case, as an appendix to its brief on the case or in a separate statement of objections filed with its brief on the case. *7-Eleven, Inc. v. Wechsler*, 83 USPQ2d 1715, 1718 n.25 (TTAB 2007) (objection to deposition exhibit waived because not renewed in trial brief) *See also* TBMP § 707.03, and cases cited therein. Petitioner's short statement in its appendix neither identifies the objections with specificity nor argues the validity thereof. We

[12] 62 TTABVUE 30 (Br. p. 29).

do not consider petitioner's blanket statement to be sufficient to maintain the objections. Therefore, any objections not otherwise individually addressed herein that were made by Petitioner during the trial depositions are considered to have been waived.

III. The Record

The record consists of the pleadings and, without any action by the parties, the file of Respondent's involved registration. Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b).

During its testimony period, Petitioner made of record the following evidence:

- Testimony deposition, with exhibits, of Christopher Desino[13]
- Testimony deposition of Robert Desino[14]
- Petitioner's Notice of Reliance on: the 30(b)(6) declaration, with exhibits, of Christopher Desino; certain of its responses to Respondent's interrogatory requests; a copy of cancelled Registration No. 3591862 from the TESS data base of the USPTO, the file history for the involved registration, dictionary definitions, a Wikipedia entry, certain publically electronically available business records[15]
- Testimony declaration of Joan Pletcher[16]

[13] 37 TTABVUE.

[14] 38 TTABVUE.

[15] 39-40 TTABVUE. Because Respondent did not object to the manner in which Petitioner made of record any of the evidence attached its notice of reliance, we consider it all properly of record and it has been considered in this decision.

[16] 41 TTABVUE.

During its testimony period, Respondent made of record the following evidence:

- Redacted testimony depositions, with exhibits, of the following alleged members of Petitioner, namely, Pegasus Realty and Associates, Inc. by George DeBenedicty, owner (DeBenedicty); Ocala Homes & Farms by Carla Lord, owner (C. Lord); Southern Charm Realty of Central Florida, Inc., by Jeanne Ritt, owner (Ritt); Homes to Ranches Realty, Inc. by Gregory Lord, owner (G. Lord); Horse Country Realty, Inc. by Valerie Dailey (Dailey) and Joan Pletcher Realtor, LLC by Joan Pletcher, owner ("Pletcher")[17]
- Joint Declaration of Christopher and Robert Desino, with exhibits[18]

Both Petitioner and Applicant filed briefs and Petitioner filed a reply brief. An oral hearing was held on April 15, 2019.

IV. Standing

To prevail in the cancellation proceeding, it is Petitioner's burden to prove by a preponderance of the evidence the substantive grounds alleged in its petition for cancellation. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1848 (Fed. Cir. 2000); *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981); *WeaponX Performance Prods. Ltd. v. Weapon X Motorsports, Inc.*, 126 USPQ2d 1034, 1040 (TTAB 2018).

Standing is a threshold issue that must be proven by the plaintiff in every inter partes case. *John W. Carson Found. v. Toilets.com Inc.*, 94 USPQ2d 1942, 1945 (TTAB

[17] 48-49 TTABVUE.

[18] 50-54 TTABVUE.

2010) citing *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). Our primary reviewing court, the U.S. Court of Appeals for the Federal Circuit, has enunciated a liberal threshold for determining standing, namely that a plaintiff must demonstrate that it possesses a "real interest" in a proceeding beyond that of a mere intermeddler, and "a reasonable basis for his belief of damage." *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014); *Ritchie v. Simpson*, 50 USPQ2d at 1025; *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). A "real interest" is a "direct and personal stake" in the outcome of the proceeding. *Ritchie v. Simpson*, 50 USPQ2d at 1026. A belief in likely damage can be shown by establishing a direct commercial interest. *Cunningham v. Laser Golf Corp.*, 55 USPQ2d at 1844.

The Petitioner in this case is identified as Citizens for the Fair Use of "Ocala Horse Properties," a Florida association, comprised of the following members: Golden Film Production & Photography, LLC; Horse Country Realty, Inc. d/b/a/ Showcase Properties of Central Florida, LLC; Joan Pletcher, Realtor, LLC; Pegasus Realty & Associates, Inc.; Homes to Ranches Realty, Inc.; Ocala Homes & Farms, Inc.; and Southern Charm Realty of Central Florida, LLC. Petitioner, who alleges that it has been harmed because its members should have the right to use "Ocala horse properties" to advertise their services relating to the sale of horse properties located in Ocala, Florida, will only have standing if it proves these allegations of "real interest" and a "belief in damage." See *Baseball America Inc. v. Powerplay Sports, Ltd.*, 71 USPQ2d 1844, 1846 n.6 (TTAB 2004) (factual allegations made in the

pleadings are not evidence of the matters alleged, except insofar as they might be deemed to be admissions against interest).

