

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

In the matter of Application Serial No. 76/304,063
For the Mark HEXAWAVE
Published in the Official Gazette on March 18, 2003 at TM 278

Bose Corporation *
Opposer *
v. * Opposition No. 91157315
Hexawave, Inc. *
Applicant *

* * * * *

**APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO DISMISS
APPLICANT'S COUNTERCLAIM, AND MEMORANDUM IN SUPPORT**

Commissioner for Trademarks
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P.O. Box 1451
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Introduction

Applicant, Hexawave, Inc., by and through its undersigned Attorneys, hereby OPPOSES the Motion to Dismiss Applicant's Counterclaim for Failure to State a Claim Upon which Relief can be Granted Pursuant to Fed. R. Civ. P. 12(b)(6) and C.F.R. § 2.127 filed by Opposer, Bose Corporation. Opposer brings its Motion on grounds which are plainly unfounded when the proper legal standard of review is applied, and all the facts pleaded in Applicant's Counterclaim are taken in their proper light.

Standard of Review

It is universally recognized that “motions to dismiss for failure to state a claim are disfavored in the law and, therefore, that a court will only rarely encounter circumstances which justify granting such a motion.” *Mahone v. Addicks Utility District*, 836 F.2d 921, 926 (5th Cir. 1988). This reflects the liberal pleading policies of the Federal Rules of Civil Procedure, which require only “notice” pleading - nothing more than a short and plain statement sufficient to give the defendant fair notice of the claim and the grounds on which it rests. *See Mahone*, 836 F.2d at 926.

It is clear that at the pleadings stage, the claimant need only make such fair statement of its claim, not necessarily a convincing showing of that claim. That is, a court may not dismiss a complaint simply because it remains questionable whether a claimant will prevail on its claims. *Mahone*, 836 F.2d at 927. So stringent is this standard that as long as the complaint sufficiently states a claim, the court may not dismiss, “[e]ven if it seems ‘almost a certainty to the court that the facts alleged cannot be proved to support the legal claim.’ ” *Clark v. Amoco Prod. Co.*, 794 F.2d 967, 970 (5th Cir. 1986) (quoting *Boudeloche v. Grow Chem. Coatings Corp.*, 728 F.2d 759, 762 (5th Cir. 1984)).

In applying the standard, pleaded facts must be taken in the light most favorable to the pleading party, with every doubt resolved in its behalf. *Collins v. Morgan Stanley Dean Witter*, 224 F.3d 496, 498 (5th Cir. 2000). The claims in question “must be liberally construed in favor of the plaintiff, and all facts pleaded in the complaint must be taken as true.” *Collins*, 224 F.3d at 498.

Argument

Against this heavy standard of review, Opposer brings its Motion on two main grounds, namely:

1. That the pleaded facts are without sufficient specificity to state a claim of fraud; and,
2. That even if all the pleaded facts are taken to be true, they fail to sufficiently allege that Opposer was not making “use in commerce” of its WAVE mark on the goods in question.

Each of these unfounded grounds is addressed in turn below.

a. The Facts Pleaded In Applicant’s Counterclaim Are Legally Sufficient To State Its Claim Of Opposer’s Fraudulent Renewal of Registration.

Cancellation of a registration is quite proper where the registrant fraudulently files a false Declaration to maintain that registration. *See Torres v. Cantine Torresella S.R.L.*, 808 F.2d 46 (Fed. Cir. 1986). To constitute fraud on the USPTO, the statement in question must be (1) false, (2) a material representation, and (3) made knowingly. *Mister Leonard, Inc. v. Jacques Leonard Couture, Inc.*, 23 U.S.P.Q. 2d 1064 (TTAB 1992). What is more, the requisite knowledge is imputed to one who files a verified renewal application stating that the registered mark is currently in use in commerce, although he “*knows or should know* that he is not using the mark as registered.” *Torres*, 808 F.2d at 49 (*emphasis added*).

i. Falsity

Opposer disingenuously asserts that the “sole facts” Applicant points to in support of its fraud allegation are merely the statements of John F. Mar, a division-level manager

(and now director) of Opposer, who testified during his deposition that Opposer ceased the producing and marketing of audio tape recorders in “the late ‘90’s.” Opposer all but ignores the combined Application for Renewal and Declaration of Use Under Sections 9 and 8 of the Trademark Act of 1946, verified on December 14, 2000 by Mark E. Sullivan (identified as Opposer’s Assistant Secretary at the time) and the Declaration Under Sections 8 and 15, verified earlier on February 7, 1996 also by Mark E. Sullivan (identified then, too, as Opposer’s Assistant Secretary). Copies of these verified Declarations on which Opposer’s Registration 1,633,789 was retained in force were attached to Applicant’s Counterclaim respectively as Exhibits 3 and 2, and specifically referenced by numerous paragraphs of the Counterclaim, including Paragraphs (24), (29), (30), (31), (40), and (41).

