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

Proceeding	91217436
Party	Plaintiff Google LLC
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The District Court’s findings were made in the context of a ruling on a motion for preliminary injunction. As a matter of law, however, factual findings made in that context are *not* conclusive – even in that litigation, let alone in other proceedings. “[T]he findings made on a motion for preliminary injunction . . . are not determinative of those issues at trial.” *Bursten v. Phillips*, 351 F.2d 616 (9th Cir. 1965); *see also Glaxo Group Ltd. v. Apotex, Inc.*, 376 F.3d 1339, 1346 (Fed. Cir. 2004) (“An appellate court’s preliminary injunction opinion has no conclusive bearing at the trial on the merits and is not binding on a subsequent panel.”); *Shell Offshore Inc. v. Greenpeace, Inc.*, 815 F.3d 623, 631 fn. 5 (9<sup>th</sup> Cir. 2016), *citing Univ. of Tex. v. Camenisch*, 451 U.S. 390, 395 (1981) (“[T]he findings of fact and conclusions of law made by a court granting a preliminary injunction are not binding at trial on the merits.”); *F.T.C. v. John Beck Amazing Profits, LLC*, 865 F.Supp.2d 1052, 1058 (C.D. Cal. 2012) (“Preliminary findings at injunction proceedings are not law of the case.”).

In point of fact, the District Court’s findings do nothing to establish that Applicant *ever* used its marks in commerce in a manner legally sufficient to give rise to unregistered rights or to support a registration. Moreover, the District Court explicitly held that Applicant failed to show market penetration in a specific geographic area in wholly denying its motion for a preliminary injunction against Opposer. The Court subsequently dismissed Applicant’s entire case with prejudice – at Applicant’s request. In this context, Applicant’s self-serving summary of some of the *types* of evidence it presented to the District Court in its losing effort is not sufficient to support such a finding in this proceeding.

**3. Fraud can be based on a bogus specimen supported by a dishonest affidavit.**

The problem with the Substitute Specimen is not that it was “deficient” or that the Examining Attorney overlooked the deficiency. The problem is that it was fabricated with intent

to deceive the Examining Attorney. As one of the numerous cases cited by Applicant states, while the *insufficiency* of a specimen is an *ex parte* examination issue and not a proper basis for a claim of fraud, “a claim of fraud may be based on an assertion that the defendant submitted a *fabricated specimen*,” which is precisely that Opposer has alleged in this case. *Great Adirondack Steak & Seafood Café, Inc. v. Adirondack Pub & Brewery, Inc.*, 2015 WL 9906660, n.11 (TTAB Mar. 30, 2015) (Not Precedential) (Copy attached as **Exhibit 1**) (emphases added).

**4. Applicant’s newly-minted claim that the Substitute Specimen was merely an “update” of an existing web page is unsupported.**

Applicant asserts – for the first time in this proceeding – that the Substitute Specimen was actually derived from a web page that “was in use with the same relevant features at the filing date,” and that never “change[d] in substance” but was merely “updated to demonstrate current versions” of some of the graphics. Applicant provides no evidence whatsoever in support of this assertion. If what Applicant says were true, Applicant could simply have submitted one of the prior versions of the page as its substitute specimen.

**5. Applicant cannot pass off its fraudulent activities as “mistakes.”**

Applicant repeatedly characterizes its activities as “mistakes,” “honest misunderstandings,” “inadvertence,” “negligent omissions,” and the like. However, Applicant provides no evidence in support of these claims – not so much as an affidavit from its owner, Justin Malone, attesting to any “misunderstandings” or lack of knowledge might have caused his alleged “inadvertence” or “mistakes.”

Opposer has shown that Mr. Malone took a long series of deliberate steps in order to hide the ball from the USPTO. Mr. Malone was aware of all of the salient facts. He knew the filing date of his applications. He knew when and how he fabricated the Substitute Specimen. And he

knew that the Substitute Specimen did *not* exist as of filing date of the applications, as he falsely swore to the USPTO. Mr. Malone’s “belief” that he had been using the marks in commerce according to the statutory definition is simply not credible, and in any event does not justify or excuse fabricating a bogus specimen and then lying about it to the Trademark Office.

**6. Applicant utterly fails to refute Opposer’s evidence regarding the provenance of the Substitute Specimen.**

Applicant’s only attempt at refuting the substantial evidence that the Substitute Specimen did not exist, and could not have existed, as of the filing date of its applications, is to quibble over the page from the Wayback Machine. Applicant summarily dismisses this as “inadmissible and immaterial,” without providing any factual or legal support for that assertion. Applicant’s assertion that Opposer “provides no other support for [its] allegations” is facially absurd.

**7. Applicant’s fraudulent intent is clear from the evidence.**

Naturally Mr. Malone has not been so foolish as to expressly admit that he intended to deceive the Trademark Office. But a determination of fraud is not based on guilty admissions alone. Mr. Malone’s actions in fabricating a bogus specimen of use in his third – and final - opportunity to do so, and lying about it to the Trademark Office, speaks volumes. So does the fact that even now, Applicant has never put forward as a valid specimen a single example of the multitude of pre-filing-date uses it claims.

**Dated:** September 14, 2018

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**CERTIFICATE OF SERVICE**

I hereby certify that on September 14, 2018, I served a true and correct copy of Opposer's

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Dated: September 14, 2018



John C. Blattner

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# Exhibit 1



2015 WL 9906660 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

**GREAT ADIRONDACK STEAK & SEAFOOD CAFE, INC.**

v.

