

ESTTA Tracking number: **ESTTA707779**

Filing date: **11/10/2015**

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

Proceeding	92062364
Party	Defendant Raihana Heuer
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Attachments	Motion to Dismiss [Final].pdf(300409 bytes)

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

In re the matter of:

Trademark Registration Nos:
4078032, 4052051 and 4717526

For the Marks:
KANDUI and KANDUI VILLAS

Anom Suheri, et. al,

Petitioners

v.

Raihana Heuer,

Registrant

Proceeding No.: 92062364

MOTION TO DISMISS

**Fed. R. Civ. P. 12(b)6
CFR 2.116(a)**

TO THE TRADEMARK TRIAL AND APPEAL BOARD, INTERLOCUTORY ATTORNEY ROBERT COGGINS, PETITIONERS AND THEIR ATTORNEY OF RECORD:

Registrant Raihana Heuer (“Registrant”) hereby moves to dismiss Petitioners Anom Suheri, Anthony Marcotti, Raymond Wilcoxon and D3 Holdings, LLC’s (collectively “Petitioners” and individually “Petitioner”) Petition for Cancellation in the above-referenced proceeding pursuant to Rule 2.116(a) of the U.S. Trademark Law Rules of Practice and Rule 12(b)(6) of the Federal Rules of Civil Procedure, as laid out more fully in the Memorandum and Points and Authorities, below, on the following grounds:

1. Petitioners fail to plead standing of each individual Petitioner;
2. Petitioners fail to plead standing because they failed to allege harm to petitioners caused by Registrant’s registration;
3. Petitioners fail to plead grounds because they fail to plead priority as required under section 2(d) of the Trademark Act;
4. Petitioners fail to plead likelihood of confusion as required under section 2(d) of the Trademark Act;
5. Petitioners’ “other” grounds lack a statutory basis;
6. Petitioners fail to plead grounds because they have not plead their allegation of fraud upon the U.S. Patent and Trademark Office with sufficient particularity; and
7. The Petition is moot because they admit Registrant has rights in the registered marks.

MEMORANDUM OF POINTS AND AUTHORITIES

I. Legal Standard – Dismissal for Failure to State a Claim under Fed. R. Civ. P. 12(b)6

“To survive a motion to dismiss, a complaint 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, 678 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A claim is facially plausible when the allegations “allow[] the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Id.* (citing *Twombly*, 550 U.S. at 556). “[A] plaintiff’s obligation to provide the ‘grounds’ of his ‘entitle[ment] to relief’ requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.” *Twombly*, 550 U.S. at 555 (citing *Papasan v. Allain*, 478 U.S. 265, 286 (1986).) “Nor does a complaint suffice if it tenders ‘naked assertion[s]’ devoid of ‘further factual enhancement.’” *Iqbal*, 556 U.S. at 678 (citing *Twombly*, 550 U.S. at 557).

II. Summary of Facts as Alleged in Petition

A motion for summary judgment must consider the Petition for Cancellation (“Petition”) at face value; that is, the Board must evaluate the allegations contained in the Petition for Cancellation as if they were true, and determine whether a claim for relief is plausible. In this case, Petitioners allege the following in support of its Petition:

Petitioners are Anom Suheri, Raymond Wilcoxon, Anthony Marcotti and D3 Holdings, LLC (Petition, USPTO Generated Cover Sheet). D3 Holdings, LLC is the successor in interest to Johnny Ocean (¶20). Anom Suheri, Raymond Wilcoxon, Anthony Marcotti, Johnny Ocean, and three other non-petitioning individuals (including Registrant Raihana Heuer) are referred to by Petitioners as the “Founders.” (¶1). The Founders started and operated a resort in Indonesia that they “agreed to name” Kandui Resort. (¶1).

Mr. Marcotti, on behalf of Kandui Resort, registered the domain name kanduiresort.com in 2005 where he published promotional and marketing materials for Kandui Resort. (¶3). The Petition does not contain any further allegations regarding any of the specific individual

Petitioners nor their activities surrounding the two KANDUI marks and the KANDUI RESORT mark at issue (the “Marks” or “Registrations”).

Guests from the United States booked trips from California and visited Kandui Resort in 2006. (¶¶4, 8). In 2008, Kandui Resort first started selling clothing and souvenirs and offered photo and video services under the marks KANDUI and KANDUI RESORT. (¶2). Kandui Resort has since become a world famous surfing destination and is widely advertised in the U.S. (¶¶6-7). Kandui Resort owns and maintains social media accounts on Facebook, Twitter and Instagram that collectively have over 25,000 followers. (¶9).