These Declarations each include the explicit and unambiguous representation that Opposer’s WAVE mark shown in Registration 1,633,789 remains in use with “audio tape recorders,” among other goods. *See* Applicant’s Counterclaim paragraphs (29), (30), (31), and (40); Applicant’s Counterclaim Exhibits 2 and 3. Mr. Mar’s admissions under oath flatly belie the truth of such representation in at least the Section 9 and 8 Application for Renewal and Declaration (executed December 14, 2000 on behalf of Opposer by Mr. Sullivan).

Still, the main thrust of Opposer’s basis for dismissal is the supposed insufficiency of the pleadings to establish the falsity of this representation. As noted in portions of the John F. Mar deposition transcript also attached to the Counterclaim, Opposer, Bose Corporation is in the very business of “produc[ing] loudspeakers and music systems for the general public.” Exhibit A to the Declaration of Morton J.

Rosenberg, Counterclaim Exhibit 1A. An abundantly reasonable and logical conclusion is that if such a corporation terminated its production and manufacture of audio tape players in “the late ‘90’s,” then it most certainly could not have continued use of the registered mark with those goods, in commerce or otherwise. Yet, that is precisely what Mr. Sullivan’s verified statement as a senior officer of Opposer attests to.

ii. Materiality

The materiality of the representation of current use in each of Mr. Sullivan’s verified Declarations is self-evident. As the Board recognizes:

An essential element of the application for renewal is the registrant’s averment that the mark as registered is in current use for the goods covered by the registration or the reasons for the mark’s nonuse.

Torres, 808 F.2d at 48.

iii. Knowledge

As to the knowledge requirement for the false representation, the Declarations executed by Mr. Sullivan speak for themselves. These Declarations plainly state the Trademark Act requirements under which they are being provided, namely “UNDER SECTIONS 8 & 15” in the February 7, 1996 Declaration, and “UNDER SECTIONS 9 & 8 OF THE TRADEMARK ACT OF 1946” in the case of the December 14, 2000 Declaration. Each Declaration makes the unqualified representation that the mark as shown in Registration 1,633,789 is in use in commerce with the goods identified “in the registration,” including specifically “audio tape recorders.” Counterclaim Exhibits 2 and 3. In fact, the December 14, 2000 Declaration affirmatively states the mark’s use with nothing less than “*all* of the goods identified in the registration.” Counterclaim Exhibit 3 (*emphasis added*).

37 C.F.R. § 2.161 which govern Declarations “under section 8” of the Trademark Act, pursuant to which Opposer filed these Declarations at the USPTO, require the verified statement in section 8 Declarations to be made “by a person properly authorized to sign on behalf of the owner, attesting to the continued use” of the mark. Inherent to compliance with this provision is the representation that the “properly authorized” person “attesting” “on behalf of” the owner has indeed the requisite knowledge as to what he/she is “attesting to.”

In his senior corporate position with Opposer, from at least between early 1996 and late 2000, Mr. Sullivan would have known facts as basic as his company’s product line. At the very least, he should have known such basic facts. Taking the pleaded facts in the light most favorable to Applicant, then, the unavoidable conclusion is that Mr. Sullivan made the false representations in one or both of the noted Declarations with the knowledge that they were false.

b. The Counterclaim Does Explicitly Allege Opposer’s Termination Of “Use” As To Audio Tape Recorders Identified In Support Of Opposer’s Declarations.

As its second point of argument, Opposer resorts to selective reading and hypertechnical semantics to assert that the Counterclaim’s pleadings fail to specifically allege Opposer’s non-use of its mark with audio tape recorders. Opposer argues that the Counterclaim states only the audio tape recorders not being “produced” or “marketed” as of the late ‘90’s, and that even if such were true, it does not necessarily preclude Opposer’s “use in commerce” of the mark with those very goods. In making this argument, Opposer conveniently ignores Paragraph (31) of the Counterclaim which plainly states:

That upon information and belief, Opposer had terminated use of the mark “WAVE” for at least “audio tape recorders” prior to the filing date of the Combined Application for Renewal and Declaration of Use Under Sections 9 & 8 of the Trademark Act of 1946 filed at the USPTO on 4 January 2001.

