

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

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Mailed: October 7, 2015

Cancellation No. **92061895**

*Proove Biosciences, Inc.*

*v.*

*ProImmune Limited*

**Yong Oh (Richard) Kim, Interlocutory Attorney:**

Pursuant to Fed. R. Civ. P. 26(f) and Trademark Rules 2.120(a)(1) and (2), the parties to this proceeding conducted a discovery conference on October 6, 2015. Board participation was requested by Respondent. Patrick R. Delaney, Esq., of Ditthavong & Steiner PC appeared on behalf of Petitioner and Sheryl De Luca, Esq., of Nixon & Vanderhye PC appeared on behalf of Respondent.

**Introductory Remarks**

At the outset of the conference, the Board informed the parties that a spirit of cooperation and good faith dealing were expected from the parties during the duration of this proceeding and that any points of contention that may arise during the course of the proceeding should be handled through direct communication between the parties and in a spirit of good faith. **The parties were put on notice that a motion to compel would not be entertained and good faith would not be found where the parties**

**have failed to previously conduct at least one telephone conference to resolve the issue.**

The Board also noted that telephone conferences with a Board attorney are available as necessary but that both parties would need to be on the call to discuss any substantive matter and that *ex parte* communications with the Board are generally inappropriate. General questions concerning the proceeding should be directed to the paralegal assigned to this matter.<sup>1</sup>

The parties are instructed to file appearances of counsel and change of correspondence forms as necessary, preferably via ESTTA, the Board's electronic filing system.

### **Prior Communications and Disputes**

Although the parties have had preliminary discussions toward settlement, they were unsuccessful and neither party is currently inclined to engage in further settlement discussions. Nevertheless, the Board encouraged the parties to revisit the issue at a later juncture.

The Board then inquired as to whether the parties were involved in any other disputes with each other involving the subject mark to which the parties responded in the negative. Respondent further confirmed that its mark was not the subject of any third-party dispute.

### **Pleadings**

The Board and the parties discussed the claims in the petition for cancellation. **Petitioner confirmed that it was asserting claims of**

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<sup>1</sup> The assigned paralegal is identified on the TTABVUE page for this proceeding.

**genericness, abandonment and fraud.** However, in reviewing the claims, the Board determined that they were insufficiently pled.

First, a claim of genericness must allege that the subject term is generic as applied to specific goods and/or services for which the term is used. *See, e.g., In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 57 USPQ2d 1807 (Fed. Cir. 2001). During the conference, Petitioner's counsel clarified that the claim only applies to the Class 42 services.<sup>2</sup> However, the Board determined that Petitioner failed to make such an allegation and **thereby ordered Petitioner to replead the claim.**

As to the claim of abandonment, a legally sufficient claim must allege facts that "set forth a *prima facie* case of abandonment by a pleading of at least three consecutive years of non-use or must set forth facts that show a period of non-use less than three years coupled with an intent not to resume use." *Otto Intl, Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863 (TTAB 2007). Petitioner has failed to allege such facts and further supports the claim based, in part, on factual allegations relating to a class of goods no longer maintained by Respondent. **Petitioner was therefore ordered to replead the claim if it believes it has a basis for doing so.**

Finally, the Board determined that Petitioner failed to allege particular facts to make out a sufficient pleading of fraud. *See In re Bose Corp.*, 580 F.3d

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<sup>2</sup> Respondent noted that its combined declaration under §§ 8 and 15 filed on June 7, 2013, only maintained the goods and services in International Classes 1 and 42, and that the goods in International Class 5 were deleted. This deletion appears to have been overlooked by the Post-Registration Division but has now been corrected.

1240, 91 USPQ2d 1938 (Fed. Cir. 2009). In reviewing the pleading, Petitioner's claim of fraud appears to be based on the same transactional facts that support its claim of abandonment and many of Petitioner's allegations are based on "information and belief." However, Fed. R. Civ. P. 9(b) requires that a party state with particularity the circumstances constituting the fraud. *See King Automotive, Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981) ("pleadings [must] contain explicit rather than implied expressions of the circumstances constituting fraud"). Pleadings of fraud made "on information and belief" with no allegations of "specific facts upon which the belief is reasonably based" are insufficient. *Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 1670 (Fed. Cir. 2009). And while Rule 9(b) permits "knowledge" and "intent" to be averred generally, the pleadings must "allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind." *Id.* at 1667. As Petitioner's allegations lack the requisite particularity of facts sufficient to support a claim of fraud, **the Board ordered Petitioner to either replead the fraud claim if it believes there is a basis for doing so or to strike it from the petition.**

Turning to Respondent's answer, the Board noted that most of the defenses were not true affirmative defenses but rather amplifications of Respondent's denials which did not give cause to strike them from the pleading. Nevertheless, the Board questioned the basis for and applicability

of Respondent's unclean hands defense, which is an equitable defense, in the face of claims that further a public interest and **thereby ordered the defense stricken**. See *American Vitamin Prods. V. Dowbrands Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992) ("Where the ground for cancellation is abandonment, equitable defenses such as laches, bad faith and unclean hands, are not available in light of the overriding public interest in removing abandoned registrations from the register.").