Registrant and her husband opened a resort on the same island called Kandui Villas in 2010 (¶10). Registrant applied to register, and ultimately registered two KANDUI marks and KANDUI VILLAS with the USPTO. (¶12). Guests are confused as to whether there is an affiliation between Kandui Resort and Kandui Villas. (¶17). Because Petitioners were Founders of Kandui Resort, common law rights in the mark KANDUI accrue to them. (¶19).

As grounds for the Petition, Petitioners allege three basis: (1) [i]n signing the declaration associated with the trademark application for the registrations at issue, Registrant made a false representation to the USPTO with the intent to deceive the USPTO. (¶22). Petitioners make no further allegations related to Registrant’s belief or intent or the circumstances surrounding the alleged false representation. (2) Registrant is not, and was not at the time she filed the applications, the rightful owner of the KANDUI mark. (¶23). Petitioners cite no statutory basis for such a ground nor do Petitioners provide any further material from which Registrant can decipher the statutory grounds upon which this ground is based; and (3) likelihood of confusion with a mark previously used by the Founders under section 2(d) of the Trademark Act. (¶24).

III. Petitioners Lack of Standing to Bring the Petition to Cancel

A petition for cancellation should include allegations concerning the standing of each party plaintiff. (TBMP 303.06). Each plaintiff must allege a “real interest” in the proceeding and a “reasonable basis” for its belief that it would suffer some kind of damage if the marks were registered (TBMP 309.03(b)).

A. Petition Fails to Plead Standing for Each Petitioner

The instant Petition was brought by four Petitioners. The Petitioners (among others, including Registrant) are collectively referred to in the petition as the “Founders.” The Petition fails to plead each of the four individual’s standing to bring the Petition. This alone is sufficient grounds to grant the instant Motion for lack of standing.

B. Petitioners Fail to Allege Harm to Petitioners

Petitioners allege to have created Kandui Resort and then go on to discuss Kandui Resort’s use of the KANDUI mark. Petitioners repeatedly admit that Kandui Resort uses the KANDUI mark, but fail to demonstrate the Petitioners’ standing to act on behalf of Kandui Resort in each of their individual capacities as Petitioners in this case. Petitioners do not describe what “started” or “founder” of Kandui Resort mean, do not allege to *be* Kandui Resort, nor *own* Kandui Resort, nor do they allege any current interest whatsoever in Kandui Resort.¹

Simply stating that “we came up with the name” and “one of us made a website” is insufficient to plead harm (or prior use, as discussed below), does not establish “a direct and personal stake” in the Marks, and is thus insufficient to establish standing. *See Keurig, Inc. v. Sturm Foods, Inc.*, No. 10-841-SLR, 2012 U.S. Dist. LEXIS 130762, at *17-18 (D. Del. 2012).

¹ Footnote: this is because PT Kandui Resort Mentawai, the “Kandui Resort” to which Petitioners refer, is a limited liability company formed under the laws of Indonesia and to which none of the petitioners are direct shareholders. Registrant, on the other hand, is a direct shareholder of the company.

Because Petitioners have not pleaded any interest in Kandui Resort, the entity to which Petitioners admit is the user of the mark at issue, Petitioners have not pled they would be damaged in any way and thus have failed to plead adequate standing in this case; therefore, the Petition must be dismissed under Federal Rule of Civil Procedure 12(b)6.

IV. Petitioners Fail to Plead Grounds for Which a Registration May Be Cancelled

A. Petitioners Fail to Plead Priority

The Trademark Act §2(d) provides that a defendant's mark may be cancelled if it so resembles a mark previously *used* in the United States by another as to be likely, when used on or in connection with the goods or services of the defendant to cause confusion, or to cause mistake, or to deceive.

As the Federal Circuit recently reiterated, “[o]n its face, the statute is clear that a mark for services is used in commerce only when *both* (1) ‘it is used or displayed in the sale or advertising of services *and* (2) the services are rendered’ . . . in commerce . . . and the person rendering the service is engaged in commerce in connection with the services.” *Couture v. Playdom, Inc.*, 778 F.3d 1379, 1380-81(Fed. Cir. 2015) (citing *Aycock Eng’g, Inc. v. Airflite, Inc.*, 560 F.3d 1350, 1357 (Fed. Cir. 2009) (emphasis in original). “[T]he right to a particular mark grows out of its *use*, not its mere *adoption*. *Id.* at 1381 (emphasis added). In *Couture*, Mr. Couture registered a domain name and placed promotional material for his writing and production services on the website located at the domain name; Mr. Couture did not actually provide his writing and production services until 2010. *Id.* at 1380. The Federal Circuit held that absent the actual providing of services, there was no “use” of the mark as required to earn trademark rights. *Id.* at 1381.