Counterclaim paragraph (31) (*emphasis added*).

This pleaded fact must be taken in its proper light, and accepted to be true in considering the present Motion to Dismiss. If the Opposer had so “terminated use” of its mark with audio tape recorders, it could not have but terminated such use “in commerce.”

Still, Opposer conveniently avoids mention of this paragraph and, instead, takes semantic issue with the terms “produced” and “marketed.” Opposer dismisses the terms as not encompassing all possible means by which “use in commerce” might have been made of the mark. The Opposer cites the possible transporting and selling of goods under its mark, notwithstanding the fact of those goods being neither produced nor marketed at the time. As for the assertion with respect to the term “marketed,” one need look no further than the commonly accepted dictionary definition of its verb form: “advertise or promote (something) ... offer for sale ... buy or sell provisions in a market: [n.]” *The New Oxford American Dictionary*, Oxford University Press, Inc., p. 1046 (2001). The term “marketed” does in fact encompass the case of goods being “sold,” despite Opposer’s contention to the contrary.

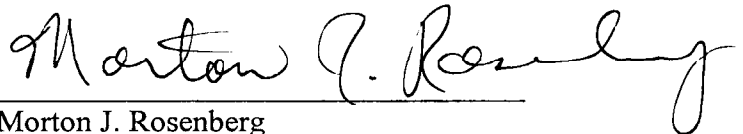
As for the possible “transporting” of goods, it is unclear how or why a producer of goods for the general public like Bose Corporation would transport certain goods if it is not producing, not advertising, not promoting, and not selling them. Making all reasonable inferences and resolving any doubts in Applicant’s favor, as the present analysis requires, would permit no such far fetched and illogical a conclusion.

Conclusion

Opposer's Motion To Dismiss Applicant's Counterclaim For Failure To State A Claim Upon Which Relief Can Be Granted is unfounded when the facts pleaded in the Counterclaim are properly taken in the light most favorable to Applicant. Denial of the Motion would be consistent with the liberal, notice-pleading policies underlying the Federal Rules of Civil Procedure. Should the Board nevertheless find the Counterclaim defective in its pleadings, Applicant respectfully requests, pursuant to TBMP § 503.03, the opportunity to file an amended pleading.

WHEREFORE, Applicant, Hexawave, Inc., respectfully requests that Opposer's Motion To Dismiss Applicant's Counterclaim For Failure To State A Claim Upon Which Relief Can Be Granted be **DENIED**.

Respectfully submitted,



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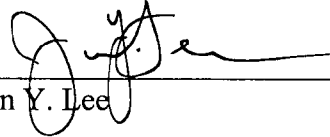
Attorneys for Applicant, Hexawave, Inc.

CERTIFICATE OF MAILING BY FIRST CLASS MAIL

I HEREBY CERTIFY under 37 CFR § 1.8(a) that this correspondence is being deposited with the United States Postal Service as first class mail with sufficient postage on the date indicated below and is addressed to the Commissioner for Trademarks, P.O. Box 1451, Alexandria, VA 22313-1451.

3/18/2005

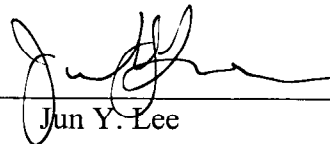
Date of Deposit



Jun Y. Lee

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 18th day of March, 2005, a copy of the foregoing Applicant's Response to Opposer's Motion to Dismiss Applicant's Counterclaim and Memorandum in Support was mailed, first-class, postage prepaid, to Charles Hieken, Esquire and Amy L. Brosius, Esquire, Fish & Richardson P.C., 225 Franklin Street, Boston, MA 02110-2804.



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March 18, 2005

MR1035-917

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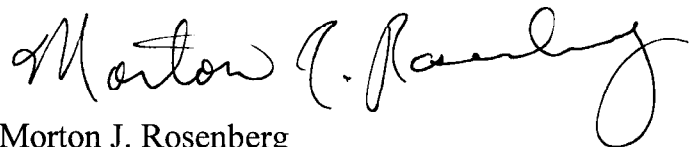
Re: U.S. Trademark Opposition
Bose Corporation v. Hexawave, Inc.
Opposition Number: 91157315
U.S. Trademark Application Serial Number: 76/304,063

Sir:

Enclosed herewith for filing in the above-referenced Opposition is the following:

APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO
DISMISS APPLICANT'S COUNTERCLAIM, AND
MEMORANDUM IN SUPPORT.

Respectfully submitted,
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MJR/JYL/tea



03-21-2005

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