**ADIRONDACK PUB & BREWERY, INC.**

**ADIRONDACK PUB & BREWERY, INC.**

v.

**GREAT ADIRONDACK STEAK & SEAFOOD CAFE, INC.**

Opposition No. 91219162 (parent)

Cancellation No. 92058318

March 30, 2015

\*1 Before Quinn, Lykos and Masiello  
Administrative Trademark Judges

**By the Board:**

It has come to the Board's attention that prior to the filing of Opposition No. 91219162, Adirondack Pub & Brewery, Inc. filed Cancellation No. 92058318 petitioning to cancel the registration that Great Adirondack Steak & Seafood Cafe, Inc. has pleaded in Opposition No. 91219162. When cases involving common questions of law and fact are pending before the Board, the Board may order consolidation of the cases. *See Fed. R. Civ. P. 42(a); TBMP § 511 (2014) (consolidation is discretionary with the Board, and may be ordered upon the Board's own initiative); see also Regatta Sport Ltd. v. Telux-Pioneer Inc., 20 USPQ2d 1154 (TTAB 1991).* Inasmuch as the parties to Opposition No. 91219162 and Cancellation No. 92058318 are the same and the proceedings involve common questions of law and fact, the proceedings are consolidated and may be presented on the same record and briefs. Cancellation No. 92058318 will be treated as a counterclaim in Opposition No. 91219162, and in this order, we will refer to Great Adirondack Steak & Seafood Cafe, Inc. as "Opposer/Counterclaim-Defendant" and Adirondack Pub & Brewery, Inc. as "Applicant/Counterclaim-Plaintiff."

The record will be maintained in Opposition No. 91219162 as the "parent" case. The parties should no longer file separate papers or submissions in connection with each proceeding, but instead should file only a single copy of each submission in the parent case. Each submission filed should bear the case caption as set forth above and the parent case should be designated as the parent case by following it with: "(parent)," as in the case caption set forth above.

Consolidated cases do not lose their separate identity because of consolidation. Each proceeding retains its separate character and requires entry of a separate judgment. The single decision on the consolidated cases shall take into account any differences in the issues raised by the respective pleadings and a copy of the final decision shall be placed in each proceeding file. *See Dating DNA LLC v. Imagini Holdings Ltd., 94 USPQ2d 1889, 1893 (TTAB 2010).*

\*2 These consolidated cases now come up on: (1) the parties' stipulated motion to amend the Board's standard protective agreement in Opposition No. 91219162; (2) Opposer/Counterclaim-Defendant's motion to strike, filed December 29, 2014 in Opposition No. 91219162; (3) Applicant/Counterclaim-Plaintiff's motion for summary judgment, filed November 7, 2014 in Cancellation No. 92058318; and (4) Opposer/Counterclaim-Defendant's cross-motion, filed

November 10, 2014 in Cancellation No. 92058318, which we construe as a combined cross-motion for judgment on the pleadings regarding whether the claim of fraud has been adequately pleaded, and a cross-motion for summary judgment on the claim that Opposer/Counterclaim-Defendant's mark was not in use in commerce in connection with the involved goods as of the filing date of the underlying use-based application.<sup>1</sup> Opposer-/Counterclaim-Defendant's motion to strike and the parties' cross-motions for summary judgment are fully briefed. Applicant/Counterclaim-Plaintiff did not respond to the merits of Opposer/Counterclaim-Defendant's motion for judgment on the pleadings,<sup>2</sup> but rather than grant the motion as conceded, we exercise our discretion to consider the cross-motion on its merits.

### *1. Stipulated Motion to Amend the Standard Protective Agreement in Opposition No. 91219162*

The parties' stipulated motion to amend the Board's standard protective agreement in Opposition No. 91219162 is **GRANTED** and use of the protective agreement attached to the parties' motion is approved.<sup>3</sup> See Trademark Rule 2.116(g). The parties are referred, as appropriate, to TBMP §§ 412.04 (Filing of Confidential Materials with the Board) and 412.05 (Handling of Confidential Materials by the Board).

The parties are advised that only confidential or trade secret information should be filed pursuant to a stipulated protective agreement. Such an agreement may not be used as a means of circumventing Trademark Rules 2.27(d) and (e), which provide that the file of a published application or issued registration, and all proceedings relating thereto, should otherwise be available for public inspection.

### *2. Motion to Strike in Opposition No. 91219162*

Applicant/Counterclaim-Plaintiff seeks registration of the mark **ADIRONDACK BREWERY** for "beer."<sup>4</sup> In its notice of opposition, Opposer/Counterclaim-Defendant alleges: (1) prior use and registration of the mark **GREAT ADIRONDACK BREWING COMPANY**, in standard characters, for ales and beers;<sup>5</sup> (2) that use of Applicant/Counterclaim-Plaintiff's mark is likely to cause confusion with Opposer/Counterclaim-Defendant's mark; and (3) that the involved mark is merely descriptive of beer. Applicant/Counterclaim-Plaintiff filed an answer on December 11, 2014 denying the salient allegations in the notice of opposition and asserting seven affirmative defenses.