Here, Petitioners fail to allege any use of the mark at issue, let alone prior use.

Petitioners allege that one of the individual petitioners, Mr. Marcotti, registered a domain name for a website for which he placed promotional material for the resort. As stated in *Couture* mere registration of a domain name is not “use” under the trademark act; similarly, merely using a mark on promotional material, is not “use” under the trademark act. Mr. Marcotti does not allege that he sold any of the goods or rendered any of the services listed in the registrations (in fact, he admits that Kandui Resort provided those goods and service). Thus, Mr. Marcotti has failed to “use” the KANDUI mark. There is absolutely no discussion regarding the use of the mark by the remaining Petitioners.

Furthermore, as discussed above, while admitting that Kandui Resort uses the mark, Petitioners fail to allege how use of the mark at issue by Kandui Resort inures to the benefit of Petitioners. While using the vague term “founder” and language such as “they started,” Petitioners do not allege to be Kandui Resort, nor own Kandui Resort, nor allege *any* current interest in Kandui Resort.

Use of a mark in association with goods requires use of the mark in relation to the goods in “commerce which may be regulated by Congress.” *Person’s Co. v. Christman*, 900 F.2d 1565, 1568 (Fed. Cir. 1990). As the Federal Circuit of Appeals has long held regarding use of a mark in foreign commerce, “[s]uch use has no effect on U.S. commerce and cannot form the basis for a holding that appellant has priority [in the U.S.]” *Id.* Petitioners allege the only goods sold in relation to the contested marks were clothing and souvenirs sold *at a gift shop on Karangmajat Island*. (¶5). The Petitioner’s allege no facts to establish any good relating to the contested marks was sold by Petitioners into U.S. commerce. Because Petitioner failed to plead priority to the contested marks for goods, this Board should grant the Motion.

Because Petitioners fail to plead use of the mark, thus priority, Petitioners fail to plead grounds for cancellation under Trademark Act Section 2(d) and the Petition must be dismissed under Federal Rule of Civil Procedure 12(b)6.

B Petitioners Fail to Plead Likelihood of Confusion

Petitioners allege that customers are confused into believing there is an affiliation between Kandui Resort and Kandui Villas, and that such confusion will continue. Simultaneously, Petitioners admit that there *is* an affiliation as they have common ownership. So any belief that the two are affiliated is accurate; thus there is no likelihood of confusion.

Because Petitioners fail to plead likelihood of confusion, Petitioners fail to plead grounds for cancellation under Trademark Act Section 2(d) and the Petition must be dismissed under Federal Rule of Civil Procedure 12(b)6.

V. Petitioner’s “Other” Grounds for Cancellation Have No Statutory Basis Thus Must be Dismissed

A plaintiff may raise any available *statutory* ground for opposition or cancellation that negates the defendant’s right to registration. (TBMP 309.03(c) *emphasis added*).

As grounds for their petition, Petitioner’s claim “[r]espondent is not, and was not at the time she filed the applications, the rightful owner of the KANDUI mark. For this reason, the Registrations should be declared *void ab initio* and cancelled.” (¶23).

Petitioners have not stated any statute in support of such “ground,” nor provided any other information from which a statutory ground may be deciphered, and are unable to do such as such statute simply does not exist. As such, Petitioners have not plead any grounds for cancellation and the Petition must be dismissed under Federal Rule of Civil Procedure 12(b)6.

VI. Petitioners' Claim of Fraud upon the USPTO is Not Pled with Sufficient Particularity Thus Must be Dismissed

Petitioner's Petition for Cancellation ("the Petition") fails to state a claim upon which relief can be granted with respect to Petitioner's allegation that Registrant committed fraud in the procurement of its registrations for KANDUI and KANDUI RESORT ("the Marks"). A motion to dismiss an allegation of procuring a registration by fraud should be granted if the petitioner does not allege particular facts which, if proven, would establish: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant's; (3) applicant knew that the other user had rights in the mark superior to applicant's, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise; and (4) applicant, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled. *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203, 1206 (T.T.A.B. 1997); *Hana Fin., Inc. v. Hana Bank*, 500 F. Supp. 2d 1228 (C.D. Cal. 2007). In addition, the Federal Circuit Court of Appeals holds that a trademark is obtained fraudulently "*only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.*" *In re Bose Corp.*, 580 F.3d 1240, 1245 (Fed. Cir. 2009) (emphasis added). Petitioner has failed to allege particular facts that, if proven, would establish that (1) another user had legal rights in the KANDUI and KANDUI RESORT marks superior to Registrant's rights (2) and Registrant knew another user had rights in the KANDUI and KANDUI RESORT marks superior to Registrant.