**Petitioner is allowed until NOVEMBER 6, 2015, to serve and file an amended petition for cancellation and Respondent is allowed until DECEMBER 7, 2015, to serve and file its answer to the amended petition.**

#### **Discovery and Stipulations**

The parties were advised that the Board's standard protective order is operative in these proceedings, made applicable by operation of Trademark Rule 2.116(g) and available at <http://www.uspto.gov/trademarks/process/appeal/guidelines/stndagmnt.jsp>. If the parties wish to acknowledge their obligations under the standard protective order in writing, the parties are referred to the form found at <http://www.uspto.gov/trademarks/process/appeal/guidelines/ackagrmnt.jsp>.

Should the parties wish to modify the Board's standard protective order, the parties may negotiate any changes and file a copy of the proposed protective order with the Board for approval.

The parties did not offer or otherwise suggest any potential discovery or testimonial stipulations. The Board encouraged the parties to consider ways in which to potentially limit and simplify discovery and testimony through reciprocal disclosures, stipulations of fact, and/or agreements. For instance, the parties may consider greater use of reciprocal disclosures and less use of formal discovery or streamlining their discovery by limiting the number of depositions,<sup>3</sup> interrogatories, document production requests and admission requests. The parties may also consider simplifying the introduction of evidence into the record such as by stipulating to the authentication of documents produced in response to document requests via a notice of reliance by the propounding party.

**The parties stipulated to accept service of papers by e-mail and acknowledged that in doing so, the five day grace period for response afforded the parties under Trademark Rule 2.119(c) would no longer be applicable. Email service should be made to [docket@dcpatent.com](mailto:docket@dcpatent.com) and [pdelaney@dcpatent.com](mailto:pdelaney@dcpatent.com) for Petitioner and to [nixonptomail@nixonvan.com](mailto:nixonptomail@nixonvan.com) and [sld@nixonvan.com](mailto:sld@nixonvan.com) for Respondent.**<sup>4</sup>

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<sup>3</sup> Pursuant to Fed. R. Civ. P. 30(a), made applicable to Board proceedings by Trademark Rule 2.116, a party may not seek more than ten discovery depositions without a prior stipulation between the parties or leave of the Board.

<sup>4</sup> At Petitioner counsel's request, [patrickrdelaney@gmail.com](mailto:patrickrdelaney@gmail.com) has been removed from Petitioner's correspondence information.

**Alternative Dispute Resolution and Accelerated Case Resolution**

The Board informed the parties that mediation and arbitration are outside resources available to the parties to facilitate settlement discussions. Although the Board will not refer the parties to any particular arbitrator or mediator, the Board would be amenable to suspending these proceedings should the parties choose these alternatives to aid in any settlement.

Accelerated Case Resolution (ACR) was also discussed as a way to expeditiously obtain a final determination of these proceedings without the time and expense of a full trial. A proceeding that is ideally suited for ACR is one in which the parties anticipate being able to stipulate to many facts, or in which each party expects to rely on the testimony of only one or two witnesses and the overall record will not be extensive.

The parties were encouraged to consider the procedure in the future, particularly if the parties are able to make many stipulations so as to narrow the issues for ACR. As mentioned during the conference, the parties must mutually agree to ACR as the procedure cannot be instituted unilaterally and there is no procedural mechanism by which an unwilling party can be compelled to engage in ACR. To facilitate the parties' consideration, they are referred to the following for additional information on the procedure:

[http://www.uspto.gov/trademarks/process/appeal/Accelerated Case Resolution ACR notice from TTAB webpage 12 22 11.pdf](http://www.uspto.gov/trademarks/process/appeal/Accelerated_Case_Resolution_ACR_notice_from_TTAB_webpage_12_22_11.pdf)

[http://www.uspto.gov/trademarks/process/appeal/Accelerated Case Resolution \(ACR\) FAQ updates 12 22 11.doc](http://www.uspto.gov/trademarks/process/appeal/Accelerated_Case_Resolution_(ACR)_FAQ_updates_12_22_11.doc)

**Conclusion**

As noted by the Board during the conference, neither the service of discovery requests nor the filing of a motion for summary judgment (except on the basis of *res judicata*, collateral estoppel, or lack of Board jurisdiction) may occur until after initial disclosures (required under Fed. R. Civ. P. 26(a)(1)) are made.

Dates are **RESET** as follows:

Amended Petition for Cancellation Due	<b>11/6/2015</b>
Answer to Amended Petition Due	<b>12/7/2015</b>
Discovery Opens	<b>12/7/2015</b>
Initial Disclosures Due	<b>1/6/2016</b>
Expert Disclosures Due	<b>5/5/2016</b>
Discovery Closes	<b>6/4/2016</b>
Plaintiff's Pretrial Disclosures Due	<b>7/19/2016</b>
Plaintiff's 30-day Trial Period Ends	<b>9/2/2016</b>
Defendant's Pretrial Disclosures Due	<b>9/17/2016</b>
Defendant's 30-day Trial Period Ends	<b>11/1/2016</b>
Plaintiff's Rebuttal Disclosures Due	<b>11/16/2016</b>
Plaintiff's 15-day Rebuttal Period Ends	<b>12/16/2016</b>

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 taking of testimony. Trademark Rule 2.125.

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

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