\*3 Opposer/Counterclaim-Defendant filed a timely motion to strike six of the seven affirmative defenses on the ground that the affirmative defenses are "bald and conclusory assertions that do not provide [Opposer/Counterclaim-Defendant] with fair notice of the basis for the claimed defenses, and do not plead the elements necessary to establish the Affirmative Defenses." Motion to Strike, pp. 1-2. In response, Applicant/Counterclaim-Plaintiff argues that it "should not have any burden or responsibility to specifically outline each of its defenses when they are factually of the same substance as [the claims pleaded] in [Cancellation No. 92058318]," see Response to Motion to Strike, pp. 1-2; that it has pleaded its affirmative defenses "in a simple and concise manner" in compliance with Trademark Rule 2.106(b)(1),<sup>6</sup> *id.*; and that although the defense of laches in an opposition proceeding "is very limited," Opposer/Counterclaim-Defendant "has been aware of the [involved application] since December 4, 2013, as a result of [Cancellation No. 92058318]." *Id.* at p. 2.

The Board may strike from a pleading any insufficient defense, or any redundant, immaterial, impertinent or scandalous matter. See Fed. R. Civ. P. 12(f); *Am. Vitamin Prods. Inc. v. Dow Brands Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992); TBMP § 506.01. Motions to strike are not favored, and as such, a defense will not be stricken as insufficient if the insufficiency is not clearly apparent, or if it raises factual issues that should be determined on the merits. See TBMP § 506.01. Moreover, the primary purpose of the pleadings is to give fair notice of the claims or defenses asserted. See *id.*; see also TBMP §§ 309.03 and 311.02. Thus, the Board, in its discretion, may decline to strike even objectionable pleadings where their inclusion will not prejudice the adverse party, but rather will provide fuller notice of the basis for a claim or defense. See *Harsco Corp. v. Elec. Sciences Inc.*, 9 USPQ2d 1570 (TTAB 1988).

As an initial matter, Applicant/Counterclaim-Plaintiff's assertion that its claims in Cancellation No. 92058318 have placed Opposer/Counterclaim-Defendant on sufficient notice of its affirmative defenses in Opposition No. 91219162 is without merit. Although the cases are consolidated, Opposition No. 91219162 and Cancellation No. 92058318 are separate proceedings and the sufficiency of the pleadings in each case must stand on their own. With this in mind, the Board addresses each of Applicant/Counterclaim-Plaintiff's affirmative defenses in turn below.

*Applicant/Counterclaim-Plaintiff's Affirmative Defenses 1 and 2*

\*4 1. "[Opposer/Counterclaim-Defendant] fails to state a claim upon which relief may be granted."

2. "[Opposer/Counterclaim-Defendant] fails to plead its claim with adequate particularity."

Affirmative Defense 2 is an amplification of Affirmative Defense 1, and therefore, we address these affirmative defenses together. An assertion that a pleading fails to state a claim upon which relief can be granted is not a true affirmative defense because it relates to an assertion of the insufficiency of the pleading rather than a statement of a defense to a properly pleaded claim. See *Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). Nonetheless, we have reviewed the sufficiency of the notice of opposition.

To state a claim upon which relief can be granted, a plaintiff need only allege such facts as would, if proved, establish that: 1) it has standing to maintain the proceeding, and 2) a valid ground exists for opposing the registration sought or cancelling the issued registration. See *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982). Specifically, 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 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). In particular, a plaintiff must allege well-pleaded factual matter and more than "[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements," to state a claim plausible on its face. *Iqbal*, 556 U.S. 662 (citing *Twombly*, 550 U.S. at 555). Further, all of the plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. See, e.g., *Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1537 (TTAB 2007).

Opposer/Counterclaim-Defendant has sufficiently alleged both its standing and a valid ground for opposition by pleading its prior use and registration of the mark GREAT ADIRONDACK BREWING COMPANY and a plausible claim of likelihood of confusion. See Notice of Opposition, ¶¶ 2-9; see also *Barbara's Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1285 (TTAB 2007); TBMP § 309.03(b) and cases cited in footnote 7 therein. Opposer also has adequately pleaded that Applicant/Counterclaim-Plaintiff's mark is merely descriptive.<sup>7</sup> See Notice of Opposition, ¶ 10; see also *M. Polaner, Inc. v. J.M. Smucker Co.*, 24 USPQ2d 1059, 1060 (TTAB 1992) (construing descriptiveness claim to include an implicit assertion of lack of acquired distinctiveness).

\*5 In view of these findings, Opposer/Counterclaim-Defendant's motion is **GRANTED** with respect to Affirmative Defenses 1 and 2, which are **STRICKEN**.

*Applicant/Counterclaim-Plaintiff's Affirmative Defenses 3 and 4*

3. "[Opposer/Counterclaim-Defendant's] claims are barred by the doctrine of estoppel."

4. "[Opposer/Counterclaim-Defendant's] claims are barred by the doctrines of waiver, laches and/or acquiescence."

Affirmative defenses, like claims in a notice of opposition or petition for cancellation, must be supported by enough factual background and detail to fairly place the claimant on notice of the basis for the defenses. *See IdeusOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (noting that the primary purpose of pleadings “is to give fair notice of the claims or defenses asserted”); *see also* TBMP § 311.02(b) and the cases cited in footnote 15 therein. Here, Applicant/Counterclaim-Plaintiff’s defenses of estoppel, laches, acquiescence and waiver are bald, conclusory allegations that are not supported by any facts.