A. Petitioner Fails To Plead Facts Alleging Another User Had Legal Rights

Registrant's motion to dismiss should be granted because Petitioner failed to allege particular facts to establish another user had legal rights in the KANDUI and KANDUI RESORT

superior to Registrant's rights. The only facts Petitioner alleges to support this premise are that Registrant is a "founder" of a resort named Kandui Resort (§§1-2), the Kandui Resort conducted business and was advertised (§§ 3-5, 7), and that Registrant and another co-founder opened an additional resort named Kandui Villas (§10). Petitioner also makes a conclusory statement that Registrant knew she was not the rightful owner of the KANDUI mark (§22). However, as this Board has held, conclusory statements standing alone cannot survive a motion to dismiss, and must be supported by factual allegations. *See Intellimedia*, 43 U.S.P.Q.2d at 1206. Assuming Petitioner can prove that Registrant was a co-founder of both Kandui Resort and Kandui Villas and that Kandui Resort conducted business and was advertised, these facts alone do not support the conclusion that a party other than Registrant had superior legal rights in the Marks. If anything, the alleged facts support the conclusion that Registrant had rights in the Marks that are at least equal to the rights of her alleged co-founders. This Board should grant Registrant's motion to dismiss on the grounds that Petitioner has not alleged particular facts that, if proven, would establish another user had rights in the Marks superior to Registrant's rights.

B. Petitioner Fails To Plead Facts Alleging Belief and Intent

Registrant's motion to dismiss should be granted because Petitioner failed to allege particular facts to establish Registrant knew another user had rights in the KANDUI and KANDUI RESORT marks superior to Registrant. Petitioner does not allege any facts, other than those cited above, to support the conclusory statement that Registrant knew she was not the rightful owner of the KANDUI mark (*see* §§1-5, 7, 10, 22). As this Board has instructed, Petitioner is required to allege more than conclusory allegations that Registrant knew of third party superior rights, and must allege facts to establish that Registrant *believed* that the third party had superior rights. *Intellimedia*, 43 U.S.P.Q.2d at 1207. There are no allegations in the

Petition to establish what Registrant believed regarding the marks at issue. As the Federal Circuit has noted, facts establishing the objective manifestation of Registrant's intent must be alleged by Petitioner to survive a motion to dismiss. *See In re Bose*, 580 F.3d at 1244. Indeed, because the trademark application oath is "phrased in terms of a subjective belief," it is "extremely difficult to prove fraud" by the signer. *Woodstock's Enters. (Ca) v. Woodstock's Enters. (Or)*, 43 U.S.P.Q.2d 1440, 1444 (T.T.A.B. 1997).

Petitioner simply does not allege facts that, if proven, establish Registrant's objective manifestations about any rights in the marks at issue. For this reason, the Board should grant Registrant's motion to dismiss.

Because "a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO," and because Petitioner has failed to meet its burden to allege facts to establish both that another user had rights in the Marks superior to Registrant's rights, and that Registrant knew the other user had rights in the Marks superior to Registrant's rights, this Board should grant Registrant's motion to dismiss under Federal Rule of Civil Procedure 12(b)6. *See In re Bose*, 580 F.3d at 1245.

VII. Petition is Moot

The Petition is purported to be brought based on the alleged rights of the "Founders." In the event the "Founders" are found to have standing and grounds, including priority, so too does Registrant. Registrant is included in the definition of "the Founders," so if the Founder's are found to have standing and grounds to bring this Petition, so too does Registrant. Thus, because Registrant has rights that are at least equal to the Petitioners, the Petition is moot and should be dismissed as such.

VIII. Conclusion

Because Petitioners have failed to plead standing for each individual petitioner (or successor in interest), and have failed to plead any ground upon which the Registration may be cancelled the Petition should be under Federal Rule of Civil Procedure 12(b)6.

Respectfully submitted,

Date: November 10, 2015

/lmh/

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