Under Trademark Act Section 14, 15 U.S.C. § 1064, "[a]ny person who believes that he is or will be damaged … by the registration of a mark" may file a petition to cancel. The term person includes "a juristic person" which includes associations. Trademark Act Section 42, 14 U.S.C. § 1127. An "association" is a recognized juristic entity when it is organized under state laws or federal statutes that govern this form of organization. TRADEMARK MANUAL OF EXAMINING PROCEDURE (TMEP) § 803.03(c) (2019). An association has standing if it proves that: (1) its members would otherwise have standing to sue in their own right; (2) the interest it seeks to protect are germane to the organizations' s purpose; and (3) neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit. *See Jewelers Vigilance Comm., Inc. v. Ullenberg Corp*., 823 F.2d 490, 2 USPQ2d 2021, 2025 (Fed. Cir. 1987).

After a careful review of the proceeding records, we find that Petitioner has not demonstrated prong 3 of the association test set forth in *Jeweler's Vigilance*. The testimony depositions of most of its "members" and, in particular, the testimony declaration of Joan Pletcher satisfies prong 1 of the test. Of particular note, Ms. Pletcher, in her testimony declaration states, *inter alia*, that she is a Real Estate Agent located in Ocala, Florida and would suffer a "hardship … if a Real Estate Agent in Ocala, Florida [is] not allowed to use the term 'OCALA HORSE

PROPERTIES' as a whole or separately to describe the services that they provide."[19] Notably, she makes no mention in her declaration of any affiliation with Petitioner. In her testimony deposition Ms. Pletcher stated that although she is a member of the citizens for the Fair Use of "Ocala Horse Properties," she is not the director and she did not know of one,[20] yet she was instrumental in prosecuting the cancellation.[21]

As to prong 2, the interest sought to be protected by the "association" is also satisfied by the Pletcher declaration; that being the right to use the terms "Ocala," "Horse," and "Properties" separately or as a whole to advertise real estate services and describe the properties relating to these services.[22]

Petitioner, however, has failed to demonstrate that neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit. Specifically, Petitioner has failed to demonstrate that it is an association under the laws of Florida. Indeed, the testimony of its purported members belies the fact. For example, Mr. DeBenedicty, in his declaration on behalf of Pegasus Realty and Associates, Inc., affirmatively responded to the question of whether he is a member of the group called "Citizens for the Fair Use of 'Ocala Horse Properties,'" but answered the question "[i]s citizens For the Fair Use of 'Ocala Horse Properties' a partnership or corporation?" in the negative.[23] When asked how he would describe

[19] 41 TTABVUE 4.

[20] 49 TTABVUE 17.

[21] *See generally*, 49 TTABVUE.

[22] *Id*.

[23] 48 TTABVUE 15.

the organization, he replied "[i]t's not an organization as such, it's several plaintiffs that have basically agreed to come together for this lawsuit."[24]

Similarly, Ms. Lord, representing, Ocala Homes & Farms, indicates that she is a plaintiff in the proceeding and, in response to the question "[i]s the plaintiffs a collection of real estate professionals and firms that goes under the name citizens for the Fair Use of 'Ocala Horse Properties,'" answered "I guess it is. I have not met with anyone else. This is my first meeting with counsel here…."[25]

Jean Ritt of Southern Charm Realty of Central Florida, LLC likewise indicates that she is a member of citizens for the Fair Use of "Ocala Horse Properties," but goes on to testify that there are no written agreements between her and other participants in the group, nor has the group conducted any business outside of the law suit.[26]

Gregory Lord, the owner of Homes to Ranches Realty, Inc., testified that he is a "part of Citizens for the Fair Use of 'Ocala Horse Properties,'" but also indicated that there were no written agreements between the parties, that the case has not been discussed with other individuals that are a part of Citizens for the Fair Use of "Ocala Horse Properties," and that from the time of the original decision to go ahead with the case as part of the group, he has done nothing related to this case.[27]

Finally, Valerie Dailey, of Horse Country Realty, Inc. d/b/a Showcase Properties of Central Florida states that she is a member of citizens for the Fair Use of "Ocala

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[24] *Id*. at 16.

[25] *Id*. at 47.

[26] *Id*. at 76.

[27] *Id*. at 107, 112 and 123.

Horse Properties,"[28] but that she did not have any meetings with the other members, and that she did not have any documents or agreements or exchange any emails with the members.[29]

Under the circumstances, we find that the organization known as Citizens for the Fair Use of "Ocala Horse Properties" has not demonstrated that it is a juristic association under the laws of Florida that could assert the claims alleged or the relief requested in this cancellation proceeding without the participation of individual members in the lawsuit. Indeed, instead of referring to the single entity of an association, the parties in the record refer to plaintiff in the plural, as Petitioners. Accordingly, Petitioner, Citizens for the Fair Use of "Ocala Horse Properties," "an asserted Florida association," has not proven standing to bring the petition.

Because Petitioner has not demonstrated the threshold requirement of standing, we need not and do not reach the substantive claims of the petition for cancellation.

Decision: The cancellation is dismissed.

[28] *Id*. at 148.

[29] *Id*. at 149. Ms. Dailey also averred that that there is no "one person responsible for making decisions" but because there appears to be a typographical error in the questions, we have given the decision making comment little weight.