Moreover, although Trademark Rule 2.106(b)(1) in principle allows a defendant to plead the defenses of estoppel, laches, and acquiescence, such defenses generally are not available in opposition proceedings. *See Barbara’s Bakery*, 82 USPQ at 1292 n.14 (noting that amendment of applicant’s answer to assert defenses of laches, acquiescence or estoppel would be futile as such defenses generally are not available opposition proceedings); *see also Lincoln Logs Ltd. v. Lincoln Pre-Cut Logs Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992); *Nat’l Cable Television Assoc. v. Am. Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991). In addition, such equitable defenses cannot be asserted against a claim of descriptiveness, which has been pleaded here. *See Callaway Vineyard & Winery v. Endsley Capital Group, Inc.*, 63 USPQ2d 1919, 1923 (TTAB 2002).

In view of the foregoing, Opposer/Counterclaim-Defendant’s motion to strike is **GRANTED** with respect to affirmative defenses 3 and 4, which are **STRICKEN**.

#### *Applicant/Counterclaim-Plaintiff’s Affirmative Defenses 5 and 7*

5. “[Opposer/Counterclaim-Defendant’s] claims are barred by the doctrine of unclean hands.”

7. “[Opposer/Counterclaim-Defendant] obtained its registration by fraud.”

\*6 Applicant/Counterclaim-Plaintiff has not adequately pleaded an affirmative defense of unclean hands or fraud as it has not alleged any specific misconduct on the part of Opposer/Counterclaim-Defendant.<sup>8</sup> *See Midwest Plastic Fabricators Inc. v. Underwriters Labs Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1987) (“[R]espondent’s fourth affirmative defense does not include allegations that state a defense of unclean hands. There are no specific allegations of conduct by petitioner that, if proved, would prevent petitioner from prevailing on its claim; instead, the allegations of the fourth affirmative defense are either unclear, non-specific, irrelevant to a pleading of unclean hands, or merely conclusory in nature.”). Moreover, an affirmative defense of fraud needs to be alleged with a heightened degree of particularity in compliance with Fed. R. Civ. P. 9(b), and that has not been done here. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009). Accordingly, Opposer/Counterclaim-Defendant’s motion is **GRANTED** with respect to affirmative defenses 5 and 7, which are **STRICKEN**.

#### *Applicant/Counterclaim-Plaintiff’s Affirmative Defense 6*

6. “[Opposer/Counterclaim-Defendant’s] Mark is not in use in commerce.”

Opposer/Counterclaim-Defendant has not objected to Affirmative Defense 6, but to be complete, we address the sufficiency of this defense. *See* Fed. R. Civ. P. 12(f) (Board may strike an insufficient defense on its own initiative); *Am. Vitamin Prods., Inc.*, 22 USPQ2d at 1314. The allegation that Opposer/Counterclaim-Defendant’s pleaded mark is not in use in commerce is not a proper affirmative defense, but rather, in the context of Opposition No. 91219162, is an impermissible collateral attack against the pleaded registration. *See* Trademark Rule 2.106(b)(2)(ii); *Textron, Inc. v. The Gillette Co.*, 180 USPQ 152, 153 (TTAB 1973) (defense attacking validity of pleaded registration must be raised by way of petition for cancellation); *see also* TBMP §§ 313.01 and 313.02. Moreover, we note that this affirmative defense is

effectively superseded by Applicant's claim of non-use in Cancellation No. 92058318.<sup>9</sup> Accordingly, Affirmative Defense 6 is **STRICKEN**.

### 3. Motion for Judgment on the Pleadings in Cancellation No. 92058318

Opposer/Counterclaim-Defendant argues that Applicant/Counterclaim-Plaintiff has failed to adequately plead a claim of fraud because: (1) the allegations in the petition for cancellation are made solely on information and belief, *see* Opposer/Counterclaim-Defendant's Cross-Motion, p. 13-14; (2) Applicant/Counterclaim-Plaintiff has failed to allege intent, *see id.* at p. 14; and (3) none of the alleged false statements would have been material to the issuance of the involved registration. *See id.* at p. 15.<sup>10</sup>

\*7 If, as is the case here, a defendant files a motion for judgment on the pleadings under Fed. R. Civ. P. 12(c) that is based on the assertion that the complaint fails to state a claim upon which relief can be granted, the standard for adjudicating the motion is the same as that of a motion filed pursuant to Fed. R. Civ. P. 12(b)(6). *See Western Worldwide Enters. Group Inc. v. Qingdao Brewery*, 17 USPQ2d 1137, 1139 (TTAB 1990). Accordingly, we consider whether Applicant/Counterclaim-Plaintiff has alleged such facts as would, if proven at trial or on summary judgment, establish that Applicant/Counterclaim-Plaintiff has standing to petition for the cancellation of the registered mark and that a statutory ground exists for canceling such registration. *See supra*, pp. 7-8.

Applicant/Counterclaim-Plaintiff's allegation that it is using and has filed a federal trademark application for the mark ADIRONDACK BREWERY for beer, if proven, would be sufficient to show that it is not a mere intermeddler, but has a real interest in petitioning to cancel the mark GREAT ADIRONDACK BREWING COMPANY for ales and beer. *Cf. Anosh Toufigh v. Persona Parfum, Inc.*, 95 USPQ2d 1872, 1874 (TTAB 2010) (standing established based solely on testimony that petitioner filed an application for an identical mark for goods similar to those in respondent's registration). Moreover, Applicant/Counterclaim-Plaintiff's standing is inherent in its position as defendant in Opposition No. 91219162. *See* TBMP § 309.03(b) and cases cited in footnote 14 therein.

We now turn to whether Applicant/Counterclaim-Plaintiff has adequately pleaded a claim of fraud. Fraud in procuring a trademark registration occurs when an applicant for registration knowingly makes a specific false, material representation of fact in connection with an application to register, with the intent of obtaining a registration to which it is otherwise not entitled. *See In re Bose Corp.*, 91 USPQ2d at 1939; *Qualcomm Inc. v. FLO Corp.*, 93 USPQ2d 1768, 1770 (TTAB 2010). As previously stated, a claim of fraud must set forth all elements of the claim with a heightened degree of particularity in compliance with Fed. R. Civ. P. 9(b). *See Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478-79 (TTAB 2009). As such, "allegations made 'on information and belief' must be accompanied by a statement of facts upon which the belief is founded." *Id.* at 1479. In addition, intent to deceive the USPTO is a specific element of a fraud claim, and must be sufficiently pleaded. *In re Bose*, 91 USPQ2d at 1939-1940; *Asian and Western Classics*, 92 USPQ2d at 1479.

\*8 Applicant/Counterclaim-Plaintiff's allegations of fraud are as follows:

4. "Upon information and belief, [Opposer/Counterclaim-Defendant] has not used the mark GREAT ADIRONDACK BREWING COMPANY in commerce on beer and/or ale since December 30, 1997, as declared in its application."
5. "Upon information and belief, [Opposer/Counterclaim-Defendant's] specimen of use submitted to obtain the registration is a photograph of a 'growler' or empty container and not a label showing the mark as affixed to a container of beer or ale and not a label approved by alcoholic beverage regulators for a container of beer or ale."
6. "Upon information and belief, while [Opposer/Counterclaim-Defendant] has obtained from state and federal licensing authorities various Certificates of Label Approval for beer and ale, until about 2011, none of these certificates show or provide for use of the trademark use of [sic] GREAT ADIRONDACK BREWING COMPANY making the use

of GREAT ADIRONDACK BREWING COMPANY without approved use, unlawful under state and federal laws regulating alcoholic beverages.”

7. “Upon information and belief, [Opposer/Counterclaim-Defendant’s] products have never been sold in interstate commerce, as declared in its application for the registration, but have sold been [sic] only out of its restaurant premises in upstate New York, primarily within the county in which the restaurant is situated, and only within the limits of New York State.”

These allegations fail to sufficiently set forth a claim of fraud for a number of reasons. First, intent is an indispensable element of a fraud claim and intent has not been pleaded here. Second, Applicant/Counterclaim-Plaintiff has not supported its allegations made “on information and belief” with any specific factual allegations. Third, a date of first use is not material to the Office’s decision to issue a registration. As such, even if the first use date claimed in Opposer/Counterclaim-Defendant’s underlying application were incorrect, this would not constitute fraud. *See Hiraga v. Arena*, 90 USPQ2d 1102, 1107 (TTAB 2009) (recognizing that the critical issue is whether the mark was in use in commerce in connection with the identified goods as of the filing date of the use-based application). Fourth, to the extent Applicant/Counterclaim-Plaintiff is attempting to assert a claim of fraud based on the insufficiency of Opposer/Counterclaim-Defendant’s specimen, that is an *ex parte* examination issue and not a proper basis for a claim of fraud.<sup>11</sup> *Cf., e.g., General Mills Inc. v. Health Valley Foods*, 24 USPQ2d 1270, 1273 n. 6 (TTAB 1992); *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355, 1358 (TTAB 1989). Lastly, while a claim of fraud may be based on allegations of unlawful use, it is the Board’s practice to find use of a mark unlawful only where: (1) non-compliance has been previously determined by a court or agency with competent jurisdiction under the involved statute; or (2) there has been a *per se* violation of a statute regulating the sale of the defendant’s goods. *See Kellogg Co. v. New Generation Foods, Inc.*, 6 USPQ2d 2045, 2047 (TTAB 1988); *see also General Mills*, 24 USPQ2d at 1273-74; *Santinine Societa v. P.A.B. Produits*, 209 USPQ 958, 964 (TTAB 1981). Here, Applicant/Counterclaim-Plaintiff has not alleged that any court or agency has determined that Opposer/Counterclaim-Defendant’s use of the involved mark for the involved goods has violated a statute. Nor has Applicant/Counterclaim-Plaintiff alleged any specific *per se* violation of a statute.

\*9 In view of the foregoing, Opposer/Counterclaim-Defendant’s cross-motion for judgment on the pleadings is **GRANTED**. However, if the facts so warrant, Applicant/Counterclaim-Plaintiff is allowed until **April 18, 2015** to file an amended petition for cancellation which includes a properly pleaded claim of fraud, failing which Applicant/Counterclaim-Plaintiff’s allegations of fraud will be given no further consideration.<sup>12</sup> In the event Applicant/Counterclaim-Plaintiff files an amended petition for cancellation, Opposer/Counterclaim-Defendant is allowed until **May 8, 2015** to file an answer or otherwise respond to the amended complaint.

Notwithstanding Applicant/Counterclaim-Plaintiff’s failure to adequately plead a claim of fraud, we find that the petition for cancellation states a claim of non-use as of the filing date of the underlying use-based application. Specifically, we construe paragraph 7 of the complaint as alleging that Opposer/Counterclaim-Defendant’s mark was not in use in commerce regulated by Congress as of the filing date of the application because use of the involved mark for the involved goods has been limited to purely intrastate use.<sup>13</sup>

#### **4. Sufficiency of Opposer/Counterclaim-Defendant’s Affirmative Defenses in Cancellation No. 92058318**

Applicant/Counterclaim-Plaintiff has not moved to strike Opposer/Counterclaim-Defendant’s affirmative defenses in Cancellation No. 92058313, but the affirmative defenses that Opposer/Counterclaim-Defendant has asserted are identical to Applicant/Counterclaim-Plaintiff’s affirmative defenses in Opposition No. 91219162, which we have found insufficient. Specifically, Opposer/Counterclaim-Defendant has pleaded that:

1. “[Applicant/Counterclaim-Plaintiff] fails to state a claim upon which relief may be granted.”

2. “[Applicant/Counterclaim-Plaintiff] fails to plead its claim with adequate particularity.”
3. “[Applicant/Counterclaim-Plaintiff’s] claims are barred by the doctrine of equitable estoppel.”
4. “[Applicant/Counterclaim-Plaintiff’s] claims are barred by the doctrines of waiver, laches and/or acquiescence.”; and
5. “[Applicant/Counterclaim-Plaintiff’s] claims are barred by the doctrine of unclean hands.”

As explained in Section 2 above, failure to state a claim is not a true affirmative defense, and in any event, we have addressed the sufficiency of Applicant/Counterclaim-Plaintiff’s counterclaim in Section 3 above. In addition, the affirmative defenses of equitable estoppel, waiver, laches, acquiescence and unclean hands have not been pleaded with particularity.<sup>14</sup> Accordingly, the affirmative defenses in Cancellation No. 92058318 are **STRICKEN**.

#### ***5. Parties’ Cross-Motions for Summary Judgment in Cancellation No. 92058318***

\*10 Because Applicant/Counterclaim-Plaintiff has moved for summary judgment solely on “the ground that the specimen of use submitted with the application was fraudulent,” and a claim of fraud has not been adequately pleaded, we give no consideration to Applicant/Counterclaim-Plaintiff’s motion for summary judgment.<sup>15</sup> See Fed. R. Civ. P. 56(a); see also TBMP 528.07(a) (“A party may not obtain summary judgment on an issue that has not been pleaded.”).

Opposer/Counterclaim-Defendant has moved for summary judgment on the ground that, at the time it filed its underlying-use based application, it was using the involved mark in connection with the involved goods in commerce regulated by Congress. Summary judgment is appropriate only where there are no genuine disputes as to any material facts, thus allowing the case to be resolved as a matter of law. Fed. R. Civ. P. 56(a). The party seeking summary judgment bears the burden of demonstrating the absence of any genuine dispute of material fact, and that it is entitled to a judgment under the applicable law. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986); *Sweats Fashions*, 4 USPQ2d at 1796. This burden is greater than the evidentiary burden at trial. See TBMP § 528.01 and cases cited therein. A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. See *Opryland USA Inc. v. Great Am. Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); *Olde Tyme Foods, Inc. v. Roundy’s, Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). Evidence on summary judgment must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant’s favor. *Lloyd’s Food Prods., Inc. v. Elf’s, Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); *Opryland USA*, 23 USPQ2d at 1472. The Board may not resolve genuine disputes as to material facts; it may only ascertain whether genuine disputes as to material facts exist. See *Lloyd’s Food Prods.*, 25 USPQ2d at 2029; *Olde Tyme Foods*, 22 USPQ2d at 1544.

Upon careful consideration of the parties’ arguments and evidence, and drawing all inferences with respect to the motion in favor of Applicant/Counterclaim-Plaintiff as the non-movant, we find that there are genuine disputes of material fact regarding whether, as of the filing date of the underlying use-based application, Opposer/Counterclaim-Defendant was: (1) using the involved mark in connection with the involved goods in intrastate commerce in a manner directly affecting a type of commerce that Congress may regulate; or (2) making a *bona fide* use of the mark in interstate commerce.

\*11 More specifically, the declarations of Opposer/Counterclaim-Defendant’s owner/president and brewery manager show that as of the filing date of the underlying application, Opposer/Counterclaim-Defendant was selling beer and ale in connection with the involved mark in five restaurants in New York state. See Declaration of Edward Kane, ¶ 15 and Declaration of Robert Chandler Kane, ¶ 5. There is, however, a genuine dispute of material fact regarding whether such intrastate use of the mark directly affected commerce that Congress may regulate.<sup>16</sup> Opposer/Counterclaim-Defendant’s

president/owner, manager, and brewery manager also each attested that since prior to the filing date of the underlying application, Opposer/Counterclaim-Defendant has “regular[ly]” sold, from its restaurant in Lake Placid, New York, growlers and kegs of ale and beer (including root beer) bearing the involved mark “to customers from out of state, who buy the products to take home.” Declaration of Edward Kane, ¶¶ 2 and 5, Declaration of Robert Charles Kane, ¶¶ 2 and 3, and Declaration of Robert Chandler Kane, ¶¶ 2 and 5. But there is no definitive evidence regarding the identity and state of residence of these purchasers, and therefore, there is a genuine dispute of material fact regarding whether such sales constituted a use in commerce.<sup>17</sup> In addition, Opposer/Counterclaim-Defendant's president/owner, manager, and brewery manager each stated that (1) every year since 2006, Opposer/Counterclaim-Defendant “has shipped its beer and/or ale in containers bearing the [involved mark] to Colorado in order to participate in the Great American Beer Festival”; (2) that every two years since 2008, Opposer/Counterclaim-Defendant “has shipped its beer and/or ale in containers bearing the [involved mark] to Boulder, Colorado to participate in the World Beer Cup”; and (3) the involved mark was displayed on signage and pamphlets at the Great American Beer Festival. Declaration of Edward Kane, ¶¶ 17 and 19, Declaration of Robert Charles Kane, ¶¶ 11 and 13, and Declaration of Robert Chandler Kane, ¶¶ 6 and 8. There are, however, genuine disputes of material fact regarding the manner in which the mark was applied to the goods shipped to these events and the manner in which the mark was displayed on point of sale materials at the Great American Beer Festival, such that Opposer/Counterclaim-Defendant has not proven beyond dispute that customers would have perceived the use of the involved mark as a proper trademark for the goods.

In view of the foregoing, Opposer/Counterclaim-Defendant's motion for summary judgment is **DENIED**.<sup>18</sup>

#### **6. Procedural Issue**

In view of the number of unconsented motions that have been filed in these consolidated proceedings, the parties' are required to seek the Board's written approval prior to filing any further unconsented pre-trial motions.<sup>19</sup>

#### **7. Dates Reset**

\*12 Proceedings are resumed and dates are reset as follows:

<b>Discovery</b>	<b>OPEN</b>
Deadline for Discovery Conference in Opposition No. 91219162 <sup>20</sup>	April 18, 2015
Initial Disclosures in Opposition No. 91219162 Due	May 18, 2015
Expert Disclosures Due	September 15, 2015
Discovery Closes	October 15, 2015
Plaintiff's Pretrial Disclosures	November 29, 2015
30-day testimony period for plaintiff's testimony to close	January 13, 2016



Defendant/Counterclaim Plaintiff's Pretrial Disclosures	January 28, 2016
30-day testimony period for defendant and plaintiff in the counterclaim to close	March 13, 2016
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	March 28, 2016
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	May 12, 2016
Counterclaim Plaintiff's Rebuttal Disclosures Due	May 27, 2016
15-day rebuttal period for plaintiff in the counterclaim to close	June 26, 2016
Brief for plaintiff due	August 25, 2016
Brief for defendant and plaintiff in the counterclaim due	September 24, 2016
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	October 24, 2016
Reply brief, if any, for plaintiff in the counterclaim due	November 8, 2016

**\*13** 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 the taking of testimony. Trademark Rule 2.125.

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

#### Footnotes

- 1 On December 7, 2014, the Board issued an order suspending Cancellation No. 92058318 pending disposition of the parties' cross-motions for summary judgment. We deem the proceedings suspended as of November 7, 2015 - the date Applicant/Counterclaim-Plaintiff filed its motion for summary judgment. Accordingly, Opposer/Counterclaim-Defendant's cross-motion, filed November 10, 2014, is timely.
- 2 Applicant/Counterclaim-Plaintiff has argued only the merits of its fraud claim.
- 3 On April 2, 2014, the Board issued an order approving use of an identical protective agreement in Cancellation No. 92058318,
- 4 Application Serial No. 86027053, filed August 2, 2013, based on an allegation of first use of April 28, 1999 and first use in commerce of September 11, 1999; claiming acquired distinctiveness pursuant to Section 2(f) of the Trademark Act, 15 U.S.C. § 1052(f); "brewery" disclaimed.
- 5 Registration No. 4425098; filed March 8, 2013; issued October 29, 2013; based on a claim of first use and first use in commerce of December 30, 1997; claiming acquired distinctiveness pursuant to Section 2(f) of the Trademark Act, 15 U.S.C. § 1052(f); "brewing company" disclaimed.

- 6 Applicant/Counterclaim-Plaintiff also argues that Opposer/Counterclaim-Defendant's affirmative defenses in Cancellation No. 92058318 are similarly short and concise. We address the sufficiency of Opposer/Counterclaim-Defendant's affirmative defenses in Section 4 below.
- 7 We note that Opposer/Counterclaim-Defendant has not asserted a claim that the involved mark is primarily geographically descriptive of the involved goods. To assert such a claim, a plaintiff must plead that: (1) the primary significance of the mark is as the name of a place that is generally known; and (2) the relevant purchasers would associate defendant's goods with the place named, *i.e.*, that the public would believe that the goods come from the place named. *Grand Canyon West Ranch LLC v. Hualapai Tribe*, 88 USPQ2d 1501, 1505 (TTAB 2008).
- 8 Under the equitable defense of unclean hands, a plaintiff may be estopped from relying on a pleaded registration because the registration was obtained or maintained on the basis of a false statement. *See Duffy-Mott Co., Inc. v. Cumberland Packing Co.*, 424 F.2d 1095, 165 USPQ 422, 424-25 (CCPA 1970); *Lever Bros. Co. v. Shuklee Corp.*, 214 USPQ 654, 659 (TTAB 1982) ("While ordinarily, in a proceeding before this Board, a Principal Register registrant is entitled to rely upon the presumptions of validity, ownership and exclusive right to use accorded under the provisions of the Trademark Act, we have determined that such presumptions are effectively rebutted where there is clear and unmistakable evidence in the record that the registered mark is invalid due to its having been abandoned, obtained on the basis of a false statement or subject to some other material defect. Where such unmistakable evidence exists, the registration is not accorded any evidentiary value in regard to the issues in a proceeding before us.").
- 9 In Cancellation No. 92058318, Applicant/Counterclaim-Plaintiff has adequately pleaded a claim that Opposer/Counterclaim-Defendant's Registration No. 4425098 is void *ab initio* on the ground that the involved mark was not in use in commerce in connection with the identified goods as of the filing date of the underlying use-based application. *See infra*, p. 17.
- 10 Opposer/Counterclaim-Defendant also argues the merits of Applicant/Counterclaim-Plaintiff's fraud claim. *See Opposer/Counterclaim-Defendant Cross-Motion*, pp. 15-23.
- 11 In contrast, a claim of fraud may be based on an assertion that the defendant submitted a fabricated specimen, but Applicant/Counterclaim-Plaintiff has not made any such allegation.
- 12 Any amended counterclaim or answer to the counterclaim should be filed only in the child case, Cancellation No. 92058318.
- 13 To be clear, a mark registered pursuant to Trademark Act Section 1(a) need not have been used in *interstate* commerce as of the filing date of the allegation of use. A mark may be registered pursuant to Section 1(a) of the Trademark Act if it is used in commerce that may be *regulated by Congress*, which includes *intrastate* use of a mark that directly affects a type of commerce that Congress may regulate. 15 U.S.C. §§ 1051(a) and 1127; *see also In re Silemus Wines, Inc.*, 557 F.2d 806, 194 USPQ 261 (CCPA 1977); TMEP § 901.03 (Jan. 2015).
- 14 These equitable defenses also are "severely limited" in cancellation actions. TBMP § 311.02(b). In addition, to the extent Applicant/Counterclaim-Plaintiff adequately pleads a claim of fraud, these equitable defenses would not be available. *See id.* and cases cited in footnote 7 therein.
- 15 Applicant/Counterclaim-Plaintiff is advised that the factual question of intent, which is an element of a fraud claim, "is particularly unsuited to disposition on summary judgment." *Copelands' Enters. Inc. v. CNI Inc.*, 945 F.2d 1563, 20 USPQ2d 1295, 1299 (Fed. Cir. 1991) (emphasis added); *see also Asian and Western Classics*, 92 USPQ2d at 1480. Moreover, "[a] party making a fraud claim is under a heavy burden because fraud must be proven to the hilt by clear and convincing evidence, leaving nothing to speculation, conjecture, or surmise...." *Asian and Western Classics*, 92 USPQ2d at 1480.
- 16 Opposer/Counterclaim-Defendant submitted printouts from the Internet consisting of customer reviews for its restaurants, and in some cases, the reviewer identified its purported state of residency. *See Declaration of Rachel Pearlman*, Exhibit G. Notwithstanding that the Internet documents were properly authenticated, they are hearsay to the extent Opposer/Counterclaim-Defendant is attempting to use them to establish that its New York state restaurants, where it sells its beer and ale, are frequented by out-of-state customers. In addition, in connection with its reply brief, Opposer/Counterclaim-Defendant submitted a second declaration from its brewery manager, Robert Chandler Kane, authenticating: (1) Exhibit A as "true and accurate receipts for purchase of [Opposer/Counterclaim-Defendant's] kegs by various retailers to whom [Opposer/Counterclaim-Defendant] supplies kegs of its products for retail"; and (2) Exhibit B as "a true and accurate copy of a report that correctly reflects of [sic] [Opposer/Counterclaim-Defendant's] sales to various retail locations since 2000." The receipts attached as Exhibit A are all dated after the filing date of the underlying application, and also either do not list an address for the purchaser or list a New York state address. Similarly, there is no evidence that the sales reflected in Exhibit B were made in connection with the involved mark or that any of the purchasers were from outside the state of New York.
- 17 Opposer/Counterclaim-Defendant's brewery manager authenticated "sales records for February and March of 2013," which he attests "include the sale of growlers of root beer," but the declaration and sales records are ambiguous as to whether these

sales were made in connection with the involved mark as well as to out-of-state customers. Reply Brief, Second Declaration of Robert Chandler Kane, ¶ 3 and Exhibit A thereto.

18 The fact that we have identified genuine disputes of material fact as a sufficient basis for denying Opposer/Counterclaim-Defendant's motion for summary judgment should not be construed as a finding that these are necessarily the only issues which remain for trial. In addition, the parties should note that the evidence submitted in connection with the cross-motions for summary judgment is of record only for consideration of those motions. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. *See Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB 1983); *Am. Meat Institute v. Horace W. Longacre, Inc.*, 211 USPQ 712 (TTAB 1981).

19 A party seeking permission to file an unconsented motion should contact both opposing counsel and the assigned interlocutory attorney to schedule a mutually agreeable time for the parties and the Board to participate in a telephone conference to discuss the basis for any proposed motion.

20 If the discovery conference conducted and initial disclosures served previously in Cancellation No. 92058318 adequately address the claims in Opposition No. 91219162, the parties need not hold another discovery conference or serve another set of initial disclosures.

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